

## October – December (compared to the same quarter of the previous year)

- Revenues decreased by 7.1% to 814.2 (872.4) MSEK.
- Gross profit for the period increased by 4.2% to 195.0 (187.1) MSEK.
- EBITDA decreased to 16.7 (73.8) MSEK.
- Operating profit amounted to 8.8 (65.0) MSEK.
- Profit after tax totalled 3.7 (44.1) MSEK.
- Earnings per share after dilution amounted to 0.13 (1.54) SEK.
- Cash flow from operating activities was 87.8 (38.8) MSEK.
- Future cost efficiency measures have impacted results by 16.4 MSEK.
- Group's long-term financing secured via subordinated debenture.
- In December, Örjan Frid started as new CEO and Christer Elmhagen as new Chairman of the Board.

## January – December (compared to the same period of the previous year)

- Revenues increased by 29.8% to 3,456.7 (2,663.6) MSEK.
- Gross profit for the year increased by 17.5% to 747.1 (636.0) MSEK.
- EBITDA decreased to 183.3 (214.1) MSEK.
- Operating profit amounted to 149.9 (194.8) MSEK.
- Profit after tax totalled 94.4 (152.3) MSEK.
- Earnings per share after dilution amounted to 3.31 (5.34) SEK.
- Cash flow from operating activities was 218.0 (140.4) MSEK.
- The planned rate of expansion necessitated an increase in personnel. The rate of growth of the Group's operations has slowed, resulting in personnel redundancies at the end of the year.
- The Board of Directors proposes to the Annual General Meeting a dividend of 0.0 (2.75) SEK per share.

## CEO Comments

Profits in the Group decreased significantly during the fourth quarter due to costs that were too high. Compared to the third quarter of the year, expenses went up by 53.6 MSEK. In addition to a decrease in expenses of 18.7 MSEK for warrants, one time extraordinary expenses of 10.7 MSEK for severance pay to the former CEO and personnel redundancies, provisions for disputes and doubtful trade debtors within Search of 5.0 MSEK and expenses of 2.9 MSEK for adapting the IT system for behavioural targeting were charged to the fourth quarter. All together, the measures carried out have resulted in the fact that the Group now has a cost base for 2009 that is about ten percent lower than for the entire year 2008. The full effect of cost-efficiency measures is expected during the first quarter of 2009. During 2009, I will continue to carefully monitor the Group's costs in order to take necessary actions that will return costs to a level where margins can be improved again.

At the same time, the quarter has seen an increase in gross profits. This proves the strength of TradeDoubler's business model in a time of financial unrest and decreased consumption. The UK is once again showing stability under a new, fortified management team, and the Group's other primary markets, France and Germany, are also continuing to show strong performance. Even growth in the Group's smaller markets outside of the Nordic region continues to develop well. These positive results again confirm the strength of the Group's geographic spread and broad product portfolio.

The Group's exposure to currency, mainly EUR and GBP, has a negative impact on the Group's financial net income due to provisions for unrealised currency exchange losses. These

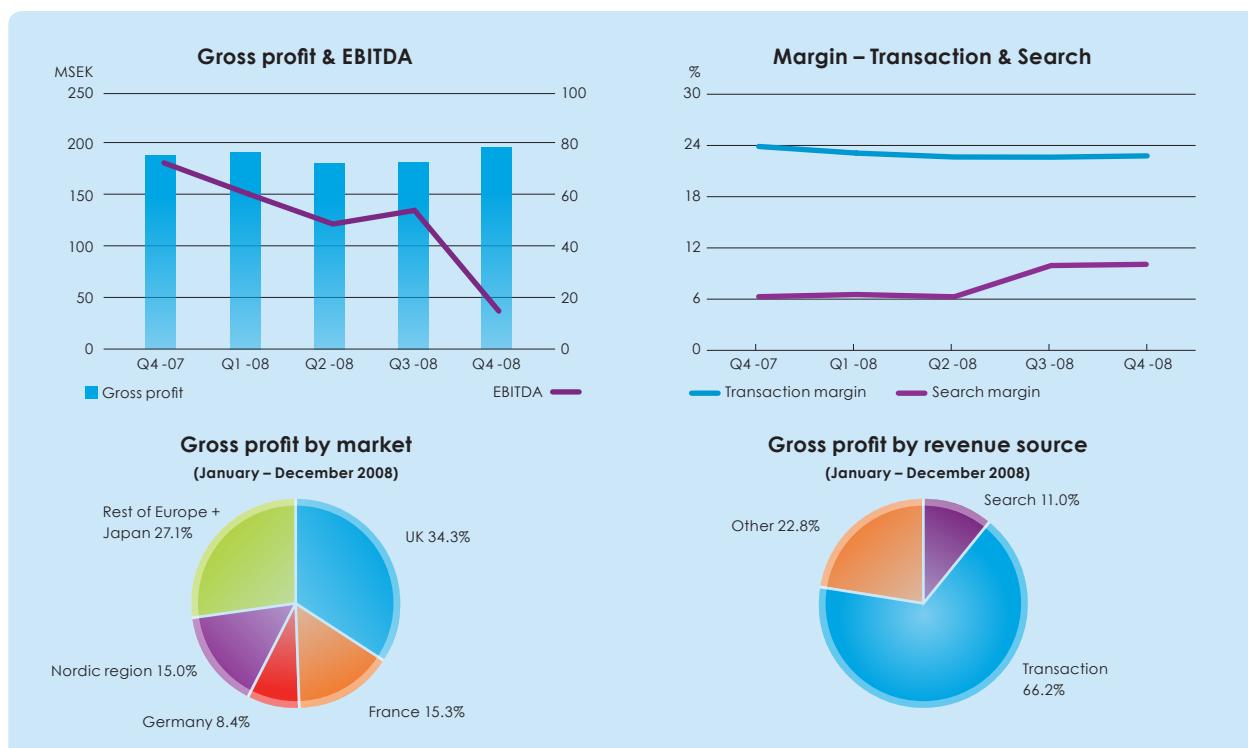
unrealised losses amounted to 15.7 MSEK at year-end. The British pound dropped to its lowest level of the quarter at the end of the year.

