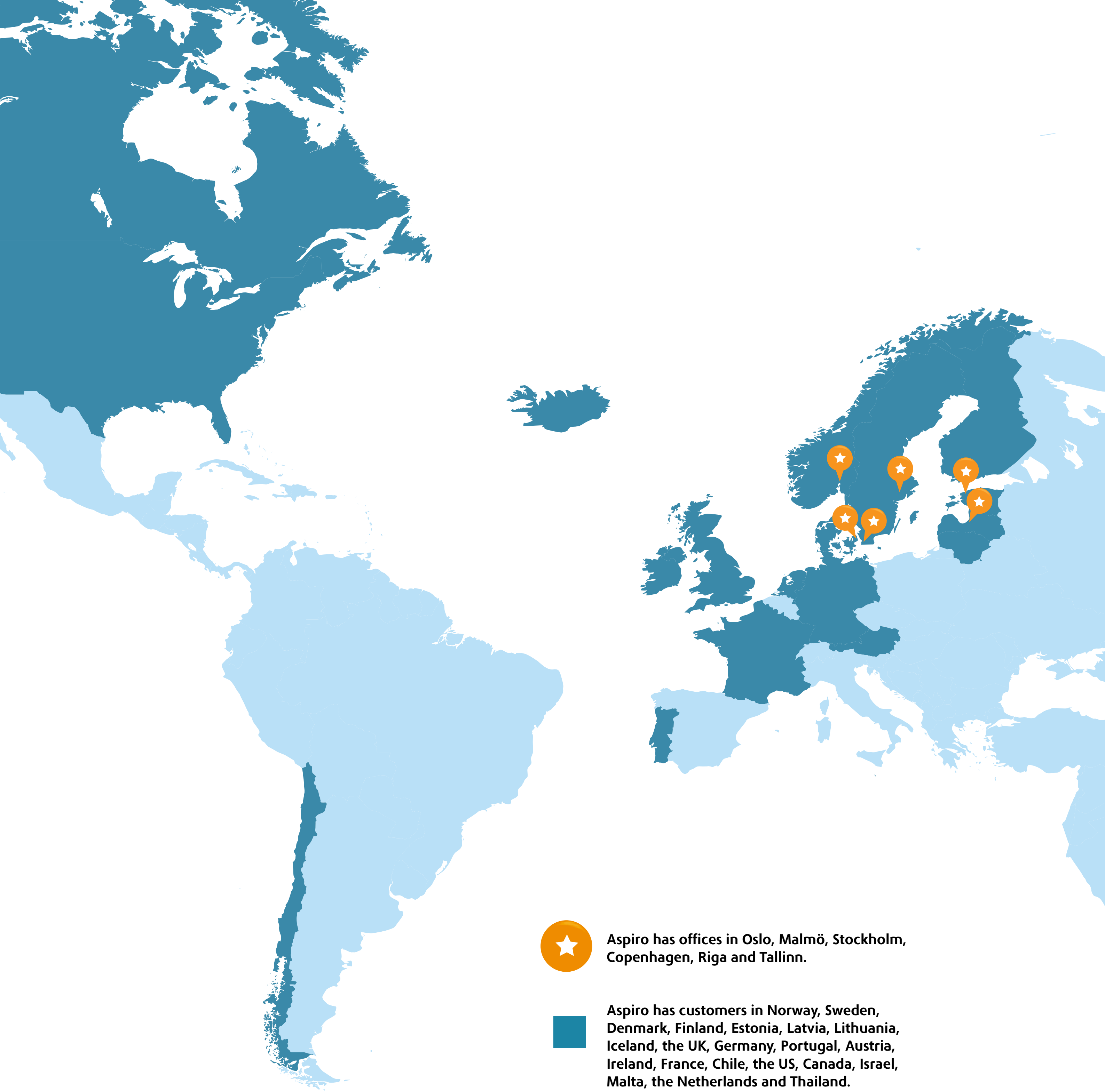
aspiro

ANNUAL REPORT 2010



Aspiro has offices in Oslo, Malmö, Stockholm, Copenhagen, Riga and Tallinn.

Aspiro has customers in Norway, Sweden, Denmark, Finland, Estonia, Latvia, Lithuania, Iceland, the UK, Germany, Portugal, Austria, Ireland, France, Chile, the US, Canada, Israel, Malta, the Netherlands and Thailand.

Contents

Production: Aspiro/Flikk • Photography: Tonje Næss • Translation: Turner & Turner

This document is essentially a translation of the Swedish language original. In the event of any discrepancies between this translation and the original, the latter will be deemed correct.

This is Aspiro

Aspiro has unique positioning as the world's only vendor of complete TV and music streaming services to partners that want to put their own branding on these services. Aspiro also offers the WiMP music service direct to consumers on selected markets. Aspiro has over ten years' experience of mobile technology and retailing in northern Europe and delivers services to partners worldwide.

Services:

Music streaming	TV and video streaming	Mobile business services	Search services on mobiles

Geography: Aspiro is present in Sweden, Norway, Denmark, Estonia and Latvia, and delivers to customers worldwide.

Customers: Aspiro's largest customers include corporations like Deutsche Telekom, Telefónica O2, Telenor, 3, TeliaSonera, NRK, Entel, Finn, Aftonbladet, mBlox, TVNorge, the BBC and VG.

Content vendors: Aspiro has agreements with a raft of content vendors in TV and music, including Universal Music, Sony Music, Warner Music, EMI, IODA, The Orchard, the BBC, Disney Channel, CNN, CNBC and Turner.

The company: Aspiro was founded in 1998 and is listed on NASDAQ OMX Nordic Exchange in Stockholm, with ticker ASP. There are 190.5 million shares, and as of 31 March 2011, market cap. was some SEK 280 m. Aspiro has 117 staff and sales in 2010 (for continuing operations) were SEK 266 m.

2010 in Brief

Business

- Repositioning Aspiro from a ringtone vendor to a leader in streaming services.
- Sell-off of business segments in a downward trend.
- The new Aspiro is a pure-play growth company.
- 100,000 new subscribers for Aspiro's new music streaming service at year-end.

Numbers and Results

- 16% sales growth in continuing operations on 2009, 78% in the Music business segment.
- Significant expenses associated with restructuring and building the company's high-growth streaming services affected EBITDA.
- Impairment, primarily of old goodwill items, affected profit after tax.

Q1 Strategic breakthrough in the Music business segment

- Aspiro commences international music streaming initiative.
- WiMP music service launched in Norway in partnership with Platekompaniet and Telenor. Universal Music selects Aspiro for its Check-in Music service for Nordea in Sweden.
- Aspiro TV launches Android support and announces an upgrade of its platform on a key account to satisfy demand from a high-growth user base.

Q2 Aspiro becomes a pure-play growth company

- Aspiro sells off Mobile Entertainment business segment in Scandinavia to focus on music, TV and business solutions.
- WiMP launched in Denmark with Telenor. Aspiro signs agreement with publisher Cappelen Damm in Norway for an audiobook streaming service. WiMP nominated for the Meffy Awards in London.
- Aspiro TV announces support for HTTP streaming and Java/ Symbian touch phones. Aspiro tests mobile TV via LTE for Entel. Aspiro's TV services nominated for Meffy Awards.
- Aspiro Mobile Solutions signs micropayment agreement with Norwegian web marketplace Finn Torget.

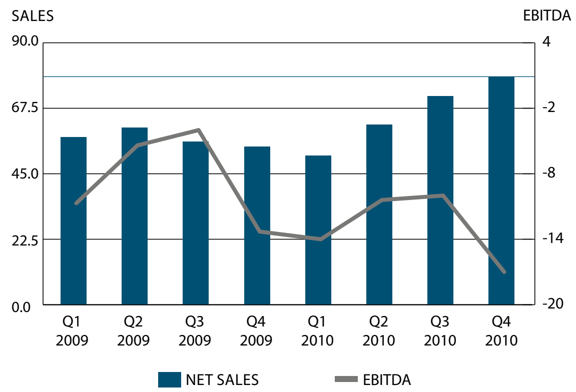
Q3 Very high growth in music streaming

- Aspiro collaborates with Logitech to launch WiMP support for Squeezebox network radio.
- Aspiro TV launches iPad app.
- Mobile Solutions expands its micropayment agreement with Finn, and launches mobile loyalty campaign for Tuborg in Latvia.

Q4 Aspiro music service passes 100,000 paying users

- Aspiro and NMusic are delivering a music streaming service for Portugal Telecom. Aspiro's services are rated product of the year by PC World, are nominated for the ME Awards and Mobile Summit awards and secure top spots in Apple's App Store in Denmark and Portugal.
- Aspiro TV launches Windows Phone 7 app and PC Player.
- Mobile Solutions and Bring Dialog launch mobile aggregation services and text donations for charities.
- Aspiro sells remaining Mobile Entertainment business in Finland.

Continuing Operations 2009-2010, SEK m



Key Figures	2010	2009
Continuing operations		
Net sales, SEK m	265.9	228.8
EBITDA, SEK m	–51.4	–33.4
Profit/loss after tax, SEK m	–149.5	–33.4
Earnings per share, SEK	–0.77	–0.18
Average no. of employees	131	142
Cash and cash equivalents at end of year, SEK m	76.8	57.9
Other key figures		
Equity/assets ratio, %	54	70
Return on capital employed, %	–54.24	–7.77
Return on equity, %	–58.92	–5.72
Cash flow from operating activities per share, SEK	–0.01	–0.08

From Ringtones to a Growth Company in TV and Music Streaming

Aspiro is going into 2011 with over 100,000 paying users of its music streaming service, while simultaneously seeing very high growth in its Music business segment. This product wasn't even on the market at the beginning of 2010, which says a lot about Aspiro's journey over the past year.

2010 was the year Aspiro moved into the music streaming market. Aspiro started delivering services in Norway in February, in Denmark in April, and in Portugal in November. The market reception to our services was very positive, with recognition including the best music service rated by many independent publications in these countries. The new iPhone app we launched on the market topped the iTunes App Store bestseller lists in all three countries.

Music Streaming—Full Speed Ahead

But our entry into the music market is far from coincidental; Aspiro has been working on music for over ten years, and the company has strong relationships with record labels and rights organizations. This partnership extends back to the first ringtone stores, and in recent years, music stores for downloads to mobiles and computers, for partners including Telenor, Djuice and Norwegian retail chain Platekompaniet. We've also worked on streaming for over five years in our TV segment, which has been a world leader for some time.

Divestment of Former Core Business

However, the single biggest thing that makes the "New Aspiro" is that we divested that part of the company that sold ringtones, mobile games, images and graphics in 2010. In 2009, this business segment represented nearly half of Aspiro's net sales. But it was in a steep downward trend and there was also a high risk of further market regulation. In year-on-year terms, sales fell by over SEK 30 m in the first half of 2010, before we divested Mobile Entertainment in July.

In parallel, Aspiro's other business grew by over 16% in

2010. We have succeeded in achieving this brisk growth by building new initiatives in music and TV streaming services, high-quality services that we already deliver to players like Deutsche Telekom, Telenor, Hi3G and Portugal Telecom, to name a few.

Restructuring and Focus

Aspiro's TV unit has also grown very briskly since start-up in 2006. At that time, we had six people working on mobile TV, and this segment had sales of less than SEK 8 m. By 2010, staffing had increased sevenfold, and sales had passed the SEK 50 m mark. On the way there, we secured new major accounts like Deutsche Telekom. In the past year, we've focused very sharply on expanding our delivery capacity while also strengthening our sales organization. Our product portfolio also expanded, and we now not only deliver mobile TV, but TV and video streaming to computers, mobile phones and tablets. These changes mean we are now very well equipped for future growth and profitability in the TV segment.

Our Mobile Solutions business segment also underwent substantial restructuring in 2010 with the aim of improving profitability. Our local offices in Finland and Lithuania were closed and Aspiro downsized its staffing and services portfolio so it could focus on economies of scale. These are important actions for achieving profitability in this segment. First and foremost, Mobile Solutions is now focusing on micropayment services and new payment solutions from mobiles, where we are continuing to address our home markets of the Nordics and Baltics. We are addressing the rest of Europe through partners.

«We will continue to advance our positioning as a growth company with world-leading TV and music streaming solutions in 2011.»

A Growth Company Headed by Streaming

We will continue to advance our positioning as a growth company with world-leading TV and music streaming solutions in 2011. We'll be launching our music service on more markets and have identified new opportunities in TV and business solutions. We also expect the user base of our music service to keep expanding briskly, partly because we have high growth on those markets where we are already present, and partly because we're moving into new countries.

First and foremost, we will improve profitability through high growth. For 2011, the focus is growth and improved profitability company wide—and our prospects of success are very positive!

Business Concept, Goals & Strategies

Business Concept

Aspiro creates and delivers mobile services to consumers and business.

With over ten years' experience of developing and selling mobile services, Aspiro has a unique market position in the Nordics and Baltics and has strong relationships with operators, record companies and other media partners. Aspiro focuses on streaming services in music, television and mobile payment solutions.

Vision

Shaping your mobile life.

Aspiro will deliver world-class mobile experiences that really make a difference to people's everyday lives. We deliver to consumers and business partners, with a clear focus on quality. Our customers will have access to our services anywhere, anytime.

Goals and Group Strategy

GOALS 2010

- Growth in Music
- Growth in TV
- Growth in Mobile Solutions
- Evaluate structural alternatives for Mobile Entertainment

PERFORMANCE

- 78% growth in Music
- 35% growth in TV
- The goal has not been met in Mobile Solutions (–2.5%)
- Mobile Entertainment sold off

GOALS FOR 2011

- Music: Minimum growth 150 %
- TV: Minimum growth 25 %
- Mobile Solutions: improve earnings net of direct expenses by 15%
- Evaluate further structural alternatives to focus the business

Strategic Focus

Consistent with Aspiro's goals and strategic focus, sales in TV and Music are increasing sharply, and Aspiro will continue to develop these business segments. The goal in Mobile Solutions is to keep working on further profit improvements, while in Mobile Search, Aspiro is focusing on effective operations and maximized profitability.

Summary of Aspiro's Business Units

	Music	TV	Mobile Solutions	Mobile Search
Business	Development and sale of complete music solutions for streaming and download, direct to consumers and to the business market.	Development and operation of complete TV and video solutions for partners that want to put their own branding on the service.	Development and sale of mobile payment solutions and mobile solutions for media corporations.	Delivers text-based paging services.
Services	Music streaming and download. Editorial guidance.	TV and video streaming (mobile and web) for various types of display. User-friendly clients.	Micropayments for services via mobile phones. Voting and competitions via text and premium calls, and tailored tools for mobile payment and dialoging for media corporations.	Text-based directory enquiries primarily through two Norwegian short numbers 1985 and 2100.
Customers	Consumers. Operators, broadband companies, TV and cable distributors, music distributors and handset vendors, such as Telenor, Canal Digital and Platekompaniet.	Mobile network operators, broadcasters and media corporations like Deutsche Telekom, Telefónica O2, Hi3G, Telenor and MTV.	Traditional media corporations like NRK, TV2, TVNorge and SBS. Other companies that sell content goods and services via the Internet, such as Finn.no.	Consumers.
Business model	From consumers: monthly subscription revenues, most often SEK 99. From partners: start-up fee, monthly fee and volume-based revenue sharing.	Start-up fee, monthly fee and volume-based revenue sharing.	Start-up fee, monthly fee and revenue sharing or transaction-based revenues.	Revenue per search.
Market trends	Very high growth in digital music and new models driven by streaming services. Supported by the proliferation of new smart phones and record company needs for new channels.	High growth tracking progress of hand-held appliances like tablets and mobile phones with larger displays better suited for viewing TV and video. Convergence between mobile and web streaming.	High growth in mobile payments. Use of mobile payments and mobile communication high on the agendas of media corporations.	Downward trend and price increases.
Strategic focus	Aggressive growth strategy on current and new markets. Organic growth on current and new markets. Close collaborations with partners on new markets.	Aggressive growth strategy on current and new geographical markets where the goal is to be a major global vendor. Organic growth.	Profitable growth focusing on the home markets of the Nordics and Baltics and the rest of Europe through partners.	Maintain positioning on the market and focus on operational efficiency.
Goal 2011	Minimum growth 150%.	Minimum growth 25%.	Minimum 15% improvement in earnings net of direct expenses.	Maximize profitability.

A Growth Market with Increased Demand and Technology Convergence

MUSIC

The digital music market is growing very rapidly, and in 2010, digital music represented 29% of global music sales. IFPI's Digital Music Report (2011) estimates that the value of the digital music market increased tenfold in 2004-2010. Meanwhile, revenues from streaming services are markedly increasing, and researcher Ovum is one of several commentators estimating that streaming services will set the trend for future progress in this segment. The rapid expansion of the digital music market is primarily controlled by two main factors: technology and demand.

New Technology and Innovative Music Platforms

Research indicates that consumers are increasingly adopting mobile applications and music streaming, and are evolving beyond traditional music platforms in their search for new music and new ways to listen to music. The mobile phone is gaining ground as a music channel. For example, Omnifone states that one in five mobile users are now listening to music on their mobile phones. New technology in telephony and music services are also contributing to high market growth. Researchers IBM Research and Nielsen estimate that some 30% of consumers now own a smart phone, and numbers from IFPI indicate that social networks and recommendation functionality on music services have resulted in a growing base of music subscribers.

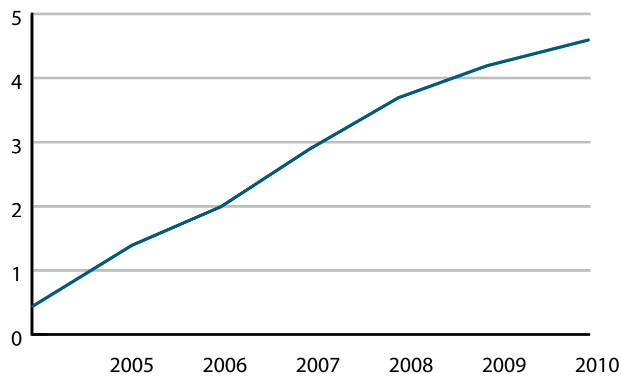
More Supply and Demand

Global research conducted by Nielsen in 2010 indicated that music and streaming applications are the most popular mobile apps on the market. In global terms, in the preceding three months, 21% of respondents had streamed music to their mobile phones through a mobile app.

Monthly subscription services demonstrate high potential and half of all respondents in this global survey stated that they would definitely or possibly pay for subscribing to a streaming service in the future.

Numbers from IFPI indicate that legal downloads of music and music streaming in Norway grew by 60% in 2010 on 2009, and generated sales corresponding to some SEK 170 m as of February 2010. Streaming services were also highlighted as a strong weapon in the fight against illegal music downloads, with Nordic research conducted by Norstat, for example, indicating that 54% of people using a streaming service stop downloading illegally. The following table lists some competing players on the streaming market.

Global Digital Music Sales, USD (billions)



Source: IFPI

Competitors	Main Markets	Business Model
Spotify	Norway, Sweden, Finland, Netherlands, UK, France and Spain	Advertising financed and subscription model
Simfy	Germany, Switzerland and Austria	Advertising financed and subscription model
We7	UK and Ireland	Advertising financed model
Deezer	France, Germany, Spain and UK	Advertising financed and subscription model

Source: Spotify (spotify.com), Simfy (corporate.simfy.com), We7 (we7.com), Deezer (deezer.com), April 2011.

Other companies that have, or can be assumed to, launch a streaming service globally, but are primarily on the US market as yet include Google, Apple/iTunes, Sony Qriosity, Rdio, Mog and Real Networks.

TV

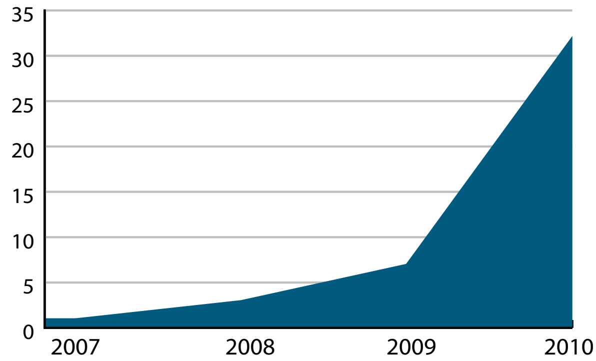
Research into the usage of digital TV and video services reveals a complex market with constantly changing user behavior. Consumers are not merely setting progressively higher demands on content offered on platforms like mobile phones and tablets, but also new demands on context and technology. It is becoming increasingly important for consumers to get updated information, regardless of their location or when they want it. This creates a very dynamic market with an increasing focus on innovation and mobility.

Research demonstrates that mobile TV and video clips have finally captured the attention of the mass population. According to market analysts at IBM Research, some 20% of all Americans viewed TV or video clips on their mobile phones or portable video appliances in 2010, a number expected to increase sharply through the coming years. Simultaneous with high growth in mobile TV, TV streaming on new platforms is expanding, keeping pace with growing demand, new technology and high sales figures for tablets. Researcher Gartner expects sales of tablets to increase threefold in the coming year, and that accordingly, 55 million tablets will be sold worldwide.

TV as a traditional medium is also being challenged by a greater focus on video streamed direct to users over the Internet, or OTT-TV (Over The Top TV). Multimedia Research Group states that the number of Internet TV subscribers will grow from 26.7 million to 81 million before the end of 2013.

Competitors in the mobile TV and video market include Vantrix, Alcatel Lucent, Mobi-TV, Ericsson, Qualcomm and Quickplay.

Percentage of Swedish Mobile Users that Viewed Mobile TV or Video Clips on their Mobiles



Source: *Svenskarna och Internet* (Swedes and the Internet) 2007-2010

MOBILE SOLUTIONS

The market for mobile business solutions is in continuous growth. With increasing proliferation of smart phones and mobile broadband subscriptions, it is clear that mobiles are increasingly being used in a more sophisticated manner than before. Greater convergence and demand is also leading to the usage of mobile payment and mobile communications being high on media corporation agendas. High growth is also predicted for mobile payments on the global market. Gartner Research indicates that the number of mobile payment users will reach the 340 million mark in 2014, representing 5% of the world's mobile users. Generator Research estimates that the global market for mobile payments will expand from some USD 70 billion in 2009 to USD 633 billion in 2014, a 900% increase in five years.

Competitors in Mobile Solutions include Ericsson IPX, Unwire, Netsize, Boku and MobileTech.

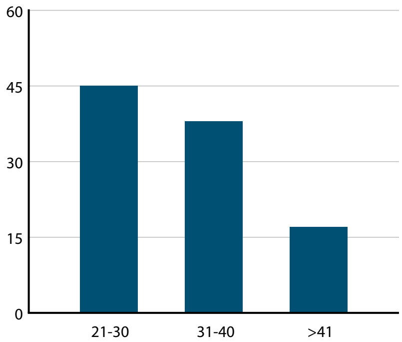
Aspiro's Human Resources
– Competence and Values

Highly Qualified Professionals
Aspiro is a genuine knowledge-based business where employee skills are decisive to the company's progress; some 90% of Aspiro's employees are graduates, possessing knowledge of everything from marketing, sales, business development and accounting to Java development, programming, design and project management.

Human Capital is Aspiro's Prime Resource
Hiring and retaining high competence in Aspiro's strategic focus segments is a key competitive advantage. A common induction program, employee satisfaction surveys and individual updates, 360 degree leadership appraisal and monitoring results of operations at group, unit and staff levels are some of the tools employed. Aspiro also endeavors to highlight individual employee efforts.

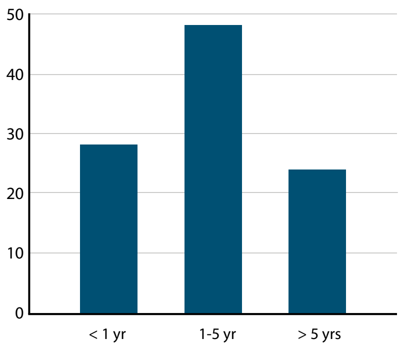
Human Resources Policy Principles
Aspiro's human resources policy should be based on the laws and contracts that regulate the labor market. The HR policy should also have natural links to the values that underpin the company's actions and decisions. In brief, Aspiro's principles are a high ethical standard, clear quality standards, good internal communication and participation and clear responsibility for goals and results.

