

Tradedoubler launched new strategy to address a larger market

THE FOURTH QUARTER OCTOBER-DECEMBER 2014

- A new strategy was launched, see page 2 for more information.
- Net sales amounted to SEK 452 M (504). Excluding change related items, net sales were SEK 462 M (504), a decrease of 8% or 13% adjusted for changes in FX rates. More than half of the decline related to lower revenues from two pan-European customers and reductions in non-core business. Change related items referred to a SEK -10 M correction of the prepaid balance.
- Gross profit, excluding change related items, was SEK 96 M (115), a decrease of 16% or 20% adjusted for changes in FX rates. Gross margin was 20.8% (22.7).
- Operating costs excluding depreciation and change related items, were SEK 85 M (99), a reduction of 14% or 19% adjusted for changes in FX rates – mainly an effect of the headcount reduction at the end of 2013. FTEs at the end of Q4 2014 were 355 (449).
- EBITDA, excluding change related items, was SEK 12 M (16).
- A write-down of SEK -60 M in goodwill was incurred at year-end. Goodwill after write-down amounted to SEK 324 M.
- Earnings per share, before and after dilution, were SEK -1.79 (-0.48).
- Cash flow from operating activities was SEK -22 M (74), of which SEK -22 M was explained by changes in working capital.

- Renegotiations with one major international client will have a negative impact on revenue in 2015.

THE FULL YEAR 2014

- Net sales amounted to SEK 1,753 (2,001) M. Net sales, excluding change related items, were SEK 1,743M (2,001), a decrease of 13% or 18% adjusted for changes in FX rates.
- Excluding change related items, gross margin was 21.7 % (22.7) and gross profit amounted to SEK 379 M (455), the latter was a decrease of 17% or 21% adjusted for changes in FX rates.
- Operating costs, excluding depreciation and change related items, were SEK 339 M (380). Change related items were SEK -18 M (-22) and EBITDA, excluding these, was SEK 39 M (75).
- A write-down of SEK -60 M in goodwill was incurred at year-end. Goodwill after write-down amounted to SEK 324 M.
- Cash flow from operating activities was SEK -110 M (126) and was affected by a normalization of working capital.
- Earnings per share, before and after dilution, amounted to SEK -1.95 (0.27).
- The Board proposes that no dividend should be declared for 2014 (0.25 per share).
- Matthias Stadelmeyer was appointed permanent CEO. A new CFO, Tomas Ljunglöf, was recruited externally.

SIGNIFICANT EVENTS AFTER THE PERIOD

- Bertil Lundell was appointed as CTO. He has a strong track record in senior product development roles and is a member of the executive management team.
- Tradedoubler finalized its Nordic regional structure and closed its office in Norway with limited costs.
- The German technology company Adnologies was acquired to support the new corporate strategy. Acquisition investments and expenditures as well as the impact upon the Q1 results are expected to be limited.

FINANCIAL OVERVIEW, SEK M	Oct-Dec	Oct-Dec	Change % ²	Full year	Full year	Change % ²
	2014	2013		2014	2013	
Net sales excluding change related items	462	504	-13%	1,743	2,001	-18%
Gross profit excluding change related items	96	115	-20%	379	455	-21%
<i>Gross margin (%)</i>	20.8%	22.7%		21.7%	22.7%	
Operating costs excl. depr. and change related costs	-85	-99	-19%	-339	-380	-15%
EBITDA excluding change related items	12	16	-31%	39	75	-53%
<i>EBITDA-margin (%)</i>	2.5%	3.2%		2.3%	3.8%	
Change related items ³	-13	-22		-20	-22	
EBITDA	-2	-6	-61%	20	53	-68%
Impairment goodwill	-60	0		-60	0	
Operating profit (EBIT)	-69	-22		-63	24	
Net investments in non-financial fixed assets	-7	-8		-17	-31	
Cash-flow from operating activities	-22	74		-110	126	
Liquid assets incl financial investments, at period's end	372	506		372	506	
Net cash ¹ , at period's end	126	262		126	262	

¹Current investment and liquid assets less interest-bearing liabilities

²Per cent changes are adjusted for changes in exchange rates

³Change related items during Q4 2014 relates to a one-off cost of SEK 3 M referring to the strategy launch and a one-time adjustment of the prepayment balance of SEK -10 M, reducing net sales. For further information regarding change related items see separate section in this report.

CEO MATTHIAS STADELMEYER'S COMMENTS ON THE FOURTH QUARTER 2014

“Underlying Q4 gross profit in our core business developed in line with the trend from recent quarters. Adjusted for FX-changes and change related items, operating costs in 2014 were SEK 58 M lower than last year and compensated for slightly more than half of the total gross profit decline. More than half of the gross profit decline refers to non-core business and the two large pan-European companies that left Tradedoubler during 2014.

We are continuously focusing on improving profitability and stabilising revenue of our core business through increased operational efficiency. We have made good progress on this during the quarter.

To ensure profitable revenue growth in the future, we launched a new business strategy in November 2014. With this strategy we will improve our core offering and build new functionalities to address a significantly larger market. As a consequence, expenditures within product development will increase significantly. The acquisition of the independent German technology company Adnologies is another important step in the development of our strategy. Their product portfolio perfectly complements our own.

We are making good progress on our journey to become the leader in generating smarter performance marketing results for our clients through traffic, technology and expertise.

MARKET AND PRODUCT DEVELOPMENT AND TRADEDOUBLER'S NEW STRATEGY

Tradedoubler operates within the dynamic environment of digital and mobile commerce, which is characterised by positive trends in both consumer and advertising expenditure. The digital marketing sector in Europe is changing rapidly and channels such as ad exchanges, social media, video and mobile are increasing their market share, while growth within traditional affiliate marketing is declining.

To address a larger part of the dynamic digital marketplace, Tradedoubler launched a new strategy in November 2014 with the ultimate aim of taking a leadership position with a significantly expanded performance marketing offering.

The new strategy will be achieved through the optimisation of multiple high quality traffic sources, the use of Tradedoubler's proprietary integrated performance marketing technology and deep, data-driven insights into online consumer behaviour. Tradedoubler will:

- Open its platform to multiple sources of high-quality traffic that will enable the realization of customer-specific performance marketing objectives and increase the addressable market for Tradedoubler's customers.
- Develop its combined affiliate and white-label technology and offer an integrated advertising technology platform that enables optimisation based on data-insights, detailed understanding of consumer behaviour and the efficient delivery of targeted advertising.

The immediate benefits of the new strategy for Tradedoubler's clients are re-defined and customised service levels, increased automation and better usability of Tradedoubler's systems.

