

Year-end report

January – December 2011



Improved profitability during the quarter

(Numerical data in brackets refers to the corresponding period in 2010 unless otherwise stated).

(The Group's figures are recognised excluding discontinued operations in this year-end report, unless otherwise stated.)

THE INTERIM PERIOD OCTOBER – DECEMBER 2011

- Net sales rose to SEK 701.5 M (679.4), and adjusted for changes in exchange rates, net sales increased by 5%.
- Gross profit amounted to SEK 167.2 M (172.6), and adjusted for changes in exchange rates, gross profit fell by 1%.
- Operating profit (EBIT) rose to SEK 38.7 M (33.8), and adjusted for changes in exchange rates, operating profit increased by 24%.
- Cash flow from operating activities was SEK 67.9 M (76.0).
- Earnings per share amounted to SEK 0.90 (0.50).
- The Search unit was transferred to NetBooster and a strategic partnership in online marketing was initiated with the company. The net effect on the Group's consolidated equity was SEK -45.0 M.
- Parts of the IT operations were outsourced to Frontwalker, which liberates resources for product development.

THE FULL YEAR 2011

- Net sales rose to SEK 2,612.7 M (2,477.8), and adjusted for changes in exchange rates, net sales increased by 11%.
- Gross profit rose to SEK 626.5 M (621.8), and adjusted for changes in exchange rates, gross profit increased by 6%.
- Operating profit (EBIT) rose to SEK 127.1 M (92.8), and adjusted for changes in exchange rates, operating profit increased by 59%.
- Cash flow from operating activities was SEK 123.6 M (-8.2).
- Earnings per share amounted to SEK 2.16 (1.71).
- The Board proposes a dividend of SEK 1.00 and an extra dividend of SEK 0.50, a total of SEK 1.50 (0.00) per share.

Key ratios

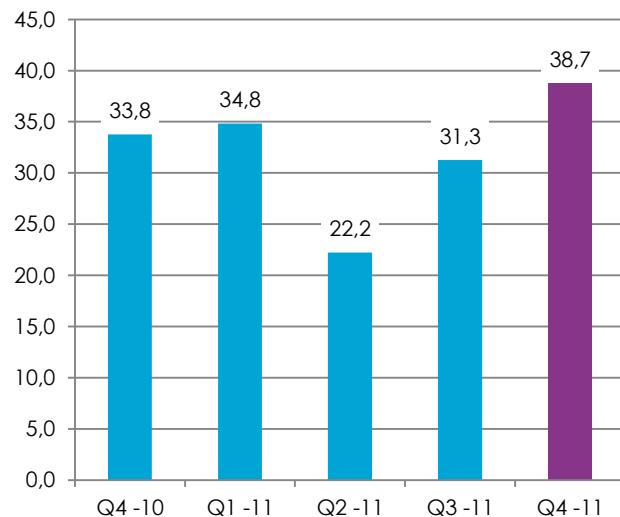
MSEK	Oct-Dec	Oct-Dec	Full year	Full year
	2011	2010	2011	2010
Net sales	701,5	679,4	2 612,7	2 477,8
Gross profit	167,2	172,6	626,5	621,8
Operating profit	38,7	33,8	127,1	92,8
Net profit from continued operations	38,3	21,5	92,2	72,8
Cash-flow from operating activities	67,9	76,0	123,6	-8,2
Earnings per share, SEK	0,90	0,50	2,16	1,71
Cash-flow per share, SEK	0,80	1,70	1,60	-5,07
Operating profit/Gross profit (%)	23,2	19,6	20,3	14,9
Return on equity (12 months) (%)	16,8	14,6	16,8	14,6

PRESENTATION OF THE ANNUAL ACCOUNTS

The annual accounts will be presented at a press and analyst conference on 7 February at 10.00 a.m. in TradeDoubler's premises at Sveavägen 20.

The presentation may also be followed via a webcast using the link: <http://www.tradedoubler.com/cp-en/investors/>.

EBIT (SEK M)



CEO's comments on the full year 2011

Improved profitability during the quarter



Urban Gillström, President and CEO

The trend during the fourth quarter was positive with good sales growth in TradeDoubler's network. We noted a strong start to the Christmas trade during the first few days of December and can observe that the overall Christmas trade increased by 22% measured in order value. This contributed to our net sales rising by 5 per cent currency-adjusted compared to the fourth quarter of 2010.

Still, the higher activity was not sufficient to offset the effects of mix shifts, which meant that currency-adjusted gross profit declined by 1 per cent during the final quarter. The mix shifts included a strong trend for international customers and relatively stronger growth in mature markets in Northern Europe.

However, a major cost focus meant that we more than compensated for this to report operating profit for the fourth quarter of SEK 38.7 M, which was 24 per cent higher than last year, currency-adjusted. This was also the highest profitability for a single quarter since 2008.

Our international business continued to grow, both through existing key accounts and through a number of new business deals which we completed during the quarter. We continued our geographical expansion by following one of our most important customers in an exclusive partnership when they established their business in Latin America. As a result, we now have an operation in Brazil whose mission is to support our customer initially and to develop business with other customers and local publishers in 2012. We are thus continuing our expansion strategy of following customers into new markets, by allowing South West generate business in Latin America.

The mobile market is continuing to grow strongly. This is still occurring from low levels, but there is no doubt that we are

going to do a lot of business via mobile devices. In December, 4.1 per cent of the traffic in our network came from mobile devices. We are driving this trend by helping both our advertisers and our publishers to get mobile solutions in place, by ensuring that the tracking in smartphones and Internet tablets also works fully, and regardless of whether consumers complete their purchase via an app, on a mobile site or on an ordinary website.

During the fourth quarter, we took two decisions that allow us to place greater focus on our core business within Network. The most important thing was that we achieved a good solution for the Search unit, when we entered into a strategic partnership with NetBooster, which thereby took over our assets in the search area. It was difficult for us to maintain good profitability in this part of the business with existing volumes and in a changed market. As part of the deal, we became a "preferred partner" to NetBooster within performance-based marketing, such as affiliate network, campaigns and technology solutions. This partnership will generate more opportunities for us in our core business, while we are releasing management capabilities by no longer engaging in search operations. Both our own and NetBooster's customers gain access to a stronger offering which will help them to drive sales. The deal is good for all parties – for us, for NetBooster, and for the 50 or so employees concerned and above all, for customers.

