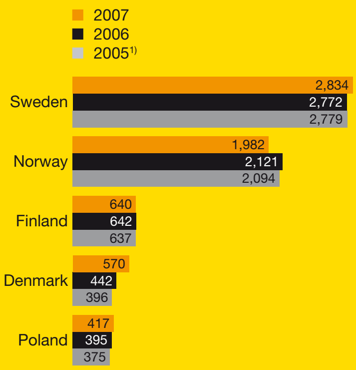
Eniro
Annual Report
2007

This annual report has been prepared in Swedish and translated into English. In the event of any discrepancies between the Swedish and the translation, the former shall have precedence.

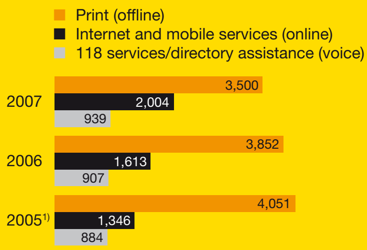
The formal financial report that was prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU is presented on pages 42 to 79. Only the formal financial report was reviewed by the Company's auditors.

Markets	Share of consolidated operating revenues	Share of consolidated EBITDA	Directories	Internet services	Directory assistance	Mobile services
Sweden	44%	50%	Eniro Gula Sidorna Gula Sidorna – På väg Din Del Emfas	eniro.se passagen.se emfas.com dindel.se bilweb.se 118118office.com dittpris.se leta.se bubblare.se	Eniro 118 118 Eniro 118 119 Eniro 118 118 sms	mobil.eniro.se
Norway	31%	39%	Gule Sider Telefonkatalogen Ditt Distrikt Din Bydel Proff	gulesider.no telefonkatalogen.no kvasir.no sol.no proff.no dinpris.no	Gule Sider – 1880	Gule Sider – 1880 SMS wap.gulesider.no wap.telefonkatalogen.no wap.kvasir.no wap.proff.no wap.sol.no
Finland	10%	5%	Eniro Puhelinluettelot Kaupunki-Info Yritystele	eniro.fi suomi24.fi yritystele.fi	Eniro 0100100 118	wap.eniro.fi 16123 Numerohaku
Denmark	9%	2%	Mostrup Vejviser Eniro lokalkataloger	krak.dk eniro.dk sol.dk		Eniro sms 1928 wap.eniro.dk
Poland	6%	4%	Panorama Firm Panorama Lokalna Panorama Budownictwa Panorama Do Samochodu	pf.pl	Panorama Firm 118 118	

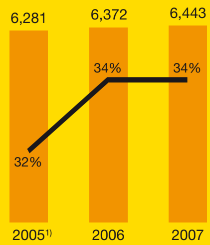
Operating revenues per market, SEK M



Operating revenues per channel, SEK M



Operating revenues, SEK M and operational EBITDA-margin, %



[1)] Eniro pro forma including Findexa and excluding Wer liefert Was? (WLW).

Key data

SEK M	2007	2006	pro forma[1) 2005]	2005
Operating revenues	6,443	6,372	6,281	4,827
Operating income before depreciation (EBITDA)	2,266	2,220	1,908	1,234
Earnings before tax	1,401	1,276		1,017
Net income per share, SEK	7.27	5.82		5.84
Cash earnings per share, SEK	9.59	8.13		6.88
Dividend per share, SEK	5.20[2)]	4.40		2.20
Return on equity, %	25	22		42
Interest-bearing net debt	10,281	8,872		10,564
Interest-bearing net debt/EBITDA, multiple	4.5	3.9		8.6
Average number of full-time employees	4,650	4,801		4,754

1) Eniro pro forma including Findexa and excluding WLW.
2) Board of Directors' proposal.

SEK M	2007	2006	pro forma[1)] 2005
Operating income before depreciation (EBITDA)	2,266	2,220	1,908
Capital gains	–140	–43	–
Restructuring and costs related to acquisitions	70	–	113
Operational EBITDA	2,196	2,177	2,021
Operational EBITDA, %	34	34	32

Eniro – the Nordic region's leading search company

- During 2007, online growth continued. Eniro's position as the leading search company in the Nordic region was further strengthened with the acquisiton of Krak.
- In 2007, the Group managed to generate above SEK 2 bn of online revenues.
- The Board of Directors propose a dividend of SEK 5.20 per share for 2007. The proposed dividend corresponds to SEK 839 M or 75 percent of net income from continuing operations for the year.

CEO'S COMMENTS

Focus on Internet growth

Eniro's position as the leading search company in the Nordic region was strengthened during 2007. Our strong growth in Internet continued with increased usage figures as well as increased Internet revenues in all markets. The acquisition of Krak in Denmark resulted in a leading online position in the Danish market. Our directory assistance was proven to be successful and we strengthened our position in Finland and maintained our positions in the other markets.

Throughout the year we continued with our ambition to stabilize revenues from print and we have made significant progress in most markets although the Norwegian directory market remains a challenge. Through continued strict cost controls and leveraging of synergies, margins were maintained during the year. Strong market positions and favourable cash flows also mean that we will be able to continue to provide high returns for our shareholders.

Eniro – an online company with a print heritage

New technology is continuously changing the dynamics in the search industry, offering users more and more advanced search possibilities whenever and wherever. However, new technology also means new possibilities for the search industry. With the ease of use and the never ending accessibility online search channels increase the overall number of searches every year and provide a fast growing market for search companies.

As the Nordic market leader in search, Eniro is and must remain at the forefront of this development. Our overall challenge is to master a fast growing business within online and at the same time master a declining business within print.

Eniro is very well positioned to handle this challenge. Over the last years we have organically and by acquisitions created excellent local search positions and we have the leading local search sites in all Nordic countries. Our dependency on the print business has declined from 64 percent of total revenues in 2005 to 54 percent in 2007, and over the same period our online business has grown from SEK 1,346 M to SEK 2,004 M[1].

During this period we have been able to grow our operational EBITDA-margins from 32 percent to 34 percent[2]. Our ability to maintain and improve margins in the changing revenue mix from print to online is based on the fact that a leading online position with critical mass has all the prerequisites for delivering margins in line with margins for print. Within Eniro today we have two markets close to that critical mass, Norway and Sweden. Runner up is Denmark after our acquisition of Krak, which gave us the number one local search position in the Danish market. Our positions in Finland and Poland need to be developed further in order to reach the right fundamentals for print alike margins also on the online side.

Going forward we believe that the development we have seen during the last years will continue and Eniro will be an online company with a print heritage, but with continued high margins.

Our ambition

Eniro's ambition is to achieve revenue growth of 3–5 percent per year with a sustained EBITDA margin exceeding 30 percent over a medium to long-term period. The balance sheet will be continuously optimized with consideration taken to financial flexibility and stability. The goal is an efficient capital structure with a net debt in relation to EBITDA of up to 5 times. Eniro's business generates high cash flows, while investment requirements are limited, thus permitting a high return to shareholders. Eniro's dividend policy is a dividend corresponding to 75 percent of net income.

With an overall organic revenue increase of 2 percent in 2007 we were outside the ambition range regarding revenue growth, but we see no reasons to change the growth target since we strongly believe that growth in online will take us within that range even with a significant decline in print revenues. On our objectives on margin and efficient capital structure the ambitions were met, and with the proposed dividend of SEK 5.20 we also deliver on our dividend policy.

Eniro's business developed well during 2007

We started out 2007 with launches of new versions of our websites in all countries with new design and improved functionalities such as aerial photographs and video search. The new sites were well received and resulted in a healthy two digit traffic increase on most of our sites compared with 2006.

An organizational split of our online and print business was implemented in Sweden during the first quarter and in Finland and Denmark during the third quarter, resulting in increased sales focus and aiming at shortening the time to market within product development. We expanded the sales forces in most markets in order to increase market penetration, especially within online. The enlargement of the sales force is resulting in increased order intake necessary to grow our revenues going forward.

In order to strengthen our position as the leading Nordic online search company, the leading online directory company in Denmark, Krak, was acquired. Through this acquisition we now have the leading online position in Denmark and the combination of Eniro and Krak will create a very strong platform for accelerated online growth in Denmark. By combining Eniro's strong sales force with Krak's leading traffic position, we will create an excellent position in the fast growing Danish online market. With the ac-

[1] Eniro proforma including Findexa and excluding Wer liefert Was? (WLW).
[2] EBITDA excluding capital gains and restructuring.

quisition of Krak we have very strong online positions in Sweden, Norway and Denmark, and a good position in Finland.

We continued to work in all our markets with our sponsored links offering, which makes it possible for us to broaden our customer offering and use more sophisticated price models. Sponsored links offerings have been launched in all our markets during the year. The acquisitions of leta.se and 48 percent of bubblare.se during the first half of 2007 were also made in order to strengthen our traffic network and extend our traffic network reach.

In 2007, 1.8 billion searches were performed in Eniro's Internet networks and traffic to Eniro sites in the various countries continued to increase. Internet revenues continued to show strong growth in all markets. The share of Internet revenues, as a proportion of total revenues increased to 31 percent compared to 25 percent in 2006.

Within the directory assistance, our new service concept introduced in 2006 with broader services continued to develop positively and we succeded in increasing our directory assistance market share in Finland. With the demand for a higher level of service and the increased use of mobile phones, we foresee stable development of directory assistance. The introduction of new concepts and services contributes to increasing revenues from this type of services.

Concerning our printed products, we are constantly working with product development to stimulate usage while increasing the effect of the advertising. We continued the work on demonstrating the value of advertising in our directories to advertisers. In 2007, the revenues from Eniro's printed directories continued to decrease and the print development in Norway is still demanding. At the same time, our dependency on print revenues is declining as the revenue shares from Internet advertising is growing. However, we are convinced that printed directories will continue to fill a great need for both users and advertisers for a long time. Our challenge lies in increasing usability as far as possible while enhancing the offer to advertisers and stimulating demand for printed directories.

We work actively to minimize Eniro's environmental impact. In 2007, Eniro AB and Eniro Gula Sidorna AB were environmentally certified, and the objective is to certify all Group companies. Toward the end of the year, Eniro Norway conducted an environmental audit to identify the environmental impact of its directories and to assess their benefit to society. The same analysis will be performed in Sweden during the spring of 2008.

In line with our strategy to focus on the Nordic markets, our German business Wer liefert Was? was divested during the period. In conjunction with the divestment a loan agreement was signed, replacing Eniro's previous loan agreement with the purpose of financing the current operations and enabled the cash distribution to our shareholders of approximately SEK 2,000 M that took place in December 2007. At December 31, 2007 Eniro had a net debt in relation to EBITDA of 4.8 excluding capital gains.

Operating income before depreciation (EBITDA) for the year increased by 2 percent to SEK 2,266 M (2,220), including capital gains of SEK 140 M. Our market outlook for the year was achieved and the operational EBITDA-margin was 34 percent. Net income from continuing operations amounted to SEK 1,123 M and the dividend proposal to the Annual General Meeting means that 75 percent of net income from continuing operations will be returned to the shareholders.

Future

Eniro will continue to strengthen its position as an online company, with a print heritage and continued strong performance in Internet will more than offset the decline in print revenues. With a strong organization based on skilled and loyal employees to whom I wish to extend my warmest thanks, I am convinced that the company's ambition will be reached in a mid term period and that Eniro will be able to increase shareholder value over the coming years.

Stockholm, February 2008

Tomas Franzén
CEO

STRATEGIC FOCUS

Eniro – the Nordic region's leading search company

Eniro offers the best search options for buyers and sellers who want to find each other easily via the Internet, directory assistance services, printed directories and mobile services. Strong brands and high usage of Eniro's products make it valuable for advertisers to be included in Eniro's search channels.

DURING 2007

- 1.8 billion Internet searches in Eniro's networks.
- About 55 million inquiries to 118 services in Sweden alone.
- 756 directories were published.
- 1.7 million user occasions for Eniro's mobile service.

Cornerstones in Eniro's business

Eniro offers search options via Internet services, directory assistance services, printed directories and mobile services.

Through these channels, Eniro makes information available for users wherever and whenever they need it while at the same time exposing advertisers to users in one or more search channels based on the user's individual needs. High usage of the services increases the benefit for advertisers, and relevant information from many advertisers increases the benefit for users.

Characteristic for Eniro's channels is that users take the initiative in seeking sellers and suppliers. Through active users who are close to a purchase decision, Eniro's search services are effective marketing channels for advertisers.

Eniro's services are largely advertiser-financed and free of charge for users. Directory assistance services, however, are user-financed.

Eniro's vision

"Eniro is the leading search company in the Nordic media market."

Eniro as the leading search company shall act as the leading search company and be perceived as the leading search company.

Eniro's business concept

"For users looking for companies, persons, places, products or services, Eniro provides relevant, local and high-quality information that is easy to find and evaluate and available wherever a need arises.

For advertisers targeting customers inclined to make a purchase, Eniro provides effective advertising solutions in several channels that are easy to use and measure and that are matched to the advertiser's requirements."

With this focus in its offer to users and advertisers, Eniro will continue to be successful and retain and strengthen its industry-leading position.

Eniro's mission

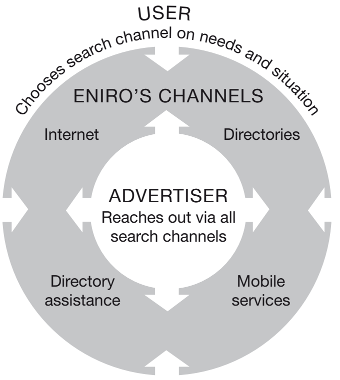
"Through continuous development of innovative search services, Eniro is the helping hand that makes searches easy for everyone."

This is the fundamental concept for Eniro as a company and the mission that ultimately drives its employees.

Eniro's financial targets

Overall management of the Eniro Group is intended to achieve a number of financial targets that balance the objectives of providing satisfactory returns to shareholders and financial stability for the business.

The financial targets established by Eniro's Board of Directors over the medium to long term, meaning 3 to 5 years, are presented and described in the table on the following page.

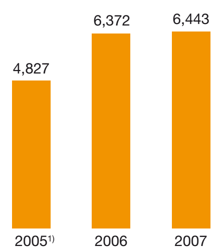


The advertiser gains exposure via a number of search channels – and meets the user on the user's terms.

During the year, Eniro launched 45-degree panorama images in Sweden, Norway and Finland.

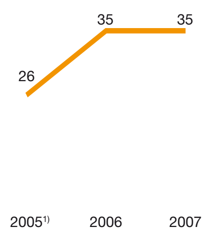
Target	Background	Outcome 2007 (2006)	Comments
Annual revenue growth of 3–5 percent over the medium-long term	Corresponds to a growth level on par with industry leaders.	2% (1%)	Revenues for 2007 increased organically by 2 percent through strong Internet growth in all markets. The goal of 3-5 percent growth will be achieved through accelerated growth of online revenues, increased revenues from voice and from a reduced decline of print revenues.
Sustained EBITDA margin of above 30 percent and a strong cash flow	Target set against weighted assessment primarily of Eniro's respective market positions, market changes, growth rate and cost development.	35% (35%)	2007 EBITDA-margin was continuously high, 35 percent including capital gains of SEK 140 M. Strong growth in online revenues partly offset the decline in print revenues, showing Eniro's ability to maintain margins as the revenue mix changes. The EBITDA margin has also strengthened through cost savings.
An effective capital structure with a net debt in relation to EBITDA of a multiple of up to 5.	The level was set based on effective use of Eniro's capital while maintaining a sound level of operational risk.	4.5 (3.9)	A refinancing of Eniro's debt was carried out during the fourth quarter 2007 and enabled a cash distribution of approximately SEK 2,000 M. At December 31, 2007, net debt in relation to EBITDA was a multiple of 4.5, or 4.8 excluding capital gains.
Dividend to shareholders corresponding to 75 percent of net income.	The goal is based on Eniro's estimated capital expenditure requirements and the target for net debt in relation to EBITDA.	75% (76%)	The Board of Directors will propose a dividend to the Annual General Meeting 2008 of SEK 5.20, corresponding to 75 percent of net income from continuing operations, which is considered to be in line with Eniro's dividend policy.

Revenue growth, SEK M



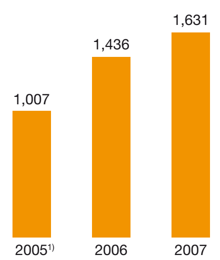
2007 operating revenues increased orginically by 2 percent as a result of strong Internet growth in all markets.

EBITDA-margin, %



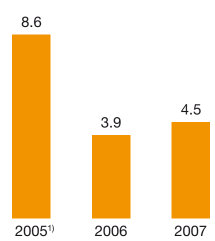
2007 EBITDA-margin was continuously high as a result of growth in online revenues, offsetting the decline in print revenues as well as strict cost control.

Cash flow from current operations, SEK M



The need for capital expenditures is limited to approximately 2 percent of total revenues. Therefore the cash conversion rate from EBITDA is high.

Net debt in relation to EBITDA, multiple



After the refinancing and the cash distribution, net debt in relation to EBITDA was at the end of 2007 a multiple of 4.5.

[1)] 2005 includes Wer liefert Was? and one month consolidation of Findexa.

STRATEGIC FOCUS

Strategic success factors

A strong brand, continuous product development, high-quality information and content in the search services and a strong sales force are some of the factors required to enable Eniro to attain its financial targets and meet the business challenges ahead.

Product development – an important component in Eniro's strategy

Development of new products and services through our own development work and in alliances with various business partners is a central element of Eniro's strategy for retaining and enhancing its position as the leading Nordic search company. High usage is what primarily drives value for advertisers and thus advertising revenues.

To be able to remain the leader, Eniro works constantly to increase its knowledge of user patterns, user needs and usability, in part through surveys, test panels and beta tests. Internet services, directory assistance services, directories and mobile services are constantly enhanced to make them easier to use. Based on an understanding of how technology can be used and how different search channels can be combined in response to changing user patterns, Eniro evaluates its service offering and adapts the product portfolio.

Product development is focused on services for users who are looking for commercial information, meaning services that are close to the actual transaction between buyer and seller, as well as services in which the value of the customer's advertising becomes clear and measurable.

The common platform for Internet services comprising eniro.se, eniro.fi and eniro.dk, which were launched in January 2007, will result in faster and more efficient product development. The platform is an example of how synergies can be exploited within the Group.

Strong sales force and value-based sales

Leading the sales force in an effective manner is of critical importance for Eniro's success. To increase efficiency and to offer customers more specialized expertise, part of the sales force in several of Eniro's markets focuses on a single brand and/or a search service. There are specialized Internet sales forces in all of Eniro's markets.

The sales force is managed and developed based on Eniro's sales concept, which provides structure and focus for sales efforts. The concept, which includes planning, conducting meetings, joint visits, sales training and key data for follow-ups, is oriented towards result-promoting behavior and focused on developing both the individual and the team.

A focus area for Eniro and the sales force is value-based sales in which the value of advertising with Eniro is clarified and the gap between perceived and actual value is narrowed. Tools to support the sales force in this work include call measurements, web statistics and surveys.

The sales force also performs an important function in collecting and quality-assuring information for the search channels.

Local and high-quality content

Information and content in the search channels that is perceived as relevant, local and of high quality is an important competitive factor to enable Eniro to offer the best search assistance in every individual geographic market. A very important part of achieving this is that the established sales force in its customer contacts ensures the quality and depth of information.

To an increasing extent, users are also contributing content, not only to Eniro's portal services, but also through updating personal information, submitting opinions of various suppliers and creating classified ads, for example.

Eniro – a strong brand

Eniro wants to be the obvious choice when users seek companies, persons, places, products or services. In addition to quality offerings, this demands a strong brand. Particularly for Internet search services in which the step from need to action is short, it is important to be the user's first choice.

The Eniro brand, which was established in 2000, began to expand during 2003 to become an umbrella brand under which the various products and services were gathered. In addition to Eniro, there are strong local product brands, such as Gule Sider® in Norway, Panorama Firm® in Poland and, since 2007, Krak® in Denmark. During 2007, work continued to highlight the various channels and work to load the brand with emotional values was intensified.

Multi-channel strategy to meet user needs

How people want to seek and find information varies over time, between individuals and depending on the situation. Eniro has therefore chosen a strategy that entails offering all relevant and local content in several ways via different channels and search services. There is thus always a product or service that meets user needs and provides excellent opportunities for advertisers to customize their ad exposure.

Geographic focus on Nordic countries and Poland

The search industry and directories in particular are characterized by a strong correlation between market position and profitability. Accordingly, Eniro focuses on the Nordic countries and Poland, markets in which Eniro is the leading player or among the leaders. Between 2003 and 2006, Eniro divested units with weaker market positions in Ukraine, Estonia, Latvia, Lithuania, Russia and Belarus. During 2005, Eniro acquired Findexa, the leading search company in Norway. During 2007, Eniro's German operations in Wer liefert Was? were divested in accordance with the strategy of

Development of new products and services is a central element of Eniro's strategy for retaining and enhancing its position as the leading Nordic search company.

focusing on the prioritized markets in the Nordic countries and Poland. To strengthen Eniro's position in Denmark, Krak, the country's leading search service, was acquired during 2007 with the result that Eniro is now Denmark's largest Internet player.

Eniro's revenue model

The offering for advertisers is also being enhanced. Previously, Eniro primarily charged for advertisements based on insertions in directories or on the Internet. Today, Eniro also offers customers additional options for reaching their target groups via several advertising channels.

On Eniro's Internet search services, various types of information pages are sold that function as a display window for companies and provide more information than a basic listing of name, address and telephone number. Information pages are sold per insertion and for a given period of time. The price depends on how much and what type of information the page contains (text, images, animation, film), the number of key words linked to the company and varies by geographic market.

Banners are one of the most common advertising method on the Internet. Banner ads are sold for a certain period, and the price is set in part based on the type of website and its traffic, the size of the advertisement and its placement. Advertisement can also often be linked to special search terms or to individual headings in company searches, whereby the price varies by category and possibly be geographic area. Banner ads are also sold in mobile services, such as mobil.eniro.se. The banner can be linked to the customer's own mobile site or to a special campaign site that Eniro creates for the customer. Eniro charges a fixed price for the period during which the advertisement is online.

Paid search advertising is possible on many of the Eniro network's websites, as well as on external partner sites. With a sponsored link that is shown together with search results or in other relevant contexts, customers receive more traffic to their information pages or company websites. Eniro charges per click on the link or advertisement, and the price is determined through an Internet auction procedure.

BRAND RECOGNITION

Eniro[1]	2007	2006
Sweden	96%	94%
Norway	49%	46%
Norway – Gule Sider	96%	97%
Finland	86%	82%

[1] Brand recognition includes both spontaneous and aided recognition. Source: Research International (Sifo).

STRATEGIC FOCUS

Challenges and results 2007

Each autumn, Eniro management defines the most important challenges for the coming year based on market and competitive conditions, financial targets and strategic choices. During 2007, the focus was on four main challenges for Eniro's managers and employees. These challenges and the results are described in this section.

1. Accelerated Internet growth

Challenge

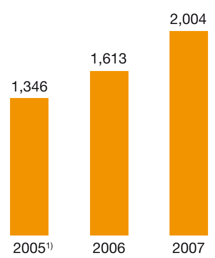
The Internet advertising market and Internet usage continue to increase, as does the competition. Eniro's companies in Norway, Finland, Denmark and Poland all reported high growth in Internet revenues, and the challenge for 2007 was to increase the growth rate for the Swedish company and to retain the same high revenue growth rate as in the other markets.

Actions

Early in the year, new versions of eniro.se, eniro.fi, eniro.dk, gulesider.no and kvasir.no were launched with a new design and improved functionality that included panorama images and video searches to meet users need and to increase Internet traffic. During 2007, the Swedish, Danish and Finnish organizations were divided into separate sales organizations, and there are now specialized Internet sales representatives in each market. In Sweden, a large number of Internet sales people were employed, and the range of Internet products in lower price categories was increased. During the period, Eniro made several acquisitions, of which the largest was Kraks Forlag A/S, the leading local search company in Denmark. In addition, Eniro acquired leta.se and 48 percent of bubblare.se. Eniro also signed a Nordic agreement with Google relating to Eniro's basic information. In Norway, Eniro reached an agreement with Norsk Aller AS in the beginning of the year to establish a jointly owned company to operate the Norwegian Internet portal sol.no.

In addition to developing new functions and improving the functionality of Eniro's Internet services, great effort was devoted continuously to develop new customer offerings containing transaction-based payment models. These offerings make it possible to participate actively in the fastest-growing market segment, which is the market for sponsored links.

Group Internet revenues, SEK M



1) Eniro pro forma including Findexa and excluding Wer liefert Was? (WLW).

Results

The new versions of eniro.se, eniro.fi, eniro.dk, gulesider.no and kvasir.no resulted in increased traffic, and during 2007 a record high number of searches were made in Eniro's Internet network. The organizational division with specialized sales forces resulted in an increased focus on sales in which the sales representative is closer to the customer. In Sweden, order bookings in the Swedish Internet market increased, in part as a result of the expanded sales force's success in penetrating the market in combination with the expanded product offering. The acquisition of Krak in Denmark resulted in a leading Internet position in Denmark and strengthened Eniro's position as the leading search company in the Nordic region. Eniro now has very strong Internet positions in all markets.

The partnership with Google increases value for Eniro's advertisers, while the acquisition of leta.se and part of bubblare.se strengthened Eniro's Internet network.

Internet revenues in Sweden increased organically by 14 percent (13), and in Norway the organic growth was 20 percent (23) in 2007. The total Internet revenues increased organically by 16 percent (14) during the year.

2. Increased revenues from directory assistance services

Challenge

The ambition for 2007 was to increase revenues from the directory assistance services in Sweden, Norway and Finland despite the fact that competition in the market is increasing and the number of calls from fixed telephones is declining, while the number of calls from mobile phones is increasing.

Actions

During 2007, Eniro's directory assistance service was further enhanced and now offers a significantly broader service. From previously only offering traditional directory

assistance services, Eniro now provides personal search services that include driving directions and web searches.

Results

The trend is that directory assistance services are improving into a more complete search service. Calls are longer, and customers are more satisfied. Directory assistance services remain stable. Revenues in Finland increased to SEK 220 M (208) as a result of increased market share and increased price. In December the price was also raised in Norway which resulted in an organic revenue increase of 9 percent for the full year. The Swedish development was an organic growth of 1 percent while the Group revenues from the directory assistance services organically increased by 3 percent during 2007.

3. Reduce the decline in revenues from printed directories

Challenge

The ambition for 2007 was to reduce and preferably stabilize the revenue decline for printed directories for which a decline of 5 percent was noted during 2006. At the beginning of the year, Denmark and Poland had already stabilized revenues from printed directories, and as a result of new initiatives in Sweden and Finland, the decline in revenues from printed directories had slowed. Norway was the market in which Eniro faced the greatest challenge in 2007. Prior to 2007, an organic decline in revenues of 10 percent was expected for Norwegian print directories, and Swedish print directories were expected to decline organically by 2 percent. These expectations were revised during the year to an expected organic decline of 15 percent in Norway, while Swedish revenues for printed directories were expected to improve and to be organically unchanged, compared with 2006.

Results

To stabilize revenues and reduce the decline in revenues from directories, it is necessary to work continuously with product development, to increase communication with advertisers and users and to enhance the sales force. Work with product development and innovation is being performed continuously and aimed primarily at improving usability for users and effectiveness for advertisers. The 2007 edition of Gula Sidorna featured a new layout, improved index and search pages and a new health and medical care guide that further simplifies searches for users. The pocket edition, Gula Sidorna – På väg that had already been distributed in Stockholm was during 2007 also launched in Malmö and Göteborg.

In Norway, the Oslo directory was divided into two section, and a section with public information was also included in Gule Sider as of the 2007 edition.

Work to communicate and demonstrate the value of advertising continued in all markets during the year, and Eniro's offering to customers included call metering in which a unique telephone number is included in the customer's directory advertisement that makes it easy to measure how many calls the ad generates and thus demonstrate the actual value of the advertisement.

Implementation of Eniro's sales concept continued in all countries, and in Sweden, a differentiated price structure was introduced for basic information.

Results

Eniro's product development in combination with the sales force's efforts were positively received by customers and users. Revenues from printed directories were stabilized in all markets except Norway, where conditions remain challenging and are being negatively affected by an intensive environmental debate. The Group's total revenues from printed directories declined organically by 6 percent during the year, with Norway accounting for an organic decline of 15 percent.

4. Cost levels and Group synergies

Challenge

Synergies within the Eniro Group are currently generated primarily in purchasing, product development and IT through common platforms that can be used in several of the Nordic countries. The Group's costs can be reduced, and the assessment is that there are opportunities to realize additional synergies.

Actions

During 2004, a cost-savings program was initiated to reduce Eniro's costs by a total of SEK 300 M. SEK 100 M was realized in 2005, an additional SEK 100 M in 2006 and yet another SEK 100 M in 2007. During the third quarter, the integration process for Krak was completed, and the acquisition of Krak is expected to generate about SEK 60 M annually in cost synergies in Denmark starting in 2008.

Work to increase the efficiency of operations is ongoing, and a number of Swedish functions were transferred to the Polish subsidiary during 2007.

Results

The two Danish organizations are now fully integrated, and the target for cost synergies of SEK 60 M annually starting in 2008 is retained. The cost-saving program that was initiated in 2004 was completed in 2007, and the established target of SEK 300 M (accumulated) was achieved. The cost savings from transferring certain functions from Sweden and possibly other countries to Poland had a positive effect on total costs.

MARKET OVERVIEW

Consolidation of the search market

The Nordic search market includes Internet services, directory assistance services, printed directories and mobile services. Changes in user patterns and new technical solutions that create more advanced advertising opportunities place higher demands on the development of products, services and business models than previously.

Market data used in the Annual Report has been compiled using the following sources: IRM, WARC, IAB, Dansk Opslagskontrol, CR Media Consulting and Eniro estimates. The figures for 2006 were adjusted in consideration of changed market data from the various institutes and changes in sources.

Advertising in traditional media includes daily press, magazines, tv, radio, cinema and outdoor advertising.

The advertising market for Internet and mobile services is expanding rapidly. New players are entering the market, meaning that more parties are competing for advertising revenues. However, the importance of functionality, strong brands, updated content and a large sales force means that new players face major challenges in being able to launch and capitalize on new products and services.

Market consolidation

Historically, the Nordic markets have been dominated by one leading company, most often a spin-off operation from the telecom operators. Following the acquisition by European Directories (EDSA) of TDC Förlag and Fonecta, the Nordic market changed and is divided between two leading companies, Eniro and EDSA.

Eniro's industry colleagues in Europe have moved from primarily distributing printed telephone directories to also offering such services as Internet services, directory assistance services and mobile services by both developing services themselves and acquiring existing companies. This acquisition trend has resulted in further consolidation of the search market outside the traditional directory industry and above all within classified advertising, price comparison and auction sites, which are increasingly popular for finding and evaluating products. Alliances and partnerships among companies in the search industry and the media industry, for example, are also a phenomenon that has become increasingly common.

Strong growth in Internet advertising

Internet usage is growing, and the Internet is increasingly become a daily tool for both professional and private use and for business and pleasure. Growth of broadband enables increasingly advanced and bandwidth intensive services for both advertisers and users. The increase in Internet usage has started a migration of advertising money from such traditional media as TV and the daily press to Internet advertising. As an advertising medium, the Internet offers a large number of advertising opportunities, which is another reason why the Internet is a very attractive advertising medium for companies.

The Institute for Advertising and Media Statistics (IRM) estimates that the Swedish market for Internet advertising amounted to nearly SEK 3 billion in 2006 and that it grew by slightly more than 32 percent during 2007. During 2008, Internet advertising is expected to exceed TV advertising in volume. Paid search advertising is the fastest growing advertising trend in many markets and means that advertisers purchase advertising space linked to a certain search term in a search engine or Internet directory.

Changed patterns increase the focus on product development in all channels

Despite tough competition primarily from Internet advertising, printed directories maintain their strong position in Europe, with high revenues and continued high usage. However, the search companies are aware the user patterns are changing, and many European search companies therefore place product development for both directories and Internet and mobile services high on their list of priorities.

The search market faces major challenges, primarily in terms of users and products, but also in structural terms, changes, including industry consolidation, the development of existing and new products and new strategic alliances, which have taken place in recent years will most probably also continue over the coming years.

Functionality, high-quality and updated content are key conditions for being able to successfully launch and capitalize on new products and services.

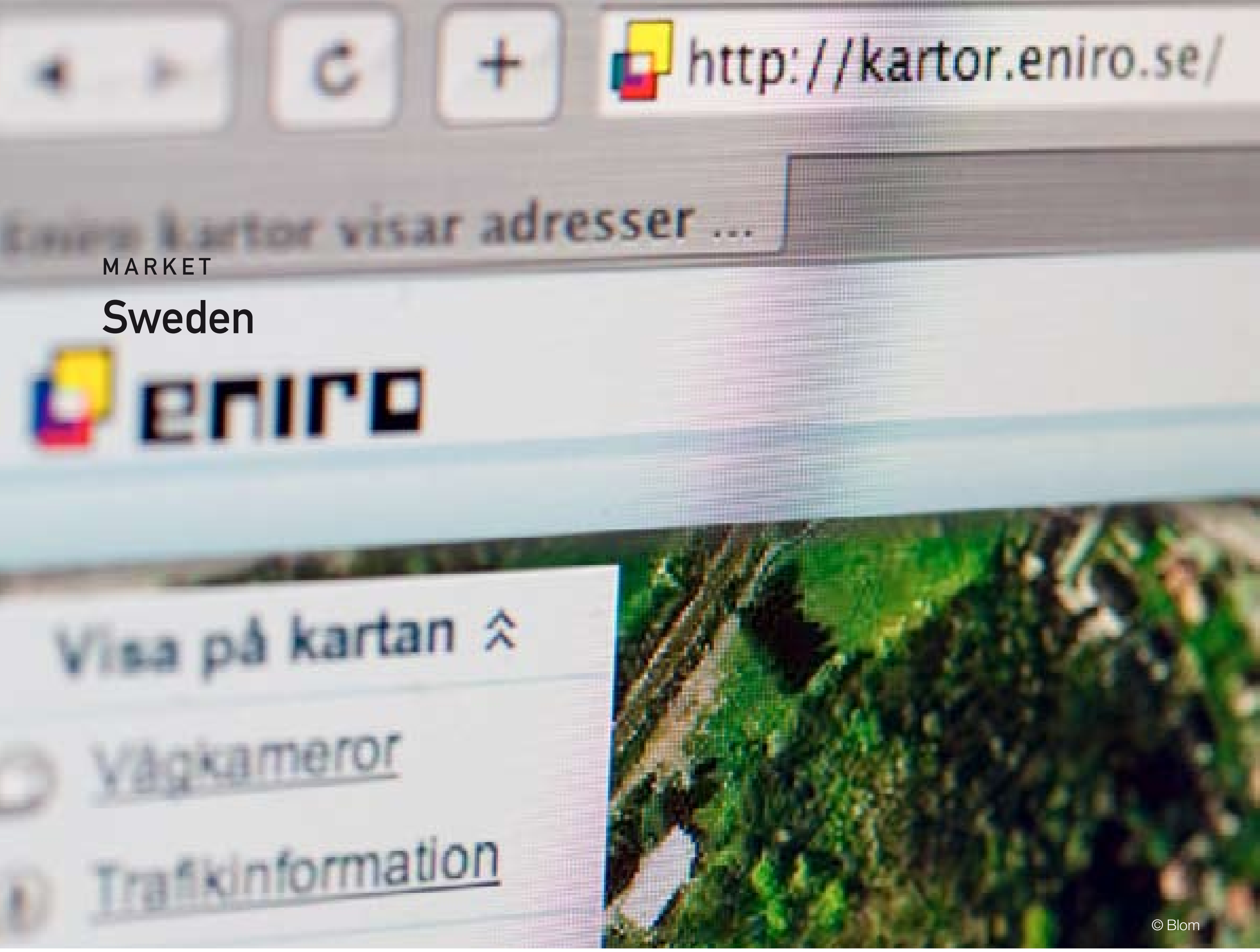
INDUSTRY COLLEAGUES

Unlisted companies	Primary markets	Owner	Primary market position	Revenues 2006 (approx.)
European directories	Denmark, Austria, Finland, Sweden and Netherlands	Macquarie Capital Alliance Group, Caisse de Depot et Placement du Qubéc and Nikko Principal Investment Ltd	No. 1 in Denmark and Austria	SEK 6 billion
Truvo	Netherlands, Belgium, Ireland and Portugal	Apax Partners Worldwide LLP and Cinven Limited	No. 1 in Belgium, Ireland and Portugal	SEK 4.6 billion
Listed companies				
Eniro	Sweden, Norway, Finland, Denmark and Poland	Listed in Stockholm	No. 1 in Sweden, Norway and Poland	SEK 6.4 billion
Pages Jaunes	France and Spain	Listed in Paris	No. 1 in France	SEK 10.1 billion
SEAT	Italy, Germany and UK	Listed in Milan	No. 1 in Italy	SEK 13 billion
Yell	UK, US and Spain	Listed in London	No. 1 in UK and Spain	SEK 20.3 billion

Some of Eniro's industry colleagues with operations in Europe. Out of these, Eniro competes directly only with European Directories on the Finnish, Danish and Swedish markets.

MARKET

Sweden



© Blom

Internet revenues in Sweden increased organically by 14 percent in 2007, while revenues from directory assistance services remained stable with an organic increase of 1 percent. Revenues from printed directories were unchanged, compared with 2006. Increased sales and effective cost control resulted in an improvement in operating profit before depreciation (EBITDA) of SEK 1,177 M.

Eniro's position is strong in all market segments

Sweden is Eniro's largest market, and the Group has a strong position in all market segments. The market for search-related media in Sweden is mature, and the Internet accounts for a significant share of the Swedish search market. The market for Internet advertising shows strong growth, particularly in marketing of keywords. Eniro's network of Swedish websites, primarily eniro.se, is one of Sweden's most frequented.