In late January 2015 Tradedoubler acquired the German technology company Adnologies. Adnologies' products and services cover a wide range of the digital value chain within data-driven advertising, including an ad server, a demand-side platform (DSP), a data management platform (DMP), a data exchange (DX), and supply-side platform (SSP) as well as dynamic display and video creation tools.

This acquisition will give Tradedoubler access to a range of technologies that complement and extend its current offering in line with the new corporate strategy.

THE GROUP'S RESULTS

If not explicitly stated, the disclosed financial information refers to reported numbers that are not adjusted for change related items nor changes in exchange rates.

Consolidated net sales during 2014 were SEK 1,733 M (2,001) and was affected by a SEK -10 M correction of the prepayment balance in the fourth quarter. For further information see section Critical Estimates and Judgments. Excluding this one-time correction net sales in 2014 were 1,743 (2,001) which was a decline of 13 per cent or 18 per cent adjusted for changes in exchange rates. During the fourth quarter, net sales excluding change related items amounted to SEK 462 M (504) which was a decline of 8 per cent or 13 per cent adjusted for changes in exchange rates. More than half of the decline was due to lower revenues from two large pan-European customers that have left Tradedoubler in 2014 and reductions in non-core business.

In the third quarter gross profit was affected by a positive one-time adjustment on cost of revenue of SEK 8 M, related to a new valuation methodology for the publisher debt, based on aging analysis. Gross profit during the full year, excluding this change related item, amounted to SEK 379 M (455), a decline of 15 per cent or 21 per cent adjusted for changes in exchange rates.

During the fourth quarter, gross profit was 86 M (115), a decrease of 16 per cent or 20 per cent adjusted for changes in exchange rates. The previous mentioned pan-European customers and reductions in non-core business, explains more than half of this decline.

Gross margin, excluding change related items, was 21.7 per cent (22.7) during 2014 and 20.8 per cent (22.7) in the fourth quarter. The gross margin decrease can primarily be explained by a relatively larger revenue decrease within non-core business, with higher than average margins.

Operating costs, excluding depreciation, amounted to SEK 357 M (402) in 2014. Change related costs were SEK 18 M, primarily attributed to tax related costs referring to the administrative closure of offices, the dismissals of former CEO and Chief Strategy Officer and the launch of the new strategy. Excluding change related items, operating costs excluding depreciation was SEK 339 M (380) which was a reduction of 11 per cent or 15 per cent adjusted for changes in exchange rates. The large reduction can mainly be explained by the headcount reduction which was executed end of last year. In the fourth quarter operating costs excluding depreciation was SEK 88 M (121) and SEK 85 M (99) excluding change related cost. The latter was a reduction of 14 per cent or 19 per cent adjusted for changes in exchange rates. Change related costs in fourth quarter 2014 amounted to SEK -3 M and referred mainly to the strategy launch. In the fourth quarter of 2014 corresponding item referred to the headcount reduction mentioned above and was SEK -22 M.

Operating profit before depreciation and amortisation (EBITDA) during 2014 was SEK 20 M (53). Adjusted for change related items, EBITDA was SEK 39 M (75), a decrease of 48 per cent or 53 per cent adjusted for changes in exchange rates. In the fourth quarter, EBITDA amounted to SEK -2 M (-6). Excluding change related items, EBITDA was SEK 12 M (16), a decline of 28 per cent or 31 per cent adjusted for exchange rates.

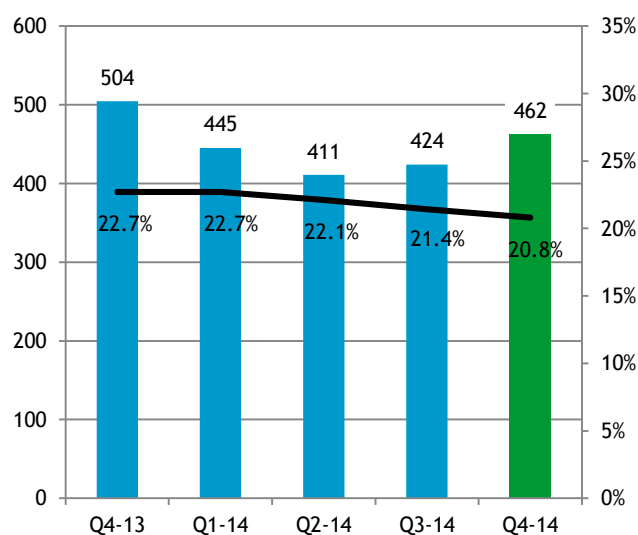
Depreciation and amortisation was SEK 83 M (30) and included a write-down of goodwill of SEK 60 M (0). For further information see separate section Critical Estimates and Judgments.

Operating profit (EBIT) amounted to SEK -63 M (24) during 2014. Adjusted for change related items, EBIT was SEK -44 M (46). During the fourth quarter EBIT was SEK -69 M (-22) and SEK -55M (-0.1) adjusted for change related items.

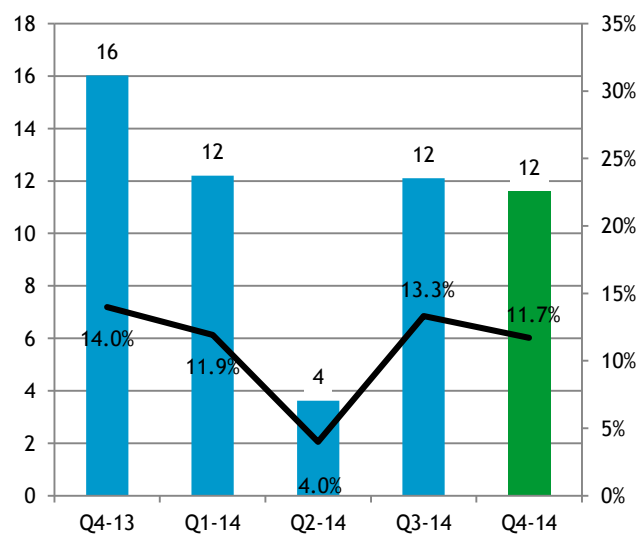
Net financial items during 2014 was SEK -19 M (-3). Financial income and expenses amounted to SEK -10 M (-1). Financial income and expenses was mainly affected by interest income and revaluations of the short term investments and interest expense related to the bond issue. Exchange rate effects in 2014 were SEK -9 M (-2). During the fourth quarter, financial income and expenses amounted to SEK -7 M (-1) and including exchange rate the net financial items were SEK -10 M (-3).

Profit after tax in 2014 was SEK -82 M (11), corporate income tax affected profit by SEK 0.3 M (-9). Profit after tax for the fourth quarter was SEK -76 M (-20).

