

Full Year Report 2006 - TradeDoubler AB

Continued strong growth and improved profits

Fourth Quarter, 2006

Financial

- Revenues for the period increased by 51% to SEK 515.8 m compared with SEK 341.9 m in the fourth quarter of 2005
- Gross Profit for the period amounted to SEK 139.6 m, compared with SEK 97.1 m in the fourth quarter of 2005, an increase of 44%
- Operating profit (EBIT) for the period amounted to SEK 61.1 m compared to SEK 36.0 m in the fourth quarter of 2005
- During the period, share based expenses relating to existing warrant schemes decreased operating profit by SEK 0.8 m (SEK 2.3 m)
- Profit after tax amounted to SEK 47.9 m (SEK 38.4 m)
- Reported earnings per share amounted to SEK 1.68 (SEK 1.36) after dilution

Operational

- Stable strong transaction margin.
- On 25 January 2007, the Board appointed William Cooper as acting CEO of TradeDoubler as from February 16

Full Year 2006

Financial

- Revenues for the period increased by 61% to SEK 1 744.1 m compared with SEK 1 085.0 m for the full year 2005
- Gross Profit for the period amounted to SEK 480.3 m, compared with SEK 314.5 m for the same period in 2005, an increase of 53%
- Operating profit (EBIT) for the period amounted to SEK 190.1 m compared to SEK 44.0 m for the full year 2005.

- During the period, share based expenses relating to existing warrant schemes decreased operating profit by SEK 3.0 m (SEK 23.4 m)
- Profit after tax amounted to SEK 140.4 m (SEK 38.9 m)
- Reported earnings per share amounted to SEK 4.93 (SEK 1.38) after dilution

About TradeDoubler

Founded in 1999, TradeDoubler is a European provider of online marketing and sales solutions. Industry leaders all over Europe have partnered with TradeDoubler to work with performance-based marketing and to manage online relationships, in order to increase sales and improve online business. TradeDoubler is headquartered in Sweden with a presence in 16 other markets, and customers include Apple Store, Dell, Telia Sonera, eBay and Kelkoo. Please visit www.tradedoubler.com for further information.

This document contains certain forward-looking statements relating to the business, financial performance and results of the Company and the industry in which it operates. These statements are based on the Company's current plans, estimates and projections, as well as its expectations of external conditions and events. In particular the words "expect", "anticipate", "estimate", "may", "should", "believe" and similar expressions are intended to identify forward-looking statements. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. These include, but are not limited to: the level of client acceptance of existing and new and upgraded products and services; the growth of overall market demand for the Company's products ; the Company's ability to sustain and effectively manage its recent rapid growth; the Company's relationship with third party suppliers, and its ability to accurately forecast the volume and timing of sales. Additional factors could cause future results to differ materially from those in the forward-looking statements.

The Market

Market growth across Europe remained strong throughout 2006. E-commerce and Internet advertising spend continued to grow rapidly over the course of the year. Some underlying factors behind this growth are:

- Internet and broadband penetration continue to increase in Europe
- Internet users are spending increased amounts of time online. Across much of Europe time spend online has overtaken time spent reading newspapers or magazines (Jupiter Research, Oct 06).
- Internet users are more experienced and have more shopping online and less concerns over security and delivery of goods. Many consumers site convenience as their primary motivation for shopping online.
- The number of people who purchase on the internet is increasing, as are the average amount they are spending online
- Search functionality is continuously improved, facilitating research and purchases on the Internet
- Efficient tracking technology and performance based payment models enable advertisers to optimize their marketing spend via the Internet

Advertisers are consequently allocating increased portions of their budgets towards the internet in order to reach consumers where they are spending increasing amounts of their time. The growth in online advertising is a result of the shift in allocation of advertiser spend from other media and eMarketer predicted this month that the internet will account for 7.3% of all European spend this year, rising to 9.34% by 2010.