The Group's financial position improved and at year-end, the net loan debt was 154.1 (282.7) MSEK. Cash flow continues to remain stable, even if volatility between quarters is normal for the company's operations. The slump in the British market during the second quarter has led to a situation where the company has been unable to follow its amortisation plan. As a result, the company has issued a subordinated debenture and the Board of Director's will propose that no dividend will be paid for 2008.

In short, TradeDoubler is well positioned to meet customer demands. The potential for positive and stable growth is good, and as new CEO, there are several areas that will have my particular focus in 2009:

- Ensure that the company's expenses are balanced against revenues and growth to secure continued positive margins.
- Guarantee that operations within Search become a substantial asset on TradeDoubler's important markets so that the potential from the acquisition of IMW is given full leverage.
- Improve the clarity of the customer benefits that TradeDoubler's services offer, and establish a more solutions-based profile in the market. The potential of what TradeDoubler can generate for companies that wish to increase benefits from digital marketing is considerable.

**Örjan Frid**  
 President and CEO



## Market

### Growth

Growth in digital marketing is driven primarily by increases in volumes and spending in e-commerce, Internet and broadband penetration and advertisers' division of marketing budgets. During the year, the market experienced the effects of the global recession and growth in the short term is uncertain. Research institutes have not yet revised their growth forecasts for e-commerce; however, one estimate is that growth figures will be reduced when forecasts are published during the spring of 2009.

There is an ongoing structural shift from traditional to digital marketing. Even if digital marketing is mainly performance based, that is, commissions are only generated if some form of transaction takes place, growth is being affected by the reduced marketing budgets of the companies that advertise. For a performance-based payment model, the conversion rate from impressions to actual transactions is even more significant during a period of economic recession. During 2009, TradeDoubler will continue to focus on increasing the conversion rate through what is known as behavioural targeting. The tests that were carried out in this area in the Swedish market during 2008 have instilled confidence in investments in behavioural targeting.

TradeDoubler's unique expertise within digital marketing paired with an international organisation has proven to be a successful combination. Together with an increased focus on customer benefits during the year, this has led to a substantial number of customers extending their cooperation with TradeDoubler.

### Trends

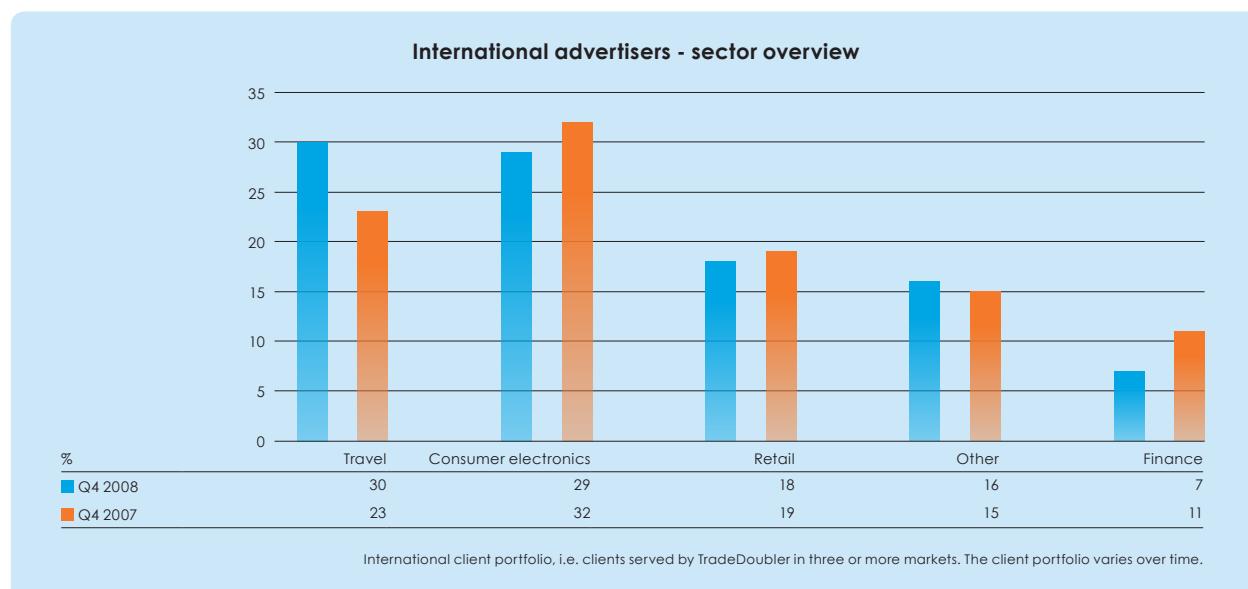
One clear trend is the increased demand for one-stop-shop solutions within digital marketing. In addition, in-house and limited technical solutions are being replaced by turnkey solutions and technical platforms with the capacity to administrate all services. TradeDoubler is a leading participant in the market with an offering that allows it to integrate parts or all of a customer's digital marketing.

