2014

ANNUAL REPORT

The symbol of local search

eniro

Discover local. Search local.

Eniro – the symbol of local search

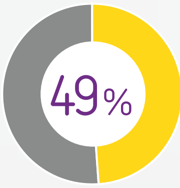
Eniro is a leading Swedish search company with operations in Sweden, Norway, Denmark, Finland and Poland. The company aggregates, filters, organizes and presents local information. Eniro's stock is listed on Nasdaq Stockholm, and the company's head offices are in Solna, outside Stockholm.

Product | Share of Group operating revenue 2014 | Brand

Local search | Multiscreen

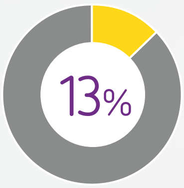
Percent of Local search 88%

DESKTOP SEARCH



eniro, krak, GULE SIDER, DE GULE SIDER, PROFF, PanoramaFirm pf

MOBILE SEARCH



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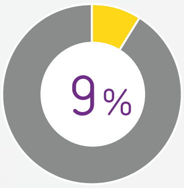
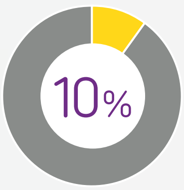
CAMPAIGN PRODUCTS



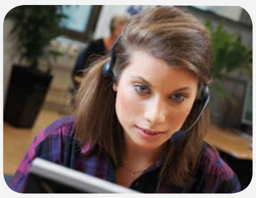
krak media group, KVASIR MEDIA

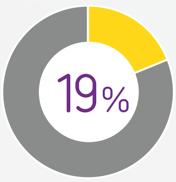
PRINT



Den Røde Lokalbog, mostrup, ditt distrikt, DinDel, PanoramaFirm pf

VOICE





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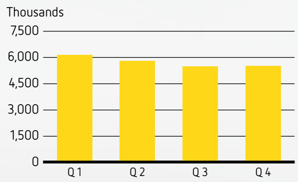
Company presentation 2014

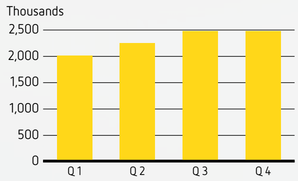
Statutory Annual Report 2014

The Board of Directors' report covers pages 30-51 and page 84.

Desktop search – Number of unique visitors/week



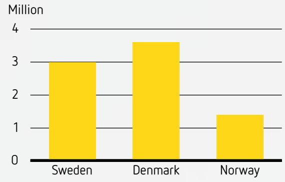
Mobile search – Number of unique visitors/week



Business partners

Google
bing

Edition, local directories 2014



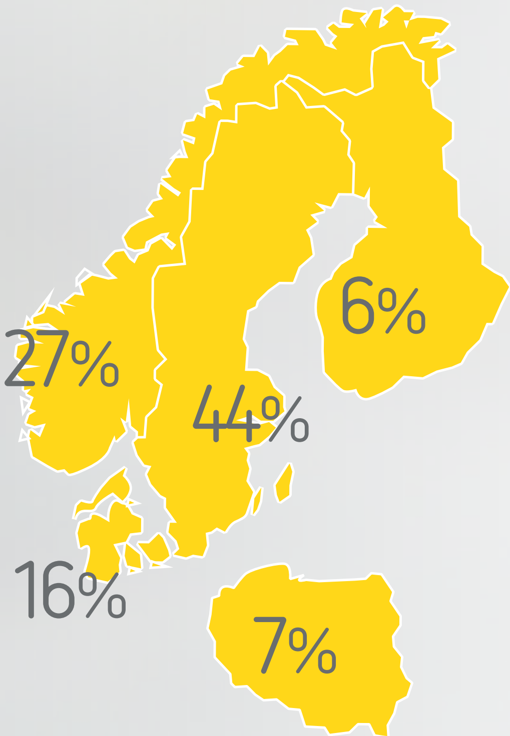
Millions of directory assistance contacts in 2014

15.6

Key ratios, SEK M

SEK M	2014	2013
Operating revenue	3,002	3,588
EBITDA	631	777
Operating margin – EBITDA, %	21.0	21.7
Adjusted EBITDA	675	884
Adjusted operating margin – adjusted EBITDA, %	22.5	24.6
Net income for the year	-1,662	179
Earnings per common share, SEK	-17.09	1.29
Operating cash flow	151	329
Interest-bearing net debt, SEK M	2,208	2,340
Interest-bearing net debt/adjusted EBITDA, times	3.3	2.6

Share of Group operating revenue



This is a translation of the Swedish original. In the event of any discrepancy between the Swedish and English versions, the Swedish version shall govern.

Highlights 2014

Q1

Extensive launches

- The most extensive product launches in Eniro's history
- Continued concentration of operations to local search. In connection with this, Eniro divested the B2B service InTouch and Scandinavia Online AS in Norway
- License agreement signed with Etilsat, the world's 13th largest telecom operator, for use of Eniro's local search platform
- Eniro and NDrive cooperate on development of mobile navigation service
- Revenue of SEK 769 M, of which Mobile search revenue accounted for 12%. Mobile search accounted for 25% of total searches

Q2

Disappointment in Sweden

- Management changes in the Swedish operations after lower than expected sales
- Divestment of B2B service Krak Markedsdata in Denmark
- Launch of new nautical navigation app for Eniro På Sjön in Sweden and Norway
- Ratings sites (Rejta in Sweden, Det Hitter in Denmark, Anbefalt in Norway) integrated in the respective countries' search sites
- Cooperation with Boka Direkt in Sweden enabling bookings with small businesses via eniro.se
- Revenue of SEK 767 M, of which Mobile search revenue accounted for 13%. Mobile search accounted for 27% of total searches

Q3

New CEO

- Stefan Kercza, previously CEO of Eniro Denmark, named as acting President and CEO of Eniro, and as permanent CEO in December
- Police complaint filed against former President and CEO in connection with accounting irregularities
- Roland M. Andersen named as Group CFO
- Decision to concentrate large parts of the Group's development and production resources in Sweden and Poland
- Impairment of intangible assets, mainly in Local search in Norway and in Voice
- Revenue of SEK 744 M, of which Mobile search revenue accounted for 13%. Mobile search accounted for 30% of total searches

Q4

Turbulence surrounding company

- Sales initially strongly impacted by speculation about Eniro, but restoration of confidence began in December
- New strategic focus to strengthen profitability through continued efficiency improvement, focus on business development and more attractive services along with a more customer-centric and market-oriented sales organization
- Divestment of Bloggerfy blogger network in Sweden
- Publishing of the last printed directory in Poland
- Revenue of SEK 722 M. Mobile search revenue accounted for 13% of total revenue. Mobile search accounted for 31% of total searches

Events after year-end

Financing

On February 6, 2015, Eniro announced
- a fully underwritten rights issue of common shares,
- a placed directed issue of convertible bonds, and
- a renegotiated and extended loan agreement.

Subject to approval by and Extraordinary General Meeting, the Board of Directors of Eniro decided on a fully underwritten rights issue of common shares of approximately SEK 458 M and on a convertible bond issue in the nominal amount of SEK 500 M directed to and placed with institutional and qualified investors in Sweden and internationally.

Eniro has renegotiated its loan agreement with the bank syndicate, and subject to completion of the issuances, the company will have extended maturity and a significantly lower repayment rate.

The proposed transactions are being done in order to repay on bank loans, and create greater financial flexibility and ability to realize Eniro's strategy.

Rights issue

- Rights issue of common shares of approximately SEK 458 M before issue costs
- Each existing common share in Eniro entitles the holder to subscribe for three subscription rights
- One subscription right entitles the holder to subscribe for one new common share
- Subscription price of SEK 1.50 per common share
- Subscription period March 16–March 30, 2015
- Fully underwritten

Convertible bond issue

- Convertible bond in the nominal amount of SEK 500 M
- Coupon of 6% per annum, to be paid semi-yearly
- Subscription price of 95% of the nominal amount for an expected capital injection of SEK 475 M
- 5-year term with expected maturity date in April 2020 if not converted to common shares or repaid earlier
- Initial conversion price of SEK 1.95
- Subject to EGM approval of the issuances and the renegotiated loan agreement

Renegotiated loan agreement

- Extended until the end of 2018
- Three tranches totaling SEK 1,850 M
  - Tranche A: SEK 1,100 M
  - Tranche B: SEK 600 M
  - Revolving credit facility: SEK 150 M
- Repayment schedule
  - SEK 150 M in 2015
  - SEK 175 M per year from 2016–2018, to be paid semi-annually
- Tranche A is broken down into Swedish, Norwegian and Danish currency
- The interest on the facilities is IBOR plus a margin, depending on the tranche
  - Tranche A and revolving credit facility: 4 percentage points as starting point. If the ratio of total net debt to EBITDA is less than 1.5, the margin is 3.50 percentage points
  - Tranche B: initially 5 percentage points
- Conditional upon the issues

Timetable for rights issue

March 2015

9 — **March 9**
Extraordinary General Meeting

13 — **March 13**
Publication of prospectus

16 — **March 16**
Start of subscription period

30 — **March 30**
Final day of subscription period

April 2015

2 — **April 2**
Preliminary results of right issue

10 — **April 10**
Estimated date of publication of final results of rights issue

Eniro on track with clearer market focus

A turbulent year

2014 was a year of many challenges for Eniro. Following intensive development work, Eniro launched a series of considerably improved digital search products at the start of the year. Expectations were high that these upgrades would boost growth in multiscreen revenue and accelerate the company's growth by compensating for the declining revenues from Print and Voice. The sales success fell short of expectations, and a number of actions were therefore taken. Following price adjustments, repackaging of offerings and organizational changes in the Swedish operations, the Board decided after the summer that Eniro needed new leadership.

I took over the role as CEO with an ambition to focus on growing sales and build motivation among our employees. This work has set the tone and became even more important in the turbulence during the autumn.

Following a review of the Group's business, we determined that our targets for 2014 were overly optimistic. As a result, the forecast for 2014 had to be lowered for the second time during the year. Added to this, an internal investigation uncovered that the level of recognized revenue from Multiscreen had been incorrectly allocated over time. The adjusted outlook affected all of our stakeholders – not least our already strained owners, who during the first half of the year saw a dramatic drop in the company's valuation.

The changed forecast gave rise to discussions with our creditors on amending the terms of the company's loans to the new conditions – a dialog that required extensive analyses and lengthy discussions in order to reach an agreement with a consortium of six banks. Parallel with this we conducted a review of our strategy, resulting in a clear strategic direction to work towards in 2015.

Despite all of the turbulence last year, I feel confident about the future. Eniro has many strengths – its established positions in local search with nearly 8 million users every week, a unique database, more than 250,000 customers, and a strong sales force to build upon.

Strong growth market

We find ourselves in a strongly growing market for digital marketing. Today the digital segment accounts for more than a third of the Scandinavian advertising market. Growth is strongest in mobile advertising, but keyword marketing and banner advertising are also on the rise. Compared with other European markets, the Scandinavian countries are far advanced when it comes to digital marketing.

The driving forces are clear. In part, the market is being driven by users' rapidly changing behaviors, which puts high demands on relevant content. Users turn to different search platforms depending on the situation and are not loyal when a search does not provide them with relevant information. The market is also being driven by technological development, which today allows increasingly advanced solutions and offerings. An increasingly growing share of searches today are performed from smartphones. Of total searches via Eniro's services in 2014, the share from mobile devices increased from 23% in the fourth quarter of 2013 to 31% during the same period in 2014. Through our mobile solutions we have a strong market position in mobile advertising – higher than for our traditional desktop service.

Launches in Multiscreen

Through the product launches carried out to date, our search services have become simpler to use, and they have obtained a more modern and more uniform design with a number of entirely new functions. Among other things, we added an e-commerce solution that enables advertisers to present products in an image gallery or by video and thereby come closer to the user.

In addition, in 2014 Eniro launched an all-new navigation service that was developed together with a partner and is based on Eniro's high resolution maps and databank. The navigation service was nominated as the "best utility app" by Mobil, Sweden's leading mobile communication magazine, and was downloaded more than 600,000 times in 2014. The app På sjön ("At sea") was also significantly upgraded during the year.

Growth in mobile search and stable profitability

Revenue from Mobile search grew 40% during the year. Together with our revenue from Desktop search and Campaign products, this means that 88% of our advertising revenue now comes from our digital offering.

In 2014 we exceeded our cost-cutting target, lowering costs by SEK 413 M. As a result of these cost savings, we were able to report an EBITDA margin in line with last year and adjusted EBITDA of SEK 675 M.

We are confident that profitability can be improved. Part of the solution is to bring about further efficiency improvements in the operations – the entire way from development, to marketing and sales – and be better at adapting to the rapid changes taking place in the market.

Strengthen leading position in local search

Eniro today has attractive digital services and leading market positions in digital local search. Our strategy is based on strengthening these positions at the same time that we identify potential new services in the growing digital advertising market. Aside from this, we will continue to manage our profitable but contracting business in Print and Voice.

We have a well thought out strategic direction with a concrete plan of action and objectives. Our ambition is to make Eniro's services even more attractive and create a more customer-focused and market-oriented sales organization. We will improve both the content and search logic, and highlight carefully selected search categories in order to gain a more distinct position in those areas. Through greater use of our services, we generate higher returns for our advertisers. We will also improve our dialog with advertisers about their specific needs and market situations. With this as a starting point we will guide our customers to a greater extent and adapt our offerings to individual customers' needs or to selected market segments.

Going forward we will put greater emphasis on business development and focus on related services that complement and enhance the value of our current search offerings, both for users and for customers. In doing so we will draw from our competence and market position. By collaborating with niche entrepreneurs we can gain access to smart technological solutions, increase our flexibility, and shorten the time from idea to product launch.

Building a stronger company

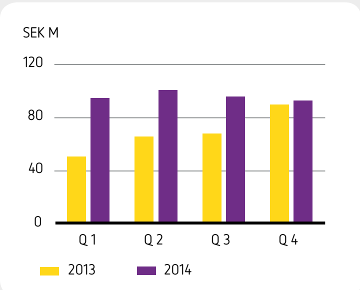
To capitalize on the opportunities that exist in the growing market for digital marketing and lower the company's debt, the Board of Directors has proposed a fully underwritten rights issue and convertible issue. This financing package will give us the scope needed to realize our plans. We will establish stability within Eniro. We will also ensure that our business is conducted in the absolute best way to be competitive and create shareholder value. This is something we must do in all functions and at all levels within the Group. Over time, the strategic actions we have adopted will increase profitability. For 2015 we expect EBITDA to remain level with 2014.

I am impressed by our employees' performance during this turbulent year. But I cannot deny that it has been tough. Drawing positive energy from one's work is a vital driver and is essential for job satisfaction. So looking forward, with the performance I have already seen and the competence of Eniro's employees, I am convinced that together we will build a stronger company and improve our profitability over time.

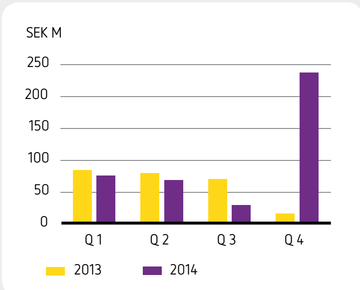
Stockholm, March 2015

Stefan Kercza

MOBILE SEARCH REVENUE 2014 VS. 2013



COST SAVINGS 2014 VS. 2013



88%

of advertising revenue in 2014 from Multiscreen

We bring buyers and sellers together

Eniro is a search company that aggregates, filters, organizes and presents local information about services, products, companies and people. High use of Eniro's search services creates value for Eniro's customers, who gain exposure and an effective ranking.

Vision

Eniro's vision is to be the symbol of local search.

Eniro has an established position to work with as a foundation to continue developing the best quality and technology for meeting users' future needs for local search in Scandinavia, Finland and Poland.

The symbol of local search

Business concept

Eniro's business concept is the same as when the company was started more than 130 years ago *– to provide the best local information and thereby bring buyer and sellers together.*

Eniro aggregates and processes information from a vast range of information sources, including websites, telecom operators and sales organizations. This information is filtered, sorted and organized in the database, which is Eniro's most important asset. Revenues from local search are generated through exposure and rankings from advertisers in Eniro's search services.

Values

Eniro's three values – devoted, perceptive, and reliable – are to permeate the entire organization.

Devoted entails that we always strive to offer customers and users the best possible solution.

Perceptive means that we work according to the needs of the specific target groups by actively listening and having an open dialog.

Reliable – we will be perceived as being reliable by delivering what we have promised.

- Devoted
- Perceptive
- Reliable

LOCAL INFORMATION GATHERING
- Aggregate
- Filter
- Organize
- Present

MAIN SEARCH SERVICES
- Eniro.se
- Gulesider.no
- Krak.dk
- Degulesider.dk
- Panoramafirm.pl
- Proff.se/.no/.dk/.pl

USERS/SERVICES
- User benefit
- User behavior

ADVERTISERS
- Searchability
- Rankings
- Profiling
- Greater exposure
- ROI

Business model – mutual dependence

Eniro's business model is based on the interaction between users, customers and channels, which are mutually dependent on each other. By providing current and relevant information about customers, we attract users, and by providing high user benefit, we attract customers. By staying at the forefront in the development of distribution channels and products, we attract both users and customers.

Users and the database

Users' needs, behaviors and preferences steer Eniro's development, which means that Eniro adapts its development focus accordingly. What is decisive for users is that Eniro's information provide the most relevant search results, is up-to-date, and has a high level of quality.

Eniro's high-quality database includes some 5 million searchable companies, more than 23,000 registered online stores, more than 1.3 million web addresses and 17 million products.

Customers and sales

Eniro sells exposure and an effective ranking to hundreds of thousands of customers. Most of them are small and medium-sized companies working mainly in a local market, where the professional category is often a stronger search target than the companies' own brands. Eniro has approximately 250,000 customers in Scandinavia, Finland and Poland. For the company's revenue model, see page 29. Sales are conducted by Eniro's approximately 1,300 sellers, representing one of the largest sales forces in the Nordic region. The work of the field sales force is concentrated on larger customers with more advanced needs, while other customers are contacted by phone. When a contract is nearing renewal, existing customers are contacted mainly by phone and to a decreasing extent by letter.

Offerings and channels

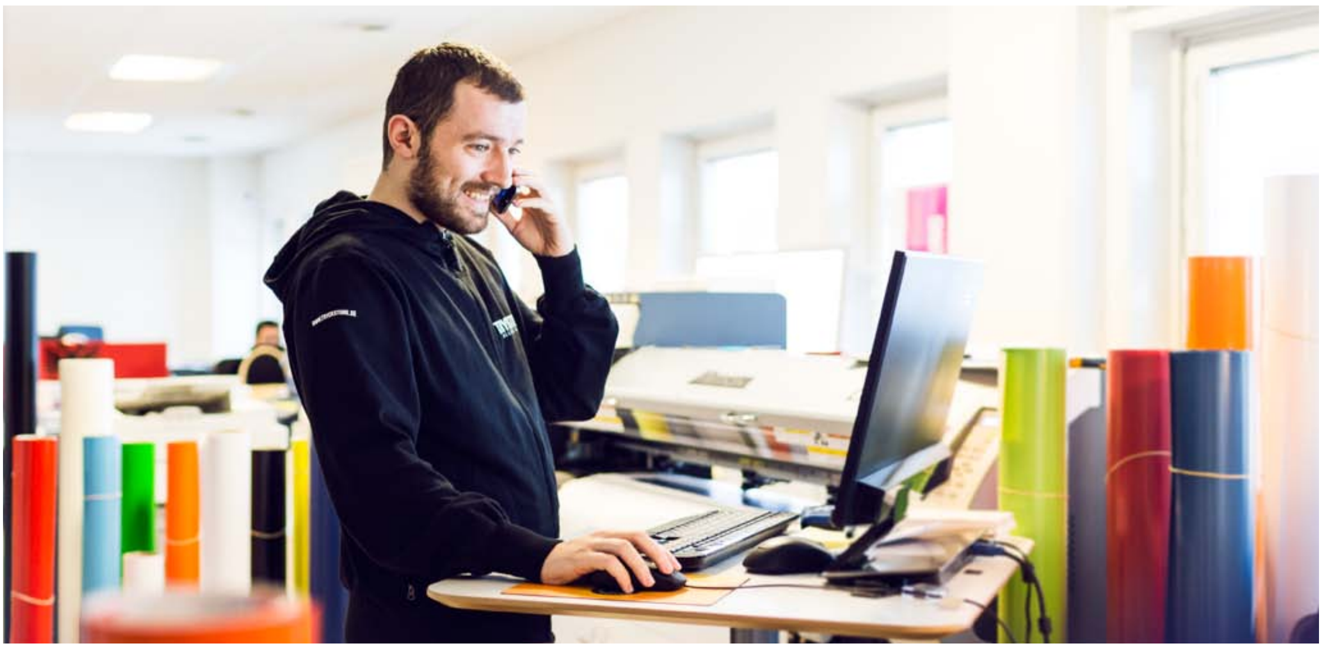
Eniro offers customers a broad presence in the local search market through rankings in Eniro's channels, establishment of company websites, videos, banners, search engine optimization (SEO) and sponsored links on partner sites such as Google and Bing.

Eniro distributes information via digital channels, printed directories and by phone. Today the digital channel accounts for approximately 88% of total advertising revenue. The digital search function is backed by a multiscreen solution, so that searches can be performed in the channel that suits the user best. The multiscreen channel consists of Desktop search, Mobile search, and Campaign products. Eniro has well known brands in all active segments.

The mobile search channel is the fastest growing part of Eniro's business.

Printed directories (Print) exist today only locally as a complement to digital search channels and are delivered primarily to targeted groups.

The directory information service (Voice), along with more qualified services by phone, will continue to be offered as long as users continue to use the service and it has satisfactory profitability.



Strengthening our position in local search

Eniro has a clear strategy to strengthen its leading position in local search and to expand its product portfolio with complementary services in digital marketing. Parallel with this, the company will continue to offer its Print and Voice services as long as they remain in demand. Eniro will enhance user benefit by giving customers a market-leading return through a more value-driven organization.

Eniro's strategy – clear position in local search

Eniro has leading positions to work from in its continued development of the best quality and technology to meet the market's future needs for local search services in Scandinavia, Finland and Poland.

Eniro's strategy is based on its presence in three market segments. (1) Focus is on strengthening the company's position in local search. This will be achieved by offering a superior search experience for users and generating market-leading returns to advertisers. (2) The value of the current search offerings will be enhanced by augmenting them with innovative, complementary services in digital marketing. (3) Parallel with this, the company will responsibly manage its contracting business in Print and Voice.

Eniro's strategic direction in the years immediately ahead will revolve around being even more attractive for users, improving the conditions for advertisers' exposure, and creating an internal culture that drives growth in value for users and advertisers alike.

Greater user benefit

Users have high demands on information and use the search sites that offer the most relevant information. Eniro must continuously strengthen content to ensure that it is always relevant for the millions of visitors who use Eniro's sites to search for information every week in the various countries. To more clearly define its market position, going forward Eniro will highlight specially selected search categories, with the goal to be recognized as the most relevant search function in those areas. At the same time, Eniro will offer the industry's best user interface, ensuring that users find it easy to search whether they are using a desktop computer, tablet, or smartphone. Through continued focus on app development, Eniro will consolidate its leading position in Mobile search.

To a greater extent than before, Eniro will aspire to engage and inspire users, among other ways by offering real-time information, more images, and a greater array of personal settings.

Market-leading return to advertisers

Higher user benefit leads to more traffic, which attracts advertisers. All customers receive result (ROI) reports that show the traffic generated by Eniro's search services. In this way, customers can see the impact of their marketing and measure the return on their investment. Customers that monitor their marketing impact via Eniro's result reports have a higher repeat purchase rate than those that do not regularly take an interest in their advertising results. Eniro will help customers to a greater extent in seeing the opportunities and impact of their marketing investment.

One way Eniro will achieve this is by being more perceptive and improving its dialog with advertisers. By working from individual customers' current needs and market situations, Eniro will increasingly focus on guiding its customers through the digital marketing process and offer customized solutions. These can entail, for example, price models, seasonal offers, or specific solutions for selected market segments.

Surveys conducted in Sweden by the

Strategy

1. Strengthen leading position in local search
2. Complementary services in digital marketing
3. Responsible management of Voice and Print

Strategic direction

USERS

- Relevant content and search logic
- Increase users' engagement and frequency of visits
- Personalization
- Consolidate leading position in mobile search

CUSTOMERS

- Establish advisory-driven sales with a comprehensive digital product portfolio
- Greater adaptation to customers' needs and situations
- Create engaged customer communication

INTERNAL CULTURE

- Value-driven organization
- Changed competency profile in sales
- Increase employee satisfaction

Forecast:
EBITDA 2015
in line with 2014

market research company TNS Sifo in 2014 show that today's users are more tech-savvy than many advertisers. There is a great difference between what consumers are looking for among small and medium-sized businesses, and what these companies offer in terms of search results. For example, users want more detailed information in their product searches – mainly regarding price – but also more images, consumer reviews, and information on where they can buy the product they are researching. Eniro's platform offers this type of information, among other things through an image gallery. This function is a vital step in an e-commerce solution and enables advertisers to achieve deeper penetration into the user's search and purchase process.

Internal culture drives value for users and advertisers

A more customer- and market-oriented sales effort requires that the sales force handles a broader product portfolio, which puts higher demands on the competence of Eniro's salespeople.

Clear control and monitoring of results will be an increasingly important part of leadership within sales. The management function that was previously established in Denmark has served as inspiration for the sales management that began to be implemented in the other geographic markets in 2014. Eniro is working actively to reduce staff turnover. Clear career opportunities, training, and an upgraded competency profile in recruitment are examples of measures that have been taken to improve employee satisfaction.

Complementary services

Eniro will serve its customers as an advisor in their digital marketing. In fulfilling this advisory function, Eniro must offer comprehensive digital services that are relevant for users and customers alike. Solutions will have to include both a packaging of existing products and the resources to offer new services that complement the current portfolio. Eniro's new offerings will include closely related digital solutions that enhance the total value of customers' marketing, and where Eniro either serves as a retailer of external partners' products or develops its own services.

Eniro will also put greater emphasis on business development. The company will channel its own development resources into users' experiences of Eniro's search and navigation services. In other areas, Eniro will collaborate with niche entrepreneurs in order to tap into their specialist expertise. Through such partnerships Eniro can integrate third parties' technical solutions with Eniro's content, be more flexible, and shorten the time from idea to product launch.

Operational goals for stability and profitability

Eniro's strategy is steered by a set of operational goals for ensuring stability and profitability.

Eniro's user benefit is measured in terms of the number of unique visitors to the search sites and their frequency. The goal for 2015 is to both increase the number of visitors to sites and how often the same visitors return to the sites. By adapting the offering to advertisers' needs to a greater extent, their exposure will improve. This will be reflected in the level of traffic documented in the result reports and can be measured in terms of customer satisfaction. The goal for 2015 is to improve customer satisfaction.

Another goal is to increase employee satisfaction, which is measured by monitoring staff turnover, among other things. The goal for 2015 is to reduce staff turnover.

Forecast

The strategic actions outlined above will lead to improved profitability over time. For 2015, the goal is for EBITDA to remain level with 2014.

Operational targets for 2015

Drivers in the search market

The Scandinavian market for digital marketing continues to grow. Per capita advertising investment is at a high level. The Polish market is also showing stable growth, but from a lower investment level. The areas experiencing the highest growth are mobile advertising, display advertising, keyword marketing and web TV.

Digital marketing accounts for roughly a third of the media market and experienced an overall steady growth in 2014 compared with 2013. The highest growth was noted in mobile marketing, while display advertising, keyword marketing and web TV also noted significant growth.

The keyword market – regardless of channel – is characterized by fierce competition, rapidly changing user behaviors and a high level of technological innovation. In addition, advertisers are making ever-higher demands for results and close monitoring.

Many different players

Eniro's services encounter both direct and indirect competition from companies that offer searchability. At the same time, several competitors are also business partners.

The direct competitors are local players, which in Sweden are hitta.se, in Norway Opplysningen 1881, in Denmark 118.dk, and in Poland PKT. Among generic international players are Google and Yahoo, and specialized players in certain areas – so-called verticals – which are either international players like Tripadvisor or Booking.com, or national players like Sushikartan in Sweden. Google is an example of a company that operates both as a competitor as it moves closer to local search and a partner that uses Eniro to gain access to customers as it does not have its own local sales organization. Apart from the various search companies are various social network sites that are approaching the small and medium-sized companies segment. Their challenge is that they currently do not have own sales structures for penetrating their customer segment.

In the market for media investments, Eniro also competes with alternative channels, such as daily newspapers, radio, TV, outdoor advertising, and direct marketing.

Operators and other manufacturers of telecom equipment are also players in the market that have many users and a vast amount of information.

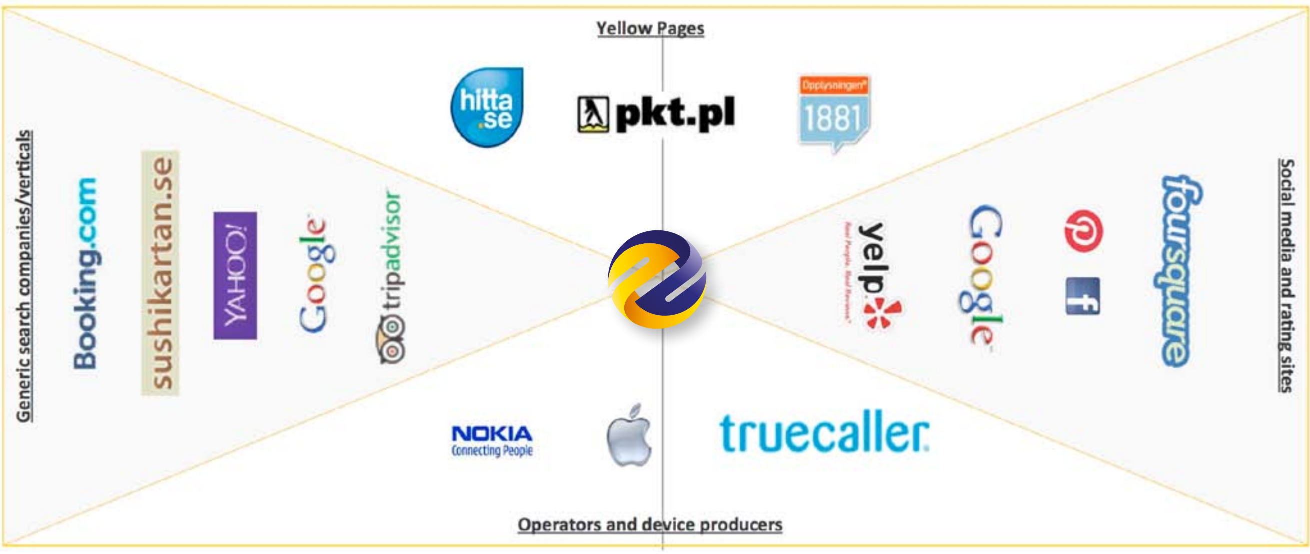
Users driving development

Today's users are engaged in a continuous exchange of information surrounding their own consumption through their social networks. They make purchasing decisions and buy products locally, where they are, and everything is made possible by mobile Internet access. The commercial aspects are also growing, since the use of various e-commerce solutions is becoming increasingly common. Prior to a purchase, a search engine is typically a key starting point.

More and more users today have a smartphone or tablet, and they know where to search for information about a company, product or service. Users are well-read, and they are not loyal. If they do not find what they are looking for, many will choose another company or brand.

One distinct trend is that users today move between different digital devices – smartphones, desktop computers and tablets. They expect all types of information to be searchable and accessible on the Internet – even via mobile devices.

Users' search needs vary. Some people spend less time searching and are slow to use new technology, while others spend more time searching and embrace new technology. Another search pattern



Market value per country according to IRM, relevant media market segments[1) 2)]

Market category	Sweden				Norway				Denmark			
	2014 (forecast) SEK M	%	2015 (forecast) SEK M	%	2014 (forecast) NOK M	%	2015 (forecast) NOK M	%	2014 (forecast) DKK M	%	2015 (forecast) DKK M	%
Display	2,583	10.5	2,629	1.8	984	-3.2	960	-2.4	1,707	9.0	1,843	8.0
Web TV	668	62.0	935	40.0	237	66.4	357	50.7	Na	Na	Na	Na
Online directories/captions[3)]	2,068	-7.5	2,022	-2.2	3,666	2.1	3,668	0.1	1,390	5.2	1,428	2.7
Keywords	3,974	18.0	4,512	13.5	1,605	19.8	1,882	17.2	2,322	14.0	2,647	14.0
Internet total	**9,341**	**11.2**	**10,142**	**8.6**	**5,508**	**5.4**	**5,906**	**7.2**	**5,419**	**10.1**	**5,918**	**9.2**
Mobile	1,457	65.8	2,131	46.2	571	60.5	845	48.0	Na	Na	Na	Na
Relevant total market	**10,798**		**12,273**		**6,079**		**6,751**		**5,419**		**5,918**	

1) Excluding printed directories, which Eniro phased out in 2014.
2) External market data not available in Poland; in Finland, Eniro offers only a directory assistance service and call center operation.
3) In Norway these are reported as merkvevare, rubrik and nettkataloger – these have been combined here for comparison. Source: IRM 2014.

involves finding out what other consumers have bought or asking questions about tips and advice. Still other users are hunting for the lowest price, knowledge, or inspiration.

Knowledge gap among businesses

Users' changing search needs are having a major impact on how businesses and advertisers reach various target groups. Aside from broad mass marketing campaigns, niche channels are becoming increasingly important. It is for this reason that businesses are increasingly investing in digital marketing such as web advertising, advertising in digital search services, and keyword advertising.

And while the digital media market is opening up new opportunities for businesses to market products and services, the rapid pace of change is presenting challenges. Surveys in Scandinavia indicate that small and medium-sized companies risk falling behind in digital marketing. It is no longer enough for a business to have a website and be searchable. A large knowledge gap currently exists between what businesses believe is important and what users expect. For example, many users expect to find more detailed information about price, product pictures and special offers when they search online. From the advertisers' side, studies show that the demands to be able to measure the impact of digital marketing are growing from large as well as from small and medium-sized businesses.

Technological innovation

Development of digital technology is advancing rapidly and creating new opportunities in digital marketing. Automated advertising solutions are one example. Today a company can buy marketing solutions on digital advertising exchanges. By registering certain parameters, a business can automatically buy and sell banner and keyword ads and in such way optimize its marketing based on a set of predetermined options. Ads can also be automatically generated based on a set of selected graphic templates.

Another clear trend is that advertising is becoming increasingly data-driven. The technology involved in gathering and analyzing large volumes of information is creating opportunities to be proactive and adapt advertising content to individual users' areas of interest. This means that ads can be more targeted and shown only on sites whose content matches certain keywords. An example is for an ad to be placed in the right context based on the content of a website.

Another development is retargeting, where merchants display products based on the user's previous search behavior. Retargeting is a way of enticing users to return to a web store or website. Based on the user's previous searches, a merchant can display a targeted ad when the user visits another website that is included in the same advertising network. Retargeting does not give businesses new users, but it can help bring a digital transaction to fruition. This is particularly attractive for merchants that use e-commerce.

Industry peers

Related companies	Main markets	Operations	Listing	Revenue 2014[1)]
European Yellow Pages				
Solocal Group	France, Spain, Luxembourg and Austria	Brand platforms for local information	Euronext Paris	SEK 8,514 M
Seat Pagine Gialle	Italy, UK and Germany	Local search company	Borsa Italiana Telematica	SEK 2,793 M[2)]
Nordic media				
MTG	Scandinavia	Media company focusing on TV production	Nasdaq Stockholm	SEK 15,746 M
Alma Media	Finland and Baltic countries	Printed newspapers and digital new services	Nasdaq Helsinki	SEK 2,687 M
Schibsted	Scandinavia and Europe	Media house expanding in digital advertising platforms	Oslo Børs	SEK 16,314 M
International peers				
Google	Global operations	Global search Engine	New York Stock Exchange	SEK 452,615 M
Facebook	Global operations	Social network platform	New York Stock Exchange	SEK 85,488 M
Yelp	Main market in USA and large parts of Europe	Provider of user-generated ratings and views	New York Stock Exchange	SEK 2,589 M

1) Recalculated using average exchange rates for 2014.
2) First nine months of 2014.

Product development

Eniro is focusing more on collaboration with entrepreneurs in product development. The aim is to shorten lead times and gain access to specialist expertise. The company is moving towards a more open development process in which users and customers provide input, and the various search sites are updated continuously with new functions and services. Strengthening Eniro's position in mobile search will be a matter of central focus in 2015.

Changing demands on development

The dynamic development in the digital media market is leading to a greater need to have fast development processes – from idea to launch of a new search or advertising service. To shorten this process, Eniro has gradually coordinated its business development, IT development and marketing function in parallel with a centralization of resources within the company.

In response to technological development and changed search behaviors among users, Eniro has chosen to not have its own development resources in all areas. Instead, the company will focus its internal development resources on the users' experience from Eniro's search and map services in searching for businesses, people and products in the respective countries. However, with respect to implementing the various technical platforms of these services, Eniro's strategy is to forge partnerships with entrepreneurs that are specialized in the respective areas.

The aim of this partner-driven development approach is to shorten the time to develop new products and services, as well as to gain access to specialist expertise.

Partnerships

The launch of Eniro Navigation in 2014 is an example of a service in which Eniro benefited from a partner's existing platform and integrated that solution with Eniro's search services and content.

Open innovation process

Instead of running major development projects, going forward Eniro will increasingly concentrate on conducting its development work in smaller projects, where the company will work in close cooperation with the pertinent target groups, regardless of whether they consist of users or customers. In this way Eniro will be able to more quickly launch new functions and evaluate and manage projects in the aim of meeting changed needs in a more flexible manner than previously.