A complete offering for the Swedish market

As the only company in the Swedish market, Eniro has a complete offering with Internet services, directory assistance services, printed directories and mobile services. With a combined basic listing in Gula Sidorna®, the advertiser's information is included in Eniro's Internet service, the directory assistance service, the printed directory and the mobile service.

Within both Internet and directory products, Eniro offers advertisers a complete portfolio of advertising options that are sold through separate sales forces.

Broad customer base in all markets

Eniro estimates that there are some 300,000 potential business customers in Sweden. Eniro´s customer base consists of companies and organisations of all sizes. During 2007, the number of invoiced business customers was 175,000, compared with 171,000 in the preceding year.

During 2006, the sales force was divided into separate sales units for Internet products and printed products. The Internet sales force was greatly expanded during the year from about 60 persons to about 140. Among customers, about 70,000 purchased items in addition to a basic insertion on the Internet, which was an increase from approximately 37,000 in 2006. There were several reasons for this upturn, of which two are that the expanded sales force is able to contact more customers and that Eniro's Internet offering now contains more products in lower price classes than previously. In the printed directories, slightly more than 82,000 customers purchased items in addition to the basic insertion. During the year, development continued of tools to more clearly demonstrate the value of an advertisement to advertisers.

A competitive market

There are competitors in the individual market segments. A number of international and local players compete within Internet services. These competitors include global search engines, such as Google, websites for information about private persons and companies such as Hitta, shopping sites such as Kelko and classified ad sites such as Blocket. Within directory assistance services, Eniro's main competitors are Ahhaaa, Tele2 and Hitta. There are also a number of smaller competitors in personal directory assistance and SMS-based directory assistance. Eniro is the leader in regional and local directories. The largest competitor to Eniro's printed directories is Lokaldelen in Sweden, which publishes the local directory Lokaldelen.

One of Sweden's most frequented Internet networks

Eniro's Internet network is one of the largest in Sweden in terms of usage and comprises eniro.se, passagen.se, leta.se, bubblare.se, bilweb.se, dindel.se and emfas.com. Leta.se and 48 percent of bubblare.se were acquired at the beginning of 2007.

Eniro.se is one of Sweden's most frequented websites, with an average of 2.2 million unique web browsers per week in December 2007. On the site, users can search in Gula Sidorna, find private persons, obtain maps and driving directions and use the Internet's most extensive web search. There is also a wide range of utility services, such as Buy & Sell, price comparisons, news searches, job searches and a popular link guide. A new version of eniro.se with enhanced functionality and design was launched in January 2007. During the year, a panorama image function presenting aerial photos with a 45-degree angle over Stockholm, Göteborg and Malmö and a video search function were launched.

Dindel.se is an Internet service that gathers 295 local portals with company information and local information in such areas as sports, events, news and weather. The contents are derived from the Din Del local directory and several business partners. DinDel.se was launched in December 2006.

Passagen.se is one of Sweden's largest portals with contents that are created on the basis of user interests. **Bilweb.se** is a service for sales of new and used cars on the Internet. Via passagen.se and bilweb.se, Eniro's advertisers are offered an opportunity for exposure to relevant target groups.

A personal search service

Eniro 118 118® is Sweden's most used directory assistance service. During 2007, 56 percent of the Swedish population used one of Eniro's directory assistance services one or more times during the year, and a total of slightly more than 55 million inquiries were handled.

In addition to telephone numbers and address information, the telephone operators can provide assistance with opening hours, web searches, send maps and driving directions to the caller's mobile phone. The operators can provide information on where the nearest ATM, florist or other facility is located. The caller can also be connected without charge to the desired number or receive it as an SMS. Eniro 118 118 is also the only service in Sweden that assists in finding numbers to private persons and companies outside Sweden. Eniro 118 118 can also be reached from outside Sweden. Through Eniro 118 118 SMS, customers can obtain telephone numbers, addresses and names or find the nearest pizzeria or pharmacy, for example. The result is shown as a map plus driving directions.

Regional and local directories

The Gula Sidorna® directory is Eniro's largest product, with revenues corresponding to 32 percent of total revenues for the Group's printed products. The directory contains advertisements from companies, county councils and municipalities, and is produced for households and businesses in 28 regions. Stockholm, Göteborg and Malmö

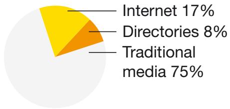
THE YEAR IN BRIEF

- Eniro.se: A completely new version of eniro.se was launched with a new design and improved functionality. Panorama images with aerial photos at a 45-degree angle over Sweden's largest cities were launched, and it became possible to advertise with video on Eniro Buy & Sell.
- Gula Sidorna in pocket format: Gula Sidorna – På väg was published for the first time in Göteborg and Malmö with a selection of 350 headings.
- Advertising options on mobil.eniro.se were expanded.
- Training continued of telephone operators at Eniro 118 118 to meet customer requirements for a personal search service.
- Eniro.se was recognized as Sweden's best search and directory service by both Internet World's jury and its readers.
- The website leta.se and 48 percent of the video community bubblare.se were acquired.
- Eniro 118 118 received the Best Training and Development award in the international industry competition 118 awards for directory assistance services.

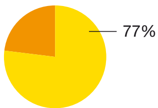
Key data, SEK M	2007	2006	2005
Revenues	2,834	2,772	2,779
of which Offline	1,476	1,522	1,598
of which Online	751	653	581
of which Voice	607	597	600
EBITDA	1,177	1,143	1,116
EBITDA margin, %	42	41	40
EBITDA margin Sweden, excl. Voice, %	46	46	46
EBITDA margin Sweden, Voice, %	25	23	20
Number of full time employees (year-end)	1,461	1,459	1,522

MARKET SWEDEN

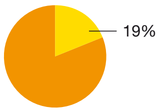
Sweden's Internet advertising market in 2007
SEK 24.0 billion (22.6)



Eniro's share of the Swedish directory advertising market in 2007



Eniro's share of the Swedish Internet advertising market in 2007



Number of unique web browsers, weekly average by month

have the largest editions. Total circulation in 2007 amounted to 5.5 million copies and the number of searches in the directory Gula Sidorna 2007 were 215 millions.[1)]

Some 152,000 invoiced customers (151,000) purchased advertisements in Gula Sidorna during the year. The repurchasing frequency for Gula Sidorna was 86 percent (89) during the year. A study by Research International (Sifo) in 2007 showed that about 54 percent of all Swedes between the ages of 15 and 79 use the printed Gula Sidorna directory once a month or more frequently.

The 2007 edition of the pocket version of the directory, Gula Sidorna – På väg, was published in Stockholm, Göteborg and Malmö, the selection of headings was increased to 350 from 280 in the preceding year. A total of 450,000 copies of the pocket edition were distributed at gas stations and selected shopping centers.

According to Research International (Sifo), **Din Del**® is Sweden's most used local directory with information about local companies. In 2007, it was published in 185 local retail areas in Sweden with a total circulation of 4.5 million copies. The number of invoiced customers in 2007 was about 75,000. As of December 2006, Din Del is also available via the Internet with local portals for all municipalities.

Emfas® is one of the leading business directories and publish detailed information about some 120,000 companies and their products. Emfas is published in a printed edition of about 125,000 copies and is also available via Internet. In addition to the basic listing, the Internet service contains annual reports, information about credit worthiness, financial key data and information about public procurement.

Use of mobile service continued to increase

Eniro's search services are aggregated at **mobil.eniro.se**. Via their mobile phones, users can search for information about companies in Gula Sidorna, find listings for private persons and obtain maps and driving directions. During the year, advertising options were expanded and thus opportunities for commercialization of the service. Use of mobil.eniro.se increased during the year, and the number of user visits was about 46 percent greater than in 2006.

Priorities for 2008

In Sweden, the number of Internet sales personnel was increased, and Eniro's ambition is that the number of customers and revenues from Internet services shall continue to rise during 2008. Product development of all products and showing the customer value of exposure in all of Eniro's search channels will remain in focus. For Eniro 118 118, the goal for 2008 is to retain volumes and market share by continuing to prioritize maps and navigation and customer dialogues.

1) Research International (Sifo) telephone interviews 2007, 10,000 respondents.

ADDED VALUE FOR ADVERTISERS

Eniro offers advertisers different types of statistics for advertisement in directories and on the Internet. On the Internet, Eniro can show how many clicks led to the advertiser's website and the number of calls that "Phone without charge" ads generate as well the number of e-mails sent via the function in the ad. Common to both directory and Internet ads is that Eniro offers call metering by using a unique telephone number in the customer's advertisement that makes it easy to measure how many calls the ad generates.

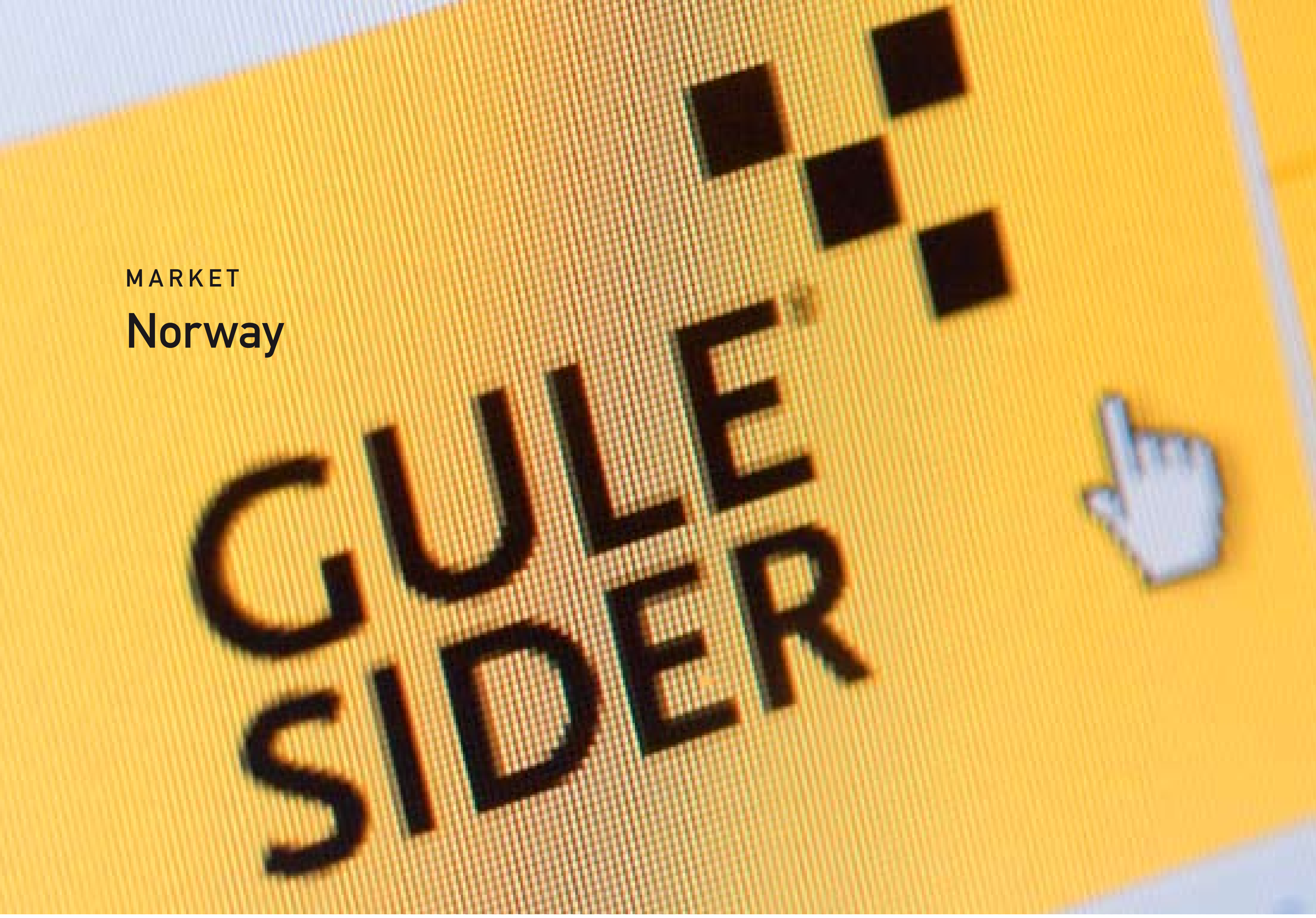
These are the industry averages for advertisements under the heading Tires – Tire Shops – Retail in the Gula Sidorna directory:

Number of registered calls per month	35
Proportion resulting in a purchase	63%
Average order value	SEK 2,700
Monthly revenues per advertisement	SEK 58,500
Advertising investment per month	SEK 3,630
Net revenue per month via advertisement	SEK 54,870

The customer gains about SEK 16 in sales revenue for each SEK 1 invested with Eniro.

MARKET

Norway



Norway continued to show strong Internet growth during 2007, with an organic increase in revenues of 20 percent. Revenues from directory assistance increased organically by 9 percent, while revenues from print products declined organically by 15 percent.

Well-developed search market

With the acquisition of Findexa in December 2005, Norway became Eniro's second largest market. Eniro has been active in Norway since the acquisition of Scandinavia Online in 2001. The Norwegian market for search-related media is well developed, and competition, particularly for Internet users, is fierce. The Norwegian Internet advertising market is the Nordic region's second largest in terms of revenues.

Today, Eniro is one of the most frequently used search services in Norway with the strong brands Gule Sider, Kvasir and SOL. The Internet services gulesider.no, kvasir.no and sol.no together have a market share of 30 percent (31), making Eniro the largest local player in the Norwegian search market.

The Norwegian market for directory assistance services was deregulated in 2002, and in the following year, Findexa took over the company supplying the manual directory assistance service Gule Sider – 1880. With this service, Eniro is number two in the market.

Eniro the only company in Norway to offer information in all search channels

Eniro has a complete multi-channel offering in the Norwegian market, with Internet services, directory assistance services, printed directories and mobile services. With a combined basic insertion, an advertiser's information is presented not only on the gulesider.no Internet service and in the Gule Sider directory, but also on the Gule Sider – 1880 DA service and as an SMS service.

In addition to the combined insertion, Eniro offers a variety of advertising options in both directories and on the Internet that are sold by separate sales groups. On the Internet services gulesider.no, kvasir.no and sol.no, advertisers are not only offered exposure via information pages, but also sponsored links and banners.

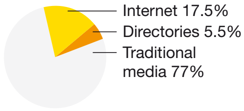
THE YEAR IN BRIEF

- Eniro's websites gulesider.no, kvasir.no and the sol.no portal were among the ten largest sites in Norway.
- Gulesider.no improved its map service, resulting in a first-place positions for map searches in the Norwegian market.
- The sol.no portal was successfully relaunched in October.
- Gule Sider, Telefonkatalogen and Kvasir were launched as WAP services.

Key data, SEK M	2007	2006	2005
Revenues	1,982	2,121	293
of which Offline	1,010	1,344	13
of which Online	860	675	274
of which Voice	112	102	6
EBITDA	901	925	–39
EBITDA margin, %	45	44	–13
Number of full time employees (year-end)	1,059	1,069	1,156

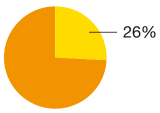
MARKET NORWAY

Norway's Internet advertising market in 2007
SEK 18.8 billion (17.2)

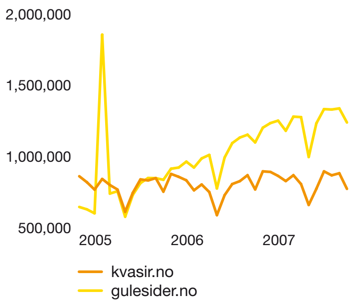


Eniro's share of the Norwegian directory advertising market in 2007

Eniro's share of the Norwegian Internet advertising market in 2007



Number of unique web browsers, weekly average by month



Broad customer base

Eniro's customer base consists of companies and organizations of all sizes. The total number of invoiced business customers amounted to about 129,000 in 2007, and some 65 percent of all Norwegian companies are represented in Gule Sider. Eniro estimates that there are 220,000 potential business customers in Norway.

Competitive Internet market

The Internet advertising market in Norway is very competitive. There are many local and global search engines. Eniro is the market leader in regional and local directories and B2B directories and the second largest player in directory assistance.

Eniro has three websites among Norway's ten largest

Eniro has one of Norway's largest Internet networks consisting primarily of gulesider.no, kvasir.no and the sol.no portal. These three websites are among the ten largest in Norway. **Gulesider.no** is the largest Norwegian search service and one of the most frequently used Internet services with about 1.2 million unique web browsers per week in December 2007. At gulesider.no, users can search in the Gule Sider directory, find private persons and classified ads, obtain maps, aerial photos and driving directions and perform web searches. There is also a wide range of other utility functions, such as a price comparison service.

At the beginning of the year, a new version of gulesider.no was launched with a new design and improved map functions that included aerial photos.

Kvasir® is one of the most frequented Norwegian websites, with an average of 772,000 unique web browsers per week in December 2007. In addition to general web searches, Kvasir has an extensive link guide. Via Kvasir Firmasök, users can search for companies, products and services. There are also maps and driving directions. In 2006, Kvasir was given a new design, and it also became possible to advertise via sponsored links.

SOL® is one of Norway's leading Internet portals, with a broad offering that includes news, entertainment, chat and community services, as well as the Kvasir search service. Eniro and Norsk Aller AS agreed to operate SOL.no as of January 1, 2007 via a jointly owned company in which Eniro owns 50.1 percent. The portal was successfully re-launched in October 2007.

Proff.no is a Norwegian business-oriented Internet service that primarily focuses on business-related information. The service offers in-depth information on Norwegian business and is a B2B service. The service is available as an integrated search function on one of Norway's largest news portals and the number of unique users per week has increased steadily from the start in February 2006.

Personal directory assistance

Gule Sider 1880® is a directory assistance service that provides telephone numbers, contact information and map information. Users can be connected to the requested number or receive it via SMS without extra charge. The service is also available via SMS.

Market leader in printed directories

Gule Sider®, which is the leading regional directory in Norway, contains listing and advertisements from companies for some 1,500 sectors. It was published in 13 editions with a total circulation of 2.7 million copies in 2007. Gule Sider accounts for the major share of Eniro's revenues from printed directories in Norway. A survey by TNS Gallup showed continued use of the directory. Seven of ten Norwegians use one of Eniro's telephone directories during the year. During 2007, the repurchasing frequency for Gule Sider was 80 percent, and there were some 119,000 invoiced customers.

Ditt Distrikt® is a local directory published in 74 editions with a total circulation of 1.9 million copies. Ditt Distrikt is divided into business areas and contains local in-

Norway is Eniro's second largest market, and Eniro has one of Norway's largest Internet networks.

formation for companies and private persons, as well as municipal, cultural and other useful information. The directory is distributed to all households, companies and organizations in each area. During 2007, the number of invoiced customers for Ditt Distrikt was about 29,000.

Din Bydel™ is the local directory for Oslo and is published in cooperation with Oslo municipality. Each of the 15 city districts has its own edition with a total distribution of 360,000 copies. The directory is distributed to all households, companies and organizations in the Oslo region. Din Bydel contains municipal information, city maps and an overview of public transport, as well as information about local companies.

The business-oriented B2B directory **Proff**® is distributed in total of 45,000 copies. The directory offer in-depth company information, such as the number of employees, annual sales and year of establishment.

Telefonkatalogen® contains an overview of all telephone subscribers and is distributed to Norwegian households, companies and organizations together with Gule Sider.

Complete range of mobile services

Eniro has several mobile services in Norway. Through the directory assistance service Gule Sider – 1880 (SMS), wap.gulesider.no, wap.telefonkatalogen.no and wap.kvasir.no, users can find companies and private persons and obtain maps. The wap.sol.no mobile service includes news summaries.

Priorities for 2008

Eniro Norway's operations were restructured and production and sales regions were adjusted. The company is well positioned in the Norweigan market. During 2008, Eniro Norway will focus on growing both usage and revenue in the online area and on halting the decline in print.

ENIRO NORWAY SUPPORTS RIGHT TO PLAY

Right to Play is an international humanitarian organization under the leadership of Norwegian world and Olympic champion skater Johan Olav Koss.

Right to Play uses play and sports as an arena for the development of children and young people in the world's most underprivileged areas.

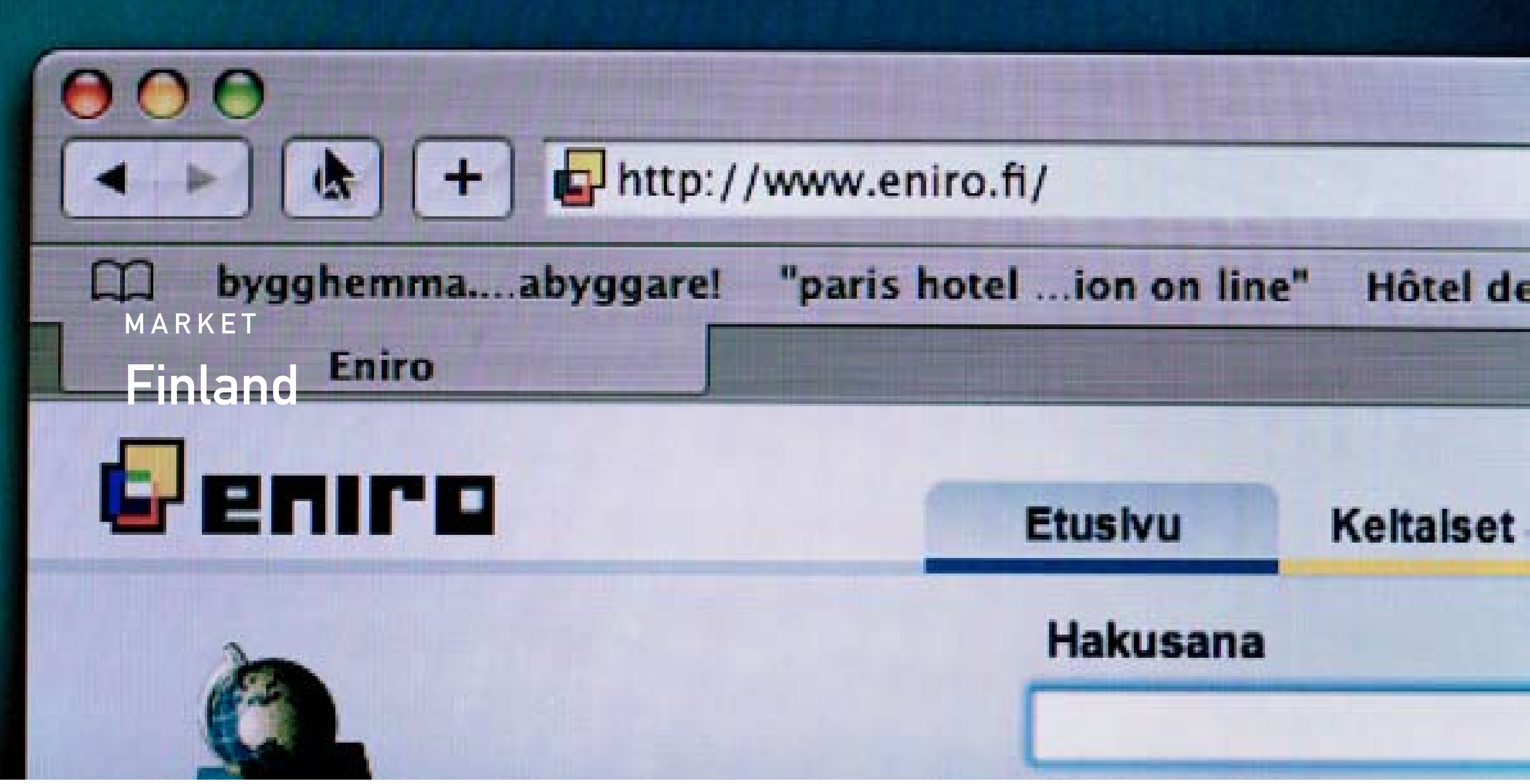
Eniro Norway supports Right to Play with a focus on the organization's projects in Mozambique.

ENVIRONMENTAL ACCOUNTS

Eniro Norway has conducted an environmental audit to identify the environmental impacts of its directories and to assess their benefit to society. The report highlights the important role of the directory and gives information in concrete numbers on the environmental impact from production and distribution of directories. The report was conducted by ECON Pöyry and the complete version is to be found at www.eniro.no.

MARKET

Finland



THE YEAR IN BRIEF

- Eniro.fi was launched with a new design and improved functionality that includes 45-degree view aerial photos and a rating function.
- Eniro's telephone directories were given a new design and layout with local photos on the front cover.
- The market position of the directory assistance services continued to improve.

Key data, SEK M	2007	2006	2005
Revenues	640	642	637
of which Offline	285	311	363
of which Online	135	123	96
of which Voice	220	208	178
EBITDA	120	84	34
EBITDA margin, %	19	13	5
Number of full time employees (year-end)	533	530	549

Both EBITDA and EBITDA margins rose in 2007 as a result of increased revenues and strict cost control, compared with 2006. Organically, online revenues increased by 10 percent and revenues from directory assistance increased organically by 6 percent while print revenues declined by 8 percent.

High usage of directory assistance and mobile services

The market prerequisites in Finland differ in several respects from those in the other Nordic countries. The Finnish market for Internet services is less developed and more fragmented than the market in the other Nordic countries, in part due to lower Internet usage. The Finnish Internet advertising market accounts for a smaller share of the country's media market, compared with Sweden, Norway and Denmark. Eniro's share of the Internet advertising market amounted to 13 percent in 2007.

The Finnish market is characterized by more extensive use of directory assistance and mobile services than in the other Nordic countries.

Prior to 2004, sales of the regional directories in Helsinki and Tampere were handled jointly by Eniro and another player. This changed during 2004, and sales of the 2005 and 2006 editions of the directories took place in intense competitions with strong price pressures. Today, all households receive two directories, of which one is Eniro's.

Offering covers all search channels

Eniro now has a nationwide presence in Finland and a multi-channel offering that covers all search channels, meaning Internet, directory assistance, printed directories and mobile services. Eniro offers a variety of advertising solutions both in directories and on the Internet that includes exposure via information pages, sponsored links and banner ads.

About 250,000 active companies in Finland

Eniro's customer base is comprised of companies and organizations of all sizes. Eniro estimates that there are about 250,000 active companies in Finland that are potential customers. During 2007, Eniro invoiced some 60 000 customers.

Competition in the market for printed directories

Eniro is the second largest player in the Finnish search market. The largest competitor is Fonecta, which is owned by European Directories and is the second largest player after Eniro in the market for regional and local directories, B2B directories and directory assistance services. The market for Finnish printed directories is characterized by stronger competition than in the other Nordic countries. In the market for Internet and mobile services, Eniro faces competition from several international and national players.

High usage of Eniro Finland's Internet networks

Eniro's network of Finnish websites includes the search services eniro.fi , yritystele.fi and the portal suomi24.fi. A new version of **eniro.fi** with new functionality and a new design was launched during the year. Eniro.fi gathers a number of services in a single location and allows users to find companies and private individuals, obtain maps and driving directions and use the Internet's most extensive image and web search engines. In addition to information pages, advertisers are offered an opportunity to advertise via sponsored links and banner ads. Eniro.fi is the leading local search service in Finland and had an average of about 405,000 weekly web browsers in December 2007.

Traffic to the **Suomi24.fi** portal rose by 10 percent during the year. In addition to links and a search service, the portal hosts a popular dating service, discussion forums and chat rooms. It also offers Internet connections without monthly charges and a free e-mail service.

Yritystele.fi is a B2B service with national, regional and sector-specific information about companies and public service.

Growth of directory assistance service continued

Eniro:0100100® is an operator-independent directory assistance service with listing of Finnish and Swedish telephone numbers, names and addresses for companies and private persons that can also send maps and driving directions to mobile phones. In addition, Eniro supplies the national **118** directory assistance service that the country's telecom operators offer their customers. The user's choice of directory assistance service is determined by the telecom operator used. Eniro provides this service for fixed subscribers for the telecom operator Elisa, for Elisa's mobile telephone subscribers and for fixed subscribers with certain other Finnish operators. Eniro's directory assistance services grew organically by 6 percent during 2007 as a result of increased market share and increased price.

Regional and local directories

Eniro's telephone directories are distributed throughout Finland and are published in 32 retail areas. The directories contain information about companies and private persons, maps and information from municipalities and cities. Total circulation for 2007 amounted to about 3 million copies.

Kaupunki-Info® is Eniro's local directory, which contains information about local companies and municipal services, as well as private persons. Kaupunki-Info is published in six areas. **Yritystele**® is Finland's leading B2B directory with information about companies, public authorities and public service.

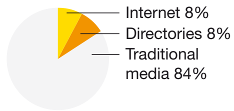
High usage of mobile services

Usage of mobile services is higher in Finland than in the other Nordic countries. The search service eniro.fi is also available by mobile phone at **wap.eniro.fi**. The service offers contact information for companies and private persons in Finland, as well as maps and links to other mobile services. The SMS search service **16123** provides information on telephone numbers, private persons and companies.

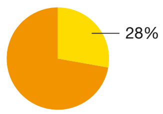
Priorities for 2008

During 2008, the goals are to grow within online and to increase the market share in directory assistance as well as continue the work in stabilizing print. This will be achieved in part through Eniro's existing strong Internet position, a focus on sales efficiency and market penetration and through product development.

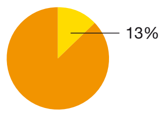
Finland's Internet advertising market in 2007
SEK 13.0 billion (12.3)



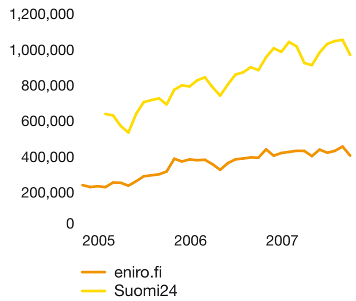
Eniro's share of the Finnish directory advertising market in 2007



Eniro's share of the Finnish Internet advertising market in 2007

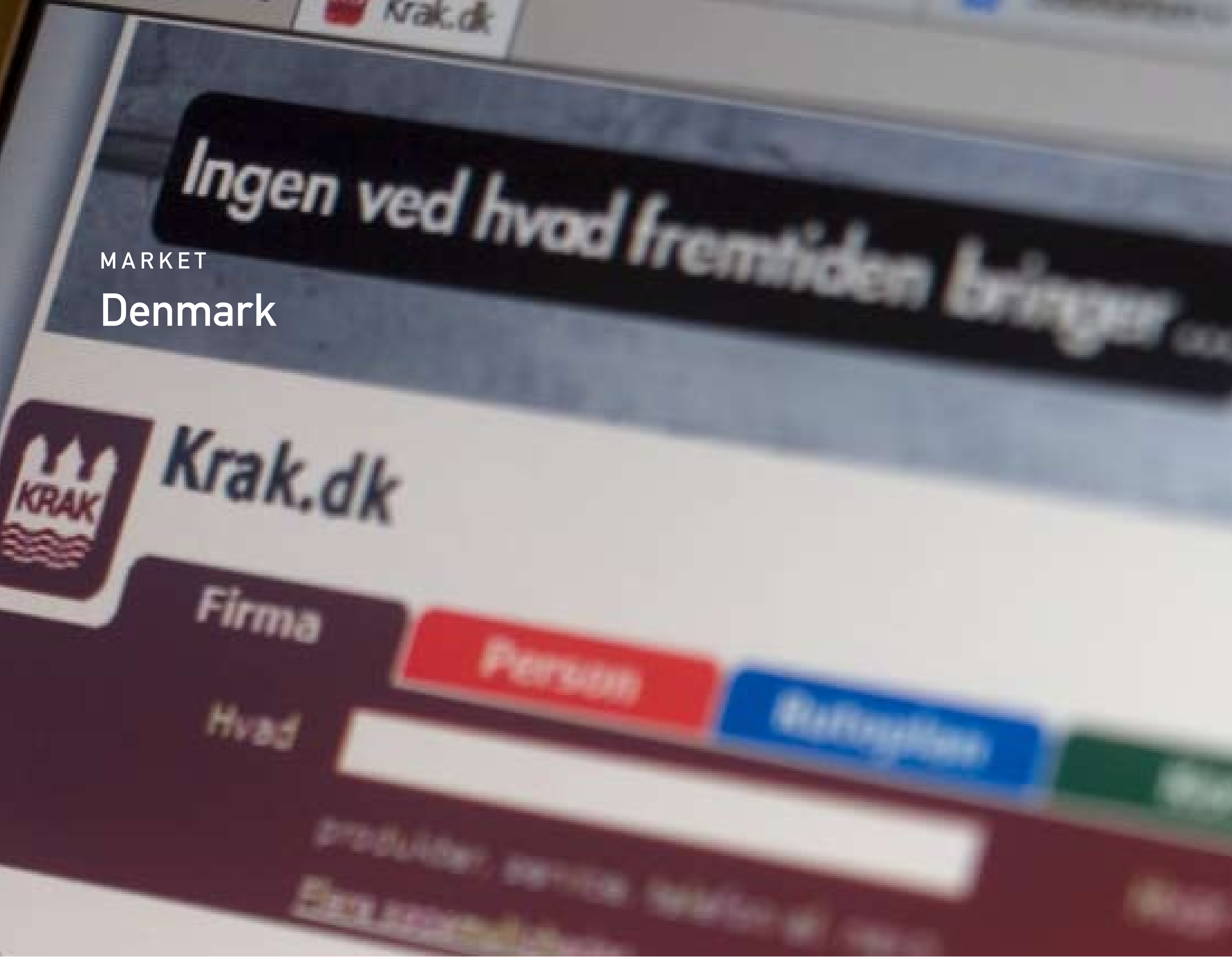


Number of unique web browsers, weekly average by month



MARKET

Denmark



THE YEAR IN BRIEF

- Eniro Denmark acquired Kraks Forlag A/S, Denmark's leading online directory company.
- Eniro Denmark became the leading search company on the Internet in Denmark with 2.3 million users in December 2007.
- A new version of eniro.dk with improved functionality was launched.

Key data, SEK M	2007	2006	2005
Revenues	570	442	396
of which Offline	396	346	320
of which Online	174	96	76
EBITDA	38	58	37
EBITDA margin, %	7	13	9
Number of full time employees (year-end)	510	401	331

Kraks Forlag A/S, Denmark's leading local search company, was acquired in June 2007 and consolidated on July 1, 2007. Restructuring effects totaling SEK 60 M were reported during 2007, and cost synergies are expected to amount to about SEK 60 M annually beginning in 2008. Following the acquisition of Krak, Eniro took a leading Internet position in Denmark. Internet revenues rose organically by 12 percent, while revenues from printed directories increased by 2 percent during the year.

Strong position in all market segments

The market for search-related media in Denmark is well developed and competitive. Following the acquisition of Krak, Eniro's Internet position is very strong as a result of the well-known brands krak.dk and eniro.dk, and Eniro is the leading search company on the Internet.

Eniro offers Internet services, local directories and mobile services

Eniro has been active in Denmark since 1996, when the local directories Den Røde Lokalbog and Mostrup were acquired. Eniro's offering consists of the Internet services krak.dk and eniro.dk, the local directories published under the brands Mostrup and Den Røde Lokalbog and mobile services. Eniro offers advertisers a broad range of advertising options on the Internet and in the local directories. On the Internet, advertisers are offered exposure via information pages, sponsored links and banner ads.

The sales force is divided into one group that sells Internet exposure on krak.dk and eniro.dk and another that sells exposure in the printed local directories.

200,000 potential customers in Denmark
Eniro's customer base consists of companies and organizations of all sizes. During 2007, the number of invoiced customers amounted to about 73,000. Eniro estimates that there are about 200,000 potential business customers in Denmark.

Local and international competitors
The Internet market for search services is very competitive. For commercial Internet searches, Eniro's primary competitor is degulesider.dk, which is owned by European Directories. In the Danish market for printed directories, Eniro primarily competes with European Directories plus a small number of local players.

Leading local Internet search service
Following the acquisition of Krak, Eniro has a very strong position in Denmark. **Krak.dk** is the leading local search service and is also among the largest Danish websites. Krak.dk makes it possible for users to find companies and private persons and also offers detailed maps and driving directions. The average number of unique web browsers per week in December 2007 was about 1 million.

Eniro.dk is one of the ten largest websites in Denmark and enables users to find companies and private persons. Eniro.dk also offers maps and driving directions and uses the Internet's most extensive image bank and search engine. The link guide on eniro.dk is one of the most popular link guides in Denmark.

The sol.dk portal and bilguiden.dk have been integrated with eniro.dk since 2005. A new version of eniro.dk with a new design and improved functionality was launched during the year. In December 2007, the average number of unique web browsers per week was about 768,000.

High usage of local directories
Eniro publishes a local directory, Mostrup Grønne Vejviser under the strong and well-known brand **Mostrup**®. The directory contains municipal information, telephone numbers to companies and private persons and is published in 84 of Denmark's 90 municipalities. The directory is used by about 74 percent of those who live in the distribution areas.

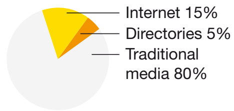
Kommunalhåndbogen, which is a directory for consumers, contains municipal and public service information.

The former Mostrup Kortbog, which is a map directory with advertisements, changed its name following Eniro's acquisition of Krak to Krak, and all maps are now published under this strong brand. In 59 Danish retail areas, Eniro publishes the local directory **Den Røde Lokalbog**®. Since the acquisition of Webdir's local directories in 2006, 11 of the 59 local directories are marketed under own brands, such as Viborg: Bogen. In total, Eniro's distribution of directories in Denmark amounts to about 4.6 million copies.

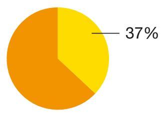
Eniro.dk available as mobile service
Eniro.dk is also available as the mobile service **wap.eniro.dk**. Eniro Denmark offers the **SMS 1928** service that enables users to find telephone numbers and names of companies and private persons.