TradeDoubler estimates that the disparity between percentage of total advertising spend allocated towards online and the percentage of total media spent online, will decrease over the coming years as advertisers strive to allocate their budgets where their customers spend their time and make their purchases.

According to various research institutes, e-commerce in Europe is dominated by travel followed by apparel. However, growth is apparent in all industry segments. Forrester Research has forecasted that travel will be the biggest growth sector in absolute terms over the next five years but will begin to lose a portion of its dominance (reducing from 33% of total ecommerce in 2006 to 29% in 2011). Apparel will remain the second largest online sector and will increase its share of total ecommerce from 14% in 2006 to 16% in 2011.

According to Forrester Research total European e-commerce, will increase from 103 billion Euro in 2005 to 263 billion Euro in 2011. The UK is still expected to lead European ecommerce in 2011 but its share of total European ecommerce will decline from 42% in

2006 to 29% by 2011 as growth in other markets accelerates. According to Forrester Research the growth in e-commerce in Europe will be on average 27% in 2007 and 24% in 2008.

During 2006 TradeDoubler has continued to strengthen its market position by focusing on organic growth and developing and broadening its product offering as well as establishing itself in new markets. This strategy is based on a well established business model supported by one single proprietary technology platform. During the fourth quarter 2006 we have been pleased to see the positive development continue within the emerging markets (Rest of Europe excl the Nordic Region) and Germany.

Products and Services

There have been several ongoing product development initiatives during the fourth quarter 2006. Continuing from Q3, the beta trial of the contextual ad serving has led to the redesign of the spidering functionality, i.e. automatic detection of the content of a particular web page to place appropriate ads. These redesign items are intended to be complete by the end of Q1 2007. With regard to pay per call, we have conducted beta tests. On this product we also found the need to conduct some redesigns, in order to improve usability.

In order to deal with ever more complex information issues a user friendly content management system was developed. This system will ensure that we work with publishing information on our sites in the most efficient way possible. Being totally integrated into our business system, we will be in a position to get important information published quickly, with limited work across all 18 markets, an issue that will become ever more important, as more countries are being targeted.

In addition to these larger items, we have released several smaller features that will ease the work of publishers, advertisers and TradeDoubler staff. Notably within the campaign team and for those advertisers that utilize our product feed application, e.g. the ability merchandize their entire product database across their publishers.

Revenues

October to December 2006

TradeDoubler's revenues continued to increase during the fourth quarter 2006 and amounted to SEK 515.8 m (SEK 341.9 m), an increase of 51%, compared to the corresponding period the preceding year. The turnover development is in line with previous year's seasonal variations. Transaction revenues accounted for SEK 485.0 m (SEK 315.7 m) of total revenues, while other revenues accounted for SEK 30.8 m (SEK 26.2 m). Other revenues mainly consist of start-up and monthly fees and consulting revenues.

TradeDoubler's gross profit amounted to SEK 139.6 m (SEK 97.1 m), an increase of 44%, compared to the corresponding period in the preceding year. The share of this amount attributable to transactions was SEK 108.8 m (SEK 70.9 m), while other revenues contributed SEK 30.8 m (SEK 26.2 m).

The gross margin during Q4 was 27.1 % (28.4%). The decline is explained by the growth being primarily driven by increased transaction revenues

The positive revenue growth was the result of continued acquisition of advertisers and publishers combined with an increase in the number of transactions. On December 31, the number of active advertisers (clients) amounted to 1 276 (1 045), and there were 118 098 (100 384) active publishers in TradeDoubler's network.

Full year 2006

The Group's revenues increased by 61% from January to December and amounted to SEK 1 744.1 m (SEK 1 085.0 m).

Transaction revenues accounted for SEK 1 629.8 m (SEK 989.5 m) of total revenues, while other revenues accounted for SEK 114.3 m (SEK 95.5 m).