Eniro carries on an active and continuous dialog with users and customers in its efforts to continuously improve its services. In this way, Eniro ensures that it is addressing the users' and customers' needs in both the desktop search and fast-growing mobile search channels.

During the year, Eniro carried out a pilot crowdsourcing project in which users could submit ideas for personal search functions they would like to see in the future.

Eniro conducts continuous quality surveys, and through precise data-driven segmentation, the company gains keen insight into users' needs for local search solutions. Based on the feedback it receives regarding what users appreciate and what they think can be better, Eniro then prioritizes areas for development. This needs-based analysis is guiding Eniro's development work for users as well as customers.

More open innovation process

Eniro took another step towards a more open innovation process in 2014, where users were urged to submit ideas on the types of search services they would like to see in the future.

Greater relevance

Eniro has launched an improved function for geographic searchability. The function refines searches in local areas and makes it possible to search in areas that are not marked on ordinary maps.

Focus 2015

In 2015 Eniro will be prioritizing three areas of product development. First, Eniro will continue developing the content of the various services and make them more relevant for users.

To strengthen its position in mobile search, Eniro will continuously launch upgrades of its mobile search service. Another priority area entails getting the millions of users who search for information every week using Eniro's services to use the service more frequently. This will be achieved by, among other ways, offering more images and product descriptions, and creating more dynamic content.

A taste of future products

When I woke up this morning, I got a text message about a car crash on my route to work, but also suggestions for alternative routes both by car and bus. Eniro's weather forecast showed heavy rain, which was probably a contributing factor to the accident.

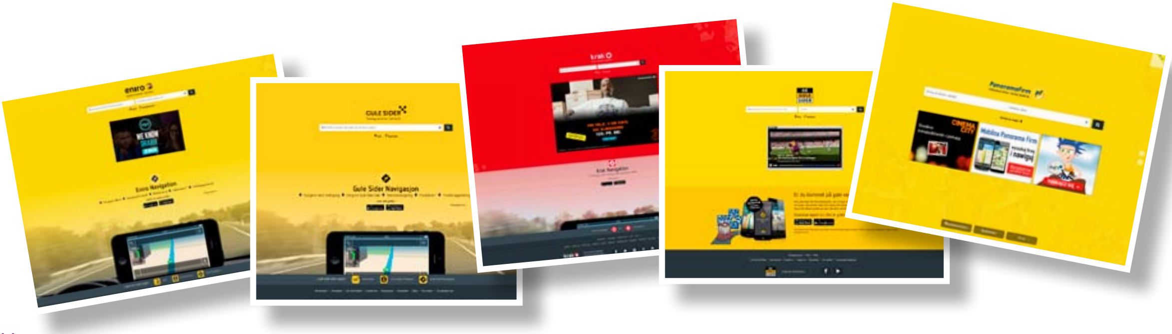
While at work I remembered that I need to buy a pair of soccer shoes for my daughter's birthday. I found all the stores I could buy them at from my Eniro app. It also gave me price comparisons, opening hours, user recommendations, contact information and websites. I chose a pair that had a special offer for Eniro users. If I had planned a little better, I would have ordered them via the app, but I needed them right away, so I chose instead a route description.

I love this app from Eniro! It sure is making my life easier – I love apps that are easy to use and uncomplicated, but don't infringe upon my integrity. Apps that send me relevant push messages that I subscribe for. I am eagerly looking forward to seeing what Eniro's next update will offer for new functions and releases.

My daughter got to choose which restaurant we would celebrate her birthday at. We looked up her favorite place using my Eniro app. After a great dinner, on our way home we got a push notice from an ice cream shop that we just drove by – two for the price of one! We couldn't resist the offer. It's only her birthday once a year.

Desktop search

Revenue from Desktop search decreased during the year to SEK 1,484 M (1,861), as an ever-greater share of users are migrating to the mobile search channel. Desktop search revenue accounted for 49% (52%) of Eniro's total revenue in 2014.



Operations

Eniro's role is to guide users and businesses in a digital market. This entails making it easy for users to find what they are looking for by connecting them with the right vendor in the local market. Eniro helps users to conduct local searches, no matter where they are at the moment or where they are headed. As an advertiser on Eniro, companies pay for a better ranking and better exposure. The higher up a company is positioned on a hit list and the better it is profiled, the more business can be generated. Advertisers can see the results of their marketing through the result reports that Eniro provides, which include information about the number of search hits and additional contacts, among other things.

Eniro has hundreds of thousands of customers in Sweden, Norway, Denmark and Poland. The primary channels for conducting searches from a desktop computer or tablet are eniro.se, gulesider.no, krak.dk, degulesider.dk, and panoramafirm.pl. In addition to searching for people and companies, it is possible to search for services and products as well as to conduct map searches. Eniro's local search services are among the most highly visited sites in their respective markets. Brand recognition among end users is higher than 90% in Scandinavia and slightly below 80% in Poland.

In addition to the local search services, Eniro offers financial search services under the Proff brand on the websites proff.se, proff.no, proff.dk and proff.pl, where users can find official company information, information about a company's board and management, financial information including balance sheets and income statements, and selected key ratios about all stock corporations.

Performance 2014

A new platform was launched during the first quarter with a more modern and responsive design that is automatically adapted to different screen sizes. The new platform was very well-received. Both the number of users and number of clicks to advertisers increased in 2014. Parallel with the new platform, an e-commerce solution was also launched, aimed at web stores as well as companies with brick-and-mortar stores. This has given advertisers new opportunities to show their products and services with both images and prices in Eniro's local search service.

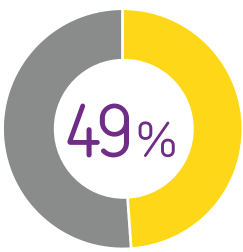
During the year, Eniro took a concerted approach to opportunities for users to write reviews about companies. Surveys show that eight out of ten users rely as much on online reviews as on personal recommendations. In response to this, reviews from Eniro's review sites rejta.se, anbefalt.no and dethitter.dk were integrated in the local search services.

The share of traffic via desktop computers decreased during the year, as a growing share of searches are being done from smartphones. Revenue from Desktop search decreased by 20% to SEK 1,484 M (1,861).

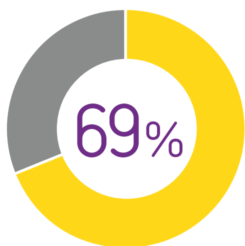
Future outlook

In 2014 Eniro conducted efficiency improvement work in its development organization in an effort to accelerate launches of products and services and increase flexibility by working with continuous updates. Going forward, Eniro will strive to enhance the value of advertisers' investments by generating additional traffic and clicks to customers. Eniro has opportunities to increase involvement from its large user base and get users to visit the service more frequently. Investments will be made in search logic, content relevance and basic data in an effort to consolidate Eniro's leading position in local search in the respective markets.

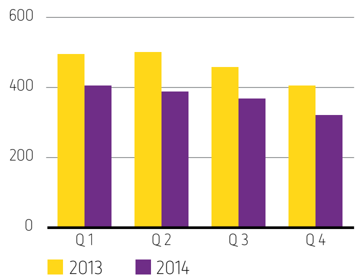
Share of Group revenue 2014



Share of traffic 2014



Operating revenue, SEK M



Mobile search

Revenue from Mobile search continued to grow and amounted to SEK 385 M (275) in 2014. The share of traffic via smartphones continued to grow sharply and accounted for 31% (23%) of total digital use. Mobile search revenue accounted for 13% (8%) of Eniro's total revenue in 2014.

Operations

Eniro's business model in the mobile channel works the same way as for Desktop search. By investing in better rankings and better graphic design, advertisers increase the number of transactions generated via the search service. Searches performed from smartphones continue to grow sharply and are expected to account for half of total searches within the near future.

Eniro's Mobile search business includes the mobile responsive versions of eniro.se, gulesider.no, krak.dk, degulesider.dk and panoramafirm.pl, as well as the corresponding mobile applications for iOS and Android.

Performance 2014

During the first quarter a new advertising package was launched for mobile search. A natural extension of local search involves also showing users how to find companies and people. Toward this end, during the first quarter Eniro launched mobile navigation apps for both iOS and Android. These are marketed under the names Eniro Navigation, Gule Sider Navigasjon, Krak Navigation, DGS GPS and Panorama Firm Nawigacja. Eniro's new navigation apps were downloaded approximately 600,000 times during the year.

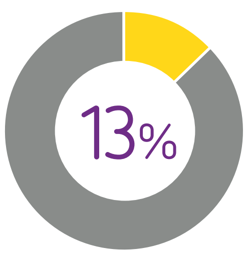
Ahead of the boating season, brand new versions of the nautical navigation apps Eniro På Sjön and Gule Sider På Sjøen were launched in Sweden and Norway, respectively. And for the first time, Eniro began selling in-app sales for the Navigation and På sjön mobile apps to generate direct revenue from users.

The share of traffic via smartphones rose sharply during the year, to 31% (23%) of total digital searches. Mobile search revenue rose 40% to SEK 385 M (275).

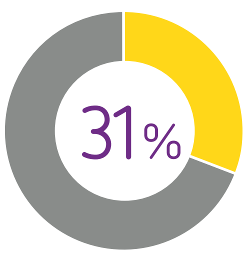
Future outlook

Mobile search is a priority area for Eniro. Going forward, Eniro will strive to enhance the value of advertisers' investments and generate more traffic and clicks through, among other things, improved user interfaces, a more image-centric service and more advanced search logic. New versions of the navigation apps will also be launched on a regular basis in 2015.

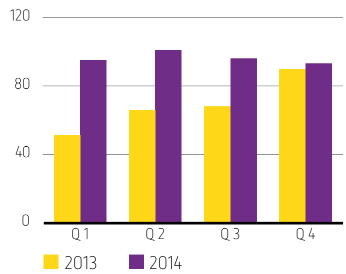
Share of Group revenue 2014



Share of traffic 2014



Operating revenue, SEK M



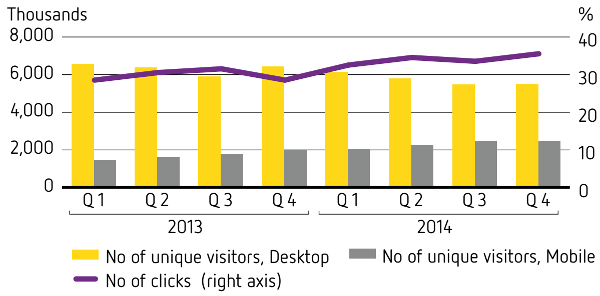
Traffic development

Group

Every week nearly 8 million unique visitors use Eniro's search services. The share of visitors via smartphones is rising continuously and accounted for 31% of total searches at year-end 2014, compared with 23% in 2013. This corresponds to more than 2.5 million unique mobile visitors per week.

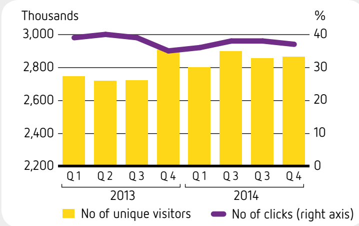
Advertisers receive regular result reports which show, among other things, the number of searches per company, product or service, and the number of clicks the searches generate. At year-end 2014 the share of clicks to advertisers was 39%, which is an increase of 7% compared with 2013.

Number of unique visitors/week	Change in number of unique visitors 2014 vs. 2013	Share of clicks to advertisers	Change in number of clicks 2014 vs. 2013
8 million	+0 percent	39 percent	+2 percentage pts.



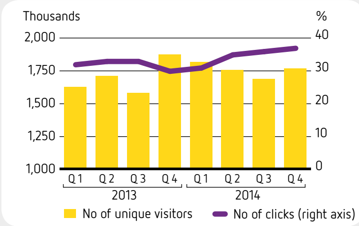
Sweden

Number of unique visitors/week	Change in number of unique visitors 2014 vs. 2013	Share of clicks to advertisers	Change in number of clicks 2014 vs. 2013
2.9 million	+3 percent	37 percent	+2 percentage pts.



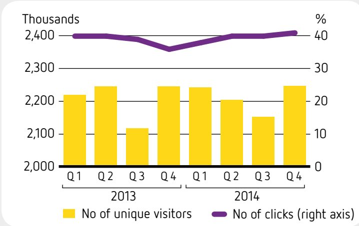
Norway

Number of unique visitors/week	Change in number of unique visitors 2014 vs. 2013	Share of clicks to advertisers	Change in number of clicks 2014 vs. 2013
1.8 million	+3 percent	36 percent	+7 percentage pts.



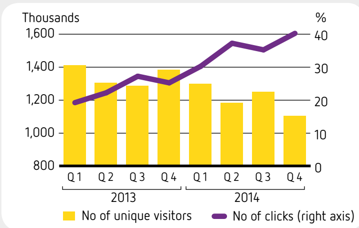
Denmark

Number of unique visitors/week	Change in number of unique visitors 2014 vs. 2013	Share of clicks to advertisers	Change in number of clicks 2014 vs. 2013
2.2 million	+0 percent	41 percent	+5 percentage pts.



Poland

Number of unique visitors/week	Change in number of unique visitors 2014 vs. 2013	Share of clicks to advertisers	Change in number of clicks 2014 vs. 2013
1.1 million	-10 percent	41 percent	+8 percentage pts.



Statistics calculated as monthly averages.

Campaign products

In the Campaign products segment, Eniro offers complementary advertising solutions via third-party vendors and external networks. Revenue grew 8% in 2014, to SEK 265 M (246). Revenue from Campaign products accounted for 9% (7%) of Eniro's total revenue in 2014.

Operations

Eniro offers its customers a digital presence and advertising both via its own sites and via external partners, such as Google and Bing. Eniro is active on various advertising exchanges for automated advertising solutions. Campaign products are sold by a separate sales force under the Kvasir Media brand in Sweden and Norway, and under the Krak Media Group name in Denmark. In Poland, websites are sold under the Panorama Firm core brand.

Eniro helps its customers optimize their searchability and digital presence by offering digital add-on services such as search engine optimization, keyword and banner advertising, and establishment of websites and videos. Through a special customer website, customers have the opportunity to monitor their ads and see the results of their marketing investment.

Eniro is an authorized retailer for Google and Bing in Sweden, Norway and Denmark. As a result of these partnerships, the margins for Campaign products are lower than the Group's other revenue areas.

Campaign products are a volume business that requires effective sales and matching processes in order to be able to achieve satisfactory profitability. Revenues are generated when delivery takes place through a keyword click or when a banner ad is shown. Revenues for websites and search engine optimization services are based on a subscription model.

Performance 2014

During the year Eniro continued to prioritize measures to improve profitability in parallel with growth. A review was conducted to ensure the price policy for products and that the portfolio consists of products that have a stable and growing market. One result of this review was Eniro's decision to divest its ownership stake in Scandinavia Online, a Norwegian web portal, during the first quarter.
In banner advertising, during the year Eniro successfully launched new offerings based on how users conduct searches on Eniro's own sites and apps. In addition to the existing network of partners in banner advertising Eniro has in Denmark, a similar network was built up in Norway during the year. Revenue from Campaign products rose 8% in 2014, to SEK 265 M (246), and profitability improved. Adjusted for the divestment of Scandinavia Online revenue grew by 22%.

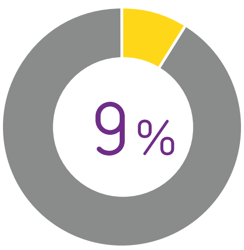
Future outlook

Starting in 2015 Eniro will no longer use external vendors to produce websites, but will do so under own management. This measure will lead to improved profitability and higher quality. Going forward, sales of campaign products will increasingly be integrated with Eniro's other digital sales organization. Focus within campaign products will be shifted to digital presence, websites, and banner advertising.

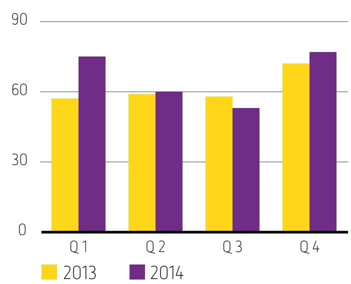
22%

organic growth in 2014

Share of Group revenue 2014



Operating revenue 2014



Print

In 2014 Eniro phased out its regional telephone directories in all markets and now offers only local printed directories in Sweden, Norway and Denmark. As a result of this and the declining market, Print revenue continued to decline, to SEK 295 M (517). Print accounted for 10% (14%) of Eniro's total revenue in 2014.

Operations

In recent years Eniro has adapted its business to users' changed search behavior. An ever-growing share of information searches today are performed in digital channels, and the advertising market for printed phone directories has contracted steadily.

In 2015 Eniro offers advertising in local printed directories in Sweden, Norway and Denmark. Advertising in local directories is sold by a separate sales force as a complementary offering to digital advertising packages. Products are sold under the local, well known brands Din Del in Sweden, Ditt Distrikt in Norway, and Mostrup and Den Røde Lokalbog in Denmark.

Studies show that there is still demand for local directories, mainly among people over 50. Eniro targets advertisers who direct their marketing specifically to this target group.

Performance 2014

During the third quarter of 2014 Eniro phased out Gula Sidorna (the Yellow Pages) in Sweden – the last Scandinavian country with regional, printed phone directories. In Poland, Eniro has offered only regional printed directories. Here, too, sales of advertising space were concluded and the last phone books in Poland were distributed during the fourth quarter.

Based on user surveys, distribution of directories in Sweden and Norway has been adapted to specific target groups to ensure the most efficient and environmentally friendly distribution as possible. This means that the directories are distributed primarily to households with people over 50 years of age. In Denmark work is in progress on more target group-oriented distribution.

Circulation of local directories in 2014 was 3.6 million in Denmark, 3.0 million in Sweden and 1.4 million in Norway.

In 2014 local directories accounted for 10% of Eniro's total Print revenue. Total revenue for printed directories decreased by 43% to SEK 295 M (517).

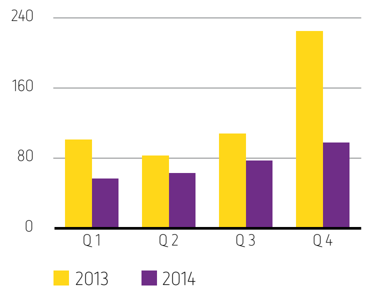
Future outlook

Eniro will continue to publish printed local directories as long as they remain in demand among the company's users and customers, and satisfactory profitability can be maintained. Operations will be adapted on a continuous basis to reduce overheads.

Eniro expects revenues from Print to decrease by SEK 37 M in 2015 as a result of changed publication dates.

Share of Group revenue 2014

Operating revenue, SEK M



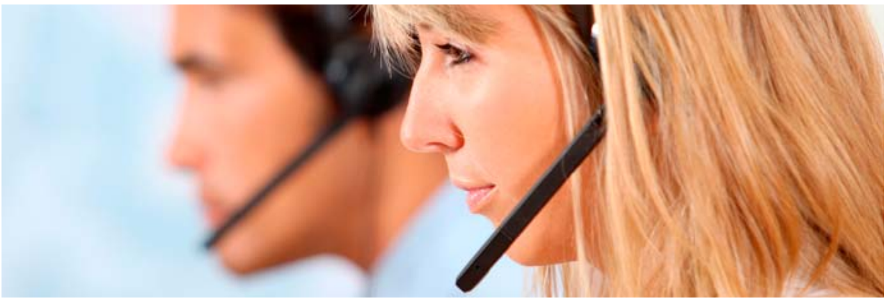
25%–35%

Use[1] in age group 50–80 years in Sweden, Norway and Denmark

1) At least once a month.
Source: Sweden TNS/SIFO, Norway FörbrukerMedia, Denmark TNS Gallup.

Voice

The market for personal directory information services continued to contract during the year as a result of greater use of the Internet via smartphones. In line with Eniro's expectations, revenue continued to decrease, to SEK 573 M (689). Profitability remained satisfactory, and EBITDA amounted to SEK 237 M (251).



Operations

With the rise of digitization and growing use of smartphones to perform online searches, the market for directory information services has decreased. Despite this directory information will continue to be of interest for various user groups in the foreseeable future.

Eniro provides directory information services by voice and text message (SMS) in Sweden, Finland and Norway. In Sweden Eniro is the market leader with its 118 118 service, while Eniro's phone operators handle incoming calls from other companies offering phone-based directory information services. In Finland, in addition to the directory information service 0100100, Eniro has a small call center that provides switchboard and customer service operations. In Norway, Eniro operates the 1880 and 1888 directory information services.

Eniro strives to offer a personal, knowledgeable and engaged directory information service. Customer surveys indicate that Eniro's level of service is high and the offer is appreciated by users. Over time, Eniro has developed its traditional directory information service to also encompass route descriptions, map links, business hours and other searchable information. However, in Sweden the Post and Telecom Authority (PTS) has limited the scope of services that may be provided through an injunction prohibiting responses to questions of a strictly knowledge or entertainment character, starting in 2015.

Performance 2014

The number of incoming calls and text message directory requests continued to fall during the year in all markets, although revenue has not fallen to the same extent, as price increases have helped compensate for part of the volume decline. In Sweden, Eniro continued to consolidate the production market. In 2014 the company concluded an agreement with 118 800 and was awarded a contract to operate PTS's directory information service for the visually impaired, 118 400.

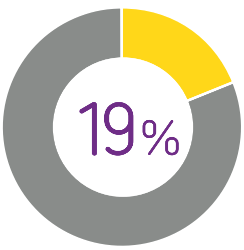
Eniro has carried out various measures to maintain profitability. In Sweden, for example, two of four local offices were closed. In Finland the company created further synergies between the directory information service and its call center operation. In Norway, management made the decision to close one of two local offices.

Total revenue for Voice decreased by 17% to SEK 573 M (689). Despite restructuring costs the profitability for Voice remained satisfactory. EBITDA amounted to SEK 237 M (251), entailing an EBITDA margin of 41.4% (36.4%).

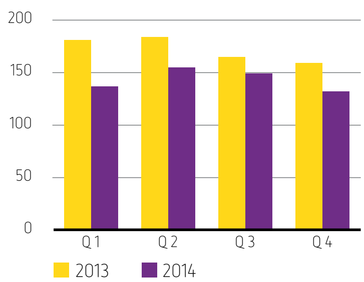
Future outlook

The volume of incoming calls and requests via text message is expected to continue falling, although to a lesser extent than previously. The service of providing information by text message is expected to disappear within a few years. The commercial impact of PTS's injunction is considered to be negligible. Despite the drop in revenue, the Voice revenue category is expected to continue to make a significant contribution to Eniro's profitability and cash flow. The channel is expected to continue to have a long life and stay relevant as long as Eniro's customers and users perceive the service as attractive and as long as satisfactory profitability can be achieved. The ability to continue carrying out price increases to counter lower volumes is judged to be low.

Share of Group revenue 2014



Operating revenue, SEK M



15.6

millions of directory assistance contacts in 2014

Empowering employees through leadership

The past year's challenges showed that Eniro's employees are dedicated, performance-oriented individuals who focus on the customers and the continuing business. HR efforts mainly involved straightforward and clear communication with employees, and continued measures to reduce staff turnover and strengthen leadership. A number of initiatives are in the starting blocks for 2015.

Continue work according to plan

The main objective of strategic HR work is to support the company's strategic direction. Together with continued efficiency improvements, this has entailed organizational changes, such as relocations and concentration of parts of operations. In 2014 Eniro decided to concentrate the Group's production and development resources in Sweden and Poland in order to accelerate the pace of development and launches of new services. This restructuring led to a reduction of some 70 positions.

In 2015 Eniro will increase the level of service it provides for employees through a new Nordic administrative HR center, which will take over the previously outsourced payroll administration. This will also relieve some of the burden currently carried by the local HR departments, which will now be able to better focus on initiatives that support and strengthen the organization.

In addition, going forward the company will continue to focus on clearly charting out career paths within Eniro and will conduct an overhaul of the bonus and incentive structure. Since sales activities within Eniro will now be focused on the customers and their needs and market situation to a greater extent than previously, the compensation structures need to be restructured to ensure that they reward the right behaviors.

Focus on lower staff turnover

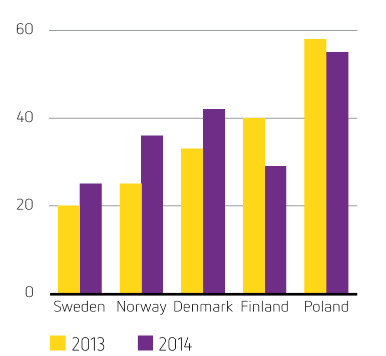
In 2014 Eniro focused on reducing staff turnover in all markets. The most important measures for countering high staff turnover have involved continued implementation of joint processes and systems, and a distinct focus on coaching leadership. Despite the turbulence surrounding the company, reorganizations, and the changes that have taken place in the Group management, these measures helped limit the increase in staff turnover during the year. In Poland and Finland, which were not affected by the changes to the same extent, staff turnover improved compared with a year ago. In Finland staff turnover decreased to 29% from 40%. Eniro will continue its efforts to reduce staff turnover.

In addition, Eniro Poland's active HR work resulted in the company's recognition as "Solid/Reliable Employer of the Year 2014" in competition with 2,000 other nominated companies.

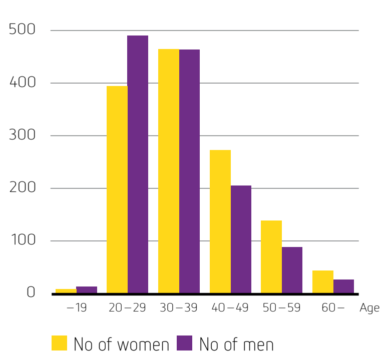
Diversity a key aspect in recruitment

Eniro is convinced that tomorrow's employees and talents will come from a wide pool of diversity, which will create dynamism in the organization. The recruitment process and employee orientation activities play a key role in guiding new employees into Eniro's processes and culture. To help the company's leaders get new employees situated in their roles faster and more easily, during the year Eniro focused on recruiting fewer individuals at a time in the sales organization. In 2015 a greater number of training courses will be offered prior

Average staff turnover,%



Age breakdown



Key ratios

	2014	2013
Full-time employees	2,256	2,816
Employees per country		
Sweden	736	880
Norway	418	562
Denmark	283	400
Finland	161	175
Poland	658	799
Sales staff as percentage of total employees	51	44
Work attendance rate, %	93	94

to active employment to give new employees time to reflect on and formulate questions prior to their work start. Greater focus will be on digital training (e-learning) as well.

One prerequisite for effective recruitment is to instill a correct image of Eniro as an employer. In 2014 Eniro launched a new career pages section on its website, where prospective employees can watch videos and hear first-hand from people within the organization and gain insight into what it entails to work at Eniro. In addition to Eniro's own website, the company has sought external assistance from the company Universum to develop its digital interface with prospective employees. On the digital platform, Eniro highlights various career opportunities within the Group through various employees' testimonials.

Leadership that strengthens the individual

Coaching leadership plays a central role in creating motivated and committed employees, setting clear goals, and gaining an understanding for one's own role and thereby contributing both to a better customer offering and lower staff turnover. This is especially important in an organization like Eniro's, where a large share of employees are young and working their first job. In 2014 a coaching program was launched and carried out for all leaders in the organization. Through establishment of the joint-Group administrative HR center, additional time and resources are expected to be freed, which can be shifted towards coaching leadership.

Eniro's sales force works systematically at the team level with training, feedback and weekly follow-ups. Every employee has a focus talk with his or her manager at least once a month. Every team completes a written survey focusing on quarterly sales activities, which is followed up by a workshop and improvement activities. Every team also works with a set of KPIs that are followed up on a regular basis.

Careers and development

In 2014 Eniro drew up a clearer structure for the various roles in the organization along with associated compensation and salary structures.

It is particularly important to foster involvement and interest in work and to stimulate employees through training and further development. A good work environment and favorable terms are another important aspect of one's first job. Eniro has ensured this through collective agreements and constructive cooperation with the union counterparties.

The next step is to build a set of criteria for career paths and clarify the requisite competence and training. What is decisive for this work is to clarify for employees what Eniro stands for and how this relates to their individual roles. This will also involve offering a wider array of e-learning opportunities.

Work on certification of sales persons at Eniro continued in 2014, while the work on creating a training program in products for all employees has been slightly delayed and will be conducted in 2015. The aim of an obligatory product training course for all employees is to increase understanding of Eniro's offering and products, and in this way to strengthen the culture and instill pride in working at Eniro.

Jobs for young people

Many young people land their first job at Eniro. This puts a great responsibility on us as an employer.

Eniro is working actively to raise the status of work in sales by collaborating with various actors in a number of initiatives. Eniro's Trygg Affär ("Secure business") cooperation with the labor organization Unionen aims to help customers and prospective employees more easily identify serious employers. Participating companies work actively to promote the sales profession, offer attractive and reasonable terms of employment to their employees, and handle returns or complaints from customers in a responsible manner.

During the year Eniro participated in Teknikspranget ("Technology Leap") for the first time in Sweden. Teknikspranget is an internship program dedicated to stimulating interest in engineering education and attracting young people to an engineering career. The ten interns that Eniro accepted during the year successfully completed a number of projects with a high level of involvement from both the interns and Eniro's employees. When the interns evaluated their workplaces, Eniro scored as the seventh best place to do an internship of 130 participating companies.

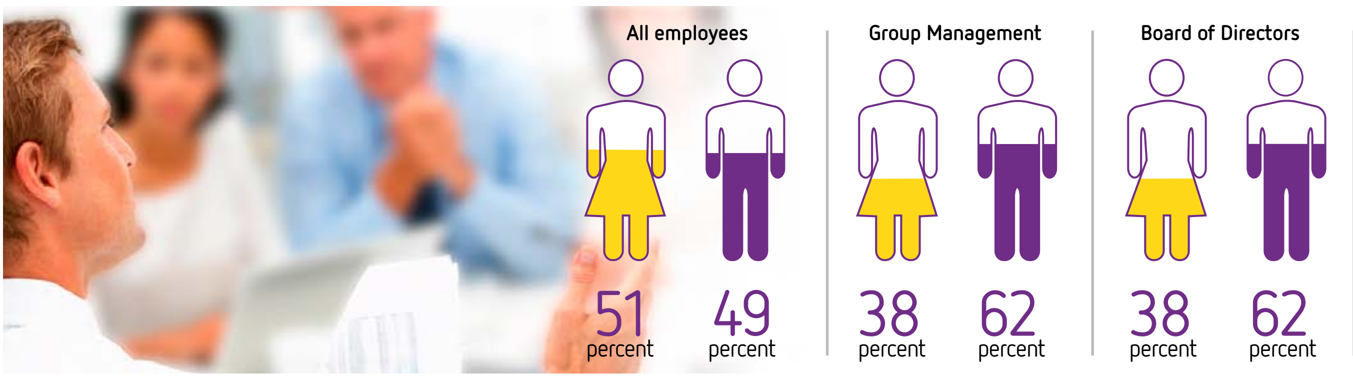
Working conditions at Eniro

Eniro puts great emphasis on offering a good workplace for all of its employees. Diversity and equal opportunity are obvious goals in recruitment as well as in career and succession planning.

Eniro has an even gender balance across the Group, with 51% women and 49% men employees. This split pertains to essentially all business areas. With respect to other diversity aspects, Eniro plans to develop key ratios and measurement methods in 2015 in order to be able to more clearly show the level of diversity within the organization.

Eniro offers its employees various opportunities for social activities and wellness care. The work attendance rate is currently at a comparatively high level.

Gender breakdown 2014



Corporate responsibility lays foundation for security

Eniro's operations are dependent on the trust that the company's stakeholders put in its services, products, people and processes. Eniro must be perceived as a trusted choice. In 2014 the company's operations came under critical scrutiny, and Eniro conducted a thorough review of its internal processes. Eniro advocates for responsible purchasing, reduced environmental impact and other business ethics issues, while its focus remains on its employees, customers and users. It is through these people that Eniro makes its most important footprints.

Employees – making a difference every day

Eniro's many employees are the most important interface the company has with its customers and users. They must be equipped with greater knowledge and an understanding of Eniro's total offering to be able to build positive relationships with customers and users. The customers' needs must be in focus. This leads to greater pride, contributes to lower staff turnover, and strengthens the employer brand. By investing in coaching leadership, focusing on competence development and adapting the recruitment processes in all of its markets, Eniro can create the best conditions for its employees. Other important issues are diversity, equal opportunity and health. Read more about this work on page 20.

Customers – increased benefit creates value

By focusing on the customers' needs, Eniro is striving to taken a more advisory role and be perceived as a long-term, serious business partner. For local and small businesses in particular, Eniro's products provide clear commercial benefit and value. This value is to be highlighted by more clearly measuring and communicating the results of customers' advertising investments. In the work on strengthening Eniro's business, sales associates play a crucial role through their dialog with customers and knowledge about the entire product offering. For customers it is important that Eniro's employees have favorable terms of employment. This creates greater security and confidence in Eniro and its offering. The *Trygg affär* ("Secure business") initiative that Eniro has taken together with the trade organization Unionen and others is one way of highlighting good terms of employment and that the company deals with complaints and customer concerns in a serious manner. Customers are also making demands that Eniro conduct environmental work in order to reduce and manage the environmental impact of its operations.

Users – focus on relevance

Eniro's offering is based on creating services that are highly relevant for users and deliver the most relevant and reliable search results. For users it is important that Eniro's brand is perceived as being reliable and that the company offers favorable terms to developers and vendors. Through relevant search services that lead to shorter travel distances or fewer trips, Eniro can help users reduce their environmental footprint. From a broader perspective, focus on local search also supports local business, which potentially contributes to jobs and the local offering of products and services. Eniro also provides a number of services for people with functional disabilities. One example is text telephony, which enables more people to access vital societal functions.

Environment

The focus of Eniro's environmental work is on reducing the impact of production and distribution of printed directories and continuously reducing the environmental impact of its digital operations. The share of printed directories has decreased gradually in recent years, and Eniro adheres to environmental requirements for the entire value chain – from choice of paper to production – and uses exclusively environmentally conscious distribution. In Sweden and Norway, greater target group adaptation of publication and a Group-wide effort to coordinate deliveries of directories have helped limit environmental impact. A similar target group adaptation is planned for directories in Denmark.

With respect to the environmental impact of digital services, Eniro is working with consolidation and virtualization of servers, which has resulted in a halving of energy consumption for server operation in three years' time.

Environmental work in Eniro's day-to-day activities is focused on measures that save time and costs while reducing environmental impact. For example, business trips are increasingly being replaced by conference calls and video-conferences as the company strives to reduce the amount of air travel. In 2014 the number trips by air decreased by 25%, and electricity consumption in Sweden was cut by 8%.

Responsible purchasing

In its procurement processes Eniro requires vendors to have a documented policy for ethics and the environment, and certain environmental aspects are factored into the choice of suppliers. The largest purchases pertain to digital production, offices, and printing and distribution of directories. For directory printing, Eniro uses FSC-certified paper. In cases where Eniro can have a say under applicable leases, the company requires the use of "green" electricity.

Business ethics and anti-corruption Good business ethics are important for Eniro. All sales associates receive training in proper conduct in customer relationships, including rules for gifts and entertainment.

In 2014 Eniro established a compliance committee consisting of members of the company's legal affairs, HR and finance departments, tasked with handling improprieties. A whistleblower function was also established during the year, where individual employees can report what they believe to be departures from applicable routines, policies or rules.

Responsible marketing and user information

In Sweden Eniro has a policy to not allow advertising for pornography or other objectionable material, tobacco, narcotics, drugs or anabolic steroids, or links to such websites. In general, Eniro has a restrictive stance towards alcohol advertising and does not allow any advertising for spirits or prescription medicines. The policies in the other countries are similar.

Advertising award competitions are designed in accordance with applicable laws, and commercial advertising lotteries are not approved. Eniro's policy for responsible marketing also covers advertising that is considered to be discriminatory or that in some other way is contrary to human rights.

The handling of user information is an issue for the entire industry and is a matter of being able to protect users' integrity at the same time that there is growing interest in being able to better map search patterns and offer more targeted services. Currently such issues are being addressed through industry organizations and, where ordered, by the Group Management.

Eniro's guidelines

GROUP-WIDE ETHICS POLICY

Every Eniro employee receives training and is expected to adhere to the Group's ethics policy, which addresses the following areas, among others:

- Human rights
- Customer relationships
- Competition and independence

OTHER POLICIES

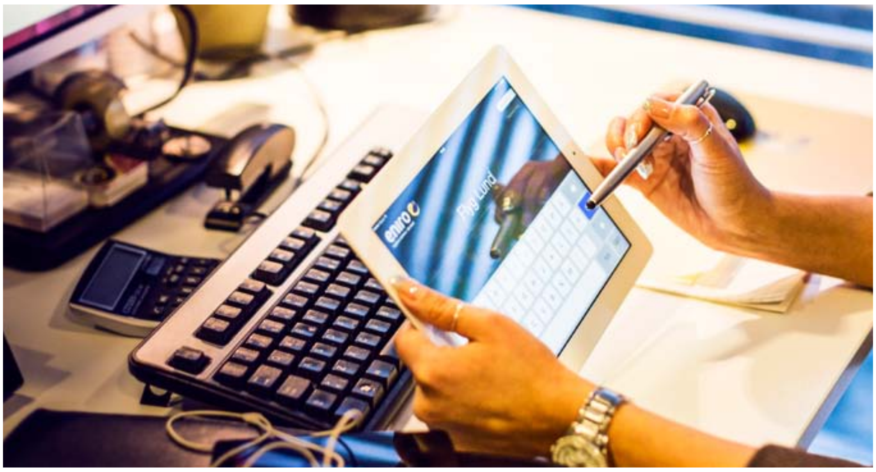
- Equal opportunity policy (for the respective countries)
- Environmental policy
- Purchasing policy
- Policy for advertising and discrimination

2 cases

were submitted to the Compliance Committee

1 case

was reported to the whistleblower function in 2014



–882 tons

or 21% lower paper consumption by Print in 2014 compared with 2013

25%

fewer trips by air in 2014 compared with 2013

Eniro – investment case

- Growing market for digital marketing
- Focus on mobile search
- Extensive database with world-class user interface attracting approx. 8 million visitors per week
- Relevant content for users and favorable ROI for more than 250,000 customers
- Strong sales force of 1,300 associates
- Continued cost efficiency for improved profitability

Negative share performance in 2014

Eniro's common shares, which like the preference shares are listed on Nasdaq OMX Stockholm, had negative price development during the year, falling 85%. The preference shares also decreased in value, by 45%. Eniro's market capitalization at year-end was SEK 1 billion.