Priorities for 2008
During 2008, Eniro Denmark will prioritize work to increase market share for the Internet services and to further strengthen the position of the local directories, in part through continued product development and positioning of the websites.

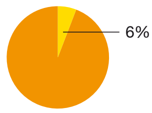
Denmark's Internet advertising market in 2007
SEK 19.7 billion (17.2)



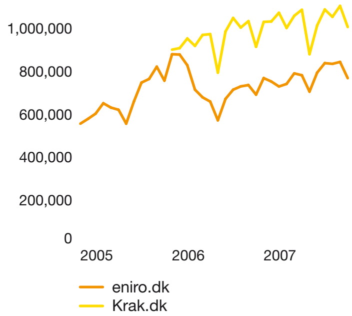
Eniro's share of the Danish directory advertising market in 2007



Eniro's share of the Danish Internet advertising market in 2007



Number of unique web browsers, weekly average by month



MARKET

Poland

THE YEAR IN BRIEF

- Eniro Poland signed a contract with one of Poland's largest mobile telephone operators to expand the directory assistance service.
- Eniro Poland received several prizes in 2007, in part for the brand and the Panorama Firm products.

Key data, SEK M	2007	2006	2005
Revenues	417	395	375
of which Offline	333	329	327
of which Online	84	66	48
EBITDA	100	91	83
EBITDA margin, %	24	23	22
Number of full time employees (year-end)	1,087	1,108	1,112

Usage of Eniro's Internet service in Poland increased significantly during the year. Eniro Poland's revenues from Internet services rose organically by 25 percent, while revenues from printed directories declined organically by 2 percent. The EBITDA margin increased to 24 percent.

Prominent position in a growing market
Eniro is the leader in Poland with respect to search traffic, brand awareness and market shares. The advertising market continued to grow, and the Internet advertising market in particular experienced significant growth during 2007. Of Poland's population of 38 million, about 36 percent used the Internet in 2007, compared with 33 percent in 2006. During 2007, Eniro's share of the Internet advertising market amounted to 7 percent (8). Eniro's share of the Polish directory market amounted to 51 percent (51) in 2007.

Internet, printed directories and mobile services
Eniro has a nationwide presence in Poland and offers a wide range of advertising solutions both on the Internet, in printed directories and on mobile phones. At the end of 2006, Eniro introduced a directory assistance service, initially on a limited scale, but the service was expanded during 2007 through a contract with one of Poland's largest mobile telephone operators (PLUS).

Large number of potential customers
Eniro's database contains of more than 1.2 million Polish companies, and of these, Eniro contacts about 750,000 each year. The number of invoiced customer in 2007 was in line with the preceding year and amounted to 108,000.

Competition in printed directories and on the Internet
Eniro has a strong position in printed directories and faces competition primarily from two players, PKT and DiTel S.A., with market shares of 18 and 29 percent, respectively. These are also the largest competitors on Internet services (pkt.pl and ditel.pl). Zumi.pl, which was launched during the year by Onet S.A., which is the owner of Poland's largest portal, is now also a competitor. A merger of PKT and DiTel S.A. will probably take place during the spring of 2008, since the Polish competition authorities are expected to approve PKT's acquisition of DiTel S.A.

Dynamic Internet market
The Polish Internet market is growing rapidly, and Eniro's Internet service **pf.pl** is one of Poland's most popular websites. Pf.pl enables users to find companies, maps and driving directions. Advertisers are offered exposure via information pages, sponsored

links and banner ads. In December 2007, pf.pl had an average of about 970,000 unique web browsers per week, an increase of 133 percent, compared with the preceding year.

Directory assistance growth continued

At the end of 2006, Eniro started a directory assistance service in Poland, initially on a small scale, with one of the telecom operators. The service contains detailed information that include companies and local service and was able to provide driving directions. During 2007, Eniro Poland signed a contract with one of the largest mobile telephone operators (PLUS) to expand the service to the PLUS network.

Regional directories

Eniro's regional directory **Panorama Firm**® is Poland's leading directory for information classified by business sector. Panorama Firm is published in 34 editions that cover all of Poland. Distribution to households is based on geographic location and an income level above average. In the Warsaw region, Panorama Firm also distributes three local directories under the brand **Panorama Lokalna**®, as well as a special directory for motorists **Panorama do Samochodu**® and a B2B directory for the construction industry that covers the entire country. In total, Eniro Poland's distribution of directories and CDs amounts to 3.5 million.

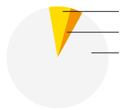
Panorama also available as mobile service

Panorama Firm is also available as a mobile service via Nokia plug-in and Era Omnix.

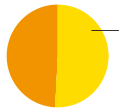
Priorities for 2008

During 2008, Eniro Poland will continue work on increasing the value of advertisements for advertisers. Another prioritized area is to improve the sales organization and its processes in order to better leverage the dynamic Internet growth in Poland. The focus in 2008 will be on increasing revenues through continued development of the directory assistance service and launching new Internet services.

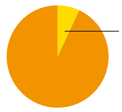
Poland's Internet advertising market in 2007
SEK 17.7 billion (15.5)



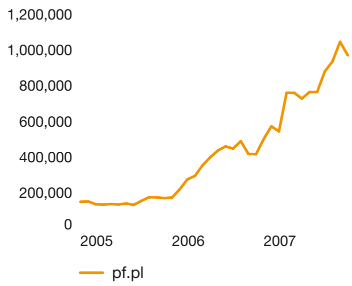
Eniro's share of the Polish directory advertising market in 2007



Eniro's share of the Polish Internet advertising market in 2007



Number of unique web browsers, weekly average by month

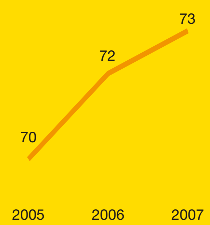


Eniro – a popular workplace

In a very competitive market, Eniro's future growth is highly dependent on skilled and motivated employees. Eniro therefore works constantly to enhance the workplace for today's and tomorrow's employees. Eniro offers both competitive salary terms and excellent opportunities for personal development in an international industry with a bright future. The challenge for Human Resources in its strategic work is to ensure that the right person is in the right position at the right time so that the Eniro Group will achieve its business goals over the short and long term.

HUMAN CAPITAL DEVELOPMENT

Each year, a Group-wide human capital survey is conducted that is an important tool for evaluating and developing Eniro's business, leadership and employees.



A human capital index above 68 is very good for this type of business (Source: Synovate).

The Nordic region's best sales training

Eniro is known for offering an attractive, world-class sales training program that all sales personnel in the Group complete. This extensive program comprises several steps and is based on a unique Sales Management Concept, which was developed over a number of years in collaboration with leading suppliers. The concept is used throughout the Group and is constantly improved based on changing market prerequisites. About 50 percent of Eniro's employees are sales personnel.

In Denmark, Eniro started the Eniro Business Academy in 2007 with the objective of offering sales personnel and other employees customized training in many different areas, such as effective communication, presentation technique and key account management. Some 250 employees have already completed courses at Eniro Business Academy in Denmark.

During the year, Eniro 118 118 AB received the prestigious Best Training and Development prize in the international industry competition 118 Awards for directory assistance services. The motivation for the prize was that Eniro's training concept for call center personnel demonstrated a supportive and developing culture for all employees, regardless of position, during their entire employment period.

Leadership development and skills provisioning

Clear and effective leadership is an important competitive factor in all recruitment to ensure that employees enjoy their jobs and deliver maximum performance. Eniro works systematically with leadership development and skills provisioning. All subsidiaries have far-reaching responsibility for ensuring that leaders at various levels in the organization receive appropriate support and training.

Coaching has become an important tool in leadership development. Full-time coaches are now employed in Sweden and Denmark whose task is to support individual leaders and groups.

Since 2005, Eniro has conducted a Group-wide program for future leaders and key employees, "High Potentials". The program comprises about 25 persons on each occasion and is intended to attract and retain qualified employees. Participants learn more about Eniro and their own potential and contribute to Eniro's development through active participation in Eniro's business planning process together with representatives from Group management. The program extends over a period of 18 months with 6 meetings in different countries. In 2007, the first program was completed and the second begun. An additional international program is scheduled to start in 2008. An Alumni Association was also started during the year to maintain and develop the internal network.

Competitive salary terms

Eniro's ambition is always to offer competitive salaries and benefits. Salary surveys and comparisons are therefore conducted regularly. As a sales-oriented company, Eniro has a tradition of offering compensation in the form of variable salary. Most employees in sales have both a fixed and a variable salary component. The variable salary component is intended to strengthen the Group's profits and to create a clear link between performance and reward.

Senior executives and key individuals, in total about 150 persons, have a variable salary component corresponding to between 5 and 70 percent of fixed salary. The variable component is primarily linked to the company's revenue and earnings trend, but also to such other factors as market and human capital. Strategic initiatives also have an impact.

Of variable compensation, at most 15 to 50 percentage points is paid in cash. The remaining portion of variable compensation, at most 20 percentage points, is converted to synthetic shares with a maturity period of two years. The exact outcome is determined by the company based on an annual individual assessment of the executive's performance in relation to the

The High Potential program is an important part of Eniro's investment in the future and one of the cornerstones for the Group's skills development and succession planning. The program is not a management provisioning program, but is intended to support and encourage parallel career paths. This year's program includes participants from Sweden, Norway and Finland.

Eniro scorecard established for each executive. Payment is subject to the condition that the executive is still employed in the Eniro Group on the payment date.

The 2005 Annual General Meeting decided to introduce a share-savings program for all Eniro employees in Sweden, Norway and Finland and for senior executives in Denmark and Poland. By thinking, acting and being rewarded as a shareholder, employees are encouraged to contribute to the development of the business.

A healthy workplace

Eniro works actively to create a healthy working environment. The annual Human Capital Assessment takes the organization's temperature, and each manager is then responsible for the employees' well-being. Personal targets are set through individual development talks. Fitness and physical activity are also important tools in work to create a healthy workplace and reduce absence due to illness and work-related injuries.

Notable among the year's activities was Arena, Eniro Norway's forum for cultural and athletic activities. Each year, Eniro allocates funds to Arena that allow it to organize various activities for employees. Funds are allocated only for activities that are performed in a group of at least five persons. In this manner, both the company culture and individual well-being are strengthened at the same time. Go Arena is specifically oriented towards fitness activities, and employees collect points by participating in various physical activities, while at the same time competing for valuable prizes. Well-know athletes participate at regular intervals to provide inspiration and advice for participants, including how Norwegian employees can prepare for the 2008 Oslo marathon.

Equality and diversity

Eniro strives to create a workplace characterized by equality and diversity. Within management in the subsidiares 40 percent are women. At the end of 2007, Group management consisted of 4 women and 12 men. Eniro measures and monitors equality in part through surveys of gender distribution, competence investments and salary comparisons.

AVERAGE NUMBER OF FULL-TIME EMPLOYEES

	2007		2006	
Country	**Total**	**Of whom women, %**	**Total**	**Of whom women, %**
Sweden	1,487	67	1,455	68
Norway	1,120	50	1,094	47
Finland	527	73	530	74
Denmark	477	52	372	51
Poland	1,086	58	1,098	60
Germany	–	–	173	26
Other	–	–	79	39
Total	**4,697**	**60**	**4,801**	**59**

Proportion of sales personnel[1]	
Sweden	62%
Norway	54%
Finland	47%
Denmark	60%
Poland	75%

1) Proportion of salesmen and sales managers (excluding directory assistance in Sweden).

ENVIRONMENT

Focus on environmental work

Eniro works actively to minimize the company's environmental impact by establishing effective processes for continuous improvement of the company environmental standards. Eniro AB became environmentally certified according to the ISO 14001:2004 standard on January 31, 2007. On October 10, 2007, a decision was taken that all Eniro companies must start the process of introducing an environmental management system with the objective of certifying every company. The first step in this process was taken on November 8, when Eniro Gula Sidorna AB was certified.

Eniro has an overall vision on which its environmental policy was developed and which sets the approach that characterizes Eniro's environmental work.

Environmental policy

"Eniro must comply with and apply laws, agreements and government requirements in the environmental area. Our products must have as little impact as possible on health and the environment without compromising quality. Eniro strives for continuous improvement in the environmental area.

Communication of environmental issues must be characterized by openness and clarity in accordance with the company's long-term environmental work.

Eniro must:

- *Prioritize environmentally labeled and ecocycle-adapted products in purchasing. Inform and make demands on suppliers regarding the importance of complying with Eniro's environmental requirements*
- *Work proactively and actively monitor trends in the environmental area*
- *Evaluate new technology and products with respect to the environment*
- *Promote personal responsibility in employees through training, information and active participation in environment work."*

Environmental certification

Certifying the Parent Company facilitates the process for other companies that must be certified, since processes and routines are well proven and have been implemented in a real context. Certification of the Parent Company is a clear indication that Eniro as a Group takes environmental issues seriously.

Prior to certification, all affected employees participate in special environmental training that is designed for each personnel group. Eniro works actively with interactive environmental training via its intranet to ensure that employees are always updated and remain active.

Evaluation of environmental impact

During 2006, Eniro's operations were evaluated with the objective of identifying the most significant factors for the company's environmental impact. Wood products, paper production and transports were identified as the processes with the greatest impact.

Processes considered to have less impact were waste products and energy consumption. Eniro thus identified the environmental factors that need to be controlled via targets, policies or routines.

Organization of environmental work

As natural consequence of the fact that the significant environmental factors can be linked to materials and services that Eniro purchases, Eniro has consolidated responsibility for purchasing and environment at the Group level in a joint staff function. The Purchasing and Environment department is responsible for ensuring that routines, follow-ups and legislative compliance are handled in such a manner that Eniro lives up to the requirements of legislation and certification. Purchased products and services are checked for compliance with Eniro's environmental policy.

Routines are established in the environmental handbook, and there is a special purchasing handbook for the purchasing functions.

Environmental work within the Group is performed within the framework of normal business planning, which means that managers, project managers and department heads are charged with taking environmental aspects into consideration within their areas of responsibility and deciding on measures.

Environmental work in local companies is in certain cases strongly linked to Group activities. All directory paper, for example, is purchased centrally to ensure compliance with Eniro's environmental requirements.

A review of environmental work is performed twice a year, and results are reported to management, which takes decision on focus areas and possible corrective measures. Environmental targets can be both central and local, depending on where in the organization the environmental impact arises.

Eniro's services reduce environmental impact

Eniro offers the best channels for users for finding local suppliers and services, for example, so that long and unnecessary transports can be avoided. Eniro's services thus contribute to reducing environmental impact.

Internet services, directories, directory assistance and mobile services all make it easier to find facts about products, events, retail locations, opening hours, etc., meaning that unnecessary travel can be avoided, which in turn is positive from an environmental standpoint.

With maps and driving directions, routes can be planned more effectively, which results in both environmental and time savings.

LARGE AND SMALL ENVIRONMENTAL DECISIONS

Successful environmental work is based on the ability to handle environmental impact in both global and local contexts, with no issue too large or too small for active measures.

The activities below are examples of large and small environmental decisions within Eniro.

- Reduce carbon-dioxide emissions by 10 percent, which is the Group's overall goal for 2008.
- Employees whose job involves driving will participate in a course in eco-driving.
- A Group goal is that 10 percent of all business travel will be replaced with a more environmentally friendly alternative.
- Eniro's ambition is to produce and distribute the exact number of directories based on usage and demand.
- The goal for Eniro Sweden is to reduce the paper weight in directory paper by five percent.
- Eniro Sweden has decided to work with environmentally friendly office materials (43 percent in 2007).
- Involve all Eniro employees internally to increase environmental awareness.

STRINGENT ENVIRONMENTAL REQUIREMENTS FOR PRODUCTION AND DISTRIBUTION OF DIRECTORIES

Eniro have stringent environmental requirements for directories that in Norway and Sweden consist entirely of chlorine-free paper. The printing process employs only inks, varnishes and glues that are approved by SIS Environmental Labeling. Suppliers of paper and printing services are of world class and certified in accordance with ISO 14001. Eniro's directories are 100 percent recyclable.

Eniro Sweden places the highest possible environmental requirements on all distributors employed, both centrally and locally. This means, for example, that their vehicles use environmentally classed engines and tires, have exhaust emission control devices and use environmentally classed fuels. In Norway, directories are mainly distributed by athletic teams and clubs.

In Sweden, some 80 percent of all directories are reclaimed and collected for paper recycling. Eniro Sweden also handles retrieval of directories that were damaged and would cause littering. At the beginning of 2008, Eniro Norway began reclaiming directories in parts of Oslo.

Environmental work is in progress in all Eniro companies. Common for all companies is a focus on paper purchasing, printing and ensuring the most environmentally friendly distribution. Eniro Norway has conducted environmental audit to identify the environmental impacts of its directories and to assess their benefit to society. The report is to be found at www.eniro.no. The same analysis will be carried out in Sweden during the spring 2008.

For more detailed information about Eniro's environmental work, see www.eniro.com and the respective countries.

Risk management

Eniro's definition of risk

Risks are a natural part of all business operations that the organization must be able to manage effectively. Risk management is designed to prevent risks from materializing or to limit or prevent risks from adversely impacting operations. Eniro defines risk as the uncertainty that an event could occur that would affect the company's ability to achieve its established business objectives within a given period.

Purpose of risk management at Eniro

Eniro has defined the following primary purposes of its risk management processes:

1. To ensure that the company's management and Board of Directors are well aware of the company's risks and to ensure that information about the company's risk exposure is communicated effectively and regularly.
2. To support operative management by providing relevant risk information and decision-making data to obtain effective risk management and effective operational control and monitoring to achieve established business objectives.
3. To help company management and the Board of Directors to systematically identify, handle and monitor risks on various organizational levels in order to minimize damage to the business.

Risk categories

Eniro endeavors to efficiently identify, assess and manage a wide range of risks. The company has categorized the risks it faces as industry- and market-related risks, commercial risks, operative risks, financial risks, compliance risks relating to laws and regulations, and financial reporting risks.

The risk analysis and risk management process

During 2007, Eniro invested considerable resources in further improving its processes for risk analysis and ongoing risk management. During the year, the company implemented a structured, Group-wise program for annual risk analysis integrated with business planning work. In the initial phase, all subsidiaries identified their most significant risks in relation to overall business goals in all risk categories based on a commonly applied risk driver model. The subsidiaries' risk analyses were performed in a number of workshops conducted by the Group's internal audit function in which the management groups in all subsidiaries participated to ensure uniform work methods throughout the Group and high quality in risk identification. All subsidiaries also assessed the probability that identified risks would arise and also evaluated possible effects and consequences with respect to the company's ability to achieve its business goals, if the risks were to materialize.

After the initial risk analysis at the subsidiary level, calibration and validation of the identified risks was performed at the subsidiary level in a dialogue with Group management. Furthermore, risks were identified and evaluated from a Group perspective. For each identified risk, an assessment was made as to whether the risk must be eliminated, reduced or accepted. Thereafter, practical risk management measures were developed for significant and prioritized risks. This primarily took place in conjunction with normal business planning work. The annual risk assessment and proposed risk management initiatives were presented to and approved by the company's Audit Committee and Board of Directors.

Industry and market-related risks

In conjunction with the annual risk analysis, Eniro conducts a systematic analysis of industry and market-related risks, which involves the following areas:

- Industry structure
- Market trends
- Technology trends
- Business-cycle phase
- Customer behavior
- Competitor behavior

Examples of significant industry and market-related risks in Eniro's operations include the risk of new types of competitor constellations and competitor cooperation, the risk of changes in customer behavior and user behavior, the risk of rapid technological development or technology shifts, as well as the risk that competitors will develop new and improved products and services.

Commercial risks

To identify relevant commercial risks, Eniro assesses the following:

- Products and services
- Pricing models
- Payment models
- Distribution channels
- Business partners and alliances
- Business models

Examples of significant commercial risks in Eniro's operations include risks in the selection of strategic business partners and distribution channels, the speed of the development and launch of new products and services. Examples of other significant risks include the risk of price changes for Internet traffic, price changes from business partners, and the risk that the company's products, services and pricing models are not perceived as competitive.

Operative risks

In conjunction with the annual risk analysis, Eniro carries out a systematic analysis of the company's operative risks:

- Organizational structures
- Management models
- Operative systems
- Processes

Examples of significant operative risks in Eniro's operations include the risk that business-critical processes, such as marketing, sales, product development and IT systems, are not sufficiently effective. Moreover, as in all other operations, there is a risk that in certain situations the organizational structure and management model is not optimal with respect to the company's business objectives and other factors relating to the business environment.

Financial risks

In conjunction with the annual risk analysis, Eniro carries out a systematic analysis of its financial risks, which involves assessment of the following:

- Financing
- Currencies
- Interest rates
- Liquidity

The Group's common finance policy as established by the Board of Directors is the foundation for financial operations, delegation of responsibility and financial risk management. The focus for Eniro's risk management is to eliminate financial risks with consideration taken to costs, liquidity and financial position. In addition to the annual risk analysis, financial risks are continuously assessed and monitored.

For a detailed description of financial risk management, see to the special section on page 60.

Compliance risks

In conjunction with the annual risk analysis, Eniro carries out a systematic analysis of the company's compliance risks.

- Laws
- Regulations
- Internal policies

Changed laws and regulations and government decisions could result in changed prerequisites for the business and thus affect Eniro. The company has a well-established system for internal regulations and policies, which clearly regulates and determines how the operations should be managed in various respects. The company regularly follows up its compliance with laws, regulations and internal policies – for example, through the activities of the internal audit, which includes monitoring of compliance risks.

Financial reporting risks

Correct and objective financial reporting and sound internal controls are essential for the company's credibility with respect to shareholders and other stakeholders. Eniro devotes considerable resources to the development of its processes for risk analysis and risk management in order to maintain good internal control of its financial reporting, in accordance with the intentions of the Swedish Code of Corporate Governance.

The risk of essential errors in the company's financial reporting is analyzed from the point of view of the consolidated income and balance sheet and significant notes in the company's annual report. Key accounts are identified and a risk analysis carried out, in which both quantitative and qualitative risk parameters are assessed. For a detailed description of the company's risk analysis and risk management activities with respect to its financial reporting, refer to the section on internal control over financial reporting in the Corporate Governance Report.

THE SHARE

High direct return for Eniro shareholders

Trading

The Eniro share (ENRO) was listed on the Stockholm Stock Exchange's in 2000. During 2007, total turnover of the Eniro share amounted to 441 million shares (474), corresponding to a value of about SEK 36.6 billion (41.1). Average daily trading corresponded to a value of SEK 146.4 M (163.7). The turnover rate, meaning the share's liquidity, was 2.45 (2.60), compared with a rate of 1.39 (1.48) for the exchange as a whole. A round lot is 100 shares.

Share price trend

Eniro's market capitalization was SEK 16.5 billion at the beginning of 2007 and SEK 9.4 billion at year-end. The share price was SEK 90.50 at the beginning of 2007 and SEK 58 at the end of 2007. The OMXStockholm 30 (OMXS30) index declined by 5.7 percent during the year, while the OMXSPI index decreased by 6.04 percent. The highest price paid was SEK 95.80 on January 19 and the lowest was SEK 57.25 on December 28, 2007.

Index

At year-end 2007/2008, the Eniro share was included with a weighting of 0.24 percent in the Stockholm Stock Exchange's OMXSPI index. On the OMX Nordic List, Eniro belongs to the Large Cap segment and the sub-group Consumer Discretionary.

Ownership

On December 31, 2007, the number of shareholders was 4,080 (5,257). According to the information known to the company, the holdings of the ten largest owners are equal to 51.1 percent (41.7) of the share capital, while foreign owners hold 84.1 percent (78). Swedish ownership was divided, with 43.1 percent (35.7) held by institutions, 47.5 percent (46.9) by mutual funds and 9.4 percent (17.4) by private individuals.

Share capital and transfer to shareholders

At the beginning of the year, the number of Eniro shares amounted to 182,102,392, of which Eniro held 999,860 as treasury shares. The objective of holding treasury shares is that they shall be used for the share-savings program for employees of the Eniro Group. During the year, 3,433 shares were utilized. The average holding of treasury shares during the year was 999,384.

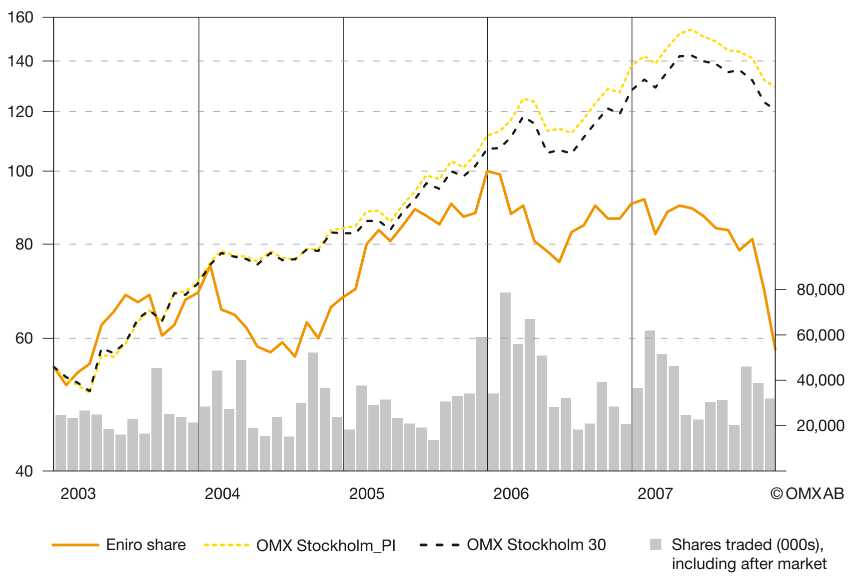
Eniro's dividend policy is that the dividend shall correspond to 75 percent of net income for the year. The Annual General Meeting on March 30, 2007 approved a dividend of SEK 4.40 per shares (2.20), corresponding to 76 percent of net income for 2006 based on the number of shares at December 31, 2006. The total amount distributed to shareholders as an ordinary dividend was SEK 797 M.

During 2007, a redemption program was implemented in which an offer was extended to Eniro shareholders to redeem one of every nine shares at a redemption price of SEK 99 per share. A total of 19,831,024 shares were redeemed, and SEK 1,963,271,376 was transferred to the shareholders. After redemption, Eniro's share capital amounted to SEK 184,909,188 distributed among 162,271,368 shares.

Dividend proposal

For 2007, the Board of Directors propose a dividend of SEK 5.20 (4.40) per share, corresponding to 75 percent of net income from continuing operations for the year. The total amount proposed as a dividend is SEK 839 M (797).

Price trend for Eniro share , 2003–2007



Per-share data

SEK unless otherwise specified	2007	2006	2005	2004	2003[1]
Share price on December 31	58	90.50	100	68	69
Highest price during the year	95.80	103.50	100	76.50	73
Lowest price during the year	57.25	71.25	67.50	55	47.30
Net income for the year (Shareholders of the Parent Company)	7.27	5.82	5.84	4.62	1.14
Cash earnings	9.59	8.13	6.88	5.20	5.30
Shareholders' equity	25.12	28.27	25.59	12.00	14.14
Dividend	5.20[2]	4.40	2.20	2.20	1.80
Dividend as percentage of net income	75[3]	76	43	45	152
Direct return, %	8.97	4.86	2.20	3.24	2.61
P/E ratio on Dec. 31	8.0	15.5	17.1	14.7	60.5
Number of shareholders on Dec. 31	4,080	5,257	4,961	4,954	5,843

1) According to previous Swedish accounting principles, i.e. not IFRS
2) Board of Directors' proposal
3) Contuining operations
See page 79 for definitions.

Trend of share capital

Year	Transaction	Number of shares	Quotient value/share	Share capital SEK
March 2000	Eniro established	1,000	100	100,000
September 2000	100:1 split	100,000	1	100,000
September 2000	New issue[1]	150,000,000	1	150,000,000
February 2001	New issue[2]	155,725,287	1	155,725,287
June 2001	New issue[3]	163,922,687	1	163,922,687
November 2001	New issue[4]	176,180,952	1	176,180,952
August 2003	Redemption[5]	167,397,557	1	167,397,557
October 2004	Redemption[6]	158,151,875	1	158,151,875
November 2005	New issue[7]	182,102,392	1	182,102,392
December 2007	Redemption[8]	162,271,368	1.14	184,909,188

1) Directed placement to Tello Cable Holding BV. Subscription price SEK 1.21 per share.
2) Directed placement to SBC Ameritech. Subscription price SEK 93.42 per share.
3) Directed placement to Telia AB. Subscription price SEK 116.40 per share.
4) Directed placement to Elisa Communications OY. Subscription price SEK 76.15 per share.
5) Redemption of every 20th share at SEK 80 per share.
6) Redemption of every 18th share at SEK 86 per share.
7) Targeted new issue to shareholders in Findexa Limited as partial payment for acquisition of Findexa Limited.
8) Redemption of every ninth share, SEK 99 per share

Ownership structure at December 31, 2007

Shareholding	Number of shareholders	%	Number of share	%
1–1,000	3,235	79.3	903,719	0.6
1,001–10,000	526	12.9	1,623,696	1.0
10,001–50,000	134	3.3	3,321,080	2.0
50,001–500,000	120	3.0	23,282,622	14.3
500,001–1,000,000	27	0.7	19,135,075	11.8
1,000,001–5,000,000	31	0.8	53,975,008	33.3
5,000,001–10,000,000	6	<0.1	50,003,732	30.8
10,000,001–50,000,000	1	<0.1	10,026,436	6.2
Total	**4,080**	**100.0**	**162,271,368**	**100.0**

Source: SIS Ägarservice

Largest shareholders at December 31, 2007

Shareholder	Number of shares	Share of shares and votes, %
Fidelity funds [1]	13,305,452	8.2
Hermes Focus Asset Management [1]	12,370,461	7.6
Kairos Investment Management [2]	11,769,229	7.3
Lehman Brothers International [1]	9,886,747	6.1
Capital Group Companies [1]	9,853,653	6.1
Richmond Capital LLP [1]	8,496,844	5.2
Parvus Asset Management [2]	7,930,846	4.9
SEB funds [1]	4,093,184	2.5
Other	84,564,952	52.1
Total	**162,271,368**	**100.0**

1) Source: SIS Ägarservice at December 31, 2007
2) Source: In accordance with what has been notified to Eniro AB (publ) as of December 31, 2007

Analysts covering Eniro

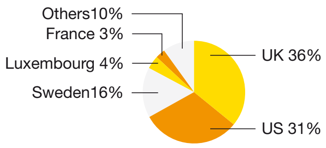
Company	Analyst
ABG Sundal Collier	Jon Arnell
ABN AMRO	Paul Gooden
Carnegie	Niklas Ekman
Cheuvreux	Niklas Kristoffersson
Citigroup Smith Barney	Thomas Singlehurst
Deutsche Bank	Stefan Lycke
Exane BNP Paribas	Sami Kassab
Handelsbanken Securities	Rasmus Engberg
JP Morgan	Julie Duval/Mark O'Donnell
Kaupthing Bank	Henrik Schultz
Lehman Brothers	Colin Tennant
Morgan Stanley	Edward Hill-Wood
SEB Enskilda	Nicklas Fhärm
Swedbank	Mikael Holm
UBS Warburg	Albin Sandberg
Öhman	Patrik Egnell

Transfer of capital to shareholders

SEK M	2007	2006	2005	2004	2003
Dividend	797	398	345	301	247
Share redemptions	1,963	n/a	n/a	795	703
Share buy-backs	n/a	n/a	193	100	n/a
Total	**2,760**	**398**	**538**	**1,196**	**950**

The Board of Directors' proposed dividend for 2007 totals SEK 839 M to be paid in 2008.

Distribution of ownership by country at December 31, 2007



Source: SIS Ägarservice

The Corporate Governance within Eniro

This Corporate Governance Report for 2007 has not been audited by the Company's external auditors. The report is not a part of the formal financial statements.

Eniro's Corporate Governance Report for 2006 was to a great extent built around the fact that Eniro's ownership structure is characterized by its large amount of foreign investors and that these investors frequently have questions regarding the Swedish corporate governance structure. To assist these shareholders, and in order to describe and explain the underlying regulation, as well as to describe its effects on Eniro's daily operations, last year Eniro chose to expand the description of the corporate governance system within Eniro, in relation to what otherwise would have been deemed necessary.

Last year's approach, and the structure of the 2006 report, has been well received and appreciated, not least by foreign investors. Eniro has thus fulfilled its aim. The Company's ownership structure has been very much the same during 2007, which still motivates a more extensive report. However, with the ambition not to burden the printed version of the Annual Report with more text and information than necessary, this year Eniro has adopted a slightly different approach.

Modern technology, primarily the Internet and the Company website, has been accepted more and more as a media also for the communication of formal information. With this fact as a starting point, and based on the above, Eniro has decided to publish its Corporate Governance Report for 2007 in two versions. A shorter version, limited to the legal and formal prerequisites, and focusing on specific activities for the year, will be published in the printed version of the Annual Report. Besides that, a more extended version, including general background information of a more comprehensive character, will be published at the same time on the Company website, www.eniro.com. It is Eniro's hope that this approach will satisfy the expectations from all groups of readers of Eniro's Annual Report for 2007.

Eniro AB (publ) (the "Company") is a Swedish public limited liability company. The Eniro group of companies ("Eniro" or the "Group") is governed on the basis of the Articles of Association of Eniro AB, the Swedish Companies Act, the listing agreement with the OMX Nordic Exchange Stockholm (the "Exchange"), the Swedish Code of Corporate Governance (including the directions to the Code issued by the Swedish Corporate Governance Board) (the "Code") and other relevant Swedish and foreign laws and regulations.

Ownership

Shareholder structure

According to the share register held by VPC AB (the Nordic Central Securities Depository), at year-end 2007, Eniro had a total of 4080 shareholders. The shares held by the ten largest owners corresponded to approximately 51 percent of the total share capital and voting rights.

Approximately 15.9 percent[1] of the share capital was owned by Swedish institutions, funds and private individuals, and approximately 84.1 percent[1] by corresponding foreign investors.

Major shareholders

	Share capital and voting rights %
Fidelity Funds[1]	8.2
Hermes Focus Asset Management[1]	7.6
Kairos Investment Management[2]	7.3
Lehman Brothers International[1]	6.1
Capital Group Companies Inc[1]	6.1
Richmond Capital[1]	5.2
Parvus Asset Management[2]	4.9
SEB Funds[1]	2.5
SHB/SPP Funds[1]	1.8
Swedbank Robur Funds[1]	1.4
Total	**51.1**
Shares held by Eniro	0.614
Board of Directors and Group management collectively	0.0716

1) Source: SIS Ägarservice as of December 31, 2007.
2) Source: In accordance with what has been notified by the shareholder to Eniro as of December 31, 2007.

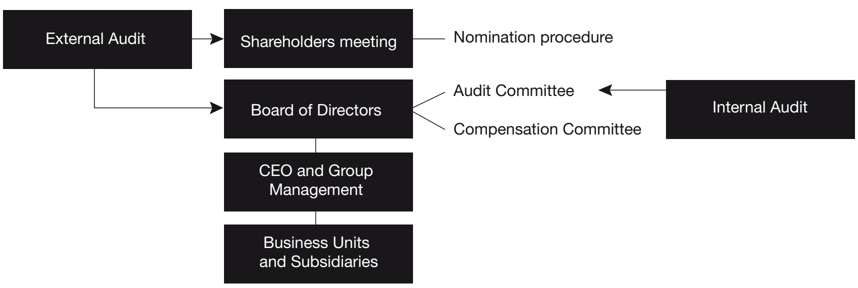
General Meetings of shareholders

The decision-making rights of shareholders in Eniro are exercised at General Meetings of shareholders.

Participation in a General Meeting (AGM or EGM), of Eniro requires the shareholder's personal attendance or him or her being represented by an agent. Shareholders represented by an agent must issue a power of attorney for the agent. The power of attorney should be sent to Eniro in due time before the General Meeting, and if the power of attorney is issued by a legal entity, a certified copy of the registration certificate must be enclosed. Under the Swedish Companies Act, Eniro must provide a form power of attorney in conjunction with the announcement of the notice.

For further details concerning registration and participation, please see the Company website, www.eniro.com.

Corporate governance structure



Major external regulations affecting the governance of Eniro

- Swedish Companies Act
- Listing Agreement with the OMX Nordic Exchange Stockholm
- Swedish Code of Corporate Governance (including directions)

Internal code and policies

- Rules of Procedure for the Board of Directors, including instructions for the President and CEO
- Eniro Code of Corporate Governance
- Eniro Code of Ethics
- Process for internal control and management

Shareholders representing approximately 35 percent of the share capital and voting rights in Eniro attended the AGM in March 2007. The minutes of the AGM, in Swedish as well as translated into English, are available on the Company website, www.eniro.com.

Nomination procedure for election of the Board of Directors and auditors

The AGM in March 2007 decided that the establishment of a committee (the Nomination Committee) for the nomination of the Board of Directors and, when applicable, the auditors, should take place according to a procedure laid down by the AGM. The basis for the decision in 2007 was to a large extent the same as laid down by the AGM in 2005, as well as the following year 2006.

For further details concerning the decided establishment procedure as well as the task for the Committee, please see the Company website, www.eniro.com.

The composition of the Nomination Committee shall be made public through a separate press release as soon as it has been appointed and at the latest six months prior to the AGM. This information shall be made available on the Company website where there shall also be information as to how shareholders can submit proposals to the Nomination Committee.

The Nomination Committee for the AGM 2008

According to the procedure laid down by the AGM, a Nomination Committee for the AGM 2008 has been established. The names of the committee members and the shareholders they represent were published in a press release and on the Eniro website, on October 10, 2007. Eniro´s Nomination Committee for the 2008 AGM consists of Wouter Rosingh, Hermes Focus Asset Management, Luca Bechis, Richmond Capital, Niklas Antman, Kairos Investment Management (Chairman of the Committee), Mads Eg Gensmann, Parvus Asset Management, and Lars Berg, Chairman of the Eniro Board. Together these shareholders represent approximately 25 percent of the voting rights. At the same time it was also possible for the shareholders to submit proposals to the Nomination Committee on the website. As per December 31, 2007, no proposals had been made.

