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Q4 | 15

Strengthened customer offering, more than 8 million visits every week, high activity level and stable financial position

FOURTH QUARTER: OCTOBER – DECEMBER 2015

- Total operating revenue amounted to SEK 579 M (722), a decrease of 20%. Revenue decreased organically by 19% (-17%).
- Revenue from Desktop and Mobile search amounted to SEK 347 M (415), a decrease of 16%. The organic decrease in revenue from Desktop and Mobile search was 14% (-15%). Digital search revenue amounted to SEK 401 M (492), a decrease of 18%. The organic decrease in Digital search revenue was 17% (-11%).
- Prepaid revenue as per December 31, 2015, amounted to SEK 528 M (583), a decrease of 9% compared with the level at December 31, 2014.
- EBITDA was SEK 107 M (134), a decrease of 20% compared with the fourth quarter of 2014. The EBITDA margin was level with the same period a year ago and amounted to 18.5% (18.6%).
- Net income was affected by nonrecurring items of SEK -12 M (-26), including SEK -26 M (-19) in restructuring costs and SEK 14 M (0) pertaining to the dissolution of a provision for severance pay for former CEO Johan Lindgren. The comparison period also included a charge of SEK -7 M, pertaining mainly to provisions for synthetic shares. Adjusted for these items, EBITDA was SEK 119 M (160). The margin for adjusted EBITDA was 20.6% (22.2%).
- Net income for the period was SEK 49 M (52), a decrease of 6% compared with the fourth quarter 2014.
- Earnings per common share for the period were SEK 0.08 (0.40) before dilution and SEK 0.06 (-) after dilution.
- Operating cash flow amounted to SEK 117 M (134).
- In December the second scheduled amortization was made on the renegotiated bank loan which, converted to Swedish kronor, amounted to approximately SEK 75 M.

FULL YEAR: JANUARY – DECEMBER 2015

- Total operating revenue amounted to SEK 2,438 M (3,002), a decrease of 19%.
- Revenue from Desktop and Mobile search decreased organically by 16% (-11%), while Digital search revenue decreased organically by 15% (-8%).
- EBITDA was SEK 383 M (631), a decrease of 39%. The EBITDA margin was 15.7% (21.0%).
- Net income was affected by nonrecurring items of SEK -71 M (-44), including SEK -73 M (-63) in restructuring costs and SEK 2 M (-28) in costs for severance pay. The comparison period also included SEK 54 M in net capital gains and SEK -7 M primarily in provisions for synthetic shares. Adjusted for these items, EBITDA was SEK 454 M (675). The margin for adjusted EBITDA was 18.6% (22.5%).
- Net income for the period was SEK -1,125 M (-1,662), which is an improvement of SEK 537 M. Income was negatively affected primarily by SEK -1,157 M in impairment losses (-1,803).
- The renegotiated loan agreement took effect in April and is divided in three currencies with a tenor through 2018. A lump-sum amortization of debt was made in April which, converted to Swedish kronor, amounted to approximately SEK 670 M. Scheduled amortizations were made in June and December. The bank loan amounts to approximately SEK 1,516 M as per December 31, 2015.
- Earnings per common share were SEK -3.69 (-17.09) before dilution and SEK -2.32 (-) after dilution.
- Operating cash flow amounted to SEK 86 M (151).

EVENTS DURING THE FOURTH QUARTER

- A new Nordic sales organization was presented on November 30. The new structure facilitates common ways of working, which is a prerequisite for fast and efficient product development and part of an improved customer offering. In connection with the reorganization, the composition of Eniro's Group Management was changed.
- An Extraordinary General Meeting on December 18 resolved in favor of the Board's recommendation that the company approve a settlement agreement with former CEO Johan Lindgren. Lindgren has agreed to waive all claims against the company regarding termination salary and severance pay. In return, the company has waived its claims against Lindgren.
- Starting in December and through mid-February 2016, a pilot launch is under way of a solution for Facebook advertising that Eniro has developed in collaboration with Adfenix, the Gothenburg-based company that won the Eniro Tech Challenge in September 2015. Some 3.2 million Swedes use Facebook every day, and of these, 650,000 visit eniro.se. Information from visits to eniro.se, geographic locations and product/service searches, etc. are matched with Facebook, which can then display relevant ads in the users' news flows when they log in via a computer or mobile device.
- During the fourth quarter, 33 convertibles were converted to shares.

EVENTS AFTER THE END OF THE REPORTING PERIOD

- The Swedish Market Court delivered a judgment stating that, as of June 30, 2016, consumers must be given the opportunity to receive price information in connection with calls and SMS text messages to the directory service 118 118. The outcome is in line with what Eniro had expected, and the company will now look at technical solutions for handling this. The ruling is expected to have a limited earnings impact.

CEO Comment

Towards greater stability and coordination

Earnings during the last quarter of 2015 shows that the efforts we have made during the year relating to both costs and organization are taking us towards greater stability. Adjusted EBITDA margin was 18.6% for the full year and 20.6% for the fourth quarter. Our key revenues from Desktop and Mobile Search amounted to SEK 347 M. This represents an organic decline of 14%. The decrease is less than for the preceding two quarters. Digital Search accounted for almost 70% of the Group's total operating revenue. Our financial position is good. Operating cash flow amounted SEK 117 M during the fourth quarter, which in terms of cash flow was thereby our strongest quarter in 2015.