Age Groups, %

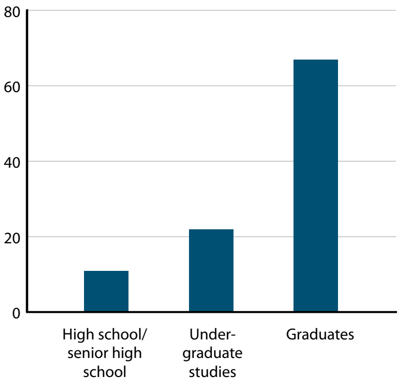


* No employees aged under 20

Length of Service, %

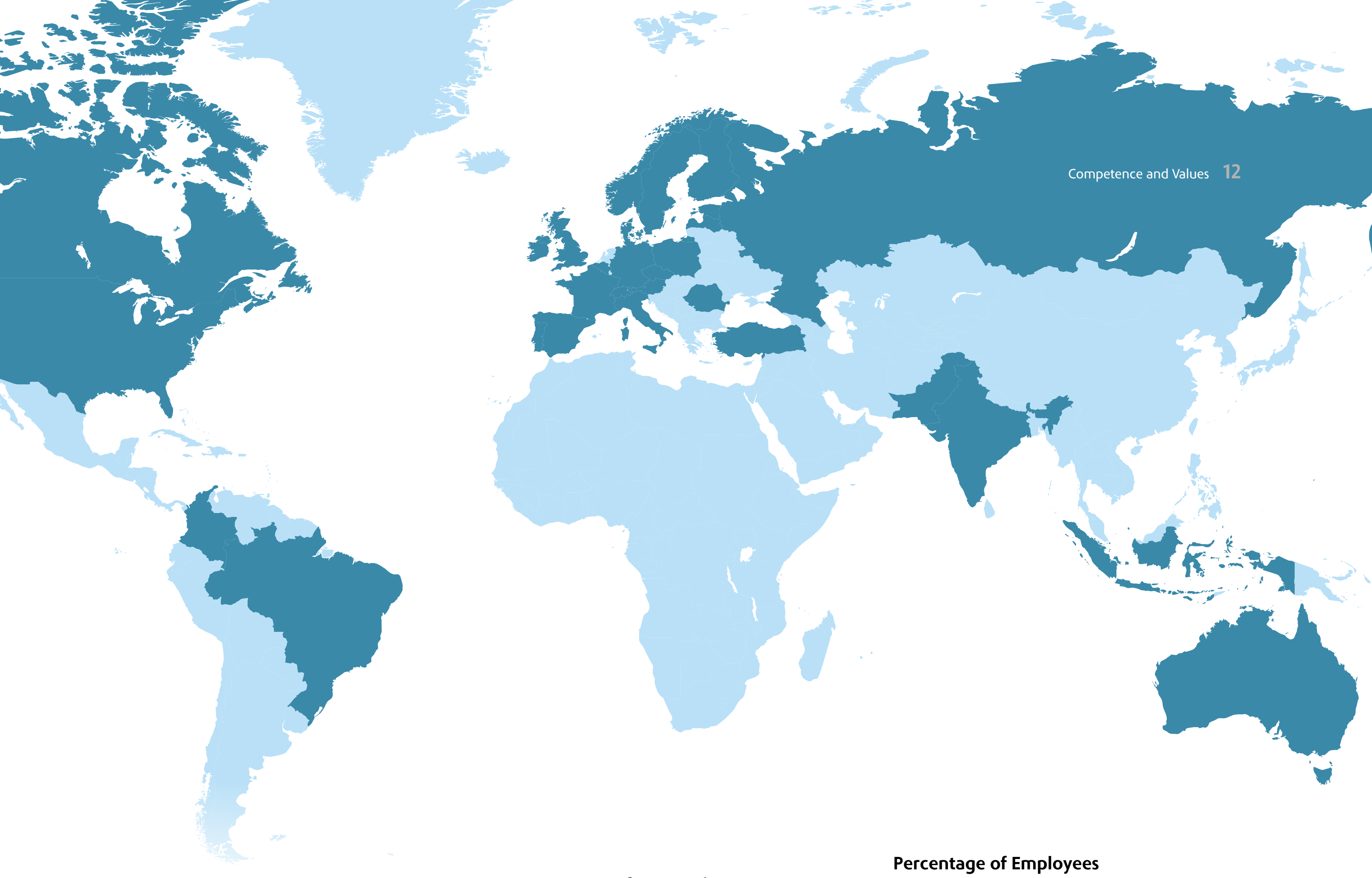


Qualifications, %



Employee Key Figures	2010	2009	2008	2007	2006	2005	2004	2003
Average number of employees	131	142	144	156	133	115	65	30
Number of employees at end of year	117	140	134	134	134	112	59	22
Share of women, %	19	20	25	18	26	22	35	11
Average age, years	34	33	34	32	33	33	35	36
Share of graduates, %	89	90	87	80	81	80	90	88
Average work experience, years	11	10	11	8	11	10	–	10
Sickness absence, %	2.50	3.09	1.70	4.50	3.00	1.98	–	3.92
Staff turnover, %*	29	12	10	18	11	11	15	23
Net sales per employee, SEK 000	2,761.8	3,302.8	2,939.6	2,595.6	3,367.0	3,546.6	1,992.7	605.2
Value-added per employee, SEK 000	1,734.4	2,178.9	2,496.5	2,107.0	2,715.8	2,874.9	1,642.9	426.6

* Excluding staff reductions relating to restructuring.

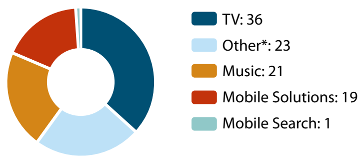


Aspiro's Employees are from

Norway, Germany, Sweden, India, Denmark, Poland, Finland, Romania, Estonia, Brazil, Latvia, Italy, UK, France, Canada, Indonesia, Ireland, Colombia, Pakistan, Australia, Turkey, Taiwan, Spain, Russia, Switzerland, Czech Republic, Belgium.

Percentage of Women/Men

Percentage of Employees by Business Segment



*Finance/Management/Miles Ahead

Organization – A Multinational Working Environment

At the end of the year, Aspiro had 117 employees. Over half of them, and all of management, are stationed at the operational head office in Oslo, which is co-located with the company's development functions. Apart from a marketing organization, the company's accounting function is in Sweden. The company's business segments are organized into separate entities to enable growth according to the circumstances of each segment. Technology and product purchasing is coordinated centrally as far as possible, while sales and parts of marketing are conducted at a local level through market offices in Norway, Sweden, Denmark, Estonia and Latvia. The company has employees from 27 different countries and a multinational working environment. Read more about the company's organization in the corporate governance section on page 26.

Staff turnover was some 29% in 2010. Sickness absence group wide was 2.5%. No accidents occurred in the workplace.

BICEP – Aspiro's Values
Aspiro will have one clear goal that all employees work towards—to deliver world-class mobile experiences that really make a difference in people's everyday lives, "Shaping your mobile life." The company's values are designed to support this goal. Aspiro's fundamental values are called BICEP—Brave, Innovative, Committed, Enthusiastic and Playful.

Brave
Aspiro aims to lead the market in existing segments, while also entering new markets and creating new products. This necessitates quality at all stages, and means that Aspiro must always be prepared to challenge and question its own organization, suppliers, partners, customers and competitors. That's when bravery is needed.

Innovative
Rapid technological progress on the mobile phone market sets high standards for innovation and flexibility. To predict customer needs and realize dreams, everyone at Aspiro needs to be creative and inventive—innovation is vital to our survival.

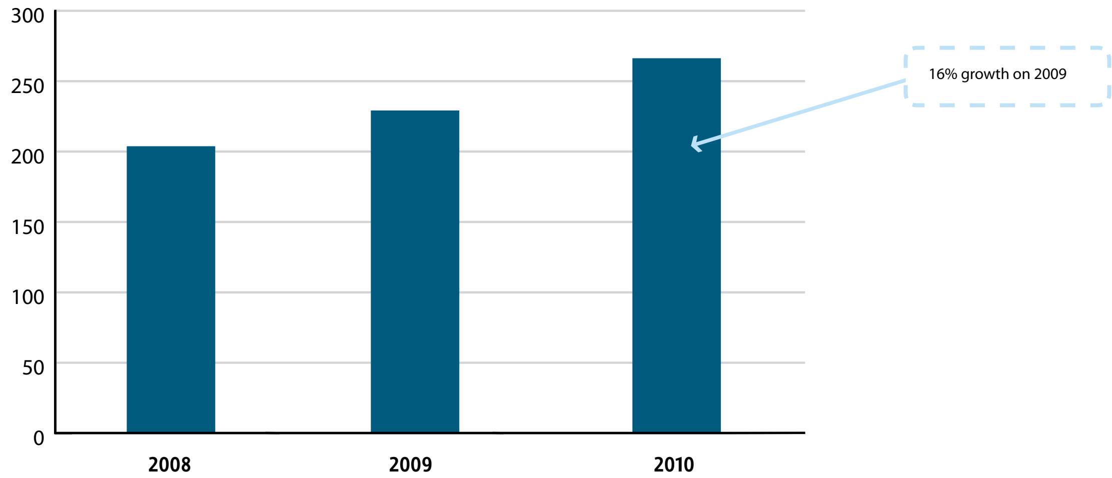
Committed
Aspiro is a market leader, and thus aims to lead development in its sector. Moreover, the company's customers demand that everything we deliver has the highest quality—and is delivered on time. Aspiro's employees always endeavor to do that bit extra and take responsibility for the company's results. Aspiro keeps its promises.

Enthusiastic
Aspiro believes that enthusiasm is an important motivator, internally and externally. That's why everyone at Aspiro endeavors to demonstrate pride in their company and products, while celebrating success together. Aspiro has a lot of skilled professionals, filled with enthusiasm for the company's products, services and shared progress.

Playful
Aspiro delivers entertainment—so it's obvious that all our people should dare to be playful and live for entertainment. Aspiro encourages its people to have fun at work, and managers should have the ambition of creating surprises and a playful environment. This enhances well-being, while playfulness often results in someone coming up with a new solution that contributes to innovation.

Operations

Net Sales from Continuing Operations 2008-2010, SEK m

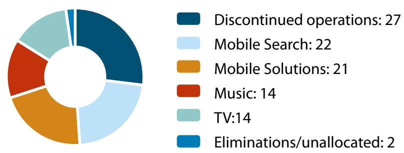


Sales and Earnings by Business Segment 2008-2010, SEK m

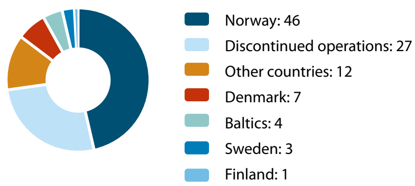
Sales and Earnings by Business Segment 2008-2010, SEK m	2008	2009	2010
Net sales			
TV	20.3	39.5	53.2
Music	18.0	28.1	50.0
Mobile Solutions	305.1*	135.4	132.0
Mobile Search	58.9	81.6	80.0
Eliminations/unallocated	–198.9	–55.8	–49.4
Total	**203.4**	**228.8**	**265.8**
Discontinued operations	219.9	240.2	96.0
Earnings net of direct expenses			
TV	17.5	37.0	50.3
Music	2.6	8.6	13.5
Mobile Solutions	25.9	32.8	29.0
Mobile Search	46.2	38.5	45.1
Eliminations/unallocated	17.1	18.1	0.1
Total	**109.3**	**135.0**	**138.0**
Discontinued operations	106.5	89.4	48.8
EBITDA			
TV	–3.3	–10.7	–14.6
Music	–10.6	–8.9	–20.3
Mobile Solutions	–9.4	–13.1	–15.5
Mobile Search	43.4	33.3	39.8
Eliminations/unallocated	–25.5	–34.0	–40.8
Total	**–5.4**	**–33.4**	**–51.4**
Discontinued operations	33.4	30.8	29.1

* The comparative figures for 2008 have not been restated for new accounting principles.

Aspiro's External Sales in 2010 by Business Segment, %



Aspiro's Sales in 2010 by Country, %



Key Figures, Continuing Operations	2008	2009	2010
Net sales, SEK m	203.4	228.8	265.9
EBITDA, SEK m	–5.4	–33.4	–51.4
Operating profit/loss, SEK m	N/A	–47.1	–139.7
Profit/loss after tax, SEK m	N/A	–33.4	–149.5
Earnings per share, SEK	N/A	–0.18	–0.77
Cash and cash equivalents, SEK m	92.4	57.9	76.8

The profit in 2010 includes impairment losses of some SEK 90 m mainly related to older goodwill items.

Division of external and internal revenues and expenses	TV		Music		Mobile Solutions		Mobile Search		Eliminations/ Unallocated		Continuing Operations		Discontinued Operations	
SEK m	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**
External net sales	52.7	39.3	50.0	28.1	75.6	57.4	80.0	81.6	7.6	22.4	265.9	228.8	96.0	239.4
Internal net sales	0.5	0.2	–	–	56.4	78.0	–	–	–56.9	–79.0	–	–0.8	–	0.8
Other operating revenues	1.4	1.2	–	0.3	0.3	0.5	0.1	0.6	3.2	13.8	5.0	16.4	–	0.1
External direct expenses	–4.3	–3.5	–36.3	–19.4	–54.5	–35.2	–8.8	–17.2	–62.0	–130.7	–165.9	–206.0	–14.2	–54.3
Internal direct expenses	0.0	–0.2	–0.2	–0.4	–48.8	–67.9	–26.2	–26.5	108.2	191.6	33.0	96.6	–33.0	–96.6
Earnings net of direct expenses	**50.3**	**37.0**	**13.5**	**8.6**	**29.0**	**32.8**	**45.1**	**38.5**	**0.1**	**18.1**	**138.0**	**135.0**	**48.8**	**89.4**
Indirect operating expenses	–64.9	–47.7	–33.8	–17.5	–44.5	–45.9	–5.3	–5.2	–40.9	–52.1	–189.4	–168.4	–19.7	–58.6
EBITDA	**–14.6**	**–10.7**	**–20.3**	**–8.9**	**–15.5**	**–13.1**	**39.8**	**33.3**	**–40.8**	**–34.0**	**–51.4**	**–33.4**	**29.1**	**30.8**
Depreciation, amortization and impairment											–88.3	–13.7	–3.5	–6.8
Operating profit/loss											**–139.7**	**–47.1**	**25.6**	**24.0**
Financial income and expenses											–4.6	0.7	0.0	–0.1
Profit/loss before tax											**–144.3**	**–46.4**	**25.6**	**23.9**
Tax											–5.1	13.0	–6.8	–6.9
Capital gain, disposal											–	–	–0.2	–
Net profit/loss											**–149.4**	**–33.4**	**18.6**	**17.0**

Aspiro's iPad app makes the mobile TV experience even more exciting and the convergence between the web and mobile is driving development in the segment.

TV Streaming Spreads from Mobiles to Tablets and Computers

Aspiro TV develops and manages digital TV and video solutions that allow users to watch TV and video directly on the mobile network or over their Internet connections. Primarily, Aspiro sells these solutions to mobile operators, but also to TV and media corporations. Aspiro offers to its partners to take over the complete process, from development and agreements with content vendors to operating the service, plus statistics and reporting.

Market Trends

The market for mobile and web TV is in high growth, with the primary driver being the convergence between mobile and stationary appliances over the web. Meanwhile, tablets like the iPad and Samsung Galaxy Tab and new mobiles like the iPhone and Android-based handsets, are becoming more widespread. Consumers are increasingly expecting to find the same content regardless of their location, and for solutions to work seamlessly from their computer to the mobile, and on to tablets. User-friendly client apps are another driver facilitating TV viewing on the move. Read more about this market on page 10.

Business Model

Aspiro TV's business model addresses mobile operators and TV distributors that want to offer their customers complete TV and video services seamlessly for all types of display. Aspiro's positioning in the value chain is illustrated below. In the example, the customer is a mobile operator, but the same also applies to companies that deliver cable or satellite TV. When a customer buys a mobile TV service from Aspiro, it pays a start-up fee, then a monthly fee, and as a third component, revenues are shared according to viewer ratings.

Content owner ›

Paid from agreements with Aspiro TV or mobile operator
- Rights fees
- Revenue share

Aspiro TV ›

Delivers a complete white label TV and video service
- Start-up fee
- Monthly/management fee
- Revenue share

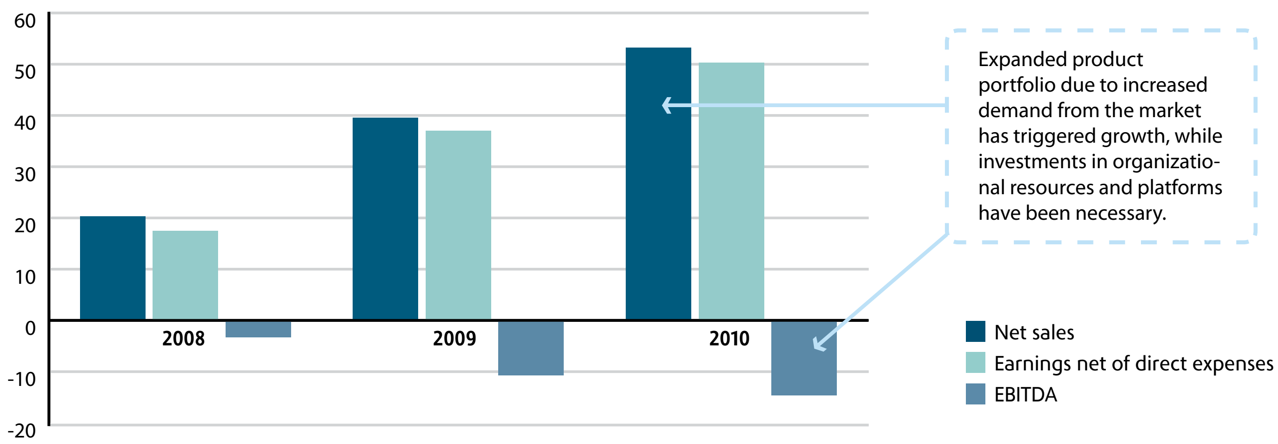
Mobile operator ›

Use their TV service to increase profitability
- Increase ARPU
- Reduce churn
- Reduce SAC
- Increase market share

Consumer

Can view TV or VoD on computers, tablets or mobiles
- Subscription
- Pay per view
- Bundled offerings

Sales and Earnings 2008-2010, SEK m



Content Vendors

Aspiro purchases content from rights owners like TV and video companies and bundles it for partners that want to deliver TV to their customers. Aspiro possesses rights to content from a raft of global vendors like the BBC, Disney Channel, CNN, CNBC and Turner. Aspiro also offers administration of existing content rights for its customers.

Brands

Aspiro delivers a white label service, which means partners can apply their own branding to the service.

Customers

Aspiro delivers TV solutions to network operators, TV and media corporations worldwide like Deutsche Telekom, Telefónica O2, Telenor, 3, Entel, TeliaSonera, the BBC and MTV.

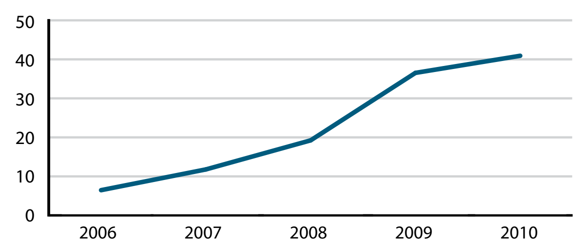
Progress in 2010

- Sales increased by SEK 13.7 m, or 35%, between 2009 and 2010.
- Aspiro expanded from exclusively delivering mobile TV by launching support for the iPad, web streaming and a web client for PCs and Macs. Smart phone support was expanded by launches of Android and Windows Phone 7 clients.

Aspiro's Goal for 2011

Minimum growth 25%.

Streamed TV Sessions, millions



TV IN BRIEF
Business Area Manager: Erling Paulsen
Sales in 2010: SEK 53.2 m
EBITDA 2010: SEK –14.6 m
Number of employees: 42
Growth in 2010: 35%
Growth target 2011: min. 25%

WiMP is Aspiro's way of helping users find their way around millions of tracks and inspiring them to explore new music and their old favorites.

Streaming is Getting the Music Market Going

Aspiro Music delivers and manages digital music solutions that help users listen to millions of different tracks directly over their Internet connections. These solutions are either sold directly to consumers under Aspiro's proprietary brand WiMP, or to partners like operators, broadband companies, cable TV companies and other parties that distribute the service themselves. Aspiro's music service works on computers, mobile phones, tablets, network radio and set-top boxes.

Market Trends

While the market for physical music sales has been in a downward trend for several years, the market for digital music is in high growth. The introduction of streaming services has offered consumers the possibility of renting access to a global music archive whenever and wherever they want. This has very quickly revolutionized music consumption patterns. The sector is now adapting to new business models and various types of subscription models. Read more about the market on page 9.

Business Model

Consumers pay a monthly fee for WiMP, which is then shared between Aspiro's partners, record companies and rights owners. Operators or other parties that purchase a music store pay a start-up fee, a monthly fee, and in some cases, revenue sharing based on the number of subscribers of the service.

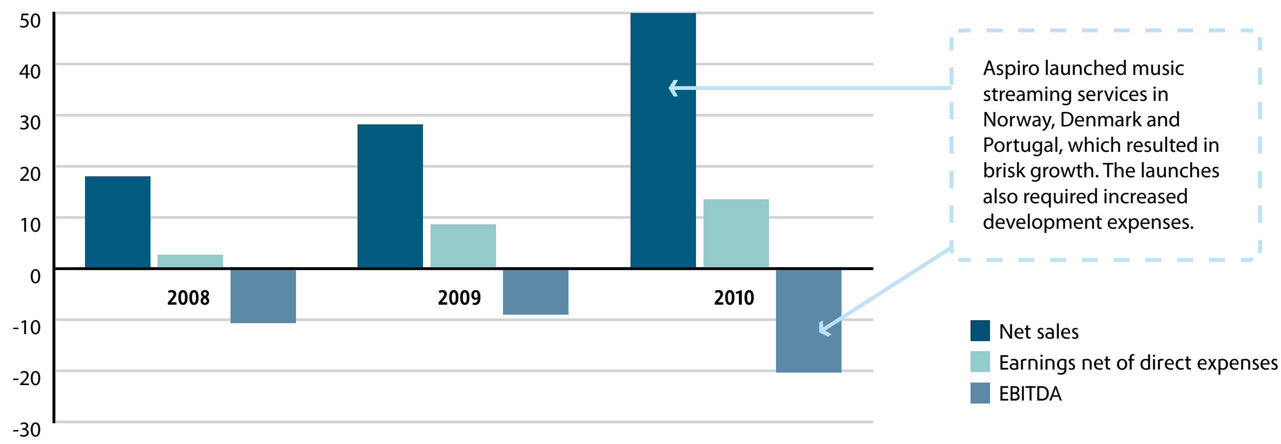
WiMP

- Consumer prices paid directly to Aspiro excl. VAT
- Aspiro incurs the whole cost of content

White label (complete service)

- Start-up fee
- Monthly fee
- Aspiro or partner incurs the cost of content according to agreement

Sales and Earnings in 2008-2010, SEK m



Content Vendors

Aspiro collaborates with international and local record companies and content vendors like Universal Music, Sony Music, EMI, Warner Music, Phonofile, Arts Pages, IODA, The Orchard, Beggars Group, Naxos and Vidzone, and has licensed many millions of tracks. For its partners, Aspiro can take care of the complete music store from development to daily content management, agreements with record companies and rights organizations, as well as statistics and reporting.

WiMP

Aspiro's proprietary brand WiMP is in Norway, Denmark, and since February 2011, Sweden. In Norway, Aspiro has a joint venture with retail chain Platekompaniet, who holds the rights for marketing WiMP on the Norwegian market, which means that Aspiro reports half of the sales of WiMP in Norway. Aspiro also allows partners that purchase a music store to put their own branding on the service.

Customers

At the end of December, Aspiro had 100,000 paying customers in Norway, Denmark and Portugal. Aspiro delivers music stores that are marketed by companies such as Telenor, Canal Digital, Platekompaniet, Universal Music, Portugal Telecom and one American customer.

Progress in 2010

- Sales increased by SEK 21.9 m, or 78%, from 2009 to 2010.
- WiMP launched in Norway in February and Denmark in April.
- Portugal Telecom launched Music Box in November.

Aspiro's Goal for 2011

Minimum growth 150%.

MUSIC IN BRIEF

Business Area Manager: Per Einar Dybvik
Sales 2010: SEK 50 m
EBITDA 2010: SEK –20.3 m
Number of employees: 25
Growth in 2010: 78%
Growth goal 2011: min. 150%

Mobile payment is easy for the user, which means the market is in surging growth.

Mobile Payment and Business Solutions

Aspiro Mobile Solutions delivers business services for mobile payment, communication and interactivity. Aspiro's products and solutions help companies to utilize the mobile channel to increase sales, get paid and enhance customer loyalty through effective communication and dialog. Aspiro Mobile Solutions focuses especially on the media sector, and most major media corporations in the Nordics and Baltics are in its customer base.

Market Trends

Mobile payments are growing briskly. Mobile payments were implemented on a raft of websites and web stores as a supplement or alternative to credit card payments in 2010. Simplicity for the user means that mobile payments are becoming the preferred payment method on most websites where users can choose to pay by mobile or card. All media corporations have increasing ambitions to get paid for content and services, and this is where the mobile phone will play an important role. Read more about this market on page 10.

Business Model

Aspiro's customers usually pay a start-up fee for the service, a monthly operating fee and a transaction-based fee or revenue share.

Mobile payment

Payment for goods or services via text or tariff call

- Transaction charge or share of transaction

Gateway

Gateway between parties and operators for textshotting

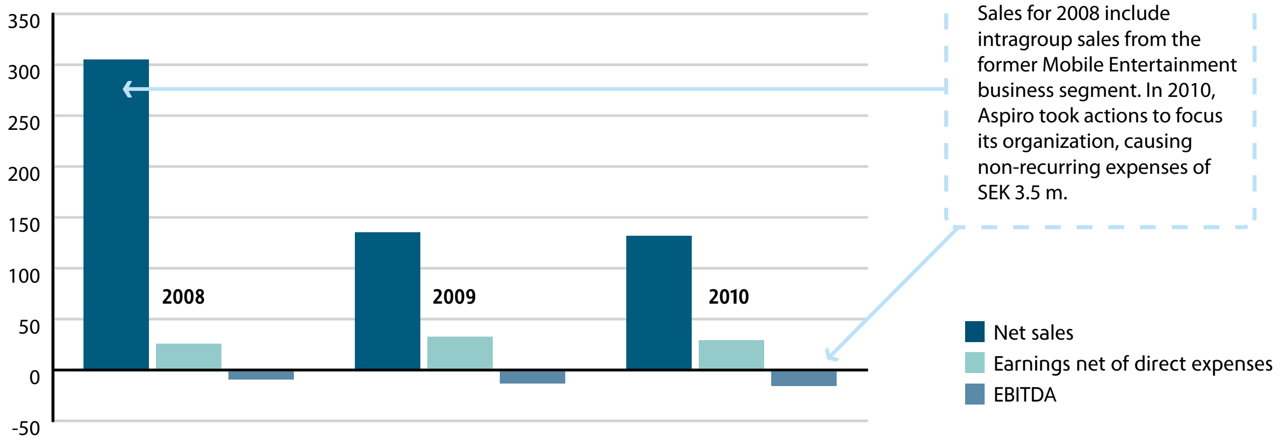
- Charge per text sent

Media platform

Text as payment and marketing

- Charge for accessing the platform
- Transaction fee or share of transaction

Sales and Earnings 2008-2010, SEK m



Customers

Mobile Solutions' largest customers include companies in the Mobile Entertainment sector, with divested business segment Mobile Entertainment transferring from an intragroup customer to external status in the year. Aspiro's Mobile Search business segment also uses Mobile Solutions for billing and gateway. Intragroup sales have also been eliminated in Aspiro's group summary, see page 14. Mobile Solutions' external customers include NRK, TVNorge, Sanoma, SBS Radio AB, Aftonbladet, Aftenposten, VG, Finn, P4 Norge, Media Market, TMG Global and mBlox.