### Seasonality

Traditionally, TradeDoubler's gross profits are normally strongest during the fourth quarter, followed by the first quarter of the year. The fourth quarter is driven by retail and electronics, sectors that peak during the Christmas season. The travel sector is normally strongest during the first and third quarters, during which sales in retail are also significant, mainly due to sales campaigns.

### Advertisers and publishers

TradeDoubler's advertisers can be found primarily within travel, retail, consumer electronics and finance. At the end of the period, TradeDoubler had 1,744 (1,662) advertisers while the number of active publishers was 127,779 (120,816). The 25 largest advertisers generated 27.4 percent of net profits during the period. TradeDoubler's 25 largest publishers accounted for 17.5 percent of volume during the period. The Group's limited exposure to a small number of advertisers and publishers results in a diversified risk.



## Financial Development

### Gross profit by market

MSEK	Q4 -08	Q3 -08	Q2 -08	Q1 -08	Q4 -07	Q3 -07	Q2 -07	Q1 -07	Q4 vs Q4	2008	2007	-08 vs -07
UK	64.9	59.7	56.5	74.9	76.7	72.5	53.2	55.0	-15.4%	256.0	257.4	-0.5%
France	34.1	24.6	27.5	27.9	30.5	23.5	19.1	18.3	11.8%	114.1	91.4	24.8%
Germany	16.6	19.6	12.9	13.4	12.0	11.2	9.6	9.6	38.3%	62.5	42.4	47.5%
Nordic region	26.0	28.2	31.2	26.6	25.8	23.2	24.6	23.4	0.8%	112.0	97.0	15.5%
Rest of Europe+Japan	53.4	48.7	52.3	48.1	42.1	35.9	36.5	33.3	26.8%	202.5	147.8	37.0%
<b>Total</b>	<b>195.0</b>	<b>180.8</b>	<b>180.4</b>	<b>190.9</b>	<b>187.1</b>	<b>166.3</b>	<b>143.0</b>	<b>139.6</b>	<b>4.2%</b>	<b>747.1</b>	<b>636.0</b>	<b>17.5%</b>

### Gross profit by revenue source

MSEK	Q4 -08	Q3 -08	Q2 -08	Q1 -08	Q4 -07	Q3 -07	Q2 -07	Q1 -07	Q4 vs Q4	2008	2007	-08 vs -07
Transaction	133.3	124.6	117.9	118.8	128.6	112.2	112.3	108.9	3.6%	494.6	462.0	7.1%
Other	44.2	35.7	42.9	47.7	38.4	36.6	30.7	30.7	15.1%	170.5	136.4	25.0%
Search	17.5	20.5	19.6	24.4	20.1	17.5			-12.9%	82.0	37.6	118.1%
<b>Total</b>	<b>195.0</b>	<b>180.8</b>	<b>180.4</b>	<b>190.9</b>	<b>187.1</b>	<b>166.3</b>	<b>143.0</b>	<b>139.6</b>	<b>4.2%</b>	<b>747.1</b>	<b>636.0</b>	<b>17.5%</b>

### EBITDA by revenue source

MSEK	Q4 -08	Q3 -08	Q2 -08	Q1 -08
Transaction	13.8	38.8	33.6	37.6
Other	3.6	14.1	12.0	17.6
Search	-0.7	3.6	3.4	5.8
<b>Total</b>	<b>16.7</b>	<b>56.5</b>	<b>49.0</b>	<b>61.0</b>

Transaction = affiliate- and campaignproducts  
 Other = license and consultancy fees  
 Search = searchrelated products and services

### Revenues and profits

The Group's revenues in the fourth quarter fell by 7.1 percent to 814.2 (872.4) MSEK. After adjustments for currency, the decrease was 4.1 percent. Revenues during the quarter were affected by a drop in volume from a low margin customer within Search from the third quarter of 2008. During the year, revenues increased by 29.8 percent to 3,456.7 (2,663.6) MSEK.

Sales initiatives were high during the quarter, which has provided the Group with an inflow of new customers as well as additional sales to existing customers. Unfortunately, the quarter was also characterised by losses of customers, mainly within Search, which levelled the customer base as a whole. All in all, TradeDoubler's primary markets continue to develop positively and in line with expectations.

Sales continued to be strong within the Transaction product area. During the quarter, revenues went up by 10.9 percent to 597.0 (538.5) MSEK and for the year by 10.5 percent to 2,210.4 (2,000.8) MSEK. The increase is attributable to an ongoing process to improve efficiency in the existing programmes, customer profits for affiliate marketing and strong growth in the campaign product. An increase in the number of pan-European customers has meant that operations can capitalise on both size and scale.

Revenues from the Other product area increased during the quarter by 15.1 percent to 44.2 (38.4) MSEK and for the year by 26.5 percent to 172.5 (136.4) MSEK. Other reported a gross profit of 44.2 (38.4) MSEK on an annual basis, an increase of 15.1 percent. Td Integral improved sales for the fourth quarter in a row. Consultancy fees within Other dropped due to renegotiations with customers at the beginning of the year

as well as increased pressure on fixed fees that continued during the fourth quarter. Td Searchware is continuing to increase its sales. The implementation of td Integral (the integrated product Td Toolbox and Searchware4) in Japan, France and Poland was particularly successful.

Revenues from Search product area fell during the quarter by 41.5 percent to 173.0 (295.5) MSEK but increased during the year as a whole to 1,073.8 (526.4) MSEK. The sale of the Group's services within keyword marketing outside of the UK developed more slowly during the year than expected.