Share classes

Eniro has two classes of stock, common shares and preference shares. Both classes are listed and are traded daily on the Nasdaq OMX Stockholm exchange, Mid-Cap list, under the Media category. Eniro's common shares have been listed since 2000, while the preference shares became listed in spring 2012. The common shares and preference shares have different voting rights, with the common shares carrying entitlement to one vote each, and the preference shares carrying entitlement to one-tenth of a vote each. At year-end the common shares were included in the OMXSPI index with a weighting of 0.01 (0.11).

Eniro can also issue a third class of stock, class C, but no Class C shares were in issue in 2014. This share class was introduced in 2013 as part of the performance-based incentive program. The Class C shares that were issued in 2013 were immediately converted to common stock.

Trading volume[1]

A total of 409,230,122 Eniro common shares were traded in 2014. Most trading, approximately 63%, was conducted on Nasdaq Stockholm (the Stockholm Stock Exchange). In addition to trading on the Stockholm Stock Exchange, 22% of share trades were conducted on the BATS Chi-X marketplace and 9% on Turquoise.

Average daily trading volume was SEK 27.1 M for the common shares and SEK 2.1 M for the preference shares. The turnover rate for Eniro's common shares on Nasdaq Stockholm was 2.6 times during the year, compared with the market average of 0.66 times for shares included on the OMXSPI index (OMX Stockholm Exchange All-Share Index).

Price trend and market capitalization[2]

Eniro's market capitalization at year-end 2014 was SEK 1.0 billion, including the value of the company's preference shares. The company's market capitalization decreased by SEK 4.5 billion compared with the level on December 31, 2013. The share price for Eniro's common shares decreased by 85% during the year, compared with the OMXSPI index, which gained 12%. The preference shares also had negative performance and fell in value by 45% for the year. The highest price paid during the year was SEK 66.60, on March 4, and the lowest price paid was SEK 4.10, on December 11.

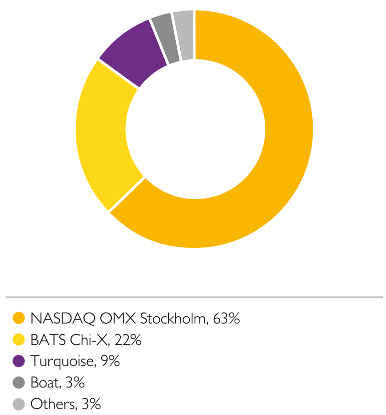
Ownership structure[3]

Ownership of Eniro by Swedish shareholders amounted to 73% at year-end, which is a decrease of 18 percentage points compared with December 2013. Of total foreign ownership of 27%, shareholders in the UK accounted for 55%. Luxembourg was the second largest country in terms of foreign shareholdings, followed by the USA.

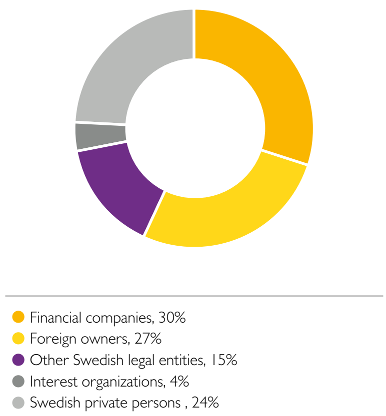
Dividend and dividend policy

Eniro prioritizes reducing the company's net debt over payment of a dividend. Accordingly, the Board of Directors of Eniro proposes that no dividend be paid for the company's common shares for the 2014 fiscal year. The Board of Directors proposes payment of a dividend of SEK 48 per share for 2014 to owners of preference shares, for a total dividend payout of SEK 48 M. It is proposed that dividends be paid out in three-month intervals.

Trading on various exchanges



Categorical breakdown of shareholders

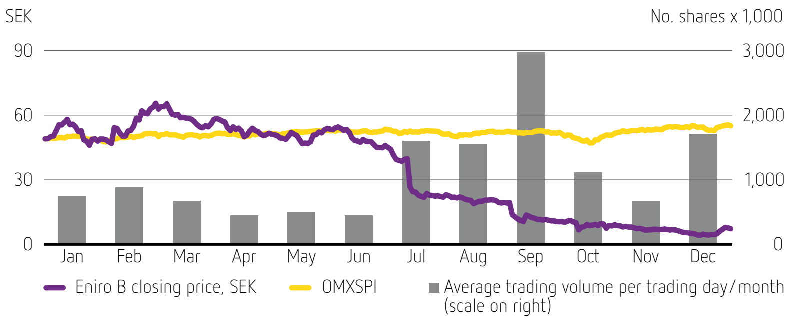


1) Source: Nasdaq Stockholm and Fidessa.
2) Source: Nasdaq Stockholm.
3) Source: Euroclear

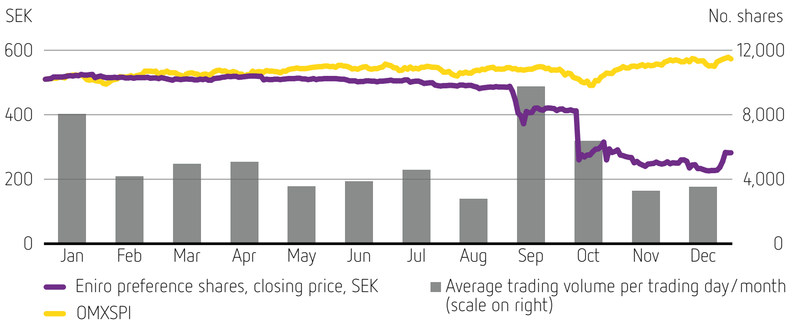
The ten largest shareholders, December 30, 2014

Largest shareholders	No. of common shares	No. of preference shares	Holding, %	Votes, %
Danske Capital Sverige AB	10,195,518	80,735	10.0	10.0
Swedbank Robur funds	8,959,776	-	8.7	8.8
Nortal Capital AB (Staffan Persson)	7,800,000	-	7.6	7.7
Odey Capital	5,618,000	90,000	5.6	5.5
Unionen	3,904,027	-	3.8	3.8
Morgan Stanley customer accounts	3,194,930	-	3.1	3.1
Försäkringsaktiebolaget Avanza	2,556,576	86,265	2.6	2.5
Länsförsäkringar fondförvaltning AB	2,226,000	-	2.2	2.2
Banque Öhman S.A.	2,221,322	-	2.2	2.2
Staffan Rasjö	2,102,362	-	2.0	2.1
Total, 10 largest shareholders	**48,778,511**	**257,000**	**47.7**	**47.9**
Others	51,398,963	743,000	50.6	52.1
Subtotal	**100,177,474**	**1,000,000**	**98.3**	**100.0**
Of which, treasury shares	1,703,266	-	1.7	-
Total	**101,880,740**	**1,000,000**	**100.0**	**100.0**

Price trend and trading in Eniro common shares, Jan. 1–Dec. 30, 2014



Price trend and trading in Eniro preference shares, Jan. 1–Dec. 30, 2014



Financial calendar

Interim report January–March 2015:	April 24, 2015
Half-year report January–June 2015:	July 16, 2015
Interim report January–September 2015:	October 29, 2015
Year-end report January–December 2015:	February 2016

Share capital

Eniro's share capital amounted to SEK 308,642,220 on December 31, 2014, divided among 102,880,740 shares, of which 101,880,740 were common shares with one vote per share, and 1,000,000 were preference shares with one-tenth (1/10) of a vote per share. The share quota value is SEK 3.

Execution of the proposed issues in 2015 will result in an increase in the number of shares outstanding. See Events after year-end 2014, page 3.

Investor relations

An important part of communication with shareholders is the reporting that is conducted through interim reports, annual reports and press releases. In connection with the publication of interim reports, Eniro's CEO and CFO present the company's operations and quarterly results via webcast, where shareholders and other interested parties have the opportunity to ask questions. In addition, Eniro meets with representatives of institutional shareholders on a regular basis during the year. Further information and data about the company can be found at www.enirogroup.com.

Share information

Information	Common shares	Preference shares
Marketplace	Nasdaq OMX, Mid	Nasdaq OMX, Mid
Abbreviation	ENRO	ENRO PREF
ISIN-code	SE0000718017	SE0004633956
Trading lot	1	1
Market cap, December 30, 2014, SEK M	737	282
Change during the year, %	-85	-45
Yearly high, SEK	66.60	526.00
Yearly low, SEK	4.10	221.50

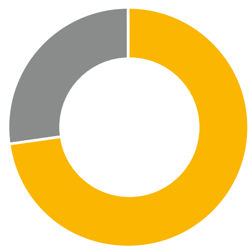
Share distribution (grouped ownership)

Distribution	No. of shareholders	No. of common shares	No. of preference shares	Capital, %	Votes, %	Market value (SEK 000s)
1–500	7,690	898,801	117,804	0.97	0.89	34,680
501–1,000	1,713	1,386,271	82,986	1.40	1.35	28,458
1,001–5,000	1,177	1,886,508	73,153	1.87	1.83	32,028
5,001–10,000	1,247	4,254,593	112,731	4.23	4.18	58,347
10,001–15,000	562	4,350,391	91,262	4.29	4.25	55,510
15,001–20,000	262	3,825,906	51,263	3.79	3.78	41,471
20,001–	314	85,278,270	470,801	83.45	83.72	768,104
Total	**12,965**	**101,880,740**	**1,000,000**	**100.00**	**100.00**	**1,018,598**

Share data, December 30, 2014

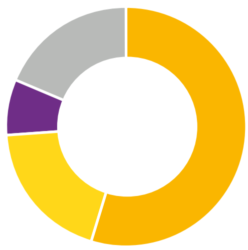
Data	2014	2013
Earnings per common share, SEK	-17.09	1.29
Shareholders' equity per common share, SEK	17.17	35.56
Dividend per common share, SEK	-	-
Dividend per preference share, SEK	48	48
Dividend payout ratio, common shares, %	-	-
Share price at year-end, common shares, SEK	7.23	49.59
Share price at year-end, preference shares, SEK	282	510
Dividend yield, common shares, %	-	-
Dividend yield, preference shares, %	17.02	9.49
Number of common shares at year-end, excl. treasury shares	100,177,474	100,177,474
Average number of common shares, excl. treasury shares	100,177,474	100,177,474
Number of preference shares at year-end	1,000,000	1,000,000
Average number of preference shares	1,000,000	1,000,000
Number of common shareholders at year-end	12,002	11,060
Number of preference shareholders at year-end	1,266	1,186

Breakdown of Swedish/foreign ownership



- Swedish shareholders, 73%
- Foreign shareholders, 27%

Foreign ownership by country



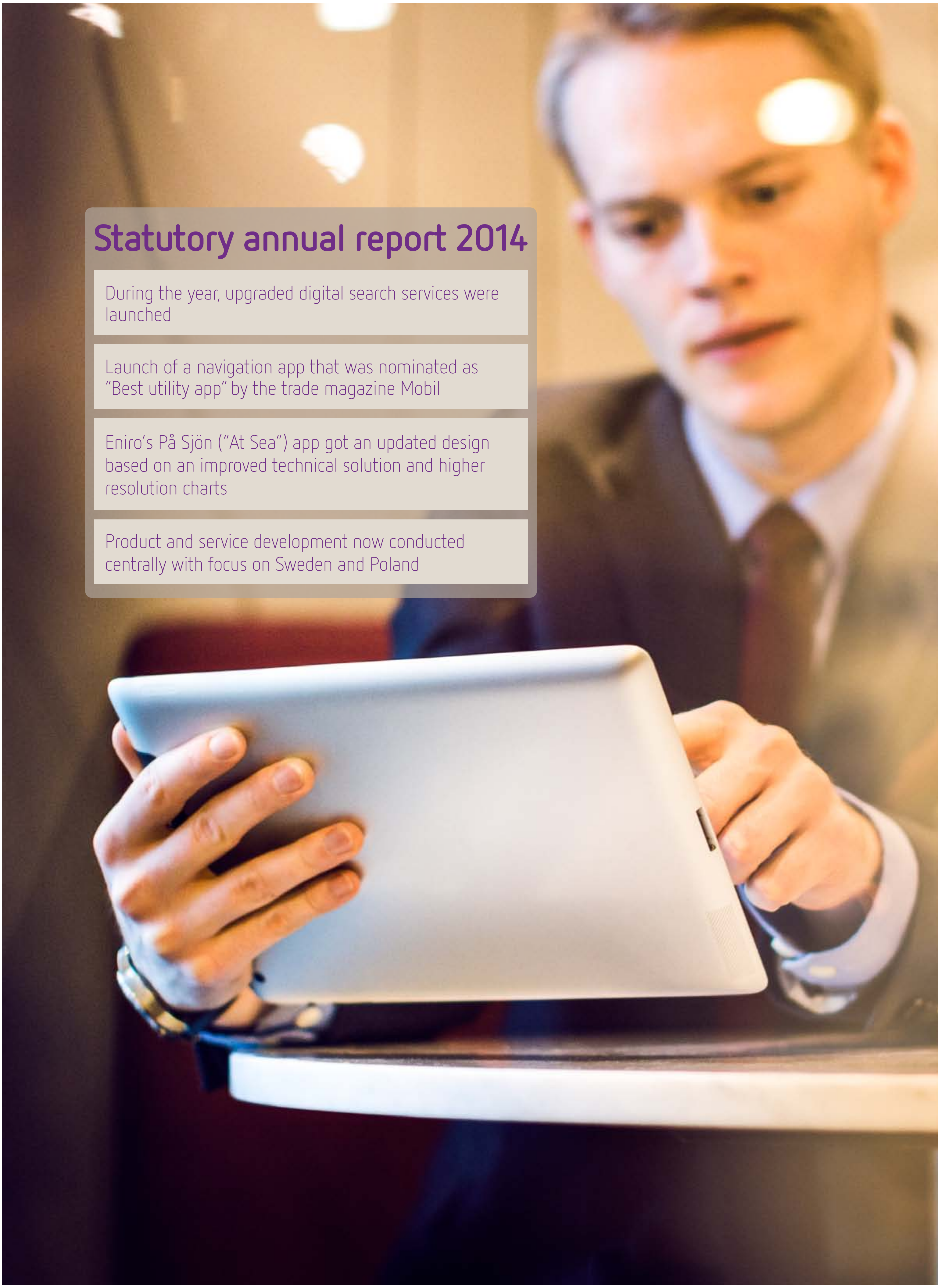
- UK, 54,8%
- Luxembourg, 19,2%
- USA, 7,5%
- Other, 18,5%

Analysts who monitor Eniro

Company	Name	E-mail
Carnegie	Fredrik Villard	fredrik.villard@carnegie.se
Handelsbanken Securities	Rasmus Engberg	raen01@handelsbanken.se
SEB	Stefan Nelson	stefan.nelson@seb.se

Statutory annual report 2014

- During the year, upgraded digital search services were launched
- Launch of a navigation app that was nominated as "Best utility app" by the trade magazine Mobil
- Eniro's På Sjön ("At Sea") app got an updated design based on an improved technical solution and higher resolution charts
- Product and service development now conducted centrally with focus on Sweden and Poland



How to interpret Eniro's revenues and costs

Revenues

1 Desktop search
In Desktop search revenue for the advertising space is allocated over the period the customer is searchable. Other services include optimization services, for which revenue is recognized in connection with analysis and delivery, and video, which comprises two components: production and hosting. Revenue from video production is recognized upon delivery, while hosting is allocated over time.

2 Mobile search
In Mobile search revenue for the advertising space is allocated over the period the customer is searchable. Other services include optimization services, for which revenue is recognized in connection with analysis and delivery, and video, which comprises two components: production and hosting. Revenue from video production is recognized upon delivery, while hosting is allocated over time.

3 Campaign products
The Campaign products segment includes products such as display advertising, search engine optimization (SEO), sponsored links, and production and hosting of videos and websites. Revenue from SEO is allocated over time, while revenue from sponsored links is recognized in connection with user clicks. Revenue from videos and websites is split into two components: for production, revenue is recognized upon delivery, while revenue from hosting is allocated over time.

	Total operating revenue, SEK M	2014	2013	
1	Desktop search	1,484	1,861	
2	Mobile search	385	275	
3	Campaign products	265	246	
	Multiscreen	**2,134**	**2,382**	4
	Print	295	517	5
	Local search	**2,429**	**2,899**	6
	Voice	573	689	7
	Total operating revenue	**3,002**	**3,588**	

4 Multiscreen
Multiscreen encompasses total digital advertising revenue.

5 Print
Print revenues are recognized when the printed products, directories and guides are distributed to users.

6 Local Search
The Local search business area is one of Eniro's operating segements, on which the financial information (EBITDA) is followed up by management. The business area has common transnational functions.

7 Voice
Revenue from Voice is recognized when the service is delivered to end users in a call or sent by text message (SMS). The Voice business area is managed separately, and financial information (EBITDA) is followed up by management as a separate operating segment.

Costs

A Employee remuneration, including social security costs
Salaries, benefits, pensions and social security costs for employed personnel within the Group.

B Rents for premises, telecom charges, travel and training
Rents for office premises in all countries, costs for workplaces, travel and employee development.

C External services
Costs for external consultants and for outsourced services, such as recruiting and computer operations.

D Marketing costs
Costs for marketing campaigns.

	Costs, SEK M	2014	2013	
A	Employee remuneration, incl. social security costs	1,351	1,610	
B	Rents for premises, telecom charges, travel and training	300	319	
C	External services	189	195	
D	Marketing costs	123	195	
	Third-party costs	123	92	E
	Paper, printing and distribution	81	101	F
	Other costs	261	316	G
	Depreciation/amortization	269	211	
	Total operating costs	**2,697**	**3,039**	

E Third-party costs
Costs for intermediating advertising campaigns on business partners' search sites, and production costs for media products, where the revenue is shared with a third party.

F Paper, printing and distribution
Direct costs for printing.

G Other costs
Other costs pertain to licenses, purchases of database content, advertising costs and other costs.

Board of Directors' report

In early 2014 Eniro launched extensive product updates. Revenue from Mobile search increased by 40% in 2014, while total revenue decreased by 16%. Cost savings contributed to an EBITDA margin that was in line with the preceding year, and adjusted EBITDA for 2014 was SEK 675 M.

Eniro AB (publ) is a leading search company in the media market, with operations in Sweden, Norway, Denmark, Finland and Poland. Eniro specializes in local search, and its well-known brands, products and services are used daily by a large number of people. The information in Eniro's databases is accessible through the company's various distribution channels: desktop and mobile search, printed directories (part of Local search), and telephone and text-message directory assistance (Voice). Eniro breaks down its financial performance reporting into the Local search and Voice business areas.

Performance 2014

The Eniro Group's total operating revenue in 2014 amounted to SEK 3,002 M (3,588), a decrease of 16% (-10%). Revenue decreased organically by 13% (-9%).

Operating revenue from Eniro's multiscreen channels (Desktop search, Mobile search and Campaign products) decreased by 10%, to SEK 2,134 M (2,382). Organically, revenue decreased by 8% (-1%). Multiscreen revenue as a share of total advertising revenue (Local search) was 88% (82%). Operating revenue from Desktop search decreased by 20% to SEK 1,484 M (1,861). Revenue decreased organically by 19% (-8%). Revenue from Mobile search increased by 40% to SEK 385 M (275), with 39% organic growth in revenue (90%). Campaign products showed an 8% increase in revenue, to SEK 265 M (246). Organic revenue growth was 22% (7%).

Operating revenue from Print and Voice continued to decline during the year as a result of the shift towards digital search channels. Operating revenue from Print amounted to SEK 295 M (517), a decrease of 43%. During the third quarter of 2014, Eniro published its last printed regional directory – Gula Sidorna – in Sweden. Local directories, which continue to have high use and a stabilized rate of decline, accounted for 89.4% (65.4%) of Print revenue, which decreased organically by 33% (-29%). Operating revenue for Voice decreased by 17% to SEK 573 M (689). Market volumes for directory information services continued to contract as a result of increased digitization. Revenue decreased organically by 18% (-15%).

Revenue in Sweden decreased by 20% (-12%) to SEK 1,325 M (1,661). Revenue decreased organically by 16%. Lower revenue from Desktop search was offset partly by higher revenue from Mobile search. Revenue was also affected by lower volumes in Print and Voice.

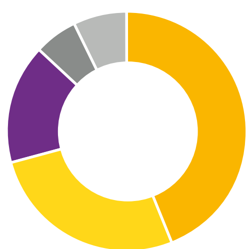
In Norway, revenue decreased by 18% (-14%) to SEK 809 M (984), with a 5% growth in organic revenue. Print and Voice had a negative impact on revenue. In Denmark, revenue decreased by 9% (-2%) to SEK 470 M (515), mainly due to lower revenue from Desktop search, while revenue from Mobile search was in line with the preceding year.

Operating revenue per category

SEK M	2014	2013*
Desktop search	1,484	1,861
Mobile search	385	275
Campaign products	265	246
Multiscreen	**2,134**	**2,382**
Print	295	517
Local search	**2,429**	**2,899**
Voice	573	689
Total operating revenue	**3,002**	**3,588**

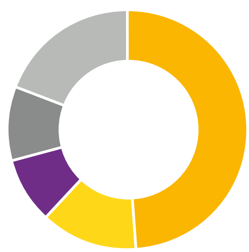
Previously, certain products included in the Desktop search and Print categories were presented in an own category called "Other products." Starting with the 2014 book-closing, these are distributed between the respective categories. As a result, SEK 42 M (96) has been transferred from "Other products," of which SEK 38 M (87) is included in Desktop search and SEK 4 M (9) in Print.

Operating revenue per country



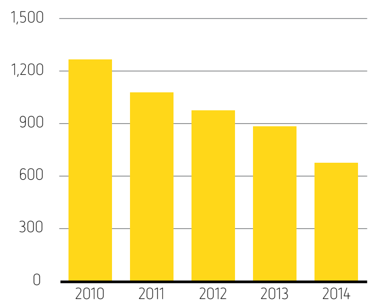
- Sweden, 44%
- Norway, 27%
- Denmark, 16%
- Finland, 6%
- Poland, 7%

Operating revenue per category



- Desktop search, 49%
- Multiscreen, 13%
- Campaign products, 9%
- Print, 10%
- Voice, 19%

Adjusted EBITDA



In Finland, where Eniro only has operations in Voice, revenue decreased by 11% (-17%) to SEK 185 M (207).

Poland showed positive performance for the Desktop and Mobile search channels, which was countered by lower revenue from Print. In total, revenue decreased by 4% (11%), to SEK 213 M (221).

EBITDA amounted to SEK 631 M (777), corresponding to a margin of 21.0% (21.7%). EBITDA is broken down as follows: SEK 474 M (598) for Local search, SEK 237 M (251) for Voice, and SEK -80 M (-72) for other Group functions. Earnings for the year were negatively affected by weak sales performance, mainly in Sweden and Norway. The capital gains on the sales of InTouch, Scandinavia Online AS, Krak Markedsdata and Bloggerfy AB had a positive impact on earnings by SEK 69 M (-1).

Adjusted EBITDA, excluding restructuring costs and other items affecting comparability, amounted to SEK 675 M (884), corresponding to a margin of 22.5% (24.6%). Restructuring affected adjusted EBITDA positively by SEK 63 M (106). Other items affecting comparability had a net negative impact of SEK 19 M (+1), mainly attributable to the capital gains described above, and provisions for severance pay and synthetic shares.

Operating income was SEK -1,441 M, compared with SEK 462 M a year ago. Operating income was charged with impairment losses totaling SEK 1,803 M (104). During the third quarter, impairment testing was conducted of the Group's intangible assets with indefinite useful life. The impairment losses that were subsequently recognized pertained to Local search, in the amount of SEK 1,235 M (13); Voice, for SEK 562 M (91); and capitalized IT projects, for SEK 6 M. The impairment in Local search pertained mainly to goodwill attributable to the acquisition of the Norwegian company Findexa in 2005. Of the goodwill impairment in Voice, SEK 429 M (0) is attributable to Sweden, SEK 67 M (91) to Norway, and SEK 66 M (0) to Finland. The impairment losses were recognized against the background of the declining market trend that is expected to continue in the Voice segment.

Net financial items amounted to SEK -153 M (-142). Net financial items were positively affected by lower interest rates and a lower level of debt, and by exchange rate differences of SEK 7 M (+39).

Income before tax for the year was SEK -1,594 M (320).

The reported tax cost for the year was SEK -68 M (-141). The effective tax rate for the year was 4.3% (44.1%). Income for the year was SEK -1,662 M (179), of which SEK -1,664 M (177) is attributable to owners of the Parent Company.

Investments and development projects

During the year, a number of upgraded search services were launched. The search functions obtained a simpler user interface, with a more modern and more uniform design along with a number of new functions, such as a product gallery and more image-centric content. All of the search services have a responsive design, entailing that the page view is automatically adapted to the screen size on the unit being used.

Together with a partner specializing in navigation solutions, a navigation app was developed which was subsequently nominated as "Best utility service" by the trade magazine Mobil. The app was downloaded more than 600,000 times in 2014. Eniro's nautical navigation app På sjön also obtained an updated design based on an improved technical solution and more high-resolution charts.

Through the new geographic platform that is shared by Sweden, Norway and Denmark, it is now possible to define areas on Eniro's maps that are established among users and thereby popular keywords, but not official names. As users' screens have increasingly higher resolution, better image quality is also being added to aerial photos in Eniro's database. Product and service development for the entire Group is conducted centrally within Group Products & Marketing, with a focal point on Sweden and Poland.

Financial position

Total assets decreased by 24% to SEK 6,176 M (8,174).

The Group's intangible assets amounted to SEK 5,108 M (6,948), of which goodwill accounted for SEK 4,051 M (5,763) after recognition of SEK -1,781 M (103) in goodwill impairment. Brands with an indefinite useful life amounted to SEK 119 M (112). Brands with a finite useful life decreased to SEK 673 M (804). Total amortization of intangible assets amounted to SEK 132 M (61), of which the Gule Sider and Ditt Distrikt brands accounted for SEK 92 M (23), and the Voice brand 1888 accounted for SEK 36 M (33). Tangible assets in the Group, pertaining to equipment, amounted to SEK 21 M (40).

Investments in intangible assets and in tangible assets, mainly pertaining to product development, amounted to SEK 139 M (157) during the year.

Trade accounts receivable amounted to SEK 353 M (430). The decrease is attributable to lower sales.

Shareholders' equity decreased by SEK 1,869 M, mainly attributable to the year's negative result of SEK -1,662 M (179), to SEK 1,797 M (3,666) at year-end. No dividend was paid to holders of common shares during the year. The dividend for holders of preference shares that was approved by the 2014 Annual General Meeting amounted to SEK 48 M (48). As per December 31, 2014, shareholders' equity per share was SEK 17.17 (35.56), and the equity ratio was 29% (45%).

The Group's interest-bearing net debt amounted to SEK 2,208 M (2,340). At year-end, borrowings amounted to SEK 2,392 M (2,567), a decrease of SEK 175 M, where loan repayment during the year totaled SEK 284 M. Repayment as per December 31, 2014, was reduced by SEK 90 M to SEK 97 M as per an agreement with the bank syndicate. Interest-bearing net debt in relation to adjusted EBITDA was 3.3 (2.6). Outstanding debt at year-end under existing credit facilities was NOK 356 M (452), DKK 71 M (90) and SEK 1,956 M (1,943). As per December 31, 2014, Eniro had an unutilized credit facility of SEK 53 M (133). Cash and cash equivalents, and unutilized credit facilities amounted to SEK 111 M (246).

Eniro's pension obligations have increased by SEK 328 M to SEK 601 M (273). The increase is mainly attributable to a change in the discount rate that is used to calculate the pen-

Interest-bearing net debt

SEK M	2014	2013
Borrowings	-2,392	-2,567
Other current interest-bearing receivables	3	3
Other non-current interest-bearing receivables*	123	111
Cash and cash equivalents	58	113
Interest-bearing net debt	**-2,208**	**-2,340**

*Included in other receivables.

sion liability in Sweden from 4.2% at year-end 2013 to 2.5% in connection with changed interest rates for Swedish mortgage bonds. The actuarial loss that is reported in other comprehensive income amounted to SEK -297 M, compared with an actuarial gain of SEK 233 M in the preceding year.

Deferred income amounted to SEK 583 M (620), a decrease of 6%, mainly attributable to lower sales. Advance payments are made in the Desktop and Mobile search segments, as customers pay in advance for an annual subscription, and also in Print in Sweden, where customers pay in advance, but the revenue is not recognized until the directories have been printed and distributed.

Cash flow

Operating cash flow decreased to SEK 151 M (329), mainly owing to the lower earnings. Cash flow from operating activities, excluding changes in working capital, amounted to SEK 427 M (572). Cash flow was negatively affected by changes in working capital in the amount of SEK -139 M (-91). Working capital was positively affected by a lower level of trade receivables, but the net effect was negative due to an even lower level of trade payables, deferred income, and accrued staff costs. Cash flow from investing activities was SEK -75 M (-119). The lower cash flow compared with the preceding year is attributable to the proceeds received from the sales of primarily Scandinavia Online AS and InTouch. Cash flow from financing activities was SEK -271 M (-440). The lower level is mainly attributable to a lower net change in loan debt, by SEK -206 M (-342). In addition, SEK -7 M pertained to payment of a dividend to the minority owners of 1880 Nummeropplysning AS. Long-term investments increased by an additional SEK -10 M (-50) and pertain to pledged bank funds for continued credit insurance with PRI Pensionsgaranti. Cash flow for the year was SEK -58 M (-78).

Acquisitions and divestments

During the year, a Share Transfer Agreement was signed to acquire Idium AS, contingent upon board approval. The Board decided to not approve the acquisition.

As a step in concentrating operations on digital search, during the year Eniro divested the B2B services Krak Markedsdata in Denmark and InTouch in Norway, and the blogger network Bloggerfy in Sweden.

Personnel

The number of full-time employees on December 31, 2014, was 2,256, compared with 2,816 at the start of the year.

Future outlook and forecast

Eniro works in a growing market in which demand for digital marketing is growing. Through continuous development of the current, digital product offering, Eniro will capitalize on opportunities in the market in a profitable manner. Over time, profitability will improve by complementing the offering with related services and continued efficiency improvements in the operations. For 2015 the company expects EBITDA to be level with 2014.

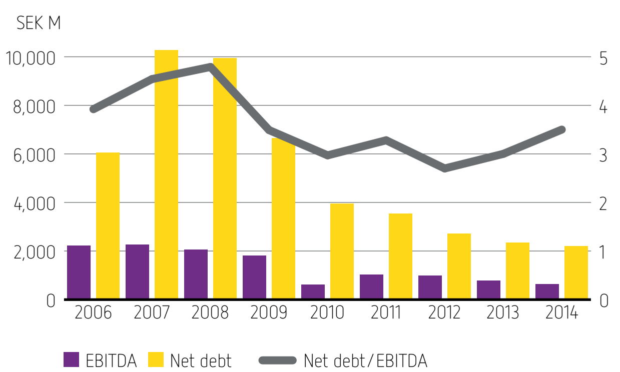
Parent Company

Operating revenue for 2014 totaled SEK 35 M (37). All operating revenue pertains to internal services in the Group. Group contributions received are reported as appropriations and amounted to SEK 330 M (609). Income before tax amounted to SEK -2,705 M (486). The negative result for the year is mainly attributable to the recognition of impairment losses during the year for shares in Group companies, totaling SEK -2,876 M (-82). Investments amounted to SEK 0 M (0). The Parent Company has no external interest-bearing net debt. The Parent Company's equity amounted to SEK 2,999 M (5,780) at year-end, of which unrestricted equity amounted to SEK 2,690 M (5,471). The registered share capital on December 31, 2014, was SEK 308,643,220, divided among 101,880,740 common shares and 1,000,000 preference shares. The total number of votes was 101,980,740, of which common shares carried 101,880,740 votes and preference shares 100,000 votes. At year-end 2014 the share quota value was SEK 3. At year-end Eniro AB held 1,703,266 treasury shares, which was also the average number of treasury shares held for the year. The Parent Company AB had 36 (31) full-time employees at year-end. Further information about Eniro's shares and ownership structure is provided on pages 25–27.

Environment

The focus of Eniro's environmental work is on reducing the impact of production and distribution of printed directories and continuously reducing the environmental impact of its digital operations. In Sweden and Norway, greater target group adaptation of publication and a Group-wide effort to coordinate deliveries of directories have helped limit environmental impact. A similar target group adaptation is planned for directories in Denmark. With respect to the environmental impact of digital products, Eniro is working with consolidation and virtualization of servers, which has resulted in a halving of energy consumption for server operation in three years' time. Further information about Eniro's environmental work is available on Eniro's website, www.enirogroup.com.

Net debt in relation to EBITDA



Operating cash flow

SEK M	2014	2013
From operating activities before changes in working capital	427	572
Changes in working capital	-139	-91
Investments in non-current assets	-137	-152
Operating cash flow	151	329

Significant agreements that would be affected by a public takeover offer

Eniro's loan agreement with the bank syndicate from May 27, 2013, contains a condition that applies in the event of a public takeover offer. If an owner, or group of owners, acquires more than 30% of the voting rights in Eniro, Eniro and the banks in question must reach an agreement within 30 days on a continuation of the loan agreement. If an agreement is not reached, the loan agreement may be terminated, and the outstanding loan must be repaid immediately.

Investigation of inaccuracies in Eniro's accounting

In August 2014 Eniro's board of directors commissioned an investigation to validate the Group's accounts. The investigation uncovered primarily bookkeeping errors, entailing that revenue had been recognized too early. These accrual errors were made with respect to the Desktop and Mobile search revenue categories in the Local search segment and pertained to the allocation of discounts in advertising packages. These discounts were incorrectly allocated only to revenue that is accrued over time (subscription fees). Thus the revenue recognized at the time of sale was too high. This incorrect accounting of discounts affected the financial statements from the fourth quarter of 2013 through the second quarter of 2014.

As a result of this incorrect accounting, the company was compelled to file a police complaint against Eniro's former CEO, Johan Lindgren, and rescinded his termination agreement.

In connection with the Eniro Group's interim report for the third quarter of 2014, a retrospective restatement of comparison figures was presented. The comparison figures for 2013 in this Annual Report are based on the retrospectively restated figures.

Significant events after year-end

During the autumn of 2014 the Group held talks with the bank syndicate on a restructuring of the loan agreement. These talks resulted in an agreement under which the bank syndicate has agreed to extend the loans with certain conditions if Eniro at the same time raises new capital. On February 5, 2015, the Board of Directors decided on a fully guaranteed rights issue of shares and on a fully guaranteed directed convertible bond issue. At an Extraordinary General Meeting on March 9, 2015, the Meeting will decide on the Board's recommendations for the issues. The Board is of the opinion that, in light of the subscription commitments, the Extraordinary General Meeting will vote in favor of the Board's recommendation.

Subject to approval by the Extraordinary General Meeting, Eniro will carry out a fully underwritten rights issue of common shares of approximately SEK 458 M and a convertible bond issue in the nominal amount of SEK 500 M directed to and placed with institutional and qualified investors in Sweden and internationally. Through the renegotiated loan agreement with the bank syndicate, subject to completion of the issuances the company, will give Eniro an extended maturity and a significantly lower repayment rate. This manner of raising capital is being done to amortize on bank loans, create greater financial flexibility, and enable the company to realize its strategy.

The rights issue of common shares will be offered to holders of Eniro common shares through a preferential offering to subscribe for new common shares. Each existing common share in Eniro entitles to three (3) subscription rights. One (1) subscription right entitles the holder to subscribe for one (1) new common share. Through the rights issue, a maximum of 305,642,220 new common shares will be issued at a subscription price of SEK 1.50 per common share. Provided that the rights issue is fully subscribed, the number of common shares in the company will increase from 101,880,740 to 407,522,960. For existing shareholders who do not participate in the new issue, a dilution effect will arise corresponding to approximately 75% of the total number of shares and votes in the company after the rights issue. Shareholders of common shares who choose not to participate in the rights issue are able to compensate for this dilution by selling their subscription rights on the market.

Convertible bond issue

The convertible bond carries a coupon of 6% per annum. The subscription price is 95% of the nominal amount, and the expected capital injection is SEK 475 M before transaction costs. The term of the loan is five years with an expected maturity date in April 2020 if not converted to common shares or repaid earlier. The initial conversion price is SEK 1.95. The potential dilution effect on the share capital from the convertible loan is 39% after completion of the rights issue. The placing of the convertible bond issue is conditional upon e.g., EGM approval of the issuances and the company's existing term loans not being declared due and payable and the amendment agreement with the bank syndicate not being terminated.

Agreement on long-term financing with existing bank syndicate

Eniro has reached an agreement with its existing bank syndicate regarding long-term financing until the end of 2018. The amendment agreement is conditional upon the successful completion of the issuances, and the amendment agreement is effective when the issuances have been completed. The amendment agreement covers two term loan facilities and one revolving credit facility. The first loan facility amounts to SEK 1,100 M and is repaid on a semi-annual basis in the total amount of SEK 150 M per year, beginning on June 30, 2015. The second loan facility amounts to SEK 600 M and is repaid on a semi-annual basis in the total amount of SEK 25 M per year, beginning on June 30, 2016. The revolving credit facility amounts to SEK 150 M. The interest on the facilities is a reference rate plus a margin. For the first facility and the revolving credit facility, the margin is 4.00 percentage points as a starting point. If the ratio of total net debt to EBITDA is less than 1.5, the margin is 3.50 percentage points. For the second facility, the margin is initially 5.00 percentage points.