Progress in 2010

- Fairly stable sales performance.
- Restructuring triggered non-recurring expenses that affected profitability.
- Aspiro focused the product portfolio to concentrate on economies of scale, important for achieving profitability in this segment.
- Aspiro signed an agreement with Nordic web market Finn Torget for micropayments.
- Aspiro signed an agreement with Bring of Norway for mobile charity donations.

Aspiro's Goal for 2011

Minimum improvement in earnings net of direct expenses of 15%.

MOBILE SOLUTIONS IN BRIEF

Business Area Manager: Peter Tonstad
Sales 2010: SEK 132 m
EBITDA 2010: SEK –15.5 m
Number of employees: 22
Growth 2010: –2.5%
Goal for 2011: min. profit improvement 15%

Text-based Directory Enquiries

Aspiro delivers paging services and has strong positioning in text-based directory enquiries in Norway, through the company's short codes 1985 and 2100.

Market Trends

The market for text-based directory enquiries is in a faint downward trend, and Aspiro is Norway's second-largest vendor after Opplysningen 1881. The market features intense competition and requires aggressive marketing. Smart phones and mobile Internet are also contributing to a declining market for text-based searches.

Business Model

End customer positioning where consumers pay per search.

Content Vendors

Aspiro has agreements with content vendors of phone number databases used for directory enquiry services.

Brands

Aspiro's Norwegian short codes 2100 and 1985 are also brands marketed through a range of radio and TV campaigns, events and marketing, Internet marketing, and through direct marketing.

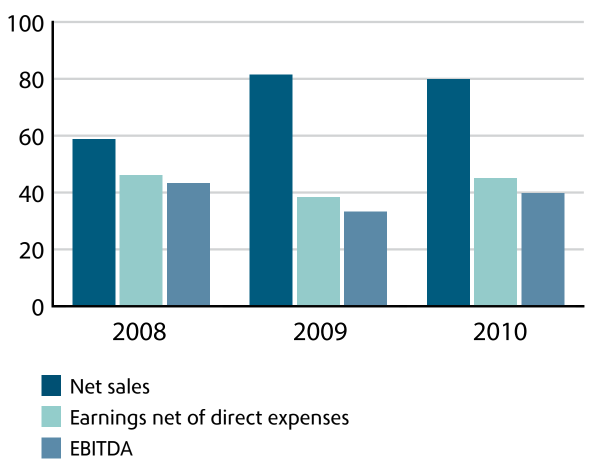
Progress in 2010

- Stable sales.
- Decreasing number of searches, partly offset by price increases.

Future Prospects

- Aspiro is focusing on maximizing profitability.
- Aspiro is evaluating structural options, but views it possibilities as limited.

Sales and Earnings 2008-2010, SEK m



Focusing by Selling off Entertainment Business

In 2010, Aspiro divested its former core business, the Mobile Entertainment business segment, i.e. ringtones, mobile games, graphics and similar products, in Norway, Sweden, Denmark and Finland. Its intention was to focus its business more clearly on TV and music.

In the second quarter of 2010, Aspiro reached an agreement with Lobus Mobil Holding AB to sell the Mobile Entertainment business segment in Norway, Sweden and Denmark. This transaction was conducted as of 1 July 2010. The purchase price for Mobile Entertainment was SEK 42 m, with an additional earn-out model. Mobile Entertainment is reported as a discontinued operation for comparative periods.

In the fourth quarter, Aspiro signed an agreement to sell the remaining operations of Mobile Entertainment in Finland to Exsol Oy. Exsol Oy took over operations from 19 November 2010 onwards. The initial purchase price is EUR 100,000, with additional remuneration determined by an earn-out model, at a minimum of EUR 200,000 over a two-year period. The earn-out model is 15% of payments from operators. Aspiro is retaining its Mobile Solutions business in Finland, operating it from Sweden.

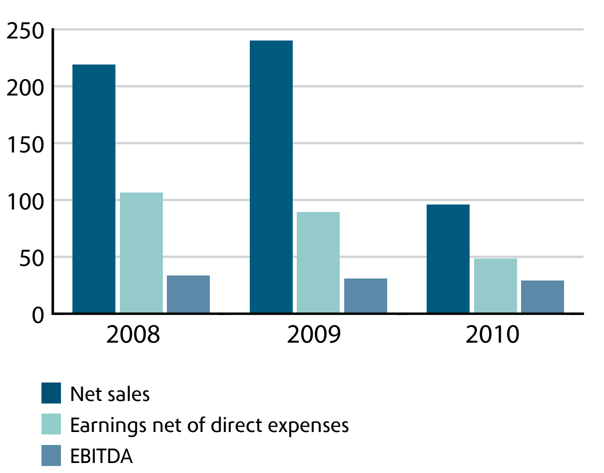
In recent years, the market trend for services in the Mobile Entertainment business segment has been downward, and there is also a significant risk that further market regulation may adversely affect the prospects of running this business. Accordingly, in addition to its purchase price, Aspiro has chosen to implement an earn-out model, which potentially, could raise a higher purchase price for the company if its valuation upon contract signing proves overly low.

The divestment of Mobile Entertainment is a natural consequence of Aspiro's strategy of focusing its initiatives on the WiMP music service, TV streaming to mobiles and computers, and on business solutions.

Progress in 2010

- Sharp downward sales.
- Profitability focus with downscaled marketing and staffing.
- Divestment of most of this operation as of 1 July and the remainder on 19 November.

Sales and Earnings 2008-2010, SEK m



Stock and Stockholders

Aspiro's Stock

Aspiro is a small-cap company listed on Nasdaq OMX Nordic Exchange in Stockholm. Aspiro's stock has been listed on the Stockholm Stock Exchange since 2001. The stock code is ASP and it is in the Internet & Software Services segment (ID 45101010). A trading lot is 5,000 shares. At year-end 2010, the stock price was SEK 1.06 and total market capitalization was some SEK 202 m. The high in 2010 of SEK 2.38, was on 9 March. The low of SEK 0.89 was on 2 December. Some 50 million shares were traded in 2010, averaging some 4.2 million per month. A total value of SEK 82.3 m of Aspiro stock was traded in 2010. The rate of turnover was 26%.

Share Capital History

As of 30 December 2010, Aspiro's share capital was SEK 190,538,115, divided between 190,538,115 shares. Each share gives equal entitlement to participation in Aspiro's assets and earnings and entitles the holder to one vote. Upon full exercise of outstanding warrants, the number of shares could increase to 200,538,115.

Stock Option Plans

Aspiro has an outstanding staff stock option plan for the CEO, senior managers and other key Aspiro staff.

The AGM 2008 resolved to issue 5,000,000 staff stock options. Half of these options were exercisable from 30 June 2009 onwards, and half by 30 June 2010 at the latest. Each staff stock option entitled the holder to receive one warrant for immediate subscription for one newly issued Aspiro share at an exercise price of SEK 1.76. Staff granted options in this program simultaneously waived the right to exercise staff stock options from previous programs.

The staff stock option program resolved by the AGM 2008 was the first part of a three-year option plan. The AGM 2009 resolved on the second part of this option plan, the staff stock option program 2009/2011, involving the granting of a further 5,000,000 staff stock options, mainly consistent with the terms of the staff stock option plan 2008/2010, plus a performance condition regarding the company's net sales. These options are exercisable from the AGM 2010 until 30 June 2011, both inclusive. Each staff stock option entitles the holder to receive one warrant for immediate subscription for one newly issued Aspiro share at an exercise price of SEK 1.30.

The AGM 2010 resolved on the second part of the option plan, the staff stock option program 2010/2012, involving the granting of a further 5,000,000 staff stock options, mainly consistent with the terms of the staff stock option plan 2009/2011. These options are exercisable from 30 June 2011 to 31 December 2012, both dates inclusive. Each staff stock option entitles the holder to receive one warrant for immediate subscription for one newly issued Aspiro share at an exercise price of SEK 1.91.

10 million warrants are being retained by group companies for the correct fulfillment of the company's obligations in the staff stock option programs.

Expenses for stock options are reported pursuant to IFRS 2. The fair value of options at granting is calculated according to the Black & Scholes general model for valuing options without restatement for potential dilution. The expenses are allocated on a straight-line basis over the term of the options. Provisioning for social security expenses is based on the fair value of options at each reporting date, pursuant to statement UFR 7 IFRS 2 on social security expenses for listed companies from RFR. (Rådet för finansiell rapportering, the Swedish Financial Reporting Board).

The purpose of the staff stock options is to provide senior managers of the company and key staff with an incentive whereby they are offered the opportunity to participate in value growth of the company's stock. This is expected to enhance interest in the company's progress, and its stock price performance, and to stimulate continued loyalty to the company through the coming years. The option plan is also expected to contribute to the Aspiro group being able to hire and retain competent staff.

Upon full exercise of all outstanding warrants, share capital could increase by a maximum of SEK 10 m, or some 5% of the company's share capital after the increase.

There are no rights to renegotiate the terms of the stock option plans. However, Aspiro is entitled to amend the option terms if required due to legislation, court rulings or regulatory decisions, or if other practical reasons make it expedient or necessary, and the rights of option holders are not impaired in any way.

Read more about the company's stock option plans in note 4.

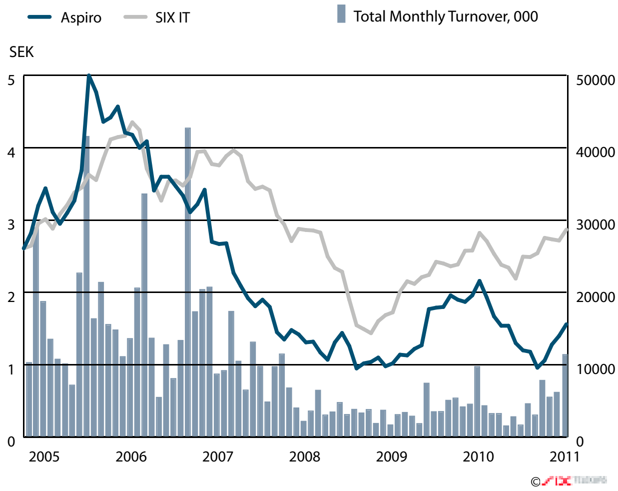
Stockholders

Aspiro had 6,105 stockholders on 30 December, of which 265 were foreigners. At the end of the period, 71% of stockholders were men, 21% women and 8% were legal entities. Legal entities' holdings corresponded to 82% of the share capital. 92% of stockholders were natural persons domiciled in Sweden, with holdings corresponding to 18% of the share capital. Swedish finance corporations and institutions held

12%, interest groups held 0%, the public sector 0% and other Swedish companies 9% of the share capital. 40% of the share capital is held by stockholders domiciled in Sweden, 53% in the rest of the Nordic region and 7% in the rest of Europe. The largest stockholders and their holdings as of 30 December are stated in the table below.

Dividend

Aspiro held cash and cash equivalents of some SEK 76.8 m at year-end. The Board has defined an expansive strategy including initiatives in growth segments and new geographical markets, as well as potential complementary corporate acquisitions intended to ensure the company's growth, profitability and dividend capacity for the longer term. At present, Aspiro has no distributable capital and is also active on a fast-changing market, where at present, the capital requirement to execute the strategy is uncertain. Accordingly, the Board has proposed to the AGM that no dividend is payable for the financial year 2010.



Largest Stockholders as of 30 December 2010	Shares	Votes (%)
SEB ENSKILDA SECURITIES OSLO	47,839,958	25.11
Schibsted	37,772,222	19.82
ORKLA ASA	9,490,000	4.98
INVESTRA ASA	8,000,000	4.20
AVANZA PENSION	7,435,644	3.90
NORDNET PENSIONSFÖRSÄKRING AB	5,528,440	2.90
Swedbank Robur fonds	4,016,600	2.11
ANTECH ALLIANCE INC	3,400,000	1.78
Länsförsäkringar fondförvaltning AB	3,256,000	1.71
CLEARSTREAM BANKING S.A., W8IMY	2,912,586	1.53
Other stockholders	60,886,665	31.96
Total	**190,538,115**	**100.00**

Source: Euroclear, VPC

Stockholder Statistics as of 30 December 2010

Holding	No. of Stockholders	No. of Shares	Holding/ votes (%)
1-500	2,703	384,493	0.20
501-1,000	768	659,839	0.35
1,001-5,000	1,368	4,064,450	2.13
5,001-10,000	518	4,476,069	2.35
10,001-15,000	140	1,853,757	0.97
15,001-20,000	186	3,601,111	1.89
20,001-	422	175,498,396	92.11
Total	**6,105**	**190,538,115**	**100.00**

Share Data	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Basic and diluted earnings per share, SEK	–0.68	–0.09	–1.09	0.05	0.26	0.11	–0.89	–4.96	–463.86	–700.00	–630.00
Basic and diluted earnings per share, continuing operations, SEK	–0.77	–0.18	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Equity per share, SEK	0.81	1.49	1.52	2.63	2.56	2.33	1.58	1.96	15.85	489.10	1,191.80
Equity per share, inc. potential shares, SEK	0.77	1.41	1.46	2.46	2.42	2.21	1.55	1.95	15.69	480.17	1,115.94
Cash flow per share from operating activities, SEK	–0.01	–0.08	0.18	0.08	0.25	0.37	–0.27	–4.44	–212.74	–546.46	–773.49
Dividend, SEK	–	–	–	–	–	–	–	–	–	–	–
Adj. closing stock price at year-end, SEK	1.06	1.90	1.04	1.35	3.22	4.42	2.61	2.33	15.59	68.60	–
Ave. number of outstanding shares, 000	190,538	190,538	190,538	190,538	190,041	169,994	67,658	8,837	450	257	209
Ave. number of outstanding shares and potential shares, 000	200,538	199,013	201,441	202,765	200,584	176,303	68,176	8,876	456	275	227
No. of shares at year-end, 000	190,538	190,538	190,538	190,538	190,538	189,538	108,962	26,503	490	430	250

Share Capital History

Year	Transaction	Quotient Value, SEK	Change in Share Capital, SEK	Total Share Capital, SEK	No. of New Shares	Total No. of Shares
1998	Incorporation	1.00	50,000,	50,000	50,000	50,000
1998	Bonus issue	1.00	50,000	100,000	50,000	100,000
1999	New issue	1.00	50,000	150,000	50,000	150,000
1999	Split 10:1	0.10	–	150,000	1,350,000	1,500,000
1999	Bonus issue	0.10	350,000	500,000	3,500,000	5,000,000
1999	New issue	0.10	250,000	750,000	2,500,000	7,500,000
2000	New issue, acquisition	0.10	17,613	767,613	176,130	7,676,130
2000	New issue, acquisition	0.10	3,386	770,999	33,855	7,709,985
2000	New issue, acquisition	0.10	6,000	776,999	60,000	7,769,985
2000	New issue, acquisition	0.10	467	777,465	4,668	7,774,653
2000	Split 5:1	0.02	–	777,465	31,098,612	38,873,265
2000	New issue	0.02	77,747	855,212	3,887,327	42,760,592
2000	New issue, acquisition	0.02	122,253	977,465	6,112,673	48,873,265
2000	Option redemption	0.02	23,012	1,000,477	1,150,578	50,023,843
2001	New issue, acquisition	0.02	600,000	1,600,477	30,000,000	80,023,843
2001	Option redemption	0.02	116,000	1,716,477	5,800,000	85,823,843
2001	New issue, acquisition	0.02	4,279	1,720,756	213,968	86,037,811
2002	New issue, acquisition	0.02	239,240	1,959,996	11,962,000	97,999,811
2003	New issue	0.02	11,759,977	13,719,974	589,998,866	685,998,677
2003	New issue, acquisition	0.02	1,400,000	15,119,974	70,000,000	755,998,677
2003	New issue, acquisition	0.02	11,383,336	26,503,310	569,166,809	1,325,165,486
2003	New issue, reverse split	0.02	2	26,503,312	114	1,325,165,600
2003	Reverse split 1:200	4.00	0	26,503,312	–1,318,539,772	6,625,828
2003	Reduction of share capital	2.50	–9,938,742	16,564,570	0	6,625,828
2003	New issue	2.50	49,693,710	66,258,280	19,877,484	26,503,312
2004	Private placement	2.50	20,000,000	86,258,280	8,000,000	34,503,312
2004	New issue, acquisition	2.50	14,100,418	100,358,698	5,640,167	40,143,479
2004	Reduction of share capital	1.76	–29,706,174	70,652,523	0	40,143,479
2004	New issue	1.76	70,652,523	141,305,046	40,143,479	80,286,958
2004	New issue, acquisition	1.76	50,468,000	191,773,046	28,675,000	108,961,958
2005	New issue, acquisition	1.76	136,593,885	328,366,931	77,610,162	186,572,120
2005	New issue, acquisition	1.76	5,220,151	333,587,082	2,965,995	189,538,115
2006	Option redemption	1.76	1,760,000	335,347,082	1,000,000	190,538,115
2009	Reduction of share capital	1.00	–144,808,967	190,538,115	0	190,538,115

Corporate Governance Report

The preparation of a Corporate Governance Report has been a requirement of the Swedish Annual Accounts Act since 2010. This Corporate Governance Report conforms to the stipulations and application instructions of the Swedish Code of Corporate Governance. The Corporate Governance Report has been prepared as a separate document from the Annual Accounts, and accordingly, is not part of the formal Annual Accounts documentation. The Corporate Governance Report has been reviewed by the company's Auditor in accordance with the stipulations of the Swedish Annual Accounts Act, and the Auditor's statement is attached to the Report.

Legislation and Articles of Association

Primarily, Aspiro observes the Swedish Companies Act, the rules and recommendations ensuing from the company's quotation on NASDAQ OMX Stockholm and generally accepted practice on the stock market. Additionally, Aspiro observes the stipulations of Aspiro's Articles of Association. The Articles of Association are available from Aspiro's website, www.aspiro.com.

Annual General Meeting

Aspiro's Annual General meeting (AGM) is held in Stockholm, Sweden, in the first half of each year, and is conducted pursuant to applicable legislation. The AGM, or where applicable, Extraordinary General Meeting (EGM), is the chief decision-making body, where all shareholders are entitled to participate. The Articles of Association do not include any limitations on the matter of how many votes each shareholder may cast at shareholders' meetings. All shares have equal entitlement to votes. The single largest shareholder is SEB Enskilda Securities, Oslo, with 25.11% of the votes. The second-largest shareholder is Schibsted with 19.82% of the votes. For more information on shareholders, see page 24. The AGM considers the company's progress and resolves on matters such as dividend, Directors' fees, amendments of the Articles of Association, discharging the Board of Directors from liability and resolutions on a new Board of Directors for the next AGM, as well as authorization for the Board of Directors on the new issue of shares. Press releases, minutes and presentations from shareholders' meetings are available at the company's website.

Annual General Meeting 2010

Aspiro's Annual General Meeting was held in Stockholm, Sweden, on 20 May 2010. The AGM re-elected Mats Alders, Peter Pay, Nils Petter Tetlie and Lars Boilesen, and elected Gisle Glück Evensen and Åsa Sundberg as Board members. Mats Alders was elected as Chairman of the Board. Directors' fees will amount to a total of SEK 875,000, of which SEK 250,000 to the Chairman of the Board and SEK 125,000 to each of the other Board members. The AGM approved the Board's proposed guidelines for remunerating senior managers. The Board was authorized to decide on the new issue of shares, waving preferential rights for existing shareholders, against cash payment, set-off or contributions in kind on one or more occasions before the next AGM. This authorization encompasses 19 million shares. The AGM also resolved on the issuance of staff stock options for granting to management. The minutes of the Meeting are available at Aspiro's website. Information on the AGM 2011 is published on Aspiro's website.

Nomination Committee

The Nomination Committee represents the company's stockholders; its activities are conducted pursuant to the stipulations of the Swedish Code of Corporate Governance. Aspiro's AGM 2008 resolved that the Chairman of the Board should contact the largest shareholders by no later than the end of the third quarter of each year, to appoint a Nomination Committee consisting of three members. The Nomination Committee appoints its Chairman internally. For the AGM 2011, the Nomination Committee has the following members: Chairman Gisle Glück Evensen for Schibsted, Björn Franzon for Swedbank Robur fonder and Odd Winger. The Nomination Committee held two meetings where minutes were taken and maintained regular contact in the intervening period. An appraisal of the current Board of Directors and its members is the foundation of the Nomination Committee's activities. The Nomination Committee thoroughly discussed the competence, experience and background that could be expected of Aspiro's Board. Affiliation issues were also considered in depth, as was the matter of the division between the sexes.

The proposal for the Board of Directors was published on 7 April, when the Nomination Committee proposed re-election of Peter Pay, Lars Boilesen, Åsa Sundberg and Gisle Glück Evensen and election of Trond Berger. The Nomination Committee proposes election of Trond Berger, representing Schibsted ASA as Chairman of the Board.

The complete Nomination Committee proposal, and information on proposed Board members, is available at Aspiro's website. No remuneration was paid to Nomination Committee members.

Board of Directors

The Board of Directors is responsible for the company's organization and administration pursuant to the Swedish Companies Act and its work is conducted according to the guidelines of the Swedish Code of Corporate Governance.

Board Composition

Aspiro's Board will comprise a minimum of three, and maximum of ten, regular members. Board members are elected by the AGM for a period of one year. There are no rules stipulating how long a Board member may serve. The AGM 2010 elected six regular Members. Gisle Glück Evensen is employed by Schibsted, while Mats Alders, Nils Petter Tetlie, Peter Pay, Åsa Sundberg and Lars Boilesen are not affiliated to the company or major stockholders. The Board members possess broad experience of the mobile services, finance and media sectors, as well as experience of listed companies. Information on Board members (elected by the AGM 2010 until the AGM on 19 May 2011) is on page 30 and the company's website.

The Board of Directors' Rules of Procedure

The rules of procedure adopted by the Board of Directors is based on the Swedish Companies Act's overall stipulations on the responsibilities of the Board of Directors and CEO, and otherwise, on the decision-making process adopted by the Board, with clearly defined responsibilities within the company, and the Board's approved policies. The Board holds regular meetings pursuant to the plan stipulated in the rules of procedure, which includes predetermined matters for consideration.

Appraisal of the Work of the Board of Directors and Chief Executive Officer

In 2010, the Board of Directors conducted an appraisal of its work, which essentially, produced positive results. The appraisal focused on the Board's work on the company's strategy and goals, investments, reporting and controls, communication, organizational resources and executive management, the Board's working methods, composition and overall functionality, and the work of individual Board members. The Board conducts an appraisal of the work of the CEO three to four times per year. Additionally, the Chairman of the Board holds an appraisal interview with the CEO.

Remuneration to the Board

Remuneration to the Board is resolved by the AGM and is payable to those members not employed by the company. Fees for each Board member in 2010 are stated in the table below. According to an agreement, the Chairman has a consulting assignment regarding managing and coordinating work on strategic business development. Remuneration for this assignment is on an arm's length basis. Board members not employed by Aspiro are not eligible for the company's share-related incentive schemes.

The Work of the Board of Directors in 2010

In 2010, the Board held 15 meetings where minutes were taken (including the Board meeting following election, where the new Board was appointed), of which four were held coincident with the company presenting interim reports. The company's Auditors attended one meeting. Apart from permanent business, such as monitoring operations against budget and strategic plans, the Board considered other matters in the year including:

- Review and continued development of Aspiro's strategy, with a clear focus on growth in the focus segments of TV and music
- Sale of the Mobile Entertainment business segment
- Budget 2011
- Structural changes
- Compensation issues

Audit Committee

Pursuant to a Board decision, Aspiro has no dedicated Audit Committee, but rather, the whole Board of Directors performs the Audit Committee's duties. The Board is accountable for ensuring insight into, and control of, the company's operations through reporting and ongoing contact with the company's Auditors. The Board held one meeting in the year with the company's Auditor, where the Auditor's actions included a detailed presentation on the audit. The Board was also given the opportunity to submit additional, more in-depth questions.

Remuneration Committee

The Board of Directors has decided against a dedicated remuneration committee. The whole Board performs the duties of a remuneration committee. The Board of Directors issues instructions to the Chairman of the Board, who negotiates with the CEO regarding remuneration. Based on this negotiation, the Chairman submits a proposal, which is then approved by the whole Board. The Board also decides on an overall bonus ceiling for all employees of the company.

	Independent of Company	Independent of Major Shareholders	Attendance at Board meetings	Directors' Fees, SEK 000
Mats Alders (Chairman of the Board)	Yes	Yes	15/15	250***
Åsa Sundberg**	Yes	Yes	6/8	125
Peter Pay	Yes	Yes	15/15	125
Nils Petter Tetlie	Yes	Yes	14/15	125
Christian Ruth*	Yes	Yes	7/7	125
Lars Boilesen	Yes	Yes	6/15	125
Gisle Glück Evensen**	Yes	No	8/8	125

* Board member until the AGM in May 2010.
** Board member from the AGM in May 2010.
*** The Chairman also received SEK 300,000 in consulting fees through his company.