More than 8 million visitors per week

We are working continuously on improving our offering and on creating even better conditions for attracting and retaining customers as well as users. I am therefore happy to note that the number of unique browsers to our search services grew by 5% in 2015. Today we have more than 8.1 million visits to our search services every week (according to Adobe Analytics). The number of visitors who click further to contact or obtain more information about the companies they are searching for also grew during the past year – they are 10% more and now amount to 2.8 million every week.

As we have mentioned previously, in 2015 we began working with customer surveys in the form of a Customer Satisfaction Index (CSI). To date, surveys were conducted in Sweden, Norway and Denmark. These CSI surveys will be an important tool for us in our work on reducing customer churn. When we follow up sales to existing customers, it is gratifying to note that their repurchase rate is positive, i.e., they increase their investment every time they renew their agreement with us.

Measures for strengthening our customer offering

The most recent in a series of actions we have taken to strengthen our business was announced in November 2015. To improve the efficiency of our organization and increase our customer focus, we have formed a Nordic sales organization. We are streamlining and improving the way we work to increase our sales activities and create a greater coherence and clarity to customers in all countries. Parallel with these activities, we also pared our Group Management team from eight to five people, which has also helped us form a more efficient and agile business management.

Since we are always striving to be fast and flexible in our development of new customer offerings, we are happy that we can already offer our unique Facebook advertising – something that our collaboration with Adfenix has made possible after only three months of work. Adfenix won the Eniro Tech Challenge on September 11, and in December we sold our first Facebook ad. By matching information from users' visits to eniro.se with factors such as their geographic location and searches for products and services, relevant ads are then shown in the user's news flow on Facebook.

Another important measure to strengthen our customer offering is the betalaunch we are making with new customers in Sweden during the first quarter of 2016. Under this structure we have changed our contract model from an annual subscription to a continuing subscription that is instead paid monthly.

User experience in focus

In 2015 we conducted an extensive study of our customers', users' and employees' perceptions of us and how we would like them to perceive us. This work resulted in an elevated level of ambition – from being the Symbol of Local Search to giving users the Best Local Discoveries. This message was spread in a successful marketing campaign conducted together with ten of Sweden's most well know YouTubers in November. The videos were viewed 500,000 times by these YouTubers' 4 million followers. As an example, see https://youtu.be/BwkNjzFXY0M.

Our continuous development of services is also necessary for attracting users. During the fourth quarter, historical air photos were added to the map view of our Danish search service krak.dk. We also made it possible to choose to view search results in a map view in our search apps, and we launched a new booking service, bokavard.se. The search function was improved to reduce the number of searches that do not generate any search results at all. Information adapted to the winter season was added to gulesider.no, and 180,000 new companies were added to eniro.se. All of these improvements are important in our ambition to be the Symbol of Local Discovery.

Successful partnership with Google

We continue to broaden our portfolio of complementary, digital marketing products. In Norway, where we have a new, formal reseller agreement in place with Google, during both the third and fourth quarters we saw a very positive and profitable sales trend among the customers who chose to buy a combined offer.

Continued favorable performance for Voice and Print

Our mature business areas continue to deliver favorable revenues and good profitability due to strict cost control and successful business optimization. Revenue for the directory information services in Voice and the directory operations in Print amounted to SEK 178 M (230) during the fourth quarter; together these units accounted for slightly more than 30% of the Group's operating revenue during the fourth quarter.

Financial stability

Our financial stability is essential for our ability to continue developing Eniro and our digital strategy. It therefore goes without saying that we are closely and continuously safeguarding our financial position, and that we are meeting our obligations to our creditors.

Well poised for 2016

As I described above, a number of activities are being carried out all the time in Eniro – all in line with our strategy and aimed at improving efficiencies, strengthening profitability and focusing the organization on doing the right things. I and all of Eniro's employees look forward to fulfilling our customers', users' and owners' expectations during 2016.

Solna, February 9, 2016

Stefan Kercza, President and CEO

Fourth quarter 2015

Revenue

Total operating revenue decreased by 20% to SEK 579 M (722). Revenue decreased organically by 19% (-17%). Changed publication dates for directories affected revenue by SEK 3 M compared with the fourth quarter a year ago. Currency effects on revenue, mainly a weaker Norwegian krona, were negative by SEK -13 M (15).

Prepaid revenue amounted to SEK 528 M (583) at the end of the quarter, a decrease of 9% compared with December 31, 2014.

Digital search (formerly Multiscreen)

Revenue from Digital search, comprising Desktop search, Mobile search and Complementary digital marketing products (previously called Campaign products), decreased by 18% to SEK 401 M (492). The organic decrease in revenue was 17% (-11%).

Revenue from Desktop search decreased by 18% to SEK 263 M (322). The organic decrease in revenue was 16% (-19%).

Mobile search revenue decreased by 10% to SEK 84 M (93). The organic decrease in revenue was 8% (3%). During the fourth quarter 34% of total searches were performed through the mobile channel.

Revenue from Complementary digital marketing products decreased to SEK 54 M (77). Adjusted for divestments, revenue decreased organically by 30% (24%).

Print/Voice

Revenue from Print and Voice continued to contract as a result to the shift towards digital search channels.