As a part of what has been laid down by the AGM as the task for the Nomination Committee, and for the preparation of the proposals to the coming AGM, the Nomination Committee has as per February 2008, held 4 meetings. In its work the Nomination Committee has primarily dealt with the yearly evaluation of the work performed by the Board, including an individual assessment of each Board member. To assist the Nomination Committee in this work, an independent consultant, Active Owner Partners, has been engaged. Another important part of the Nomination Committee's work is to lay the grounds for an evaluation of appropriate competence and necessary experience in the Board as well as the appropriate number of Board members. Furthermore, and as a consequence of the fact that the four-year period stipulated by law for the appointment of auditors will elapse in connection with the AGM 2008, the Nomination Committee has worked with the preparation for the election of auditors for the next four-year period, with the proposal to be presented to the AGM on May 7, 2008.

The Nomination Committee's complete proposals and report on how the Nomination Committee has conducted its work will be submitted in connection with the notice to the AGM on May 7, 2008.

The Board of Directors

Independence

Besides the President and CEO, the entire Board is considered by the Nomination Committee as being in compliance with the requirements for independence stipulated by the Exchange and the Code. A more detailed presentation of each of the members of the Board of Directors is found on page 38 of the Annual Report, and on the Company website, www.eniro.com.

The Nomination Committee's assessment of whether each of the Board members proposed to be elected at the AGM 2008 comply with these independence requirements will be published together with the Nomination Committee's proposal to the AGM.

The principal task of the Board as well as the working procedure and meetings are further described on the Company website, www.eniro.com.

All the members of the Board meet the formal requirements and experience stipulated for listed companies according to the listing requirements, as well as the Code. Besides that, the Board members receive information on a regular basis about changes to the rules concerning the operation of the Company and listed company directors' responsibilities. Furthermore, the Board members always have the opportunity to discuss specific matters with the Chairman of the Board, the President and the Secretary of the Board.

The President takes part in all Board meetings except those in which the work of the President is evaluated. Other members of the senior management participate whenever required, for the purpose of informing the Board or upon request by the Board or the President.

During 2007, the Board has been working in accordance with the established working procedures. The Group's auditors participated in the Board meeting on February 13, 2007, where the Year-end Report for 2006 was approved, and in the meeting on October 23, 2007, in connection with the Board's review of the third-quarter report, 2007, when the auditors' "hard close" report for 2007 was submitted.

Extraordinary meetings may be held in order to deal with matters that cannot suitably be dealt with at ordinary meetings. Such meetings can be held by telephone, by videoconference or per capsulam.

The Board's work in 2007

During 2007, the Board held 16 meetings in total, of which 6 were per capsulam, and 3 were held by telephone. Besides the long-term strategic questions described above, the work of the Board during 2007 was devoted to a large extent to questions related to the online products and to different "greenhouse" or "incubator" activities. In relation to this, the Board has focused on different ways to accelerate the online growth as well as activities to further strengthen the concentration to the Nordic countries and Poland as the geographical market. In the latter part the work has been concentrated to the acquisition of a leading online directory company in Denmark, Kraks Forlag A/S and the divestment of the German business-to-business operation Wer Liefert Was? GmbH.

The work of the Board during 2007 has also been devoted to a great extent to issues related to financing and capital structure. During the year the Board has decided to approve a total refinancing of the Company and proposed an EGM on October 9, 2007 to resolve on a redemption program in the magnitude of SEK 2 billion. The EGM voted in favor of the proposal and approximately SEK 2 billion was distributed to the shareholders in December 2007.

Furthermore, the Board has devoted time for monitoring and dealing with follow-up and control of Eniro's operations, and also a structured process for the evaluation of the top 20 senior managers. As overall responsible for these questions, the Board furthermore devoted a substantial amount of time to the establishment of an effective system of internal control and risk management, as well as general audit related matters, including the Company's compliance with laws and ethical conduct. The Board also performed an annual evaluation of the President and CEO. On that occasion no person from senior management was present.

As Eniro works actively to minimize the Company's environmental impact, the Board has, in addition to the above, worked actively with the environmental related matters, and effective processes for continous improvement of the Company's environmental standards have been established. During the year, both Eniro AB and Eniro Gula Sidorna AB have been environmentally certified according to the ISO14001:2004 standard. This is seen as a first step and the objective is that all companies in the Group should be certified.

The Board shall be assisted by a Secretary of the Board, who is not a member of the Board. The Chief Legal Officer of the Group, Mikael Engqvist, was the Secretary at all Board meetings during 2007.

Committees

Within its area of responsibility, the Board may among its members appoint committees or members with special tasks. The committees shall prepare the matters and present proposals, reports etc. for the Board's decision or handling. The Board may also in separate cases delegate to the committees the power to make decisions in accordance with directives and guidelines decided by the Board.

The Board has established a Compensation Committee and an Audit Committee. An overview of their responsibility and working procedure is found below.

For further details, please see the Company website, www.eniro.com.

Compensation Committee

The Board is responsible for seeing that the Company has a formal process, which is transparent for all Board members, for establishing the Company's policy for remuneration and other terms of employment for senior management and for deciding the President's remuneration and other terms of employment.

The Compensation Committee shall be responsible for the preparation of the Board's proposal to the AGM for Company policy on remuneration and other terms of employment for senior management. The proposal of the Compensation Committee shall be submitted to the Board in its entirety and shall be for the Board to decide upon. The proposal prepared by the Compensation Committee shall be in line with good market practice for listed companies.

The Board has delegated to the Compensation Committee, on behalf of the Board, to decide upon individual salary and other compensation and pension benefits of senior group managers, excluding the President and CEO.

The Compensation Committee consists of two members of the Board, appointed by the Board. The constituent Board meeting in March 2007 appointed Lars Berg (Chairman) and Per Bystedt as members of the Compensation Committee.

During 2007, the Compensation Committee worked in accordance with the procedure described above and held two meetings. Furthermore, the work of the Compensation Committee during 2007 was largely devoted to matters concerning variable compensation, the relationship between fixed and variable salary, criteria for assessment of variable salary, long-term incentives, pension terms and other benefits as well as a mapping of the compensation to senior management.

Audit Committee

The Board is responsible, inter alia, for the internal control of the Company and the Group, the overriding purpose of which is to protect the investment of the owners and the assets of the Company and the Group.

The overall task of the Audit Committee is to assist the Board in ensuring the quality of the financial reporting. This includes

COMPOSITION OF THE BOARD AND REMUNERATION DURING 2007

The Board of Directors[1]	Date of birth	Nationality	Member since	Audit Com.	Comp. Com.	Remuneration (KSEK)[2]	Holding of shares in Eniro[3]
Elected by the shareholders at AGM March 30, 2007							
Lars Berg (Chairman)	1947	Swedish	2000	x	x	1,000+75+75	52,200
Per Bystedt	1965	Swedish	2000		x	420+75	3,800
Barbara Donoghue	1951	British	2003	x		420+150	14,634
Gunilla Fransson	1960	Swedish	2006			420	2,400
Luca Majocchi	1959	Italian	2006			420	1,100
Harald Strømme	1962	Norwegian	2007			420	1,100
Tomas Franzén	1962	Swedish	2005			–	39,827
Employee representatives							
Bengt Sandin[4]	1952	Swedish	2001			3	471
Daniel Hultenius[5]	1974	Swedish	2005			2	0
Ola Leander	1967	Swedish	2006			11	494
Michel Trevisson[6]	1963	Swedish	2007			8	0
Christina Ohlsson[7]	1974	Swedish	2007			7	114
Magnus Nying[8]	1959	Swedish	2007			3	62

1) With the exception of the President and CEO, none of the members of the Board are Group executives
2) The Board of Directors are not participating in any share or share-price related incentive scheme aimed at company management, and no such program is intended for the Board alone
3) Own holding of shares and other financial instruments in the Company or those of related physical persons or legal entities, as of December 31, 2007
4) From 2001 until March 30, 2007, and from December 6, 2007 onwards
5) Until March 30, 2007
6) From March 30, 2007 until December 6, 2007
7) From March 30, 2007 until October 23, 2007
8) From October 23, 2007

overseeing the accounting and financial reporting processes, including the effectiveness of disclosure controls and the adequacy and effectiveness of internal controls of financial reporting. When conducting its overall task, the Audit Committee shall, according to what has been laid down in the Rules of Procedure for the Board, inter alia, be responsible for the preparation of the Board's work in ensuring the quality of the financial reporting of the Company and the Group. Furthermore, the Audit Committee shall on a current basis meet with the auditors of the Company and inform itself about the focus and scope of the audit and discuss the view on the risks in the Company, establish guidelines for which services other than audit services that the Company and the Group may purchase from the auditors of the Company, evaluate the audit work and inform the Nomination Committee of the Company of the result of the evaluation and assist the Nomination Committee in its preparation of proposal of auditors and remuneration of the audit work.

The Audit Committee consists of members of the Board, the majority of which shall be independent in relation to the Company and its management, and at least one of which shall be independent in relation to the larger owners of the Company. A Board member who is also a member of the management of the Company may not be part of the Audit Committee. The constituent Board meeting in March 2007 appointed Barbara Donoghue (Chairman) and Lars Berg as members of the Audit Committee. All the members appointed 2007 fulfilled the criteria above. Regarding the number of members appointed to form the Audit Committee, see further information under the heading Deviation from the provisions of the Code, on page 36.

In order to support the Audit Committee in its work, there is an Internal Audit Function, which reports directly to the Audit Committee, with the role and responsibilities outlined in a separate job-description decided by the Board. The Audit Committee annually establishes the Internal Audit Plan, coordinated with the external auditors.

During 2007, the Audit Committee held 5 meetings, all of them in Stockholm. The meetings were attended by Eniro's Internal Audit Function, the CEO, the CFO and, on three occasions, by the external auditors. The entire Board met twice with the external auditors without the presence of senior management.

The work of the Audit Committee during 2007 was devoted to a large extent to questions concerning internal control over financial reporting and risk assessment, including the establishment of adequate processes for this. By law, the mandate period for auditors is four years. At the AGM 2004, PricewaterhouseCoopers AB ("PwC") was appointed for a four-year period. This means that the AGM 2008 has to resolve on the matter of auditors for the next period. Based on that, the Audit Committee during 2007 also devoted time to the evaluation of the present audit work and informing the Nomination Committee of the Company of the result of the evaluation, as well as assisting the Nomination Committee in its preparation of proposal of auditors and remuneration of the audit work, to be presented to the AGM in spring 2008. The latter part of this work also included meetings with potential auditors and the reviewing of their presented proposals.

The Audit Committee shall be assisted by a secretary, who ought to be the Secretary of the Board. The Chief Legal Officer of the Group, Mikael Engqvist, was the Secretary at all Audit Committee meetings during 2007.

ATTENDANCE AT BOARD AND COMMITTEE MEETINGS DURING 2007

The Board of Directors	Board	Audit Com.	Comp. Com.
Lars Berg	15	5	2
Per Bystedt	13		2
Barbara Donoghue	14	5	
Gunilla Fransson	16		
Luca Majocchi	13		
Harald Strømme[1]	13		
Tomas Franzén	16		
Urban Jansson[2]	3	1	
Tom Vidar Rygh[2]	3		
Bengt Sandin[3]	4		
Daniel Hultenius[2]	3		
Ola Leander	16		
Michél Trevisson[4]	11		
Christina Ohlson[5]	10		
Magnus Nying[6]	2		

1) From March 30, 2007
2) Until March 30, 2007
3) Until March 30, 2007 and thereafter from December 6, 2007
4) From March 30, 2007 until December 6, 2007
5) From March 30, 2007 until October 23, 2007
6) From October 23, 2007

Evaluation of the Board's activities

The Board annually evaluates its work, including the work in the Committees, with regard to working procedures and the working climate, as well as the alignment of the Board's work.

Group management

Organisation

The Group's operations are organized into 7 business units and 8 Group staff units.

The President and CEO is responsible for the ongoing management of the Group in accordance with the Board's guidelines and instructions. An overview of the organization is found below.

For further details regarding the working procedure for the Group management, please see the Company website, www.eniro.com.

Remuneration of the CEO and Group management

The remuneration of the President and CEO and the Group management comprises fixed salary, variable salary based on annual performance targets, long-term incentives, and benefits such as pension and insurance.

Variable salary is paid according to performance. Revenue and EBITDA are the most important financial indicators (70 percent of the yearly variable salary). For 2007, the non-financial targets focused on the divestment of Wer Liefert Was? GmbH in Germany, and the subsequent restructuring of the Group's equity, the realisation of synergy effects in the organisation, the stabilizing of the revenue related to the printed services, the monetizing of the online related services and general cost cutting activities.

The policy on remuneration and other terms of employment for senior management, adopted by the AGM in March 2007, is further described on page 45. The Board's preparation in 2007 of matters of remuneration for senior management is described above (see primarily Compensation Committee), and the proposal to the AGM 2008 for remuneration for senior management, is further described in the Board of Directors report on page 45.

The policy on remuneration and other terms of employment for senior management, which will be proposed for the AGM 2008, will be presented in connection with the notice for the AGM.

In April 2006, the AGM also approved an incentive program aimed for the CEO, the Group management and some key personnel, a total of approximately 20 persons. Further details, including Eniro's costs for the incentive program, are presented on page 65 of the Annual Report.

External auditors

By law, the mandate period for auditors is four years. At the 2004 AGM, PwC with the Authorized Public Accountant Peter Bladh as auditor in charge was appointed for a four year period.

The cost of audit, audit related services and consulting services during 2005–2007 are shown in the table below.

(SEK M) Year	Audit	Audit related services	Consulting services
2005	5.2	3.6	2.2
2006	6.0	0	2.3
2007	5.5	0	2.6

Most of PwC's consulting services in 2007 were related to Eniro AB and included the Group´s capital structure (refinancing of loan structure), the voluntary redemption programme and work regarding acquisitions. During 2006, most of the consulting services provided by PwC concerned Eniro AB and were related to continuing work regarding acquisitions and IFRS. During 2005, most of the consulting services provided by PwC were related to Eniro AB and included the Group's capital structure and work in conjunction with the acquisition of Findexa.

In addition to auditing Eniro, Peter Bladh is the auditor of Clas Ohlson, Paynova, Phadia and Biovitrum. Peter Bladh also conducts assessments on behalf of the Exchange's Listing Committee in relation to the market maturity of candidates seeking public listing.

Deviation from the provisions of the Code

The Board of Directors of the Company consists of seven members in total, elected by the AGM. One of them is the President and CEO of the Company. The Code stipulates (rule 3.8.2) that the Board has to establish an audit committee consisting of three directors. However, in companies with smaller boards, the entire board may perform the audit committee's tasks, provided that a director who is part of senior management does not participate in the work.

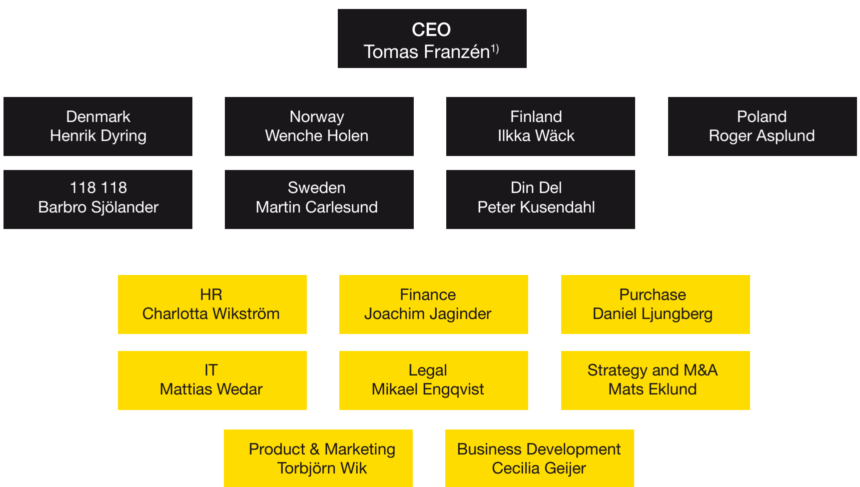
Against the background of the limited number of members in Eniro's Board (six persons excluding the President and CEO) the Board has deemed it appropriate from a practical and working perspective to appoint two, instead of three, members of the Board to constitute the Audit Committee for the year 2007. In connection with the constituent meeting in May 2008, the Board will evaluate the working procedures of the Audit Committee, and together with that also the appropriate number of members of the Audit Committee to perform this work in the most efficient way. A change of the Swedish Companies Act is under discussion in Sweden, with the aim to include regulations in the Companies Act corresponding to the rules (e.g. Sections 3.8.1 and 3.8.2) in the Code regarding the composition of and tasks for an audit committee. The proposed changes in the Companies Act, as they are drafted at the moment, do not include any provisions regarding the minimum number of members of an audit committee. The final outcome of the proposed changes of the Companies Act will also form a part of the evaluation of the working procedures for Eniro's Audit Committee as described above.

The Board's report on Internal Control over Financial Reporting for the financial year 2007

The Board is under the Swedish Companies Act and the Code responsible for the internal control. This report has been prepared in accordance with the Code (Sections 3.7.2 and 3.7.3) and is limited to a description of how the internal control over financial reporting is structured. The report is not part of the formal 2007 financial statements and has not been reviewed by the Company's auditors. Eniro has implemented a modified COSO framework regarding internal control over financial reporting. COSO defines internal control over financial reporting in five different components: Control Environment, Risk Assessment, Control Activities, Information and Communication and Monitoring. Eniro uses a Top-Down Risk Based Approach for its internal control system with a starting point in the consolidated financial statements and related footnotes.

Control Environment

The Board of Directors defines Eniro's Control Environment through a number of corporate policies, guidelines and frameworks related to financial reporting. These include a Financial Manual with instructions for accounting and reporting, financial policy, di-



1) Further information concerning the President and CEO is found on page 40 in the Annual Report.

rectives and instructions regarding decision levels and autorization in various types of issues, directives regarding insider issues, and information and ethics policies. The purpose of these policies is to form the basis for effective internal control. These policies are monitored and updated continuously and communicated to all employees involved in financial reporting.

The Board has furthermore ensured that the organization structure is logical and transparent with clearly stated and defined financial reporting and internal controls, roles and responsibilities at various levels within the organization and clearly defined financial reporting processes to facilitate an efficient management of financial reporting risks.

The procedures of the Audit Committee include evaluation and discussions regarding significant accounting matters and financial reporting issues. The Company's management has the operational responsibility for the internal controls. Management has stipulated clear roles and responsibilities, based on the Board's guiding principles, for personnel involved in financial reporting both at Group level as well as at subsidiary level.

Risk Assessment

During 2007, the Company performed an in-depth risk assessment at Group level of the risk of material errors in various Balance Sheet and Income Statement accounts and related footnotes, with consideration of both quantitative and qualitative risk parameters. The risk of material errors has been assessed based on materiality as well as the risk of errors owing to the complexity in the accounting for various accounts. Furthermore, the risk derived from the complexity in the processes that significantly impact upon various accounts has been assessed. In addition, the risk of errors in various items due to inherent risks for fraud and manipulation of financial information has been assessed.

Based on the Company's risk assessment, a number of significant accounts have been identified where documentation and evaluation of the Company's controls to prevent or detect material financial reporting errors have been performed. In the Company's business these risks are mainly related to revenue recognition, accounting of production and sales costs, valuation of goodwill and other intangible assets, valuation of work in progress, valuation of accounts receivables, provisions and taxes. This risk assessment is performed annually.

Control Activities

Control activities have been implemented in all areas affecting financial reporting at Group level and larger subsidiaries with a material impact on the Eniro Group Income Statement and Balance Sheet. Examples of significant control activities in Eniro's business are, among other things: review and approval of various types of accounting transactions, analysis of key performance indicators and key ratios related to financial information, review of master data and other log lists, reconciliation of accounts and application controls of financial information in the IT-systems supporting the financial reporting process. The Company's work with the internal control structures during the last two years has led to improved internal control over financial reporting with well defined and clearly documented control activities and now has systems in place which the Company considers to be robust. Furthermore, controls have been designed in order to fulfill various accounting assertions in the annual report (existence, rights and obligations, occurrence, completeness, valuation, measurement and presentation and disclosure).

Information and Communication

Financial reports are regularly submitted to the Board. The Board also reviews and approves all interim and annual reports at regular meetings before publication. Via the Audit Committee, the Board receives regular feedback from subsidiaries on aspects of internal control over financial reporting.

Policies and guidelines for the financial processes are communicated between management and personnel through regular meetings, intranet and e-mail. There is also a system for internal board meetings at the subsidiaries with a formal agenda including monitoring and decisions relating to financial information.

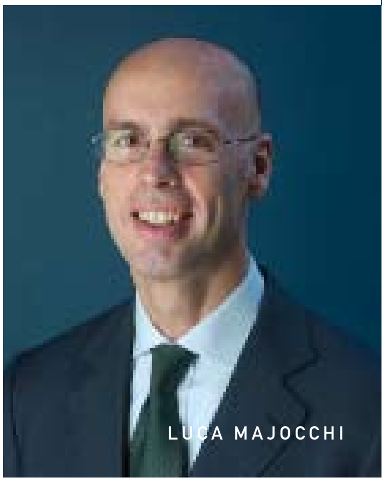
Information to the external parties is regularly communicated on Eniro´s website containing news and press releases. To ensure that information given externally is accurate and comprehensive, the Board has approved an Information Policy defining how, by whom and when the information must be issued. The purpose of the policy is to ensure that all information obligations are fulfilled.

Monitoring

The Company has established an Internal Audit function, the main responsibility of which is to monitor and evaluate the effectiveness of the Company's risk management and internal control system. One of the significant tasks for the Internal Audit function consists of separate reviews of how well certain policies and guidelines are being complied with, and evaluation of the effectiveness of significant control activities linked to risks of material errors in the financial reporting. The Internal Audit function plans the work in co-operation with the Audit Committee, which approves the internal audit plan. The Internal Audit function continuously reports the result of its work directly to the Audit Committee and administratively to management.

During 2007, a system for self-assessment of the internal control system has been implemented within the Company's significant subsidiaries. Responsible persons within the subsidiaries regularly verify the operating effectiveness of controls in various processes that significantly impact upon the quality of the financial reporting. The results of the subsidiaries' self-assessments are reported to the Internal Audit. Furthermore, the Internal Audit performs independent evaluation of controls which have been deemed most critical and where the largest risk of material errors exist in case of control failure. The results of both the self-assessments and the Internal Audit's independent verification and testing of controls are reported to the management and the Audit Committee. This continuous reporting forms the basis for the Board's evaluation and assessment of the effectiveness of the internal control over financial reporting, and provides quick signals of the need for necessary improvements in case such improvements should be necessary.

The Audit Committee has taken part in and evaluated the procedures for accounting and financial reporting, and reviewed and evaluated the work, qualifications and independence of the external auditors. The Audit Committee also evaluates the risk reporting made to the Board from management and takes appropriate actions based on this in consultation with the Company's management.



Board of Directors and Auditors

(personal details as per December 31, 2007)

LARS BERG

Chairman of the Board since 2003.
Member of the Board since 2000.
Born in 1947.

Principal education/degree: M.Sc. Econ., Gothenburg School of Economics.

Significant professional commitment/employment: European Venture Partner, Constellation Ventures, New York.

Other significant Board assignments: Viamare, Ratos, Net Insight, Stockholm, and dahlia Televisión, Madrid.

Former positions: Member of Mannesmann's executive management with responsibility for the Telecom Division. President and CEO, Telia. Formerly held various executive positions within the Ericsson Group.

Shareholding in Eniro[1]: 52,200.

PER BYSTEDT

Member of the Board since 2000.
Born in 1965.

Principal education/degree: M.Sc. Econ., Stockholm School of Economics.

Significant professional commitment/employment: President of Spray AB.

Other significant Board assignments: Axel Johnson AB, Servera, Neonode Inc. and AIK Fotboll AB.

Former positions: Executive Vice President, MTG AB. President, TV3 Broadcasting Group Ltd. President, ZTV.

Shareholding in Eniro[1]: 3,800.

BARBARA DONOGHUE

Member of the Board since 2003.
Born in 1951.

Principal education/degree: MBA, McGill University. Bachelor of Commerce, McGill University.

Significant professional commitment/employment: Advisor to Manzanita Capital.

Other significant Board assignments: Panel Member of the UK Competition Commission.

Former positions: Managing Director, NatWest Markets and Hawkpoint Partners. Member, Independent Television Commission. Teaching Fellow, London Business School. Director, Noventus Partners.

Shareholding in Eniro[1]: 14,634.

GUNILLA FRANSSON

Member of the Board since 2006.
Born in 1960.

Principal education/degree: PhD in Nuclear Science, at Royal Institute of Technology in Stockholm.

Significant professional commitment/employment: Vice President Ericsson Enterprise, Head of Portfolio and Development.

Other significant Board assignments: –

Former positions: Various executive positions within the Ericsson Group, most recent position: Area Manager of Mobile Internet Applications.

Shareholding in Eniro[1]: 2,400.

LUCA MAJOCCHI

Member of the Board since 2006.
Born in 1959.

Principal education/degree: M.Sc. Engineering Management, the Polytechnic Institute in Milan. Visiting scholar, National research Council in Milan.

Significant professional commitment/employment: CEO Seat Pagine Gialle.

Other significant Board assignments: Chairman of Thomson Directories Limited, member of the board of Telegate AG.

Former positions: President and CEO Unicredit Banca SpA; Deputy of Unicredit Group. Leading positions within the UniCredit Banca SpA Group; Senior Engagement Manager McKinsey & Company.

Shareholding in Eniro[1]: 1,100.

HARALD STRØMME
Member of the Board since 2007.
Born in 1962.

Principal education/degree: MBA, Handelshøyskolen BI / Norwegian School of Management. Bachelor of Science in Journalism, School of Journalism & Mass Communication, University of Colorado at Boulder.

Significant professional commitment/employment: Managing Director and Partner, TRY advertising agency.

Other significant Board assignments: Apt AS, Vega Forlag AS.

Former positions: Various management positions within TV 2 AS, Kunnskapsforlaget and Verdens Gang (VG).

Shareholding in Eniro[1]: 1,100.

TOMAS FRANZÉN
Member of the Board since 2005.
Born in 1962.

Principal education/degree: M.Sc. education in Industrial Economics and Management, Linköping Technical University.

Significant professional commitment/employment: President and CEO Eniro AB.

Other significant Board assignments: BTS Group AB, OEM International AB, Securitas Systems AB, Teligent AB and Inspecta OY.

Former positions: President and CEO of Song Networks Holding AB, President AU-System, Director of Sales Nokia Data/ICL Data AB.

Shareholding in Eniro[1]: 39,827.

OLA LEANDER
Employee representative of the Board since 2006.
Born in 1967.

Principal education/degree: Bachelor's degree in Pedagogy and Legal Science, Luleå Technical University.

Significant professional commitment/employment: Supervisor and principal safety representative, Eniro 118 118 AB (Luleå).

Other significant Board assignments: –

Former positions: Internal training and public relations officer at Televerket, Telia AB and Respons AB.

Shareholding in Eniro[1]: 494.

MAGNUS NYING
Employee representative of the Board since 2007.
Born in 1959.

Principal education/degree: Upper Secondary School of Social Science, Humanism and Economics, Per Brahegymnasiet, Jönköping.

Significant professional commitment/employment: Salesman, Eniro Gula Sidorna Försäljning AB.

Other significant Board assignments: –

Former positions: Salesman.

Shareholding in Eniro[1]: 62.

BENGT SANDIN
Employee representative of the Board since 2001.
Born in 1952.

Principal education/degree: Upper Secondary School of Economics.

Significant professional commitment/employment: Manager of Environmental issues, Eniro AB.

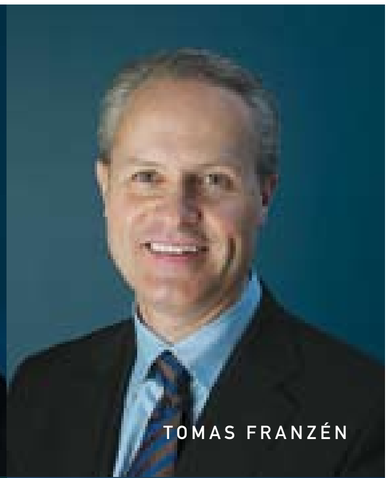
Other significant Board assignments: –

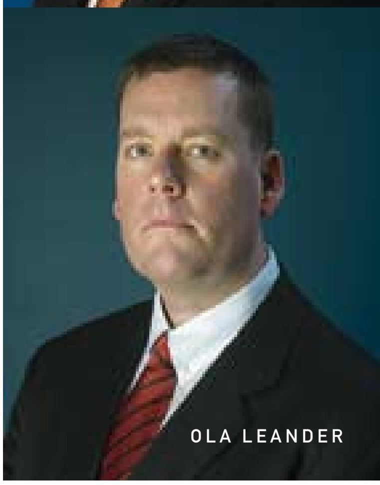
Former positions: Salesman.

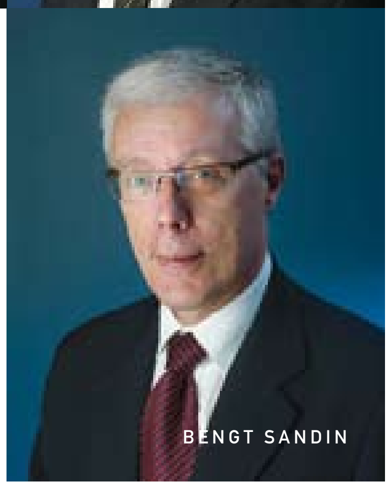
Shareholding in Eniro[1]: 471.

During the year, employee representatives have also consisted of:

Daniel Hultenius until March 30, 2007
Michél Trevisson from March 30, 2007 until December 6, 2007
Christina Ohlson from March 30, 2007 until October 23, 2007







[1] Own holdings of shares and other financial instruments in the company or those of related physical persons or legal entities, according to the information available to the company.

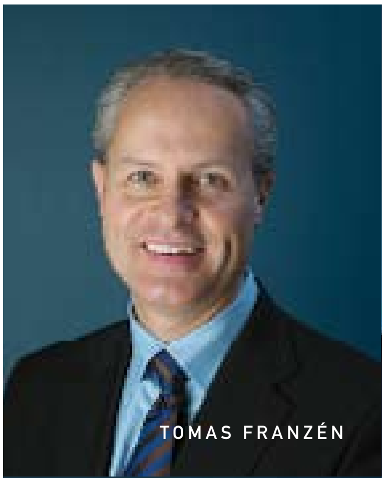
Auditors

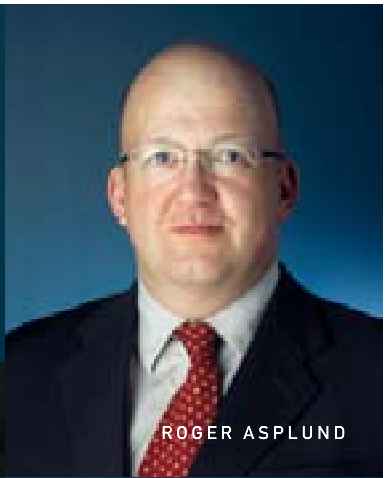
PETER BLADH
Born in 1949.
Authorized Public Accountant, Auditor in charge.
PricewaterhouseCoopers AB.
With Eniro since 2004.

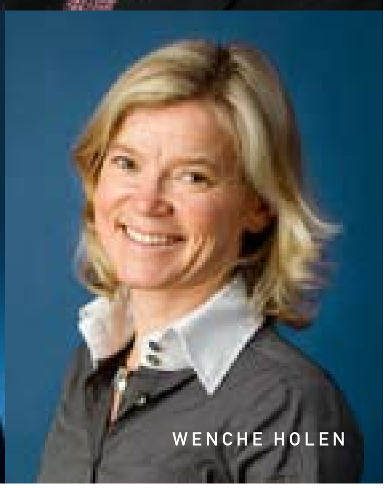
Other significant audit assignments: Clas Ohlsson, Paynova, Phadia and Biovitrum.

STEN HÅKANSSON
Born in 1960.
Authorized Public Accountant.
PricewaterhouseCoopers AB.
With Eniro since 2004.

Other significant audit assignments: Lundin Mining, Coor, Net Insight and Vattenfall Eldistribution.







Group Management

TOMAS FRANZÉN
President and CEO Eniro AB.
Eniro since 2004. Born in 1962.

Principal education/degree: M.Sc. education in Industrial Economics and Management, Linköping Technical University.

Former position: President and CEO of Song Networks Holding AB.

Other significant Board assignments: BTS Group AB, OEM International AB, Securitas Systems AB, Teligent and Inspecta.

Shareholding in Eniro[1)]**:** 39,827.

ROGER ASPLUND
President Eniro Poland.
Eniro since 1986. Born in 1961.

Principal education/degree: Market Economics, IHM Business School.

Previous position: Sales Director, Eniro Sverige Försäljning AB.

Shareholding in Eniro[1)]**:** 3,584.

MARTIN CARLESUND
President Eniro Sverige Online AB and Eniro Gula Sidorna AB.
Eniro since 2006. Born in 1970.

Principal education/degree: M.Sc. Econ. University College of Borås and University of Gothenburg.

Previous position: President and CEO 3L System AB.

Shareholding in Eniro[1)]**:** 739.

HENRIK DYRING
President Eniro Danmark.
Eniro since 2004. Born in 1956.

Principal education/degree: M.Sc. Sales and Marketing, Copenhagen Business School.

Previous position: President, People Group A/S.

Shareholding in Eniro[1)]**:** 5,011.

MATS EKLUND
Head of Strategy and M&A.
Eniro since 2000. Born in 1960.

Principal education/degree: M.Sc. Econ. Gothenburg School of Economics.

Previous position: Founder and partner, Accel Consult AB.

Shareholding in Eniro[1)]**:** 10,844.

MIKAEL ENGQVIST
CLO (Chief Legal Officer).
Eniro since 2000. Born in 1948.

Principal education/degree: LL.B. University of Uppsala.

Previous position: Chief Legal Officer Telia Group.

Shareholding in Eniro[1)]**:** 1,500.

CECILIA GEIJER
Head of Business Development.
Eniro since 2003. Born in 1955.

Principal education/degree: M.Sc. Econ. Stockholm School of Economics.

Previous position: President, Telia InfoMedia Interactive.

Shareholding in Eniro[1)]**:** 9,740.

WENCHE HOLEN
President Eniro Norge.
Eniro/Findexa since 1994. Born in 1964.

Principal education/degree: Gjøvik Ingeniørhøgskole and NHH Kursvirksomhet.

Previous position: Chief Operating Officer Findexa Group AS.

Shareholding in Eniro[1)]**:** 3,500.

JOACHIM JAGINDER
CFO (Chief Financial Officer).
Eniro since 2005. Born in 1962.

Principal education/degree: M.Sc. Econ. Stockholm University.

Previous position: CFO Song Networks Holding AB.

Shareholding in Eniro[1]: 759.

PETER KUSENDAHL
President Din Del AB.
Eniro/DinDel since 1987. Born in 1958.

Principal education/degree: IFL Management training, Advanced Management Program, Stockholm School of Economics.

Previous position: President Eniro International AB.

Shareholding in Eniro[1]: 0.

DANIEL LJUNGBERG
Head of Procurement.
Eniro since 2007. Born in 1974.

Principal education/degree: M.Sc., Industrial Econ. Linköpings Technical University.

Previous position: Head of Procument development, SEB AB.

Shareholding in Eniro[1]: 0.

BARBRO SJÖLANDER
President Eniro 118 118 AB.
Eniro/Telia InfoMedia Respons AB since 1997. Born in 1950.

Principal education/degree: Economics Frans Schartau, Stockholm.

Previous position: Manager of Customer Service Development, Telia Nära AB.

Shareholding in Eniro[1]: 3,771.

MATTIAS WEDAR
Chief Information Officer.
Eniro since 2005. Born in 1973.

Principal education/degree: M.Sc. Informatics and Systems Analysis, Lund University.

Previous position: Project Manager and key account manager, Accenture.

Shareholding in Eniro[1]: 1,407.

TORBJÖRN WIK
Head of Product and Market.
Eniro since 2002. Born in 1959.

Principal education/degree: Market Economics IHM Business School.

Previous position: Vice president, marketing with AB Trav och galopp (ATG).

Shareholding in Eniro[1]: 2,443.

CHARLOTTA WIKSTRÖM
Head of Human Resources.
Eniro sedan 2007. Född 1958.

Principal education/degree: M.Sc. Econ. Stockholm University and DIHR.

Previous position: Vice President, Sales and Marketing, Stockholm Stock Exchange.

Shareholding in Eniro[1]: 0.

ILKKA WÄCK
President Eniro Finland.
Eniro since 2005. Born in 1957.

Principal education/degree: M.Sc. Education Turku University, Executive MBA Helsinki University of Economics.

Previous position: President Inoa Finland.

Shareholding in Eniro[1]: 4,821.

[1] Own holdings of shares and other financial instruments in the company or those of related physical persons or legal entities, according to the information available to the company.

Board of Directors' report

Group operations and structure

The Eniro Group was formed on July 1, 2000 by the combination of several companies with similar operations under a single parent company. On October 10, 2000, Eniro AB (publ) was listed on Stockholm Stock Exchange.

Via Internet services, 118 services, mobile services and printed directories, Eniro offers the best search facilities for buyers and sellers who want to find each other easily. For users seeking companies, persons, places, products or services, Eniro provides relevant, local and high-quality information, and for advertisers seeking customers ready to make a purchase, Eniro provides effective advertising solutions.