Management and Organizational Resources

The work and role of the Chief Executive Officer are formalized by written instructions, which also state the division of responsibility between the Board of Directors and the Chief Executive Officer. Management met on 33 occasions in 2010.

Information on the current members of management is on page 31. Aspiro's corporate governance is based on clearly decentralized accountability. Each line manager is responsible for his or her work delivering results. Day-to-day operations should sustain the long-term strategy and enable the company to achieve its predetermined goals. Aspiro's various business segments are organized into individual units, with a dedicated manager and each business segment is a separate legal entity with its own Board of Directors. In this way, Aspiro is endeavoring to optimize the prospects of each unit according to market trends and positioning. Synergies between business segments are created by means including partnerships, user understanding and economies of scale on the cost side.

Remuneration to Management

The principles for remunerating management are resolved by the AGM, proceeding from proposals submitted by the Board. These principles mainly imply that Aspiro should offer market remuneration levels and employment terms. The complete principles are stated in the Directors' Report on page 33. The remuneration payable to the Chief Executive Officer and management in 2010 is stated in note 4.

Audit

The Auditor is appointed by the AGM for a term of four years. Authorized Public Accountant Johan Thuresson of Ernst & Young was elected as Senior Auditor for the period until the date of the AGM 2012. In 2010, the group's Interim Report for the second quarter and the Year-end Report underwent a summary review by the company's Auditor, pursuant to the recommendations issued by FAR (the Institute for the Accounting Profession in Sweden) and generally accepted auditing standards in Sweden. The remuneration payable to the company's Auditors in 2010 is stated in note 3.

Financial Reporting

The group applies International Financial Reporting Standards (IFRS/IAS) and interpretation statements issued by the International Financial Reporting Interpretations Committee (IFRIC/SIC) as endorsed by the EU Commission, when preparing the Consolidated Accounts. Apart from a comprehensive audit of the annual accounts, the Auditor also conducts a summary review of the Interim Report for the second quarter. All reports and press releases are published with simultaneous uploads to Aspiro's website.

Internal Controls over Financial Reporting

In accordance with the Swedish Companies Act and the Code, the Board of Directors is responsible for internal controls. This review has been prepared in accordance with chap. 6 § 6 of the Swedish Annual Accounts Act, and accordingly, reviews the company's system for internal controls over financial reporting.

Internal controls over financial reporting are a process designed by the Board of Directors intended to provide the Board and management with reasonable assurance regarding the reliability of external financial reporting, and that the financial statements are prepared consistent with generally accepted accounting principles, applicable laws and ordinances and other standards applying to listed companies.

Internal control in Aspiro is based on a control environment including organizational resources, decision-paths, authorization and responsibility. Responsibility for preparing an effective control environment and ongoing internal controlling and risk management work is delegated to group management. Controlled risk-taking is achieved through a clear organizational structure and decision-making process.

The control activities include both general and more detailed controls, intended to prevent, discover and rectify misstatements and variances. The CFO has overall responsibility for implementing, enhancing and maintaining the group's control routines.

Regular monitoring of financial results is conducted in the Board of Directors and operational units' managements. The Board of Directors receives monthly financial reports. Aspiro has processes and routines to ensure the quality of financial reporting, and that potential variances are followed up.

The Board of Directors' judgment is that at present, there is no need for a dedicated internal audit function. This judgment is reconsidered yearly by the board of Directors.

The Board of Directors

Malmö, Sweden, 14 April 2011.

Auditors' Statement on the Corporate Governance Report

To the Annual General Meeting of Shareholders of Aspiro AB (publ.), corporate identity number 556519-9998

Assignment and Division of Responsibility

I have reviewed the Corporate Governance Report for 2010 on pages 26-28. The Board of Directors is responsible for the Corporate Governance Report and its preparation in accordance with the Swedish Annual Accounts Act. My responsibility is to state an opinion on the Corporate Governance Report on the bases of my audit.

Orientation and Scope of Audit

The audit was conducted in accordance with instruction RevU 16, on the auditor's review of the corporate governance report. This means that I have planned and conducted my audit to attain reasonable assurance that the Corporate Governance Report does not contain material misstatements. An audit involves reviewing a selection of the supporting data for information in the Corporate Governance Report. I consider that the audit gives me reasonable grounds to make the following statement.

Statement of Opinion

I believe that a Corporate Governance Report has been prepared and that it is consistent with the Annual Accounts and Consolidated Accounts.

Johan Thuresson
Authorized Public Accountant

Malmö, Sweden, 14 April 2011.

Board of Directors and Auditors

Mats Alders (Chairman)

Board member since May 2008.
Born: 1958
B.Sc. (Econ.) from the University of Stockholm, Market Economist, DIHM Business School.
Occupation: Self-employed consultant.
Other assignments: Board member Starbreeze (Aktietorget).
Experience: Chairman Metronome Film & Television AB 2010. CEO and Group Director Metronome Film & Television AB 2006-2010. CEO of Cybercom Group Europé AB 2000-2006 and VP 1998-2000. Previously VP/CFO of SAABTech AB 1996-1998 and of Tele2 AB 1994-1995.
Aspiro stockholding: –
Independent of company: Yes.
Independent of major stockholders: Yes.

Nils Petter Tetlie

Board member since May 2007.
Born: 1965
B.Sc. (Eng.) from Herriot-Watt University, Edinburgh.
Occupation: CEO of AxImage AB (Fujifilm).
Experience: CEO of mobile operator Ice in Norway 2006-2007, EVP of B2 Bredband AB 2000-2006, Product Director of Song Networks 1999-2000, Network Director Telia Networks Norway 1997-1999, Principal Consultant Teleplan 1995-1997, System Expert NetCom ASA 1993-1995 and graduate trainee, Ericsson AB, 1990-1993.
Aspiro stockholding: –
Independent of company: Yes.
Independent of major stockholders: Yes.

Peter Pay

Board member since May 2007.
Born: 1940
B.Sc. (Eng.) from NTNU (the Norwegian University of Science and Technology), Trondheim.
Occupation: Senior Partner of Credo Partners AS.
Other assignments: Chairman of Inven2 AS and Board member of Redcord AS et al.
Experience: Group Director of Telenor 1997-2001, CEO of Telenor Plus AS 1992-1997. Self-employed consultant 1989-1992, interim CEO of several companies. Formerly, nine years' experience in the EB group, including CEO of the two subsidiaries EB Telecom and EB Netcom.
Aspiro stockholding: –
Independent of company: Yes.
Independent of major stockholders: Yes.

Lars Boilesen

Board member since May 2009.
Born: 1967
B.Sc. in business economics from Aarhus Business School and postgraduate diploma from Kolding Business School.
Occupation: CEO of Opera Software.
Other assignments: –
Experience: CEO of Alcatel-Lucent Nordic and Baltic, Sales Director of Tandberg and from Lego, Denmark and broad-based experience of the mobile sector with Opera and Alcatel.
Aspiro stockholding: –
Independent of company: Yes.
Independent of major stockholders: Yes.

Gisle Glück Evensen

Board member since May 2010.
Born: 1976
B.Sc. (Eng.) in industrial economics from NTNU (the Norwegian University of Science and Technology), Trondheim. M.Sc. in management.
Occupation: Head of M&A, Schibsted ASA.
Other assignments: Deputy Board member of Finn.no AS.
Experience: Consultant, McKinsey & Co, Investor Relations, Schibsted ASA, CFO of Media Norge ASA.
Aspiro stockholding: –
Independent of company: Yes.
Independent of major stockholders: No.

Åsa Sundberg

Board member since May 2010.
Born: 1959
B.Sc. (Eng.), the Royal Institute of Technology, Stockholm and marketing diploma from Berghs School of Communication, Stockholm.
Employment: Partner of Provider Venture Partners.
Other assignments: Chairman of Teracom/Boxer Group and Board member of Mobilaris AB, The Cloud Networks Ltd. and Fox Technology Inc. Member of ALMI Invest's Investment Committee.
Experience: 10 years in venture capital focusing on early-stage media, telecom and IT companies. 1996-2000, CEO of product development and enterprises Engineering AB and ProSoft AB. 1994-1995, President of Telia International Carrier.
Aspiro stockholding: –
Independent of company: Yes.
Independent of major stockholders: Yes.

Auditors

Johan Thuresson

Born: 1964
Authorized Public Accountant since 1995.
Aspiro's Auditor since 2008.
Aspiro's Deputy Auditor 2004 - 2007.

Kerstin Mouchard

Born: 1952
Authorized Public Accountant since 1981.
Aspiro's Deputy Auditor since 2008.

Management

Gunnar Sellæg (CEO)

Born: 1973
Chief Executive Officer.
Aspiro employee since 2006.
B.Sc. (Eng.) from NTNU (the Norwegian University of Science and Technology).
Experience: formerly CEO of Aftenposten Multimedia AS, responsible for Aftenposten.no, Oslopuls.no and the start-up of consumer portal Forbruker.no and news portal N24.no. Previous experience as CEO of the PrimeTime.net AS advertising network and Schibsted ASA trainee.

Aspiro stockholding: 490,500.
Staff stock options: 2,500,000.

Erlend Prestgard

Born: 1978
CFO
Aspiro employee since 2010.
B.Sc. (Econ.) from the Norwegian School of Economics and Business Administration.
Experience: Project Manager at McKinsey & Company. Headed up change projects for a series of clients in various sectors including telecom. Analyst at UBS Investment Bank Corporate Finance in London, focusing on IPOs and corporate valuations.

Aspiro stockholding: –
Staff stock options: 875,000.

Per Einar Dybvik

Born: 1965
Chief Technical Officer and Head of Music.
Aspiro employee since 2005.
B.Sc. (Eng.) from the University of Manchester.
Experience: Schibsted Mobile employee since 2000. Former Product Development Manager at Scandinavia Online, consultant at Icon Medialab and CEO of Internet services provider Neo Interaktiv. Previously electronic services manager at Telenor Media and researcher at Telenor's research institute.

Aspiro stockholding: 490,500.
Staff stock options: 1,375,000.

Erling Paulsen

Born: 1978
Head of TV.
Aspiro employee since 2009.
B.Sc. (Eng.) from NTNU (the Norwegian University of Science and Technology).
Experience: Commercial Director and Senior Manager at Elkem Solar, Strategy Consultant and Project Manager at the Boston Consulting Group.

Aspiro stockholding: –
Staff stock options: 1,375,000.

Peter Tonstad

Born: 1972
Head of Mobile Solutions
Aspiro employee since 2010.
B.Sc. (Econ.) and M.Sc. in financial management from the BI School of Economics. Political science qualifications from the University of Oslo.
Experience: Board member of companies including HR North, Edda Digital AB, Netsprint, Newsdesk, SmartCom and Mobiento. VP of online sales for Reuters Norway and Thomson Financial (London), Director of B2B and international operations for Edda Media/Mecom and former CEO of Tarantell AS.

Aspiro stockholding: –
Staff stock options: 875,000.

Contents, Financial Statements

Director's Report

The Board of Directors and Chief Executive Officer of Aspiro AB (publ), corporate identity number 556519-9998, hereby present the Annual Accounts and Consolidated Accounts for the operations of the parent company and group in the financial year 1 January 2010 - 31 December 2010. Aspiro AB, with registered office in Malmö, Sweden, is the parent company of the Aspiro group. The company was incorporated in autumn 1998 and is a vendor of complete streaming services for TV and music, and mobile business services. With over ten years' experience of developing and selling mobile services, Aspiro has unique market positioning in the Nordics and Baltics.

Operations

Sales and Earnings

Consolidated net sales for continuing operations were SEK 265.9 m (SEK 228.8 m) for the 12-month period. Earnings before interest and taxes, depreciation and amortization (EBITDA) for continuing operations were SEK -51.4 m (SEK -33.4 m). The profit/loss after tax for continuing operations was SEK -149.5 m (SEK -33.4 m). Earnings per share before and after dilution for continuing operations amounted to SEK -0.77 (SEK -0.18).

Profits for 2010 were affected by impairment totaling some SEK 90 m, mainly related to older goodwill items. Profits for 2009 were charged with non-recurring expenses of some SEK 10 m mainly relating to rationalization of the organizational resources of Mobile Entertainment.

Cash and Cash Equivalents, Financial Position

Consolidated equity was SEK 154.5 m (SEK 283.0 m). Total assets reduced from SEK 403.8 m to SEK 288.3 m. Thus the equity share was 54% (70%). At year-end, the group's cash and cash equivalents were SEK 76.8 m (SEK 57.9 m). The Board of Directors has set a financial objective, implying the company maintaining a capital structure that ensures financial stability, which provides a secure foundation for the continued development of operations. Aspiro has not paid dividends, but instead, has re-invested accrued funds to finance development initiatives to create growth.

Aspiro's Stock

Aspiro is a small cap company quoted on Nasdaq OMX Nordic Exchange Stockholm, Sweden. The free float in Aspiro was 190,538,115 shares as of 31 December 2010. The total number of shares issued is 190,538,115, issued in one class. Each share has one vote. There are no limitations to transferability of shares due to stipulations in the Articles of Association. The company has two principal owners, SEB Enskilda Securities Oslo and the Schibsted group, whose holdings were 25.11% and 19.82% respectively at year-end 2010. There are staff who have private shareholdings of the company, although not as a single entity, through a pension fund or similar structure. The company is not aware of any agreements between stockholders implying any limitations to rights to transfer shares. Nor are there any contracts that the company is party to, which have an effect, change or cease to apply if control over the company changes as a result of a public acquisition offering.

The Articles of Association stipulate that Board members are elected yearly at the AGM (Annual General Meeting). The Articles of Association have no restrictions regarding the appointment or dismissal of Board members, or regarding amendments to the Articles of Association. Decisions are taken pursuant to the Swedish Companies Act. At the AGM 2010, the Board was authorized to decide on new share issues. On one or more occasions before the next AGM, the Board was authorized to decide on new share issues, without preferential rights for previous stockholders, against cash payment, through set-off or contributions in kind. This authorization involves 19 million shares, and is intended to enable acquisitions through payment in shares or capital contributions, mainly relating to business combinations but also for other purposes. The Board is entitled to decide on other terms, although they must be on a market basis.

There are no agreements between the company and Board members or employees that specify payments if these parties terminate employment, have their employment terminated without reasonable grounds, or if their employment ceases as a result of a public acquisition offering, other than the agreements between the company and senior managers stated in Note 4.

Remuneration Guidelines for Senior Managers

Aspiro will offer the remuneration levels and employment terms considered necessary to hire and retain a management with good skills and the capacity to achieve predetermined goals. Decisions on salary and employment terms of the Chief Executive Officer are taken by the Board of Directors, which also decides on the total bonus for staff. Salary and other employment terms for other senior managers are decided by the Chief Executive Officer pursuant to the principles determined by the Board. Senior managers will receive basic salary. In addition to basic salary, performance-related pay may also be due. Performance-related pay will depend on the extent predetermined goals are satisfied within the framework of the company's operations. These goals will not relate to the company's share. Performance-related pay may not exceed 50% of basic salary. This remuneration will not be pensionable. Share-related incentive schemes will be resolved by the Annual General Meeting. Other benefits, such as company cars, computers, mobile phones, health insurance or corporate health-care policies will be due to the extent this is judged as consistent with market terms. Senior managers will be entitled to retire at age 65 at the earliest. Pension benefits will correspond to the ITP (supplementary pensions for salaried employees) scheme or corresponding premium-based pension insurance policies. Managers domiciled outside Sweden or who are foreign citizens and have their main pension in countries other than Sweden are eligible for other pension solutions that are reasonable in the relevant country. Dismissal pay and severance pay for members of management may not exceed a maximum of 15 months' salary. There will be a right to diverge from these guidelines if there are special circumstances justifying this in individual cases, assuming it is reported and explained subsequently. The Board of Directors' proposal to the AGM 2011 is that the current remuneration principles for senior managers in general are retained. See also Note 4. In February 2011, the Board of Directors decided to enter a new employment contract with the CEO, Gunnar Sellæg, involving remuneration on termination totaling 18 months' salary with a division of a six-month notice period and 12 months' severance pay. Referring to the guidelines for setting salary and other benefits for the senior managers of Aspiro, which the AGM adopted on 20 May 2010, this decision is conditional on approval by the AGM 2011.

TV

Aspiro TV (formerly Rubberduck Media Lab) develops and sells TV and video streaming to mobile appliances, tablets and computers. The focus in TV is growth, and to achieve this, changes were executed in the sales organization in the year. Aspiro purchases content and aggregates it for partners that want to deliver TV and video to their customers. Aspiro holds rights to content from a raft of global vendors like the BBC, Disney Channel, CNN, CNBC and Turner. Aspiro delivers solutions to network operators, broadcasters and other media partners worldwide such as Deutsche Telekom, Telefónica O2, Telenor, 3, Entel, TeliaSonera, BBC and MTV. Sales for TV were SEK 53.2 m (SEK 39.5 m). EBITDA was SEK -14.6 m (SEK -10.7 m).

Music

The Music business segment develops and delivers digital music solutions to enable users to listen to music directly over their Internet connections or to download tracks and albums to their computers or mobile phones. Aspiro partners with international and local record companies like Universal Music, Sony Music, EMI, Warner Music, Naxos and Phonofile. In the period, Aspiro's music streaming services passed a total of 100,000 paying users. Sales in Music were SEK 50.0 m (SEK 28.1 m). EBITDA was SEK -20.3 m (SEK -8.9 m). Sales growth is primarily sourced from Aspiro's streaming services on the Danish and Norwegian markets, and start-up revenues relating to the launch in Portugal. Subscription sales in Music are generated in different ways depending on business model. In Norway, Aspiro is running a joint venture with retail chain Platekompaniet, where half of revenues are consolidated into Aspiro Music. In Denmark, all revenues from sales are recognized, while in Portugal, where Aspiro delivers a white label solution, a sales share corresponding to Aspiro's margin is recognized. Late in the year, Aspiro prepared for beta testing WiMP, its proprietary brand, on the Swedish market. Aspiro expects continued very brisk sales growth in Music.

Mobile Solutions

Mobile Solutions offers business services for mobile payment, communication and interactivity. Mobile Solutions' products and solutions help companies utilize the mobile channel to increase sales. Sales were SEK 132.0 m (SEK 135.4 m). EBITDA was SEK -15.5 m (SEK -13.1 m).

Mobile Search

Mobile Search has a very strong position in text-based directory inquiries in Norway through the short numbers 1985 and 2100. In paging services, Aspiro has end-customer positioning with consumers paying per search. Aspiro has agreements with content providers on telephone number databases. Sales were SEK 79.9 m (SEK 81.5 m). EBITDA was SEK 39.8 m (SEK 33.3 m).

Discontinued Operation

Aspiro divested former business segment Mobile Entertainment in the year. In the second quarter, Aspiro reached an agreement with Lobus Mobil Holding AB to sell Mobile Entertainment in Norway, Sweden and Denmark. The transaction was executed as of 1 July 2010. The purchase price was SEK 42 m, plus an earn-out model. The continuing operations of Mobile Entertainment in Finland were sold to Exsol Oy, which took over operations from 19 November 2010 onwards. The initial purchase price was EUR 100,000, with minimum additional compensation from an earn-out model of EUR 200,000 over a two-year period. Aspiro is retaining its operations in Mobile Solutions in Finland, which are being run from Sweden.

Mobile Entertainment is being reported as a discontinued operation for the comparative period. For more information, see Note 6.

Investments—Research and Development

Investments in intangible assets were SEK 3.2 m (SEK 12.5 m). Investments in property, plant and equipment amounted to SEK 5.0 m (SEK 8.5 m). Aspiro's development expenditure mainly comprises expenditure on its own staff and consultants. In 2010, this work mainly related to development in the strategic segments of TV and Music. The majority of Aspiro's development expenditure is classified as maintenance and expensed on an ongoing basis. No development expenditure was capitalized in the year. The expensed development cost was some SEK 21,5 m (SEK 16 m).

Human Resources

Aspiro had an average of 131 (142) employees in the year, and at year-end, had 117 (140) full-time employees. Staff headcount reduced in Mobile Solutions and through the divestment of Mobile Entertainment, and increased in Music and TV.

Parent Company

Parent company net sales for 2010 were SEK 56.7 (SEK 111.5 m), of which SEK 55.7 m (SEK 106.1 m) were intra-group sales. Profit/loss before tax was SEK -27.8 m (SEK -20.3 m).

Environment

The company does not conduct any activities subject to permits or reporting pursuant to the Swedish Environmental Code.

Corporate Governance Report

Aspiro has decided to prepare a corporate governance report separately from its Annual Accounts, in accordance with chap. 6 § 8 of the Swedish Annual Accounts Act.

Risks

A summary of the most significant risk and uncertainty factors follows. For more detail on risk exposure and risk management, please refer to the dedicated risk and sensitivity analysis section and Note 22.

Regulatory Conditions

Aspiro is active on a market where local regulators are active, particularly concerning marketing of services. Like all players in the sector, Aspiro is exposed to the risk that regulations may change.

CPA Contracts with Operators

To be able to conduct its business, Aspiro has distribution and billing agreements with various mobile operators on its local markets. There is always a risk that contract terms alter.

Competition

Aspiro conducts business on a highly competitive market. The possibility that competitors enter agreements on better terms than those Aspiro has at present cannot be ruled out. If Aspiro's initiatives in Music and TV are not successful, its results of operations may be affected negatively.

Rapid Technological and Market Progress

The products and services on the market where Aspiro is active feature rapid technological progress. If Aspiro is unable to realign its business to keep pace with rapid technological progress, there is a risk that the group will lose competitiveness, which may affect its results of operations negatively.

Forecast Accuracy

Aspiro is active on a relatively young and unstable market, obstructing prospects of evaluating the future progress of operations. Misjudgment of market progress may adversely affect the group's overall results of operations and liquidity negatively.

Utilizing Intellectual Property

Aspiro has various commitments to a range of content providers and licensors. There is always an operational risk that Aspiro is not completely successful in fulfilling all its commitments. Aspiro is also dependent on continued positive collaborations with rights owners so it can offer high-quality content for its music and TV services.

Guarantees

Aspiro AB has issued a parent company guarantee in favor of Aspiro TV AS in relation to Telefónica O2 Ireland.

Financial Risks

Aspiro's operations are exposed to various financial risks, i.e. currency, interest, funding and credit risks. The Board's judgment is that Aspiro is mainly exposed to currency risks. Fluctuations of some foreign currencies against the Swedish krona may exert an adverse effect on the group's sales and operating profit, and on the international competitiveness of its business.

Aspiro has a currency risk linked to intra-group loans between the parent company and subsidiaries, and between subsidiaries. See also Note 22 on financial risk management.

Operating Risks

Aspiro has a relatively high share of fixed expenses without any direct correlation to revenue in the event that sales decrease. Individual agreements in Music have fixed revenues but variable expenses, implying uncertainty regarding the profitability of these agreements. In TV especially, Aspiro also has a relatively high dependency on single large customers, which may have a major impact on profitability if a customer chooses to terminate its business relationship.

Prospects for 2011

Aspiro is continuing to focus on growth in its Music and TV business segments. Aspiro's goal is to maintain sales growth from the fourth quarter in music in 2011 compared to 2010 (minimum 150% growth). Aspiro's goal is to achieve at least 25% growth in its TV business segment in 2011 compared to 2010. Aspiro's goal is that Mobile Solutions will improve earnings net of direct expenses by at least 15% in 2011 compared to 2010. Aspiro will be continuing its work on focusing its operations.

Post-Balance Sheet Events

The WiMP music service will become available to up to 700,000 Norwegian households in the spring through an agreement with Norway's largest TV distributor, Canal Digital. For Aspiro, this agreement means net sales of some SEK 50m over an 18-month period.

Aspiro signed an agreement with Telenor regarding the launch of the WiMP music service in Sweden.

Proposed Appropriation of Accumulated Loss

SEK	
Parent Company	
The following funds are at the disposal of the Annual General Meeting:	–
Share premium reserve	1,335,000.00
Profit/loss brought forward	13,661,790.05
Net profit/loss	–42,833,363.53
Accumulated loss	–27,836,573.48

The Board of Directors proposes that the accumulated loss is appropriated as follows:

Carried forward	–27,836,573.48
Total	–27,836,573.48

Annual General Meeting

Aspiro's AGM will be held at 2:00 p.m. on Thursday 19 May at Aspiro's premises at Östermalmsgatan 87 D, Stockholm, Sweden.

Risk and Sensitivity Analysis

The market for mobile services is still immature and features fast technological and market progress, a changeable competitive situation and new regulatory structures. Aspiro's operations and profitability are affected by both operating and financial risks. The following risks have not been stated in any particular order, nor make any claims to be comprehensive. This means that there are other risks than those stated that may affect Aspiro's operations and earnings.

Exogenous Risks

Demand for Mobile Services

Aspiro creates and delivers mobile services and is dependent on sustained good demand for these services. Aspiro considers that demand for mobile services will continue to grow. It is primarily the demand for music, TV and business solutions that is growing. There is a natural migration away from more basic and towards more value-added services in line with penetration of more sophisticated mobile phones achieving critical mass for Aspiro's target groups.

Cyclicality

The influence of the general macroeconomic trend on Aspiro's markets is considered limited. For Aspiro, this means that any revenue cyclicality is limited.

Regulatory–Legal

Aspiro operates on different markets in the telecom and media industries. The telecom market as a whole is covered by a series of regulations in terms of services offerings, pricing and margins. Initially, regulators concentrated on the former state telecom monopolies and their market position as well as other major players with their own infrastructure. The market for mobile services is relatively immature and is in high growth. Operators and national authorities play an active role in terms of the conditions governing the sale and marketing of content services. Several regulations and guidelines were implemented and updated after pressure from the Swedish Consumer Agency (or corresponding authority in other countries) and other official bodies. There is a risk that existing and future regulations exert a negative impact on market progress and the sales potential of Aspiro's existing and new services. The operations in Mobile Entertainment were especially exposed to regulatory changes that could affect profitability negatively. Accordingly, through the sale of this operation, this risk was reduced significantly, but Mobile Solutions also has customers in these segments. Copyrighting organizations like NCB and IFPI manage music rights on assignment from the music industry. Record companies have also become more active than a few years ago with regard to rights and production.