The other decision which strengthens our competitiveness was the outsourcing of parts of the IT environment relating to operation, maintenance and administration. This liberates resources that we will instead use to integrate products and technology in a new organisation that will focus more clearly on product development. This is important for us since we operate in a rapidly growing and dynamic market where swift innovation and product development confer advantages. By outsourcing, we gain flexibility and scalability.

A strong interest in new ideas and high ambitions within innovation and product development also prompted us to start an incubator at our London office, which has been named "the Zoo Project". Here entrepreneurs have an environment in which to realise their ideas, after passing the review by our "dragons". We provide them with an office, other sponsors, mentors and give them access to our customers. The project has met with a fantastic reception, both in the media and among several of our key clients. It is still possible for you to make a proposal. Read more here: <http://thezooproject.co.uk/>.

The strong finish to the year should provide us with a strong start to 2012. Our focus going forward is on growth through strong sales activities, continued expansion in recently established markets, and also increased efficiency and cost control.

Urban Gillström, President and CEO

MARKET DEVELOPMENT

The market in TradeDoubler's core segment Network continued to grow during the fourth quarter. After a dip in September and October, markets improved in November and December, which are traditionally strong months on account of the Christmas trade. Strongest growth was displayed in the retail segment, while travel and online advertising grew at a lower rate than earlier in the year.

TradeDoubler's revenue within Network was 5 per cent higher in local currencies during the fourth quarter 2011 compared with the corresponding quarter of 2010.

Geographical differences

There is good potential for continued growth within e-commerce in Europe, particularly in Southern and Eastern Europe where the proportion of customers that shop via the Internet is lower than in Northern Europe, especially in comparison to the UK and Scandinavia. The UK and Germany are the largest individual e-commerce markets.

Market conditions meant that e-commerce in Northern Europe continued to develop better than in Southern Europe. Eastern Europe displayed high growth, but it is taking place from a lower level. The UK market is estimated to have grown over 10 percent during 2011.

Trends

Many large retail chains have worked systematically during 2011 on boosting their online sales, which contributed to a stronger growth than within other sectors. A number of retail chains report that e-commerce accounted for a large part of the increase in the Christmas trade. TradeDoubler has a substantial and growing client base in the sector.

Many e-tailers also choose to take the first step into new geographical markets through an establishment on the Internet, prior to or instead of establishing a physical presence. Together with customers, TradeDoubler entered new markets in Eastern Europe and the Middle East earlier in 2011. By entering Brazil towards the end of the year along with a major customer, TradeDoubler has established a presence for the first time in Latin America. Several customers have expressed interest in following.

Growth was lower in the travel sector, where TradeDoubler has a strong position. This is partly explained by the fact that the travel industry invested early in the Internet and the market is therefore more mature than most other sectors. The weak market conditions in many European countries have also meant that many consumers are choosing to spend less money on travel.

The strong growth in e-commerce via mobile devices continued, however, still from very small volumes. The Shopping & Retail segment, in which the traditional retail e-commerce sites are included, is one of the more important. Men aged from 18-34 are the most active. Scandinavia and the UK are leading the development.

The activity in TradeDoubler's network continued to increase measured in revenue, while improvement in gross profit was

more moderate. This was mainly due to a shift towards a greater share of revenue from Affiliate operations.

Just like earlier in the year, a continued good development on the part of international customers contributed to growth, which resulted in lower gross margins.

THE GROUP'S RESULTS

The account below does not include operations within the Search business unit, which was discontinued during the fourth quarter. This is reported under a special heading on page 7 and as discontinued operations in the income statement. All historical profit comparisons are excluding Search.

Consolidated net sales increased during the year to SEK 2,612.7 M (2,477.8), an increase of 11 per cent adjusted for changes in exchange rates. During the fourth quarter, net sales amounted to SEK 701.5 M (679.4), which was an increase of 5 per cent adjusted for changes in exchange rates.

Gross profit during the year rose to SEK 626.5 M (621.8), which was an increase of 6 per cent adjusted for exchange rates. During the fourth quarter, gross profit amounted to SEK 167.2 M (172.6), which was a decrease of 1 per cent adjusted for changes in exchange rates.

Network developed well during the year and increased its gross profit to SEK 570.6 M (563.3), an increase of 6 per cent adjusted for changes in exchange rates. Growth within the Affiliate business was stronger than the Campaigns business. Gross profit in Technology decreased to SEK 55.9 M (58.5), though this was a currency-adjusted increase of 1 per cent.

Operating costs including depreciation during the year fell to SEK 499.5 M (529.0), a decline of 2 per cent adjusted for changes in exchange rates, thanks to a continued focus on costs. Operating costs including depreciation fell to SEK 128.5 M (138.8) during the fourth quarter.

Operating profit improved during the year to SEK 127.1 M (92.8), an increase of 59 per cent adjusted for changes in exchange rates. Profitability improved and the operating profit/gross profit margin increased to 20.3 (14.9) per cent during 2011. During the fourth quarter, operating profit was SEK 38.7 M (33.8), an increase of 24 per cent adjusted for changes in exchange rates. The operating profit/gross profit margin improved to 23.2 (19.6) per cent.

During the year, financial income and expenses amounted to SEK -12.7 M (-10.0), which was explained by currency translation differences on internal balances and currency effects on trade receivables. At year-end, the Group had no interest-bearing loans (0.0).

Profit after tax for remaining operations was SEK 92.2 M (72.8) during the year, a rise of 31 per cent adjusted for changes in exchange rates. During the fourth quarter, the corresponding profit was SEK 38.3 M (21.5), an increase of 80 per cent adjusted for changes in exchange rates.

The tax rate during the year was 19.4 (12.1) percent. In 2010, an adjustment of previous tax estimates that were too high occurred which affects the comparative figure.