Margins for Transaction were impacted by price pressure mainly in the UK and decreased to 22.3 (23.9) percent for the quarter and 22.4 (23.9) percent for the year. Margins within Search increased to 10.1 (6.8) percent for the quarter and 7.6 percent for the year.

EBITDA decreased during the quarter by 77.4 percent to 16.7 (73.8) MSEK. For the year, EBITDA dropped by 14.4 percent

The Group's operating profit (EBIT) went down by 86.5 percent to 8.8 (65.0) MSEK for the quarter and decreased by 23.0 percent to 149.9 (194.8) MSEK for the year.

Profits in the Group decreased significantly during the fourth quarter due to costs that was too high. One-time extraordinary expenses comprising 10.7 MSEK for severance pay to the former CEO and personnel redundancies, 5.0 MSEK for provisions for disputes and doubtful trade debtors within Search and 2.9 MSEK for adapting the IT system for behavioural targeting were charged to the fourth quarter.

TradeDoubler's business model allows the Group to limit exposure to credit losses. Losses recorded during the year include mainly disputes with suppliers and losses of customers within Search, the operations of which have a slight exposure to credit risk.

Profit before tax decreased during the year by 38.3 percent to 129.0 (209.0) MSEK. Profit after tax decreased during the year by 38.0 percent to 94.4 (152.3) MSEK.

#### **Earnings per share**

The average number of shares after dilution during the quarter amounted to 28,451,633 resulting in earnings per share of 0.13 (1.54) SEK. The average number of shares after dilution was 28,523,275 and resulted in earnings per share of 3.31 (5.34) SEK.

#### **Cash flow**

Cash and cash equivalents at December 31, 2008 amounted to 133.4 (224.2) MSEK. Cash flow from operations before changes in working capital totalled 101.9 (226.2) MSEK during the year. The change in working capital during the period was 116.1 (-85.8) MSEK. During the quarter, cash flow from operations before changes in working capital was 15.7 (59.9) MSEK and the change in working capital was 72.2 (-21.1) MSEK. Fluctuations in working capital between the quarters result mainly from trade debtors and creditors restricted to search engines and are considered normal for operations. Net investments in tangible assets during the period equalled -13.5 (-12.8) MSEK. Net investments in intangible assets amounted to -10.1 (-0.0) MSEK. Cash flow was also affected by a share buyback valued at -11.1 (0.0) MSEK for the period. At December 31, 2008, the Group had financing amounting to 287.5 (964.7) MSEK as well as a net debt of 153.4 (282.7) MSEK.

#### **Financing**

During the first quarter of 2009, the Group's bank loan will be amortised by 80.0 MSEK to 207.5 MSEK while at the same time the Company will raise a subordinated debenture of 50.0 MSEK. The subordinated debenture has a three-year tenor and will guarantee that the Group has access to essential financing in the foreseeable future. Interest on the debenture, which has been adjusted to conditions on the market, is STIBOR +13 percent. Redemption within 12 months is permitted at 104 percent of the nominal value and thereafter at the nominal value.

#### **Currency and foreign exchange**

The effects of the weakened GBP had a negative impact of 7.9 MSEK on the Group's gross profit compared with the fourth quarter of 2007. The strengthening of the Euro against the Swedish krona had a positive effect of 3.0 MSEK during the quarter. In total, currency effects had a negative impact of 2.6 percent on the Group's growth in gross profits during the quarter.

A total of 95.4 (96.0) percent of the Group's sales pertain to operations outside of Sweden, which means that fluctuations in foreign exchange rates impact the Group's profit and loss account and balance sheet. TradeDoubler does not hedge exchange rates.

#### **Significant events after the closing date**

See information under "Financing"

#### **Employees**

At the end of the year, TradeDoubler had 637 (550) employees, of which 37.0 (38.0) percent were female. During the year, the average number of employees was 624 (461).

William Cooper left his position as President and CEO and was replaced by Örjan Frid. During the fourth quarter, TradeDoubler carried out a personnel reduction programme corresponding to 38 full-time positions. In addition to the change of CEO, mainly trial employments have been terminated. The affected employees have been informed and will leave the company before March 31, 2009.

#### **TradeDoubler share**

On December 31, 2008, TradeDoubler had a share capital of 11.4 MSEK, divided into 28,581,633 shares with a ratio value of 0.4 SEK.

#### **Extraordinary General Meeting**

At an Extraordinary General Meeting held on December 19, 2008, Christer Elmehagen was elected new Chairman of the Board of Directors to replace Kjell Duveblad, who left the Board.

#### **Dividend**

Given the current negative economic climate, the Board of Directors has decided to recommend to the Annual General Meeting that no dividend be paid for 2008 (2.75 SEK per share).

#### **Parent company**

The Parent Company's sales decreased by 56.1 percent to 24.3 (55.3) MSEK during the fourth quarter. Sales relate primarily to license fees from subsidiaries. Losses for the fourth quarter after financial items amounted to 71.0 (7.6) MSEK. Profit for the period was 9.7 (74.2) MSEK. The average number of people employed by the Parent Company during the fourth quarter was 83 (99).

#### **Related party transactions**

Transactions with closely associated parties within the TradeDoubler Group essentially consist of license fees of 256.4 (262.8) MSEK, which the Parent Company charges the subsidiaries, and other revenue of 13.7 (13.5) MSEK. Transactions with closely related parties are priced on commercial terms and conditions. The Parent Company's receivables from subsidiaries totalled 588.9 (876.0) MSEK and include financing in connection with the purchase of IMW Group. The Parent Company's liabilities to subsidiaries amounted to 140.6 (196.1) MSEK. Intercompany transactions are eliminated in the consolidated accounts.

