eniro
Discover local. Search local.

Q1 | 15

INTERIM REPORT 2015 JANUARY–MARCH

Strengthened leadership, stronger finances and decisions on further efficiency improvement

First quarter: January–March 2015

- Total operating revenue amounted to SEK 632 M (769), a decrease of 18%. Revenue decreased organically by 13% (-10%).
- Revenue from Desktop and Mobile search amounted to SEK 430 M (500), a decrease of 14%. Revenue from Desktop and Mobile search decreased organically by 12% (-7%). Mobile search revenue decreased organically by 6% (87%). During the first quarter 28% of total searches were performed via the mobile channel.
- Total revenue from Digital search (Desktop search, Mobile search and Campaign products – previously called Multiscreen) decreased organically by 12% (-3%). Revenue was affected by weak sales in eniro.se during the first quarter and by lower sales at the end of 2014.
- EBITDA amounted to SEK 93 M (204) and was negatively affected primarily by lower sales and the first quarter of 2014 included capital gains of SEK 62 M. The EBITDA margin was 14.7% (26.5%).
- Net income for the period was SEK -27 M (53), and earnings per common share for the period were SEK -0.39 (0.41).
- Operating cash flow amounted to SEK 38 M (-53).
- Prepaid revenues amounted to SEK 577 M as per March 31, 2015, down 5% compared with March 31, 2014.
- EBITDA for 2015 is expected to be in line with 2014, as communicated in the 2014 year-end report.

Events during the first quarter

- The Extraordinary General Meeting approved among others the Board's decision to carry out a fully underwritten rights issue of common shares with preferential rights and the placed directed issue of convertible bonds.
- In connection with the aforementioned issues, Eniro's loan agreement with the bank consortium was renegotiated. Under the terms of the new agreement, the term has been extended through 2018, amortization has been reduced from approximately SEK 375 M annually to approximately SEK 150 M for 2015 and approximately SEK 175 M annually for the years 2016–2018.
- New CEOs appointed for Eniro Sweden and Eniro Denmark. In Denmark, Allan Jakobsen assumed his duties as CEO in March. He has experience from executive positions in the telephony, software and finance sectors. In Sweden, Nils Carlsson was appointed as CEO of Eniro Sweden and will assume his position in May. He is currently CEO of Electrolux Hemprodukter and has a broad base of experience from a range of international assignments in mobile telephony and digital media.
- Etisalat, which has developed a fully digital search service based on Eniro's search engine, launched the service in the first of several planned markets in the United Arab Emirates in March.
- The Annual General Meeting resolved to not grant discharge of liability to former President and CEO Johan Lindgren for the 2014 financial year.

Events after the end of the reporting period

- Continued adaptation of the organization to the digital operations. Efficiency improvement measures are expected to have a positive net effect on EBITDA of approximately SEK 25 M in 2015 and a 12-month effect of SEK 120 M. The changes will entail a reduction in personnel by 260 persons.
- The rights issue was oversubscribed, of which 97% was subscribed via subscription rights. The issued common shares were registered on April 17.
- The convertible bonds were taken up for trading on Nasdaq Stockholm on April 23.
- The renegotiated loan agreement takes effect on April 24.

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New conditions to build further on a profitable Eniro

"We are now entering an execution phase and creating an organization that is better-suited for our digital operations and can more effectively meet users' and customers' needs."

Financial conditions for developing the business

I am happy to note that our new issue was over-subscribed and that so many see the company's potential as I do. Together with the convertible bond issue and the renegotiated loan agreement, we now have the financial conditions needed to develop Eniro. We are thus now moving into an execution phase with full focus on sales and on increasing user benefit as well as our profitability.

A more agile organization

We need to continue adapting the organization to the digital business that we conduct today. We will work more closely with the market in order to be able to act more swiftly on customers' and users' changing needs. At the same time, we must work smarter and be better at taking advantage of economies of scale between our various markets. We are therefore continuing the work on further centralizing our support functions while maintaining a local customer dialog.

As a result of these changes, we will have better opportunities to support the sales organization by building up shared competence centers in areas such as sales support and packaging of our offerings. We are expanding the existing Scandinavian service center in Malmö with a joint customer center, and the sales organizations are being streamlined with fewer sales managers. Sales associates are being given a broader product portfolio to work with, which will help develop our role as an advisor in digital marketing.