NETWORK

The rising trend from earlier in the year continued. The activity, which weakened somewhat in early autumn, increased in November and December. The Christmas trade, which normally boosts business during the fourth quarter, also did so this year. The trend in the travel sector was positive, but growth was not as strong as earlier in the year. This was compensated for by greater efforts in more high-growth segments such as retail, fashion and telecommunications. International customers continued to perform well.

Gross profit during the year increased to SEK 570.6 M (563.3), an increase of 6 per cent in local currencies. Gross profit increased in all market units apart from North East, France and South West.

The service areas Affiliate and Campaigns, which in 2011 accounted about 85 and 15 per cent respectively of gross profit within Network, both developed positively. The development in Affiliate was stronger due to a more competitive market position, while Campaigns met strong competition from different players in the local markets. The Affiliate market is generally more stable than Campaigns.

Gross profit during the fourth quarter was SEK 151.4 M (158.2), a decrease of 2 per cent adjusted for changes in exchange rates.

Operating profit (EBIT) strengthened during the year to SEK 102.2 M (65.8), an increase of 85 per cent adjusted for changes in exchange rates. All market units, except North East and South West, improved their operating profit. During the fourth quarter, operating profit was SEK 30.9 M (27.2), an increase of 24 per cent adjusted for changes in exchange rates.

The largest market unit, **Central**, improved its gross profit during the fourth quarter to SEK 36.2 M (35.7), an increase of 2 per cent adjusted for changes in exchange rates. The upturn was mainly due to a good performance in Switzerland. Operating profit thus improved to SEK 6.0 M (4.8).

Activity in **France** was inhibited by the uncertain economic climate. The French Christmas trade was reported to have been lower overall than the preceding year, even though many consumers chose to buy Christmas presents via the Internet. Many customers were restrained with online activities and concentrated on targeted measures. The new sales team, which was put in place at the end of the third quarter, carried out a series of activities. Segments such as fashion, telecoms and insurance displayed good increases. Gross profit fell during the fourth quarter to SEK 26.1 M (30.1), a decrease of 11 per cent adjusted for changes in exchange rates. However, profitability was still good with higher operating profit during the fourth quarter of SEK 10.2 M (7.9).

Gross profit in the second largest unit, **North East**, fell slightly during the fourth quarter to SEK 34.3 M (36.0), a decrease of 2

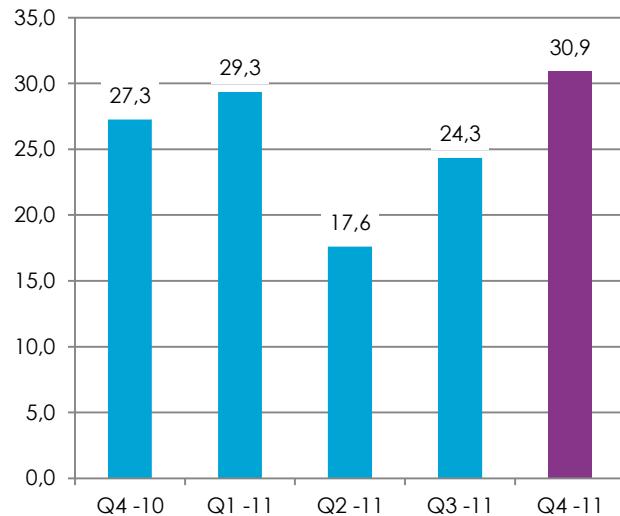
per cent adjusted for changes in exchange rates. Operating profit weakened to SEK 0.4 M (3.2). Affiliate gradually improved during the quarter and finished the year with good momentum while Campaigns was weaker. The new country manager for Sweden joined the company and initiated a number of measures to strengthen TradeDoubler's position in Sweden.

The **North West** unit reported a rising gross profit of SEK 30.6 M (29.9) during the fourth quarter, an increase of 5 per cent adjusted for changes in exchange rates, and operating profit of SEK 7.0 M (6.1). The positive trend during the third quarter gained further momentum with good activity among several important customers. The new management is concentrating on activating publishers, driving sales, but is also putting costs in focus. The unit is also benefitting from having launched the incubator -"the Zoo Project" – described in the CEO's comments.

The **South East** unit strengthened its gross profit to SEK 16.0 M (15.5) during the fourth quarter, an increase of 6 per cent adjusted for changes in exchange rates. Profitability continued to be strong and operating profit improved to SEK 6.2 M (4.0). The travel sector was stable, which the unit compensated for with greater activity in telecoms, retail, cars and sport.

Gross profit in the **South West** unit amounted to SEK 8.1 M (10.9) during the fourth quarter, a decline of 24 per cent adjusted for changes in exchange rates. The weak economy in the region affected the market negatively. Campaigns developed positively at the end of the year. Operating profit was unchanged at SEK 1.2 M (1.2).

EBIT Network (SEK M)



Segments and market units

MSEK	Oct-Dec	Oct-Dec	Full year	Full year
	2011	2010	2011	2010
Market Unit Central	36,2	35,7	131,4	120,7
Market Unit France	26,1	30,1	99,7	106,3
Market Unit North East	34,3	36,0	127,8	126,0
Market Unit North West	30,6	29,9	112,4	106,6
Market Unit South East	16,0	15,5	63,1	57,2
Market Unit South West	8,1	10,9	36,3	46,4
Total Network	151,4	158,2	570,6	563,3
Business Unit Technology	15,9	14,4	55,9	58,5
Total gross profit from continuing operations	167,2	172,6	626,5	621,8
Total gross profit from discontinued operations	7,2	8,5	31,8	36,6

Operating profit (EBIT)

Market Unit Central	6,0	4,8	19,7	4,7
Market Unit France	10,2	8,0	34,6	25,9
Market Unit North East	0,4	3,2	4,1	2,0
Market Unit North West	7,0	6,1	12,2	9,1
Market Unit South East	6,2	4,0	25,6	15,6
Market Unit South West	1,2	1,2	6,0	8,6
Total Network	30,9	27,3	102,2	65,8
Business Unit Technology	7,8	6,5	24,8	27,0
Total EBIT from continuing operations	38,7	33,8	127,1	92,8
Total EBIT from discontinued operations	-3,0	-1,6	-7,7	-10,3

Operating profit/Gross profit, %

Market Unit Central	16,5	13,4	15,0	3,9
Market Unit France	38,9	26,4	34,7	24,3
Market Unit North East	1,2	9,0	3,2	1,6
Market Unit North West	22,8	20,3	10,9	8,5
Market Unit South East	38,4	25,7	40,6	27,2
Market Unit South West	14,9	11,3	16,6	18,5
Business Unit Technology	49,2	45,1	44,4	46,2
Discontinued operations	neg	neg	neg	neg

In the above figures, central costs previously attributable to search operations have been allocated to remaining market units.

