

Interim report

January - June 2012



Tougher market climate

(The Group's numbers in this interim report are recognised excluding discontinued operations unless otherwise stated)
(Numerical data in brackets refer to the corresponding period in 2011 unless otherwise stated).

THE INTERIM PERIOD JANUARY - JUNE 2012

- Net sales amounted to SEK 1,213.9 M (1,257.3), a fall of 4% adjusted for changes in exchange rates. Operating profit (EBIT) amounted to SEK 9.9 M (57.1), a fall of 83% adjusted for changes in exchange rates:
 - Gross profit amounted to SEK 287.2 M (306.8), a decline of 7% adjusted for changes in exchange rates.
 - Gross margin amounted to 23.7% (24.4%).
 - Operating costs include approx. SEK 15 M in change-related costs.
- Cash flow from operating activities was SEK -21.8 M (9.9), mainly due to lower sales.
- Earnings per share amounted to SEK -0.02 (0.80).

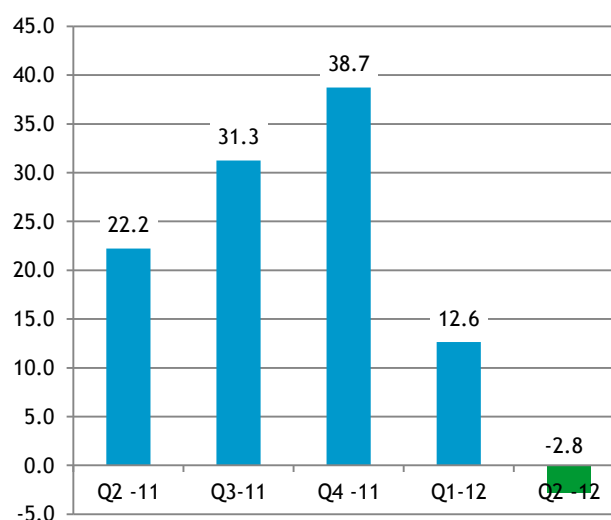
THE SECOND QUARTER APRIL - JUNE 2012

- Net sales amounted to SEK 573.7 M (604.8), a fall of 6% adjusted for changes in exchange rates. Operating profit (EBIT) amounted to SEK -2.8 M (22.2):
 - Gross profit amounted to SEK 140.8 M (149.5), a decline of 6% adjusted for changes in exchange rates.
 - Gross margin amounted to 24.5% (24.7%).
 - Operating costs include approx. SEK 10 M in change-related costs.
- Cash flow from operating activities was SEK -12.7 M (-31.9), mainly due to lower sales.
- Earnings per share amounted to SEK -0.25 (0.33).
- The economic downturn in Southern Europe meant falling volumes in these countries. Price competition increased in Northern Europe.
- Net sales and earnings increased in the Technology segment.
- On 1 August, Rob Wilson takes over as CEO and Jonas Ragnarsson takes over as CFO.

PRESENTATION OF THE INTERIM REPORT

The interim report will be presented at a press and analyst conference on 27 July at 10.00 a.m. in Tradedoubler's premises at Sveavägen 20. The presentation may also be followed via a webcast using the link: <http://financials.tradedoubler.com/>.

EBIT (SEK M)



CAPITAL MARKETS DAY

In the coming Capital Markets Day this autumn, the new management will present a strategy update focusing on market positioning, sales actions, and cost efficiency measures going forward.

Key ratios

	Apr-Jun 2012	Apr-Jun 2011	Jan-Jun 2012	Jan-Jun 2011	Full year 2011
MSEK					
Net sales	573.7	604.8	1,213.9	1,257.3	2,612.7
Gross profit	140.8	149.5	287.2	306.8	626.5
Operating profit	-2.8	22.2	9.9	57.1	127.1
Net profit	-10.8	14.0	-0.7	34.0	92.2
Cash-flow from operating activities	-12.7	-31.9	-21.8	9.9	123.6
Earnings per share, SEK	-0.25	0.33	-0.02	0.80	2.16
Cash-flow per share, SEK	-2.02	-0.93	-2.53	-0.06	1.60
Operating profit/Gross profit (%)	neg	14.9	3.4	18.6	20.3
Return on equity (12 months) (%)	10.7	13.0	10.7	13.0	16.8

CEO's comments on the second quarter of 2012

Tougher market climate



The weak start to 2012 continued during the second quarter. The tight budgetary situation and the weak economies in Southern Europe are restraining consumption which is also resulting in lower activity among advertisers. We see that the Internet advertising and e-commerce markets are decreasing in Southern Europe.

The economies in Northern Europe continue to perform better than those in Southern Europe. Increasing competition is now starting to have an impact on our numbers. Price pressure is increasing and some players have enticed customers by offering very attractive prices. Some players have been prepared to do business involving a loss for the sole purpose of gaining volumes, while others have focused on delivering at lower margins and with higher efficiency. So far we have opted to defend our profitability in individual deals.

During the past year, we have invested in systems and processes in order to boost efficiency further. This work continued during the second quarter including investments in a more efficient delivery organisation and a higher rate of automation.

The outlook for the travel sector that is so important for us continues to weaken. The World Travel & Tourism Council expects to adjust downwards its forecast for travel in Europe in 2012 from the decline of 0.3 per cent it announced previously.

The weak consumption pressed our second largest sector Shopping & Retail, which saw a decrease in revenues.

An important task ahead is to win business and thereby ensure a strong market position, particularly in the large markets UK, France and Germany. We currently have a good position in the UK and France while we could benefit from a stronger position

in the German market. We are investing resources in sales and marketing in order to provide the market units with better support in their efforts to gain business.

The ongoing work is yielding results. Industry accolades such as winning the prize of 'Publishers' Choice of Network' at the Performance Marketing Awards 2012 is an endorsement that the work on simplifying and strengthening relationships with our publishers is making a difference.

