

Interim report

January-September 2012



Focus on performance marketing

(The Group's numbers in this interim report are recognised excluding discontinued operations unless otherwise stated. Numerical data in brackets refers to the corresponding period in 2011 unless otherwise stated. Rounding off differences may arise.)

INTERIM REPORT JANUARY-SEPTEMBER 2012

- Net sales amounted to SEK 1,740.0 M (1,911.2), a fall of 8% adjusted for changes in exchange rates.
- Gross profit amounted to SEK 406.9 M (459.3), a decline of 10% adjusted for changes in exchange rates.
- Change-related costs amounted to approx. SEK 20 M.
- Operating profit (EBIT) amounted to SEK 2.1 M (88.3).
- Cash flow from operating activities was SEK -8.3 M (55.7).
- Earnings per share amounted to SEK -0.26 (1.26).

THE THIRD QUARTER JULY-SEPTEMBER 2012

- Net sales amounted to SEK 526.1 M (653.9), a fall of 16% adjusted for changes in exchange rates.
- Gross profit amounted to SEK 119.7 M (152.5), a decline of 17% adjusted for changes in exchange rates.
- Change-related costs amounted to SEK 5.3 M.
- Operating profit (EBIT) amounted to SEK -7.8 M (31.3) mainly due to falling volumes combined with a lag in the adjustment of the cost level.
- Cash flow from operating activities was SEK 13.4 M (45.8).
- Earnings per share amounted to SEK -0.25 (0.47).
- Rob Wilson took over as CEO and Jonas Ragnarsson took over as CFO.
- The role of CCO (Chief Commercial Officer) was abolished. Elaine Safier left the company in connection with this.

OUTLOOK

- The market for performance marketing is expected to continue to show growth during 2013. The company is expected to return to growth in line with the market during the second half of next year.
- Product development, customer relationships and the organisation are directed at strengthening the Group's position in the core business Affiliate, performance marketing.

Key ratios

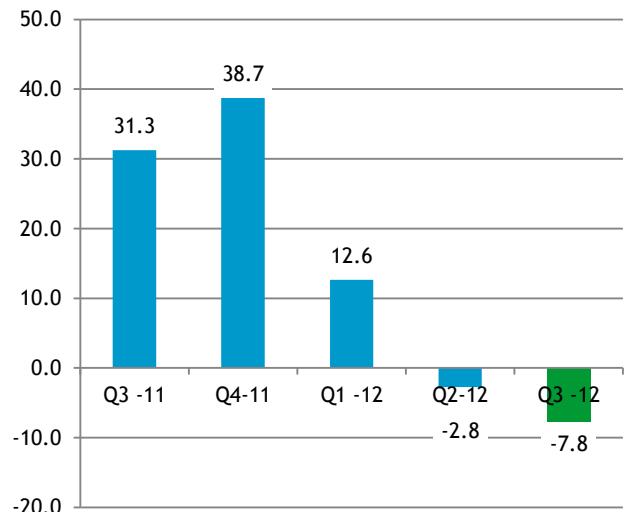
MSEK	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Full year
	2012	2011	2012	2011	2011
Net sales	526.1	653.9	1,740.0	1,911.2	2,612.7
Gross profit	119.7	152.5	406.9	459.3	626.5
Operating profit	-7.8	31.3	2.1	88.3	127.1
Net profit	-10.6	19.9	-11.3	53.9	92.2
Cash-flow from operating activities	13.4	45.8	-8.3	55.7	123.6
Earnings per share, SEK	-0.25	0.47	-0.26	1.26	2.16
Cash-flow per share, SEK	0.07	0.85	-2.46	0.79	1.60
Operating profit/Gross profit (%)	neg	20.5	0.5	19.2	20.3
Return on equity (12 months) (%)	4.9	13.8	4.9	13.8	16.8

- Operating costs before depreciation and amortisation are expected to be in the range of SEK 35-39 M per month during 2013.
- Change-related costs are expected to amount to approx. SEK 10 M during the fourth quarter of 2012.

PRESENTATION OF THE INTERIM REPORT

This interim report will be presented at a press and analyst conference on 31 October 2012 at 11.00 a.m. in Tradedoubler's premises at Sveavägen 20. The presentation may also be followed via a webcast using the link: <http://financials.tradedoubler.com/investorrelations>.

EBIT (SEK M)



CEO's comments on the third quarter of 2012

Focus on Performance Marketing



Since I assumed the CEO position in August, we have conducted a thorough review of Tradedoubler's business and cost structure. It is clear that in order to restore growth and regain a market leading position, we need to sharpen the way we conduct our business.

In this work, I can draw on in-depth industry knowledge and experience gained from having successfully managed performance marketing businesses both in Europe and the US. We are now implementing an ambitious and achievable plan that establishes a clear foundation for future growth. We need to take steps on three main fronts:

Control: We have established a plan to bring costs under control. The aim moving forward is to continue to manage our cost structure, while channeling our investments into areas where they will create the most value.

Competitive situation: Our competitive position has weakened, which is reflected in declining sales and gross profit. The initial actions we are taking will halt this trend and then we will increasingly focus on re-establishing growth. There is no doubt that the competitive pressure is significant in the larger, more mature markets such as Germany, the Netherlands, Sweden and the UK. However, in Southern Europe, we are competing well despite continuing weak market conditions.

Business focus: The performance marketing sector is growing in Europe, a trend that is set to continue in the long-term, driven by developments in e-commerce and online advertising. We anticipate a healthy sector growth rate of 3-7 per cent annually over the next few years.

A detailed review of how Tradedoubler's business has been performing over time and in various countries as well as in-depth interviews with large clients has shown that we have a strong position in the performance marketing sector. Our business model, where clients pay and get paid for results, is much appreciated by marketers and publishers.

In recent years we have sought to develop our business by expanding into non-core areas such as display advertising and search. We are now re-focusing on our core proposition - performance marketing - in order to take advantage of the sector growth.

The future: We are now executing our long-term strategy to get Tradedoubler back into a leadership position in performance marketing. This strategy will focus around three prioritized areas:

- 1) Prioritize key clients in key markets
- 2) Improve our service and product offering to become clients' first choice
- 3) Restructure our business to better serve the needs of our customers.

Our market is maturing and the ability to offer a technology solution that allows advertisers to manage their own private network is becoming increasingly important. We are in a unique position to take advantage of this market opportunity as, unlike our competitors, we already offer both well-established technology and network solutions.