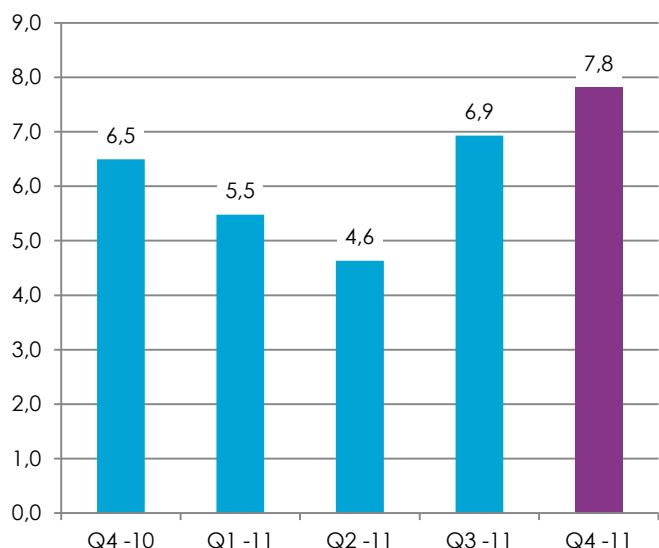
TECHNOLOGY

Gross profit for the full year was SEK 55.9 M (58.5), an increase of 1 per cent adjusted for changes in exchange rates. During the fourth quarter, gross profit increased to SEK 15.9 M (14.4), an increase of 13 per cent adjusted for changes in exchange rates.

Operating profit (EBIT) during the year amounted to SEK 24.8 M (27.0), which was the same level as last year adjusted for changes in exchange rates. During the fourth quarter, operating profit increased to SEK 7.8 M (6.5), an increase of 26 per cent adjusted for changes in exchange rates.

The operations were inhibited partly by the weak economy, in which customers save resources, which leads to longer implementation times and lower activity. France, which is the largest market in the segment, developed well. Germany, displayed a decline during the quarter due to the loss of an important customer earlier in the year. The unit continued to have a stable cost level and low employee turnover.

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.

DISCONTINUED OPERATIONS

The operations in the Search market unit were transferred to NetBooster during the fourth quarter, after which these activities are reported as discontinued operations in the income statement. The net effect on the Group's consolidated equity from the discontinuation of Search amounted to SEK -45.0 M, which was approximately SEK 5 M more than previously forecasted. This is composed of the capital loss from the divestment (excluding reversed currency and translation differences) of SEK -38.0 M and transaction costs of SEK -7.0 M. The transaction costs were mainly fees to advisors.

With the divestment of the Search operations, items previously recognised as other comprehensive income against equity, are recognised as a component of the capital loss in the income statement. The two items previously recognised in equity are exchange rate fluctuations on net investments, which accumulated amounted to SEK -98.1 M, and translation differences in equity of SEK -3.8 M (both recognised net after tax). These items that were previously recognised through other comprehensive income against equity are reversed in the company's statement of other comprehensive income.

The recognised capital loss in the Group will be SEK -146.9 M in total, of which the consolidated equity has been affected by the capital loss of SEK -45.0 and by the fact that an adjustment took place in equity from currency translation reserve to net profit for the year of SEK -101.8 M in total.

The charge to results during the year was SEK -143.1 M (-11.5) net on account of the discontinued operations. The charge to results was SEK -148.6 M (-1.4) during the fourth quarter.

Gross profit during the year related to discontinued operations was SEK 31.8 M (36.6) and SEK 7.2 M (8.5) during the fourth quarter. The effect on operating profit related to discontinued operations during the year was SEK -7.7 M (-10.3) and was SEK -3.0 M (-1.6) during the fourth quarter.

In the Group, certain financial instruments and translation differences are recognised in other comprehensive income against shareholder's equity. These items are presented in the table below:

Income statement for discontinued operations

SEK 000s	Full year	Full year
	2011	2010
Net Sales	343 990	362 302
Cost of goods sold	-312 178	-325 682
Gross profit	31 812	36 620
Total costs	-39 536	-46 930
Operating profit	-7 724	-10 311
Net financial items	270	-1 162
Profit before tax	-7 454	-11 473
Tax	11 272	-
Net profit excl capital loss for the year for discontinuing operations	3 818	-11 473
Capital loss	-146 887	-
Net profit for the year for discontinuing operations	-143 069	-11 473
Other comprehensive income		
Net profit from discontinued operations	-143 069	-11 473
Translation difference on equity net after tax	311	-842
Exchange difference on increased net investment, net after tax	-8 130	-21 449
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	-49 046	-33 764

THE GROUP'S RESULTS INCLUDING DISCONTINUED OPERATIONS

Consolidated net sales including the discontinued operations amounted to SEK 2,956.7 M (2,840.1), an increase of 10 per cent adjusted for changes in exchange rates. Gross profit for the year was SEK 658.4 M (658.4), an increase of 5 per cent adjusted for changes in exchange rates.

Operating profit for the year was SEK 119.3 (82.5), an increase of 70 per cent adjusted for changes in exchange rates, mainly on account that operating costs including depreciation decreased to SEK 539.0 M from (575.9), an improvement of 3 per cent adjusted for changes in exchange rates. The operating profit/gross profit margin thereby increased during the year to 18.1 (12.5) per cent.