These efficiency improvement measures will entail personnel reductions by 260 persons and are expected to have a positive net effect on EBITDA of approximately SEK 25 M, with an annual effect of SEK 120 M.

Weaker sales for eniro.se

During the first quarter we had lower sales than in the corresponding quarter in 2014. The weaker sales are mainly attributable to eniro.se in Sweden, while sales in Poland increased. Sales in Norway and Denmark were slightly lower, as expected. Sales for the quarter together with sales during the fourth quarter of 2014 had a negative impact on revenues, but were still in line with plan.

The drop in sales in the Swedish operations is attributable to high turnover in the sales force at the end of last year, which left us with too few sales associates to be able to effectively cultivate the market at the start of 2015. Sales picked up speed again as we shored up the sales force.

Starting with the 2014 year-end report, it is possible to indirectly monitor Eniro's sales performance via the balance sheet under the item prepaid revenues. This item shows the share of sales that have been paid in but not yet recognized as revenue. At the end of the first quarter, prepaid revenues were down 5% compared with the same point in time in 2014. Revenue for Desktop and Mobile search decreased by 14% during the first quarter. The difference shows the effect of revenue deferral in our operations.

Strengthened leadership and updates

In 2015 we have complemented our Group Management team with new CEOs for Sweden and Denmark. In Denmark our new CEO, Allan Jakobsen, began in March, and in May we will have a new CEO in Sweden, Nils Carlsson. I am happy to have these experienced individuals on board and have high expectations that they will create value for our business.

During the first quarter we improved our services through structural, design and function changes that facilitate users' options. To be able to act faster, we are now making continuous, minor changes instead of fewer major upgrades. We have already seen a positive response to these improvements through the number of clicks from searches to advertisers, which increased in all markets during the quarter.

We are also improving our customer offering and the dialog between ourselves and our customers. During the quarter we launched a new customer website and a customer care program.

Focus going forward

Eniro is a company that generated an EBITDA of nearly SEK 100 M for the quarter. We will now be shaping the future Eniro through measures to improve customer satisfaction, increase the use of our services, and continuously improve our product and service offering – both under own management and through partnerships. In terms of revenue, the second quarter will also be hurt by the weaker sales during the past two quarters, due to the deferred revenue for annual subscriptions.

Solna, April 24, 2015

Stefan Kercza, President and CEO

First quarter 2015

Revenue

Total operating revenue decreased by 18% to SEK 632 M (769) during the first quarter of 2015. Revenue decreased organically by 13% (-10%). Changed publication dates for directories and divestments had a negative impact on revenue by SEK 25 M and SEK 30 M, respectively, compared with the first quarter a year ago. Currency effects on revenue were positive, by SEK 15 M.

Prepaid revenues amounted to SEK 577 M at the end of the quarter, a decrease of 5% compared with March 31, 2014.

Digital search (formerly Multiscreen)

Digital search revenue (Desktop search, Mobile search and Campaign products) decreased by 15% during the first quarter to SEK 487 M (575). The organic decrease in revenue was 12% (-3%).

Revenue from Desktop search decreased by 16% to SEK 341 M (405). Adjusted for divestments carried out during the first quarter of 2014, organic revenue decreased by 14% (-17%).

Revenue from Mobile search decreased by 6% to SEK 89 M (95). Organic revenue also decreased, by 6% (87%). Eniro has a strong market position in the mobile search channel. At year-end unique browsers (UB) accounted for 28% of total searches in the mobile channel.

Revenue for Campaign products decreased as a result of the company’s strategic decision to only offer Google AdWords to major customers. Revenue decreased by 24% to SEK 57 M (75). Adjusted for divestment during the first quarter of 2014, organic revenue decreased by 14% (34%).

Print/Voice

Revenue from Print and Voice continued to decline during the first quarter as a result of the shift to digital search channels.

Revenue from Print decreased by 49% to SEK 29 M (57). During the first quarter, local directories accounted for 100% (79%) of Print revenue. Organic revenue from Print decreased by 7% (-24%).

Market volumes for directory information services continued to fall as a result of increased digitalization. Operating revenue for Voice decreased by 15% during the first quarter to SEK 116 M (137). Organic revenue decreased by 17% (-24%).