Another important focus area for us is to ensure a leading position in mobile channels and generate revenue from this area. On average, 5.7 per cent of the traffic in our network in the various countries currently comes from mobile devices, which is more than twice as much as one year ago. Consumer behaviour in a mobile device is different than in a computer, which means that marketing activities also need to be designed differently than in traditional e-commerce. We are also adapting our technology and partnering with several customers in order to generate better business in this area.

This is my final report as President and CEO. Next week, I will pass the baton to Rob Wilson who was recruited to our British operations last year and who has extensive experience from performance-based marketing. Tradedoubler will continue to meet challenges and seize the opportunities that arise. My conviction is that the company with all its capable employees has a good basis to be a winner.

Urban Gillström
President and CEO

MARKET DEVELOPMENT

The tough climate that characterised Tradedoubler's markets during the first quarter of 2012 also persisted during the second quarter. The weak economic performance in Southern Europe including France meant that the company's market in these countries showed no growth or negative growth. The Group is considered to have performed better or in line with the markets as a whole.

The more favourable economic situation in Northern Europe is contributing to higher volumes, both as regards Internet advertising and e-commerce. However, these markets are more mature than those in Southern Europe and are also expected to face continued consolidation. In the present situation, certain players are prioritising volumes over profitability, which is leading to mobility among customers. So far, Tradedoubler has opted to defend its profitability.

The outlook weakened for the travel sector – Tradedoubler's most important sector. This sector has displayed strong growth for many years with a significant and increasing portion of bookings via Internet. The trade organisation World Travel & Tourism Council (WTTTC) which predicted in March that the European travel and tourism sector would decline by 0.3 per cent during 2012, flagged in June that it will lower this forecast.

Tradedoubler's revenues from the sector fell during the second quarter to account for approximately one quarter of sales. The Internet is an important channel for many travel companies and the price pressure in the sector is considerable.

The activity in Tradedoubler's second largest sector Shopping & Retail decreased. The sector accounts for approximately 15 per cent of sales. Price pressure is also evident here, but to a lesser extent than in the travel sector.

Business volume in the sector Media & Entertainment, which accounted for 6 per cent of Tradedoubler's sales, increased very strongly in the network. Also Tradedoubler's revenues increased sharply from the sector, although to a lower extent.

TRENDS

For many advertisers the Internet is now one of the largest channels, if not the largest of all. This is the case in the travel industry, but also for more and more players in other sectors. As the experience of performance-based marketing grows and the Internet becomes more important as a channel, companies are increasingly adopting a strategic perspective to this and are building up greater competence of their own in the field. This means that demand for system solutions is increasing, which at Tradedoubler is reflected by increased activity in the Technology business segment. The unit accounted for 12.1 per cent of gross profit during the second quarter, compared to 9.2 per cent one year ago.

The mobile channel is growing and developing at a rapid rate, although still from very low levels. A research study among 2,000 smartphone users in France, the UK, Sweden and Germany commissioned by Tradedoubler during the spring showed that the increased availability of information is changing consumer behaviour.

More than half of the users have purchased other things than downloadable material via their phone and a total of 70 per cent use their mobile to seek information before a purchase. They check the selection available and prices, take advantage of local offers and download voucher codes. More and more types and even larger purchases are being made via mobile.

PRODUCT DEVELOPMENT

A considerable part of the product development work is focused on creating the basis for Tradedoubler to capture a strong position in mobile channels, while a series of investments are being made to maintain the Group's leading position in Network, particularly within Affiliate.

During the second quarter, new products were released in order to handle discount coupons or voucher codes that were rolled out in the entire network. Voucher codes are a powerful way to get consumers to execute purchases when they visit certain websites, for instance, for price comparisons. Offers can e.g. be designed for consumers that are found within a certain geographical area. For Tradedoubler, it is important that the tracking works so that the right affiliate gets paid for driving traffic. Since many people make price comparisons via mobile, voucher codes are an especially important sales tool in such devices. Advertisers have rapidly learned to appreciate the opportunities and voucher codes currently account for over five per cent of sales in Network.

App download tracking was released during the second quarter, which makes it possible to monitor the number of consumers who download a certain app, their activity in that app and how they move between various apps.

The launch of AdCodes continued during the second quarter and the service is currently used in all large markets. AdCodes allows publishers to set aside a special area on their website for automated dynamic adverts from Tradedoubler. Tradedoubler then continually fills this space with optimised content.

Concurrently, quality enhancement work is also being carried out involving improved product feeds. These feeds contain more detailed information about products and services from different advertisers, which make it easier for consumers who visit sites that gather information such as price comparison and travel sites.

THE GROUP'S RESULTS

Consolidated net sales during the period amounted to SEK 1,213.9 M (1,257.3), a fall of 4 per cent adjusted for changes in exchange rates. During the second quarter, consolidated net sales amounted to SEK 573.7 M (604.8), a fall of 6 per cent adjusted for changes in exchange rates. Volumes in Tradedoubler's two largest sectors, Travel and Shopping & Retail fell during the quarter while volumes grew strongly within Media & Entertainment.

Gross profit during the period amounted to SEK 287.2 M (306.8), a fall of 7 per cent adjusted for changes in exchange rates. Gross profit during the quarter amounted to SEK 140.8 M (149.5), which was also a decline of 6 per cent adjusted for changes in exchange rates. Network's gross profit decreased during the quarter to SEK 123.8 M (135.8), which explained more than all of the total decline in consolidated gross profit.

Technology continued to develop strongly during the quarter and increased its gross profit to SEK 17.0 M (13.7).

The gross margin during the period decreased to 23.7 per cent from 24.4 per cent during the same period of last year. The gross margin was 24.5 per cent during the quarter compared to 24.7 per cent during the same quarter last year. The gross margin was positively impacted by a relatively high business volume within Technology.

Operating costs including depreciation amounted to SEK 277.3 M (249.7) during the period, an increase of 10 per cent adjusted for changes in exchange rates, of which approx. SEK 15 M related to change-related costs. Operating costs during the quarter amounted to SEK 143.5 M (127.2), an increase of 11 per cent adjusted for changes in exchange rates. During the second quarter, operating costs included approx. SEK 10 M in change-related costs, of which SEK 6.8 M is reserved for termination benefits to the CEO.

