



# ANNUAL REPORT 2009



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# Financial information

TradeDoubler AB (publ) (556575-7423) is a Swedish company with its registered office in Stockholm. The company is subject to Swedish laws and as a listed company is obliged to comply with Nasdaq OMX Stockholm's rules and regulations which govern information disclosure to the market. All values are stated in Swedish kronor. Kronor expressed in millions is abbreviated to SEK M and kronor expressed in thousands is abbreviated to SEK '000. Numerical data in brackets refers to 2008 unless otherwise stated. Information about markets and the competitive situation is TradeDoubler's own assessment, unless a specific source is provided. Stakeholders have the possibility to subscribe to press releases via TradeDoubler's website and to read the company's financial information.

## Financial calendar 2010

• Interim report for the period January 1 – March 31, 2010	May 6
• Annual General Meeting	May 6
• Interim report for the period January 1 – June 30, 2010	July 27
• Interim report for the period January 1 – September 30, 2010	November 3
• Year-end report	February 8, 2011

## Swedish and English

The annual report, year-end report and interim reports are published in Swedish and English. In the event of any differences in the versions, the Swedish text should be referred to.

### The annual report may be ordered from:

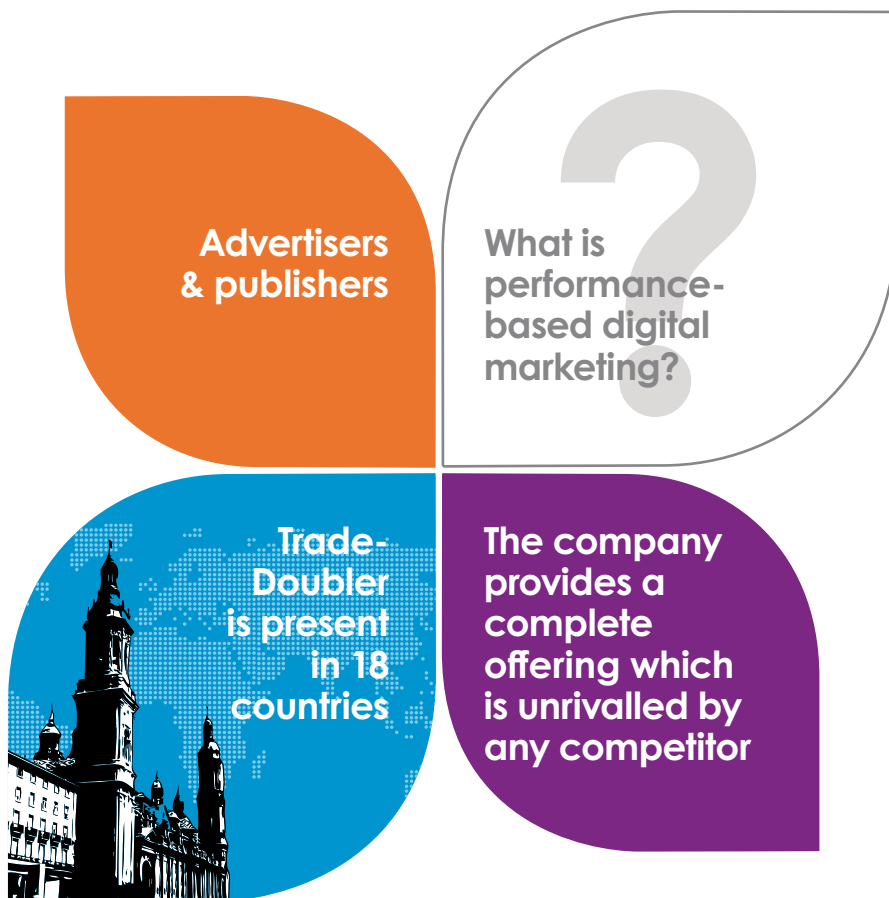
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The printed version of the annual report is sent to all upon request and may be downloaded from [www.tradedoubler.com](http://www.tradedoubler.com)

### Give us your views!

Can we make the annual report better? We would be glad to receive your suggestions and views, e-mail: [ir@tradedoubler.com](mailto:ir@tradedoubler.com)

# This is TradeDoublер



## **Advertisers and publishers**

TradeDoublер operates as an independent third party and arranges adverts among advertisers and websites/publishers which display adverts on their homepages. TradeDoublер functions as a marketplace for adverts where advertisers and publishers/websites meet. The advertising rate is fixed by the market, however, TradeDoublер always receives a predetermined share of the value of the activity arranged in commission.

## **TradeDoublер's presence**

TradeDoublер currently conducts operations in 18 European countries and reaches about 75 percent of Europe's internet users. No other competitor can offer as extensive geographical coverage as TradeDoublер. It is a clear competitive advantage for TradeDoublер to be represented in principle on all relevant European markets.

## **What is performance-based digital marketing?**

Performance-based marketing is a form of marketing on the internet where the remuneration is related to the customer response generated by the marketing. Remuneration is only payable when the visitor performs a predetermined activity such as entering a website, clicking on an advert or executing a purchase.

## **Customer benefit**

TradeDoublер offers its customers an attractive complete offering. The company creates considerable value with its solid knowledge of internet marketing, advanced administrative support and tracking technology as well as its continuously updated network of attractive advertisers and publishers.

# The year in brief

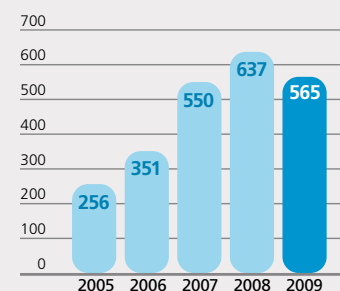
- The severe economic downturn during 2009 impacted the European advertising market and consumer buying intentions, even on the internet.
- The Company's assessment is that TradeDoublér retained its leading position within performance-based digital marketing in 2009 but the market shares within search engine optimization in the UK have decreased. The Company's search engine marketing business is growing on other markets.
- A large-scale action program was completed during the first half-year 2009, including personnel reductions, aimed at lowering the Company's costs. The number of employees amounted to 565 at the end of the year, which was 72 fewer compared with December 31, 2008.
- The operations within TradeDoublér and IMW Group in the UK and France were integrated during 2009. The development of a solution-orientated sales model was another prioritized area. TradeDoublér has successfully focused on integrating the sales activities and on offering the complete product portfolio to the customers.
- Net sales amounted to SEK 3,014 M (3,457) and operating profit (EBIT) was SEK -105 M (150).
- Impairment of goodwill of SEK -150 M was carried out, in respect of IMW Group in the UK which was acquired in 2007, due to a weak result and a more conservative assessment of the future development. In addition, a provision of SEK -30 M was made for unutilized office space in London.
- Operating profit, adjusted for non-recurring items, amounted to SEK 75 M (150). The decrease compared with 2008 was mainly attributable to lower gross profit, primarily due to lower sales in the UK. There were signs at the end of 2009 of an improvement in market conditions in the UK.
- Profit after tax amounted to SEK -178 M (94) and earnings per share before/after dilution was SEK -5.31 (2.80).
- The cash flow from operating activities amounted to SEK 65 M (218).
- A rights issue of SEK 356 M was carried out in December with preferential rights for existing shareholders, which was fully subscribed. The rights issue made it possible to repay all of the Company's loans at the start of 2010 and strengthened the Company's financial position. This gives TradeDoublér financial freedom which strengthens competitiveness, enables investments such as geographical expansion and increases customer and supplier confidence.
- The Board of Directors proposes a dividend of SEK 0.0 (0.0) per share to the Annual General Meeting.

## Five years in summary

MSEK	2009	2008	2007	2006	2005
Net sales	3,014	3,457	2,664	1,744	1,085
Gross profit	690	747	636	480	314
Gross margin %	22.9%	21.6%	23.9%	27.5%	29.0%
Costs	-795	-597	-441	-290	-271
Operating profit	-105	150	195	190	44
Operating margin %	-3.5%	4.3%	7.3%	10.9%	4.1%

The costs for 2009 include non-recurring items of SEK -180 M, of which SEK -150 M related to impairments of goodwill in respect of IMW Group in the UK, which was acquired in 2007.

## Number of employees 2005–2009 at year end



# Focus on profitable growth



The most important item on my agenda is undoubtedly that TradeDoubler should achieve satisfactory profitability as soon as possible! We must increase sales in order to succeed. Together, we have all that is required to succeed; The Company is well-positioned on a growth market, has a strong team, competitive technology and sufficient financial resources to act on a long-term basis.

## The foundations have been laid

For TradeDoubler, 2009 was a year of consolidation. Major focus was placed on integrating IMW group, which was acquired in 2007, with TradeDoubler's other operations in the UK and France, and at the same time on introducing search engine optimization on other markets.

In addition to this, the Company's financing was secured thanks to a fully subscribed rights issue and the Company's cost base was lowered through personnel reductions. An important project was also initiated during the fall of 2009, aimed at strengthening the internal governance and control of TradeDoubler's operations and processes, including the financial reporting.

Notwithstanding a strong internal focus, increasingly keen competition and more severe price pressure, the Company's assessment is that TradeDoubler has retained a leading position within performance-based digital marketing during 2009. However, the market shares within search engine marketing in the UK declined, but TradeDoubler's search engine marketing business is growing on other markets.

The Company is now entering a new phase. We can focus on driving the Company forward and developing the business. It feels very inspiring for me as incoming CEO!

## We have got the most important thing of all – a strong team

After having been in place for two months and having visited almost all local offices, I am impressed with the enterprise, open-

sity to change and desire to succeed that characterizes TradeDoubler. These are critical success factors, especially in a changeable sector like ours. My spontaneous opinion after having met our employees is that we are a strong, highly motivated team, possessing great skills and a strong commitment to the job! It is gratifying to see that the staff turnover fell during 2009 – a trend that we shall endeavour to maintain.

## Focus areas 2010

It is important to do right things in the right way in order to be successful. In order to succeed we must take the right strategic decisions and continue to be sharper in our sales performance. And above all, we must meet and preferably exceed our customer's expectations. Our most important strategic challenges in 2010 are:

### Boost revenues

We will never achieve long-term sustainable profitability through savings alone. Thus, the most important thing in order to achieve satisfactory profitability is undoubtedly to reverse the revenue and gross profit trends as quickly as possible. We have to focus even more on sales and on continuous development of the product offering. We possess a great deal of knowledge and we shall be even better than before at exchanging experience between different marketing companies as regards sales and delivery.

### "Operational excellence" with entrepreneurial culture preserved

While it is not possible to achieve sustainable profitability through savings, naturally, this does not mean that the cost trend will not be

prioritized. On the contrary! It is important for us to focus on "operational excellence" and continually develop and improve our processes to become even more efficient. Partly to reduce costs, partly to improve the customer experience. At the same time, I would like to emphasize that the "operational excellence" work may not stifle the entrepreneurial spirit in the Company.

## Increased geographical coverage

The objective is to maintain our advantage in relation to geographical coverage. In order to offer our customers wide coverage, it is a distinct competitive advantage to be represented on many markets. Profitability is simultaneously improved since costs for central functions only increase marginally in the event of further geographical growth.

I feel very enthusiastic at the prospect of devoting myself, together with all of TradeDoubler's employees, to the challenges facing the Company. The competition is razor-sharp and the market is changing rapidly. Considering our strong position, our attractive offering and our resources, we have all the requirements necessary to succeed.

Stockholm, April 2010

Urban Gillström,  
Chief Executive Officer and President



# STOCKHOLM

## STOCKHOLM OFFICE

**Number of employees:** 115,5

**Date of establishment:** September 14, 1999

**Key clients:** Svenska Spel, Telia, Swedbank, ICA, Telenor, Ving, Fritidsresor, Scandic, eTraveli

## TradeDoubler's offices are here:

Copenhagen, Warsaw, Munich, Zürich, Vienna, Helsinki, Vilnius, Oslo, Moscow, **Stockholm**, London, Dublin, Antwerp, Paris, Milan, Rotterdam, Madrid.



# Growth market

TradeDoublér is active on the growing and rapidly changing European market for internet marketing. This marketing offers methods for advertisers to effectively market themselves and boost their sales and has a greater reach than TV advertising in an increasing number of target groups and countries.

## The internet's share of the advertising market is increasing

The increasing use of the internet and the growth within e-commerce has created a significant market for services and products related to marketing and sales on the internet. The European market for internet marketing grew, on average, by 25 percent annually during the period 2005-2008 and was worth about SEK 100 billion in 2008 according to Forrester Research. The total European advertising market was estimated to be worth approximately SEK 850 billion in 2008.

Internet marketing competes for advertising budgets with traditional media such as newspapers, magazines and TV. Digital marketing has a greater market reach than TV advertising in an increasing number of target groups and countries and to date has been mainly deployed by consumer-oriented advertisers operating within the travel, financial and retail sectors.

The UK is the largest market for internet advertising and along with Germany and France, accounts for just over two thirds of the total European market.

## Internet marketing offers distinct benefits

Advertising on the internet arouses great interest among advertisers, partly since it makes it possible to only pay for the activity generated by adverts such as clicks, registrations or purchases. A further advantage of digital advertising is that it may be directed towards different target groups with greater precision than traditional marketing.

## Negative impact of market conditions in 2009

The severe economic downturn during 2009 impacted the European advertising market and consumer buying intentions, even on the internet. Growth on the market for internet marketing was estimated at 10 percent<sup>1</sup> during 2009, a decline of 6

percentage points<sup>1</sup> from 2008. However, TradeDoublér makes the assessment that internet marketing's share of the total advertising market is continuing to increase. The number of transactions rose during 2009, however, the value of the average spend on the internet fell.

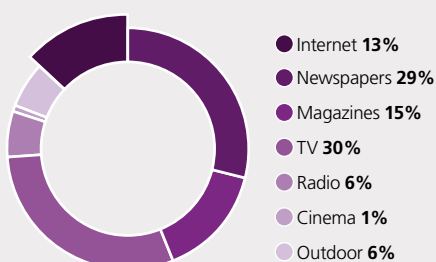
## Continued growth is expected

Cheaper, faster and more mobile broadband connections mean that internet use, consumers' digital media consumption and purchasing on the internet are continuing to increase. Connected to this, more categories of advertisers are making an increasing share of their advertising investments online. During the period 2010-2013, the market for internet marketing is expected to grow by about 8 percent<sup>1</sup> annually.

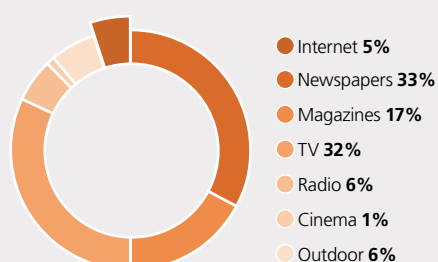
Source 1: Latest available report from Forrester Research, from December 2008.

## The internet's share has more than doubled since 2005

The European Advertising Market, 2008



The European Advertising Market, 2005





## Players on the market

**Publisher** – website that attracts visitors by supplying news, entertainment or other information. Publishers can be all from major newspapers and portals to blogs with narrow target groups. Publishers generate revenues by selling advertising space on their web pages.

**Affiliate network** – network of Publishers who sell advertising space on their websites via an intermediary. The advertiser places its advert on the network and the publisher itself chooses the adverts that are shown. Payment to the publisher is dependent on the revenues generated for the advertiser. Therefore, it is important for the publisher to choose relevant adverts that may be expected to attract the target group which is active on the page.

**Advertising network** – a network of Publishers who sell advertising space on their websites via an intermediary. The difference from an affiliate network is that the intermediary places adverts with selected publishers in the advertising network. The publisher's

remuneration normally depends on views, clicks and registrations rather than purchases. Advertising networks are often used to complement the publisher's own advertising sales.

**Search engines** – Google, Yahoo! and MSN are examples of search engines that make it possible to search for information on the internet by maintaining a register of websites and by linking these to various keywords. The search engine's revenues primarily come from sales of adverts linked to specific keywords, known as sponsored links. These are shown in a separate list beside the organic search results list.

**Intermediaries** – arrange adverts by acting as an independent third party between advertisers and publishers or search engines. By maintaining contact with a large number of publishers and advertisers, the intermediary facilitates the purchase and sale of adverts.

## Internet marketing submarkets

The market for internet marketing can be divided into transactions, search engine marketing and classified adverts.

- Within transactions, websites provide advertising space against payment.
- In search engine marketing, search engines connect a specific keyword to an advert or to an advertiser's link. The highest bidding advertiser is placed at the top of the sponsored links, which is a list beside the organic search results list.
- Within classified advertisements, advertisers pay a website for displaying housing and car adverts, for example.

TradeDoublér is mainly active within transactions and search engine marketing, which are the fastest growing submarkets.

## Transactions

The transaction market may be divided into affiliate marketing and digital campaign advertising, which represents the great majority of this market.

In affiliate marketing, the advertiser pays publishers when the advert generates a purchase and in campaign advertising, the advertiser usually pays publishers for the clicks or other activities generated by the advert. In their most simple form, the adverts consist of pictures and/or text with a sales message, but may also be interactive in the guise of a game.

Media agencies often help advertisers to allocate marketing investments between different media and sales channels. Advertisers or their media agencies reach web customers by purchasing advertising space directly from a publisher or an intermediary such as TradeDoublér.

During the period 2005–2008, the European transaction market grew, on average, by about 20 percent per year and sales amounted to approximately SEK 30 billion<sup>1</sup> in 2008. Transaction market growth was estimated at 4 percent<sup>1</sup> in 2009 and the European transaction market is expected to grow by about 9 percent<sup>1</sup> annually over the period 2010–2013. The intermediaries' revenues only amount to a few percentage points of total sales on this submarket.

## Search engine marketing

The market for search engine marketing consists, first and foremost, of the charges that advertisers pay to search engines for connecting the advertisers' adverts or links with specific keywords or phrases. Advertisers pay so that their links shall end up highest among the search engine's sponsored links, which is a list beside the organic search results list.

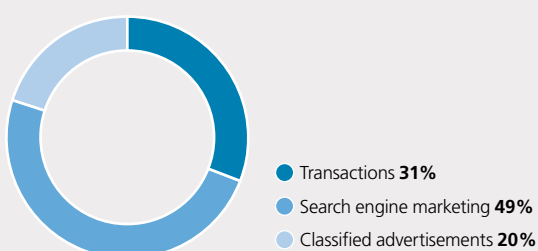
The advertisers or their media agencies may either purchase keywords themselves directly from the search engines or go via an intermediary, such as TradeDoublér, which handles bidding on keywords on behalf of the advertiser. The intermediary receives a commission amounting to about one percentage point of the total sales value of the transaction.

During the period 2005–2008, the European market for search engine marketing grew by about 37 percent annually and was worth almost SEK 50 billion in 2008<sup>1</sup>. Growth on the market for search engine marketing is expected to total 16 percent<sup>1</sup> in 2009 and is forecast to grow by 9 percent annually over the period 2010–2013<sup>1</sup>.

Source 1: Latest available report from Forrester Research, from December 2008.

## Search engine marketing accounts for half of the market for internet marketing

### The European Internet Advertising Market, 2008



### Competitors and market shares

TradeDoubler competes, first and foremost, with other intermediaries, whose core business is to offer internet marketing opportunities via their networks of advertisers and publishers.

The Company also encounters competition from search engines such as Google, Yahoo! and MSN as well as traditional media companies such as Schibsted and Axel Springer. The search engines offer smaller advertisers an automated and comparatively simple service. Larger traditional media companies sell advertising space directly to the advertisers without support from intermediaries.

### A functioning business model

Intermediaries add value through their constantly updated network of advertisers and publishers, solid knowledge of internet marketing and advanced administrative support, tracking, including handling of billing and payment flows. The Company's assessment is that the value added by intermediaries means that their business models will also be commercially successful in a significant part of the advertising market going forward.

### TradeDoubler market-leading in Europe

TradeDoubler is leading on the European market in relation to geographical coverage and offers an attractive range of services. The company reaches about 75 percent of Europe's internet users via representation in 18 countries. TradeDoubler is market-leading in affiliate marketing in all countries apart from Germany and is also an important player on the European markets for campaign marketing and search engine optimization.

The Company's assessment is that TradeDoubler maintained a leading position in 2009 within performance-based digital marketing, but that the market shares within search engine optimization declined in the UK. The Company's search engine marketing business is growing on other markets.

### Competitors among independent third party suppliers

ValueClick, Zanox, AdPepper, AdLink/Affilinet, HiMedia and Omniture are other major inter-

mediaries on the European web advertising market and like TradeDoubler have built their business models on acting as an intermediary between advertisers and websites.

ValueClick is dominant on the North American market but is also represented in five European countries. Zanox is market-leading in Germany and has operations in about ten European countries.

The market for search engine marketing is fragmented and besides TradeDoubler, only a few players have a presence in a number of countries. These include ValueClick, bigmouthmedia, NetBooster and media agencies such as Mediacom.

### Intense competition is leading to consolidation

The market is characterized by intense competition and severe price pressure, particularly on mature markets such as the UK and most countries in Central and Northern Europe. The financial crisis has weakened smaller players and has driven a consolidation of the market.

Zanox, which is market-leading in Germany, decided to leave the UK in the second quarter 2009. In January, AOL advertising decided to close its operations in seven European countries and sharply reduce the number of employees in other European markets.

### Considerable differences in degree of maturity

Considerable differences exist in internet penetration between different European countries. Broadband penetration is still continuing to grow strongly in Southern Europe. Broadband penetration in the Nordic countries was 85 percent<sup>2</sup> at the end of the first half-year 2009, which is well above the European average of 52 percent<sup>2</sup>. According to Forrester Research, over 70 percent of European households will have access to broadband by 2013.

### The United Kingdom is leading developments

The UK is the largest and most advanced mar-

ket in Europe and also probably in the world. During the first half-year 2009, more advertising money was invested in the internet than TV for the first time<sup>3</sup>. The British market is the most competitive market in Europe with about thirty players. This has resulted in general price pressure, reduced margins and a consolidation of the market to some extent.

Ireland, the Nordic countries and the Netherlands are also among the most developed countries within internet marketing. All types of internet marketing are customary on these mature markets and a significant part of the future growth is expected to come from advertiser categories which have not been present online to date.

### Increased broadband penetration compensated for the economic downturn

Portugal, Spain, Italy, Belgium, Poland and Russia are examples of markets where internet penetration is still growing strongly. This compensated for the negative effects of the economic downturn in 2009. Simple campaign advertising, similar to that deployed in traditional media is the most common type of internet marketing on these less developed markets.

### Market undergoing rapid change

New opportunities and challenges for advertisers on the internet are emerging through the growth of social media. Well-known social media sites which are increasing in popularity include Facebook, Twitter and LinkedIn. Communication with the strongly growing category of internet users who use social media makes new demands on advertisers. This increases demand for intermediaries who understand user behavior.

Another new area within internet marketing is advertising through mobile phones. Google completed the third largest acquisition in the company's history during the fourth quarter 2009 when it bought Admob for over SEK 5 billion, which is active within mobile advertising.

### TradeDoubler's largest competitors per product group

	Transactions		Search Engine Marketing	Technology	Geographical coverage
	td Affiliate	td Campaigns	td Search	td Searchware/td Integral	
Tradedoubler	●	●	●	●	Europe
Value Click	●	●	●	●	North America, Europe
Zanox	●	●			Europe
Addlink/Affilinet	●				Europe
Hi-media		●			Europe
Omniture				●	Europe
Google	●	●	●	●	Europe
AOL	●	●	●	●	North America, Europe
Microsoft		●	●	●	Europe

Source: Forrester Research

Source 2: Internet World Stats, June 30, 2009.  
Source 3: IAB PxC Online Ad Spend Study H1 2009.



# LONDON

## LONDON OFFICE

**Number of employees:** 179,5

**Date of establishment:** February 9, 2000

**Key clients:** Dell, AA, British Gas, Expedia, BT

## TradeDoubler's offices are here:

Copenhagen, Warsaw, Munich, Zürich, Vienna, Helsinki,  
Vilnius, Oslo, Moscow, Stockholm, **London**, Dublin,  
Antwerp, Paris, Milan, Rotterdam, Madrid.



# Well-positioned for profitable growth

TradeDoubler is well-positioned on a growth market, and can increase its revenues and gross margins at a low marginal cost. In order to achieve good long-term profitability the overall goals are to increase market shares and to ensure cost efficient growth.

## Vision

To redefine the marketing landscape.

## Business concept

TradeDoubler creates results by improving the client's digital marketing. This takes place using our knowledge, technology and our network.

## Geographical coverage and complete offering – form the basis

TradeDoubler is Europe's leading player within performance-based internet marketing and has an attractive complete offering and a geographical coverage that is unrivalled by any competitor. TradeDoubler, with more than 10 years' experience from internet marketing, has deep competence concerning the customers' needs and possibilities of optimizing their marketing and sales investments.

## Geographical coverage

TradeDoubler is market-leading within performance-based internet marketing in Europe due to its strategy of establishing an early presence in immature markets. The Company has the largest market share within performance-based marketing on all 18 markets where it operates, apart from Germany.

TradeDoubler's market-leading position and comprehensive geographical coverage makes the Company attractive for both local as well as global advertisers. The comprehensive network of advertisers makes it easier to attract popular publishers and enables cost-effective terms and conditions for both advertisers and TradeDoubler.

Consequently as market leader, it is easier for the Company to grow profitably than its competitors.

## Complete offering

TradeDoubler supplemented its customer offering in 2007 through an acquisition of the British company IMW Group which is active within search engine optimization. TradeDoubler has subsequently launched products within search engine optimization on most of its markets.

An integration of technical platforms for the affiliate and search businesses facilitated the launch of a new integrated offering in 2009. Through td Integral, the customer may combine several types of internet marketing to create a complete solution customized to the client's specific needs. The advertisers also gain the opportunity to follow and analyze the customers' behaviour on the internet and are able to adapt their offering and marketing accordingly.

## Operations adapted in 2009

TradeDoubler has worked according to a number of strategic priorities during 2009 in order to take advantage of the Company's potential for development.

### • Establish a solution-oriented sales model (on the market)

TradeDoubler has focused on integrating the sales activities and on offering customers the entire product portfolio.

### • Exploit the potential of the IMW acquisition

The integration of the operations in TradeDoubler and IMW in the UK and France, which was acquired in 2007, has been completed.

### • Balance cost trend against revenues and growth

TradeDoubler has focused on cost control and has cut the number of employees with the aim of reducing costs.

## Well-positioned for profitable growth

TradeDoubler is prepared for growth following the fundamental improvements carried out during 2009. The experiences from other countries and product launches are continually evaluated in order to increase knowledge of the customers' needs. Through continued development of the customer offering and sales model, the goal is to attract new customers and sell more to existing customers and thereby capture market share.

## Financial strength creates room for manoeuvre

The rate of change on the market for internet marketing is high and new opportunities and threats are constantly emerging. TradeDoubler's declared goal is to proactively scan the market for new business opportunities and capitalize on them. The fully subscribed rights issue will enable us to take advantage of business opportunities, including geographical expansion focused on Europe as well as increased investments in product development.

## Employee development is a core strategy

TradeDoubler's success as a company depends on its ability to attract, develop and retain skilled personnel. This is absolutely crucial for success in a knowledge-intensive company like TradeDoubler. There were several indicators of improvements in this very important area during 2009. Employee surveys show that the great majority of employees feel happy at TradeDoubler.



# MUNICH

## **MUNICH OFFICE**

**Number of employees:** 39,5

**Date of establishment:** April 5, 2000

**Key clients:** Apple, Dell, Payback, Yves Rocher, Blume2000.de, Telefónica o2

## **TradeDoubler's offices are here:**

Copenhagen, Warsaw, **Munich**, Zürich, Vienna, Helsinki, Vilnius, Oslo, Moscow, Stockholm, London, Dublin, Antwerp, Paris, Milan, Rotterdam, Madrid.

# Business model

TradeDoubler creates measurable sales results for its customers within performance-based marketing and sales on the internet.

## TradeDoubler's business model is based on the Company:

- operating as an independent third party and arranging adverts and campaign space amongst advertisers and websites
- helping advertisers to optimize their marketing via search engines.

TradeDoubler creates value for both advertisers and publishers through its solid knowledge of internet marketing, tracking, advanced administrative support and its continuously updated network of advertisers and publishers.

## Sales model

### TradeDoubler's key competencies

TradeDoubler's key competencies are to drive traffic to advertisers and to ensure that the substantial payment flows between advertisers and publishers are handled effectively.

### Conducting a campaign

Based on the customer's needs and goals, TradeDoubler plans the scope and focus of the marketing in conjunction with the advertiser, in order to achieve the best possible result. The advertisers' planned campaigns and activities on the internet are compiled in various programs with predefined remuneration models.

TradeDoubler maintains ongoing contact with advertisers, publishers and search engines in order to ensure that programs drive the traffic that generates maximal results. TradeDoubler is responsible for billing and disbursement of payments to the players involved.

### Attractive complete offering

In 2009, TradeDoubler introduced a total solution which integrates the entire product offering as well as individual products. The advertisers on the large markets can

manage all their marketing activities online via TradeDoubler. The Company helps with all from planning, advert display, purchase of key words, to tracking and reporting outcomes. The ambition is to provide total solutions on all markets.

## Remuneration model

### Performance-based remuneration model

A large proportion of TradeDoubler's revenues are based on payment from a performance-based remuneration model. Remuneration from the advertiser to the advertising publisher or search engine is only paid when the visitor performs a predetermined activity such as clicking on an advert, or executing a purchase.

TradeDoubler works on the basis of three different remuneration models:

1. The main remuneration model is performance-based remuneration and comprises CPM (cost-per-thousands impressions), CPC (cost-per-click), CPL (cost-per-lead) and CPA (cost-per-action). These are combined in several ways to satisfy various advertisers' and publishers' requirements. The most common models are CPA and CPC.
2. Consultancy fees.
3. Start-up and licensing fees.

TradeDoubler's system tracks all customer activities generated by the advertising and compiles statistics in order to manage the different remuneration models. The activity statistics subsequently provide the basis for invoicing the advertiser.

## The marketplace generates commission

TradeDoubler functions as a marketplace for adverts where advertisers and publishers meet. The advertising rate is fixed by the market, however, the Company always receives a predetermined share of the value of the activity arranged as commission.

The model is robust in the sense that publishers may change advertisers in order to display other kinds of adverts on their websites, while at the same time, the advertisers may change publishers in order to display their adverts on other websites. TradeDoubler remains the intermediary in the advertising flow and receives commission. Naturally, this is the case provided that TradeDoubler works actively to maintain attractive networks of advertisers and publishers. At the same time, it is important that TradeDoubler continually develops its technical platform in order to handle the substantial transaction volumes and track the visitors' activities on the websites.

## Click on keyword generates commission

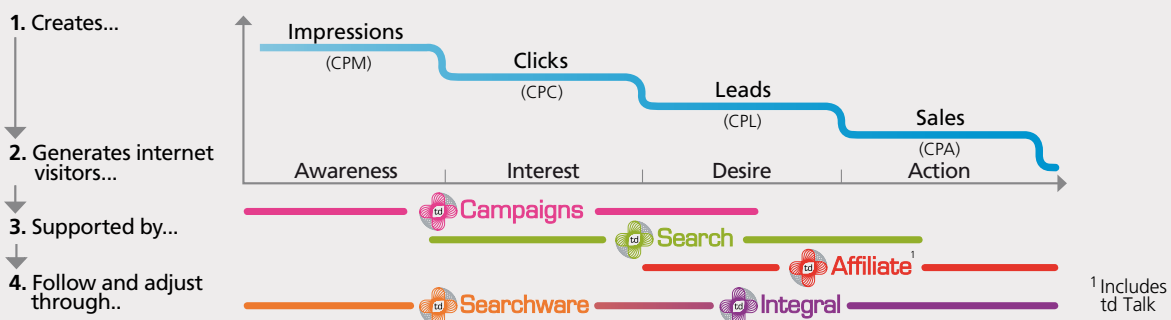
The search engines' pricing to advertisers is based on an auction process where keywords are sold to the highest bidder. TradeDoubler's revenues in this area consist of a commission per click on the purchased keywords. In addition to this, TradeDoubler offers consultancy services within search engine optimization which are charged as a separate service.