NET SALES (SEK M) / GROSS MARGIN (%), EXCLUDING CHANGERELATED ITEMS



EBITDA (SEK M) / ADJ EBITDA/GP (%), EXCLUDING CHANGERELATED ITEMS



OPERATIONAL SEGMENTS

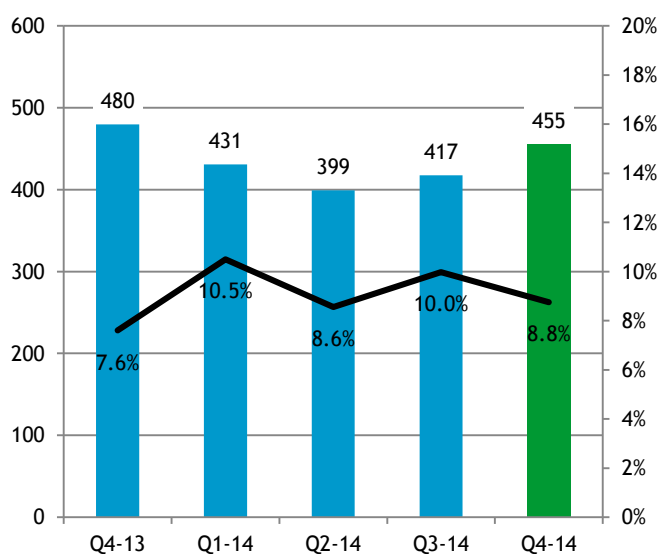
Performance Marketing

Net sales in Tradedoublers core business, Performance Marketing, amounted in 2014 to SEK 1,701 M (1,902). Excluding change related items, net sales amounted to 1,702 M (1,902), which was a decline of 11 per cent. Adjusted for changes in exchange rates, the net sale decline was 16 per cent.

During the fourth quarter, the net sales was SEK 454 M (480) and excluding change related items SEK 455 M (480), a decline of 5 per cent or 10 per cent adjusted for changes in exchange rates. Net sales for Affiliate, declined 5 per cent or 10 per cent adjusted for exchange rates while net sales within Technology declined 20 per cent or 25 per cent adjusted for exchange rates in the fourth quarter. The net sales decline in the fourth quarter within Affiliate was to a large extent due to ceased volumes from two large pan-European clients.

EBITDA excluding change related items for Performance Marketing during 2014 was SEK 159 M (200), and SEK 164 M (215) adjusted for change related cost. During the fourth quarter, EBITDA was SEK 38 M (35), and SEK 41 M (47) adjusted for change related cost. The decline in EBITDA was predominantly due to the decrease in net sales. The restructure communicated around year-end 2013 has partly compensated the decline in gross profit.

NET SALES PERFORMANCE MARKETING (SEK M)
EBITDA MARGIN (%), EXCLUDING CHANGERELATED ITEMS



Other

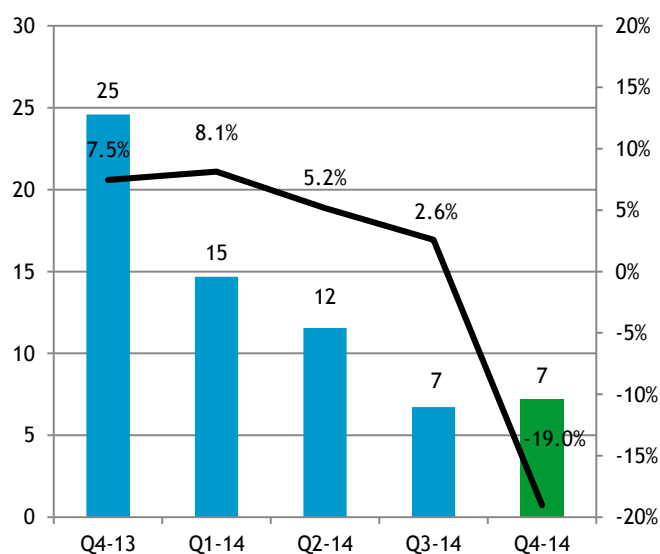
During 2014 net sales within Tradedoublers non-core business, "Other" amounted to SEK 32 M (100). Excluding change related items net sales amounted to SEK 41 M, which was a decline of 59 per cent, adjusted for changes in exchange rates the decline was 61 per cent. "Other" is primarily constituted of the non-strategic campaigns business, which has declined rapidly. During the fourth quarter, net sales within "Other" was SEK -1 M (24), excluding change related items SEK 8 M.

EBITDA was SEK -8 M (3.7) during 2014 and SEK -10 M (1.8) in the fourth quarter. Adjusted for change related items was EBITDA SEK 1.2 M (4.1) for 2014 and SEK -0.9 M (2.1) in the fourth quarter. The EBITDA-level was maintained through reductions costs.

Group management and support functions

Costs for group management and support functions in 2014 was SEK -132 M (-150). Excluding change related items the costs amounted to SEK -126 M (-144), a reduction of 12 per cent or 14 per cent adjusted for changes in exchange rates. During the fourth quarter, cost was SEK -30 M (-43). Excluding change related items the costs amounted to SEK -28 M (-41), a reduction of 23 per cent or 25 per cent adjusted for changes in exchange rates.

NET SALES OTHER (SEK M)
EBITDA MARGIN (%), EXCLUDING CHANGERELATED ITEMS



Segments and market units

SEK M	Oct-Dec	Oct-Dec	Full year	Full year
Net Sales	2014	2013	2014	2013
DACH	49	63	201	262
France & Benelux	105	124	416	500
North	95	94	330	344
South	47	56	194	238
UK & Ireland	147	127	509	497
Affiliate	442	465	1,650	1,842
Technology	11	15	51	60
Total Performance Marketing	454	480	1,701	1,902
Other	-1	24	32	100
Total Net Sales	452	504	1,733	2,001
EBITDA				
DACH	3	4	17	29
France & Benelux	3	8	25	45
North	14	3	37	29
South	2	2	13	22
UK & Ireland	10	9	31	33
Affiliate	31	27	124	158
Technology	7	8	35	41
Total Performance Marketing	38	35	159	200
Other	-10	2	-8	4
Group mgmt & support functions	-30	-43	-132	-150
Total EBITDA	-2	-6	20	53
Depreciation and impairment	-67	-16	-83	-30
Operating profit as in consolidated income statement	-69	-22	-63	24
EBITDA/Net sales, %				
DACH	7	7	8	11
France & Benelux	3	7	6	9
North	14	4	11	8
South	3	4	7	9
UK & Ireland	7	7	6	7
Affiliate	7	6	7	9
Technology	60	55	70	69
Total Performance Marketing	8	7	9	10
Other	Neg	7	-24	4
Total EBITDA Margin	0	-1	1	3

Net sales in Q4 2014 and 2014 includes a correction of SEK -10 M relating to an error in the prepayment balance, this correction has been affecting net sales per segment in Q4 and 2014 as follows: DACH -1, France & Benelux -3, North 4, South -2, UK & Ireland 2, Technology -1 and Other -8.