Legal action

In February the Consumer Ombudsman filed suit against Eniro 118 118 AB in the Market Court. The Consumer Ombudsman demands that Eniro, under penalty of a fine, provide price information when marketing its directory assistance services via telephone and SMS, before entering into an agreement with the consumer.

Risks and risk management

Eniro defines risk as the uncertainty of an event occurring that could affect the company's ability to achieve its set business objectives within a given period of time. Risks are a natural part of all business activities and must be managed by the company in an effective manner.

Risk management aims to prevent risks from arising and to limit and prevent risks from adversely impacting operations. Eniro conducts an annual risk analysis process, Enterprise Risk Management (ERM), which includes all parts of the business, including revenue streams as well as Group functions. Eniro strives to effectively identify, assess and manage potential risks, which can be grouped into a number of areas, including sector and market risks, commercial risks, operational risks, financial risks, compliance risks and financial reporting risks. Eniro's risk exposure varies within the company's reported revenue categories: Desktop search, Mobile search, Campaign products, Print and Voice. In the risk analysis, the various risks are identified in a structured manner by analyzing a number of risk drivers per risk category. For each identified risk, an assessment is made to determine to what extent the risk should be monitored, eliminated, reduced, or increased, if this is judged to represent an opportunity. The risk analysis also serves as the basis for the annual work on Eniro's business plan, where a number of risk management activities are planned as strategic or operational initiatives. Risk analysis, including risk management activities, is reported to the company's Audit Committee and Board of Directors for evaluation and approval.

Business risks	Risk description	Risk management
Low employer branding	A negative media image harms the Eniro brand, which in turn can make it difficult to retain and recruit key talents. Negative speculation in the media about the company's future creates insecurity among employees.	• The Human Resources function works with employer branding from a Group perspective. The company's values are actively conveyed in continuous workshops and leadership training, and are integrated in internal processes. • Eniro are clarifying long-term objectives and involve employees to a greater extent. • In relation to Eniros strategy work internal culture has been identified as a focus area. • All employees has an annual performance review with their immediate supervisor. The aim of this review/talk is to develop the company and its employees, stimulate personal development, and promote good relations and cooperation.
High staff turnover in the sales organization	Eniro has a sales force that has developed long-term relationships with customers. Staff turnover among Eniro's sales associates is higher than among other staff. High staff turnover is costly, resulting in the loss of valuable expertise from the organization along with a concurrent rise in recruitment costs for new hires.	• Sales managers work actively with coaching to achieve improved target achievement in the sales organization. • HR clarifies internal career paths and increases awareness about how sales experience can be beneficial for future career development. • Eniro are developing a relevant compensation model. • The Trygg Affär ("Secure Business") seal serves as a voucher for terms of employment, returns and complaints.

Business risks	Risk description	Risk management
Limitations posed by the terms of existing loan agreements	Existing loan agreements have terms that limit opportunities for Eniro's management to independently decide on certain business conditions. In addition, the loan agreement includes a number of covenants at the Group level, including: minimum ratio between cash flow, interest and amortization; minimum ratio between EBITDA and net financial income/expense; a maximum ratio between total net debt and EBITDA; and a requirement putting a cap on capital expenditures.	• The Board adopts a finance policy that stipulates guidelines for financial risks, hedges and long-term loans. • Eniro continuously monitors key ratio performance based on compiled forecasts and analyses.
Increased competition from global players in local search	In the strongly growing market for innovative mobile services, Eniro faces strong competition – both from other local companies, companies that offer niche search services and from global players. Being able to ensure that customers get relevant hits on their searches quickly and conveniently is a critical competition factor.	• Eniro develop, maintains and improves the quality of its services to ensure that it continuously delivers the best local search service. • Going forward, Eniro will to a greater extent serve as an advisory media agency for digital marketing. In doing so, Eniro will focus on the customers' needs and market situation, and thereby offer adapted solutions. It also means that Eniro will offer complete packages that include services from other business partners to Eniro
Poorer traffic development in Desktop search and Mobile search	More users increase traffic and thus customer benefit for paying customers. Users must quickly be able to find current and relevant information in their searches in order to want to use Eniro for their next search. Eniro must continuously deliver innovative and relevant services that capture users and their changing needs.	• More users who visit Eniro's various media channels generates greater traffic to the sites. Eniro develops its products based on users' needs and how they perform their searches. A need has been identified to improve the user interface in order to stimulate curiosity and engage users. The search functionality for both the desktop and mobile search modes has been evaluated, and improvements to the interface were begun in 2013. In 2014 a new platform was launched, with a simplified start page featuring more modern design, more detailed and image centric result lists, more information – such as business hours – and interactive content featuring cover images and video products, and entirely new street view images that work in both responsive design and mobile apps. To handle local searches from mobile devices, Eniro's services are based on the user's geographic location. This improved functionality is contributing to greater user satisfaction and thus traffic. • Eniro limited its marketing costs in 2014, but going forward, marketing will increase to ensure that customers choose Eniro's search services.
Limited user benefit	To ensure long-term growth and profitability, it is important to keep user benefit in focus in connection with product and service development. Our users' search behaviors are changing in pace with development of the digital environment. To be competitive, Eniro needs to present advertising solutions that give a good user experience and favorable return to advertisers.	• Eniro took its first step towards e-commerce in 2014 by offering exposure in product galleries in which users can buy products directly from companies' web stores. • Eniro added a navigation service to its product portfolio based on high-resolution maps. • Eniro will be working to a greater extent with external partners and suppliers in an effort to shorten lead times from idea to commercial product or service to be able to act faster upon new trends.
Greater media agency sales putting pressure on Eniro's margins	The share of customers that use media agencies for their advertising purchases is rising. As a result, Eniro loses direct communication with its customers.	• Eniro will operate as its own media agency by being able to offer comprehensive advertising solutions for local search, including searchability and visibility on local sites, keyword and banner advertising, and production of websites and company pages on Facebook, and videos.

Business risks	Risk description	Risk management
Unsatisfactory customer returns	In order for customers to be able to measure the turn on their advertising investment, statistics are needed on how many contacts, i.e. "clicks," customers receive from their advertisement in Eniro's advertising services. The measurement method needs to be reliable at the same time that the reports need to be simple to understand.	• Traffic and activities on Eniro's sites are analyzed using the Site Catalyst web analysis tool. The monthly ROI reports that Eniro produces for its customers show the results that customers get from their advertisement. ROI reports enable customers to see the total number of visits by users who come from Eniro's search services and the number of clicks and searches to the customer. Customers also receive detailed keyword information that shows how many searches were performed from every keyword generated by Eniro. This compilation makes it possible to follow the development over time.
Operational disruption	Eniro's business activities rely on IT and communication systems that work effectively and without disruption. A disruption or error in current systems would affect Eniro's ability to aggregate, filter and organize its search services, which would affect users and thus customers.	• Eniro and its external providers of IT and communication solutions work continuously with measures designed to prevent Eniro's databases from being destroyed or the loss of content as a result of a disruption, damage or disturbance.
Customers are not offered a comprehensive range of products	An advisory role requires that the same sales force handles the total product portfolio. This requires greater competence among sales associates and a deeper understanding for how customer benefit is presented in the sales pitch. At the same time, the product portfolio must be comprehensive.	• Eniro is complementing the product portfolio and offers a greater share of products via the same sales organization. • Eniro is increasing the level of training it provides on the company's products, and is developing sales material. • Eniro works continuously on evaluating relevant sales profiles in recruitment.

Financial risks	Risk description	Risk management
Financial reporting risks	Deficient monitoring and controls could affect the reliability of Eniro's financial reports.	• Eniro is reviewing its key processes and controls within the framework of an internal control project initiated by the Board of Directors. During the autumn the project focused on "customer-to-cash" and revenue recognition. In 2015, other identified key processes will be reviewed to ensure that the right controls are in place.
Currency risk	The Group is active internationally and is exposed to currency risks arising from currency exposures from Eniro's operations in Norway, Denmark, Finland and Poland. Currency risk arises through future business transactions, reported assets and liabilities and net investments in foreign operations. Transaction risk pertains to the impact on net income and cash flows of changes in the value of operational flows in foreign currencies caused by fluctuations in exchange rates. By translation risk is meant the risk for fluctuations in value in Swedish kronor of net investments in foreign currencies caused by changes in exchange rates.	• Transaction risk in business transactions in each geographic area is limited, since 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 hedged on a case-to-case basis. • Translation risk is to be taken into account with respect to net investments in foreign currencies. Eniro has investments in NOK, EUR, PLN and DKK, with the largest exposure in NOK. As part of efforts to reduce exposure of net investments in foreign currencies, parts of the company's borrowing have been raised in NOK and DKK.
Interest rate risk	The Group's interest rate risk arises in connection with long-term borrowing. Borrowing at variable interest rates gives rise to interest rate risk for cash flows, while borrowing at fixed interest rates gives rise to interest rate risk affecting fair value.	• All of Eniro's borrowing carries variable interest rates. According to Eniro's finance policy, the company's financial situation is to be taken into account when setting terms of fixed interest. Since all borrowing is currently at variable interest rates, the company's level of debt represents an exposure to interest rate risk.
Credit risk	Credit risk refers to the risk of a counterparty being unable to fulfill its obligations, thereby causing a loss for its counterparty.	• Surplus liquidity may only be invested in Swedish government bonds, commercial paper with an AAA/P1 rating, and with banks that have a high official credit rating. • Eniro is exposed to the risk of not being paid by its customers. However, the risk for substantial losses of this sort is relatively low, since Eniro's customer base is large and highly differentiated.
Liquidity risk and financing risk	Liquidity risk refers to the risk of encountering difficulties in meeting financial obligations due to a lack of available liquid 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 be costly.	• Eniro works continuously to ensure the availability of liquid funds and unutilized credit facilities. Eniro's goal is that 60% of available loan facilities will have maturities of longer than one year. • Eniro also has an express policy of maintaining relations with a number of credit institutions with a high ratings. The Board of Directors regularly receives rolling forecasts of the Group's future cash flows that include estimates of liquid funds and unutilized credit facilities. • After the balance sheet date, Eniro entered into an agreement with the bank syndicate on amendments of the loan agreement entailing an extension of the term through 2018 and a reduction in annual repayment from SEK 375 M to SEK 150 M for 2015 and SEK 175 M annually for 2016 to 2018, conditional upon completion of a rights issue of common shares for approximately SEK 458 M and a directed convertible issue in the nominal amount of SEK 500 M. • If Eniro does not succeed in securing subscription commitments and issue guarantees for the aforementioned issues, the Group will be in violation of its obligations to the bank syndicate in such a way that the syndicate will have the right to cancel the loans for immediate repayment.

Corporate governance report 2014

2014 was a challenging year for Eniro, to say the least. Expectations for the company's growth were not met. Added to this were suspicions that Eniro's former CEO had manipulated the accounting. The events in 2014 resulted in a serious erosion of trust in Eniro.

Chairman's statement

2014 was – to say the least – a challenging year

In recent years Eniro has carried out a major transformation from being a directory company to its evolution today into an online player in digital marketing. But our digital journey has only just begun. The market for digital marketing continues to grow and is developing at a fast pace as a result of evolving user behaviors.

Despite favorable market conditions and attractive products, Eniro encountered challenges in the market in 2014. Revenues from the new channels did not fully compensate for the revenue from printed products that have been phased out. As a result, the expectations for the company's growth were not met. Added to this were suspicions that Eniro's former CEO had manipulated the accounting. The events in 2014 resulted in a serious erosion of trust in Eniro.

New President and CEO

After the first half of the year, the Board ascertained that despite the product launches that were carried out, revenues fell short of the Board's expectations. We decided that the company needed new management, and in August the former CEO, Johan Lindgren, was replaced with Stefan Kercza as acting President and CEO. Stefan's extensive experience in sales and success at returning Eniro's operations in Denmark to growth were central factors behind his appointment. The initial actions that Stefan carried out in eniro.se subsequently led to the Board's decision to make his appointment permanent.

In addition to a new CEO, during the year Eniro also gained a new CFO, Roland M. Andersen.

Investigation of accounting

In connection with the CEO change, the Board of Directors learned about possible problems with the accounting of revenues. As a result, we immediately launched an external investigation to thoroughly review how the Group's accounting of revenues had been carried out in practice. The initial findings of the investigation were presented at a press conference in September and indicated incorrect accrual accounting, entailing that revenues had been recognized too early during the preceding three quarters.

Parallel with this, legal inquiries were carried out to determine if any crime had been committed. As a result of these analyses, the company was compelled to file a police complaint against Eniro's former CEO, Johan Lindgren, and rescind his termination agreement.

The investigation was followed by discussions about responsibility and the external auditors' role in the review of Eniro's accounting. KPMG was commissioned to quality-assure the investigation that had been initiated by the company's auditing firm, PwC.

To increase transparency, in connection with the publication of the third quarter interim report in October, the Board decided to retrospectively adjust the recognized revenues for the preceding three quarters. For the first half of 2014 this entailed a reduction in revenue for Eniro by SEK 49 M.

Promoting and strengthening internal control

The second half of the year was intensive, with a high level of decision-making preparedness and frequent board meetings to ensure that management would be properly equipped to be able to carry out its business plan. With special focus on revenue recognition, a review was conducted of internal control, which was further strengthened.

Eniro has clear values and guidelines for business ethics that the company is to act according to, and the Board looks seriously upon conduct that deviates from these. It is of utmost importance to ensure that the company's conduct is permeated by the values that Eniro stands for: devoted, perceptive and reliable. As a complement to the ordinary reporting channels, during the year a whistleblowing function and compliance committee were established to address noncompliance at all levels in the company.

Financing

Eniro reduced its net debt significantly during the year. Owing to the company's lower rate of growth, its room to act in developing the business narrowed under the existing financing agreements. The Board worked with management in close dialog with the banks to adapt the agreements to Eniro's new situation. In February 2015 we were able to present a financing package consisting of a renegotiated bank loan, a directed issue of convertibles, and a rights issue, and have thereby summoned an Extraordinary General Meeting. The issues will raise approximately SEK 933 M. We will thereby be able to reduce our existing bank loan by at least SEK 650 M through a one-time repayment and obtain a considerably lower rate of repayment going forward while giving Eniro greater financial flexibility and head room.

Eniro's path forward

The Board's focus going forward is on ensuring that the company, under Stefan Kercza's leadership, will achieve stability and increase its profitability based on Eniro's strong market position and user demand in the market. Given Stefan Kercza's sales expertise, the Board is convinced that Eniro will capitalize on the major opportunities that exist in the market – a market that will be characterized by rapid development and change.

With the competence and experience of Eniro's employees and based on the commitment we have seen in the company not least during the second half of 2014, Eniro has favorable conditions to capitalize on its opportunities in the future.

Stockholm, March 2015

Lars-Johan Jarnheimer

Corporate governance

Governance of the Eniro Group

Eniro is a Swedish stock corporation listed on Nasdaq Stockholm. It is Eniro's shareholders who ultimately decide on the Group's governance and Eniro's board is responsible for the governance.

Corporate governance of Eniro is based on the Swedish Companies Act, the Annual Accounts Act, Nasdaq Stockholm's rules and regulations, the Swedish Corporate Governance Code (the Code), Eniro's Articles of Association and other relevant rules, regulations and guidelines, such as the Group's corporate governance documents (including the Board's rules of procedure and CEO instructions), Eniro's values and internal policies. Eniro's formal governance structure is illustrated below.

Eniro has no departures from the Code to report on for 2014.

Shareholders

It is Eniro's shareholders who ultimately decide on the Group's governance by electing the company's board at general meetings of shareholders. The Board, in turn, is responsible on a continuing basis during the year for ensuring that the company's corporate governance adheres to laws and other external and internal governance instruments.

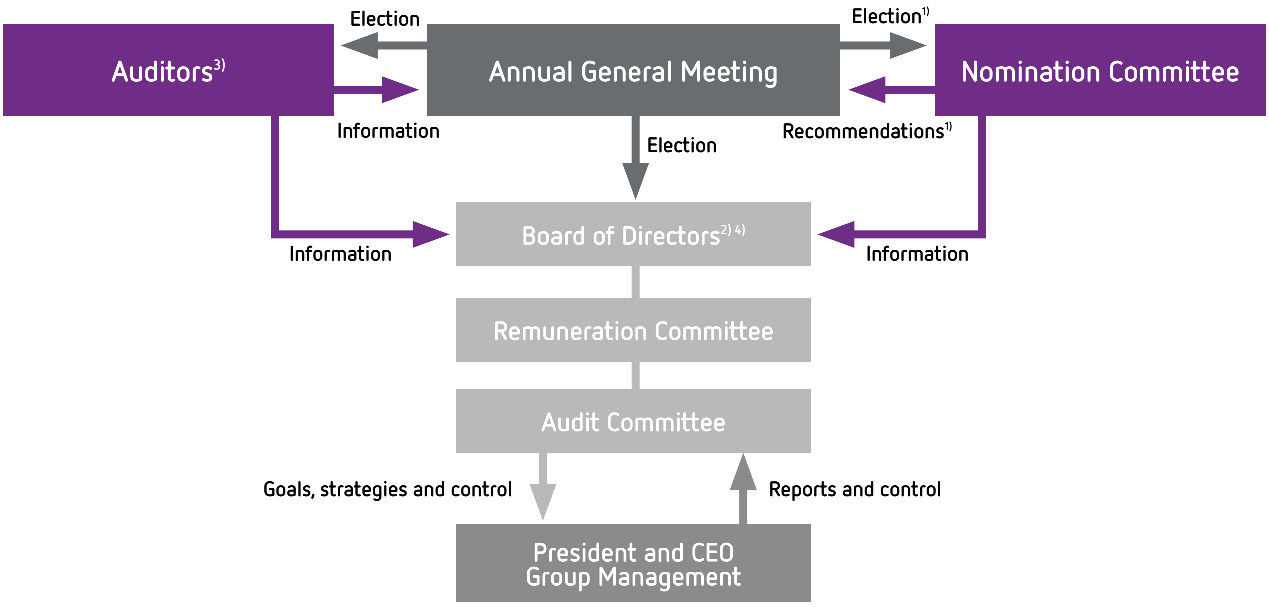
At general meetings of shareholders, all owners of common shares with entitlement to vote may vote for the full number of shares owned and represent their shares without limitation in voting rights. Owners of preference shares have 1/10 of a vote per share. As per December 31, 2014, the company had no Class C shares.

Eniro's share capital amounts to SEK 308,642,220, divided among 101,880,740 common shares, and 1,000,000 preference shares, of which Eniro's own holdings amounted to 1,703,266 common shares. The total number of votes was 101,980,740, of which common shares carried entitlement to 101,880,740 votes and preference shares 100,000 votes. The company's three largest shareholders as per December 31, 2014, were:

- Danske Capital (10.0% of votes)
- Swedbank Robur funds (8.8% of votes)
- Nortal Capital (Staffan Persson) (7.7% of votes)

Further information about the company's share capital, Eniro's stock and the shareholder structure is provided on pages 25-27.

Eniro's governance structure



1) The Nomination Committee drafts a recommendation for decision that is presented at the AGM. The AGM decides on the principles for appointment of the Nomination Committee.

2) The Board establishes the committees and determines which directors will serve on the respective committees.

3) The auditors perform the audit and report to the Board of Directors and shareholders.

4) The evaluation of the Board's work is reported to the Nomination Committee.

Important internal governance instruments

Business concept and objectives, Articles of Association, the Board of Directors' rules of procedure, the CEO's instructions, strategies and policies for ethics, financial matters, information and insider issues, and processes for internal control and governance.

Important external governance instruments

The Swedish Companies Act, the Annual Accounts Act, Nasdaq Stockholm's issuer rules, other relevant laws and the Code (www.bolagsstyrning.se).

General meetings of shareholders

The shareholders' influence in the company is exercised at the Annual General Meeting (AGM) – or where applicable, extra-ordinary general meetings – which is the company's highest decision-making body. Individual shareholders who want a matter of business to be addressed at a general meeting can submit a request to Eniro's board at a designated address that is posted on the Group's website, www.enirogroup.com, well in advance of a general meeting. The Annual General Meeting decides on:

- dividends
- approval of the annual financial statements
- election of board members and auditors
- guidelines on remuneration and other terms of employment for senior executives amendments to the company's Articles of Association
- other important matters

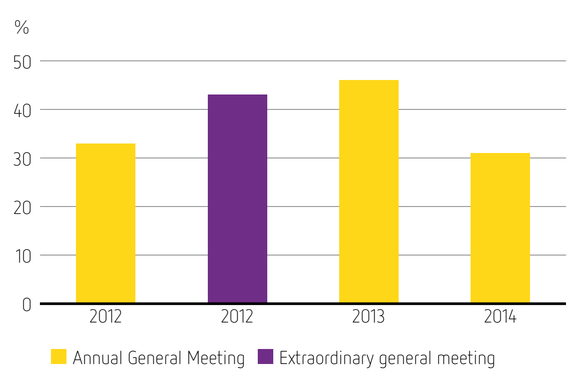
Eniro's 2014 AGM was held on April, 24 at the company's head offices in Solna, Sweden.

Annual General Meeting 2014

- The AGM resolved, in accordance with the Board's proposal, that no dividend would be paid for the 2013 fiscal year and that the company's available funds would instead be carried forward.
- In accordance with the Nomination Committee's recommendation, the AGM resolved that Eniro's board of directors would comprise six members and no deputies. The AGM resolved to re-elect Cecilia Daun Wennborg, Ketil Eriksen, Leif Aa. Fredsted and Lars-Johan Jarnheimer as directors, and to elect Stina Honkamaa Bergfors and Staffan Persson as new directors. Lars-Johan Jarnheimer was elected as Chairman of the Board.
- The AGM resolved in favor of the proposed principles for remuneration of senior executives, which adhere to the remuneration guidelines adopted by the 2013 AGM, and variable remuneration of senior executives in the form of cash compensation, as well as an identical share-based incentive program (LTIP 2014) as the one decided on by the 2013 AGM.
- In addition, the AGM decided on directors' fees and the appointment of the Nomination Committee ahead of the 2015 AGM. In accordance with the Nomination Committee's proposal, the AGM resolved to elect the chartered accounting firm PricewaterhouseCoopers AB as auditor for a term until the next AGM.

The total number of shares represented at the AGM was 32,017,968, corresponding to 31,898,627.1 votes and approximately 32% of the total number of shares carrying entitlement to votes at the AGM. All documents from the 2014 AGM are posted on the company's website, www.enirogroup.com.

Share of votes represented at general meetings 2012–2014



Annual General Meeting 2015

Eniro's next Annual General Meeting will be held on March 27, 2015, at the company's head offices in Solna, Sweden. For further information on the next AGM, see page 47.

Extraordinary General Meeting 2015

The Board of Directors has decided on a fully underwritten rights issue of common shares for approximately SEK 458 M and on a convertible bond issue in the nominal amount of SEK 500 M, directed to and placed with institutional and qualified investors in Sweden and internationally. As a result of this decision, the Board has summoned an Extraordinary General Meeting to be held on March 9, 2015, at the company's headquarters in Solna. For further information about the Extraordinary General Meeting, see page 47.

Nomination Committee

Since 2005 the AGM has resolved that the four largest shareholders shall be offered the opportunity to appoint one representative each and that these representatives, together with the Chairman of the Board, are to form the Nomination Committee for the period until a new nomination committee has been appointed. The composition of the Nomination Committee is to be announced in a press release as soon as the members have been appointed, and not later than six months prior to the AGM.

Nomination Committee's composition

The Nomination Committee was presented in a press release on October 13, 2014, and is based on the ownership conditions (share of votes) as per August 31, 2014. Eniro's Nomination Committee ahead of the 2015 AGM consists of the following members (share of votes as per August 31, 2014):

- Ulric Grönvall, Danske Capital (11.5%)
- Åsa Nisell, Swedbank Robur funds (8.9%)
- Staffan Persson, Zimbrine Holding BV (7.7%)
- Sebastian Jahreskog, own shareholding and through companies (4.0%)
- Lars-Johan Jarnheimer, Chairman of the Board of Eniro (see page 48)

The Nomination Committee appointed Ulric Grönvall to serve as committee chair.

If a member of the Nomination Committee resigns prior to the completion of the Committee's work, the shareholder who appointed the resigning member is to appoint a successor, provided that this shareholder is one of the largest owners in terms of voting rights.

If this shareholder is no longer one of the four largest shareholders in terms of voting rights up until three months before the AGM, then the shareholder shall make its spot available for another major shareholder.

Nomination Committee's assignment

The Nomination Committee is tasked with making recommendations on the following matters ahead of the AGM on 27 March 2015:

- the number of board members to be elected by the AGM
- directors' fees
- any remuneration for committee work
- the Board's composition
- election of the Chairman of the Board
- election of a person to serve as AGM Chairman
- auditors' fees
- election of auditors
- process for appointing the next year's nomination committee

The Nomination Committee has held seven meetings at which minutes were recorded, and between those meetings the members remained in contact. At the initial stage of the nomination process, the Chairman of the Board reported on the Board's and the committee's work after the 2014 Annual General Meeting, and the Company's acting CEO reported on the Company's current situation and future challenges. Because of the events in the Company as announced in the Company's press releases, inter alia the previous CEO's resignation and the police report against the same, defects in the book-keeping and amended forecast for the full year, it was resolved to interview all board members appointed by the general meeting and the Company's auditor.

Following these reviews, the Nomination Committee performed a review of the overall expertise of the existing board members, discussed requirement profiles for new members, interviewed potential candidates, and agreed on a recommendation for the Board's composition. It was learned that two members of the current board had declined re-election. No nominations for candidates have been received by the Nomination Committee from shareholders outside of the Nomination Committee. All decisions by the committee regarding its recommendations were unanimous.

The Nomination Committee's recommendations are presented in the official AGM notice and on Eniro's website, www.enirogroup.com. In connection with the publication of the AGM notice, the Nomination Committee also posted a reasoned statement on its recommendations for the Board and election of auditor at the 2015 AGM.

Board of Directors

The Board of Directors is responsible for governing the company's operations in the interests of the company and all shareholders. According to the Swedish Companies Act, the Board is responsible for the organization and the administration of the company's affairs. Every year the Board adopts written rules of procedure which, together with the Companies Act, the Articles of Association and the Code, lay out the Board's responsibilities and regulate the division of responsibilities within the Board, i.e., between the Chairman and the other board members as well as between the Board and its committees. The rules of procedure also stipulate routines for the continuing board work.

The Board shall normally hold six regular meetings per year, including at least one with the company's auditors in attendance and without the attendance of members of the Group Management. Extra board meetings may be held to deal with matters that cannot suitably be dealt with at a regular meeting. Such meetings may be held by phone, by videoconference or by circulation. Normally a notice of a regular meeting shall be sent to the board members one week in advance of the meeting in question. The notification is to include the agenda and relevant documents and decision-making materials regarding the business to be addressed at the meeting.

The Group's auditors attended the board meetings that approved the 2013 year-end report and interim report for the third quarter of 2014 as well as at the board meetings at which the auditors presented the investigation into revenue accounting commissioned by the Board. During the year, the auditors attended all of the meetings of the Audit Committee and presented their review reports at the meetings that addressed the 2013 year-end report and interim report for the third quarter of 2014.

The Board's composition

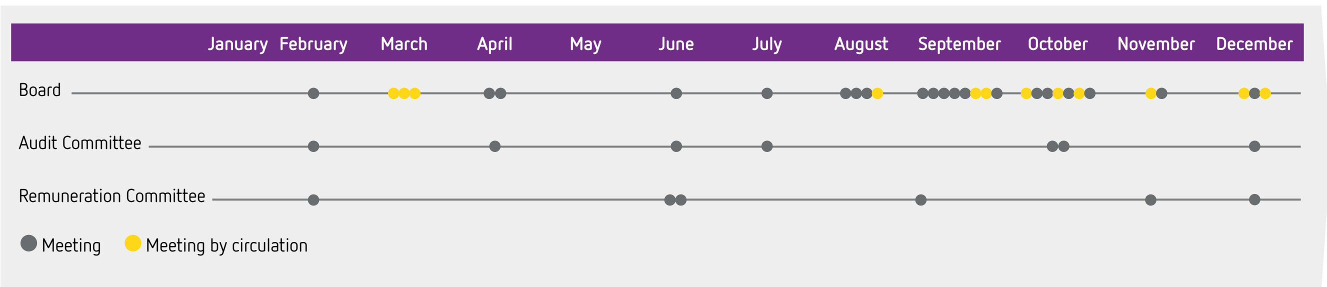
According to Eniro's Articles of Association, the Board shall consist of four to ten directors, who are elected each year at the Annual General Meeting based on the recommendations of the Nomination Committee for a term extending through the end of the next Annual General Meeting. According to Swedish law, the employee organizations have the right to appoint three board members and one deputy for each of these. The Board currently consists of six directors elected by a general meeting and two employee representatives. No board member is a member of Group Management.

The Board's and Chairman's responsibilities

The Chairman is ultimately responsible for the Board's work and is the person who continuously monitors the operations in close dialog with the CEO. The Chairman is responsible for ensuring that the other board members receive the information and documentation that is necessary for them to be able to fulfill their board assignment in a responsible manner. The Chairman represents Eniro on ownership matters. The Chairman is also responsible for the yearly evaluation of the Board's work.

The Board's rules of procedure include instructions for the division of duties between the Board and the CEO as well as routines for how the CEO shall continuously inform the

Board and committee meetings in 2014



Board about the development of the Group's operations and financial position. The Group CEO attends all board meetings except the one addressing the evaluation of the CEO's work. Other senior executives attend when needed to inform the Board or upon specific request by the Board or CEO. The Board currently has two committees – the Remuneration Committee and the Audit Committee – and drew up rules of procedure during the year for each of these. The Board also decided on Eniro's corporate governance documents, which include the Board's and the committees' rules of procedure, the CEO's instructions and the Group-wide policies for financial, information and insider matters.

The Board's work in 2014

The Board held 32 meetings in 2014. The attendance of each board member at these meetings is shown in the table on pages 48-49. Eniro's General Counsel, Lina Söderström, serves as secretary at board meetings.

At the regular board meetings, the CEO reported on the Group's results and financial position, including a forecast for the coming quarters.

Important matters addressed by the Board during the year included the following, among others:

- the company's management, earnings and financial position
- review of revenue accounting and subsequent discussions about roles and responsibilities
- quality assurance of the investigative assignment concerning the reporting of revenue
- investigation into suspected criminal behavior
- filing of police complaint against the company's former CEO and the rescindment of the former CEO's termination agreement
- retrospective restatement of the financial statements due to accounting inaccuracies
- introduction of a whistleblowing policy
- internal control
- discussions with the lending banks
- strategic issues, restructuring and organizational matters
- the company's product and service offering
- agreements and investments, and acquisitions and divestments, including the divestments of InTouch and Scandinavia Online AS in Norway and Krak Markedsdata in Denmark

Remuneration Committee

During the time after the 2014 AGM the Remuneration Committee consisted of Lars-Johan Jarnheimer (chair) and Stina Honkamaa Bergfors.

According to the Code, a remuneration committee shall be tasked with preparing the Board's recommendations to the AGM regarding guidelines for determining the salary and other remuneration of the CEO and other senior executives. According to the Board's rules of procedure, the Remuneration Committee's recommendations shall be presented to the Board, which decides on a recommendation to the AGM. This recommendation shall be in line with standard practice for listed companies. The Board's proposed guidelines ahead of the 2015 AGM are presented on page 44.

In accordance with the Board's rules of procedure, the Board has authorized the Remuneration Committee to decide on individual salaries, remuneration and retirement benefits for senior executives, except for the CEO.

The Remuneration Committee held a total of six meetings during the year. The members' attendance at the meetings is shown in the table on pages 48-49.

Remuneration Committee meetings are documented by minutes, which are reported on orally at board meetings.

Audit Committee

During the time after the 2014 AGM the Audit Committee has consisted of Cecilia Daun Wennborg (chair), Lars-Johan Jarnheimer and Ketil Eriksen. Prior to publication of the interim report for the third quarter, the entire board attended the Audit Committee's meetings.

According to the Companies Act, an audit committee shall monitor the company's financial reporting, among other things. In accordance with the Board's rules of procedure, the Audit Committee is responsible for preparing the Board's work on ensuring the quality of the Group's financial reporting. This includes monitoring the audit processes and the effectiveness of the company's internal control over financial reporting.

The Audit Committee is to meet with Eniro's auditor on a regular basis and keep itself informed about the focus and scope of the audit work, and evaluate this work. The committee shall also continuously discuss the view of Eniro's risks related to the financial reporting with the auditor. At least one of the committee's members is to have accounting or auditing competency.

The Audit Committee is responsible for informing Eniro's nomination committee about its evaluation of the audit work. In connection with the election of the company's auditor, the Audit Committee shall assist the Nomination Committee in its work on drafting a recommendation for auditor and the auditor's fees.

In accordance with the Board's rules of procedure, the Board has authorized the Audit Committee to set guidelines for services other than auditing services that Eniro may procure from its auditor. The Audit Committee has the right to independently commission the services of external advisors for special inquiries that the Audit Committee deems necessary to implement. The Audit Committee also has the right to request information from and support for its work from all employees of the Group, as well as to request that individual employees attend Audit Committee meetings.

The Audit Committee held seven meetings during the year. The members' attendance at the meetings is shown in the table on pages 48-49.

Audit Committee meetings are documented by minutes, which are appended to the board material and reported on orally at board meetings. Important matters addressed by the Audit Committee during the year included the following:

- revenue accounting
- retrospective restatement of previous financial statements
- internal control processes and routines
- financing issues and financial targets
- the company's audit
- risk analyses
- monitoring of financial reporting
- insurance matters
- pension matters
- impairment testing of intangible assets

Directors' fees

The AGM resolves on the fees payable to the members of the Board of Directors. The 2014 AGM resolved that directors' fees were to be paid in a total amount of SEK 3,650,000, of which SEK 1,100,000 to the Chairman of the Board and SEK 420,000 to each of the other AGM-elected directors, SEK 150,000 to the Audit Committee chair, and SEK 75,000 to each of the other four members of the Board's committees. The Chairman of the Board and other AGM-elected directors have no retirement benefits or agreements for severance pay.

CEO and Group Management

The CEO is appointed by and receives instructions from the Board of Directors. The CEO, in turn, appoints the other members of Group Management and is responsible for the day-to-day administration of the Group's operations in accordance with the Board's guidelines and instructions.

Eniro's Group Management consists of the President and CEO, the Senior Vice President Group Product & Marketing, the Senior Vice President Group IT, the President of Eniro Norway, the President of Eniro Poland, the Chief Financial Officer, the Senior Vice President Human Resources and the Head of Group Business Control.

The President and CEO leads the Group Management's work and makes decisions after consulting with members of Group Management. During the year the Group Management's work was focused on the following: measures to increase sales, measures to reduce staff turnover, strategy financing, the digital product offering, efficiency improvements in the organization, refinement and concentration of operations and implementation of a whistleblowing system and compliance committee.

Executive compensation

The Board of Directors proposes that the 2015 annual general meeting decide on guidelines for remuneration to senior executives consistent with the guidelines that was resolved by the 2014 annual general meeting and approval of variable remuneration for senior executives in the form of cash with the deviation that no long term share-related incentive program (Long Term Incentive Program, LTIP) is suggested to be adopted and that no allotment under LTIP 2014 has taken place.

The objective is to ensure that the company offers competitive compensation consisting of fixed salary, variable salary, pension provisions and other remuneration and benefits.

The fixed salary is based on the individual executive's responsibilities, skill and experience. The variable salary comprises cash compensation at a maximum of 40 percent of the fixed salary (50 percent in the case of the President/CEO). Variable salary targets shall be decided by the Board of Directors starting 1 January 2015. The targets shall primarily concern the Group's financial position and be measured against the Group's revenues and EBITDA. The Board of Directors determines variable salary based on annual evaluations of the individual executive's achievement of the stated targets and goals. Payment of the variable salary component shall be conditional upon the long-term, sustainable achievement of the underlying targets. The company shall retain the right to demand reimbursement of variable salary if the award has been based upon information that later proves to be manifestly incorrect.

The company's pension policy is based on either an individual occupation pension plan or a premium-based pension plan, at a maximum of 35 percent of the fixed salary. Upon termination of employment at the company's initiative, a notice period of maximum twelve months applies. Other compensation and benefits, such as company car and health insurance, shall be on market terms. The Board of Directors may deviate from the guidelines in special circumstances.

The Board may depart from the guidelines in individual cases if special reasons exist. The company's President and CEO, Stefan Kercza, has a notice period of six months by his own initiative and twelve months in the event the company serves notice. In the event the company serves notice, he is entitled to an additional six months' severance pay, which may be reduced in the event the CEO takes up new employment elsewhere. The company and the other members of Group Management have a notice period of six months by their own initiative.

In the event the company serves notice the Group CFO is entitled to an additional twelve months' severance pay and a guaranteed bonus. This agreement was made by the former President and CEO Johan Lindgren in 2014 and deviates from the guidelines approved by the Annual General Meeting. This agreement has neither been approved by the Remuneration Committee nor the Board of Directors.

Information on remuneration in for 2014 is provided in note 24 on page 72.

Remuneration of former President and CEO

Johan Lindgren, who served as President and CEO until 18 August 2014, had a notice period of 12 months and was entitled to severance pay for an additional six months in the event notice was served by the company. Since the Board decided to rescind Johan Lindgren's termination agreement in connection with inaccuracies in the revenue accounting, this remuneration has not been paid out.

LTIP 2014

The 2014 AGM resolved in favor of the Board's recommendation for a long-term share-based incentive program for 2014 (LTIP), however, no grant was made to senior executives during the year since the planned evaluation of senior executives was not performed. LTIP 2014 has thereby been concluded.