There is a risk that the price of these rights is subject to upward pressure, which would reduce Aspiro's margins. Alternatively, higher consumer pricing may result in fewer unit sales, and generally lower product acceptance.

Competition

The mobile services sector has undergone extensive consolidation over recent years, which has resulted in a number of major players in Europe. Aspiro is the only major player in the Nordic region. The competitive situation is changing somewhat as Aspiro enters new services segments. If Aspiro is not successful in its initiatives in music and TV, its results of operations may be negatively affected. A review of the market and competitors is in the section Market on pages 9-10.

Business Risks

Technological Progress and Operations

The services on Aspiro's markets feature rapid technological progress. If Aspiro is unable to adapt its operations to rapid technological progress, there is a risk of the group losing competitiveness, which could adversely affect earnings. Meanwhile, there is a risk that the market reacts more slowly than expected when new products, applications and technologies are introduced. Terminal producers (Apple, HTC, Nokia, SonyEricsson, Samsung, Motorola etc.) play an important role in terms of the development and growth on the mobile services market, because more sophisticated handsets trigger increased demand for more and more value-added services.

The effective operating time for Aspiro's technological systems is nearly 100%. Systems for back-end and text transmission reception also have virtually zero downtime. The development of new applications and systems elements does not cause any actual operational disruptions.

Product Liability, Intellectual Property and Disputes

Potential faults on Aspiro's products could result in liability and damages claims. However, the Board considers that Aspiro has satisfactory cover for product liability, and accordingly, the direct risk is considered limited. The amount insured for personal and material damage is SEK 30 m, although subject to an annual maximum of SEK 60 m during the insurance term and SEK 30 m for damage to property (worldwide coverage).

Neither Aspiro nor its subsidiaries are currently party to any dispute, legal proceedings or arbitration proceedings that the Board considers to be of material significance. Nor is the Board aware of any other circumstances that could be expected to result in disputes or action by the authorities, and that the Board judges could materially affect Aspiro's financial position.

Dependency on Mobile Operators

The majority of Aspiro's revenues are billed by mobile operators, either by debiting customers' prepaid cards, or via mobile phone bills. The high growth within mobile services would not have been possible without this billing method. Using mobile phones for payments in other segments has not achieved anything like the same proliferation and popularity as the CPA solution to mobile operators (content provider access). To a great extent, future growth and success will be dependent on sustained positive collaboration between mobile operators and the enhancement of existing payment models. At present, mobile operators receive 20—35% of the consumer price, dependent on tariff class, mobile operator and country. There is potential for higher margins if pricing levels for this payment model are subject to pressure.

Moreover, mobile operators are an important partner group for Aspiro with regard to sales of mobile services. There is always a risk that operators choose to collaborate with Aspiro's competitors or opt to manage everything independently. To minimize risks, Aspiro constantly endeavors to satisfy, and exceed, mobile operators' and other customers' expectations in terms of its services' topicality, quality and accessibility. Additionally, the dependency on individual customers reduces with an expanding customer base.

Dependency on Content Providers

It is essential that Aspiro constantly offers attractive services to its customers, whether this is music, TV, videos or other products. Access to the best content requires contracts with leading content providers. There is a risk that content providers choose to sell services via Aspiro's competitors exclusively or direct to mobile operators. If content providers increase the prices of various services, to avoid margin deterioration, Aspiro will also be forced to increase consumer prices, with the risk of sales volumes contracting. Aspiro is dependent on continued positive collaborations with rights holders so it can offer high-quality content for its music and TV services.

Forecast Accuracy

Aspiro is active on relatively new markets, limiting the possibility of judging the future progress of operations. Inaccurate assessments of market progress may adversely affect the group's aggregate earnings and liquidity.

Financial Risks

In its operations, Aspiro is exposed to various financial risks. These currently comprise currency, interest, funding and credit risk. The Board considers that first and foremost, Aspiro is exposed to currency risk, i.e. the risk of the value of a financial instrument changing due to fluctuations in rates of exchange. Interest, funding and credit risks are considered marginal. At present, Aspiro does not have any financial liabilities, while almost all sales are generated through major mobile operators, with consistently high credit ratings. In 2010, doubtful debt was SEK 0.5 m (SEK 0.9 m) of total sales of some SEK 266 m (SEK 229 m). For more information on financial risks, see Note 22.

Risks in Operating Expenses

Aspiro has a relatively high share of fixed expenses without any direct correlation to revenue in the event that sales decrease. Individual agreements in Music have fixed revenues but variable expenses, which implies uncertainty regarding the profitability of these agreements. In TV primarily, Aspiro also has fairly high dependency on single large customers, which may have a substantial effect on profitability if a customer chooses to terminate its business relationship. Products are distributed through different channels, one of them being smart phones. The producers of these handsets are launching proprietary payment solutions for subscribers. If Aspiro is forced to pay charges for them, this may result in reduced margins.

Other Risks

Group companies have the customary Board liability insurance. Aspiro evaluates the group's insurance cover on an ongoing basis. Other feasible risks can be classified as data infringement. Aspiro regards its protection in this segment as very comprehensive, because its primary technology platform is hosted on one of the most secure technology environments in Scandinavia. Aspiro sells content with complex underlying legal structures. There is a risk of infringements in individual countries or in marketing through an individual channel, with the ensuing damages. There is a risk that, in connection with existing rights structures, a mistake is made in an individual country or sales channel that might trigger a claim from suppliers. Aspiro judges this risk to be low.

Sensitivity Analysis

Aspiro's profits are influenced by a number of factors. The effects of changes in some of the key factors are illustrated below.

Sensitivity Analysis, 31 December 2010

Change Variable	Change	Change in EBITDA
Net sales	+/– 10%	+/– SEK 26.6 m
Direct expenses	+/– 5%	+/– SEK 6.6 m
Indirect operating expenses	+/– 5%	+/– SEK 9.5 m
Personnel expenses	+/– 5%	+/– SEK 5.4 m

Consolidated Five-year Summary

SEK 000

Income Statement	**2010**	**2009**	**2008***	**2007***	**2006***
Continuing operations					
Net sales	265,883	228,820	423,366	404,859	447,808
Other operating revenues	5,021	16,489	11,604	2,271	1,929
Work performed by the company for its own use and capitalized	–	–	–	5,537	4,034
Operating expenses	–410,630	–292,467	–632,226	–404,060	–438,602
Operating profit/loss	–139,726	–47,158	–197,256	8,607	15,169
Net financial income/expense	–4,622	716	7,882	1,153	3,900
Profit/loss before tax	–144,348	–46,442	–189,374	9,760	19,069
Tax on net profit/loss	–5,110	13,016	–19,216	–2,107	30,476
Net profit/loss from continuing operations	**–149,458**	**–33,426**	**–208,590**	**7,653**	**49,545**
Discontinued operations					
Net profit/loss from discontinued operations	18,563	17,025	–	–	–
Net profit/loss	**–130,895**	**–16 401**	**–208 590**	**7 653**	**49 545**

Balance Sheet	**31 Dec. 2010**	**31 Dec. 2009**	**31 Dec. 2008**	**31 Dec. 2007**	**31 Dec. 2006**
Intangible assets	67,948	182,357	182,166	387,941	394,097
Property, plant and equipment	12,525	17,185	12,705	7,668	4,879
Financial assets	953	96	61	2,332	191
Deferred tax asset	1,698	16,314	16,482	36,192	36,497
Current receivables	128,349	129,933	109,459	99,045	82,895
Cash and cash equivalents	76,793	57,881	92,429	73,591	79,417
Total assets	**288,266**	**403,766**	**413,302**	**606,769**	**597,976**
Equity	154,500	283,038	291,211	500,418	488,560
Non-current liabilities	222	7,383	9,566	12,712	13,162
Current liabilities	133,544	113,345	112,525	93,639	96,254
Total equity and liabilities	**288,266**	**403,766**	**413,302**	**606,769**	**597,976**

Cash Flow	**2010**	**2009**	**2008**	**2007**	**2006**
Cash flow from operating activities	–2 229	–14,856	34,063	15,038	48,353
Cash flow from investing activities	24 794	–20,763	–17,991	–22,234	–58,335
Cash flow from financing activities	–	–	–176	–42	3,095
Cash flow for the year	**22,565**	**–35,619**	**15,896**	**–7,238**	**–6,887**
Cash and cash equivalents at beginning of year	57,881	92,429	73,591	79,417	89,407
Exchange rate difference in cash and cash equivalents	–3,653	1,071	2,942	1,412	–3,103
Cash and cash equivalents at end of year	**76,793**	**57,881**	**92,429**	**73,591**	**79,417**

*Not restated according to new accounting principles

Consolidated Five-year Summary cont.

Key Figures	2010	2009	2008	2007	2006
Ave. no. of employees	131	142	144	156	133
Net sales, SEK m	361.8	469.0	423.3	404.9	447.8
Net sales, continuing operations, SEK m	265.9	228.8	203.4	N/A	N/A
EBITDA, SEK m	–22.3	–2.6	28.0	29.0	63.5
EBITDA, continuing operations, SEK m	–51.4	–33.4	–5.4	N/A	N/A
Operating profit/loss, SEK m	–114.1	–23.1	–197.2	8.6	15.2
Operating profit/loss, continuing operations, SEK m	–139.8	–47.1	N/A	N/A	N/A
Profit/loss before tax, SEK m	–118.8	–22.5	–189.5	9.8	19.1
Profit/loss before tax, continuing operations, SEK m	–144.3	–46.4	N/A	N/A	N/A
Profit/loss after tax, SEK m	–130.9	–16.4	–208.6	7.7	49.5
Profit/loss after tax, continuing operations, SEK m	N/A	–33.4	N/A	N/A	N/A
Operating margin, %	–31.5	–4.9	–46.6	2.1	3.4
Operating margin, continuing operations, %	–52.6	–20.6	N/A	N/A	N/A
Equity/assets ratio, %	54	70	70	82	82
Cash flow from operating activities per share, SEK	–0.01	–0.08	0.18	0.08	0.25
Return on equity, %	–58.92	–5.72	–52.70	1.55	10.66
Return on capital employed, %	–54.24	–7.77	–47.80	2.05	4.18
Basic earnings per share, SEK	–0.68	–0.09	–1.09	0.05	0.26
Diluted earnings per share, SEK	–0.68	–0.09	–1.09	0.05	0.26
Basic earnings per share, continuing operations, SEK	–0.77	–0.18	N/A	N/A	N/A
Diluted earnings per share, continuing operations, SEK	–0.77	–0.18	N/A	N/A	N/A

Definitions of Key Figures

Margins

Profit margin
Profit/loss before tax as a percentage of net sales for the year.

Operating margin
Operating profit/loss as a percentage of net sales for the year.

Returns

Return on equity
Net profit/loss attributable to equity holders of the parent as a percentage of average equity.

Return on total capital
Profit/loss before tax plus financial expenses as a percentage of average total assets.

Return on capital employed
Profit/loss before tax plus financial expenses as a percentage of average capital employed.

Capital Structure

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

Equity/assets ratio
Equity (including non-controlling interests) as a percentage of total assets.

Debt/equity ratio
Interest-bearing liabilities in relation to equity.

Interest coverage ratio
Profit/loss after financial items plus financial expenses divided by financial expenses.

Stock-related Key Figures

Average free float
Weighted average free float in the period.

Average free float and potential shares
Weighted average of free float and potential shares in the period.

Earnings per share
Profit/loss after tax divided by average free float.

Equity per share
Equity attributable to equity holders of the parent divided by free float at the end of the period.

Cash flow per share
Cash flow from operating activities divided by average number of outstanding shares.

Human Resources

Number of employees
Average number of full-time employees.

Value-added per employee
Net sales less expenses for services and goods for resale divided by number of employees.

Net sales per employee
Net sales divided by number of employees.

Staff turnover
Number of employees that concluded employment (excluding downsizing relating to restructuring and acquisitions) divided by the average number of employees.

Consolidated Income Statement

SEK 000	Note	1 Jan. – 31 Dec. 2010	1 Jan. – 31 Dec. 2009
Continuing operations			
Net sales	1	265,883	228,820
Other operating revenues		5,021	16,489
Total		**270,904**	**245,309**
Services and goods for resale		–100,838	–65,107
Other external expenses	1,2,3	–101,262	–100,729
Personnel expenses	4	–107,600	–96,816
Depreciation and impairment losses, property, plant and equipment	5	–7,077	–4,095
Amortization and impairment losses, intangible assets	5	–81,289	–9,641
Other operating expenses		–12,564	–16,079
Total		**–410,630**	**–292,467**
Operating profit/loss		**–139,726**	**–47,158**
Profit/loss from participations in group companies	9	–	–
Interest income and similar profit/loss items	9	1,295	1,386
Interest expenses and similar profit/loss items	9	–5,917	–670
Total		**–4,622**	**716**
Profit/loss before tax		**–144,348**	**–46,442**
Tax	10	–5,110	13,016
Net profit/loss from continuing operations		**–149,458**	**–33,426**
Discontinued operations	6		
Net profit/loss from discontinued operations		18,563	17,025
Net profit/loss*		**–130,895**	**–16,401**
* Attributable to equity holders of the parent		–128,925	–16,401
Attributable to non-controlling interests		–1,970	0
Basic earnings per share, SEK	20	–0.68	–0.09
Diluted earnings per share, SEK	20	–0.68	–0.09
Basic earnings per share, continuing operations, SEK	20	-0.77	-0.18
Diluted earnings per share, continuing operations, SEK	20	-0.77	-0.18

Statement of Comprehensive Income

SEK 000	Note	1 Jan. – 31 Dec. 2010	1 Jan. – 31 Dec. 2009
Net profit/loss		**–130,895**	**–16,401**
Translation difference for the year		–62	8,323
Comprehensive income for the year*		**–130,957**	**–8,078**
* Attributable to equity holders of the parent		–129,060	–8,078
Attributable to non–controlling interests		–1,897	0

Consolidated Balance Sheet

SEK 000	Note	31 Dec. 2010	31 Dec. 2009
ASSETS			
Fixed assets	5		
Goodwill		57,148	141,813
Other intangible assets		10,800	40,544
Equipment		12,525	17,185
Deferred tax asset	10	1,698	16,314
Other long-term receivables		953	96
Total fixed assets		**83,124**	**215,952**
Current assets			
Accounts receivable	22	83,509	89,779
Current tax receivables		2,511	3,630
Other receivables	22	28,440	22,951
Prepaid expenses and accrued income	11, 22	13,889	13,573
Cash and cash equivalents	16, 22	76,793	57,881
Total current assets		**205,142**	**187,814**
TOTAL ASSETS		**288,266**	**403,766**

Consolidated Balance Sheet cont.

SEK 000	Note	31 Dec. 2010	31 Dec. 2009
EQUITY AND LIABILITIES			
Equity			
Equity attributable to equity holders of the parent			
Share capital (190,538,115 shares, quotient value SEK 1)	18	190,538	190,538
Other paid-up capital		378,524	378,524
Reserves		4,124	4,259
Retained earnings		–289,661	–273,882
Net profit/loss		–128,925	–16,401
Total		**154,600**	**283,038**
Equity attributable to non-controlling interests		–100	0
Total equity		**154,500**	**283,038**
Non-current liabilities	13		
Deferred tax liabilities	10	222	7,383
Total non-current liabilities		**222**	**7,383**
Current liabilities			
Accounts payable	22	32,106	27,818
Current tax liabilities		36	240
Other liabilities	22	31,314	25,591
Accrued expenses and deferred income	14, 22	68,852	57,987
Other provisions	12	1,236	1,709
Total current liabilities		**133,544**	**113,345**
Total liabilities		**133,766**	**120,728**
TOTAL EQUITY AND LIABILITIES		**288,266**	**403,766**
Pledged assets	15	None	None
Contingent liabilities	15	None	None

Consolidated Cash Flow Statement

SEK 000	Note	1 Jan. - 31 Dec. 2010	1 Jan. - 31 Dec. 2009
Operating activities	16		
Net profit/loss		–130,895	–16,401
Adjustment for non-cash items		106,410	22,908
Cash flow from operating activities before changes in working capital		–24,485	6,507
Cash flow from changes in working capital			
Change in operating receivables		1,584	–20,474
Increase in operating liabilities		20,672	–889
Cash flow from operating activities		**–2,229**	**–14,856**
Investing activities			
Purchase of subsidiaries and associated companies		–348	205
Sale of subsidiaries		33,358	–
Purchase of intangible assets		–3,223	–12,465
Purchase of property, plant and equipment		–4,993	–8,503
Cash flow from investing activities		**24,794**	**–20,763**
Financing activities			
Decrease in financial liabilities		–	–
Cash flow from financing activities		**–**	**–**
Cash flow for the year		**22,565**	**–35,619**
Cash and cash equivalents at beginning of year		57,881	92,429
Exchange rate difference in cash and cash equivalents		–3,653	1,071
Cash and cash equivalents at end of year		76,793	57,881

Interest paid in the period amounted to SEK 176,000 (76,000).

Interest received in the period amounted to SEK 1,268,000 (1,051,000).

Income tax paid by the group amounted to SEK 77,000 (952,000).

Consolidated Statement of Changes in Equity

	Attributable to Equity Holders of the Parent					Attributable to non-controlling Interest	
	Share Capital	Other Paid-up Capital	Reserves	Retained Earnings	Net Profit/loss		Total
Closing balance, equity, 31 December 2008	**335,347**	**233,715**	**–4,064**	**–66,605**	**–205,586**	**670**	**293,477**
Correction*	–	–	–	–58	–2,208	–	–2,266
Opening balance, equity, 1 January 2009	**335,347**	**233,715**	**–4,064**	**–66,663**	**–207,794**	**670**	**291,211**
Transfer of previous year's earnings	–	–	–	–207,794	207,794	–	–
Reduction of share capital	–144,809	144,809	–	–	–	–	–
Net profit/loss	–	–	–	–	–16,401	–	–16,401
Other comprehensive income	–	–	8,323	–	–	–	8,323
Total changes in net worth excluding transactions with equity holders of the company	**–144,809**	**144,809**	**8,323**	**–207,794**	**191,393**	**–**	**–8,078**
Effect of stock option plans	–	–	–	575	–	–	575
Non-controlling interests	–	–	–	–	–	–670	–670
Closing balance, equity, 31 December 2009	**190,538**	**378,524**	**4,259**	**–273,882**	**–16,401**	**0**	**283,038**
Opening balance, equity, 1 January 2010	**190,538**	**378,524**	**4,259**	**–273,882**	**–16,401**	**0**	**283,038**
Transfer of previous year's earnings	–	–	–	–16,401	16,401	–	–
Net profit/loss	–	–	–	–	–128,925	–1,970	–130,895
Other comprehensive income	–	–	–135	–	–	73	–62
Total changes in net worth excluding transactions with equity holders of the company	**–**	**–**	**–135**	**–16,401**	**–112,524**	**–1,897**	**–130,957**
Effect of stock option plans	–	–	–	2,419	–	–	2,419
Non-controlling interests	–	–	–	–1,797	–	1,797	–
Closing balance, equity, 31 December 2010	**190,538**	**378,524**	**4,124**	**–289,661**	**–128,925**	**–100**	**154,500**

* See Note 23.

Parent Company Income Statement

SEK 000	Note	1 Jan. - 31 Dec. 2010	1 Jan. - 31 Dec. 2009
Operating revenues			
Net sales	1	56,683	111,530
Other operating revenues		766	8,007
Total		**57,449**	**119,537**
Operating expenses			
Services and goods for resale		–13,462	–51,893
Other external expenses	1, 2,3	–26,533	–36,336
Personnel expenses	4	–6,732	–6,632
Depreciation and impairment losses, property, plant and equipment	5	–324	–337
Amortization and impairment losses, intangible assets	5	–640	–517
Other operating expenses		–5,414	–6,645
Total		**–53,105**	**–102,360**
Operating profit/loss		**4,344**	**17,177**
Profit/loss from financial investments	9		
Profit/loss from participations in group companies		–34 368	–37,010
Interest income and similar profit/loss items		2 205	1,306
Interest expenses and similar profit/loss items		–14	–1,735
Total		**–32,177**	**–37,439**
Profit/loss after financial items		**–27,833**	**–20,262**
Tax on net profit/loss	10	–15,000	–
Net profit/loss		**–42,833**	**–20,262**

Statement of Comprehensive Income

Net profit/loss	–42,833	–20,262
Comprehensive income for the year	–42,833	–20,262

Parent Company Balance Sheet

SEK 000	Note	31 Dec. 2010	31 Dec. 2009
Assets			
Fixed assets	5		
Intangible assets			
Licenses and trademarks		811	2,501
Total intangible assets		**811**	**2,501**
Property, plant and equipment			
Equipment		267	475
Total property, plant and equipment		**267**	**475**
Financial assets			
Participations in group companies	7	117,797	149,227
Participations in joint venture	8	6,071	3,927
Receivables from group companies	19	0	0
Deferred tax asset		–	15,000
Other long-term receivables		900	–
Total financial assets		**124,768**	**168,154**
Total fixed assets		**125,846**	**171,130**
Current assets			
Current receivables			
Accounts receivable	22	538	781
Receivables from group companies	19, 22	87,179	71,417
Other receivables	22	4,036	1,277
Prepaid expenses and accrued income	11, 22	720	813
Total current receivables		**92,473**	**74,288**
Cash and bank balances	22	**23,783**	**21,316**
Total current assets		**116,256**	**95,604**
Total Assets		**242,102**	**266,734**

Parent Company Balance Sheet cont.

SEK 000	Note	31 Dec. 2010	31 Dec. 2009
Equity and liabilities			
Equity			
Restricted equity			
Share capital (190,538,115 shares, quotient value SEK 1)	18	190,538	190,538
Statutory reserve		16,162	16,162
Total restricted equity		**206,700**	**206,700**
Non-restricted equity			
Share premium reserve		1,335	1,335
Retained earnings		13,661	33,923
Net profit/loss		–42,833	–20,262
Total non-restricted equity		**–27,837**	**14,996**
Total equity		**178,863**	**221,696**
Non-current liabilities	13		
Liabilities to group companies	19, 22	310	310
Total non-current liabilities		**310**	**310**
Current liabilities			
Accounts payable	22	785	5,672
Liabilities to group companies	19, 22	53,156	25,191
Other liabilities	22	236	640
Accrued expenses and deferred income	14, 22	8,752	13,225
Total current liabilities		**62,929**	**44,728**
TOTAL EQUITY AND LIABILITIES		**242,102**	**266,734**
Memorandum items	15		
Pledged assets		None	None
Contingent liabilities		None	None

Parent Company Cash Flow Statement

SEK 000	Note	1 Jan. - 31 Dec. 2010	1 Jan. - 31 Dec. 2009
Operating activities	16		
Net profit/loss		–42,833	–20,262
Adjustment for non-cash items		47,874	38,425
Cash flow from operating activities before changes in working capital		5,041	18,163
Cash flow from changes in working capital			
Change in operating receivables		–18,185	–23,829
Change in operating liabilities		18,201	6,924
Cash flow from operating activities		**5,057**	**1,258**
Investing activities			
Purchase of subsidiaries and joint venture		–11,767	–7,144
Sale of subsidiaries		9,878	–
Purchase of intangible assets		–468	–673
Purchase of property, plant and equipment		–112	–91
Cash flow from investing activities		**–2,469**	**–7,908**
Financing activities			
Cash flow from financing activities		**–**	**–**
Cash flow for the year		**2,588**	**–6,650**
Cash and cash equivalents at beginning of year		21,316	28,179
Exchange rate difference in cash and cash equivalents		–121	–213
Cash and cash equivalents at end of year		23,783	21,316

Interest paid in the period amounted to SEK 14,000 (6,000).

Interest received in the period amounted to SEK 229,000 (383,000).

Income tax paid by the parent company amounted to SEK 0,000 (0,000).

Parent Company Statement of Changes in Equity

	Share Capital	Statutory Reserve	Share Premium Reserve	Retained Earnings	Net profit/loss	Total
Closing balance, equity, 31 December 2008	**335,347**	**16,162**	**1,335**	**13,898**	**–124,784**	**241,958**
Opening balance, equity, 1 January 2009	**335,347**	**16,162**	**1,335**	**13,898**	**–124,784**	**241,958**
Appropriation of previous year's earnings	–	–	–	–124,784	124,784	–
Reduction of share capital	–144,809	–	–	144,809	–	–
Total changes in net worth reported directly against equity	**–144,809**	**–**	**–**	**20,025**	**124,784**	**–**
Net profit/loss	–	–	–	–	–20,262	–20,262
Closing balance, equity, 31 December 2009	**190,538**	**16,162**	**1,335**	**33,923**	**–20,262**	**221,696**
Opening balance, equity, 1 January 2010	**190,538**	**16,162**	**1,335**	**33,923**	**–20,262**	**221,696**
Appropriation of previous year's earnings	–	–	–	–20,262	20,262	–
Total changes in net worth reported directly against equity	**–**	**–**	**–**	**–20,262**	**20,262**	**–**
Net profit/loss	–	–	–	–	–42,833	–42,833
Closing balance, equity, 31 December 2010	**190,538**	**16,162**	**1,335**	**13,661**	**–42,833**	**178,863**

Accounting Principles

The Consolidated Accounts have been prepared in accordance with International Financial Reporting Standards (IFRS/IAS) and interpretation statements from the International Financial Reporting Interpretations Committee (IFRIC/SIC) as endorsed by the EU Commission. Additionally, RFR 1, Supplementary Accounting Standards for Groups, and applicable statements from RFR (Rådet för finansiell rapportering, the Swedish Financial Reporting Board), have been applied.

