

## EBITDA continues to improve

*Eniro continues to focus on increased efficiency. Total operating costs were SEK 374 M lower in the first half of 2016 compared with the same period last year. EBITDA improved for the second consecutive quarter and amounted to SEK 116 M (49), corresponding to a margin of 23.4% (7.7%). Adjusted EBITDA for the first half of 2016 amounted to SEK 237 M (200), corresponding to an increase of 19% and an adjusted EBITDA margin of 23.7% (15.8%). Revenue decreased by 22% during the quarter compared with the same period last year, however, compared with the first quarter, revenue development was more stable, with a decline of 2%.*

*Eniro's new board of directors has initiated an in-depth analysis of the company's businesses and strategy. As part of this work, a decision was taken during the quarter to perform new impairment testing of the company's intangible assets. The testing resulted in a need to recognise impairment losses of SEK -873 M.*

*The Board of Directors has appointed Örjan Frid as new President and CEO of Eniro AB. It is the Board's assessment that new leadership is required in order to successfully manage the necessary corporate change program that the new Board envisages. The Board would like to thank Stefan Kercza for his valuable contributions to the company in the role as CEO since 2014 and as a member of Group Management since 2011.*

**Björn Björnsson, Chairman of the Board**

### SECOND QUARTER: APRIL–JUNE 2016

- Total operating revenue amounted to SEK 496 M (634), a decrease of 22%.
- Revenue from Desktop/Mobile search amounted to SEK 339 M (405), a decrease of 16%.
- Prepaid revenue amounted to SEK 468 M (564) as per June 30, 2016, a decrease of 17%.
- EBITDA grew 137% to SEK 116 M (49). The EBITDA margin was 23.4% (7.7%).
- Adjusted EBITDA grew 23% to SEK 118 M (96).
- Net income for the period was SEK -852 M (-1,185), an improvement of 28%.
- Earnings per common share for the period were SEK -1.80 (-4.55) before dilution and SEK -1.28 (-2.39) after dilution.
- Cash flow from operating activities increased to SEK 59 M (-56).
- The 2016 Annual General Meeting elected a new Board of Directors, consisting of Björn Björnsson (Chairman), Joachim Berner, Örjan Frid and Ola Salmén. The AGM also resolved in favor of a warrant program for the members of the Board of Directors and senior executives.
- Eniro's new Board of Directors has initiated an in-depth analysis of the company's businesses and strategy. As part of this work, new impairment testing was performed by the Board of the company's intangible assets. A downward adjustment of the anticipated revenue and earnings performance used in previous impairment tests and an elevated risk assessment, resulted in a need to recognize impairment losses related to goodwill of SEK -873 M (1,111), impacting earnings for the second quarter.
- The new assumptions used in the asset valuation underline the importance of the comprehensive review initiated by the Board and Group Management of e.g., the business model, corporate structure and capital structure.
- Furthermore, the above-mentioned assumptions entail that further measures are required in order for Eniro to live up to its loan covenants in the first quarter of 2017.

### HALF YEAR: JANUARY–JUNE 2016

- Total operating revenue amounted to SEK 1,000 M (1,266), a decrease of 21%.
- Revenue for Desktop/Mobile search amounted to SEK 695 M (835), a decrease of 17%.
- EBITDA grew 77% to SEK 252 M (142). The EBITDA margin was 25.2% (11.2%).
- Adjusted EBITDA grew 19% to SEK 237 M (200). The adjusted EBITDA margin was 23.7% (15.8%).
- Net income for the period was SEK -854 M (-1,212), an improvement of 30%.
- Earnings per common share for the period were SEK -1.84 (-6.81) before dilution and SEK -1.30 (-2.94) after dilution.
- Cash flow from operating activities increased to SEK 124 M (4).
- Earnings include non-cash impairment losses of SEK -873 M (-1,111) for goodwill.

### EVENTS AFTER THE END OF THE REPORTING PERIOD

- The Board of Directors has appointed Örjan Frid as new President and CEO of Eniro AB. It is the Board's assessment that new leadership is required in order to successfully manage the necessary corporate change program that the new Board envisages. Mr. Frid will assume his position with immediate effect.
- The Board of Directors has decided to terminate the employment contract of Mr. Stefan Kercza. In accordance with Mr. Kercza's employment contract he is entitled to 6 months' termination notice, if terminated by himself and 12 months' termination notice when terminated by the Company. In addition, upon contract termination, he is entitled to a severance payment amounting to 6 months' salary, with deduction of salary from any other source.

*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 approximately 1,700 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 383 M. More on Eniro at [www.enirogroup.com](http://www.enirogroup.com)*

## Chairman's comments



### **New board of directors conducts review of the company**

Since the middle of the second quarter, Eniro's new board of directors has been carrying out a comprehensive analysis of Eniro and the company's ability to build a profitable digital advertising business based on the attractive user traffic that is generated on the company's platforms. As part of this work, the Board conducted a review of the value of the company's intangible assets, based on management's forecasts, which resulted in impairment losses of SEK -873 M during the quarter.

With reference to the corporate change program that the new board envisions, a decision has been made regarding new leadership. The Board of Directors would like to thank Mr. Stefan Kercza for his valuable contributions as Eniro's President and CEO since 2014 and member of the Group Management since 2011. Under Mr. Kercza's leadership Eniro has completed many extensive and important organizational changes, as well as the implementation of efficiency measures in order to stabilize the level of earnings.

The Board of Directors has appointed Mr. Örjan Frid as the new President and CEO of the Eniro Group. Mr. Frid has more than 25 years of experience from turnaround situations in a large number of Swedish companies in various industries. He has previously served as interim CEO, COO and project manager in organizations that were subject to significant change and restructuring. Mr. Frid has also worked as CEO of Patria Helicopters AB, Eneas Energy AB and TradeDoubler AB. Mr. Frid is a member of Eniro's board of directors that was elected at the AGM in April this year.

### **Increase in EBITDA to SEK 116 M during the second quarter**

Operating revenue amounted to SEK 496 M during the second quarter, which corresponds to a decrease of 22% compared with the same period last year. Compared with the first quarter, however, revenue development was more stable, with a decline by 2%. A number of initiatives have contributed to a stabilization of revenue during the second quarter.

As a result of internal efficiency programs, EBITDA improved for the second consecutive quarter to SEK 116 M (49). The EBITDA margin amounted to 23.4%, compared with 7.7% (15.1% adjusted for restructuring costs) during the second quarter of 2015. For the first half of the year, adjusted EBITDA amounted to SEK 237 M (200), representing an increase of 19% and an adjusted EBITDA margin of 23.7% (15.8%). Total operating costs were SEK 374 M lower in the first half of 2016 compared with the same period last year.