Revenue and result

SEK M	Jan-Mar 2015	Jan-Mar 2014*	%	Apr-Mar 2014/15	Jan-Dec 2014
Operating revenue	632	769	-18	2 865	3 002
EBITDA	93	204	-54	520	631
Adjusted EBITDA	104	146	-29	633	675
Net income	-27	53	-151	-1 742	-1 662
Operating cash flow	38	-53	172	242	151
Operating cost	544	630	-14	2 342	2 428
Interest-bearing net debt	2 188	2 374	-8	2 188	2 208

* Retrospective restatement of financial statements in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

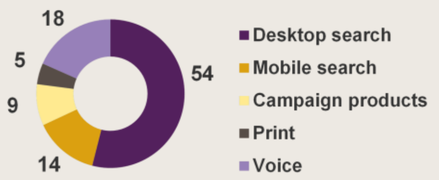
REVENUE Q1 2015

SEK 632 M

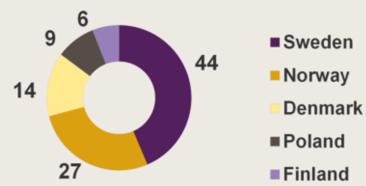
EBITDA Q1 2015

SEK 93 M

GROUP REVENUE PER CATEGORY Q1 2015, %



GROUP REVENUE PER COUNTRY Q1 2015, %



Earnings
EBITDA for the first quarter amounted to SEK 93 M (204). Earnings were negatively impacted by weak sales primarily in eniro.se as a result of high staff turnover at the end of 2014 and an unsatisfactory pace of recruitment during the quarter. Earnings for the comparison period included capital gains of SEK 62 M from divestments. The margin was 14.7% (26.5%).

Adjusted EBITDA, excluding restructuring costs and other items affecting comparability, amounted to SEK 104 M (146). The adjusted EBITDA margin was 16.5% (19.0%). Restructuring costs amounted to SEK 11 M (4) during the first quarter.

Income for the first quarter was SEK -27 M (53).

Cost efficiency
Eniro continued its work on improving operating efficiency. Total operating costs were SEK 86 M lower than in the corresponding quarter a year ago. The cost savings adjusted for divested operations, currency effects and third-party costs totaled SEK 95 M. The savings consisted mainly of lower personnel costs.

Acquisitions/divestments
No acquisitions or divestments were made during the first quarter.

Depreciation/amortization and impairment
Amortization pertaining to Gule Sider and Ditt Distrikt brands totaled SEK 23 M (22) during the first quarter. Amortization of the Voice brand 1888 totaled SEK 9 M (9) for the quarter.

Revenue by category

SEK M	Jan-Mar 2015	Jan-Mar 2014*	%	Apr-Mar 2014/15	Jan-Dec 2014
Desktop search	341	405	-16	1 420	1 484
Mobile search	89	95	-6	379	385
Campaign products	57	75	-24	247	265
Digital search	***487***	***575***	***-15***	***2 046***	***2 134***
Print	29	57	-49	267	295
Local search	**516**	**632**	**-18**	**2 313**	**2 429**
Voice	116	137	-15	552	573
Total revenue	**632**	**769**	**-18**	**2 865**	**3 002**

Organic revenue change by category

%	Jan-Mar 2015	Jan-Mar 2014*	Apr-Mar 2014/15	Jan-Dec 2014
Desktop search	-14	-17	n.a.	-19
Mobile search	-6	87	n.a.	39
Campaign products	-14	34	n.a.	22
Digital search	***-12***	***-3***	***n.a.***	***-8***
Print	-7	-24	n.a.	-33
Local search	**-12**	**-6**	**n.a.**	**-12**
Voice	-17	-24	n.a.	-18
Total organic development	**-13**	**-10**	**n.a.**	**-13**

Revenue by country

SEK M	Jan-Mar 2015	Jan-Mar 2014*	%	Apr-Mar 2014/15	Jan-Dec 2014
Sweden	276	341	-19	1 260	1 325
Norway**)	173	236	-27	746	809
Denmark**)	84	102	-18	452	470
Finland	43	40	8	188	185
Poland	56	50	12	219	213
Total revenue	**632**	**769**	**-18**	**2 865**	**3 002**

**) The comparative year includes revenues from divested operations of 19 MSEK in Norway and 11 MSEK in Denmark

EBITDA by revenue area

SEK M	Jan-Mar 2015	Jan-Mar 2014*	%	Apr-Mar 2014/15	Jan-Dec 2014
Local search	65	177	-63	362	474
Voice	43	49	-12	231	237
Other	-15	-22	32	-73	-80
Total EBITDA	**93**	**204**	**-54**	**520**	**631**
Items affecting comparability					
Restructuring costs	11	4		70	63
Other items affecting comparability	-	-62		43	-19
Total adjusted EBITDA	**104**	**146**	**-29**	**633**	**675**

* Retrospective restatement of financial statements in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

Earnings and cash flow for the first quarter of 2015, and financial position

Other earnings items

Operating income for the first quarter of 2015 amounted to SEK 30 M (137).