Revenue from Print decreased by 28% to SEK 71 M (98). During the fourth quarter, local directories accounted for 100% (89%) of Print revenue, which decreased organically by 30% (-37%).

Market volumes for directory information services also continue to contract as a result of increased digitalization. Operating revenue for Voice decreased by 19% to SEK 107 M (132). Revenue decreased organically by 20% (-18%).

Earnings

EBITDA for the Local search operating segment, which includes the Digital search and Print categories, totaled SEK 62 M (106). The EBITDA margin was 13.1% (18.0%).

EBITDA for the Voice operating segment totaled SEK 55 M (50). The EBIDA margin for Voice was 51.4% (37.9%).

EBITDA for the Group as a whole was SEK 107 M (134) during the fourth quarter. The EBITDA margin was 18.5% (18.6%).

Income was affected by nonrecurring items of SEK -12 M (-26), including restructuring costs of SEK -26 M (-19) and the dissolution of a provision for severance pay for Johan Lindgren, totaling SEK 14 M (0). Income for the comparison period also included SEK -7 M pertaining primarily to provisions for synthetic shares.

Adjusted EBITDA for the Group, excluding restructuring costs and other items affecting comparability, amounted to SEK 119 M (160). The adjusted EBITDA margin was 20.6% (22.2%).

Income for the fourth quarter amounted to SEK 49 M (52).

SEK M	Oct-Dec 2015	Oct-Dec 2014	%	Jan-Dec 2015	Jan-Dec 2014	%
Operating revenue	579	722	-20	2 438	3 002	-19
EBITDA	107	134	-20	383	631	-39
Adjusted EBITDA	119	160	-26	454	675	-33
Net income	49	52	-6	-1 125	-1 662	32
Operating cash flow	117	134	-13	86	151	-43
Operating cost	472	583	-19	2 057	2 428	-15
Interest-bearing net debt	1 241	2 208	-44	1 241	2 208	-44

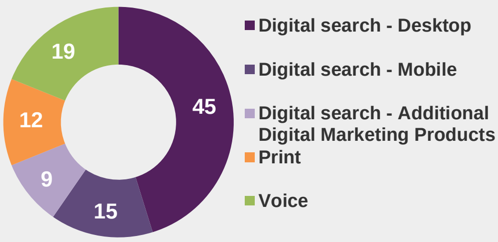
REVENUE Q4 2015

SEK 579 M

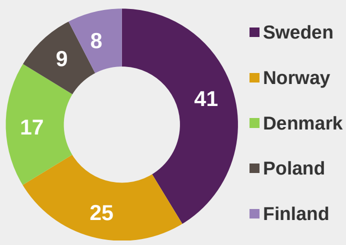
EBITDA Q4 2015

SEK 107 M

GROUP REVENUE PER CATEGORY Q4 2015, %



GROUP REVENUE PER COUNTRY Q4 2015, %



Cost efficiency

Eniro has continued its work on efficiency improvement. Total operating costs were SEK 111 M lower than during the corresponding quarter a year ago.

Cost savings adjusted for restructuring and third-party costs amounted to SEK 107 M (238). The savings consisted mainly of lower personnel costs.

Acquisitions/divestments

No acquisitions or divestments were made during the fourth quarter.

Amortization

Amortization pertaining to the Gule Sider and Ditt Distrikt brands totaled SEK -21 M (-23). Amortization of the Voice brand 1888 totaled SEK -8 M (-9) for the quarter.

Full year 2015

Revenue
Total operating revenue decreased by 19% in 2015, to SEK 2,438 M (3,002). The organic decrease in revenue was 17% (-13%). Changed publication dates for directories had a negative impact on total revenue by approximately SEK -38 M compared with 2014, and currency effects on revenue were positive by SEK -5 M (32).

Digital search (formerly Multiscreen)
Revenue from Digital search, comprising Desktop search, Mobile search and Complementary digital marketing products, decreased by 17% in 2015 to SEK 1,768 M (2,134). The organic decrease in revenue was 15% (-8%). Revenue from Desktop search decreased by 19% in 2015, to SEK 1,208 M (1,484). The organic decrease was 17% (-19%). Mobile search revenue decreased by 12% to SEK 338 M (385). The organic decrease in revenue was also 12% (39%). Revenue from Complementary digital marketing products decreased by 16% during the year, to SEK 222 M (265). The organic decrease in revenue from Complementary digital marketing products was 12% (22%).

Print/Voice
Revenue from Print amounted to SEK 210 M (295), a decrease of 29%. Print revenue decreased organically by 19% (-33%). Revenue for Voice decreased by 20% to SEK 460 M (573). Revenue decreased organically by 20% (-18%).

Earnings
EBITDA for the Local search operating segment, which includes the Digital search and Print categories, totaled SEK 273 M (474). The EBITDA margin was 13.8% (19.5%).

EBITDA for the Voice operating segment totaled SEK 189 M (237). The EBIDA margin for Voice was 41.1% (41.4%).

EBITDA for the Group as a whole was SEK 383 M (631) in 2015. The EBITDA margin was 15.7% (21.0%).

Income was affected by nonrecurring items totaling SEK -71 M (-44), including restructuring costs of SEK -73 M (-63) and costs for severance pay totaling SEK 2 M (-28). Income for the comparison period also included SEK 54 M in net capital gains and a charge of SEK -7 M, pertaining primarily to provisions for synthetic shares.