# Offering

TradeDoublér – an attractive complete offering and geographical coverage that is unrivalled by any competitor.

TradeDoublér helps advertisers to streamline all their marketing activities on the internet



## Products and services

TradeDoublér offers its customers an attractive total solution which integrates the entire product offering as well as individual products. Today, the advertisers on the large markets can manage all their marketing activities online via TradeDoublér. The company helps with all from planning, advert display, purchase of key words, to tracking and reporting outcomes. The ambition is to provide total solutions on all markets.

### TradeDoublér's comprehensive offering may be divided into three product groups

Based on the customer's needs and goals, TradeDoublér plans the scope and focus of the marketing in conjunction with the advertiser, so that the products and services in question shall be marketed in the optimum way. The advertisers' planned campaigns and activities on the internet are compiled in various programs with predefined remuneration models.

### TradeDoublér's comprehensive offering may be divided into three product groups:

- Transactions including affiliate marketing, td Affiliate, and campaign marketing, td Campaigns.
- Search engine marketing/search engine optimization, td Search.
- Technical system solutions for tracking, follow up and administration, td Integral and td Searchware.

## td Affiliate

td Affiliate streamlines the interplay between advertisers and publishers through affiliate marketing. A publisher may choose which adverts it wants to display on its website via td Affiliate with the goal of driving traffic to the advertiser's website. The publisher and TradeDoublér, normally only receive remuneration if the internet visitor executes a purchase of the advertised product or service. TradeDoublér may also measure and track the phone calls that a publisher generated for an advertiser through td Talk, which is a supplement to td Affiliate.

## td Campaigns

In campaign marketing, TradeDoublér places adverts with larger publishers. Remuneration to publishers, and TradeDoublér, is paid for views, clicks and registrations rather than for purchases. td Campaigns is often utilized by larger publishers as a supplement to their own advertisement sales.

## td Search

td Search comprises the Company's products and services for search engine marketing and search engine optimization. These services aim to improve the position of a company's website with the major search engines so that the website receives more visitors and thereby more customers.

In search engine marketing, advertisers pay so that their links shall end up highest among the search engine's sponsored links, which are found in a list beside the organic search results list. The price of keywords is determined through bidding and TradeDoublér helps advertisers to bid for keywords based on its proprietary technology.

Search engine optimization aims to achieve exposure of the advertisers' websites as one of the first hits in the organic search results on relevant search engines. TradeDoublér has expertise regarding how leading search engines are structured and what is required for advertisers to secure the best possible position.

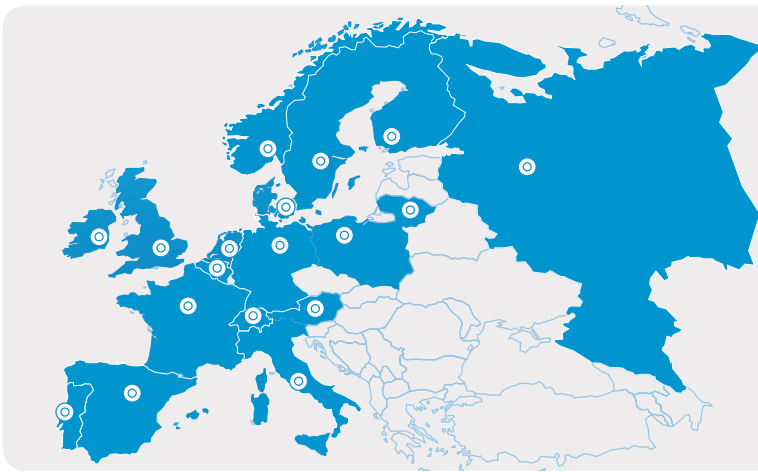
## td Integral

td Integral enables the advertisers to combine several types of internet marketing to a complete solution customized to their specific needs. Through td Integral, the customers behaviour on the internet may be followed and analyzed meaning that the advertisers can continually adapt their offerings to achieve the best possible results.

## td Searchware

td SearchWare offers the advertisers a technical platform which enables advertisers to optimize their search engine marketing.





The marketing and sales companies are divided into four regions:

- Central Europe
- Northern and Eastern Europe
- UK and Ireland
- Southern Europe

### Geographical coverage

TradeDoublers currently conducts operations on 18 markets in Europe. No other competitor can offer as extensive geographical coverage as TradeDoublers. To be represented in principle on all relevant European markets is a distinct competitive advantage for TradeDoublers.

All regions generate a positive operating profit, with the exception of non-recurring items, and thus contribute to TradeDoublers' profitability.

### Central Europe

#### Offering

TradeDoublers offers its entire range of products and services on the Central European market.

### Market position

TradeDoublers has a strong position in Central Europe. The Company estimates that it is the leading player within affiliate marketing in all countries except for Germany. The Company's most important markets are Germany and Poland. TradeDoublers' long-term presence in Poland has enabled the Company to attain a leading position within affiliate marketing. Growth opportunities exist within campaign marketing and search engine marketing where TradeDoublers is a challenger on most of the markets.

### Market development

The Central Europe region has been adversely affected by the financial crisis just like the rest of Europe. The Company saw restraint in the advertisers' marketing budgets within all customer segments during 2009. However, the Company has shown good growth in Germany during

2008–2009 and has captured market shares. td Integral has grown in importance during 2009 and sales of TradeDoublers' complete offering have been successful, in Denmark, among other places.

### Northern and Eastern Europe

#### Offering

TradeDoublers offers its entire range of products and services in Scandinavia. The product offering in Russia and Lithuania has been focused on campaign marketing up to now.

### Market position

Historically, TradeDoublers has a very strong position on the Nordic market and is leading within affiliate and advertising networks whereas search engine marketing is a growth area. The Company estimates that it is the second largest player on the Lithuanian market within affiliate and advertising networks whereas the market share in Russia is small but growing.

### Markets ▶

#### Central Europe

**Countries:** Denmark, Poland, Germany, Switzerland, Austria  
**Sales offices:** Copenhagen, Warsaw, Munich, Zurich, Vienna  
**Key clients:** Dell, Ebookers, Opodo, Bonprix

#### Strategic priorities:

- Shift focus from products to customer-oriented strategy
- Build up advertising networks in order to satisfy more client needs

**Number of employees:** 80

#### Northern and Eastern Europe

**Countries:** Finland, Lithuania, Norway, Russia, Sweden  
**Sales offices:** Helsinki, Vilnius, Oslo, Moscow, Stockholm  
**Key clients:** Telia, Svenska Spel, Svenska Resgruppen, Carat, Nokia, Ford, Nikko

#### Strategic priorities:

- Expand the customer portfolio to incorporate sectors that have previously seen limited internet marketing such as the automotive and retail sectors
- Broaden the product offering in Lithuania and Russia
- Increase synergies and efficiency by handling sales and orders regionally where possible

**Number of employees:** 69

### Financial development per region in summary (excluding central functions and eliminations)

MSEK	Central Europe		Northern and Eastern Europe		UK and Ireland		Southern Europe	
	2009	2008	2009	2008	2009	2008	2009	2008
Net sales	511	457	280	276	1,044	1,721	1,180	1,002
Gross profit	145	135	95	97	160	251	290	264
Gross margin %	28.3%	29.4%	34.0%	35.2%	15.4%	14.6%	24.6%	26.3%
Costs	-66	-59	-51	-51	-269	-129	-104	-90
Operating profit	79	76	44	44	-109	122	187	174
Operating margin %	15.5%	16.7%	15.6%	15.8%	-10.4%	7.1%	15.8%	17.4%

Costs in the UK were negatively impacted by non-recurring items of SEK 180 M during 2009. These items related to an impairment of goodwill of SEK -150 M and a provision of SEK -30 M for unutilized office space in London. Impairment of goodwill was carried out due to the weak result and a more conservative assessment of the future development for IMW Group in the UK, which was acquired in 2007.

#### Market development

The financial turbulence has meant that advertisers have reduced their advertising budgets and that consumers have decreased their purchasing on the internet. This has had a negative impact on TradeDoublers operations in Scandinavia during 2009. The advertising market in the Baltic States has been sharply impacted by the recession but some signs of a recovery could be discerned at the end of 2009. The Russian market continued to display strong growth but from a low basis.

#### UK and Ireland

##### Offering

TradeDoublers offers its entire range of products and services in the UK and Ireland.

##### Market position

The UK is the most competitive market in Europe. The Company estimates that

TradeDoublers is market-leading within affiliate marketing. The Company lost market shares within search engine optimization during 2009. Ireland is a significantly smaller market than the British market, but with an advanced and experienced customer base. TradeDoublers has achieved a strong position and is growing significantly in Ireland, although from a low level.

#### Market development

In recent years, the market has been characterized by tough competition from about thirty players, which has resulted in price pressure and thus reduced margins for the market as a whole. The financial crisis has weakened smaller players and has driven a consolidation of the market. In 2009, TradeDoublers changed focus from sales of separate products to an offering focused on solutions and customers. At the same time, the acquired operations, including IMW

Group active within search engine optimization, were integrated into the organization. TradeDoublers is now well-equipped to defend and strengthen its position on the UK and Ireland markets. At the end of 2009, there were signs of moderating price pressure and an improvement of the business situation in the UK.

#### Southern Europe Offering

TradeDoublers product range in the Southern Europe region is dominated by affiliate marketing.

##### Market position

TradeDoublers has a strong position in Southern Europe and believes that it is market-leading within affiliate marketing in the region. The competitors are primarily international players, apart from Belgium and the Netherlands, where local players represent the main competitors.

#### Market development

Notwithstanding the recession, the Southern Europe region performed well, due to a continued growth in broadband penetration, among other things. However, some price pressure was observed in the fourth quarter during renegotiations of agreements. The greatest growth opportunities are expected to be in Italy and Spain where TradeDoublers has a strong position. The Company estimates that good opportunities exist to introduce an integrated product offering on these markets. There are interesting opportunities in Belgium and Portugal since the markets are still small and undeveloped. TradeDoublers operations in France observed price pressure from advertisers during 2009, like on many other markets.

#### UK and Ireland

**Countries:** UK, Ireland

**Sales offices:** London, Dublin

**Key clients:** Dell, British Gas, Vodafone, BT, Expedia

#### Strategic priorities:

- Offer total solutions covering all product areas
- Increase cross-selling within all product areas
- Strengthen the affiliate and advertising networks through greater focus on publishers
- Broaden the range of marketing channels towards the consumer, for example through mobile phone marketing

**Number of employees:** 133

#### Southern Europe

**Countries:** Belgium, France, Italy, Netherlands, Portugal, Spain

**Sales offices:** Antwerp, Paris, Milan, Rotterdam, Madrid

**Key clients:** Kelkoo, Dell, Meetic

#### Strategic priorities:

- Integrate the product offering and offer total solutions to the customers
- Increase and diversify the base of publishers and advertisers on less mature markets
- Develop skills within new trend areas such as social networks in mature markets

**Number of employees:** 137

# International presence also creates opportunities for employees

In order to succeed, a knowledge intensive company like TradeDoubler must attract, develop and retain skilled personnel. There were several indicators during 2009 showing improvements and progress within the personnel area.

TradeDoublers integrated and solution-oriented sales model and the continuous development of the company's IT systems are examples of areas where the supply of skilled and committed employees are very important for the company's future development.

## Employee survey indicates positive trend

TradeDoubler conducts an annual employee survey and the result in 2009 improved for the second consecutive year. The majority of employees are very happy working in TradeDoubler and the company is perceived as international and exciting. Employees feel that they have the same opportunities for personnel and career development irrespective of nationality, ethnic background and gender.

## Strengthened leadership in an organization with scale benefits

The group management team is composed of the President and CEO, COO, CFO, CTO, Director of HR, General Counsel, V.P. International Sales & Marketing and Head of Products. TradeDoubler employed several new country managers during 2008 and 2009 and in addition to this, strengthened the management through recruitment of other important key positions. This has contributed to a more

efficient organization with more satisfied employees and lower staff turnover.

TradeDoubler has an organizational structure which offers clear scale benefits, which means that it is possible to grow in terms of the number of transactions and gross profit without costs increasing at the same rate. The possibilities of growing cost effectively are thus considered favorable.

All central functions such as finance, HR, product development and management of IT systems and the legal department are situated or controlled from the head office in Sweden. Local sales of the company's products and solutions and their delivery are conducted by TradeDoubler's 17 marketing companies. The marketing companies have full profit responsibility. TradeDoubler's international sales teams coordinate both delivery and sales to customers that are found in more than three countries.

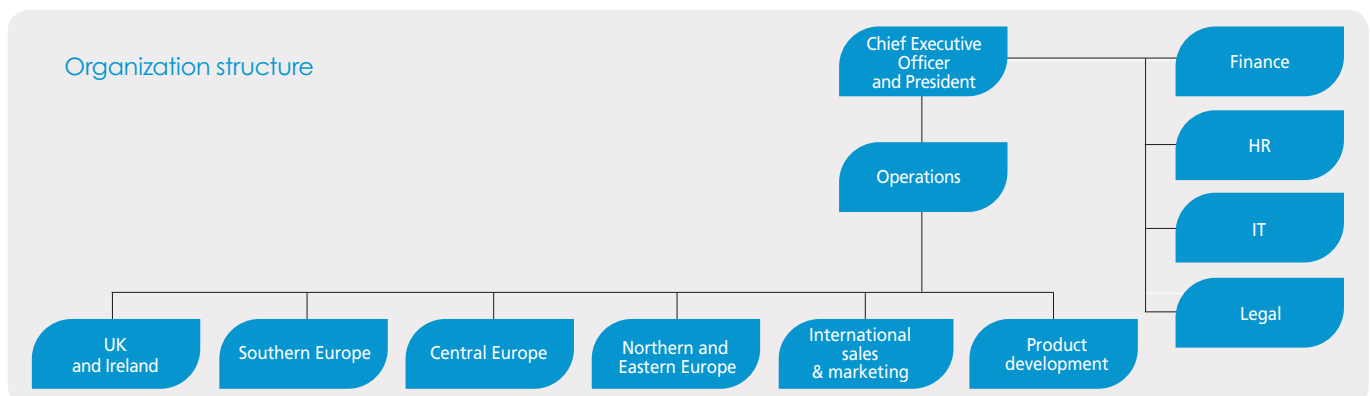
## The goal is to reduce staff turnover further

TradeDoubler has offices in 17 countries and just over 80 percent of the employees work outside of Sweden.

The average number of employees decreased during 2009 to 589 (624). At the end of 2009, the number of employees totaled 565 (637), which was 72 fewer compared with December 31, 2008. The number of employees was reduced in connection with the cost saving programs introduced during the fourth quarter 2008 and the first half-year 2009.

Staff turnover fell from 29 percent in 2008 to 21 percent during 2009, but it is still higher than desired. This is due to the fact that the company has many young employees and the sector is relatively new, which means that there is a limited supply of skills on the market. Many of TradeDoubler's employees quickly become attractive to other companies with competing or similar operations. TradeDoubler works continually to reduce staff turnover.

Every new employee undergoes an induction program in order to rapidly gain an understanding of the business and of their respective role in the organization. The employees' roles are well-defined as regards responsibilities and duties and performance appraisals are conducted each year for all staff. TradeDoubler works actively with equality, for example during recruitment, and also pursues diversity in other respects.



# Knowledge-driven Active Creative Passionate

## The culture is vital for success

A strong corporate culture characterizes almost all successful companies. TradeDoublér works actively with the Company's core values and made considerable investments in relation to these values in several countries during 2009. TradeDoublér's culture may be summarized in the four core values:



## TradeDoublér's four core values

### Build Knowledge

– we always try to increase our knowledge by listening, and sharing each other's experiences and skills to continually develop our customer relationships and ourselves.

### Take Action

– as market leader in Europe and pioneer in digital marketing, we continuously strive to be at the cutting edge of our industry.

### Create Value

– we continuously seek opportunities to improve and thus create favorable results and profitability for our clients and for ourselves.

### Show Passion

– we think the unthinkable and are satisfied when our clients' expectations are met and are proud when we exceed our clients' expectations.

# NOKIA

## Connecting People

### Nokia Store goes on-line

Last year Nokia took the strategic decision to further increase focus on its on line stores which were launched in 2007. Nokia's goal is to rapidly increase sales through the internet and the company keeps a very strong focus on building an effective direct on-line sales channel. A year ago Nokia chose TradeDoubler as affiliate partner throughout Europe in order to further increase traffic to its on-line stores.

For many years, Nokia sold its consumer products mainly through traditional sales channels, keeping close relations with mobile operators and retailers. With the maturing of the mobile industry and increased demand for tailor-made solutions, Nokia identified its own on-line stores as a strategically important sales channel. In order to increase internet traffic to its internet stores, Nokia has picked TradeDoubler as its affiliate sales partner in nine European markets.

Direct on-line sales to the consumer market still represent a relatively small part of Nokia's total consumer sales, but are expected to grow considerably in the years to come. Presently, Nokia is focusing on increasing sales of its lead products. The target is for affiliate sales to increase significantly in 2010.

“TradeDoubler’s competence and its affiliate network are key when Nokia is building this new strategic sales channel and I’d like to think of TradeDoubler as an extended part of our sales team. I am very pleased with how fast our affiliate sales business was up and running in all nine markets. Initial results have exceeded expectations.”

Steve Wilson  
Global Online Merchandising Director  
Nokia

#### **Improved digital brand awareness**

A positive side effect of Nokia's cooperation with TradeDoubler and its large network of publishers is an increased public awareness of Nokia selling its products in its own on-line stores. This improved digital brand awareness is expected to over time improve the sales-to- impressions ratios for both Nokia's affiliate sales and other on-line sales activities.

#### **Local cooperation is essential**

The on-line campaigns are coordinated with Nokia's global marketing campaigns, but there is room for local adjustments which is why local cooperation between TradeDoubler and Nokia in the different countries is important – especially in the present ramp-up phase when routines are established, different types of offers are tested and new publishers are being recruited and evaluated.



## A fruitful partnership

In 2009, TradeDoubler's affiliate network generated over half a billion impressions for Disneyland Paris. Today, affiliate sales are the corner stone of the company's marketing strategy generating some 25 percent of Disneyland Paris' on-line sales.



### Affiliate sales – an increasingly important sales channel

Disneyland Paris and TradeDoublér have been working together since 2004 when the organization started with the launch of an affiliate program in the UK. Today, TradeDoublér is Disneyland's sole partner in performance based digital marketing in Europe. Affiliate sales as well as search engine optimization (SEO) are important marketing tools for Disneyland Paris, reaching potential visitors in seven countries across Europe.

In 2009, affiliate sales increased by 66 percent, which was considerably more than anticipated. Today, affiliate sales are generating 25 percent of Disneyland Paris' growing on-line sales and its share is expected to grow further.

"We needed innovative and more varied ways in which to reach our customers and the affiliate channel has proved to be an efficient targeted way of achieving this. Thanks to TradeDoublér's large affiliate network, its experience, expertise and tools, we have established an additional sales channel generating significant on-line sales for Disneyland Paris."

Thibault de Saint Martin  
Digital Marketing Manager, Europe  
Disneyland Paris

#### Close cooperation to optimize results

As part of its overall marketing campaign, Disneyland Paris normally runs 5-6 specific localized campaigns each year in the seven markets where affiliate marketing is used. Continuous monitoring and fine-tuning of the programs, often on a daily basis, allows constant optimization of the results. The affiliate sales offer is also constructed to align with Disneyland Paris's own internet campaigns in order to allow them to benefit from a fully coordinated marketing effort.

*"Last year we succeeded in animating the network by communicating on TradeDoublér, organizing affiliate incentives and quickly implementing tactical and last minute campaigns. Without TradeDoublér tools and account managers such actions would have never been implemented nor been developed at a paneuropean level."*

Matthieu de RENTY  
Digital Marketing Representative, Europe

# Risks and uncertainties

TradeDoubler's operations are associated with risks, like all business activity. Managing risks well can create opportunities and value for the group whereas less successful risk management can cause damage and losses.

The group handles a very large number of transactions between different parties and in order to accomplish this, the Company depends on an advanced technical platform which is continuously improved. The operations are conducted on a strongly competitive market in many countries involving different currencies and legal systems.

Identifying and managing risks is a central component in the governance and control of TradeDoubler's business and is incorporated in all areas of the operations. Through clear processes and routines, the goal is to take advantage of the opportunities presented on a rapidly changing market, while at the same time minimizing the risk for damage and losses. New risks were identified during the past year but the measures implemented by the Company have reduced, and in certain cases, eliminated other risks.

TradeDoubler distinguishes between market-related risks, operating risks, financial risks and legal risks. The most significant risks affecting TradeDoubler's operations are described below.

## Market-related risks

### The impact of market conditions on demand

The recession over the past couple of years has impacted TradeDoubler more on certain markets than others. Market conditions have resulted in less e-commerce in many quarters, in particular through a decrease in the average customer spend, and have impacted the general demand for advertising services.

The general trend of advertisers, to a greater extent, choosing the internet over traditional media, in conjunction with TradeDoubler's performance-based business model has counterbalanced the downturn to some degree.

### Competition and price pressure

The market for internet advertising and related services is subject to intense competition with increasing price pressure, especially on more mature markets such as the UK. Large and popular websites have employees who work with direct sales of significant proprietary advertising space, which influences pricing of internet advertising in several of TradeDoubler's markets.

### The markets for e-commerce and internet advertising

TradeDoubler's long-term development is contingent on growth within e-commerce and within internet advertising. This growth may stop, e.g. due to security issues concerning internet-based transactions or problems with payment systems.

In addition, internet advertising is a relatively new market under development. Several of TradeDoubler's present and potential advertisers have only allocated a small portion of their advertising budgets to the internet. If internet advertising is to become generally accepted, particularly among companies that previously engaged traditional media companies for marketing, acceptance is required for a new method of conducting business, exchanging information, measuring results and evaluating new advertising products and services.

### Technical development

Internet advertising is a comparatively new and very technology-intensive sector. New functionalities and technical tools are being constantly developed, by TradeDoubler and by its competitors. Technological progress or innovation can radically alter conditions for companies active in the sector, or materially change the competitive situation.

### Changes in the value of goodwill

TradeDoubler has a significant goodwill item after the acquisition of IMW Group in the UK. During the third quarter 2009, an impairment of goodwill was made of SEK 150.3 M due to a weak result and a more conservative assessment of IMW Group's future development. It cannot be ruled out that a future test in respect of a permanent decline in goodwill (an impairment test) would lead to a further impairment need.

### Operational risks

#### Behavioral patterns on the internet

TradeDoubler is dependent on people's use of and behavior on the internet. Should internet use decrease or present behavioral patterns change, e.g. so that users are prevented from reaching websites displaying adverts, this may affect TradeDoubler.

There is also a risk that dominant players will steer the users' behavioral patterns for their own benefit.

### Key people

As internet advertising develops, increasing demands are made of the individual employee's skills. This, together with the fact that knowledge of local conditions on 18 markets is one of TradeDoubler's primary competitive advantages, means that TradeDoubler is completely dependent on being able to attract and retain skilled personnel, including management as well as other key employees.

### Computer and communication systems

TradeDoubler's business operations are dependent on computer and communication systems which function effectively and without disruptions. A breakdown or fault in public communications or in internal systems may complicate or render TradeDoubler's operations impossible. All systems are vulnerable, e.g. to computer virus attacks.

Notwithstanding the precautionary measures taken by TradeDoubler, unlawful acts from a third party, natural catastrophes or other unforeseen events can result in information at TradeDoubler, or at third parties being destroyed or lost.

### Internal governance and control

During the third quarter 2009, the board initiated work aimed at strengthening the internal governance and control of TradeDoubler's operations and processes, including the financial reporting and the IT security connected to that. This work gave rise to non-recurring costs during the third quarter in respect of adjustment of reconciliation differences between the (Enterprise Resource Planning) system and the general ledger, among other things. The board and management have made the assessment that the reconciliation differences are largely accounted for in the financial statements annual report for 2009. However, it cannot be ruled out that the ongoing work with internal governance and control may have an additional impact on earnings and give rise to non-recurring costs for extra investigatory work. This work is described in the section The Board's report on internal control and risk management on page 32.

## Financial risks

### Foreign exchange risk

Foreign exchange risk refers to the risk that changes in exchange rates may affect the consolidated income statement, balance sheet and cash flow statement. Foreign exchange risk exists in the form of transaction risk and translation risk. TradeDoubler is exposed to foreign exchange risk in 18 countries involving nine different currencies, with British pounds (GBP) and Euro (EUR) representing the majority share.

Approximately 35 (50) percent of the group's sales were recorded in GBP and approximately 50 (37) percent of sales were in EUR. The equivalent figure for the group's costs excluding non-recurring items was 29 (32) percent GBP and 32 (28) percent EUR.

The consolidated financial statements and accounting in the group's Swedish companies takes place in SEK while the accounting in the group's foreign companies takes place in each country's currency.

### Transaction risk

Exposure attributable to exchange rate fluctuations in client and supplier invoices is limited since client billing and suppliers' invoices largely occur in local currency for all companies in the group. TradeDoubler is also exposed to foreign exchange risk in the parent company's inter-company lending to subsidiaries which takes place in the subsidiary's currency, as well as deposits from subsidiaries of excess liquidity. Part of this lending and deposits consists of so-called "increased (reduced) investments in subsidiaries" where the differences in exchange rates as well as on translation exposure are recognized as a component of "other comprehensive income" (outside the income statement) whereas other exchange differences are recognized in the income statement. Inter-company lending and deposits are not currently hedged.

### Translation risk

Changes in foreign exchange rates impact the consolidated income statement on translation of the income statements of the foreign subsidiaries to the parent company's presentation currency, SEK. In connection with translation of the group's investments in foreign subsidiaries to the group's presentation currency, SEK, translation exposure arises which is recognized as a component of "other comprehensive income" (outside the income statement). The group's net investments in foreign currency primarily involve GBP and EUR. Net investments in foreign currency are not currently hedged.

### Customer credit risk

The group is exposed to credit risks in respect of trade receivables. The number of customers with financial difficulties increases during a recession. TradeDoubler is thus subject to increased customer credit risk.

New clients are subjected to credit rating reports through credit information companies, and the outcome provides the basis for credit and payment terms and conditions for each client.

The group has a credit policy that determines how clients are managed, with decision-making levels set for various credit limits. TradeDoubler normally requires advance payment from clients which are estimated to have a low credit rating.

No specific risk concentration exists for any geographical region or customer segment, however, the credit risk is greater in the search engine marketing business. TradeDoubler has taken out credit insurance for the part of the operations in the UK.

### Interest risk

Interest risk refers to the risk that changes in market interest rates may affect the consolidated income statement and cash flow or the fair value of financial assets and liabilities. A significant factor affecting the interest rate risk is the fixed interest term. The group's interest rate exposure is managed centrally, which means that the finance function is responsible for identifying and managing this exposure.

TradeDoubler was exposed to interest risk during 2009 on account of external loans of approximately SEK 242 M. These loans were redeemed during the first quarter 2010, which has meant that the interest risk has fallen sharply. A certain amount of interest risk remains due to financial investments.

### Liquidity risk

TradeDoubler's treasury and finance policy is established in order to minimize the group's liquidity risks by not taking any risks in the cash flow. In most cases, a publisher is only paid when the customer has paid the invoice to TradeDoubler. In this manner, TradeDoubler limits/minimizes the liquidity risk. Credit ratings are performed on all new clients and TradeDoubler normally requires advance payments from clients for whom adequate financial information is not available. Until the completion of the rights issue, TradeDoubler was dependent on external financing in order to secure the group's long-term operations. For the period ending February 15, 2010, borrowings were hedged through agreements with banks and shareholders. The completed rights issue has strengthened is estimated to have solved the group's financial position long-term financing and has thus reduced the liquidity risk.

## Legal risks

### Tax

TradeDoubler conducts its operations via companies in several countries. The operations, including transactions between group companies, are conducted in accordance with applicable tax laws, tax treaties and other provisions in the relevant countries.

However, it cannot be ruled out that TradeDoubler's interpretation of applicable law does not conform to what a court or authority may determine in the future, or that prevailing rules are altered, possibly with retroactive effect. Future rulings or decisions may cause TradeDoubler's tax situation to change negatively.

### Disputes and intellectual property rights

From time to time, TradeDoubler is involved in disputes in the course of its normal business operations. The number of disputes has increased during the recession but is still modest in relation to the scale of the operations. Disputes that arise typically concern small amounts.

TradeDoubler is particularly exposed to disputes regarding intellectual property rights. The operations are totally dependent on the technical platform which is largely internally developed and protected by copyright and trade secrets legislation. Open sources codes are used in the systems. TradeDoubler risks being exposed to both infringement and assertions of infringement.

In addition, the business means that TradeDoubler handles large volumes of trademarks and other protected intellectual property on behalf of advertisers. Minor disputes and claims continually arise on account of this.

Another primary category for potential disputes is different types of internet fraud or similar acts by publishers, deficient quality of the traffic supplied to advertisers or other alleged deficiencies in TradeDoubler's services.

### New legislation

TradeDoubler's operations are conducted in a large number of geographical markets, principally within the European Union, which means that the group is exposed to a large number of legal systems.

The internet is a comparatively new sector and there is reason to believe that the rate of regulation will increase, not least in matters relating to personal integrity. For example, the EU adopted a directive on privacy and electronic communications (2002/58/EC) at the end of 2009, which depending on how it is implemented, may have negative consequences for how tracking on the internet may be carried out. The EU has also appointed a working group to investigate interest-based advertising on the internet.

The new directive and other new regulations may affect all internet-related business activities, even TradeDoubler's.

# TradeDoublers Corporate Governance

TradeDoublers is a Swedish public limited liability company with its registered office in Stockholm. TradeDoublers's share has been listed on NASDAQ OMX Stockholm since November 8, 2005.

For more information about the share, see page 74.

The corporate governance in TradeDoublers is primarily exercised by the shareholders at the annual general meeting, the board of directors, the president and the group management.

The external control instruments which make up the corporate governance framework within TradeDoublers include the Swedish Companies Act, the Swedish Annual Account Act, NASDAQ OMX Stockholm's rules and regulations, statements of the Swedish Securities Council, the Swedish Code of Corporate Governance ("the Code") as well as other relevant laws and regulations. The internal control instruments include the articles of association adopted by the general meeting, the formal work plan for the board of directors, the president's instructions and instructions regarding the financial reporting.

The Code is based on the principle "comply or explain" which means that a company which applies the Code may depart from individual rules in particular cases if it would be considered to result in better corporate governance.

This report has not been examined by the Company's auditor.

## Annual General Meeting

The Annual General Meeting is TradeDoublers's highest decision-making body in which the shareholders exercise their right to decide on matters related to the Company. Each share represents one vote. Shareholders are informed via the notice convening the annual general meeting of their entitlement to have an item addressed at the annual general meeting. Notices convening annual general meetings where the annual financial statements shall be presented and extraordinary general meetings where questions relating to amend-

ment of the articles of association shall be dealt with, must be sent out not earlier than six and not later than four weeks prior to the meeting. Notices convening other extraordinary general meetings must be issued not earlier than six and not later than two weeks prior to the meeting. Notices convening TradeDoublers's general meetings should take place through an advertisement in Swedish Official Gazette and in Svenska Dagbladet and Dagens Industri. Shareholders who are registered in the share register on the record date, five calendar days prior to the date of the annual general meeting and who have provided notification of their intention to attend in accordance with what is stated in the convening notice, are entitled to participate in the annual general meeting, in person or by proxy.

By law, the annual general meeting must be held within six months of the end of the financial year. The obligatory duties of the annual general meeting include resolving on adoption of the income statement and balance sheet for the parent company and the consolidated income statement and consolidated balance sheet, to resolve on appropriation of the company's profit or loss according to the adopted balance sheet, resolve on discharge from liability for the members of the board and the president as well as to adopt principles for remuneration of senior executives.