Performance marketing is about long-term relationships. Therefore, for our strategy to be successful, we need to adopt a long-term approach. We need to develop and execute well-devised plans in each of the three areas to get back on track. In terms of revenue growth, we see the company returning to a performance level in line with the market during the second half of 2013.

Our focus on developing a highly competitive performance marketing company will not hamper our efforts to drive our cost level down. On the contrary, we expect our operating costs, excluding depreciation, to be between SEK 35 M and SEK 39 M per month in 2013, down from a monthly average of over SEK 41 M, excluding change-related costs, during the first three quarters of 2012. This cost reduction drive is already underway, however, we expect additional change-related costs in the fourth quarter of 2012 of approximately SEK 10 M.

I am in the process of building a new management team that will work with me to implement this strategy. This team will be in place during first quarter of 2013.

I look forward to sharing news about our revitalized business focus, control of costs and competitive drive in creating a new-look Tradedoubler over the coming months.

Rob Wilson
President and CEO

MARKET DEVELOPMENT

The underlying markets for e-commerce and online advertising in Europe are growing by over 10 per cent per year, which is creating a good basis for growth in performance marketing. Larger volumes from individual customers and increasing market maturity are putting pressure on prices and margins, and consequently we expect the performance marketing segment to grow by a more modest 3-7 per cent per year over the next few years.

Performance marketing is estimated to have continued growing during the third quarter. Growth was stronger in Northern Europe than in Southern Europe, in line with the economic trend. Price pressure continued, particularly in Northern Europe. In more mature markets, such as the UK, competition for large customers was significant.

TRENDS

Companies that offer publishers different opportunities to earn money on their sites are becoming better and better at maintaining relationships with their counterparts. User-friendly, automatic systems for connecting to e-traders' programmes, which allow for changes and monitoring of earnings, are becoming highly appreciated and are attracting website owners.

The strong interest in marketing via mobiles and Internet tablets continued. Tradedoubler conducted a survey focusing on how consumers use their smartphones. This showed that even today mobiles have a strong impact on purchasing behaviour. The most popular usage is investigating products on the mobile in order to make a purchase later via a mobile, computer, tablet or in a physical store. In addition, almost one third of those who own a smartphone download some form of voucher code using their phone every month.

PRODUCT DEVELOPMENT

During the year, Tradedoubler opened its platform so that affiliates can work with it in a simpler and more efficient way. The speed of product development has increased as a result and several new products have been launched on the platform.

A system for handling voucher codes was introduced during the second and the third quarters. Discount coupons or voucher codes are an effective way to encourage purchasing and have become very popular for getting consumers, who for example, investigate the selection of products and services via their mobiles, to actually purchase the product, either online or in a store. Over 4,000 different variants of voucher code have been created in the system, which in turn generated earnings equivalent to 8 per cent of gross profit in Affiliate during the third quarter.

Tradedoubler has also introduced a new communication system in order to simplify, automate and improve message handling for affiliates, as well as a product catalogue system that will improve data quality, accelerate import and export of data and boost the number of products that the system can handle.

Tradedoubler has also launched an app for its affiliates. The app provides a quick overview of an affiliate's cooperation with Tradedoubler and gives access to daily earnings statistics.

THE GROUP'S RESULTS

Consolidated net sales during the interim period amounted to SEK 1,740.0 M (1,911.2), a fall of 8 per cent adjusted for changes in exchange rates. Net sales during the third quarter amounted to SEK 526.1 M (653.9), a decline of 16 per cent adjusted for changes in exchange rates.

Gross profit during the interim period amounted to SEK 406.9 M (459.3), a fall of 10 per cent adjusted for changes in exchange rates. Gross profit during the quarter amounted to SEK 119.7 M (152.5), a fall of 17 per cent adjusted for changes in exchange rates.

Gross profit was adversely affected by a weak competitive position, changes in the group management and weak economies in Southern Europe.

Large customers that have worked with performance marketing for a long time have increasingly opted to manage affiliate relationships themselves, which also contributed to the weaker earnings. Tradedoubler offers such services and can thereby retain customers for a longer time even though this extension of the customer relationship is based on lower earnings.

Network decreased its gross profit during the quarter to SEK 105.3 M (138.1), a decline of 20 per cent adjusted for changes in exchange rates. Technology reported an unchanged gross profit of SEK 14.5 M (14.5), an increase of 6 per cent adjusted for changes in exchange rates.

Gross margin during the interim period decreased to 23.4 per cent from 24.0 per cent during the same period of last year. Gross margin was 22.8 per cent during the quarter, compared to 23.3 per cent during the same quarter of last year. Gross margin was negatively impacted by increasing competition from other players, both in display and in performance marketing.

Operating costs amounted to SEK 404.8 M (371.0) during the interim period. During the quarter, operating costs totalled SEK 127.5 M (121.3). Depreciation and amortisation accounted for SEK 13.1 M (14.6) of this during the interim period and SEK 4.6 M (3.5) during the quarter.

Change-related costs mainly consisted of personnel expenses and amounted to SEK 5.3 M during the quarter, which means that change-related costs during the interim period totalled approx. SEK 20 M. This was also reflected in higher administrative expenses.

Confirmed bad debt losses and provisions for doubtful accounts receivable amounted to SEK -7.5 M (-4.5) during the interim period and to SEK -2.8 M (-0.2) during the quarter.

Operating profit (EBIT) amounted to SEK 2.1 M (88.3) during the interim period. Operating profit during the third quarter was SEK -7.8 M (31.3) mainly due to the fact that the company did not manage to adjust its cost level in line with falling transaction volumes.

Financial income and expenses amounted to SEK 1.4 M (-11.8) during the interim period. During the quarter, financial income and expenses amounted to SEK 2.2 M (-5.0). The Group had no interest-bearing loans at the end of the quarter (0.0).

Profit after tax during the period amounted to SEK -11.3 M (53.9). During the third quarter, profit after tax was SEK -10.6 M (19.9). The tax expense amounted to SEK 14.8 M (22.6) during the interim period and to SEK 5.0 M (6.4) during the quarter. Of this expense, SEK 13.3 M during the interim period and SEK 7.3 M during the quarter related to adjustments in respect of previous years.

NETWORK

Gross profit during the third quarter amounted to SEK 105.3 M (138.1), a fall of 20 per cent adjusted for changes in exchange rates. The North West, Central, and South East market units accounted for the biggest declines.

Operating profit (EBIT) amounted to SEK -13.6 M (24.3). The Central, North East and North West market units accounted for most of the decline and for the biggest losses.