Auditors

The AGM elects the company's auditor. Based on an annually adopted audit plan, the auditor is responsible for reviewing and evaluating the risks associated with the operations and the Group's financial reporting. The auditor meets with the Audit Committee on a regular basis to inform its members about the ongoing audit work. Eniro's current auditor was appointed by the 2004 AGM and has thereafter been re-elected numerous times. The 2014 AGM re-elected PricewaterhouseCoopers AB as auditor for a term extending until the 2015 AGM.

PricewaterhouseCoopers AB was represented during the entire year by Bo Hjalmarsson as auditor-in-charge. Bo Hjalmarsson has been auditor-in-charge for Eniro since 2008. Since 2011 PricewaterhouseCoopers has also been represented by Authorized Public Accountant Eva Medbrant. In autumn 2014 Eva Medbrant was succeeded by Authorized Public Accountant Mikael Eriksson. In addition to Eniro, Bo Hjalmarsson has audit assignments for Ericsson,SAS, Teracom and Vostok Nafta, among others. Mikael Eriksson also has audit assignments for Meda, Trelleborg and Ecolean, among others. The auditors' fees are payable as invoiced, as per agreement. Information on auditors' fees is provided in note 25 on page 74.

Ahead of the 2015 AGM, the Nomination Committee recommends the election of PricewaterhouseCoopers AB as auditor to a term extending until the 2016 AGM.

Internal control over financial reporting

Internal control over financial reporting aims to provide reasonable assurance of the reliability of the company's external financial reporting. The external financial reporting is to be prepared in conformity with laws, applicable accounting standards and other requirements for companies listed on Nasdaq Stockholm.

Eniro has implemented a modified COSO framework for internal control over financial reporting, broken down into five components: control environment, risk assessment, processes and control activities, information and communication, and monitoring.

The Board's responsibility

The Board is responsible for ensuring that the company has satisfactory internal control and formalized routines to ensure compliance with the set principles for financial reporting and internal control. The Board is also responsible for ensuring that the company's financial reporting is prepared in conformity with laws, applicable accounting standards and other requirements for listed companies.

The Board has established an audit committee which – among other duties – monitors the company's financial reporting, and with respect to the financial reporting monitors the effectiveness of the company's internal control and risk management. The Board has decided to not establish a special internal audit function. This determination is based on the Group's size and operations, and on existing internal control processes. When needed, external advisors are used for projects pertaining to internal controls performed under assignment from the Audit Committee.

Control environment

The Audit Committee is responsible for preparing the Board's work on ensuring the quality of the Group's financial reporting. This also includes monitoring the audit process, ensuring the effectiveness of internal control over financial reporting and the follow-up of deviation reports. Responsibility for maintaining an effective control environment and effective internal control over financial reporting has been delegated to the Group's President and CEO.

The control environment at Eniro consists of a number of corporate policies, guidelines and supporting frameworks related to the financial reporting. These include the following:

- accounting manual (including Eniro's framework for internal control)
- financial policy
- directives and instructions concerning decision-making levels and authorizations
- directives regarding insider matters
- information policy
- ethics policy

The guidelines are updated on a regular basis and are communicated on the Group's intranet. Changes in the accounting manual are communication in connection with monthly book-closings to the people involved in the work with the financial reporting.

Risk assessment

Eniro performs an annual risk assessment. Based on this analysis, the material risks that affect the company's internal control over financial reporting are identified and evaluated. This risk assessment serves as the foundation for managing risks through an improved control environment and also results in prioritized areas to be evaluated.

Processes and control activities

Eniro has identified the following main processes:

- revenue process
- payroll process
- purchasing process
- book-closing process

These processes have been documented in a flow chart and through detailed descriptions of control activities. The control activities, which can be manual as well as automated, are mainly aimed at discovering and preventing errors and thereby ensuring the quality of the financial reporting. Control activities are performed at both the subsidiary and Group level.

During the second half of the year a project initiated by the Audit Committee was conducted to review the revenue process, mainly with respect to revenue recognition to ensure that the respective processes have the most relevant control

Roles and responsibilities

Role	Control person	Sub-process owner	Process owner
Responsibility	• Perform controls • Evaluate controls • Report on effectiveness of controls	• Update and monitor sub-processes	• Update and govern entire processes
Examples of duties	• Document performed control • Address any deviations	• Review and confirm performed control • Prepare and ensure possible actions	• Follow up and report on control and evaluation • Follow up any actions
Report	• Documentation in risk control matrix	• Quarterly reporting on performed controls, effectiveness and any changes in sub-process	• Quarterly reporting on performed controls, effectiveness and any changes in sub-process
Reports to	• Sub-process owner	• Process owner	• CFO

activities. The project has resulted in a strengthening of the responsibility and roles in the internal control at both the subsidiary and Group levels. All persons performing controls document evidence that the control activity has been performed and report their compliance in a risk control matrix. In the event of deviations, it is the process owner's responsibility to follow up and make sure appropriate actions are taken. Various processes have various frequencies for their control activities – ranging from daily to event-driven.

Eniro will review other key processes in 2015.

Whistleblower function

A Group-wide whistleblower function was established during the year to give all employees the opportunity to anonymously report serious irregularities and violations of Eniro's various policies. One of the aims of this function is to maintain good ethics and prevent improprieties within Eniro to the benefit of the company's employees, customers, vendors and owners.

Information and communication

Eniro's communication is to be correct, open and available to all interested parties simultaneously. All communication is to be provided in accordance with Nasdaq Stockholm's Rule Book for Issuers. The Board has approved an information policy that regulates the manner in which the company is to disclose information. Information is communicated to external parties regularly through press releases and via www.enirogroup.com.

The Board receives financial reports on a regular basis. The Board reviews and approves interim reports and the annual report at regular board meetings prior to publication. Financial information about the Group may only be communicated by the President and CEO, the Group CFO and the Head of Investor Relations.

Principles for financial processes are communicated between management and other personnel via regular meetings, the Group's intranet and e-mail.

The Group CFO reports the results of the work with internal control over financial reporting to the Audit Committee.

The results of the Audit Committee's work are reported on a regular basis to the Board in the form of observations, recommendations, and recommendations for decisions and actions to be taken.

Financial reporting

Financial data is reported monthly from all reporting units in accordance with reporting routines documented in the accounting manual. This reporting forms the foundation for the Group's consolidated financial reporting.

Consolidation is conducted from a legal and operational perspective, which results in complete monthly income statements and balance sheets for each company and consolidated for the Group. All consolidation is conducted centrally.

Monitoring

The Group CFO is responsible for monitoring and evaluating the effectiveness of the company's risk management and internal control system. During the second half of 2014 a review was conducted of the internal control system, which led to a further strengthening of processes and routines.

The work with internal control is reported on a regular basis to Group Management and the Audit Committee. These regularly recurring reports form the foundation for the Board's evaluation and assessment of the effectiveness of internal control over financial reporting and are the basis for decisions regarding any potential improvement measures.

Financial information is disclosed on a regular basis in the form of:

- Year-end and interim reports (quarterly), which are published as press releases
- Annual reports
- Press releases on important news and events
- Presentations and conference calls for analysts, investors and media on the same day that year-end and interim reports are published
- Meetings with analysts and investors

Shareholder information

Extraordinary General Meeting 2015

Eniro will hold an Extraordinary General Meeting (EGM) on

Monday, March 9, 2015, at 8:00 a.m. (CET)

at the company's headquarters, Gustav III:s Boulevard 40, Solna. Doors to the meeting will open at 7:30 a.m.

The record date for shareholders to be able to participate at the Extraordinary General Meeting is Tuesday, March 3, 2015. To be able to participate at the meeting, shareholders whose shares are registered in the name of a nominee must temporarily re-register their shares in their own names, so that they are listed on Euroclear Sweden AB's shareholder register. In addition to ensuring that their shares are registered in their own names in Euroclear Sweden AB's register, shareholders must notify the company of their intention to attend the EGM well in advance of March 3.

Annual General Meeting 2015

Eniro' s Annual General Meeting (AGM) will be held on

Friday, March 27, 2015, at 10:00 a.m. (CET)

at the company's headquarters, Gustav III:s Boulevard 40, Solna. Doors to the AGM will open at 9:00 a.m.

The record date for shareholders to be able to participate at the AGM is Saturday, March 21, 2015. To be able to participate at the AGM, shareholders whose shares are registered in the name of a nominee must temporarily re-register their shares in their own names, so that they are listed on Euroclear Sweden AB's shareholder register. In addition to ensuring that their shares are registered in their own names in Euroclear Sweden AB's register, shareholders must notify the company of their intention to attend the AGM well in advance of March 23.

General meeting calendar

March 3	Final day to notify attendance at the Extraordinary General Meeting
March 3	Record date for Extraordinary General Meeting
March 9	7:30 a.m. Doors open to Extraordinary General Meeting
	8:00 a.m. Start of Extraordinary General Meeting
March 21	Record date for Annual General Meeting 2015
March 23	Final day to notify attendance at the 2015 Annual General Meeting
March 27	9:00 a.m. Doors open to Annual General Meeting 10:00 a.m. Start of Annual General Meeting

Notification may be made on the company's website, www.enirogroup.com, by phone at the number listed below, or by post at the address listed below.
Telephone: +46-8-402 90 44
Post:
Eniro, Annual General Meeting
Box 7832
SE-103 98 Stockholm.

Shareholders who cannot attend the Annual General Meeting in person have the right to designate a representative to vote for them. Such shareholders must complete and sign a written power of attorney, which can be downloaded from Eniro's website: www.enirogroup.com. Such power of attorney must be sent in original to the address above.

For the proposed agenda, see the AGM notice and related documents on the company's website: www.enirogroup.com.

Board of Directors

	Lars-Johan Jarnheimer Chairman of the Board, elected 2011 Remuneration Committee chair, member of the Audit Committee	**Cecilia Daun Wennborg** Director, elected 2011 Audit Committee chair	**Ketil Eriksen** Director, elected 2011 Member of Audit Committee	**Leif Aa. Fredsted** Director, elected 2012
Born	1960	1963	1963	1961
Education	M.Sc. Econ.	B.Sc. Econ.	B.Sc. Econ.	B.Sc. Econ.
Other directorships	Arvid Nordquist HAB, Egmont International AS, INGKA Holding BV (IKEA's parent company), SAS AB, SSRS Holding AB and Qliro Group	Atvexa AB, Getinge AB, Hotell Diplomat AB, ICA Gruppen AB, Loomis AB, Proffice AB, AB Svensk Bilprovning and Sophiahemmet	Britax Childcare Ltd, Fazer Group, Helly Hansen AS, Plantagen AS and Polarica	Vivaki Norway, Vivaki Sweden and Vivaki Denmark
Professional experience	President and CEO of Tele2, Marketing Director northern Europe for Saab Automobile, and CEO of Comviq	CEO/CFO Carema, Acting CEO Skandiabanken, Head of Skandia Sweden and CEO Skandia Link	CEO The Absolut Company, CEO Vin & Sprit AB and MD Colgate-Palmolive AB	Regional CEO Starcom Nordic (currently), CEO Markup Consulting AS and CEO Synergi Rf
Shareholding[1] in Eniro	Common shares: 100,000[2] Preference shares: 5,000	Common shares: 25,000 Preference shares: 210	Common shares: 4,165 Preference shares: 200	Common shares: 7,500 Preference shares: –
Attendance 2014[3]				
Board meetings	32 (32)	30 (32)	31 (32)	31 (32)
Audit Committee[4]	7 (7)	6 (7)	5 (5)	–
Remuneration Committee	6 (6)	–	–	–
Fees 2014, SEK				
Board	1,100,000	420,000	420,000	420,000
Audit Committee	75,000	150,000	75,000	–
Remuneration Committee	75,000	–	–	–
Independent from the company and major shareholders	Yes	Yes	Yes	Yes

1) Including shares held by related parties as of December 31, 2014.
2) As per March 6, 2015, Lars-Johan Jarnheimer's shareholding was 200,000 common shares.
3) Figures in parentheses indicate the number of meetings that were held during the period of time that the respective committee members were board members.
4) Ahead of the interim report for the third quarter the entire board attended Audit Committee meetings.
5) Susann Olin Jönsson served as an employee representative until May 2014. Jennie Hallberg served as an employee representative until June 2014.

			
		Employee representatives[5)]	
Stina Honkamaa Bergfors Director, elected 2014 Member of Remuneration Committee	**Staffan Persson** Director, elected 2014	**Jonas Svensson** Employee representative, elected 2007 as deputy, regular member since 2011	**Katarina Emilsson-Thudén** Employee representative, elected 2013 as deputy, regular member since May 2014
1972	1956	1966	1969
B.Sc. Econ.	B.Sc. Econ.	Secondary school diploma	Certified information broker and business intelligence analyst
INGKA Holding BV (IKEA's parent company)	ASE 1 SA, ASE 2 SA, Cinnober Financial Technology AB, Dooba Holdings Ltd, Klar Invest AB, Land Promotion Ltd, Lexington Company AB, Sveab Holding AB and Synthetic MR AB	Unionen local chapter Eniro	Unionen local chapter Eniro
CEO and co-founder United Screens (currently), Head of Google Sweden and YouTube Sweden and CEO of Carat	CEO Swedia Capital (currently), CEO Neonet, Executive at HSBC Investment Bank and CEO Nordia Fondkommission	Project manager and Business & Sales Controller, Eniro 118 118 AB	Facility manager, information officer and internal environmental audit
Common shares: 24,000 Preference shares: –	Common shares: 7,800,000 Preference shares: –	Common shares: – Preference shares: –	Common shares: – Preference shares: –
25 (27) – 4 (4)	27 (27) – –	32 (32) – –	29 (29) – –
420,000 – 75,000	420,000 – –	28,500 – –	28,500 – –
Yes	Yes	–	–

Group Management

				
	Stefan Kercza President and CEO since August 2014, CEO Eniro Denmark since 2011, Acting Head of eniro.se since June 2014	**Roland M. Andersen** Group CFO since July 2014	**Bożena Chmielarczyk** CEO Eniro Poland since 2012	**Vilhelm Hallström** Senior Vice President Group IT since May 2014
	Eniro employee and member of Group Management since 2011	Eniro employee and member of Group Management since 2014	Eniro employee and member of Group Management since 2012	Eniro employee since 2009, member of Group Management since 2014
Born	1964	1968	1965	1972
Education	Master of Business Administration	M.Sc. Corporate Finance, Executive Programme at London Business School	Master of Business Administration	B.Sc. Computer and Systems Science
Professional experience	CEO Telenor India, SVP Telenor B2B, SVP Telenor B2B and Consumer, SVP Telenor Consumer	CFO TORM A/S, Group CFO Telenor Denmark, CFO Cybercity, CFO A.P Møller-Mærsk Singapore	CEO Reader's Digest	Head of Business Support Systems Eniro
Directorships	Fibetco, 1dataplan ApS	Unifeeder A/S	–	–
Shareholding[2] in Eniro	Common shares: 9,000[3] Preference shares: –	Common shares: –[4] Preference shares: –	Common shares: – Preference shares: –	Common shares: – Preference shares: –
Synthetic shares	54,363	–	6,194	11,554

1) Pierre Mårtensson was CEO of Eniro Norway until January 2015.
2) Including shares held by related parties as of December 31, 2014.
3) As per March 6, 2015, Stefan Kercza's shareholding was 24,000 common shares.
4) As per March 6, 2015, Roland M. Andersen's shareholding was 25,000 common shares.
Event after publication of the 2014 Annual Report: Nils Carlsson will take office as CEO of Eniro Sweden in May 2015.




Allan Jakobsen CEO Eniro Denmark since March 2015	**Martina Smedman** Senior Vice President, Group Human Resources since 2011	**Mattias Wedar**[1)] Senior Vice President Group Product & Marketing since 2013, Acting Head of Eniro Sweden and Finland (excl. eniro.se) since June 2014, Acting CEO Eniro Norway since January 2015	**Maria Åkrans** Head of Group Business Control since 2012
Eniro employee and member of Group Management since 2015	Eniro employee and member of Group Management since 2011	Eniro employee since 2005 and member of Group Management since 2008	Eniro employee since 2012 and member of Group Management since 2014
1969	1963	1973	1970
M.Sc. Business Administration Management studies at INSEAD, IMD Business School and Henley Management College	B.Sc. in Human Resource Management	M.Sc. Informatics and Systems Science	FEI (Företagsekonomiska institutet)
SVP Financial Services Nets, CEO Mi-Pay, acting vice CEO TDC Sweden, CEO Nianet, CEO Dan Net, Vice President TDC Switzerland	Head of Human Resources, Preem	CEO Eniro Sweden and Finland, Head of Group IT Eniro	CEO Rite Internet Ventures, CFO Neonet, CFO Ark Travel, CFO MTG Radio
Energi Cool A/S	Trygg Affär	–	–
Common shares: – Preference shares: –	Common shares: 1,000 Preference shares: –	Common shares: 9,000 Preference shares: –	Common shares: 5,000 Preference shares: –
–	23,791	97,356	–

Financial statements

Operating revenue totaled SEK 3,002 M

Operating income was SEK -1,441 M

Earnings per common share were SEK -17.09

Cash flow for the year was SEK -58 M

Consolidated financial statements

Parent Company financial statements

Group notes

Parent Company notes

Consolidated financial statements

Consolidated income statement

SEK M	Note	2014	2013*
Gross operating revenue		3,005	3,596
Advertising tax		-3	-8
Operating revenue	3	**3,002**	**3,588**
Production costs	4	-720	-875
Sales costs	4	-1,055	-1,140
Marketing costs	4	-273	-262
Administration costs	4	-443	-503
Product development costs	4	-206	-259
Other revenue		81	27
Other costs		-24	-10
Impairment of non-current assets	7, 8	-1,803	-104
Operating income	3, 22, 23 ,24	**-1,441**	**462**
Financial income	5	18	67
Financial expense	5	-171	-209
Income before tax		**-1,594**	**320**
Income tax	6	-68	-141
Net income for the year		**-1,662**	**179**
Of which, attributable to			
Owners of the Parent Company		-1,664	177
Non-controlling interests		2	2
Earnings per common share, SEK	14	-17.09	1.29
Average number of common shares, 000s		100,177	100,177
Number of preference shares at year-end, 000s		1,000	1,000

Consolidated statement of comprehensive income

SEK M	Note	2014	2013*
Net income for the year		-1,662	179
Other comprehensive income			
Items that cannot be reclassified to the income statement			
Revaluation of pension obligations	16	-297	233
Tax attributable to revaluation of pension obligations		65	-51
Total		**-232**	**182**
Items that have been or can be reclassified to the income statement			
Hedge of net investments		-6	83
Tax attributable to hedge of net investments		1	-18
Exchange rate differences		85	-318
Total		**80**	**-253**
Other comprehensive income, net after tax		**-152**	**-71**
Comprehensive income for the year		**-1,814**	**108**
Of which, attributable to			
Owners of the Parent Company		-1,813	106
Non-controlling interests		-1	2

** Retrospective restatement of financial statements in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, due to incorrectly recognized revenue in previous periods. For further information, see note 28, Retrospective restatement of previous periods.*

Consolidated balance sheet

SEK M	Note	12/31/2014	12/31/2013*
ASSETS			
Non-current assets			
Tangible assets	7	21	40
Intangible assets	8	5,108	6,948
Holdings in associated companies	9	0	0
Deferred tax assets	6	210	209
Financial assets	10	173	148
Total non-current assets		**5,512**	**7,345**
Current assets			
Work in progress		55	68
Accounts receivable – trade	11	353	430
Prepaid expenses and accrued revenue	12	169	175
Current tax assets		6	16
Other current receivables	11	20	24
Other interest-bearing receivables	11	3	3
Cash and cash equivalents	13	58	113
Total current assets		**664**	**829**
TOTAL ASSETS		**6,176**	**8,174**
SHAREHOLDERS' EQUTIY AND LIABILITIES			
Shareholders' equity			
Share capital	14	309	309
Other capital contributions		5,125	5,125
Reserves		-277	-360
Retained earnings		-3,420	-1,476
Shareholders' equity, owners of the Parent Company		**1,737**	**3,598**
Non-controlling interests		60	68
Total shareholders' equity		**1,797**	**3,666**
Non-current liabilities			
Borrowing	15	1,767	2,115
Deferred tax liabilities	6	247	276
Pension obligations	16	601	273
Provisions	17	5	5
Other non-current liabilities		-	6
Total non-current liabilities		**2,620**	**2,675**
Current liabilities			
Accounts payable – trade		97	181
Current tax liabilities		31	25
Accrued expenses	18	229	316
Prepaid revenue	19	583	620
Other current liabilities		140	165
Provisions	17	54	74
Borrowing	15	625	452
Total current liabilities		**1,759**	**1,833**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**6,176**	**8,174**

** Retrospective restatement of financial statements in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, due to incorrectly recognized revenue in previous periods. For further information, see note 28, Retrospective restatement of previous periods.*

Consolidated statement of changes in equity

SEK M	Note	Share capital	Other capital contributions	Hedging reserve	Translation reserve	Retained earnings	Total	Non-controlling interests	Total shareholders' equity
		Equity attributable to owners of the Parent Company							
Opening balance, January 1, 2013		**2,529**	**5,125**	**-**	**-107**	**-4,004**	**3,543**	**-**	**3,543**
Net income for the year		-	-	-	-	232	232	2	234
Adjustment of income for the year due to retrospective restatement*	28	-	-	-	-	-55	-55	-	-55
Hedged of net investment									
Measurement of loan liabilities		-	-	-	83	-	83	-	83
Tax on measurement of loan liabilities		-	-	-	-18	-	-18	-	-18
Translation of foreign subsidiaries		-	-	-	-318	-	-318	-	-318
Change in pensions									
Actuarial gains/losses		-	-	-	-	233	233	-	233
Tax on actuarial gains/losses		-	-	-	-	-51	-51	-	-51
Total comprehensive income		**-**	**-**	**-**	**-253**	**359**	**106**	**2**	**108**
Transactions with shareholders:									
Rights issue and redemption of shares		5	-	-	-	-5	-	-	-
Reduction of share capital		-2,225	-	-	-	2,225	-	-	-
Dividend		-	-	-	-	-48	-48	-	-48
Change in non-controlling interests		-	-	-	-	-3	-3	66	63
Share-based payments		-	-	-	-	0	0	-	0
Total, transactions with shareholders		**-2,220**	**-**	**-**	**-**	**2,169**	**-51**	**66**	**15**
Closing balance, December 31, 2013	14	**309**	**5,125**	**-**	**-360**	**-1,476**	**3,598**	**68**	**3,666**
Opening balance, January 1, 2014		**309**	**5,125**	**-**	**-360**	**-1,476**	**3,598**	**68**	**3,666**
Net income for the year		-	-	-	-	-1,664	-1,664	2	-1,662
Hedge of net investment									
Measurement of loan liabilities		-	-	-	-6	-	-6	-	-6
Tax on measurement of loan liabilities		-	-	-	1	-	1	-	1
Translation of foreign subsidiaries		-	-	-	88	-	88	-3	85
Change in pensions									
Actuarial gains/losses		-	-	-	-	-297	-297	-	-297
Tax on actuarial gains/losses		-	-	-	-	65	65	-	65
Total comprehensive income		**-**	**-**	**-**	**83**	**-1,896**	**-1,813**	**-1**	**-1,814**
Transactions with shareholders									
Rights issue and redemption of shares		-	-	-	-	-	-	-	-
Reduction of share capital		-	-	-	-	-	-	-	-
Dividend		-	-	-	-	-48	-48	-	-48
Dividend, non-controlling interests		-	-	-	-	-	-	-7	-7
Share-based payments		-	-	-	-	-	-	-	0
Total transactions with shareholders		**0**	**-**	**-**	**-**	**-48**	**-48**	**-7**	**-55**
Closing balance, December 31, 2014	14	**309**	**5,125**	**-**	**-277**	**-3,420**	**1,737**	**60**	**1,797**

** Retrospective restatement of financial statements in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, due to incorrectly recognized revenue in previous periods. For further information, see note 28, Retrospective restatement of previous periods.*

Consolidated statement of cash flows

SEK M	Note	2014	2013*
Operating activities			
Operating income		-1,441	462
Adjustments for			
Depreciation, amortization and impairment	4	2,072	315
Pensions and other provisions		1	7
Capital gain/loss and other non-cash items		-57	-1
Interest received		7	8
Interest paid		-133	-160
Income tax paid		-22	-59
Cash flow from operating activities before changes in working capital		**427**	**572**
Cash flow from changes in working capital			
Decrease/increase in work in progress		15	7
Decrease/increase in current receivables		84	125
Decrease/increase in current liabilities		-238	-223
Cash flow from operating activities		**288**	**481**
Investing activities			
Acquisitions of subsidiaries and other operations		0	-6
Acquisitions of tangible assets	7	-12	-25
Acquisitions of intangible assets	8	-127	-132
Divestments of Group companies and other operations	9, M8	62	39
Sales of non-current assets	7	2	5
Cash flow from investing activities		**-75**	**-119**
Financing activities			
Loans raised		77	2,879
Repayment of loans		-283	-3,221
Long-term investments		-10	-50
Rights issue		0	0
Dividend on preference shares		-48	-48
Dividend, non-controlling interests		-7	0
Cash flow from financing activities		**-271**	**-440**
Cash flow for the year		**-58**	**-78**
Cash and cash equivalents at start of the year		**113**	**198**
Cash flow for the year		-58	-78
Exchange rate differences in cash and cash equivalents		3	-7
Cash and cash equivalents at year-end	13	**58**	**113**

** Retrospective restatement of financial statements in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, due to incorrectly recognized revenue in previous periods. For further information, see note 28, Retrospective restatement of previous periods.*

Group notes

NOTE 1 Accounting policies

GENERAL

The Group includes the Parent Company, Eniro AB (publ), corporate identity number 556588-0936, and its subsidiaries, associated companies and joint ventures. The Parent Company has its registered office in Stockholm, Sweden, and has been listed on Nasdaq OMX Stockholm since October 10, 2000. The address of the headquarters is SE-169 87 Stockholm. The annual report and the consolidated financial statements were approved by the Board of Directors on March 6, 2015, and will be presented for adoption by the Annual General Meeting on March 27, 2015.

BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations as endorsed by the EU, as well as with applicable stipulations in the Swedish Annual Accounts Act and Swedish Financial Reporting Board Recommendation RFR 1 – Supplementary Accounting Policies for Groups. The consolidated financial statements have been prepared in accordance with the cost method, except for with respect to assets and liabilities (including derivative instruments) measured at fair value in the income statement.

NEW AND AMENDED STANDARDS APPLIED BY THE GROUP

A number of IFRS standards become effective for fiscal years beginning on the January 1, 2014, such as IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities. These standards have not had a material impact on the consolidated financial statements. Other amendments and interpretations that become effective have not had a material impact on the consolidated financial statements.

PRINCIPLES OF CONSOLIDATION

Subsidiaries

The consolidated financial statements include the Parent Company Eniro AB and its subsidiaries. Subsidiaries are all companies (including structured entities) in which the Group has control. The Group controls a company when it is exposed to or has a right to variable returns from its holding in the company and has the opportunity to affect returns through its influence in the company. Subsidiaries are included in the consolidated financial statements from the date on which control was transferred to the Group. They are eliminated from the consolidated financial statements on the date from which control ceases.

Eniro applies the purchase method for reporting the Group's business combinations. The purchase consideration for the acquisition of a subsidiary consists of the fair value of transferred assets and liabilities acquired by the Group from the previous owner of the acquired company and the shares issued by the Group. The purchase consideration also includes the fair value of all assets or liabilities resulting from an agreement for contingent consideration. Identifiable acquired assets and assumed liabilities in a business combination are initially measured at fair value on the date of acquisition. For each acquisition, the Group determines whether non-controlling interests in the acquired company are to be recognized at fair value or at the holding's proportional share of the carrying amount of the acquired company's identifiable net assets. Acquisition-related costs are expensed as they arise. If the business combination is implemented in several stages, the previous shares in the equity of the acquired company are remeasured at their fair value on the date of acquisition. Any resulting gain or loss is recognized in profit or loss. Each contingent consideration that is to be transferred by the Group is recognized at fair value on the date of acquisition. Subsequent changes in the fair value of contingent consideration that has been classified as an asset or liability is recognized in accordance with IAS 39 either in profit or loss or in other comprehensive income. Contingent consideration that is classified as shareholders' equity is not remeasured, and subsequent settlement is recognized in shareholders' equity.

Goodwill is initially measured in the amount by which the total purchase consideration and fair value for non-controlling interests exceeds the fair value of identifiable acquired assets and assumed liabilities. If the purchase consideration is lower than the fair value of the acquired company's net assets, the difference is recognized directly in profit or loss.

Intra-Group transactions, balance sheet items and revenue and expenses from transactions between Group companies are eliminated. Gains and losses from intra-Group transactions that are reported in assets are also eliminated.

Associated companies

Associated companies are companies in which the Group has a significant – but not controlling – influence, which as a rule applies for shareholdings corresponding to between 20% and 50% of the votes. Holdings in associated companies are recognized in accordance with the equity method. This entails that the investment is initially valued at cost, and the carrying amount is increased or decreased thereafter to take into account the Group's share of associated company's profit or loss after the acquisition date. The Group's carrying amount of holdings in associated companies includes goodwill that is identified in connection with the acquisition.

Joint arrangements

A holding in a joint arrangement is classified either as a joint operation or a joint venture, depending on the contractual rights and obligations each investor has. A joint operation exists when the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities relating to the arrangement. In such an arrangement assets, liabilities, revenue and expenses are recognized based on respective parties' share. A joint venture is a joint arrangement in which the parties that have joint control of the arrangement have the rights to the net assets of the arrangement. Joint ventures are reported in accordance with the equity method. Eniro applies IFRS 11 Joint Arrangements as from January 1, 2014. The holding in Scandinavia Online AS, which was divested during the first quarter of 2014, was classified as a joint venture and was reported previously in accordance with the proportional method.

TRANSLATION OF FOREIGN CURRENCY

Financial reporting is conducted 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 financial statements, SEK is used, which is the Parent Company's functional currency and the Group's reporting currency.

Transactions in foreign currency are translated to the functional currency using the exchange rates in effect on the transaction date. Exchange gains and losses arising in payments for such transactions and in the translation of monetary assets at the exchange rate in effect on the balance sheet date are recognized in profit or loss. Exceptions are transactions that constitute hedges that satisfy the conditions for hedge accounting of cash flows or net investments. Such gains or losses are recognized in other comprehensive income.

Income statements and balance sheets of Group companies with another functional currency than SEK are translated as follows:

- Assets and liabilities are translated at the exchange rate in effect on the balance sheet date.
- Revenues and costs are translated at the average exchange rate (insomuch as this gives a reasonable approximation of the accumulated effect of the exchange rates that apply on the transaction date; otherwise, revenues and costs are translated at the exchange rate in effect on the transaction date)
- Exchange rate differences are recognized in other comprehensive income.

Goodwill and adjustments of fair value arising from the acquisition of foreign operations are treated as assets and liabilities in that operation and are translated at the exchange rate in effect on the balance sheet date.

REVENUE

Revenue is recognized when it is probable that the economic benefits associated with the transaction will accrue to Eniro and when the revenue can be measured in a reliable manner. Revenue is measured at the fair value of what has been received or will be received after deducting for discounts. Eniro presents its revenue according to the revenue streams Desktop search, Mobile search, Campaign products, Print and Voice.

Eniro's revenue is generated primarily from advertisements that are shown when a user performs a search on the Internet, via a mobile device, in directories and via directory assistance services. Revenue is recognized in the period in which Eniro delivered the product/service. In cases where a product or service contains several components, the market value attributable to each component is recognized on delivery. Revenue for advertising packages is apportioned in accordance with the various revenue recognition principles that apply for the constituent components. The outcome of the apportionment among the various revenue-recognition methods depends on the value of the constituent components in the particular package and is assigned in accordance with the market value of commercial use based on price lists.

Revenue – Desktop search and Mobile search

In the Desktop search and Mobile search revenue categories, Eniro offers its customers advertising space in Eniro's highly popular local search sites. Eniro's offering consists of various sizes of advertising packages with varying content and geographic coverage. The revenue from the advertising packages is apportioned to the constituent components. The advertising space in Eniro's desktop and mobile channels is allocated over time that the service is provided, normally 12 months. Keyword optimization entails that Eniro analyzes traffic on Eniro's search pages, after which it subsequently chooses specific keywords for the respective customers, which increases the customers' searchability and thus their visibility on hit lists. Optimization revenue is recognized when the analysis has been delivered to the customer. The optimization service is included in advertising packages, in which case the revenue attributable to the service is recognized up-front, or can be purchased separately. For example, if a video product is included in an advertising package, the revenue is apportioned between the components video and video hosting, where the revenue attributable to the video is recognized when the recording has been completed and the video is delivered to the customer. The revenue attributable to video hosting is allocated over the period in which the service is provided.

Revenue – Campaign products
In the Campaign products revenue area, Eniro offers services such as search engine optimization (SEO), videos, websites and sponsored links.

Search engine optimization (SEO) entails optimizing customers' websites for the major search engines. Eniro conducts continuous updates in order to deliver the desired results. The revenue is allocated over the period during which the service is provided, which normally means that the revenue is recognized over a period of 12 months, but other periods are also possible.

For the video product, the offering entails filming and editing a video production, which is then published during a subscription period. The customer may also publish the video on its own website. Revenue is allocated to the constituent components video and video hosting, whereby the revenue attributable to the video is recognized when the recording has been completed and the video is delivered to the customer. Revenue attributable to video hosting is recognized on a straight line basis over the subscription period, i.e., the period when the service is provided.

The website product entails that Eniro produces a website for the customer, which is thereafter published during a subscription period. Revenue is apportioned to the constituent components website and website hosting. The revenue attributable to the website is recognized when the website is delivered to the customer. Revenue attributable to website hosting is recognized on a straight line basis over the subscription period, i.e., the period when the service is provided.

Sponsored links are an auction-based service that provides clickable text ads. Revenue for sponsored links is recognized when a user clicks on the sponsored link at the prevailing cost per click (CPC), in accordance with an auction procedure.

Print revenue
Revenue from printed directories is recognized when the directories are distributed to users.

Voice revenue
Revenue from directory assistance services or other voice services is recognized when the service is provided to the end user in a phone call or by text message (SMS).

SEGMENT REPORTING
Segment reporting reflects how Eniro's financial information is presented internally to the chief operating decision maker. At Eniro, Group Management constitutes the chief operating decision maker and is responsible for the allocation of resources and evaluation of results. Eniro's operating segments consist of the business areas Local search and Voice. Operations in Local search are conducted in Sweden, Norway, Denmark and Poland. In the Local search business area, cross-border functions are conducted in Group Products & Marketing, Group IT Production, Human Resources and Finance. The Voice business area encompasses the directory information services in Sweden, Norway and Finland. The Voice unit is governed separately and is not an integrated part of the functional organization. Group Management's monitoring of earnings performance (EBITDA), and financial reporting, are conducted according to the Local search and Voice breakdown.

CURRENT AND DEFERRED TAXES
The tax cost for the period consists of both current and deferred tax. Tax is reported in the income statement, except for in cases where the tax pertains to items that are reported in other comprehensive income or directly in shareholders' equity. The current tax cost is recognized on the basis of the tax rules that have been decided on or have essentially been decided on in the countries in which the Parent Company and its subsidiaries are active and generate taxable revenue. Deferred tax is recognized for all temporary differences between reported and tax values of assets and liabilities. Deferred tax liabilities and tax assets are calculated using the tax rates that have been decided on or announced as per the balance sheet date, and which are expected to apply when the pertinent tax liability is settled or the deferred tax asset is realized. Deferred tax assets attributable to tax-loss carryforwards are recognized only when it is considered probable that the loss carryforward can be utilized in the future. Deferred tax assets and liabilities are offset in cases where there is a legal offsetting right for current tax assets and tax liabilities, and they pertain to taxes charged by one and the same tax authority and pertain to either the same tax subject or different tax subjects in cases where there is an intention to settle them through net payments.

TANGIBLE ASSETS
Tangible assets are reported at cost less depreciation and any impairment losses. Cost includes expenses that can be directly attributable to the acquisition of the asset. Depreciation is applied on a straight-line basis over the assets' estimated useful life, down to any residual value. Eniro's tangible assets consists mainly of computer equipment and office equipment. The estimated useful life varies from three to five years. The residual value of assets and their useful life are tested for impairment on every closing date and is adjusted as necessary. Gains and losses on sales of tangible assets, i.e., the difference between the asset's carrying amount and the sales revenue, are recognized among other revenue/costs in the income statement.

INTANGIBLE ASSETS
The Group's intangible assets consist of goodwill, trademarks with indefinite and finite useful lives, customer relationships and other intangible assets, which mainly pertain to product development.

Goodwill consists of the amount by which the price paid exceeds the fair value of the Group's share of an acquired subsidiary's/associated company's identifiable net assets on the acquisition date. Trademarks with indefinite useful life that are acquired in connection with business combinations are carried at fair value on the date of acquisition. Goodwill and trademarks with indefinite useful life are tested annually for impairment and are carried at cost less accumulated impairment losses. Gains or losses arising from the divestment of a unit include the residual carrying amount of goodwill and other consolidated surplus value attributable to the divested unit.

Customer relationships, other trademarks and other intangible assets are carried at cost less accumulated amortization and are amortized over their useful life. The useful life for customer relationships is based on the repeat purchase frequency and varies between three and seven years. Other trademarks have a useful life of between five and ten years. Other intangible assets consist primarily of product development. The outlays that are capitalized include costs for direct salaries and other costs directly attributable to development projects. Software licenses, databases and publication rights of a unique nature that are controlled by Eniro and that have a useful life exceeding three years are reported as intangible assets. Other intangible assets are amortized on a straight-line basis over their estimated useful life, which varies between three and ten years.

Impairment
Intangible assets with an indefinite useful life, such as goodwill and certain trademarks, or intangible assets that are not ready for use, are not amortized, but are instead tested for impairment yearly or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized in the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. In impairment testing, assets are grouped at the lowest levels at which there are separate identifiable cash flows (cash-generating units). For assets that were previously impaired, on every balance sheet date a test is performed to determine if a reversal should be made. Goodwill impairment is not reversed.