The parent company observes the same accounting principles as the group apart from those cases stated below in the 'Parent Company Accounting Principles' section.

Basis of Preparation of the Parent Company and Consolidated Annual Accounts

The parent company's functional currency is the Swedish krona, which is also the presentation currency of the parent company and group. Thus, the financial statements are presented in Swedish kronor. All amounts are rounded to the nearest thousand Swedish kronor (SEK 000) unless otherwise stated.

Preparing the financial statements in accordance with IFRS necessitates management making judgments, estimates and assumptions that influence the stated amounts of revenues, expenses, assets and liabilities. Estimates and assumptions are based on historical experience and are reviewed regularly. Actual outcomes can differ from these estimates and judgments. Changes to estimates are reported in the period the change is made if the change only affects that period, or the period the change is made and future periods if the change affects both current and future periods. The areas that, in 2010, required more extensive judgments and estimates are impairment tests for consolidated goodwill (see Note 5) and measurement of deferred tax assets attributable to tax deficits (see Note 10).

The Consolidated Accounts are based on historical cost unless otherwise stated below. The following accounting principles are applied consistently for the periods presented in the Consolidated Accounts.

Amendments of IFRS in 2010

The accounting principles applied are consistent with those applied in the previous year with the exceptions stated below. The revised accounting principles that the group is applying from 1 January 2010 are reviewed below. Comment is only provided for the new and revised standards from IASB that are considered relevant to the group. Statements from IFRIC that came into effect in the financial year are not judged to have any material effect on the Consolidated Accounts. The application of the following standards did not have any effect on the group's results of operations or financial position. However, they have caused changes to the presentation of the financial statements and supplementary disclosures.

- IFRS 2 (Amendment, Share-based payment). This amendment was endorsed by the EU on 23 March 2010 and is applied from 1 January 2010 onwards. The amendment deals with intragroup share-based payments settled in cash. This amendment has not affected the Consolidated Accounts.

- IFRS 3 R (Revision, Business Combinations). This revised standard was endorsed by the EU on 3 June 2009 and applies to financial years that start after 30 June 2009, i.e. for Aspiro's part, from 1 January 2010 onwards. These amendments apply prospectively for business combinations completed after the date the revision comes into effect. Reporting of business combinations changes in terms of transaction expenses, potential conditional purchase prices and step acquisitions, for example. Aspiro is applying the revised standard from 1 January 2010.

- IAS 27 R (Revision, Consolidated and Separate Financial Statements). This revised standard was endorsed by the EU on 3 June 2009 and applies for financial years that start after 30 June 2009, i.e. for Aspiro's part from 1 January 2010 onwards. This revision applies mainly to the reporting of non-controlling interests. Profit or loss attributable to non-controlling interests should always be recognized even if it means the participation is negative. Transactions with non-controlling interests should always be recognized in equity, and in cases where the parent company relinquishes the controlling interest, the remaining participation should be restated at fair value. Aspiro is applying this amendment from 1 January 2010.

- IAS 39 (Amendment, Financial Instruments: Recognition and Measurement). This amendment, regarding items qualifying for hedge accounting, was endorsed by the EU on 15 September 2009 and applies for financial years that start after 1 July 2009, i.e. for Aspiro's part from 1 January 2010 onwards. This amendment did not affect the Consolidated Accounts.

- IFRIC 12 (Service Concession Arrangements). Endorsed by the EU on 25 March 2009 and applies to financial years starting 1 April 2009 or later, i.e. for Aspiro's part, 1 January 2010. This amendment did not affect the Consolidated Accounts.

- IFRIC 15 (Agreements for the Construction of Real Estate). Endorsed by the EU on 22 July 2009 and applies to financial years starting 1 January 2009 or later, i.e. for Aspiro's part, 1 January 2010. This amendment did not affect the Consolidated Accounts.

- IFRIC 16 (Hedges of a Net Investment in a Foreign Operation). Endorsed by the EU on 4 June 2009 and applies to financial years starting 1 July 2009 or later, i.e. for Aspiro's part, 1 January 2010. This amendment did not affect the Consolidated Accounts.

- IFRIC 17 (Distributions of Non-cash Assets to Owners). Endorsed by the EU on 26 November 2009 and applies to financial years starting 1 November 2009 or later, i.e. for Aspiro's part, 1 January 2010. This amendment did not affect the Consolidated Accounts.

- IFRIC 18 (Transfers of Assets from Customers). Endorsed by the EU on 27 November 2009 and applies to financial years starting 1 November 2009 or later, i.e. for Aspiro's part, 1 January 2010. This amendment did not affect the Consolidated Accounts.

- In addition, a number of amendments have been made to IFRS within the framework of IASB's annual improvements project. None of these amendments affected the consolidated accounts.

Amendments of IFRS that Have Not Yet Come into Effect

New standards and interpretations statements that should be applied for the financial year 2011 or later are presented below. Aspiro does not apply any standards in advance. The future application of these standards and interpretation statements is not expected to have any effect on the group's results of operations or financial position.

- IFRS 9 (Financial Instruments: Recognition and Measurement). Not endorsed by the EU and there is no schedule for endorsement.

- IAS 24 (Amendment, Related Party Disclosures). Endorsed by the EU on 19 July 2010.

- IAS 32 (Amendment, Financial Instruments: Presentation). Endorsed by the EU on 23 December 2009.

- IFRIC 14 (Amendment, The Limit on a Defined Benefit Asset and Minimum Funding Requirement). Endorsed by the EU on 19 July 2010.

- IFRIC 19 (Extinguishing Financial Liabilities with Equity Instruments). Endorsed by the EU on 23 July 2010.

- IFRS 7 (Amendment, Financial Instruments: Disclosures). Expected to be endorsed by the EU during Q2 2011.

Classification, etc.

Essentially, fixed assets and non-current liabilities exclusively comprise amounts expected to be recovered or paid after more than 12 months from the reporting date. Essentially, the parent company's and group's current assets and current liabilities exclusively comprise amounts expected to be recovered or paid within 12 months of the reporting date.

Consolidated Accounts

The Consolidated Accounts encompass the parent company and companies in which the parent company holds more than half of the vote directly or indirectly, or exerts a controlling influence in some other manner. All subsidiaries are reported in accordance with acquisition accounting, which means that the cost of the business combination is divided by reporting the identifiable assets, liabilities and contingent liabilities of the acquired company that satisfy the terms for accounting in accordance with IFRS at fair value at the time of acquisition.

The cost is calculated as the total of the fair values of assets given, liabilities incurred or assumed and the equity instruments issued in exchange for the controlling influence over the acquired entity, as of the transaction date. When the cost of the business combination exceeds the net fair value of the acquired share of identifiable assets, liabilities and reported contingent liabilities, the difference is reported as goodwill. When this difference is negative, it is reported directly in the Income Statement.

Subsidiaries are consolidated from the acquisition date until the divestment date inclusive. Aspiro's former US subsidiary, Aspiro Inc., has been closed, but not formally liquidated. Aspiro Inc. is not consolidated.

Intragroup receivables and liabilities, revenue and expenses and unrealized gains and losses are eliminated wholly when preparing the Consolidated Accounts.

Assets and liabilities of foreign operations are translated from functional currency to Swedish kronor at the rates of exchange ruling on the reporting date. Revenues and expenses of foreign operations are translated to Swedish kronor at average rates of exchange. The following translation rates have been applied:

Rate of Exchange	DKK	EEK	EUR	GBP	LTL	LVL	NOK	USD
31 Aug. 09	–	–	–	–	–	–	1.18	–
31 Oct. 09	–	–	–	–	–	–	1.24	–
31 Dec. 09	1.39	0.66	10.35	11.49	3.00	14.60	1.24	7.21
Average 2009	1.43	0.68	10.62	11.92	3.08	15.05	1.22	7.65
31 Dec. 10	1.21	0.58	9.00	10.55	2.61	12.68	1.15	6.80
Average 2010	1.28	0.61	9.55	11.13	2.77	13.48	1.19	7.21

Translation differences that arise coincident with the conversion of foreign operations are reported in comprehensive income.

Associated companies are reported in accordance with the equity method, and initially recognized at cost. The carrying amount of participations in associated companies reported in the group corresponds to the group's participation in the associated companies' equity and potential residual values for consolidated surplus values and deficits. The group's participation in profit after tax arising in the associated company after acquisition is reported in the Income Statement as a portion of operating profit.

Participations in joint ventures are reported in accordance with the proportional method in the group. The application of the proportional method means that the group's participation in the joint venture's assets and liabilities are included in the Balance Sheet. The group's participation in the joint venture's revenue and expenses is included in the Income Statement. The merger is by item in the Income Statement and Balance Sheet.

In legal entities, associated companies and joint ventures are reported according to the cost method.

Revenue Recognition

Revenues are the gross inflows of economic rewards that arise in the company's operating activities in a period and that increase the company's equity, with the exception of increases that depend on contributions from stockholders. Revenues only encompass the gross inflow of economic rewards that the company receives, or may receive, on its own behalf. Amounts accrued on behalf of another party, such as sales tax, tax on goods and services and value-added tax, are not reported as revenues. Revenues are measured at the fair value of what is received or will be received. Revenues are recognized when the company has transferred the essential risks and rewards associated with ownership of the products and the company no longer exerts any material control over the sold products.

Aspiro's revenues can be divided between subscription charges, start-up charges, transaction charges and fixed and variable usage charges. When the operation of services is ongoing, the revenues from fixed and variable charges are recognized monthly. The revenue from start-up charges is recognized when the service is delivered and approved by the customer. Transaction-based revenues are recognized on an ongoing basis as services are utilized. The revenue from subscription charges is recognized monthly.

Amended Accounting Principles

In 2010, Aspiro revised its principle for recognizing revenues and expenses relating to operators and media partners. Previously, revenues received via operators were recognized after deducting for operators' charges. The new principle means that instead, revenues are recognized inclusive of operators' charges. The corresponding amount is recognized as an expense for services and goods for resale. Accordingly, operating profit/loss is not affected by this change of principle. In relation to media partners, Aspiro previously followed the principle that operators in Norway apply regarding payment flows that are transferred to partners. These flows have been recognized as revenues and media partner expenses. In Sweden, operators have been applying a different principle for some time. Aspiro has now transferred to this principle, which means that only that portion of payment flows that constitute the company's remuneration for services rendered is recognized as revenue. The change does not affect operating profit/loss. The restatement of comparative figures has been conducted quarterly for 2010 and 2009. See Note 24.

Correction of Misstatement

A correction of a misstatement regarding revenues in TV has been reported in accordance with IAS 8. SEK 2.3 m, which was recognized as revenues in 2007 and 2008, has been transferred to liabilities with a corresponding reduction of opening equity as of 1 January 2009. Sales and profit/loss in 2009 have been reduced by SEK 2.7 m and the corresponding amount has been recognized as a liability. See Note 23.

Financial Revenue and Expenses

Financial revenue and expenses comprise interest income on bank balances and receivables, interest expenses on liabilities and exchange rate differences. Exchange rate differences on intragroup receivables and liabilities are reported net.

Financial Instruments

Financial instruments reported in the Balance Sheet include cash and cash equivalents, accounts receivable, other receivables and accrued income on the assets side. The equity and liabilities side includes accounts payable, other current liabilities, accrued expenses and equity instruments issued. Initially, financial instruments are recognised at cost corresponding to the fair value of the instrument plus transaction expenses, apart from financial instruments measured at fair value via the Income Statement.

A financial asset or liability is reported in the Balance Sheet when the company becomes party to the instrument's contracted terms. Accounts receivable are reported in the Balance Sheet when the invoice is sent. Liabilities are recognized when the counterparty has delivered and there is a contracted obligation for payment, even if no invoice has been received yet. Accounts payable are recognized when the relevant invoice is received.

A financial asset is derecognized from the Balance Sheet when the contracted rights are realized, mature or the company relinquishes control over them. The same applies to parts of a financial asset. Financial liabilities are derecognized from the Balance Sheet when the contracted commitment is satisfied or ceases in some other manner. The same applies to a part of a financial liability. The company evaluates whether there is any objective indication of impairment of a financial asset at each occasion when financial statements are prepared.

The group's balances in bank accounts including foreign currency accounts and incoming funds are included in cash and cash equivalents. Consolidated cash and cash equivalents are only subject to an insignificant risk of value fluctuations.

Accounts receivable are reported at the amount expected to be received after deducting for doubtful debt, which is evaluated on a case-by-case basis. Because the expected term of accounts receivable is short, values are reported at nominal amount without discounting. Impairment losses on accounts receivable are reported in operating expenses as other external expenses. Accounts receivable not settled within 90 days after their due date are reported as doubtful debt unless there are specific reasons to assume that payment will be received. Examples of specific reasons may be an agreement on payment by installments.

Liabilities are classified as other financial liabilities, which means that initially, they are reported at the amount received. After the acquisition date, loans are reported at cost in accordance with the effective interest method. Accounts payable are classified as other financial liabilities. Because accounts payable have short expected terms, values are reported at nominal amount without discounting.

There are no derivative instruments to cover the risk of exchange rate fluctuations within the group.

Intangible Assets

Goodwill

Goodwill is the positive difference between the cost of a business combination and the net fair value of acquired identifiable assets, liabilities and contingent liabilities. Goodwill can be regarded as a payment for future economic rewards that cannot be identified individually, nor recognized separately. Goodwill is measured at cost less potential accumulated impairment losses. Goodwill is allocated to cash-generating units and is subject to impairment tests at least yearly, see the Impairment Losses heading below.

Other Intangible Assets

Acquired intangible assets are reported at cost less accumulated amortization and impairment losses. Development costs are only capitalized if the expenses are expected to result in identifiable future economic rewards that are under the control of the company, and it is technologically and financially possible to complete the asset. The costs that can be capitalized are costs that are invoiced externally and direct costs for labor. Other development costs are expensed in the Income Statement as they arise. Capitalized development costs are reported at cost, less deductions for accumulated amortization. Supplementary expenditure for capitalized intangible assets is reported as an asset only if it increases the future economic rewards for the specific asset to which they relate. The carrying amount of the asset is derecognized from the Balance Sheet upon disposal or divestment, or when no future economic rewards are expected from the use or disposal/divestment of the asset. The gain or loss resulting when an intangible fixed asset is derecognized from the Balance Sheet is reported in the Income Statement. The gain or loss is calculated as the difference between the potential net revenue from the divestment and the asset's carrying amount.

Property, Plant and Equipment

Expenditure for property, plant and equipment is reported as an asset in the Balance Sheet when it is likely that the future economic rewards associated with the asset will arise for the company and the asset's cost can be reliably calculated. Property, plant and equipment are reported at cost less accumulated depreciation according to plan and potential impairment losses. The cost comprises the purchase price and expenditure directly attributable to the asset to bring it to the place and condition for use in the manner the company intended. The carrying amount of the asset is derecognized from the Balance Sheet upon disposal or divestment, or when no future economic rewards are expected from the use or disposal/divestment of the asset. The gain or loss that results when a tangible fixed asset is derecognized from the Balance Sheet is reported in the Income Statement. The gain or loss is calculated as the difference between the potential net revenue from the divestment and the asset's carrying amount.

Depreciation and Amortization

Intangible Assets

After first-time reporting, intangible assets are reported in the Balance Sheet at cost less deductions for potential accumulated amortization and impairment losses. For intangible assets with finite useful lives, amortization is on a straight-line basis over the asset's estimated useful life. Intangible assets with indefinite useful lives are not amortized. Instead, an impairment test is applied in accordance with IAS 36 by comparing the asset's recoverable value and its carrying amount. This test is conducted yearly, or at any time there are indications of value impairment of the intangible asset. Evaluations of amortization methods and useful lives are conducted yearly.

The following amortization periods are applied:

Licenses and trademarks	3–10 years
Capitalized development expenditure	3 years
IT systems	5 years

Property, Plant and Equipment

After first-time reporting, property, plant and equipment are reported in the Balance Sheet at cost less accumulated depreciation and potential accumulated impairment losses. Depreciation is on a straight-line basis over the asset's estimated useful life. Evaluations of depreciation methods and useful lives are conducted yearly.

The following depreciation periods are applied:

Office equipment	5 years
Computer equipment	3 years

Impairment Losses

Carrying amounts for the group's assets are verified at each reporting date to determine whether there is any impairment. If so, the asset's recoverable value is calculated, defined as the greater of fair value less selling expenses and value in use. When calculating value in use, future payment surpluses the asset is expected to generate are discounted at a rate corresponding to risk-free interest and the risk associated with the specific asset. The recoverable value of the cash-generating unit to which the asset belongs is calculated for assets that do not generate cash flow that is essentially independent of other assets. If the recoverable value of the asset is less than the carrying amount, an impairment loss is effected. Impairment losses are charged to the Income Statement.

Regardless of whether there is any indication of value impairment, tests are conducted on assets with indefinite useful lives and intangible assets that are not yet ready for use. Impairment tests allocate goodwill acquired in a business combination to each of the acquired cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the acquisition, from the acquisition date onwards. Each unit or group of units over which goodwill is allocated correspond to the lowest level in the company at which goodwill in question is monitored in internal controls, and is not greater than a segment based on the basis for division in accordance with IFRS 8, Operating Segments. Aspiro has allocated acquired goodwill on the basis of business segments. The impairment test as of 31 December 2009 did not result in any goodwill impairment. The impairment test as of 31 December 2010 resulted in impairment of goodwill relating to the Mobile Search business segment (see Note 5).

The company determines whether there is any indication that the previous impairment loss of an asset, apart from goodwill, is no longer justified wholly or partly at each reporting date. A reversal of impairment losses is only effected to the extent the asset's carrying amount is not greater than the company would have reported (after depreciation) if the company had not written down the asset. Reversals of impairment losses are reported in the Income Statement.

Foreign Currencies

Foreign currencies are translated to the functional currency at the rate of exchange ruling on the transaction date. In some cases, actual rates of exchange are approximated as an average over one month. Foreign currency receivables and liabilities have been translated to functional currency at rates of exchange ruling on the reporting date. Exchange rate differences on trading receivables and liabilities are included in operating profit/loss in the Income Statement. Differences in financial receivables and liabilities are reported as a net total in financial items. Exchange rate differences on monetary intragroup items are included in the Consolidated Income Statement. The group does not currently use any financial instruments to hedge rates of exchange.

Leases

Lease arrangements are classified according to the extent to which the economic risks and rewards associated with ownership of the relevant leased items rest with the lessor or lessee. A lease arrangement is classified as a finance lease if it implies that essentially, the economic rewards and risks associated with ownership of the item are transferred from the lessor to the lessee. A lease arrangement is classified as an operating lease if it does not mean that essentially, the rewards and risks are transferred to the lessee. Finance leases are reported as assets and liabilities in the Balance Sheet, which means that depreciation and interest expenses for each period are reported in the Income Statement. For operating leases, lease charges are expensed on a straight-line basis over the lease term, providing there is no better way of reflecting the company's economic reward over time. Aspiro has no significant lease arrangements over and above premises leases. Only a few lease arrangements, on office equipment, for example, remained at year-end 2010. These arrangements are classified as operating leases in the parent company and group.

Tax

Tax is reported in the Income Statement apart from when the underlying transaction is reported directly against other comprehensive income. Current tax is tax to be paid or received in the current year, including potential adjustments of current tax attributable to previous periods. Deferred tax is calculated in accordance with the balance sheet method, proceeding from temporary differences between the carrying amounts and taxable values of assets and liabilities. The amounts are calculated based on how the temporary differences are expected to even out, and by applying the tax rates and rules that are enacted or substantively enacted on the reporting date.

Temporary differences are not considered in consolidated goodwill, nor in differences attributable to participations in subsidiaries that are not expected to become subject to tax in the foreseeable future. For legal entities, potential untaxed reserves are reported including deferred tax liabilities. However, the Consolidated Accounts divide untaxed reserves between deferred tax liabilities and equity.

Deferred tax assets in deductible temporary differences and loss carry-forwards are only reported to the extent that it is likely that they will imply lower future tax payments. A deferred tax asset relating to loss carry-forwards of SEK 15 m was reported in the financial statement of Aspiro AB for 2009. This item was written down to zero in the financial statement for 2010.

Employee Benefits

Employee benefits are reported as salaries paid and accrued benefits. Full provisions are made for various assumptions such as vacations, social security contributions and pensions. All the group's pension contracts have been classified as defined-contribution plans, which means that the company pays predetermined charges to a separate legal entity, and has no legal or informal commitment to pay further charges if the legal entity does not have sufficient assets to pay all benefits for employee service during current and previous periods. Pension expenses for defined-contribution plans are charged to earnings as employees render service. These commitments are calculated without discounting because the payments for all these plans become due for payment within 12 months.

Provisions are only reported coincident with termination of employees if the company has demonstrably committed to conclude employment before the normal time, or when remuneration is paid to encourage voluntary redundancy. In those cases the company issues redundancy notices, a detailed plan, which as a minimum, includes information on workplaces, positions and the approximate number of people affected, and the remuneration for each employee category or position and the time for conducting the plan.

Staff stock options are settled through new share issues. The staff stock option plan is reviewed in Note 4. The expenses for staff stock options have been calculated in accordance with IFRS 2. The fair value of options has been calculated in accordance with the Black & Scholes general model for valuing options, without adjusting for potential dilution. The expense is allocated on a straight-line basis over the term of the options, of 24 months. A provision for social security contributions is made based on the fair value of the stock options at each reporting date.

Earnings per Share

Basic earnings per share are calculated by earnings attributable to holdings of ordinary shares of the parent company being divided by the weighted average free float of ordinary shares in the period. For comparative purposes, the free float is adjusted for bonus issues, split and reverse split.

When calculating the potential dilution due to outstanding warrants, the value of the subscription price is compared with the share's market value. Assumed payment from warrants is considered as if it had been received upon the issue of ordinary shares at the average market price of ordinary shares in the period. The difference between the number of issued ordinary shares and the number of ordinary shares that would have been issued at an average market price of ordinary shares in the period is treated as an issue of ordinary shares without payment. Warrants only give rise to a dilution effect when the average price of ordinary shares in the period is greater than the exercise price of the stock options and when profit or loss attributable to holders of ordinary shares of the parent company is positive.

Provisions

Provisions are reported in the Balance Sheet when a legal or informal commitment arises as a consequence of an event that has occurred and it is likely that an outflow of economic rewards will be necessary to settle the commitment and a reliable estimate of the amount is possible. The provision is reported at an amount corresponding to the best estimate of the disbursement necessary to settle the commitment. Provisions are liabilities that are uncertain in terms of the amount or timing of when they will be settled. When provisioning for restructuring expenses, in addition to the general criteria for provisions being satisfied, the company must have a detailed formal plan for restructuring, which state the operations and sites affected, the number of employees that will receive severance pay, other expenses the company will incur, and when the measures will be conducted. The creation of a well-founded expectation with the parties affected is another precondition for reporting provisions for restructuring measures. The financial statement for 2010 reports a provision for estimated supplementary purchase price relating to the acquisition of Apparat AS (see Note 12).

Contingent Liabilities

Contingent liabilities are potential commitments sourced from events that have occurred and whose incidence may be confirmed only by one or more uncertain future events occurring or not occurring, which do not lie entirely within the company's control. Contingent liabilities may also be existing commitments sourced from events that have occurred but that are not reported as a liability or provision because it is unlikely that an outflow of resources will be necessary to settle the commitment, or the size of the commitment cannot be measured with sufficient reliability.

Borrowing Costs

Borrowing costs are reported to earnings for the period to which they are attributable. No borrowing costs have been incorporated in the cost of assets.

Cash Flow Statement

The Cash Flow Statement has been prepared in accordance with the indirect method. Cash flow from operating activities is calculated proceeding from net profit/loss. The profit/loss is adjusted for transactions not involving payments made or received, changes in trade-related receivables and liabilities, and for items attributable to investing or financing activities.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash and bank balances and short-term investments with a due date within three months.

Operating Segments

Aspiro has defined operating segments as the group's four business segments: TV, Music, Mobile Solutions and Mobile Search. The executive management monitors the business segments on the basis of total sales, earnings net of direct expenses and EBITDA.

Parent Company Accounting Principles

The parent company prepares its Annual Accounts in accordance with the Swedish Annual Accounts Act (1995:1554) and RFR 2, Accounting for Legal Entities issued by the Swedish Financial Reporting Board. RFR 2 is based on legal entities whose securities are quoted on a Swedish stock market or recognized marketplace, whose general rule is to apply the IFRS/IAS applied in the Consolidated Accounts. Accordingly, in its Annual Accounts for the legal entity, the parent company applies all IFRS and statements endorsed by the EU where this is possible within the auspices of the Swedish Annual Accounts Act and with consideration to the relationship between accounting and taxation in Sweden. RFR 2 states the exemptions and amendments to be made from and to IFRS. The difference between the group's and the parent company's accounting principles are stated below. The accounting principles of the parent company stated below have been applied consistently for all periods published in the parent company's financial statements.

Classification and Presentation

The parent company's financial reports are presented in the format stipulated by the Swedish Annual Accounts Act. The primary discrepancy from IAS 1 relates to the accounting of equity and the incidence of provisions as an independent title in the Balance Sheet.

Group and Stockholders' Contributions

Group contributions paid are reported as an increase in the participations in subsidiaries item of the issuer. If the contribution is intended to cover losses, the group's participations in subsidiaries have been subjected to an impairment test subsequently. With the recipient, the stockholders' contribution is reported directly against non-restricted equity. Group contributions are reported in accordance with their economic implications. This means that group contributions received or paid with the intention of affecting the group's total tax expense are reported directly against retained earnings after deducting for their current tax effect.

Leases

The parent company accounts all lease arrangements in accordance with the rules on operating leases.