CASH FLOW

Cash flow from operating activities before changes in working capital was SEK 5 M (64) in 2014 and refers to EBITDA reduced with paid taxes, paid interest and non-cash items.

Changes in working capital was SEK -115 M (-62) and can, to a large extent, be explained by the reversal of the temporary favorable developments in working capital during the fourth quarter 2013 of SEK 65 M. These mainly referred to unusually high payments of account receivables the last 10 days of 2013.

Other factors explaining the negative working capital developments in 2014 include restructuring payments, decreases in account payables and staff related liabilities all referring to reduced costs. Also, unallocated customer payments have decreased by SEK 20 M during the last 12 months thanks to improved administrative routines. Customer payments must be fully matched against account receivables before publishers are paid. Working capital at year end 2014 was SEK -120 M (-227).

Cash flow from operating activities before changes in working capital amounted to SEK 0,5 M (9) in the fourth quarter. Changes in working capital were SEK -23 M (65) and the decrease can to a large extent be explained by increased accounts receivables. Increased net sales in the fourth quarter, versus the third quarter, and increased pre-payments in Q4 that was not paid at year end are contributing factors to the large accounts receivables at year end.

Net investments in non-financial assets during the fourth quarter amounted to SEK -7 M (-8). These investments related almost entirely to intangible assets and referred to improvements to production and business systems as well as product development. Capitalised expenses for own personnel was SEK 0.8 M (1.1).

Tradedoubler has invested the proceeds from the bond issue finalized in December 2013 in interest bearing financial instruments. At the end of 2014, a total of SEK 255 M (202 M) was placed in interest bearing financial instruments. Net short term financial investments amounted to SEK -6 M (-203) during the fourth quarter and affected cash positively with the same amount. The Board proposes that no dividend should be declared for 2014 (SEK 0.25 per share) and cash flow amounted to SEK -37 M (108).

Net investments in non-financial assets during 2014 were SEK -17 M (-31). Net short term financial investments, mainly relating to the bond proceeds, were SEK -56 (-204). Paid dividends during 2014 were SEK 11 M (0) and cash flow amounted to SEK -194 M (129).

FINANCIAL POSITION

Cash and cash equivalents at the end of the year amounted to SEK 117 (305) M and was affected by translation differences of SEK 6 M (11). In addition, SEK 255 M (202) was invested in interest-bearing financial instruments. The sum of cash and cash equivalents and interest-bearing financial instruments was therefore SEK 372 M (507). Interest-bearing liabilities amounted to SEK 246 M (245) and referred to the full five-year unsecured bond issue raised in the fourth quarter in 2013. Net cash amounted to SEK 126 M (261) at the end of 2014.

Consolidated shareholders' equity amounted to SEK 441 M (507) at the end of 2014. The return on equity during 2014 was -17 per cent (2) and the equity/asset ratio was 35 per cent (35).

SEASONAL VARIATIONS

Tradedoubler's operations, particularly within Performance Marketing, fluctuate with the development of e-commerce and online advertising. There are seasonal variations particularly within e-commerce. The highest level of activity is before Christmas, which implies that the fourth quarter is normally the strongest for Tradedoubler.

THE PARENT COMPANY

The parent company's net sales amounted to SEK 31 M (13) during the fourth quarter and to SEK 113 M (122) during 2014. Revenue primarily consisted of licensing revenue and remuneration from subsidiaries for centrally performed services.

Operating profit (EBIT) amounted to SEK -5 M (-36) during the quarter and to SEK -29 M (-17) during 2014.

Financial income and expenses amounted to SEK -5 M (27) during the fourth quarter and to SEK -1 M (64) during 2014. Dividends from group companies in 2014 were SEK 23 M (86).

Changes in exchange rates has impacted 2014 with SEK -7 M (-0,1).

Profit after tax amounted to SEK -7 M (-1.1) during the fourth quarter and to SEK -20 M (50) during 2014.

The parent company's receivables from group companies amounted to SEK 87 M (110) at end of 2014, of which none (0) were non-current. The parent company's liabilities to group companies were SEK 130 M (156), of which none (0) were non-current. Cash and cash equivalents amounted to SEK 59 M (154) at the end of the 2014.

During the fourth quarter 2013 the parent company issued a bond loan with the nominal value of SEK 250 M. The proceeds from the bond loan and excess cash have been invested in short term investments and commercial paper. Short term commercial papers are disclosed in cash and cash equivalents.

Deferred tax assets amounted to SEK 38 M (28) at the end 2014. The deferred tax assets are mainly related to carry-forwards of SEK 23 M and deferred tax receivables related to previous Group loans of SEK 14 M. For more information, see notes to the consolidated financial statements, note C2 Critical estimates and judgments in the Annual Report 2013.

EMPLOYEES

At the end of the fourth quarter Tradedoubler's staff corresponded to 355 (449) full-time equivalents and includes permanent and temporary employees as well as consultants. Expenditures for employees and consultants classified as capitalised expenses are not included in the reported head count.

Staff reductions from the restructuring program announced end of 2013 mainly explained the headcount reductions in 2014.

RISKS AND UNCERTAINTY FACTORS

Tradedoubler divides risks into market-related risks, operational risks, financial risks and legal risks. These risks are described on page 9 in the 2013 Annual Report.

A new strategy which include investments to develop a partially new product offering implies – all other things being equal – an increased risk level. No other significant risks and uncertainty factors are considered to have arisen since the latest submitted annual report.

CRITICAL ESTIMATES AND JUDGEMENTS

For information regarding critical estimates and judgments in the financial statements see note C2 in the 2013 Annual Report. No events, other than the re-evaluation of goodwill, (see next paragraph) have taken place since the last annual report that would affect the current critical estimates or judgments.

In conjunction with the preparation of this report, impairment tests relating to intangible assets have been performed. As mentioned earlier in this report, the outcome of these tests was a write-down of goodwill of SEK 60 M. The basis for Tradedoubler's goodwill impairment test was, both in 2013 and 2014, a 10 year discounted cash flow analysis per segment. The value per segment, derived from the discounted cash flow analysis, changed compared to last year due to changes in outlook per segment. As a consequence, the goodwill referring to Region South and Region DACH has partially been reduced by in total SEK 60 M. After this write goodwill amounted to SEK 324 M at end of 2014.

