



Press release  
26 October 2009

## Information on results for the third quarter 2009 and financing of the company

- TradeDoubler will report a lower than expected result for the third quarter 2009 as a result of lower revenue and non-recurring costs. On a preliminary basis net revenue for the quarter amounted to SEK 710.7 million (788.5) and gross profit amounted to SEK 143.4 million (180.8). On a preliminary basis, the operating loss, including a goodwill write down, amounted to SEK -185.9 million (48.0). Before non-recurring items, goodwill write down and exchange rate differences, the operating profit amounted on a preliminary basis to SEK 24.9 million (18.9).
- As an effect of a weak development and a more conservative view of the future development, the goodwill value, relating to the 2007 acquisition of the IMW Group in the UK, has been written down by SEK 152.4 million following an impairment test.
- The Board of Directors has initiated a process to strengthen the internal guidelines and control of the operations and processes including financial reporting. The process is headed by the newly recruited CFO Mr Thord Norberg. As a result of this process costs for non-recurring items relating to adjustments regarding reconciliation differences between the Enterprise Resource Planning (ERP) system and the general ledger as well as other non-recurring items totalling SEK 24.6 million have been recorded. Non-recurring items also include provisions for unutilized office space in London amounting to SEK 30 million and bad debt of SEK 7 million.
- To strengthen the financial position and enable continued growth efforts such as geographical expansion, the Board of Directors will within short propose a rights issue with preferential rights for existing shareholders amounting to around SEK 350 million. Three of the largest shareholders, Alecta, the Fourth Swedish National Pension Fund and AMF have each declared their intention to subscribe for at least their pro rata share, in total equivalent to just above 30 percent.

The reason for this information being released ahead of the results for the period January – September 2009, due on November 3, 2009, is that net revenue and operating profit is believed to differ from the market expectations, even though TradeDoubler has not provided forecasts. The Board of Directors has therefore decided to release provisional results for the third quarter as shown below. The final report for January – September 2009, which will be reviewed by the Company's auditor, will be published on November 3 at 08:00 CET. Today, Monday October 26, at 10:00 CET, a press- and analyst meeting will be held at

TradeDoubler's offices at Sveavägen 20, Stockholm. For further information and invitation, please see below and on the company's homepage.

### Provisional results for the third quarter

	Jul-Sep	Jul-Sep
SEK 000s	2009	2008
Net revenue	710 694	788 527
Gross profit	143 375	180 805
Adjusted gross profit	158 339	170 582
Operating profit/loss	-185 855	47 985
Adjusted operating profit	24 839	18 951
Pre-tax profit	-224 920	46 934
Net profit/loss	-226 271	34 745

### Non-recurring items in third quarter 2009

Jul-Sep 2009	Adjusted gross profit	Adjusted Operating profit
	SEK 000s	SEK 000s
Exchange rate changes	-8 132	-3 288
Adjustment for reconciliation differences and other items	16 096	24 600
Bad debt	7 000	7 000
Office space	-	30 000
<b>Total</b>	<b>14 964</b>	<b>58 312</b>

The operating results for the seasonally weak third quarter 2009 were to a certain extent negatively affected by lower gross profit of about seven percent and positive exchange rate differences of SEK 3.3 million, but primarily by non-recurring items of SEK 61.6 million and a goodwill write down of SEK 152.4 million.

Costs for non-recurring items relate to provisions for unutilized office space in London of SEK 30 million and bad debt of SEK 7 million. The costs cover adjustments for reconciliation differences between the Enterprise Resource Planning (ERP) system and the general ledger as well as other items amounting to a total of SEK 24.6 million.

As an effect of a weak development and a more conservative view of the future development, the goodwill value, relating to the 2007 acquisition of the IMW Group in the UK, has been written down by SEK 152.4 million following an impairment test.

Gross profit, excluding non-recurring items is around seven percent lower than in the same quarter last year and has been affected by the continuing economic recession, primarily in the

UK. A number of measures have been taken since the beginning of the year to reduce the company's costs. Thus far, the cost base in the third quarter, after adjustments for exchange rate differences and non-recurring items, has been reduced by 27 percent compared to the fourth quarter 2008, and by 18 percent compared to the third quarter 2008. The ongoing efforts to reduce costs will continue.

"Despite a weak third quarter, TradeDoubler's market position remains very strong. We are the market leader within performance-based digital marketing in all European markets except Germany. We have around 1,700 customers, the 25 largest of which account for around 30 percent of our revenue. With our broad market offering and with the planned equity injection we are well positioned to pursue further expansion," says Örjan Frid, President and CEO.

### **Internal guidelines and control**

The Board of Directors has initiated a process to strengthen the internal guidelines and control of the operations and processes including financial reporting. The process is headed by the new CFO Mr Thord Norberg, hired in August 2009, who reports the progress to the Audit Committee on a regular basis.

The Board of Directors has given the Company's external auditor, Ernst & Young, appointed at the Annual General Meeting 2009, the assignment to review the report for the period January – September 2009.

### **Financial position**

As the business has developed below expectations in combination with a tight debt amortisation schedule, the financial position has become increasingly constrained during the autumn. During September 2009, external debt financing has been increased by a bridge loan of SEK 30 million conditional upon that the company's long-term financing be resolved by no later than 31 January 2010.

The Board of Directors will within short propose a rights issue with preferential rights for existing shareholders amounting to around SEK 350 million. Three of the largest shareholders, Alecta, the Fourth Swedish National Pension Fund and AMF have each declared their intention to subscribe for at least their pro rata share, in total equivalent to just above 30 percent. The ambition is that the rights issue will be completed before the end of January 2010. SEB Enskilda has been appointed as financial advisor and Hannes Snellman as legal advisor in relation to the on the planned rights issue.

The Company has earlier communicated the following regarding the financial position: In the 2008 Annual Report it is stated that "TradeDoubler intends to amortize its external loans during 2009. The Group's cash flow will primarily be utilized for this purpose to minimize interest expense." In the first quarter report 2009 it is stated that "During the period, available credit facilities with banks were reduced by SEK 80.0 million to SEK 207.5 million, while at the same time, the company raised a subordinated loan in an amount of SEK 50.0 million. The subordinated loan extends for three years and ensures that the Group has access to the necessary funding for the foreseeable future."

**For further information contact:**

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**About TradeDoubler**

TradeDoubler is an international digital marketing company offering a range of performance-based marketing solutions. TradeDoubler's products and services provide companies with the tools and expertise to drive results online whether they are looking to generate sales, leads or traffic or drive brand awareness. Headquartered in Stockholm, Sweden, the company boasts a unique global reach spanning 19 countries in Europe and Japan. With a breadth of expertise across multiple industry sectors and a network of more than 128,000 website publishers, TradeDoubler helps deliver results for over 1,700 advertisers around the world. TradeDoubler supplies 32 billion impressions, reaches 149 million unique visitors and generates 10 million leads every month and provides access to more than 76 per cent of the European online audience. Advertisers include Apple Store, Dell, Telia Sonera and Kelkoo. Please visit [www.tradedoubler.com](http://www.tradedoubler.com) for further information.

**Invitation to press and analyst press meeting at 10:00 CET on October 26**

Due to the provisional results for the period January – September 2009 are being released ahead of scheduled date, TradeDoubler's (publ) will hold a press- and analyst meeting today at 10:00 CET at TradeDoubler's office 7<sup>th</sup> floor at Sveavägen 20, Stockholm.

President and CEO Örjan Frid and CFO Thord Norberg will give their comments and answer questions.

The presentation will be held in English.

To participate through telephone, please call the following numbers:

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