Higher administration costs in both the period and the quarter are mainly explained by the above-mentioned change-related costs and by extra provisions for possible losses on trade receivables in light of the very uncertain macroeconomic scenario for several of the Group's large markets. Higher costs for sales and marketing also contributed to the increased costs.

Operating profit (EBIT) amounted to SEK 9.9 M (57.1) during the period. During the second quarter, operating profit was SEK -2.8 M (22.2).

Financial income and expenses during the period amounted to SEK -0.8 M (-6.8). During the quarter, financial income and expenses amounted to SEK -1.1 M (2.1). The negative figure for net financial items during the period and during the quarter was due to currency translation of intra-group loans. The Group had no interest-bearing loans at the end of the quarter (0.0).

Profit after tax during the period amounted to SEK -0.7 M (34.0). During the second quarter, profit after tax was SEK -10.8 M (14.0). The tax expense during the period was SEK -9.8 M (-16.2) and SEK -7.0 M (-10.4) during the quarter. The tax expense during the quarter was mainly due to adjustments attributable to previous years.

NETWORK

Gross profit during the second quarter amounted to SEK 123.8 M (135.8), a decline of 10 per cent adjusted for changes in exchange rates. Gross profit fell in all market units, with the exception of North East where gross profit was stable. The largest decrease was in North West and Central which together accounted for more than half of the decline.

Operating profit (EBIT) amounted to SEK -10.2 M (17.6). Operating profit weakened in all units and the units in Northern Europe; Central, North East and North West reported an operating loss while the units in Southern Europe; France, South East and South West reported an operating profit, which was significantly lower, however, than the corresponding period of last year.

The market unit, **Central**, achieved a gross profit of SEK 28.4 M (31.2) during the quarter, a fall of 9 per cent adjusted for exchange rates. Operating profit amounted to SEK -3.5 M (4.1).

The competition has intensified in all countries in the region with low margins as a result. The competitive situation is particularly intense in the German market where certain players are prioritising volume over profitability. Switzerland, which is the second largest market for Tradedoubler in the region, continued to perform well.

France continued to be inhibited by the weak economy, but the market improved during the quarter. The activity within retail was low. Gross profit amounted to SEK 20.6 M (22.9) during the quarter, a fall of 9 per cent adjusted for changes in exchange rates. Operating profit amounted to SEK 1.1 M (6.0).

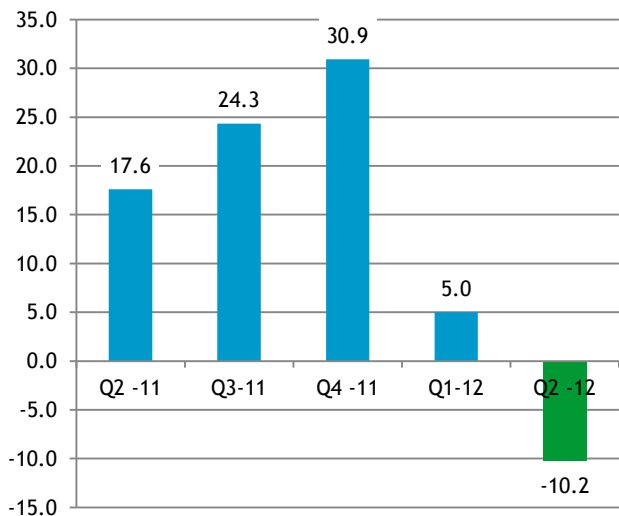
Gross profit in **North East**, amounted to SEK 30.3 M (30.6) during the quarter, which was unchanged adjusted for changes in exchange rates. Operating profit was SEK -5.9 M (0.3). The two largest markets in the region, Sweden and Norway declined. Both markets are relatively mature. The Russian market developed strongly, although from low levels.

The **North West** market unit reported a lower gross profit of SEK 22.1 M (26.3) during the quarter, a fall of 22 per cent adjusted for changes in exchange rates. Operating profit was SEK -4.3 M (-0.1). The British market is the most mature of the Group's markets, which contributed to the pressure on margins. The unit also has a high proportion of large international clients where the price pressure is generally higher. Some larger customer contracts expired during the quarter, while others have been renegotiated.

The **South East** market unit achieved gross profit of SEK 13.5 M (15.5) during the quarter, a fall of 12 per cent adjusted for changes in exchange rates. Operating profit amounted to SEK 1.5 M (6.1). The market declined due to the weak economy and several large customers reduced their activity. However, the unit gained several new customers, which partly offset the negative trend.

Gross profit for the quarter in the **South West** market unit amounted to SEK 8.9 M (9.3), a fall of 3 per cent adjusted for changes in exchange rates. Operating profit was SEK 0.9 M (1.3). The travel sector was seasonally strong, while the unit gained several customers outside this sector. The Brazilian operation is starting to contribute to gross profit with several active customers.

EBIT NETWORK (SEK M)

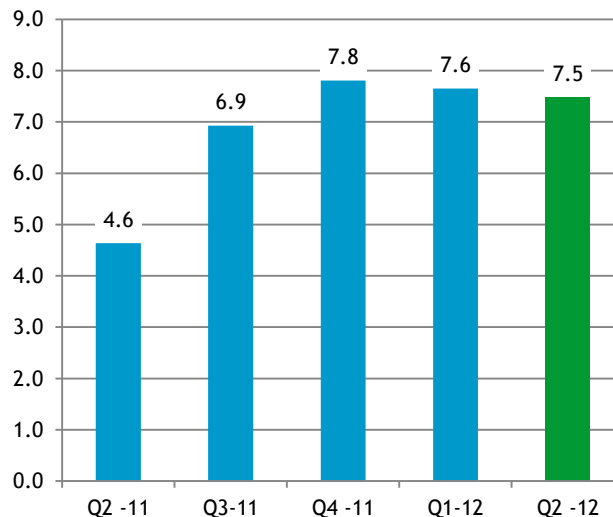


TECHNOLOGY

Gross profit during the second quarter amounted to SEK 17.0 M (13.7), an increase of 25 per cent adjusted for changes in exchange rates. Operating profit (EBIT) amounted to SEK 7.5 M (4.6). The operating profit/gross profit margin rose to 44.1 (33.8) per cent.