Financial Instruments

The parent company does not utilize the valuation rules of IAS 39. The parent company values financial fixed assets at cost less potential impairment losses and financial current assets at the lower of cost or market. Financial receivables and liabilities are translated to the functional currency at the rate of exchange ruling on the reporting date.

Tax

The parent company accounts potential untaxed reserves including deferred tax liabilities. The Consolidated Accounts divide untaxed reserves between deferred tax liabilities and equity (retained earnings).

Notes

Note 1 Net Sales and Segment Reporting

	Group				Parent Company			
	2010		2009		2010		2009	
Net sales by group and other companies (continuing operations)								
Net sales to group companies	–	–	–	–	55,682	98 %	106,081	95 %
Net sales to other companies	265,883	100 %	228,820	100 %	1,001	2 %	5,449	5 %
Total net sales	**265,883**	**100 %**	**228,820**	**100 %**	**56,683**	**100 %**	**111,530**	**100 %**
External expenses by group and other companies (continuing operations)								
Other external expenses, group companies	–	–	–	–	13,807	52 %	25,051	69 %
Other external expenses, other companies	101,262	100 %	100,729	100 %	12,726	48 %	11,285	31 %
Total other external expenses	**101,262**	**100 %**	**100,729**	**100 %**	**26,533**	**100 %**	**36,336**	**100 %**

Reporting by Operating Segment

	TV		Music		Mobile Solutions		Mobile Search		Eliminations/ Unallocated		Continuing Operations		Discontinued Operation	
Group	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**
Revenues														
External net sales	52,665	39,314	49,997	28,128	75,619	57,382	79,910	81,530	7,692	22,466	265,883	228,820	95,965	239,389
Internal net sales	514	183	–	–	56,381	77,960	–	–	–56,895	–78,921	–	–778	–	778
Other operating revenues	1,414	1,164	–43	256	289	551	104	689	3,257	13,829	5,021	16,489	69	140
External direct expenses *	–4,261	–3,467	–36,341	–19,395	–54,528	–35,179	–8,647	–17,176	–62,081	–130,790	–165,858	–206,007	–14,180	–54,281
Internal direct expenses *	–35	–170	–151	–426	–48,761	–67,933	–26,218	–26,502	108,140	191,551	32,975	96,520	–32,975	–96,520
Earnings net of direct expenses	**50,297**	**37,024**	**13,462**	**8,563**	**29,000**	**32,781**	**45,149**	**38,541**	**113**	**18,135**	**138,021**	**135,044**	**48,879**	**89,506**
Indirect operating expenses	–64,845	–47,769	–33,797	–17,512	–44,500	–45,877	–5,336	–5,288	–40,903	–52,020	–189,381	–168,466	–19,773	–58,784
EBITDA	**–14,548**	**–10,745**	**–20,335**	**–8,949**	**–15,500**	**–13,096**	**39,813**	**33,253**	**–40,790**	**–33,885**	**–51,360**	**–33,422**	**29,106**	**30,722**
Depreciation, amortization and impairment											–88,366	–13,736	–3,458	–6,741
Operating profit/loss											**–139,726**	**–47,158**	**25,648**	**23,981**
Financial income and expenses											–4,622	716	–10	–44
Profit/loss before tax											**–144,348**	**–46,442**	**25,638**	**23,937**
Tax on net profit/loss											–5,110	13,016	–6,794	–6,912
Capital gain, sale											–	–	–281	–
Net profit/loss											**–149,458**	**–33,426**	**18,563**	**17,025**

*Direct expenses are expenses for purchased content, advertising and revenue sharing.

Not 1 cont.

Group	2010	2009
Reporting by Geographical Regions		
Norway	168,184	151,694
Denmark	24,866	2,110
Baltic states	15,109	34,798
Sweden	11,069	6,777
Finland	2,243	-746
Other countries	44,412	34,187
Total net sales by geographical region	**265,883**	**228,820**
Discontinued operation	95,965	239 389

Group	2010	2009
Reporting of geographical segments, non-current assets		
Sweden:		
Goodwill	-	18,265
Other intangible assets	811	802
Equipment	273	545
Long-term receivables	905	5
Total, Sweden	**1,989**	**19,617**
Norway:		
Goodwill	57,148	123,548
Other intangible assets	8,999	35,121
Equipment	12,153	15,900
Long-term receivables	4	4
Total, Norway	**78,304**	**174,573**
Other countries		
Other intangible assets	990	4,621
Equipment	99	740
Long-term receivables	44	87
Total, other countries	**1,133**	**5,448**
Total	**81,426**	**199,638**

Information on Major Customers
The group's three largest customers represent 13%, 9% and 5% of net sales respectively. Revenue from the largest customers are in TV and Music.

Other Disclosures

Aspiro has defined operating segments as the group's four business segments: TV, Music, Mobile Solutions and Mobile Search. The former business segment Mobile Entertainment is reported as a discontinued operation. The allocation of revenues and expenses is partly based on information from Aspiro's statistics and monitoring systems.

The executive management monitors the business segments on the basis of total net sales (including intragroup revenues), earnings net of direct expenses for purchased content, advertising and revenue sharing, and EBITDA.

Assets, liabilities and investments cannot be allocated by segment in a reasonable and reliable manner because, to some extent, the operation is integrated in terms of technology platform. Operating receivables and operating liabilities may also consist of 'mixed' items because purchasing from suppliers and sales to customers may cover several segments.

Note 2 Lease Payments

	Group		Parent Company	
	2010	**2009**	**2010**	**2009**
Total lease payments for the financial year, equipment	102	588	13	12
Lease payments due in the coming years, equipment				
2010	–	104	–	13
2011	46	47	13	13
2012	44	45	13	13
2013	44	45	13	13
2014	6	6	1	1
Total lease payments due in the coming years	**140**	**247**	**40**	**53**

	Group		Parent Company	
	2010	**2009**	**2010**	**2009**
Total rental expenses for the financial year, premises	6,624	9,451	450	464
Rental contracts maturing in the coming years, premises				
2010	-	8,020	-	450
2011	6,289	7,508	450	450
2012	5,843	5,484	113	113
2013	565	221	-	-
Total rental contracts maturing in the coming years	**12,697**	**21,233**	**563**	**1,013**

All lease arrangements have been reported as operating leases. There are only a few lease arrangements in the group, for dispensing machines.

Note 3 Audit Fees and Reimbursement

	Group		Parent Company	
	2010	**2009**	**2010**	**2009**
Ernst & Young				
Auditing	1,843	2,027	538	451
Auditing in addition to audit assignment	243	202	243	202
Tax consultancy	8	34	8	34
Other services	460	266	247	183
Total, Ernst & Young	**2,554**	**2,529**	**1,036**	**870**
Other auditors				
Auditing	43	18	–	–
Auditing in addition to audit assignment	–	–	–	–
Tax consultancy	36	–	36	–
Other services	68	313	68	30
Total, other auditors	**147**	**331**	**104**	**30**
Total auditors' fees and reimbursement	**2,701**	**2,860**	**1,140**	**900**

Note 4 Human Resources

Average no. of employees	Group 2010	Group 2009	Parent Company 2010	Parent Company 2009	Subsidiaries 2010	Subsidiaries 2009
Employees in Sweden	19	23	10	9	9	14
Of which men in Sweden	10	16	4	6	6	10
Employees in Norway	100	98	–	–	100	98
Of which men in Norway	85	80	–	–	85	80
Employees in Denmark	1	3	–	–	1	3
Of which men in Denmark	1	2	–	–	1	2
Employees in Baltic states	7	12	–	–	7	12
Of which men in Baltic states	6	9	–	–	6	9
Employees in Finland	3	5	–	–	3	5
Of which men in Finland	3	5	–	–	3	5
Employees in the US	1	1	–	–	1	1
Of which men in the US	1	1	–	–	1	1
Total average no. of employees	**131**	**142**	**10**	**9**	**121**	**133**
Total, of which men	**106**	**113**	**4**	**6**	**102**	**107**

Salary and other benefits by country and between Board members, etc. and employees

	Group 2010	Group 2009	Parent Company 2010	Parent Company 2009	Subsidiaries 2010	Subsidiaries 2009
Board of Directors and CEO, Sweden	838	588	838	588	–	–
Other employees, Sweden	8,111	11,932	4,040	4,288	4,071	7,644
CEO, Norway	2,776	3,050	–	–	2,776	3,050
Other employees, Norway	78,925	83,797	–	–	78,925	83,797
Other employees, Baltic states	1,729	3,213	–	–	1,729	3,213
Other employees, Denmark	845	1,694	–	–	845	1,694
Other employees, Finland	1,608	2,251	–	–	1,608	2,251
Other employees, US	1,282	1,917	–	–	1,282	1,917
Total, Board of Directors and CEO	**3,614**	**3,638**	**838**	**588**	**2,776**	**3,050**
Total, other employees	**92,500**	**104,804**	**4,040**	**4,288**	**88,460**	**100,516**
Salary, other benefits and payroll overheads						
Total salary and other benefits	**96,114**	**108,442**	**4,878**	**4,876**	**91,236**	**103,566**
Total social security contributions	**20,564**	**23,088**	**2,426**	**1,990**	**18,138**	**21,098**
Of which pension expenses	4,736	5,002	614	536	4,122	4,466

Of the parent company's pension expenses of SEK 614,000 (SEK 536,000), SEK 0 (SEK 0) relate to the Board and CEO.
Of the group's pension expenses of SEK 4,736,000 (SEK 5,002,000), SEK 169,000 (SEK 45,000) relate to the Board and CEO.

Senior Executives' Employment Terms and Remuneration

The AGM resolved on SEK 875,000 (SEK 750,000) of Directors' fees for the period until the next AGM.
Fees shall be SEK 125,000 to each member and SEK 250,000 to the Chairman. The Chairman also has a contracted consulting assignment regarding management and coordination of strategic business development work.

Remuneration to the Board of Directors (SEK 000)	Directors' Fees	Remuneration via Company
Mats Alders, Chairman of the Board	250	300
Lars Boilesen	125	–
Gisle Glück Evensen	125	–
Peter Pay	125	–
Åsa Sundberg	125	–
Nils Petter Tetlie	125	–
Total	**875**	**300**

Note 4 cont.

The CEO can be issued six months' notice of termination of employment. If such notice is issued by the company, severance pay of nine months' salary is due. Basic salary is payable at NOK 2.1 m yearly. Maximum yearly bonus is six months' salary.

In February 2011, the Board of Directors decided to enter a new employment contract with the CEO, Gunnar Sellæg, involving remuneration on termination of a total of 18 months' salary, divided between six months' notice period and 12 months' severance pay. This agreement is conditional on approval by the AGM 2011.

Other benefits comprise premium-based pension insurance of 5% of basic salary between 0 and 6G, and 8% of basic salary between 6G and 12G (G is defined as the Norwegian equivalent of the Swedish basic amount, G is presently NOK 76,000).

Remuneration to the CEO Gunnar Sellæg amounted to SEK 2.8 m (SEK 3.0m) in 2010. The bonus for 2010 is payable in 2011 at SEK 298,000 (SEK 805,000), corresponding to some 24% (71%) of maximum bonus. The salary and employment terms of the CEO are determined by the Board's Remuneration Committee.

The employment terms of other senior managers are determined by consultation between the CEO and Board of Directors.

Other members of management are subject to mutual notice periods of three to six months. Pension benefits to senior managers in Sweden correspond to the Maxplan or SEB Tryggplan schemes. Senior managers in Norway have a premium-based pension policy of 3% of basic salary between 0G and 6G, and 6% of basic salary between 6G and 12G.

All pension plans are defined contribution. Aspiro's obligations are limited to the amount the company accepts to contribute.

In 2010, total remuneration of SEK 6,370,000 (SEK 14,648,000) was paid to other senior managers in management, totaling five (seven) people in the year. Pension expenses for this group amounted to SEK 131,000 (SEK 266,000). Of total remuneration SEK 0,000 (SEK 1,581,000) is severance pay.

The following applies to bonuses to the management group for 2010 (five people) pursuant to Board decision: bonus is based on EBITDA and personal targets. Management may receive a maximum of 50% of yearly salary as bonus. The bonus for 2010 was SEK 0.6 m (SEK 3.6 m).

Sickness Absence (Employees in Sweden)	2010	2009
Total absence	6.15%	4.43%
Men	6.69%	1.12%
Women	5.74%	6.30%

Pursuant to Chap. 5 para. 18a §2 cl. 3 of the Swedish Annual Accounts Act, the division of sickness absence is not disclosed because there are less than 10 employees in the groups. Sickness absence of greater than 60 days is 15.55%.

Stock Option Plans

The CEO, senior managers and other managers of Aspiro have received stock options.

The 2009/2011 Plan involves 5,000,000 stock options with entitlement to subscribe for one Aspiro share at an exercise price of SEK 1.30. Half of the stock options can be exercised from one year after granting onwards, and half two years after granting, although no later than 30 June 2011.

The 2010/2012 Plan involves 5,000,000 stock options with entitlement to subscribe for one Aspiro share at an exercise price of SEK 1.91. Half of the stock options can be exercised from one year after granting onwards, and half two years after granting, although no later than 31 December 2012.

The 2009/2011 and 2010/2012 Plans include a vesting condition that consolidated net sales, adjusted for extraordinary events, should increase by 5% yearly. The plans also include a re-investment obligation of 25% of the gain after tax. Exercise of staff stock options requires the option-holder to remain an employee of the group. Of a total of 10,000,000 staff stock options issued, 8,187,600 can be exercised. To ensure the correct execution of the stock options, the group has issued warrants to a group company. More information in the Stock and Stockholders section on page 23.

On 11 December 2008, a shareholders' meeting resolved on the issuance of call options and transfer of shares of the subsidiaries Rubberduck Media Lab AS and Rubberduck Media Lab Inc.

	2010		2009	
Division between Sexes among Senior Managers	At the End of the Period	Of which Men	At the End of the Period	Of which Men
Group				
Board members	16	94%	15	89%
CEO and management	5	100%	6	100%
Parent Company				
Board members	6	83%	5	80%
CEO and management	5	100%	6	100%

Staff Stock Option Plans	2009/2011	2010/2012	Total
Maximum number of options for granting to employees	5,000,000	5,000,000	**10 000 000**
Actual number of granted options	4,750,100	5,000,000	**9 750 100**
Value per option, SEK	0.23	0.22	
Valuation date	30 Jun. 09	30 Jun. 10	
Stock price, SEK	1.22	1.54	
Exercise price, SEK	1.30	1.91	
Estimated average duration	2 years	2 years	
Interest	1.20%	1.45%	
Expected volatility	37%	33%	
Dividends	–	–	
Original estimate of share of remaining staff at exercise dates	100%	100%	
Total estimated expense during term of plan exc. employer's contribution, SEK 000	1,150	1,100	
Fair value per option, 31 Dec. 2010, including dilution effect, SEK	0.04	0.06	
Actual number of exercisable options adjusted for staff attrition and switch to 2008/2010 plan	3,187,600	5,000,000	**8,187,600**

The above valuation remains, apart from the assumption on the share of remaining staff at each exercise date. This assumption may be changed due to actual circumstances. Total expense will also change because employer's contributions are calculated on the fair value of the options, and a new present value calculation is conducted each quarter. In 2010, expenses for the staff stock option plan reduced operating profit by SEK 2.4 m (SEK 0.6 m).

Note 5 Fixed Assets

Intangible Assets

Capitalized development costs	Group 2010	Group 2009	Parent Company 2010	Parent Company 2009
Cost, opening balance	11,117	11,743	2,033	2,033
Retirements/sales	–11,117	–626	–2,033	–
Cost, closing balance	**–**	**11,117**	**–**	**2,033**
Accumulated amortization and impairment losses, opening balance	–9,605	–7,185	–2,033	–2,013
Amortization	–1,512	–3,046	–	–20
Amortization retirements/sales of retirements for the year	11,117	626	2,033	–
Accumulated amortization and impairment losses, closing balance	–	–9,605	–	–2,033
Carrying amount, closing balance	**–**	**1,512**	**–**	**–**

No consulting fees, in-house work and licenses for the enhancement of Aspiro's technology platform and new segments were capitalized in 2010. Expensed development costs were some SEK 21.5 m (SEK 16 m) and mainly consist of costs for staff.

Licenses, technology, trademarks and customer contracts	Group 2010	Group 2009	Parent Company 2010	Parent Company 2009
Cost, opening balance	99,341	87,247	3,977	3,304
Purchases	3,223	12,465	468	673
Increase via purchases	–	2,911	–	–
Retirements/sales	–73,744	–3,765	–2,820	–
Exchange rate difference	–1,345	483	–	–
Cost, closing balance	**27,475**	**99,341**	**1,625**	**3,977**
Accumulated amortization and impairment losses, opening balance	–60,309	–51,452	–1,476	–979
Increase via purchases	–	–117	–	–
Reclassification	–6	–	–6	–
Amortization	–11,625	–12,025	–640	–497
Impairment losses	–4,772	–	–	–
Amortization of retirements for the year	59,032	3,765	1,308	–
Exchange rate difference	1,005	–480	–	–
Accumulated amortization and impairment losses, closing balance	–16,675	–60,309	–814	–1,476
Carrying amount, closing balance	**10,800**	**39,032**	**811**	**2,501**

Customer contracts were identified and reported as a separate asset in the acquisition of Apparat AS in 2009. They were not recognized at any value in the acquired company's Balance Sheet. In the financial statement for 2010, these contracts were impaired to zero.

Goodwill	Group 2010	Group 2009	Parent Company 2010	Parent Company 2009
Cost, opening balance	426,669	426,669	–	–
Derecognition on disposal	–303,121	–	–	–
Purchase of subsidiaries	–	–	–	–
Cost, closing balance	**123,548**	**426,669**	**–**	**–**
Accumulated amortization and impairment losses, opening balance	–284,856	–284,856	–	–
Impairment losses	–66,400	–	–	–
Impairment losses, derecognition on disposal for the year	284,856	–	–	–
Accumulated amortization and impairment losses, closing balance	–66,400	–284,856	–	–
Carrying amount, closing balance	**57,148**	**141,813**	**–**	**–**
Total carrying amount, intangible assets, closing balance	**67,948**	**182,357**	**811**	**2,501**

Impairment Test for Cash-generating Units Including Goodwill

After group restructuring goodwill has been re-allocated to the business segments. After the sale of Mobile Entertainment, only goodwill relating to the acquisition of Rubberduck Media Lab (Aspiro TV), and the Mobile Search business segment in Norway remains.

The impairment test was based on calculated value in use for the TV and Mobile Search business segments. These values are based on cash flow forecasts for five years and a terminal value based on sustainable growth of 2% (2%) for TV and a negative growth rate of 30% (+2%) for Mobile Search. The present value of cash flows was calculated by applying a discount rate (weighted average cost of capital WACC) corresponding to 11.9% (12.5%) after tax. The comparison between the carrying amounts of the cash-generating units containing goodwill and the units' value in use resulted in impairment of the goodwill attributable to the Search business segment of SEK 66.4 m. The estimated value in use of the TV business segment exceeds carrying amount. Accordingly, residual goodwill of SEK 57.1 m is attributable to the TV (SEK 19.2 m) and Search (SEK 37.9 m) business segments. Amended assumptions regarding the sustainable growth rate for TV of +/-2 percentage points and amended discount rate of +/- 5 percentage points still means value in use exceeding the carrying amount. Because the terminal value portion of value in use for Mobile Search is negligible, the computation is not significantly affected by amended assumptions regarding growth rates and discount rates.

Goodwill	2010	2009
Mobile Search	37,984	104,384
TV	19,164	19,164
Mobile Entertainment	–	18,265
Total	**57,148**	**141,813**

Note 5 Fixed Assets, cont.

Property, Plant and Equipment

	Group		Parent Company	
	2010	**2009**	**2010**	**2009**
Office and computer equipment				
Cost, opening balance	41,643	29,993	1,754	1,782
Increase via purchase of subsidiaries	–	94	–	–
Purchases	4,993	8,503	112	91
Divestment and retirement	–5,054	–119	–17	–119
Exchange rate difference	–2,773	3,172	–	–
Cost, closing balance	**38,809**	**41,643**	**1,849**	**1,754**
Accumulated depreciation and impairment losses, opening balance	–24,458	–17,288	–1,279	–1,061
Increase via purchase of subsidiaries	–	–86	–	–
Reclassification	6		6	
Divestment and retirement	3,985	119	15	119
Depreciation	–7,605	–5,407	–324	–337
Exchange rate difference	1,788	–1,796	–	–
Accumulated depreciation and impairment losses, closing balance	–26,284	–24,458	–1,582	–1,279
Carrying amount, closing balance	**12,525**	**17,185**	**267**	**475**

Note 6 Discontinued Operations

Profit/loss from discontinued operation	2010	2009
Mobile Entertainment Denmark, Norway and Sweden		
Net sales	85,973	222,848
Other operating revenue	68	112
Total	**86,041**	**222,960**
Services and goods for resale	-29,648	-85,457
Other external expenses	-13,954	-64,146
Personnel expenses	-12,344	-40,960
Depreciation and impairment of property, plant and equipment	-435	-1,180
Amortization and impairment of intangible assets	-3,005	-5,398
Other operating expenses	-200	-312
Total	**-59,586**	**-197,453**
Operating profit/loss	**26,455**	**25,507**
Net financial income/expenses	-17	-32
Profit/loss before tax	**26,438**	**25,475**
Tax	-6,794	-6,912
Net profit/loss	**19,644**	**18,563**

Note 6 Discontinued Operations, cont.

Capital gain	2010
Sales revenue	41,783
Sold property, plant and equipment	-1,200
Sold intangible assets	-12,000
Goodwill attributable to divested operations	-18,265
Other sold net assets	-10,294
Other expenses attributable to the sale	-4,839
Reduction of deferred tax liability attributable to sold assets	3,156
Capital gain on consolidation	-1,659

In the Income Statement, the profit/loss from Mobile Entertainment in Denmark, Norway and Sweden has been recognized as a profit/loss from discontinued operations. This operation was divested on 18 November 2010.

Profit/loss from discontinued operation	2010	2009
Mobile Entertainment Finland		
Net sales	9,992	17,319
Other operating revenue	1	28
Total	**9,993**	**17,347**
Services and goods for resale	-4,221	-9,029
Other external expenses	-5,326	-6,980
Personnel expenses	-1,121	-2,596
Depreciation and impairment of property, plant and equipment	-93	-133
Amortization and impairment of intangible assets	-15	-30
Other operating expenses	-114	-105
Total	**-10,890**	**-18,873**
Operating profit/loss	**-897**	**-1,526**
Net financial income/expenses	7	-12
Profit/loss before tax	**-890**	**-1,538**
Tax	-	-
Net profit/loss	**-890**	**-1,538**

Capital gain	2010
Sales revenue	3,169
Sold intangible assets	–2,781
Other sold net assets	381
Other expenses attributable to the sale	-80
Reduction of deferred tax liability attributable to sold assets	779
Capital gain on consolidation	1,468

In the Income Statement, the profit/loss from Mobile Entertainment in Finland has been recognized as a profit/loss from discontinued operations. This operation was divested on 1 July 2010.

Note 7 Participations in Group Companies

Parent Company	2010	2009
Cost, opening balance	411,388	408,171
Acquisition/stockholders' contribution for the year	9,623	3,217
Sales/liquidation for the year	–126,642	–
Cost, closing balance	**294,369**	**411,388**
Impairment losses, opening balance	–262,161	–224,803
Impairment losses, remaining participations	–38,485	–37,358
Sales/liquidation for the year	124,074	–
Accumulated impairment losses, closing balance	–176,572	–262,161
Carrying amount, closing balance	**117,797**	**149,227**

Note 7 Participations in Group Companies

	Corporate ID No.	Reg. Office	No. of Shares	Equity Holding	Vote Holding	Carrying Amount
Parent Company						
Aspiro Innovation AB	556598-3888	Malmö	1,000	100 %	100 %	159
Aspiro AS	981 656 652	Oslo	9,214,727	100 %	100 %	36,231
Aspiro Inpoc AB	556598-2781	Stockholm	65,349	62 %	62 %	10,740
Aspiro Management AS	992 434 627	Oslo	9,214,727	100 %	100 %	–
Aspiro Mobile Solutions AS	992 434 643	Oslo	9,214,727	100 %	100 %	–
Aspiro Music AS	993 741 345	Oslo	100	100 %	100 %	126
Aspiro Søk AS	992 434 635	Oslo	9,214,727	100 %	100 %	34,995
Aspiro TV AS	986 704 337	Oslo	110,000	100 %	100 %	31,519
Lime Consulting AS	994 800 671	Oslo	100	100 %	100 %	135
Miles Ahead Ltd	C43860	Valletta	510	80 %	80 %	3,755
SMS Opplysningen 2100 AS	995 065 398	Oslo	100	100 %	100 %	137
Total, parent company						**117,797**

Note 7 Participations in Group Companies, cont.

	Corporate ID No.	Reg. Office	No. of Shares	Equity Holding	Vote Holding	Carrying Amount
Subsidiaries						
Owned by Aspiro Management AS						
Aspiro Inpoc AB	556598-2781	Stockholm	40,000	38 %	38 %	11,423
Aspiro Baltics AS	10 768 920	Tallin	40,020	100 %	100 %	4,577
Owned by Aspiro AS						
SMS Opplysningen 1985 AS	991 937 676	Oslo	100	100 %	100 %	122
Owned by Aspiro Mobile Solutions AS						
Aspiro Mobile Solutions AB	556777-9698	Malmö	1,000	100 %	100 %	196
Aspiro Mobile Marketing AB	556777-9607	Malmö	1,000	100 %	100 %	196
Owned by Aspiro Baltics AS						
Aspiro Latvia SIA	355 874	Riga	2,000	100 %	100 %	–
Aspiro Lithuania UAB	211 762 840	Vilnius	100	100 %	100 %	–
Owned by Aspiro TV AS						
Rubberduck Media Lab Inc.	26-4047695	Carlsbad	1,000	100 %	100 %	–
Owned by Miles Ahead Ltd						
Miles Ahead Marketing Ltd.	1 617 505	British Virgin Islands	–	100 %	100 %	–
Total, subsidiaries						**16,514**

Note 8 Participations in Joint Venture

	Group		Parent Company	
	2010	**2009**	**2010**	**2009**
Cost, opening balance	–	–	3,927	–
Purchase/new share issue	–	–	2,144	3,927
Carrying amount at end of year	**–**	**–**	**6,071**	**3,927**

Aspiro AB and Platekompaniet AS formed a joint venture, Wimp Music AS (formerly Kompanjong AS), in September 2009. In the group, Wimp Music AS is reported using the proportional method.