Segments and market units

MSEK	Jul-Sep 2012	Jul-Sep 2011	Jan-Sep 2012	Jan-Sep 2011	Full year 2011
Gross profit (GP)					
Market Unit Central	24.7	31.8	84.7	95.2	131.4
Market Unit France	19.9	22.7	64.0	73.5	99.7
Market Unit North East	26.6	31.4	86.8	93.6	127.8
Market Unit North West	16.7	27.3	64.9	81.8	112.4
Market Unit South East	9.1	15.0	35.2	47.0	63.1
Market Unit South West	8.3	9.8	25.7	28.1	36.3
Total Network	105.3	138.1	361.3	419.2	570.6
Business Unit Technology	14.5	14.5	45.6	40.1	55.9
Total gross profit	119.7	152.5	406.9	459.3	626.5

Operating profit (EBIT)

Market Unit Central	-4.2	4.3	-6.3	13.7	19.7
Market Unit France	3.1	6.8	9.7	24.5	34.6
Market Unit North East	-4.9	1.9	-16.8	3.7	4.1
Market Unit North West	-7.0	3.2	-9.9	5.3	12.2
Market Unit South East	-0.2	5.8	3.1	19.4	25.6
Market Unit South West	-0.4	2.3	1.4	4.8	6.0
Total Network	-13.6	24.3	-18.8	71.3	102.2
Business Unit Technology	5.8	6.9	20.9	17.0	24.8
Total EBIT	-7.8	31.3	2.1	88.3	127.1

Operating profit/Gross profit, %

Market Unit Central	neg	13.6	neg	14.4	15.0
Market Unit France	15.7	30.1	15.1	33.3	34.7
Market Unit North East	neg	6.0	neg	3.9	3.2
Market Unit North West	neg	11.7	neg	6.4	10.9
Market Unit South East	neg	38.9	9.0	41.3	40.6
Market Unit South West	neg	23.1	5.3	17.1	16.6
Business Unit Technology	40.1	47.8	45.8	42.5	44.4

The **Central** market unit achieved a gross profit of SEK 24.7 M (31.8) during the quarter, a fall of 14 per cent adjusted for changes in exchange rates. Operating profit was SEK -4.2 M (4.3). Gross profit fell in the unit's three largest countries, Germany, Switzerland and the Netherlands.

France reported a gross profit of SEK 19.9 M (22.7) during the quarter, a decline of 4 per cent adjusted for changes in exchange rates. Operating profit amounted to SEK 3.1 M (6.8). For some time, the unit has been increasingly focusing its

efforts on affiliate. This has boosted sales but it takes time for this to be converted into revenue.

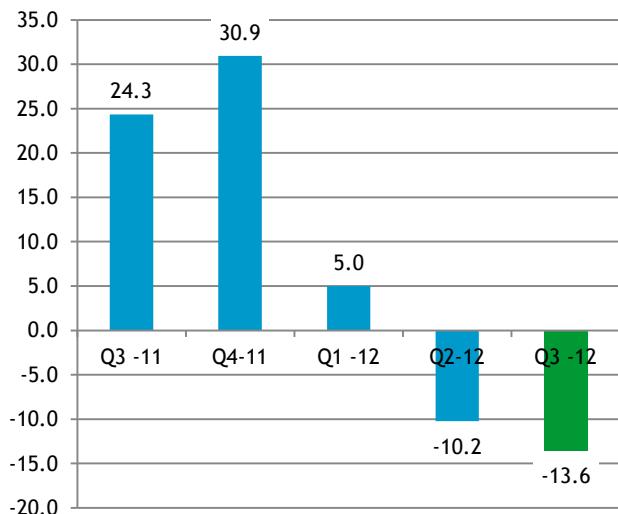
Gross profit in **North East** amounted to SEK 26.6 M (31.4) during the quarter, a fall of 11 per cent adjusted for changes in exchange rates. Operating profit was SEK -4.9 M (1.9). There is high turnover in the market unit's customer portfolio, which is having a negative impact on earnings, as it takes time for new customers to build up volumes.

The **North West** market unit reported a gross profit of SEK 16.7 M (27.3) during the quarter, a decline of 40 per cent adjusted for changes in exchange rates. Gross profit for the quarter was negatively impacted by SEK 3.6 M in Cost of Sales referring to previous periods. Operating profit was SEK -7.0 M (3.2). The intense competition persisted in the UK, which is the most mature market in Europe. The sales organisation was restructured in order to achieve a stronger focus.

The **South East** market unit achieved a gross profit of SEK 9.1 M (15.0) during the quarter, a fall of 33 per cent adjusted for changes in exchange rates. Operating profit was SEK -0.2 M (5.8). Larger media agencies are establishing their own networks for specific market niches, which implies lower transaction volumes for Tradedoubler. The unit has also lost some larger customers.

Gross profit in the **South West** market unit during the quarter amounted to SEK 8.3 M (9.8), a decline of 10 per cent adjusted for changes in exchange rates. Operating profit was SEK -0.4 M (2.3). Renegotiations and low activity in the travel sector, which is very important for the unit, had a negative impact on earnings.

EBIT NETWORK (SEK M)

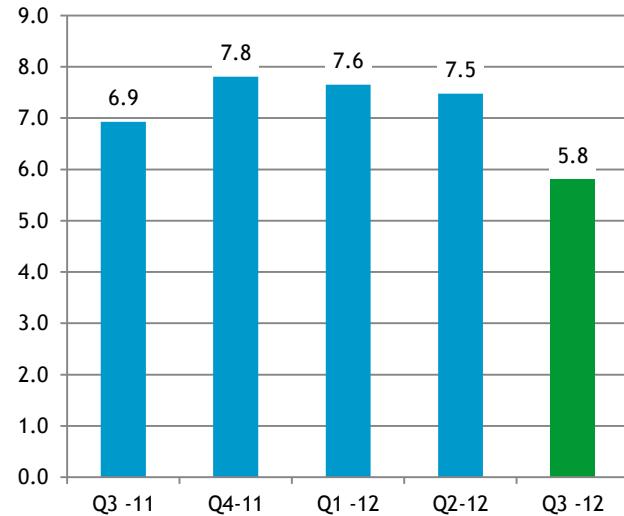


TECHNOLOGY

Gross profit during the third quarter was unchanged at SEK 14.5 M (14.5). Operating profit (EBIT) amounted to SEK 5.8 M (6.9).