The operations developed well generally, with increasing volumes from larger existing clients. During the quarter, the operations grew primarily in Spain and France. The interest in Technology is increasing in line with customers' experience of online marketing.

EBIT TECHNOLOGY (SEK M)



Segments and market units

MSEK	Apr-Jun 2012	Apr-Jun 2011	Jan-Jun 2012	Jan-Jun 2011	Full year 2011
Gross profit (GP)					
Market Unit Central	28.4	31.2	60.0	63.5	131.4
Market Unit France	20.6	22.9	44.2	50.8	99.7
Market Unit North East	30.3	30.6	60.2	62.1	127.8
Market Unit North West	22.1	26.3	48.1	54.5	112.4
Market Unit South East	13.5	15.5	25.9	32.0	63.1
Market Unit South West	8.9	9.3	17.5	18.3	36.3
Total Network	123.8	135.8	255.9	281.2	570.6
Business Unit Technology	17.0	13.7	31.2	25.6	55.9
Total gross profit	140.8	149.5	287.2	306.8	626.5

Operating profit (EBIT)					
Market Unit Central	-3.5	4.1	-2.2	9.4	19.7
Market Unit France	1.1	6.0	6.6	17.6	34.6
Market Unit North East	-5.9	0.3	-11.8	1.8	4.1
Market Unit North West	-4.3	-0.1	-2.9	2.1	12.2
Market Unit South East	1.5	6.1	3.3	13.6	25.6
Market Unit South West	0.9	1.3	1.8	2.5	6.0
Total Network	-10.2	17.6	-5.2	47.0	102.2
Business Unit Technology	7.5	4.6	15.1	10.1	24.8
Total EBIT	-2.8	22.2	9.9	57.1	127.1

Operating profit/Gross profit, %					
Market Unit Central	neg	13.0	neg	14.7	15.0
Market Unit France	5.5	26.2	14.8	34.7	34.7
Market Unit North East	neg	0.9	neg	2.9	3.2
Market Unit North West	neg	neg	neg	3.8	10.9
Market Unit South East	11.2	39.4	12.9	42.4	40.6
Market Unit South West	9.9	13.7	10.4	13.8	16.6
Business Unit Technology	44.1	33.8	48.4	39.5	44.4

SEASONAL VARIATIONS

Tradedoubler's operations, particularly within Network, fluctuate with the development of e-commerce and online advertising. Although these areas are showing positive underlying growth, there are fluctuations during the year particularly within e-commerce. The highest level of activity is before Christmas, which implies that the fourth quarter is normally the strongest for Tradedoubler.

THE PARENT COMPANY

The parent company's net sales amounted to SEK 45.0 M (38.4) during the second quarter. Revenue primarily consisted of licensing revenue and remuneration from subsidiaries for centrally performed services. The higher net sales are primarily due to non-recurring adjustments in licensing revenue during the first quarter of 2011.

Financial income and expenses amounted to SEK 1.4 M (16.0). Profit after tax amounted to SEK -0.1 M (11.4).

The parent company's receivables from group companies amounted to SEK 150.4 M (302.5), at the end of the quarter, of which none (0.0) were non-current. The parent company's liabilities to group companies amounted to SEK 144.6 M (132.8), of which none (0.0) were non-current. Cash and cash equivalents amounted to SEK 28.4 M (50.2).

CASH FLOW AND FINANCIAL POSITION

Cash flow from operating activities during the second quarter amounted to SEK -12.7 M (-31.9), after a change in working capital of SEK -30.0 M (-53.8). The negative change in working capital was mainly due to lower sales than the first quarter of 2012. Cash flow from operating activities before changes in working capital amounted to SEK 17.2 M (21.9) during the quarter.

Net investments in intangible assets increased to SEK 12.2 M (6.1). These investments mainly consist of improvements to production and management information systems.

A dividend of SEK 64.0 M (0.0) in total was paid during the quarter. Accordingly, cash flow during the period amounted to SEK -86.4 M (-39.8).

Cash and cash equivalents amounted to SEK 179.4 M (214.3) at the end of the quarter. The Group had no interest-bearing loans (0.0).

Consolidated shareholders' equity amounted to SEK 522.3 M (551.1) at end of the quarter. For the latest 12-month period, the return on equity amounted to 10.7 (13.0) per cent.

TRANSACTIONS WITH RELATED PARTIES

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

EMPLOYEES

At the end of the quarter, Tradedoubler's staff corresponded to 488 (541) full-time equivalents (FTEs), which includes full-time, temporary and contract employees. The number of full-time equivalents decreased by 60 due to the discontinuation of Search and outsourcing of parts of the IT operations in December 2011.

RISKS AND UNCERTAINTY FACTORS

Tradedoubler divides risks into market-related risks, operational risks, financial risks and legal risks. These risks are described on pages 15-17 of the 2011 Annual Report.

It is assessed that no significant risks or uncertainties have arisen other than greater uncertainty about the future economic and market trend in Europe and, consequently, the possibility of increased customer credit risks.

MISCELLANEOUS

Rob Wilson has been appointed as new President and CEO to succeed Urban Gillström. Rob Wilson is currently head of the market unit North West. Jonas Ragnarsson has been recruited as new CFO to succeed Erik Skånsberg. Both managerial changes will take place on 1 August 2012.

EVENTS AFTER THE END OF THE REPORTING PERIOD

No significant events have occurred after the end of the reporting period.

ACCOUNTING POLICIES

This interim report is prepared in accordance with IAS 34, Interim Financial Reporting and the Swedish Annual Accounts Act. The key ratio 'equity per share' is calculated on equity on the balance sheet date unlike previous interim reports when the key ratio was calculated on the average equity for the period. Accounting policies and methods of calculation are otherwise unchanged, compared with the 2011 Annual Report.