Financial income and expenses increased during the year to SEK -12.4 M (-11.2), which was explained by currency translation differences on internal balances and currency effects on trade receivables.

Profit after tax excluding capital loss from discontinued operations amounted to SEK 96.0 M (61.3) for the year, an increase of 64 per cent adjusted for changes in exchange rates.

THE PARENT COMPANY

The parent company's net sales amounted to SEK 193.6 M (151.6) during the year. Revenue primarily consisted of licensing revenue and remuneration from subsidiaries for centrally performed services. The higher net sales are primarily due to increased licensing revenue.

Financial income and expenses amounted to SEK -363.5 M (49.4) for the full year. Earlier in the year, an inter-company loan was converted to shares in subsidiaries in order to minimise non-deductible interest expenses in the Group. The value of these shares has now been tested and an impairment has been made. The parent company's financial income and expenses includes costs of this impairment, costs of discontinued operations and income in the form of dividends from subsidiaries. These items adversely affected the parent company's profit before tax by SEK 365.2 M in total during the fourth quarter. Profit after tax amounted to SEK -335.3 M (5.8).

The parent company's receivables from group companies amounted to SEK 157.3 M (301.1) at year-end, of which none (0.0) were non-current. The parent company's liabilities to group companies amounted to SEK 71.1 M (121.9) of which none (0.0) were non-current. Cash and cash equivalents amounted to SEK 52.2 M (41.9).

CASH FLOW AND FINANCIAL POSITION

Cash flow from operating activities during the year amounted to SEK 123.6 M (-8.2), after a change in working capital of SEK 7.6 M (-99.8). The improvement in working capital should be partly seen in the light of the fact that the comparative period was strongly affected by a normalisation of cash flows after the completed rights issue. Cash flow from operating activities before changes in working capital amounted to SEK 116.0 M (91.6) during the year. Cash flow from operating activities before changes in working capital amounted to SEK 40.7 M (60.0) during the fourth quarter.

The work on the company's strategic initiative has continued, which significantly affected the net investments in property, plant and equipment during the final quarter. These investments mainly consist of improvements to production and financial systems.

Cash and cash equivalents at year-end amounted to SEK 290.7 M (209.7). The Group had no interest-bearing loans (0.0).

Consolidated shareholders' equity amounted to SEK 580.8 M (516.8) at year-end. During the year, shareholders' equity increased by SEK 64.1 M, due to comprehensive income for the year.

For the full year 2011, the return on equity amounted to 16.8 (14.6) per cent.

DIVIDEND

The Board proposes that an ordinary dividend of SEK 1.00 (0.00) per share and an extra dividend of SEK 0.50 should be paid to the owners. The total dividend of SEK 1.50 per share corresponds to 72 per cent of profit after tax (before profit after tax from divested operations).

TradeDoubler has a policy of distributing at least 50 per cent of the profit after tax, provided that a suitable capital structure is maintained. Distribution may occur through share dividends, share redemption and share buyback.

TRANSACTIONS WITH RELATED PARTIES

No transactions between TradeDoubler and related parties impacting the company's financial position results have taken place.

EMPLOYEES

At year-end, TradeDoubler's staff corresponded to 498 (525) full-time equivalents/FTEs, which includes full-time, temporary and contract employees.

The average number of full-time equivalents during 2011 was 544 (567). In December, the number of full-time equivalents decreased by 59 due to the discontinuation of Search and outsourcing of parts of the IT operations.

RISKS AND UNCERTAINTIES

TradeDoubler divides risks into market-related risks, operational risks, financial risks and legal risks. These risks are described in the annual report for 2010 (page 67), alternatively see the following link:

<http://financials.tradedoubler.com/en-GB/Operations/Risks-and-uncertainties/>

It is assessed that no significant risks or uncertainties have arisen other than greater uncertainty regarding the future economic trend in Europe.

EVENTS AFTER THE END OF THE REPORTING PERIOD

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

ACCOUNTING POLICIES

This year-end report is prepared in accordance with IAS 34, Interim Financial Reporting and the Swedish Annual Accounts Act. The operations within Search were divested on 20 December 2011. The figures and key ratios for the Group are reported in this report according to IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Search is recognised in this report as discontinued operations.

The accounting policies and methods of calculation are otherwise unchanged, compared with the 2010 annual report. For information on the accounting policies applied, see the 2010 Annual Report.

Since January 2011, the Group changed its segment reporting in accordance with the new operating follow up which is applied internally. Goodwill has been re-allocated to the new segments in connection with this. This is based on the eight segments and their revenue forecasts for 2011. Goodwill has thus been allocated as follows:

Market unit	Allocation
North East	17%
North West	10%
Central	17%
France	20%
South East	14%
South West	9%
Technology	13%

In connection with the divestment of Search, impairment testing of Goodwill has been carried out in respect of remaining segments. The result of the impairment test shows that no impairment need exists.

For more information see, http://www.tradedoubler.com/cp-en/investors/press_releases.html, "New segment reporting as from January 1".

THE SHARE

The total number of shares at the end of the period amounted to 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 during 2011 amounted to SEK 2.16 (1.71). Equity per share for the year amounted to SEK 12.80 (11.70). At year-end the share price was SEK 27.30, which was lower than at the end of 2010 when the share price was SEK 49.50.

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.

PRESENTATION OF YEAR-END REPORT

The interim report is presented at a press and analyst conference on 7 February at 10.00 a.m. in TradeDoubler's premises at Sveavägen 20, Stockholm.

The presentation may be followed via webcast on the home page: <http://www.tradedoubler.com/cp-en/investors/>

And also in order to ask questions, even by telephone:

Sweden	+46 8 5055 9812
UK	+44 20 7750 9950
US	+1 866 676 5870

The presentation material will be published concurrently with the interim report on the same home page:

Interim report January-March 2012	3 May 2012
Interim report January-June 2012	27 July 2012
Interim report January-September 2012	31 October 2012

ANNUAL REPORT

The annual report will be presented on 17 April and will be available on the home page. Shareholders who would like to receive the annual report by post are asked to contact TradeDoubler at ir@tradedoubler.com or Petra Larsson by telephone on +46 8 4050 800.