The business developed well generally. The operations in Southern Europe continued to grow during the quarter. The interest in Technology is increasing in line with customers' experience of online marketing.

EBIT TECHNOLOGY (SEK M)



SEASONAL VARIATIONS

Tradedoubler's operations, particularly within Network, fluctuate with the development of e-commerce and online advertising. Although these areas are showing positive underlying growth, there are fluctuations during the year particularly within e-commerce. The highest level of activity is before Christmas, which implies that the fourth quarter is normally the strongest for Tradedoubler.

THE PARENT COMPANY

The parent company's net sales amounted to SEK 95.5 M (144.4) during the interim period. Revenue primarily consisted of licensing revenue and remuneration from subsidiaries for centrally performed services.

Financial income and expenses amounted to SEK 5.0 M (16.5). Profit after tax amounted to SEK -18.4 M (32.4). The significantly lower profit, compared to the same period of the previous year, was mainly due to lower licensing revenue, which itself is a result of lower sales in subsidiaries.

The parent company's receivables from group companies amounted to SEK 111.6 M (159.1), at the end of the quarter, of which none (0.0) were non-current. The parent company's liabilities to group companies amounted to SEK 129.3 M (123.9), of which none (0.0) were non-current. Cash and cash equivalents amounted to SEK 26.2 M (36.4).

CASH FLOW AND FINANCIAL POSITION

Cash flow from operating activities during the third quarter amounted to SEK 13.4 M (45.8), after a change in working capital of SEK 22.5 M (22.8). The negative effect on the cash flow due to falling volumes was moderated by a proportionally large decrease in accounts receivable. Cash flow from operating activities before changes in working capital amounted to SEK -9.1 M (22.9) during the quarter.

Net investments in intangible assets amounted to SEK 8.9 M (7.7). These mainly consisted of investments in production and business systems.

Cash flow for the interim period amounted to SEK -105.1 M (39.8), due to weak earnings in the interim period impacted by falling volumes, a negative working capital trend, a high investment rate and dividend paid to the company's shareholders. Cash and cash equivalents amounted to SEK 173.3 M (261.6) at the end of the quarter. The Group had no interest-bearing loans (0.0) on the balance sheet date.

Consolidated shareholders' equity amounted to SEK 497.7 M (592.7) at end of the quarter. For the latest 12-month period, the return on equity amounted to 4.9 (13.8) per cent.

EMPLOYEES

At the end of the quarter, Tradedoubler's staff corresponded to 489 (553) full-time equivalents (FTEs), which includes full-time, temporary and contract employees. The number of full-time equivalents decreased by 60 due to the discontinuation of Search and outsourcing of parts of the IT operations in December 2011.

THE SHARE

Tradedoubler's share is listed on NASDAQ OMX Stockholm's list for medium-sized companies (Mid Cap) in the Media sector. The share is traded under the ticker TRAD.

The total number of shares at the end of the interim period was 42,807,449, of which 130,000 were in own custody. The average number of outstanding shares during the interim period was 42,677,449.

Earnings per share amounted to SEK -0.25 (0.47) during the third quarter and to SEK -0.26 (1.26) during the first nine months of the year. Equity per share amounted to SEK 11.70 (13.90) at the end of the quarter.

The share price closed at SEK 14.00 on the final trading day of September 2012, which was lower than at the end of September 2011 when the share price was SEK 23.00. At year-end, the share price closed at SEK 27.30.

TRANSACTIONS WITH RELATED PARTIES

Aside from remuneration to the Board and senior executives, no transactions between Tradedoubler and related parties impacting the company's financial position and results have taken place.

RISKS AND UNCERTAINTY FACTORS

Tradedoubler divides risks into market-related risks, operational risks, financial risks and legal risks. These risks are described on pages 15-17 of the 2011 Annual Report.

Tradedoubler has a deferred tax receivable of SEK 14 M attributable to a previous intra-group loan. The receivable has arisen by virtue of the fact that right to deduction of interest expenses related to the loan was denied in the subsidiary. Therefore an application of repayment of previously paid tax on interest income will be initiated for the parent company. The company expects that it will be able to recover the full amount although there is always a risk in this type of case.

Apart from the above-mentioned tax receivable, no significant risks or uncertainties are considered to have arisen after the latest published Annual Report, other than greater uncertainty about the future economic and market trend in Europe and increased customer credit risks as a result of this.

MISCELLANEOUS

Rob Wilson was appointed new President and CEO to succeed Urban Gillström. Rob Wilson was most recently head of the North West market unit. Jonas Ragnarsson took over as new CFO after Erik Skånsberg. Both managerial changes took effect on 1 August 2012.

The decision was made to abolish the role of CCO (Chief Commercial Officer) with responsibility for marketing and sales. Elaine Safier left from the company as a consequence of this.

OUTLOOK

The market for performance marketing is expected to continue to show growth during 2013. The company is expected to return to growth in line with the market during the second half of next year.

Product development, customer relationships and the organisation are directed at strengthening the Group's position in the core business Affiliate, performance marketing.

Operating costs before depreciation and amortisation are expected to be in the range of SEK 35-39 M per month during 2013.

Change-related costs are expected to amount to approx. SEK 10 M during the fourth quarter of 2012.

EVENTS AFTER THE END OF THE REPORTING PERIOD.

No significant events have occurred after the end of the reporting period.

ANNUAL GENERAL MEETING AND NOMINATION COMMITTEE

The annual general meeting 2013 will be held on 7 May 2013 in Tradedoubler's premises at Sveavägen 20 in Stockholm.

In accordance with the resolution of the annual general meeting 2012, a Nomination Committee has been appointed consisting of representatives of the three largest shareholders at the end of August as well as the Chairman of the Board. The owner representatives are Johan Strandberg representing SEB, (Chairman of the Nomination Committee), Ramsay Bruger representing Alecta and Mats Andersson representing Fjärde AP-fonden.

Shareholders wishing to present proposals to the Nomination Committee for the 2013 Annual General Meeting can, at the latest the 27th of March 2013, submit them to the Nomination Committee's secretary Carol Spendelow (TradeDoubler's General Counsel) by post: TradeDoubler AB, Att: Carol Spendelow, Sveavägen 20, 111 57 Stockholm, Sweden, or by e-mail: Carol.Spendelow@tradedoubler.com.

Information about the work of the nomination committee may be found on Tradedoubler's home page www.tradedoubler.com.