Gross profit increased by 53% and amounted to SEK 480.3 m (SEK 314.5 m). The share of this amount attributable to transactions was SEK 366.0 m (SEK 219.0 m), while other revenues accounted for SEK 114.3 m (SEK 95.5 m).

Gross margin for the full year 2006 amounted to 27.5% (28.9%).

Revenue by revenue source

SEKm	Oct-Dec 2006	Oct-Dec 2005	Change (%)	Jan-Dec 2006	Jan-Dec 2005	Change (%)
Transaction revenues	485.0	315.7	54%	1 629.8	989.5	65%
Other revenues	30.8	26.2	18%	114.3	95.5	20%
Total	515.8	341.9	51%	1 744.1	1 085.0	61%

Gross profit by revenue source

SEKm	Oct-Dec 2006	Oct-Dec 2005	Change (%)	Jan-Dec 2006	Jan-Dec 2005	Change (%)
Transaction revenues	108.8	70.9	53%	366.0	219.0	67%
Other revenues	30.8	26.2	18%	114.3	95.5	20%
Total	139.6	97.1	44%	480.3	314.5	53%

Revenue by geography

October – December 2006

All geographic markets continued to show growth during the fourth quarter 2006. In the UK, revenues increased by 38% during the period, compared to the corresponding period in the preceding year. In France and Germany the increase was 62% and 95%, respectively. The growth in Germany has increased compared to previous periods. We consider the market to have a positive outlook and we continue to invest to broaden the product offering as well as in recruitment of new staff. Across the rest of Europe excluding the Nordic region, revenues increased by 68%, compared to the corresponding period during the preceding year. The Nordic market grew by 50%, compared to the corresponding period in the preceding year. In Sweden we came back to a more normal business activity and the growth rate was 23%. A positive signal compared to the relatively weak third quarter. During the fourth quarter 2006, 93% of the company's revenues were generated outside of Sweden.

Full Year 2006

All geographic markets continued to show strong growth during 2006. In the UK, revenues increased by 46% during the period, compared to the corresponding period in the preceding year. In France and Germany the increases were 85% and 76%, respectively. In the rest of Europe excluding the Nordic region, revenues increased by 88%, compared to the corresponding period during the preceding year. The Nordic market grew by 46%, compared to the corresponding period in the preceding year. During 2006, 92% of the company's revenues were generated outside of Sweden.

United Kingdom

SEKm	Oct-Dec 2006	Oct-Dec 2005	Change (%)	Jan-Dec 2006	Jan-Dec 2005	Change (%)
Revenue	220	159	38%	729	500	46%
Gross profit	55	42	31%	186	134	39%

Rest of Europe

SEKm	Oct-Dec 2006	Oct-Dec 2005	Change (%)	Jan-Dec 2006	Jan-Dec 2005	Change (%)
France	89	55	62%	297	161	85%
Germany	39	20	95%	118	67	76%
Rest of Europe excl the Nordic region	99	59	68%	355	189	88%
Total revenue	227	134	69%	770	417	85%
Gross profit	60	38	58%	210	121	74%

Nordic region

SEKm	Oct-Dec 2006	Oct-Dec 2005	Change (%)	Jan-Dec 2006	Jan-Dec 2005	Change (%)
Sweden	38	31	23%	146	113	29%
Rest of Nordic region	31	15	107%	99	55	80%
Total revenue	69	46	50%	245	168	46%
Gross profit	24	17	41%	84	59	42%

Earnings

October to December 2006

Operating profit (EBIT) during the period amounted to SEK 61.1 m (SEK 36.0 m) corresponding to an operating margin of 11.8 % (10.5%).

Earnings during the fourth quarter of 2006 were affected by costs relating to the existing warrant schemes. During the period, these costs increased the selling expenses by SEK 0.8m (SEK 2.3 m). This is directly attributable to the increase in share price.

Adjusted for expenses attributable to this share based compensation, the operating margin was 12.0% (11.6%) of revenues and 44.3% (39.5%) of gross profit.