As mentioned previously in the report, the fourth quarter as well as the full year 2014 have been affected by a SEK -10 M correction of the prepayment balance included within other current liabilities. The bulk of the error likely refers to 2012 and earlier but it is impossible, with any reasonable effort, to establish the aging of the error and therefore it has been booked in the fourth quarter. It was noticed thanks to the relatively newly implemented accounting system which has better reporting functionalities than the previous one.

DIVIDEND

The Board proposes that no dividend should be declared for 2014 (SEK 0.25 per share).

Tradedoubler has a policy of distributing at least 50 per cent of its profit after tax provided that a suitable capital structure is maintained. The distribution may occur through share dividends, share redemption and share buybacks.

TRANSACTIONS WITH RELATED PARTIES

No transactions between Tradedoubler and related parties impacting the company's financial position and results have taken place, aside from remuneration to board and senior executives.

MISCELLANEOUS

Change related items

Change related items in 2014 was SEK -20 M (-22). Major items included; costs for the administrative closure of offices of SEK -6 M; and the dismissal of the former CEO, Chief strategy Officer and CTO of SEK -9 M; as well as a change in valuation principle of publisher debt of SEK 8 M and a correction of the prepaid balance of SEK -10 M. The change related items during 2013 referred to the headcount restructuring initiated at the end of 2013.

The correction of the prepaid balance decreased net sales while the change in valuation principle of publisher debt only affected and increased gross profit.

Changes in management in 2014

Matthias Stadelmeyer was appointed permanent CEO. A new CFO, Tomas Ljunglöf, was recruited externally. Also, the Chief Strategy Officer, Chief Revenue Officer and CTO left the company. Also see below.

Significant events after the balance sheet date

Bertil Lundell was appointed Chief Technical Officer (CTO). He has a wealth of experience both as a developer and in managing and improving the product development process. Bertil most recently held the position of VP Engineering with overall responsibility for product development at Orc Group, Stockholm. With the recruitment of Bertil, all positions in Tradedoubler's top management team are filled.

Tradedoubler finalized its Nordic regional structure and closed its office in Norway. The number of Norwegian employees amount to seven and closure costs are not expected to be significant. Large Norwegian clients will be managed by the team of performance marketing specialists in Stockholm. Kristoffer Klockare will continue in his role as Regional Director for the Nordic Region.

German technology company Adnologies was acquired to support the new corporate strategy. Acquisition investments and expenditures, as well as the effect upon the first quarter results in 2015, are expected to be limited. The company has 15

employees of which seven are developers. In 2014 annual revenues amounted to EUR 2.25 M. Adnologies was founded in 2006 and is headquartered in Hamburg.

ANNUAL GENERAL MEETING AND NOMINATION COMMITTEE

The Annual General Meeting 2015 will be held on 5 May 2015 at Tradedoubler's premises on Birger Jarlsgatan 57 A, Stockholm.

In accordance with the resolution of the Annual General Meeting 2014, a Nomination Committee has been appointed consisting of representatives of the three largest shareholders at the end of August and other shareholding information which is available at that point in time, as well as the Chairman of the Board. The owner representatives are Thomas Bill representing Monterro TDB Intressenter AB, (Chairman of the Nomination Committee), Henrik Kvick representing Henrik Kvick AB and Jannis Kitsakis representing Fjärde AP-fonden.

Shareholders wishing to present proposals to the Nomination Committee for the 2015 Annual General Meeting can submit them to the Nomination Committee's secretary Robert Ander by e-mail: robert.ander@tradedoubler.com

Information about the work of the Nomination Committee may be found on Tradedoubler's home page www.tradedoubler.com.

ACCOUNTING POLICIES

The year-end report is prepared in accordance with IAS 34, Interim Financial Reporting and the Swedish Annual Accounts Act.

The nature of financial assets and liabilities are essentially the same as at December 31 2013, short term financial investments are calculated to fair value and financial liabilities to carrying value.

During the first quarter 2014 Tradedoubler changed its segment reporting which was communicated to the market on the 14th of April 2014. Comparative periods have been restated in accordance with the new segments.

Gross profit in the third quarter was affected by a positive one-time adjustment on cost of revenue of SEK +8 M, related to a new valuation methodology for the publisher debt, based on aging analysis.

In the fourth quarter a correction of an error in the prepayment balance was made. For further information see section Critical Estimates and Judgments. Except for the changes mentioned above, the accounting policies are unchanged, for information on the accounting policies applied, see the 2013 Annual Report.

THE SHARE

The total number of shares at the end of 2014 was 42,807,449 of which 475,000 were in own custody. The average number of outstanding shares during 2014 was 42,332,449.

Earnings per share, before and after dilution, amounted to SEK -1.79 (-0.48) during the fourth quarter and SEK -1.95 (-0.27) during 2014. Equity per share amounted to SEK 10.4 (12.0) at year-end

The share price closed at SEK 10.25 on the final trading day of 2014, which was lower than at year-end 2013 when the share price closed at SEK 18.70.

LONG TERM FINANCIAL TARGETS

The Board's long term financial targets are to grow net sales in excess of 5 per cent annually in local currency and deliver an EBITDA/Gross profit-ratio in excess of 20 per cent over a business cycle.

PRESENTATION OF THE YEAR-END REPORT

This year-end report will be presented at a teleconference on the 6th of February 2015 at 10.30 a.m. CET. The presentation will be held in English and may be followed via webcast on the website:

<http://financials.tradedoubler.com/en-gb/investorrelations>

and by telephone:

Sweden: +46 8 566 426 96
UK: +44 203 428 1409
US: +1 646 502 51 20

The presentation material will be published concurrently with the interim report.

ANNUAL REPORT

The annual report 2014 will be available from the 15th of April, 2015 and will be available on Tradedoubler's website. Shareholders who would like to receive the annual report by post are requested to contact Tradedoubler at ir@tradedoubler.com or Sonia Rosén by telephone on +46 8 405 08 00.

FINANCIAL INFORMATION

Interim report Jan - Mar 2015	5 May 2015
Interim report Jan - Jun 2015	23 July 2015
Interim report Jan - Sep 2015	12 November 2015
Year-end report 2015	5 February 2016

CONTACT INFORMATION

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Tomas Ljunglöf, CFO, telephone +46 8 405 08 00
E-mail: ir@tradedoubler.com

ENGLISH VERSION

Both an English version and a Swedish version of this report have been prepared. In the event of a difference between the two reports, the Swedish version shall prevail.