### **Change is a part of Eniro's day-to-day life**

Eniro is working intensively to improve revenue growth through continuous product development, leveraging the existing customer base and increasing efficiency of the sales organization. Eniro's operations are defined by an ongoing balancing act between reactive measures to streamline businesses in competitive markets undergoing structural decline, and proactive measures to build businesses with strong growth potential. This balancing act represents a challenge for the company, not least because it is difficult to accelerate and brake simultaneously. The positive effects from some of the investments may not be visible immediately, but are necessary to strengthen the company's long-term competitiveness.

During the autumn, the Board will finalize the analysis of Eniro's prospects. The work includes a review of the Group's strategy, corporate structure, profitability and capital structure.

Change is a part of Eniro's day-to-day life and I am certain that Eniro's knowledgeable and dedicated employees will be successful in the continued reshaping of the company.

**Kista, August 12, 2016**

**Björn Björnsson**

Chairman of the Board

# Second quarter results 2016

## Revenue

Operating revenue decreased by 22% to SEK 496 M (634) during the second quarter of 2016. Currency effects on revenue, mainly a weaker Norwegian krona, were negative by SEK -15 M (5).

Prepaid revenue amounted to SEK 468 M (564) at the end of the quarter, a decrease of 17% compared with the level on June 30, 2015.

## Digital search

Digital search revenue decreased by 20% to SEK 373 M (465).

## Desktop/Mobile search

Revenue from Desktop/Mobile search decreased by 16% to SEK 339 M (405).

Revenue was negatively affected by teething problems in the new Nordic sales organization. Further fine tuning of the organizations in Sweden and Denmark was therefore required during the spring.

The sales decline in Norway is partly attributable to currency effects. The sales organization in this market works relatively well.

Poland continues to perform well, and sales are in line with expectations.

Revenue from our financial search offerings performed below expectations during the second quarter. However, in terms of visitor numbers we are satisfied, with an increase of 3% during the quarter. Toward the end of the year we will be launching a number of new functions that we hope will spark greater interest from both users and customers.

During the second quarter 39% of total searches were performed in the mobile channel, an increase of 3 percentage points compared with the preceding quarter.

## Complementary digital marketing products

Revenue from Complementary digital marketing products decreased by 43% to SEK 34 M (60).

The decline is attributable to our decision last year to sharply reduce sales of Google AdWords as a result of weak profitability. Sales have been subsequently resumed after organizing them in an entirely new way and with highly improved profitability. Thus far volumes are still low, as the newly resumed efforts are still in the start-up phase.

During the autumn we will be reintroducing the product in our final core market, Denmark, and we continued to train more salespeople in Google AdWords. The product is important for our ability to be a comprehensive supplier of digital marketing solutions.

Gulesider Innsikt was launched successfully during the quarter and is sold by a specialized team in Norway which handles the entire digital marketing strategies for companies, from planning to execution.

## Print/Voice

Print revenue decreased by 46% to SEK 25 M (46).

Voice revenue decreased by 20% to SEK 98 M (123).

Print and Voice revenue continues to contract as a result of the shift to digital search channels, however, through good cost control it is generating earnings even better than expected.

Kaj Lindholm has been appointed as the new head of Voice, effective September 1. Kaj has been with Eniro for approximately 20 years and is currently President of Eniro Finland – a role that he will continue to hold aside from his new area of responsibility.

SEK M	Apr-Jun 2016	Apr-Jun 2015	%	Jan-Jun 2016	Jan-Jun 2015	%	Jul-Jun 2015/16	Jan-Dec 2015
Operating revenue	496	634	-22	1,000	1,266	-21	2,172	2,438
Operating income	-810	-1,166	31	-729	-1,136	36	-623	-1,030
Net income for the period	-852	-1,185	28	-854	-1,212	30	-767	-1,125
EBITDA	116	49	137	252	142	77	493	383
Adjusted EBITDA	118	96	23	237	200	19	491	454
Cash flow from operating activities	59	-56	205	124	4	3,000	298	178
Interest-bearing net debt excl. convertible loan and pension obligations	-1,210	-1,345	-10	-1,210	-1,345	-10	-1,210	-1,241

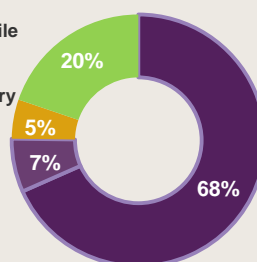
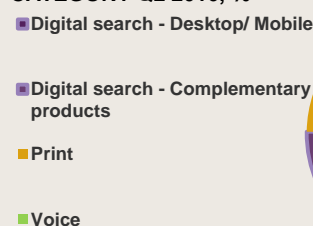
## REVENUE Q2 2016

SEK **496**M

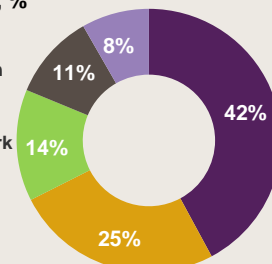
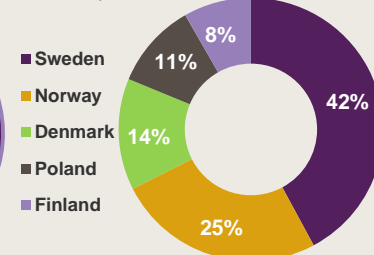
## EBITDA Q2 2016

SEK **116**M

## GROUP REVENUE PER CATEGORY Q2 2016, %



## GROUP REVENUE PER COUNTRY Q2 2016, %



## Operating income

Consolidated operating income for the second quarter amounted to SEK -810 M (-1,166).

EBITDA for the Group was SEK 116 M (49) for the second quarter, and the EBITDA margin was 23.4% (7.7%).

Restructuring costs amounted to SEK -2 M (-35) during the second quarter. Income for the comparison period was affected by an additional SEK -12 M in costs for severance pay. Total nonrecurring items during the second quarter amounted to SEK -2 M (-47).

After adjusting for nonrecurring items, adjusted EBITDA for the Group amounted to SEK 118 M (96), an increase of 23%. The adjusted EBITDA margin was 23.8% (15.1%).

EBITDA for the Local search operating segment, which includes the Digital search and Print categories, amounted to SEK 98 M (44), and the EBITDA margin was 24.6% (8.6%).

EBITDA for the Voice operating segment amounted to SEK 31 M (48), and the EBITDA margin was 31.6% (39.0%).

## Cost efficiency

We are continuing our work on efficiency improvement. Total operating costs were SEK 201 M lower during the second quarter compared with the corresponding quarter a year ago. Cost savings adjusted for restructuring and third-party costs amounted to SEK 150 M (67). The savings consisted mainly of lower personnel costs.

## Amortization and impairment losses

Amortization amounted to SEK -53 M (-67) during the second quarter. Amortization of the Gule Sider and Ditt Distrikt trademarks totaled SEK -20 M (-23). The Voice trademark 1888, which was fully amortized at the end of 2015, was amortized during the second quarter a year ago by SEK -9 M. During 2016 the Krak trademark has been reclassified from having indefinite useful life to a finite useful life of 10 years. Amortization of the trademark during the second quarter totaled SEK -3 M (0).