Adjusted EBITDA for the Group, excluding restructuring costs and other items affecting comparability, amounted to SEK 454 M (675). The adjusted EBITDA margin was 18.6% (22.5%).

Income for the full year 2015 amounted to SEK -1,125 M (1,662), mainly owing to SEK -1,157 M (-1,803) in impairment losses.

Cost efficiency
Total operating costs were SEK 371 M lower than in the preceding year. Cost savings adjusted for restructuring and third-party costs amounted to SEK 322 M (413). The savings consisted mainly of lower personnel costs.

Acquisitions/divestments
No acquisitions or divestments were made in 2015.

Depreciation/amortization and impairment
Amortization pertaining to the Gule Sider and Ditt Distrikt brands totaled SEK -86 M (-92) in 2015. Amortization of the Voice brand 1888 totaled SEK -35 M (-36) for the year.

Against the background of weak order intake during the spring, impairment testing was conducted during the second quarter of the Group's intangible assets with indefinite useful life. At the end of the fourth quarter, a renewed impairment test was conducted, but no further need to recognize impairment was identified.

Impairment testing during the year resulted in the recognition of SEK -1,111 M (-1,781) in goodwill impairment, of which SEK -646 M (-1,219) pertained to Local search – of which SEK -646 M (-1,120) in Norway and SEK 0 M (-99) in Poland – and SEK -465 M (-562) pertained to Voice – of which SEK -360 M (-429) in Sweden, SEK -105 M (-66) in Finland and SEK 0 M (-67) in Norway.

In addition to the above, income for the year was charged with net impairment losses and other write-offs of SEK -46 M (-22) for other tangible and intangible assets – mainly development projects in progress.

Revenue by category and operating segments

SEK M	Oct-Dec 2015	Oct-Dec 2014	%	Jan-Dec 2015	Jan-Dec 2014	%
Desktop search	263	322	-18	1 208	1 484	-19
Mobile search	84	93	-10	338	385	-12
Additional digital marketing products [1)]	54	77	-30	222	265	-16
Digital search	***401***	***492***	**-18**	***1 768***	***2 134***	**-17**
Print	71	98	-28	210	295	-29
Local search	**472**	**590**	**-20**	**1 978**	**2 429**	**-19**
Voice	107	132	-19	460	573	-20
Total revenue	**579**	**722**	**-20**	**2 438**	**3 002**	**-19**

[1)] Previously called Campaign products

Organic revenue change by category

%	Oct-Dec 2015	Oct-Dec 2014	Jan-Dec 2015	Jan-Dec 2014
Desktop search	-16	-19	-17	-19
Mobile search	-8	3	-12	39
Additional digital marketing products [1)]	-30	24	-12	22
Digital search	***-17***	***-11***	***-15***	***-8***
Print	-30	-37	-19	-33
Local search	**-19**	**-16**	**-16**	**-12**
Voice	-20	-18	-20	-18
Total organic development	**-19**	**-17**	**-17**	**-13**

[1)] Previously called Campaign products

Revenue by country

SEK M	Oct-Dec 2015	Oct-Dec 2014	%	Jan-Dec 2015	Jan-Dec 2014	%
Sweden	239	297	-20	1 038	1 325	-22
Norway[1)]	145	195	-26	641	809	-21
Denmark[1)]	101	127	-20	366	470	-22
Finland	44	47	-6	178	185	-4
Poland	50	56	-11	215	213	1
Total revenue	**579**	**722**	**-20**	**2 438**	**3 002**	**-19**

[1)] The comparison year includes revenue of SEK 29 M from divested operations in Norway and SEK 7 M in Denmark (of which, SEK 28 M and SEK 8 M, respectively, during the first half of the year).

EBITDA by operating segments

SEK M	Oct-Dec 2015	Oct-Dec 2014	%	Jan-Dec 2015	Jan-Dec 2014	%
Local search	62	106	-42	273	474	-42
Voice	55	50	10	189	237	-20
Other	-10	-22	55	-79	-80	1
Total EBITDA	**107**	**134**	**-20**	**383**	**631**	**-39**
Items affecting comparability						
Restructuring costs	26	19		73	63	
Other items affecting comparability	-14	7		-2	-19	
Total adjusted EBITDA	**119**	**160**	**-26**	**454**	**675**	**-33**

Earnings and cash flow for full year 2015, and financial position

Other earnings items

Operating income for the full year 2015 amounted to SEK -1,030 M (-1,441). Net financial items totaled SEK -60 M (-153). Exchange rate differences had a positive impact on net financial items by SEK 89 M (7). Income before tax was SEK -1,090 M (-1,594) for the year. Earnings per common share before dilution were SEK -3.69 (-17.09). Earnings per common share after dilution were SEK -2.32 (-).

Taxes

The reported tax cost for 2015 was SEK -35 M (-68). The effective tax rate was 3.2% (4.3%).

Eniro's taxes are paid primarily during the first half of the year. Accordingly, paid taxes are low during the second half of the year. As a result of tax-loss carry forwards in Sweden, Denmark and Finland, Eniro has had low tax payments for several years. Tax payments are expected to be relatively low in the years immediately ahead.

