

# PRESS RELEASE

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## Cision announces adjustments to prior year retained earnings

In the second quarter interim report 2013, Cision announced that its Board of Directors had instructed a thorough review of the US organization's balance sheet as previous deficiencies in reconciliation procedures had been identified. The outcome of the review is that adjustments to the group's prior year retained earnings of SEK 60 million are required, of which SEK 48 million net of a positive tax impact relates to incorrect revenue recognition over the previous five years. As a part of the review Cision also assessed the carrying value of its fixed assets. Cision found that entries dating back more than five years also needed to be adjusted by SEK 12 million to reflect the appropriate carrying value for fixed assets. The adjustments identified do not affect 2013 trading results and do not have any cash effect.

The required adjustments were the result of having relatively complex systems and ineffective controls in connection with the handling of deferred revenue in the Cision US business. Cision has calculated and verified the corrections to deferred revenue and associated control accounts and has identified the necessary adjustments to control procedures to ensure correct handling in future.

During the past twelve months significant changes to the Cision US finance leadership team have taken place including a new CFO, a new Controller, a new Finance Manager, and a re-organisation of the receivables team. In addition a Financial Planning Analyst was hired and Cision appointed new auditors, KPMG, in April 2013. These changes have all enabled improvements to financial control procedures including more robust reconciliation procedures which have been subjected to sampling and testing by KPMG. The Cision Group finance function has also made changes to follow-up routines to improve the detection and explanation of unusual variances.

The *attached table* below shows the effect of the adjustments to the Cision Group balance sheets for 2011 and 2012. Cision's third quarter interim statement will be published on October 23, 2013 when further details will be provided for comparison purposes.

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	Reported closing balance, Dec 31, 2011	Adjustment to prior periods	Restated closing balance, Dec 31, 2011	Reported movement in 2012	Adjustment 2012 <sup>2)</sup>	Restated closing balance, Dec 31, 2012	Annual Report 2012
<b>SEK in thousands</b>							
<b>ASSETS</b>							
<b>Fixed assets</b>							
<i>Intangible fixed assets</i>							
Goodwill	1 404 576		1 404 576	-69 852		1 334 724	1 334 724
Other intangible assets	93 336	-1 037	92 299	-16 561	61	75 799	76 775
<b>Total intangible fixed assets</b>	<b>1 497 912</b>	<b>-1 037</b>	<b>1 496 875</b>	<b>-86 413</b>	<b>61</b>	<b>1 410 523</b>	<b>1 411 499</b>
<i>Tangible fixed assets</i>							
Equipment	48 054	-11 317	36 737	-10 503	667	26 901	37 551
<b>Total tangible fixed assets</b>	<b>48 054</b>	<b>-11 317</b>	<b>36 737</b>	<b>-10 503</b>	<b>667</b>	<b>26 901</b>	<b>37 551</b>
<i>Other fixed assets</i>							
Deferred tax assets	33 245		33 245	4 484		37 729	37 729
Other financial fixed assets	2 990		2 990	51		3 041	3 041
<b>Total other fixed assets</b>	<b>36 235</b>	<b>0</b>	<b>36 235</b>	<b>4 535</b>	<b>0</b>	<b>40 770</b>	<b>40 770</b>
<b>Total fixed assets</b>	<b>1 582 201</b>	<b>-12 354</b>	<b>1 569 847</b>	<b>-92 381</b>	<b>728</b>	<b>1 478 194</b>	<b>1 489 820</b>
<b>Current assets</b>							
Accounts receivable	219 855	-22 090 <sup>1)</sup>	197 765	-21 643	164	176 287	198 212
Tax assets	14 215		14 215	-9 439		4 776	4 776
Derivatives	242		242	-236		6	6
Prepaid expenses and accrued income	34 916	646 <sup>1)</sup>	35 562	-5 622	889	30 829	29 294
Other current receivables	11 180		11 180	1 814		12 994	12 994
	<b>280 408</b>	<b>-21 443</b>	<b>258 965</b>	<b>-35 126</b>	<b>1 053</b>	<b>224 892</b>	<b>245 282</b>
Liquid assets	50 922		50 922	4 845		55 767	55 767
<b>Total current assets</b>	<b>331 330</b>	<b>-21 443</b>	<b>309 887</b>	<b>-30 281</b>	<b>1 053</b>	<b>280 659</b>	<b>301 049</b>
<b>TOTAL ASSETS</b>	<b>1 913 531</b>	<b>-33 797</b>	<b>1 879 734</b>	<b>-122 662</b>	<b>1 781</b>	<b>1 758 853</b>	<b>1 790 869</b>
<b>SHAREHOLDER'S EQUITY AND LIABILITIES</b>							
<b>Shareholder's equity</b>							
Share capital	223 644		223 644	0		223 644	223 644
Other paid-in capital	230 995		230 995	-138		230 857	230 857
Reserves	-65 876		-65 876	-47 306	3 459	-109 723	-113 182
Retained earnings incl. profit for the year	603 428	-49 092	554 336	62 864	-14 788	602 412	666 292
<b>Total shareholder's equity</b>	<b>992 191</b>	<b>-49 092</b>	<b>943 099</b>	<b>15 420</b>	<b>-11 330</b>	<b>947 189</b>	<b>1 007 611</b>
<b>Liabilities</b>							
<i>Long term liabilities</i>							
Deferred tax liability	179 562	-18 608	160 954	-14 149	-7 449	139 356	165 413
Provision for non-recurring items	2 148		2 148	-2 148		0	0
Other long-term liabilities	463 580		463 580	-461 966		1 614	1 614
<b>Total long-term liabilities</b>	<b>645 290</b>	<b>-18 608</b>	<b>626 682</b>	<b>-478 263</b>	<b>-7 449</b>	<b>140 970</b>	<b>167 027</b>
<i>Current liabilities</i>							
Provision for non-recurring items	6 472		6 472	-3 940		2 532	2 532
Accounts payable	40 401		40 401	-15 422		24 979	24 979
Tax liabilities	2 669		2 669	-2 178		491	491
Short term loans	-		0	404 933		404 933	404 933
Bank overdraft facility	383		383	-383		0	0
Derivatives	13		13	217		230	230
Accrued expenses and deferred income	221 847	33 903	255 750	-41 987	20 559	234 322	179 860
Other current liabilities	4 266		4 266	-1 061		3 205	3 205
<b>Total current liabilities</b>	<b>276 051</b>	<b>33 903</b>	<b>309 954</b>	<b>340 179</b>	<b>20 559</b>	<b>670 692</b>	<b>616 230</b>
<b>TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES</b>	<b>1 913 531</b>	<b>-33 797</b>	<b>1 879 734</b>	<b>-122 662</b>	<b>1 781</b>	<b>1 758 853</b>	<b>1 790 869</b>

<sup>1)</sup>Reclassification of SEK 14 104 thousand from accounts receivable to accrued income

<sup>2)</sup>Including translation differences

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