During the fourth quarter 2005 IPO-related costs affected earnings by SEK 5.8 m.

Profit after tax for the period amounted to SEK 47.9 m (SEK 38.4 m).

Full Year 2006

Operating profit (EBIT) during 2006 amounted to SEK 190.1 m (SEK 44.0 m) corresponding to an operating margin of 10.9 % (4.1%).

Earnings during 2006 have been affected by costs relating to the existing warrant schemes by SEK 3.0 m (SEK 23.4 m).

Adjusted for expenses attributable to this share based compensation, the operating margin was 11.1% (6.2%) of revenues and 40.2% (21.4 %) of gross profit.

During 2005 IPO-related costs affected earnings by SEK 53.6 m.

Profit after tax for the period amounted to SEK 140.4 m (SEK 38.9 m). Total reported tax expense in Group amounts to 29 percent but current tax expense amounts to 19 percent due to tax deductions related to warrants in the UK.

Earnings per share

The number of shares after dilution by the end of the fourth quarter amounted to 28 588 773 resulting in earnings per share of SEK 1.68 (SEK 1.36 after dilution). The corresponding figure for the full year 2006 amount to SEK 4.93 (SEK 1.38).

Financial position and cash flow

Cash and cash equivalents at December 31, 2006 amounted to SEK 433.1 m, compared to SEK 218.3 m at December 31st, 2005. The Group does not have any long-term loans or bank credit.

Cash flow from operations before changes in working capital during the period from October to December 2006 amounted to SEK 63.1 m (SEK -8.7 m). The increase in cash flow was a result of the strong increase in gross profit. The change in working capital for the fourth quarter was SEK -6.9 m (SEK -23.0 m) and consisted of an increase in accounts receivables. The change in working capital for the full year 2006 was SEK 32.5 m (SEK -30.0 m).

The Group's investments during the fourth quarter in tangible assets amounted to SEK 2.5 m (SEK 2.9 m) and related primarily to investments in computer equipment. For the full year 2006 investments in tangible assets amounted to SEK 7.3 m (SEK 7.2 m).

The Group's investments in the fourth quarter in subsidiaries amounted to SEK 5.0 m (SEK 0.0 m). For the full year 2006 investments in subsidiaries has affected the cash flow amounting to SEK 9.9 m (SEK 0.0m).

Cash flow for the fourth quarter amounted to SEK 56.8 m (SEK 10.3 m). Cash flow for the full year 2006 amounted to SEK 220.2 m (SEK 82.8 m).

Significant events during the period

TradeDoubler President and CEO Martin Henricson notified the Board of Directors on November 17 that he had decided to leave his position.

During the quarter our German operation has continued to strengthen its position which has been a clear trend during the year.

Employees

At December 31, 2006, TradeDoubler had 351 (256) employees. During the fourth quarter of 2006, then number of employees increased by 17. Most new recruitments during the period took place in the local subsidiaries to strengthen sales and support functions.

The average number of employees from October to December was 344 (250) and from January to December 308 (222).

Parent Company

The Parent Company's sales during the fourth quarter increased by 45% to SEK 66.6 m (SEK 45.9 m), consisting to a major extent of license fees from the subsidiaries. For the full year 2006 the corresponding increase is 52% to SEK 235.4 m (SEK 155.3 m). Earnings after financial items for the fourth quarter amounted to SEK 36.2 m (SEK 15.7 m). Earnings after financial items for the full year 2006 amounted to SEK 111.1 m (SEK 18.1 m). Liquid funds at December 31, 2006 amounted to SEK 159.6 m compared to SEK 68.0 m at year-end 2005.

Investments in fixed assets during the fourth quarter amounted to SEK 1.3 m (SEK 2.2 m) and during the full year 2006 they amounted to SEK 4.3 m (SEK 4.4 m). The average number of employees during the fourth quarter was 82 (52) and for the full year 2006 77 (49).