#### **Incentive programme and share buy back**

On May 6, 2008 the Annual General Meeting approved the Board of Directors' proposal for a performance-based share programme. The programme extends over five years, including a performance period of three years, and will comprise at most 240,000 "performance shares" targeted

at a maximum of 80 employees. The total cost in 2008 for the programme, calculated in accordance with IFRS 2, is 1.1 MSEK.

Following the authorisation, the company repurchased 130,000 shares, during the year, within the price interval between the highest buying price and the lowest selling price at Nasdaq OMX Stockholm Exchange.

A total of 65,000 shares were repurchased at a price of 112.5 SEK per share, 13,000 shares were repurchased at a price of 58 SEK per share and 52,000 shares were repurchased at a price of 57.75 SEK per share. This corresponds to an investment of a total of 11.1 MSEK for the year. TradeDoubler currently holds 130,000 shares in the company, which had an impact of 11.1 MSEK on equity capital.

#### **Risk and factors of uncertainty**

TradeDoubler's operations involve the development of advanced software and related services. TradeDoubler's business is expanding rapidly and internationally. In addition to customer and supplier relationships, risks include, but are not limited to, the level of customer acceptance of existing, new and upgraded products and services, the growth of overall market demand for the company's products, the company's relationships with third-party suppliers and the company's ability to accurately forecast and manage the volume of sales in various currencies. Both the Group and the Parent Company share these risks.

#### **Accounting principles**

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act (Årsredovisningslagen). IFRIC11 has been applied since January 1, 2007. The accounting policies that have been applied are in agreement with the accounting policies that were used in the preparation of the company's latest annual report. The company has adapted its accounts in accordance with the rules governing the capitalisation of development costs during the period in accordance with IFRS. A description of the accounting policies can be found in Note 1 of the Annual Report for 2007.

New or revised IFRS standards or IFRIC interpretations, which came into force on January 1, 2008, have not had an effect on the Group's profits or financial position.

The Parent Company prepares its accounts in accordance with RFR 2.1, "Accounting for Legal Entities" and the Annual Accounts Act.

#### **Annual General Meeting**

The Annual General Meeting for 2008 will be held at 16.00 CET on May 6, 2009 at Norra Latin in Stockholm. The Annual Report for 2008 will be published on April 20, 2009 on TradeDoubler's website and will be available at TradeDoubler's headquarters in Stockholm. The Annual Report will also be distributed by post approximately two weeks before the Annual General Meeting to those shareholders who have so requested.

#### **Presentation of the financial report**

This report was made public at 8.00 CET on January 29, 2009 and published concurrently on TradeDoubler's website at [www.tradedoubler.com](http://www.tradedoubler.com). There will be a telephone conference at 10.00 CET on the same day hosted by Örjan Frid, President and CEO, and Casper Seifert, CFO, who will present the results for the period.

To participate in the conference call, please dial:

Sweden: +46 (0)8 5052 0110

International: +44 (0)20 7162 0077

#### **Forthcoming reporting dates:**

- Q1 2009 – May 6, 2009
- AGM – May 6, 2009
- Q2 2009 – August 18, 2009
- Q3 2009 – November 3, 2009
- Q4 2009 – February 2, 2010

#### **For more information, please contact**

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#### **Stockholm, January 29, 2009**

On behalf of the Board of Directors

#### **Örjan Frid**

President and CEO

This Interim Report has not been subject to review by the auditors.

## Consolidated Income Statement

TSEK	Jan-Dec 2008	Jan-Dec 2007	Oct-Dec 2008	Oct-Dec 2007
Revenue	3,456,696	2,663,642	814,239	872,420
Cost of services sold	-2,709,611	-2,027,619	-619,206	-685,303
<b>Gross profit</b>	<b>747,085</b>	<b>636,023</b>	<b>195,033</b>	<b>187,117</b>
Selling expenses	-420,315	-310,459	-127,444	-78,481
Administrative expenses	-122,278	-102,567	-43,292	-34,602
Development expenses	-54,551	-28,164	-15,540	-9,031
<b>Operating profit</b>	<b>149,941</b>	<b>194,833</b>	<b>8,757</b>	<b>65,003</b>
Net financial items	-20,965	14,123	-5,240	-8,250
<b>Profit before tax</b>	<b>128,976</b>	<b>208,956</b>	<b>3,517</b>	<b>56,753</b>
Income tax expense	-34,572	-56,609	163	-12,670
<b>Net profit</b>	<b>94,404</b>	<b>152,347</b>	<b>3,680</b>	<b>44,083</b>
Basic earnings per share (SEK)	3.31	5.42	0.13	1.56
Diluted earnings per share (SEK)	3.31	5.34	0.13	1.54
Average no of shares outstanding	28,532,275	28,092,179	28,451,633	28,320,348
Average no of shares outstanding after dilution	28,532,275	28,546,284	28,451,633	28,567,493