ACCOUNTING POLICIES

This interim report is prepared in accordance with IAS 34, Interim Financial Reporting and the Swedish Annual Accounts Act. From and including the interim report for the period January-June 2012, the key ratio 'equity per share' is calculated on the basis of equity on the balance sheet date. In interim reports prior to this and in the 2011 Annual Report, the key ratio was calculated on the basis of the average equity for the interim period. Other accounting policies and calculation methods applied are unchanged compared with the 2011 Annual Report.

For information on the accounting policies applied, see the 2011 Annual Report.

PRESENTATION OF INTERIM REPORT

This interim report will be presented at a press and analyst conference on 31 October 2012 at 11.00 a.m. in Tradedoubler's premises at Sveavägen 20, Stockholm. The presentation may be followed via a webcast on the website: <http://financials.tradedoubler.com/investorrelations>, and by telephone:

Sweden	+46 8 5055 9843
UK	+44 207750 9950
US	+1 866 6765869

The presentation material will be published concurrently with the interim report.

FINANCIAL INFORMATION

Year-end report 2012	6 February 2013
Interim report January-March 2013	3 May 2013
Interim report January-June 2013	26 July 2013
Interim report January-September 2013	30 October 2013
Year-end report 2013	6 February 2014

The capital markets day that was announced for the autumn of 2012 will take place during 2013.

CONTACT INFORMATION

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E-mail: ir@tradedoubler.com

ENGLISH VERSION

Both an English version and a Swedish version of this report have been prepared. In the event of a difference between the two reports, the Swedish version shall prevail.

REVIEW

This interim report has been reviewed by the company's auditor Ernst & Young AB.

Stockholm, 31 October 2012

Rob Wilson
President and CEO

Consolidated income statement

SEK 000s	Jul-Sep 2012	Jul-Sep 2011	Jan-Sep 2012	Jan-Sep 2011	Full year 2011
Net Sales	526,115	653,926	1,739,981	1,911,247	2,612,701
Cost of goods sold	-406,399	-501,386	-1,333,089	-1,451,950	-1,986,163
Gross profit	119,715	152,540	406,892	459,297	626,539
Selling expenses	-80,225	-82,027	-257,011	-247,322	-335,928
Administrative expenses	-37,009	-31,040	-118,811	-94,474	-120,840
Development expenses	-10,242	-8,213	-28,944	-29,178	-42,711
Operating profit	-7,760	31,260	2,125	88,323	127,060
Net financial items	2,223	-4,970	1,409	-11,805	-12,693
Profit before tax	-5,537	26,290	3,533	76,518	114,367
Tax	-5,041	-6,369	-14,840	-22,606	-22,201
Net profit for continued operations	-10,577	19,921	-11,307	53,912	92,166
Net profit for discontinued operations	-	564	-	5,560	-143,069
Total net profit for continued and discontinued operations	-10,577	20,485	-11,307	59,472	-50,904

All earnings accrue to the parent company's shareholders.

Consolidated statement of comprehensive income

SEK 000s	Jul-Sep 2012	Jul-Sep 2011	Jan-Sep 2012	Jan-Sep 2011	Full year 2011
Profit for the period, after tax	-10,577	20,485	-11,307	59,472	-50,904
<i>Other comprehensive income</i>					
Translation difference, net after tax	-14,017	20,014	-7,786	24,540	21,060
Exchange difference on increased net investment, net after tax*	-	1,046	-	-8,130	-8,130
Reversal of exchange difference on increased net investment, net after tax*	-	-	-	-	98,077
Reversal of translation difference, net after tax*	-	-	-	-	3,765
Total comprehensive income for the period, after tax	-24,595	41,546	-19,093	75,883	63,868
<i>Comprehensive income attributable to:</i>					
Parent company shareholders	-24,595	41,546	-19,093	75,883	63,868

* These items are related to discontinued operations.

Earnings per share

SEK	Jul-Sep 2012	Jul-Sep 2011	Jan-Sep 2012	Jan-Sep 2011	Full year 2011
Profit per share for continued operations	-0.25	0.47	-0.26	1.26	2.16
Total profit per share (including discontinued operations)	-0.25	0.48	-0.26	1.39	-1.19
Number of Shares					
Weighted average	42,677,449	42,677,449	42,677,449	42,677,449	42,677,449

The earnings per share above apply before and after dilution.

Key ratios - Group

	Jul-Sep 2012	Jul-Sep 2011	Jan-Sep 2012	Jan-Sep 2011	Full year 2011
Gross profit (GP) / revenue (%)	22.8	23.3	23.4	24.0	24.0
Operating profit (EBIT) / revenue (%)	-1.5	4.8	0.1	4.6	4.9
Operating profit (EBIT) / gross profit (GP) (%)	-6.5	20.5	0.5	19.2	20.3
Net profit/gross profit (GP) (%)	-8.8	13.1	-2.8	11.7	14.7
Equity/assets ratio (%)	41.4	40.7	41.4	40.7	40.4
Return on equity (12 months) (%)	4.9	13.8	4.9	13.8	16.8
Average number of employees	489	553	490	546	544
Return on Capital Employed (12 months) (%)	7.9	22.4	7.9	22.4	23.4
Cash-flow per share, SEK	0.1	0.9	-2.5	0.8	1.7
Equity per share, SEK	11.7	13.9	11.7	13.9	13.6
Stock price at the end of the period, SEK	14.0	23.0	14.0	23.0	27.3

Consolidated statement of financial position

SEK 000s	30 Sep 2012	30 Sep 2011	31 Dec 2011
Assets			
Intangible fixed assets	423,595	428,644	404,054
Tangible fixed assets	9,984	14,814	10,968
Financial fixed assets	3,611	2,757	3,549
Deferred tax assets	37,725	30,284	21,111
Total fixed assets	474,914	476,498	439,683
Accounts receivables	518,326	613,599	642,432
Tax assets	7,111	40,949	28,632
Other current receivables	28,110	62,911	35,149
Cash & cash equivalents	173,288	261,636	290,745
Total current assets	726,835	979,095	996,957
Total assets	1,201,749	1,455,593	1,436,640
Shareholders' equity and liabilities			
Shareholders' equity	497,734	592,667	580,843
Deferred tax liabilities	6,752	9,606	7,625
Other provisions	990	1,079	1,044
Total long-term liabilities	7,743	10,685	8,669
Accounts payable	16,740	29,124	29,407
Current liabilities to publishers	423,693	459,447	498,346
Tax liabilities	9,427	16,829	9,251
Other current liabilities	246,411	346,841	310,124
Total current liabilities	696,272	852,241	847,128
Total shareholder's equity and liabilities	1,201,749	1,455,593	1,436,640

Consolidated statement of changes in equity

SEK 000s	Jul-Sep 2012	Jul-Sep 2011	Jan-Sep 2012	Jan-Sep 2011	Full year 2011
Opening balance	522,329	551,122	580,843	516,784	516,784
Total comprehensive income for the period, continued operations	-24,595	38,069	-19,093	78,027	112,914
Total comprehensive income for the period, discontinued operations*	-	3,476	-	-2,144	-49,046
Equity-settled share-based payments	-	-	-	-	191
Dividend	-	-	-64,016	-	-
Closing balance	497,734	592,667	497,734	592,667	580,843

All capital accrues to the parent company's shareholders.