Among other things, the annual general meeting shall elect board members until the end of the next annual general meeting, the chairman of the board until the end of the next annual general meeting, and where appropriate, auditors. The annual general meeting shall also pass resolutions regarding fees for directors and auditors, possible share-related and share-price related incentive programs to the company management as well as appointment of the nomination committee.

## Nomination Committee

The company should have a nomination committee according to the Code. TradeDoublers's annual general meeting will resolve on a nomination committee at the next annual general meeting. The principal duty of the nomination committee is to prepare proposals to be submitted to the annual general meeting for resolution regarding:

- chairman at the annual general meeting
- board members
- chairman of the board
- election of auditor, where appropriate
- fees and other remuneration for directorships to each one of the board members and remuneration for committee work
- fees to auditor
- appointment of nomination committee

The nomination committee's proposals shall be announced in conjunction with the notice convening the annual general meeting. The nomination committee presents its proposals and a report on its work at the annual general meeting. All shareholders are entitled to submit proposals for board members to the nomination committee. The nomination committee shall consist of four members and be composed of one representative of each of the three largest shareholders in terms of the number of votes, as of the last banking day in June, who wish to appoint such a representative, as well as the chairman of the board.

The members of the nomination committee receive no remuneration from TradeDoublers. However, the chairman of the board receives remuneration from TradeDoublers in the form of ordinary directors' fees. The nomination committee's composition is announced as soon as its members are appointed and not later than in connection with the interim report for the third quarter. If, over the course of the mandate period, the relation-

ship among the three largest shareholders changes in terms of the number of votes, the member of the nomination committee concerned shall place his or her position on the committee at the disposal of the shareholder that has assumed a place among the three largest shareholders in terms of the number of votes. Changes in the composition of the nomination committee shall be announced as soon as such an event occurs.

### Board of Directors

#### The Board of Director's composition and independence

According to TradeDoublers' articles of association, the board shall be composed of between six and nine members. The president is not a member of the board, but attends board meetings. Other white-collar employees from TradeDoublers participate in board meetings when required to present reports. At most meetings, the board conducts discussions where neither the president nor any other employee of the company is present. The Company's legal counsel serves as the secretary to the board.

The Code stipulates that the majority of the board members elected by the annual general meeting must be independent in relation to the Company and the group management, and that at least two of the members must be independent in relation to the Company's major shareholders.

#### The responsibility and work of the Board of Directors

TradeDoublers' board is responsible under the Swedish Companies Act for the Company's organization and the administration of the Company's affairs. The board shall continually assess the financial situation of the Company and the group and ensure that the Company's organization is designed so that the management of assets and the Company's affairs in other respects are controlled in a safe manner.

#### According to the Code, the duties of the board include:

- setting operational goals and strategies,
- appointing, evaluating and when required dismissing the president,
- ensuring that effective systems of follow up and control of the Company's operations exist,
- ensuring that there is satisfactory control of the Company's compliance with laws and other regulations applicable to the Company's operations,
- ensuring that requisite ethical guidelines are established for the Company's conduct and
- ensuring that the Company's information disclosure is characterized by openness and is accurate, relevant and reliable.

The work of the board is guided by Rules of Procedure that are established each year, usually at the statutory board meeting.

The Rules of Procedure plan sets out the responsibilities of the board and regulates the board, its committees and its members' internal division of work, the internal decision-making order within the board, notifications of board meetings, agendas and minutes, and the board's work on internal control and financial reporting.

According to the Rules of Procedure, the board must hold at least five ordinary meetings annually and a statutory meeting after the annual general meeting. Four ordinary meetings must be held in connection with the release of interim reports and the year-end report. In addition to this, the board meets in order to determine the group's strategies and goals and to adopt the group's budget and business plan for the next year.

The board's responsibility also includes deciding on acquisitions and disposals of companies and operations, deciding on major investments, deciding on loans, guarantees and providing guarantees, deciding on appointment of president, deciding on guidelines for remuneration of senior executives to be adopted by the annual general meeting, and continuous follow up of the operations during the year.

The Company's auditor participates in at least one board meeting annually.

### Composition, independence and remuneration of the Board 2009

Name	Born	Nationality	Elected	The Board of Directors	The Audit Committee	The Remuneration Committee	Independent in relation to the Company, the Company management and the company's major shareholders*	Fee (incl. committee work)**	Own or related-party shareholding ***
<b>Mats Sundström</b>	1955	Swedish	2009	Chairman	Member	Member	Yes	450,000 +50,000 +25,000	25,000
<b>Kristofer Arwin</b>	1970	Swedish	2007	Member	-	-	Yes	200,000 200,000 +50,000 +50,000	36,150
<b>Heléne Bergquist</b>	1958	Swedish	2009	Member	Member	Chairman	Yes	200,000 +25,000	15,000
<b>Martin Henricson</b>	1961	Swedish	2001	Member	-	Member	Yes	200,000 +25,000	15,000
<b>Lars Stugemo</b>	1961	Swedish	2006	Member	-	-	Yes	200,000 200,000	4,050
<b>Caroline Sundewall</b>	1958	Swedish	2009	Member	Chairman	-	Yes	+100 000	2,000
<b>TOTAL</b>								1,750,000	85,200

\* All board members are considered to be independent in relation to the Company and the company management and also in relation to the Company's major shareholders according to the Code from July 1, 2008 and from February 1, 2010. From February 1, 2010, according to the Code, as far as the independence of board member is concerned, the rules therein shall be first applied to members elected after July 1, 2010.

\*\* The annual general meeting 2009 adopted the nomination committee's proposal regarding directors' fees corresponding to SEK 450,000 for the chairman of the board and SEK 200,000 to each of the other board members elected by the general meeting. SEK 100,000 is payable to the chairman of the audit committee and SEK 50,000 to each of the other members of the audit committee. SEK 50,000 is payable to the chairman of the remuneration committee and SEK 25,000 to each of the other members of the remuneration committee. The amount of compensation relates to the period May 6, 2009 to May 6, 2010.

\*\*\* Holdings of shares or other equal financial instruments by private or related persons or legal entities in TradeDoublers according to the latest available information to TradeDoublers.



## Attendance at board and committee meetings and independence 2009

Name	The Board of Directors	Attendance, Board meetings	The Audit Committee	Attendance, Audit Committee	The Remuneration Committee	Attendance, Remuneration Committee	Independent in relation to the Company, Company management and the Company's major shareholders
Mats Sundström	Ordförande*	12/12	Member*	9/10	Member*	6/6	Ja
Elisabet Annell	Member**	5/5	Ordförande**	2/2	-	-	Ja
Kristofer Arwin	Member	17/17	-	-	-	-	Ja
Heléne Bergquist	Member*	12/12	Member*	10/10	Chairman*	6/6	Ja
Eva Brådhe	Member*/***	8/9	-	-	-	-	Ja
Christer Elmhagen	Chairman****	2/2	Member****	1/1	Chairman/ Member****	1/1	Ja
Felix Hagnö	Member**	4/5	-	-	-	-	Ja
Martin Henricson	Member	15/17	-	-	Member	6/6	Ja
Nick Hynes	Member***	8/14	-	-	Member**	1/1	Ja
Lars Lundquist	Vice Chairman**	5/5	-	-	Chairman/ Member**	1/1	Ja
Rolf Lydahl	Member**	5/5	Member**	2/2	-	-	Ja
Lars Stugemo	Member	15/17	-	-	-	-	Ja
Caroline Sundewall	Member*	12/12	Ordförande*	10/10	-	-	Ja

\* From May 6, 2009

\*\* Until May 6, 2009

\*\*\* Until Nov 16, 2009

\*\*\*\* Until Mar 31, 2009

The Rules of Procedure stipulate that an annual evaluation of the board's work be carried out. This shall take the form of a systematic and structured process, the results of which shall be presented to the nomination committee. The board also assesses the president's work in accordance with the instruction to the president at least once a year.

The Rules of Procedure were adopted at the board meeting on April 12, 2010.

### The Chairman of the Board

According to the Code, the chairman of the board must ensure that the board's work is conducted effectively and that the board fulfils its duties. In particular, the chairman shall:

- organize and lead the work of the board,
- ensure that the members receive necessary training and continually update their knowledge about the Company,
- be responsible for maintaining contact with the owners regarding ownership issues,
- ensure that the board receives adequate information and decision data,
- make sure that the board's decisions are executed and
- ensure that the board's work is evaluated annually

### The Board's committees

According to the Swedish Companies Act, a company whose negotiable securities are traded on a regulated market should

have an audit committee, which the Code states should consist of at least three board members. The majority of the committee's members must be independent in relation to the Company and the company management, and at least one of the members must be independent in relation to the Company's major shareholders.

The Code also stipulates that the board should establish a remuneration committee whose members must be independent in relation to the Company and the Company management.

### Audit Committee

The board has appointed an audit committee which is composed of three board members, of which one is chairman. According to the formal work plan of the board, the audit committee shall:

- monitor the Company's financial reporting,
- with regard to the financial reporting, monitor the effectiveness of the Company's internal control and risk management,
- continuously meet the Company's auditor and keep informed about the audit of the annual financial statements and consolidated financial statements and discuss the coordination between the external audit and the internal control function and the view of the Company's risks,
- review and monitor the auditor's impartiality and independence and in this con-

nection pay special attention if the auditor supplies other services to the Company apart from audit services,

- adopt guidelines for which services other than audit that the Company may procure from the Company's auditor.
- evaluate the auditing work and assist the nomination committee with the preparation of proposals for the general meeting's resolution on election of auditor and
- deal with other questions that the board may entrust to the audit committee to prepare or determine.

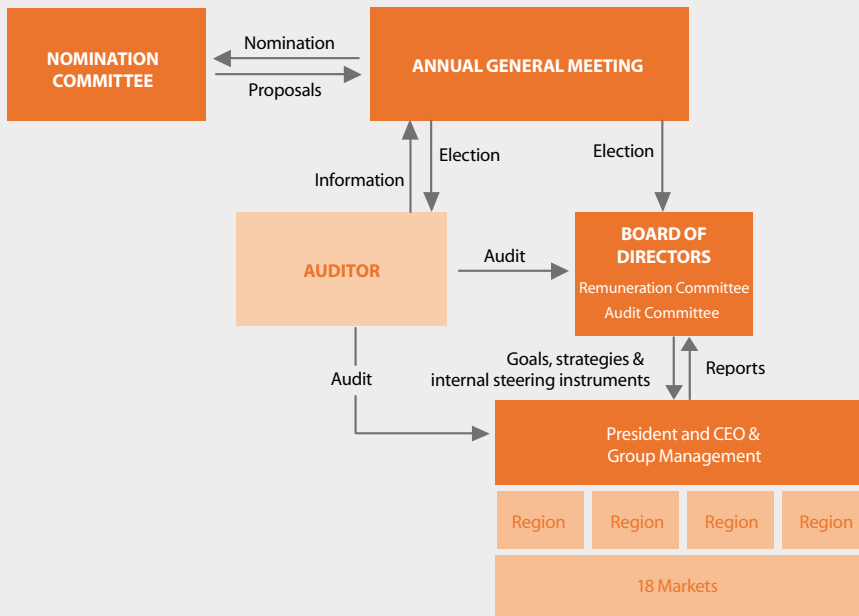
As part of the supervision of the Company's financial reporting, the audit committee shall ensure that established principles for the financial reporting and the internal control are followed and that the Company's financial reporting is prepared in accordance with laws, applicable accounting standards and other requirements on listed companies.

The audit committee must hold at least four meetings annually. When considered appropriate, the audit committee may invite the President, the Company's CFO, the Company's auditor or others to participate in the committee's meetings. The Company's legal counsel serves as the secretary to the audit committee. Minutes are taken of the audit committee's meetings and a copy of the minutes is sent to all board members.

### Remuneration Committee

The board has also appointed a remunera-

## Corporate Governance



### EXTERNAL STEERING INSTRUMENTS

The Swedish Companies Act, the Swedish Annual Accounts Act and other relevant legislation, Nasdaq OMX Stockholm's rules and regulations, statements of the Swedish Securities Council and the Code etc.

### INTERNAL STEERING INSTRUMENTS

Articles of Association, Rules of Procedure of the board, instruction to president, instruction in respect of financial reporting to the board, business concept and goals, strategies, core values, policies etc.

#### Examples of policies:

- Treasury and Finance Policy
- Finance Manual
- Authorisation Manual
- External Information and IR Policy
- Insider Policy
- IT Security Policy

tion committee which is composed of three board members, of which one is chairman. According to the formal work plan of the board the remuneration committee shall:

- prepare resolutions for the board in questions relating to remuneration principles, remuneration and other terms of employment for the company management,
- follow and evaluate ongoing programs and programs which finished during the year for variable remuneration, both for the company management and other employees,
- provide the board with proposals for guidelines for remuneration to senior executives to be adopted by the annual general meeting
- follow and evaluate the application of the principles for remuneration to senior executives adopted by the annual general meeting as well as current remuneration structures and rates of compensation in the Company,
- provide the board with proposals regarding remuneration and other terms of employment for the president,
- establish terms of remuneration and employment for the company management, apart from the president,
- prepare the board's report regarding programs for variable remuneration to senior executives, and outstanding share and share price-related incentive programs and the application of current guidelines according to item 10.3 of the Code.

- support the board generally in monitoring compliance with applicable legislation, NASDAQ OMX Stockholm's regulatory framework and the Code regarding information about terms of remuneration and other conditions of employment for the president and the rest of the company management, and
- deal with other questions that the board may entrust to the remuneration committee to prepare or determine.

The remuneration committee shall hold meetings when necessary. When considered appropriate, the remuneration committee may invite the President, the Company's CFO, the Company's auditor or others to participate in the committee's meetings. The Company's HR director serves as the secretary to the remuneration committee. Minutes are taken of the remuneration committee's meetings and a copy of the minutes is sent to all board members.

### President and Group Management

Under the Swedish Companies Act, Trade-Doubler's president is responsible for the day-to-day management of the company's affairs pursuant to the board's guidelines and directives.

The board has established an instruction for the president which sets out the president's responsibilities and authority. According to the instruction, the president shall provide the board with decision data to make well-

reasoned decisions and with documentation in order to continually follow the operations during the year.

The current instruction was adopted at the board meeting on April 12, 2010.

The president & CEO leads the day-to-day operations and has appointed a group management team (company management) composed of the President, the Company's CFO, CTO, HR Director, General Counsel, COO, V.P International Sales & Marketing and Product Manager.

### Auditor

Under the Swedish Companies Act, the auditor elected by the general meeting shall review the annual financial statements, the consolidated financial statements and accounting as well as the administration of the board of directors and the president. The auditor also performs a review of one interim report annually on behalf of the board. The auditor reports the result of his work to the annual general meeting through his auditor's report. The auditor participates in meetings of the audit committee and at least at one board meeting each year to discuss the focus and scope of the audit as well as the outcome of the audit.

The Company's auditor is elected at the annual general meeting for a period of four years.



# Corporate Governance 2009

## Deviation from the code

The company deviated from the Code in one instance during 2009. The board did not form a quorum at the extraordinary general meeting on December 4, 2009. There was only one substantive item on the agenda – to approve the board’s decision on a rights issue with preferential rights for the shareholders. Due to a very tight timetable for the rights issue there were only a few possible dates for the meeting and several members could not attend at short notice. However, a board which formed a quorum was available by phone.

## Shareholders

TradeDoubler’s share has been listed on NASDAQ OMX Stockholm since November 8, 2005. The share capital amounted to SEK 11.4 M as at December 31, 2009, distributed among 28,581,633 shares, each one with a quota value of SEK 0.40 kronor. Each share represents one vote.

After the rights issue, which was completed in January 2010, the share capital amounted to SEK 17.1 M, distributed among 42,807,449 shares, each one with a quota value of SEK 0.40 kronor. The rights issue does not imply any changes in respect of the number of votes of the shares. For further information about the rights issue see, the Administration report, page 38. The number of shareholders was 3,593 at year-end, distributed as follows.

## The Nomination Committee

The composition of the nomination committee ahead of the annual general meeting 2010 was announced on August 21, 2009.

The nomination committee’s proposals for board members, fees and other remuneration etc. are presented in the notice convening the annual general meeting 2010 and are also available on the company’s home page, [www.tradedoubler.com](http://www.tradedoubler.com).

## Annual General Meeting 2009

The annual general meeting was held on May 6, 2009 in Stockholm. 57.49 percent of the shares were represented at the meeting. All board members proposed for re-election or election attended as well as the president.

The Annual General Meeting passed the following resolutions, among others:

- to adopt the income statements and balance sheets for the company and the group,
- not to declare any dividend for 2008 in accordance with the board’s proposal,
- to grant the board and the president discharge from liability for the financial year 2008 in accordance with the recommendation of the auditor,
- to re-elect the board members Kristofer Arwin, Martin Henricson, Nick Hynes and Lars Stugemo and to elect Heléne Bergquist, Eva Brådhe, Mats Sundström and Caroline Sundewall,
- to elect Mats Sundström as chairman of the board,
- to elect Ernst & Young as auditor, with the Authorized Public Accountant, Thomas Forslund as auditor-in-charge,
- to establish remuneration for the board, see further below under Remuneration to the board of directors and senior executives, page 30.
- to adopt the board’s proposal for principles for remuneration and other terms of employment for the company management.

## Extraordinary General Meeting 2009

An extraordinary general meeting was held on December 5, 2009 in Stockholm. 58.11 percent of the shares were represented at the meeting. The meeting passed a resolution approving the board’s decision on a rights issue of shares with preferential rights for the shareholders. For more information about the rights issue see, the Administration report, on page 38.

## Board of Directors

The Board of Director’s composition and independence

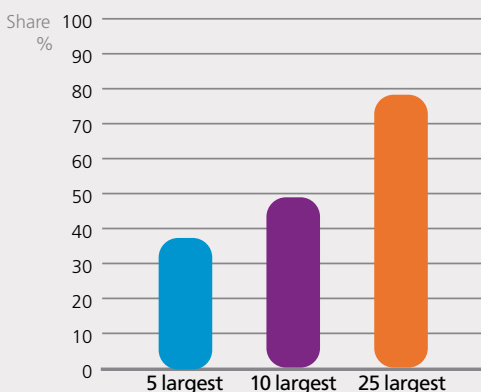
TradeDoubler’s board was composed of eight members from the annual general meeting 2009 until November 16, 2009. The board was subsequently composed of six members since two members, Eva Brådhe and Nick Hynes, opted to resign their directorships prematurely. The board is presented on page 34.

All board members are considered according to the information contained in the table on page 26 “Attendance at board and committee meetings and independence 2009” to be independent in relation to both the company and the company management and in relation to the company’s major shareholders.

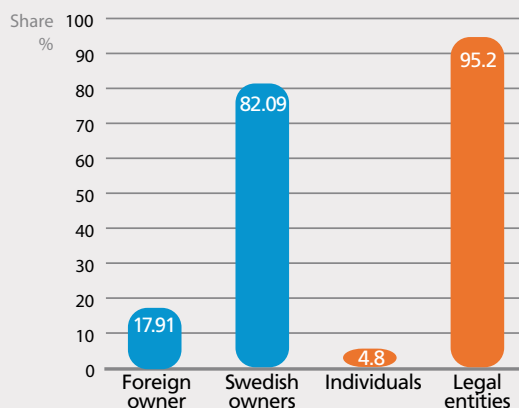
## The work of the Board of Directors

The board held 17 recorded board meetings during 2009, of which five took place by phone and five were held per capsulam. The individual members attendance at board and committee meetings is shown in the table on page 26 “Attendance at board and committee meetings and independence 2009”.

Ownership concentration



Distribution of ownership



The board's work during the year focused mainly on:

- Strategic issues
- The group's financing including external loans and the rights issue and the prospectus connected with the rights issue
- The group's profit and liquidity
- Cost savings
- Financial reporting, risk management and internal control
- Budget and business plan for 2010
- Recruitment of a president on a permanent basis

### Audit Committee

#### The Audit Committee's composition and independence

During the first half of the year, the audit committee was composed of Elisabet Annell, chairman, Christer Elmehegen and Rolf Lydahl. After the statutory board meeting 2009, the committee consisted of Caroline Sundewall, chairman, Heléne Bergquist and Mats Sundström.

All members of the audit committee are considered to be independent in relation to the company and the company management and the company's major shareholders.

#### The work of the audit committee

The committee held twelve recorded meetings during 2009. In addition to this, the committee's members have participated in a number of informal meetings and have maintained close telephone contact.

In particular, the work has focused on describing, evaluating and strengthening the internal control in respect of the financial reporting and on enhancing the quality of the financial reporting. For more information about the internal control see page 32. The committee was also commissioned by the board to deal with issues concerning the group's financing and the rights issue com-

pleted during the fourth quarter and the prospectus connected to the rights issue.

### Remuneration Committee

#### The remuneration committee's composition and independence

During the first half of the year, the remuneration committee was composed of Christer Elmehegen, chairman, Nick Hynes and Lars Lundquist. After the statutory board meeting 2009, the committee consisted of Heléne Bergquist, chairman, Martin Henricson and Mats Sundström.

All members of the remuneration committee are considered to be independent in relation to the company and the company management and the company's major shareholders.

#### The work of the remuneration committee

The committee held seven recorded meetings during 2009, of which two were per capsulam. Above all, the work has focused on follow up of application of principles for remuneration and other terms of employment for the company management adopted by the annual general meeting 2009, follow up of the outcome of programs for variable remuneration for 2009 and long-term incentive programs, programs for variable remuneration which are revised for 2010, preparation of resolutions on terms of remuneration and other conditions of employment for the president, approval of terms of remuneration and employment for the other members of the company management, and follow up of the "Employee Satisfaction Survey".

### President and Group Management

The president & CEO leads the day-to-day operations in accordance with the board's guidelines and directives, and has appointed a group management team composed of eight persons; the president, the Company's CFO, CTO, HR director, general counsel, COO, V.P international sales & marketing and product manager.

Örjan Frid served as an interim president & CEO until February 16, 2010, when the board appointed Urban Gillström as the new president and CEO.

Casper Seifert was TradeDoublers's CFO until August 10, 2009 when he was succeeded by Thord Norberg. Concurrently with Urban Gillström taking over as president and CEO on February 16, 2010, Thord Norberg was replaced as acting CFO by Bernt Andersson. Kayhan Utkutug, Mick Empson and Stephanie Carr also resigned from the group management during 2009.

The group management is presented on page 35.

### Auditor

At the annual general meeting 2009, Ernst & Young AB were appointed auditors until the annual general meeting 2013, with the Authorized Public Accountant, Thomas Forslund as auditor-in-charge. Ernst & Young AB thus replaced the previous auditor KPMG AB.

In addition to examining the consolidated financial statements and accounting records and the administration of the board and the president, the auditor has also examined the interim reports for the period January–June 2009 and January–September 2009. Remuneration was also paid for advice, most of which pertained to audit-related consultations regarding accounting matters.

For information regarding fees paid to TradeDoublers's auditors during 2009, see table below and note 5.

### Nomination committee before annual general meeting 2010

Name	Representing	Shareholding*/**
Ramsay Brufer, chairman	Alecta	14.87% / 14.87%
Annika Andersson	Fjärde AP-fonden	9.13% / 9.13%
Jan Andersson	Swedbank Robur Fonder	9.02% / 9.87%
Mats Sundström	Chairman of the Board of Directors	

\* Source: VPC AB, as at December 30, 2009.

\*\* Source: VPC AB, as at June 30, 2009.

### Remuneration to auditor

KSEK	2009	Group 2008	Parent Company 2009	Parent Company 2008
<b>Ernst &amp; Young</b>				
Audit assignments*	4,732	-	3,210	-
Other assignments	482	-	482	-
<b>KPMG</b>				
Audit assignments*	4,593	5,295	2,030	2,098
Other assignments	-	637	-	457
<b>Mr Salvage &amp; Co</b>				
Audit assignments*	-	907	-	-
Other assignments	-	188	-	-
<b>Övriga revisorer</b>				
Audit assignments*	183	177	-	-
Other assignments	30	725	-	471
<b>Total</b>	<b>10,020</b>	<b>7,929</b>	<b>5,722</b>	<b>3,026</b>

\* The fee relates to audit work and review of two interim reports. Remuneration was also paid for advice, most of which pertained to audit-related consultations regarding accounting matters.

# Remuneration to the board and other senior executives 2009

## Remuneration to the Board of Directors

The annual general meeting 2009 approved the following remuneration to the board of directors: SEK 450,000 to the chairman of the board and SEK 200,000 to each of the other board members elected by the annual general meeting who are not employed in TradeDoubler. In addition to this, the annual general meeting approved remuneration for committee work, to the members appointed by the board, of SEK 100,000 to the chairman of the audit committee and SEK 50,000 to each of the other members of the audit committee, and SEK 50,000 to the chairman of the remuneration committee and SEK 25,000 to each of the other members of the remuneration committee.

No board member was employed by any company in the group during 2009. Remuneration to each of the board members is shown in the table on page 25.

The nomination committee has proposed, ahead of the annual general meeting 2010, that extra remuneration should be paid to certain board members for contributions beyond the regular work in connection with the interim report for the third quarter and the rights issue in 2009.

## Principles for remuneration and other terms of employment for the company management

The annual general meeting 2009 resolved on the following principles for remuneration and other terms of employment for the company management relating to the president and other members of the group management.

The total remuneration shall be competitive on the local market in which the employee is based in order to attract, motivate and retain skilled employees. Individual remuneration shall be based on the employees' experience, competence, responsibility and performance.

The total remuneration shall be based on three main components; fixed salary, variable salary and pension benefits.

**Fixed salary:** The fixed salary shall be commercially competitive and based on experience, competence, responsibility and performance.

**Variable remuneration:** Variable remuneration shall be paid on commercial terms and reward growth, operating profit and shall be applied consistently throughout the group. It shall be based on predetermined targets, both quantitative and qualitative, and agreed with the employee. The outcome of the variable remuneration shall have an upper ceiling, which normally should not exceed 50 percent of the fixed salary.

**Pension:** Pension benefits may be offered to the company management, depending on local market conditions. Swedish-based employees are offered a solution which largely corresponds with the ITP plan.

## Notice and termination benefits:

A mutual period of notice of 3-9 months shall apply for the company management. In the event of termination by the company, termination benefits, in applicable cases, shall not exceed an amount equivalent to 12 fixed monthly salaries. In the event of termination by the employee, he or she shall not normally be entitled to any termination benefits.

**Other benefits:** Other benefits, such as car benefit, shall have a limited value in relation to the total remuneration package.

Questions concerning terms of remuneration and employment for the president are prepared by the remuneration committee and are determined by the board. The president determines terms of remuneration and other conditions of employment for other members of the company management after approval of the remuneration committee.

The board of directors or the remuneration committee retains the right to depart from these principles if special grounds exist in a particular case.

## Remuneration to the company management

The president, Örjan Frid received remuneration consisting of a fixed consultancy fee of SEK 325,000 per month. No other remuneration or termination benefits are payable.

Other senior executives, apart from the president, received a total of SEK 11,369,000 in fixed salary, SEK 1,974,000 in variable remuneration for 2009 as well as SEK 555,000 as remuneration for payments to private pension insurance.

Casper Seifert was the Company's CFO until August 10, 2009. In addition, he has received a severance payment until December 31, 2009.

Remuneration to the president and other senior executives during 2009 is shown in a table on page 31.

## Pensions

TradeDoubler only offers pension plans on some markets. The pension plans are mainly defined contribution, i.e. TradeDoubler pays determined fees to an insurance company and has no subsequent obligations. TradeDoubler has individual pension plan agreements with certain senior executives within the group.

## Variable remuneration including long-term incentive programs

### Variable remuneration

TradeDoubler operates a performance- and results-based program for variable remuneration for employees within the group. Various performance- and results-based targets are set for different occupational categories, based on company-wide, regional and discretionary targets for the employees. Senior executives receive variable remuneration which is primarily linked to the group's financial performance. The variable remuneration has a ceiling, normally in the range of between 10 and 50 percent of the respective employee's fixed salary.

Variable remuneration is paid annually in arrears, however, portions of the variable salary are determined and disbursed on a quarterly basis for employees within the occupational categories, sales and customer service. During 2009, SEK 28.8 M was expensed for the variable remuneration program in respect of 2009 and a further SEK 11.2 M after final settlement in respect of 2008, SEK 31.2 M in total.

Apart from this performance- and results-based program for variable remuneration, a large number of employees within the group have also been invited to participate in the long-term incentive program.

#### Long-term incentive program

Currently, there is one long-term incentive program within the group – performance share program 2008/2011, described below.

The board confirmed on February 8, 2010 that two previous options programs – stock option program 2006/2010 and 2007/2010 – will not be exercised since the performance requirements (measured in earnings per share) were not fulfilled.

The employees were not invited to participate in any long-term incentive program during 2009.

#### Performance share program 2008/2011.

A new performance share program was resolved upon at the annual general meeting 2008 of up to 240,000 performance shares (options). Each option gave the holder the right to acquire one (1) share in the future subject to certain conditions. The strike price was 10 kronor per share. The terms of the program were adjusted on account of the rights issue. Each option at the present time gives the holder the right to acquire 1.22 shares at a strike price of 8.20 kronor.

The options were allocated to employees in the group gratuitously and are not assignable. The program runs until July 1, 2011 with right to exercise options for purchase of shares first on this date. A condition for purchase of shares is that the holder remains in his/her employment and that the growth targets for earnings per share are fulfilled.

The number of options that may be exercised depends on the average annual increase in earnings per share during the financial years 2008, 2009 and 2010. In the event of an average annual increase of at least 10 percent, 20 percent of the performance shares may be exercised (subscription may not take place at all in the event of an increase of less than 10 percent), in the event of an annual average increase of

18 percent, 50 percent of the options may be exercised, and in the event of an annual average increase of 29 percent, 100 percent may be exercised. The right of exercise is linear between 10 and 18 percent and between 18 and 29 percent.

As at December 31, 2009 the number of outstanding performance shares amounted to 195,200.

The program does not give rise to any formal dilution since any future supply of shares takes place with already issued shares. TradeDoubler has acquired 130,000 of its own shares for this purpose.

#### Remuneration to auditor

Total remuneration of SEK 10,020,000 was paid to the auditor during 2009, of which SEK 5,214,000 was paid to the current auditor Ernst & Young AB and SEK 4,593,000 was paid to the former auditor, KPMG AB. The fees relate to audit work and review of two interim reports. Remuneration was also paid for advice, most of which pertained to audit-related consultations regarding accounting matters.

Remuneration to auditors is shown in the table on page 29.

### Remuneration to President and Group Management 2009

Remuneration and other benefits, (SEK '000)	Fixed salary	Variable remuneration	Long-term incentive program	Pension obligations	Total
Örjan Frid (President)*	3,900	-	-	-	3,900
Rest of group management	11,369	555	-	1,974	13,898
<b>Total</b>	<b>15,269</b>	<b>555</b>	<b>-</b>	<b>1,974</b>	<b>17,798</b>

\* Örjan Frid took over as President and CEO on December 22, 2008. Örjan Frid is an interim president and remuneration is paid consisting of a fixed consultancy fee of SEK 325,000 per month. No other remuneration or termination benefits are payable.

# The board's report on internal control and risk management

The board's responsibility for internal control and risk management is governed by the Swedish Companies Act and in the Code, which among other things, includes requirements for an annual description in the corporate governance report of the most important elements in the company's systems for internal control and risk management in respect of the financial reporting. Internal control and risk management in respect of the financial reporting constitute a part of the total internal control and risk management within TradeDoublér which is based on the COSO framework and are central features of TradeDoublér's corporate governance.