ANNUAL GENERAL MEETING

The annual general meeting will be held on 8 May at 5 p.m. in TradeDoubler's premises at Sveavägen 20 in Stockholm. Information about to whom proposals can be submitted and how registration should be made is available on the home page.

CONTACT INFORMATION

Urban Gillström, President and CEO, telephone +46 70 785 76 00
Erik Skånsberg, CFO, telephone +46 70 264 70 35
E-mail: ir@tradedoubler.com

REVIEW

This year-end report has not been subject to review by the company's auditor Ernst & Young AB.

Stockholm, 7 February 2012

Urban Gillström

President and CEO

Consolidated income statement

SEK 000s	Oct-Dec	Oct-Dec	Full year	Full year
	2011	2010	2011	2010
Net Sales	701 455	679 448	2 612 701	2 477 768
Cost of goods sold	-534 213	-506 877	-1 986 163	-1 855 971
Gross profit	167 241	172 571	626 539	621 797
Selling expenses	-88 607	-85 764	-335 928	-327 823
Administrative expenses	-26 366	-43 433	-120 840	-166 548
Development expenses	-13 532	-9 619	-42 711	-34 586
Operating profit	38 737	33 755	127 060	92 838
Net financial items	-888	-4 133	-12 693	-10 024
Profit before tax	37 849	29 622	114 367	82 814
Tax	405	-8 166	-22 201	-10 007
Net profit for continued operations	38 254	21 455	92 166	72 807
Net profit for discontinued operations	-148 630	-1 395	-143 069	-11 473
Total net profit	-110 376	20 060	-50 904	61 334

All earnings accrue to the parent company's shareholders.

Consolidated statement of comprehensive income

SEK 000s	Oct-Dec	Oct-Dec	Full year	Full year
	2011	2010	2011	2010
Profit for the period, after tax	-110 376	20 060	-50 904	61 334
Other comprehensive income				
Translation difference, net after tax	-3 480	-754	21 060	-4 094
Exchange difference on increased net investment, net after tax	-	-2 931	-8 130	-21 449
Reversal of exchange difference on increased net investment, net after tax*	98 077	-	98 077	-
Reversal of translation difference, net after tax*	3 765	-	3 765	-
Total comprehensive income for the period, after tax	-12 014	16 375	63 868	35 791
Comprehensive income attributable to				
Parent company shareholders	-12 014	16 375	63 868	35 791

* These items are related to the discontinuation of the Search operations.

Earnings per share

SEK	Oct-Dec	Oct-Dec	Full year	Full year
	2011	2010	2011	2010
Profit per share for continued operations	0,90	0,50	2,16	1,71
Total profit per share (including discontinued operations)	-2,59	0,47	-1,19	1,44
Number of Shares				
Weighted average	42 677 449	42 677 449	42 677 449	42 660 902

The earnings per share above apply before and after dilution.

Key ratios - Group

	Oct-Dec	Oct-Dec	Full year	Full year
	2011	2010	2011	2010
Gross profit (GP) / revenue (%)	23,8	25,4	24,0	25,1
Operating profit (EBIT) / revenue (%)	5,5	5,0	4,9	3,7
Operating profit (EBIT) / gross profit (GP) (%)	23,2	19,6	20,3	14,9
Net profit/gross profit (GP) (%)	22,9	12,4	14,7	11,7
Equity/assets ratio (%)	40,4	36,5	40,4	36,5
Return on equity (12 months) (%)	16,8	14,6	16,8	14,6
Average number of employees	536	534	544	567
Return on Capital Employed (12 months) (%)	23,4	18,8	23,4	18,8
Cash-flow per share, SEK	0,8	1,7	1,7	-5,0
Equity per share, SEK	13,7	11,9	12,9	11,7
Stock price at the end of the period, SEK	27,3	49,5	27,3	49,5

Consolidated statement of financial position

SEK 000s	31 Dec 2011	31 Dec 2010
Assets		
Intangible fixed assets	404 054	423 123
Tangible fixed assets	10 968	15 772
Financial fixed assets	3 549	2 182
Deferred tax assets	21 111	27 700
Total fixed assets	439 683	468 777
Accounts receivables	642 432	685 862
Tax assets	28 632	22 293
Other current receivables	35 149	29 049
Cash & cash equivalents	290 745	209 744
Total current assets	996 957	946 948
Total assets	1 436 640	1 415 725
Shareholders' equity and liabilities		
Shareholders' equity	580 843	516 784
Deferred tax liabilities	7 625	17 899
Other provisions	1 044	1 027
Total long-term liabilities	8 669	18 926
Accounts payable	29 407	47 398
Current liabilities to publishers	498 346	447 242
Tax liabilities	9 251	2 505
Other current liabilities	310 124	382 869
Total current liabilities	847 128	880 015
Total shareholder's equity and liabilities	1 436 640	1 415 725

Consolidated statement of changes in equity

SEK 000s	Oct-Dec 2011	Oct-Dec 2010	Full year 2011	Full year 2010
Opening balance	592 667	502 306	516 784	480 507
Total comprehensive income for the period	-12 014	14 478	63 868	35 791
Equity-settled share-based payments	191	-	191	-
New share issues	-	-	-	486
Closing balance	580 843	516 784	580 843	516 784

All capital accrues to the parent company's shareholders.