Dividend proposal

TradeDoubler has been generating and generates a positive cash flow which exceeds the need of the existing operation. The Boards of Directors has decided upon a dividend policy as follows "TradeDoubler will distribute at least 50 percent of its net profits as long as the financial stability remains. The distribution can be in the form of a dividend, redemption or buy back of shares".

For the fiscal year 2006 the Board of Directors propose a dividend of 5 SEK / share, whereof 2,50 SEK is to be seen as an extra dividend.

The dividend will only be proposed as payable in circumstances where AOL's offer has been withdrawn.

Significant events after the closing date

On 15 January 2007, AOL (a majority-owned subsidiary of Time Warner) formally announced an offer to purchase all outstanding shares of the Company at a price of SEK 215 per share cash. The offer is being made in accordance with Swedish Takeover Regulations and follows extensive discussions and consideration by the Board of Directors of alternatives for TradeDoubler during the course of 2006. The Board of Directors of TradeDoubler has unanimously recommended that shareholders of TradeDoubler accept the Offer. It is expected that AOL Holdings will publish its formal offer document either later today or Monday, 30 January 2007.

The option scheme decided upon at the Annual General Meeting 2006 has been initiated at the end of 2006 and has as a consequence not affected the result in 2006. The number of options amount to 867 300.

At a Board meeting on 25 January 2007, the Board appointed William Cooper as acting CEO of TradeDoubler from 16 February 2007. The final appointment of a permanent successor to Martin Henricson will be made at the time when the public offer from AOL has either expired or been accepted.

Election Committee

The Election Committee prior to the Annual General Meeting 2007 has been nominated and consists of Ramsey Brufer (nominated by Alecta Pensionsförsäkring), Robert Ahldin (nominated by AVI EHF), Felix Hagnö (represented by his own share holding in Enzymix Systems Ltd) and Kjell Duveblad (Chairman of the Board),

Outlook 2007

Historically TradeDoubler's top line growth has fluctuated and it is clear that it is very difficult to forecast the revenue figures.

We foresee that local markets will continue to develop strongly. The relative growth of the UK will slow however we expect this to be compensated by the growth of the rest of Europe and emerging markets.

In order to secure long term sustainable growth there is a need to increase our investment in the areas of technology and product development in 2007. We also foresee additional efforts and investments if we develop outside of Europe.

The gross margin is expected to decrease as a consequence of continued change in the product mix. The gross profit emanating from transactions will continue to increase as a proportion of total gross profit.

The transaction margin is expected to decrease slightly to around 21-22 percent due to increased competition.

Revenue for 2007 is expected to increase by 40-50%

EBIT for 2007 is expected to increase by 35-40%

The tax rate is expected to be around 30% for 2007

Disclaimer - The Board of Directors of TradeDoubler and the management do not have any intention of issuing forecasts similar to this in the future. This is an exception in relation to the offer by AOL.

Forthcoming reporting dates

Interim Report Q1 2007

April 25th, 2007

Interim Report Q2 2007
Interim Report Q3 2007

July 26th, 2007
October 26th, 2007

The audited annual report of TradeDoubler will be available at the company headquarter during week 18.

The Annual general Meeting (AGM)

The annual general meeting will be held in Stockholm on May 24th, 2007.

Stockholm, January 25th 2007

Martin Henricson
CEO

Review Report on Interim Financial Information

To the Board of Directors of TradeDoubler AB (publ)

Corp. id 556575-7423

Introduction

We have reviewed TradeDoubler ABs interim report for the period January 1, 2006 – December 31, 2006. The Board of Directors and the President Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of the review

We conducted our review in accordance with the Standard on Review Engagements SÖG 2410, "Review of Interim Financial Information Performed by the Independent Auditors of the Entity", issued by FAR. A review consists of making inquiries, primarily to persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing in Sweden RS and other generally accepted auditing practices in Sweden. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on 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, in all material respects, prepared in accordance with IAS 34 and the Annual Accounts Act.