Internal control and risk management are processes that are influenced by the board, the audit committee, the president, the group management and other employees and which are designed with the aim of providing a reasonable assurance that TradeDoublér's goals are achieved in respect of appropriate and efficient operations, reliable reporting and compliance with applicable laws and regulations. The process is based on the control environment which creates discipline and structure for the other four components in the process – risk management, control structure, information and communication as well as follow up.

The control environment is the values and ethics that the board, audit committee, president and group management communicate and operate from and also the group's organizational structure, leadership, decision paths, authority, responsibility and the skills held by the employees.

External control instruments in the form of applicable legislation and other external regulations in conjunction with internal control instruments form important elements of TradeDoublér's control environment.

An overview of the group's organizational structure and internal control instruments is found on page 27.

The board's description may be found below of the internal control and risk management in respect of the financial reporting which has been prepared in accordance with the Code as a part of the corporate governance report. The description is not part of the formal annual financial statements and was not examined by the company's auditor.

## **Internal control and risk management in respect of the financial reporting**

Internal control and risk management as regards the financial reporting aim to provide reasonable assurance regarding the reliability of the external financial reporting in the form of interim reports, annual reports and year-end reports and that the external financial reporting is prepared in accordance with laws, applicable accounting standards and other requirements on listed companies.

### **Control environment**

The board has the overall responsibility for the internal control and risk management in relation to the financial reporting. The board has adopted a formal work plan, which is an internal control instrument that sets out the responsibilities of the board and regulates the board, its committees and the members' internal division of work. In addition, the board has appointed an audit committee which has the principal task of monitoring the company's financial

reporting and in this respect also monitors the effectiveness of the company's internal control and risk management. The audit committee shall also continuously meet the company's auditor and keep informed about the audit of the annual financial statements and consolidated financial statements and monitor the auditor's impartiality and independence.

The board has also established internal control instruments in the form of an instruction for the president and an instruction in relation to financial reporting for TradeDoublér's board.

The responsibility for maintaining an effective control environment and the day-to-day work with the internal control and risk management has been delegated to the president.

Internal control instruments for the financial reporting mainly consist of the company's Treasury and Finance Policy, Finance Manual and Authorisation Manual.

**Treasury and Finance Policy** – governs the Treasury function's strategy in general as well descriptions of roles and division of responsibility in the day-to-day operations. It also contains instructions pertaining to managing currency exposure, liquidity management and financing.

**Finance Manual** – governs the finance function's work generally, as well as description of roles, processes and reporting instructions.

**Authorisation Manual** – governs attestation rights for investments and purchasing among other things, authority to sign customer and supplier agreements and also authority concerning recruitment, salary adjustments etc.

<sup>1</sup> Issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), [www.coso.org](http://www.coso.org).

The company's External Information and IR Policy and Insider Policy as well as IT Security Policy are also important control instruments for the financial reporting.

#### External Information and IR Policy

– governs the company's information disclosure to the capital market and media and the internal division of responsibility in these questions.

**Insider Policy** – governs the board's, the group management's and certain other employee's possibility of buying or selling the company's financial instruments.

**IT Security Policy** – IT security is central to the operations and is continually enhanced through structured work. The IT security work is mostly governed by an established IT Security Policy. ISO 27000 guides the IT security work.

The president, in conjunction with the rest of the group management, is responsible for ensuring that the above-mentioned control instruments are complied with and updated if necessary.

#### Risk management

The internal control area in respect of the financial reporting is part of the board's and group management's overall work to identify and manage risks. The work aims to identify and assess the most critical risks affecting the internal control in respect of the financial reporting in the group's companies and processes, as a basis for how risks should be handled through different control structures. The most significant risks for the group are described under Risks and uncertainties on page 22.

#### Control structures

Control structures are concerned with which controls are chosen in order to manage risks in respect of the financial reporting in the group's companies and processes. The controls may be general or detailed, preventive or discovery-based and automated or manual in character.

#### Information and communication

The internal control instruments are available for the relevant employees on TradeDoubler's intranet.

The president and other members of the group management report the work on strengthening the company's internal control and risk management to the audit committee. The result of the audit committee's work in the form of observations, recommendations and proposals for decision and actions are continually reported

by the chairman of the audit committee to the board at board meetings. In addition to this, the board members receive a copy of the minutes from the audit committee's meetings.

#### Follow up

Follow up in order to ensure the effectiveness of the internal control and risk management in respect of the financial reporting is conducted by the board, the audit committee, the president and the rest of the group management, including the company's CFO. Follow up includes review of monthly financial reports against the budget and targets.

The follow up also includes review of reports from the president and the rest of the group management and of project teams consisting of internal and external resources that work to strengthen the company's internal control and risk management. The IT security work continues on an ongoing basis with monthly follow up meetings with the CISO, CTO and group managers for development and operations in attendance. IT security related incidents are reported at these meetings and follow up takes place of IT security related projects and activities. The CISO reports when required to the president and other members of the group management. There are agreements with external security experts in order to receive advice and support regarding implementation, assessments, and priorities of IT security related issues.

#### The work during 2009 and the goal for 2010

During the third quarter 2009, the board initiated work aimed at strengthening the internal governance and control of TradeDoubler's operations and processes, including the financial reporting.

Among other things, the work included description and evaluation of risks, existing control structures, follow up including evaluation of needs by a special audit function as well as internal control instruments. The work has been carried out in a number of separate projects with different aims and tasks and with project teams consisting of internal and external resources.

Two project teams worked on improving the reliability in reconciliations between the enterprise resource planning system and the general ledger. This work resulted in an adjustment of reconciliation differences between the enterprise resource planning system and the general ledger as at September 30, 2009.

Other project teams worked on description and evaluation of the billing process, with technical accounting questions in order to enhance the precision and transparency of the financial reporting, with a general overview of the internal control instruments in order to improve their quality and alignment, and with the planning of a systematic risk analysis in the form of a workshop for the group management 2010, incorporating all components in the COSO model; control environment, risk management, control structures, information and communication as well as follow up.

During 2010, the company will continue the work on improving the internal control and risk management in respect of the financial reporting in the group's companies and processes.

At present, the company does not have any special audit function. The work of strengthening the internal governance and control of TradeDoubler's operations and processes has instead been carried out by project teams during the year consisting of internal and external resources which report the results of their work to the audit committee on an ongoing basis. The question of establishing a formal audit function is reviewed continually.

Several of the projects initiated during 2009 will also continue during 2010.



# Board of Directors

## 1. Mats Sundström, born 1955

Chairman of the Board of Directors and member of the remuneration committee and the audit committee since 2009.

**Education:** BSc Econ from Stockholm School of Economics.

**Other assignments:** Board Chairman of DIBS Payment Services AB and Board member of Infocare A/S.

**Former assignments:** Mats Sundström was previously inter alia Chairman of the Board of DoubleClick Scandinavia AB and Unibet plc and also Board member of TV 4 AB, Poolia AB, Neonet AB and Off the Wall Media Production & Consulting AB. Mats Sundström has also been active within the Kinnevik Group, including as President for Imedia and TV 1000 as well as Executive V.P. of Scansats Broadcast Ltd.

**Shareholding:** 25,000 shares.

## 2. Kristofer Arwin, born 1970

Member of the Board of Directors since 2007.

**Education:** BSc in Business and Administration from Stockholm University.

**Other assignments:** Board member of Unibet Group plc, Alertsec AB, Stagepool AB, Prune AB, Agent Central AB, Chairman of the Board in Multi-brands AB as well as Board member and President of Wiral Internet Group AB. Arwin is co-founder and President and CEO of TestFreaks since 2007 and is also a Board member. Kristofer is also a deputy Board member of Vikinghästar AB.

**Former assignments:** Kristofer Arwin is the founder of PriceRunner and was the President of the company until December 2005. Kristofer Arwin has also been a Board Member of Superbo AB as well as President and a deputy member of the Board of ValueClick AB and deputy Board member of Pricerunner Holding AB.

**Shareholding:** 36,150 shares.

## 3. Heléne Bergquist, born 1958

Member of the Board of Directors, chairman of the remuneration committee and member of the audit committee since 2009.

**Education:** BSc Econ from Linköping University.

**Other assignments:** Management consultant. Chairman of the Board of INVISIO Headsets AB. Board member of Trelleborg AB, Tyréns AB and Nordic Growth Market NGM AB. Chairman of the finance committee and the audit committee of Trelleborg AB.

**Former assignments:** Heléne Bergquist was previously the Chairman of the Board of Nordic Growth Market NGM AB and Nordic Growth Market NGM Holding AB and also member of the Board of Redovisningsrådets Service AB and Swedish Financial Accounting Standards Council. Heléne Bergquist has also been active within Electrolux AB as Senior Vice President, Group Controller and as Senior Vice President, Head of Management Assurance and Special Assignments, and also as Authorised Public Accountant, partner and Board member of PricewaterhouseCoopers in Sweden.

**Shareholding:** 3,000 shares.

## 4. Martin Henricson, born 1961

Member of the Board of Directors since 2001 and member of the Remuneration Committee.

**Education:** Bachelor of Arts from Linköping University.

**Other assignments:** President of EPIServer Group AB, Board member of Implema AB.

**Former assignments:** Martin Henricson was previously a Board member of AcadeMedia AB, Svenska IT-företagens Organisation AB, Ramböll Informatik AB and also Chairman of the Board and Board member of Mercuri International Sverige AB, Mercuri International Group AB, Anew Learning AB and Vittra AB. Furthermore, Martin Henricson has also been the external President for Bure Equity AB and Mercuri International Group AB. From 2001 until February, 2007 Martin Henricson was the President and CEO of TradeDoublér.

**Shareholding:** 15,000 shares.

## 5. Lars Stugemo, born 1961

Member of the Board of Directors since 2006

**Education:** Master of Engineering in Electrotechnology from the Royal Institute of Technology in Stockholm.

**Other assignments:** Co-founder and President of HiQ International AB. Member of the Board of a number of HiQ International subsidiaries. In addition Lars Stugemo is alternate Member of the Board of Sunny side Experigo AB.

**Former assignments:** -

**Shareholding:** 4,050 shares.

## 6. Caroline Sundewall, born 1958

Member of the Board of Directors and Chairman of Audit Committee since 2009.

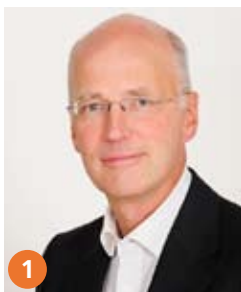
**Education:** BSc Econ from Stockholm School of Economics.

**Other assignments:** Board member of Electrolux AB, Haldex AB, Lifco AB, Pägengruppen AB, Svolder AB, Aktiemarknadsbolagens Förening, Mertzig Asset Management AB and Ahlsell AB. Caroline Sundewall is also Chairman of the Board of Caroline Sundewall AB and also in the tennis trust Streber Cup.

**Former assignments:** Caroline Sundewall has been a Board member of Strålfors AB, Getupdated Internet Marketing AB, Kultur och Näringsliv, K & N Service AB, Kvinvest AB and also Swedbank AB.

**Shareholding:** 2,000 shares.

*Board of Directors as detailed above applies from 1 April 2010.*





# Group Management

## 1. Urban Gillström, born 1964

President and CEO since february 2010

**Education:** M.Sc. Industrial Management and Engineering, The Institute of Technology, Linköping University.

**Other assignments:** –

**Previous assignments during the past five years:** Urban Gillström has been President of Ericsson Enterprise and Group President, Global Sales for Converse Inc.

**Holdings:** 10,000 shares.

## 2. Björn Lindberg, born 1960

COO since 2008, part of the management team since 2002

**Education:** Qualified market economist from MIS Marketing Institute, Stockholm.

**Other assignments:** Board member and President of Björn Lindberg Invest AB since 2007. Board member in a number of TradeDoublers subsidiaries.

**Previous assignments during the past five years:** Björn Lindberg has worked for TradeDoublers as Vice President for International Service and for Business Solution and as International Key Account Manager.

**Holdings:** 5,000 shares and 14,000 stock options.

## 3. Bernt Andersson, born 1958

Acting CFO since februari 2010

**Education:** B.Sc. Finance and Economics from University of Stockholm.

**Other assignments:** Board member of Upplands Motor AB and Ownit Holding AB.

**Previous assignments during the past five years:** Bernt Andersson has been CFO of Com Hem AB.

**Holdings:** 5,000 shares.

## 4. Dominic Trigg, born 1968

V.P. International Sales and Marketing since October 2008

**Education:** HND Business and Finance from London College of Distributive Trades.

**Other assignments:** –

**Previous assignments during the past five years:** During the past five years, Dominic Trigg has been, but is no longer, Advertising Operations Director Europe within Yahoo, Non Executive Director of Deal Group Media Plc. as well as Managing Director of Infospace Europe.

**Holdings:** 10,000 employee stock options.

## 5. Jonas Flodh, born 1971

Product Manager since 2008

**Education:** Master of Engineering from the Royal Institute of Technology in Stockholm and International Executive Programme at INSEAD.

**Other assignments:** Board member of Gandul AB and MyWidz AB.

**Previous assignments during the past five years:** During the past five years, Jonas Flodh has been, but is no longer, Product Manager of td Talk in TradeDoublers and Director of Product Operations at Orange Ltd.

**Holdings:** 4,700 shares (of which 2,500 are owned by related parties) and 3,000 stock options.

## 6. Mats Rosberg, born 1956

CTO since 2008

**Education:** Data processing studies at Kungsholmen College.

**Other assignments:** –

**Previous assignments during the past five years:** During the past five years, Mats Rosberg has been, but is no longer, CIO of TDC Song AB.

**Holdings:** 6,000 stock options.

## 7. Niklas Lundquist, born 1970

General counsel since 2006

**Education:** Holds an LLM from Stockholm University.

**Other assignments:** Board member in a number of TradeDoublers subsidiaries.

**Previous assignments during the past five years:** During the past five years, Dominic Trigg has been, but is no longer, President of of Eldstaden AB.

**Holdings:** 9,000 stock options.

## 8. Ulrika Wahllöf, born 1962

Human Resources Director since 2007

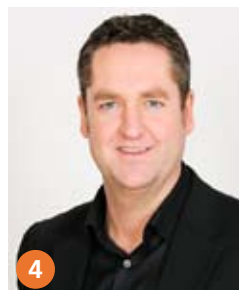
**Education:** Bachelor of Science in Human Resources Management and Working Life from Uppsala University

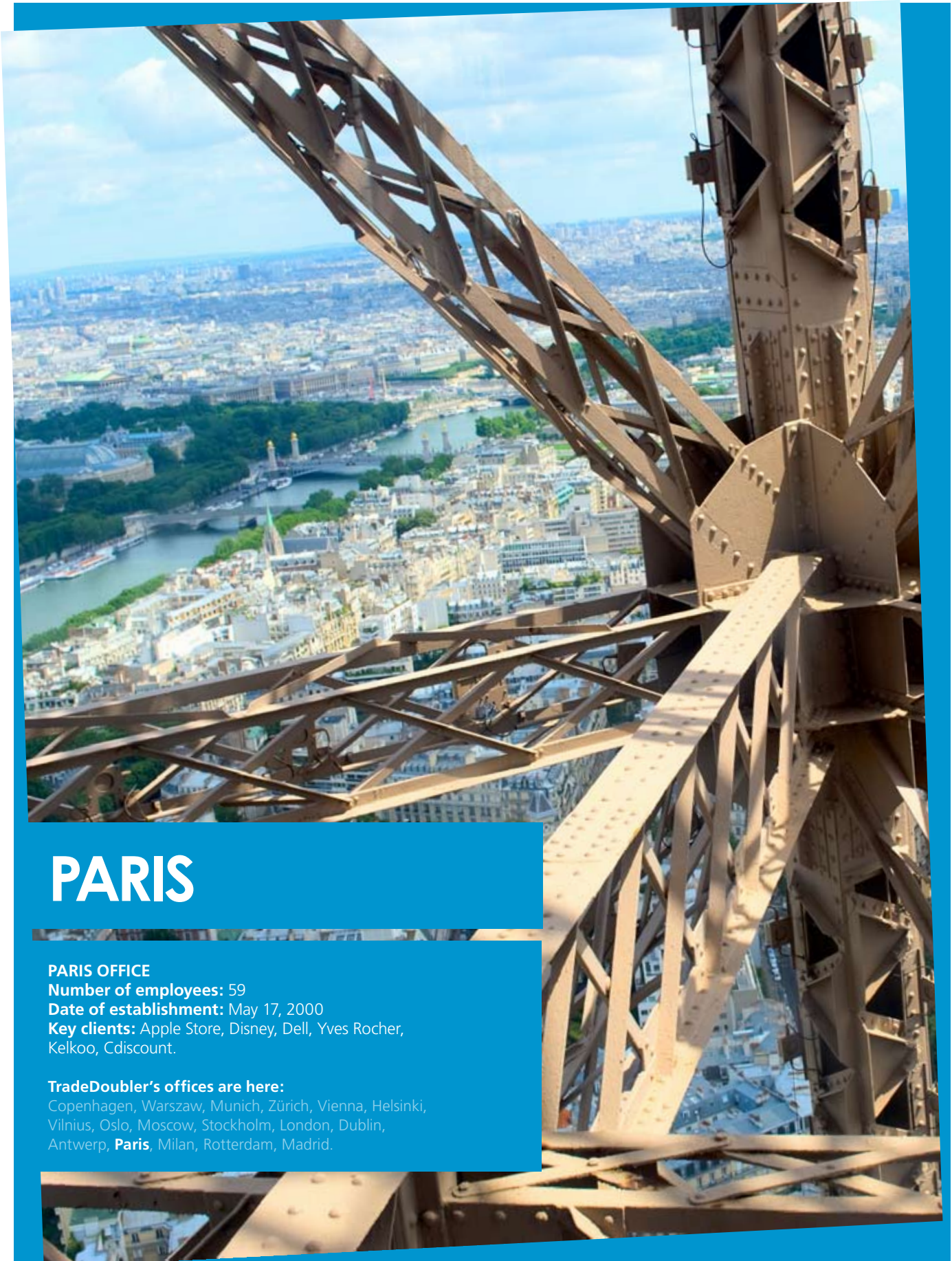
**Other assignments:** –

**Previous assignments during the past five years:** During the past five years, Ulrika Wahllöf has been, but is no longer, Vice President of Market Technology at OMX. In addition, Ulrika Wahllöf has served as Chairman of Actio Konsulter i Personalfrågor AB.

**Holdings:** 9,000 stock options.

*Group management as detailed above applies from 1 April 2010.*





# PARIS

## PARIS OFFICE

**Number of employees:** 59

**Date of establishment:** May 17, 2000

**Key clients:** Apple Store, Disney, Dell, Yves Rocher, Kelkoo, Cdiscount.

## TradeDoublers' offices are here:

Copenhagen, Warsaw, Munich, Zürich, Vienna, Helsinki, Vilnius, Oslo, Moscow, Stockholm, London, Dublin, Antwerp, **Paris**, Milan, Rotterdam, Madrid.

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# Administration report

**The board of directors and the president of TradeDoubler AB (publ), corporate registration number 556575-7423, hereby submit the financial statements for the financial year 2009 for the operations in the parent company and the group.**

## Operations

TradeDoubler is Europe's leading player within performance-based internet marketing. The Company's proprietary technology, products and solutions facilitate an efficient and relevant flow for advertisers who wish to market themselves or drive sales on the internet and for websites (publishers) and search engines who provide advertising space on their websites.

TradeDoubler's broad and comprehensive offering creates opportunities for the clients to optimize their marketing to achieve the best possible results. The Company's revenues come primarily from its role as an intermediary, where TradeDoubler receives remuneration based on the transaction flow between advertisers and the websites and search engines which provide advertising space against payment. In 2009, this transaction flow corresponded to a value of around SEK 58 billion, of which TradeDoubler generated revenues of SEK 3.0 billion and gross profit of SEK 690 M.

Since its establishment in 1999, TradeDoubler has developed the business from a focus on affiliate marketing, in which TradeDoubler as an independent third party arranges advertising and campaign space amongst advertisers and websites on the internet, towards a broad portfolio of products and services within internet marketing.

TradeDoubler offers the majority of its service range in all markets in which the Company operates. An exception is made in the case of markets that are in an early phase of development within internet marketing, where the focus is on affiliate marketing.

TradeDoubler leads the European market with its service offering and geographical coverage. The Company reaches about 75 percent of Europe's internet users via representation in 18 countries. TradeDoubler is market-leading in affiliate marketing in all countries where the Company operates, apart from Germany and is also an important player in the European markets for campaign marketing and search engine marketing.

## Significant events during the year

A large-scale action program was implemented during the first half-year 2009, including personnel reductions, aimed at lowering the Company's costs. The number of employees amounted to 565 at the end of the year, which was 72 fewer compared with December 31, 2008.

During 2009, the operations within TradeDoubler and IMW Group in the UK and France were integrated. Development of a solution-oriented sales model has been another prioritized area. TradeDoubler has successfully focused on integrating the sales activities and on offering the complete product portfolio to the customers.

Impairment of goodwill of SEK -150.3 M was carried out, in respect of IMW Group in the UK which was acquired in 2007, due to a weak result and a more conservative assessment of the future development. Non-recurring items also include unutilized office space in London and thus amounted to SEK -30.0 M.

A fully subscribed rights issue of SEK 355.6 M was carried out in December 2009 with preferential rights for existing shareholders. The rights issue has enabled repayment of all of the Company's loans at the start of 2010 and has strengthened the Company's financial position. This gives TradeDoubler financial freedom which strengthens competitiveness, enables investments such as geographical expansion and increases customer and supplier confidence.

## Revenue

Consolidated net sales for 2009 amounted to SEK 3,014.3 M (3,456.7), which was a decrease of 12.8 percent compared with 2008. Gross profit totaled SEK 689.9 M (747.1) and the gross margin was 22.9 (21.6) percent. Gross profit was positively impacted by changes in foreign exchange rates of SEK 36.8 M compared with the average exchange rates used in the consolidation of the results for 2008. Costs, including depreciation and amortization and impairment of goodwill, amounted to SEK 795.0 M (597.1). Costs were impacted negatively by changes in foreign exchange rates of SEK -16.7 M compared with the previous year. Of the costs, the administrative expenses amounted to SEK 227.6 M (122.3). The increase was mainly attributable to increased rental charges, expenses for cost-cutting programs, a provision for unutilized office space in London, costs for the performance- and results-based program for variable remuneration after final settlement in respect of 2008, and increased costs for internal control projects.

Operating profit totaled SEK -105.1 M (149.9) and the operating margin was -3.5 (4.3) percent. Operating profit was positively impacted by changes in foreign exchange rates of SEK 20.1 M compared with 2008.

During 2009, non-recurring items had a negative impact of SEK -180.3 M on operating profit. These items related to an impairment of goodwill of SEK -150.3 M and a provision of SEK -30.0 M for unutilized office space in London. Impairment of goodwill was carried out due to the weak result and a more conservative assessment of the future development for IMW Group in the UK, which was acquired in 2007.

After adjustments for changes in foreign exchange rates, gross profit amounted to SEK 653.1 (747.1) during 2009. Non-recurring items did not impact gross profit during 2009. The deterioration in gross profit, adjusted for changes in foreign exchange rates compared with 2008, was mainly due to lower sales in the UK. The adjusted gross margin was 21.7 (21.6) percent. The gross margin for the main product td Affiliate declined during 2009 due to renegotiations of several major agreements during the first half-year 2009. The adjusted gross margin in 2009 was still marginally higher than in 2008, mainly on account that td Search, with a low gross margin, decreased significantly compared with 2008.

After adjustments for changes in foreign exchange rates and non-recurring items, the costs totaled SEK 598.0 M (597.1) during 2009. The costs increased gradually during 2008 and then decreased in 2009 on account of personnel reductions carried out during the fourth quarter 2008 and the first half-year 2009. Therefore, the savings took effect during the latter half of 2009.

Thus, operating profit adjusted for changes in foreign exchange rates and non-recurring items amounted to SEK 55.1 M (149.9) and the adjusted operating margin was 1.8 (4.3) percent. The decline in the adjusted operating profit compared with 2008 was largely attributable to a lower gross profit, mainly due to decreased sales in the UK.

Consolidated net financial items amounted to SEK -22.0 M (-21.0) and included net interest income/expense of SEK -15.6 M (-15.0) and changes in foreign exchange rates of SEK -6.4 M (-6.0). These items mainly consisted of unrealized exchange losses attributable to liabilities and receivables in other currencies. Profit before tax was SEK -127.0 M (129.0) and profit after tax totaled SEK -178.5 M (94.4), which gave a net margin of -5.9 (2.7) percent. Notwithstanding a loss before tax, the group reported a tax expense of SEK 51.5 M. This was mainly due to the fact that the impairment of goodwill of SEK 150.3 M, in respect of IMW Group

in the UK, is not deductible as well as a write-down of deferred tax assets of SEK 13.5 M relating to IMW Group in the UK.

### Adjusted operating profit

SEK M	Full-year 2009	Full-year 2008
<b>Operating profit</b>	<b>-105.1</b>	<b>149.9</b>
<b>Non-recurring items</b>		
Impairment of goodwill	150.3	-
Provision for unutilized office space	30.0	-
<b>Total non-recurring items</b>	<b>180.3</b>	
<b>Adjusted operating profit</b>	<b>75.2</b>	<b>149.9</b>
Changes in foreign exchange rates	-20.1	-
<b>Adjusted operating profit including changes in foreign exchange rates</b>	<b>55.1</b>	<b>149.9</b>

### Cash flow and financing

The cash flow from operating activities before changes in working capital amounted to SEK 46.0 M (101.9). The decrease compared with the preceding year was mainly due to a poorer operating profit and increased tax paid. The change in working capital continued to be positive, but decreased by SEK 97.4 M compared with 2008 to SEK 18.7 M (116.1). The change was principally due to the fact that the group made non-recurring payments to some large suppliers, while at the same time, lower average prepayments were received from customers. Cash flow from operating activities thus amounted to SEK 64.7 M (218.0).

Net investments in intangible assets amounted to SEK 1.8 M (10.1). Net investments in property, plant and equipment totaled SEK 11.1 M (13.6) and mainly related to office equipment as well as networks and server equipment.

Cash flow from financing activities amounted to SEK 256.0 M (-290.0) during 2009 and consisted of amortization of loans of SEK-124.8 M (-1,077.9), raising of new loans of SEK 80.0 M (400.0), a partial payment of SEK 312.3 M in respect of the rights issue and payment of issue costs of SEK -11.5 M.

Thus, the cash flow for 2009 amounted to SEK 306.6 M (-95.7). On December 31, 2009, cash and cash equivalents amounted to SEK 436.6 M (133.4) and the group's net cash totaled SEK 194.5 M (-153.4).

### Financial position

At the start of 2009, the group's total interest-bearing liabilities amounted to SEK 286.8 M. Following negotiations with TradeDoublers' creditors a new amortisation plan was drawn up in February 2009, and at the same time the Company received SEK 50 M in the form of a subordinated loan from one of the larger owners. Bank loans of SEK 124.8 were amortized during 2009. During 2009, the market conditions deteriorated further, which adversely affected the operating profit. Furthermore, the Company's working capital deteriorated due to non-recurring payments to some larger suppliers, as well as through lower average prepayments from customers, at the same time as continued amortization payments strained liquidity further, which in September resulted in a requirement for bridge financing of SEK 30 M. As at December 31, 2009, interest-bearing liabilities amounted to SEK 242.1 M (286.9) and cash and cash equivalents to SEK 436.6 M (133.4).

As at December 31, 2009, the maximum credit available was SEK 247.5 M of which SEK 5.4 M was unutilized.

For the purpose of repaying all of TradeDoublers' loans and strengthening the Company's financial position, the board of directors resolved on November 16, 2009, subject to the approval of the general meeting, to increase the Company's share capital through a rights issue of approx. SEK 356 M, with preferential rights for

the Company's shareholders. The rights issue was fully subscribed and the Company received SEK 355.6 M before issue costs during December 2009 and January 2010.

The group's assets amounted to SEK 1,725.6 M (1,551.3) at the end of 2009. The change compared with the end of 2008 was primarily due to an increase in cash and cash equivalents as a consequence of the rights issue. The group's liabilities amounted to SEK 1,245.1 M (1,259.4) on December 31, 2009 and shareholders' equity totaled SEK 480.5 M (291.9).

### Research and development

TradeDoublers allocates considerable expenditure and resources in order to retain the Company's leading position within performance-based marketing on the internet. An important element is to improve existing business systems and develop new products and solutions for the customers.

Research and development expenditure amounted to approximately SEK 42.1 M (54.5) during 2009, corresponding to 6.1 (7.3) percent of the gross profit.

During 2009, parts of the development work were capitalized in respect of Product Level Commission (PLC), which enables commissions of individual products or product lines for the purpose of strengthening key accounts and segments, as well as securing campaign budgets and optimizing sales programs based on product margins. The target group is advertisers within the retail and travel industries, which represent approx. 60% of the group's customer base.

### Environment

TradeDoublers' operations have a limited impact on the environment. The Company's objective is to operate as a sustainable company. The Company makes environmentally sound choices where possible. The company is included in ethical indexes for capital investors.

### Risks and uncertainties

Identifying and managing risks is a central component in the governance of TradeDoublers' business and is incorporated in all parts of the operations. The risk management within TradeDoublers is characterized by the operation's complexity; the group handles a very large number of transactions between different parties and in order to accomplish this, it depends on an advanced technical platform and well-functioning public communications systems. The operations are conducted in many countries implying exposure to many different currencies and legal systems. Foreign exchange fluctuations have a major impact on the group's sales and revenues and also impact inter-company loans.

New risks were identified during the past year but the measures implemented by the company have reduced, and in certain cases, eliminated other risks.

The recession over the past couple of years has adversely impacted the general demand for advertising services with increased competition, price pressure and financial difficulties for customers as a consequence.

An impairment of goodwill of SEK 150.3 M was made during the third quarter 2009. The fully subscribed rights issue has sharply reduced the liquidity and financing risks.

During the third quarter 2009, the board initiated work aimed at strengthening the internal governance and control of TradeDoublers' operations and processes, including the financial reporting, and the IT security connected to that. This work gave rise to non-recurring costs during the third quarter. Among other things, the work included description and evaluation of risks, existing control structures, and internal control instruments. The work has been carried out in a number of separate projects with different

aims and tasks and with project teams consisting of internal and external resources. Several of the projects initiated during 2009 are also continuing during 2010.

For further description of management of financial risks, see note 19.

### Parent Company

The parent company's net sales decreased in 2009 compared with the preceding year by 5.4 percent to SEK 255.6 M (270.1). Sales were primarily composed of licensing revenue from subsidiaries. Net profit for the year after tax amounted to SEK 67.4 M (67.6). The parent company's receivables from group companies totaled SEK 890.6 M (588.9) at the end of 2009 and included financing in connection with the acquisition of IMW Group in the UK. The parent company's liabilities to group companies amounted to SEK 371.6 M (140.7) on December 31, 2009.

### Share capital and owners

TradeDoublér had 3,593 (3,122) shareholders at the end of 2009. The Company's largest shareholder is Alecta, with 14.9 percent of capital and votes. The five largest shareholders consisting of financial and institutional players, combined, owned 45.3 (43.8) percent of the shares.

TradeDoublér AB had a share capital of SEK 11.4 M on December 31, 2009, distributed among 28,581,633 shares, each with a par value of SEK 0.40. Each share carries one vote.

TradeDoublér carried out a rights issue of SEK 355.6 M in December 2009 with preferential rights for existing shareholders. The rights issue, which was registered on January 18, 2010, increased TradeDoublér's share capital by SEK 5.7 M to SEK 17.1 M. The number of shares increased by 14,225,816 to 42,807,449 with unchanged par value.

The group's earnings per share before/after dilution is calculated based on profit after tax and the average number of shares during the period January – December 2009 of 33,744,478. In calculation of the average number of shares, conversion of a bonus issue component of 18 percent has taken place in respect of the completed rights issue.