For information on the accounting policies applied, see the 2011 Annual Report.

THE SHARE

The total number of shares at the end of the period was 42,807,449, of which 130,000 were in own custody. The average number of outstanding shares during the interim period was 42,677,449.

Earnings per share amounted to SEK -0.25 (0.33) during the second quarter and to SEK -0.02 (0.80) during the first half-year. Equity per share amounted to SEK 12.24 (12.91) at the end of the quarter.

The share price closed at SEK 16.90 on the final trading day in June 2012, which was lower than at the end of June 2011 when the share price was SEK 40.50. At year-end, the share price closed at SEK 27.30.

ENGLISH VERSION

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

PRESENTATION OF INTERIM REPORT

The interim report is presented at a press and analyst conference on 27 July at 10.00 a.m. in Tradedoubler's premises at Sveavägen 20, Stockholm.

The presentation may be followed via webcast on the website: <http://financials.tradedoubler.com/>, and by telephone:

Sweden	+46 8 5055 9812
UK	+44 207750 9950
US	+1 866 6765870

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

FINANCIAL INFORMATION

Interim report January-September 2012	31 October 2012
Year-end report 2012	6 February 2013

CONTACT INFORMATION

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REVIEW

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

THE BOARD OF DIRECTOR'S DECLARATION

The Board of Directors and the CEO declare that the interim report for the period January - June 2012 provides a true and fair overview of the Parent Company's and the Group's operations, financial position and results of operations as well as describing the material risks and uncertainties facing the Parent Company and other companies in the Group.

Stockholm, 27 July 2012

Mats Sundström
Chairman

Kristofer Arwin
Board member

Martin Henricson
Board member

Caroline Sundewall
Board member

Heléne Vibbleus Bergquist
Board member

Simon Turner
Board member

Urban Gillström
President and CEO

Consolidated income statement

SEK 000s	Apr-Jun 2012	Apr-Jun 2011	Jan-Jun 2012	Jan-Jun 2011	Full year 2011
Net Sales	573,660	604,760	1,213,866	1,257,321	2,612,701
Cost of goods sold	-432,873	-455,283	-926,690	-950,564	-1,986,163
Gross profit	140,786	149,477	287,176	306,758	626,539
Selling expenses	-88,332	-81,532	-176,787	-165,295	-335,928
Administrative expenses	-46,322	-35,042	-81,803	-63,435	-120,840
Development expenses	-8,892	-10,665	-18,702	-20,965	-42,711
Operating profit	-2,761	22,237	9,885	57,063	127,060
Net financial items	-1,088	2,094	-815	-6,834	-12,693
Profit before tax	-3,849	24,331	9,070	50,228	114,367
Tax	-6,988	-10,352	-9,800	-16,237	-22,201
Net profit for continued operations	-10,837	13,979	-729	33,992	92,166
Net profit for discontinued operations	-	6,366	-	4,996	-143,069
Total net profit for continued and discontinued operations	-10,837	20,346	-729	38,988	-50,904

All earnings accrue to the parent company's shareholders.

Consolidated statement of comprehensive income

SEK 000s	Apr-Jun 2012	Apr-Jun 2011	Jan-Jun 2012	Jan-Jun 2011	Full year 2011
Profit for the period, after tax	-10,837	20,346	-729	38,988	-50,904
<i>Other comprehensive income</i>					
Translation difference, net after tax	9,545	540	6,231	4,525	21,060
Exchange difference on increased net investment, net after tax*	-	-635	-	-9,176	-8,130
Reversal of exchange difference on increased net investment, net after tax*	-	-	-	-	98,077
Reversal of translation difference, net after tax*	-	-	-	-	3,765
Total comprehensive income for the period, after tax	-1,292	20,251	5,502	34,337	63,868
<i>Comprehensive income attributable to:</i>					
Parent company shareholders	-1,292	20,251	5,502	34,337	63,868

*These items are related to discontinued operations.

Earnings per share

SEK	Apr-Jun 2012	Apr-Jun 2011	Jan-Jun 2012	Jan-Jun 2011	Full year 2011
Profit per share for continued operations	-0.25	0.33	-0.02	0.80	2.16
Total profit per share (including discontinued operations)	-0.25	0.48	-0.02	0.91	-1.19
Number of Shares					
Weighted average	42,677,449	42,677,449	42,677,449	42,677,449	42,677,449

The earnings per share above apply before and after dilution.

Key ratios - Group

	Apr-Jun 2012	Apr-Jun 2011	Jan-Jun 2012	Jan-Jun 2011	Full year 2011
Gross profit (GP) / revenue (%)	24.5	24.7	23.7	24.4	24.0
Operating profit (EBIT) / revenue (%)	neg	3.7	0.8	4.5	4.9
Operating profit (EBIT) / gross profit (GP) (%)	neg	14.9	3.4	18.6	20.3
Net profit/gross profit (GP) (%)	neg	9.4	neg	11.1	14.7
Equity/assets ratio (%)	41.1	40.9	41.1	40.9	40.4
Return on equity (12 months) (%)	10.7	13.0	10.7	13.0	16.8
Average number of employees	487	541	490	543	544
Return on Capital Employed (12 months) (%)	15.2	22.1	15.2	22.1	23.4
Cash-flow per share, SEK	-2.0	-0.9	-2.5	-0.1	1.7
Equity per share, SEK	12.2	12.9	12.2	12.9	13.6
Stock price at the end of the period, SEK	16.9	40.5	39.5	40.5	27.3