Participation in Joint Venture–Information	Corporate ID No.	Reg. Office	No. of Shares	Equity Holding	Carrying Amount
Wimp Music AS	994 588 044	Oslo	60,000	50 %	6,071

	Group	
Participation in Joint Venture–Financial Information	**2010**	**2009**
Share of revenues	6,753	13
Share of expenses	–6,875	–223
Share of assets	2,557	2,676
Share of liabilities	2,138	258

Note 9 Profit/loss from Financial Investments

	Group		Parent Company	
	2010	**2009**	**2010**	**2009**
Profit/loss from participations in group companies				
Profit/loss from sales of shares in subsidiaries/bankruptcy/liquidation	–	–	9,755	2,371
Impairment of participations in subsidiaries	–	–	–44,123	–39,381
Total profit/loss from participations in group companies	**–**	**–**	**–34,368**	**–37,010**
Interest income and similar profit/loss items				
Other financial revenues, subsidiaries	–	–	1,832	737
Net exchange rate differences	–	–	144	154
Interest income	1,295	1,386	229	415
Total interest income and similar profit/loss items	**1,295**	**1,386**	**2,205**	**1,306**
Interest expenses and similar profit/loss items				
Other financial expenses, subsidiaries*	–	–	–	–1,729
Exchange rate differences, net	–417	–521	–	–
Interest expenses	–140	–149	–14	–6
Other financial expenses**	–5,360	0	–	–
Total interest expenses and similar profit/loss items	**–5,917**	**–670**	**–14**	**–1,735**
Total profit/loss from financial investments	**–4,622**	**716**	**–32,177**	**–37,439**

* Other financial expenses, subsidiaries include impairment of receivables from subsidiaries of SEK 0 (SEK 1,288,000).
** Other financial expenses include impairment of receivables from a customer of SEK 4,886,000 (SEK 0).

Note 10 Tax on Net Profit

	Group		Parent Company	
	2010	**2009**	**2010**	**2009**
Continuing operations				
Current tax	6,931	9,734	–	–
Deferred tax on temporary difference	–12,041	3,282	–15,000	–
Total tax on net profit/loss	**–5,110**	**13,016**	**–15,000**	**–**
Divested operations				
Current tax	–7,008	–6,701	–	–
Deferred tax on temporary difference	214	–211	–	–
Total tax on net profit/loss	**–6,794**	**–6,912**	**–**	**–**

Accumulated consolidated deductible deficits amount to some SEK 520 m. The majority of this deficit is in the parent company (some SEK 410 m), and accordingly, there is no time limit for utilization of significant amounts. A limited portion of subsidiaries' deficits have been met by lock-in effects due to mergers. Deferred tax assets attributable to parent company loss carry-forwards previously recognized in the Balance Sheet at an amount of SEK 15 m, were impaired to zero in the financial statement for 2010.

Reconciliation of Effective Tax	2010	2009
Profit before tax	–118,800	–19,776
Tax at applicable tax rate, 26.3%	31,244	5,201
Tax effect of non-deductible expenses	–29,104	–3,343
Tax attributable to previous year	–	3,745
Change in valuation of temporary differences	–11,827	3,071
Utilization of un-reported loss carry-forwards	1,841	12,662
Increase in loss carry-forwards without the corresponding capitalization of deferred tax	–4,058	–15,232
Tax on net profit/loss	**11,904**	**6,104**

A deferred tax liability is reported for temporary differences relating to acquired intangible assets in the group. The opening carrying amount is SEK 7.4 m. The deferred tax liability reduced by SEK 7.2 m coincident with the amortization and impairment and sale of acquired intangible assets. The closing carrying amount of deferred tax liability amounts to SEK 0.2 m.

A deferred tax asset of SEK 1.7 m (SEK 16.3 m) is attributable to temporary differences in the Norwegian operations.

Note 11 Prepaid Expenses and Accrued Income

	Group		Parent Company	
	2010	**2009**	**2010**	**2009**
Prepaid rent	1,570	394	135	129
Prepaid lease payments	3	1	1	1
Other accrued income	9,242	10,815	–	–
Other prepaid expenses	3,074	2,363	584	683
Total prepaid expenses and accrued income	**13,889**	**13,573**	**720**	**813**

Note 12 Provisions

Group	2010
Opening balance	1,709
Remuneration paid	–348
Translation difference	–125
Closing balance	1,236

The provision relates to additional purchase price for the acquisition of Apparat AS.

Note 13 Non-current Liabilities

	Group		Parent Company	
	2010	2009	2010	2009
Liabilities to group companies	–	–	310	310
Deferred tax liabilities	222	7,383	–	–
Total non-current liabilities	**222**	**7,383**	**310**	**310**

The parent company's non-current liabilities to subsidiaries have no predetermined maturity.

Note 14 Accrued Expenses and Deferred Income

	Group		Parent Company	
	2010	2009	2010	2009
Accrued salary	12,273	20,929	672	634
Accrued social security contributions	3,279	4,182	1,036	730
Accrued expenses for rights and content	20,697	11,946	5,155	10,625
Accrued expenses, media partners	12,592	9,886	–	–
Other accrued expenses	14,969	6,010	1,889	1,236
Deferred income	5,042	5,034	–	–
Total accrued expenses and deferred income	**68,852**	**57,987**	**8,752**	**13,225**

Note 15 Pledged Assets and Contingent Liabilities

	Group		Parent Company	
	2010	2009	2010	2009
Pledged assets				
Internal commitments	None	None	None	None
Total pledged assets	**None**	**None**	**None**	**None**
Contingent liabilities	None	None	None	None

Note 16 Cash Flow Statement

	Group		Parent Company	
	2010	2009	2010	2009
Adjustment for non-cash items				
Depreciation, amortization and impairment losses	91,914	20,478	45,087	41,523
Capital gains	191	–	–9,755	–
Deferred tax on temporary difference	11,827	–3,071	15,000	–
Other	2,469	5,501	–2,458	–3,098
Total adjustment for non-cash items	**106,401**	**22,908**	**47,874**	**38,425**

	Group	
	2010	2009*
Purchase of subsidiaries		
Goodwill	–	–
Other intangible assets	–	2,794
Property, plant and equipment	–	8
Current receivables	–	716
Cash and cash equivalents	–	825
Deferred tax	–	–778
Current liabilities	–	–1,255
Purchase price	–	2,310
Purchase price paid	–	–620
Cash and cash equivalents in purchased companies	–	825
Effect on consolidated cash and cash equivalents	**–**	**205**

* The figures for 2009 relate to the acquisition of Apparat AS. The estimated additional purchase price is SEK 1.7 m. Payment is in relation to achieved contribution margin on specific customer contracts.

	Group	
	2010*	2009
Sale of subsidiaries		
Goodwill	–18,265	–
Other intangible assets	–14,781	–
Property, plant and equipment	–1,200	–
Cash and cash equivalents	–8,451	–
Deferred tax	3,935	–
Others assets and liabilities, net	–6,382	–
Capital gains	191	–
Purchase price	44,953	–
Purchase price paid	41,809	–
Cash and cash equivalents in sold companies	–8,451	–
Effect on consolidated cash and cash equivalents	**33,358**	**–**

* The operations of Mobile Entertainment in Norway, Sweden, Denmark and Finland were sold in the year. This sale involved a combination of transfers of companies and separate assets. The unpaid purchase price relates to the sale of the operation in Finland, where an earn-out model is being applied.

	Group		Parent Company	
	2010	2009	2010	2009
Cash and cash equivalents				
Cash and bank balances	76,793	57,881	23,783	21,316
Total cash and cash equivalents	**76,793**	**57,881**	**23,783**	**21,316**

The above items have been classified as cash and cash equivalents because they have insignificant risk of value fluctuations, can be readily converted to cash and have a maximum maturity of three months from acquisition date.

Note 17 Business Combinations

2010

No business combinations were conducted in the year.

2009

The group acquired Apparat AS in the year. Apparat AS is consolidated from 31 October onwards. The acquisition price of the participations was SEK 2.3 m. The allocation of the acquisition price resulted in intangible assets in the form of customer contracts being identified and recognized.

The acquisition of Apparat AS has the following effects on consolidated assets and liabilities:

	Carrying Amounts before Acquisition	Fair Value Adjustment	Fair Value Reported in Group
Intangible assets	35	2,759	2,794
Property, plant and equipment	8		8
Current receivables	716	–	716
Cash and cash equivalents	825	–	825
Deferred tax liability	–4	–774	–778
Current liabilities	–1,255	0	–1,255
Identified assets and liabilities, net	325	1,985	2,310
Cost, including estimated additional purchase price			2,310
Cash purchase price paid			–620
Cash and cash equivalents in acquired company			825
Net effect on cash and cash equivalents			205

If the acquisition of Apparat AS had occurred at the beginning of the year, consolidated net sales would have been SEK 5.5 m higher and consolidated net profit SEK 0.1 m higher. Apparat AS represented SEK 1.2 m of consolidated net sales in 2009. Its profit effect is SEK 0.2 m.

Note 18 Share Capital and Dividend

Number of shares

Free float at beginning of period	190,538,115
Free float at end of period	190,538,115

Aspiro has only one share class, with all shares having equal voting rights. The value of shares is SEK 1 (one) and total share capital is SEK 190,538,115. No treasury shares were re-purchased or sold.

After the reduction was completed, each share has a quotient value of SEK 1 (one) and the share capital is a total of SEK 190,538,115. The reduction was registered with the Swedish Companies Registration Office in March 2009. No treasury shares were repurchased or sold.

Dividends and Capital Management

The Board of Directors has decided to propose to the Meeting that no dividend is paid for the financial year 2010. Capital is defined as total reported equity. Neither the parent company nor subsidiaries are subject to external capital requirements. To create the right conditions for the continued progress of operations and to be able to act on business opportunities, attaining a capital structure that generates financial stability is central. The basic principle is that Aspiro will be financed using stockholders' equity. Borrowings will be considered for acquisitions and other major structural changes.

Note 19 Related Parties

The parent company has close relations with its subsidiaries. Purchases from and sales to subsidiaries are stated in Note 1. Transactions between group companies are conducted at cost plus a certain margin.

As of 31 December 2010, the parent company had SEK 87.2 m (SEK 71.4 m) in receivables from group companies and SEK 53.5m (SEK 25.5 m) of liabilities to group companies.

Transactions with the main owner, Schibsted ASA and its subsidiaries, are on an arm's length basis only.

The Chairman of the Board has a contracted consulting assignment regarding management and coordination of strategic business development work. Fees are on market terms.

Note 20 Earnings per Share

	2010	2009
Basic earnings per share		
Net profit/loss	–128,925	–16,401
Average free float (000)	190,538	190,538
Basic earnings per share	**–0.68**	**–0.09**
Diluted earnings per share		
Net profit/loss	–128,925	–16,401
Average free float (000)	190,538	190,538
Diluted earnings per share	**–0.68**	**–0.09**

Continuing Operations	2010	2009
Basic earnings per share		
Net profit/loss	–147,488	–33,426
Average free float (000)	190,538	190,538
Basic earnings per share	**–0.77**	**–0.18**
Diluted earnings per share		
Net profit/loss	–147,488	–33,426
Average free float (000)	190,538	190,538
Diluted earnings per share	**–0.77**	**–0.18**

Basic earnings per share are based on the net profit/loss attributable to the equity holders of the parent and a weighted average free float.

Diluted earnings per share are based on net profit/loss attributable to the equity holders of the parent and a weighted average free float with a supplement for the dilution effect of potential shares. There is no dilution because earnings per share are negative.

When calculating the potential dilution effect, the exercise price is restated for the estimated expense for services that will be rendered.

Note 21 Post-Balance Sheet Events

The WiMP music service will become available to up to 700,000 Norwegian households in the spring through an agreement with Norway's largest TV distributor, Canal Digital. For Aspiro, this agreement means net sales of some SEK 50m over an 18-month period.

Aspiro signed an agreement with Telenor regarding the launch of the WiMP music service in Sweden.

Note 22 Financial Risk Management

The group's Finance Policy formalizes the management of financial risks. Financial transactions are mainly managed by the parent company's finance function.

Aspiro's operations give rise to a number of financial risks such as liquidity risk, interest risk, currency risk and credit risk.

Liquidity Risk

In the group there are no interest-bearing loans. The group's liquidity reserves consisting of bank balances and short-term investments was SEK 76.8 m (SEK 57.9 m) at year-end, corresponding to 29% (25%) of sales. Surplus liquidity is to be invested in recognized banks or in securities issued by central government. A minority may be invested in corporate bonds with maximum durations of three months. The basic principle is that investments will be made with capital guarantees. Accounts payable and other current liabilities are due for payment within one year.

Interest Risk

The group's interest risk is attributable to changes in market interest rates and their impact on surplus liquidity. The group's interest-bearing assets were SEK 76.8 m (SEK 57.9 m), and almost exclusively comprised bank balances and short-term investments with variable interest.

Currency Risk

The group's currency risks are managed by the parent company. The objective is to minimize the effect of the influence of variations in rates of exchange on Aspiro's stockholders' equity. Currency exposure mainly relates to the translation risk of net assets in foreign subsidiaries. At present, there is no hedging of this exposure. Currency flows arising from purchases and sales in foreign currencies are of a short-term nature and not hedged. Currency exchange is conducted when necessary via Nordea emarket. The various companies also have foreign currency accounts for the most important currencies to avoid exchanging.

The currency risks of the group, excluding intra-group transactions, have been calculated at value at risk (VAR). The risk calculation is based on one year's historical figures. The VAR level is 95%, which means that in 95 cases of 100, the earnings impact would be less than calculated. The total currency risk of the Aspiro group, after considering the correlation between the various currencies, was SEK 1.9 m (SEK 1.95 m).

Based on year-2010 operating revenues and operating expenses in foreign currency, a 5 percentage point depreciation or appreciation of the Swedish krona against other currencies would exert an annualized change in EBITDA of some SEK +/- 2.6 m. A 5 percentage point depreciation/appreciation against the group's most important currency, the NOK, would imply an annualized change in EBITDA of some SEK +/- 1.9 m.

As of 31 December, the division of the group's accounts receivable by currency was as follows:

	Group		Parent Company	
SEK 000	**2010**	**2009**	**2010**	**2009**
Division by currency				
NOK	52,127	53,563	–	–
SEK	4,271	7,922	373	61
DKK	13,513	5,637	–	–
EUR	11,402	15,348	147	243
LVL	1,178	2,236	–	–
USD	882	1,384	–	438
EEK	–	2,418	–	–
LTL	2	1,193	–	–
Other currencies	134	78	18	39
Total	**83,509**	**89,779**	**538**	**781**

As of 31 December, the division of the group's accounts payable by currency was as follows:

	Group		Parent Company	
SEK 000	**2010**	**2009**	**2010**	**2009**
Division by currency				
NOK	28,418	16,409	–	663
SEK	2,769	4,109	785	3,204
DKK	–	1,924	–	81
EUR	251	2,970	–	1,485
LVL	198	843	–	–
USD	2	160	–	–
EEK	354	791	–	5
LTL	114	389	–	11
Other currencies	–	223	–	223
Total	**32,106**	**27,818**	**785**	**5,672**

Credit Risk

The group is subject to credit risks in accounts receivable, which are managed in each subsidiary. The value of these receivables gross before impairment for doubtful debt was SEK 85,316,000 (91,969,000). Because the majority of receivables are from major telecom operators, the credit risk is low. Individual credit checks are conducted for new customers. No collateral has been received for these receivables. Two Scandinavian and one German telecom operator represent 67% of total accounts receivable.

	Group		Parent Company	
SEK 000	**2010**	**2009**	**2010**	**2009**
Age Analysis of Accounts Receivable				
Not overdue	73,856	74,153	472	524
Overdue 0-30 days	3,095	1,398	–	–162
Overdue 31-120 days	5,367	12,577	54	276
Overdue > 120 days	2,998	3,841	642	580
Total	**85,316**	**91,969**	**1,168**	**1,218**

	Group		Parent Company	
SEK 000	**2010**	**2009**	**2010**	**2009**
Doubtful debt, change				
Opening balance	2,190	2,072	437	437
Translation differences	–238	83	–	–
Doubtful debt	524	925	193	–
Bad debt	–	–	–	–
Reversed unutilized amounts	–668	–890	–	–
Closing balance	**1,808**	**2,190**	**630**	**437**

In addition to the above doubtful/bad debt, a receivable from a customer of was impaired by SEK 4.9 m in the financial statement for 2010. No other financial assets in the group have been subject to impairment. Accrued income and other receivables are not due for payment.

Carrying amounts and fair values of the group's financial assets and liabilities are as follows:

	Carrying Amount 2010	Fair Value 2010	Carrying Amount 2009	Fair Value 2009
Financial assets *				
Other long-term receivables	953	953	96	96
Accounts receivable	83,509	83,509	89,779	89,779
Other short-term receivables and accrued income**	37,682	37,682	33,766	33,766
Cash and cash equivalents	76,793	76,793	57,881	57,881
Financial liabilities ***				
Accounts payable	32,106	32,106	27,818	27,818
Other current liabilities and accrued expenses**	95,124	95,124	78,544	78,544

Carrying amounts and fair values of the parent company's financial assets and liabilities are as follows:

	Carrying Amount 2010	Fair Value 2010	Carrying Amount 2009	Fair Value 2009
Financial assets *				
Other long-term receivables			–	–
Receivables from group companies	87,179	87,179	71,417	71,417
Accounts receivable	538	538	781	781
Other short-term receivables and accrued income**	4,036	4,036	1,277	1,277
Cash and cash equivalents	23,783	23,783	21,316	21,316
Financial liabilities ***				
Liabilities to group companies	53,466	53,466	25,501	25,501
Accounts payable	785	785	5,672	5,672
Other current liabilities and accrued expenses**	8,988	8,988	13,864	13,864

* Cash and cash equivalents are categorized as saleable financial assets. Other financial assets are categorized as loan receivables and accounts receivable.
** Accrued income and accrued expenses are stated in Notes 11 and 14 respectively.
*** All financial liabilities are categorized as other liabilities and measured at amortized cost.

Note 23 Correction of Misstatement

SEK 4,995,000 recognized as revenues in 2007-2009 have been transferred to liabilities with the corresponding reduction of equity. Net sales and profit/loss have been retroactively adjusted as follows:

Group	2007	2008	2009
Correction	58	2,208	2,729

Earnings per share (SEK) before and after the correction is as in the following table.

Group	2007	2008	2009
Before correction:			
Basic and diluted earnings per share	0.05	-1.08	-0.07
Basic and diluted earnings per share, continuing operations	N/A	N/A	-0.16
After correction			
Basic and diluted earnings per share	0.05	-1.09	-0.09
Basic and diluted earnings per share, continuing operations	N/A	N/A	-0.18

Note 24 Amended Accounting Principles

In 2010, Aspiro amended its principles for recognizing revenues and expenses in relation to operators and media partners (see the section on accounting principles on page 51). This amendment does not affect operating profit/loss and earnings per share. The restatement of comparative figures has been conducted quarterly for 2010 and 2009. The effect of the amendments in Income Statement items for 2009 is stated below.

Group 2009	Before amendment	After amendment	Amendment
Continuing operations:			
Net sales	264,981	228,820	–36,161
Services and goods for resale	–34,133	–65,107	–30,974
Other external expenses	–167,864	–100,729	67,135
Discontinued operation:			
Net sales	176,422	239,389	62,967
Services and goods for resale	–31,519	–94,486	–62,967

The undersigned hereby certify that the Consolidated Accounts and Annual Accounts have been prepared in accordance with the international accounting standards referred to in Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards and generally accepted accounting principles in Sweden and give a true and fair view of the group's and parent company's financial position and results of operations. The Directors' Report of the group and parent company give a true and fair view of the group's and parent company's operations, financial position and results of operations and state the significant risks and uncertainty factors facing the parent company and group companies.

The Annual Accounts and Consolidated Accounts were approved for issuance by the Board of Directors on 14 April 2011. The Consolidated Income Statement and Balance Sheet and the Parent Company Income Statement and Balance Sheet will be subject to adoption at the Annual General Meeting on 19 May 2011.

Malmö, Sweden, 14 April 2011

Mats Alders, Chairman of the Board

Nils Petter Tetlie, Board member

Peter Pay, Board member

Lars Boilesen, Board member

Gisle Glück Evensen, Board member

Åsa Sundberg, Board member

Gunnar Sellæg, Chief Executive Officer

My Audit Report was presented on 14 April 2011

Johan Thuresson
Authorized Public Accountant

Annual General Meeting 2011

Time and location

Aspiro's AGM (Annual General Meeting) 2011 will be held at 2:00 p.m. on Thursday, 19 May 2011 at Östermalmsgatan 87D, Stockholm, Sweden.

Who can participate?

For entitlement to participate and vote at the AGM, stockholders must be:
– Included in the share register maintained by Euroclear Sweden AB (previously VPC, the Swedish Central Securities Depository & Clearing Organization);
– Notify the company

How can I be included in the share register?

Shares can be recorded in the share register maintained by Euroclear in the name of the stockholder or their nominee. For entitlement to participate at the Meeting, stockholders with nominee-registered holdings must request temporary re-registration of their shares in their own name. Registration should be complete by no later than Friday, 13 May 2011. Please note that this procedure also applies to stockholders that utilize bank custody departments and trade on the Internet.

How do I notify the company?

Notifications of participation should be made to the company by no later than 4 p.m. on Friday 13 May 2011. Notifications can be made directly on Aspiro's website www.aspiro.com, by mail to Aspiro AB, "AGM", Gråbrödersgatan 2, SE-211 21 Malmö, Sweden, by phone on +46 (0) 40 630 0300, by fax: +46 (0)40 579771 or by e-mail: inbox@aspiro.com. Notifications should state stockholders' names, personal or corporate identity numbers, addresses and phone numbers, number of shares and number of assistants (maximum two) that stockholders wish to bring to the AGM. If participation is through power of attorney, the company should have received such power of attorney before the AGM.

Financial Information in 2011

Aspiro will publish the following financial information for 2011:

Q1 Interim Report	12 May 2011
AGM 2011	19 May 2011
Q2 Interim Report	11 August 2011
Q3 Interim Report	10 November 2011
Year-end Report 2011	16 February 2011
Annual Report 2011	April 2011

IR Contacts

Aspiro maintains updated information at www.aspiro.com. The company can also be contacted by e-mail at inbox@aspiro.com, by phone on +46 (0)40 630 0300, fax +46 (0)40 57 97 71 or by mail:

Aspiro AB (publ)
Investor Relations
Gråbrödersgatan 2
SE-211 21 Malmö
Sweden

Subscribers to information via e-mail will receive these reports direct via email. This Annual Report is available at Aspiro's website, www.aspiro.com/investor-relations.

Audit Report

To the Annual General Meeting of Aspiro AB (publ)
Corporate identity number 556519-9998

I have audited the annual accounts, the consolidated accounts, the accounting records and the administration of the Board of Directors and the Chief Executive Officer of Aspiro AB (publ) for the financial year 2010. The annual accounts and the consolidated accounts of the company are included in the printed version of this document on pages 32-70. The Board of Directors and the Chief Executive Officer 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 IFRS (International Financial Reporting Standards) as endorsed by the EU and the Annual Accounts Act when preparing the consolidated accounts. My responsibility is to express an opinion on the annual accounts, the consolidated accounts and the administration based on my audit.

I conducted my audit in accordance with generally accepted auditing principles in Sweden. Those standards require that I 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 Chief Executive Officer and significant estimates made by the Board of Directors and the Chief Executive Officer 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 my opinion concerning discharge from liability, I 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 Chief Executive Officer. I also examined whether any Board member or the Chief Executive Officer has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association. I believe that my audit provides a reasonable basis for my 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 IFRS as endorsed 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 Directors' Report is consistent with the other parts of the annual accounts and the consolidated accounts.

I recommend to the Annual General Meeting that the Income Statements and Balance Sheets of the parent company and the group be adopted, that the profits of the parent company be dealt with in accordance with the proposal in the Directors' Report and that the members of the Board of Directors and the Chief Executive Officer be discharged from liability for the financial year.

Malmö, Sweden, 14 April 2011

Johan Thuresson
Authorized Public Accountant

Sweden
Aspiro AB (publ)
Gråbrödersgatan 2
SE-211 21 Malmö
Tel: +46 40 630 03 00
Fax: +46 40 57 97 71

Aspiro
Östermalmsgatan 87D
SE-114 59 Stockholm
Tel: +46 40 630 03 00
Fax: +46 8 441 19 10

Norway
Aspiro
Øvre Slottsgate 25
P. O. Box 8710
Youngstorget
N-0028 Oslo
Tel: +47 452 86 900
Fax: +47 22 37 36 59

Estonia
Aspiro Baltics AS
Maakri 23A
EE-10145 Tallinn, Estonia
Tel: +372 6662359
Fax: +372 6662351

Latvia
Aspiro Latvia SIA
Kalnciema street 33-4
LV-1046 Riga, Latvia
Tel : +371 67226177
Fax: +371 67226176