TradeDoublér bought back shares on three occasions during 2008 for the purpose of securing commitments related to the per-

formance share program 2008/2011. Total holdings of own shares at the end of 2009 amounted to 130,000 ordinary shares after completed buybacks.

### Guidelines for remuneration to senior executives

The guidelines approved by the annual general meeting 2009 have been applied for the president and other members of group management. For a further description, see note 4.

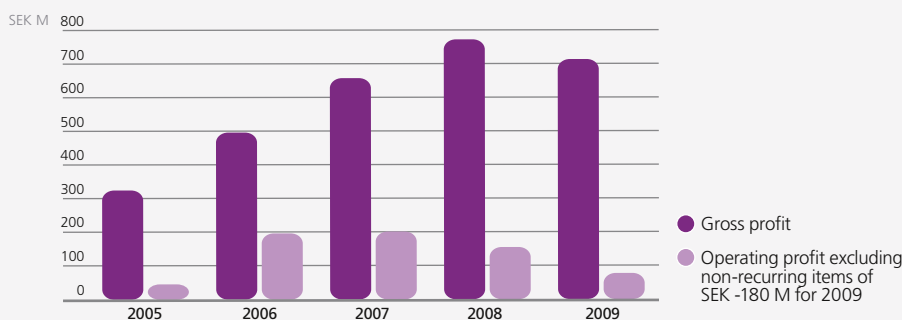
The board has proposed the following guidelines for remuneration to the Company management ahead of the annual general meeting 2010.

The total remuneration package shall be commercially competitive in the local market in which the employee is based in order to recruit, motivate and retain skilled employees. Individual remuneration shall be based on the employees' experience, competence, responsibility and performance.

The total remuneration shall be based on four main components; fixed salary, variable remuneration, pension benefits and long-term incentive programs. The fixed salary shall be commercially competitive and based on experience, competence, responsibility and performance. Variable remuneration shall be commercially competitive and reward growth, operating profit and be applied consistently throughout the group. It shall be based on predetermined targets, both quantitative and qualitative, and agreed in writing with the employee. The outcome of the variable remuneration shall have an upper ceiling, which normally should not exceed 50 percent of the fixed salary. Pension benefits may be offered to certain members of the company management, depending on local market conditions. Swedish-based employees are offered a solution which largely corresponds with the ITP plan. A mutual period of notice of 3-9 months shall apply for the company management. In the event of termination by the Company, termination benefits, in applicable cases, shall not exceed an amount equivalent to 12 fixed monthly salaries. In the event of termination by the employee, he or she shall not normally be entitled to any termination benefits.

In addition to variable remuneration, which rewards growth and operating profit during the financial year, the board believes that long-term incentive programs are an important part of the long-term compensation strategy. In the future, the board may invite the company management and other key persons to participate

### Gross profit and Operating profit 2009





in a long-term incentive program. The board believes that such a program should be performance-based or require a personal investment and imply continued employment in the group. Share and share price-related incentive programs shall be approved by the general meeting of shareholders. Other benefits, such as car benefit, shall have a limited value in relation to the total remuneration package.

Questions concerning terms of employment for the president are determined by the board. The president determines terms of employment for other members of the company management after approval of the remuneration committee.

The board of directors or the remuneration committee shall have the right to depart from these guidelines if special grounds exist in a particular case.

### Outlook

The market for digital marketing is a growth market which in 2009 was characterized by price pressure, intense competition and a high rate of change.

Growth on the European market for digital marketing declined during 2009, primarily due to the weak advertising climate. According to the latest report from Forrester, growth will increase in the coming year compared with 2009. TradeDoublér retained its market-leading position within performance-based digital marketing but the Company lost market shares during 2009 for search engine marketing. The market for search engine marketing is the submarket which has displayed the highest growth in recent years and which is also expected to grow fastest during the coming year. With the exception of the UK, the Company's market shares within search engine marketing are insignificant.

The UK is the most competitive geographical market where there were signs of moderating price pressure at the end of 2009. A certain degree of consolidation has commenced on the European market for digital marketing, but all important players are still active. The market changes quickly and social media and advertising via mobile phones are examples of areas which are creating new opportunities and challenges for players on this market.

TradeDoublér competes, first and foremost, with other intermediaries, whose core business, like TradeDoublér's, is to offer internet marketing opportunities via networks of advertisers and publishers. The Company also meets competition from search engines as well as from larger traditional media companies.

### Events after the end of the reporting period

Interest-bearing liabilities of SEK 192.1 M in total were amortized during January 2010. The subordinated loan of SEK 50 M was repaid in the middle of February and subsequently TradeDoublér does not have any remaining interest-bearing liabilities.

TradeDoublér announced on February 8, 2010 that the operations in Japan will be closed down. They were added as part of the acquisition of IMW group in 2007 and were solely focused on sales of services within search engine marketing. Expanding TradeDoublér's product portfolio further in Japan was not deemed to be priority due to the group's continued focus on Europe, the high degree of saturation in the Japanese market and the comprehensive IT investments that would be required. The closure is not expected to have any significant impact on TradeDoublér's comprehensive income or balance sheet during 2010.

TradeDoublér's board of directors appointed Urban Gillström as new President and CEO on February 16, 2010. Urban Gillström took over with immediate effect and replaced Örjan Frid, who served as an interim President and CEO since December 2008. The Company's CFO Thord Norberg resigned from TradeDoublér concurrently with Örjan Frid and was replaced by Bernt Andersson as Acting CFO.

### Proposed appropriation of profits

At the disposal of the annual general meeting of the parent company:	(SEK '000)
Share premium reserve <sup>1</sup>	352,108
Fair value reserve	-68,498
Retained earnings	77,531
Net profit for the year	67,368
<b>Total non-restricted equity</b>	<b>428,509</b>

<sup>1</sup> Includes SEK 337,472,000 in respect of the rights issue that was registered on January 18, 2010.

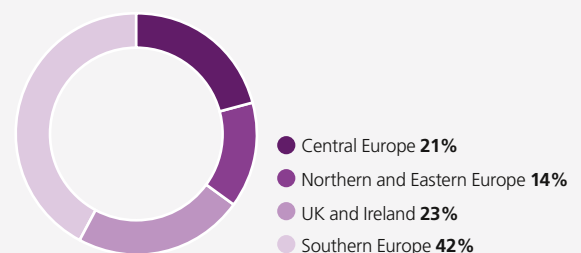
The board of directors and the president propose that no dividend should be declared and that the profits at the disposal of the annual general meeting be carried forward.

Decrease in Gross profit 2009 is explained by UK & Ireland



Southern Europe accounted for more than 40 percent of Gross profit 2009

### Share of Gross profit 2009



## Consolidated income statement

SEK '000	Note	2009	2008
Net sales	2, 3	3,014,349	3,456,696
Cost of goods sold		-2,324,457	-2,709,611
<b>Gross profit</b>		<b>689,892</b>	<b>747,085</b>
Selling expenses		-374,959	-420,315
Administrative expenses		-227,610	-122,278
Research & development expenses		-42,062	-54,551
Impairment of goodwill	3-6, 16, 20	-150,339	0
<b>Operating profit</b>		<b>-105,078</b>	<b>149,941</b>
Financial income		664	7,215
Financial expenses		-22,616	-28,180
<b>Net financial items</b>	7	<b>-21,952</b>	<b>-20,965</b>
<b>Profit before tax</b>		<b>-127,030</b>	<b>128,976</b>
Tax	8	-51,463	-34,572
<b>Net profit for the year</b>		<b>-178,493</b>	<b>94,404</b>
<b>Earnings per share</b>	15		
before dilution (SEK)		-5.31	2.80
after dilution (SEK)		-5.31	2.80

The entire profit is attributable to the parent company's shareholders.

## Statement of comprehensive income

SEK '000	Note	2009	2008
Net profit for the year		-178,493	94,404
<b>Other comprehensive income</b>			
Exchange difference on increased net investment, net after tax		15,799	-57,891
Translation differences, net after tax		8,692	-4,659
<b>Total other comprehensive income</b>		<b>24,491</b>	<b>-62,550</b>
<b>Total comprehensive income for the year</b>		<b>-154,002</b>	<b>31,854</b>
Comprehensive income attributable to:			
The parent company's shareholders		-154,002	31,854

## Consolidated statement of financial position

SEK '000	Note	Dec 31, 2009	Dec 31, 2008
<b>Assets</b>	3, 9		
<b>Non-current assets</b>			
Intangible assets	10	477,276	631,657
Equipment, tools, fixtures and fittings	11	21,425	22,675
Other non-current receivables		2,520	1,475
Deferred tax receivables	8, 26	28,831	45,829
<b>Total non-current assets</b>		<b>530,052</b>	<b>701,636</b>
<b>Current assets</b>			
Trade receivables		657,049	673,948
Tax receivables	8	21,454	-
Other receivables		61,075	25,410
Prepaid expenses and accrued income	12	19,352	16,903
Cash and cash equivalents		436,596	133,389
<b>Total current assets</b>		<b>1,195,526</b>	<b>849,650</b>
<b>Total assets</b>		<b>1,725,578</b>	<b>1,551,286</b>
<b>Equity and liabilities</b>			
<b>Shareholders' equity</b>	13		
Share capital		11,433	11,433
Paid-up, non-registered share capital		5,674	-
Share premium		441,130	103,658
Translation reserve		-78,594	-103,085
Retained earnings including net profit for the year		100,864	279,908
<b>Total equity</b>		<b>480,507</b>	<b>291,914</b>
<b>Non-current liabilities</b>			
Subordinated loan	14, 19	50,000	-
Deferred tax liabilities	8	23,862	17,232
<b>Total non-current liabilities</b>		<b>73,862</b>	<b>17,232</b>
<b>Current liabilities</b>			
Liabilities to credit institutions	14, 19	117,500	37,500
Overdraft facilities	14, 19	74,565	249,327
Trade payables		127,432	186,698
Current liabilities to publishers		418,615	396,707
Tax liabilities	8	-	24,497
Other liabilities	17	311,208	294,824
Accrued expenses and deferred income	18	121,889	52,587
<b>Total current liabilities</b>		<b>1,171,209</b>	<b>1,242,140</b>
<b>Total equity and liabilities</b>		<b>1,725,578</b>	<b>1,551,286</b>
Pledged assets	21	94,393	172,974
Contingent liabilities	21	None	None

## Consolidated statement of changes in equity

SEK '000	Share capital	Paid-up, non-registered share capital	Share premium	Translation reserve	Retained earnings incl. net profit for the year	Total equity
<b>Opening balance at January 1, 2008</b>	<b>11,372</b>	<b>61</b>	<b>103,609</b>	<b>-40,535</b>	<b>286,801</b>	<b>361,308</b>
<b>Comprehensive income</b>						
Net profit for the year					94,404	94,404
<b>Other comprehensive income</b>						
Exchange difference on increased net investment, net after tax <sup>1</sup>	-	-	-	-57,891	-	-57,891
Translation differences, net after tax	-	-	-	-4,659	-	-4,659
Total other comprehensive income	-	-	-	-62,550	-	-62,550
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-62,550</b>	<b>94,404</b>	<b>31,854</b>
<b>Transactions with shareholders</b>						
Dividend	-	-	-	-	-78,599	-78,599
Buyback of own shares	-	-	-	-	-11,070	-11,070
Rights issue	61	-61	49	-	-	49
Share-based payments settled with equity instruments, IFRS 2	-	-	-	-	-11,628	-11,628
<b>Total transactions with shareholders</b>	<b>61</b>	<b>-61</b>	<b>49</b>	<b>-</b>	<b>-101,297</b>	<b>-101,248</b>
<b>Opening balance at January 1, 2009</b>	<b>11,433</b>	<b>-</b>	<b>103,658</b>	<b>-103,085</b>	<b>279,908</b>	<b>291,914</b>
<b>Comprehensive income</b>						
Net profit for the year					-178,493	-178,493
<b>Other comprehensive income</b>						
Exchange difference on increased net investment, net after tax <sup>2</sup>	-	-	-	15,799	-	15,799
Translation differences, net after tax	-	-	-	8,692	-	8,692
Total other comprehensive income	-	-	-	24,491	-	24,491
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,491</b>	<b>-178,493</b>	<b>-154,002</b>
<b>Transactions with shareholders</b>						
Rights issue	-	5,674	337,472	-	-	343,146
Share-based payments settled with equity instruments, IFRS 2	-	-	-	-	-551	-551
<b>Total transactions with shareholders</b>	<b>-</b>	<b>5,674</b>	<b>337,472</b>	<b>-</b>	<b>-551</b>	<b>342,595</b>
<b>Closing balance at December 31, 2009</b>	<b>11,433</b>	<b>5,674</b>	<b>441,130</b>	<b>-78,594</b>	<b>100,864</b>	<b>480,507</b>

<sup>1</sup> Change in value for the year amounted to SEK -80,404,000, of which SEK 22,513,000 was tax.

<sup>2</sup> Change in value for the year amounted to SEK 21,437,000, of which SEK - 5,638,000 was tax.

## Consolidated cash flow statement

SEK '000	Note	2009	2008
<b>Operating activities</b>	24		
Profit before tax		-127,029	128,976
Adjustment for items not included in the cash flow		249,959	21,699
Taxes paid		-76,889	-48,786
Cash flow from operating activities before changes in working capital		46,041	101,889
<b>Cash flow from changes in working capital</b>			
Increase (-)/Decrease (+) in operating receivables		-14,517	43,834
Increase (+)/Decrease (-) in operating liabilities		33,186	72,256
<b>Cash flow from operating activities</b>		<b>64,710</b>	<b>217,979</b>
<b>Investing activities</b>			
Net investments in intangible assets		-1,816	-10,106
Net investments in property, plant and equipment		-11,096	-13,555
Net investments in financial assets		-1,202	-
<b>Cash flow from investing activities</b>		<b>-14,114</b>	<b>-23,661</b>
<b>Financing activities</b>			
Rights issue		300,812	49
Buyback of own shares		-	-11,070
Short-term investments		-	477,485
Loans raised		80,000	400,000
Amortization of loans		-124,762	-1,077,880
Dividend paid		-	-78,599
<b>Cash flow from financing activities</b>		<b>256,050</b>	<b>-290,015</b>
Cash flow for the year		306,646	-95,697
Cash and cash equivalents at the beginning of the year		133,389	224,157
Exchange difference in cash and cash equivalents		-3,439	4,929
<b>Cash and cash equivalents at the end of the year</b>		<b>436,596</b>	<b>133,389</b>

## Financial position and cash flow

Cash holdings amounted to SEK 436.6 M (133.4) at year-end. At year-end, the group's funding amounted to SEK 242.1 M (286.8). The cash flow for the year before change in working capital was SEK 46.0 M (101.9).

The change in working capital amounted to SEK 18.7 M (116.1). Net investment in intangible assets for the full year corresponded to SEK -1.8 M (-10.1). Net investments in property, plant and equipment amounted to SEK -11.1 M (-13.6).

## Rights issue

In December 2009, TradeDoublér carried out a rights issue of SEK 355.6 M with preferential rights for existing shareholders. The company had received SEK 312.3 M as at December 31, 2009 and the remainder of SEK 43.3 M was paid in at the start of January 2010. The issue expenses amounted to approx. SEK 11.5 M. The rights issue has thereby impacted the cash flow from financing activities positively by SEK 300.8 M during 2009 and the remaining SEK 43.3 M will impact the cash flow positively during 2010.

## Parent company income statement

SEK '000	Note	2009	2008
Net sales	2, 3	255,563	270,100
Cost of goods sold		-12,443	-10,246
<b>Gross profit</b>		<b>243,120</b>	<b>259,854</b>
Selling expenses		-5,465	-16,794
Administrative expenses		-120,904	-98,327
Research & development expenses		-30,334	-46,170
<b>Operating profit</b>	3-6, 16, 20	<b>86,417</b>	<b>98,563</b>
<b>Profit from financial items</b>	7		
Profit from participations in group companies		5,452	4,976
Other interest income and similar income statement items		10,506	42,493
Interest expenses and similar income statement items		-13,950	-53,151
<b>Profit after financial items</b>		<b>88,425</b>	<b>92,881</b>
<b>Profit before tax</b>		<b>88,425</b>	<b>92,881</b>
Tax	8	-21,057	-25,292
<b>Net profit for the year</b>		<b>67,368</b>	<b>67,589</b>



## Parent company balance sheet

SEK '000	Note	Dec 31, 2009	Dec 31, 2008
<b>Assets</b>	3, 9		
<b>Subscribed capital unpaid</b>	13	<b>42,334</b>	-
<b>Non-current assets</b>			
Intangible assets	10	1,816	-
Equipments, tools, fixtures and fittings	11	13,348	8,181
Participations in group companies	23	56,742	52,787
Non-current receivables from group companies		354,015	-
Other non-current receivables		-	536
<b>Total non-current assets</b>		<b>425,921</b>	<b>61,504</b>
<b>Current assets</b>			
Trade receivables		3,301	2,936
Receivables from group companies		536,635	588,892
Tax receivables	8	12,422	-
Other receivables		6,339	3,100
Prepaid expenses and accrued income	12	5,365	8,824
Cash and cash equivalents		270,836	2,612
<b>Total current assets</b>		<b>834,898</b>	<b>606,364</b>
<b>Total assets</b>		<b>1,303,153</b>	<b>667,868</b>
<b>Equity and liabilities</b>			
<b>Shareholders' equity</b>	13		
<b>Restricted equity</b>			
Share capital		11,433	11,433
Paid-up, non registered share capital		5,674	-
Statutory reserve		89,022	89,022
<b>Non-restricted equity</b>			
Share premium reserve		352,108	14,636
Fair value reserve		-68,498	-84,297
Retained earnings		77,531	16,538
Net profit for the year		67,368	67,589
<b>Total equity</b>		<b>534,638</b>	<b>114,921</b>
<b>Non-current liabilities</b>			
Subordinated loan	14, 19	50,000	-
Non-current liabilities to group companies		320,281	-
Deferred tax liabilities	8	5,638	-
<b>Total non-current liabilities</b>		<b>375,919</b>	-
<b>Current liabilities</b>			
Liabilities to credit institutions	14, 19	117,500	37,500
Overdraft facilities	14, 19	74,565	249,327
Trade payables		11,945	15,070
Liabilities to group companies		51,350	140,690
Tax liabilities		-	3,132
Other liabilities	17	112,272	95,032
Accrued expenses and deferred income	18	24,964	12,196
<b>Total current liabilities</b>		<b>392,596</b>	<b>552,947</b>
<b>Total equity and liabilities</b>		<b>1,303,153</b>	<b>667,868</b>
Pledged assets	21	21,442	5,073
Contingent liabilities	21	3,094	13,440

## Parent company changes in equity

SEK '000	Restricted			Non-restricted			Total equity
	Share capital	Paid-up, non-registered share capital	Statutory reserve	Share premium reserve	Fair value reserve	Retained earnings incl. net profit for the year	
<b>Opening balance January 1, 2008</b>	<b>11,372</b>	<b>61</b>	<b>89,022</b>	<b>14,587</b>	<b>-26,406</b>	<b>117,837</b>	<b>206,473</b>
Exchange difference on increased net investment <sup>1</sup>					-57,891		-57,891
Net profit for the year						67,589	67,589
Dividend						-78,599	-78,599
Buyback of own shares						-11,070	-11,070
Rights issue	61	-61		49		-	49
Share-based payments settled with equity instruments, IFRS 2						-11,630	-11,630
<b>Opening balance January 1, 2009</b>	<b>11,433</b>	<b>-</b>	<b>89,022</b>	<b>14,636</b>	<b>-84,297</b>	<b>84,127</b>	<b>114,921</b>
Exchange difference on increased net investment <sup>2</sup>					15,799		15,799
Group contribution granted, net after tax						-6,596	-6,596
Net profit for the year						67,368	67,368
Rights issue		5,674		337,472		-	343,146
<b>Amount at year-end December 31, 2009</b>	<b>11,433</b>	<b>5,674</b>	<b>89,022</b>	<b>352,108</b>	<b>-68,498</b>	<b>144,899</b>	<b>534,638</b>

<sup>1</sup> Change in value for the year amounted to SEK -80,404,000, of which SEK 22,513,000 was tax.

<sup>2</sup> Change in value for the year amounted to SEK 21,437,000, of which SEK - 5,638,000 was tax.

## Parent company cash flow statement

SEK '000	Note	2009	2008
<b>Operating activities</b>	24		
Profit before tax		88,425	92,881
Adjustments for items not included in the cash flow		6,241	1,174
Taxes paid		-34,257	-52,776
<b>Cash flow from operating activities before changes in working capital</b>		<b>60,409</b>	<b>41,279</b>
<b>Cash flow from changes in working capital</b>			
Increase (-)/Decrease (+) in operating receivables		-64,193	249,316
Increase (+)/Decrease (-) in operating liabilities		32,601	-92,545
<b>Cash flow from operating activities</b>		<b>28,817</b>	<b>198,050</b>
<b>Investing activities</b>			
Acquisition of intangible assets		-1,816	-
Acquisition of property, plant and equipment		-10,996	-4,858
Acquisition of subsidiaries/capital contribution, net liquidity impact		-3,831	-3,082
<b>Cash flow from investing activities</b>		<b>-16,643</b>	<b>-7,940</b>
<b>Financing activities</b>			
Rights issue		300,812	49
Buyback of own shares		-	-11,070
Short-term investments		-	477,485
Loans raised		80,000	400,000
Amortization of loans		-124,762	-1,077,880
Dividend paid		-	-78,599
<b>Cash flow from financing activities</b>		<b>256,050</b>	<b>-290,015</b>
<b>Cash flow for the year</b>		<b>268,224</b>	<b>-99,905</b>
Cash and cash equivalents at the beginning of the year		2,612	102,517
<b>Cash and cash equivalents at the end of the year</b>		<b>270,836</b>	<b>2,612</b>

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## 01. Parent company accounting policies

### General information

TradeDoublér AB (the Parent Company) and its subsidiaries together make up the TradeDoublér Group.

TradeDoublér AB (publ), corporate registration number 556575-7423, is a Swedish registered limited liability company with its registered office in Stockholm. The address of the head office is Sveavägen 20, 111 57 Stockholm. The parent company's shares are listed on Nasdaq OMX Stockholm.

The board of directors approved these consolidated financial statements for publication on April 12, 2010.

### Summary of significant accounting policies

The consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as well as interpretations from the International Financial Reporting Interpretations Committee (IFRIC), as adopted by the European Commission for application within the EU. In addition, the Swedish Financial Reporting Board's recommendation RFR 1.2, Supplementary Accounting Rules for Groups is applied.

The parent company applies the same accounting policies as the group except in the instances described below in the section "The Parent Company's accounting policies". Discrepancies between the principles applied by the Parent Company and the Group arise due to restrictions on the ability to apply IFRS within the Parent Company imposed by the Swedish Annual Accounts Act, the Pension Obligations Vesting Act ("tryggandelagen") and, in some cases, by tax considerations.

Assets and liabilities are recognized at historical cost if not otherwise stated below.

Non-current assets and disposal groups that are held for sale are recognized at the lower of the prior carrying amount and fair value less selling expenses.

The parent company's functional currency is the Swedish krona (SEK), which is also the presentation currency for the parent company and the group. This means that the financial statements are presented in Swedish kronor. All amounts are rounded off to the nearest thousand, unless otherwise stated.

### Assessments and estimates in the financial statements

Preparation of financial statements in conformity with IFRS requires the group management to make estimates and assumptions that affect the application of the accounting policies and the recognized amounts for assets, liabilities, revenue and expenses. Actual outcomes can deviate from these estimates and assessments.

Estimates and assumptions are reviewed regularly. Changes in estimates are recognized in the period in which they arise if the change affects that period alone or, alternatively, in the period in which they arise and during future periods if the change affects both the period in question and future periods.

Assumptions made by the group management in the application of IFRS that have a material impact on the financial statements and estimates which may give rise to significant adjustments in future financial statements are presented in more detail in note 26.

### Significant accounting policies applied

The accounting principles set out below have, with the exceptions described in detail, been applied consistently in all periods presented in the group's financial statements. In addition, the group's accounting policies have been applied consistently by the group's companies.

### Amended accounting policies and disclosure requirements 2009

During 2009, a large number of amendments to existing standards, new interpretations and a new standard (IFRS 8 Operating Segments) have become effective.

IFRS 8 Operating Segments replaces IAS 14 (became effective January 1, 2009). According to IFRS 8, segment information shall be presented based on how management internally monitors the operations. IFRS 8 does not involve any major changes compared with earlier reported segments. The group applies IFRS 8 from January 1, 2009.

IAS 1 Presentation of Financial Statements has changed the presentation of financial statements (became effective January 1, 2009). The amendment im-

plies changes in the presentation and terms used in the financial statements as well as the introduction of a statement of comprehensive income. The group applies IAS 1 from January 1, 2009.

IAS 23 Borrowing Costs has been amended so that borrowing costs directly attributable to acquisition, construction and production of qualifying assets without exception shall be included as part of the investment's cost of acquisition (became effective January 1, 2009). The alternative of expensing borrowing costs is thus removed. The group applies IAS 23 from January 1, 2009. The amended standard has not impacted amounts recognized.

IFRIC 13 Customer Loyalty Programmes (became effective, July 1, 2008). The interpretation provides guidance on recognition of customer loyalty programmes. Customer loyalty programs according to the definition provided in IFRIC 13 only arise to a negligible extent within the group which is why no retrospective restatement is required. The group applies the interpretation from January 1, 2009.

### New accounting standards

New IFRS amendments or interpretations of these which are published but have not become effective have not been adopted. The new accounting standards which are deemed capable of affecting TradeDoublér's accounting in 2010 are:

IAS 27 (amendment), "Consolidated and separate financial statements". The revised standard requires that the effects of all transactions with owners without controlling influence (minority interests) are recognized in equity if they do not give rise to any change in the controlling influence and these transactions no longer are the source of goodwill or gains and losses. The standard also states that when a parent company loses the controlling influence any remaining share shall be revalued to fair value and a gain or loss recognized in the income statement. The group will apply IAS 27 (amendment) prospectively for transactions with owners without controlling influence from January 1, 2010 but it is not expected to have any material impact on the consolidated financial statements.

IFRS 3 (revised), "Business Combinations". The revised standard continues to apply the acquisition method but with some significant changes. For example, all consideration to purchase a business is recognized at the acquisition-date fair value, whereas contingent consideration is classified as debt subsequently re-measured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed. The group will apply IFRS 3 (revised) prospectively for all future business combinations as from January 1, 2010.

### Classification

Non-current assets and non-current liabilities in the parent company and the group largely consist of amounts that are expected to be recovered or paid after more than twelve months, calculated from the end of the reporting period. Current assets and current liabilities in the parent company and the group largely consist of amounts that are expected to be recovered or paid within twelve months, calculated from the end of the reporting period.

### Segment reporting

Identification of segments is based on the internal reporting to the chief operating decision-maker, which as far as TradeDoublér is concerned is deemed to be the President.

The group's internal reporting system is based on geographical areas, see further description in note 3.

### Basis of consolidation

#### Subsidiaries

The group's financial statements comprise the financial statements of the parent company and all of its subsidiaries. Subsidiaries are the companies over which the parent company has a controlling influence. Controlling influence means, directly or indirectly, a right to set the company's financial and operational strategies with the aim of obtaining economic benefits. When determining whether a controlling influence exists, potential voting shares that can be called upon or converted without delay should be considered.

All subsidiaries are consolidated using the purchase method. The method means that acquisition of a subsidiary is treated as a transaction by which the group indirectly acquires the subsidiary's assets and assumes its liabilities and contingent liabilities. The consolidated historical cost is determined through a purchase price allocation in connection with the acquisition. The analysis determines the cost of acquisition of the shares or the entity, as well as the fair value at the date of acquisition of the identifiable assets acquired and liabilities and contingent liabilities assumed. The cost of acquisition of a subsidiary's shares

and operations consists of the fair values of the assets on the date of exchange, liabilities incurred or assumed and equity instruments issued as consideration in exchange for the acquired net assets, as well as transaction costs that are directly attributable to the acquisition. In business combinations where the cost of acquisition exceeds the net value of acquired assets, and liabilities and contingent liabilities assumed, the difference is recognized as goodwill. When the difference is negative, this is recognized directly in the income statement.

The subsidiaries' financial statements are included in the consolidated financial statements from the date of acquisition until the date where the controlling influence ceases.

### Transactions eliminated on consolidation

Inter-company receivables and liabilities, revenue or expenses, and unrealized gains or losses arising from transactions between group companies, are eliminated in full on preparation of the consolidated financial statements.

### Foreign currency

#### *Transactions in foreign currencies*

The group's presentation currency is the Swedish krona (SEK). Transactions in foreign currencies are translated to the functional currency at the exchange rate prevailing on the transaction date. The functional currency is the currency which applies in the primary economic environments in which the companies conduct their operations. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the prevailing year-end exchange rate. Exchange differences arising on translation are recognized in the income statement with the exception of exchange differences in respect of loans which are treated as a net investment in a foreign operation (increased/reduced net investment) where the exchange differences are recognized in other comprehensive income in the same way as translation differences. Non-monetary assets and liabilities that are recognised at historical cost are translated at the exchange rate prevailing on the transaction date. Non-monetary assets and liabilities that are recognized at fair value are translated to the functional currency at the rate prevailing on the date of fair value measurement.

#### *Financial statements of foreign operations*

Assets and liabilities in foreign operations, including goodwill and other goodwill/negative goodwill arising on consolidation, are translated from the foreign operation's functional currency to the group's presentation currency, Swedish krona, at the exchange rate prevailing at the end of the reporting period. Income and expenses in a foreign operation are translated to Swedish kronor at an average rate that represents an approximation of the prevailing exchange rates on the date of each transaction. Translation differences arising on such translation are recognized directly against equity as a translation reserve.

At present, the Company does not hedge foreign exchange exposure. In connection with the disposal of a foreign operation the accumulated translation differences attributable to the operation are recognised in the consolidated income statement. As of the reporting date, the Company has not divested any business operations.

### Revenue

Revenue recognition takes place in accordance with IAS 18 Revenue. Sales revenue, which is synonymous with net sales, is recognized at the fair value of the consideration received, or which shall be received, taking into account any discounts and rebates. Revenue recognition takes place in the income statement when it is probable that the future economic benefits will accrue to the group and these benefits can be measured in a reliable manner. Revenue includes only the gross inflow of economic benefits that the Company receives or can receive for its own benefit. Revenue from rendering services is recognized when the economic benefits for the services performed can be measured reliably and the economic benefits accrue to the group.

Group revenue consists of payments from the companies and organizations that advertise and market their products and services via the group. Revenue consists of fixed start-up and monthly fees as well as variable transaction and consulting revenues. The majority of revenue consists of transaction revenues.

For the parent company, revenue consists mainly of licensing fees charged to subsidiaries.

### Operating expenses and financial income and expenses

#### *Cost of goods sold*

Cost of goods sold consists of payments to publishers and search engines and is recognized as revenue recognition takes place.

### *Financial income and expenses*

Interest income is primarily interest on bank deposits and is recognized in the income statement as it arises by application of the effective interest method. Dividend income is recognized in the income statement when the group secures the right to receive payments. Financial expenses consist of interest costs on borrowings, the effect of dissolution of present value computation of provisions, loss on changes in value of financial assets measured at fair value via the income statement, impairment of financial assets and such losses on hedging instruments that are recognised in the income statement. All borrowing costs are recognized in revenue by using the effective interest method irrespective of how the borrowed funds have been deployed. Exchange gains and exchange losses are recognised net.

### Financial instruments

Financial instruments are measured and recognized in the group in accordance with the rules in IAS 39.

Financial instruments on the asset side that are recognized in the balance sheet include cash and cash equivalents, trade and financial receivables. Liabilities include trade payables, liabilities to publishers and liabilities to credit institutions.