In connection with the preparation of the quarterly report a new impairment test was performed of the value of the company's intangible non-current assets. A downward adjustment of anticipated revenue and earnings performance, together with an elevated risk assessment, resulted in a need to recognize impairment losses of SEK -873 M (-1,111) for goodwill, of which

approximately half is attributable to a higher risk premium. Of this impairment, SEK -851 M (-646) pertained to Local search and SEK -22 M (-465) pertained to Voice. Of the impairment losses in Local search, SEK -622 M (-646) pertained to Norway and SEK -229 M (0) pertained to Denmark. Of the impairment losses in Voice, SEK -9 M (-360) was attributable to Sweden, SEK -11 M (0) was attributable to Norway, and SEK -2 M (-105) was attributable to Finland. Earnings for the corresponding period a year ago were charged with impairment losses of SEK -37 M for ongoing development projects.

The new assumptions used in the asset valuation underline the importance of the comprehensive review initiated by the Board and Group Management of e.g., the business model, corporate structure and capital structure.

Furthermore, the above-mentioned assumptions entail that further measures are required in order for Eniro to live up to its loan covenants in the first quarter of 2017.

## Acquisitions/divestments

No acquisitions or divestments were carried out during the second quarter.

## Net financial items

Net financial items amounted to SEK -33 M (-23). Exchange rate differences had a positive effect on net financial items by SEK 3 M (18).

## Income before tax

Income before tax amounted to SEK -843 M (-1,189) for the period. Reported tax for the second quarter totaled SEK -9 M (4). The effective tax rate was 30% (0.3%).

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 remain relatively low in the years immediately ahead.

## Net income for the period and earnings per common share

Net income for the second quarter was SEK -852 M (-1,185). Earnings per common share before dilution were SEK -1.80 (-4.55). Earnings per common share after dilution were SEK -1.28 (-2.39).

## Operating revenue by category and operating segments

SEK M	Apr-Jun 2016	Apr-Jun 2015	%	Jan-Jun 2016	Jan-Jun 2015	%	Jul-Jun 2015/16	Jan-Dec 2015
Desktop/Mobile search	339	405	-16	695	835	-17	1,406	1,546
Complementary digital marketing products	34	60	-43	67	117	-43	172	222
<b>Digital search</b>	<b>373</b>	<b>465</b>	<b>-20</b>	<b>762</b>	<b>952</b>	<b>-20</b>	<b>1,578</b>	<b>1,768</b>
Print	25	46	-46	49	75	-35	184	210
<b>Local search</b>	<b>398</b>	<b>511</b>	<b>-22</b>	<b>811</b>	<b>1,027</b>	<b>-21</b>	<b>1,762</b>	<b>1,978</b>
Voice	98	123	-20	189	239	-21	410	460
<b>Total revenue</b>	<b>496</b>	<b>634</b>	<b>-22</b>	<b>1,000</b>	<b>1,266</b>	<b>-21</b>	<b>2,172</b>	<b>2,438</b>

## Reconciliation of operating profit and adjusted EBITDA

SEK M	Apr-Jun 2016	Apr-Jun 2015	%	Jan-Jun 2016	Jan-Jun 2015	%	Jul-Jun 2015/16	Jan-Dec 2015
<b>Operating income</b>	<b>-810</b>	<b>-1,166</b>	<b>31</b>	<b>-729</b>	<b>-1,136</b>	<b>36</b>	<b>-623</b>	<b>-1,030</b>
Depreciation/amortization	53	67		108	130		234	256
Impairment losses	873	1,148		873	1,148		882	1,157
<b>Total EBITDA</b>	<b>116</b>	<b>49</b>	<b>137</b>	<b>252</b>	<b>142</b>	<b>77</b>	<b>493</b>	<b>383</b>
Whereof Local search	98	44	123	212	109	94	376	273
Whereof Voice	31	48	-35	59	91	-35	157	189
Whereof Other	-13	-43	70	-19	-58	67	-40	-79
<b>EBITDA margin %</b>	<b>23.4</b>	<b>7.7</b>		<b>25.2</b>	<b>11.2</b>		<b>22.7</b>	<b>15.7</b>
<b>Items affecting comparability</b>								
Restructuring costs	2	35		4	46		31	73
Other items affecting comparability	0	12		-19	12		-33	-2
<b>Total adjusted EBITDA</b>	<b>118</b>	<b>96</b>	<b>23</b>	<b>237</b>	<b>200</b>	<b>19</b>	<b>491</b>	<b>454</b>
<b>Adjusted EBITDA margin %</b>	<b>23.8</b>	<b>15.1</b>		<b>23.7</b>	<b>15.8</b>		<b>22.6</b>	<b>18.6</b>



# First-half results 2016

## Revenue

Operating revenue decreased by 21% to SEK 1,000 M (1,266) during the first half of 2016.

## Digital search

Digital search revenue decreased by 20% to SEK 762 M (952).

## Desktop/Mobile search

Revenue from Desktop/Mobile search decreased by 17% to SEK 695 M (835).

## Complementary digital marketing products

Revenue from Complementary digital marketing products decreased by 43% to SEK 67 M (117).

## Print/Voice

Print revenue decreased by 35% to SEK 49 M (75).

Voice revenue decreased by 21% to SEK 189 M (239).

## Operating income

Consolidated operating income for the first half of the year amounted to SEK -729 M (-1,136).

EBITDA for the Group was SEK 252 M (142) for the first half of the year, and the EBITDA margin was 25.2% (11.2%).

Restructuring costs amounted to SEK -4 M (-46) during the period. Other items affecting comparability during the period totaled SEK 19 M (-12) and consisted of SEK 27 M pertaining to a shift to paying regular premiums for defined benefit pension plans in Sweden, which has entailed a changed calculation of the pension liability in accordance with IAS, and of a provision of SEK -8 M for a discontinued project being conducted together with a partner. Earnings for the comparison period were affected by SEK -12 M in costs for severance pay. Total nonrecurring items during the period amounted to a positive net of SEK 15 M (-58).

After adjusting for nonrecurring items, adjusted EBITDA for the Group amounted to SEK 237 M (200), an increase of 19%. The adjusted EBITDA margin was 23.7% (15.8%).

EBITDA for the Local search operating segment, which includes the Digital search and Print categories, amounted to SEK 212 M (109), and the EBITDA margin was 26.1% (10.6%).

EBITDA for the Voice operating segment amounted to SEK 59 M (91), and the EBITDA margin was 31.2% (38.1%).

## Cost efficiency

We are continuing our work on efficiency improvement. Total operating costs were SEK 374 M lower than in the corresponding period a year ago.

Cost savings adjusted for restructuring and third-party costs amounted to SEK 297 M (189). The savings consisted mainly of lower personnel costs.