Consolidated statement of cash flows

SEK 000s	Oct-Dec	Oct-Dec	Full year	Full year
	2011	2010	2011	2010
Operating activities				
Profit before tax	37 849	29 610	114 367	82 803
Adjustments for items not included in cash flow	-5 473	5 481	16 098	16 127
Income taxes paid	8 283	24 925	-14 463	-7 321
Cash flow from operating activities before changes in working capital	40 659	60 016	116 002	91 609
Changes in working capital	27 263	16 003	7 626	-99 847
Cash flow from operating activities	67 922	76 019	123 628	-8 238
Investing activities				
Net investments in intangible assets	-9 803	-1 626	-25 828	-3 152
Net investments in tangible assets	1 359	-1 849	-3 877	-5 494
Net investments in financial assets	-874	-2	-1 394	-39
Net investments in stocks and subsidiaries*	-24 421	-	-24 421	-
Cash flow from investing activities	-33 739	-3 477	-55 520	-8 685
Financing activities				
New share issues	-	-	-	42 820
Amortization	-	-	-	-242 065
Cash flow from financing activities	-	-	-	-199 245
Cash flow for the period from continuing operations	34 183	72 542	68 108	-216 168
Cash flow from discontinued operations				
Cash flow from operating activities	-2 058	1 543	3 903	2 412
Cash flow from investing activities	-	-	-51	-
Cash flow from financing activities	-	-	-	-
Cash flow for the period from discontinued operations	-2 058	1 543	3 852	2 412
Cash flow for the period	32 125	74 085	71 960	-213 756
Cash and cash equivalents on the opening date	261 636	136 212	209 744	436 595
Translation difference in cash and cash equivalents	-3 016	-553	9 041	-13 095
Cash and cash equivalents on the closing date	290 745	209 744	290 745	209 744
Adjustments for non-cash items				
Depreciation	3 936	3 557	16 776	17 061
Other	-9 409	1 924	-678	-934
Total non-cash items	-5 473	5 481	16 098	16 127

* Attributable to discontinued operations.

Income statement – Parent company

SEK 000s	Oct-Dec	Oct-Dec	Full year	Full year
	2011	2010	2011	2010
Net Sales	49 190	75 726	193 554	151 554
Cost of goods sold	-2 106	-2 787	-7 931	-11 336
Gross profit	47 085	72 939	185 623	140 218
Selling expenses	-779	-3 681	-6 010	-8 941
Administrative expenses	-28 373	-42 429	-119 216	-140 772
Development expenses	-8 401	-8 181	-32 140	-31 708
Operating profit	9 532	18 648	28 257	-41 203
Net financial items	-379 971	-1 528	-363 513	49 418
Profit before tax	-370 438	17 121	-335 256	8 215
Tax	2 658	-5 867	-113	-2 424
Net profit	-367 780	11 253	-335 369	5 791

Balance sheet – Parent company

SEK 000s	31 Dec	31 Dec
	2011	2010
Assets		
Intangible fixed assets	26 601	3 785
Fixed tangible assets	5 520	10 735
Financial fixed assets	206 327	387 411
Deferred tax assets	-	-
Total fixed assets	238 449	401 931
Accounts receivables	6 339	3 633
Receivables from Group companies	157 307	301 098
Tax assets	7 191	4 435
Other current receivables	11 100	11 091
Cash & cash equivalents	52 224	41 888
Total current assets	234 161	362 144
Total assets	472 610	764 075
Shareholders' equity and liabilities		
Shareholders equity	274 198	519 428
Accounts payable	10 299	10 843
Liabilities to Group companies	71 119	121 941
Other liabilities	116 994	111 863
Total current liabilities	198 412	244 647
Total shareholder's equity and liabilities	472 610	764 075

Pledged assets and contingent liabilities

SEK 000s	31 Dec	
	2011	2010
Group		
Pledged assets	none	none
Rent deposits	3 549	2 179
Contingent liabilities	none	none
Parent company		
Pledged assets	none	none
Contingent liabilities	6 939	137 472

Quarterly summary

Consolidated income statement

SEK 000s	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
	2011	2011	2011	2011	2010	2010	2010	2010
Net Sales	701 455	653 926	604 760	652 561	679 448	605 250	578 322	614 749
Cost of goods sold	-534 213	-501 386	-455 283	-495 280	-506 877	-458 166	-427 999	-462 930
Gross profit	167 241	152 540	149 477	157 281	172 571	147 084	150 323	151 818
Total costs	-128 505	-121 280	-127 239	-122 455	-138 816	-122 537	-136 290	-131 315
Operating profit	38 737	31 260	22 237	34 826	33 755	24 547	14 033	20 504
Net financial items	-888	-4 970	2 094	-8 929	-4 133	-14 191	13 242	-4 943
Profit before tax	37 849	26 290	24 331	25 897	29 622	10 356	27 275	15 561
Tax	405	-6 369	-10 352	-5 886	-8 166	2 830	954	-5 625
Net profit for continued operations	38 254	19 921	13 979	20 012	21 455	13 187	28 229	9 936
Net profit/loss from discontinued operations	-148 630	564	6 367	-1 370	-1 395	-1 897	-1 282	-6 899
Total net profit	-110 376	20 486	20 346	18 641	20 060	11 290	26 947	3 037

Consolidated statement of financial position

SEK 000s	31 dec	30 sep	30 jun	31 mar	31 dec	30 sep	30 jun	31 mar
	2011	2011	2011	2011	2010	2010	2010	2010
Assets								
Intangible fixed assets	404 054	428 644	405 883	406 738	423 123	431 530	475 058	450 749
Other fixed assets	35 629	47 854	47 527	45 560	45 654	52 356	49 184	50 760
Current receivables	706 213	717 459	681 006	691 012	737 204	698 827	722 247	685 758
Cash & cash equivalents	290 745	261 636	214 260	245 633	209 744	136 212	121 469	148 201
Total assets	1 436 640	1 455 593	1 348 676	1 388 944	1 415 725	1 318 924	1 367 958	1 335 468
Shareholders' equity and liabilities								
Shareholders' equity	580 843	592 667	551 122	530 870	516 784	500 409	503 437	473 490
Long-term interest bearing debt	-	-	-	-	-	-	-	-
Long-term non-interest bearing debt	8 669	10 685	11 420	12 199	18 926	20 399	17 052	17 649
Current interest bearing debt	-	-	-	-	-	-	-	-
Current non-interest bearing debt	847 128	852 241	786 134	845 875	880 015	798 117	847 468	844 328
Total shareholder's equity and liabilities	1 436 640	1 455 593	1 348 676	1 388 944	1 415 725	1 318 924	1 367 958	1 335 468