Consolidated statement of financial position

SEK 000s	30 Jun 2012	30 Jun 2011	31 Dec 2011
Assets			
Intangible fixed assets	427,356	405,883	404,054
Tangible fixed assets	9,831	14,857	10,968
Financial fixed assets	3,709	2,725	3,549
Deferred tax assets	28,737	29,945	21,111
Total fixed assets	469,633	453,410	439,683
Accounts receivables	567,535	604,856	642,432
Tax assets	9,959	20,148	28,632
Other current receivables	44,824	56,002	35,149
Cash & cash equivalents	179,352	214,260	290,745
Total current assets	801,669	895,266	996,957
Total assets	1,271,302	1,348,676	1,436,640
Shareholders' equity and liabilities			
Shareholders' equity	522,329	551,122	580,843
Deferred tax liabilities	7,443	10,346	7,625
Other provisions	1,036	1,074	1,044
Total long-term liabilities	8,479	11,420	8,669
Accounts payable	22,937	48,979	29,407
Current liabilities to publishers	442,544	402,551	498,346
Tax liabilities	4,550	-	9,251
Other current liabilities	270,463	336,985	310,124
Total current liabilities	740,494	786,134	847,128
Total shareholder 's equity and liabilities	1,271,302	1,348,676	1,436,640

Consolidated statement of changes in equity

SEK 000s	Apr-Jun 2012	Apr-Jun 2011	Jan-Jun 2012	Jan-Jun 2011	Full year 2011
Opening balance	587,636	530,871	580,843	516,784	516,784
Total comprehensive income for the period, continued operations	-1,292	15,824	5,502	39,958	112,914
Total comprehensive income for the period, discontinued operations'	-	4,427	-	-5,620	-49,046
Equity-settled share-based payments	-	-	-	-	191
Dividend	-64,016	-	-64,016	-	-
Closing balance	522,329	551,122	522,329	551,122	580,843

All capital accrues to the parent company's shareholders.

*See disclosure regarding discontinued operations, page 19.

Consolidated statement of cash flows

SEK 000s	Apr-Jun 2012	Apr-Jun 2011	Jan-Jun 2012	Jan-Jun 2011	Full year 2011
<i>Operating activities</i>					
Profit before tax	-3,851	24,331	9,070	50,228	114,367
Adjustments for items not included in cash flow	21,373	8,789	23,142	16,897	16,098
Income taxes paid	-291	-11,174	-3,370	-14,726	-14,463
Cash flow from operating activities before changes in working capital	17,231	21,946	28,842	52,399	116,002
Changes in working capital	-29,978	-53,804	-50,626	-42,458	7,626
Cash flow from operating activities	-12,747	-31,858	-21,784	9,941	123,628
<i>Investing activities</i>					
Net investments in intangible assets	-12,242	-6,148	-20,383	-8,368	-25,828
Net investments in tangible assets	-822	-1,490	-1,485	-3,294	-3,877
Net investments in financial assets	3,468	-306	-224	-716	-1,394
Net investments in stocks and subsidiaries	-	-	-	-	-24,421
Cash flow from investing activities	-9,596	-7,944	-22,092	-12,378	-55,520
<i>Financing activities</i>					
Dividend paid to parent company's shareholders	-64,016	-	-64,016	-	-
Cash flow from financing activities	-64,016	-	-64,016	-	-
Cash flow for the period from continuing operations	-86,359	-39,802	-107,892	-2,437	68,108
<i>Cash flow from discontinued operations</i>					
Cash flow from operating activities	-	1,115	-	2,548	3,903
Cash flow from investing activities	-	-	-	-	-51
Cash flow from financing activities	-	-	-	-	-
Cash flow for the period from discontinued operations	-	1,115	-	2,548	3,852
Cash flow for the period	-86,359	-38,687	-107,892	111	71,960
<i>Cash and cash equivalents</i>					
On the opening date	268,222	245,633	290,745	209,744	209,744
Translation difference in cash and cash equivalents	-2,511	7,314	-3,501	4,405	9,041
Cash and cash equivalents on the closing date	179,352	214,260	179,352	214,260	290,745
<i>Adjustments for non-cash items</i>					
Depreciation	2,405	5,242	7,256	8,908	16,776
Other	18,968	3,547	15,886	7,989	-678
Total non-cash items	21,373	8,789	23,142	16,897	16,098

* Attributable to discontinued operations.

Income statement - Parent company

SEK 000s	Apr-Jun 2012	Apr-Jun 2011	Jan-Jun 2012	Jan-Jun 2011	Full year 2011
Net Sales	45,007	38,365	77,167	92,575	193,554
Cost of goods sold	-1,942	-1,943	-3,783	-3,786	-7,931
Gross profit	43,065	36,422	73,385	88,789	185,623
Selling expenses	-831	-2,259	-1,865	-3,979	-6,010
Administrative expenses	-43,772	-32,870	-78,984	-64,826	-119,216
Development expenses	-4,931	-8,305	-14,053	-16,352	-32,140
Operating profit	-6,469	-7,013	-21,517	3,632	28,257
Net financial items	1,410	16,043	2,388	19,751	-363,513
Profit before tax	-5,059	9,030	-19,129	23,383	-335,256
Tax	4,958	2,389	8,974	-1,427	-113
Net profit	-101	11,419	-10,155	21,956	-335,369

Balance sheet - Parent company

SEK 000s	30 Jun 2012	30 Jun 2011	31 Dec 2011
Assets			
Intangible fixed assets	43,353	11,480	26,601
Fixed tangible assets	4,239	9,579	5,520
Financial fixed assets	206,331	377,507	206,327
Deffered tax assets	14,331	-	-
Total fixed assets	268,254	398,565	238,449
Accounts receivables	2,046	3,579	6,339
Receivables from Group companies	150,358	302,486	157,307
Tax assets	3,295	16,783	7,191
Other current receivables	12,109	10,674	11,100
Cash & cash equivalents	28,356	50,176	52,224
Total current assets	196,164	383,698	234,161
Total assets	464,418	782,263	472,610
Shareholders' equity and liabilities			
Shareholders equity	200,026	532,208	274,198
Accounts payable	13,346	9,346	10,299
Liabilities to Group companies	144,592	132,775	71,119
Other liabilities	106,453	107,935	116,994
Total current liabilities	264,391	250,055	198,412
Total shareholder 's equity and liabilities	464,418	782,263	472,610