Investments

Eniro's net investments in operations totaled SEK -92 M (-137) in 2015.

Cash flow

Operating cash flow amounted to SEK 86 M (151) for the year. Compared with 2014, operating cash flow was negatively affected primarily by lower underlying income before depreciation, amortization and impairment losses at the same time that a smaller negative change in working capital had a positive effect. In addition, operating cash flow was positively affected compared with a year ago by lower investments in non-current assets, totaling SEK -92 M (-137). The change in working capital was SEK -21 M (-139) in 2015. Cash flow from financing activities totaled SEK 53 M (-271) and was positively affected by the new issue and issuance of the convertible loan, totaling SEK 933 M. The proceeds from the new issue are reported in the cash flow statement net after deducting SEK -28 M in transaction costs. During 2015, amortization of bank loans totaled SEK 885 M, of which SEK 670 M pertained to a lump-sum amortization in connection with the renegotiated loan agreement.

Financial position

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. The issues were registered during the second quarter and raised approximately SEK 933 M before transaction costs. Of this infusion, on April 24 a lump-sum amortization of SEK 670 M was paid towards the Group's bank loans, and SEK 185 M was used to strengthen Eniro's liquidity position.

Transaction costs amounted to SEK -78 M, including bank fees.

In connection with the lump-sum loan amortization, the renegotiated loan agreement took effect. It thereafter consists of three tranches with a conversion 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 conversion value of SEK 1,100 M. Tranche B is worth SEK 600 M, and the bank overdraft facility (RCF) 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, including the definition of indebtedness, which only includes the bank loans, i.e., the convertible loan is not included. The amortization schedule has been changed, and scheduled amortization in 2015 totaled approximately SEK 150 M, which was paid in June and December. Amortization during the years 2016–2018 will amount to approximately SEK 175 M per year (semi-annual payment).

As per December 31 the Group's outstanding debt under existing credit facilities amounts to NOK 216 M, DKK 43 M, and SEK 1,257 M. At year-end Eniro had an unutilized credit facility of SEK 125 M. Cash and cash equivalents, and unutilized credit facilities, totaled SEK 216 M.

In accordance with IFRS, initially SEK 380 M of the convertible loan was reported as debt and SEK 95 M as equity. As per December 31, 134 convertibles have been converted to shares, which corresponds to 27% of the original convertible loan of nominal SEK 500 M. Thus the nominal value of the convertible loan was SEK 366 M as per December 31. As per December the carrying amount of the convertible loan on the balance sheet is SEK 284 M (–).

The Group's interest-bearing net debt, excluding the convertible loan, amounted to SEK 1,241 M on December 31, 2015, compared with SEK 2,208 M on December 31, 2014. The Group's indebtedness, expressed as interest-bearing net debt excluding the convertible loan in relation to EBITDA, was 3.2 as per December 31, 2015, compared with 3.5 on December 31, 2014.

Eniro has credit insurance with PRI Pensionsgaranti (PRI) which remains in force through 2016. 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.

Shares and holdings of treasury shares

Eniro has two classes of stock: common shares and preference shares. As a result of the new issue, the number of common shares increased by 305,642,220 in April. Since issuance of the convertible bonds, the through conversion of 134 convertibles. As per December 31, 2015, the total number of shares is 477,240,899, of which 476,240,899 are common shares and 1,000,000 are preference shares. The total number of votes as per December 31 is 476,340,899, of which common shares corresponded to 476,240,899 votes and preference shares to 100,000 votes.

number of common shares has increased by 68,717,939

Upon full dilution resulting from conversion to shares, the number of shares will amount to a maximum of 664,933,216.

Eniro held 1,703,266 treasury shares on December 31, 2015. The average holding of treasury shares during the year was 1,703,266.

Other information

Dividend policy
The company gives priority to lowering net debt above paying dividends.

The 2015 Annual General Meeting approved, in accordance with the Board's recommendation, a dividend for preference shares for 2015/16 of SEK 48 per share, for a total dividend of SEK 48 M. The dividend was paid in three-month intervals, where the last record date was January 29, 2016.

Publication dates
Revenues from sales of printed directors are recognized when the various directories are published. Changed publication dates can therefore affect comparisons. The table below shows the planned distribution among quarters and markets in 2016. The net effect on operating revenue in 2016 compared with 2015 is expected to be negative, by SEK 17 M. As a result of the structural decline in the market for printed products, revenue for these directories will be lower in 2016.

Changed publication in 2016 vs. 2015

SEK M	Q1	Q2	Q3	Q4	2016
Sweden	-4	2	3	-5	-4
Norway	2	2	-3	-2	-1
Denmark	-7	-3	-1	-1	-12
Poland	0	0	0	0	0
Total effect	**-9**	**1**	**-1**	**-8**	**-17**

Employees
The number of full-time employees as per December 31, 2015, was 1,877, compared with 2,256 on December 31, 2014.

Full-time employees at year-end

	Dec. 31 2015	Dec. 31 2014
Sweden including Other	432	582
Norway	279	383
Denmark	201	283
Poland	661	658
Local search incl. Other	**1 573**	**1 906**
Sweden	119	154
Norway	32	35
Finland	153	161
Voice	**304**	**350**
Total Group	**1 877**	**2 256**

Review report
This interim report has not been reviewed by the auditors.