OTHER

Tradedoubler discloses the information provided herein pursuant to the Swedish Securities Markets Act. The information was released for publication on 6th of February 2015 at 08.00 a.m. CET. Numerical data in brackets refers to the corresponding periods in 2013 unless otherwise stated. Rounding off differences may arise.

REVIEW

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

Stockholm, 6th of February 2015

Matthias Stadelmeyer
President and CEO

Consolidated income statement

SEK 000s	Oct-Dec 2014	Oct-Dec 2013	Full year 2014	Full year 2013
Net Sales	452,488	504,323	1,732,649	2,001,339
Cost of goods sold	-366,289	-389,640	-1,355,589	-1,546,038
Gross profit	86,199	114,683	377,060	455,301
Selling expenses	-55,458	-78,487	-217,119	-254,911
Administrative expenses	-27,206	-46,344	-119,221	-136,677
Development expenses	-12,244	-11,998	-44,075	-40,204
Amortisation goodwill	-59,993	-	-59,993	-
Operating profit	-68,701	-22,147	-63,347	23,508
Net financial items	-9,653	-3,474	-19,332	-3,413
Profit before tax	-78,354	-25,620	-82,679	20,096
Tax	2,451	5,229	335	-8,702
Net Profit	-75,903	-20,392	-82,344	11,393

All earnings accrue to the parent company's shareholders.

Consolidated statement of comprehensive income

SEK 000s	Oct-Dec 2014	Oct-Dec 2013	Full year 2014	Full year 2013
Profit for the period, after tax	-75,903	-20,392	-82,344	11,393
Other comprehensive income				
<i>Items that subsequently will be reversed in the income statement</i>				
Translation difference, net after tax	9,898	13,773	26,992	12,650
Total comprehensive income for the period, after tax	-66,005	-6,619	-55,352	24,043
<i>Comprehensive income attributable to:</i>				
Parent company shareholders	-66,005	-6,619	-55,352	24,043

Earnings per share

SEK	Oct-Dec 2014	Oct-Dec 2013	Full year 2014	Full year 2013
Earnings per share	-1.79	-0.48	-1.95	0.27
Number of Shares				
Weighted average	42,332,449	42,332,449	42,332,449	42,499,157

The earnings per share above apply before and after dilution.

Key ratios - Group

	Oct-Dec 2014	Oct-Dec 2013	Full year 2014	Full year 2013
Gross profit (GP) / revenue (%)	19.1	22.7	21.8	22.7
EBITDA / revenue (%)	-0.4	-1.2	1.1	2.7
EBITDA / gross profit (GP) (%)	-2.1	-5.2	5.2	11.7
Equity/assets ratio (%)	34.5	34.5	34.5	34.5
Return on equity (12 months) (%)	-17.4	2.3	-17.4	2.3
Average number of employees	358	454	371	463
Return on Capital Employed (12 months) (%)	-7.8	3.8	-7.8	3.8
Working Capital end of period (SEK M)	-131	-227	-131	-227
Cash-flow from operating activities per share, SEK	-0.5	1.8	-2.6	3.0
Equity per share, SEK	10.4	12.0	10.4	12.0
Stock price at the end of the period, SEK	10.3	18.7	10.3	18.7

Consolidated statement of financial position

SEK 000s	31 Dec 2014	31 Dec 2013
Assets		
Non-current assets		
Goodwill	323,682	362,708
Intangible fixed assets	57,603	60,861
Tangible fixed assets	3,667	5,909
Other non-current receivables	5,510	4,228
Deferred tax assets	48,186	40,125
Total non-current assets	438,647	473,832
Accounts receivable	421,753	459,910
Tax assets	19,030	7,284
Other current receivables	33,821	21,436
Short term investments	255,259	201,794
Cash & cash equivalents	116,747	304,662
Total current assets	846,610	995,085
Total assets	1,285,257	1,468,917
Shareholders' equity and liabilities		
Shareholders' equity	441,341	506,535
Deferred tax liabilities	6,974	4,597
Other provisions	1,138	945
Bond loan	245,676	244,586
Total long-term liabilities	253,788	250,128
Accounts payable	12,142	21,689
Current liabilities to publishers	371,925	451,261
Tax liabilities	3,727	4,020
Other current liabilities	202,334	235,284
Total current liabilities	590,128	712,254
Total shareholder 's equity and liabilities	1,285,257	1,468,917

Consolidated statement of changes in equity

SEK 000s	Oct-Dec 2014	Oct-Dec 2013	Full year 2014	Full year 2013
Opening balance	507,181	513,107	506,535	488,382
Total comprehensive income for the period	-66,005	-6,619	-55,352	24,043
Equity-settled share-based payments	165	47	741	181
Repurchase of shares	-	-	-	-6,071
Dividend	-	-	-10,583	-
Closing balance	441,341	506,535	441,341	506,535

All capital accrues to the parent company's shareholders.

Consolidated statement of cash flows

SEK 000s	Oct-Dec 2014	Oct-Dec 2013	Full year 2014	Full year 2013
<i>Operating activities</i>				
Profit before tax	-78,354	-25,620	-82,679	20,096
Adjustments for items not included in cash flow	82,849	39,648	99,637	54,004
Income taxes paid	-3,988	-4,694	-11,851	-10,241
Cash flow from operating activities before changes in working capital	507	9,334	5,107	63,859
Changes in working capital	-22,416	64,894	-115,404	61,682
Cash flow from operating activities	-21,909	74,228	-110,297	125,541
<i>Investing activities</i>				
Net investments in intangible assets	-6,441	-7,163	-16,642	-29,834
Net investments in tangible assets	-340	-580	-692	-1,559
Net investments in financial assets	-2,311	190	-899	-446
Net investments in stocks and subsidiaries	2	0	-1,521	0
Net investments in short term investments	-5,995	-203,098	-53,205	-203,098
Cash flow from investing activities	-15,085	-210,651	-72,959	-234,937
<i>Financing activities</i>				
External loans	0	244,586	0	244,586
Repurchase of own shares	0	0	0	-6,071
Dividend paid to parent company's shareholders	0	0	-10,583	0
Cash flow from financing activities	0	244,586	-10,583	238,515
Cash flow for the period from continuing operations	-36,994	108,163	-193,839	129,119
Cash flow for the period	-36,994	108,163	-193,839	129,119
Cash and cash equivalents				
On the opening date	159,870	186,303	304,662	164,445
Translation difference in cash and cash equivalents	-6,129	10,196	5,924	11,098
Cash and cash equivalents on the closing date	116,747	304,662	116,747	304,662
<i>Adjustments for non-cash items</i>				
Depreciation and impairment	66,914	16,169	83,039	29,892
Other	15,935	23,479	16,598	24,112
Total non-cash items	82,849	39,648	99,637	54,004