* See disclosure regarding discontinued operations, page 18.

Consolidated statement of cash flows

SEK 000s	Jul-Sep 2012	Jul-Sep 2011	Jan-Sep 2012	Jan-Sep 2011	Full year 2011
<i>Operating activities</i>					
Profit before tax	-5,537	26,289	3,533	76,517	114,367
Adjustments for items not included in cash flow	3,815	4,675	26,957	21,572	16,098
Income taxes paid	-7,355	-8,020	-10,725	-22,746	-14,463
Cash flow from operating activities before changes in working capital	-9,077	22,944	19,765	75,343	116,002
Changes in working capital	22,515	22,820	-28,110	-19,638	7,626
Cash flow from operating activities	13,438	45,764	-8,345	55,705	123,628
<i>Investing activities</i>					
Net investments in intangible assets	-8,912	-7,657	-29,295	-16,025	-25,828
Net investments in tangible assets	-1,690	-1,942	-3,175	-5,236	-3,877
Net investments in financial assets	-27	196	-251	-520	-1,394
Net investments in stocks and subsidiaries	-	-	-	-	-24,421
Cash flow from investing activities	-10,629	-9,403	-32,721	-21,781	-55,520
<i>Financing activities</i>					
Dividend paid to parent company's shareholders	-	-	-64,016	-	-
Cash flow from financing activities	-	-	-64,016	-	-
Cash flow for the period from continuing operations	2,809	36,361	-105,082	33,924	68,108
<i>Cash flow from discontinued operations</i>					
Cash flow from operating activities	-	3,362	-	5,910	3,903
Cash flow from investing activities	-	-	-	-	-51
Cash flow from financing activities	-	-	-	-	-
Cash flow for the period from discontinued operations	-	3,362	-	5,910	3,852
Cash flow for the period	2,809	39,723	-105,082	39,834	71,960
Cash and cash equivalents					
On the opening date	179,352	214,260	290,745	209,744	209,744
Translation difference in cash and cash equivalents	-8,873	7,653	-12,375	12,058	9,041
Cash and cash equivalents on the closing date	173,288	261,636	173,288	261,636	290,745
<i>Adjustments for non-cash items</i>					
Depreciation	4,002	3,932	11,258	12,840	16,776
Other	-187	743	15,699	8,732	-678
Total non-cash items	3,815	4,675	26,957	21,572	16,098

* Attributable to discontinued operations.

Income statement - Parent company

SEK 000s	Jul-Sep 2012	Jul-Sep 2011	Jan-Sep 2012	Jan-Sep 2011	Full year 2011
Net Sales	18,319	51,788	95,487	144,364	193,554
Cost of goods sold	-2,291	-2,040	-6,074	-5,826	-7,931
Gross profit	16,028	49,749	89,413	138,538	185,623
Selling expenses	-430	-1,252	-2,295	-5,230	-6,010
Administrative expenses	-29,496	-26,017	-108,480	-90,843	-119,216
Development expenses	-6,823	-7,388	-20,875	-23,739	-32,140
Operating profit	-20,721	15,093	-42,238	18,725	28,257
Net financial items	2,629	-3,293	5,018	16,458	-363,513
Profit before tax	-18,092	11,800	-37,221	35,183	-335,256
Tax	9,884	-1,344	18,858	-2,771	-113
Net profit	-8,208	10,456	-18,363	32,411	-335,369

Balance sheet - Parent company

SEK 000s	30 Sep 2012	30 Sep 2011	31 Dec 2011
Assets			
Intangible fixed assets	50,151	17,929	26,601
Fixed tangible assets	4,137	9,239	5,520
Financial fixed assets	207,323	545,327	206,327
Deferred tax assets	24,215	-	-
Total fixed assets	285,825	572,495	238,449
Accounts receivables	3,012	2,625	6,339
Receivables from Group companies	111,608	159,139	157,307
Tax assets	3,731	20,438	7,191
Other current receivables	7,873	10,091	11,100
Cash & cash equivalents	26,221	36,432	52,224
Total current assets	152,444	228,724	234,161
Total assets	438,270	801,220	472,610
Shareholders' equity and liabilities			
Shareholders equity	191,818	543,710	274,198
Accounts payable	11,481	13,355	10,299
Liabilities to Group companies	129,289	123,919	71,119
Other liabilities	105,681	120,236	116,994
Total current liabilities	246,451	257,510	198,412
Total shareholder's equity and liabilities	438,270	801,220	472,610

Pledged assets and contingent liabilities

SEK 000s	30 Sep 2012	30 Sep 2011	31 Dec 2011
Group			
Pledged assets	none	none	none
Rent deposits	3,611	2,754	3,549
Contingent liabilities	none	none	none
Parent company			
Pledged assets	none	none	none
Contingent liabilities	5,523	5,769	6,939

Quarterly summary

Consolidated income statement

SEK 000s	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec
	2012	2012	2012	2011	2011	2011	2011	2010
Net Sales	526,115	573,660	640,206	701,455	653,926	604,760	652,561	679,448
Cost of goods sold	-406,399	-432,873	-493,816	-534,213	-501,386	-455,283	-495,280	-506,877
Gross profit	119,715	140,786	146,390	167,241	152,540	149,477	157,281	172,571
Total costs	-127,475	-143,549	-133,742	-128,505	-121,280	-127,239	-122,455	-138,816
Operating profit	-7,760	-2,763	12,648	38,737	31,260	22,237	34,826	33,755
Net financial items	2,223	-1,088	273	-888	-4,970	2,094	-8,929	-4,133
Profit before tax	-5,537	-3,851	12,921	37,849	26,290	24,331	25,897	29,622
Tax	-5,041	-6,988	-2,811	405	-6,369	-10,352	-5,886	-8,166
Net profit	-10,577	-10,839	10,109	38,254	19,921	13,979	20,012	21,455

