TradeDoubler

ANNUAL REPORT 2010

financials.tradedoubler.com

Content

Dear reader,

TradeDoubler's business is on the internet and therefore we think it is also natural that it is the main focus of our financial communication. Accordingly, the electronic report is our main annual report and it can be accessed at www.financials.tradedoubler.com or via TradeDoubler's website.

TradeDoubler's annual report is published in Swedish and English. In the event of any differences in the versions, the Swedish text should be referred to. The formal part of the annual report consists of the information on pages 40–70.

Information in the annual report

TradeDoubler AB (publ) (556575-7423) is a Swedish company with its registered office in Stockholm. The company is subject to Swedish laws and as a listed company is obliged to comply with Nasdaq OMX Stockholm's rules and regulations which govern information disclosure to the market.

All values are stated in Swedish kronor. Kronor expressed in million is abbreviated to SEK M and kronor expressed in thousands is abbreviated to SEK '000. Numerical data in brackets refers to 2009 unless otherwise stated. Information about markets and the competitive situation is TradeDoubler's own assessment, unless a specific source is provided. Stakeholders have the possibility to subscribe to press releases via TradeDoubler's website and to read the company's financial information.

Financial calendar 2011

Full-year report 2010	February 8, 2011
Release of annual report 2010	April 11–14, 2011
Interim report (January – March 2011)	May 4, 2011
General Meeting	May 5, 2011
Interim report (January – June 2011)	August 3, 2011
Interim report (January – September 2011)	November 2, 2011
Full-year report 2011	7 February, 2012

A printout of the annual report may be ordered from:

TradeDoubler AB
Sveavägen 20
S-111 57 Stockholm
Phone: +46 8 40 50 800
E-mail: ir@tradedoubler.com

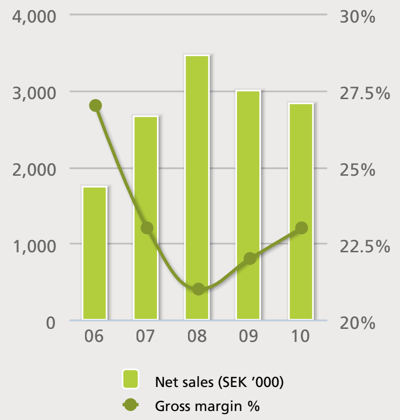
Give us your views!

Can we make the annual report better? We would be glad to receive your suggestions and views by e-mail: ir@tradedoubler.com.

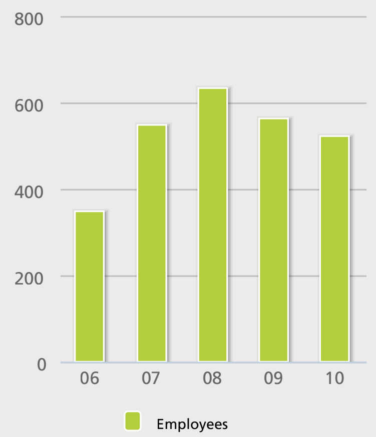
2010 in brief

- Urban Gillström was appointed as CEO in February and Erik Skånsberg was named CFO in May.
- A new strategic focus was presented in October, whose pillars are "One performance-based world-class network", "One cost-efficient company" and "One sales- and results-driven corporate culture".
- Many functions were centralised in order to improve efficiency and decisions were taken to automate several support processes.
- It was decided that the service areas, Search and Technology would become independent business units in order to create better business opportunities.
- TradeDoubler developed new functionality with enhanced support in order to direct the offering towards specific geographical areas, monitor and influence consumer behaviour and ensure more effective advertising.
- An agreement was reached to use Marin Software's search engine technology in TradeDoubler's technical platform.
- Net sales amounted to SEK 2,840 M (3,014) and the gross profit (GP) was SEK 658 M (690).
- Operating profit (EBIT) was SEK 83 M (-105). Operating profit, adjusted for 2009 non recurring items, amounted to SEK 83 M (75).
- Profit after tax amounted to SEK 61 M (-178) and earnings per share amounted to SEK 1.44 (-5.31).
- The cash flow from operating activities amounted to SEK -6 M (65).
- The board of directors proposes a dividend of SEK 0.0 (0.0) per share to the annual general meeting

Net sales and gross margin



Average number of employees



Five years in summary

SEK M	2010	2009	2008	2007	2006
Net sales	2,840	3,014	3,457	2,664	1,744
Gross profit	658	690	747	636	480
Gross margin %	23.2	22.9	21.6	23.9	27.5
Costs	-576	-795	-597	-441	-290
Operating profit	83	-105	150	195	190
Operating margin %	2.9	-3.5	4.3	7.3	10.9

The costs for 2009 include non-recurring items of SEK -180 M, of which SEK -150 M related to impairments of goodwill in respect of IMW Group in the UK, which was aquired in 2007.

This is TradeDoubler

TradeDoubler's core business is to arrange ads from advertisers and media agencies to publishers that operate websites. We do this through our network which is used by 1,900 advertisers and comprises 138,000 publishers.

TradeDoubler operates on the dynamic and rapidly growing market for internet marketing in Europe. Competitors are first and foremost other intermediaries that offer internet marketing possibilities through their networks.

In addition to its core business Network, TradeDoubler has two independent business units Technology and Search. Technology supplies the technical platform within performance-based marketing while Search is active within search engine marketing and search engine optimisation.

Paid according to performance

The advertising rates are determined by the result achieved by the ads, often measured in terms of how many people click on an ad, register on a home page or purchase something. The remuneration to TradeDoubler is calculated as a share of the advertising rate. We call this performance-based marketing.