## Consolidated Cash Flow Statement

TSEK	Jan-Dec 2008	Jan-Dec 2007	Oct-Dec 2008	Oct-Dec 2007
Operating activities				
Profit before tax	128,976	208,956	3,516	56,753
Adjustments for non-cash items	21,699	33,233	8,783	3,150
Income taxes paid	-48,786	-16,000	3,341	-24
<b>Cash flow from operating activities before change in working capital</b>	<b>101,889</b>	<b>226,189</b>	<b>15,640</b>	<b>59,879</b>
Changes in working capital	116,090	-85,785	72,159	-21,127
<b>Cash flow from operating activities</b>	<b>217,979</b>	<b>140,404</b>	<b>87,799</b>	<b>38,752</b>
Investing activities				
Net investment of intangible fixed assets	-10,106	-	-820	447
Net investment of subsidiaries	-	-722,692	-	-20,700
Net investment of tangible fixed assets	-13,555	-12,763	-5,057	-5,595
<b>Cash flow from investment activities</b>	<b>-23,661</b>	<b>-735,455</b>	<b>-5,877</b>	<b>-25,848</b>
Financing activities				
New share issues	49	7,030	-	6,884
Purchase own shares	-11,070	-	-	-
Current investments	477,485	-477,485	-	-477,485
External loan	400,000	994,122	-	487,222
Amortisation loan	-1,077,880	-	-37,942	-
Dividend	-78,599	-140,076	-	-
<b>Cash flow from financing activities</b>	<b>-290,015</b>	<b>383,591</b>	<b>-37,942</b>	<b>16,621</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>-95,697</b>	<b>-211,460</b>	<b>43,980</b>	<b>29,525</b>
Cash and cash equivalents on opening date	224,157	433,082	82,605	190,811
Translation difference in cash and cash equivalents	4,929	2,535	6,807	3,821
<b>Cash and cash equivalents on closing date</b>	<b>133,389</b>	<b>224,157</b>	<b>133,389</b>	<b>224,157</b>
Adjustment for non-cash items				
Depreciation	33,327	19,255	7,978	8,789
Expenses attributable to share related programs	-11,628	13,978	805	-5,639
Total non-cash items	21,699	33,233	8,783	3,150

## Consolidated Balance Sheet

TSEK	31 Dec 2008	31 Dec 2007
<b>ASSETS</b> <sup>1</sup>		
Fixed assets		
Intangible fixed assets	631,657	730,667
Tangible fixed assets	22,675	24,918
Other long-term receivables	1,475	803
Deferred tax assets	45,829	49,455
<b>Total fixed assets</b>	<b>701,636</b>	<b>805,843</b>
Current assets		
Accounts receivable	673,948 <sup>2</sup>	685,749
Prepaid expenses and accrued income	16,903	15,357
Current Investments	–	477,485
Other current receivables	25,410	28,406
Cash and cash equivalents	133,389	224,157
<b>Total current assets</b>	<b>849,650</b>	<b>1,431,154</b>
<b>TOTAL ASSETS</b>	<b>1,551,286</b>	<b>2,236,997</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
Shareholders' equity	291,914	361,308
Long-term liabilities		
Deferred tax liability	17,232	33,227
Other provisions	–	1,121
<b>Total long-term liabilities</b>	<b>17,232</b>	<b>34,348</b>
Current liabilities		
Accounts payable	186,698 <sup>3</sup>	257,913
Publisher payable	396,707	311,660
Tax liability	24,497	48,100
Other current liabilities	294,824	209,703
Debt to financial institute	37,500	964,707
Bank overdraft facility	249,327	–
Accrued expenses and deferred income	52,587	49,258
<b>Total current liabilities</b>	<b>1,242,140</b>	<b>1,841,341</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>1,551,286</b>	<b>2,236,997</b>

<sup>1</sup> Pledged assets in term of stocks in subsidiaries amounts to 171,5 (201,0)MSEK

<sup>2</sup> Accounts receivable for search was 120,1 (209,3) MSEK

<sup>3</sup> Accounts payable to search engines 155,8 (233,0) MSEK

## Change in Consolidated Shareholders' equity

TSEK	Jan-Dec 2008	Jan-Dec 2007	Oct-Dec 2008	Oct-Dec 2007
Shareholders' equity on opening date	361,308	348,965	319,312	312,293
Exchange rate effect adjusted to Equity	–62,550	–33,567	–31,882	–9,753
Profit for the period	94,404	152,347	3,679	44,083
Share buy back	–11,070	–	–	–
New share issue	49	7,030	–	6,884
Dividend	–78,599	–140,076	–	–
IFRS cost share related programs	–11,628	13,978	–	–4,830
Tax effect on share option exercise	–	12,631	805	12,631
<b>Total shareholders' equity on closing date</b>	<b>291,914</b>	<b>361,308</b>	<b>291,914</b>	<b>361,308</b>

## Quarterly Results

TSEK	Oct-Dec 2008	Jul-Sep 2008	Apr-Jun 2008	Jan-Mar 2008	Oct-Dec 2007
Revenue	814,229	788,527	866,910	987,020	872,420
Quarter-on-quarter growth (%)	3.3	-9.0	-12.0	13.1	15.2
Cost of services sold (publisher compensation)	-619,206	-607,722	-686,524	-796,159	-685,303
Gross profit	195,033	180,805	180,386	190,861	187,117
Quarter-on-quarter growth (%)	7.9	0.2	-5.5	2.0	12.6
Selling expenses	-127,444	-98,309	-98,108	-96,454	-78,481
Administrative expenses	-43,292	-21,626	-26,494	-30,866	-34,602
Development expenses	-15,540	-12,885	-15,085	-11,041	-9,031
Operating profit	8,757	47,985	40,699	52,500	65,003
Net financial items	-5,240	-1,051	-11,765	-2,909	-8,250
Profit before tax	3,517	46,934	28,934	49,591	56,753
Income tax expense	163	-12,189	-11,759	-10,786	-12,670
Net profit	3,680	34,745	17,175	38,805	44,083