## Amortization and impairment losses

Amortization amounted to SEK -108 M (-130) during the first half of the year. Amortization of the Gule Sider and Ditt Distrikt trademarks totaled SEK -41 M (-46). The Voice trademark 1888, which was fully amortized at the end of 2015, was amortized during the first half of 2016 by SEK -18 M. During 2016 the Krak trademark has been reclassified from having indefinite useful life to a finite useful life of 10 years. Amortization of the trademark during the first half of the year totaled SEK -6 M (0).

In connection with the preparation of the quarterly report a new impairment test was performed of the value of the company's intangible non-current assets. A downward adjustment of the anticipated revenue and earnings performance, together with an elevated risk assessment, resulted in a need to recognize impairment losses of SEK -873 M (-1,111) for goodwill, of which approximately half is attributable to a higher risk premium. Of this impairment, SEK -851 M (-646) pertained to Local search and SEK -22 M (-465) pertained to Voice. Of the impairment losses in Local search, SEK -622 M (-646) was attributable to Norway and SEK -229 M (0) was attributable to Denmark. Of the impairment losses in Voice, SEK -9 M (-360) was attributable to Sweden, SEK -11 M (0) was attributable to Norway, and SEK -2 M (-105) was attributable to Finland. Earnings for the corresponding period a year ago were charged with impairment losses of SEK -37 M for ongoing development projects.

The new assumptions used in the asset valuation underline the importance of the comprehensive review initiated by the Board and Group Management of e.g., the business model, corporate structure and the capital structure.

Furthermore, the above-mentioned assumptions entail that further measures are required in order for Eniro to live up to its loan covenants in the first quarter of 2017.

## Net financial items

Net financial items amounted to SEK -117 M (-70). Exchange rate differences had a negative effect on net financial items by SEK 46 M (8). Income before tax amounted to SEK -846 M (-1,206) for the period.

## Net income for the period and earnings per common share

Net income for the period was SEK -854 M (-1,212). Earnings per common share before dilution were SEK -1.84 (-6.81). Earnings per common share after dilution were SEK -1.30 (-2.94).

# Cash flow and financial position – first half of 2016

## Cash flow

Cash flow during the first half of the year amounted to SEK -48 M (25).

Cash flow from operating activities was SEK 124 M (4), where stronger EBITDA of SEK 252 M (142), a positive change in working capital of SEK 3 M (-21), lower financial payments of SEK -51 M (-92), and lower tax payments of SEK -14 M (-18) compensated for other non-cash items of SEK -66 M (-7).

Cash flow from investing activities totaled SEK -51 M (-42) and included net investments in operations of SEK -52 M (-47).

Cash flow from financing activities totaled SEK -121 M (63). During the first half of the year, amortization of Eniro's bank loans totaled SEK -86 M (-813); amortization in the corresponding period a year ago included a lump-sum repayment of SEK -670 M in connection with the renegotiation of the loan agreement. The new issue and convertible bond issue had a positive effect on the preceding year's figure by SEK 905 M, net.

## Financial position

As per June 30 the Group's outstanding debt under existing credit facilities was NOK -199 M, DKK -40 M, and SEK -1,193 M. At the end of the period Eniro had an unutilized credit facility of SEK 115 M. Cash and cash equivalents, and unutilized credit facilities, totaled SEK 160 M.

The convertible bond is reported at amortized cost and amounted to SEK -267 M as per June 30. The nominal debt at the same point in time was SEK -336 M, entailing that 164 of the total 500 convertibles have been converted to common stock. The Group's interest-bearing net debt excluding the convertible bond and pension obligations amounted to SEK -1,210 M as per June 30, 2016, compared with SEK -1,345 M on June 30, 2015. The Group's indebtedness, expressed as

interest-bearing net debt excluding the convertible bond and pension obligations in relation to EBITDA, was 2.5 on June 30, 2016, compared with 3.4 on June 30, 2015.

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). A total of SEK 130 M was pledged between 2012 and 2015. During the second quarter Eniro pledged SEK 20 M, and an additional SEK 20 M will be pledged in 2016. As per June 30, 2016, total pledged funds amounted to SEK 153 M (133), including returns. Starting in 2016 Eniro has changed over to paying regular premiums for defined benefit pension plans in Sweden.

## Parent Company

Operating revenue amounted to SEK 10 M (16), which pertains to intra-Group services. During the period, shares in subsidiaries were written down by SEK -1,887 M (0). Profit for the period was SEK -1,873 M (-33). At the end of the period the Parent Company's equity amounted to SEK 595 M (3,471), of which unrestricted equity amounted to SEK 102 M (3,042).

## Shares and holdings of treasury shares

As per June 30 the total number of shares was 492,625,513, of which 491,625,513 are common shares and 1,000,000 are preference shares. The total number of votes as per the end of June was 491,725,513, of which common shares correspond to 491,625,513 votes and preference shares to 100,000 votes.

Upon full dilution resulting from conversion to shares, the number of shares will amount to a maximum of 684,783,205.

Eniro held 1,703,266 treasury shares on June 30, 2016. The average holding of treasury shares during the period was 1,703,266.

## Interest-bearing net debt excluding convertible bond and pension obligations

SEK M	Jun. 30 2016	Jun. 30 2015	Dec. 31 2015
Borrowing	-1,409	-1,564	-1,465
Other current interest-bearing receivables	1	4	0
Other non-current interest-bearing receivables <sup>1)</sup>	153	133	133
Cash and cash equivalents	45	82	91
<b>Interest-bearing net debt excluding convertible bond and pension obligations</b>	<b>-1,210</b>	<b>-1,345</b>	<b>-1,241</b>

<sup>1)</sup> included in financial assets

## Analysis of interest-bearing net debt excluding convertible bond and pension obligations

SEK M	Apr-Jun 2016	Apr-Jun 2015	Jan-Jun 2016	Jan-Jun 2015	Jul-Jun 2015/16	Jan-Dec 2015
<b>Opening balance</b>	<b>-1,211</b>	<b>-2,188</b>	<b>-1,241</b>	<b>-2,208</b>	<b>-1,345</b>	<b>-2,208</b>
Operating cash flow	24	-81	72	-43	201	86
Acquisitions and divestments	0	3	1	5	2	6
Rights & convertible bond issue	0	905	0	905	0	905
Translation differences and other changes	-23	16	-42	-4	-68	-30
<b>Closing balance</b>	<b>-1,210</b>	<b>-1,345</b>	<b>-1,210</b>	<b>-1,345</b>	<b>-1,210</b>	<b>-1,241</b>
<b>Interest-bearing net debt /EBITDA, times</b>	<b>2.5</b>	<b>3.4</b>	<b>2.5</b>	<b>3.4</b>	<b>2.5</b>	<b>3.2</b>

## Other information

### Dividend policy

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

Eniro's preference shares carry entitlement to an annual dividend of SEK 48 per share.

### Employees

The number of employees (full-time equivalents) was 1,723 as per June 30, 2016, compared with 2,022 on June 30, 2015.