Impaired assets are tested for impairment whenever there is an indication that a need to recognize impairment exists.

NON-CURRENT ASSETS HELD FOR SALE
Non-current assets (or disposal groups) are classified as held for sale when their carrying amount will mainly be recovered through a sale transaction and a sale is considered to be highly probable. They are reported at the lower of their carrying amount and fair value, less costs to sell.

FINANCIAL ASSETS
Classification of financial assets is determined upon the initial reporting occasion and is dependent on the purpose for which the financial asset was acquired. Financial assets are classified in the following categories:
- Financial assets at fair value through profit or loss
- Loan receivables and trade accounts receivable
- Available-for-sale financial assets

Financial assets at fair value through profit or loss consist of assets acquired with the intention to be sold in the near term. At year-end 2014 Eniro did not have any assets classified in this category.

Loan receivables and trade accounts receivable are non-derivative financial assets with determined payment amounts or payments whose amounts can be determined and that are not listed on an active market. Eniro's loan receivables and trade receivables consist of trade receivable and other receivables, and cash and cash equivalents. They are included in current assets, except for items with due dates longer than 12 months after the end of the reporting period, which are classified as non-current receivables.

Available-for-sale financial assets are non-derivative financial assets in which the assets have been identified as available for sale or not belonging to any other category. At year-end 2014 Eniro did not have any assets classified in this category.

Purchases and sales of financial assets are recognized on the date on which Eniro undertakes to buy or sell the asset. Financial assets are initially measured at fair value plus transaction costs, except for financial assets at fair value through profit or loss, for which transaction costs are excluded. Financial assets are derecognized from the balance sheet when the right to receive cash flows from the instrument has expired or when virtually all risks and benefits associated with the asset have been transferred to another party.

Loan receivables and trade accounts receivables are measured after the point of acquisition at amortized cost using effective interest method. Available-for-sale financial assets and financial liabilities at fair value through profit or loss are measured after the acquisition date at fair value.

Financial assets and liabilities are offset and reported as a net amount on the balance sheet only when there is a legal right to offset the reported amounts and there is an intention to settle on a net basis or to at the same time realize the asset and settle the liability. The legal right may not be dependent on future events and must be legally binding for the company and the counterparty both in the normal business activities and in the event of a suspension in payments, insolvency or bankruptcy.

At the end of each reporting period, an assessment is made of if there is objective evidence that a need exists to recognize impairment of a financial asset or group of financial assets.

WORK IN PROGRESS
The value of work in progress consists of direct production costs and attributable indirect production costs. Borrowing costs are not included. For printed directories, direct production costs pertain mainly to purchases of paper, printing and binding of directories, and costs for producing and processing the information for publication in printed directories. An individual assessment is made for expensed amounts for each individual directory. For Desktop and Mobile search, direct production costs pertain mainly to costs for advertising production.

TRADE RECEIVABLES
Trade accounts receivable are initially measured at fair value, which normally corresponds to the invoiced amount. Thereafter, trade receivables are measured at cost without discount¬ing, less any provisions for bad debts. No discounting is performed, since the average credit period is short and the interest is thus immaterial. Credit risks are managed through active credit checks and routines for follow-up and debt collection. In addition, the size of the reserves is tested regularly based primarily on confirmed losses in previous years and taking into account current payment patterns. Amounts that are not expected to be received are offset by provisions and are reported as Sales cost in the income statement.

CASH AND CASH EQUIVALENTS
Cash and cash equivalents consist of cash, disposable funds in bank accounts and other short-term investments with a maturity shorter than three months from the acquisition date. Cash and cash equivalents in restricted bank accounts are classified as a financial asset.

SHAREHOLDERS' EQUITY
Shareholders' equity in the Group is divided into share capital, other capital contributions, reserves and retained earnings. Holdings of treasury shares acquired within the framework approved by the Annual General Meeting are reported in the consolidated financial statements as a reduction of other capital contributions. In the Parent Company, this reduction is reported as a reduction of retained earnings or, where applicable, against a reserve to be used in accordance with a resolution by a general meeting of shareholders. Costs in addition to the purchase price arising in conjunction with purchases of treasury shares are charged against retained earnings. This holding is not included in the number of shares outstanding when calculating key data per share.

Eniro classifies the company's preference shares as equity, and dividends as dividends to owners of preference shares in accordance with IAS 32 Financial Instruments. Classification has been made on the basis of the company's terms that the preference shares lack a set date for redemption and that owners of preference shares do not have any right to demand redemption.

BORROWINGS
Borrowings are initially stated at fair value, net after transaction costs. They are thereafter carried at amortized cost, and any difference between the amount received after transaction costs and the amount repaid is recognized in profit or loss over the repayment period using the effective interest method. Liabilities that are expected to be settled within 12 months after the end of the reporting period are classified as cur¬rent liabilities. Liabilities that are expected to be settled later than 12 months after the end of the reporting period are classified as non-current liabilities.

REPORTING OF DERIVATIVE INSTRUMENTS AND HEDGE ACCOUNTING
Derivative instruments are recognized in the balance sheet as per the contract date and are measured at fair value both initially and on subsequent revaluations. Derivatives may be used to hedge fair value, cash flows or net investments in foreign subsidiaries. When a hedging contract is entered the relationship between the hedge instrument and the hedged item is documented, as well as the effectiveness of the derivative instrument in balancing the fair value or cash flow for the hedged items. At present only hedges of foreign net investments exist in the Group.

Hedges of foreign net investments
The Group report loans in norweign and danish kronas as hedge of net investments. As long as the hedge is effective the remeasurement of the loans due to currency effect is recognized in other comprehensive income where it meets the remeasruement of the foreign net investments. If the hedge has an ineffective portion this is recognized directly in profit or loss under the item Financial costs. Accumulated gains and losses in shareholders' equity are recognized as a portion of the capital gain or loss arising when a foreign unit is divested.

PROVISIONS
Provisions refers to liabilities that are uncertain with respect to their amount or the date on which they will be settled. Provisions for restructuring costs and legal disputes are recognized when the Group has a legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, and the amount can be estimated in a reliable manner. Provisions for restructuring include costs for termination of lease contracts and severance pay. The recognized amounts constitute a best estimate of what would be required to settle the obligation.

TRADE PAYABLES
Trade accounts payable are initially stated at fair value and subsequently at amortized cost without discounting, since the average credit time is short and the interest is thus immaterial. Trade payables are classified as current liabilities.

EMPLOYEE BENEFITS
Pension obligations
The Eniro Group has both defined contribution and defined benefit pension plans. A defined contribution plan is a pension plan in which the Group pays fixed contributions to a separate legal entity and has no legal or constructive obligation to make further payments. The fees are recognized as payroll costs as they fall due for payment.

For defined benefit plans, an amount is reported for retirement benefits paid to an employee after retirement, based on one or more factors, such as age, the number of years of service, and the employee's salary at the time of retirement. The Group bears the risk for paying the pledged benefits. Eniro has defined benefit plans in Sweden, Norway and Finland. Certain plans are funded by special assets or funds that are held separately from the Group for future disbursements. Other plans are unfunded, and disbursements from these are paid by the Group as they fall due for payment. Pension obligations pertain mainly to employees in Sweden. Eniro 118 118 has assets that have been detached in a pension foundation, while other obligations in Sweden are secured through insurance with PRI Pensionsgaranti. The net amount of the estimated present value of the obligations and the fair value of the plan assets is carried on the balance sheet. In cases where a surplus in a pension plan cannot be fully utilized, only the portion of the surplus that the company can recover through lower future contributions or repayments is reported.

The defined benefit obligations are calculated yearly by independent actuaries using the Projected Unit Credit method. The present value of the defined benefit obligation is determined by discounting estimated future cash flows using the interest rate for high quality corporate bonds that are issued in the same currency that the benefits will be paid out in, and with terms comparable with the current pension obligation. In Sweden, a discount rate is used that corresponds to the yield on mortgage bonds with a maturity corresponding to the obligation in question, since there is no working market for high quality corporate bonds. For defined benefit plans, costs for service in the current period consist of the increase in the defined benefit obligation, changes in benefits, reductions and settlements. The cost is reported as payroll costs in the income statement. The net interest is calculated by using the discount rate for defined benefit plans and the fair value of plan assets. Actuarial gains and losses arising from experience-based adjustments, and changes in actuarial obligations, are reported in other comprehensive income during the period in which they arise.

The pension obligation also includes a provision for future pensions in Eniro 118 118 AB, in accordance with an arrangement under collective bargaining agreements that provides for an Early Retirement Benefit plan (ERB) at 55, 60 or 63 years for certain personnel categories. The ERB plan is a pension plan covering certain Eniro employees who were previously employed by Televerket (today TeliaSonera) prior to its incorporation in 1991. Under the agreement, payments from this plan are to be covered in part by the former owner, TeliaSonera.

Share-based payments
The Eniro Group has share-based incentive programs directed at the CEO, members of Group Management and certain key persons. The Annual General Meeting in April 2013 resolved in favor of introducing a new share-based incentive program – the Long Term Incentive Program (LTIP 2013) – which replaces previous programs with synthetic shares.

Long Term Incentive Program (LTIP 2013)
Reporting of share-based compensation programs regulated with equity instruments entails that the instrument's fair value at the time of grant is to be recognized in profit or loss over the vesting period, with a corresponding adjustment of shareholders' equity. This leads to an estimated cost, corresponding to the earned portion of the estimated value of the shares upon grant, that is charged against income during the vesting period. At the end of each reporting period during the vesting period, an estimation is made of the anticipated number of shares granted, and the effect of any change in previous estimates is recognized in profit or loss along with a corresponding adjustment of shareholders' equity. In addition, provisions are made for estimated social security costs related to the program. The calculations are based on a theoretical market valuation, where the market value is calculated using the Black & Scholes valuation model.

Variable cash salary with three-year lock-in – synthetic shares (2011–2012)
This incentive program based on synthetic shares entails that a maximum scope corresponding to 15%–40% of the employee's fixed salary is reserved for a grant of so-called synthetic shares. For the CEO, the maximum scope can correspond to 50% of fixed salary. The number of synthetic shares that corresponds to the amount determined for the participant is calculated from the starting point of the average price

paid for Eniro shares during the five trading days immediately following the record date. After three years the holding of synthetic shares is converted to cash payment. The outcome of the synthetic shares requires that the participant completes an employment period of three years after the grant. Eniro allocates the cost of the incentive program during the lock-in period. The maximum amount to be paid out for each synthetic share is limited to five times the share price at the time of conversion to synthetic shares. The incentive program does not entail compensation in Eniro shares, but can be seen as an index that regulates the size of the cash payment. During the year, the 2010 incentive program with synthetic shares was settled.

LEASES

A lease in which a significant portion of the risks and benefits resulting from ownership are retained by the lessor is classified as an operating lease. Payments made during the lease period are expensed on a straight-line basis over the lease period. Currently, the Group only has operating leases.

NEW ACCOUNTING POLICES AND AMENDMENTS IN 2014 AND LATER

A number of new standards, amendments and interpretations of existing standards have been published and are mandatory for fiscal years beginning on or after January 1, 2014, but have not been applied prospectively. None of these are expected to have any material impact on the Group's financial statements, with the exception of the ones that follow:

IFRS 9 Financial Instruments, replaces the parts of IAS 39 that address classification and measurement of financial instruments. The standard addresses classification, measurement and valuation and recognition of financial assets and liabilities, and defines three measurement categories: amortized cost, fair value through other comprehensive income, and fair value through profit or loss. The classification is determined on the initial accounting occasion based on the company's business model and the instrument's characteristic attributes. The standard also introduces a new model for calculating the loan loss reserve. For financial liabilities, the classification and measurement do not change except in the case where a liability is recognized at fair value through profit or loss based on the fair value option. The Group has not evaluated the effects of adoption of the standard.

IFRS 15 Revenue from Contracts with Customers, regulates the recognition of revenue. Revenue is to be recognized when the customer obtains control over the sold product or service and has the opportunity to use and receive benefit from the product or service. IFRS 15 includes an enhanced disclosure obligation. For example, information is to be provided on the type of revenue, date of settlement, uncertainties associated with revenue recognition, and cash flows associated with the companies' customer contracts. IFRS 15 supersedes IAS 18 Revenue and IAS 11 Construction Contracts along with their accompanying SICs and IFRICs. IFRS 15 takes force on January 1, 2017, and prospective application is permitted. The Group has not yet evaluated the effects of adoption of the standard.

No other IFRSs or IFRIC interpretations that have not yet taken effect are expected to have any material impact on the Group.

NOTE 2 Important estimations and assessments

Preparation of financial statements in accordance with IFRS requires the use of numerous important estimations for accounting purposes as well as that company management makes certain assessments in application of the Group's accounting policies. The areas that entail a high degree of assessment, that are complex, or are such areas in which assumptions and estimations are of material significance for the consolidated accounting, are stated below. The Group makes estimations and assessments about the future. The estimations for accounting purposes that result from these will, by definition, rarely match actual outcome. The estimations and assessments that give rise to a material risk of significant adjustments of the carrying amounts of assets and liabilities during the following fiscal year are outlined below.

Estimations and assumptions are evaluated continuously and are based on historical experience and other factor, including anticipations about future events that are considered to be reasonable under the prevailing conditions.

Impairment testing of goodwill and trademarks with indefinite useful life

In accordance with IFRS, goodwill and trademarks with an indefinite useful life are not amortized; instead, they are tested yearly for impairment. The Group's other intangible assets are amortized over the period during which company management has assessed that the asset will generate revenues. In addition, impairment testing is conducted whenever there is an indication that assets may be impaired.

A number of assumptions and assessments are made when the value in use of an asset is calculated, such as revenue growth for the particular segment on the basis of market conditions and the way the cost base will develop, taking into account cost-cutting measures. Other significant assumptions include allocated interest, which is based on Eniro's cost of capital and risk premium at the time of the valuation. Company management makes the assumptions, which are reviewed by the Audit Committee. Further information on goodwill and trademarks with an indefinite useful life is provided in note 8, Intangible assets.

Income taxes

The Group is obligated to pay tax in several countries. Comprehensive assessments are required to be able to determine the Group's provision for income taxes. Many transactions and calculations involve amounts whereby the final tax payment is uncertain. In cases in which the final tax for these matters differs from the amount initially recognized, these differences will affect current and deferred tax assets and liabilities during the period when such conclusions are made.

Pension benefits

The present value of pension obligations depends on a number of factors that are established on an actuarial basis based on a number of assumptions. The assumptions used when establishing the net cost of pensions include the discount rate. Each change in these assumptions will impact the carrying amount of pension obligations. The Group establishes an appropriate discount rate at the end of each year. This is the interest rate used to determine the present value of anticipated future payments that are expected to be required to settle the pension obligations. When establishing an appropriate discount rate in Sweden, the Group takes into account yields on high-quality mortgage bonds that are expressed in the currency in which the payments will be made and that have maturities matching the assessments for the particular pension obligation. Other important assumptions concerning pension obligations are based in part on prevailing market conditions. Further information is provided in note 16, Pension obligations.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29
M1 M2 M3 M4 M5 M6 M7 M8 M9 M10 M11 M12 M13 M14 M15 M16 M17 M18

NOTE 3 Segment information

Eniro reports its financial results distributed among the Local search and Voice business areas. Local search has cross-border functions such as Group Product & Marketing, Group IT Production, Human Resources and Finance. The Voice business area is governed separately and is not an integrated part of the function-based organization. See also Note 1 Accounting policies for a description of Eniro´s segment reporting.

	Local search		Voice		Other		Total	
SEK M	2014	2013*	2014	2013	2014	2013	2014	2013*
Operating revenue								
Sweden	1,024	1,281	301	380	-	-	1,325	1,661
Norway	722	882	87	102	-	-	809	984
Denmark	470	515	-	-	-	-	470	515
Finland	-	-	185	207	-	-	185	207
Poland	213	221	-	-	-	-	213	221
Total	**2,429**	**2,899**	**573**	**689**	**-**	**-**	**3,002**	**3,588**
Operating income before depreciation, amortization and items affecting comparability	**484**	**669**	**238**	**271**	**-47**	**-56**	**675**	**884**
Items affecting comparability**	-10	-71	-1	-20	-33	-16	-44	-107
Depreciation/amortization	-222	-161	-46	-49	-1	-1	-269	-211
Impairment losses	-1,235	-13	-562	-91	-6	-	-1,803	-104
Operating income	**-983**	**424**	**-371**	**111**	**-87**	**-73**	**-1,441**	**462**
Net financial items							-153	-142
Taxes							-68	-141
Net income for the year							**-1,662**	**179**
Assets and liabilities								
Goodwill	3,336	4,511	715	1,252	-	-	4,051	5,763
Other non-current assets	1,020	1,122	58	102	0	1	1,078	1,225
Other distributed assets	474	545	91	134	32	20	597	699
Undistributed assets					450	471	450	471
Total	**4,830**	**6,178**	**864**	**1,488**	**482**	**492**	**6,176**	**8,158**
Distributed liabilities	858	961	74	110	176	225	1,108	1,296
Undistributed liabilities					5,068	6,862	5,068	6,862
Total	**858**	**961**	**74**	**110**	**5,244**	**7,087**	**6,176**	**8,158**
Other disclosures								
Investments	138	153	1	4	0	0	139	157

*** Items affecting comparability consist of restructuring costs, costs for severance pay and synthetic shares, and gains/losses on divestments.*

External operating revenue per revenue category:

SEK M	2014	2013*
Desktop search	1,484	1,861
Mobile search	385	275
Campaign products	265	246
Multiscreen	**2,134**	**2,382**
Print	295	517
Local search	**2,429**	**2,899**
Voice	**573**	**689**
Total	**3,002**	**3,588**

In previous years, certain products included in Desktop search and Print were presented in a separate category, "Other products." Starting with the 2014 year-end closing, these are distributed among the respective categories. This entails that SEK 42 M (96) has been transferred from "Other products", of which SEK 38 M (87) to Desktop search and SEK 4 M (19) to Print.

External operating revenue per country, based on where customers are located:

SEK M	2014	2013*
Sweden	1,325	1,661
Norway	809	984
Denmark	470	515
Finland	185	207
Poland	213	221
Total	**3,002**	**3,588**

Eniro offers a diverse portfolio of search services and search-related products to hundreds of thousands of customers, and thus the Group's dependence on individual customers is virtually non-existent.

** Retrospective restatement of financial statements in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, due to incorrectly recognized revenue in previous periods. For further information, see note 28, Retrospective restatement of previous periods.*

NOTE 4 Breakdown of costs by type

SEK M	2014	2013
Employee benefits, incl. social security costs	1,351	1,610
Rents for premises, telecom, travel and training	300	319
External services	189	195
Marketing costs	123	195
Third-party costs	123	92
Paper, printing and distribution	81	101
Other	261	316
Depreciation/amortization	269	211
Total	**2,697**	**3,039**

Marketing costs are reported in the income statement as marketing costs. Third-party costs, paper, printing and distribution are included in production costs. The remaining costs are included in operational costs and are reported under the respective functions. Operational costs refer to production costs, sales costs, marketing costs, administration costs and product development costs. Employee benefits include restructuring costs of SEK 63 M (106).

Depreciation and amortization by function

SEK M	2014	2013
Tangible assets		
Production costs	14	17
Sales costs	3	4
Marketing costs	0	0
Administration costs	5	5
Product development costs	0	0
Total	**22**	**26**
Intangible assets		
Production costs	23	33
Sales costs	4	3
Marketing costs	131	64
Administration costs	5	7
Product development costs	84	78
Total	**247**	**185**
Total depreciation/amortization	**269**	**211**

Impairment amounted to SEK 1,803 M (104) whereof impairment of tangible assets amounted to SEK 6 M (0), and impairment of intangible assets amounted to SEK 1,797 M (104).

NOTE 5 Financial income and expense

SEK M	2014	2013
Financial income		
Exchange rate gains on intra-Group receivables and liabilities	11	54
Other financial income	1	0
External financial interest income	6	13
Total	**18**	**67**
Financial expense		
Exchange rate losses on intra-Group receivables and liabilities	-4	-15
Other financial expenses	-4	-3
Interest expense on pension liabilities	-10	-14
External financial interest expense	-153	-177
Total	**-171**	**-209**
Net financial items	**-153**	**-142**

NOTE 6 Tax

Tax costs include the following components:

SEK M	2014	2013*
Current tax on income for the year	-45	-8
Adjustment of current tax for previous years	-	-1
Deferred tax cost pertaining to utilized loss carryforwards	-35	-108
Deferred tax cost pertaining to loss carryforwards not recognized	-21	-35
Deferred tax cost pertaining to temporary differences	-36	-30
Deferred tax income pertaining to temporary differences	61	47
Deferred tax income pertaining to loss carryforwards	-	1
Adjustment of deferred tax from previous years and effect of changed tax rate	8	-7
Reported tax	**-68**	**-141**

Connection between tax cost for the year and tax cost according to applicable Swedish tax rate

SEK M	2014	2013*
Reported income before tax	**-1,594**	**320**
Tax according to Swedish tax rate of 22%	351	-70
Tax effect of:		
Non-deductible expenses	-254	-24
Tax-exempt income	37	0
Loss carryforwards that have not been recognized	-202	-33
Adjustment of previous years' tax and changed tax rate	7	-7
Differences between Swedish and foreign tax rates	-7	-7
Reported tax	**-68**	**-141**

The reported tax cost for the year was SEK -68 M (-141), which corresponds to an effective tax rate of 4.3% (44.4%). Eniro AB has tax loss carryforwards that originating from the liquidation of a German subsidiary in 2010 and utilized approximately SEK 119 M (420) of this amount during the year. The Group also has tax loss carryforwards in Denmark and Finland, and thus expects tax payments to be low in the years immediately ahead.

In 2013 a revaluation was made of deferred tax assets in Denmark in accordance with new rules that limit the utilization of loss carryforwards. This resulted in a decrease in deferred tax assets of SEK 35 M and increased the tax cost for 2013.

In 2013 the decision was made to implement a gradual, yearly reduction in the corporate tax rate in Denmark, from 25% down to 22% in 2016. The tax rates were 25% in 2013 and 24.5% in 2014. From 2013 to 2014 the tax rate was also changed in Norway, from 28% to 27%, and in Finland, from 24.5% to 20%, which affected deferred tax assets and liabilities.

** Retrospective restatement of financial statements in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, due to incorrectly recognized revenue in previous periods. For further information, see note 28, Retrospective restatement of previous periods.*

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29
M1 M2 M3 M4 M5 M6 M7 M8 M9 M10 M11 M12 M13 M14 M15 M16 M17 M18

NOTE 6 TAX *(continued)*

Tax attributable to components in other comprehensive income amount to the following:

	2014			2013		
SEK M	Before tax	Tax	After tax	Before tax	Tax	After tax
Exchange rate difference	85	-	85	-318	-	-318
Hedge of net investments	-6	1	-5	83	-18	65
Remeasurement of pension obligations	-297	65	-232	233	-51	182
Total	**-218**	**66**	**-152**	**-2**	**-69**	**-71**

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

	2014			2013		
SEK M	Deferred tax assets	Deferred tax liabilities	Net assets (+) liabilities (-)	Deferred tax assets	Deferred tax liabilities	Net assets (+) liabilities (-)
Tangible assets	49	-	49	50	1	49
Intangible assets	14	254	-240	13	261	-248
Current receivables	7	1	6	11	2	9
Pension obligations	96	-	96	32	8	24
Other provisions	5	-	5	11	-	11
Non-current liabilities	8	53	-45	-	41	-41
Current liabilities	6	-	6	12	-	12
Loss carryforward	76	-	76	130	-	130
Other items	-	-10	-	7	20	-13
Deferred tax assets/liabilities	**261**	**298**	**-37**	**266**	**333**	**-67**
Offsetting of deferred tax assets/liabilities	-51	-51	-	-57	-57	-
Deferred tax assets/liabilities, net	**210**	**247**	**-37**	**209**	**276**	**-67**

Changes in deferred tax

SEK M	2014	2013
Opening carrying amount of deferred tax assets (+)/liabilities (-)	**-67**	**115**
Recognized in profit or loss	-32	-114
Recognized in other comprehensive income	66	-69
Exchange rate differences	-4	1
Net closing carrying amount of deferred tax assets (+)/liabilities (-)	**-37**	**-67**

Of deferred tax liabilities, most fall due after more than 12 months.

As per December 31, 2014, the Group had SEK 231 M (155) in loss carryforwards that were not recognized; these loss carryforwards can be utilized indefinitely.

NOTE 7 Tangible assets

	Equipment	
SEK M	2014	2013
Accumulated cost	442	417
Accumulated depreciation	-398	-361
Accumulated impairment losses	-23	-16
Carrying amount	**21**	**40**
At start of year	**40**	**42**
Acquisitions	0	1
Investments for the year	12	25
Divestments and disposals	-2	-1
Reclassifications	0	0
Depreciation for the year	-22	-26
Impairment losses for the year	-6	0
Exchange rate difference for the year	-1	-1
Carrying amount	**21**	**40**
Payment received from divestments	**2**	**5**

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29
M1 M2 M3 M4 M5 M6 M7 M8 M9 M10 M11 M12 M13 M14 M15 M16 M17 M18

NOTE 8 Intangible assets

	Goodwill		Trademarks with indefinite useful life		Trademarks, other		Customer relation-ships		Other intangible assets		Total	
SEK M	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Accumulated cost	10,716	10,698	429	424	900	902	2,106	2,112	1,536	1,383	15,687	15,519
Accumulated amortization	-	-	-	-	-224	-95	-1,701	-1,703	-1,141	-1,009	-3,066	-2,807
Accumulated impairment loss	-6,665	-4,935	-310	-312	-3	-3	-396	-398	-139	-116	-7,513	-5,764
Carrying amount	**4,051**	**5,763**	**119**	**112**	**673**	**804**	**9**	**11**	**256**	**258**	**5,108**	**6,948**
At start of year	**5,763**	**6,124**	**112**	**923**	**804**	**22**	**11**	**19**	**258**	**242**	**6,948**	**7,330**
Acquisitions	-	-	-	-	-	100	-	-	-	1	-	101
Investments for the year	-	-	-	-	-	-	-	-	6	13	6	13
Internally developed assets	-	-	-	-	-	-	-	-	121	119	121	119
Divestments and disposals	-11	-	-	-	-	-	-	-	-2	0	-13	0
Reclassifications	-	-	-	-740	-	740	-	-	-	0	0	0
Amortization for the year	-	-	-	-	-132	-61	-3	-8	-112	-116	-247	-185
Impairment loss for the year	-1,781	-103	-	-	-	-	-	-	-16	-1	-1,797	-104
Exchange rate difference	80	-258	7	-71	1	3	1	0	1	0	90	-326
Carrying amount	**4,051**	**5,763**	**119**	**112**	**673**	**804**	**9**	**11**	**256**	**258**	**5,108**	**6,948**
Payment from divestments	-	-	-	-	-	-	-	-	0	0	0	0

Revised useful life for certain trademarks
Eniro has revised its assessment regarding useful life for the trademarks Gule sider and Ditt District, from an indefinite useful life to a finite useful life of 10 years and 5 years. In connection with the merger between 1880 and 1888, Eniro identified an intangible asset in the form of the 1888 trademark, which is being amortized over a period of 3 years. Out of the amortization for the year of Trademarks other SEK 92 M (23) is attributable to Gule Sider and Ditt Distrikt and SEK 36 M (33) to the trademark 1888.

Impairment testing of goodwill and trademarks with indefinite useful life
Annual impairment testing is conducted of the Group's intangible assets with indefinite useful life, i.e., goodwill and certain trademarks. The impairment testing determines if there is a need to recognize impairment by comparing the cash-generating units' carrying amount, including goodwill and other surplus value, with the recoverable amount. The recoverable amount consists of the value in use. If the carrying amount exceeds the recoverable amount, the carrying amount is written down to the recoverable amount. Eniro's lowest cash-generating units consist of the operating segments per country, i.e., Local search and Voice, which corresponds to the monitoring that is conducted in both the internal and external reporting.

Forecast for the coming three years
The cash flows used in the impairment testing are based on a forecast for the coming three years, which is prepared in connection with Eniro's annual long-term strategy process. This forecast is approved by Group Management and the Board of Directors and is checked against external market analyses. Movements in working capital are considered to have a relatively small impact on cash flow.

Growth and investments beyond the next three years
As from year four and onwards the growth assumption for Local search is 2%-2.5%, which is in line with expected inflation in the respective countries. In Local search, from year four an assumed level of investment corresponding to 2% of the respective cash-generating units' revenues. For the Voice operations, a negative growth assumption of -1% is used from year four. In Voice, from year four an assumed level of investment corresponding to 0.5% of the respective cash-generating units' revenues.

Discount rate (WACC)
A discount rate before tax has been prepared for each cash-generating unit, which varies between 9.5% and 13.3%. The discount rates used is slightly lower compared with the preceding year, due in part to a lower risk-free interest rate.

Impairment testing for the year
The year's impairment testing indicated a need to recognize impairment loss in the amount of SEK 1,797 M (99). Of this amount, SEK 1,235 M (8) pertained to Local search and SEK 562 M (91) to Voice. Impairment in Local search pertains mainly to impairment of goodwill attributable to the acquisition of the Norwegian Findexa in 2005, due to declining market trend. In addition carrying amounts, of both tangible and intangible assets, attributable to Poland has been written down with SEK 116 M (0). Of the goodwill impairment in Voice, SEK 429 M (0) is attributable to Sweden, SEK 67 M (91) is attributable to Norway, and SEK 66 M (0) is attributable to Finland. The impairment losses were recognized against the background of the continued declining market trend that is judged to exist in the Voice segment.

The impairment test was based on the following assumptions and resulted in the following:

Cash-generating unit	Discount rate before tax, %	Annual growth in cash flow, year 0–3, %	Margin to carrying amount after impairment, %	Margin at 1% higher discount rate after tax, %	Margin at 10% lower cash flow, %
Sweden Local search	9.9	25	416	342	364
Sweden Voice	11.2	-29	0	-9	-10
Norway Local search	11.4	19	1	-12	-9
Norway Voice	13.3	-35	14	5	2
Denmark Local search	9.7	117	147	111	123
Poland Local search	9.5	n.a.[1)]	n.a.[2)]	n.a.[2)]	n.a.[2)]
Finland Voice	10.8	-26	0	-9	-10

1) The cash flow in Poland, Local search, is negative as why a yearly cash flow growth is not applicable.
2) The carrying amounts attributable to Poland has been written down to zero

NOTE 8 Intangible assets (*continued*)

A change in assumptions for discount rate after tax and/or earnings before interest, taxes, depreciation and amortization (EBITDA) would give the following impairment loss:

		Change in discount rate after tax			
SEK M		0.0%	0.5%	1.0%	2.0%
Change in prognosticated EBITDA	0%	-	166	330	608
	-5%	135	312	469	736
	-10%	292	461	611	863
	-20%	613	764	896	1,118

Goodwill and other intangible assets with an indefinite useful life are attributable to the following cash-generating units:

SEK M	2014	2013
Goodwill		
Sweden Local search	1,062	1,062
Norway Local search	1,621	2,718
Denmark Local search	658	631
Poland Local search	-	98
Local search	**3,341**	**4,509**
Sweden Voice	426	855
Norway Voice	32	97
Finland Voice	252	302
Voice	**710**	**1,254**
Total goodwill	**4,051**	**5,763**
Trademarks		
Denmark Local search	119	112
Local search	**119**	**112**
Total trademarks	**119**	**112**
Total intangible assets with indefinite useful life	**4,170**	**5,875**

Goodwill included in the carrying amount for which amortization is tax-deductible:

SEK M	2014	2013
Denmark	217	219
Finland	124	134
Total	**341**	**353**

NOTE 9 Shares and participations in associated companies and joint ventures

Shares and participations in associated companies at December 31, 2014

Company/business	Corporate identity number	Registered office	Number of shares	Share of equity, %	Date of acquisition
Spray Passagen Internet KB	969733-6957	Stockholm	1,000	50	1/19/2008

Holdings in associated companies

SEK M	2014	2013
Opening balance holdings in associated companies	**0**	**0**
Decrease due to divestment	-	-
Dividend, associated company	-	-
Closing balance holdings in associated companies	**0**	**0**

Shares and participations in joint ventures at December 31, 2014

On March 27, 2014, Eniro divested its 50.1% interest in the previously jointly owned company Scandinavia Online AS (corp. id. no. 988 875 740). In 2013, joint ventures were reported in accordance with the proportionate method.

Income from joint ventures

SEK M	2014	2013
Operating revenue	8	30
Operating costs	-8	-35
Operating result	**0**	**-5**

Assets and liabilities from joint ventures

SEK M	2014	2013
Non-current assets	-	11
Current assets	-	23
Total assets	**0**	**34**
Non-current liabilities	-	-
Current liabilities	-	8
Total liabilities	**0**	**8**
Net assets	**0**	**26**

As of December 31, 2014, the Group's goodwill includes SEK 0 M (8) pertaining to Scandinavia Online AS.

NOTE 10 Financial assets

SEK M	2014	2013
Participations in external companies	1	1
Interest-bearing receivables, restricted bank funds	123	111
Other interest-bearing receivables, pension obligations	31	27
Other receivables	18	9
Total	**173**	**148**

NOTE 11 Trade accounts receivable and other receivables

SEK M	2014	2013
Accounts receivable – trade	456	542
Provision for bad debts	-103	-112
Total	**353**	**430**
Age analysis of trade accounts receivable		
- not due	186	273
- past due less than one month	107	95
- past due one to three months	42	36
- past due more than three months	18	26
Total	**353**	**430**

Provision for bad debts

SEK M	2014	2013
Opening provision	112	109
New provisions	33	55
Provisions utilized during the year	0	-50
Reversed unutilized provisions	-44	-2
Effects of changed exchange rates	2	0
Closing provision	**103**	**112**

The Group has made provisions for bad debts where a need to recognize impairment has arisen. Bad debts reported under sales costs in the income statement amount to SEK 17 M (28).

Other current receivables

SEK M	2014	2013
- not due	20	24
- past due less than one month	0	0
- past due one to three months	0	0
- past due more than three months	0	0
Total	**20**	**24**

Other interest-bearing receivables

SEK M	2014	2013
- not due	3	3
- past due more than three months	0	0
Total	**3**	**3**

The maximum exposure to credit risk on the balance sheet date is the fair value of each category of receivables stated above. The Group has no collateral as security.

NOTE 12 Prepaid expenses and accrued revenue

SEK M	2014	2013
Prepaid expenses	56	49
Accrued revenue	113	126
Accrued interest income	0	0
Total	**169**	**175**

NOTE 13 Cash and cash equivalents

Cash and cash equivalents consist mainly of bank balances.

SEK M	2014	2013
Cash and bank balances	58	113
Total	**58**	**113**

NOTE 14 Shareholders' equity and earnings per share

	Period	Common shares	Preference shares	Total number of registered shares	Registered share capital, SEK M
At start of year	Jan. 2013	100,180,740	1,000,000	101,180,740	2,529
Reduction in share capital	July 2013				-2,225
Issue of Class C shares and buyback	Sept. 2013	1,700,000		1,700,000	5
At year-end	**Dec. 2013**	**101,880,740**	**1,000,000**	**102,880,740**	**309**
At start of year	Jan. 2014	101,880,740	1,000,000	102,880,740	309
At year-end	**Dec. 2014**	**101,880,740**	**1,000,000**	**102,880,740**	**309**

Eniro has two classes of stock – common shares and preference shares. A total of 102,880,740 shares are in issue, of which 101,880,740 are common shares and 1,000,000 are preference shares. The total number of votes is 101,980,740, of which common shares account for 101,880,740 votes and preference shares for 100,000 votes. The average number of common shares during the year after deducting treasury shares was 100,177,474, and was thus unchanged compared with 2013.

The share capital amounted to SEK 308,642,220 on December 31, 2014, with each share having a share quota value of SEK 3.

At year-end 2014 Eniro held 1,703,266 treasury shares. The average holding of treasury shares during the year was 1,703,266. The carrying amount of treasury shares as per December 31, 2014, was SEK 55 M (55).

Earnings per share

SEK M	2014	2013*
Earnings attributable to owners of the Parent Company	-1,664	177
Dividend established for cumulative preference shares during the period	-48	-48
Earnings used to calculate earnings per common share	**-1,712**	**129**
Average number of common shares, 000s	100,177	100,177
Earnings per common share, SEK	**-17.09**	**1.29**
Dividend as per AGM resolution		
Common shares, SEK	-	-
Preference shares, SEK	48.00	48.00

In accordance with an AGM resolution, no dividends were paid on common shares in 2013 or 2014. For preference shares, a dividend of SEK 48 per shares was paid out in the respective years, a total dividend of SEK 48 M in each year. The dividends were paid out in three-month intervals.

** Retrospective restatement of financial statements in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, due to incorrectly recognized revenue in previous periods. For further information, see note 28, Retrospective restatement of previous periods.*

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29
M1 M2 M3 M4 M5 M6 M7 M8 M9 M10 M11 M12 M13 M14 M15 M16 M17 M18

NOTE 15 Borrowing

SEK M	2014	2013
Long-term borrowing	1,767	2,115
Short-term borrowing	625	452
Total borrowing	**2,392**	**2,567**
Interest-bearing loans have the following maturity structure:		
- within one month	-	84
- between one and three months	88	-
- between three months and one year	537	368
- during the coming five years	1,767	2,115
Total	**2,392**	**2,567**

Borrowing costs are carried forward and recognized as interest expense over the term of the loan. At year-end 2014 a total of SEK 29 M (47) was recognized as interest expense. Upon recognition of these costs, the Group's total borrowing is decreased.