Net financial items amounted to SEK -47 M (-50). Exchange rate differences had a negative impact on net financial items, by SEK 10 M (-12).

Income before tax for the period was SEK -17 M (87). Earnings per common share were SEK -0.39 (0.41).

Taxes

The reported tax cost for the quarter was SEK -10 M (-34). The effective tax rate for the quarter was 59% (39%).

Eniro's taxes are paid primarily in the first half of the year. Accordingly, paid taxes are low during the second half of the year. As a result of substantial tax-loss carry forwards in Sweden, Denmark and Finland, Eniro is expected to have low tax payments in the years immediately ahead.

Investments

Eniro's net investments in operations amounted to SEK 22 M (39) during the quarter.

Cash flow

Operating cash flow amounted to SEK 38 M (-53) during the quarter. Compared with the first quarter of 2014, cash flow was affected mainly by lower financial net expenses and a smaller change in working capital.

Financial position

As per March 31

The Group's interest-bearing net debt amounted to SEK 2,188 M on March 31 (2,374), compared with SEK 2,208 M on December 31, 2014.

At the end of the period Eniro's outstanding debt under existing credit facilities amounted to NOK 356 M, DKK 72 M, and SEK 1,955 M. Eniro had an unutilized credit facility of SEK 52 M at the end of the period. Cash and cash equivalents and unutilized credit facilities amounted to SEK 129 M.

The Group's indebtedness, expressed as interest-bearing net debt in relation to adjusted EBITDA, was 4.2 as per March 31, 2015, compared with 2.9 on March 31, 2014.

Eniro has credit insurance with PRI Pensionsgaranti (PRI) which remains in force through 2015. Eniro has pledged bank funds for future obligations (a so-called enhanced pension guarantee). In March 2015 Eniro pledged an additional SEK 10 M, entailing that total pledged funds amount to SEK 133 M including the return.

The renegotiated loan agreement

During the first quarter Eniro renegotiated its loan agreement with the bank consortium, which was conditional upon completion of a rights issue of SEK 458 M and a convertible bond issue in the nominal amount of SEK 500 M. The convertible bonds were issued at 5% below the nominal amount, or SEK 475 M, entailing that the loan is SEK 25 M higher than the proceeds received by Eniro. Total proceeds raised approximate SEK 933 M before transaction costs. Of these proceeds, a minimum of SEK 650 M will be used for a one-off amortization on the existing bank facilities on April 24, and approximately SEK 200 M will be used to strengthen Eniro's liquidity position. Transaction costs are estimated to total SEK 83 M, including arrangement fees to the banks.

In connection with the one-off loan amortization, the renegotiated loan agreement will take effect. It thereafter consists of three tranches with a corresponding value of SEK 1,850 M. Tranche A is broken down into three currencies. Tranche A1 amounts to SEK 761 M, tranche A2 amounts to NOK 250 M, and tranche A3 amounts to DKK 50 M, with a corresponding value of SEK 1,100 M. Tranche B is worth SEK 600 M, and the revolving credit facility amounts to SEK 150 M.

The terms of the renegotiated loan agreement entail an extension of the loan period through 2018. The covenants are the same as in the previous agreement, except for the definition of indebtedness, which now does not include the convertible bonds. The amortization schedule has been changed, and scheduled amortization in 2015 will amount to approximately SEK 150 M, with the first semi-annual payment due in June. Annual amortization during the years 2016–2018 will amount to approximately SEK 175 M (semi-annual payment).

Shares and treasury shares

Eniro has two classes of stock: common shares and preference shares. The total number of shares as per March 31, 2015, is 102,880,740, of which 101,880,740 were common shares and 1,000,000 were preference shares. The total number of votes as per March 31 was 101,980,740, of which common shares corresponded to 101,880,740 votes and preference shares to 100,000 votes. Eniro held 1,703,266 treasury shares on March 31, 2015. The average holding of treasury shares during the period was 1,703,266.

The newly issued shares from the rights issue were registered with the Swedish Companies Registration Office on April 17 and increased the number of common shares by 305,642,220 to 407,522,960.