Consolidated statement of financial position

SEK 000s	30 Sep	30 Jun	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar	31 Dec
	2012	2012	2012	2011	2011	2011	2011	2010
Assets								
Intangible fixed assets	423,595	427,356	406,048	404,054	428,644	405,883	406,738	423,123
Other fixed assets	51,320	42,277	38,581	35,629	47,854	47,527	45,560	45,654
Current receivables	553,547	622,317	668,812	706,213	717,459	681,006	691,012	737,204
Cash & cash equivalents	173,288	179,352	268,222	290,745	261,636	214,260	245,633	209,744
Total assets	1,201,749	1,271,302	1,381,663	1,436,640	1,455,593	1,348,676	1,388,944	1,415,725
Shareholders' equity and liabilities								
Shareholders' equity	497,734	522,329	587,636	580,843	592,667	551,122	530,870	516,784
Long-term non-interest bearing debt	7,743	8,479	8,576	8,669	10,685	11,420	12,199	18,926
Current non-interest bearing debt	696,272	740,494	785,451	847,128	852,241	786,134	845,875	880,015
Total shareholder's equity and liabilities	1,201,749	1,271,302	1,381,663	1,436,640	1,455,593	1,348,676	1,388,944	1,415,725

Consolidated statement of cash flows

SEK 000s	Jul-Sep 2012	Apr-Jun 2012	Jan-Mar 2012	Oct-Dec 2011	Jul-Sep 2011	Apr-Jun 2011	Jan-Mar 2011	Oct-Dec 2010
<i>Operating activities</i>								
Profit before tax	-5,537	-3,851	12,921	37,849	26,289	24,331	25,897	29,610
Adjustments for items not included in cash flow	3,815	21,373	1,769	-5,473	4,675	8,789	8,108	5,481
Tax paid	-7,355	-291	-3,079	8,283	-8,020	-11,174	-3,552	24,925
Cash flow from changes in working capital	22,515	-29,978	-20,648	27,263	22,821	-53,804	11,346	16,003
Cash flow from operating activities	13,438	-12,747	-9,037	67,922	45,765	-31,858	41,799	76,019
Cash flow from investing activities	-10,629	-9,596	-12,496	-33,739	-9,403	-7,944	-4,434	-3,477
Cash flow from financing activities	-	-64,016	-	-	-	-	-	-
Cash flow from continued operations	2,809	-86,359	-21,533	34,183	36,362	-39,802	37,365	72,542
Cash flow from discontinued operations	-	-	-	-2,058	3,362	1,115	1,433	1,543
Cash flow for the period	2,809	-86,359	-21,533	32,125	39,724	-38,687	38,798	74,085
Cash and cash equivalents								
On the opening date	179,352	268,222	290,745	261,636	214,260	245,633	209,744	136,212
Translation difference	-8,873	-2,511	-990	-3,016	7,653	7,314	-2,909	-553
Cash and cash equivalents on the closing date	173,288	179,352	268,222	290,745	261,636	214,260	245,633	209,744

Key ratios - Group

	Jul-Sep 2012	Apr-Jun 2012	Jan-Mar 2012	Oct-Dec 2011	Jul-Sep 2011	Apr-Jun 2011	Jan-Mar 2011	Oct-Dec 2010
Gross profit (GP) / revenue (%)	22.8	24.5	22.9	23.8	23.3	24.7	24.1	25.4
Operating profit (EBIT) / revenue (%)	-1.5	-0.5	2.0	5.5	4.8	3.7	5.3	5.0
Operating profit (EBIT) / gross profit (GP) (%)	-6.5	-2.0	8.6	23.2	20.5	14.9	22.1	19.6
Net profit/gross profit (GP) (%)	-8.8	-7.7	6.9	22.9	13.1	9.4	12.7	12.4
Equity/assets ratio (%)	41.4	41.1	42.5	40.4	40.7	40.9	38.2	36.5
Return on equity (12 months) (%)	4.9	10.7	14.7	16.8	13.8	13.0	16.5	14.6
Average number of employees	489	487	493	536	553	541	545	534
Return on Capital Employed (12 months) (%)	7.9	15.2	19.0	23.4	22.4	22.1	21.4	18.8
Cash-flow per share, SEK	0.1	-2.0	-0.5	0.8	0.9	-0.9	0.9	1.7
Equity per share, SEK	11.7	12.2	13.8	13.6	13.9	12.9	12.4	12.1
Stock price at the end of the period, SEK	14.0	16.9	31.1	27.3	23.0	40.5	46.8	49.5

Segments

MSEK	Jul-Sep 2012	Apr-Jun 2012	Jan-Mar 2012	Oct-Dec 2011	Jul-Sep 2011	Apr-Jun 2011	Jan-Mar 2011	Oct-Dec 2010
Market Unit Central								
Gross profit	24.7	28.4	31.5	36.2	31.8	31.2	32.3	35.7
Operating profit	-4.2	-3.5	1.4	6.0	4.3	4.1	5.3	4.8
Market Unit France								
Gross profit	19.9	20.6	23.5	26.1	22.7	22.9	27.9	30.1
Operating profit	3.1	1.1	5.4	10.2	6.8	6.0	11.6	8.0
Market Unit North East								
Gross profit	26.6	30.3	30.0	34.3	31.4	30.6	31.5	36.0
Operating profit	-4.9	-5.9	-6.0	0.4	1.9	0.3	1.5	3.2
Market Unit North West								
Gross profit	16.7	22.1	26.0	30.6	27.3	26.3	28.2	29.9
Operating profit	-7.0	-4.3	1.4	7.0	3.2	-0.1	2.2	6.1
Market Unit South East								
Gross profit	9.1	13.5	12.5	16.0	15.0	15.5	16.6	15.5
Operating profit	-0.2	1.5	1.8	6.2	5.8	6.1	7.5	4.0
Market Unit South West								
Gross profit	8.3	8.9	8.6	8.1	9.8	9.3	9.0	10.9
Operating profit	-0.4	0.9	0.9	1.2	2.3	1.3	1.3	1.2
Technology								
Gross profit	14.5	17.0	14.3	15.9	14.5	13.7	11.9	14.4
Operating profit	5.8	7.5	7.6	7.8	6.9	4.6	5.5	6.5
Total								
Gross profit	119.7	140.8	146.4	167.2	152.5	149.5	157.3	172.6
Operating profit (EBIT)	-7.8	-2.8	12.6	38.7	31.3	22.2	34.8	33.8