### Full-time employees at the end of the period

	Jun. 30 2016	Jun. 30 2015
Sweden	374	504
Norway	249	278
Denmark	170	238
Poland	632	678
<b>Local search including Other</b>	<b>1,425</b>	<b>1,698</b>
Sweden	111	141
Norway	28	32
Finland	159	151
<b>Voice</b>	<b>298</b>	<b>324</b>
<b>Total Group</b>	<b>1,723</b>	<b>2,022</b>

### 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 2015 Annual Report.

The principal risks and uncertainties that were considered to have a potential impact on the Group's

performance in 2016 were related to recruitment and high personnel turnover, continued falling digital revenue, limitations posed by the terms of existing loan agreements, greater competition from global actors in local search, and a decrease in local search traffic.

### Events after the end of the reporting period

The Board of Directors has appointed Örjan Frid as the new President and CEO of Eniro AB. It is the Board's assessment that new leadership is required in order to successfully manage the necessary corporate change process that the new Board envisages. Mr. Frid will assume his position with immediate effect.

The Board of Directors has decided to terminate the employment contract of Mr. Stefan Kercza. In accordance with Mr. Kercza's employment contract he is entitled to 12 months' termination notice when terminated by the Company. In addition, upon contract termination, he is entitled to a severance payment amounting to 6 months' salary, with deduction of salary from any other source.

### Disclosure

The information in this interim report is such that Eniro AB (publ) is obligated to disclose pursuant to EU's Market Abuse Regulation. This information was submitted for publication, by agency of the following contact person, at 17:30 (CEST) on August 12, 2016

### Resolution at 2016 Annual General Meeting

Annual General Meeting resolved to grant warrants to the members of the Board of Directors and senior executives. Holders of warrants have the right, but not an obligation, to subscribe for one newly issued ordinary share in Eniro for each warrant held during the period May 1, 2019, through May 31, 2019.

The subscription price for the ordinary shares has been set at SEK 1.32 per share.

## Certification by the Board of Directors and President

The Board of Directors and President and CEO certify that the six-month report provides an accurate overview of the Parent Company's and the Group's operations, financial position and results, and that it describes the significant risks and uncertainties faced by the Parent Company and the companies in the Group.

Kista, August 12, 2016

**Björn Björnsson**  
Chairman of the  
Board

**Joachim Berner**  
Board member

**Örjan Frid**  
President  
and CEO,  
board  
member

**Ola Salmén**  
Board  
member

**Katarina Emilsson-Thudén**  
Employee representative

### FOR FURTHER INFORMATION, PLEASE CONTACT:

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Chairman of the Board  
Tel.: +46-703 998 016

**Fredrik Sandelin**  
CFO  
Tel.: +46-8-553 310 00

### FINANCIAL CALENDAR 2016

Interim report Jan.-Sept. 2016    Oct. 28, 2016

# Auditor's review of interim financial information

*Auditor's review report of interim financial information in summary (interim report) prepared in accordance with IAS 34 and Ch. 9 of the Swedish Annual Accounts Act.*

## Introduction

We have reviewed the condensed interim report for Eniro AB (publ) corporate identity number 556588-0936, as at June 30, 2016, and for the six-month period then ended. The Board of Directors and President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review

## Scope of review

We conducted our review in accordance with the International Standard on Review Engagements (ISRE) 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily to persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing practices.

The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed on the basis of a review does not give the same level of assurance as a conclusion expressed on the basis of an audit.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Stockholm, August 12, 2016  
PricewaterhouseCoopers AB

**Michael Bengtsson**  
Authorized Public Accountant  
Auditor in charge



# Consolidated accounts

## Consolidated income statement

SEK M	Apr-Jun 2016	Apr-Jun 2015	Jan-Jun 2016	Jan-Jun 2015	Jul-Jun 2015/16
<b>Operating revenue</b>	<b>496</b>	<b>634</b>	<b>1,000</b>	<b>1,266</b>	<b>2,172</b>
Production costs	-111	-144	-217	-290	-477
Sales costs	-156	-241	-334	-482	-735
Marketing costs	-52	-72	-91	-137	-211
Administration costs	-69	-118	-112	-216	-293
Product development costs	-46	-74	-106	-131	-201
Other income/costs	1	-3	4	2	4
Impairment of non-current assets	-873	-1,148	-873	-1,148	-882
<b>Operating income</b>	<b>-810</b>	<b>-1,166</b>	<b>-729</b>	<b>-1,136</b>	<b>-623</b>
Financial items, net	-33	-23	-117	-70	-107
<b>Income before tax</b>	<b>-843</b>	<b>-1,189</b>	<b>-846</b>	<b>-1,206</b>	<b>-730</b>
Income tax	-9	4	-8	-6	-37
<b>Net income</b>	<b>-852</b>	<b>-1,185</b>	<b>-854</b>	<b>-1,212</b>	<b>-767</b>
<b>Of which, attributable to:</b>					
Owners of the Parent Company	-854	-1,185	-857	-1,212	-769
Non-controlling interests	2	0	3	0	2
<b>Net Income</b>	<b>-852</b>	<b>-1,185</b>	<b>-854</b>	<b>-1,212</b>	<b>-767</b>
Earnings per common share before dilution, SEK	-1.80	-4.55	-1.84	-6.81	-1.75
Earnings per common share after dilution, SEK	-1.28	-2.39	-1.30	-2.94	-1.22
Average number of common shares before dilution, thousands	482,230	262,999	478,384	181,588	466,140
Average number of common shares after dilution, thousands	674,388	499,409	670,541	417,998	658,298
Preference shares on closing date, thousands	1,000	1,000	1,000	1,000	1,000

**Consolidated statement of comprehensive income**

SEK M	Apr-Jun 2016	Apr-Jun 2015	Jan-Jun 2016	Jan-Jun 2015	Jul-Jun 2015/16	Jan-Dec 2015
<b>Net income</b>	<b>-852</b>	<b>-1,185</b>	<b>-854</b>	<b>-1,212</b>	<b>-767</b>	<b>-1,125</b>
<b>Other comprehensive income</b>						
<b>Items that cannot be reclassified to income statement</b>						
Revaluation of pension obligations	-86	1	-149	33	17	199
Tax attributable to revaluation pension obligations	19	0	33	-7	-4	-44
<b>Total</b>	<b>-67</b>	<b>1</b>	<b>-116</b>	<b>26</b>	<b>13</b>	<b>155</b>
<b>Items that have been or can be reclassified to the income statement</b>						
Exchange rate differences	48	-39	138	-27	-70	-235
Hedge of net investments	-7	-3	-14	-6	13	21
Tax attributable to hedge of net investments	1	0	3	1	-3	-5
<b>Total</b>	<b>42</b>	<b>-42</b>	<b>127</b>	<b>-32</b>	<b>-60</b>	<b>-219</b>
<b>Other comprehensive income, net after tax</b>	<b>-25</b>	<b>-41</b>	<b>11</b>	<b>-6</b>	<b>-47</b>	<b>-64</b>
<b>Total comprehensive income</b>	<b>-877</b>	<b>-1,226</b>	<b>-843</b>	<b>-1,218</b>	<b>-814</b>	<b>-1,189</b>
<b>Of which, attributable to:</b>						
Owners of the Parent Company	-880	-1,226	-848	-1,218	-813	-1,183
Non-controlling interests	3	-1	5	-1	0	-6
<b>Total comprehensive income</b>	<b>-877</b>	<b>-1,227</b>	<b>-843</b>	<b>-1,219</b>	<b>-813</b>	<b>-1,189</b>