Other information

Forecast

EBITDA for 2015 is expected to be in line with 2014.

Dividend policy

The company prioritizes a reduction in net debt over payment of a dividend.

Eniro's preference shares are entitled to an annual dividend of SEK 48 per share.

Publication dates

Since revenues from the sale of printed directories are recognized when the various directories are published, changes in planned publication dates can affect comparisons. The table below shows the planned distribution among quarters and markets in 2015. The net effect on operating revenue in 2015 compared with 2014 is expected to be negative, by SEK -37 M. As a result of the structural decline in the market for printed products, revenue for these directories will be lower in 2015.

Changed publication 2015 compared with 2014

SEK M	Q1	Q2	Q3	Q4	2015
Sweden	-9	-9	-7	-1	-26
Norway	-4	4	-3	-3	-6
Denmark	-12	0	0	7	-5
Poland	0	0	0	0	0
Total effect	**-25**	**-5**	**-10**	**3**	**-37**

Employees

The number of full-time employees on March 31, 2015, was 2,121, compared with 2,836 on March 31, 2014.

Full time employees end of period

	Mar. 31 2015	Mar. 31 2014
Sweden including Other	504	767
Norway	330	485
Denmark	258	397
Poland	705	804
Local search incl. Other	**1 797**	**2 453**
Sweden	148	181
Norway	32	46
Finland	144	156
Voice	**324**	**383**
Total Group	**2 121**	**2 836**

Accounting policies as from 2015

This interim report has been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations, as endorsed by the European Union (EU). A detailed description of the accounting policies applied by Eniro can be found in the 2014 Annual Report, Note 1, with the exception of the policy for recognizing revenue for sales of websites, which has been changed starting in 2015. The interim report has been prepared in accordance with IAS 34 Interim Financial Reporting.

Eniro has made a retrospective restatement of comparative information in accordance with IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors. This entails that the financial statements in the first quarter presented as comparative information in this interim report have been adjusted retrospectively for the errors that have been identified.

Revenue from sales of websites

Revenue from sales of websites is recognized in its entirety on a linear basis over the subscription period, in contrast with the previous policy in which a portion was recognized upon delivery of the website to the customer. The reason for the change is that the website is no longer delivered to the customer and therefore cannot be hosted by any other party than Eniro.

Risks and uncertainties

Eniro conducts risk analysis in an annual Enterprise Risk Management process, covering all parts of the business operations.

A detailed description of factors that could affect Eniro's business operations, financial position and earnings is provided on pages 34-37 of the 2014 Annual Report. The principal risks and uncertainties that were considered to have a potential impact on the Group's performance in 2014 were related to low employer branding, high personnel turnover in the sales organization, limitations posed by the terms of existing loan agreements, greater competition from global actors in local search, and a decrease in traffic in the Desktop search and Mobile search.

Dividend

The 2015 Annual General Meeting resolved in favor of the Board's proposal for a dividend of SEK 48 per share for the preference shares for 2015/16, i.e., for a total dividend of SEK 48 M. The dividend will be paid in three-month intervals. The outstanding record dates for payment of the dividend are April 30, July 31 and October 30, 2015, and January 29, 2016.

Review report

This interim report has not been reviewed by the auditors.

Other information

The information in this interim report is such that Eniro AB (publ) is obligated to disclose pursuant to the Securities Market Act.

This information was submitted for publication on April 24, 2015, at 8:00 a.m. CET.

Solna, April 24, 2015

Stefan Kercza
President and CEO

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PRESS AND ANALYST CONFERENCE

Conference call/webcast
Friday, April 24, 2015
10:00 a.m. CET
SE: +46 (0) 8 566 427 01
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FINANCIAL CALENDAR 2015

Interim report Jan.–June 2015	July 16, 2015
Interim report Jan.–Sept. 2015	Oct. 29, 2015