Eniro's operations are organized in six geographic market units: Sweden excluding Voice, Sweden Voice, Norway, Denmark, Finland and Poland. External financial information is reported by geographical market segment and by product (channel): online, voice and offline.

Acquisitions and divestments

In order to strengthen Eniro's position in the Swedish Internet market, Eniro, in January 2007, acquired 100 percent of the shares in Sweden's Leta Information AB for a cash payment of SEK 48 M. These operations were consolidated as of February 1, 2007. Leta.se is an established home page in Sweden with more than 1.1 million visitors each week.

In February 2007, Eniro acquired 48.1 percent of the shares in Netclips AB, which owns the video community Bubblare.se. The purchase amount was approximately SEK 10 M. In conjunction with the purchase, Eniro received an option that can be exercised in 18 months at the earliest and in 24 months at the latest to acquire the remaining 51.9 percent of the shares.

In order to strengthen Eniro's position as the leading Nordic online search company, Eniro, at the end of June 2007, acquired 100 percent of the shares in Krak Forlag A/S, which is the leading local search service in Denmark as measured in the number of unique browsers and yellow-page searches. The acquisition has given Eniro the leading online position in Denmark. The company was consolidated as of June 30, 2007. The purchase price amounted to about SEK 474 M. For the 2006/2007 fiscal year ended on April 30, 2007, revenues amounted to approximately SEK 254 M (DKK 206 M). Cost synergies of about SEK 60 M are expected to be realized from 2008 onward from the merger of Krak and Eniro Danmark A/S.

To increase traffic and revenues for sol.no, one of Eniro's Internet portal in Norway, Eniro has from January 1, 2007 a jointly owned company with Norsk Aller AS. Eniro owns 50.1 percent, while Norsk Aller owns 49.9 percent of the newly established company Scandinavia Online AS (SOL). The capital gain from the sale of 49.9 percent of the shares amounted to SEK 125 M.

In January 2007, Eniro Finland sold its 35-percent share of Finnet Media Oy for SEK 17 M. The capital gain for Eniro amounted to SEK 15 M. At the same time, 15 percent of the shares in SNOY were acquired for SEK 5 M. SNOY collects, administers and distributes all basic contact information in Finland.

In September 2007, the operations in the German company Wer liefert Was? were sold for approximately SEK 1,060 M (EUR 115 M). The sales resulted in a capital gain of about SEK 140 M. See also the section Discontinued operations.

Revenues and income

Operating revenues amounted to SEK 6,443 M (6,372). Organic growth in operating revenues was 2 percent (adjusted for currency effects, publication shifts, publication fees, changed bundling methods, acquisitions and divestments).

Online revenues increased by 24 percent to SEK 2,004 M (1,613). The organic growth rate of 16 percent was a result of double-digit organic growth in all markets.

Voice revenues increased by 4 percent to SEK 939 M (907). Organic growth was 3 percent.

Offline revenues amounted to SEK 3,500 M (3,852), a decline of 9 percent. Organically, offline revenues declined by 6 percent, primarily due to lower offline revenues in Norway.

EBITDA for the year amounted to SEK 2,266 M (2,220), which included capital gains of SEK 140 M (43). Restructuring in Denmark and Sweden had a negative impact on EBITDA for the full year of about SEK 70 M. With consideration taken to capital gains and restructuring effects, EBITDA for 2007 exceeded 2006, in spite of the fact that EBITDA for 2007 was negatively affected by the expiration of publication fees.

Market unit Sweden excluding Voice

Operating revenues for full-year 2007 amounted to SEK 2,227 M (2,175). Organically, operating revenues increased by 4 percent.

Online revenues increased organically by 14 percent, one percentage point better than in 2006.

Offline revenues were unchanged organically for the year 2007, as indicated in the 2007 market outlook.

During 2007, revenues were reported from 28 "Yellow Pages" directories and 185 local directories. The revenues from the "Yellow Pages" directories declined organically by 5 percent, while revenues from local directories increased organically by 17 percent.

EBITDA amounted to SEK 1,028 M (1,003).

Market unit Sweden Voice

Operating revenues increased by 2 percent to SEK 607 M (597). As of January 1, 2007 content sales were moved from Offline in Market unit Sweden to Voice. The organic increase of revenues was 1 percent.

EBITDA amounted to SEK 149 M (140) and included non-recurring effects that reduced pension costs, compared with the preceding year.

Market unit Norway

Operating revenues declined by 7 percent to SEK 1,982 M (2,121). The organic decline was 2 percent.

Online revenues increased organically by 20 percent, as indicated in the 2007 market outlook. The increase in online was primarily the result of strong growth for gulesider.no.

Voice revenues rose organically by 9 percent as a result of price increases.

Offline revenues declined organically by 15 percent, as indicated in the 2007 market outlook.

EBITDA for Norway amounted to SEK 901 M (925) and included a capital gain of SEK 125 M from the sale of 49.9 percent of SOL. Comparable EBITDA for the year 2006 included a capital gain of SEK 37 M from the sale of DM Huset AS and Tradera Nordic AB. The effects of lost publication fees of SEK 60 M and the effect of the changed bundling method of SEK 11 M had a negative effect on the comparison with the preceding year.

As of January 1, 2007, the ownership interest in SOL is 50.1 percent, and it is operated as a joint venture.

Market unit Finland

Operating revenues in Finland amounted to SEK 640 M (642).

Online revenues increased organically by 10 percent driven by growth in eniro.fi and suomi24.fi.

Voice increased organically by 6 percent as a result of higher market shares and increased prices.

Offline revenues decreased organically by 8 percent as a result of lower revenues from the Helsinki and Tampere editions of yellow pages, as well as lower revenues from the B2B product Yritystele. The Eniro Telephone Directories developed favourably during the year.

EBITDA increased to SEK 120 M (84) and included a capital gain of SEK 15 M from the sale of shares in Finnet Media. Excluding capital gains, the EBITDA margin improved to 16 percent (13).

Market unit Denmark

Kraks Forlag A/S was acquired during the second quarter of 2007, and the two units Kraks Forlag A/S and Eniro Danmark A/S are now fully integrated. Synergies are expected to amount to about SEK 60 M annually from 2008.

Operating revenues for the full year amounted to SEK 570 M (442), an increase of 29 percent. The organic growth was up 5 percent.

Offline revenues increased organically by 2 percent, and online revenues by 12 percent.

EBITDA amounted to SEK 38 M (58). EBITDA for the full year was negatively affected by a restructuring effect of approximately SEK 60 M related to the acquisition of Krak.

Market unit Poland

Operating revenues increased by 6 percent, positively affected by currency fluctuations. The organic increase was 3 percent.

Offline revenues declined by 2 percent organically, while online revenues increased by 25 percent organically.

EBITDA improved to SEK 100 M (91), as a result of higher sales and strict cost control.

Other

Other includes costs for corporate headquarters and Group-wide projects.

EBITDA amounted to a loss of SEK 70 (loss: 81).

Discontinued operations

As of the second quarter of 2007, the operations in the German company Wer liefert Was? (WLW) were reported as discontinued operations. These operations were divested during the third quarter for an enterprise value of approximately SEK 1,060 M (EUR 115 M). The sale resulted in a capital gain of about SEK 140 M.

Earnings from discontinued operations for 2006 included capital gains of SEK 52 M from the sale of operations in Russia and Belarus.

Development

Eniro conducts continuous work on improving and developing services and technical platforms. At the beginning of the year, new versions were launched of eniro.se, eniro.fi, eniro.dk, gulesider.no and kvasir.no with a new design and improved functionality that included panorama images and video searches to meet user needs and increase Internet traffic. Total development costs of approximately SEK 72 M (62) were capitalized in the balance sheet.

Consolidated cash flow

Cash flow from operating activities amounted to SEK 1,631 M (1,402) and was positively affected by termination of interest swaps, a non-recurring effect of SEK 189 M in conjunction with the refinancing and lower tax payments. Cash flow from investing activities was a negative SEK 540 M (neg: 215) and included the acquisition of Krak Forlag A/S in an amount of SEK 418 M. Cash flow from financing activities was negative in an amount of SEK 2,119 M (neg: 1,486) and included the negative net effect of SEK 1,967 M for the redemption program. Cash flow from discontinued operations amounted to SEK 1,118 M (69) and included the sale of German operations in WLW. Total cash flow was positive in an amount of SEK 90 M (neg: 230).

Financial position

The Group's interest-bearing net debt totaled SEK 10,281 M (8,872) at December 31, 2007. The equity/assets ratio was 22 percent (28). The debt/equity ratio was 2.53 compared with 1.73 at December 31, 2006. Interest-bearing net debt in relation to EBITDA was 4.5 and 4.8 excluding capital gains. Return on equity was 25 percent (22) for 2007. Unrealized currency effects on external loans totaling SEK 667 M increased net debt for the full year period.

For the full year, the financial net amounted to an expense of SEK 454 M (expense: 537) and the net of currency exchange differences was SEK 42 M (expense: 13). The financial net was positively affected by the termination of interest swaps, which was a non-recurring effect of SEK 52 M in conjunction with debt refinancing.

In conjunction with the divestment of WLW, Eniro signed a five-year loan agreement with the existing bank consortium (Danske Bank, DNB NOR, Handelsbanken, Nordea, Royal Bank of Scotland, SEB and Swedbank). The refinancing took place in November 2007 with an initial credit framework corresponding to SEK 13,000 M. The agreement replaced Eniro's previous loan agreement with the purpose of financing current operations and enabled the cash distribution to shareholders that took place in December 2007. The loan will be amortized by approximately SEK 475 M per year.

At December 31, 2007, outstanding debt under the credit facilities totaled NOK 5,000 M, EUR 80 M, DKK 400 M and SEK 3,545 M. NOK 4,250 M and SEK 1,080 M of the facility, corresponding to approximately 57 percent of the utilized facility, are hedged at a fixed interest rate until the maturity date.

Financial risks

The Group-wide finance policy that is adopted by the Board of Directors provides the foundation for the management of financial operations, the division of responsibilities and financial risks. The focus of Eniro's risk management activities is to limit or eliminate financial risks in terms of costs, liquidity and financial position. Eniro Treasury has centralized responsibility for financing and risk management.

According to Eniro's finance policy, decisions pertaining to the hedging of translation risks are made by the Board. In connection with net investments in foreign currency, translation risks must be considered. Eniro mainly has investments in NOK, EUR, PLN and DKK with the largest exposure in NOK. As part of efforts to reduce exposure related to net investments in foreign currency, a portion of borrowing was taken in NOK, EUR and DKK.

The relatively high debt level entails exposure to interest-rate risk, since borrowing is at floating interest rates. The interest-rate risk is reduced by hedging a portion of future interest payments through interest swaps that convert floating interest to fixed interest.

For a more detailed description of risk management, see the section on Financial risk management in the Accounting principles and the references to the relevant notes.

Shareholders' equity

At December 31, 2007, the share capital amounted to SEK 184,909,188 distributed among 162,271,368 shares. The share capital was reduced by SEK 19,831,024 during the year through the cancellation of 19,831,024 shares as a result of the redemption program that was registered with the Swedish Companies Office on December 3, 2007. On the same date, a non-cash issue was also registered that increased the share capital by SEK 22,637,820.

At the beginning of the year, Eniro held 999,860 of its own shares. During the year, 3,433 shares were used for the share-savings program. At December 31, 2007, Eniro held 996,427 treasury shares. These shares will be retained for use in the share-savings program. The average holding during 2007 was 999,384.

The Annual General Meeting on March 30, 2007 authorized the Board of Directors for the period up until the next Annual General Meeting to take decision on purchases of shares in the Company in a number corresponding to at most 10 percent of the total number of shares in the Company. The Company's total holding of treasury shares, combined with the existing holding, must not at any time exceed one tenth of the total number of shares in the Company. The objective of the Company's acquisition of own shares is to increase the Board of Directors' capacity to make changes in the Company's capital structure that create value for the shareholders.

Consolidated shareholders' equity amounted to SEK 4,064 M (5,120) at the end of 2007, of which SEK 4,051 M was attributable to the Parent Company's shareholders.

Taxes

The tax expense for 2007 amounted to SEK 278 M (291), which resulted in a reported tax rate of 20 percent. During 2007, capital gains were realized without tax effects. The underlying tax rate for the year amounted to 22 percent.

Earnings per share

Cash earnings per share amounted to SEK 9.59 (8.11). Net income per share amounted to SEK 7.27 (5.82).

Legal issues

In the ongoing legal proceedings between Eniro Windhager Medien GmbH and DeTeMedien GmbH in Germany, the Supreme Court has passed their ruling on the issue of whether to admit the DeTeMedien appeal to the Supreme Court or not. The Supreme Court decided to remit the case back to the Court of Appeal in Frankfurt for a new hearing. The ground for the remittal was procedural. A new hearing at the Court of Appeal in Frankfurt is expected to be held during the spring 2008. Eniro has not recognized any asset in the balance sheet regarding the legal proceedings, with DeTeMedien, nor has it during 2007 been any change in the accounting of the financial assessment of the case.

Employees

On December 31, 2007, the number of full-time employees totaled 4,650 (4,821). The figures for 2006 included 254 employees in German operations divested during the year. The number of employees in Denmark increased during the year as a result of the acquisition of Krak.

Environment

Eniro works actively to minimize the company's environmental impact by establishing effective processes for continuous improvements of the company environmental standards. Based on an environmental vision that provides a general summary of the attitudes that Eniro wishes to pervade the Group, Eniro has developed a policy for environmental work. "Eniro must comply with and apply laws, agreements and government requirements in the environmental area. Our products must have as little impact as possible on health and the environment without compromising quality. Eniro strives for continuous improvement in the environmental area."

During 2006, work was conducted for environmental certification of Eniro AB, and on January 31, 2007, the company was certified in accordance with ISO 14001:2004. On October 10, 2007, it was decided that all Eniro companies must begin the process of introducing environmental management systems with the objective of obtaining environmental certification for each company. The first step in this process was taken on November 8, 2007, when certification of Eniro Gula Sidorna AB was approved. A more detailed description of Eniro's environmental work is provided in a separate section of the annual report.

Parent Company

Operating revenues in 2007 totaled SEK 24 M (28). All operating revenues pertain to intra-Group sales. In 2007, earnings before tax amounted to SEK 27 M (362). Investments amounted to SEK 618 M (921) and consisted of capital contributions to subsidiaries and the acquisition of Leta Information AB and Netclips AB (bubblare.se). The Parent Company's external interest-bearing net debt at year-end amounted to SEK 7 M (6).

The Parent Company's shareholders' equity at year-end amounted to SEK 3,384 M (5,110), of which unrestricted shareholders' equity accounted for SEK 3,199 M (2,779).

The Parent Company Eniro AB (publ) had 20 (31) employees at year-end.

Company management and work conducted by the Board of Directors

The Annual General Meeting of Eniro AB (publ) in March 2007 elected seven members of the Board of Directors, of which one is the President and Chief Executive Officer Tomas Franzén. The employees appointed three members. In addition to the constituent meeting, the Board should normally hold five ordinary meetings per calendar year. During 2007, the Board held a total of 16 meetings, of which three were per capsulam and three were held by telephone. The work in the Board during 2007 was to a large extent devoted to questions related to the strategic orientation of the Group as well as important issues related to increase online growth. During the year, time was also devoted to the acquisition of the leading Danish online company Kraks Forlag A/S and the sale of German operations in Wer liefert Was? GmbH (WLW). In addition, attention was devoted to financing, capital structure and environmental issues as well as issues related to operational follow-ups, risk management and internal control. The Board also has performed an annual evaluation of the President and CEO.

The Board has a Compensation Committee and an Audit Committee. During 2007, the Compensation Committee consisted of Lars Berg (Chairman) and Per Bystedt. The Audit Committee comprised Barbara Donoghue (Chairman) and Lars Berg. For a more detailed report on the work conducted by the Board of Directors, see separate Corporate Governance Report on page 32.

Eniro's Group management consists of the CEO, the Presidents of the subsidiaries in Sweden, Norway, Finland, Denmark and Poland, together with the responsible persons for the staff organizations. In total Eniro's Group management consists of 16 persons. Group management has monthly meetings to review the previous period's result, business activities, market development, the progress in strategic projects, coordination of common Group activities and strategic issues.

Capital structure and dividend

For the 2007 fiscal year, the Board proposes dividend of SEK 5.20 (4.40) per share, which corresponds to 75 percent of net income for the year from continuing operations. Since the funds from the disposal of the German operations WLW of approximately SEK 1,000 M was part of the redemption program during the fourth quarter 2007, 75 percent of net income from continuing operations is to be considered in line with the established dividend policy. The total amount proposed for distribution is SEK 839 M (797).

Guidelines for compensation to company management

Company management refers to the President and Group management, which currently consists of 16 persons.

The objective of principles for compensation to senior executives is that Eniro shall offer competitive compensation that enables such persons to be recruited and retained within the Eniro Group. Compensation to company management consists of several components: 1) fixed salary, 2) variable salary, 3) long-term incentive programs and 4) pension provisions and other compensation and benefits.

During 2007, Eniro applied the principles described below for compensation to senior executives, with the result that the variable compensation component amounted to SEK 13,6 M. For more detailed information regarding the outcome for 2007, refer to Note 6 Compensation and other benefits, Board of Directors, President and senior executives. No changes in the guidelines for 2008 will be proposed.

The fixed salary is based on the individual executive's area of responsibility, expertise and experience. To create as transparent and fair a compensation system as possible, Eniro employs what is called a grading system in which all roles in company management are classified according to an international standard. This also permits salary comparisons. The fixed salary is reviewed annually during the first quarter.

The outcome for the variable salary depends on the extent to which the targets included on Eniro's scorecard are achieved during the current year. The targets on the scorecard are distributed such that the financial targets dominate and account for 70 percent of the scorecard's targets. Market and human capital targets plus individually prioritized initiatives account for the remaining 30 percent.

For senior executives, including the President, the variable salary component may be at most between 35 and 70 percent of fixed salary. Of variable salary, at most 15 to 50 percentage points are paid in cash. The remaining variable portion, at most 20 percentage points, is converted to synthetic shares with a maturity period of two years. The exact outcome of the variable portion is established by the company based on an annual individual assessment of the executive's performance in relation to the Eniro scorecard established for each executive. Payment is subject to the condition that the executive is still employed by Eniro on the payment date.

By decision of the Annual General Meeting on April 5, 2005 and adjusted by the Annual General Meeting on April 5, 2006, a share-saving program was introduced for employees in the Eniro Group.

Eniro's pension policy is based on either an individual occupational pension plan (ITP or the corresponding national plan) or a defined-contribution pension plan. For defined-contribution plans, the premium may be at most 35 percent of the fixed salary.

Notice periods for termination of employment and severance pay for senior executives follow standard practice. If termination is initiated by the company, a notice period of at most twelve months applies, and severance pay is received for an additional twelve months after termination of employment.

Other benefits consist primarily of health insurance and a company car. Allocation of company cars is based on Eniro's car policy at any given time.

Significant agreements that are affected by a public purchase offer

Eniro has a borrowing agreement with a bank consortium that was signed in August 2007. The borrowing agreement has an initial credit facility of SEK 13,000 M. If an owner or group of owners acquires more than 50 percent of the voting rights in the Company, the Company and the banks in question must within 30 days come to an agreement on continuation of the borrowing agreement. If an agreement is not reached, the credit agreement will expire, and the outstanding amount must be repaid.

If a principal owner acquires shares in the Company representing at least 75 percent of the shares or if the Company is delisted from the exchange, the President and an additional person in Group management have an option to receive compensation in accordance with the terms for termination of employment by the Company.

Significant events after the closing date

The President and CEO of Eniro Tomas Franzén has accepted a new position as CEO of Com Hem (a private equity owned Swedish triple play operator) and therefore decided to leave his position as President and CEO of Eniro. Tomas Franzén has been the President and CEO of Eniro since June 1, 2004 and will stay in his position until the middle of May 2008, over the first quarter report and the AGM. The search for a new President and CEO has been initiated.

Market outlook

In our market outlook for 2008 we expect Group revenues to grow organically, with strong growth in online revenues more than offsetting the decline in print revenues.

Our operational EBITDA is expected to be in line with 2007 due to increased investments in the online business.

The Board of Directors' proposed distribution of earnings

Proposed distribution of earnings

The following earnings are at the disposal of the Annual General Meeting:

Net Income for the year	161,939,384
Earnings brought forward	3,037,331,416
Total	**3,199,270,800**
The Board of Directors proposes that:	
A dividend of SEK 5.20 per share be paid to external shareholders	838,629,693
To be brought forward	2,360,641,107
Total	**3,199,270,800**

The proposed record date for receiving the dividend is May 12, 2008. Payment via VPC is expected to occur on May 15, 2008.

Board of Directors' statement regarding the proposed dividend, in accordance with Chapter 18, Section 4 of the Swedish Companies Act

The proposed dividend to shareholders will reduce the Parent Company's equity/assets ratio from 22 percent to 17 percent and the Group's equity/assets ratio from 22 to 18 percent. The equity/assets level is regarded as satisfactory in view of the fact that the Group's operations are continuing to generate profitability and considerable cash flows.

According to the Board of Directors, the proposed dividend is compatible with the requirements on the Group for amortization and interest payments according to the loan agreements with Eniro Treasury AB.

The Company's shareholders' equity was not affected by unrealized gains as a result of the fair valuation of financial instruments.

According to the Board of Directors, the proposed dividend will not prevent the Company and other Group companies from fulfilling their obligations in the short or long term; nor will it prevent the Company from completing necessary investments. Accordingly, the proposed dividend can be defended in the light of what is stated in Chapter 17, Section 3, Paragraphs 2–3 of the Swedish Companies Act.

Consolidated income statement

SEK M	Notes	2007	2006
Continuing operations			
Gross operating revenues		6,508	6,446
Advertising tax		–65	–74
Operating revenues	1	**6,443**	**6,372**
Production costs	2, 5	–1,883	–1,877
Sales costs	2, 5	–1,560	–1,490
Marketing costs	2, 5	–614	–648
Administration costs	2, 5, 6, 7	–547	–483
Product development costs	2, 5	–177	–121
Other revenues		194	66
Other costs		–1	–6
Operating income		**1,855**	**1,813**
Financial revenues	8	185	60
Financial costs	8	–639	–597
Earnings before tax		**1,401**	**1,276**
Income tax	9	–278	–291
Net income for the year from continuing operations		**1,123**	**985**
Income from discontinued operations	3	181	69
Net income for the year		**1,304**	**1,054**
Attributable to:			
Equity holders of the parent company		1,305	**1,054**
Minority interests		–1	–
Profit for the year		**1,304**	**1,054**
Net income per share from continuing operations, SEK			
– before dilution		6.25	5.44
– after dilution		6.25	5.43
Income per share from discontinued operations, SEK			
– before dilution		1.01	0.38
– after dilution		1.01	0.38
Net income per share, SEK (attributable to equity holders of the parent company)			
– before dilution		7.27	5.82
– after dilution		7.26	5.81
Average number of shares before dilution (000s)	27	179,582	181,102
Average number of shares after dilution (000s)	27	179,752	181,309

Consolidated balance sheet

SEK M	Notes	Dec. 31, 2007	Dec. 31, 2006
ASSETS			
Non-current assets			
Tangible assets	10	172	259
Intangible assets	12	15,968	15,459
Deferred tax assets	9	95	138
Derivative financial instruments	17, 25	6	172
Participation in associated companies	23	10	–
Other receivables	25	16	121
Total non-current assets		**16,267**	**16,149**
Current assets			
Work in progress		176	157
Accounts receivable	13, 25	1,066	1,042
Prepaid costs and accrued revenues	14	213	203
Current income tax receivables		21	108
Other non-interest bearing current assets	13, 25	112	68
Other financial assets	13, 25	7	8
Cash and cash equivalents	15, 25	605	478
Assets classified as held for sale	3	–	–
Total current assets		**2,200**	**2,064**
TOTAL ASSETS		**18,467**	**18,213**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Equity			
Share capital		185	182
Additional paid-in capital		2,285	4,254
Reserves		93	–296
Retained earnings		1,488	980
Equity attributable to Parent Company shareholders		**4,051**	**5,120**
Minority interests		13	–
Total equity	27	**4,064**	**5,120**
Non-current liabilities			
Borrowings	16, 25	10,143	8,545
Derivative financial instruments	17, 25	23	–
Retirement benefit obligations	18	257	334
Deferred income tax liabilities	9	1,196	1,227
Other provisions	19	9	40
Total non-current liabilities		**11,628**	**10,146**
Current liabilities			
Advances from customers		122	143
Accounts payable	25	329	326
Current income tax liabilities		44	26
Accrued costs and prepaid revenues	20	1,291	1,192
Other non-interest bearing liabilities		481	476
Other provisions	19	26	21
Borrowings	16	482	763
Liabilities directly associated with assets classified as held for sale	3	–	–
Total current liabilities		**2,775**	**2,947**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**18,467**	**18,213**

Changes in consolidated equity

SEK M	Notes	Share capital attributable to the Parent Company's shareholders: Share capital	Other capital contribution	Reserves	Earnings brought forward	Total	Minority interests	Total shareholders' equity
Opening balance as per January 1, 2006		**182**	**4,249**	**–121**	**324**	**4,634**	**–**	**4,634**
Hedging of cash flow after tax		–	–	172	–	172	–	172
Hedging of net investments after tax		–	–	528	–	528	–	528
Exchange rate differences		–	–	–875	–	–875	–	–875
Total transactions recognized directly in equity		**–**	**–**	**–175**	**–**	**–175**	**–**	**–175**
Net income for the year		–	–	–	1,054	1,054	–	1,054
Total revenues and costs		**–**	**–**	**–**	**1,054**	**1,054**	**–**	**1,054**
Share-saving program – value of employees' service		–	5	–	–	5	–	5
Dividend		–	–	–	–398	–398	–	–398
Closing balance as per December 31, 2006	27	**182**	**4,254**	**–296**	**980**	**5,120**	**–**	**5,120**
Opening balance as per January 1, 2007		**182**	**4,254**	**–296**	**980**	**5,120**	**–**	**5,120**
Hedging of cash flow after tax		–	–	–38	–	–38	–	–38
Hedging of net investments after tax		–	–	–480	–	–480	–	–480
Share issue		23	–23	–	–	–	–	–
Exchange-rate differences		–	–	907	–	907	–	907
Total transactions recognized directly in equity		**23**	**–23**	**389**	**–**	**389**	**-**	**389**
Net income for the year		–	–	–	1,305	1,305	–1	1,304
Total revenues and costs		**–**	**–**	**–**	**1,305**	**1,305**	**–1**	**1,304**
Purchase of minority-owned shares		–	–	–	–	–	14	14
Share-saving program – value of employees' service		–	1	–	–	1	–	1
Redemption of shares		–20	–1,947	–	–	–1,967	–	–1,967
Dividend		–	–	–	–797	–797	–	–797
Closing balance as per December 31, 2007	27	**185**	**2,285**	**93**	**1,488**	**4,051**	**13**	**4,064**

Consolidated cash flow statement

SEK M	Notes	2007	2006
Current operations			
Operating income		1,855	1,813
Adjustment for items excluded in cash flow			
Depreciation, amortization and impairment of non-current assets	2	411	407
Provisions		–6	–29
Profit from divestment of fixed assets		–140	–45
Other items not affecting liquidity		–1	10
Interest received		39	61
Interest paid		–541	–552
Fair value, gains on derivative instruments		189	–
Income taxes paid		–133	–255
Cash flow from current operations before changes in working capital		**1,673**	**1,410**
Cash flow from changes in working capital			
Decrease/Increase in work in progress		–18	–14
Decrease/Increase in current receivables		–16	103
Decrease/Increase in current liabilities		–8	–97
Cash flow from current operations		**1,631**	**1,402**
Investing activities			
Acquisition of subsidiaries and associated companies	26	–502	–138
Acquisition of intangible assets	12	–103	–75
Acquisition of tangible assets	10	–47	–61
Divestment of subsidiaries and associated companies	22, 23	108	49
Divestment of tangible assets	10	4	10
Cash flow from investing activities		**–540**	**–215**
Financing activities			
New borrowing		1,502	–
Amortization of loans		–857	–1,088
Redemption of shares		–1,967	–
Dividend		–797	–398
Cash flow from financing activities		**–2,119**	**–1,486**
Cash flow from discontinued operations	3	**1,118**	**69**
Cash flow for the year		**90**	**–230**
Cash and cash equivalents at the beginning of the year		478	742
Exchange rate differences in cash and cash equivalents		37	–34
Cash and cash equivalents at the end of the year	15	**605**	**478**

Parent Company income statement

SEK M	Notes	2007	2006
Operating revenues	1	**24**	**28**
Production costs	2, 5	–5	–5
Sales costs	2, 5	–	–
Marketing costs	2, 5	–21	–29
Administration costs	2, 5, 6, 7	–75	–88
Other revenues		7	16
Other costs		0	–1
Operating income		**–70**	**–79**
Profit/loss from sale of shares in Group companies		–16	358
Profit from sale of other shares		0	4
Dividends from Group companies		554	594
Impairment of receivables from Group companies		0	–2
Impairment of shares in Group companies	22	–	–52
Financial revenues	8	55	35
Financial costs	8	–524	–365
Income after financial items		**–1**	**493**
Appropriations		28	–131
Earnings before tax		**27**	**362**
Income tax	9	135	138
Net income for the year		**162**	**500**
Proposed dividend per share for the financial year		5.20	4.40

Parent Company balance sheet

SEK M	Notes	Dec. 31, 2007	Dec. 31, 2006
ASSETS			
Non-current assets			
Tangible assets	10	0	0
Shares in subsidiaries	22	13,475	13,030
Shares in associated companies	23	10	–
Deferred income tax assets		3	3
Interest-bearing receivables from Group companies		180	199
Other interest-bearing receivables		6	5
Total non-current assets		**13,674**	**13,237**
Current assets			
Accounts receivable		–	0
Receivables from Group companies		1,934	1,549
Prepaid costs and accrued revenues	14	1	1
Current income tax receivables		0	94
Other non-interest bearing current assets	13	2	1
Other interest-bearing receivables	13	1	1
Cash and cash equivalents	15	0	0
Total current assets		**1,938**	**1,646**
TOTAL ASSETS		**15,612**	**14,883**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital		185	182
Statutory reserve		–	2,149
Non-restricted equity			
Retained earnings		3,199	2,779
Total shareholders' equity	27	**3,384**	**5,110**
Untaxed reserves			
Tax allocation reserve		1,025	1,053
Provisions			
Retirement benefit obligation	18	14	12
Other provisions	19	–	0
Total provisions		**14**	**12**
Non-current liabilities			
Liabilities to Group companies		10,451	8,366
Total non-current liabilities		**10,451**	**8,366**
Current liabilities			
Accounts payable		14	11
Liabilities to Group companies		210	190
Accrued costs and prepaid revenues	20	28	27
Other non-interest-bearing liabilities		2	4
Borrowing	16	1	–
Borrowing from Group companies		483	110
Total current liabilities		**738**	**342**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**15,612**	**14,883**

Changes in equity, Parent Company

SEK M	Notes	Share capital	Statutory reserve	Earnings brought forward	Other unrestricted reserves	Total shareholders' equity
Opening balance as per January 1, 2006		**182**	**2,149**	**1,131**	**892**	**4,354**
Net income for the year		–	–	500	–	500
Total revenues and costs		**–**	**–**	**500**	**–**	**500**
Group contributions received, net after tax		–	–	654	–	654
Retained earnings		–	–	892	–892	–
Dividend		–	–	–398	–	–398
Closing balance as per December 31, 2006	27	**182**	**2,149**	**2,779**	**–**	**5,110**
Opening balance as per January 1, 2007		**182**	**2,149**	**2,779**	**–**	**5,110**
Net income for the year		–	–	162	–	162
Total revenues and costs		**–**	**–**	**162**	**–**	**162**
Group contributions received, net after tax		–	–	876	–	876
Retained earnings		–	–2,149	2,149	–	–
Redemption of shares		–20	–	–1,947	–	–1,967
Share issue		23	–	–23	–	–
Dividend		–	–	–797	–	–797
Closing balance as per December 31, 2007	27	**185**	**–**	**3,199**	**–**	**3,384**

The proposed dividend is SEK 5.20 per share, totaling SEK 839 M.

Parent Company cash flow statement

SEK M	Notes	2007	2006
Current operations			
Operating income		–70	–79
Adjustment for items excluded in cash flow		2	3
Interest received from Group companies		42	32
Interest paid to Group companies		–507	–352
Interest received external		3	1
Interest paid external		0	–1
Income taxes paid		–114	–195
Cash flow from current operations before changes in working capital		**–644**	**–591**
Cash flow from changes in working capital			
Decrease/Increase in current receivables		–3	16
Decrease/Increase in current liabilities		0	–104
Cash flow from current operations		**–647**	**–679**
Investing activities			
Acquisition of subsidiaries		–48	–
Divestment of subsidiaries		1,341	521
Acquisition of associated companies and other shareholdings		–10	0
Divestment of other shareholdings		1	4
Acquisition of tangible assets		–	0
Cash flow from investing activities		**1,284**	**525**
Financing activities			
Net of intra-Group dividends, Group contributions and paid-in capital		39	–327
Net change in financial receivable and liabilites with Group companies		2,087	872
Net change in external financial receivables and liabilities		1	–
Redemption of shares		–1,967	–
Dividend paid		–797	–398
Cash flow from financing activities		**–637**	**147**
Cash flow for the year		**0**	**–7**
Cash and cash equivalents at beginning of the year		0	7
Cash and cash equivalents at end of the year	15	**0**	**0**

Accounting principles

The current Annual Report for Eniro AB (publ) with corporate registration number 556588-0936 and registered office in Stockholm and address SE 169 87 Stockholm, was approved by the Board of Directors on March 13, 2008 and will be approved by the Annual General Meeting on May 7, 2008.

Summary of important accounting principles

General accounting principles for 2007

The Annual Report was prepared in accordance with the International Financial Reporting Standards (IFRS), as well as the applicable statutes of the Swedish Annual Accounts Act and Recommendation RR 32:06 Supplementary reporting rules for corporate groups issued by the Swedish Financial Accounting Standards Council.

The application of general principles in many cases requires estimates for accounting purposes and financial assessments that have a great impact on balance sheet and income-statement items. In Eniro's case, this applies particularly to the valuation of goodwill and intangible assets. In other cases, a qualified interpretation and assessment must be made of how the principles should be applied in the reporting of complex business transactions. One such area is reporting of revenues. A more detailed account of the assessments and interpretations with major impact on the consolidated accounts is provided below under the heading Significant estimates and assessments.

The Parent Company's accounts were prepared largely according to the same principles as applied in the consolidated accounts. The exceptions are primarily due to the Annual Accounts Act and the relation between accounting and taxation. A more detailed description of these differences is provided on the section Parent Company accounting principles.

Changes in published standards effective in 2007

- IFRS 7, Financial Instruments: Disclosures and the complementary amendment to IAS 1, Presentation of Financial Statements – Capital Disclosures, introduces new disclosure requirements relating to financial instruments. IFRS 7 does not have any effect on the Group's earnings or shareholders' equity.
- IFRIC 8, Scope of IFRS 2 requires that transactions that relate to issuance of own equity instruments where the payment received is less than the fair value of the issued equity instrument must be assessed to determine if they are within the scope of IFRS 2. This interpretation did not have any effect on the Group's financial statements.
- IFRIC 10 Interim Financial Reporting and Impairment does not allow impairment reported in an interim report relating to goodwill, investments in equity instruments and investments in financial assets to be reversed on a subsequent closing date. This interpretation did not have any effect on the Group's financial statements.
- IFRIC 11, IFRS 2 Group and Treasury Share Transaction. The intepretation did not have any impact on the Group´s financial statements.

There are also a number of standards and interpretations that took effect in 2007 but which are not relevant for the Group. These include IFRS 4 Insurance Contracts, IFRIC 7 Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies and IFRIC 9 Reassessment of Embedded Derivatives.

Standards and interpretations effective from 2008 and later

The following standards, amendments and interpretations to existing standards have been published and are mandatory for periods beginning on or after 1 January 2008 or later periods, but has not been early adopted.

- IAS 1 (Amendment), Presentation of Financial Statements (effective from 1 January 2009). The amendment is still subject to endorsement by the European Union. The amendment requires changes in the presentation of financial statements and the classification of the financial reports. The amendment will lead to changes in the group's presentation of the financial reports.
- IAS 27 (Amendment), Consolidated and Separate Financial Statements (effective from 1 July 2009). The amendment is still subject to endorsement by the European Union. The amendment requires that result contributed to the minority interest, always should reflect the minority shareholders' proportionate interest even if the minority interest is negative. The amendment will affect the reporting of future transactions.
- IFRS 3 (Amendment), Business Combinations (effective from 1 July 2009). The amendment is still subject to endorsement by the European Union. The amendment is attributable to acquisitions after the effective date and stipulates changes in reporting of future acquisitions. The amendment will not affect previous acquisitions but will affect the reporting of future transactions.
- IFRS 8, Operating segments (effective from 1 January 2009). IFRS 8 replaces IAS 14. The new standard requires segment information to be presented in accordance with how financial information is presented internally. Management is still assessing the expected impact of the new standard on the group's reporting.

The above new standards and amendments will be adopted from the effective date.

The following standards, amendments and interpretations to existing standards have been published and are mandatory for periods beginning on or after 1 January 2008 or later periods, but are estimated to not be relevant for the group.

- IAS 23 (Amendment), Borrowing costs
- IAS 32 (Amendment), Financial Instruments: Presentation
- IFRS 2, (Amendment), Share-based Payment
- IFRIC 12, Service Concession Arrangements
- IFRIC 13, Customer Loyalty Programmes
- IFRIC 14, IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction

Basis for preparing reports

Assets and liabilities are reported in the consolidated accounts at acquisition value reduced by depreciation and impairment as appropriate. Exceptions from this principle are financial assets available for sale and financial assets and liabilities reported at fair value in the income statement, as well as derivative instruments for which hedge accounting is applied. These principles were applied consistently for all years reported, unless otherwise specified.