#### *Recognition and derecognition in the balance sheet*

A financial asset or financial liability is carried in the balance sheet when the Company or one of the subsidiaries becomes a party under the commercial terms of the instrument. Trade receivables are carried in the balance sheet when the invoice has been sent. Liabilities are carried when the counterparty has performed and there is a contractual obligation to pay, even if the invoice has not yet been received. Trade payables are recognized upon receipt of invoice.

A financial asset is derecognized when the contractual rights are realized, expire or the Company no longer has control over them. The same rule applies for part of a financial asset. A financial liability is derecognized when the contractual liability is discharged or otherwise expires. The same rule applies for part of a financial liability.

Acquisition and disposal of financial assets are recognized on the transaction date, which represents the day when the Company committed to acquire or dispose of the asset.

The fair value of quoted financial assets corresponds to the asset's quoted buying rate at the end of the reporting period. The fair value of unquoted financial assets is determined by using valuation techniques such as recently completed transactions, the price of similar instruments and discounted cash flows.

#### *Classification and measurement*

Financial instruments that are not derivatives are initially recognized at the cost of acquisition corresponding to the fair value of the instrument plus transaction costs for all financial instruments, apart from those classified as financial assets recognized at fair value via the income statement, which are recognized at fair value excluding transaction costs. A financial instrument is classified on initial recognition based on the purpose for which the instrument was acquired. The classification determines how the financial instrument is measured after the initial reporting date, as described below.

#### *Loans and receivables*

Loans and receivables are financial assets that are not derivative instruments, which have fixed or determinable payments and which are not quoted on an active market. These assets are measured at amortized cost. Amortized cost is measured using the effective rate of interest expected to accrue, that is, after deductions for receivables.

Receivables are recognized at the amount that is expected to be received less doubtful debts, which are assessed individually. Since trade receivables have a short expected maturity, the value of each receivable is carried at its nominal amount with no discount. Impairment losses of receivables are recognized in operating expenses.

Receivables with an expected maturity of more than one year are classified as non-current receivables and those with shorter maturities are classified as other receivables.

#### *Financial liabilities*

Financial liabilities are measured at amortized cost. Amortized cost is determined on the basis of the effective rate measured when the liability was carried. This means that premiums or discounts and issue expenses are allocated over the term of the liability.

Trade payables have short expected maturities and are measured at their nominal value without discount.



### Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and directly accessible balances at banks and similar institutions as well as short-term highly liquid investments with original maturities of less than three months which are only subject to an insignificant risk of fluctuations in value.

## Property, plant and equipment

### Owned assets

Property, plant and equipment is recognized as an asset in the balance sheet if it is probable that the future economic benefits will accrue to TradeDoubler and the cost of the asset can be reliably measured. The cost of acquisition is defined as the purchase price and the costs for putting the asset in place.

Property, plant and equipment is recognized in the group at cost less accumulated depreciation and any impairments. Additional expenditure is added at cost only if it is probable that the future economic benefit associated with the asset will increase. All other expenditure is expensed.

Property, plant and equipment consisting of units with different useful lives are treated as separate items of property, plant and equipment.

The carrying amount of an item of property, plant and equipment is derecognized on retirement or disposal or when no future economic benefits can be expected from its use. Gains or losses arising from disposal or retirement of an asset consist of the difference between the selling price and the asset's carrying amount less directly related selling expenses. Gains and losses are recognized as other operating revenue/expenses.

### Leased assets

The leases in the group have been classified as operating leases, which means that the lessor retains the absolute majority of the risks and the benefits of ownership of an asset. Operating leases mean that leasing fees are expensed on a straight-line basis over the term of the lease, which may differ in practice from the amount of leasing fees paid during the year.

### Depreciation methods

Depreciation takes place on a straight-line basis over the estimated useful life of the asset.

Equipment	Three to five years
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An assessment is made of an asset's residual value and useful life every year.

## Intangible assets

### Goodwill

Goodwill is measured at acquisition cost less any accumulated impairment. Goodwill is distributed to cash-generating units and is tested at least once annually for any impairment need.

### Development

Expenses for new or substantially improved products or processes are carried as assets in the balance sheet only if the product or process is technologically or commercially viable and the group has sufficient resources to complete development. Capitalization may occur when a new platform or functionality is developed and includes costs of materials, direct work and a reasonable share of indirect costs. System maintenance costs are expensed as they arise. Capitalized development expenses are reported at cost less accumulated depreciation and impairment charges.

### Other intangible assets

Other intangible assets acquired by the group consist of client relations, technology platforms and trademarks, and are recognized at acquisition cost less accumulated depreciation (see below) and impairment.

### Additional expenditure

Additional costs for capitalized intangible assets are recognized as an asset in the balance sheet only when they increase the future economic benefits for the specific asset to which they relate to. All other costs are expensed as they arise.

### Amortization methods

Amortization is recognised in the income statement on a straight-line basis over the estimated useful lives of the intangible assets, provided such useful lives are determinable. Goodwill and other intangible assets with an undeterminable useful life are tested for impairment on an annual basis and also as soon as there are indications suggesting that the asset in question has decreased in value. Intangible assets that may be amortized are amortized from the date from which they are available for use. The estimated useful lives are:

Client relations	Seven years
Technology platforms	Three years
Trademarks	Five years
Development	Three years

## Impairment

The carrying amounts of the group's assets are tested on each balance sheet date in order to determine if there is any indication of an impairment need. IAS 36 is applied for testing impairment requirements for assets other than financial assets, which are tested in accordance with IAS 39, assets for sale and disposal groups, which are tested in line with IFRS 5, and deferred tax receivables. For exempted assets, as above, the carrying amount is tested in accordance with each standard.

### Impairment testing of property, plant and equipment and intangible assets and participations in subsidiaries

If there is an indication that an asset may be impaired, the asset's recoverable amount is calculated using IAS 36 (see below). If it is impossible to determine significant independent cash flows to a single asset, the assets should be grouped, in conjunction with impairment testing, at the lowest level at which it is possible to identify significant independent cash flows - a so-called cash-generating unit.

An impairment loss is recognized when the carrying amount of an asset or cash-generating unit (group of units) exceeds its recoverable amount. An impairment is charged to the income statement.

The recoverable amount is the higher of the fair value less selling expenses and value in use. In calculating value in use, future cash flows are discounted using a discount factor that takes into account the risk-free interest rate and the risk relating to the specific asset.

### Impairment testing of goodwill

Goodwill consists of the amount by which the acquisition cost exceeds the fair value of the net assets acquired by the group in conjunction with a company acquisition or acquisition of assets and liabilities. Goodwill arising from the acquisition of an associated company is included in the carrying amount for the associated company. Goodwill is allocated to cash-generating units upon acquisition and is not amortized, but is tested annually to identify any impairment needs. Goodwill is measured at acquisition cost less any accumulated impairments. Impairments of goodwill are not reversed. The recognized revenue from the disposal of a group company includes the remaining carrying amount of the goodwill attributable to the sold entity.

### Impairment testing of financial assets

In connection with quarterly financial reporting, TradeDoubler assesses whether there is objective evidence that a financial asset or group of assets requires impairment. Objective evidence consists partly of observable circumstances that occurred and which have a negative impact on the possibility to recover the cost of acquisition.

The recoverable amount of assets belonging to the categories of loans and receivables, which are recognized at amortized cost, is measured as the present value of future cash flows discounted by the effective rate that applied upon initial recognition of the asset. Assets with a short term are not discounted. An impairment is charged to the income statement.

### Reversal of impairment losses

An impairment is reversed if there is an indication that an impairment need no longer exists and a change has occurred in the assumptions that provided the basis for the measurement of the recoverable amount. A reversal is only made to the extent that the carrying amount of the asset after reversal does not exceed the carrying amount that would have been recognized, less amortization where appropriate, if no impairment had been made. Impairment of goodwill is never reversed.

Impairments of loans and receivables recognized at amortized cost are reversed if a later increase in the recoverable amount can be objectively attributed to an event that occurred after the impairment was made.

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## Earnings per share

The calculation of earnings per share is based on the group's net profit for the year attributable to the parent company's shareholders and on the weighted average number of shares in issue during the year. In the calculation of earnings per share after dilution, the profit and the average number of shares are adjusted to take account of the effects of dilutive potential ordinary shares, which consisted of warrants issued to employees during the presented periods.

A rights issue was ongoing as at December 31, 2009, which was completed in January 2010. The average number of outstanding shares has been adjusted upwards by the bonus issue component of the preferential rights issue for 2008 and 2009.

## Employee benefits

### Defined contribution plans

The group mainly operates defined contribution pension plans. In defined contribution plans, TradeDoubler pays fixed fees to an insurance company and has no obligation to pay further amounts.

Obligations in respect of charges for defined contribution plans are recognized as an expense in the income statement as they arise.

### Compensation on termination of employment

A provision is recognized in conjunction with the termination of employment only if it is evident that TradeDoubler is obligated, without any realistic possibility of withdrawal, by a formal detailed plan to terminate employment before the normal retirement date. When remuneration is offered to encourage voluntary severance, it is recognized as a cost if it is likely that the offer will be accepted and the number of employees accepting the offer can be reliably estimated.

### Share-based remuneration

Stock option programs enable employees to acquire shares in the parent company. The fair value of the allotted options is recognized as a personnel cost with a corresponding increase in shareholders' equity. The fair value is calculated at the date of allotment and is allocated over the vesting period. The fair value of the allotted options is calculated according to the Black-Scholes method, taking into consideration the terms and conditions prevailing on the allotment date, including the market value when available. The amount which is recognized as an expense is adjusted to reflect the actual number of options earned.

During every year-end closing, an assessment is made as to whether, and to what degree, the vesting conditions will be fulfilled. If this assessment results in an estimate of a lower number of options being earned during the vesting period, previously expensed amounts are reversed in the income statement. This means that in those cases where the vesting requirements are not fulfilled, no costs will be recognized in the income statement, as viewed over the entire vesting period.

Social security contributions attributable to the options programs are recognized. Provisions for social security contributions are calculated using the best estimate at each closing date of the group's future liability for social security contributions. The provision for social security contributions is allocated over the vesting period. The calculations are based on the fair value of the options on each closing date. The provision for social security contributions also includes social security contributions for equity instruments.

## Provisions

Provisions are recognized in the balance sheet when the group has an existing legal or informal obligation as a result of past events, and it is probable that an outflow of financial resources will be required to settle the obligation and the amount can be reliably estimated. Provisions include leases where the outlay exceeds the economic benefits. In cases where the effect of payment timing is significant, provisions are calculated by discounting the expected future cash flow at an interest rate before tax that reflects current market assessments of the time value of money, and if applicable, the risks specific to the liability.

## Taxes

Income taxes in the income statement include both current tax and deferred tax. Taxes are recognized in the income statement except where the underlying transaction is recognized in other comprehensive income or directly against equity.

Current tax is tax that shall be paid or received in respect of the current year, using the tax rates which have been enacted or which in practice were enacted on the balance sheet date. This includes adjustments of current tax attributable to prior periods.

Deferred taxes are estimated in accordance with the liability method, based on temporary differences between the tax bases of assets and liabilities and

their carrying amounts. The following temporary differences are not taken into consideration; for temporary differences arising on the initial recognition of goodwill, nor for the initial recognition of assets and liabilities that are not business combinations and which at the transaction date affect neither accounting nor taxable income, furthermore, temporary differences are not taken into consideration that are attributable to participations in subsidiaries and associated companies and which are not expected to be reversed within the foreseeable future. The measurement of deferred tax is based on how the carrying amounts of assets or liabilities are expected to be realized or settled. Deferred tax is measured using the tax rates and tax regulations that are enacted or which are in practice enacted on the balance sheet date.

Deferred tax assets in respect of deductible temporary differences and loss carryforwards are only recognised to the extent that it is probable that these can be utilized. The value of deferred tax assets is reduced when it is no longer considered probable that they can be utilized.

Any additional income tax arising on dividends is recognized at the same time as the dividend is recognized as a liability.

## Contingent liabilities

A contingent liability is recognized when there is a possible obligation arising from past events and whose occurrence can only be confirmed by one or more uncertain future events or when an obligation arises which cannot be recognized as a liability or provision as it is not probable that an outflow of resources will be required.

## The Parent Company's accounting policies

The parent company has prepared its annual financial statements according to the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation, RFR 2.2 Accounting for Legal Entities. RR 2.2 means that the parent company, in the financial statements for the legal entity, shall apply all EU adopted IFRS and statements whenever possible within the framework of the Swedish Annual Accounts Act and taking into account the relationship between recognition and taxation. The recommendation states which exemptions and amendments from IFRS should be utilized. Statements issued by the Swedish Financial Reporting Board are also applied.

### Differences between the accounting policies of the Group and the Parent Company

The differences between the accounting policies applied by the group and the parent company are shown below. The accounting policies stated below for the parent company have been consistently applied for all periods presented in the parent company's financial statements.

## Classification and format

The parent company's income statement and balance sheet are prepared according to the Swedish Annual Accounts Act's layout. The difference in relation to IAS 1: Presentation of financial statements that was applied in the presentation of the consolidated financial statements is mainly in recognition of financial income and expenses, non-current assets and shareholders' equity and the presence of provisions as a separate heading in the balance sheet and that the parent company does not prepare a statement of comprehensive income.

## Subsidiaries

Participations in subsidiaries are recognized in accordance with the cost method.

## Group contributions and shareholders' contributions for legal entities

The parent company reports group contributions and shareholders' contributions in accordance with the statement of the Swedish Financial Reporting Board's statement. Group contributions are recognized according to their financial effects. This means that group contributions that are granted with a view to minimizing the group's total tax are reported directly against equity. Shareholders' contributions are carried directly against equity in the case of the receiver and capitalized as shares and participations by the grantor, to the extent that impairment is not required.

## 02. Distribution of revenue

SEK '000	Group		Parent Company	
	2009	2008	2009	2008
Revenues Transaction	2,231,824	2,210,431	12,007	10,717
Other revenue	290,103	172,510	2,984	2,989
Revenues Search	492,422	1,073,755	-	-
License fees	-	-	240,572	256,394
<b>Total revenue</b>	<b>3,014,349</b>	<b>3,456,696</b>	<b>255,563</b>	<b>270,100</b>

## 03. Segment reporting

TradeDoublér has four segments, Central Europe, Northern and Eastern Europe including Japan, the UK and Ireland and Southern Europe. Identification of segments is based on the internal reporting to the chief operating decision-maker. Reporting and follow up take place based on the geographical regions which constitute the basis of division for the segment reporting which corresponds to the previous primary segment reporting.

The group's chief operating decision-maker continually follows up the gross profit and operating profit per segment.

Inter-company transfer prices between the group's different segments are set based on the "arm's length" principle, i.e. between parties that are independent of each other, well informed and with an interest in completing the transactions.

Operating profit for the parent company, central functions and eliminations primarily refers to the parent company's operating expenses and costs for central functions such as marketing, IT and research and development.

Operating profit for the UK and Ireland in 2009 includes an impairment loss of goodwill, approx. SEK - 150 M, and a provision for redundant office space of SEK - 30 M.

SEK '000	Gross profit		Operating profit	
	2009	2008	2009	2008
Central Europe	144,512	134,516	78,928	76,408
Northern and Eastern Europe, including Japan	95,044	97,270	43,568	43,597
UK and Ireland	160,344	251,483	-108,743	122,180
Southern Europe	289,993	263,816	186,512	174,122
Parent Company, central function and eliminations	-	-	-305,343	-266,366
<b>Total</b>	<b>689,893</b>	<b>747,085</b>	<b>-105,078</b>	<b>149,941</b>

### Geographical information

SEK '000	Gross profit		Operating profit	
	2009	2008	2009	2008
Central Europe	40,562	44,540	18,936	16,026
Great Britain	154,641	248,480	-107,456	122,719
Germany	72,326	56,893	40,745	28,625
France	120,132	114,532	87,756	84,486
Spain	52,646	46,499	34,948	31,715
Italy	56,802	42,979	35,977	25,583
Other	192,784	193,162	-215,984	-159,213
<b>Total</b>	<b>689,893</b>	<b>747,085</b>	<b>-105,078</b>	<b>149,941</b>

## 04. Remuneration to employees, group management and board of directors

Average number of employees	2009		2008	
	men (%)		men (%)	
<b>Parent Company</b>				
Sweden	86	61	86	62
<b>Subsidiaries</b>				
Belgium	10	57	13	51
Denmark	13	70	15	78
Finland	11	64	11	59
France	52	58	49	60
Ireland	4	56	4	64
Italy	25	44	22	52
Japan	5	61	5	60
Lithuania	8	49	8	44
Netherlands	24	90	29	85
Norway	12	75	11	71
Poland	12	72	12	77
Portugal	3	67	3	66
Russia	5	45	3	62
Switzerland	14	67	14	52
Spain	32	64	31	69
UK	198	61	225	64
Sweden	30	63	37	62
Germany	42	65	43	66
Austria	3	53	3	64
<b>Total subsidiaries</b>	<b>503</b>	<b>62</b>	<b>538</b>	<b>64</b>
<b>Total group</b>	<b>589</b>	<b>62</b>	<b>624</b>	<b>64</b>

### Distribution of men and women in board of directors and group management

Share women (%)	Group		Parent Company	
	2009	2008	2009	2008
The board of directors	33.3	11.0	33.3	11.0
President and other senior executives	12.5	11.0	12.5	11.0

### Absence due to illness in the parent company

%	2009	2008
Total absence due to illness as a percentage of regular working hours	1.3	2.1
Of which represents continuous absence due to illness of 60 days or more	10.0	48.3

### Absence due to illness as a percentage of each group's regular working hours

%	2009	2008
<b>Absence due to illness distributed by gender:</b>		
Men	0.8	1.2
Women	2.3	3.7
<b>Absence due to illness distributed by age group:</b>		
29 years or younger	0.8	2.0
30-49 years	1.6	2.4
50 years or older	-	-

Note 4 continued.

**Remuneration to employees distributed between the Parent Company and subsidiaries**

	2009		2008	
	Salaries and other remuneration	Social fees (of which pension)	Salaries and other remuneration	Social fees (of which pension)
Parent Company	60,304	25,893	59,657	22,000
		(6,914)		(5,885)
Subsidiaries	260,299	40,043	235,323	48,336
		(5,743)		(5,747)
<b>Total</b>	<b>320,603</b>	<b>65,936</b>	<b>294,980</b>	<b>70,336</b>

**Cost of remuneration to employees**

SEK '000	Group	
	2009	2008
Salaries and remuneration	321,172	306,608
Share-based payments	-569	-11,628
	320,603	294,980
Pension expenses, defined contribution plans (see further in note 16)	12,657	11,632
Social security contributions	53,378	59,696
Social security contributions attributable to share-based payments	-99	-992
	65,936	70,336
<b>Total</b>	<b>386,539</b>	<b>365,316</b>

Costs for remuneration to employees amounted to SEK 386.5 M (365.3). Adjusted for allocation of variable remuneration to the correct period, share-based payments and changes in foreign exchange rates, remuneration to employees totaled SEK 365.8 M (388.4), which corresponds to a decrease of 5.8 percent.

**Remuneration distributed by country and between group management and other employees in the group.**

	2009		2008	
	Senior executives	Other employees	Senior executives	Other employees
<b>Parent Company</b>				
Parent Company	12,831	47,473	12,327	47,330
(of which variable remuneration)	(479)	(3 605)	(1 158)	(3 215)
<b>Subsidiaries</b>				
Belgium	-	3,885	-	4,841
(of which variable remuneration)	-	(244)	-	(222)
Denmark	-	8,872	-	8,975
(of which variable remuneration)	-	(826)	-	(644)
Finland	-	5,343	-	4,043
(of which variable remuneration)	-	(448)	-	(140)
France	-	22,156	-	17,731
(of which variable remuneration)	-	(2,692)	-	(1,080)
Ireland	-	3,191	-	2,182
(of which variable remuneration)	-	(735)	-	(9)
Italy	-	13,852	-	10,315
(of which variable remuneration)	-	(2,340)	-	(1,055)
Japan	-	4,295	-	2,426
(of which variable remuneration)	-	(235)	-	-
Lithuania	-	1,644	-	1,344
(of which variable remuneration)	-	(144)	-	(70)
Netherlands	-	10,653	-	10,624
(of which variable remuneration)	-	(912)	-	(199)
Norway	-	8,225	-	6,481
(of which variable remuneration)	-	(1,012)	-	(436)
Poland	-	3,812	-	3,998
(of which variable remuneration)	-	(196)	-	(192)
Portugal	-	1,578	-	1,305
(of which variable remuneration)	-	(164)	-	(170)
Russia	-	2,109	-	1,067
(of which variable remuneration)	-	(485)	-	(153)
Switzerland	-	8,573	-	8,460
(of which variable remuneration)	-	(223)	-	(1,141)
Spain	-	15,469	-	11,234
(of which variable remuneration)	-	(2,165)	-	(1,007)
UK	2,993	100,613	-	101,771
(of which variable remuneration)	(76)	(8,842)	-	(2,845)
Sweden	-	14,909	-	15,575
(of which variable remuneration)	-	(1,742)	-	(406)
Germany	-	25,936	-	21,436
(of which variable remuneration)	-	(3,401)	-	(1,702)
Austria	-	2,191	-	1,513
(of which variable remuneration)	-	(277)	-	(9)
<b>Total subsidiaries</b>	<b>2,993</b>	<b>257,306</b>	<b>-</b>	<b>235,323</b>
(of which variable remuneration)	(76)	(27,083)	-	(11,480)
<b>Total group</b>	<b>15,824</b>	<b>304,779</b>	<b>12,327</b>	<b>282,653</b>
(of which variable remuneration)	(555)	(30,688)	(1,158)	(14,695)

**Remuneration to the president, group management and board of directors**

Remuneration and other benefits, (SEK '000)	2009					2008				
	Basic salary, directors' fees	Variable remuneration	Long-term incentive programs	Pension obligations	Total	Basic salary, directors' fees	Variable remuneration	Long-term incentive programs	Pension obligations	Total
The Board of Directors										
Mats Sundström <sup>1</sup>	347	-	-	-	347	-	-	-	-	-
Elisabet Annell <sup>2</sup>	96	-	-	-	96	275	-	-	-	275
Kristofer Arwin	200	-	-	-	200	200	-	-	-	200
Heléne Bergquist <sup>1</sup>	198	-	-	-	198	-	-	-	-	-
Eva Brådhe <sup>1+3</sup>	108	-	-	-	108	-	-	-	-	-
Kjell Duveblad	-	-	-	-	-	310	-	-	-	310
Christer Elmehagen	-	-	-	-	-	148	-	-	-	148
Felix Hagnö <sup>2</sup>	-	-	-	-	-	200	-	-	-	200
Martin Henricson	217	-	-	-	217	200	-	-	-	200
Nick Hynes <sup>3</sup>	183	-	-	-	183	200	-	-	-	200
Lars Lundquist <sup>2</sup>	108	-	-	-	108	312	-	-	-	312
Rolf Lydahl <sup>2</sup>	88	-	-	-	88	250	-	-	-	250
Lars Stugemo	200	-	-	-	200	200	-	-	-	200
Caroline Sundewall <sup>1</sup>	198	-	-	-	198	-	-	-	-	-
Örjan Frid (President)	3,900	-	-	-	3,900	-	-	-	-	-
William Cooper (former President)	-	-	-	-	-	3,273	-	-1,282	120	2,111
<b>Other group management</b>	<b>11,369</b>	<b>555</b>	<b>-</b>	<b>1,974</b>	<b>13,898</b>	<b>12,382</b>	<b>1,158</b>	<b>-5,499</b>	<b>1,596</b>	<b>9,637</b>
<b>Total</b>	<b>17,212</b>	<b>555</b>	<b>-</b>	<b>1,974</b>	<b>19,741</b>	<b>17,950</b>	<b>1,158</b>	<b>-6,781</b>	<b>1,716</b>	<b>14,043</b>

<sup>1</sup> From May, 6, 2009

<sup>2</sup> Until May 6, 2009

<sup>3</sup> Until Nov 16, 2009

<sup>4</sup> Örjan Frid took over as President and CEO on December 22, 2008. Örjan Frid is an interim president and remuneration is paid consisting of a fixed consultancy fee of SEK 325,000 per month. No other remuneration or termination benefits are payable.

<sup>5</sup> The directors' fees are allocated on the basis of the calendar year.

The group management was composed of eight persons as at December 31, 2009 (nine persons during 2008).

Casper Seifert was TradeDoublers' CFO until August 10, 2009. In addition to dismissal pay until December 31, 2009, termination benefits have been paid. Thord Norberg took over as CFO on August 10, 2009. Kayhan Utkutug, Mick Empson and Stephanie Carr also resigned from the group management and the Company during 2009.

## Remuneration to the board and senior executives

### Fees to board members and members of the board's committees

The annual general meeting 2009 approved the following remuneration to the board of directors:

SEK 450,000 to the chairman of the board and SEK 200,000 to each of the other board members elected by the annual general meeting who are not employed in TradeDoubler. In addition to this, the annual general meeting approved remuneration for committee work, to the members appointed by the board, of SEK 100,000 to the chairman of the audit committee and SEK 50,000 to each of the other members of the audit committee, and SEK 50,000 to the chairman of the remuneration committee and SEK 25,000 to each of the other members of the remuneration committee.

### Guidelines for remuneration for senior executives

The annual general meeting 2009 resolved on the following guidelines for remuneration for senior executives, which refers to the president and other member of the group management (Company management). The total remuneration package shall be commercially competitive in the local market in which the employee operates in order to recruit, motivate and retain skilled employees. Individual remuneration shall be based on the employees' experience, competence, responsibility and performance.

The total remuneration shall be based on three main components; fixed salary, variable remuneration and pension benefits. The fixed salary shall be commercially competitive and based on experience, competence, responsibility and performance. Variable remuneration shall be commercially competitive and reward growth, operating profit and be applied consistently throughout the group. It shall be based on predetermined targets, both quantitative and qualitative, and agreed with the employee.

The outcome of the variable remuneration shall have an upper ceiling, which normally should not exceed 50 percent of the fixed salary. Pension benefits may be offered to the Company management, depending on local market conditions. Swedish-based employees are offered a solution which largely corresponds with the ITP plan.

In the event of termination a mutual period of notice of 3-9 months shall apply for the Company management. In the event of termination by the Company, termination benefits, in applicable cases, shall not exceed an amount equivalent to 12 fixed monthly salaries. In the event of termination by the employee, he or she shall not normally be entitled to any termination benefits.

Other benefits, such as car benefit, shall have a limited value in relation to the total remuneration package.

Questions concerning terms of remuneration and employment for the president are prepared by the remuneration committee and are determined by the board. The president determines terms of remuneration and other conditions of employment for other members of the Company management after approval of the remuneration committee.

The board of directors or the remuneration committee shall have the right to depart from the guidelines if special grounds exist in a particular case.

### Pensions

TradeDoubler offers pension plans on some markets that are adapted to the local market conditions. The group mainly operates defined contribution pension plans i.e. TradeDoubler pays fixed fees to an insurance company and has no obligation to pay further amounts. The retirement age for all senior executives is 65. No right to early retirement exists.

### Variable remuneration including long-term incentive programs

TradeDoubler operates a performance- and results-based program for variable remuneration for employees within the group. Various performance- and results-based targets are set for different occupational categories, based on company-wide, regional and discretionary targets for the employees. Senior executives receive variable remuneration which is primarily linked to the group's financial performance. The variable remuneration has a ceiling, normally in the range of between 10 and 50 percent of the respective employee's fixed salary.

Variable remuneration is paid annually in arrears, however, portions of the variable salary are determined and disbursed on a quarterly basis for employees within the occupational categories - sales and client service.

During 2009, SEK 20.0 M was expensed for the performance- and results-based program for variable remuneration in respect of 2009 and a further SEK 11.2 M after final settlement in respect of 2008, SEK 31.2 M in total.

Apart from this performance- and results-based program for variable remuneration for employees within the group, a large number of employees have also been invited to participate in the employee stock option program, see further in note 16.

## 05. Remuneration for auditor

SEK '000	Group		Parent Company	
	2009	2008	2009	2008
<b>Ernst &amp; Young</b>				
Audit assignments	4,732	-	3,210	-
Other assignments	482	-	482	-
<b>KPMG</b>				
Audit assignments	4,593	5,295	2,030	2,098
Other assignments	-	637	-	457
<b>Mr Salvage &amp; Co</b>				
Audit assignments	-	907	-	-
Other assignments	-	188	-	-
<b>Other auditors</b>				
Audit assignments	183	177	-	-
Other assignments	30	725	-	471
<b>Total</b>	<b>10,020</b>	<b>7,929</b>	<b>5,722</b>	<b>3,026</b>

Audit assignments refers to the examination of the financial statements and accounting records as well as the administration of the Board of Directors and President, other duties that the Company's auditors are obliged to perform as well as advice or other assistance arising from observations during such examination and implementation of such other duties. Everything else is other assignments.

Audit expenses for Mr Salvage and Co relate to the audit for 2007.

## 06. Operating costs allocated by type of cost

SEK '000	Group	
	2009	2008
Remuneration cost to publishers	1,869,236	1,717,837
Remuneration cost to search engines	455,220	991,774
Employee costs	410,809	390,849
Depreciation and amortization	37,684	33,327
Impairments	150,339	-
Other operating costs	196,139	172,968
<b>Total</b>	<b>3,119,427</b>	<b>3,306,755</b>



## 07. Net financial items

SEK '000	Group		SEK '000	Parent Company	
	2009	2008		2009	2008
Interest income on bank balances	664	7,215	Interest income, group companies	7,807	40,801
<b>Financial income</b>	<b>664</b>	<b>7,215</b>	interest income, other	27	1,692
Interest expenses on financial liabilities measured at amortized cost	-16,302	-22,198	Dividend	5,452	4,976
Changes in foreign exchange rates	-6,314	-5,982	Changes in foreign exchange rates	2,672	-
<b>Financial expenses</b>	<b>-22,616</b>	<b>-28,180</b>	<b>Financial income</b>	<b>15,958</b>	<b>47,469</b>
<b>Net financial items</b>	<b>-21,952</b>	<b>-20,965</b>	Interest expenses	-13,950	-20,796
			Changes in foreign exchange rates	-	-32,355
			<b>Financial expenses</b>	<b>-13,950</b>	<b>-53,151</b>
			<b>Net financial items</b>	<b>2,008</b>	<b>-5,682</b>

## 08. Taxes

### Recognized in the income statement

SEK '000	Group		SEK '000	Parent Company	
	2009	2008		2009	2008
<b>Current tax expense</b>			<b>Current tax expense</b>		
Tax expense for the period	-30,967	-49,339	Tax expense for the period	-19,824	-25,292
<b>Deferred tax expense</b>			Tax attributable to previous years	1,121	0
Deferred tax in respect of temporary differences	-7,103	19,115	Tax attributable to group companies	-2,354	0
Deferred tax revenue in capitalized loss carrying forwards for tax purposes during the year	3,047	17,524	<b>Total</b>	<b>-21,057</b>	<b>-25,292</b>
Deferred tax expense due to utilization and revision of previous capitalized loss carryforwards for tax purposes.	-16,440	-21,872			
<b>Total</b>	<b>-51,463</b>	<b>-34,572</b>			

SEK -5,638 M (22,513) of the tax expense for the year was recognized directly against equity and relates to an exchange difference on an intra-group loan (increased net investment).

SEK -5,638 M (22,513) of the tax expense for the year was recognized in other comprehensive income and relates to an exchange difference on an intra-group loan (increased net investment).

### Reconciliation of effective tax

	Group			
	2009		2008	
	%	SEK '000	%	SEK '000
Profit before tax		-127,029		128,976
Tax according to applicable tax rate for parent company	26.3	33,409	28.0	-36,113
Effect of other tax rates for foreign subsidiaries	3.0	3,823	1.7	-2,146
Adjustment of tax in respect of previous years	-1.3	-1,705	-	-
Non-deductible expenses	-34.7	-44,114	0.8	-1,008
Non-taxable income	-	11	0.0	8
Increase in loss carryforwards without corresponding capitalization of deferred tax	-22.9	-29,072	0.3	-361
Capitalization of loss carryforwards	-	-	-1.0	1,351
Write-down of previous capitalized loss carryforwards	-10.6	-13,500	-	-
Utilization of previous non-capitalized loss carryforwards	-	-	-3.5	4,503
Other	-0.3	-315	0.5	-806
<b>Effective tax/tax rate</b>	<b>-40.5</b>	<b>-51,463</b>	<b>26.8</b>	<b>-34,572</b>

Note 8 continued.