Consolidated Income Statement

SEK M	Jan-Mar 2015	Jan-Mar 2014*	Apr-Mar 2014/15	Jan-Dec 2014
Gross operating revenue	632	770	2 867	3 005
Advertising tax	0	-1	-2	-3
Operating revenue	**632**	**769**	**2 865**	**3 002**
Production costs	-146	-194	-672	-720
Sales costs	-241	-268	-1 028	-1 055
Marketing costs	-65	-65	-273	-273
Administration costs	-98	-117	-424	-443
Product development costs	-57	-53	-210	-206
Other income/costs	5	65	-3	57
Impairment of non-current assets	-	-	-1 803	-1 803
Operating income**	**30**	**137**	**-1 548**	**-1 441**
Financial items, net	-47	-50	-150	-153
Income before tax	**-17**	**87**	**-1 698**	**-1 594**
Income tax	-10	-34	-44	-68
Net income	**-27**	**53**	**-1 742**	**-1 662**
Of which, attributable to:				
Owners of the Parent Company	-27	53	-1 744	-1 664
Non-controlling interests	0	0	2	2
Net Income	**-27**	**53**	**-1 742**	**-1 662**

* Retrospective restatement of financial statements in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

Earnings per common share, SEK	-0,39	0,41	-17,89	-17,09
Average number of common shares, thousands	100 177	100 177	100 177	100 177
Preference shares on closing date, thousands	1 000	1 000	1 000	1 000
Preference dividends on cumulative preference shares declared in the period	-12	-12	-48	-48
Net income used for calculating earnings per common share	-39	41	-1 792	-1 712
EBITDA	93	204	520	631
Operating cost	-544	-630	-2 342	-2 428
** Includes depreciation of	-4	-6	-20	-22
** Includes amortization of	-59	-61	-245	-247
** Includes impairment losses of	-	-	-1 803	-1 803
Total	-63	-67	-2 068	-2 072

Consolidated statement of comprehensive income

SEK M	Jan-Mar 2015	Jan-Mar 2014*	Apr-Mar 2014/15	Jan-Dec 2014
Net income	**-27**	**53**	**-1 742**	**-1 662**
Other comprehensive income				
Items that cannot be reclassified to income statement				
Revaluation of pension obligations	32	3	-268	-297
Tax attributable to revaluation pension obligations	-7	-1	59	65
Total	**25**	**2**	**-209**	**-232**
Items that have been or can be reclassified to the income statement				
Exchange rate differences	12	83	14	85
Hedge of net investments	-3	-11	2	-6
Tax attributable to hedge of net investments	1	2	0	1
Total	**10**	**74**	**16**	**80**
Other comprehensive income, net after tax	***35***	***76***	***-193***	***-152***
Total comprehensive income	**8**	**129**	**-1 935**	**-1 814**
Of which, attributable to:				
Owners of the Parent Company	8	129	-1 934	-1 813
Non-controlling interests	0	0	-1	-1
Total comprehensive income	**8**	**129**	**-1 935**	**-1 814**

* Retrospective restatement of financial statements in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

Consolidated balance sheet

SEK M	Mar. 31 2015	Mar. 31 2014*	Dec. 31 2014
Assets			
Non-current assets			
Tangible assets	25	37	21
Intangible assets	5 071	7 000	5 108
Deferred tax assets	182	215	210
Financial assets	181	171	173
Total non-current assets	**5 459**	**7 423**	**5 512**
Current assets			
Accounts receivable - trade	321	392	353
Current tax assets	0	22	6
Other current receivables	242	277	244
Other interest-bearing receivables	3	3	3
Cash and cash equivalents	77	111	58
Total current assets	**643**	**805**	**664**
TOTAL ASSETS	**6 102**	**8 228**	**6 176**
Shareholders' equity and liabilities			
Shareholders' equity			
Share capital	309	309	309
Additional paid in capital	5 125	5 125	5 125
Reserves	-267	-286	-277
Retained earnings	-3 470	-1 421	-3 420
Shareholders' equity, owners of the Parent Company	**1 697**	**3 727**	**1 737**
Non-controlling interests	60	68	60
Total Shareholders' equity	**1 757**	**3 795**	**1 797**
Non-current liabilities			
Borrowing	1 775	2 125	1 767
Deferred tax liabilities	239	272	247
Pension obligations	569	266	601
Provisions	5	5	5
Other non-current liabilities	1	6	-
Total non-current liabilities	**2 589**	**2 674**	**2 620**
Current liabilities			
Accounts payable - trade	78	113	97
Current tax liabilities	9	53	31
Prepaid revenues	577	609	583
Other current liabilities	424	461	369
Provisions	42	38	54
Borrowing	626	485	625
Total current liabilities	**1 756**	**1 759**	**1 759**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**6 102**	**8 228**	**6 176**

* Retrospective restatement of financial statements in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