Pledged assets and contingent liabilities

SEK 000s	30 Jun 2012	30 Jun 2011	31 Dec 2011
Group			
Pledged assets	none	none	none
Rent deposits	3,709	2,722	3,549
Contingent liabilities	none	none	none
Parent company			
Pledged assets	none	none	none
Contingent liabilities	6,675	111,468	6,939

Quarterly summary

Consolidated income statement

SEK 000s	Apr-Jun 2012	Jan-Mar 2012	Oct-Dec 2011	Jul-Sep 2011	Apr-Jun 2011	Jan-Mar 2011	Oct-Dec 2010	Jul-Sep 2010
Net Sales	573,660	640,206	701,455	653,926	604,760	652,561	679,448	605,250
Cost of goods sold	-432,873	-493,816	-534,213	-501,386	-455,283	-495,280	-506,877	-458,166
Gross profit	140,786	146,390	167,241	152,540	149,477	157,281	172,571	147,084
Total costs	-143,549	-133,742	-128,505	-121,280	-127,239	-122,455	-138,816	-122,537
Operating profit	-2,763	12,648	38,737	31,260	22,237	34,826	33,755	24,547
Net financial items	-1,088	273	-888	-4,970	2,094	-8,929	-4,133	-14,191
Profit before tax	-3,851	12,921	37,849	26,290	24,331	25,897	29,622	10,356
Tax	-6,988	-2,811	405	-6,369	-10,352	-5,886	-8,166	2,830
Net profit	-10,839	10,109	38,254	19,921	13,979	20,012	21,455	13,187

Consolidated statement of financial position

SEK 000s	30 Jun 2012	31 Mar 2012	31 Dec 2011	30 Sep 2011	30 Jun 2011	31 Mar 2011	31 Dec 2010	30 Sep 2010
Assets								
Intangible fixed assets	427,356	406,048	404,054	428,644	405,883	406,738	423,123	431,530
Other fixed assets	42,277	38,581	35,629	47,854	47,527	45,560	45,654	52,356
Current receivables	622,317	668,812	706,213	717,459	681,006	691,012	737,204	698,827
Cash & cash equivalents	179,352	268,222	290,745	261,636	214,260	245,633	209,744	136,212
Total assets	1,271,302	1,381,663	1,436,640	1,455,593	1,348,676	1,388,944	1,415,725	1,318,924
Shareholders' equity and liabilities								
Shareholders' equity	522,329	587,636	580,843	592,667	551,122	530,870	516,784	500,409
Long-term non-interest bearing debt	8,479	8,576	8,669	10,685	11,420	12,199	18,926	20,399
Current non-interest bearing debt	740,494	785,451	847,128	852,241	786,134	845,875	880,015	798,117
Total shareholder 's equity and liabilities	1,271,302	1,381,663	1,436,640	1,455,593	1,348,676	1,388,944	1,415,725	1,318,924

Consolidated statement of cash flows

SEK 000s	Apr-Jun 2012	Jan-Mar 2012	Oct-Dec 2011	Jul-Sep 2011	Apr-Jun 2011	Jan-Mar 2011	Oct-Dec 2010	Jul-Sep 2010
<i>Operating activities</i>								
Profit before tax	-3,851	12,921	37,849	26,289	24,331	25,897	29,610	10,356
Adjustments for items not included in cash flow	21,373	1,769	-5,473	4,675	8,789	8,108	5,481	2,036
Tax paid	-291	-3,079	8,283	-8,020	-11,174	-3,552	24,925	5,568
Cash flow from changes in working capital	-29,978	-20,648	27,263	22,821	-53,804	11,346	16,003	1,226
Cash flow from operating activities	-12,747	-9,037	67,922	45,765	-31,858	41,799	76,019	19,186
Cash flow from investing activities	-9,596	-12,496	-33,739	-9,403	-7,944	-4,434	-3,477	-1,092
Cash flow from financing activities	-64,016	-	-	-	-	-	-	-
Cash flow from continued operations	-86,359	-21,533	34,183	36,362	-39,802	37,365	72,542	18,094
Cash flow from discontinued operations	-	-	-2,058	3,362	1,115	1,433	1,543	1,190
Cash flow for the period	-86,359	-21,533	32,125	39,724	-38,687	38,798	74,085	19,284
Cash and cash equivalents								
On the opening date	268,222	290,745	261,636	214,260	245,633	209,744	136,212	121,469
Translation difference	-2,511	-990	-3,016	7,653	7,314	-2,909	-553	-4,541
Cash and cash equivalents on the closing date	179,352	268,222	290,745	261,636	214,260	245,633	209,744	136,212

Key ratios - Group

	Apr-Jun 2012	Jan-Mar 2012	Oct-Dec 2011	Jul-Sep 2011	Apr-Jun 2011	Jan-Mar 2011	Oct-Dec 2010	Jul-Sep 2010
Gross profit (GP) / revenue (%)	24.5	22.9	23.8	23.3	24.7	24.1	25.4	24.3
Operating profit (EBIT) / revenue (%)	neg	2.0	5.5	4.8	3.7	5.3	5.0	4.1
Operating profit (EBIT) / gross profit (GP) (%)	neg	8.6	23.2	20.5	14.9	22.1	19.6	16.7
Net profit/gross profit (GP) (%)	neg	6.9	22.9	13.1	9.4	12.7	12.4	9.0
Equity/assets ratio (%)	41.1	42.5	40.4	40.7	40.9	38.2	36.5	37.9
Return on equity (12 months) (%)	10.7	14.7	16.8	13.8	13.0	16.5	14.6	22.5
Average number of employees	487	491	536	553	541	545	534	551
Return on Capital Employed (12 months) (%)	15.2	19.0	23.4	22.4	22.1	21.4	18.8	28.5
Cash-flow per share, SEK	-2.0	-0.5	0.8	0.9	-0.9	0.9	1.7	0.5
Equity per share, SEK	12.2	13.8	13.6	13.9	12.9	12.4	12.1	11.7
Stock price at the end of the period, SEK	16.9	31.1	27.3	23.0	40.5	46.8	49.5	35.0