**Consolidated balance sheet**

SEK M	Jun. 30 2016	Jun. 30 2015	Dec. 31 2015
<b>Assets</b>			
<b>Non-current assets</b>			
Tangible assets	22	23	21
Intangible assets	2,775	3,848	3,615
Deferred tax assets	108	224	100
Financial assets	197	185	179
<b>Total non-current assets</b>	<b>3,102</b>	<b>4,280</b>	<b>3,915</b>
<b>Current assets</b>			
Accounts receivable - trade	207	295	265
Current tax assets	18	-1	14
Other current receivables	130	201	131
Other interest-bearing receivables	1	4	0
Cash and cash equivalents	45	82	91
<b>Total current assets</b>	<b>401</b>	<b>581</b>	<b>501</b>
<b>TOTAL ASSETS</b>	<b>3,503</b>	<b>4,861</b>	<b>4,416</b>
<b>Shareholders' equity and liabilities</b>			
<b>Shareholders' equity</b>			
Share capital	493	429	477
Additional paid in capital	5,528	5,505	5,517
Reserves	-365	-309	-490
Retained earnings	-5,406	-4,601	-4,385
<b>Shareholders' equity, owners of the Parent Company</b>	<b>250</b>	<b>1,024</b>	<b>1,119</b>
Non-controlling interests	40	52	39
<b>Total Shareholders' equity</b>	<b>290</b>	<b>1,076</b>	<b>1,158</b>
<b>Non-current liabilities</b>			
Borrowing	1,226	1,392	1,295
Convertible bond	267	345	284
Deferred tax liabilities	162	233	209
Pension obligations	532	567	415
Provisions	5	5	5
Other non-current liabilities	-	0	-
<b>Total non-current liabilities</b>	<b>2,192</b>	<b>2,542</b>	<b>2,208</b>
<b>Current liabilities</b>			
Accounts payable - trade	87	87	50
Current tax liabilities	12	20	13
Prepaid revenues	468	564	528
Other current liabilities	259	348	250
Provisions	12	52	39
Borrowing	183	172	170
<b>Total current liabilities</b>	<b>1,021</b>	<b>1,243</b>	<b>1,050</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>3,503</b>	<b>4,861</b>	<b>4,416</b>

**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
<b>Opening balance, January 1, 2015</b>	<b>309</b>	<b>5,125</b>	<b>-277</b>	<b>-3,420</b>	<b>1,737</b>	<b>60</b>	<b>1,797</b>
Total comprehensive income	-	-	-32	-1,186	-1,218	-1	-1,219
Reduction of share capital	-257	-	-	257	0	-	0
Rights issue	153	278	-	-	431	-	431
Bonus issue	204	-	-	-204	0	-	0
Convertible bond - equity part	-	92	-	-	92	-	92
Conversion of convertible bonds	20	10	-	-	30	-	30
Dividend on preference shares	-	-	-	-48	-48	-	-48
Dividend non-controlling interest	-	-	-	-	-	-7	-7
<b>Closing balance, June 30, 2015</b>	<b>429</b>	<b>5,505</b>	<b>-309</b>	<b>-4,601</b>	<b>1,024</b>	<b>52</b>	<b>1,076</b>
<b>Opening balance, January 1, 2015</b>	<b>309</b>	<b>5,125</b>	<b>-277</b>	<b>-3,420</b>	<b>1,737</b>	<b>60</b>	<b>1,797</b>
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
<b>Closing balance, December 31, 2015</b>	<b>477</b>	<b>5,517</b>	<b>-490</b>	<b>-4,385</b>	<b>1,119</b>	<b>39</b>	<b>1,158</b>
<b>Opening balance, January 1, 2016</b>	<b>477</b>	<b>5,517</b>	<b>-490</b>	<b>-4,385</b>	<b>1,119</b>	<b>39</b>	<b>1,158</b>
Total comprehensive income	-	-	125	-973	-848	5	-843
Conversion of convertible bonds	16	10	-	-	26	-	26
Warrant incentive program	-	1	-	-	1	-	1
Dividend on preference shares	-	-	-	-48	-48	-	-48
Dividend non-controlling interest	-	-	-	-	-	-4	-4
<b>Closing balance, June 30, 2016</b>	<b>493</b>	<b>5,528</b>	<b>-365</b>	<b>-5,406</b>	<b>250</b>	<b>40</b>	<b>290</b>



**Consolidated statement of cash flows**

SEK M	Apr-Jun 2016	Apr-Jun 2015	Jan-Jun 2016	Jan-Jun 2015	Jul-Jun 2015/16	Jan-Dec 2015
<b>Operating income</b>	<b>-810</b>	<b>-1,166</b>	<b>-729</b>	<b>-1,136</b>	<b>-623</b>	<b>-1,030</b>
<b>Adjustments for</b>						
Depreciation, amortization and impairment	926	1,215	981	1,278	1,116	1,413
Capital gain/loss and other non-cash items	-21	8	-66	-7	-70	-11
Financial items, net	-31	-90	-51	-92	-114	-155
Income tax paid	-3	-10	-14	-18	-14	-18
<b>Cash flow from operating activities before changes in working capital</b>	<b>61</b>	<b>-43</b>	<b>121</b>	<b>25</b>	<b>295</b>	<b>199</b>
Changes in working capital	-2	-13	3	-21	3	-21
<b>Cash flow from operating activities</b>	<b>59</b>	<b>-56</b>	<b>124</b>	<b>4</b>	<b>298</b>	<b>178</b>
Acquisitions/divestments of Group companies and other assets	0	3	1	5	2	6
Investments in non-current assets, net	-35	-25	-52	-47	-97	-92
<b>Cash flow from investing activities</b>	<b>-35</b>	<b>-22</b>	<b>-51</b>	<b>-42</b>	<b>-95</b>	<b>-86</b>
Proceeds from borrowings	12	11	12	12	0	0
Repayment of borrowings	-86	-813	-86	-813	-158	-885
Long-term investments	-20	0	-20	-10	-20	-10
Dividend on preference shares	-12	-12	-24	-24	-48	-48
Dividend non controlling interests	-4	-7	-4	-7	-12	-15
Warrant incentive program	1	-	1	-	1	-
Rights issue	-	430	-	430	0	430
Convertible bonds	-	475	-	475	0	475
<b>Cash flow from financing activities</b>	<b>-109</b>	<b>84</b>	<b>-121</b>	<b>63</b>	<b>-237</b>	<b>-53</b>
<b>Cash flow for the period</b>	<b>-85</b>	<b>6</b>	<b>-48</b>	<b>25</b>	<b>-34</b>	<b>39</b>
<b>Cash and cash equivalents at start of period</b>	<b>130</b>	<b>77</b>	<b>91</b>	<b>58</b>	<b>82</b>	<b>58</b>
Cash flow for the period	-85	6	-48	25	-34	39
Exchange rate differences in cash and cash equivalents	0	-1	2	-1	-3	-6
<b>Cash and cash equivalents at end of period</b>	<b>45</b>	<b>82</b>	<b>45</b>	<b>82</b>	<b>45</b>	<b>91</b>