Interest-bearing net debt

SEK M	Mar. 31 2015	Mar. 31 2014*	Dec. 31 2014
Borrowing	-2 401	-2 610	-2 392
Other current interest-bearing receivables	3	3	3
Other non-current interest-bearing receivables**	133	122	123
Cash and cash equivalents	77	111	58
Interest-bearing net debt	**-2 188**	**-2 374**	**-2 208**

** included in financial assets

Consolidated statement of changes in equity

SEK M	Share Capital	Additional paid in capital	Reserves	Retained earnings	Total equity, owners of the Parent Company	Non-controlling interest	Total equity
Opening balance, January 1, 2014*	**309**	**5 125**	**-360**	**-1 476**	**3 598**	**68**	**3 666**
Adjustment of income for the period due to retrospective restatement	-	-	-	-18	-18	-	**-18**
Total comprehensive income	-	-	74	73	147	0	**147**
Closing balance, March 31, 2014*	**309**	**5 125**	**-286**	**-1 421**	**3 727**	**68**	**3 795**
Opening balance, January 1, 2014*	**309**	**5 125**	**-360**	**-1 476**	**3 598**	**68**	**3 666**
Total comprehensive income	-	-	83	-1 896	-1 813	-1	**-1 814**
Dividend on preference shares	-	-	-	-48	-48	-	**-48**
Dividend non-controlling interest	-	-	-	-	-	-7	**-7**
Closing balance, December 31, 2014	**309**	**5 125**	**-277**	**-3 420**	**1 737**	**60**	**1 797**
Opening balance, January 1, 2015	**309**	**5 125**	**-277**	**-3 420**	**1 737**	**60**	**1 797**
Total comprehensive income	-	-	10	-2	8	0	**8**
Dividend on preference shares	-	-	-	-48	-48	-	**-48**
Closing balance, March 31, 2015	**309**	**5 125**	**-267**	**-3 470**	**1 697**	**60**	**1 757**

Key ratios

	Mar. 31 2015	Mar. 31 2014*	Dec. 31 2014
Equity, average 12 months, SEK M	2 535	3 639	3 021
Return on equity (ROE), 12 months, %	-68,8	3,9	-55,1
Return on Assets (ROA), 12 months, %	-22,8	5,7	-19,6
Earnings per common share, SEK	-0,39	0,41	-17,09
Adjusted earning per common share (non-IFRS), excl. items affecting comparability and PPA related depr/amort	-0,11	0,02	2,02
Interest-bearing net debt, SEK M	-2 188	-2 374	-2 208
Debt/equity ratio, times	1,25	0,63	1,23
Equity/assets ratio, %	29	46	29
Interest-bearing net debt/EBITDA 12 months, times	4,2	2,9	3,5
Interest-bearing net debt/adjusted EBITDA, times	3,5	2,8	3,3
Average number full-time employees YTD	2 189	2 826	2 536
Number of full-time employees on closing date	2 121	2 836	2 256
Number of common shares on closing date after deduction of treasury shares, 000s	100 177	100 177	100 177
Number of preference shares on closing date, 000s	1 000	1 000	1 000

Key ratios per share

	Mar. 31 2015	Mar. 31 2014*	Dec. 31 2014
Equity per share, SEK	16,77	36,84	17,17
Share price for common shares at end of period, SEK	1,88	58,00	7,23

* Retrospective restatement of financial statements in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

Consolidated statement of cash flows

SEK M	Jan-Mar 2015	Jan-Mar 2014*	Apr-Mar 2014/15	Jan-Dec 2014
Operating income	**30**	**137**	**-1 548**	**-1 441**
Depreciation, amortization and impairment	63	67	2 068	2 072
Capital gain/loss and other non-cash items	-15	-106	35	-56
Financial items, net	-2	-35	-93	-126
Income tax paid	-8	-11	-19	-22
Cash flow from operating activities before changes in working capital	**68**	**52**	**443**	**427**
Changes in working capital	-8	-66	-81	-139
Cash flow from operating activities	**60**	**-14**	**362**	**288**
Acquisitions/divestments of Group companies and other assets	2	49	15	62
Investments in non-current assets, net	-22	-39	-120	-137
Cash flow from investing activities	**-20**	**10**	**-105**	**-75**
Proceeds from borrowings	1	23	55	77
Repayment of borrowings	-	-	-283	-283
Long-term investments	-10	-10	-10	-10
Dividend on preference shares	-12	-12	-48	-48
Dividend non controlling interests	-	-	-7	-7
Rights issue	-	-	0	-
Cash flow from financing activities	**-21**	**1**	**-293**	**-271**
Cash flow for the period	**19**	**-3**	**-36**	**-58**
Cash and cash equivalents at start of period	**58**	**113**	**111**	**113**
Cash flow for the period	19	-3	-36	-58
Exchange rate differences in cash and cash equivalents	0	1	2	3
Cash and cash equivalents at end of period	**77**	**111**	**77**	**58**