	Parent Company			
	2009		2008	
	%	SEK '000	%	SEK '000
Profit before tax		88,425		92,881
Tax according to applicable tax rate for parent company	26.3	-23,256	28.0	-26,007
Tax attributable to previous years	-1.3	1,121	-	-
Non-deductible expenses	0.4	-356	0.4	-340
Non-taxable income	-1.6	1,434	-1.6	1,393
Other	-	0	0.4	-338
<b>Effective tax/tax rate</b>	<b>23.8</b>	<b>-21,057</b>	<b>27.2</b>	<b>-25,292</b>

**Deferred tax assets and tax liabilities recognized in the balance sheet**

Deferred tax assets and tax liabilities are attributable to the following:

Group SEK '000	Deferred tax assets		Deferred tax liabilities		Net	
	2009	2008	2009	2008	2009	2008
Loss carryforwards	28,831	39,219	-	-	28,831	39,219
Other receivables	-	-	-769	-	-769	-
Other liabilities	-	6,610	-5,495	-	-5,495	6,610
Hedging recognized against equity	-	-	-5,638	-	-5,638	-
Other non-current assets	-	-	-11,960	-17,232	-11,960	-17,232
<b>Deferred tax assets and tax liabilities</b>	<b>28,831</b>	<b>45,829</b>	<b>-23,862</b>	<b>-17,232</b>	<b>4,969</b>	<b>28,597</b>

**Non-recognized deferred tax assets**

Deductible temporary differences and loss carryforwards for tax purposes for which deferred tax assets have not been recognized in the income statement and balance sheet:

SEK '000	Group		Parent Company	
	2009	2008	2009	2008
Loss carryforwards for tax purposes	44,024	1,380	-	-
<b>Total</b>	<b>44,024</b>	<b>1,380</b>	<b>-</b>	<b>-</b>

The value for tax purposes of capital loss carryforwards of SEK 28,831,000 and non-capital loss carryforwards of SEK 44,024,000, amounting to SEK 72,855,000 in total, have a perpetual term. For information on capital loss carryforwards see note 26.

Group SEK '000	Balance at Jan 1, 2009		Recognized against other comprehensive income		Translation differences	Balance at Dec 31, 2009		Balance at Jan 1, 2008		Balance at Dec 31, 2008	
	Balance at Jan 1, 2009	Recognized via income statement	Recognized against other comprehensive income	Balance at Dec 31, 2009		Balance at Jan 1, 2008	Recognized via income statement	Translation differences	Balance at Dec 31, 2008		
Capitalization of loss carryforwards	39,219	-13,394	-	3,006	28,831	49,455	-4,349	-5,887	39,219		
Other receivables	-	-769	-	-	-769	-	-	-	-		
Other liabilities	6,610	-12,105	-	-	-5,495	-	6,610	-	6,610		
Exchange difference, increased net investment	-	-	-5,638	-	-5,638	-	-	-	-		
Other non-current assets	-17,232	5,771	-	-499	-11,960	-33,227	12,506	3,489	-17,232		
<b>Deferred tax assets and tax liabilities</b>	<b>28,597</b>	<b>-20,497</b>	<b>-5,638</b>	<b>2,507</b>	<b>4,969</b>	<b>16,228</b>	<b>14,767</b>	<b>-2,398</b>	<b>28,597</b>		

## 09. Financial assets and liabilities distributed per category

Group	2009			2008		
	Loans and receivables	Other financial liabilities	Total carrying amount	Loans and receivables	Other financial liabilities	Total carrying amount
SEK '000						
Trade receivables	657,049		657,049	673,948		673,948
Other receivables	42,334		42,334	-		-
Cash and bank balances	436,596		436,596	133,389		133,389
<b>Total financial assets</b>	<b>1,135,979</b>	-	<b>1,135,979</b>	<b>807,337</b>	-	<b>807,337</b>
Non-current interest-bearing liabilities		50,000	50,000			-
Due to credit institutions		117,500	117,500		37,500	37,500
Overdraft facilities		74,565	74,565		249,327	249,327
Trade payables		127,432	127,432		186,698	186,698
Liabilities to publishers		418,615	418,615		396,707	396,707
<b>Total financial liabilities</b>	-	<b>788,112</b>	<b>788,112</b>	-	<b>870,232</b>	<b>870,232</b>
<b>Parent Company</b>						
SEK '000						
Subscribed capital unpaid	42,334		42,334	-		-
Trade receivables and other receivables	3,301		3,301	2,936		2,936
Receivables from group companies	890,650		890,650	588,892		588,892
Cash and bank balances	270,836		270,836	2,612		2,612
<b>Total financial assets</b>	<b>1,207,121</b>	-	<b>1,207,121</b>	<b>594,440</b>	-	<b>594,440</b>
Non-current interest-bearing liabilities		50,000	50,000			-
Due to credit institutions		117,500	117,500		37,500	37,500
Overdraft facilities		74,565	74,565		249,327	249,327
Liabilities to group companies		371,631	371,631		140,690	140,690
Trade payables		11,945	11,945		15,070	15,070
<b>Total financial liabilities</b>	-	<b>625,641</b>	<b>625,641</b>	-	<b>442,587</b>	<b>442,587</b>

Trade receivables, trade payables, other current receivables and liabilities that are measured at cost have short terms and thus fair value corresponds with the carrying amount.

Short-term interest-bearing assets and liabilities have short terms and run according to variable interest rates which is why the carrying amount is deemed to correspond with fair value. The non-current interest-bearing loan (subordinated loan) contains a possibility of early redemption at the nominal amount in February 2010 which is why the carrying amount is deemed to correspond with fair value.

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## 10. Intangible assets

### Group

SEK '000	Development expenses	Market and client-based assets	Goodwill	Other	Total
<b>Accumulated acquisition costs</b>					
Opening balance at January 1, 2008	34,504	97,224	609,780	-	741,508
Investments for the year	10,106	-	-	-	10,106
Translation difference	-14	-12,501	-77,869	-	-90,384
<b>Closing balance at December 31, 2008</b>	<b>44,596</b>	<b>84,723</b>	<b>531,911</b>	<b>-</b>	<b>661,230</b>
Opening balance at January 1, 2009	44,596	84,723	531,911	-	661,230
Investments for the year	-	-	-	1,816	1,816
Translation difference	441	1,791	11,233	-	13,465
<b>Closing balance at December 31, 2009</b>	<b>45,037</b>	<b>86,514</b>	<b>543,144</b>	<b>1,816</b>	<b>676,511</b>
<b>Accumulated amortization and impairment losses</b>					
Opening balance at January 1, 2008	-5,305	-5,536	-	-	-10,841
Amortization for the year	-8,102	-13,195	-	-	-21,297
Translation difference	933	1,632	-	-	2,565
<b>Closing balance at December 31, 2008</b>	<b>-12,474</b>	<b>-17,099</b>	<b>-</b>	<b>-</b>	<b>-29,573</b>
Opening balance at January 1, 2009	-12,474	-17,099	-	-	-29,573
Amortization for the year	-12,034	-13,015	-	-	-25,049
Impairment losses for the year	-	-	-150,339	-	-150,339
Translation difference	47	120	5,559	-	5,726
<b>Closing balance at December 31, 2009</b>	<b>-24,461</b>	<b>-29,994</b>	<b>-144,780</b>	<b>-</b>	<b>-199,235</b>
<b>Carrying amounts</b>					
At January 1, 2008	29,199	91,688	609,780	-	730,667
At December 31, 2008	32,122	67,624	531,911	-	631,657
At December 31, 2009	20,576	56,520	398,364	1,816	477,276

Amortization of intangible assets is included in administrative expenses. All intangible assets, except for goodwill, are amortized. For information regarding amortization principles, see note 1.

As the operations from the acquisition of IMW Group were integrated into TradeDoublers existing businesses and created synergies in sales of the group's existing products, the goodwill has been allocated to four cash generating units, that are identical with the group's operating segments.

Goodwill is tested annually for impairment by means of impairment testing or more often if there are indications that an impairment need exists. This testing was based on value in use in 2009, i.e. on discounted cash flows for the different operating segments.

A discount rate of interest (WAAC) is used in the discounted cash flow analyses based on a risk-free rate of interest plus a market risk premium. The WACC before tax in the calculations for the four cash generating units as at December 31, 2009 is in the range 14.9 to 16.3 percent.

A sensitivity analysis shows that the measurement of goodwill is not affected

by a change of one percentage point in the various WACC levels.

Both external and internal assumptions are used in assessment of future revenues and growth. TradeDoublers forecasts extend through 2019 and comprise 61 percent of the total calculated value. The growth rate according to the forecast period is set at 2 percent annually. The forecast period exceeds five years as the internet marketing market is a relatively new market and strong growth is expected over the next ten years.

Due to a weak result and a more conservative assessment of the future development, the goodwill figure for IMW Group in the UK, which was acquired in 2007, was written down by SEK 150.3 M after an impairment test.

### Goodwill allocated per cash generating unit at December 31, 2009

SEK '000	Allocated goodwill
Northern and Eastern Europe and Japan	54,313
Central Europe	108,626
UK and Ireland	45,330
Southern Europe	190,095
<b>Total</b>	<b>398,364</b>

**Parent Company**

SEK '000	Other
<b>Accumulated acquisition costs</b>	
Opening balance at January 1, 2008	-
Investments for the year	-
<b>Closing balance at December 31, 2008</b>	-
Opening balance at January 1, 2009	-
Investments for the year	1,816
<b>Closing balance at December 31, 2009</b>	<b>1,816</b>
<b>Accumulated amortization</b>	
Opening balance at January 1, 2008	-
Amortization for the year	-
<b>Closing balance at December 31, 2008</b>	-
Opening balance at January 1, 2009	-
Amortization for the year	-
<b>Closing balance December 31, 2009</b>	-
Carrying amounts	
At December 31, 2008	-
At December 31, 2009	1,816

**11. Property, plant and equipment**

**Group**

SEK '000	Equipment, tools, fixtures and fittings
<b>Accumulated cost</b>	
Opening balance Jan 1, 2008	54,336
Investments	13,555
Disposals	-5,090
Translation difference	-3,936
<b>Closing balance Dec 31, 2008</b>	<b>58,865</b>
Opening balance Jan 1, 2009	58,865
Investments	11,374
Disposals	-729
Translation difference	-278
<b>Closing balance Dec 31, 2009</b>	<b>69,232</b>
<b>Accumulated depreciation</b>	
Opening balance Jan 1, 2008	-29,418
Depreciation for the year	-12,030
Disposals	5,090
Translation difference	168
<b>Closing balance Dec 31, 2008</b>	<b>-36,190</b>
Opening balance Jan 1, 2009	-36,190
Depreciation for the year	-12,635
Disposals	649
Translation difference	369
<b>Closing balance Dec 31, 2009</b>	<b>-47,807</b>
Carrying amounts	
At Jan 1, 2008	24,918
At Dec 31, 2008	22,675
At Dec 31, 2009	21,425

**Parent Company**

SEK '000	Equipment, tools, fixtures and fittings
<b>Accumulated cost</b>	
Opening balance Jan 1, 2008	27,105
Investments	4,858
Disposals	-5,090
<b>Closing balance Dec 31, 2008</b>	<b>26,873</b>
Opening balance Jan 1, 2009	26,873
Investments	10,996
<b>Closing balance Dec 31, 2009</b>	<b>37,869</b>
<b>Accumulated depreciation</b>	
Opening balance Jan 1, 2008	-19,519
Depreciation for the year	-4,263
Disposals	5,090
<b>Closing balance Dec 31, 2008</b>	<b>-18,692</b>
Opening balance Jan 1, 2009	-18,692
Depreciation for the year	-5,829
Disposals	-
<b>Closing balance Dec 31, 2009</b>	<b>-24,521</b>
Carrying amounts	
At Jan 1, 2008	7,586
At Dec 31, 2008	8,181
At Dec 31, 2009	13,348

**12. Prepaid expenses and accrued income**

SEK '000	Group		Parent Company	
	2009	2008	2009	2008
Rent	6,976	1,873	2,410	-
Accrued income	2,533	-	-	-
Other	9,843	15,030	2,955	8,824
<b>Total</b>	<b>19,352</b>	<b>16,903</b>	<b>5,365</b>	<b>8,824</b>

### 13. Shareholders' equity

#### Share capital

Share capital refers to the parent company's share capital. Each share carries one vote and those entitled to vote may vote for the full number of shares represented and owned without any restriction in voting rights. All shares carry equal rights to share in the Company's assets and profits and in any surplus on liquidation.

At December 31, 2009, TradeDoublér AB had a share capital of SEK 11.4 M, distributed among 28,581,633 shares, each share with a par value of SEK 0.40.

#### Paid-up, non-registered share capital

TradeDoublér carried out a rights issue of SEK 355.6 M in December 2009 with preferential rights for existing shareholders. The rights issue, which was registered on January 18, 2010, increased TradeDoublér's share capital by SEK 5.7 M to SEK 17.1 M. The number of shares increased by 14,225,816 to 42,807,449.

At December 31, 2009, 99.7 percent of the rights issue was subscribed for, corresponding to 14,186,033 shares, and the remaining 0.3 percent, corresponding to 39,783 shares, was subscribed for at the start of January 2010.

#### Other capital contributions

Other capital contributions refer to shareholders' equity that is contributed by the shareholders. In this respect, this included part of the share premium reserves transferred to the statutory reserve on December 31, 2005. Allocations to the share premium reserve from January 1, 2006 and onwards are also recognized as capital contributions.

#### Translation reserve

The translation reserve encompasses all exchange rate differences arising from the translation of financial statements of foreign operations that have prepared their financial statements in a currency other than the currency used to present the group's and parent company's financial statements, namely, Swedish kronor.

The translation reserve also includes exchange rate effects, net after tax, on lending and deposits to subsidiaries which are considered net investments in accordance with IAS 21 item 15.

#### Retained earnings including net profit for the year

Retained earnings including net profit for the year includes profits earned in the parent company and its subsidiaries. Previous allocations to the statutory reserve, excluding transferred share premium reserves, are included in this equity item.

#### Dividend

No dividend has been proposed.

#### Group capital management

Group capital under management is composed of shareholders' equity, which at the end of 2009 amounted to SEK 480.5 M (291.9) in total. The measures of the Company's capital structure used for control purposes are the Interest Coverage Ratio, defined as pre-tax profit, plus interest expense, divided by interest expense; and the Debt/Equity Ratio, defined as the total of interest-bearing liabilities and pension provisions less cash and cash equivalents and interest-bearing receivables, divided by shareholders' equity.

#### Buyback of shares

During 2008, the board decided to enact the authorization that was received at the annual general meeting 2008, to buy back the Company's own shares, for the purpose of ensuring obligations related to the performance share program 2008/2011.

As a result of that authorization, TradeDoublér has, on three occasions during 2008, bought back 130,000 shares at price intervals corresponding to the highest buying price and the lowest selling price on the Nasdaq OMX Stockholm Exchange. 65,000 shares were bought back at a price of SEK 112.50 per share, 13,000 shares at a price of SEK 50.00 per share, and 52,000 shares at a price of SEK 57.75 per share. This represented a total investment of SEK 11.1 M.

Total holdings of own shares amounts to 130,000 ordinary shares after buy-backs.

### 14. Liabilities to credit institutions

SEK '000	Group		Parent Company	
	2009	2008	2009	2008
Subordinated loan	50,000	-	50,000	-
Bank loans	117,500	37,500	117,500	37,500
Overdraft facilities	74,565	249,327	74,565	249,327
<b>Total</b>	<b>242,065</b>	<b>286,827</b>	<b>242,065</b>	<b>286,827</b>

For all liabilities to credit institutions there are a number of operational and financial terms and conditions, including limit values on certain financial key ratios. In addition, credit agreements contain terms and conditions which may curtail, impose conditions on or forbid the group from incurring further debt, making acquisitions, disposing of assets, incurring capital or financial leasing expenses, providing security, changing the group's operations or deciding on mergers.

The subordinated loan runs according to STIBOR+13 percentage points. Redemption within twelve months from the start date (Feb 13, 2009) is permitted at 104 percent of the nominal value and subsequently at nominal value.

### 15. Earnings per share

Earnings per share before and after dilution amounts to SEK -5.31 (2.80). Calculation of earnings per share is based on the profit and number of shares presented below.

A rights issue was ongoing at December 31, 2009, which was completed in January 2010. The average number of outstanding shares has therefore been adjusted upwards by the bonus issue component of the rights issue, 18 percent, for 2008 and 2009.

#### Profit for computation of earnings per share before and after dilution

SEK '000	2009	2008
Profit for the year attributable to the parent company's shareholders	-178,493	94,404

#### Weighted average number of outstanding ordinary shares

Shares, in thousands	2009	2008
Weighted average number of outstanding ordinary shares before and after dilution	33,591	33,676

#### Potential future dilution

Employee stock option programs 2006/2010, 2007/2010 and 2008/2011 are not dilutive due to the fact that levels of earnings per share reached to date according to the vesting conditions of the employee stock option programs do not provide or could not provide option holders with the right to exercise any options.

(see description in note 16)



## 16. Pensions and share-based remuneration

### Defined contribution plans

The group mainly operates defined contribution pension plans. For defined contribution plans, TradeDoublér pays fixed charges to an insurance company and subsequently has no obligation to pay further contributions. Obligations in respect of charges for defined contribution pension plans are recognized as an expense in the income statement in the period in which they arise.

SEK '000	Group		Parent Company	
	2009	2008	2009	2008
Costs for defined contribution plans	12,657	11,632	6,914	5,885

### Long-term incentive program

The group had three different outstanding long-term incentive programs during 2008 and 2009.

Supply of shares to the option holders was secured by an issue of subscription options directed to the subsidiary TradeDoublér Sweden AB and through purchase of own shares in TradeDoublér.

During the third quarter 2008, the Company released an existing reserve of SEK 18.7 M in respect of option program 2006/2010 and 2007/2010. The release was made since the Company estimated that the performance requirement – an average growth in earnings per share of at least 20 percent per year – would not be achieved and that subscription would therefore not take place in the program.

During the fourth quarter 2009, the Company released an existing reserve of SEK 0.6 M in respect of option program 2008/2011. The release was made since the Company estimated that the performance requirement – an average growth in earnings per share of at least 20 percent per year – would not be achieved and that subscription would therefore not take place in the program.

The terms and conditions of the incentive programs contain similar provisions regarding conversion, that the options are issued gratuitously, that the exercise of the options may only take place if the option holder at the time of exercise is still employed in the group, and that the performance target set by the board regarding annual growth in earnings per share is fulfilled.

### Option program 2006/2010 and 2007/2010

The annual general meeting 2006 resolved on a stock option program of up to 1,400,000 options. The number of stock options issued amounted to 893,300 and gives entitlement to acquire the same number of shares. The exercise price is SEK 175.50 per share. On allotment, 1,000,000 subscription options were issued to the subsidiary TradeDoublér Sweden AB in order to secure future supply of shares. The stock options are allotted gratuitously to employees in the group and are not assignable. During 2007, 120,000 subscription options were bought back by TradeDoublér for cancellation.

The program 2006/2010 runs until December 31, 2010 with right to exercise options for purchase of shares on a total of four occasions during the years 2008, 2009 and 2010. The employees may exercise one third of the options each year. A condition for exercising the options is that the option holder remains in their employment and that the earnings per share increases by 20 percent during the financial years 2007, 2008 and 2009. If the performance requirement is not fulfilled one year, options may under certain circumstances be exercised instead during subsequent subscription periods.

It was resolved at the annual general meeting 2007 to continue the option program 2006/2010 through allotment of a further 560,400 stock options (option program 2007/2010) in combination with an issue of 580,000 subscription options to TradeDoublér Sweden AB in order to secure supply of shares. The exercise price is SEK 188.10 per share. The option program 2007/2010 also runs until December 31, 2010, with right to exercise options for purchase of shares on a total of three occasions during 2009 and 2010. The employees may exercise half of the options each year. A condition for exercising the options is that the option holder remains in their employment and that the earnings per share has increased by 20 percent during the financial years 2008 and 2009. If the performance requirement is not fulfilled one year, options may under certain circumstances be exercised instead during subsequent subscription periods.

As of December 31, 2009 the number of outstanding options in the program 2006/2010 amounted to 405,612. The maximum dilution that exercise of these options can result in amounts to 1.50 percent.

As of December 31, 2009 the number of outstanding options in the program 2007/2010 amounted to 309,400. The maximum dilution that exercise of these options can result in amounts to 1.37 percent.

On February 8, 2010 the board passed a resolution that subscription did not take place either in program 2006/2010 or 2007/2010, since the performance requirement of annual growth per share of at least 20 percent was not fulfilled for 2009. On account of this, it was stated that both programs had expired and that only one incentive program remains, namely, 2008/2011. Conversion has thus not taken place of how many shares each stock option gives entitlement to and the exercise price taking account of the completed rights issue during 2009.

### Performance share program 2008/2011

A new performance share program was resolved upon at the annual general meeting 2008 of up to 240,000 performance shares (options). Each option initially gave the holder the right to acquire one (1) share in the future subject to certain conditions. The exercise price was ten kronor per share. The terms of the program were adjusted on account of the rights issue in 2009. Each option at the present time gives the holder the right to acquire 1.22 shares at an exercise price of 8.20 kronor.

The options were allocated to employees in the group gratuitously and are not assignable. The program runs until July 1, 2011 with right to exercise options for purchase of shares first on this date. A condition for purchase of shares is that the holder remains in his/her employment and that the growth targets for earnings per share are fulfilled.

The number of options that may be exercised depends on the average annual increase in earnings per share during the financial years 2008, 2009 and 2010. In the event of an average annual increase of at least 10 percent, 20 percent of the options may be exercised (subscription may not take place at all in the event of an increase of less than 10 percent), in the event of an average annual increase of 18 percent, 50 percent of the options may be exercised, and in the event of an average annual increase of 29 percent, 100 percent may be exercised. The right of exercise is linear between 10 and 18 percent and between 18 and 29 percent.

As of December 31, 2009, the number of outstanding options amounted to 195,200. The program does not give rise to any formal dilution since any future supply of shares takes place with shares already issued. The Company has acquired 130,000 of its own shares for this purpose.

### Input data used in the computation of fair value on allotment (weighted averages)

	Program 2006/2010	Program 2007/2010	Program 2008/2011
Exercise price, SEK	175.50	188.10	10.00
Share price, SEK	198.00	181.00	59.75
Volatility, %	35	36	36
Term, years	3.04	2.78	3.86
Risk-free rate of interest, %	4.13	4.13	4.40
Dividend, SEK	-	-	-
Number of options	893,300	560,400	227,600
Number of shares	893,300	560,400	277,600
Fair value per option, SEK	67.14	36.43	51.32

Valuation was carried out using the Black & Scholes option valuation model. The expected volatility is based on historic volatility (with the calculation based on the weighted average remaining lifetime of the options) adjusted for any expected changes in future volatility as a result of officially available information. The calculation of expected lifetime is based on a uniform distribution of the programs' different exercise periods in each year, with the portion earned in 2009 adjusted for the possibility of exercise in December 2010 and July 2011.

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## Note 16 continued.

### Personnel expenses (including social security contributions) for share based remuneration

SEK '000	Group	
	2009	2008
Stock options allotted	-668	-12,620
Total personnel expense/income arising from share-based remuneration	-668	-12,620
	Parent Company	
	2009	2008
Stock options allotted	-	-3,089
Total personnel expense/income arising from share-based remuneration	-	-3,089

Group SEK	Weighted average exercise price		Number of shares to which the options may provide entitlement	
	2009	2008	2009	2008
Outstanding at beginning of period	145.40	181.30	1,054,680	1,186,250
Allotted during the period	10.00	10.00	3,000	227,600
Conversion in respect of rights issue	-	-	42,944	-
Forfeited during the period	141.58	178.12	-147,468	359,170
Exercised during the period	-	-	-	-
Expired during the period	-	-	-	-
Outstanding at beginning of period	143.90	145.40	953,156	1,054,680
Exercisable at end of the period	-	-	-	-

## 17. Other liabilities

SEK '000	Group	
	2009	2008
Prepayments from clients	205,362	174,534
VAT	23,593	63,283
Withholding tax and social security contributions	28,515	18,687
Other	53,738	38,320
<b>Total</b>	<b>311,208</b>	<b>294,824</b>
	Parent Company	
	2009	2008
Current liabilities to publishers	89,550	83,312
Withholding tax and social security contributions	14,612	6,127
Other	8,110	5,593
<b>Total</b>	<b>112,272</b>	<b>95,032</b>

## 18. Accrued expenses and deferred income

SEK '000	Group		Parent Company	
	2009	2008	2009	2008
Holiday pay	12,624	13,986	2,866	3,917
Other payroll expenses	10,722	11,051	4,397	1,865
Search engine costs	34,931	-	-	-
Issue costs	10,100	-	10,100	-
Provision for rent, redundant premises	34,750	-	-	-
Other	18,762	27,550	7,601	6,414
<b>Total</b>	<b>121,889</b>	<b>52,587</b>	<b>24,964</b>	<b>12,196</b>

## 19. Financial risks

### Treasury and finance policy

TradeDoublers treasury and finance policy is prepared with the aim of minimizing the group's financial risks. The policy is reviewed continuously and adopted by the board of directors. The responsibility for the group's financial transactions and risks rests with group's central finance function.

### Credit risks

#### Financial investments

Cash and cash equivalents are invested in bank accounts with large banks and credit institutions at the best possible bank interest rates. Trading in securities for speculative purposes must not occur.

### Customers

The group and the Company are exposed to credit risks, which arise primarily in connection with trade receivables. Trade receivables at year-end totaled SEK 657 M (674). New clients are subjected to credit rating reports, which provide the basis for credit and payment terms and conditions for each client. The credit rating reports provide an assessment of the clients' financial position, based on information compiled from various credit rating companies.

The group has established a credit policy that determines how clients are managed, with decision-making levels set for various credit limits. TradeDoublers usually requires advance payment from clients deemed to have a low credit rating. TradeDoublers makes the assessment that no specific risk concentration exists for any geographical region or customer segment, however, the credit risk is greater in relation to search engine marketing. TradeDoublers Search Ltd, the company within the group which conducts such operations in the UK, has therefore taken out credit insurance covering possible bad debt losses arising on account of outstanding debts in relation to the company's services. The insurance coverage is triggered by the customers inability to pay all or part of the invoice due to insolvency, or if the customer for other reasons has not settled the invoice within approximately 180 days from the original due date.

The insurance amount covers 85 percent of the receivable. The company's maximum exposure to credit risks in trade receivables corresponds to the carrying amount in the balance sheet.

The group's bad debt losses which arose during the year amounted to SEK 9,346,000 (1,061,000).

Provision for expected bad debt losses in the balance sheet amounted to SEK 27,602,000 (15,928,000).

In most cases a publisher is only paid when the customer has paid the invoice, thereby reducing the company's customer credit risk.

### Maturity analysis, amount less doubtful debts

SEK '000	2009	2008
	Carrying amount	Carrying amount
Trade receivables not due	378,254	390,519
Trade receivables, due 0-30 days	181,265	172,968
Trade receivables, due 31-90 days	48,463	64,297
Trade receivables, due >90+ days	49,067	46,164
	<b>657,049</b>	<b>673,948</b>

### Foreign exchange risks

Foreign exchange risk refers to the risk that changes in foreign exchange rates will impact the consolidated income statement, balance sheet and cash flow.

Foreign exchange risk exists in the form of transaction risk and translation risk. TradeDoublers is exposed to foreign exchange risk in 18 countries involving nine different currencies, with British pounds (GBP) and Euro (EUR) representing the majority share. In 2009, approximately 35 (50) percent of sales were made in GBP and approximately 50 (37) percent in EUR. Excluding non-recurring items amounting to SEK -182.4 M, approximately 29 (32) percent of the costs were in GBP and approximately 32 (28) percent of the costs were in EUR.

The consolidated financial statements and accounting in the group's Swedish companies takes place in SEK while the accounting in the group's foreign companies takes place in each country's currency.

### Transaction risks

Exposure attributable to exchange rate fluctuations in client and supplier invoices is limited since client billing and suppliers' invoices largely occur in local currency for all companies within the group.

TradeDoubler is also exposed to foreign exchange risks in the parent company's inter-company lending to subsidiaries which takes place in the subsidiary's currency, as well as in deposits from subsidiaries of excess liquidity. Part of this lending and deposits consists of so-called "increased (reduced) investments in subsidiaries" where the differences in exchange rates as well as on translation exposure are recognized as a component of "other comprehensive income" (outside the income statement) whereas other exchange rate differences are recognized in the income statement.

Inter-company lending and deposits are not currently hedged.

### Translation risks

Changes in foreign exchange rates impact the group's revenues on translation of the income statements of the foreign subsidiaries to the parent company's presentation currency, SEK.

In connection with translation of the group's investments in foreign subsidiaries to the group's presentation currency SEK, translation exposure arises which is recognized as part of "other comprehensive income" (outside the income statement).

The group's net investments in foreign currency primarily involve GBP and EUR. Net investments in foreign currency are not currently hedged.

### Interest risk

Interest risk refers to the risk that changes in market interest rates may affect the consolidated income statement and cash flow or the fair value of financial assets and liabilities. A significant factor affecting the interest rate risk is the fixed interest term. The group's interest-rate exposure is managed centrally,

which means that the finance function is responsible for identifying and managing this exposure. At December 31, 2009, the Company's interest rate on bank loans amounted to STIBOR +3.00 percent and STIBOR -13% on the subordinated loan. After the Company amortized SEK 192.1 M in total during January 2010 and a further SEK 50 M in the middle of February 2010, no interest-bearing borrowing exists.

A certain amount of interest risk remains due to financial investments.

### Liquidity risks

TradeDoubler's treasury and finance policy is established in order to minimize group liquidity risks by not taking any risks in the cash flow. In most cases, a publisher is only paid when the customer has paid the invoice to TradeDoubler. In this manner, TradeDoubler limits the liquidity risk. Credit ratings are performed on all new clients and TradeDoubler normally requires advance payments from clients for whom adequate financial information is not available.

Until the completion of the rights issue, TradeDoubler was dependent on external financing in order to secure the group's long-term operations. For the period until February 15, 2010, borrowings were secured through agreements with banks and shareholders. The completed rights issue has strengthened the group's financial position and has thereby reduced the liquidity risk.

### Duration analysis, financial liabilities

Group, SEK '000	Currency	2009					2008			
		Nom. amount original currency	Total	Within one month	1-12 months	1 - 5 years	Currency	Nom. amount original currency	Total	Within one month
Bank loan										
Bank loan SEB	SEK	30,000	30,000	30,000	-	-	SEK	37,500	37,500	37,500
Bank loan SEB	SEK	87,500	87,500	-	87,500	-				
Overdraft facility SEB	SEK	74,565	74,565	74,565	-	-	SEK	249,327	249,327	249,327
Subordinated loan Alecta	SEK	50,000	50,000	-	-	50,000		-	-	-
Trade payables			127,432	127,432	-	-			186,698	186,698
Short-term liabilities to publishers			418,615	418,615	-	-			396,707	396,707
<b>Total</b>			<b>788,112</b>	<b>650,612</b>	<b>87,500</b>	<b>50,000</b>		<b>870,232</b>	<b>870,232</b>	

## 20. Operating leases

### Leasing where the Company is lessor

Non-terminable lease payments amount to:

SEK '000	Group		Parent Company	
	2009	2008	2009	2008
Within one year	37,813	34,825	9,771	7,698
Between one and five years	102,576	109,977	29,314	39,086
Longer than five years	3,936	19,751	-	-
	<b>144,325</b>	<b>164,553</b>	<b>39,085</b>	<b>46,784</b>

The parent company moved to a new head office during 2008 when it entered into a new five-year lease. Costs for operating leases amounted to SEK 71,937,000 (34,983,000) for the group in 2009. A provision for redundant premises in the UK of SEK 34,750,000 is included in the costs for 2009.