Consolidated accounts

The consolidated accounts include the Parent Company and its subsidiaries. Subsidiaries are considered companies in which the Parent Company directly or indirectly has the right to determine financial and operative strategies in a manner that normally results from a shareholding greater than or equal to 50 percent of the voting rights. Subsidiaries are included in the consolidated accounts from the date on which the controlling influence was transferred to the Group. They are eliminated from the consolidated accounts on the date from which this controlling influence ceases.

Eniro's consolidated accounts have been prepared in accordance with the purchase method. The purchase price for an acquisition consists of the fair value of the assets provided as payment, issued equity instruments and accrued or assumed liabilities on the date of transfer of ownership increased by costs directly attributable to the acquisition. Identifiable assets and liabilities in subsidiaries on the date of acquisition are reported at fair value in the consolidated balance sheet according to an acquisition analysis. If the acquisition price exceeds the fair value of the company's net assets on the acquisition date, the difference is reported as consolidated goodwill. If the acquisition price is less than fair value of the acquired company's net assets, the difference is recognized directly in the income statement.

In companies that are not wholly owned subsidiaries, minority interest is reported as the share of the subsidiaries' equity held by external shareholder. This item is recognized as part of the Group's shareholders' equity. The minority share is recognized in the income statement. Information about the minority share of profits is disclosed in conjunction with the income statement.

Group-internal transactions and balance sheet items, as well as unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated, unless the loss corresponds to a need to recognize an impairment.

Untaxed reserves, which occur in the accounts of companies in certain countries, are reported in the consolidated accounts in part as a deferred tax liability and in part as retained earnings. The deferred income tax liability is calculated according to the prevailing tax rate in each country.

Associated companies

Associated companies are those companies in which the Group has a share of the voting rights between 20 and 50 percent and thus a significant influence. Holdings in associated companies are reported in accordance with the equity method.

The Group's share of the income in associated companies after acquisition is reported in the income statement. Accumulated changes after the acquisition are reported as a change in the carrying amount of the holding.

Unrealized gains and losses on transactions between the Group and its associated companies are eliminated against the Group's holdings in the associated company.

Joint venture

A joint venture is defined as a contractural agreement in which two or more parties initiate an economic activity that is subject to joint control. This may take the form of jointly owned companies that are controlled jointly. Joint ventures are consolidated according to the proportional method. Accordingly, the Group's share of the joint venture's income statement and balance sheet are included under the corresponding items in the consolidated accounts.

Translation of foreign currency

Financial reporting takes place in the currency used in the area in which each Group company is primarily active. This is the unit's functional currency. In the consolidated accounts, SEK is used, which is the Parent Company's functional and reporting currency.

Transactions in foreign currency are translated to the functional currency according to the exchange rates applying on the transaction date. Gains and losses arising in payments for such transactions and in the translation of monetary assets at the closing-date rate are reported in the income statement. Exceptions are transactions that constitute hedges and which satisfy the conditions for hedge accounting of cash flows or net investments. Such gains or losses are booked directly against shareholders' equity.

Income statements and balance sheets for subsidiaries with another functional currency than SEK are translated as follows:

- Assets and liabilities are translated at the closing-date rate.
- Revenues and costs are translated at the average rate or, if this does not provide a reasonable approximation, at the weighted average rate.
- Exchange-rate differences are reported as a translation difference under shareholders' equity.

In the consolidated accounts, exchange-rate differences attributable to net investments in foreign operations, or borrowing and other currency instruments identified as hedges for such investments, are charged to equity. When foreign operations are divested, such exchange-rate differences are reported in the income statement as part of the capital gain or loss.

Goodwill and other adjustments of fair value arising in the acquisition of foreign operations are treated as assets and liabilities in that operation and translated at the closing-date rate.

Tangible assets

Tangible assets are reported at acquisition cost and depreciated linearly over their estimated useful life. This varies between ten and 25 years for buildings and between three and five years for equipment. Equipment consists primarily of computer equipment, office fittings and vehicles. The residual value of assets and their useful life are assessed on every closing date and adjusted as necessary.

Intangible assets

Goodwill consists of the amount by which the acquisition value exceeds the fair value of the Group's share of the acquired subsidiary/associated company's assets on the acquisition date. Goodwill arising from the acquisition of operations in foreign subsidiaries is reported as a separate item under intangible assets. Goodwill arising from the acquisition of associated companies is included in the value of the associated company. Goodwill is assumed to have an indefinite useful life.

Goodwill is distributed among cash-generating units at acquisition. These cash-generating units correspond to operations within a geographic area (segment).

Other intangible assets with indefinite useful life consist of brands that were added through the acquisitions. Goodwill and other intangible assets with indefinite useful life are assessed annually to identify possible impairment losses and are reported at acquisition value reduced by accumulated impairment losses. Gains or losses arising from the divestment of a unit include the residual carrying amount of goodwill and other intangible assets attributable to the divested unit.

Customer relations and other intangible assets are reduced by amortization over their useful life. The useful life for customer relations is based on repurchasing frequency and varies between three and ten years. Other brands have a predictable useful life that varies between five and ten years.

Other intangible assets primarily consist of software, databases and publication rights of a unique nature that are controlled by Eniro and provide economic benefits over a period longer than one year and which exceed the costs of their acquisition and development. Other intangible assets are measured at cost less accumulated amortization. Capitalized expenses include personnel costs and a reasonable share of attributable indirect costs. The capitalized expenses are written off linearly over the assessed useful life. This varies between three and ten years.

Impairment

Assets with an indefinite useful life are not amortized, but rather tested each year for possible impairment or whenever there is an indication that the asset may be impaired. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets considered for impairment are assessed whenever events or changed circumstances indicate that the reported value may not be recoverable. An impairment loss is recognized in the amount that the asset's carrying amount exceeds its recoverable value. Recoverable value is the higher of an asset's fair value reduced by sales costs and its value in use. In impairment testing, assets are grouped at the lowest level at which separate cash-generating units can be identified.

Financial assets

Financial assets are classified in the following categories:

- Financial assets valued at fair value in the income statement
- Loans and accounts receivable
- Financial assets held for sale.

Financial assets valued at fair value over the income statement consist primarily of assets intended to be sold shortly. Such assets that are not included in the Group's central chart of accounts occur to a limited extent in foreign units.

Loans and accounts receivable are non-derivative financial assets with fixed or predictable payments and are not listed on an active market. Loan receivables are insignificant in scope.

Financial assets held for sale are non-derivative financial assets in which the assets have been identified as available for sale or not classifiable in any other category. At the end of 2007 there are no assets in this category.

Purchases and sales of financial assets are reported on the date at which Eniro pledges to purchase or sell the asset. Financial assets are initially valued at fair value plus transaction costs. Financial assets valued at fair value in the income statement are valued without transaction costs. Financial assets are eliminated from the balance sheet when the right to receive cash flows from the instrument has expired or virtually all risks and benefits associated with the asset have been transferred to another party.

Accounts receivable are reported at acquisition value without discounting, since the average credit period is short and interest thus insignificant. Loan receivables and financial assets held to maturity are reported at accrued acquisition value by applying the effective interest method.

Work in progress

The value of work in progress consists of direct production costs and attributable indirect production costs. Direct production costs primarily relate to paper purchases, printing and binding of directories, as well as costs for obtaining and processing information for publication in printed directories. Costs for borrowing are not included. An individual assessment is made for expensed amounts for each individual directory.

Accounts receivable

Accounts receivable are valued at fair value, which normally corresponds to the invoiced amount. Thereafter, accounts receivable are valued at acquisition value without discounting and reduced by any credit risk reserves. Credit risks are handled through active credit checks and routines for follow-up and debt collection. In addition, credit risk reserves are assessed regularly based primarily on actual losses in previous years and taking into account current payment patterns. Amounts that are not expected to be received are offset by reserves and reported as sales cost in the income statement.

Cash and cash equivalents

Cash and cash equivalents consist of cash and disposable funds in bank accounts, as well as current investments with a shorter period than three months from the acquisition date.

Shareholders' equity

Consolidated shareholders' equity is divided into share capital, reserves and earnings brought forward.

Holdings of treasury shares purchased within the framework approved by the

Annual General Meeting are reported in the consolidated accounts as a reduction of other capital contributions. In the Parent Company, these are booked as a reduction of retained earnings or, where applicable, against a fund to be used in accordance with decisions by the Annual General Meeting. Costs in addition to the purchase price arising in conjunction with the acquisition of own shares are charged against retained earnings. This holding is not included in outstanding shares when calculating key data per share.

Borrowings
Borrowings are initially reported at fair value as a net amount after transaction costs. Thereafter, borrowings are reported at accrued acquisition cost, and any difference between the amount received after transaction costs and the amount repaid is reported in the income statement and distributed over the maturity period by applying the effective-interest method. Borrowings are classified as current liabilities if Eniro does not have an unconditional right to defer payment until at least 12 months after the closing date. Liabilities with maturity periods that originally exceeded 12 months are also reported as current liabilities according to this principle.

Recognition of derivative instruments and hedging measures
Derivative instruments are recognized in the balance sheet on the contract date and valued at fair value both initially and on subsequent revaluations. Derivative instruments within Eniro consist either of hedges of fair value and cash flows or hedges of net investments in foreign currency. For the time being there are no hedges of fair value within the Group.

When a hedging contract is entered, Eniro documents the relationship between the hedging instrument and the hedged item, as well as the effectiveness of the derivative instrument employed in balancing fair value or cash flow for the hedged items. Fair value of derivative instruments is presented in Note 17. Changes in hedging reserves in shareholders' equity are presented in Note 27.

Hedging of fair value
Changes in value of derivatives employed to hedge fair value that satisfy the conditions for hedge accounting are reported in the income statement together with changes in value of the hedged asset or liability.

If a hedge no longer fulfills the criteria for hedge accounting, the adjustment of the carrying amount of a hedged item will be distributed in the income statement over the remaining maturity period.

Hedging of cash flow
The effective portion of changes in value of derivatives employed to hedge cash flows that satisfy the conditions for hedge accounting are reported under shareholders' equity. The gain or loss attributable to the ineffective portion is immediately reported in the income statement under the item Financial cost.

Accumulated amounts in shareholders' equity are reversed in the income statement in the periods in which the hedged item affects income. If the hedged transaction results in the reporting of a non-financial asset or liability, gains or losses previously reported under shareholders' equity are transferred from shareholders' equity and included in the value of the asset or liability. Even when a hedging instrument expires or is sold or when the hedge no longer satisfies the conditions for hedge accounting and accumulated gains or losses are included in shareholders' equity, the accumulated amount is reversed, since the hedged item affects income. If the hedged transaction is no longer expected to occur, the accumulated amount is immediately booked against shareholders' equity.

Hedging of net investments
Hedging of net investments in foreign operations is reported in a similar manner as hedging of cash flows. The effective portion of the hedge is reported under shareholders' equity, while the ineffective portion is immediately recognized in the income statement under the item Financial cost.

Accumulated gains and losses under shareholders' equity are reported as a portion of the capital gain or loss when a foreign unit is divested.

Provisions
Provisions refer to debts that are uncertain with respect to their amount or the date on which they will be settled. Provisions are reported when the Group has a legal or informal obligation resulting from previous events and it is more likely that payment of provisions will be required to settle the obligation than the opposite and the amount can be calculated in a reliable manner.

Provisions primarily relate to pension commitments, deferred income tax liabilities, costs in conjunction with changes in personnel, legal proceedings and disputed selective tax. Amounts expected to be settled within 12 months after the closing date are reported under the heading current liabilities, while others are reported as non-current liabilities. The reserved amounts comprise the best estimate of what would be paid out on the closing date to settle the obligation or to transfer it to a third party.

Accounts payable
Accounts payable is recognized initially at fair value and subsequently measured at amortised cost using the effective interest method.

Revenues
Revenues from Internet-services (Online) are distributed over the contract period, which is normally 12 months. Revenues from 118 services (Voice) are recognized when the service is delivered. Revenues from directory operations (Offline) are recognized when the directory is published. Production costs are capitalized up until the publication date, whereupon they are expensed. Directories are normally published once a year.

For sales of bundled offline and online products, revenues are distributed according to a distribution ratio that reflects the market value of each product. Until 2006, the distribution ratio was based on the usage of each product, which was measured regularly through customer surveys. The distribution ratio is adjusted annually. As of 2007, the distribution ratio is based on the value for the advertisers. Value for the advertiser is measured continuously through customer surveys in which the customer assesses the value of usage.

Operating units and geographic areas
According to IAS 14 Segment Reporting, income and certain balance-sheet items must be reported by primary segment, while revenues are reported by secondary segment. The primary segments consist of the geographic regions Sweden, Norway, Finland, Denmark, Poland and Other. Primay segments have changed during 2007,

Central Europe (including Wer Liefert Was?) and Eastern Europe (comparable information in 2005) have been removed since the operations have been divested. Nordic region excluding Sweden has been specified per region. Assets and customers are in high degree local and identifiable in each geographic region. The secondary segments are the product areas (channels) online, voice and offline.

Discontinued operations

Operations that were cash-generating units during the time that they were owned or group of such units that were either divested or are held for sale are reported in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. In cases where the unit remains within the Group on the closing date, all assets are reported as current assets and liabilities directly attributable to operations as current liabilities.

Income after tax from such operations under the period of ownership and capital gains or losses in conjunction with the completion of a sale are reported as an item in the income statement.

Non-current assets held for sale are reported at the lower of carrying amount and fair value reduced by sales costs, assuming that their carrying amount is recovered primarily through a sales transaction and not through constant use.

Compensation to employees

Pensions

There are different pension plans within the Eniro Group. Swedish units are primarily covered by defined-benefit plans, while the Norwegian and Finnish units are partly covered by defined-benefits plans. Units in other countries in most respects apply defined-contribution plans.

For defined-contribution plans, the company pays fixed fees to a separate legal entity and has no obligation to pay further fees. Costs are charged against consolidated earnings in pace with benefits being earned.

In defined-benefit plans, compensation is paid to employees and former employees based on salary at the time of retirement and number of years of employment. The Group assumes the obligation for paying the promised compensation.

The defined-benefit pension plans are funded in one case and otherwise unfunded. For the funded plan, the assets are allocated to a separate pension fund.

The net of the estimated current value of the commitments and the fair value of the managed assets is reported in the balance sheet either as a provision or as a long-term financial receivable. In cases where a surplus in a pension plan cannot be fully utilized, only that portion of the surplus is reported that the company is able to recover through reduction of future fees or bonuses.

For defined-benefit plans, the pension cost and the pension commitment are calculated according to what is called the Projected Unit Credit method. This method distributes the costs for pensions over the period during which employees perform work for the company that increases their entitlement to future compensation. The calculations are performed annually by independent actuaries. The company's commitments are valued at the current value of anticipated payments after application of a discount factor corresponding to the rate for grade A commercial bonds with a maturity corresponding to the commitment in question. The most important actuarial assumptions are described in Note 18.

In establishing the current value of the commitment and the fair value of managed assets, actuarial gains and losses may arise. These occur either because the actual outcome differs from previous assumptions or because the assumptions have changed. That portion of the accumulated actuarial gains and losses at the end of the preceding year that exceeds 10 percent of the current value of the largest commitment and the fair value of the managed assets are reported in the income statement over the employee's average remaining period of employment.

Interest cost reduced by anticipated return on managed assets are classified as a financial cost. Other cost items in pension costs are charged against operating income.

If the pension costs and the pension provisions determined for the Swedish plans in accordance with IAS 19 differ from the corresponding amount according to FAR 4, a cost is reported for special salary tax on the difference in accordance with URA 43.

The accounting principles described above for defined-benefit pension plans are only applied in the consolidated accounts.

Share-related benefits

The Eniro Group offers a share-savings program to all permanent employees in Sweden, Norway and Finland, as well as to senior executives in Poland and Denmark. Through the program, employees are invited to purchase Eniro shares on the Stockholm Stock Exchange through monthly savings. Purchase of savings shares takes place once each quarter for the amount allocated. After a qualifying period of three years following the purchase of savings shares, participants are allocated additional shares, called matching shares, without charge. In addition, senior executives may receive performance-based matching shares for each savings share based on their position and the Group's earnings (cash earnings per share).

The costs for the share savings program are reported in accordance with IFRS 2 Share-related benefits and the statement "URA 46, IFRS 2 and social fees" issued by the Urgent Issues Committee of the Swedish Financial Accounting Standards Council.

This means that the calculated value of the matching shares and the calculated costs for social fees are capitalized over the qualifying period. In estimating the fair value of the matching shares, the share price for purchase of the savings shares is used after deduction of the estimated dividend during the qualifying period. In estimating the fair value of social fees, the most recent share price is used to calculate social fees for all possible matching shares on every closing date.

The 2006 Annual General Meeting approved a share price-related incentive program directed towards the President, Group management and certain key persons. The incentive program means that a maximum of 20 percent of fixed salary is reserved for allotment of what are called synthetic shares. The number of synthetic shares, which corresponds to the amount calculated for each participant, is based on the average paid price of the Eniro share on the five trading days after the record date. After two years, assuming that the participant is employed by Eniro on that date, the holding of synthetic shares and dividends is converted to a cash payment. Accordingly, this does not involve compensation in the form of Eniro shares. Instead the Eniro share can be seen as an index that regulates the amount of the cash compensation. Funds are reserved regularly in a manner similar to other variable compensation. The reserve is based on the current Eniro share price plus social costs.

Taxes

In the consolidated accounts, both current and deferred income taxes are reported.

In reporting income taxes, the balance sheet method is applied in accordance with IAS 12 Income Taxes. According to this method, deferred income tax liabilities and receivables are reported for all temporary differences between carrying amounts and values for tax purposes of assets and liabilities. Additional deferred income tax liabilities are reported when it is considered probable that there will be loss carryforwards that can be used in the future. Deferred income tax liabilities and receivables are estimated on the basis of the anticipated tax rate on the expected date for reversal of the loss carryforward. The effects of changes in prevailing tax rates are booked during the period in which the change is adopted. No deferred taxes are reported on temporary differences relating to shares in subsidiaries.

Leasing agreements

Leasing agreements are reported in accordance with recommendation IAS 17 Leases. Leasing in which a significant portion of the risks and benefits incident to ownership are retained by the leaser are classified as operational leasing. Payments made under the operating leases are charged to the income statement on a straight-line basis over the period of the lease. Currently the Group only has operational leasing agreements.

The Parent Company's accounting principles

The annual report for a legal entity must be prepared according to the Swedish Annual Accounts Act and recommendation RR 32:06 Reporting of legal entities issued by the Swedish Accounting Standards Council. In recommendation RR 32:06, the Council has stated that legal entities whose securities are exchange-listed should apply the same IFRS/IAS rules as applied in the consolidated accounts. There are certain exceptions and amendments to this general rule.

For the Parent Company Eniro AB, the following deviations from IFRS/IAS are applied with the support of RR 32:06:

- IAS 1 Presentation of Financial Statements is not applied in the preparation of the balance sheet and income statement, which are instead prepared in accordance with the Annual Accounts Act.
- IAS 12 Income Taxes is not applied to untaxed reserves, which are reported as gross amounts in the balance sheet. Changes in untaxed reserves are reported in the income statement.
- IAS 17 Leases is not applied for financial leasing. At present, there are no financial leases in the Parent Company.
- IAS 19 Employee Benefits is not applied in the reporting of pension commitments and pension costs, which are instead reported in accordance with FAR's recommendation 4 Reporting of pension liabilities and pension costs. The Parent Company has defined-benefit pension commitments to employees. The Parent Company's future obligation to pay pensions thus has a current value determined for each employee in part by pension level, age and to the degree a full pension has been earned. This current value is calculated on actuarial principles and is based on the salary and pension levels applying on the closing date. Pension commitments are reported as a provision in the balance sheet. The interest portion of the year's pension costs are reported as a financial expense. Other pension costs are charged against operating income.
- IAS 39 Financial Instruments: Recognition and Measurement is not applied with respect to financial guarantee agreements on behalf of subsidiaries and associated companies.

Financial risk management

Financial risks

The Group's common finance policy as established by the Board of Directors is the foundation for financial operations, delegation of responsibility and managing financial risks. The focus for Eniro's risk management is to eliminate financial risks with consideration taken to costs, liquidity and financial position. Responsibility for financing and risk management is centralized in Eniro Treasury.

Eniro is exposed to a number of financial risks, mainly related to market risk (currency risk and interest-rate risk), liquidity risk and financing risk. To a certain extent, Eniro is also exposed to credit risks pertaining to counterparties in derivative transactions, the investment of surplus liquidity and credit risks associated with customer relations.

Currency risk

Apart from Sweden, Eniro conducts business in Norway, Denmark, Finland and Poland. Until the sale of Wer liefert Was? during the third quarter of 2007, Eniro also conducted business in Germany.

The currency risk may be divided into the translation risk and the transaction risk. The translation risk is the risk that the value of the SEK, in terms of net investments in foreign currency, will fluctuate due to exchange-rate changes. The transaction risk pertains to the impact on net profit and cash flow resulting from changes in the value of operating flows in foreign currency due to exchange-rate changes.

According to Eniro's finance policy, decisions pertaining to the hedging of translation risks are made by the Board. In connection with net investments in foreign currency, translation risks must be considered. Eniro mainly has investments in NOK, EUR, PLN and DKK with the largest exposure in NOK. As part of efforts to reduce exposure related to net investments in foreign currency, a portion of borrowing was taken in NOK, EUR and DKK. In total, external loans in foreign currency at December 31, 2007 amounted to NOK 5,000 M, EUR 80 M and DKK 400 M. . If the foreign exchanges rates had been 10 percent higher/lower at the end of 2007 in relation to SEK, the equity would have been SEK 656 M higher/lower. For more details about borrowing, see Note 16 and exposure to shareholders' equity, Note 27.

Transaction risks in each geographic region are limited, because relatively few contracts are denominated in a currency other than that of the particular country's reporting currency. Major purchasing contracts in foreign currency are interest rate-hedged on a case-by-case basis. Of EBITDA in 2007, 51 percent (54 percent) was derived from operations with currencies other than SEK (NOK 40% (40%), EUR 5% (7%), PLN 4% (4%) and DKK 2% (3%)). If the foreign exchanges rates had been 10 percent higher/lower on average in relation to SEK, EBITDA for 2007 would have been higher/lower by SEK 109 M. Result after tax would have been SEK 85 M higher/ lower. The Group's exposure for changes in foreign currency against SEK are monitored and analyzed regularly.

Interest-rate risk

Interest-rate risks pertain to the risk that net profit will be affected by changes in general interest rates. According to Eniro's finance policy, the Company's financial position must be taken into account when selecting interest-rate maturities. The interest rate duration must never exceed four years.

The relatively high debt level entails exposure to interest-rate risk, since borrowing is at floating interest rates. The interest-rate risk is reduced by hedging a portion of future interest payments through interest swaps that convert floating interest to fixed interest. Interest-rate swaps mean that Eniro enters agreements with other parties (credit institutions), usually on a quarterly basis, to exchange the difference between the interest amount according to a fixed interest contract and the floating interest amount. Of the total interest-bearing net debt, NOK 4,250 M and SEK 1,080 M is hedged with swaps, meaning that 57 percent (80) of the outstanding amount according to the loan facility is hedged until maturity.

The interest-rate period at December 31, 2007 was 3.1 years (2.5).

The Group continuously analyzes its exposure to interest-rate risk. Simulations of interest-rate changes are performed regularly. A change of market interest rates of 100 points (1 percentage point) would, in consideration to the current interest swaps, have an positive/negative effect of SEK 46 M on the Group's interest expenses based on current debt at December 31, 2007. The result after tax would have been SEK 33 M higher/lower. An increase of market interest rates of 100 points would increase the market value of interest swaps and equity with SEK 261 M. A decrease of market interest rates of 100 points would decrease the market value of interest swaps and equity with SEK 206 M.

Credit risk

The credit risk pertains to the risk that a counterparty will be unable to fulfill its commitments and thus resulting in a loss for the counterparty. Eniro's counterparties in derivative transactions are exclusively credit institutions with a high official credit rating. Surplus liquidity may only be invested in Swedish government securities, certificates with a rating of (AAA/P1) and with banks with a high official credit rating. At year-end, all surplus liquidity was invested in banks.

Eniro is exposed to the risk of not being paid by its customers. However, the risk of extensive bad debts is limited because Eniro's customer base is extremely large and well differentiated.

Liquidity risk and financing risk

Liquidity risk is the risk that difficulties will arise in fulfilling financial obligations due to a lack of available funds. Financing risk pertains to the risk that external financing will not be available when needed and that the refinancing of maturing loans will be impeded or become costly. Eniro's goal is that 60 percent of available loan facilities will mature later than one year. Eniro also has a stated objective of developing relations with several credit institutions with a high rating. The Board of Directors regularly receives rolling forecasts for the Group's future cash flows that include estimations of cash and cash equivalents and unutilized credit facilities.

The table below shows Eniro's financial liabilities and the net of regulating derivative instruments that constitute financial liabilities broken down by contracted maturity date. The amounts specified are non-discounted cash flows. Amounts falling due within one year correspond to carrying amounts, since the discount effect is insignificant.

Capital structure

Eniro has as its goal to achieve an efficient capital structure that will facilitate long-term development of the company while providing satisfactory returns to shareholders. To adjust the capital structure, the company can change the dividend to the shareholders, repay capital to the shareholders, issue new shares or change borrowing.

The key ratio that company management and external stakeholders primarily assess with respect to capital structure is interest-bearing net debt in relation to operating income (EBITDA). Net debt includes borrowing, the value of derivative instruments, pension obligations reduced by cash and cash equivalents and other interest-bearing assets.

At the end of 2007, interest-bearing net debt in relation to EBITDA was 4.5 and 4.8, excluding capital gains. At the end of 2006, the corresponding figures were 3.9 and 3.9, respectively. The increase in net debt was primarily a consequence of the voluntary redemption program that was implemented in 2007.

Calculation of fair value

Fair value of financial instruments traded on an active market is based on quoted market prices on the closing date or, if this is not a banking day, the immediately preceding date for which market prices were available. The current bid price is used for assets and the current asking price for liabilities.

Fair value of financial instruments that are not traded on an active market is established based on market conditions on the closing date. For the valuation of non-current liabilities, the current market rate for the corresponding maturity period and risk is used. Interest swaps are valued at the current value of anticipated future cash flows.

At December 31, 2006	**Maturing within 1 year**	**Maturing between 1 and 5 years**	**Maturing later than 5 years**	**Total**
Bank loans	1,242	9,877	–	11,119
Derivative instruments	–	–	–	–
Accounts payable and other liabilities	326	–	–	326
	1,568	**9,877**	**–**	**11,445**

At December 31, 2007	**Maturing within 1 year**	**Maturing between 1 and 5 years**	**Maturing later than 5 years**	**Total**
Bank loans	1,165	12,550	–	13,715
Derivative instruments	–	–	–	–
Accounts payable and other liabilities	329	–	–	329
	1,494	**12,550**	**–**	**14,044**

When calculating the amounts in the table above, the assumption was made that the currency rates and the market interest at the end of each period are unchanged.

Significant estimates and assessments for accounting purposes

Estimates and assessments are continuously evaluated and based on historical information and future assessments that are deemed reasonable under the prevailing circumstances.

Sensitivity analysis for certain assumptions in valuation of significant items

In valuing balance-sheet items, assumptions are made that may deviate from the final outcome. Such assumptions that may entail significant risk for the revaluation of important items are discussed below.

Assessment of goodwill

The reported value of goodwill at December 31, 2007 amounted to SEK 12,508 M (12,267). In the impairment testing of goodwill described above, certain assumptions must be made. The recovery value for cash-generating units is determined by calculating the value in use.

If the WACC used for discounted cash flow was 1.1 times higher than management's assessment, an impairment loss relating to the cash-generating unit Norway would need to be recognized in an amount of SEK 574 M (780). For other units, the value in use would still be higher than the reported value.

If the annual future cash flow had been 10 percent lower than management's assessment, an impairment loss relating to the cash-generating unit Norway would need to be recognized in an amount of SEK 288 M (528). For other units, the value in use would still be higher than the reported value.

Assessment of brands

The reported value of brands amounted to SEK 1,298 M (1,008) at December 31, 2007 and corresponded to the value of brands added through acquisitions. The brands in question are Gule Sider, Telefonkatalogen, Ditt Distrikt and Krak. The recovery value for brands is determined by calculating the useful value. Essential information for assessing the value of brands are the cash flow that they generate and their measured recognition. The brands in question are used for both offline and online products.

Significant assessments in application of accounting principles

Revenues

Revenues from directories are booked on publication. Management considers that this is in agreement with a correct interpretation of IAS 18 Revenue. All European competitors apply this principle or close equivalents. Another alternative is to report revenues from printed directories incrementally from the date of publication until publication of the next directory. If the European standard should change in favor of this alternative, either through changes in IAS 18 or an authoritative statement, the change in accounting would result in a significant reduction in consolidated shareholders' equity.

Revenues from the sale of bundled products are distributed between offline and online revenues according to a distribution ratio that reflects the market value of each product. Up to and including 2006, the distribution ratio was based on measurements of commercial use of each product, which is measured continuously through customer surveys. The distribution ratio is adjusted annually. As of 2007, this distribution ratio is based on the value for the advertisers. The value for advertisers is measured continuously through customer surveys in which customers assess the value of use.

Sales of bundled products in Sweden amounted to about SEK 440 M. From January 1 2007. 40 percent of revenues from bundled products have been reported as online revenues, while 60 percent have been reported as offline revenues.

Sales of bundled products in Norway amounted to about NOK 140 M. From January 1 2007, the same distribution method has been introduced in Norway as in Sweden, resulting in a distribution of 70 percent of revenues from bundled products as online revenues, while 30 percent was reported as offline revenues. In Norway 2006, the distribution ratio was 70 percent to offline and 30 percent to online.

There will be no change in the distribution ratio between offline and online revenues from bundled products in 2008. Sales of bundled products in Swedish operations are estimated for 2008 to amount to about SEK 440 M. Some 40 percent of revenues from bundled products will be reported as online revenues, while 60 percent will be reported as offline revenues.

Sales of bundled products in Norway are expected for 2008 to amount to about NOK 140 M. Some 70 percent of revenues from bundled products will be reported as online revenues, while 30 percent will be reported as offline revenues.

Notes

NOTE 1 | SEGMENT INFORMATION

	Sweden		Norway		Finland		Denmark		Poland		Other[1)]		Total	
SEK M	**2007**	**2006**	**2007**	**2006**	**2007**	**2006**	**2007**	**2006**	**2007**	**2006**	**2007**	**2006**	**2007**	**2006**
Operating revenues														
Offline	1,476	1,522	1,010	1,344	285	311	396	346	333	329	–	–	3,500	3,852
Online	751	653	860	675	135	123	174	96	84	66	–	–	2,004	1,613
Voice	607	597	112	102	220	208	–	–	–	–	–	–	939	907
Total external operating revenues	**2,834**	**2,772**	**1,982**	**2,121**	**640**	**642**	**570**	**442**	**417**	**395**	**–**	**–**	**6,443**	**6,372**
Internal operating revenues	–	–	–	–	–	–	–	–	–	–	24	28	–	–
Total operating revenues	**2,834**	**2,772**	**1,982**	**2,121**	**640**	**642**	**570**	**442**	**417**	**395**	**24**	**28**	**6,443**	**6,372**
Operating income	**1,120**	**1,100**	**611**	**604**	**91**	**56**	**13**	**51**	**90**	**83**	**–70**	**–81**	**1,855**	**1,813**
Assets and liabilities														
Goodwill	1,923	1,866	7,996	7,367	1,018	972	651	269	920	826	–	967	12,508	12,267
Other assets	895	1,011	3,780	3,541	283	251	627	288	327	352	47	503	5,959	5,946
Total assets	**2,818**	**2,877**	**11,776**	**10,908**	**1,301**	**1,223**	**1,278**	**557**	**1,247**	**1,178**	**47**	**1,470**	**18,467**	**18,213**
Distributed liabilities	1,090	1,204	1,664	1,577	353	285	369	136	172	157	–	–	3,648	3,359
Undistributed liabilities	–	–	–	–	–	–	–	–	–	–	14,819	14,854	14,819	14,854
Total liabilities	**1,090**	**1,204**	**1,664**	**1,577**	**353**	**285**	**369**	**136**	**172**	**157**	**14,819**	**14,854**	**18,467**	**18,213**
Other information														
Investments	48	49	38	36	19	24	30	16	15	11	0	0	150	136
Depreciation and amortization	51	41	291	320	29	28	25	7	9	8	0	0	405	404
Impairment	6	2	–	1	–	–	–	–	–	–	–	–	6	3

1) The Parent Company's operating revenues are attributable in their entirety to intra-Group services valued at market value. Discontinued operations are included in the comparison figures for balance sheet items.

It was not possible to distribute assets and liabilities to the secondary segment online, voice and offline in a meaningful manner. In operating income are Other revenues included which comprise capital gains from divestments of operations. For 2007 a capital gain of SEK 125 M is included in Norway from the sale of 49.9 percent of SOL and in Finland a capital gain of SEK 15 M from the sale of shares in Finnet Media. For comparable year 2006 is a capital gain in Norway included with SEK 37 M from the sale of DM Huset AS and Tradera Nordic AB.

NOTE 2 | BREAK-DOWN OF OPERATIONAL COSTS

	Group		Parent Company	
SEK M	**2007**	**2006**	**2007**	**2006**
Compensation to employees incl. social security	2,171	2,007	50	61
Paper, printing, binding and distribution	500	554	–	–
Agents, consultants and other non-employed personnel	389	342	27	22
Advertising	151	153	–	–
Depreciation, amortization and impairment	411	407	0	0
Other	1,159	1,156	24	39
Total operational costs	**4,781**	**4,619**	**101**	**122**

Operational costs refer to production cost, sales costs, marketing costs, administration costs and product-development costs.

Depreciation, amortization and impairment by function

	Group		Parent Company	
SEK M	**2007**	**2006**	**2007**	**2006**
Relating to tangible assets				
Production costs	30	33	–	–
Sales costs	16	19	–	–
Marketing costs	5	1	–	–
Administration costs	21	20	0	0
Product development costs	5	1	–	–
Total tangible assets	**77**	**74**	**0**	**0**
Relating to intangible assets				
Production costs	46	39	–	–
Sales costs	19	10	–	–
Marketing costs	242	270	–	–
Administration costs	22	13	–	–
Product development costs	5	1	–	–
Total intangible assets	**334**	**333**	**–**	**–**
Total depreciation, amortization and impairment	**411**	**407**	**0**	**0**

Impairments relating to tangible assets are included in production costs for 2007 in an amount of SEK 0 M (0). Impairments relating to intangible assets are included in marketing costs for 2007 in an amount of SEK 0 M (0) and in production costs in an amount of SEK 6 M (3).

NOTE 3 | DISCONTINUED OPERATIONS

During 2007, the Board of Directors decided to divest the subsidiary Wer Liefert Was? GmbH and during September the sale was completed. The divestment included all operations in the market unit Germany. Operating income for the divested operations is reported as discontinued operations in the group income statement and the comparison year 2006 has been recalculated. The comparison year 2006 also include Eastern Europe and is treated as a disposal group in the accounts . Disposal groups are reported at the lower of the carrying amount and fair value less sales costs.

Income Statement from discontinued operations	**2007**	**2006**
Operating revenues	**270**	**328**
Operating costs		
Production costs	–33	–23
Sales costs	–118	–156
Marketing costs	–35	–54
Administration costs	–35	–49
Product development costs	–15	0
Other income and expenses	7	3
Operating income	**41**	**49**
Net financial items	0	2
Income before tax	**41**	**51**
Income tax	–2	–34
Income from operations	**39**	**17**
Capital gain from sale of discontinued operations	142	52
Income tax on capital gain from sales of discontinued operations	–	–
Income for the year	**181**	**69**

Assets and liabilities in discontinued operations	**2007**	**2006**
Non-current assets	–	–
Current assets	–	–
Total assets	**–**	**–**
Non-current liabilities	–	–
Current liabilities	–	–
Total Liabilities	**–**	**–**

Cash flow from discontinued operations	**2007**	**2006**
Cash flow from operations	63	23
Cash flow from investing activities[1)]	1,055	46
Cash flow from financing activities	–	–
Total cash flow from discontinued operations	**1,118**	**69**

1) Refers to the cash payment received from the sale of operations in WLW less cash and cash equivalents and investments in WLW during 2007. In 2006, the cash payment received for the divestment of the operations in Russia and Belarus is included.

NOTE 4 | EMPLOYEES

Average number of full-time employees	2007 Total	2007 of whom women, %	2006 Total	2006 of whom women, %
Sweden	1,487	67	1,455	68
Norway	1,120	50	1,094	47
Finland	527	73	530	74
Denmark	477	52	372	51
Poland	1,086	58	1,098	60
Germany	–	–	173	26
Other countries	–	–	79	39
Total	**4,697**	**60**	**4,801**	**59**

The number of full-time employees at year-end amounted to 4,650 (4,821).
The average number of full-time employees in the Parent Company was 21 (28) of whom women 10 (13). The proportion of women on the Board of Directors was 30 percent (20) and among Group Management 27 percent (36).

Absence due to illness as a percentage of total ordinary working time[1]:

SEK M	Swedish Group companies 2007	Swedish Group companies 2006	Parent Company 2007	Parent Company 2006
Total absence due to illness	5.9%	6.4%	7.4%	3.7%
Percentage of total absence longer than 60 days	50%	53%	93%	87%
Absence, women	7.0%	7.7%	13.7%	7.5%
Absence, men	3.3%	3.5%	0.2%	0.3%
29 years and under. (total men and women)	5.4%	4.7%	–[2]	–[2]
30–49 years, (total men and women)	4.9%	6.1%	7.3%	4.8%
50 years and older, (total men and women)	9.4%	9.9%	–[2]	–[2]

1) Ordinary working time does not include leave of absence or parental leave. Part-time absence due to illness is included in the figures.
2) Figure omitted because the group is comprised of less than 10 individuals.