Consolidated statement of cash flows

SEK 000s	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
	2011	2011	2011	2011	2010	2010	2010	2010
Operating activities								
Profit before tax	35 791	26 821	22 600	24 527	28 227	8 459	25 993	8 662
Adjustments for items not included in cash flow	-5 473	7 505	11 635	10 962	8 407	5 123	6 579	9 891
Tax paid	8 283	-8 020	-11 174	-3 552	24 925	5 568	-10 887	-26 927
Cash flow from changes in working capital	27 263	22 821	-53 804	11 346	16 003	1 226	-46 108	-70 967
Cash flow from operating activities	65 864	49 127	-30 743	43 283	77 562	20 376	-24 423	-79 341
Cash flow from investing activities	-33 739	-9 403	-7 944	-4 485	-3 477	-1 092	-775	-3 341
Cash flow from financing activities	-	-	-	-	-	-	-	-199 245
Cash flow for the period	32 125	39 724	-38 687	38 798	74 085	19 284	-25 198	-281 927
Cash and cash equivalents								
On the opening date	261 636	214 260	245 633	209 744	136 212	121 469	148 201	436 596
Translation difference	-3 016	7 653	7 314	-2 909	-553	-4 541	-1 534	-6 468
Cash and cash equivalents on the cl	290 745	261 636	214 260	245 633	209 744	136 212	121 469	148 201

The above quarterly summary of cash flows has not been adjusted for discontinued operations.

Key ratios - Group

	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
	2011	2011	2011	2011	2010	2010	2010	2010
Gross profit (GP) / revenue (%)	23,8	23,3	24,7	24,1	25,4	24,3	26,0	24,7
Operating profit (EBIT) / revenue (%)	5,5	4,8	3,7	5,3	5,0	4,1	2,4	3,3
Operating profit (EBIT) / gross profit (GP) (%)	23,2	20,5	14,9	22,1	19,6	16,7	9,3	13,5
Net profit/gross profit (GP) (%)	22,9	13,1	9,4	12,7	12,4	9,0	18,8	6,5
Equity/assets ratio (%)	40,4	40,7	40,9	38,2	36,5	37,9	36,8	35,5
Return on equity (12 months) (%)	16,8	13,8	13,0	16,5	14,6	17,8	-43,0	-46,7
Average number of employees	536	553	541	545	534	551	587	588
Return on Capital Employed (12 months) (%)	23,4	22,4	22,1	21,4	18,8	24,5	4,4	10,3
Cash-flow per share, SEK	0,8	0,9	-0,9	0,9	1,7	0,5	-0,6	-6,6
Equity per share, SEK	13,7	13,4	12,7	12,4	11,9	11,8	11,4	11,1
Stock price at the end of the period, SEK	27,3	23,0	40,5	46,8	49,5	35,0	30,0	39,7

Segments

MSEK	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
	2011	2011	2011	2011	2010	2010	2010	2010
Market Unit Central								
Gross profit	36,2	31,8	31,2	32,3	35,7	27,5	29,0	28,5
Operating profit	6,0	4,3	4,1	5,3	4,8	0,5	-1,0	0,4
Market Unit France								
Gross profit	26,1	22,7	22,9	27,9	30,1	24,9	24,6	26,7
Operating profit	10,2	6,8	6,0	11,6	8,0	6,7	4,4	6,8
Market Unit North East								
Gross profit	34,3	31,4	30,6	31,5	36,0	29,2	31,6	29,1
Operating profit	0,4	1,9	0,3	1,5	3,2	1,1	-0,3	-2,1
Market Unit North West								
Gross profit	30,6	27,3	26,3	28,2	29,9	26,7	23,7	26,3
Operating profit	7,0	3,2	-0,1	2,2	6,1	2,9	-1,6	1,7
Market Unit South East								
Gross profit	16,0	15,0	15,5	16,6	15,5	13,4	14,7	13,6
Operating profit	6,2	5,8	6,1	7,5	4,0	3,9	3,9	3,8
Market Unit South West								
Gross profit	8,1	9,8	9,3	9,0	10,9	12,2	11,3	12,0
Operating profit	1,2	2,3	1,3	1,3	1,2	3,2	1,8	2,4
Technology								
Gross profit	15,9	14,5	13,7	11,9	14,4	13,3	15,3	15,5
Operating profit	7,8	6,9	4,6	5,5	6,5	6,3	6,9	7,4
Total								
Gross profit from continuing operations	167,2	152,5	149,5	157,3	172,6	147,1	150,3	151,8
EBIT from continuing operations	38,7	31,3	22,2	34,8	33,8	24,5	14,0	20,5
Gross profit from discontinued operations	7,2	7,5	7,7	9,4	8,5	7,6	8,5	12,1
EBIT from discontinued operations	-3,0	-1,4	-2,1	-1,3	-1,6	0,3	-4,5	-4,5

Key ratio definitions

Return on equity. Net profit 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.

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.

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 the 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.

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.

Glossary

Affiliate. (Means "connected" or "linked" in English)
Used for a website which via adverts directs internet visitor traffic to the advertising company's website.

Affiliate network. A system where advertisers who want to boost their Internet sales are matched together with website owners who 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.

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 (primarily 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.

TradeDoubler in brief

Business concept

TradeDoubler creates results by improving the clients digital marketing. This happens through our performance-based advertising network, our tools which help advertisers to make the most of their campaigns as well as our services within search engine marketing.

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 a presence in 18 countries in Europe and reaches about 75 per cent of European e-commerce consumers. The core business is to arrange adverts between advertisers and websites/publishers. This mainly takes place through TradeDoubler's affiliate network which consists of 1,900 advertisers and 138,000 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/publishers
- 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.

For more information about the business model, see the annual report for 2010: <http://financials.tradedoubler.com/eng/Operations/Welcome-to-TD/>

TradeDoubler discloses the information provided herein pursuant to the Swedish Securities Markets Act. The information was submitted for publication on 7 February 2012 at 8.00 a.m. CET.