Disclosure regarding discontinued operation

SEK 000s	Jul-Sep 2011	Jan-Sep 2011	Full year 2011
Net Sales	82,051	268,542	343,990
Cost of goods sold	-74,581	-243,971	-312,178
Gross profit	7,470	24,571	31,812
Total costs	-8,902	-29,316	-39,536
Operating profit	-1,432	-4,745	-7,724
Net financial items	1,964	2,175	270
Profit before tax	532	-2,569	-7,454
Tax	33	8,130	11,272
Net profit excl capital loss for the year for discontinuing operations	564	5,560	3,818
Capital loss	-	-	-146,887
Net profit for the year for discontinuing operations	564	5,560	-143,069
Other comprehensive income			
Net profit from discontinued operations	564	5,560	-143,069
Translation difference on equity net after tax	1,866	426	311
Exchange difference on increased net investment, net after tax	1,046	-8,130	-8,130
Reversal of exchange difference on increased net investment, net after tax	-	-	98,077
Reversal of translation difference on equity, net after tax	-	-	3,765
Total other comprehensive income from discontinued operations	3,476	-2,145	-49,046

Discontinued operations refers to the operations in the Search market unit, which were transferred to Netbooster during the fourth quarter of 2011.

Key ratio - definitions

Return on equity. Net profit for the interim period as a percentage of average equity calculated as opening plus closing equity divided by two.

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

Equity per share. Equity divided by the number of outstanding shares on the balance sheet date.

Earnings per share. Net profit for the year attributable to the parent company's shareholders divided by the average number of shares.

Earnings per share after full dilution. Net profit/loss for the year divided by the average number of shares calculated after full dilution.

Cash flow per share. Cash flow divided by the average number of outstanding shares.

Operating margin. Operating profit as a percentage of sales.

Equity/assets ratio. Equity as a percentage of the balance sheet total.

Capital employed. Total assets less current and non-current non interest-bearing liabilities including deferred tax liabilities.

Glossary

AdCode. An ad display system which is used in order to optimise and display the best ad on a publisher's website.

Affiliate. Used for a website which via adverts directs Internet visitor traffic to the advertising company's website.

Affiliate network. A system where advertisers that want to boost their Internet sales are matched together with website owners that want to boost their advertising revenue by means of an affiliate programme.

Affiliate programme. An agreement where the advertiser pays a fee to the publisher in order to relay traffic to the advertiser's website.

App download tracking. Software that enables the advertiser to monitor and obtain statistics about when the consumer downloads and installs software from the advertiser and how the consumer uses the software afterwards.

Cost-per-action (CPA). Cost-per-action (CPA). Means that the advertisers pay a fee which either is based on the sales

generated by the advertising or on the number of leads (principally registrations) generated by the advert.

Cost-per-click (CPC). This pricing model means that advertisers pay a fee based on the number of clicks or unique visitors generated by the advertising.

Cost-per-lead (CPL). Means that the advertisers pay a fee which is based on the number of leads (primarily registrations) generated by the advert.

Cost-per-thousand impressions (CPM). A pricing model where advertisers pay a fee based on the number of views of an advert.

E-mail publishers. Use e-mail to send out targeted offers to a list of recipients.

Full-time equivalents (FTE) or full-time employees. The total number of full-time and temporary as well as contract employees.

Performance-based. Collective term for marketing activities on the Internet where publishers only get paid when a predetermined transaction is generated.

Product feed. A distribution system where advertisers can upload their product databases in order to enable publishers to create content and ads on their websites.

Publisher. (Also called affiliate) Websites that agree on display of adverts and direct Internet visitor traffic to the advertising company's website.

Trackability. The process and method for follow-up of website traffic, primarily through use of cookies.

Portals. Websites which act as a gateway to the Internet and offer broad content and large volumes of traffic. On the portal, there are several links, a search engine and other services, for instance, free e-mail or filters and blocking possibilities.

Search engine optimizing publishers. Own websites which use search engines, e.g. Google and Yahoo!, in combination with their own knowledge about the search engine and the advertiser in order to display the advertiser high up in the search results list. These publishers help to generate greater volumes.

Voucher code. Voucher codes that are created and easily distributed to consumers via a publisher's website. The consumer can then use the voucher code when purchasing a product/service from the advertiser.

Tradedoubler in brief

Business concept

Tradedoubler creates results by improving the clients' digital marketing. This happens through our performance-based advertising network and our tools and services which help advertisers to make the most of their campaigns.

Tradedoubler operates on the growing and dynamic market for Internet marketing. The measured results are crucial in this market for determining how campaigns are designed and how advertising rates are set. Digital marketing now has a greater reach than TV advertising in the case of many countries and target groups.

Tradedoubler has operations in 18 countries. The core business is to arrange adverts between advertisers and websites. This mainly takes place through Tradedoubler's affiliate network which consists of 2,000 advertisers and 140,000 active publishers.

The core business is conducted in the segment Network which accounts for 90 per cent of the group's gross profit. The Technology unit licenses Tradedoubler's technology platform for Internet marketing to major advertisers.

Business model

Tradedoubler's business model is based on the company:

- operating as an independent third party and arranging adverts and campaign space among advertisers, media agencies and websites
- supplying and refining an advanced technical advertising platform

The basis of the operations is that Tradedoubler arranges and optimises ads and campaign space between advertisers and publishers of websites. Through its knowledge of Internet marketing, technology platforms for handling transactions and tracking visitors, advanced administrative system and affiliate network, Tradedoubler improves business for both advertisers and publishers. Tradedoubler is able to receive payment in relation to the result generated since the outcome is clearly measurable.

A large portion of Tradedoubler's revenue is performance-based. Remuneration from advertisers to publishers - and to Tradedoubler - is only payable when the visitor performs a certain activity, such as clicking on an ad or executing a purchase.

The activities which determine the remuneration are CPM (cost-per-thousands impressions), CPC (cost-per-click), CPL (cost-per-lead) and CPA (cost-per-action). Which one or combination of these activities forms the basis for the remuneration is decided on a case-by-case-basis. CPA and CPC are the most common. Tradedoubler's system tracks the customer activities generated by a certain advert in order to calculate the remuneration.

Tradedoubler discloses the information provided herein pursuant to the Swedish Securities Markets Act. The information was released for publication on 31 October 2012 at 8.00 a.m. CET.