NOTE 5 | SALARIES AND OTHER COMPENSATION

SEK M	2007 Salaries and other compensation	2007 Social costs	2006 Salaries and other compensation	2006 Social costs
Parent Company	31	20	41	24
of which pension costs		9		11
Subsidiaries	1,696	425	1,530	412
of which pension costs		125		115
Group total	**1,727**	**445**	**1,571**	**436**
of which pension costs		134		126

Salaries and other compensation by country and between President and Board of Directors and other employees

SEK M	2007 Board of Directors and President	2007 Other employ-ees	2007 Of which variable compensa-tion to the President	2006 Board of Directors and President	2006 Other employ-ees	2006 Of which variable compensa-tion to the President
Parent Company	11	24	2	11	30	2
Sweden, excluding Parent Company	6	527	3	7	496	3
Norway	6	568	2	7	526	3
Finland	2	181	1	3	175	1
Denmark	2	274	0	3	193	0
Poland	3	127	1	3	117	1
Group total	**30**	**1,701**	**9**	**34**	**1,537**	**10**

NOTE 6 | COMPENSATION AND OTHER BENEFITS, BOARD OF DIRECTORS AND SENIOR EXECUTIVES

Principles
Those members of the Board of Directors elected by the Annual General Meeting receive compensation in an amount determined by the Annual General Meeting. Compensation to employee representatives is decided by the Board of Directors. Compensation to the President and other senior executives consists of basic salary, variable compensation, other benefits and pension allocations.

The outcome of variable compensation for 2007 is based on preliminary calculations. Final settlement and any payments will take place during 2008. For both the President and other senior executives in the Parent Company, variable compensation for 2007 is based on a balanced scorecard where revenues and EBITDA determine 70 percent of the outcome, while the remaining 30 percent is determined by the development of market capital, human capital and strategic change projects, all of which are individual targets. For 2007, variable compensation could amount to at most 70 percent of basic salary for the President and 35–70 percent for other senior executives. Of the variable compensation 15-50 percentage points is paid in cash. The remaining variable salary portion (at most 20 percentage points) is converted to synthetic shares. Variable compensation does not carry entitlement to a pension.

Costs for compensation and other benefits relating to 2007 (excluding statutory social security costs)

Board of Directors

SEK 000s	Board fee	Compensation, committee work	Total
Lars Berg (Chairman)	1,000	150	1,150
Per Bystedt	420	75	495
Barbara Donoghue	420	150	570
Gunilla Fransson	420	–	420
Luca Majocchi	420	–	420
Harald Strömme	420	–	420
Bengt Sandin[1]	3	–	3
Magnus Nying[1]	3	–	3
Michél Trevisson[1]	8	–	8
Christina Ohlson[1]	7	–	7
Daniel Hultenius[1]	2	–	2
Ola Leander[1]	11	–	11
Total	**3,134**	**375**	**3,509**

1) Employee representative

CONT. NOTE 6 | COMPENSATION AND OTHER BENEFITS, BOARD OF DIRECTORS AND SENIOR EXECUTIVES

President and other senior executives

SEK 000s	Basic salary incl. vacation benefits	Variable compen-sation 2)	Other benefits 3)	Pension costs	Other compen-sation 4)	Total	No. of savings shares	No. of synthetic shares
President and CEO Tomas Franzén 1)	5,292	1,871	97	1,826	172	9,258	9,592	26,013
Group Management excluding President, Parent Company, 6 persons	7,933	1,958	324	3,031	1,195	14,441	14,628	28,132
Total Parent Company	**13,225**	**3,829**	**421**	**4,857**	**1,367**	**23,699**	**24,220**	**54,145**
Group Management, Subsidiaries, 9 persons	17,160	8,653	641	2,412	193	29,059	15,814	68,040
Total Group Management excluding President, Parent Company and subsidiaries 6)	**25,093**	**10,611**	**965**	**5,443**	**1,388**	**43,500**	**30,442**	**96,172**
Other senior executives, Swedish subsidiaries, 25 persons 5)	24,960	6,559	1,371	6,219	176	39,285		
Other senior executives, Norwegian subsidiaries, 25 persons 5)	26,821	7,726	622	2,231	11	37,411		
Other senior executives, Danish subsidiaries, 7 persons 5)	9,060	3,916	950	792	88	14,806		
Other senior executives, Finnish subsidiaries, 9 persons 5)	12,310	1,341	795	1,952	65	16,463		
Other senior executives, Polish subsidiary, 5 persons 5)	6,436	2,128	494	–	74	9,132		

1) The President Tomas Franzén had a fixed annual basic salary of SEK 5,050,000 (5,000,000) in 2007, also included in the table above is cost for vacation benefits.
2) Refers to variable compensation for the year and adjustment for costs related to synthetic shares allocated i 2005–2006.
3) Relates to the tax value of company cars.
4) Relates to the company's cost for the share-savings program and costs for senior executives employed on a consultant basis.
5) Includes one or several members of Group Management.
6) For 2006 basic salary including vacation benefits amounted to SEK 26,181,000, other benefits to SEK 1,096,000 and other compensation to SEK 922,000.

Variable compensation
Variable compensation to the President and CEO Tomas Franzén for 2007 amounted to SEK 1,871,000 (1,685,000), corresponding to 37 percent (34) of basic salary. Of variable compensation for the year, SEK 1,782,000 was in cash, while SEK 499,000 was in the form of 10,233 synthetic shares and the remainder corresponding to a negative cost of SEK 410,000 related to adjustments for costs for synthetic shares allocated in 2005-2006. For 2005, Tomas Franzén was previously allocated 10,193 synthetic shares and for 2006 Tomas Franzén was previously allocated 5,587synthetic shares. His total holding of synthetic shares is 26,013 at year-end 2007. The variable compensation for Group Managment excluding President amounted to SEK 10,611,000 (10,595,000), corresponding to 42 percent of basic salary. Of variable compensation for the year, SEK 7,932,000 was paid in cash and SEK 3,272,000 in the form of 67,186 synthetic shares, while the remainder corresponding to a negative cost of SEK 592,000 related to adjustments for costs for synthetic shares allocated in 2006. The reported value of synthetic shares allocated to Group Management including President and CEO amounted at year end 2007 to SEK 7 (4) M.

Share-Savings Program
In 2005, Eniro Group employees in Sweden, Norway and Finland, as well as executive management in Poland and Denmark, were invited to participate in a share-savings program through which they may save up to 7.5 percent of gross salary during 2005–2008 to purchase Eniro shares on the Stockholm Stock Exchange. Subject to the conditions that the share savings are held for a period of three years from the purchase date and that the employee remains employed by Eniro, each savings share entitles the holder to 0.5 shares (matching shares). In addition, senior executives are entitled to 2 to 8 performance-based matching shares for each savings share, depending on their position and the development of consolidated result over the three-year period. Since the program started in 2005, 135,989 savings shares were purchased, of which 9,592 by the President and 30,442 by Group Management excluding President. The year's costs for the share-savings program amounted to SEK 902,000 (4,944,000) of which SEK 172,000 (778,000) for the President and SEK 293,000 (922,000) for Group Management excluding President. Saving in the program since the start in 2005 is estimated to result in 170,537 matching shares, of which 24,623 to the President and 36,593 to Group Management excluding President. The reported value of matching shares amounted at year end 2007 to SEK 10 M (19).

Pensions
Pension costs for the President Tomas Franzén amounted to SEK 1,826,000 (1,750,000), corresponding to 35 percent of basic salary. Pension costs for Group Management excluding President amounted to SEK 5,443,000 (6,509,000), corresponding to 22 percent of basic salary. The President and CEO Tomas Franzén has a premium-based pension for which the fee amounts to 35% of basic salary. Other members of Group Management have defined-contribution pensions with fees amounting to at most 35% of basic salary or are subject to the normal ITP plan. All pension benefits are vested, meaning that they are not dependent on future employment. The Parent Company and the Swedish subsidiaries follow the ITP plan. Swedish pension commitments are calculated by PRI, and credit insurance is obtained through FPG, an insurance company that underwrites pension commitments. The Group's employees in other countries are normally covered by country-specific pension plans. Fees for these plans are usually a part of the employee's salary.

Termination and severance pay
The President and CEO Tomas Franzén has a termination period of 12 months plus an additional 12 months' severance pay if employment is terminated by the company. Between the President, as well as between other members of Group Management and the company, there is a mutual notice period of a maximum of 12 months. Certain members of Group Management are entitled to additional severance pay for 6 to 12 months. If the company receives an owner representing at least 75 percent of the shares or if the company is de-listed from the exchange, the President and an additional member of Group management have an option to receive compensation in accordance with termination of employment by the company.

Related-party transactions
Compensation to Group Management and other senior executives is presented above. In other respects, no transactions with related parties occurred during the year.

NOTE 7 | AUDITING FEES

	Group		Parent Company	
SEK M	**2007**	**2006**	**2007**	**2006**
PricewaterhouseCoopers, audit assignments	6	6	2	2
PricewaterhouseCoopers, other assignments	3	2	0	0
Other auditors, audit assignments	0	0	–	–

NOTE 8 | FINANCIAL INCOME AND COST

	Group		Parent Company	
SEK M	**2007**	**2006**	**2007**	**2006**
Income				
Exchange-rate gains on borrowing	6	0	–	–
Exchange-rate gains on intra-Group receivables and liabilities	94	31	10	4
Other financial income	4	3	–	–
External financial interest income	35	26	3	1
Fair value gains on interest swaps -cash flow hedges	46	–	–	–
Internal financial interest income	–	–	42	30
Total	**185**	**60**	**55**	**35**
Cost				
Exchange-rate losses on borrowing	6	0	–	–
Exchange-rate losses on intra-Group receivables and liabilities	52	43	14	21
Other financial cost	3	1	1	–
Interest cost for pension liabilities	10	13	–	–
External financial interest cost	574	540	0	1
Fair value of gains on interest swaps cash flow hedges transfer from equity	–6	–	–	–
Internal financial interest cost	–	–	509	343
Total	**639**	**597**	**524**	**365**
Total net financial items	**–454**	**–537**	**–469**	**–330**

The Parent Company income statement includes exchange-rate differences that are intended as hedges of equity in subsidiaries. Such differences are recognized directly in consolidated equity. This amounted to a net of SEK 9 M (expense: 8).

External financial interest cost have during 2007 decreased due to effects from outstanding interest rate swaps with SEK 26 M. For 2006 the corresponding effect has increased external financial interest cost with SEK 72 M.

NOTE 9 | TAX

The following components are included in tax cost:

SEK M	Group 2007	Group 2006	Parent Company 2007	Parent Company 2006
Current tax cost on income for the year	239	135	–143	–152
Additional tax cost corresponding to interest on tax equalization reserve	8	6	7	6
Adjustments of current tax for prior periods	2	31	1	7
Deferred tax cost relating to utilized loss carry-forward	97	146	–	–
Deferred tax cost relating to temporary differences	50	98	0	1
Deferred tax income relating to temporary differences	–71	–60	–	–
Deferred tax income relating to loss carry-forward	–49	–62	–	–
Adjustments of deferred tax for prior periods	2	–3	–	–
Tax cost recognized	**278**	**291**	**–135**	**–138**
Current tax recognized directly in equity	–	–	341	255
Total tax for the year	**278**	**291**	**206**	**117**

The effective tax rate calculated as total tax in relation to income before tax amounted to 20 percent (24). During the year, previously recognized loss carryforwards were primarily utilized in Norway. In the Parent Company, the tax effect of Group contributions received was recognized directly in shareholders' equity in an amount of SEK 341 M (255).

Relationship between tax cost for the year and tax cost in accordance with prevailing Swedish tax rate

SEK M	Group 2007	Group 2006
Reported income before tax	1,401	1,276
Tax at the domestic rate of 28%	392	357
Tax effect of:		
– operating cost that are not deductible for tax purposes	11	15
– revenues that are not taxable	–117	–88
Previous years' losses for which loss carry-forwards were utilized	–5	–35
Previously unutilized loss carry-forwards now deemed possible to utilize	1	10
Adjustment of tax for prior periods	4	28
Differences between Swedish and foregn tax rates	–9	4
Tax costs recognized in income statement	**278**	**291**

The following components are included in deferred tax assets and deferred tax liabilities

SEK M	Group 2007	Group 2006
Deferred tax assets		
Loss carry-forwards	187	243
Temporary differences deductible for tax purposes		
Tangible assets	30	32
Goodwill and other intangible assets	26	37
Derivatives	6	–
Loans	6	–
Work in progress	0	4
Provisions for pensions	19	18
Other provisions and accrued costs	22	27
Prepaid revenues	7	5
Accounts receivable	21	47
Less deferred tax liabilities offset	–229	–275
Total deferred tax assets	**95**	**138**

SEK M	Group 2007	Group 2006
Deferred tax liabilities		
Taxable temporary differences		
Tangible assets	0	0
Goodwill and other intangible assets	975	919
Derivatives	2	48
Loans	9	110
Work in progress	7	6
Provisions for pensions	22	19
Untaxed reserves	410	400
Less deferred tax assets offset	–229	–275
Total deferred tax liabilities	**1,196**	**1,227**

Changes in deferred tax

SEK M	Group 2007	Group 2006
Net deferred tax liablility recognized on the opening date	**1,089**	**848**
Acquisition of subsidiary	49	10
Change via the income statement	27	162
Recognized in shareholders' equity	–181	201
Less discontinued operation	–38	–
Translation difference	155	–132
Net deferred tax liability recognized on the closing date	**1,101**	**1,089**

Main part of net deferred tax liabilities will be recovered after more than 12 months.

Loss carry-forwards and other future tax deductions without corresponding deferred tax assets

SEK M	Group 2007	Group 2006
Due dates		
During 2008	–	–
During 2009	–	–
During 2010	–	–
During 2011	–	–
Without limitation	1,559	1,530
Total future deductions	**1,559**	**1,530**

Loss carry-forwards which are deemed to not meet the criteria for reporting as receivables amounted to SEK 1,559 M and corresponded to a potential future tax reduction of SEK 436 M (612).

NOTE 10 | TANGIBLE ASSETS

SEK M	Group Land 2007	Land 2006	Buildings 2007	Buildings 2006	Equipment 2007	Equipment 2006	Total 2007	Total 2006	Parent Company Equipment 2007	Parent Company Equipment 2006
Acquisition value on the opening date	**12**	**12**	**62**	**62**	**600**	**655**	**674**	**729**	**1**	**2**
Acquisition of subsidiary	–	–	–	–	20	1	20	1	–	–
Investments during the year	–	–	2	3	45	65	47	68	–	0
Less discontinued operations	–12	–	–54	–	–33	–	–99	–	–	–
Sales and disposals	–	–	–4	–	–47	–92	–51	–92	–	–1
Reclassifications	–	–	–8	–	–12	–	–20	–	–	–
Translation differences for the year	–	–	2	–3	39	–29	41	–32	–	–
Acquisition value on the closing date	**–**	**12**	**–**	**62**	**612**	**600**	**612**	**674**	**1**	**1**
Accumulated depreciation on the opening date	**–**	**–**	**–14**	**–13**	**–362**	**–374**	**–376**	**–387**	**–1**	**–2**
Depreciation for the year	–	–	–2	–2	–75	–74	–77	–76	0	0
Less discontinued operations	–	–	9	–	21	–7	30	–7	–	–
Sales and disposals	–	–	4	–	43	75	47	75	–	1
Reclassifications	–	–	4	–	–1	–	3	–	–	–
Translation differences for the year	–	–	–1	1	–26	18	–27	19	–	–
Accumulated depreciation on the closing date	**–**	**–**	**–**	**–14**	**–400**	**–362**	**–400**	**–376**	**–1**	**–1**
Accumulated impairment on the opening date	**–**	**–**	**–**	**–**	**–39**	**–50**	**–39**	**–50**	**–**	**–**
Sales and disposals	–	–	–	–	–	10	0	10	–	–
Reclassifications	–	–	–	–	0	–	0	–	–	–
Translation differences for the year	–	–	–	–	–1	1	–1	1	–	–
Accumulated impairment on the closing date	**–**	**–**	**–**	**–**	**–40**	**–39**	**–40**	**–39**	**–**	**–**
Residual value on the closing date	**–**	**12**	**–**	**48**	**172**	**199**	**172**	**259**	**0**	**0**
Compensation received from sales of tangible assets	–	–	–	–	4	7	4	7	–	0

No taxation values are reported since all property is located outside Sweden.

NOTE 11 | LEASING CONTRACTS

Contracted leasing fees for operational leasing contacts that cannot be terminated

SEK M	Group 2007	Group 2006
– due within one years	157	142
– due between one and five years	314	286
– due later than five years	139	24

The year's operating expenses include fees for operational leasing contracts in an amount of SEK 170 M (167). Leasing contracts for premises include customary index clauses. In February 2006, a contract was signed between Eniro Sverige Online AB and HP Sverige for the operation of servers, networks, databases and IT applications. The contract also included support and maintenance of office IT environments including a service desk. The contract period is from 2006 to 2012 with an option for both parties to extend the contract for one year. The cost is based on usage and amounted to SEK 75 M annually at the end of 2007. The contract is an operational leasing contract and contracted payments are included in the specification above.

NOTE 12 | INTANGIBLE ASSETS

	Group											
	Goodwill		Brands with indefinite useful life		Other brands		Customer relations		Other intangible assets [1]		Total	
SEK M	**2007**	**2006**	**2007**	**2006**	**2007**	**2006**	**2007**	**2006**	**2007**	**2006**	**2007**	**2006**
Acquisition value on the opening date	**12,267**	**12,879**	**1,088**	**1,167**	**15**	**–**	**2,106**	**2,225**	**469**	**395**	**15,945**	**16,666**
Acquisition of subsidiary	420	58	115	–	2	16	44	36	67	9	648	119
Investments during the year	–	–	–	–	–	–	–	–	103	78	103	78
Less discontinued operations	–1,012	–	–	–	–	–	–	–	–40	–	–1,052	–
Sales and disposals	–	–	–	–	–	–	–	–	–1	–	–1	–
Reclassifications	–	–	–	–	–	–	–	–	43	–	43	–
Translation differences for the year	833	–670	95	–79	1	–1	178	–155	21	–13	1,128	–918
Acquisition value on the closing date	**12,508**	**12,267**	**1,298**	**1,088**	**18**	**15**	**2,328**	**2,106**	**662**	**469**	**16,814**	**15,945**
Accumulated amortization on the opening date	**–**	**–**	**–**	**–**	**–2**	**–**	**–228**	**–18**	**–246**	**–144**	**–476**	**–162**
Amortization for the year	–	–	–	–	–3	–2	–228	–221	–97	–109	–328	–332
Less discontinued operations	–	–	–	–	–	–	–	–	35	–	35	–
Sales and disposals	–	–	–	–	–	–	–	–	1	–	1	–
Reclassifications	–	–	–	–	–	–	–	–	–26	–	–26	–
Translation differences for the year	–	–	–	–	–	0	–26	11	–11	7	–37	18
Accumulated amortization on the closing date	**–**	**–**	**–**	**–**	**–5**	**–2**	**–482**	**–228**	**–344**	**–246**	**–831**	**–476**
Accumulated impairment on the opening date	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–10**	**–7**	**–10**	**–7**
Impairments for the year	–	–	–	–	–	–	–	–	–6	–3	–6	–3
Sales and disposals	–	–	–	–	–	–	–	–	1	–	1	–
Reclassifications	–	–	–	–	–	–	–	–	0	–	0	–
Translation differences for the year	–	–	–	–	–	–	–	–	0	0	0	0
Accumulated impairment on the closing date	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–15**	**–10**	**–15**	**–10**
Residual value on the closing date	**12,508**	**12,267**	**1,298**	**1,088**	**13**	**13**	**1,846**	**1,878**	**303**	**213**	**15,968**	**15,459**

[1] In other intangible assets are the main part of investments during the year externally generated.

Goodwill and other intangible assets with indefinite useful life are reported at value in use. Brands are considered to have indefinite economic life, since they are market-leading and have high recognition. Brands are long established and used both online and offline. There are currently no known legal, contractual or competitive factors limiting their useful life. The brands comprise Gule Sider, Telefonkatalogen and Ditt Distrikt, which was added through the acquisition of Findex in 2005 and Krak which was added through the acqisition of Krak Forlag A/S.

Other brands, customer relations and other intangible assets are amortized over their useful life. The useful life of other brands is 5–10 years. Average remaining useful life for other brands is 5 years. The useful life of customer relations is based on retention rate and amounts to 5–10 years. The average remaining useful life of customer relations amounts to 8 years (9).

In valuing goodwill, future cash flows after tax were estimated over the coming three years. Group management's assessments are based on each unit's operating income with consideration taken to local market conditions. From year 4 onward, growth is assumed to correspond to inflation (2.0–2.5 percent). In valuing brands with indefinite useful life, the method used was "relief from royalty," meaning the current value of a hypothetical royalty payment of 4–5 percent and other assumptions as described below with respect to Norway and Denmark. In valuing customer relations, not only the assumptions described below, but also retention rate was used. Valuation resulted in the following assumptions with the outcome shown below for the most significant units:

Unit	Est. Interest before tax	Annual cash flow growth yrs. 0–3	Margin over carrying amount	Margin for 10% higher est. interest	Margin for 10% lower est interest
Sweden	8.7%	3%	743%	638%	659%
Norway	8.7%	0%	8%	–5%	–3%
Denmark	10.1%	118%	358%	299%	311%
Finland	8.4%	6%	105%	80%	85%
Poland	8.7%	3%	56%	36%	41%

The margin refers to the difference between the value in use and the carrying amount. Differences in the discount rate before tax are due to differences in country-specific interest levels and tax rates. The risk-free interest rate used for calculating the discount factor was 4.3% in all countries except Poland where it amounted to 4.8%.

Goodwill and other intangible assets with indefinite useful life are reported for the following cash-generating units. At December 31, the residual value consisted of the following items:

	Group	
SEK M	**2007**	**2006**
Goodwill		
Sweden	1,923	1,866
Norway	7,996	7,367
Denmark	651	269
Finland	1,018	972
Poland	920	826
Germany	–	967
Total	**12,508**	**12,267**
Brands		
Norway	1,180	1,088
Denmark	118	–
Total	**1,298**	**1,088**
Total intangible assets with indefinite useful life	**13,806**	**13,355**

Goodwill included in recognized residual value for which amortization is deductible for tax purposes.

	Group	
SEK M	**2007**	**2006**
Goodwill		
Sweden	13	–
Denmark	196	153
Finland	995	951
Total	**1,191**	**1,104**

NOTE 13 | ACCOUNT RECEIVABLES AND OTHER RECEIVABLES

SEK M	Group 2007	Group 2006	Parent Company 2007	Parent Company 2006
Accounts receivable, gross	1,220	1,186	–	–
Provisions for customer losses	–154	–144	–	–
Net accounts receivable	**1,066**	**1,042**	**–**	**–**

The accounts receivables with an identified impairment is equal to provisions for customers losses.

Provisions for customer losses

SEK M	Group 2007	Group 2006	Parent Company 2007	Parent Company 2006
Provisions on the opening date	**144**	**174**	**–**	**–**
New provisions	86	120	–	–
Provisions utilized during the year	–61	–115	–	–
Reversed provisions not utilized	–18	–30	–	–
Reclassifications incl. discontinued operations	–8	–	–	–
Effects of exchange-rate changes	11	–5	–	–
Provisions on the closing date	**154**	**144**	**–**	**–**

Customer losses recognized in the income statement as sales costs amounted to SEK 53 M.

Accounts receivable, gross

SEK M	Group 2007	Group 2006	Parent Company 2007	Parent Company 2006
– not due	703	690	–	–
– due less than one month	265	288	–	–
– due 1–3 months	70	66	–	–
– due more than 3 months	182	142	–	–
Total	**1,220**	**1,186**	**–**	**–**

Other non-interest-bearing current assets

SEK M	Group 2007	Group 2006	Parent Company 2007	Parent Company 2006
– not due	109	64	2	1
– due less than one month	0	1	–	–
– due 1–3 months	0	3	–	–
– due more than 3 months	3	0	–	–
Total	**112**	**68**	**2**	**1**

Other interest-bearing current assets

SEK M	Group 2007	Group 2006	Parent Company 2007	Parent Company 2006
– not due	7	8	1	1
– due less than one month	–	–	–	–
– due 1–3 months	–	–	–	–
– due more than 3 months	–	–	–	–
Total	**7**	**8**	**1**	**1**

The maximum exposure to credit risk at the reporting date is the fair value of each category of receivable mentioned above. The Group does not hold any collateral as security.

NOTE 14 | PREPAID COST AND ACCRUED INCOME

SEK M	Group 2007	Group 2006	Parent Company 2007	Parent Company 2006
Prepaid interest cost	1	1	–	–
Other prepaid cost	104	105	1	1
Accrued revenues	108	97	–	–
Accrued interest income	0	0	–	–
Total	**213**	**203**	**1**	**1**

NOTE 15 | CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist primarily of bank balances and smaller current investments in foreign units that are not included in the Group's central chart of accounts. Current investments are classed as financial assets valued at fair value in the income statement.

SEK M	Group 2007	Group 2006	Parent Company 2007	Parent Company 2006
Current investments	0	19	–	–
Cash and bank	605	459	0	0
Total cash and cash equivalents	**605**	**478**	**0**	**0**

NOTE 16 | BORROWING

SEK M	Group 2007	Group 2006	Parent Company 2007	Parent Company 2006
Non-current bank loans	10,143	8,545	–	–
Current bank loans	476	763	–	–
Other interest-bearing current liabilities	6	–	1	–
Total borrowing	**10,625**	**9,308**	**1**	**–**
Interest-bearing loans have the following maturity structure				
during the coming year	482	763	1	–
during the following five years	10,143	8,545	–	–
Total	**10,625**	**9,308**	**1**	**–**
Recognized amounts by currency for borrowing				
EUR	758	905	0	–
NOK	5,938	7,575	–	–
DKK	508	–	–	–
SEK	3,420	828	–	–
Granted, unutilized credit facilities				
due within one year	–	–	–	–
due during following five years	2,286	1,097	–	–
due later than five years	–	–	–	–
Total granted credit facilities	**2,286**	**1,097**	**–**	**–**
Fair value of long-term borrowing	**10,143**	**8,545**	**–**	**–**

The fair value of short-term borrowing is equal to carrying amount, since the loans have variable interest rates that are hedged through interest swaps.

Effective interest rates on the closing date were as follows:	Group 2007	Group 2006	Parent Company 2007	Parent Company 2006
EUR	5.54%	4.47%	–	–
NOK	6.27%	5.59%	–	–
DKK	5.80%	–	–	–
SEK	5.67%	4.60%	–	–

The Group's exposure with respect to borrowing for changes in interest rates and contracted dates for rate negotiations (excluding the effect of interest swaps) is shown below:

At December 31, 2007	6 months or less	6–12 months	12–36 months	More than 36 months	Total
Total borrowing	**10,625**	**–**	**–**	**–**	**10,625**

At December 31, 2006	6 months or less	6–12 months	12–36 months	More than 36 months	Total
Total borrowing	**9,308**	**–**	**–**	**–**	**9,308**

Of the total borrowing at the end of 2007, SEK 10,625 M, an amount corresponding to SEK 6,001 M is hedged to maturity (21 August 2012). The interest hedge is performed with interest swaps (see note 17 Derivative instruments). The portion of borrowing that was not interest-hedged (SEK 4,624 M at year-end 2007) is affected by interest-rate fluctuations. An interest-rate change of 1 percent affects interest expenses by SEK +/– 46 M per year.

Financing

In conjunction with the sale of German operations in WLW, Eniro signed a five-year loan agreement with an existing bank consortium (Danske Bank, DNB NOR, Handelsbanken, Nordea, Royal Bank of Scotland, SEB and Swedbank). The refinancing was implemented in November 2007 with an initial credit facility corresponding to SEK 13,000 M. The agreement replaced Eniro's previous credit facility and was intended to finance ongoing operations, as well as allow a transfer of capital to the shareholders, which took place in December 2007. The loan will be amortized by approximately SEK 475 M per year, but may be amortized prematurely, if the Company so desires. Transaction costs in conjunction with establishment of the credit facility corresponding to SEK 13,000 M amounted to SEK 60 M. Borrowing costs are recognized in the income statement as an interest expense from the date of the loan agreement on August 21,

CONT. NOTE 16 | BORROWING

2007 until the due date on August 21, 2012. The remaining borrowing costs from previous credit facilities were also recognized in the income statement during the same period, since the refinancing is to be considered as an extension of the previous loan agreement. At December 31, 2007, capitalized borrowing costs for bank loans amounted to SEK 131 (99) MSEK.

Interest levels
The loans carry a surcharge over IBOR and will in future follow an interest ladder based on the company's debt level (defined as consolidated net debt in relation to EBITDA) as shown below:

Above 5.00	1.25%
Up to and including 5.00 but above 4.50	1.00%
Up to and including 4.50 but above 4.00	0.80%
Up to and including 4.00 but above 3.50	0.65%
Less than 3.50	0.50%

Interest hedging
The loan is subject to the condition that Eniro AB will hedge 45 percent of the interest payments until the due date for the outstanding loan amount. The hedging requirement ceases and other restrictions in the borrowing agreement are eased when the Company's net debt falls below 3.5 in relation to EBITDA.

Guarantees and collateral
The borrowing agreement is guaranteed by Eniro AB (publ), Eniro Sverige Online AB, Eniro Gula Sidorna AB, Eniro 118 118 AB, Eniro Treasury AB, Eniro Norway AB, Eniro Holding AB, Oy Eniro Finland Ab, Eniro Polska Sp. Z o.o., Eniro Holding AS, Eniro Danmark A/S, Findexa Luxemburg Sarl and Eniro Norge AS. The above subsidiaries are parties to the borrowing agreement in the capacity of obligors. As collateral for the loan, the Company has pledged shares in several operating subsidiaries according to the above, as well as other collateral comprising internal Group loans. See note 21 Commitments and contingent liabilities.

Covenants
The borrowing agreement contains the normal restrictions and conditions on financial covenants, such as
– Consolidated net debt in relation to consolidated EBITDA
– Consolidated EBITDA in relation to interest payments
– Consolidated cash flow to consolidated interest and amortization

plus restrictions and limitations regarding further borrowing, guarantee commitments and pledges, significant changes in operations and acquisitions and divestments.

Termination/grounds for termination
The Company is free to terminate the borrowing agreement. In other respects, the agreement contains the normal grounds for termination falling under events of default.

NOTE 17 | DERIVATIVE INSTRUMENTS

	Group			
	2007		2006	
SEK M	Assets	Liabilities	Assets	Liabilities
Interest swaps – cash-flow hedges	6	23	172	–
Currency swaps – cash-flow hedges	0	–	0	–
Total	**6**	**23**	**172**	**–**
Less long-term portion	6	23	172	–
Total long-term derivative instruments	**6**	**23**	**172**	**–**
Short-term portion	–	–	–	–

Interest rate swap contracts
The swap contracts entered entail a swap of floating interest rates for fixed rates. The nominal loan amount for swaps at December 31, 2007 was NOK 4,250 M and SEK 1,080 M. At December 31, 2006 the corresponding amounts were NOK 6,077 M and EUR 100 M. At December 31, 2007 the fixed interest rates varied from 4.57 to 5.49 percent(3.12 to 4.59), while the floating rates were based on three-month IBOR rates.

In conjunction with the refinancing that took place in 2007 (see note 16 Borrowing), the existing interest swaps with nominal amounts of NOK 5,555 M and EUR 100 M were terminated. The realised result of SEK 46 M, on the part of the nominal amount that no longer corresponded to borrowing, was reported in the income statement under the item Financial income. The remaining part of the realised result of SEK 143 M will be transferred from equity (hedging reserve) to the income statement as a reduction of interest costs during the maturity of the borrowing before the refinancing (27 September 2009). Other parts of the hedging reserve will be transferred to the income statement during the maturity for the existing loan agreement (21 August, 2012).

There is no ineffective part of the interest swaps during 2006 and 2007.

Currency rate swap contracts
Currency rate swap contracts are sometimes used to hedge need for short term loans alternatively surplus liquidity in the group. Nominal amounts for outstanding currency swaps at December 31, 2007 were DKK 20 M. Market value was SEK 0 M.

NOTE 18 | RETIREMENT-BENEFIT OBLIGATIONS

The amounts reported in the consolidated balance sheet were calculated as follows:

	Group		Parent Company	
SEK M	2007	2006	2007	2006
Current value of funded commitments	747	636		
Fair value of managed assets	–386	–389		
	361	**247**		
Current value of unfunded obligations	60	204	12	11
Special salary tax included in reported net debt	–2	1	2	1
Unreported actuarial losses	–162	–118	–	–
Net debt in balance sheet reported as retirement-benefit obligations	**257**	**334**	**14**	**12**

The year's unrealized actuarial losses were distributed as follows:

	2007	2006
Effects of experience-based adjustments		
ITP plan	–32	–15
Managed assets	–15	3
ERB plan	6	–1
Total effect of experience-based adjustments	**–41**	**–13**
Effect of changes assumptions		
ITP plan	–4	–62
Managed assets	–	0
ERB plan	1	–8
Total effect of changes assumptions	**–3**	**–70**
Total unrealized actuarial losses	**–44**	**–83**

Changes during the year, defined-benefit pension plans

	Group		Parent Company	
SEK M	2007	2006	2007	2006
Net debt on the opening date	**334**	**365**	**12**	**10**
Net costs reported in income statement	24	–2	2	2
Obligations assumed through company acquisitions	–	14	–	–
Less discontinued operations	–2	–	–	–
Pension payments	–25	–41	–	–
Settlements	–30	–	–	–
Curtailments	–43	–	–	–
Translation difference for the year	–1	–2	–	–
Net debt on the closing date [1]	**257**	**334**	**14**	**12**

[1] Pension provisions include provisions in Eniro 118 118 for early retirement pensions in accordance with collective agreements for negotiated pension entitlements (ERB Plan) from the ages of 55, 60 and 63 for certain personnel categories. The ERB Plan is a pension plan that includes certain Eniro employees who were employed by Televerket (now TeliaSonera) prior to incorporation in 1991. According to the agreement, compensation will be partially paid by the former owner TeliaSonera. On December 31, 2007, the corresponding claim amounted to SEK 90 M (106). Pension liabilities primarily relate to employees in Sweden (82%) of whom nearly all are covered by defined-benefit pension plans. The retirement obligations also concern Norway and Finland. Eniro 118 118 has made provisions to a pension fund, while other commitments are guaranteed through insurance with FPG. Retirement benefit obligations are calculated annually on the opening date applying actuarial principles according to the Projected Unit Credit Method.

The Parent Company's pension obligations consist of the capital value of pension obligations according to Swedish regulations. See FAR's recommendation 4.

Specification of costs for defined-benefit pension plans

	Group		Parent Company	
SEK M	2007	2006	2007	2006
Costs relating to employment during current year	32	43	0	1
Interest cost	28	28	0	0
Expected return on managed assets	–18	–22	–	–
Actuarial net gains/losses reported during the year	3	–42	–	–
Costs relating to employment during previous years	–30	14	–	–
Total costs for retirement benefit obligations	**15**	**21**	**0**	**1**
Management costs	0	1	0	0
Total costs for defined-benefit pension plans	**15**	**22**	**0**	**1**

The following assumptions were made in Sweden: discount factor 4.3 percent, (4.0), salary increases 2.8 percent (2.8), inflation 2.0 percent (2.0), increase in income base amount 2.8 percent (2.8), expected return from pension fund 5.1 percent (5.1). Internal data were used for attrition rates, while remaining employment time was calculated individually by the PRI pension service and mortality was estimated according the Swedish Financial Supervisory Authority's guidelines. A 65-year old man is expected to live until the age of 86, while a 65-year old woman is expected to live until 88. Actual return on managed assets in the Swedish pension fund amounted to SEK 5 M (16),

CONT. NOTE 18 | RETIREMENT-BENEFIT OBLIGATIONS

equivalent to 2,4 percent (7.8) and average return for the last five years was 6.4 percent per year. The share portion can vary from 0 to 40 percent and the expected return on total assets is 5,1 percent. At December 31, 2007, the fund portfolio consisted of 57 percent Swedish fixed-income securities, 16 percent Swedish shares, 7 percent global shares and 20 percent alternative investments (funds). For the fixed-income portfolio, the average maturity period was 2.38 years, and the average coupon interest was 4.69 percent.

The following assumptions were made in Norway: discount factor 4.7 percent (4.35), salary increases 4.5 percent (4.5), inflation 2.25 percent (2.25), increase in income base amount 4.25 percent (4.25), expected return from pension fund 5.7 percent (5.4). Internal data were used for attrition rates. Return on other Norwegian pension-related receivables was 2.1 percent (5.1).

Total pension costs

	Group		Parent Company	
SEK M	**2007**	**2006**	**2007**	**2006**
Costs for defined-benefit plans	15	22	0	1
Costs for defined-contribution plans	112	99	7	8
Costs for special payroll tax and tax on returns	17	18	2	2
Cost reported as interest expense	–10	–13	–	–
Cost reported in operating income	**134**	**126**	**9**	**11**

The pension cost reported in the income statement is distributed by function as follows: production SEK 32 M (40), sales SEK 61 M (71), marketing SEK 5 M (12), administration SEK 30 M (–10) and other SEK 6 (13).