Carrying amount of borrowings per currency		
NOK	374	478
DKK	91	108
SEK	1,927	1,981
Total	**2,392**	**2,567**
Granted unutilized credit facilities		
- due within one year	-	-
- due between one and five years	53	133
- due later than five years	-	-
Total granted credit facilities	**53**	**133**
Fair value of long-term borrowing	**1,642**	**1,855**

The carrying amount of short-term borrowing provides a reasonable approximation of the fair value of the loans, since the loans have variable interest rates.

Effective interest rates as per balance sheet date, %	2014	2013
NOK	5.32	5.54
DKK	4.09	4.07
SEK	4.07	4.77

The Group's borrowing exposure to changes in interest rates and contractual dates for interest rate renegotiation:

SEK M	6 months or less	6–12 months	12–36 months	36 months or longer	Total
As per Dec. 31, 2014 Total borrowing	2,392	-	-	-	**2,392**
As per Dec. 31, 2013 Total borrowing	**2,567**	-	-	-	**2,567**

All of Eniro's borrowing is at variable interest rates. A change in interest rates by 1 percentage point would affect the annual interest expense by SEK +/- 24 M (26).

Financing

Eniro's main loan financing was arranged at the end of 2010. Upon signing the loan agreement, the bank syndicate comprised seven banks: Danske Bank A/S, Denmark, Sweden branch; DNB Bank ASA, Sweden branch; Svenska Handelsbanken AB (publ.); Nordea Bank (publ.); The Royal Bank of Scotland plc; Skandinaviska Enskilda Banken AB (publ.); and Swedbank AB (publ.). Eniro's loan financing has since been renegotiated and adjusted. The first renegotiation took place on June 5, 2012, when one bank left the syndicate, and thereafter on May 27, 2013, when the total loan was renegotiated.

The loan agreement is divided into four tranches and one revolving facility, for a total value of SEK 3,000 M. Tranche A1 is for SEK 1,265 M, Tranche A2 is for NOK 500 M, and Tranche A3 is for DKK 100 M. Repayment on these three amounts to SEK 375 M per year, broken down into two semi-annual repayment dates. Tranche B is for SEK 800 M, and the revolving facility is for SEK 250 M. The duration is three years with the option to extend for an additional year. The aim of the renegotiated loan agreement was to refinance previous loan agreements for a loan with a longer duration and the option to extend for one year, if Tranche B is converted to a bond loan, and to improve the borrowing terms and provide future opportunities to pay a dividend on the company's common shares.

The loan agreement contains provisions for mandatory early repayment in the event of gains on divestments, insurance, capital market issues and mezzanine financing. The loan agreement also includes covenants for mandatory early repayment in the event of a change in ownership that exceeds 30%.

Reduced repayment as per agreement with the banks

The scheduled repayment of SEK 187 M on December 31, 2014, was reduced by SEK 90 M to SEK 97 M, as per an agreement with the bank syndicate.

Renegotiated loan agreement after the balance sheet date

After the balance sheet date Eniro renegotiated its loan agreement with the bank syndicate. The new loan agreement has an extended term and considerably lower rate of repayment. The loan agreement is conditional upon execution of a fully subscribed rights issue of common shares worth approximately SEK 458 M and of a convertible bond in the nominal amount of SEK 500 M. For further information, see note 29, Events after the balance sheet date.

Interest rates

The loan agreement has a margin above IBOR and follows an interest ladder based on the company's debt level (defined as the consolidated net debt in relation to EBITDA). At December 30, 2014, the three-month IBOR rate was 0.264% in Sweden (0.934%), 1.47% in Norway (1.68%), and 0.2825% in Denmark (0.2575%).

The margin above IBOR was as follows:	%
For net debt in relation to EBITDA equal to and over 2.00	3.75
For net debt in relation to EBITDA below 2.00	3.00

Guarantees and collateral

Shares in all Group companies directly owned by Eniro AB, all significant Group companies, and all Group companies that own or hold rights to search engines, databases or some other right, or assets that are material to the Group's operations, have been pledged as collateral for the new loan agreement that Eniro has entered into with a bank syndicate. In addition, significant trademarks and other intangible rights, significant intra-Group loans and other significant assets have been pledged as collateral for the loan agreement.

The shares in the following, large companies, among others, have been pledged as collateral for the loan agreement: Eniro Sverige AB, Eniro 118 118 AB, Eniro Treasury AB, Eniro Norway AB, Eniro Initiatives AB, Eniro Sentraali Oy, Eniro Polska Sp. Z o.o., Eniro Danmark A/S, Findexa Luxemburg Sarl, Eniro Holding AS and Eniro Norge AS. These companies, Eniro AB (publ.), and certain other Group companies are also guarantors under the loan agreement. See also note 27, Pledged assets.

Covenants

The loan agreement contains customary restrictions and covenants, including:
a) a requirement for a certain ratio between cash flow, interest and amortization at the Group level;
b) a requirement for a certain ratio between EBITDA and net interest at the Group level;
c) a requirement for a certain ratio between total net debt and EBITDA at the Group level;
d) a requirement that investments shall not exceed certain, set amounts during certain periods;
and restrictions and limitations regarding additional debt, guarantee commitments and pledges, significant changes in the business, and acquisitions and divestments.

The financial loan covenants listed under points a-c above are to be measured quarterly on a moving 12-month basis.

Cancelation/grounds for cancelation

The loan agreement may be canceled voluntarily by Eniro. In other respects, the loan agreement stipulates customary grounds for cancelation (falling under "events of default").

NOTE 16 Pension obligations

The amounts recognized in the balance sheet have been calculated as follows:

SEK M	2014	2013
Present value of funded obligations	573	440
Fair value of plan assets	-468	-470
Deficit (+)/surplus (-) in funded plans	**105**	**-30**
Present value of unfunded obligations	457	303
Total deficit in defined benefit pension plans	**562**	**273**
Impact of minimum funding requirement/asset ceiling	0	0
Total defined benefit pension obligation	**562**	**273**
Other pension obligations	39	-
Pension obligations on the balance sheet	**601**	**273**

The Group has defined benefit pension plans in Sweden, Norway and Finland that are governed under similar rules. All defined benefit pension plans are based on the employee's final salary, which gives employees covered by the respective plan a guaranteed level of lifetime retirement benefits. The level of benefits depends on the employee's service period and salary at the time of retirement. In the Swedish plans, pension payments are normally indexed in accordance with the consumer price index. Except for inflation risk in Sweden, the plans are exposed to essentially similar risks. The respective countries (Sweden, Norway and Finland) each have a plan that is secured through foundations. The foundations' operations are regulated by national rules and practice. For unfunded plans, the company pays benefits on the due date.

The Group also has a provision for an Early Retirement Benefit (ERB) plan with Eniro 118 118 AB, in accordance with a collective agreement, for employees in certain personnel categories at 55, 60 and 63 years of age. The ERB plan is a pension plan that covers certain Eniro employees who were previously employed by Televerket (today TeliaSonera) prior to its incorporation in 1991. Under the agreement, payments from this plan are to be covered in part by the former owner, TeliaSonera, and on December 31, 2014, the corresponding receivable amounted to SEK 8 M (17).

Change in present value of pension obligations during the year

SEK M	2014	2013
Opening balance	**743**	**949**
Adjustment of opening balance	-33	-
Costs recognized in profit or loss:		
Service cost for current year	16	16
Interest expense	29	27
Gains and losses from reductions and settlements	-14	-8
	31	**35**
Remeasurements recognized in other comprehensive income:		
Gain/loss attributable to changed demographic assumptions	0	-1
Gain/loss attributable to changed financial assumptions	332	-203
Experience-based gains/losses	-16	-6
	316	**-210**
Benefits paid	-28	-31
Other	0	0
Exchange rate difference	1	0
Closing balance	**1,030**	**743**

Change in fair value of plan assets during the year

SEK M	2014	2013
Opening balance	**-470**	**-434**
Items recognized in profit or loss:		
Interest income	-19	-13
Gains and losses from reductions and settlements	0	0
	-19	**-13**
Remeasurements recognized in other comprehensive income:		
Return on plan assets excluding amounts included in interest income	-19	-23
	-19	**-23**
Fees:		
Employer contributions	0	0
Employee contributions	0	0
	0	**0**
Withdrawals/compensation	41	-
Benefits paid	0	1
Exchange rate difference	-1	-1
Closing balance	**-468**	**-470**

Net change in defined benefit obligations during the year

SEK M	2014	2013
Opening balance	**273**	**515**
Adjustment of opening balance	-33	-
Items recognized in profit or loss:		
Service cost for current year	16	16
Interest expense/income	10	14
Gains and losses from reductions and settlements	-14	-8
	12	**22**
Remeasurements recognized in other comprehensive income:		
Return on plan assets excluding amounts included in interest income/expense	-19	-23
Gain/loss attributable to changed demographic assumptions	0	-1
Gain/loss attributable to changed financial assumptions	332	-203
Experience-based gains/losses	-16	-6
	297	**-233**
Fees :		
Employer contributions	0	0
Employee contributions	0	0
	0	**0**
Benefits paid	-28	-30
Withdrawals/compensation from plan assets	41	-
Other	0	0
Exchange rate difference	0	-1
Closing balance	**562**	**273**

The Group's pension payments are expected to amount to approximately SEK 26 M (28) in the coming year. No need to contribute funds to the pension foundations is deemed to exist.

Credit insurance with PRI Pensionsgaranti

Eniro has credit insurance with PRI Pensionsgaranti (PRI) that remains in force during 2015. Eniro has pledged bank funds for future obligations (a so-called expanded pension guarantee). As per year-end, total pledged funds amounted to SEK 123 M (111) including returns. Eniro pledged SEK 60 M in 2012, SEK 50 M in 2013, SEK 10 M in 2014, and will pledge an additional SEK 10 M in March 2015. Pledged funds including returns are reported as Other non-current interest-bearing receivables.

The present value of defined benefit obligations is attributable to:

SEK M	2014	2013
Active employees	195	185
Employees who have left the plan prior to retirement	582	352
Persons covered by the plan who have retired	253	206
	1,030	**743**

NOTE 16 Pension obligations (*continued*)

Country breakdown of defined benefit pension obligations and plan assets

	2014				2013			
SEK M	Sweden	Norway	Finland	Total	Sweden	Norway	Finland	Total
Present value of obligation	985	13	32	1,030	704	15	24	743
Fair value of plan assets	-444	-1	-23	-468	-450	-1	-19	-470
Total	**541**	**12**	**9**	**562**	**254**	**14**	**5**	**273**

Plan assets consist of the following:

	2014				2013			
SEK M	Sweden	Norway	Finland	Total	Sweden	Norway	Finland	Total
Fixed income securities including accrued coupon interest	155	1	n.a.	156	183	1	n.a.	**185**
Shares, listed	158	-	n.a.	158	149	-	n.a.	**149**
Alternative investments, listed	128	-	n.a.	128	115	-	n.a.	**115**
Cash and cash equivalents	3	-	n.a.	3	2	-	n.a.	**2**
Total	**444**	**1**	**23**	**468**	**450**	**1**	**19**	**470**
Actual return, %	-1.3	0.0	21.1		8.7	0.0	0.0	

The purpose of 118 118 AB's pension foundation in Sweden is to secure commitments for pension benefits made by Eniro 118 118 AB to its employees, former employees or their survivors. According to the investment guidelines, investment of the foundation's assets shall be made so as to ensure a satisfactory return within set limits for financial risks. The return is expected to average 5.5% annually during a ten-year period. The investment guidelines stipulate that interest-bearing receivables may amount to between 35% and 100% of the assets. In addition, the guidelines stipulate that listed shares may amount to between 0% and 40%, alternative investments may amount to between 0% and 30%, and cash and cash equivalents may amount to between 0% and 15%. The pension foundation has no investment in Eniro shares. In Finland, the plan assets are the insurance company's responsibility and make up part of the insurance company's assets, which is why a categorical breakdown is not possible.

The most important actuarial assumptions were as follows:

	2014			2013		
	Sweden	Norway	Finland	Sweden	Norway	Finland
Discount rate, %	2.5	2.0	1.8	4.2	3.3	3.0
Salary increase, %	3.0	2.8	2.0	3.0	3.8	3.0
Inflation, %	2.0	0	2.0	2.0	0.6	2.0
Income base amount, %	3.0	2.5	-	3.0	3.5	-

The average remaining lifetime (years) for a person who retires at 65 years of age

	2014			2013		
	Sweden	Norway[1)]	Finland	Sweden	Norway[1)]	Finland
Retirement at the end of the reporting period						
Men	19.6	20.7	19.0	19.6	20.7	19.0
Women	22.8	23.9	24.7	22.8	23.9	24.7
Retirement 20 years after the end of the reporting period						
Men	21.6	23.0	20.6	21.6	23.0	20.6
Women	24.1	26.3	26.4	24.1	26.3	26.4

1) In Norway the retirement age is 67, which is why the remaining lifetime is based on retirement at 67 years of age.

Sensitivity in the defined benefit obligation for changes in the weighted significant assumptions

	2014		2013	
SEK M	Increase 0.5% in assumption	Decrease 0.5% in assumption	Increase 0.5% in assumption	Decrease 0.5% in assumption
Discount rate	-114	132	-70	81
Salary increases	6	-5	3	-3
Pension increases (inflation and income base amount)	134	-115	82	-71

The sensitivity analyses above are based on a change in one assumption while all other assumptions remain constant. In practice, it is not probable that this would occur, and changes in any of the assumptions may be correlative.

Maturity analysis of expected, undiscounted payments for retirement benefits after end of employment

SEK M	2014	2013
Within one year	27	28
Between one and two years	26	27
Between two and five years	68	71
More than five years	951	942
Total	**1,072**	**1,068**

NOTE 17 Provisions

Non-current provisions

SEK M	2014	2013
Opening balance	5	11
New provisions	0	0
Provisions utilized during the year	0	-6
Reversed unutilized provisions	0	0
Effects of exchange rate changes and other	0	0
Closing balance, non-current provisions	**5**	**5**

Current provisions

SEK M	2014	2013
Opening balance	74	30
New provisions	50	103
Provisions utilized during the year	-69	-59
Reversed unutilized provisions	-1	0
Effects of exchange rate changes	0	0
Closing balance, current provisions	**54**	**74**

Provisions pertain mainly to provisions for restructuring.

NOTE 18 Accrued expenses

SEK M	2014	2013
Accrued personnel-related costs	171	240
Accrued interest costs	4	1
Other accrued expenses	54	75
Total	**229**	**316**

NOTE 19 Prepaid revenue

Prepaid revenue amounted to SEK 583 M (620). Advance payments are received in Desktop search and Mobile search, as customers pay in advance for an annual subscription, and also in Print in Sweden, where customers pay in advance while the revenue is not recognized until the directories have been printed and distributed.

NOTE 20 Financial instruments by category

Assets on the balance sheet

SEK M	2014	2013
Loan receivables and trade accounts receivable		
Interest-bearing receivables, restricted bank funds	123	111
Accounts receivable - trade and other receivables	376	457
Cash and cash equivalents	58	113
Total	**557**	**681**

Liabilities on the balance sheet

SEK M	2014	2013
Other financial liabilities		
Borrowing	2,392	2,567
Accounts payable - trade	97	181
Total	**2,489**	**2,748**

Eniro has no assets or liabilities measured at fair value through profit or loss, or assets available for sale. Reported amounts of borrowing represent a good approximation of the loans' fair value, as they carry variable interest. For assets and liabilities carried at amortized cost, such as trade accounts receivables and payables, this represents a good approximation of fair value, as they are current.

NOTE 21 Financial risk management

Eniro is exposed to various financial risks through its operations in the form of currency risk, interest rate risk, credit risk and liquidity risk. The focus of Eniro's risk management is to reduce or eliminate financial risks, while taking into account costs, liquidity and financial position. Eniro's Board of Directors sets the Group's finance policy that serves as the foundation for the management of financial operations, the division of responsibilities and financial risks. The subsidiary Eniro Treasury AB has centralized responsibility for handling financing and risk management.

Currency risk

The Group is active internationally and is exposed to currency risks that arise from various currency exposures from Eniro's operations in Norway, Denmark, Finland and Poland. Currency risk arises through future business transactions, reported assets and liabilities, and net investments in foreign operations. Currency risk can be divided into transaction risk and translation risk.

Transaction risk pertains to the impact on net income and cash flow of changes in the value of operating flows in foreign currencies caused by exchange rate fluctuations. Transaction risks in business transactions in the respective geographic areas is limited, since relatively few contracts are denominated in a currency other than that of the respective countries'. Major purchasing contracts in foreign currency are hedged on a case-to-case basis. If the foreign exchange rates under consideration had been 10% higher/lower on average in relation to SEK, EBITDA for 2014 would have been SEK 27 M (27) higher/lower. Income after tax would have been SEK -28 M (+42) higher/lower. The Group's exposure to changes in foreign currency in relation to SEK is analyzed and monitored on a regular basis.

Translation risk is the risk that the value of in Swedish kronor of net investments in foreign currencies will fluctuating as a result of changes in exchange rates. Eniro has net investments in NOK, EUR, PLN and DKK, with the largest exposure in NOK. According to Eniro's financial policy, the Board of Directors makes decisions on whether to hedge translation risks In order to reduce exposure related to net investments in foreign currencies, some of the company's borrowing has been raised in NOK and DKK. Revaluation of the loans due to currency effects is reported in other comprehensive income together with the effect of revaluation of the foreign net investments. External loans in foreign currency at year-end 2014 amounted to NOK 356 M (452) and DKK 71 M (90). If the current exchange rates at year-end 2014 been 10% higher/lower in relation to SEK, shareholders' equity would have been affected by revaluation of the company's loans by SEK 47 M (59), of which SEK 37 M (48) pertains to revaluation of NOK loans.

Translation exposure due to investments in foreign subsidiaries, taking into account currency hedging, amounted to SEK 4,728 M (5,535), according to the distribution below:

Millions in each currency	2014	2013
Norwegian kronor (NOK)	3,460	4,120
Danish kroner (DKK)	571	552
Polish zloty (PLN)	34	86
Euro (EUR)	30	37

As per December 31, 2014, the loans in NOK and DKK that are reported as a hedge of net investments were lower than the Group's net investments in the respective currencies, and thus the hedges are considered to be effective.

Interest rate risk

The Group's exposure to interest rate risk arises from long-term borrowing. Borrowing at variable interest rates exposes the Group to interest rate risk in terms of cash flow, while borrowing at fixed interest rates exposes the Group to interest rate risk in terms of fair value. According to Eniro's finance policy, the company's financial position must be taken into account when selecting interest fixing periods. Since all borrowing at present is at variable rates of interest, the company's level of debt entails an exposure to interest rate risk in terms of cash flow. The interest rate duration at year-end was 137 days (91). The Group analyzes its exposure to interest rate risk on a continuous basis, and simulations of interest rate changes are performed on a regular basis. A change in the market interest rate of 100 basis points (1 percentage point) would increase/decrease the Group's interest costs by SEK 24 M (26) based on current level of debt at year-end 2014. Income after tax would have been positively/negatively impacted by SEK 19 M (20).

Credit risk

Credit risk pertains to the risk that a counterparty will be unable to fulfill its obligations and thereby cause a loss for its counterparty. Surplus liquidity may only be invested in Swedish government bonds, commercial paper with a rating of AAA/P1, and with banks with a high official credit rating. At year-end, all surplus liquidity was invested in such banks. Eniro is exposed to the risk of not being paid by its customers. However, the risk of substantial losses for bad debts is comparatively small on account of Eniro's very large and highly differentiated customer base.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29
M1 M2 M3 M4 M5 M6 M7 M8 M9 M10 M11 M12 M13 M14 M15 M16 M17 M18

NOTE 21 Financial risk management (*continued)*

Liquidity risk

Liquidity risk is the risk that difficulties will arise in fulfilling financial obligations due to a lack of available liquid 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 works on a continuous basis to ensure that it has access to liquid funds and unutilized credit facilities. Eniro's goal is that 60% of available credit facilities will mature after more than one year. Eniro also has an explicit policy of maintaining relationships with a number of credit institutions with high ratings. The Board of Directors regularly receives rolling forecasts concerning the Group's future cash flows that include estimates of liquid funds and unutilized credit facilities.

Financial liabilities according to their contractual maturity dates

As per December 31, 2014 SEK M	Maturing within 1 year	Maturing in 1-5 years	Maturing later than 5 years	Total
Bank loans	625	1,796	-	2,421
Accounts payable - trade	97	-	-	97
Total	**722**	**1,796**	**-**	**2,518**

As per December 31, 2013 SEK M	Maturing within 1 year	Maturing in 1-5 years	Maturing later than 5 years	Total
Bank loans	375	2,239	-	2,614
Accounts payable - trade	181	-	-	181
Total	**556**	**2,239**	**-**	**2,795**

The amounts specified in the table above are undiscounted cash flows including borrowing costs. Exchange rates and market interest rates are assumed to be unchanged for future periods.

As per December 31, 2014, Eniro's goal that 60% of available credit facilities will mature after more than one year was considered to have been achieved, as Eniro's existing loan agreements remain in effect until May 27, 2016.

After the balance sheet date, Eniro reached an agreement with the bank syndicate on amendments to the loan agreement entailing an extension of the term through 2018 and a reduction in the annual repayment from SEK 375 M to SEK 150 M in 2015, and to SEK 175 M yearly from 2016 through 2018. These amendments are conditional upon completion of a rights issue for common shares worth approximately SEK 458 M and a directed issuance of convertibles in the nominal amount of SEK 500 M. If Eniro does not succeed in securing subscription commitments and underwriting guarantees for the rights issue, the Group will be in violation of its obligations to the bank syndicate in such a way that the syndicate will have the right to cancel the loans for immediate payment. Eniro lacks realistic opportunities within the current grace period to obtain refinancing in another way than through the agreement with the bank syndicate and thereby avoid a financial crisis.

Measuring fair value in accordance with the fair value hierarchy

As per December 31, 2014, there were no financial instruments used for hedging purposes that were measured at fair value.

Capital structure

Eniro's capital structure and dividend policy are set by the Board of Directors. Eniro aims to have an efficient capital structure, taking into account operational and financial risks, that will facilitate long-term development of the company while providing satisfactory returns to the shareholders. To adjust the capital structure, the company can change the dividend paid to shareholders, repay capital to shareholders, issue new shares or change its borrowing. Since the signing of the original loan agreement at the end of 2010, Eniro's loan financing has been renegotiated and adjusted. The first renegotiation took place on June 5, 2012, when one bank left the syndicate, and thereafter on May 27, 2013, when the total loan was renegotiated. In connection with the renegotiation in 2012, an issue of preference shares was carried out, where the proceeds were used to repay a loan at a discount to the bank that prematurely left the bank syndicate. In October 2013 the Board of Directors set a long-term target for the company's capital structure and interest-bearing net debt in relation to EBITDA to not exceed a multiple of 2.0. The capital structure is measured on the basis of the key ratio interest-bearing net debt in relation to EBITDA both by company management and external stakeholders. Interest-bearing net debt is defined as borrowing less cash and cash equivalents and interest-bearing assets. At year-end 2014, interest-bearing net debt in relation to adjusted EBITDA was a multiple of 3.3 (2.6). The Board of Directors propose to the 2015 Annual General Meeting that no dividend be paid for common shares, which is in line with the company's target to reduce net debt. The Board of Directors propose to the 2015 Annual General Meeting that a dividend of SEK 48 per share be paid on the company's preference shares for 2014, for a total payout of SEK 48 M (48). Dividends will be paid in three-month intervals in the amount of SEK 12 per share at every three-month interval.

NOTE 22 Employees

Average number of full-time employees	Total 2014	Share of women, % 2014	Total 2013	Share of women, % 2013
Sweden	813	49	1,019	55
Norway	494	36	580	41
Finland	165	68	188	70
Denmark	378	54	400	49
Poland	753	56	809	57
Total	**2,603**	**51**	**2,996**	**53**

The number of full-time employees at year-end was 2,256 (2,816). The proportion of women on the Board of Directors at year-end was 38% (40%) and in Group Management, 38% (33%).

NOTE 23 Wages, salaries and other remuneration

SEK M	2014	2013
Wages, salaries and other remuneration	1,077	1,279
Pension costs, defined benefit plans	16	19
Pension costs, defined contribution plans	81	103
Social security costs	250	292
Total	**1,424**	**1,693**

NOTE 24 Remuneration and other benefits, Board of Directors and senior executives

Directors' fees

The members of the Board of Directors are paid a fee in accordance with an AGM resolution. The 2014 AGM resolved that directors' fees were to be paid in a total amount of SEK 3,650,000, of which SEK 1,100,000 to the Chairman of the Board and SEK 420,000 to each of the other AGM-elected directors, SEK 150,000 to the Audit Committee chair, and SEK 75,000 to each of the members of the Audit and Remuneration Committees. The Chairman of the Board and other AGM-elected directors have no retirement benefits or agreements for severance pay. Fees payable to employee representatives are set by the AGM based on the company's recommendation. See also the table on meeting attendance and directors' fees in the Corporate governance section.

SEK M	Directors' fees	Fee for committee work	Total
Chairman of the Board	1.1	0.2	1.3
Other board members	2.1	0.3	2.4
Total	**3.2**	**0.5**	**3.7**

Remuneration of senior executives

Remuneration of the CEO and other members of Group Management is based on the guidelines adopted by the 2014 AGM. The aim of the guidelines for remuneration of senior executives is to allow Eniro to provide market-based remuneration consisting of the following components: fixed salary, variable cash salary, long-term share-based remuneration (the Long Term Incentive Program), pension provisions and other remuneration and benefits. The Board may depart from the guidelines in individual cases if special reasons exist.

Fixed salary

Fixed salary is based on the individual executive's area of responsibility, expertise and experience, and serves as the base for variable cash salary.

Variable cash salary

Variable cash salary consists of cash payment, and the target for qualifying for payment of variable cash salary shall mainly pertain to consolidated sales and EBITDA. Members of Group Management receive variable salary, which can vary depending on their area of responsibility. For the CEO, variable salary can amount to a maximum of 50% of fixed salary, while for other senior executives it can amount to a maximum of 40% of fixed salary. The target for qualifying for variable salary has been decided on by the Board of Directors and is coupled mainly to the Group's financial performance and is measured against consolidated sales and EBITDA. The Board of directors sets the level of variable salary based on annual evaluations of the individuals' target fulfillment.

Variable cash salary with three-year lock-in period – synthetic shares

As per December 31, 2014, Eniro has two years' outstanding variable cash salaries with a three-year lock-in period (synthetic shares that were granted in 2011 and 2012). The program was decide on by the respective AGMs in 2011 and 2012. Valuation of the synthetic shares is linked to Eniro's share price, and cash settlement of the synthetic shares is conducted after a three-year lock-in period. For the CEO, variable cash salary with the three-year lock-in period could amount to a maximum of 50% of fixed salary, while for other senior executives it could amount to a maximum of 40% of fixed salary. The participants must remain employed during the entire lock-in period in order to qualify for payment. The maximum amount payable for each synthetic share is limited to five times the share price at the time of conversion to synthetic shares. The Board is authorized to make necessary adjustments in order to ensure that the financial outcome of the synthetic shares reflects in dividends or changes in share capital.

The year's cost for synthetic shares, pertaining to the number granted to members of Group Management including the CEO, was SEK -4.7 M (12.5). Total remuneration for the two outstanding programs to current Group Management and CEO is SEK 1.7 M (22.6), based on a share price of SEK 7.23 (49.59). The cost of the synthetic shares is allocated over the lock-in period.

Long-term share-based payment (Long Term Incentive Program – LTIP 2013)

The 2013 AGM approved the Board's proposal to establish a share-based Long Term Incentive Program, LTIP 2013. The program initially included 17 senior executives and key person in the Eniro Group. At year-end 2014, seven persons remained in the program. Participants in LTIP 2013 may receive common shares in Eniro. The program initially covered a total of 919,600 shares upon maximum grant and achievement of the so-called stretch level. At year-end 2014 the program covered 291,000 shares upon maximum grant and achievement of stretch level. For the CEO, other senior executives and key persons, a personal investment in Eniro common shares ("savings shares") is required in order to receive a grant of common shares. For each savings share, the participant will be granted target-based shares – retention shares – plus performance-based shares and performance-based options. Target-based share rights may be granted – and performance-based options may only be redeemed – in the event the performance-based terms have been met. For remuneration coupled to LTIP 2013, the targets are measured in terms of the growth in value of Eniro's common shares and EBITDA less investments plus/minus change in working capital during the period January 1, 2013–December 31, 2015. Provided an own investment has been made in savings shares, the CEO may hold a maximum of 20,000 savings shares, where the maximum grant gives each savings share one target-based share right (retention share), five performance-based share rights, and five performance-based options. Other members of Group Management may hold a maximum of 9,000 savings shares each, where each savings share carries entitlement to one target-based share right, four performance-based share rights, and four performance-based options. Other key persons may hold a maximum of 5,000 savings shares each, where each savings share carries entitlement to one target-based share right, 2.5 performance-based share rights, and 2.5 performance-based options. The share rights entail a grant of common shares, and the options entail that the participant can buy one Eniro common share for SEK 18.80, which corresponded to 120% of the listed, volume-weighted average price on Nasdaq OMX Stockholm during five trading days after the publication of the interim report for the period January–March 2013. The terms for the grant are determined according to two levels – entry and stretch – while for values in between a linear interpolation is used. In addition, the program requires that the participant, during the term of LTIP 2013 and at the time of publication of the interim report for January-March 2016, has kept the savings shares and continues to be employed by the Eniro Group. Grants of share rights are to be made free of charge not later than 20 trading days after the date of publication of the interim report for the period January–March 2016. The options may be exercised during a two-week period starting with the day after the date of publication of the interim report for the period January–March 2016.

Participants who prior to the publication of the interim report for the period January–March 2016 give notice, are served notice, or for some other reason leave the Eniro Group, as a rule do not have the right to continued participation in LTIP 2013. Participants who have received grants from LTIP 2013 and after such grant go on a leave of absence, parental leave, sick leave or similar and are thus still employed or retire, may have the right to continued participation in LTIP 2013. Decisions that deviate from the aforementioned limits may be made in individual cases. The Board intends to present a report on the fulfillment of the matching terms in the annual report for the 2015 fiscal year. A participant's maximum profit per share right and option right is limited to SEK 30.

Costs for LTIP 2013

In accordance with IFRS 2, the total cost for LTIP 2013 amounts to SEK 0.9 M (2.7) at entry level and SEK 2.7 M (3.8) at stretch level, excluding social security costs. During the year, a provision of SEK 0.5 M (0.5) was made for the program at entry level, excluding social security costs. Share rights and option rights are expensed as a personnel cost over the vesting period, which is recognized directly in equity. The amount reported will be reassessed during the vesting period. Social security costs will be expensed during the vesting period based on changes in the value of the share rights and option rights.

Long-term share-based payment (Long Term Incentive Program - LTIP 2014)

The 2014 Annual General Meeting resolved in favor of the Board's proposal for a Long Term Incentive Program for 2014 (LTIP 2014). No grants were made to senior executives during the year, as the planned evaluation of senior executives was not carried out. LTIP 2014 was therefore concluded.

Pensions

Eniro's pension policy is based on either an individual occupational pension plan or a defined contribution pension plan corresponding to a maximum of 35% of fixed salary. The CEO has a defined contribution pension plan with contributions corresponding to 35% of his salary.

Other benefits

Other remuneration and benefits in the form of private health insurance, company car, subsidized lunches and wellness/fitness programs are to be in line with the going rate in the market.

Other remuneration

Other remuneration includes severance pay during the notice period for members of Group Management. These restructuring costs are included in items affecting comparability.

Notice period for termination of employment

The President and CEO has a notice period of 6 months by his own initiative, and 12 months in the event the company serves notice. If the company serves notice, he is entitled to an additional 6 months severance pay, which will be deducted against any earned income from other subsequent employment. Between the company and other senior executives a notice period of 6 months applies for executives who give notice, and 12 months in the event the company serves notice. For the Group CFO an additional 12 months' severance pay is payable if the company serves notice.

CEO and other senior executives

SEK M	Fixed salary incl. vacation supplement	Variable remuneration[1]	Long-term share-based remuneration	Other benefits	Pension cost	Other remuneration[2]	Total	Holding of synthetic shares, number	Own investment in Eniro shares, LTIP 2013, number[5]
President and CEO, Stefan Kercza	1.0	-0.5	-	-	0.1	-	0.6	54,363	-
Group Management, 8 persons, of whom 5 full-time equivalents,[4]	15.6	-3.7	0.5	0.5	3.1	9.5	25.5	138,895	24,000
President and CEO, Johan Lindgren[3, 6]	3.4	0.1	-	0.1	1.2	15.8	20.6	-	-
Total	**20.0**	**-4.1**	**0.5**	**0.6**	**4.4**	**25.3**	**46.7**	**193,258**	**24,000**

1) Pertains to adjustments of the value of synthetic shares granted in the years 2011-2012.
2) Pertains to remuneration of SEK 25.1 M during the notice period for salary, pension costs and company car.
3) For 2013, base salary incl. vacation supplement amounted to SEK 4.9 M, variable remuneration amounted to SEK 4.0 M, long-term share-based remuneration amounted to SEK 0.1 M, other benefits amounted to SEK 0.1 M, pension costs amounted to SEK 1.7 M, and other remuneration amounted to SEK 0.0 M.
4) For 2013, base salaries incl. vacation supplement amounted to SEK 18.2 M, variable remuneration amounted to SEK 8.8 M, long-term share-based remuneration amounted to SEK 0.2 M, other benefits amounted to SEK 0.6 M, pension costs amounted to SEK 3.8 M, and other remuneration amounted to SEK 14.7 M.
5) The maximum grant of stock options and warrants at the stretch level for members of Group Management was 201,000.
6) Johan Lindgren left his position as President and CEO in August 2014. Other remuneration pertains to severance pay of SEK 15.8 M (excluding social security costs), which due to the rescindment of Johan Lindgren's termination agreement, has not been paid out.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29
M1 M2 M3 M4 M5 M6 M7 M8 M9 M10 M11 M12 M13 M14 M15 M16 M17 M18

NOTE 24 Remuneration and other benefits, Board of Directors and senior executives *(cont.)*

The following assumptions apply for the entire program and for determining the value of options according to the Black & Scholes valuation model	LTIP 2013
Exercise price, performance options, SEK	18.80
Anticipated volatility, %	50
Anticipated term, years	3
Risk-free interest rate, %	1.01
Dividend, SEK	1.05
Number of outstanding rights to shares and options at start of program	272,800
Forfeited/expired during the year	-183,400
Number of outstanding rights to shares and options at year-end	89,400

Related party transactions

Remuneration of members of Group Management and other senior executives is shown above. In other respects, no transactions with related parties were made during the year.

NOTE 25 Auditors' fees

SEK M	2014	2013
PricewaterhouseCoopers, audit assignment	4	4
PricewaterhouseCoopers, auditing activities in addition to the audit assignment	1	0
PricewaterhouseCoopers, tax consulting	0	0
PricewaterhouseCoopers, other services	1	0
Total	**6**	**4**

NOTE 26 Leasing

Contractual leasing fees for non-cancellable operating leases

SEK M	2014	2013
- payable within one year	92	114
- payable between one and five years	148	180
- payable later than five years	23	0

The year's operating expenses include fees of SEK 118 M (135) for operating leases. Leases for premises include standard indexation clauses.

NOTE 27 Pledged assets

Pledged assets for own liabilities

SEK M	2014	2013
Pledged assets		
Pertaining to pension obligations, restricted bank funds	123	111
Pertaining to long-term borrowing, pledged shares in subsidiaries	4,664	7,444
Total	**4,787**	**7,555**

Eniro has credit insurance with PRI Pensionsgaranti (PRI) that remains in force during 2015. Eniro has pledged bank funds for future obligations (a so-called expanded pension guarantee). As per year-end, total pledged funds amounted to SEK 123 M (111), including returns. Eniro pledged SEK 60 M in 2012, SEK 50 M in 2013, SEK 10 M in 2014, and will pledge an additional SEK 10 M in March 2015. Pledged funds including returns are reported as Other non-current interest-bearing receivables.

In accordance with agreements on non-current borrowing, internal receivables and participations in subsidiaries have been pledged as collateral for Eniro Treasury's external loans. Alternatively, subsidiaries and the Parent Company have also provided sureties for Eniro Treasury's liabilities. See also note 15, Borrowing.

NOTE 28 Retrospective restatement of previous periods

In August 2014 the Board of Directors commissioned an investigation to validate the consolidated financial statements. The investigation indicated primarily accrual errors, entailing that revenues had been recognized too early. These accrual errors were in the Desktop search and Mobile search revenue categories in the Local search segment and pertained to the allocation of discounts in advertising packages. These discounts were incorrectly allocated only to revenue that is allocated over time (subscription fees). As a result, the revenue recognized at the time of sale was too high, and thus the reported income for December 2013 was too high.

Consolidated income statement

SEK M	2013 before restatement	Effect of restatement	2013
Gross operating revenue	**3,660**	**-72**	**3,588**
Operating income	**534**	**-72**	**462**
Income tax	-158	17	-141
Income for the period	**234**	**-55**	**179**
Earnings per common share, SEK	1.84	-0.55	1.29

Consolidated balance sheet

SEK M	2013 before restatement	Effect of restatement	2013
Assets			
Current tax assets	0	17	16
Shareholders' equity and liabilities			
Retained earnings	-1,421	-55	-1,476
Prepaid revenues	549	72	620

Statement of cash flows

SEK M	2013 before restatement	Effect of restatement	2013
Operating income	534	-72	462
Cash flow from operating activities before change in working capital	**644**	**-72**	**572**
Change in working capital	-163	72	-91
Cash flow from operating activities	**481**	**0**	**481**

In Eniro's segment reporting (see note 3), the correction is shown in the Local search segment under the revenue categories Desktop search, SEK 60 M, and Mobile search, SEK 12 M. Of the correction, SEK 58 M pertains to Sweden and SEK 14 M to Norway.