Disclosure
The information in this year-end report is such that Eniro AB (publ) is obligated to disclose pursuant to the Securities Market Act. This information was submitted for publication at 8.00 a.m. CET on February 9, 2016.

Solna, February 9, 2016

Stefan Kercza
President and CEO

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CONFERENCE CALL/WEBCAST

Tuesday, February 9, 2016,
10:00 a.m. CET

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Follow the presentation via webcast at
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FINANCIAL CALENDAR 2016

Interim report Jan.-March 2016	Apr. 27 2016
Annual General Meeting	Apr. 27 2016
Interim report Jan.-June 2016	July 15, 2016
Interim report Jan.-Sept. 2016	Oct. 28 2016

Consolidated accounts

Consolidated income statement

SEK M	Oct-Dec 2015	Oct-Dec 2014	Jan-Dec 2015	Jan-Dec 2014
Gross operating revenue	580	723	2 440	3 005
Advertising tax	-1	-1	-2	-3
Operating revenue	**579**	**722**	**2 438**	**3 002**
Production costs	-133	-172	-550	-720
Sales costs	-213	-264	-883	-1 055
Marketing costs	-61	-72	-257	-273
Administration costs	-86	-105	-397	-443
Product development costs	-42	-35	-226	-206
Other income/costs	0	-5	2	57
Impairment of non-current assets	-17	-4	-1 157	-1 803
Operating income**	**27**	**65**	**-1 030**	**-1 441**
Financial items, net	38	4	-60	-153
Income before tax	**65**	**69**	**-1 090**	**-1 594**
Income tax	-16	-17	-35	-68
Net income	**49**	**52**	**-1 125**	**-1 662**
Of which, attributable to:				
Owners of the Parent Company	50	52	-1 124	-1 664
Non-controlling interests	-1	0	-1	2
Net Income	**49**	**52**	**-1 125**	**-1 662**

Earnings per common share before dilution, SEK	0,08	0,40	-3,69	-17,09
Earnings per common share after dilution, SEK	0,06	-	-2,32	-
Average number of common shares before dilution, thousands	466 076	100 177	317 742	100 177
Average number of common shares after dilution, thousands	653 768	-	505 435	-
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	38	40	-1 172	-1 712
EBITDA	107	134	383	631
Operating cost	-472	-583	-2 057	-2 428
** Includes depreciation of	-4	-5	-18	-22
** Includes amortization of	-59	-60	-238	-247
** Includes impairment losses of	-17	-4	-1 157	-1 803
Total	-80	-69	-1 413	-2 072

Consolidated statement of comprehensive income

SEK M	Oct-Dec 2015	Oct-Dec 2014	Jan-Dec 2015	Jan-Dec 2014
Net income	**49**	**52**	**-1 125**	**-1 662**
Other comprehensive income				
Items that cannot be reclassified to income statement				
Revaluation of pension obligations	92	-86	199	-297
Tax attributable to revaluation pension obligations	-20	19	-44	65
Total	**72**	**-67**	**155**	**-232**
Items that have been or can be reclassified to the income statement				
Exchange rate differences	-138	-142	-235	85
Hedge of net investments	11	26	21	-6
Tax attributable to hedge of net investments	-3	-6	-5	1
Total	**-130**	**-122**	**-219**	**80**
Other comprehensive income, net after tax	***-58***	***-189***	***-64***	***-152***
Total comprehensive income	**-9**	**-137**	**-1 189**	**-1 814**
Of which, attributable to:				
Owners of the Parent Company	-6	-132	-1 183	-1 813
Non-controlling interests	-3	-5	-6	-1
Total comprehensive income	**-9**	**-137**	**-1 189**	**-1 814**

Consolidated balance sheet

SEK M	Dec. 31 2015	Dec. 31 2014
Assets		
Non-current assets		
Tangible assets	21	21
Intangible assets	3 615	5 108
Deferred tax assets	100	210
Financial assets	179	173
Total non-current assets	**3 915**	**5 512**
Current assets		
Accounts receivable - trade	265	353
Current tax assets	14	6
Other current receivables	131	244
Other interest-bearing receivables	0	3
Cash and cash equivalents	91	58
Total current assets	**501**	**664**
TOTAL ASSETS	**4 416**	**6 176**
Shareholders' equity and liabilities		
Shareholders' equity		
Share capital	477	309
Additional paid in capital	5 517	5 125
Reserves	-490	-277
Retained earnings	-4 385	-3 420
Shareholders' equity, owners of the Parent Company	**1 119**	**1 737**
Non-controlling interests	39	60
Total Shareholders' equity	**1 158**	**1 797**
Non-current liabilities		
Borrowing	1 295	1 767
Convertible bond	284	-
Deferred tax liabilities	209	247
Pension obligations	415	601
Provisions	5	5
Total non-current liabilities	**2 208**	**2 620**
Current liabilities		
Accounts payable - trade	50	97
Current tax liabilities	13	31
Prepaid revenues	528	583
Other current liabilities	250	369
Provisions	39	54
Borrowing	170	625
Total current liabilities	**1 050**	**1 759**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**4 416**	**6 176**