## Key Data

TSEK	Oct-Dec 2008	Jul-Sep 2008	Apr-Jun 2008	Jan-Mar 2008	Oct-Dec 2007
Operating margin (%)	1.1	6.1	4.7	5.3	7.5
EBITDA	16,734	56,563	48,926	61,046	73,792
EBITDA margin (%)	2.1	7.2	5.6	6.2	8.5
Equity ratio (%)	18.8	20.2	18.2	21.4	16.2
Return on equity (%)	30.9	44.1	47.4	44.3	46.1
Return on Invested capital	1.9	6.2	4.4	7.7	4.8
Return on capital employed	2.5	14.1	12.5	14.2	16.4
Number of employees on closing date	637	638	644	594	550
Average number of employees	640	642	631	587	557
Transaction Margin (%)	22.3	23.0	22.9	22.3	23.9
Search Margin (%)	10.1	9.8	6.3	6.5	6.8
Diluted earnings per share (SEK)	0.13	1.22	0.60	1.36	1.54

## Five Years in Summary

IFRS	2008	2007	2006	2005	2004
Revenue (TSEK)	3,456,696	2,663,642	1,744,080	1,085,047	597,744
Gross Profit (TSEK)	747,085	636,023	480,297	314,480	188,531
Operating margin (%)	4.3	7.3	10.9	4.0	9.3
EBITDA (TSEK)	183,268	214,088	196,474	48,118	58,167
EBITDA margin (%)	5.3	8.0	11.3	4.4	9.7
Equity/assets ratio (%)	18.8	16.2	38	35	31
Return on capital employed (%)	47.5	27	74	34	94
Return on shareholders' equity (%)	28.9	43	52	28	103
Risk-bearing capital (%)	19.9	17.6	38.5	35	31
Number of employees at end of year	637	550	351	256	160
Average number of employees	624	461	308	222	130

### Definitions

**Operating margin** – Operating profit as a percentage of revenue.

**EBITDA** – EBITDA is earnings before tax, net financial items and depreciation/amortisation and impairment.

**EBITDA-margin** – EBITDA as a percentage of revenue.

**Return on capital employed** – Operating profit plus interest income as a percentage of average capital employed, calculated as opening and closing capital employed divided by two.

**Return on equity** – equity Return on equity is calculated for the Group as profit for the year as a percentage of average equity.

**Return on invested capital** – Net operating profit less adjusted taxes divided by invested capital.

**Equity/assets ratio** – Shareholders' equity as a percentage of the balance sheet total.

**Percentage of risk-bearing capital** – Total of shareholders' equity, minority interests, shareholder loans and deferred tax liabilities divided by total assets.

## Income Statement – Parent Company

TSEK	Jan-Dec 2008	Jan-Dec 2007	Oct-Dec 2008	Oct-Dec 2007
Revenue	270,100	276,368	24,281	57,606
Cost of services sold	-10,246	-10,687	-3,133	-2,258
<b>Gross profit</b>	<b>259,854</b>	<b>265,681</b>	<b>21,148</b>	<b>55,348</b>
Selling expenses	-16,794	-30,638	-6,098	-5,792
Administrative expenses	-98,327	-95,899	-36,555	-38,055
Development expenses	-46,170	-28,152	-13,764	-9,018
<b>Operating profit</b>	<b>99,563</b>	<b>110,992</b>	<b>-35,269</b>	<b>2,483</b>
Net financial items	-86,087	-7,615	-64,469	8,466
<b>Profit before tax</b>	<b>12,476</b>	<b>103,377</b>	<b>-99,738</b>	<b>10,949</b>
Income tax expense	-2,778	-29,162	28,722	-3,330
<b>Net profit</b>	<b>9,698</b>	<b>74,215</b>	<b>-71,016</b>	<b>7,619</b>

## Balance Sheet – Parent Company

TSEK	31 Dec 2008	31 Dec 2007
<b>ASSETS</b>		
Fixed assets		
Property, plant and equipment	8,181	7,586
Investment in Group companies	52,787	58,246
Other longterm assets	536	552
<b>Total fixed assets</b>	<b>61,504</b>	<b>66,384</b>
Current assets		
Accounts receivable	2,936	2,539
Receivables from Group companies	588,892 <sup>4</sup>	842,954
Other current receivables	3,100	6,373
Prepaid expenses and accrued income	8,824	1,186
<b>Total current assets</b>	<b>603,752</b>	<b>853,052</b>
Investments	–	477,485
<b>Total investments</b>	<b>–</b>	<b>477,485</b>
Cash and cash equivalents	2,612	102,517
<b>Total current assets</b>	<b>606,364</b>	<b>1,433,054</b>
<b>TOTAL ASSETS</b>	<b>667,868</b>	<b>1,499,438</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
Shareholders' equity	114,921	206,473
Current liabilities		
Accounts payable	15,070	8,660
Liabilities to Group companies	140,690	196,151
Current tax	3,132	53,130
Debts to Financial institute	37,500	964,707
Bank overdraft facility	249,327	
Other current liabilities	95,032	57,968
Accrued expenses and deferred income	12,196	12,349
<b>Total Current Liabilities</b>	<b>552,947</b>	<b>1,292,965</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>667,868</b>	<b>1,499,438</b>