Stockholm, January 25th 2007

KPMG Bohlins AB

Carl Lindgren
Authorized Public Accountant

Consolidated income statement

SEK 000s	Oct-Dec 2006	Oct-Dec 2005	Jan-Dec 2006	Jan-Dec 2005
Revenue	515 838	341 867	1 744 080	1 085 047
Cost of services sold	-376 282	-244 780	-1 263 783	-770 567
Gross profit	139 556	97 087	480 297	314 480
Selling expenses	-57 104	-37 660	-200 110	-153 449
Administrative expenses	-16 638	-19 519	-72 041	-102 455
Development expenses	-4 707	-3 868	-18 080	-14 625
Operating profit	61 107	36 040	190 066	43 951
Net financial items	3 775	1 538	8 134	3 427
Profit before tax	64 882	37 578	198 200	47 378
Income tax expense	-16 959	835	-57 814	-8 526
Net profit	47 923	38 413	140 386	38 852
Basic earnings per share (SEK)	1,73	1,49	5,13	1,57
Diluted earnings per share (SEK)	1,68	1,36	4,93	1,38
Average no of shares outstanding	27 695 021	25 706 730	27 350 907	24 801 852
Average no of shares outstanding after dilution (period end)	28 518 847	28 245 643	28 479 075	28 099 257
Total no of shares outstanding (period er	27 954 837	26 913 234	27 954 837	26 913 234
Total no of shares outstanding after dilution (period end)	28 588 773	28 491 528	28 480 711	28 491 528

Consolidated balance sheet

SEK 000s	31 Dec 2006	31 Dec 2005
ASSETS		
Fixed assets		
Intangible fixed assets	12 715	-
Tangible fixed assets	11 558	9 781
Other long-term receivables	803	778
Deferred tax asset	2 263	7 806
Total fixed assets	27 339	18 365
Current assets		
Accounts receivable	417 514	253 716
Prepaid expenses and accrued income	6 453	4 851
Other current receivables	30 316	38 526
Cash and cash equivalents	433 082	218 348
Total current assets	887 365	515 441
TOTAL ASSETS	914 704	533 806
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
	348 965	188 562
Long-term liabilities		
Deferred tax liability	3 562	-
Other provisions	-	7 200
	3 562	7 200
Current liabilities		
Accounts payable	12 662	8 987
Publisher payable	270 374	178 845
Tax liability	26 325	1 612
Other current liabilities	196 949	106 826
Accrued expenses and deferred income	45 367	32 474
Other provisions	10 500	9 300
	562 177	338 044
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	914 704	533 806

Changes in consolidated shareholders' equity

SEK 000s	Oct -Dec 2006	2005	Jan-Dec 2006	2005
Shareholders equity on opening date	297 610	103 759	188 562	93 488
Translation differences	-6 773	58	-6 745	2 266
Profit for the period	33 731	38 412	140 386	38 852
Share issues	8 056	44 897	8 225	48 211
Share-based compensation adjusted by equity items	732	1 436	2 928	5 745
Tax effect on share option exercise 1)	15 609	-	15 609	-
Total shareholders' equity on closing date	348 965	188 562	348 965	188 562

1) Tax deduction is admitted in the UK at share option exercise based on calculated cost.