## 21. Pledged assets and contingent liabilities

SEK '000	Group		Parent Company	
	2009	2008	2009	2008
Pledged assets				
Rental deposits	2,517	1,475	-	536
Pledged subsidiaries	91,876	171,499	21,442	4,537
<b>Total pledged assets</b>	<b>94,393</b>	<b>172,974</b>	<b>21,442</b>	<b>5,073</b>
<b>Contingent liabilities</b>	<b>None</b>	<b>None</b>	<b>3,094</b>	<b>13,440</b>

Contingent liabilities consist of performance guarantees to subsidiaries.

## 23. Group companies

### Specification of the parent company's direct holdings of participations in subsidiaries

Subsidiary	Corporate registration number	Registered office	Number of shares	Participation as %	Carrying amount	
					Dec 31, 2009	Dec 31, 2008
TradeDoubler Ireland Ltd	422593	Dublin	1	100	7	7
TradeDoubler OY	777468	Helsinki	100	100	4,269	4,269
TradeDoubler A/S	25137884	Copenhagen	125	100	5,772	5,772
TradeDoubler LDA	507810007	Lisbon	1	100	46	46
TradeDoubler Ltd	3921985	London	5,000	100	3,126	3,126
TradeDoubler Espana SL	B82666892	Madrid	100	100	62	6,255
TradeDoubler BVBA	874694629	Mechelen	371	100	172	172
TradeDoubler Srl	210954 (rep)/26762 (Rac)	Milan	1	100	2,683	2,683
TradeDoubler LLC	7707589545	Moscow	1	100	4,247	3
TradeDoubler GmbH	76167/URNo R181/2001	Munich	1	100	8,235	1,920
TradeDoubler AS	982006635	Oslo	1,000	100	7,957	7,957
The Search Works SARL	501439194	Paris	1,000	100	71	71
TradeDoubler SARL	B431573716 (2000B08629)	Paris	500	100	119	119
TradeDoubler BV	20100140	Rotterdam	40	100	189	189
TradeDoubler Services AB	556695-6511	Stockholm	1,000	100	10,000	10,000
TradeDoubler Digital Media AB	556745-5422	Stockholm	1,000	100	100	100
TradeDoubler Media AB	556745-5414	Stockholm	1,000	100	100	100
TradeDoubler Software AB	556745-2999	Stockholm	1,000	100	100	100
TradeDoubler Sweden AB	556592-4007	Stockholm	1,000	100	1,103	1,103
UAB TradeDoubler	1411537	Vilnius	100	100	36	36
TradeDoubler Sp zoo	015792506	Warsaw	1,000	100	114	114
TradeDoubler Austria GmbH	FN296915	Vienna	1	100	324	324
TradeDoubler AG	CH020,3,3,028,851-0	Zurich	997	100	7,910	8,321
					<b>56,742</b>	<b>52,787</b>

## 22. Transactions with related parties

Transactions with related parties within the TradeDoubler Group mainly consist of licensing fees corresponding to SEK 240.6 M (256.4), invoiced by the parent company to subsidiaries and other revenue of SEK 9.0 M (13.7). Transactions with related parties are priced on commercial terms. The parent company's receivables from subsidiaries amounted to SEK 890.6 M (588.9) and include financing in connection with the purchase of IMW Group. The parent company's liabilities to subsidiaries amount to SEK 371.6 M (140.6). Receivables and liabilities from subsidiaries have been netted off in the balance sheet.

### Transactions with key people in executive positions

No transactions with key people in executive positions have taken place during the year.

See note 4 regarding information about Örjan Frid's contract as well as remuneration to the board of directors and senior executives.

**TradeDoublerr Ltd's direct holdings of participations in subsidiaries**

Subsidiary	Corporate registration number	Registered office	Participation as %
Interactive Marketing Works Ltd	5401134	London	100

**Interactive Marketing Works Ltd's holdings of participations in subsidiaries**

TradeDoublerr Search Ltd	5302987	London	100
Bidbuddy Ltd	5295309	London	100
The Dialog Works Ltd	5551559	London	100
The Search Lb Ltd	5302987	London	100
TradeDoublerr The Search Works Ltd	0110-01-53019	Tokyo	100

 Parent Company, SEK '000 **Dec 31, 2009** **Dec 31, 2008**

Accumulated cost	Dec 31, 2009	Dec 31, 2008
At start of the year	52,787	58,246
Acquisition	10,148	3,081
Divestment	-6,193	-
Impairment	-	-8,540
<b>Closing balance December 31</b>	<b>56,742</b>	<b>52,787</b>

Impairment during 2008 was related to the stock option program that was issued during 2007. Acquisitions and divestments for the year referred to granted and repaid shareholders' contributions.

**24. Cash flow statement, supplementary information**
**Cash and cash equivalents**

SEK '000	Group		Parent Company	
	2009	2008	2009	2008
The following sub-components are included in cash and cash equivalents				
Cash and bank balances	436,596	133,389	270,836	2,612
<b>Total according to the balance sheet</b>	<b>436,596</b>	<b>133,389</b>	<b>270,836</b>	<b>2,612</b>
<b>Total according to the cash flow statement</b>	<b>436,596</b>	<b>133,389</b>	<b>270,836</b>	<b>2,612</b>

SEK '000	Group		Parent Company	
	2009	2008	2009	2008
Interest received	664	7,215	7,834	42,493
Interest paid	-16,302	-22,198	-13,950	-20,796

**Adjustment for items not included in the cash flow**

SEK '000	Group		Parent Company	
	2009	2008	2009	2008
Depreciation and amortization	39,115	33,327	5,829	4,263
Impairment of goodwill	150,339	-	-	-
Items affecting comparability	34,750	-	-	-
Other	25,755	-11,628	412	-3,089
	<b>249,959</b>	<b>21,699</b>	<b>6,241</b>	<b>1,174</b>

**25. Post balance sheet events**

Interest-bearing liabilities of SEK 192.1 M were amortized during January 2010. The subordinated loan of SEK 50 M was redeemed in the middle of February and after repayment on February 15, 2010, TradeDoublerr no longer has any remaining interest-bearing liabilities.

TradeDoublerr announced on February 8, 2010 that the operations in Japan will be closed down. They were added as part of the acquisition of IMW group in July 2007 and were solely focused on sales of services within search engine marketing. Expanding TradeDoublerr's product portfolio further in Japan was not deemed to be priority due to the group's continued focus on Europe, the high degree of saturation in the Japanese market and the comprehensive IT investments that would be required. The closure is not expected to have any significant impact on TradeDoublerr's comprehensive income or balance sheet during 2010.

TradeDoublerr's board of directors appointed Urban Gillström as new President and CEO on February 16, 2010. Urban Gillström took over with immediate effect and replaced Örjan Frid, who served as an interim President and CEO since December 2008. The Company's CFO Thord Norberg resigned from TradeDoublerr concurrently with Örjan Frid and was replaced by Bernt Andersson as Acting CFO.

**26. Critical estimates and judgements**

The Company management and board of directors make estimates and assumptions about the future. These estimates and assumptions affect recognized assets and liabilities as well as revenue and costs and other information presented. These estimates are partly based on historical experience and partly on expectations of future events. Areas where the risk for future adjustments of carrying amounts is greatest are mentioned below.

**Goodwill**

No impairment of goodwill was made after the implementation of IFRS 3. Instead, testing is carried out annually for possible impairment needs, or when there are indications that an impairment need exists. Testing is based on estimates and assumptions regarding the future.

The group's goodwill was tested during 2009. Due to a weak result and a more conservative assessment of the future development, the goodwill value for IMW Group in the UK, which was acquired in 2007, was written down by SEK 150.3 M.

**Deferred tax assets**

The group recognizes deferred tax assets on loss carryforwards of SEK 28.8 M. The deferred tax assets are primarily attributable to tax loss carryforwards in the UK. The value of the balance sheet item may be impacted by new estimates regarding future profits.

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The undersigned assure that the consolidated financial statements and annual report have been prepared in accordance with international accounting standards, IFRS, as adopted by the EU, and pursuant to generally accepted accounting standards and provide a true and fair view of the group's and parent company's operations, financial position and results of operations and describe significant risks and uncertainties facing the group. The consolidated income statement and statement of financial position and the parent company's income statement and balance sheet are subject to approval by the annual general meeting to be held on May 6, 2010.

Stockholm, April 12, 2010

**Mats Sundström**  
Chairman of the Board

**Kristofer Arwin**  
Board member

**Heléne Bergquist**  
Board member

**Martin Henricson**  
Board member

**Lars Stugemo**  
Board member

**Caroline Sundewall**  
Board member

**Urban Gillström**  
President and Chief Executive Officer

Our audit report was submitted on April 12, 2010  
**Ernst & Young AB**

Thomas Forslund  
Authorized Public Accountant



# Audit report

To the annual meeting of the shareholders of TradeDoubler AB (publ)  
 Corporate identity number 556575-7423

We have audited the annual accounts, the consolidated accounts, the accounting records and the administration of the board of directors and the managing director of TradeDoubler AB for the financial year 2009. The annual accounts and the consolidated accounts of the company are included in the printed version of this document on pages 38-70. The board of directors and the managing director are responsible for these accounts and the administration of the company as well as for the application of the Annual Accounts Act when preparing the annual accounts and the application of international financial reporting standards IFRSs as adopted by the EU and the Annual Accounts Act when preparing the consolidated accounts. Our responsibility is to express an opinion on the annual accounts, the consolidated accounts and the administration based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Sweden. Those standards require that we plan and perform the audit to obtain reasonable assurance that the annual accounts and the consolidated accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and their application by the board of directors and the managing director and significant estimates made by the board of directors and the managing director when preparing the annual accounts and consolidated accounts as well as evaluating the overall presentation of information in the annual accounts and the consolidated accounts. As a basis for our opinion concerning discharge from liability, we examined significant decisions, actions taken and circumstances of the company in order to be able to determine the liability, if any, to the company of any board member or the managing director. We also examined whether any board member or the managing director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association. We believe that our audit provides a reasonable basis for our opinion set out below.

The annual accounts have been prepared in accordance with the Annual Accounts Act and give a true and fair view of the company's financial position and results of operations in accordance with generally accepted accounting principles in Sweden. The consolidated accounts have been prepared in accordance with the international financial reporting standards IFRSs as adopted by the EU and the Annual Accounts Act and give a true and fair view of the group's financial position and results of operations. The statutory administration report is consistent with the other parts of the annual accounts and the consolidated accounts.

We recommend to the annual meeting of shareholders that the income statements and balance sheets of the parent company and the income statement and the statement of financial position for the group be adopted, that the profit of the parent company be dealt with in accordance with the proposal in the administration report and that the members of the board of directors and the managing director be discharged from liability for the financial year.

Stockholm, April 12, 2010

Ernst & Young AB

Thomas Forslund  
 Authorized Public Accountant

# Financial overview

## Condensed income statements

SEK '000	2009	2008	2007	2006	2005
Revenue	3,014,349	3,456,696	2,663,642	1,744,080	1,085,047
Cost of products sold	-2,324,457	-2,709,611	-2,027,619	-1,263,783	-770,567
<b>Gross profit</b>	<b>689,892</b>	<b>747,085</b>	<b>636,023</b>	<b>480,297</b>	<b>314,480</b>
Selling expenses	-374,959	-420,315	-310,459	-200,110	-153,449
Administrative expenses	-227,610	-122,278	-102,567	-72,041	-102,455
Research & development expenses	-42,062	-54,551	-28,164	-18,080	-14,625
Impairment of goodwill	-150,339	-	-	-	-
<b>Operating profit</b>	<b>-105,078</b>	<b>149,941</b>	<b>194,833</b>	<b>190,066</b>	<b>43,951</b>
Financial income	664	7,215	31,790	8,534	3,648
Financial expenses	-22,616	-28,180	-17,667	-400	-221
<b>Profit before tax</b>	<b>-127,030</b>	<b>128,976</b>	<b>208,956</b>	<b>198,200</b>	<b>47,378</b>
Tax	-51,463	-34,572	-56,609	-57,814	-8,526
<b>Net profit for the year</b>	<b>-178,493</b>	<b>94,404</b>	<b>152,347</b>	<b>140,386</b>	<b>38,852</b>

## Condensed balance sheet

SEK '000	2009	2008	2007	2006	2005
<b>Assets</b>					
Intangible assets	477,276	631,657	730,667	12,715	-
Tangible assets	21,425	22,675	24,918	11,558	9,781
Long-term receivables	2,520	1,475	803	803	778
Deferred tax assets	28,831	45,829	49,455	2,263	7,806
Trade receivables	657,049	673,948	685,749	417,514	253,716
Tax receivables	21,454	-	-	-	-
Other receivables	61,075	25,410	28,406	30,316	38,526
Prepaid expenses and accrued income	19,352	16,903	15,357	6,453	4,851
Short-term investments	-	-	477,485	-	-
Cash and cash equivalents	436,596	133,389	224,157	433,082	218,348
<b>Total assets</b>	<b>1,725,578</b>	<b>1,551,286</b>	<b>2,236,997</b>	<b>914,704</b>	<b>533,806</b>
<b>Equity and liabilities</b>					
<b>Total shareholders' equity</b>	<b>480,507</b>	<b>291,914</b>	<b>361,308</b>	<b>348,965</b>	<b>188,562</b>
Subordinated loan	50,000	-	-	-	-
Provisions	-	-	1,121	-	7,200
Deferred tax liabilities	23,862	17,232	33,227	3,562	-
Trade payables	127,432	186,698	257,913	12,662	8,987
Current liabilities to publishers	418,615	396,707	311,660	270,374	178,845
Tax liabilities	-	24,497	48,100	26,325	1,612
Other liabilities	311,208	294,824	209,703	196,949	106,826
Liabilities to credit institutions	117,500	37,500	964,707	-	-
Overdraft facilities	74,565	249,327	-	-	-
Accrued expenses and deferred income	121,889	52,587	49,258	45,367	32,474
Provisions	-	-	-	10,500	9,300
<b>Total equity and liabilities</b>	<b>1,725,578</b>	<b>1,551,286</b>	<b>2,236,997</b>	<b>914,704</b>	<b>533,806</b>

## Condensed cash flow statement

KSEK	2009	2008	2007	2006	2005
Pre-tax profit	-127,029	128,976	208,956	198,201	47,378
Adjusted for items not included in cash flow	249,959	21,699	33,233	3,337	25,510
Tax paid	-76,889	-48,786	-16,000	-4,903	-1,136
Cash flow from current operations before changes in working capital	46,041	101,889	226,189	196,635	71,752
Cash flow from changes in working capital	18,669	116,090	-85,785	32,533	-29,912
Cash flow from operating activities	64,710	217,979	140,404	229,168	41,840
Cash flow from investing activities	-14,114	-23,661	-735,455	-17,201	-7,218
Cash flow from financing activities	256,050	-290,015	383,591	8,225	48,211
<b>Cash flow for the year</b>	<b>306,646</b>	<b>-95,697</b>	<b>-211,460</b>	<b>220,192</b>	<b>82,833</b>

## Five-year summary 2009 - 2005

%	2009	2008	2007	2006	2005
Operation margin	-3.5	4.3	7.3	10.9	4.0
EBITDA (SEK '000)	84,377	183,268	214,088	196,474	48,118
EBITDA margin	2.8	5.3	8.0	11.3	4.4
Equity/assets ratio	27.8	18.8	16.2	38	35
Return on capital employed	-27.4	16.5	27	74	34
Return on shareholders' equity	-46.2	28.9	43	52	28
Risk-bearing capital	29.2	19.9	17.6	38.5	35
Number of employees at end of period	565	637	550	351	256
Average number of employees	589	624	461	308	222

## Quarterly summary 2009-2007

SEK '000	Q4 -09	Q3 -09	Q2 -09	Q1 -09	Q4 -08	Q3 -08	Q2 -08	Q1 -08	Q4 -07	Q3 -07	Q2 -07	Q1 -07
Revenue	725,397	710,694	734,036	844,222	814,229	788,527	866,910	987,020	872,420	757,454	512,622	521,146
Revenue growth, %	2.1	-3.2	-13.1	3.7	3.3	-9.0	-12.2	13.1	15.2	47.8	-1.6	1.0
Cost of products sold	-553,139	-567,319	-546,596	-657,402	-619,206	-607,722	-686,524	-796,159	-685,303	-591,203	-369,573	-381,540
<b>Gross profit</b>	<b>172,258</b>	<b>143,375</b>	<b>187,440</b>	<b>186,820</b>	<b>195,033</b>	<b>180,805</b>	<b>180,386</b>	<b>190,861</b>	<b>187,117</b>	<b>166,251</b>	<b>143,049</b>	<b>139,606</b>
Growth in gross profit, %	20.1	-23.5	0.3	-4.2	7.9	0.2	-5.5	2.0	12.6	16.2	2.5	0.0
Selling expenses	-94,420	-89,171	-89,507	-101,861	-127,444	-98,309	-98,108	-96,454	-78,481	-89,726	-74,349	-67,903
Administrative expenses	-49,365	-78,764	-54,459	-45,022	-43,292	-21,626	-26,494	-30,866	-34,602	-21,593	-21,915	-24,457
R&D expenses	-9,950	-8,895	-9,984	-13,233	-15,540	-12,885	-15,085	-11,041	-9,031	-6,136	-6,484	-6,513
Impairment of goodwill	2,061	-152,400	-	-	-	-	-	-	-	-	-	-
<b>Operating profit</b>	<b>20,584</b>	<b>-185,855</b>	<b>33,490</b>	<b>26,704</b>	<b>8,757</b>	<b>47,985</b>	<b>40,699</b>	<b>52,500</b>	<b>65,003</b>	<b>48,796</b>	<b>40,301</b>	<b>40,733</b>
Net financial items	2,868	-39,066	13,386	860	-5,240	-1,051	-11,765	-2,909	-8,250	17,386	2,504	2,483
<b>Profit before tax</b>	<b>23,452</b>	<b>-224,921</b>	<b>46,876</b>	<b>27,564</b>	<b>3,517</b>	<b>46,934</b>	<b>28,934</b>	<b>49,591</b>	<b>56,753</b>	<b>66,182</b>	<b>42,805</b>	<b>43,216</b>
Tax	-18,200	-12,151	-13,468	-7,644	163	-12,189	-11,759	-10,786	-12,670	-16,533	-12,217	-15,189
<b>Net profit for the period</b>	<b>5,252</b>	<b>-237,072</b>	<b>33,408</b>	<b>19,920</b>	<b>3,680</b>	<b>34,745</b>	<b>17,175</b>	<b>38,805</b>	<b>44,083</b>	<b>49,649</b>	<b>30,588</b>	<b>28,027</b>

## Keydata

SEK '000	Q4 -09	Q3 -09	Q2 -09	Q1 -09	Q4 -08	Q3 -08	Q2 -08	Q1 -08	Q4 -07	Q3 -07	Q2 -07	Q1 -07
Operating margin, %	2.8	-26.2	4.6	3.2	1.1	6.1	4.7	5.3	7.5	6.4	7.9	8
EBITDA	29,359	-24,046	42,979	36,085	16,734	56,563	48,926	61,046	73,792	55,290	42,340	42,668
EBITDA margin (%)	4.0	-3.4	5.9	4.3	2.1	7.2	5.6	6.2	8.5	7.3	8.3	8.2
Equity/assets ratio, %	27.8	10.5	25.1	20.6	18.8	20.2	18.2	21.4	16.2	18.2	33.9	42.2
Return on shareholders' equity, %	-46.2	-79.4	26.3	22.4	28.9	42.7	51.3	52.3	46.1	52.4	43.2	41
Return on capital employed, %	-27.4	-35.1	13.9	11.7	16.5	29.9	45.1	44.9	16.4	13.8	14.1	10.5
Margin, Transaction, %	21.2	21.1	21.3	21.3	22.5	21.5	22.2	21.4	22.3	21.7	21.9	20.9
Margin, Search, %	15	9.9	8.6	9	10.1	9.8	6.3	6.5	6.8	7.5	-	-
Number of employees at end of period	565	580	582	602	637	638	644	594	550	548	429	387
Average number of employees	569	578	589	618	640	642	631	587	557	538	412	373

# The TradeDoubler share 2009

TradeDoubler (TRAD .ST) is listed on Nasdaq OMX Nordic Exchange's Mid Cap list. The closing price on December 31, 2009 was SEK 46.80, giving a market capitalization corresponding to SEK 1,572 M, including shares not yet registered in respect of the rights issue.

**The share**  
TradeDoubler was listed on November 8, 2005 and is traded on the Mid Cap list on the Nasdaq OMX Nordic Exchange. The share is classified as Information Technology.

The share capital on December 31, 2009 amounted to SEK 11.4 M distributed among 28,581,633 shares, with a par value of SEK 0.40. The rights issue was registered during January 2010 and the share capital subsequently amounts to SEK 17.1 M. It is distributed among 42,807,449 shares with a par value of SEK 0.40. All shares carry equal rights to share in the Company's assets and

profits. At the annual general meeting, each shareholder is entitled to vote for all the shares he/she represents without restriction as to the number of votes.

#### Ownership structure

At the end of the year, TradeDoubler had 3,593 shareholders (3,122). The company's principal owner is Alecta with 14.9 percent of capital and votes. The five largest shareholders owned 45.3 percent (43.8) of the shares. At the end of the year, financial and institutional players owned 74.0 percent (72.3) of the shares and Swedish private individuals owned 4.7 percent (4.5) of the shares.

Foreign ownership declined somewhat during 2009 to 17.9 percent (19.7). The board of directors and group management jointly own about 3 percent (3) of votes and capital.

#### Share development and sales

The closing price on December 31, 2009 was SEK 46.80. The market capitalization on December 31, 2009, including shares not yet registered in respect of the rights issue, amounted to SEK 1,572 M. See the chart below for information concerning TradeDoubler's share turnover and price trend compared with OMX all-share index during 2009 and since the listing on NASDAQ OMX Nordic.

#### Distribution of ownership by size

(Source: Euroclear Sweden)

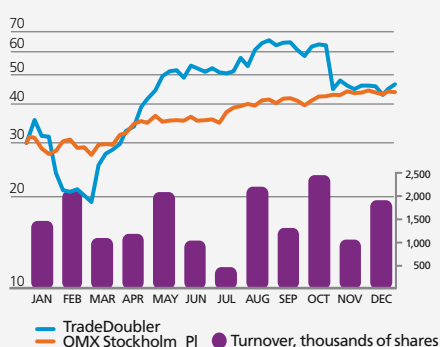
	No. of shareholders	No. of shares	Holding/votes
1-500	2,481	381,027	1.33%
501-1,000	463	407,809	1.43%
1 001-5,500	413	989,202	3.46%
5 001-10,000	74	557,605	1.95%
10 001-15,000	30	369,964	1.29%
15 001-20,000	18	314,569	1.10%
20,001-	114	25,561,457	89.43%
Total, December 31, 2009	3,593	28,581,633	100.00%

#### Distribution of ownership – individuals

(Source: Euroclear Sweden)

	No. of shareholders	Shareholders	Holding/votes
Individuals	2,794	77.76%	1,372,691
of which based in Sweden	2,763	76.90%	1,352,225
Legal entities	799	22.24%	27,208,942
of which based in Sweden	464	12.91%	22,109,113

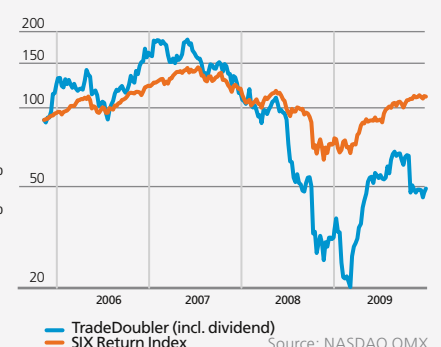
Share development and turnover 2009



Share development and turnover 2006–2009



Total return 2006–2009



#### Dividend policy

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

#### Dividend

Due to the Company's current financial position, the board has decided to recommend to the annual general meeting that no dividend should be declared..

#### Ten largest owners – shareholdings (Source: Euroclear Sweden)

	No. of shares	Holding/votes
Alecta	4,250,000	14.87%
Fjärde AP-fonden	2,608,970	9.13%
Swedbank Robur Fonder	2,579,134	9.02%
AMF - Försäkring och Fonder	2,008,885	7.03%
Forsta AP-Fonden	1,503,200	5.26%
Handelsbankens fonder inkl XACT	1,381,385	4.83%
Livförsäkringsaktiebolaget Skandia	1,258,025	4.40%
RAM ONE	1,000,000	3.50%
Cr Suisse Lux	715,150	2.50%
Andra AP-Fonden	562,826	1.97%
Total ten largest owners	17,867,575	62.51%
Other	10,714,055	37.49%
Total December 31, 2009	28,581,633	100.00%

#### Analysts monitoring TradeDoubler

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#### Share-related key ratios (Source: Euroclear Sweden)

	2009	2008	2007	2006	2005
Dividend per share	-	-	2.75	5.00	-
Dividend as percentage of net profit	-	-	51%	100%	-
Market price at year-end	47	37	139	205	154
Highest/lowest price paid	81/24	144/30	135/232	212/110	-
Market capitalization at year-end, SEK M	1,338	1,053	3,952	5,717	4,145
Average number of shares before dilution <sup>1</sup>	33,590,996	33,675,579	33,166,612	32,291,440	29,272,700
Average number of shares after dilution <sup>1</sup>	33,590,996	33,675,579	33,702,744	33,623,395	33,164,504
Number of shares outstanding at year-end (excluding own shares)	28,451,633	28,451,633	28,429,359	27,954,837	26,913,234
P/E ratio	-7,5	11	26	40	98
Shareholders equity per share	17	10	13	12	7

<sup>1</sup> The average number of shares after the rights issue has been adjusted in accordance with the international accounting standard, IAS 33. This measurement has been applied to all key ratios involving the number of shares.

#### Share ownership distributed by group (Source: Euroclear Sweden)

	Antal aktier	Innehav/röster
Financial and institutional owners	20,669,700	72.31%
Owners outside Sweden	5,120,295	17.91%
Private individuals in Sweden	1,352,225	4.73%
Non-financial companies	965,009	3.37%
Public sector	89,768	0.32%
Interest groups	384,636	1.35%
Total December 31, 2009	28,581,633	100.00%

#### Geographical distribution of shares (Source: Euroclear Sweden)

	No. of shareholders	No. of shares	Holding/votes
Living in Sweden	3,227	23,461,338	82.09%
Rest of Nordic region	126	796,456	2.79%
Rest of Europe	160	3,787,299	13.25%
USA	29	268,010	0.94%
Rest of world	51	268,530	0.94%
Total December 31 2009	3,593	28,581,633	100.00%
Total December 31 2009		100.00%	

# Definitions and glossary

## Definitions

**Capital employed** – Total assets less current and long-term noninterest-bearing liabilities, including deferred tax liabilities.

**EBITDA** – EBITDA is revenue before tax, net financial items and depreciation/amortization and impairment.

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

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

**Net margin** – Profit after tax as a percentage of sales

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

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

**Price/equity ratio** – Price of the share divided by shareholders' equity per share.

**P/E ratio** – Share price divided by revenue for the year per share.

**Return on shareholders' equity** – Revenue for the period as a percentage of the average shareholders' equity, calculated as open and closing shareholders' equity divided by two.

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

**Revenue per share** – Revenue of the year divided by the average number of shares.

**Revenue per share after full dilution** – Revenue of the year divided by the average number of shares after full dilution.

## Glossary

**Affiliate** – Describes a website that through advertisements generates online traffic of Internet visitors to the advertising company's website.

**Affiliate network** – A system in which advertisers that want to increase sales via the Internet are matched together with website owners who wish to increase their advertising revenue through so-called affiliate programs.

**Affiliate marketing** – A form of performance-based Internet advertising in which online publishers advertise in return for compensation based on specific actions of Internet users – such as clicking, user registration or purchase, in response to their advertisements.

**Affiliate program** – An agreement in which advertisers pay a fee to the publisher to forward traffic to the advertiser's website.

**Cost-per-action (CPA)** – A pricing module in which advertisers pay a fee based either on the sale of advertised products or a number of specific activities such as leads – primarily registration – that their advertisement generates.

**Cost-per-click (CPC)** – A price model in which advertisers pay a fee based on the number of clicks or unique visitors that their advertisements generate.

**Cost-per-lead (CPL)** – Means that the advertiser pays a fee based either on the number of leads – primarily registration – that their advertisements generate.

**Cost-per-thousand impressions (CPM)** – A price model in which the advertisers pay a fee based on the number of times the advertisement is displayed.

**E-mail publishers** – Use e-mail to send targeted offers to a recipient list.

**Keyword publishers** – Do not always have an own website but use search engines to initiate display of advertisements and to generate Internet traffic for advertisers. This is carried out primarily through purchasing keywords via a search engine that then sends to the advertisers.

**Performance-based** – A general term for online marketing activities in which publishers only receive payment when a predetermined transaction is generated.

**Premium websites** – (Also referred to as loyalty websites) Websites with relatively large traffic volumes that generate sales through offers to members from advertisers. Users regain part of the sales value in the form of money, bonus points or discounts.

**Portals** – Websites that serve as an entrance (portal) and offer a broad content and large traffic volume. There are many links at a portal, a search engine and other services, for example, free e-mail or filtering or blocking services.

**Publisher** – (Also referred to as an affiliate) Websites that agree to display advertisements and generate online traffic of Internet visitors to the advertising company's website.

**Search-engine-optimized publishers** – Own websites that use search engines, for example Google and Yahoo!, combined with own know-how about search engines to display the advertiser at the top of the list of

**Tracking** – The process and method used to follow up website traffic, primarily through the use of cookies.

**Vertical websites** – (Also referred to as content websites) Websites with lower traffic volumes that focus on online users with specific demographic features or special interests.



# Annual General Meeting

## Annual General Meeting 2010

The Annual General Meeting for shareholders in TradeDoubler AB (publ) will be held on May 6, 2010, 5:00 p.m. at TradeDoubler's offices, Sveavägen 20, 7th floor, SE-111 57 Stockholm, Sweden. Registration begins at 4:30 p.m.

## Notification

Shareholders wishing to participate in the Annual General Meeting must be registered as shareholders in the printout of the share register maintained by Euroclear Sweden AB (formerly VPC) on April 29, 2010 and notified their intention to participate in the Meeting not later than April 29, 2010. Notification may be made by letter, telefax or by e-mail.

TradeDoubler Annual General Meeting  
Sveavägen 70, 7th flr SE-111 57 Stockholm,  
Sweden Tfx: +46 (0)8-840 50 801  
e-mail: bolagsstamma@tradedoubler.com

In the notification, provide name, address, social security or corporate registration number, telephone number daytime, number of shares and any assistants. If participation is by proxy, the written power of attorney signed by the shareholder must be sent to the company in original prior to the Meeting.

## Participation

Shareholders registered in the share register maintained by Euroclear Sweden AB not later than April 29, 2010, are entitled to participate in the Meeting. Shareholders whose shares are held in trust must temporarily reregister the shares in their own name at Euroclear Sweden AB to be able to participate in the Meeting. Shareholders must inform the trustee in adequate time prior to April 29, 2010.

The personal data taken from proxies and the share register maintained by Euroclear AB will be used for the necessary registration and preparation of the voting list for the Meeting.

## Proposed dividend

The board of directors has resolved to propose to the annual general meeting that no dividend should be declared for 2009.

## Notice

The notice is available on the company's homepage.