* Retrospective restatement of financial statements in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

Analysis of interest-bearing net debt

SEK M	Jan-Mar 2015	Jan-Mar 2014*	Apr-Mar 2014/15	Jan-Dec 2014
Opening balance	**-2 208**	**-2 340**	**-2 374**	**-2 340**
Operating cash flow	38	-53	242	151
Acquisitions and divestments	2	49	15	62
Rights issue	-	-	0	-
Translation differences and other changes	-20	-30	-71	-81
Closing balance	**-2 188**	**-2 374**	**-2 188**	**-2 208**
Net debt/EBITDA, times	**4,2**	**2,9**	**4,2**	**3,5**

Financial instruments by category

Assets on the balance sheet SEK M	Mar. 31 2015	Mar. 31 2014	Dec. 31 2014
Loans and accounts receivables			
Interest-bearing receivables and blocked bank funds	133	122	123
Accounts receivable - trade and other receivables	338	406	376
Cash and cash equivalents	77	111	58
TOTAL	**548**	**639**	**557**

Liabilities on the balance sheet, SEK M SEK M	Mar. 31 2015	Mar. 31 2014	Dec. 31 2014
Other financial liabilities			
Borrowing	2 401	2 610	2 392
Accounts payable - trade	78	113	97
TOTAL	**2 479**	**2 723**	**2 489**

Parent Company

Income statement

SEK M	Jan-Mar 2015	Jan-Mar 2014	Jan-Dec 2014
Revenue	9	8	35
Income before tax	-35	-51	-2 705
Net Income for the period	-27	-39	-2 734

Balance sheet

SEK M	Mar. 31 2015	Mar. 31 2014	Dec. 31 2014
Non-current assets	5 654	8 547	5 636
Current assets	2 125	1 992	2 214
TOTAL ASSETS	**7 779**	**10 539**	**7 850**
Shareholders' equity	2 923	5 740	2 999
Provisions	72	65	71
Non-current liabilities	4 672	4 672	4 672
Current liabilities	112	62	108
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**7 779**	**10 539**	**7 850**

Financial definitions

Adjusted EBITDA
EBITDA excluding restructuring costs and other items affecting comparability

Adjusted earnings per common share (non-IFRS)
Net income per share adjusted for items affecting comparability, acquisition-related depreciation/ amortization and impairment losses, and other acquisition-related adjustments.

Average number of common shares
Calculated as an average number of common shares outstanding on a daily basis after redemptions and repurchases. Excluding treasury shares.

Average number of full-time employees
Calculated according to the number of full-time employees at the start of the period plus the number at the end of the period, divided by two.

Average shareholders' equity
Based on average shareholders' equity attributable to owners of the Parent Company per quarter, based on the opening and closing balance per quarter.

Average total assets
Total assets for the four most recent quarters, divided by four.

Debt/equity ratio
Interest-bearing net debt divided by shareholders' equity including non-controlling interests.

Earnings per common share for the period
Earnings attributable to owners of the Parent Company for the period less the set dividend on preference shares for the period, divided by the average number of common shares.

EBITDA
Operating income before depreciation, amortization and impairment losses.

EBITDA margin (%)
EBITDA divided by operating revenue, multiplied by 100.

Equity/assets ratio (%)
Shareholders' equity including non-controlling interests divided by the balance sheet total, multiplied by 100.

Equity per share
Shareholders' equity attributable to owners of the Parent Company divided by the number of shares at the end of the period after redemptions, repurchases and issues. Excluding treasury shares.

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, 12 months.

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

Operating income
Operating income after depreciation, amortization and impairment losses.

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

Return on equity (%)
Net income divided by average shareholders' equity attributable to owners of the Parent Company multiplied by 100.

Return on total assets (%)
Moving 12-month operating income and financial income divided by the average total assets.

Total operating costs
Production, sales, marketing, administrative and product development costs excluding depreciation, amortization and impairment losses.

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.

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