# Parent Company accounts

## Income statement

	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jul-Jun	Jan-Dec
SEK M	2016	2015	2016	2015	2015/16	2015
<b>Operating revenue</b>	<b>4</b>	<b>7</b>	<b>10</b>	<b>16</b>	<b>20</b>	<b>26</b>
Administration costs	-21	-49	-37	-73	-65	-101
Other income/costs	2	2	2	3	0	1
<b>Operating income</b>	<b>-15</b>	<b>-40</b>	<b>-25</b>	<b>-54</b>	<b>-45</b>	<b>-74</b>
Financial items, net	-1,844	14	-1,861	-7	-3,145	-1,291
Appropriations, Group contributions received	-	-	-	-	323	323
<b>Income before tax</b>	<b>-1,859</b>	<b>-26</b>	<b>-1,886</b>	<b>-61</b>	<b>-2,867</b>	<b>-1,042</b>
Income tax	7	20	13	28	-46	-31
<b>Net income</b>	<b>-1,852</b>	<b>-6</b>	<b>-1,873</b>	<b>-33</b>	<b>-2,913</b>	<b>-1,073</b>

## Balance sheet

	Jun. 30	Jun. 30	Dec. 31
SEK M	2016	2015	2015
Non-current assets	2,570	5,684	4,412
Current assets	287	115	363
<b>TOTAL ASSETS</b>	<b>2,857</b>	<b>5,799</b>	<b>4,775</b>
Shareholders' equity	595	3,471	2,489
Provisions	77	74	75
Non-current liabilities	2,070	2,149	2,087
Current liabilities	115	105	124
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>2,857</b>	<b>5,799</b>	<b>4,775</b>

Eniro AB wrote down the value of shares in subsidiaries by SEK -1,887 M (0) during Q2. In 2015 write down of total SEK -1,249 M was carried out in Q3 and Q4.

# Notes to the consolidated accounts

## Note 1 Accounting policies

This interim report has been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations, as endorsed by the European Union (EU). A detailed description of the accounting policies applied by Eniro can be found in the 2015 Annual Report, Note 1, Accounting Policies. The interim report has been prepared in accordance with IAS 34 Interim Financial Reporting.

As a result of the liquidation of dormant subsidiaries, Eniro has made the determination that internal dealings between these shall be considered to constitute part of the net investment, and thus translation effects of these dealings are reported as a translation difference in other comprehensive income.

## Note 2 Segment information

Eniro reports its financial results distributed among the Local search and Voice business areas. Local search has cross-border functions for User and Costumer Experience, Business Support, Nordic Sales, Human Resources, and Finance. The Voice business area is governed separately and is not an integrated part of the function-based organization.

SEK M	Local search				Voice			
	Apr-Jun 2016	Apr-Jun 2015	Jan-Jun 2016	Jan-Jun 2015	Apr-Jun 2016	Apr-Jun 2015	Jan-Jun 2016	Jan-Jun 2015
<b>Operating revenue</b>								
Sw eden	165	213	341	432	44	61	87	118
Norw ay	113	155	229	312	13	17	24	33
Denmark	68	87	136	171	-	-	-	-
Finland	-	-	-	-	41	45	78	88
Poland	52	56	105	112	-	-	-	-
<b>Total</b>	<b>398</b>	<b>511</b>	<b>811</b>	<b>1,027</b>	<b>98</b>	<b>123</b>	<b>189</b>	<b>239</b>
<b>Adjusted EBITDA</b>	<b>101</b>	<b>77</b>	<b>197</b>	<b>152</b>	<b>31</b>	<b>48</b>	<b>59</b>	<b>91</b>
Items affecting comparability <sup>1)</sup>	-2	-33	16	-43			-	-
<b>EBITDA</b>	<b>99</b>	<b>44</b>	<b>213</b>	<b>109</b>	<b>31</b>	<b>48</b>	<b>59</b>	<b>91</b>
Depreciation/amortization	-51	-56	-105	-109	-2	-11	-3	-21
Impairment losses	-851	-683	-851	-683	-22	-465	-22	-465
<b>Operating income</b>	<b>-803</b>	<b>-695</b>	<b>-743</b>	<b>-683</b>	<b>7</b>	<b>-428</b>	<b>34</b>	<b>-395</b>

SEK M	Other				Total			
	Apr-Jun 2016	Apr-Jun 2015	Jan-Jun 2016	Jan-Jun 2015	Apr-Jun 2016	Apr-Jun 2015	Jan-Jun 2016	Jan-Jun 2015
<b>Operating revenue</b>								
Sw eden	-	-	-	-	209	274	428	550
Norw ay	-	-	-	-	126	172	253	345
Denmark	-	-	-	-	68	87	136	171
Finland	-	-	-	-	41	45	78	88
Poland	-	-	-	-	52	56	105	112
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>496</b>	<b>634</b>	<b>1,000</b>	<b>1,266</b>
<b>Adjusted EBITDA</b>	<b>-14</b>	<b>-29</b>	<b>-19</b>	<b>-43</b>	<b>118</b>	<b>96</b>	<b>237</b>	<b>200</b>
Items affecting comparability <sup>1)</sup>		-14	-1	-15	-2	-47	15	-58
<b>EBITDA</b>	<b>-14</b>	<b>-43</b>	<b>-20</b>	<b>-58</b>	<b>116</b>	<b>49</b>	<b>252</b>	<b>142</b>
Depreciation/amortization	-	-	-	-	-53	-67	-108	-130
Impairment losses	-	-	-	-	-873	-1,148	-873	-1,148
<b>Operating income</b>	<b>-14</b>	<b>-43</b>	<b>-20</b>	<b>-58</b>	<b>-810</b>	<b>-1,166</b>	<b>-729</b>	<b>-1,136</b>
Net financial items					-33	-23	-117	-70
Taxes					-9	4	-8	-6
<b>Net income for the period</b>					<b>-852</b>	<b>-1,185</b>	<b>-854</b>	<b>-1,212</b>

<sup>1)</sup> Items affecting comparability consist of restructuring costs. 2016 also includes a non-recurring effect of pensions and a closure cost.

## Note 3 Earnings per share

### Earnings per common share before dilution

Earnings per share before dilution are calculated as 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, excluding treasury shares, before dilution.