Segments

MSEK	Apr-Jun 2012	Jan-Mar 2012	Oct-Dec 2011	Jul-Sep 2011	Apr-Jun 2011	Jan-Mar 2011	Oct-Dec 2010	Jul-Sep 2010
Market Unit Central								
Gross profit	28.4	31.5	36.2	31.8	31.2	32.3	35.7	27.5
Operating profit	-3.5	1.4	6.0	4.3	4.1	5.3	4.8	0.5
Market Unit France								
Gross profit	20.6	23.5	26.1	22.7	22.9	27.9	30.1	24.9
Operating profit	1.1	5.4	10.2	6.8	6.0	11.6	8.0	6.7
Market Unit North East								
Gross profit	30.3	30.0	34.3	31.4	30.6	31.5	36.0	29.2
Operating profit	-5.9	-6.0	0.4	1.9	0.3	1.5	3.2	1.1
Market Unit North West								
Gross profit	22.1	26.0	30.6	27.3	26.3	28.2	29.9	26.7
Operating profit	-4.3	1.4	7.0	3.2	-0.1	2.2	6.1	2.9
Market Unit South East								
Gross profit	13.5	12.5	16.0	15.0	15.5	16.6	15.5	13.4
Operating profit	1.5	1.8	6.2	5.8	6.1	7.5	4.0	3.9
Market Unit South West								
Gross profit	8.9	8.6	8.1	9.8	9.3	9.0	10.9	12.2
Operating profit	0.9	0.9	1.2	2.3	1.3	1.3	1.2	3.2
Technology								
Gross profit	17.0	14.3	15.9	14.5	13.7	11.9	14.4	13.3
Operating profit	7.5	7.6	7.8	6.9	4.6	5.5	6.5	6.3
Total								
Gross profit	140.8	146.4	167.2	152.5	149.5	157.3	172.6	147.1
Operating profit (EBIT)	-2.8	12.6	38.7	31.3	22.2	34.8	33.8	24.5

Disclosure regarding discontinued operation

	Apr-Jun 2011	Jan-Jun 2011	Full year 2011
SEK 000s			
Net Sales	89,680	186,491	343,990
Cost of goods sold	-81,957	-169,390	-312,178
Gross profit	7,723	17,101	31,812
Total costs	-9,775	-20,414	-39,536
Operating profit	-2,052	-3,313	-7,724
Net financial items	321	211	270
Profit before tax	-1,731	-3,101	-7,454
Tax	8,097	8,097	11,272
Net profit excl capital loss for the year for discontinuing operations	6,366	4,996	3,818
Capital loss	-	-	-146,887
Net profit for the year for discontinuing operations	6,366	4,996	-143,069
Other comprehensive income			
Net profit from discontinued operations	6,366	4,996	-143,069
Translation difference on equity net after tax	-1,304	-1,440	311
Exchange difference on increased net investment, net after tax	-635	-9,176	-8,130
Reversal of exchange difference on increased net investment, net after tax	-	-	98,077
Reversal of translation difference on equity, net after tax	-	-	3,765
Total other comprehensive income from discontinued operations	4,427	-5,621	-49,046

Discontinued operations refers to the operations in the Search market unit, which were transferred to Netbooster during the fourth quarter of 2011.

Key ratio - definitions

Return on equity. Net profit as a percentage of average equity calculated as opening plus closing equity divided by two.

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

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

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

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

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

Operating margin. Operating profit as a percentage of sales.

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

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

Glossary

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

Affiliate. (Means 'connected' or 'linked' in English) Used for a website which via adverts directs Internet visitor traffic to the advertising company's website.

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

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

App download tracking. Software that enables the advertiser to monitor and obtain statistics about when the consumer downloads and installs software from the advertiser and how the consumer uses the software afterwards.

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

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

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

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

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

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

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

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

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

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

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

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

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

Tradedoubler in brief

Business concept

Tradedoubler creates results by improving the clients' digital marketing. This happens through our performance-based advertising network, our tools which help advertisers to make the most of their campaigns as well as our services within search engine marketing.

Tradedoubler operates on the growing and dynamic market for Internet marketing. The measured results are crucial in this market for determining how campaigns are designed and how advertising rates are set. Digital marketing now has a greater reach than TV advertising in the case of many countries and target groups.

Tradedoubler has a presence in 18 countries in Europe and reaches about 75 per cent of European e-commerce consumers. The core business is to arrange adverts between advertisers and websites. This mainly takes place through Tradedoubler's affiliate network which consists of 2,000 advertisers and 140,000 active publishers.

The core business is conducted in the segment Network which accounts for 90 per cent of the group's gross profit. The Technology unit licenses Tradedoubler's technology platform for Internet marketing to major advertisers.

Business model

Tradedoubler's business model is based on the company:

- operating as an independent third party and arranging adverts and campaign space among advertisers, media agencies and websites
- supplying and refining an advanced technical advertising platform

The basis of the operations is that Tradedoubler arranges and optimises ads and campaign space between advertisers and publishers of websites. Through its knowledge of Internet marketing, technology platforms for handling transactions and tracking visitors, advanced administrative system and affiliate network, Tradedoubler improves business for both advertisers and publishers. Tradedoubler is able to receive payment in relation to the result generated since the outcome is clearly measurable.

A large portion of Tradedoubler's revenue is performance-based. Remuneration from advertisers to publishers - and to Tradedoubler - is only payable when the visitor performs a certain activity, such as clicking on an ad or executing a purchase.

The activities which determine the remuneration are CPM (cost-per-thousands impressions), CPC (cost-per-click), CPL (cost-per-lead) and CPA (cost-per-action). Which one or combination of these activities forms the basis for the remuneration is decided on a case-by-case-basis. CPA and CPC are the most common. Tradedoubler's system tracks the customer activities generated by a certain advert in order to calculate the remuneration.

Tradedoubler discloses the information provided herein pursuant to the Swedish Securities Markets Act. The information was submitted for publication on 27 July 2012 at 8.00 a.m. CET.