Interest-bearing net debt

SEK M	Dec. 31 2015	Dec. 31 2014
Borrowing	-1 465	-2 392
Other current interest-bearing receivables	0	3
Other non-current interest-bearing receivables**	133	123
Cash and cash equivalents	91	58
Interest-bearing net debt	**-1 241**	**-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**
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	-	-	-213	-970	-1 183	-6	**-1 189**
Reduction of share capital	-257	-	-	257	0	-	**0**
Rights issue	153	278	-	-	431	-	**431**
Bonus issue	204	-	-	-204	0	-	**0**
Convertible bond - equity part	-	72	-	-	72	-	**72**
Conversion of convertible bonds	68	42	-	-	110	-	**110**
Dividend on preference shares	-	-	-	-48	-48	-	**-48**
Dividend non-controlling interest	-	-	-	-	-	-15	**-15**
Closing balance, December 31, 2015	**477**	**5 517**	**-490**	**-4 385**	**1 119**	**39**	**1 158**

Key ratios

	Dec. 31 2015	**Dec. 31 2014**
Equity, average 12 months, SEK M	1 312	3 021
Return on equity (ROE), 12 months, %	-85,7	-55,1
Return on Assets (ROA), 12 months, %	-18,7	-19,6
Earnings per common share before dilution, SEK	-3,69	-17,09
Earnings per common share after dilution, SEK	-2,32	-
Adjusted earning per common share (non-IFRS), excl. items affecting comparability and PPA related depr/amort	0,22	2,02
Interest-bearing net debt, SEK M	-1 241	-2 208
Debt/equity ratio, times	1,07	1,23
Equity/assets ratio, %	26	29
Interest-bearing net debt/EBITDA 12 months, times	3,2	3,5
Interest-bearing net debt/adjusted EBITDA, times	2,7	3,3
Average number full-time employees YTD	2 067	2 536
Number of full-time employees on closing date	1 877	2 256
Number of common shares before dilution on closing date after deduction of treasury shares, 000s	474 538	100 177
Number of common shares after dilution on closing date after deduction of treasury shares, 000s	662 230	-
Number of preference shares on closing date, 000s	1 000	1 000

Key ratios per share

	Dec. 31 2015	**Dec. 31 2014**
Equity per share, SEK	2,35	17,17
Share price for common shares at end of period before dilution, SEK	-	7,23
Share price for common shares at end of period after dilution, SEK	0,92	3,47*

* Share price at end of period adjusted for new issue of shares

Consolidated statement of cash flows

SEK M	Oct-Dec 2015	Oct-Dec 2014	Jan-Dec 2015	Jan-Dec 2014
Operating income	**27**	**65**	**-1 030**	**-1 441**
Adjustments for				
Depreciation, amortization and impairment	80	69	1 413	2 072
Capital gain/loss and other non-cash items	8	-3	-11	-56
Financial items, net	-32	-22	-155	-126
Income tax paid	0	0	-18	-22
Cash flow from operating activities before changes in working capital	**83**	**109**	**199**	**427**
Changes in w orking capital	62	58	-21	-139
Cash flow from operating activities	**145**	**167**	**178**	**288**
Acquisitions/divestments of Group companies and other assets	1	1	6	62
Investments in non-current assets, net	-28	-33	-92	-137
Cash flow from investing activities	**-27**	**-32**	**-86**	**-75**
Proceeds from borrow ings	-21	-18	0	77
Repayment of borrow ings	-72	-97	-885	-283
Long-term investments	-	-	-10	-10
Dividend on preference shares	-12	-12	-48	-48
Dividend non controlling interests	-4	-	-15	-7
Rights issue	-	-	430	-
Convertible bonds	-	-	475	-
Cash flow from financing activities	**-109**	**-127**	**-53**	**-271**
Cash flow for the period	**9**	**8**	**39**	**-58**
Cash and cash equivalents at start of period	**83**	**50**	**58**	**113**
Cash flow for the period	9	8	39	-58
Exchange rate differences in cash and cash equivalents	-1	0	-6	3
Cash and cash equivalents at end of period	**91**	**58**	**91**	**58**

Analysis of interest-bearing net debt excl. convertible bond

SEK M	Oct-Dec 2015	Oct-Dec 2014	Jan-Dec 2015	Jan-Dec 2014
Opening balance	**-1 349**	**-2 353**	**-2 208**	**-2 340**
Operating cash flow	117	134	86	151
Acquisitions and divestments	1	1	6	62
Rights & convertible bond issue	-	-	905	-
Translation differences and other changes	-10	10	-30	-81
Closing balance	**-1 241**	**-2 208**	**-1 241**	**-2 208**
Net debt/EBITDA, times	**3,2**	**3,5**	**3,2**	**3,5**

Parent Company accounts

Income statement

SEK M	Jan-Dec 2015	Jan-Dec 2014
Revenue	26	35
Income before tax	-1 042	-2 705
Net Income for the period	-1 073	-2 734

Balance sheet

SEK M	Dec. 31 2015	Dec. 31 2014
Non-current assets	4 412	5 636
Current assets	363	2 214
TOTAL ASSETS	**4 775**	**7 850**
Shareholders' equity	2 489	2 999
Provisions	75	71
Non-current liabilities	2 087	4 672
Current liabilities	124	108
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**4 775**	**7 850**

Eniro AB has written down shares in subsidaries with SEK 1,249 M (2,877).