### Earnings per common share after dilution

In calculating earnings per share after dilution, the average number of shares is adjusted for the effects of the potential dilution of common shares associated with the convertible bond. This entails that earnings per share after dilution are calculated by dividing income for the period attributable to owners of the Parent Company plus interest expense after tax pertaining to the convertible loan, less the set dividend on preference shares for the period, by the average number of common shares, excluding treasury shares, after full conversion.

SEK M	Apr-Jun 2016	Apr-Jun 2015	Jan-Jun 2016	Jan-Jun 2015	Jul-Jun 2015/16	Jan-Dec 2015
Earnings attributable to owners of the Parent Company	-854	-1,185	-857	-1,212	-769	-1,124
Dividend established for cumulative preference shares during the period	-12	-12	-24	-24	-48	-48
<b>Earnings used for calculating earnings per common share, before dilution</b>	<b>-866</b>	<b>-1,197</b>	<b>-881</b>	<b>-1,236</b>	<b>-817</b>	<b>-1,172</b>
Coupon rate for convertible bonds	4	5	8	5	16	13
<b>Earnings used for calculating earnings per common share, after dilution</b>	<b>-862</b>	<b>-1,192</b>	<b>-873</b>	<b>-1,231</b>	<b>-801</b>	<b>-1,159</b>
Earnings per common share						
before dilution, SEK	-1.80	-4.55	-1.84	-6.81	-1.75	-3.69
after dilution, SEK	-1.28	-2.39	-1.30	-2.94	-1.22	-2.29
Average number of common shares						
before dilution, SEK	482,230	262,999	478,384	181,588	466,140	317,742
after dilution, SEK	674,388	499,409	670,541	417,998	658,298	505,435
Preference shares						
on closing date, thousands	1,000	1,000	1,000	1,000	1,000	1,000

## Note 4 Financial instruments by category

Assets and liabilities on the balance sheet SEK M	Jun. 30 2016	Jun. 30 2015	Dec. 31 2015
<b>Loans and accounts receivables</b>			
<b>Non-current assets</b>			
Interest-bearing receivables, blocked bank funds	153	133	133
<b>Current assets</b>			
Accounts receivable - trade and other receivables	222	318	278
Cash and cash equivalents	45	82	91
<b>TOTAL</b>	<b>420</b>	<b>533</b>	<b>502</b>
<b>Other financial liabilities</b>			
<b>Non-current liabilities</b>			
Borrowing	1,226	1,392	1,295
Convertible bond	267	345	284
<b>Current liabilities</b>			
Borrowing	183	172	170
Accounts payable - trade	87	87	50
<b>TOTAL</b>	<b>1,763</b>	<b>1,996</b>	<b>1,799</b>



## Note 5 Goodwill

Goodwill SEK M	Jun. 30 2016	Jun. 30 2015	Dec. 31 2015
At start of year	2,808	4,051	4,051
Reclassifications	-	-	-20
Impairment loss for the year	-873	-1,111	-1,111
Exchange rate difference	60	-20	-112
<b>Carrying amount</b>	<b>1,995</b>	<b>2,920</b>	<b>2,808</b>

### Impairment testing of goodwill and trademarks with indefinite useful life

In connection with the preparation of the quarterly report a new impairment test was performed of the value of the company's intangible non-current assets. A downward adjustment of anticipated revenue and earnings performance, together with an elevated risk assessment, resulted in a need to recognize impairment losses of SEK -873 M (-1,111) for goodwill, of which approximately half is attributable to a higher risk premium.

In the impairment testing, a determination is made as to whether a need to recognize impairment exists by comparing the cash-generating unit's carrying amount, including goodwill and other consolidated surplus value, with the recoverable amount. If the carrying amount exceeds the recoverable amount, the carrying amount is written down to the recoverable amount.

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

The impairment testing indicated a need to recognize SEK -873 M (-1,111) in impairment losses, approximately half is attributable to a higher risk premium.. Of this impairment, SEK -851 M (-646) pertained to Local search and SEK -22 M (-465) pertained to Voice. Of the impairment losses in Local search, SEK -622 M (-646) pertained to Norway and SEK -229 M (0) pertained to Denmark. Of the impairment losses in Voice, SEK -9 M (-360) was attributable to Sweden, SEK -11 M (0) was attributable to Norway, and SEK -2 M (-105) was attributable to Finland.

Discount rate after tax by cash generating unit, %	Jun. 30 2016	Jun. 30 2015	Dec. 31 2015
Sweden, Local search	12.44	9.40	10.50
Sweden, Voice	15.60	9.40	10.50
Norway, Local search	11.72	9.25	10.04
Norway, Voice	15.00	9.25	10.04
Denmark, Local search	12.52	9.31	10.46
Poland, Local search	15.30	10.75	11.64
Finland, Voice	14.20	9.46	10.50

## Key ratios

	Jun. 30 2016	Jun. 30 2015	Dec. 31 2015
Equity, average 12 months, SEK M	1,001	1,932	1,312
Return on equity (ROE), 12 months, %	-76.8	-154.2	-85.7
Return on Assets (ROA), 12 months, %	-13.7	-47.1	-18.7
Earnings per common share before dilution, SEK	-1.84	-6.81	-3.69
Earnings per common share after dilution, SEK	-1.30	-2.94	-2.29
Interest-bearing net debt excluding convertible bond and pension obligations, SEK M	-1,210	-1,345	-1,241
Debt/equity ratio, times	4.17	1.25	1.07
Equity/assets ratio, %	8	22	26
Interest-bearing net debt excluding convertible bond and pension obligations/EBITDA 12 months, times	2.5	3.4	3.2
Interest-bearing net debt excluding convertible bond and pension obligations/adjusted EBITDA, times	2.5	2.4	2.7
Average number full-time employees	1,800	2,139	2,067
Number of full-time employees on closing date	1,723	2,022	1,877
Number of common shares before dilution on closing date after deduction of treasury shares, 000s	489,922	425,820	474,538
Number of common shares after dilution on closing date after deduction of treasury shares, 000s	682,080	662,230	662,230
Number of preference shares on closing date, 000s	1,000	1,000	1,000

## Key ratios per share

	Jun. 30 2016	Jun. 30 2015	Dec. 31 2015
Equity per share, SEK	0.51	2.40	2.35
Share price for common shares at end of period, SEK	0.56	1.13	0.92

# Financial definitions

## Adjusted earnings per common share (non-IFRS)

Net income per common 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 bond and warrants.

## Average number of common shares before dilution

Calculated as the average number of common shares outstanding, excluding treasury shares.

## Average number of full-time employees

Calculated as the average number of employees (full-time equivalents) at the start and end of the period.

## 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 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.

## 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.

## 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, excluding treasury shares.

## Interest-bearing net debt

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

## 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 and divestments.

## Operating income

Operating income after depreciation, amortization and impairment losses.

## Return on equity (%)

Moving 12-month income attributable to owners of the Parent Company divided by average shareholders' equity.

## 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.