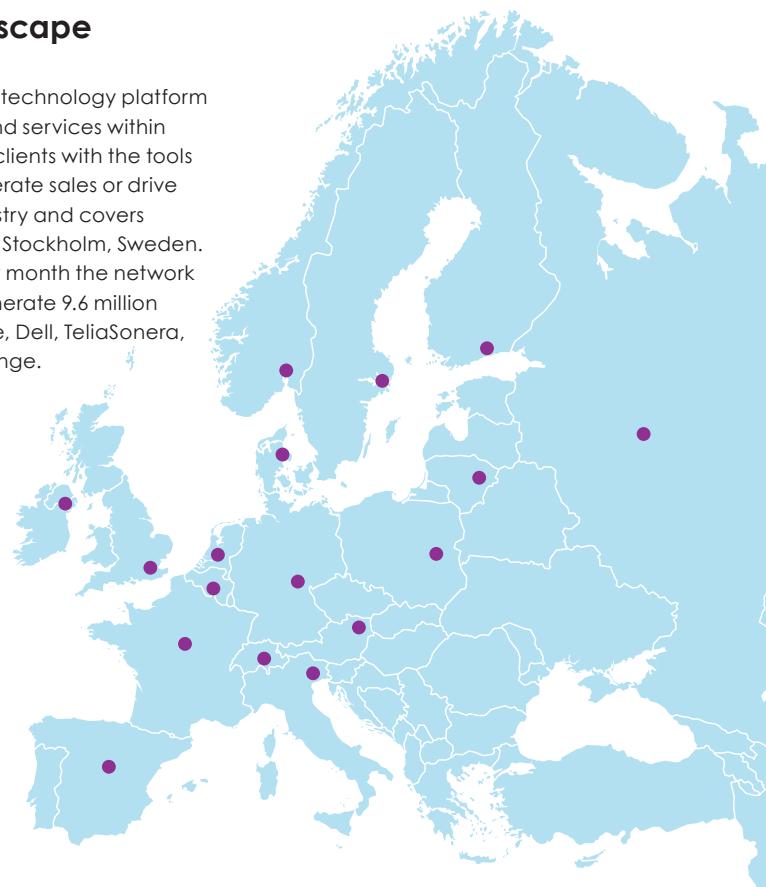
<sup>4</sup> Part of the receivables is an internal loan between the parent company and the subsidiary in the UK relating to the acquisition of the IMW group.

## Assets pledged and Contingent Liabilities – Parent Company

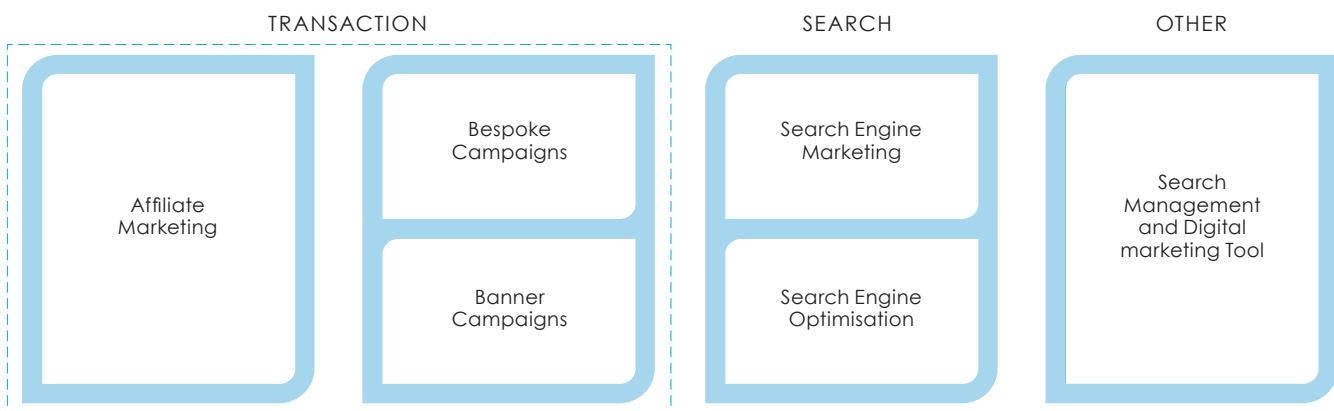
TSEK	31 Dec 2008	31 Dec 2007
Assets pledged	4,537	488,580
Rent deposits	536	552
Contingent liabilities	–	–

## TradeDoubler Redefines the Marketing Landscape

Through a strong brand, unique network, a proprietary and scalable technology platform and a market-leading expertise, TradeDoubler develops products and services within performance-based digital marketing that provides the company's clients with the tools and expertise to drive results online whether they are looking to generate sales or drive brand awareness. TradeDoubler is the market-leader within the industry and covers today 19 markets in Europe and Japan. The head-quarter is based in Stockholm, Sweden. TradeDoubler's network consists of over 128,000 publishers and every month the network has 272 million unique visitors, 23 billion impressions that together generate 9.6 million leads. TradeDoubler has 1,730 advertising clients, such as Apple Store, Dell, TeliaSonera, and Kelkoo. TradeDoubler is listed on Nasdaq OMX Stockholm Exchange.



## Offering



Affiliate marketing is TradeDoubler's core business. It is a web based marketing practice in which an advertiser rewards one or more affiliates for each visitor or customer brought about by the affiliate's marketing efforts.

Internet marketing campaigns share many characteristics with affiliate marketing. The main differences are that campaigns make use of either a select group of publishers for high quality conversions or the broad reach of the affiliated publishers for larger volumes.

Search engine marketing is a form of digital marketing that seeks to promote websites by increasing their visibility in the search engine result pages. Search engine marketing allows advertisers to be found in search listings on specific keywords.

Td Technology includes new functionality and design which frees users to focus on the important strategic and creative aspects of their campaigns.

TradeDoubler's integrated marketing interface, td Toolbox, provides ad serving, tracking and analysis and gives a seamless overview of all internet marketing activities.