NOTE 19 | OTHER PROVISIONS

Long-term provisions

	Group		Parent Company	
SEK M	**2007**	**2006**	**2007**	**2006**
Provisions on the opening date	**40**	**43**	**–**	**–**
New provisions	1	3	–	–
Provisions utilized during the year	–1	–1	–	–
Reversal of unutilized provisions	–32	–	–	–
Effects of changed exchange rates	1	–	–	–
Reclassifications	–	–5	–	–
Provisions on the closing date	**9**	**40**	**–**	**–**

Short-term provisions

	Group		Parent Company	
SEK M	**2007**	**2006**	**2007**	**2006**
Provisions on the opening date	**21**	**24**	**0**	**0**
New provisions	6	11	–	–
Provisions utilized during the year	0	–7	–	–
Reversal of unutilized provisions	–	–7	–	–
Effects of changed exchange rates	1	0	–	–
Reclassifications	–2	0	–	–
Provisions on the closing date	**26**	**21**	**0**	**0**

Provisions at December 31, 2007 related to provisions for restructuring, disputed coupon tax and current legal disputes.

NOTE 20 | ACCRUED EXPENSES AND PREPAID REVENUES

	Group		Parent Company	
SEK M	**2007**	**2006**	**2007**	**2006**
Accrued personnel-related costs	281	217	19	21
Accrued interest cost	8	4	4	2
Other accrued cost	153	188	5	4
Prepaid online revenues	849	783	–	–
Total	**1,291**	**1,192**	**28**	**27**

NOTE 21 | COMMITMENTS AND CONTINGENT LIABILITIES

	Group		Parent Company	
SEK M	**2007**	**2006**	**2007**	**2006**
Guarantees	–	–	–	–
Sureties and contingent liabilities relating to subsidiaries	–	–	62	68
Sureties for loans	–	–	10,749	9,359
Pledged shares in subsidiaries	9,076	8,131	–	–
Guarantee provisions FPG/PRI	9	8	0	0
Tax disputes	42	42	21	21
Total	**9,127**	**8,181**	**10,832**	**9,448**

Internal receivables and shares in subsidiaries have been pledged as collateral for Eniro Treasury's external loans. Alternatively, subsidiaries and Parent company have also provided sureties for Eniro Treasury's liabilities. See also Note 16 Borrowing. Tax disputes equals to maximum amount claimed by the Tax Authority.

NOTE 22 | SHARES AND PARTICIPATIONS IN GROUP COMPANIES

Shares and participations owned directly or indirectly by the Parent Company

Name	Corporate registration no.	Registered office	No. of shares	Capital share, %	Book value at Dec. 31, 2007 SEK M	Book value at Dec. 31, 2006 SEK M
TIM Varumärke AB	556580-8515	Stockholm	1,000	100	0	0
TIMI Nederlands BV	33.25.87.44	Amsterdam	50	100		
Eniro Danmark A/S	18 93 69 84	Copenhagen	24,000	100	939	407
Kraks Forlag A/S	10629241	Copenhagen	11,000	100		
Respons Group AB	556639-2196	Stockholm	1,000	100	752	752
Respons Holding AB	556570-6115	Stockholm	1,050,915	100		
Eniro 118 118 AB	556476-5294	Stockholm	75,000	100		
Eniro International AB	556429-6670	Stockholm	1,000	100	23	23
Budapest Projekt 92 KFT	01-09-362834	Budapest		100		
Magyar Herold Business Data KFT	01-09-164362	Budapest		100		
TeleMedia International BV	33.25.94.60	Amsterdam	40	100		
Eniro Sverige Online AB	556445-1846	Stockholm	500,000	100	1,494	1,494
Eniro Gula Sidorna AB	556445-6894	Stockholm	100	100		
Eniro Gula Sidorna Försäljning AB	556580-1965	Stockholm	1,000	100		
Din Del AB	556053-2409	Stockholm	200,000	100	6	6
Kataloger i Norr AB	556570-3707	Skellefteå	1,000	100		
Guiden i Västerbotten AB	556714-3440	Skellefteå	100	100		
Fastcheck AB	556723-6541	Gothenburg	51,000	51		
Park One AB	556611-7494	Stockholm	100	100		
Lunchguider AB	556735-4245	Skellefteå	100	100		
Din Del Försäljning AB	556572-1502	Stockholm	1,000	100	1	1
Leta Information AB	556591-3596	Stockholm	1,000	100	48	
Eniro Treasury AB	556688-5637	Stockholm	1,000	100	8,377	8,377
Eniro Holding AB	556688-5645	Stockholm	1,000	100		
Findexa Luxembourg Sarl	B-100.546	Luxembourg	343,848	100		
Eniro Norway AB	556688-5652	Stockholm	1,000	100		
Eniro Holding AS	986656022	Oslo	1,100,000	100		
Agendas Telefonicas Fxa España Holding S.A	A-92-101914	Malaga	24,700	100		
Din Pris AS	870987242	Oslo	106	100		
Eniro Norge AS	963815751	Oslo	55,206	100		
1880 Nummeropplysning AS	976491351	Kristiansand	1,020	100		
Kartforlaget AS	984604513	Oslo	100	100		
Grenseguiden AS	988437549	Oslo	100	100		
Kvalex AS	980253341	Oslo	100	100		
1880 Gule Sider AS	986493492	Oslo	100,000	100		
Telefonkatalog AS	988437565	Oslo	100	100		
1880 Telefonkatalogen AS	988437506	Kristiansand	100	100		
Telefonkatalogen 1880 AS	988437476	Oslo	100	100		
Rosa Sider AS	988437581	Oslo	100	100		
Hvite Sider AS	988437417	Oslo	100	100		
Din Bydel AS	888437452	Oslo	100	100		
Findexa Forlag AS (prev. Økonomisk Lit.)	987529547	Oslo	100	100		
Bedriftkatalogen Bizkit AS	985822883	Oslo	100	100		
Gule Sider AS	968306782	Oslo	100	100		
Telefonkatalogens Gule Sider AS	968306405	Oslo	100	100		
Bedriftskatalogen AS	979763379	Oslo	100	100		
Lokalveiviseren Informasjonsforlaget AS	979915314	Oslo	100	100		
Gule Sider Internett AS	980287432	Oslo	100	100		
Proff AS	989531174	Oslo	100	100		
BizKit AS	982175968	Oslo	100	100		
Ditt Distrikt AS	883878752	Oslo	100	100		
Atlantic Förlag AS	982186749	Oslo	16,000,000	100		
Filmmagasinet AS	988654558	Oslo	201,018	100		
Scandinavia Online AB	556551-9989	Stockholm	100,000	100	0	0
Netbonus Norge AS	981211391	Oslo	100,000	100		
Oy Eniro Finland Ab	0100130-4	Esboo	60,000	100	359	331
EDS Media Oy	1634986-4	Helsinki	500,000	100		
Suomi24 Oy	2154432-2	Esboo	2,500	100		
Eniro Deutschland GmbH	HRB 77757	Hamburg	1	100	430	430
Wer Liefert Was? GmbH (Sold 2007)	HRB 44606	Hamburg	2	100	–	85
Eniro Windhager GmbH	HRB 22085	Stuttgart	1	100		
Eniro Polska Sp.z.o.o	RH B 31000	Warsaw	1,035,209	100	1,046	1,124
Total					**13,475**	**13,030**

CONT. NOTE 22 | SHARES AND PARTICIPATIONS IN GROUP COMPANIES

The following companies and operations were acquired or established during 2007

Company / operation	Date	Capital share, %
Kraks Forlag AS	07-06-30	100
Guiden i Västerbotten AB	07-01-22	100
Fastcheck AB	07-07-01	51
Lunchguiden AB	07-10-23	100
Park One AB	07-12-07	100
Suomi24 Oy	07-12-15	100
Filmmagasinet AS	07-07-01	100
Atlantic Förlag AS	07-04-01	100
Leta Information AB	07-01-23	100

The following companies were divested during 2007

Company / operation	Corp. reg. no.	Registered office
Wer Liefert Was? GmbH	HRB 44606	Hamburg
WLW Vermögensverwaltungs GmbH	HRB 5850	Hamburg
Wer liefert was? GmbH Switzerland	CH 170.4.001.503-4	Baar
Wer liefert was? GmbH Austria	108453	Klosterneuburg
Wer liefert was? Spol. S.r.o. Czech Republic	62584669	Prag
Wer liefert was? D.o.o Slovenia	Srg 98/01016	Celie
Wer liefert was? D.o.o Croatia	80282955	Zagreb
Gula Tidningen AB[1]	556470-0101	Stockholm
Lila Tidningen i Skåne AB[1]	556488-5191	Stockholm
Gula Tidningen Trader AB[1]	556555-7153	Stockholm
Gula Interactive Trader AB[1]	556573-4018	Stockholm

[1] Divestment of dormant companies sold to equity value.

More information regarding transactions for divested operations see note 3 Discontinued Operations.

Changes during the year

	Parent Company
Shares in subsidiaries at Dec. 31, 2007	**13,030**
Reduction of shareholders' equity in Eniro Polska Sp.z.o.o.	–78
Sale of Wer Liefert Was? GmbH	–85
Acquisition of Leta Information AB	48
Capital contributions to:	
– Eniro Danmark A/S	532
– Eniro Finland Oy	28
Shares in subsidiaries at Dec. 31, 2007	**13,475**

The following companies were merged or liquidated during 2007

Company / operation	Corp. reg. no.	Registered office
Plan B förlag AS	989439448	Oslo
Editorium AS	985126887	Oslo
Findexa Forlag AS	988271608	Oslo
Index Publishing AS	976553225	Oslo
Rosa Index AS	983789579	Oslo
Esenza Werbeagentur, GmbH	HRB 21868	Stuttgart

NOTE 23 | SHARES AND PARTICIPATIONS IN ASSOCIATED COMPANIES

Shares and participations in associated companies at December 31, 2007

The following companies and operations were purchased during 2007

Company / operation	Corporate registration no.	Registered office	No. of shares	Capital share, %	Acquisition date
Netclips AB	556688-6080	Danderyd	650	48.1	07-02-20

Holding in associated companies

	Group		Parent Company	
SEK M	**2007**	**2006**	**2007**	**2006**
Acquisition value on the opening date	**–**	**7**	**–**	**–**
Increase due to acquisition	10	–	10	–
Share of profit	0	–	–	–
Divestment	–	–7	–	–
Acquisition value on the closing date	**10**	**–**	**10**	**–**

Netclips AB owns the video community bubblare.se and had from acquisition date an operating revenue of SEK 3 M and net income of SEK 0 M. At year end December 31, 2007, the current assets were SEK 6 M, current liabilities SEK 0 M and equity SEK 6 M.

NOTE 24 | SHARES AND PARTICIPATIONS IN JOINT VENTURES

Shares and participations in joint ventures at December 31, 2007

Company / operation	Corporate registration no.	Registered office	No. of shares	Capital share, %	Acquisition date
Scandinavia Online AS	988 875 740	Oslo	1 093 739	50.1	07-01-01

Eniro has from January 1, 2007, a jointly owned subsidiary with Norsk Aller AS with Eniro holding 50.1 percent of the company while Aller holding 49.9 percent of the newly established company Scandinavia Online AS (SOL). SOL is an internet portal in Norway, sol.no. Eniro consolidate joint ventures in accordance with the proportional method. Accordingly Eniro´s share of the jointly owned company is added to the corresponding item in Eniro´s consolidated accounts.

Income from joint ventues	2007	2006
Operating revenues	35	–
Operating expenses	–31	–
Net income	**4**	**–**

Assets and liabilities in joint ventures	2007	2006
Non-current assets	4	–
Current assets	80	–
Total assets	**84**	**–**
Non-current liabilities	0	–
Current liabilities	8	–
Total liabilities	**8**	**–**
Net assets	**76**	**–**

NOTE 25 | FINANCIAL INSTRUMENTS BY CATEGORY

Group	Loans and receivables	Assets at fair value through the income statement	Derivatives used for hedging	Available for sale	Total
December 31, 2007					
Assets as per balance sheet					
Derivative financial instruments	–	–	6	–	6
Accounts receivable and other receivables	1,185	6	–	–	1,191
Cash and cash equivalents	605	–	–	–	605
Total	**1,790**	**6**	**6**	**–**	**1,802**

	Liabilities at fair value through the income statement	Derivatives used for hedging	Other financial liabilities	Total
Liabilities as per balance sheet				
Borrowing	–	–	10,625	10,625
Derivative instruments	–	23	–	23
Accounts payable	–	–	329	329
Total	**–**	**23**	**10,954**	**10,977**

Group	Loans and receivables	Assets at fair value through the income statement	Derivatives used for hedging	Available for sale	Total
December 31, 2006					
Assets as per balance sheet					
Derivative financial instruments	–	–	172	–	172
Accounts receivable and other receivables	1,118	5	–	106	1,229
Cash and cash equivalents	478	–	–	–	478
Total	**1,596**	**5**	**172**	**106**	**1,879**

	Liabilities at fair value through the income statement	Derivatives used for hedging	Other financial liabilities	Total
Liabilities as per balance sheet				
Borrowing	–	–	9,308	9,308
Derivative instruments	–	–	–	–
Accounts payable	–	–	326	326
Total	**–**	**–**	**9,634**	**9,634**

NOTE 26 | ACQUIRED OPERATIONS

In June 2007, Eniro Danmark A/S acquired 100% of the shares in Krak Forlag A/S (Krak), which is the leading local search service measured in the number of users and Yellow Page searches. The company was consolidated in the Eniro Group as of 30 June, 2007. The purchase price amounted to SEK 474 M of which SEK 424 M was paid in cash. Other acquisitions mainly concern the acquisition of 100 percent of the shares in Leta Information AB in January 2007 with a purchase price of approximately SEK 48 M and the acquisition of 48,1 percent of the shares in Netclips AB in February 2007 for approximately SEK 10 M. The purchase price for the two acquisitions was paid in cash on the acquisition date.

In July 2007, Din Del AB acquired 51 percent of the shares in Fastcheck AB with an option to acquire the remaining 49 percent of the shares. The purchase price amounted to SEK 7 M of which SEK 5 M was estimated variable purchase price. The variable purchase price is based on revenues and results the following two years.

Other acquisitions with a purchase price of SEK 10 M have been included under one heading as the relative amounts for each of the acquisitions are considered not to be material. Payments regarding previous years´ acquisitions concern payments for acquisition made in 2006 and the acquisitions of Din Pris AS, WebDir, Kataloger i Norr AB, Thisted and Favrskov.

Above acquisitions are included in the consolidated accounts from acquisition date with SEK 144 M in Operating Revenues and SEK 15 M in EBITDA. If all acquisitions had taken place January 1, consolidated Operating Revenues would have increased with SEK 177 M and EBITDA decrease with SEK 12 M.

The acquisition analysis below presents a valuation of the acquired net assets and goodwill.

Assets and liabilities

Identifiable assets and liabilities	Acquired carrying amount, Krak	Fair value, Krak	Acquired carrying amount, other acquisitions	Fair value, other acquisitions	Total acquired carrying amount	Total fair value
Tangible assets	20	20	0	0	20	20
Intangible assets						
Brands with indefinite life	–	115	–	–	–	115
Brands, other	–	–	–	2	–	2
Customer relations	0	40	0	4	0	44
Other intangible assets	13	47	19	20	32	67
Financial assets	49	49	2	12	51	61
Total non-current assets	**82**	**271**	**22**	**38**	**104**	**309**
Non-interest bearing current assets	56	57	9	9	65	66
Total assets in acquired operations	**138**	**328**	**31**	**47**	**169**	**375**
Deferred income tax liabilities	0	47	0	2	0	49
Total non-current liabilities	**0**	**47**	**0**	**2**	**0**	**49**
Current liabilities	167	167	14	16	181	183
Total liabilities attributable to acquired operations	**167**	**214**	**14**	**18**	**181**	**232**
Acquired identifiable net assets		114		30		144
Minority interests				–15		–15
Goodwill on acquisition date		360		60		420
Purchase price		**474**		**75**		**549**

CONT. NOTE 26 | ACQUIRED OPERATIONS

SEK M	Group Krak	Other acquisi-tions	2007 Total	2006 Total
Purchase price	472	69	541	103
– direct costs in relation to the acquisition	2	6	8	2
Purchase price including acquisition costs	**474**	**75**	**549**	**105**
– Less amount not yet paid	–50	–8	–58	–24
– Less cash and cash equivalents at acquisition date	–6	–3	–9	0
Total	**418**	**64**	**482**	**81**
Payments relating to previous years' acquisitions	–	20	20	57
Total net payments in relation to the acquisitions	**418**	**84**	**502**	**138**

Identifiable brands refers to Krak which has been established for a long time and has high recognition. The Krak brand is considered to have an indefinite useful lifetime. Customer relations and other intangible assets are considered to have a useful life of five years. Goodwill is primarily attributable to planned synergies that will arise when Krak is included in the Eniro Group.

NOTE 27 | SHAREHOLDERS' EQUITY

Currency exposure
The total currency exposure related to investments in foreign subsidiaries amounted to SEK 6,561 M (3,862) with the following distribution.

Millions in respective currency	2007	2006
Euro (EUR)	17	26
Danish kroner (DKK)	368	318
Norwegian kroner (NOK)	4,094	2,032
Polish zloty (PLN)	409	432

Average number of shares
On January 1, 2007, the number of shares was 182,102,392, of which 999,860 were held by the Company, thus totaling 181,102,532 after reduction for repurchases. During the year, premature termination of the share-savings program for employees whose employment ended, resulted in a reduction of treasury shares by 3,433 shares, which were transferred to the employee from the company's deposit account. At December 31, 2007, the number of shares was 162,271,368, of which 996,427 were treasury shares, thus totaling 161,274,941 after reduction for repurchases. The booked value of treasury shares was per December 31, 2007, SEK 76 M (76).The treasury shares are intended for use in the share-savings program. See also Note 6.

Average number of shares after deduction of treasury shares

(number of shares)	
Number of shares reduced by treasury shares at January 1	**181,102,532**
effect of premature matching in share-saving program, January 1 25 shares	25
effect of premature matching in share-saving program, January 31 2 shares	2
effect of premature matching in share-saving program, May 31 7 shares	4
effect of premature matching in share-saving program, August 9 20 shares	8
effect of premature matching in share-saving program, September 24 349 shares	87
effect of premature matching in share-saving program, October 31 3,030 shares	569
effect of share redemption, December 3 19,831,024 shares	–1,521,284
Average number of shares in 2007 after deduction of treasury shares	**179,581,944**

During the year, employees purchased a total of 46,976 shares within the framework of the share-savings program.

Since the start of the program in 2005, employees employed at December 31, 2007 purchased a total of 135,989 shares, which are expected to result in a dilution of 170,537 shares.

Share capital

Parent Company
At December 31, 2007, the quotient value of the Eniro share was 1.14 SEK. The proposed dividend is 5.20 (4.40) per share or a total of SEK 839 M (797).

SEK M	No. of shares (000s) Regist-ered	Of which repur-chased	SEK M Regist-ered	Of which repur-chased
At January 1, 2006	**182,102**	**1,000**	**182**	**1**
Share-saving program	–	0	–	0
At December 31, 2006	**182,102**	**1,000**	**182**	**1**
At January 1, 2007	**182,102**	**1,000**	**182**	**1**
Share-saving program	–	–3	–	0
Redemption of shares	–19,831	–	–20	–
Bonus issue	–	–	23	–
At December 31, 2007	**162,271**	**996**	**185**	**1**

Reserves

Changes in other reserves consist of the following items

Group	Hedging reserve	Translation reserve	Total
Opening balance at January 1, 2006	**–49**	**–72**	**–121**
Cash-flow hedges:			
Valuation of interest swaps at fair value	238	–	238
Tax on fair value	–66	–	–66
Hedging of net investments:			
Valuation of borrowing	–	624	624
Tax on value of borrowing	–	–96	–96
Translation of foreign subsidiaries	–	–875	–875
Closing balance at December 31, 2006	**123**	**–419**	**–296**
Opening balance at January 1, 2007	**123**	**–419**	**–296**
Cash-flow hedges:			
Valuation of interest swaps at fair value	0	–	0
Tax on fair value	0	–	0
Transfer to income statement included in financial income and cost	–52	–	–52
Tax on transfer to Income Statement	15	–	15
Hedging of net investments:			
Valuation of borrowing	–	–683	–683
Tax on value of borrowing	–	191	191
Transfer to income statement included in discontinued operations	–	16	16
Tax on transfer to Income Statement	–	–4	–4
Translation of foreign subsidiaries	–	948	948
Sale of foreign subsidiaries	–	–41	–41
Closing balance at December 31, 2007	**85**	**8**	**93**

Certification by the Board of Directors and the President

The Board of Directors and the President declare that the annual accounts have been prepared in accordance with generally accepted accounting principles in Sweden and give a fair view of the company's financial position and the results of its operations and that the administration report gives a fair review of the development and performance of the business, the position and the result of the company together with a description of the principal risks and uncertainties that the company faces. Furthermore, it is declared that the consolidated annual accounts have been prepared in accordance with 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 give a fair view of the group's financial position and the results of its operations and that the consolidated administration report gives a fair review of the development and performance of the business, the position and the result of the group together with a description of the principal risks and uncertainties that the group faces.

Stockholm, March 13, 2008

Eniro AB (publ)

Lars Berg
Chairman of the Board of Directors

Tomas Franzén
Member of the Board
President and CEO

Per Bystedt
Member of the Board

Barbara Donoghue
Member of the Board

Gunilla Fransson
Member of the Board

Luca Majocchi
Member of the Board

Harald Stromme
Member of the Board

Bengt Sandin
Member of the Board

Magnus Nying
Member of the Board

Ola Leander
Member of the Board

Audit report

To the annual meeting of the shareholders of Eniro AB

Corporate identity number 556588-0936

We have audited the annual accounts, the consolidated accounts, the accounting records and the administration of the board of directors and the President of Eniro AB for the year 2007. The company's annual accounts and the consolidated accounts are included in the printed version on pages 42–79. The board of directors and the President are responsible for these accounts and the administration of the company, as well as for the application of the Annual Accounts Act when preparing the annual accounts and the application of international financial reporting standards IFRSs as adopted by the EU and the Annual Accounts Act when preparing the consolidated accounts. Our responsibility is to express an opinion on the annual accounts, the consolidated accounts and the administration based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Sweden. Those standards require that we plan and perform the audit to obtain reasonable assurance that the annual accounts and the consolidated accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and their application by the board of directors and the President and significant estimates made by the board of directors and the President when preparing the annual accounts and consolidated accounts as well as evaluating the overall presentation of information in the annual accounts and the consolidated accounts. As a basis for our opinion concerning discharge from liability, we examined significant decisions, actions taken and circumstances of the company in order to be able to determine the liability, if any, to the company of any board member or the President. We also examined whether any board member or the President has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association. We believe that our audit provides a reasonable basis for our opinion set out below.

The annual accounts have been prepared in accordance with the Annual Accounts Act and give a true and fair view of the company's financial position and results of operations in accordance with generally accepted accounting principles in Sweden. The consolidated accounts have been prepared in accordance with international financial reporting standards IFRSs as adopted by the EU and the Annual Accounts Act and give a true and fair view of the group's financial position and results of operations. The statutory administration report is consistent with the other parts of the annual accounts and the consolidated accounts.

We recommend to the annual meeting of shareholders that the income statements and balance sheets of the parent company and the group be adopted, that the profit of the parent company be dealt with in accordance with the proposal in the administration report and that the members of the board of directors and the President be discharged from liability for the financial year.

Stockholm, March 18, 2008

PricewaterhouseCoopers AB

Peter Bladh
Authorized Public Accountant
Partner in charge

Sten Håkansson
Authorized Public Accountant

Quarterly Summary

OPERATING REVENUES (SEK M)	2007 Full year	Q 4	Q 3	Q 2	Q 1	2006 Full year	Q 4	Q 3	Q 2	Q 1
Total	**6,443**	**2,082**	**1,426**	**1,607**	**1,328**	**6,372**	**1,958**	**1,351**	**1,739**	**1,324**
Offline	3,500	1,226	669	919	686	3,852	1,284	720	1,106	742
Online	2,004	616	518	446	424	1,613	435	398	398	382
Voice	939	240	239	242	218	907	239	233	235	200
Sweden excl. Voice	**2,227**	**868**	**418**	**553**	**388**	**2,175**	**846**	**390**	**571**	**368**
Offline	1,476	644	237	379	216	1,522	659	230	417	216
Online	751	224	181	174	172	653	187	160	154	152
Sweden Voice	**607**	**150**	**154**	**159**	**144**	**597**	**158**	**153**	**152**	**134**
Voice	607	150	154	159	144	597	158	153	152	134
Norway	**1,982**	**442**	**496**	**505**	**539**	**2,121**	**416**	**518**	**581**	**606**
Offline	1,010	134	254	284	338	1,344	216	325	378	425
Online	860	273	215	195	177	675	173	167	175	160
Voice	112	35	27	26	24	102	27	26	28	21
Denmark	**570**	**223**	**155**	**94**	**98**	**442**	**138**	**100**	**129**	**75**
Offline	396	166	86	71	73	346	111	76	106	53
Online	174	57	69	23	25	96	27	24	23	22
Finland	**640**	**158**	**115**	**239**	**128**	**642**	**161**	**110**	**257**	**114**
Offline	285	64	26	148	47	311	77	25	172	37
Online	135	39	31	34	31	123	30	31	30	32
Voice	220	55	58	57	50	208	54	54	55	45
Poland	**417**	**241**	**88**	**57**	**31**	**395**	**239**	**80**	**49**	**27**
Offline	333	218	66	37	12	329	221	64	33	11
Online	84	23	22	20	19	66	18	16	16	16

EBITDA (SEK M)	2007 Full year	Q 4	Q 3	Q 2	Q 1	2006 Full year	Q 4	Q 3	Q 2	Q 1
Total	**2,266**	**837**	**398**	**537**	**494**	**2,220**	**747**	**448**	**663**	**362**
Sweden excl. Voice	1,028	489	166	253	120	1,003	466	147	269	121
Sweden Voice	149	38	44	34	33	140	31	51	32	26
Norway	901	119	199	225	358	925	108	236	301	280
Denmark	38	62	–34	2	8	58	35	5	29	–11
Finland	120	30	16	58	16	84	26	3	62	–7
Poland	100	117	21	–12	–26	91	111	25	–16	–29
Other (head office and Group-wide projects)	–70	–18	–14	–23	–15	–81	–30	–19	–14	–18

EBITDA MARGIN	2007 Full year	Q 4	Q 3	Q 2	Q 1	2006 Full year	Q 4	Q 3	Q 2	Q 1
Totalt	**35**	**40**	**28**	**33**	**37**	**35**	**38**	**33**	**38**	**27**
Sweden excl. Voice	46	56	40	46	31	46	55	38	47	33
Sweden Voice	25	25	29	21	23	23	20	33	21	19
Norway	45	27	40	45	66	44	26	46	52	46
Denmark	7	28	–22	2	8	13	25	5	22	–15
Finland	19	19	14	24	13	13	16	3	24	–6
Poland	24	49	24	–21	–84	23	46	31	–33	–107

CONDENSED CONSOLIDATED INCOME STATEMENT (SEK M)	2007 Full year	Q 4	Q 3	Q 2	Q 1	2006 Full year	Q 4	Q 3	Q 2	Q 1
Operating revenues	6,443	2,082	1,426	1,607	1,328	6,372	1,958	1,351	1,739	1,324
Operating costs	4,588	1,354	1,134	1,173	927	4,559	1,313	1,005	1,178	1,063
Operating income (EBIT)	**1,855**	**728**	**292**	**434**	**401**	**1,813**	**645**	**346**	**561**	**261**
Net financial items	–454	–111	–88	–143	–112	–537	–146	–134	–130	–127
Earnings before tax	**1,401**	**617**	**204**	**291**	**289**	**1,276**	**499**	**212**	**431**	**134**

Major acquisitions with consequenses for the consolidated income statement: As of Q3 – 2007, acquisition Krak (Denmark).

Multi-year Summary

CONDENSED CONSOLIDATED INCOME STATEMENT (SEK M)	2007	2006	2005	2004	2003	2002	2001	2000[1]
Operating revenues	**6,443**	**6,372**	**4,827**	**4,745**	**4,808**	**4,737**	**4,519**	**3,004**
Offline	3,500	3,852	2,621	2,704	3,061	3,415	3,594	2,562
Online	2,004	1,613	1,422	1,250	1,160	1,189	925	442
Voice	939	907	784	791	587	133	–	–
Operating income before depreciation and amortization (EBITDA)	**2,266**	**2,220**	**1,234**	**1,324**	**1,292**	**940**	**1,150**	**891**
Operating income after depreciation (EBIT)	**1,855**	**1,813**	**1,073**	**1,232**	**569**	**–327**	**775**	**738**
Earnings before tax	**1,401**	**1,276**	**1,017**	**1,131**	**483**	**–409**	**692**	**711**
Net income for the year (attributable to shareholders of the Parent Company)	**1,305**	**1,054**	**917**	**764**	**198**	**–764**	**453**	**489**

CONDENSED CONSOLIDATED BALANCE SHEET (SEK M)	2007	2006	2005	2004	2003	2002	2001	2000
Assets								
Goodwill	12,508	12,267	12,879	4,822	4,726	4,657	6,141	2,998
Other fixed assets	3,759	3,882	4,241	707	521	508	686	245
Current assets	2,200	2,064	2,422	1,827	1,908	2,155	2,425	1,597
Total assets	**18,467**	**18,213**	**19,542**	**7,356**	**7,155**	**7,320**	**9,252**	**4,840**
Equity and liabilities								
Equity (attributable to shareholders of the Parent Company)	4,051	5,120	4,634	1,879	2,367	3,713	4,977	2,397
Minority interest	13	–	–	–	–	–	–	5
Long-term liabilities	11,628	10,146	11,618	2,424	2,491	2,377	2,739	1,494
Current liabilities	2,775	2,947	3,290	3,053	2,297	1,230	1,536	944
Total equity and liabilities	**18,467**	**18,213**	**19,542**	**7,356**	**7,155**	**7,320**	**9,252**	**4,840**

CONDENSED CONSOLIDATED CASH FLOW STATEMENT (SEK M)	2007	2006	2005	2004	2003	2002	2001	2000
Cash flow from current operations	1,631	1,402	1,007	1,016	1,355	490	738	
Cash flow from investing activities	–540	–215	–5,141	–235	–983	–356	–1,416	
Cash flow from financing activities	–2,119	–1,486	4,468	–769	–366	–436	886	
Cash flow from discontinued operations	1,118	69	78	4	–	–	–	
Cash flow for the year	**90**	**–230**	**412**	**16**	**6**	**–302**	**208**	

KEY DATA	2007	2006	2005	2004	2003	2002	2001	2000[1]
Operating margin – EBITDA, %	35	35	26	28	27	20	25	30
Operating margin – EBIT, %	29	28	22	26	12	–7	17	25
Cash earnings, remaining operations, SEK M	1,534	1,392	997	855	921	503	828	642
Cash earnings, SEK M	1,723	1,472	1,081	860	921	503	828	642
Average equity, SEK M	5,222	4,804	2,195	2,154	2,839	4,618	3,464	1,492
Return on equity, %	25	22	42	35	7	–17	13	33
Interest-bearing net debt, SEK M	10,281	8,872	10,564	2,832	2,462	1,828	1,960	969
Debt/equity ratio, multiple	2.53	1.73	2.28	1.51	1.04	0.49	0.39	0.40
Equity/assets ratio, %	22	28	24	26	33	51	54	50
Interest-bearing net debt / EBITDA, multiple	4.5	3.9	8.6	2.1	1.9	1.9	1.7	1.1

KEY DATA PER SHARE BEFORE DILUTION	2007	2006	2005	2004	2003	2002	2001	2000[1]
Net income, SEK (attributable to Shareholders of the Parent Company)	7.27	5.82	5.84	4.62	1.14	–4.34	2.80	3.26
Cash earnings, remaining operations, SEK M	8.54	7.69	6.35	5.17	5.30	2.86	5.12	4.28
Cash earnings, SEK M	9.59	8.13	6.88	5.20	5.30	2.86	5.12	4.28
Equity, SEK	25.12	28.27	25.59	12.00	14.14	21.07	28.25	15.98
Average number of shares after buy-backs, 000s	179,582	181,102	157,079	165,327	173,651	176,181	161,665	150,000
Number of shares on the closing date after buy-backs, 000s	161,275	181,103	181,102	156,630	167,398	176,181	176,181	150,000

OTHER KEY DATA	2007	2006	2005	2004	2003	2002	2001	2000[1]
Average number of full-time employees	4,697	4,801	4,754	4,752	4,595	4,168	3,606	2,142
Number of full-time employees on the closing date	4,650	4,821	5,429	4,953	4,695	4,117	4,151	2,381

1) Pro forma
Years 2004–2007 according to IFRS.
Years 2000–2003 according to previous Swedish accounting principles, not IFRS.

Major changes in Group composition

2007
- Sale of WLW in Germany (classified as discontinued operation 2006-2007).
- Acquisition of Krak in Denmark, consolidated from June 2007.

2006
- Acquisition of Din Pris AS, Norge, consolidation from February 2006.
- Acquisition of WebDir, Danmark, consolidation from February 2006.
- Acquisition of Kataloger i Norr AB, consolidation from June 2006.

2005
- Acquisition of Findexa, Norge. consolidation from December 2005.
- Operations in Estonia, Latvia, Lithuania, Russia and Belarus were classified as of the second quarter of 2005 and not included in operating revenue, EBITDA and EBIT for 2004–2006.

2004
- Acquisition of Gula Tidningen. consolidation from April 2004.

2003
- Acquisition of directory assistance service Respons (name changed to Eniro 118 118). Consolidation from Maj 2003.

2002
- Acquisition of directory operations in Tampere, Finland. consolidation from October 2002.

2001
- Acquisition of Scandinavia Online. consolidation January 2002.
- Acquisition of Direktia, Finland. consolidation from January 2002.
- Acquisition of Panorama Polska. consolidation from April 2001
- Acquisition of Windhager, Germany, consolidation from January 2001. Discontinuation of operations as of fourth quarter 2002.

2000
- Acquisition of Wer Liefert Was, Germany, consolida-tion from January 2001.

Definitions

Average number of shares for the period
The average number of shares is for period calculated as an average of the number of outstanding shares on a daily basis after redemption, repurchase and share issue

Average equity
Average shareholders' equity is based on an average of the values on the opening and closing dates for each quarter

Cash Earnings
Net income for the year + re-entered depreciation and amortization + re-entered impairment loss

Cash Earnings per share
$$\frac{\text{Cash Earnings}}{\text{Average number of shares during the period}}$$

Debt/equity ratio
$$\frac{\text{Interest-bearing net debt}}{\text{Equity}}$$

Direct return (%)
$$\frac{100 \times \text{Dividend for the year}}{\text{Share price at year-end}}$$

Earnings before tax per share
$$\frac{\text{Earnings before tax for the period}}{\text{Average number of shares for the period}}$$

EBIT
Operating income after depreciation, amortization and impairment loss

EBITDA
Operating income before depreciation, amortization and impairment loss

EBITDA margin (%)
$$\frac{100 \times \text{EBITDA}}{\text{Operating revenues}}$$

Equity per share
$$\frac{\text{Equity}}{\text{Number of shares at end of period after redemption, repurchase and share issue}}$$

Equity/assets ratio (%)
$$\frac{100 \times \text{Equity}}{\text{Balance sheet total}}$$

Interest-bearing net debt
Interest-bearing liabilities + interest-bearing provisions less interest-bearing assets

Interest-bearing net debt/EBITDA
$$\frac{\text{Interest-bearing net debt}}{\text{EBITDA}}$$

Net income per share
$$\frac{\text{Net income for the period}}{\text{Average number of shares for the period}}$$

Operating revenues per share
$$\frac{\text{Operating revenues}}{\text{Average number of shares for the period}}$$

P/E ratio
$$\frac{\text{Share price at end of period}}{\text{Net income per share for the last 12 months}}$$

Return on equity (%)
$$\frac{100 \times \text{Net income for the last 12 months}}{\text{Average equity}}$$

Annual General Meeting

Time and place
The Annual General Meeting of Eniro AB (publ) will be held on Wednesday May 7, 2008 at 15:00 (CET) in Industrisalen, Näringslivets Hus, Storgatan 19, Sweden.

Participation
Shareholders of Eniro AB (publ) who wish to participate in the Annual General Meeting must be registered in the shareholder register maintained by VPC AB (the Swedish Securities Register Center) on April 30, 2008 and register their intention to participate no later than 4:00 p.m. (CET) on April 30, 2008 under the address specified below.

Shares held by nominee
In order to be entitled to participate in the Meeting, shareholders whose shares are registered in the name of a nominee, must arrange via the nominee for the temporary registration of the shares in their own name in due time prior to April 30, 2008.

Registration
Shareholders may register by:
Tel: +46-8 553 310 38
Fax: +46-8 585 097 25
E-mail: bolagsstamma@eniro.com
Mail: Eniro AB (publ), Corporate Legal Affairs, SE-169 87 Stockholm, Sweden

Registration must include the name, address, civic or corporate registration number and telephone number of the shareholder and the number of assistants (two at most) who will participate.

Shareholders who are represented by proxy must issue a power of attorney for the proxy. The power of attorney must be sent to Eniro well in advance of the Meeting at the address above. If the power of attorney is issued by a legal entity, a copy of the registration certificate for the legal entity must be enclosed.

Payment of dividends
The proposed record date for dividends is May 12, 2008. Dividends are expected to be paid through VPC AB on May 15, 2008.

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Dates for financial information

Interim report, January–March	April 25, 2008
Annual General Meeting 2008	May 7, 2008
Interim report, January–June	July 17, 2008
Interim report, January–September	October 29, 2008
Year-end report for 2008	February 2009
Annual Report for 2008	March/April 2009

The financial reports and the latest news from Eniro are available at www.eniro.com.

The reports may also be ordered from:
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