Consolidated cash flow statement

SEK 000s	Oct-Dec		Jan-Dec	
	2006	2005	2006	2005
Operating activities				
Profit before tax	64 882	37 577	198 201	47 378
Adjustments for non-cash items	-456	-45 560	3 337	25 510
Income taxes paid	-1 319	-694	-4 903	-1 136
Cash flows from operating activities before changes in working capital	63 107	-8 677	196 635	71 752
Changes in working capital	-6 873	-23 012	32 533	-29 912
Cash flow from operating activities	56 234	-31 689	229 168	41 840
Investing activities				
Net investment of subsidiary	-5 000	0	-9 900	-
Net investment of tangible fixed assets	-2 451	-2 855	-7 301	-7 218
Cash flow from investment activities	-7 451	-2 855	-17 201	-7 218
Financing activities				
New share issues	8 056	44 897	8 225	48 211
Cash flow from financing activities	8 056	44 897	8 225	48 211
CASH FLOW FOR THE PERIOD	56 839	10 353	220 192	82 833
Cash and cash equivalents on opening date	379 934	207 297	218 348	128 589
Translation difference in cash and cash equivalents	-3 691	698	-5 458	6 926
Cash and cash equivalents on closing date	433 082	218 348	433 082	218 348
Adjustment for non-cash items				
Depreciation	1 862	1 170	6 409	4 167
Non-recurring cost relating to the offer	2 950	-39 200	0	3 200
Personnel expenses, including social security expenses, attributable to share related programs	-5 268	-7 530	-3 072	18 143
Total non-cash items	-456	-45 560	3 337	25 510

Quarterly results

	Jan-Mar 2005	Apr-Jun 2005	Jul-Sept 2005	Oct-Dec 2005	Jan-Mar 2006	Apr-Jun 2006	Jul-Sept 2006	Oct-Dec 2006
SEK 000s								
Revenue	209 262	256 732	277 186	341 867	400 460	400 863	426 918	515 838
Quarter-on-quarter growth (%)	8	23	8	23	17	0	6	21
Cost of services sold (publisher compensation)	-145 194	-182 729	-197 864	-244 780	-293 388	-286 849	-307 264	-376 282
Gross profit	64 068	74 003	79 322	97 087	107 072	114 014	119 654	139 556
Quarter-on-quarter growth (%)	7	16	7	22	10	6	5	17
Selling expenses ¹⁾	-34 671	-39 294	-41 823	-37 661	-46 966	-45 847	-50 194	-57 104
Administrative expenses	-11 409	-18 510	-53 017	-19 519	-19 087	-18 623	-17 692	-16 638
Development expenses	-3 518	-3 645	-3 594	-3 868	-4 291	-4 251	-4 832	-4 707
Operating profit ¹⁾	14 470	12 554	-19 112	36 039	36 728	45 293	46 936	61 107
Net financial items	547	689	653	1 538	946	1 068	2 346	3 775
Profit before tax ¹⁾	15 017	13 243	-18 459	37 577	37 674	46 361	49 283	64 882
Income tax expense ¹⁾	-4 502	-5 071	212	835	-16 958	-8 440	-11 219	-16 959
Net profit ¹⁾	10 515	8 172	-18 247	38 412	20 716	37 921	38 064	47 923

1) The selling expenses for the three months ended March 31, 2005 and June 30, 2005 do not correspond to the selling expenses contained in the interim quarterly reports for these periods, reflecting a restatement of these numbers for comparison purposes to comply with the Swedish Financial Accounting Standards Council's Emerging Issues Task Force pronouncement 46 (URA46 Estimation of Social Expenses in connection with the Application of IFRS 2), which is effective since September 2005.

Key data

	Oct-Dec 2006	Oct-Dec 2005	Jan-Dec 2006	Jan-Dec 2005
SEK 000s				
Operating margin (%)	12	11	11	4
EBITDA	62 969	37 209	196 474	48 118
EBITDA margin (%)	12	11	11	4
Equity ratio (%)	38	35	38	35
Return on equity (%)	52	28	52	28
Number of employees on closing date	351	256	351	256
Average number of employees	344	250	308	222

Accounting principles

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and RR 31 Consolidated Interim Financial Reporting. The accounting policies that have been applied are in agreement with the accounting policies that were used in the preparation of the company's latest annual report. A description of the accounting policies is included in note 1 of the annual report. New or revised IFRS standards or IFRIC interpretations, which came into force on 1 January 2006, have not had any effect on the group's results of operations or financial position.