Notes to the consolidated accounts

Note 1 Accounting policies as from 2015

This year-end 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 as from 2015, and the policy for reporting convertible loans. The year-end report has been prepared in accordance with IAS 34 Interim Financial Reporting.

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 websites are no longer delivered to customers and cannot be hosted by any other party than Eniro.

Reporting of convertible loan

According to IFRS, a convertible loan is a compound financial instrument that gives rise to a financial liability for Eniro and an option for the holders of the instrument to convert the liability to common shares in Eniro. Holders of the instrument are entitled to a 6% coupon.

This means that the convertible loan is initially recognized as a liability and an equity instrument. The liability is recognized initially at fair value, which entails that the liability is discounted to present value using an effective interest rate that is to reflect the market interest rate. Eniro has applied an effective rate of 13%. The equity instrument is initially valued as the difference between the proceeds received and the fair value of the liability. Over time, the effective interest will be charged against income and increase the liability, until the equity component is the same level as previously. Upon conversion to common shares, the liability and equity instrument will decrease by the percentage portion of the loan that is converted.

Note 2 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 2015 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 channels.

Note 3 Goodwill

Goodwill **SEK M**	**Dec. 31** **2015**	**Dec. 31** **2014**
At start of year	4 051	5 763
Divestments and disposals	-	-11
Reclassifications	-20	-
Impariment loss for the year	-1 111	-1 781
Exchange rate difference	-112	80
Carrying amount	**2 808**	**4 051**

Impairment testing of goodwill and trademarks with indefinite useful life

Against the background of the weak order intake during the second quarter, impairment testing was conducted of the Group's intangible assets with indefinite useful life as per June 30. As per December 31, new impairment testing had been conducted. It showed that there are no indications of a need to recognize further impairment.

Impairment testing is performed to determine if a need to recognize impairment exists by comparing the carrying amount of the cash-generating unit, including goodwill and other Group surplus value, with the recoverable value. If the carrying amount exceeds the recoverable value, the carrying amount is written down to the recoverable value.

Eniro's smallest cash-generating units are operating segments per country, i.e., Local search and Voice, which correspond to the monitoring that is conducted in both internal and external reporting. The recoverable value consists of value in use. A discount rate has been set for the respective cash-generating units.

The impairment testing as per June 30 indicated a need to recognize SEK 1,111 M (1,781) in goodwill impairment. Of the impairment, SEK 646 M (1 219) pertained to Local search and SEK 465 M (562) to Voice. The impairment of Local search pertains mainly to impairment of goodwill attributable to the acquisition of the Norwegian company Findexa in 2005. Of the goodwill impairment in Voice, SEK 360 M pertains to Sweden, SEK 0 M (67) to Norway and SEK 105 M (66) to Finland.

Discount rate after tax by cash generating unit, %	**Dec. 31 2015**	**Dec. 31 2014**
Sweden, Local search and Voice	10,50	9,40
Norway, Local search and Voice	10,04	9,25
Denmark, Local search	10,46	9,31
Poland, Local search	11,64	10,75
Finland, Voice	10,50	9,46

Note 4 Financial instruments by category

Assets on the balance sheet **SEK M**	**Dec. 31 2015**	**Dec. 31 2014**
Loans and accounts receivables		
Interest-bearing receivables and blocked bank funds	133	123
Accounts receivable - trade and other receivables	278	376
Cash and cash equivalents	91	58
TOTAL	**502**	**557**

Liabilities on the balance sheet **SEK M**	**Dec. 31 2015**	**Dec. 31 2014**
Other financial liabilities		
Borrowing	1 465	2 392
Convertible bond	284	-
Accounts payable - trade	50	97
TOTAL	**1 799**	**2 489**

Financial definitions

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.

Adjusted EBITDA
EBITDA excluding restructuring costs and other items affecting comparability.

Average number of common shares after dilution
The average number of common shares adjusted for full conversion of all potential common shares through the convertible loan.

Average number of common shares before dilution
Calculated as the average number of common shares outstanding on a daily basis, excluding treasury shares.

Average number of full-time employees
Calculated as 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
Calculated as 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, before dilution
Income for the period attributable to owners of the Parent Company less the set dividend on preference shares for the period, divided by the average number of common shares before dilution.

Earnings per share after dilution
Income for the period attributable to owners of the Parent Company plus interest expense after tax pertaining to the convertible loan, in relation to the average number of shares after full conversion.

EBITDA
Operating income before depreciation, amortization and impairment losses.

EBITDA margin (%)
EBITDA divided by operating revenue.

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

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 and repurchases. 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.

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.

Eniro is a leading search company for individuals and businesses in the Nordic region. With quality-assured content and an unrivalled user experience Eniro inspires local discoveries and makes local communities thrive. Eniro's content is available through internet and mobile services, printed directories, directory assistance and SMS services. Each week Eniro Group's digital services have 8.1 million unique visitors who perform 14.5 million searches. Eniro Group has about 2,000 employees and operations in Sweden, Norway, Denmark, Finland and Poland. The company is listed on Nasdaq OMX Stockholm [ENRO] and headquartered in Stockholm. In 2015, revenues amounted to SEK 2,438 m, with a profit before depreciation (EBITDA) of SEK 383m. More on Eniro at enirogroup.com.