Income statement - Parent company

SEK 000s	Oct-Dec 2014	Oct-Dec 2013	Full year 2014	Full year 2013
Net Sales	31,270	13,331	113,141	121,568
Cost of goods sold	-1,329	-1,557	-6,779	-1,831
Gross profit	29,942	11,775	106,361	119,737
Selling expenses	-52	-214	-2,619	-1,099
Administrative expenses	-27,359	-39,238	-104,292	-107,498
Development expenses	-7,339	-8,705	-28,935	-28,312
Operating profit	-4,807	-36,382	-29,484	-17,173
Net financial items	-4,669	27,107	-532	63,849
Profit before tax	-9,476	-9,275	-30,017	46,676
Tax	2,393	8,130	9,789	3,499
Net profit	-7,083	-1,146	-20,228	50,175

Balance sheet - Parent company

SEK 000s	31 Dec 2014	31 Dec 2013
Assets		
Intangible assets	57,592	60,624
Equipment, tools, fixtures and fittings	540	1,047
Participation in group companies	158,700	160,881
Deffered tax assets	38,110	28,321
Total non-current assets	254,942	250,872
Accounts receivable	5,615	4,430
Receivables from Group companies	86,646	109,888
Tax assets	1,067	1,599
Other current receivables	9,451	8,763
Short term investments	255,259	201,794
Cash & cash equivalents	58,980	154,374
Total current assets	417,018	480,847
Total assets	671,960	731,719
Shareholders' equity and liabilities		
Shareholders equity	186,360	216,390
Bond loan	245,676	244,586
Accounts payable	8,163	11,291
Liabilities to Group companies	130,391	156,205
Other liabilities	101,369	103,247
Total current liabilities	485,599	515,329
Total shareholder 's equity and liabilities	671,960	731,719

Pledged assets and contingent liabilities

SEK 000s	31 Dec 2014	31 Dec 2013
Group		
Pledged assets		
Rent deposits	7,569	5,759
Contingent liabilities	none	none
Parent company		
Pledged assets		
Rent deposits	1,530	1,530
Contingent liabilities	1,048	2,715

Quarterly summary

Consolidated income statement

SEK 000s	Oct-Dec 2014	Jul-Sep 2014	Apr-Jun 2014	Jan-Mar 2014	Oct-Dec 2013	Jul-Sep 2013	Apr-Jun 2013	Jan-Mar 2013
Net Sales	452,488	424,096	410,798	445,267	504,323	478,835	490,318	527,863
Cost of goods sold	-366,289	-325,147	-320,147	-344,005	-389,640	-371,637	-376,367	-408,395
Gross profit	86,199	98,949	90,651	101,262	114,683	107,198	113,951	119,468
Total costs	-94,907	-86,348	-104,752	-94,407	-136,830	-91,735	-98,674	-104,553
Operating profit	-68,701	12,601	-14,102	6,854	-22,147	15,463	15,277	14,915
Net financial items	-9,653	-4,950	-4,437	-291	-3,474	1,074	-3,700	2,687
Profit before tax	-78,354	7,651	-18,539	6,563	-25,620	16,537	11,577	17,602
Tax	2,451	-2,415	2,730	-2,431	5,229	-4,011	-4,348	-5,571
Net profit	-75,903	5,236	-15,809	4,132	-20,392	12,525	7,229	12,031

Consolidated statement of financial position

SEK 000s	31 Dec 2014	30 Sep 2014	30 Jun 2014	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013	31 Mar 2013
Assets								
Intangible fixed assets	381,284	432,998	433,514	424,280	423,569	420,936	420,267	400,799
Other fixed assets	57,362	53,793	53,366	49,875	50,263	42,673	45,682	47,132
Current receivables	474,604	402,006	422,903	461,703	488,630	517,463	503,181	513,257
Short term investments	255,259	250,203	252,768	255,820	201,794	0	0	0
Cash & cash equivalents	116,747	159,870	127,651	173,366	304,662	186,303	166,592	150,302
Total assets	1,285,257	1,298,870	1,290,202	1,365,042	1,468,917	1,167,375	1,135,723	1,111,490
Shareholders' equity and liabilities								
Shareholders' equity	441,341	507,181	499,570	511,917	506,535	513,107	503,439	482,052
Long-term non-interest bearing debt	8,112	7,423	5,620	5,734	5,542	5,441	5,605	5,568
Long-term interest bearing debt	245,676	245,404	245,131	244,859	244,586	0	0	0
Current non-interest bearing debt	590,128	538,863	539,881	602,532	712,254	648,826	626,680	623,870
Total shareholder's equity and liabilities	1,285,257	1,298,870	1,290,202	1,365,042	1,468,917	1,167,375	1,135,723	1,111,490

Consolidated statement of cash flows

SEK 000s	Oct-Dec 2014	Jul-Sep 2014	Apr-Jun 2014	Jan-Mar 2014	Oct-Dec 2013	Jul-Sep 2013	Apr-Jun 2013	Jan-Mar 2013
<i>Operating activities</i>								
Profit before tax	-78,354	7,651	-18,539	6,563	-25,620	16,537	11,577	17,602
Adjustments for items not included in cash flow	82,849	-2,003	15,794	2,997	39,648	4,861	7,145	2,349
Tax paid	-3,988	-1,857	-3,767	-2,239	-4,694	-3,563	2,612	-4,594
Cash flow from changes in working capital	-22,416	26,475	-36,886	-82,577	64,894	11,571	-4,180	-10,603
Cash flow from operating activities	-21,909	30,266	-43,398	-75,256	74,228	29,406	17,154	4,754
Cash flow from investing activities	-15,085	-2,346	585	-56,113	-210,651	-6,765	-8,617	-8,904
Cash flow from financing activities	0	0	-10,583	0	244,586	0	-6,071	0
Cash flow for the period	-36,994	27,920	-53,396	-131,369	108,163	22,641	2,466	-4,150
Cash and cash equivalents								
On the opening date	159,870	127,651	173,366	304,662	186,303	166,592	150,302	164,445
Translation difference	-6,129	4,299	7,682	73	10,196	-2,930	13,825	-9,993
Cash and cash equivalents on the closing date	116,747	159,870	127,651	173,366	304,662	186,303	166,592	150,302