NOTE 29 Events after the balance sheet date

On February 5, 2015, Eniro's Board of Directors decided - conditional upon the approval of an Extraordinary General Meeting, on a fully underwritten rights issue of ordinary shares of approximately SEK 458 M and on a convertible bond issue in the nominal amount of SEK 500 M directed to and placed with institutional and qualified investors in Sweden and internationally. Eniro has renegotiated its loan agreement with the bank syndicate, and subject to completion of the issuances the company will have extended maturity and a significantly lower repayment rate.

Rights issue

The rights issue of common shares will be offered to holders of Eniro common shares through a preferential offering to subscribe for new common shares. Each existing common share in Eniro entitles to three (3) subscription rights. One (1) subscription right entitles the holder to subscribe for one (1) new common share.

Through the rights issue, a maximum of 305,642,220 new common shares will be issued at a subscription price of SEK 1.50 per common share. Provided that the rights issue is fully subscribed, the number of common shares in the company will increase from 101,880,740 to 407,522,960. For existing shareholders who do not participate in the new issue, a dilution effect will arise corresponding to approximately 75% of the total number of shares and votes in the company after the rights issue. Shareholders of common shares who choose not to participate in the rights issue are able to compensate for this dilution by selling their subscription rights on the market.

Convertible bond issue

The convertible bond carries a coupon of 6% per annum. The subscription price is 95% of the nominal amount, and the expected capital injection is SEK 475 M before transaction costs. The term of the loan is five years with an expected maturity date in April 2020 if not converted to common shares or repaid earlier. The initial conversion price is SEK 1.95. The potential dilution effect on the share capital from the convertible loan is 39% after completion of the rights issue. The placing of the convertible bond issue is conditional upon e.g., EGM approval of the issuances and the company's existing term loans not being declared due and payable or the amendment agreement with the bank syndicate not being terminated.

Agreement on long-term financing with existing bank syndicate

Eniro has reached an agreement with its existing bank syndicate regarding long-term financing until the end of 2018. The amendment agreement is conditional upon the successful completion of the issuances, and the amendment agreement is effective when the issuances have been completed. The amendment agreement covers two term loan facilities and one revolving credit facility. The first loan facility amounts to SEK 1,100 M and is repaid on a semi-annual basis in the total amount of SEK 150 M per year, beginning on June 30, 2015. The second loan facility amounts to SEK 600 M and is repaid on a semi-annual basis in the total amount of SEK 25 M per year, beginning on June 30, 2016. The revolving credit facility amounts to SEK 150 M. The interest on the facilities is a reference rate plus a margin. For the first facility and the revolving credit facility, the margin is 4.00 percentage points as a starting point. If the ratio of total net debt to EBITDA is less than 1.5, the margin is 3.50 percentage points. For the second facility, the margin is initially 5.00 percentage points.

Legal action

In February the Consumer Ombudsman filed suit against Eniro 118 118 AB in the Market Court. The Consumer Ombudsman demands that Eniro, under penalty of a fine, provide price information when marketing its directory assistance services via telephone and SMS, before entering into an agreement with the consumer.

Other events after the balance sheet date

As per year-end Eniro had total pledged funds for credit insurance with PRI Pensionsgaranti (PRI) amounting to SEK 123 M (111) including returns. Eniro will pledge SEK 10 M in March 2015.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29

M1 M2 M3 M4 M5 M6 M7 M8 M9 M10 M11 M12 M13 M14 M15 M16 M17 M18

Parent Company financial statements

Parent Company income statement

SEK M	Note	2014	2013
Operating revenue	2	35	37
Marketing costs	3	-1	-2
Administration costs	3, 16, 17	-112	-121
Other revenue		3	16
Other costs		-6	-5
Operating income		**-81**	**-75**
Dividends from Group companies		27	164
Impairment of shares in Group companies	8	-2,876	-82
Financial income	4	5	10
Financial expense	4	-110	-140
Income after financial items		**-3,035**	**-123**
Appropriations, Group contributions received		330	609
Income before tax		**-2,705**	**486**
Income tax	5	-29	-87
Net income for the year		**-2,734**	**399**
Proposed dividend per common share for the fiscal year		-	-

Parent Company statement of comprehensive income

SEK M	Note	2014	2013
Net income for the year		**-2,734**	**399**
Other comprehensive income		-	-
Comprehensive income for the year		**-2,734**	**399**

Parent Company balance sheet

SEK M	Note	12/31/2014	12/31/2013
ASSETS			
Non-current assets			
Tangible assets	6	0	0
Intangible assets	7	0	0
Holdings in subsidiaries	8	5,440	8,317
Deferred tax assets	5	44	72
Other interest-bearing receivables	9	152	136
Total non-current assets		**5,636**	**8,525**
Current assets			
Receivables from Group companies		384	657
Prepaid expenses		10	1
Current tax assets		2	2
Other current receivables	10	0	0
Other interest-bearing receivables	10	1	1
Cash and cash equivalents	11	1,817	1,432
Total current assets		**2,214**	**2,093**
TOTAL ASSETS		**7,850**	**10,618**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Restricted shareholders' equity			
Share capital	12	309	309
Unrestricted shareholders' equity			
Retained earnings		5,424	5,072
Net income for the year		-2,734	399
Total shareholders' equity		**2,999**	**5,780**
Provisions			
Pension obligations	13	66	59
Other provisions	14	5	5
Total provisions		**71**	**64**
Non-current liabilities			
Liabilities to Group companies		4,672	4,672
Total non-current liabilities		**4,672**	**4,672**
Current liabilities			
Accounts payable – trade		7	6
Liabilities to Group companies		45	28
Accrued expenses	15	41	39
Other current liabilities		13	17
Provisions	14	2	12
Total current liabilities		**108**	**102**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**7,850**	**10,618**

Parent Company statement of changes in equity

SEK M	Note	Share capital	Share premium reserve	Retained earnings	Total share-holders' equity
Opening balance, January 1, 2013		2,529	358	2,541	5,428
Comprehensive income for the year		-	-	399	399
Transfer to retained earnings		-	-358	358	-
Reduction of share capital		-2,225	-	2,225	-
New issue, redemption of shares		5	-	-5	0
Share-based payments		-	-	1	1
Dividend on preference shares		-	-	-48	-48
Closing balance, December 31, 2013	12	**309**	**-**	**5,471**	**5,780**
Opening balance, January 1, 2014		309	-	5,471	5,780
Comprehensive income for the year		-	-	-2,734	-2,734
Share-based payments		-	-	1	1
Dividend on preference shares		-	-	-48	-48
Closing balance, December 31, 2014	12	**309**	**-**	**2,690**	**2,999**

The proposed dividend is SEK 0 (0) per common share.

Parent Company cash flow statement

SEK M	Note	2014	2013
Operating activities			
Operating income		-81	-75
Adjustment for non-cash items		-25	14
Interest received from Group companies		4	9
Interest paid to Group companies		-111	-134
Interest received from others		1	1
Interest paid to others		1	0
Income tax paid		0	0
Cash flow before changes in working capital		**-211**	**-185**
Cash flow from changes in working capital			
Decrease/increase in current receivables		0	-4
Decrease/increase in current liabilities		19	-4
Cash flow from operating activities		**-192**	**-193**
Investing activities			
Acquisition of tangible assets		0	0
Cash flow from investing activities		**0**	**0**
Financing activities			
Net of intra-Group dividends and shareholder contributions		635	637
Net change in financial receivables and liabilities from/to Group companies		0	-26
Long-term investments		-10	-50
New issue	12	-	0
Dividend on preference shares		-48	-48
Cash flow from financing activities		**577**	**513**
Cash flow for the year		**385**	**320**
Cash and cash equivalents at start of the year		**1,432**	**1,112**
Cash flow for the year		385	320
Cash and cash equivalents at year-end	11	**1,817**	**1,432**

Parent Company notes

NOTE M1 Parent Company accounting policies

The Annual Report of a legal entity is to be prepared in accordance with the Annual Accounts Act and Swedish Financial Reporting Board recommendation RFR 2 – Accounting for Legal Entities. In RFR 2, the Swedish Financial Reporting Board has stated that legal entities whose securities are publicly traded shall, to the greatest extent possible, apply the IFRSs/IASs and IFRIC/SIC interpretations that are applied in the consolidated financial statements as far as possible within the framework of the Annual Accounts Act and taking into account the connection between accounting and taxation. The recommendation specifies which exceptions and additions are to be made compared with IFRS. Pursuant to RFR 2.2, the following deviations from IFRS/IAS are applied for the Parent Company Eniro AB:

IAS 1 is not applied with respect to the presentation of the balance sheet and income statement, which are instead presented in accordance with the Annual Accounts Act.

IAS 12 is not applied with respect to untaxed reserves, which are reported gross on the balance sheet. Changes in untaxed reserves are recognized in profit or loss.

IAS 17 is not applied for finance leases. At present, no finance leases are held by the Parent Company.

IAS 19 – Employee Benefits is not applied for reporting of pension obligations and pension costs. These are instead reported in accordance with FAR's recommendation 4 "Reporting of pension liability and pension cost." The Parent Company has pledged defined benefit pensions to employees. In this context, the Parent Company's obligation to pay pensions in the future has been assigned a present value, determined for each employee on the basis of such factors as pension level, age and to what extent full pension has been vested. This present value has been calculated on an actuarial basis, using respective individuals' pay and pension levels prevailing on the balance sheet date as the starting point. Pension obligations are reported as a provision on the balance sheet. The interest component of the pension cost for the year is reported among financial expenses. Other pension costs are charged against operating income

IAS 39 is not applied with respect to financial guarantee agreements for the benefit of subsidiaries and associated companies.

The net of Group contributions and dividends is reported in the income statement. Unless stated otherwise, amounts are in millions of Swedish kronor (SEK M).

Important estimations and assessments
See information for the Group, Note 2, Important estimates and assessments.

NOTE M2 Operating revenue

The Parent Company's operating revenue amounted to SEK 35 M (37) and pertained in its entirety to payment for intra-Group services at market terms.

NOTE M3 Breakdown of costs by type

SEK M	2014	2013
Employee benefits, incl. social security costs	75	92
Consultants	24	19
Media monitoring	1	2
Depreciation/amortization and impairment losses	0	1
Other	13	9
Total operating expenses	**113**	**123**

Operating expenses pertain to marketing and administration costs.

Depreciation/amortization by function

SEK M	2014	2013
Pertaining to tangible assets		
Administration costs	0	0
Pertaining to intangible assets		
Administration costs	0	1
Total	**0**	**1**

NOTE M4 Financial income and expense

SEK M	2014	2013
Financial income		
Exchange rate gains on external receivables and liabilities	0	0
External financial interest income	1	1
Internal financial interest income	4	9
Total financial income	**5**	**10**
Financial expense		
Exchange rate losses on external receivables and liabilities	0	0
Exchange rate losses on intra-Group receivables and liabilities	-	-1
Interest expense on pensions	-1	-1
External financial interest expense	1	-5
Internal financial interest expense	-110	-133
Total financial expense	**-110**	**-140**
Net financial items	**-105**	**-130**

NOTE M5 Tax

Tax costs include the following components:

SEK M	2014	2013
Current tax on income for the year	0	0
Deferred tax cost pertaining to unutilized loss carryforwards	-26	-92
Deferred tax income pertaining to temporary differences	-3	4
Adjustment of deferred tax from previous years	0	1
Reported tax	**-29**	**-87**

Connection between tax cost for the year and tax cost according to applicable Swedish tax rate

SEK M	2014	2013
Reported income before tax	**-2,705**	**486**
Tax according to Swedish tax rate of 22%	595	-107
Tax effect of		
Non-deductible expenses	-633	-19
Tax-exempt income	9	38
Reported tax	**-29**	**-87**

Deferred tax assets attributable to the following components

SEK M	2014	2013
Pension obligations	8	7
Other provisions	0	4
Loss carryforward	36	61
Deferred tax assets	**44**	**72**

NOTE M6 Tangible assets

	Equipment	
SEK M	2014	2013
Accumulated cost	1	1
Accumulated depreciation	-1	-1
Carrying amount	**0**	**0**
At start of year	0	0
Investments for the year	0	0
Depreciation for the year	0	0
Carrying amount	**0**	**0**

NOTE M7 Intangible assets

	Intangible assets	
SEK M	2014	2013
Accumulated cost	3	3
Accumulated amortization	-3	-3
Carrying amount	**0**	**0**
At start of year	0	1
Amortization for the year	0	-1
Carrying amount	**0**	**0**

NOTE M8 Shares and participations in Group companies

Shares and participations owned directly and indirectly by the Parent Company

Company	Corporate identity number	Registered office	No. of shares	Share of equity, %	Carrying amount 12/31/2014 SEK M	Carrying amount 12/31/2013 SEK M
TIM Varumärke AB	556580-8515	Stockholm	1,000	100	0	0
Eniro Danmark A/S	18 93 69 84	Copenhagen	24,000	100	793	793
Kraks Forlag A/S	10629241	Copenhagen	11,000	100		
Respons Group AB	556639-2196	Stockholm	1,000	100	0	0
Eniro International AB	556429-6670	Stockholm	1,000	100	0	0
Eniro Sverige AB	556445-1846	Stockholm	500,000	100	2,245	2,246
Eniro Sverige Försäljning AB	556580-1965	Stockholm	1,000	100		
Eniro 118 118 AB	556476-5294	Stockholm	75,000	100		
Din Del Försäljning AB	556572-1502	Stockholm	1,000	100		
Kataloger i Norr AB	556670-3707	Skellefteå	1,000	100		
Eniro Global AB	556723-6541	Stockholm	100,000	100		
Proff AB	556764-1534	Stockholm	1,000	100		
Eniro Passagen AB	556750-0896	Stockholm	1,000	100		
Passagen Internet AB	556751-3279	Stockholm	500	50		
Eniro Initiatives AB	556763-0966	Stockholm	1,000	100	6	5
Starcus AB	556535-8008	Stockholm	1,000	100		
Leta Information Eniro AB	556591-3596	Stockholm	1,000	100	9	37
Eniro Treasury AB	556688-5637	Stockholm	1,000	100	2,100	4,756
Findexa Luxembourg Sarl	B-100.546	Luxembourg	343,848	100		
Eniro Norway AB	556688-5652	Stockholm	1,000	100		
Eniro Holding AS	986 656 022	Oslo	1,100,000	100		
Eniro Norge AS	963 815 751	Oslo	55,206	100		
1880 Nummeropplysning AS	976 491 351	Gjövik	102,000	64		
Findexa Förlag AB	556750-9673	Uddevalla	1,000	100		
Gule Sider 1880 AS	986 493 492	Oslo	100,000	100		
Telefonkatalog AS	988 437 565	Oslo	100	100		
Rosa Sider AS	988 437 581	Oslo	100	100		
Gule Sider AS	968 306 782	Oslo	100	100		
Telefonkatalogens Gule Sider AS	968 306 405	Oslo	100	100		
Gule Sider Internett AS	980 287 432	Oslo	100	100		
Proff AS	989 531 174	Oslo	100	100		
Telefonkatalogen AS	982 175 968	Oslo	100	100		
Ditt Distrikt AS	883 878 752	Oslo	100	100		
Oy Eniro Finland Ab	0100130-4	Esboo	60,000	100	253	360
Eniro Polska Sp.z.o.o	KRS 0000116894	Warsaw	1,035,209	100	34	120
Total					**5,440**	**8,317**

The following companies were sold for discontinuation, liquidated or merged with another Group company in 2014.

	Corporate identity number	Registered office
Bloggerfy AB	556840-9543	Stockholm
Scandinavian Online AS	988 875 740	Oslo
Grenseguiden AS	988 437 549	Oslo
Kvalex AS	980 253 341	Oslo
1880 Telefonkatalogen AS	988 437 506	Gjövik
Telefonkatalogen 1880 AS	988 437 476	Oslo
Hvite Sider AS	988 437 417	Oslo
Din Bydel AS	888 437 452	Oslo
Din Pris AS	985 822 883	Oslo
Bedriftskatalogen AS	979 763 379	Oslo
Lokalveiviseren Informasjonsforlaget AS	979 915 314	Oslo
Eniro Sentraali Oy	1718301-8	Kajaani

Changes during the year (SEK M)

Shares in subsidiaries as per Dec. 31, 2013	**8,317**
Impairment of shares in Eniro Treasury AB	-2,657
Impairment of shares in Eniro Polska Sp.z.o.o	-85
Impairment of shares in Leta Information Eniro AB	-28
Impairment of shares in Oy Eniro Finland Ab	-108
Capital contribution Eniro Initiatives AB	1
Shares in subsidiaries as per Dec. 31, 2014	**5,440**

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29
M1 M2 M3 M4 M5 M6 M7 M8 M9 M10 M11 M12 M13 M14 M15 M16 M17 M18

NOTE M9 Other interest-bearing receivables

SEK M	2014	2013
Interest-bearing receivables, restricted bank funds	123	111
Interest-bearing receivables, pension obligations	28	24
Other interest-bearing receivables	1	1
Total	**152**	**136**

NOTE M10 Other current assets

Other current receivables

SEK M	2014	2013
- not due	0	0
- due less than one month	-	-
- past due one to three months	-	-
- past due more than three months	-	-
Total	**0**	**0**

Other interest-bearing receivables

SEK M	2014	2013
- not due	1	1
- past due more than three months	-	-
Total	**1**	**1**

The maximum exposure to credit risk as per December 31 was the fair value of each category of receivables stated above. The Parent Company has not pledged any collateral.

NOTE M11 Cash and cash equivalents

Cash and cash equivalents consist mainly of bank balances and investments in the Group's central account system.

SEK M	2014	2013
Cash and bank balances	1,817	1,432
Total cash and cash equivalents	**1,817**	**1,432**

NOTE M12 Shareholders' equity

Share capital and treasury shares
See the corresponding section in note 14 to the consolidated financial statements.

NOTE M13 Pension obligations

The Parent Company's pension liability pertains to the capital value of pension obligations in accordance with Swedish rules, FAR recommendation 4.

The amounts reported on the balance sheet have been calculated as follows:

SEK M	2014	2013
Present value of unfunded obligations	19	59
Other pension obligations	47	-
Liability on the balance sheet reported as pension obligations	**66**	**59**

SEK M	2014	2013
Change in defined benefit obligations during the year		
Opening balance	**59**	**53**
Adjustment of opening balance	-41	-
Costs recognized in profit or loss		
Service cost for current year	1	5
Interest expense	1	1
	2	**6**
Claims paid	-1	-1
Other	-	1
Closing balance	**19**	**59**

In the coming year the Parent Company's pension payments for defined benefit plans are expected to total approximately SEK 1 M.

Total pension costs

SEK M	2014	2013
Costs for defined benefit plans	-1	-1
Costs for defined contribution plans	-8	-9
Costs for special employer's payroll tax and policyholder tax	-3	-3
Interest expense	-1	-1
Cost reported in income statement	**-13**	**-14**

Credit insurance with PRI Pensionsgaranti
Eniro has a credit insurance with PRI Pensionsgaranti (PRI) that remains in force during 2015. Eniro has pledged bank funds for future obligations (a so-called expanded pension guarantee). As per year-end, total pledged funds amounted to SEK 123 M (111) including returns. Eniro pledged SEK 60 M in 2012, SEK 50 M in 2013, SEK 10 M in 2014, and will pledge an additional SEK 10 M in March 2015. Pledged funds including returns are reported as Other non-current interest-bearing receivables.

NOTE M14 Provisions

Non-current provisions

SEK M	2014	2013
Opening balance	5	9
New provisions	-	-
Utilized provisions during the year	-	-4
Reversed unutilized provisions	-	-
Closing balance	5	5

Current provisions

SEK M	2014	2013
Opening balance	12	11
New provisions	0	13
Utilized provisions during the year	-10	-12
Reversed unutilized provisions	-	-
Closing balance	2	12

Provisions at year-end pertain to provisions for restructuring.

NOTE M15 Accrued expenses

SEK M	2014	2013
Accrued personnel-related costs	30	29
Accrued interest costs	3	4
Other accrued expenses	8	6
Total	41	39

NOTE M16 Employees – wages, salaries and other remuneration

The average number of full-time employees in the Parent Company was 30 (31), including 17 women (19).

SEK M	2014	2013
Wages, salaries and other remuneration	44	59
Pension costs	11	10
Social security costs	17	21
Total	72	90

NOTE M17 Auditors' fees

SEK M	2014	2013
PricewaterhouseCoopers, audit assignment	2	1
PricewaterhouseCoopers, auditing activities in addition to the audit assignment	1	-
PricewaterhouseCoopers, other services	1	0
Total	4	1

NOTE M18 Pledged assets, obligations and contingent liabilities

SEK M	2014	2013
Contingent liabilities		
Sureties and contingent liability pertaining to subsidiaries	77	9
PRI Pensionsgaranti	0	0
Guarantee for loan agreement	2,421	2,614
Total contingent liabilities	**2,498**	**2,623**
Pledged assets		
Pertaining to pension obligations, restricted bank funds	123	111
Pertaining to long-term borrowing, pledged shares in subsidiaries	5,440	8,317
Total pledged assets	**5,563**	**8,428**
Total	**8,061**	**11,051**

Internal receivables and shares in subsidiaries have been pledged as collateral for Eniro Treasury's external loans. Subsidiaries and the Parent Company have also guaranteed Eniro Treasury's obligations, which will amount to SEK 2,421 M at maturity. See also note 15 to the consolidated financial statements, Borrowing.

Eniro has a credit insurance with PRI Pensionsgaranti (PRI) that remains in force during 2015. Eniro has pledged bank funds for future obligations (a so-called expanded pension guarantee). As per year-end, total pledged funds amounted to SEK 123 M (111) including returns. Eniro pledged SEK 60 M in 2012, SEK 50 M in 2013, SEK 10 M in 2014, and will pledge an additional SEK 10 M in March 2015. Pledged funds including returns are reported as Other non-current interest-bearing receivables.

The Board's proposed distribution of earnings

Dividend and dividend policy

Eniro will continue to give priority to reducing net debt in relation to EBITDA over payment of a dividend. Accordingly, the Board of Directors of Eniro proposes that no dividend be paid for the company's common shares for the 2014 fiscal year. The Board of Directors proposes payment of a dividend of SEK 48 per share for 2014 to owners of preference shares, for a total dividend payout of SEK 48 M.

It is proposed that dividends be paid out in three-month intervals.

Proposed distribution of earnings	SEK
The following earnings in the Parent Company are available for distribution by the Annual General Meeting:	
Net income for the year	-2,733,550,259
Retained earnings	5,423,436,041
Total	2,689,885,782
The Board of Directors proposes a dividend for preference shares of SEK 48 per share	48,000,000
To be carried forward	2,641,885,782
Total	**2,689,885,782**

The Board of Directors and President certify that the Annual Report has been prepared in accordance with generally accepted ac-counting principles and gives a true and fair view of the company's financial position and results of operations, and that the statutory Administration Report gives a true and fair view of the performance of the company's operations, financial position and results of operations, and describes material risks and uncertainties facing the company. In addition, the Board of Directors and President certify that the consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards referred to in European Parliament and Council of Europe Regulation (EC) No. 1606/202 of July 19, 2002, on application of International Financial Reporting Standards, and that disclosures herein give a true and fair view of the Group's financial position and results of operations and describes material risks and uncertainties facing the companies included in the Group.

Stockholm, March 6, 2015
Eniro AB (Publ)

Lars-Johan Jarnheimer
Chairman of the Board

Cecilia Daun Wennborg
Board member

Ketil Eriksen
Board member

Leif Aa. Fredsted
Board member

Stina Honkamaa Bergfors
Board member

Staffan Persson
Board member

Jonas Svensson
Employee representative

Katarina Emilsson-Thudén
Employee representative

Stefan Kercza
President and CEO

Our audit report was submitted on March 6, 2015

Bo Hjalmarsson
Authorized Public Accountant and auditor-in-charge

Mikael Eriksson
Authorized Public Accountant

Audit Report

To the annual general meeting of Eniro AB, Corporate Identity Number 556588-0936

Report on the annual accounts and consolidated accounts

We have audited the annual accounts and consolidated accounts of Eniro AB (publ) for the 2014, with the exception of the corporate governance report on pages 38-51. Our audit of the annual accounts for 2014 has included the financial statements for both 2014 and 2013. The company's annual accounts and the consolidated accounts are included in the printed version of this document on pages 30-84.

Responsibilities of the Board of Directors and the Managing Director for the annual accounts and consolidated accounts

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of annual accounts in accordance with the Annual Accounts Act and for the preparation and fair presentation of consolidated accounts in accordance with International Financial Reporting Standards, IFRS, as adopted by the EU, and the Annual Accounts Act, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by the Board of Directors and the Managing Director, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2014 and 31 December 2013, and of its financial performance and cash flows for the years then ended, in accordance with the Annual Accounts Act, and the consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Group as of 31 December 2014 and 31 December 2013, and of its financial performance and cash flows for the years then ended, in accordance with IFRS, as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual general meeting of shareholders adopt the income statements and balance sheets for the Parent Company and the Group.

Report on other legal and regulatory requirements

In addition to our audit of the annual accounts and consolidated accounts, we have examined the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the Managing Director of Eniro AB for the year 2014.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the Managing Director are responsible for administration under the Swedish Companies Act.

Auditor's responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to assess whether the proposal is in accordance with the Swedish Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the Managing Director is liable to the company. We also examined whether any member of the Board of Directors or the Managing Director has, in any other way, acted in contravention of the Swedish Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion and our adverse opinion, respectively.

Basis for adverse opinion

According to information coming to the fore during 2014, the company's then Managing Director, Johan Lindgren, had been informed in November 2013 by personnel within the company that the company's revenue recognition could, in all material respects, be erroneous. No information has arisen during our audit indicating that Johan Lindgren instigated an investigation as to whether there were any grounds for the claims and, as far as we can assess, neither did he inform the Board of Directors that he had received information that the accounting could contain material misstatement.

Chapter 8, Section 29 of the Swedish Companies Act stipulates that the Managing Director is to undertake those measures necessary to ensure that the company's accounts are maintained pursuant to the law and that the management of funds is conducted in a sound manner. In our opinion, Johan Lindgren has, regardless of whether the claims of erroneous accounting were correct or not, disregarded his obligations according to this Act by failing to undertake the appropriate investigative measures on the basis of the information provided to him. Nor did he inform the company's Board of Directors of the information he had received regarding material misstatement in revenue recognition.

During 2014, the Board of Directors received information regarding the claimed errors and immediately instigated an investigation of the claims and it could be concluded that the accounts for 2013 were erroneous and that the errors had continued during 2014. These errors were corrected in the company's interim report for the third quarter 2014. The costs for the investigations undertaken during the year amount to a minimum of MSEK 5. In our opinion, a significant portion of these costs could have been avoided if the claimed errors had been investigated in November 2013, that is, when they were made known to Johan Lindgren.

In our opinion, Johan Lindgren's negligence in failing to instigate an investigation into the claims of errors in revenue recognition and his negligence in failing to inform the Board of Directors of the information he had received have, as a consequence, resulted in significant economic damage. As stated in the administration report, the Board of Directors has reported Johan Lindgren to the police on the grounds of suspicion of crime. The prosecutor has initiated a preliminary inquiry.

Unmodified opinion and adverse opinion

We recommend to the annual general meeting of shareholders that the profits be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director, Stefan Kercza, be discharged from liability for the financial year. Due to the circumstances described in the "Basis for adverse opinion" paragraph, we do not recommend that the Managing Director, Johan Lindgren, be discharged from liability for the financial year.

Stockholm, 6 March 2015
PricewaterhouseCoopers AB

Bo Hjalmarsson
Authorised Public Accountant
Auditor-in-Charge

Mikael Eriksson
Authorised Public Accountant

Several-year overview

SEK M	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
CONDENSED CONSOLIDATED INCOME STATEMENT (SEK M)										
Operating revenue	3,002	3,588	3,999	4,323	5,326	6,581	6,645	6,443	6,372	4,827
Operating revenue before depreciation and amortization (EBITDA)	631	777	976	1,031	605	1,807	2,064	2,266	2,220	1,234
Operating income after depreciation and amortization (EBIT)	-1,441	462	481	176	-4,176	692	410	1,855	1,813	1,073
Income before taxes	-1,594	320	341	-188	-4,739	232	-276	1,401	1,276	1,017
Net income (attributable to owners of the Parent Company)	-1,664	177	241	-184	-4,620	616	-315	1,305	1,054	917
CONDENSED CONSOLIDATED BALANCE SHEET (SEK M)										
Assets										
Goodwill	4,051	5,763	6,124	6,119	6,494	12,088	11,374	12,508	12,267	12,879
Other non-current assets	1,461	1,582	1,739	2,063	2,350	3,147	3,236	3,759	3,882	4,241
Current assets	664	829	1,081	1,607	1,743	1,957	2,010	2,200	2,064	2,422
Total assets	**6,176**	**8,174**	**8,944**	**9,789**	**10,587**	**17,192**	**16,620**	**18,467**	**18,213**	**19,542**
Shareholders' equity and liabilities										
Shareholders' equity (owners of the Parent Company)	1,737	3,598	3,543	3,028	3,469	6,109	2,197	4,051	5,120	4,634
Non-controlling interests	60	68	-	-	-	3	17	13	-	-
Non-current liabilities	2,620	2,675	3,331	4,201	4,516	8,341	11,379	11,628	10,146	11,618
Current liabilities	1,759	1,833	2,070	2,560	2,602	2,739	3,027	2,775	2,947	3,290
Total shareholders' equity and liabilities	**6,176**	**8,174**	**8,944**	**9,789**	**10,587**	**17,192**	**16,620**	**18,467**	**18,213**	**19,542**
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (SEK M)										
Cash flow from operating activities	288	481	420	371	372	1,402	1,331	1,631	1,402	1,007
Cash flow from investing activities	-75	-119	-51	-141	-195	-299	-293	-540	-215	-5,141
Cash flow from financing activities	-271	-440	-730	-117	-44	-1,083	-1,329	-2,119	-1,486	4,468
Cash flow from discontinued operations	-	-	-	-	-	-	-	1,118	69	78
Cash flow for the year	**-58**	**-78**	**-361**	**113**	**133**	**20**	**-291**	**90**	**-230**	**412**
KEY RATIOS										
Operating margin – EBITDA, %	21	22	24	24	11	27	31	35	35	26
Operating margin – EBIT, %	-48	13	12	4	-78	11	6	29	28	22
Average shareholders' equity, SEK M	3,021	3,607	3,308	3,201	4,275	4,735	3,321	5,222	4,804	2,195
Return on shareholders' equity, %	-55.1	4.9	7.3	-5.7	-108.0	13.0	-9.0	25.0	22.0	42.0
Interest-bearing net debt, SEK M	2,208	2,340	2,704	3,535	3,951	6,645	9,948	10,264	9,044	10,564
Debt/equity ratio, multiple	1.2	0.6	0.8	1.2	1.1	1.1	4.5	2.5	1.7	2.3
Equity/assets ratio, %	29	45	40	31	33	36	13	22	28	24
Interest-bearing net debt/adjusted EBITDA, multiple	3.3	2.6	2.8	3.4	6.5	3.7	4.8	4.5	4.1	8.6
KEY RATIOS PER SHARE BEFORE DILUTION										
Net income, SEK (owners of the Parent Company)	-17.09	1.29	2.09	-1.84	-248.43	59.05	-77.03	286.63	229.56	230.26
Cash flow from operating activities*	2.87	4.80	4.19	3.70	20.00	134.40	325.48	358.23	305.35	252.86
Shareholders' equity, SEK (owners of the Parent Company)	17.17	35.56	35.02	30.23	35.21	1,893.02	2,723.51	5,023.72	5,654.24	5,117.56
Average number of common shares, 000s*	100,177	100,177	100,177	100,177	18,597	10,432	4,089	4,553	4,591	3,982
Number of common shares at year-end, excluding treasury shares, 000s**	100,177	100,177	100,177	100,177	98,526	3,227	807	806	906	906
Number of preference shares at year-end, 000s	1,000	1,000	1,000	-	-	-	-	-	-	-
Dividend per common share, SEK**	-	-	-	-	-	-	-	1,040	880	440
Dividend per preference share as per AGM decision, SEK	48	48	32	-	-	-	-	-	-	-
OTHER KEY RATIOS										
Average number of employees	2,603	2,996	3,409	3,680	4,437	5,096	4,861	4,697	4,801	4,754
Number of full-time employees at year-end	2,256	2,816	3,187	3,626	3,926	4,994	4,961	4,650	4,821	5,429

** Adjusted for reverse splits in July 2009 (4:1) and January 2010 (50:1), and the bonus issue element (x 5.07) in the rights issue of December 2010.*

*** Adjusted for reverse splits in July 2009 (4:1) and January 2010 (50:1).*

Figures for 2011 have been recalculated to match the comparative year of 2012, in accordance with changed accounting policies for pensions. Figures for 2012 have been recalculated to match the comparative year of 2013, in accordance with changed accounting policies for pensions. Figures for 2013 have been restated to match the comparative year of 2014, in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. For further information, see note 28, Retrospective restatement of previous periods.

Major changes in the Group's composition

2014
- Divestments of Scandinavia Online AS and InTouch in Norway.

2013
- Combination of operations with 1888 in Norway.

2012
- Divestment of Inform in Norway and Scandinavia Online in Denmark.

2011
- Acquisition of De Gule Sider in Denmark, consolidated as from December 2011.

2010
- Divestment of Suomi24 Oy and Directories operation Finland.

2008
- Acquisition of Sentraali Oy, Finland, consolidated as from October 2008.

2007
- Sale of WLW in Germany (classified as discontinued operation 2006–2007).
- Acquisition of KRAK in Denmark, consolidated as from June 2007.

2006
- Acquisition of Din Pris AS, Norway, consolidated as from February 2006.
- Acquisition of WebDir, Denmark, consolidated as from February 2006.
- Acquisition of Kataloger i Norr AB, consolidated as from June 2006.

2005
- Acquisition of Findexa, Norway, consolidated as from December 2005.
- Operations in Estonia, Latvia, Lithuania, Russia and Belarus were classified as discontinuing operations as of the second quarter of 2005 and were not included in operating revenue, EBITDA and EBIT for the years 2004–2006.

Quarterly overview

OPERATING REVENUE PER CATEGORY	2014					2013				
SEK M	Full year	Q4	Q3	Q2*	Q1*	Full year*	Q4*	Q3	Q2	Q1
Desktop search	1,484	322	369	388	405	1,861	406	458	501	496
Mobile search	385	93	96	101	95	275	90	68	66	51
Campaign products	265	77	53	60	75	246	72	58	59	57
Multiscreen revenues	2,134	492	518	549	575	2,382	568	584	626	604
Print	295	98	77	63	57	517	225	108	83	101
Local search	2,429	590	595	612	632	2,899	793	692	709	705
Voice	573	132	149	155	137	689	159	165	184	181
Total operating revenue	**3,002**	**722**	**744**	**767**	**769**	**3,588**	**952**	**857**	**893**	**886**

EBITDA PER REVENUE CATEGORY	2014					2013				
SEK M	Full year	Q4	Q3	Q2*	Q1*	Full year*	Q4*	Q3	Q2	Q1
Local search	474	106	76	115	177	598	123	168	181	126
Voice	237	50	76	62	49	251	55	66	73	57
Other	-80	-22	-27	-9	-22	-72	-30	-9	-20	-13
Total EBITDA	631	134	125	168	204	777	148	225	234	170
Items affecting comparability										
Restructuring costs	63	19	41	-1	4	106	64	16	13	13
Other items affecting comparability	-19	7	42	-6	-62	1	0	1	-	-
Total adjusted EBITDA	**675**	**160**	**208**	**161**	**146**	**884**	**212**	**242**	**247**	**183**

EBITDA MARGINS PER REVENUE CATEGORY	2014					2013				
%	Full year	Q4	Q3	Q2*	Q1*	Full year*	Q4*	Q3	Q2	Q1
Local search	19.5	18.0	12.8	18.8	28.0	20.6	15.5	24.3	25.5	17.9
Voice	41.4	37.9	51.0	40.0	35.8	36.4	34.6	40.0	39.7	31.5
Total	**21.0**	**18.6**	**16.8**	**21.9**	**26.5**	**21.7**	**15.5**	**26.2**	**26.2**	**19.2**

** Retrospective restatement of financial statements in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, due to incorrectly recognized revenue in previous periods. For further information, see note 28, Retrospective restatement of previous periods.*

Definitions of financial terms

Adjusted EBITDA

EBITDA excluding restructuring costs and other items affecting comparability.

Average number of common shares

Calculated as an average of the number of common shares outstanding on a daily basis after redemptions and repurchases, excluding treasury shares.

Average shareholders' equity

Calculated as average shareholders' equity attributable to owners of the Parent Company per quarter, based on the opening and closing balance for each quarter.

Debt/equity ratio

Interest-bearing net debt divided by shareholders' equity, including holdings with a controlling influence.

Earnings per common share for the period

Income for the period attributable to owners of the Parent Company less the portion of the approved dividend for the period on preference shares, divided by the average number of common shares.

EBITDA

Operating income before depreciation, amortization and impairment.

EBITDA margin (%)

EBITDA divided by operating revenue.

Equity/assets ratio (%)

Shareholders' equity including non-controlling interests divided by total assets.

Interest-bearing net debt

Borrowings excluding interest rate derivatives less cash and cash equivalents and interest-bearing assets.

Interest-bearing net debt/EBITDA

Interest-bearing net debt divided by EBITDA.

Operating cash flow

Cash flow from operating activities and cash flow from investing activities, excluding company acquisitions and divestments.

Operating income

Operating income after depreciation, amortization and impairment losses.

Organic growth

The change in operating revenue during the period adjusted for currency effects, changed publication dates, acquisitions and divestments.

Return on equity (%)

Net income for the year divided by average shareholders' equity attributable to owners of the Parent Company.

Shareholders' equity per share

Shareholders' equity attributable to owners of the Parent Company divided by the number of shares at year-end after redemptions, repurchases and decided share issues.

Total operating costs

Costs for production, sales, marketing and administration, excluding depreciation, amortization and impairment losses.

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