Key ratios - Group

	Oct-Dec 2014	Jul-Sep 2014	Apr-Jun 2014	Jan-Mar 2014	Oct-Dec 2013	Jul-Sep 2013	Apr-Jun 2013	Jan-Mar 2013
Gross profit (GP) / revenue (%)	19.1	23.3	22.1	22.7	22.7	22.4	23.2	22.6
EBITDA / revenue (%)	-0.4	4.3	-2.1	2.7	-1.2	4.3	4.0	3.6
EBITDA / gross profit (GP) (%)	-2.1	18.4	-9.7	11.9	-5.2	19.2	17.4	15.9
Equity/assets ratio (%)	34.5	39.0	38.7	37.5	34.5	44.0	44.3	43.4
Return on equity last 12 months (%)	-17.4	-5.3	-3.9	0.7	2.3	6.5	1.9	-1.5
Average number of employees	358	362	374	389	454	455	470	472
Return on Capital Employed last 12 months (%)	-7.8	-1.2	-1.0	3.3	3.8	8.8	4.1	0.6
Working capital at periods end (SEK M)	-131	-142	-123	-143	-227	-133	-123	-116
Cash-flow from operating activities per share, SEK	-0.5	0.7	-1.0	-1.8	1.8	0.7	0.4	0.1
Equity per share, SEK	10.4	12.0	11.8	12.1	12.0	12.1	11.9	11.3
Stock price at the end of the period, SEK	10.3	8.8	11.9	16.9	18.7	21.0	17.1	15.0

Segments

SEK M	Oct-Dec 2014	Jul-Sep 2014	Apr-Jun 2014	Jan-Mar 2014	Okt-Dec 2013	Jul-Sep 2013	Apr-Jun 2013	Jan-Mar 2013
DACH								
Net sales	48.8	46.5	45.3	60.3	62.7	61.7	66.2	71.7
EBITDA	3.4	4.4	3.0	6.2	4.1	6.9	8.0	10.0
France & Benelux								
Net sales	104.7	93.4	101.5	116.6	124.0	109.0	119.9	147.5
EBITDA	3.2	6.9	6.3	9.0	8.2	8.7	11.5	16.7
North								
Net sales	94.9	79.9	74.5	80.9	94.4	83.5	81.8	84.2
EBITDA	13.5	8.7	6.9	7.9	3.3	9.3	8.0	8.2
South								
Net sales	46.9	51.8	44.2	50.6	56.2	64.1	60.0	57.9
EBITDA	1.6	5.0	2.5	3.9	2.3	6.6	6.3	7.1
UK & Ireland								
Net sales	147.1	133.5	120.8	108.0	127.5	123.8	120.0	125.6
EBITDA	9.6	7.9	6.3	7.3	8.9	9.1	9.0	6.0
Technology								
Net sales	11.2	12.3	12.9	14.1	15.1	14.9	14.9	15.1
EBITDA	6.8	8.7	9.2	10.8	8.4	11.5	11.4	10.1
Other								
Net sales	-1.1	6.7	11.5	14.7	24.5	21.9	27.5	26.0
EBITDA	-9.6	0.2	0.6	1.2	1.8	0.8	2.3	-1.2
Group management & support functions								
Net sales	-	-	-	-	-	-	-	-
EBITDA	-30.3	-23.6	-43.5	-34.2	-43.0	-32.3	-36.9	-37.6
Total								
Net sales	452.5	424.1	410.8	445.3	504.3	478.8	490.3	527.9
EBITDA	-1.8	18.2	-8.8	12.1	-6.0	20.6	19.8	19.1

Key ratios-definitions

Return on equity. Profit for the period as a per cent of average equity calculated as opening plus closing equity divided by two.

Return on capital employed. Operating profit plus interest income as a per cent of average capital employed calculated as opening plus closing capital employed divided by two.

Equity per share. Equity divided by the number of outstanding shares on the balance sheet date.

Earnings per share. Net profit for the period attributable to the parent company's shareholders divided by the average number of shares.

Earnings per share after full dilution. Net profit/loss for the period divided by the average number of shares calculated after full dilution.

Cash flow per share. Cash flow divided by the average number of outstanding shares.

Operating margin. Operating profit as a percentage of sales.

Equity/assets ratio. Equity as a percentage of the balance sheet total.

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

Working capital. Total current assets less cash and cash equivalents, short term investments, tax assets and total current liabilities plus tax liabilities.

Glossary

AdCode. An ad display system which is used in order to optimize and display the best ad on a publisher's website.

Affiliate. Used for a website which via adverts directs Internet visitor traffic to the advertising company's website.

Affiliate network. A system where advertisers that want to boost their Internet sales are matched together with website owners that want to boost their advertising revenue by means of an affiliate program.

Affiliate program. An agreement where the advertiser pays a fee to the publisher in order to relay traffic to the advertiser's website.

App download tracking. Software that enables the advertiser to monitor and obtain statistics about when consumers download and install software from the advertiser and how they use the software afterwards.

Change related Items. Refers to items that affect the comparability with other periods and include SEK -10 M correction of the prepaid balance in the 4th quarter of 2014. For further information regarding the latter see section Critical Estimates and Judgements.

Cost-per-action (CPA). Means that the advertisers pay a fee which either is based on the sales generated by the advertising or on the number of leads (principally registrations) generated by the advert.

Cost-per-click (CPC). This pricing model means that advertisers pay a fee based on the number of clicks or unique visitors generated by the advertising.

Cost-per-lead (CPL). Means that the advertisers pay a fee which is based on the number of leads (primarily registrations) generated by the advert.

Cost-per-thousand impressions (CPM). A pricing model where advertisers pay a fee based on the number of views of an advert.

E-mail publishers. Use e-mail to send out targeted offers to a list of recipients.

EBIT. Earnings before interest and tax.

EBITDA. Earnings before interest, tax, depreciation and amortisation.

Full-time equivalent (FTE) or full-time employees. The total number of full-time and temporary as well as contract employees.

Net Cash. Includes cash and cash equivalence and short-term investments reduced by the bond loan.

Performance-based. Collective term for marketing activities on the Internet where publishers only get paid when a predetermined transaction is generated.

Product feed. A distribution system where advertisers can upload their product databases in order to enable publishers to create content and ads on their websites.

Publisher. (Also called affiliate) Websites that agree on display of adverts and direct Internet visitor traffic to the Advertising Company's website.

Trackability. The process and method for follow-up of website traffic, primarily through use of cookies.

Portals. Websites which act as a gateway to the Internet and offer broad content and large volumes of traffic. On the portal, there are several links, a search engine and other services, for instance, free e-mail or filters and blocking possibilities.

Search engine optimizing publishers. Own websites which use search engines, e.g. Google and Yahoo!, in combination with their own knowledge about the search engine and the advertiser in order to display the advertiser high up in the search results list. These publishers help to generate greater volumes.

Voucher code. Voucher codes that are created and easily distributed to consumers via a publisher's website. The consumer can then use the voucher code when purchasing a product/service from the advertiser.