Large reach

Through operations in 18 countries, TradeDoubler reaches around 75 per cent of Europe's internet users (approx. 68 per cent including Russia). Our large reach is unique and represents a distinct competitive advantage over other players.

Good deal for our clients

TradeDoubler uses its knowledge of internet marketing, transaction tracking technology, advanced administrative systems and extensive networks in order to drive good business for both advertisers and publishers.

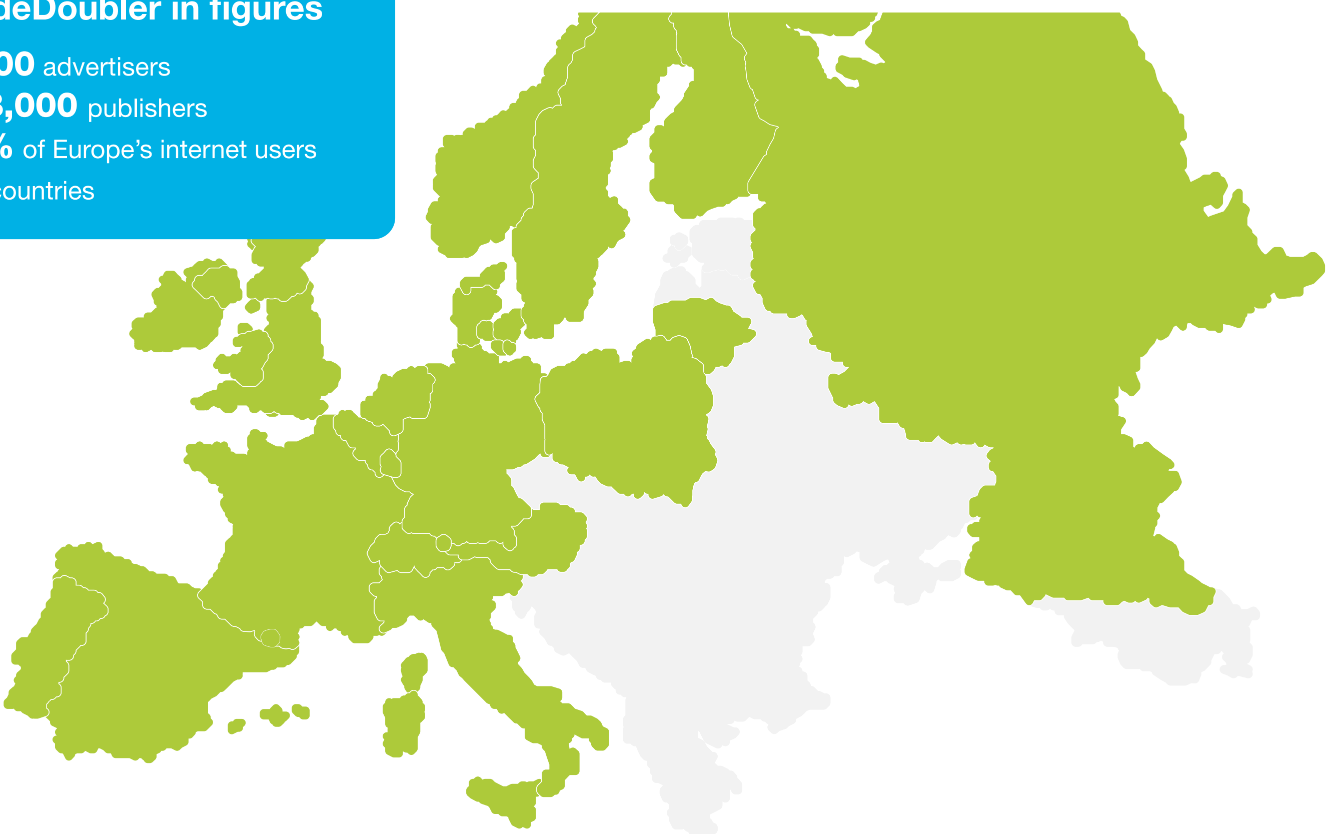
The share

The share is listed on NASDAQ OMX Stockholm's Mid Cap segment.

TradeDoubler in figures

1,900 advertisers
138,000 publishers
75% of Europe's internet users
18 countries

TradeDoubler's market



Business concept and model

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.

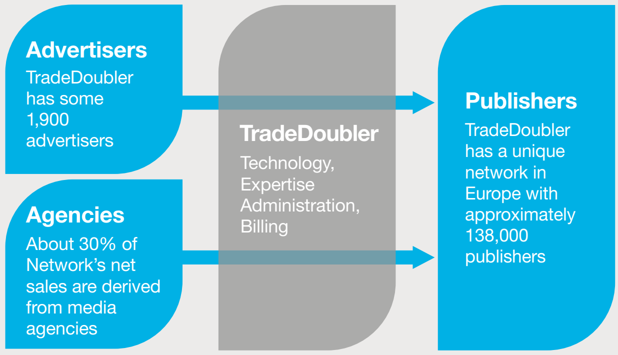
Business model

TradeDoubler's business model is based on the company:

- operating as an independent third party and arranging adverts and campaign space amongst advertisers, media agencies and websites/publishers
- helping advertisers to optimise their marketing via search engines
- supplying and further 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, technical platform for handling transactions and tracking technology, 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.

Business model



A large portion of TradeDoubler's revenues are performance-based. Remuneration from the advertiser to publishers – and to Trade-Doubler – 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.

Approximately 6% of TradeDoubler's gross profit comes from operations within the Search business unit where clicks on keywords generate commission. The search engines' pricing to advertisers is based on an auction process where keywords are sold to the highest bidder. TradeDoubler's revenues in this area consist of a commission per click on the purchased keywords. In addition to this, Trade-Doubler offers consultancy services within search engine optimisation which are charged as a separate service.

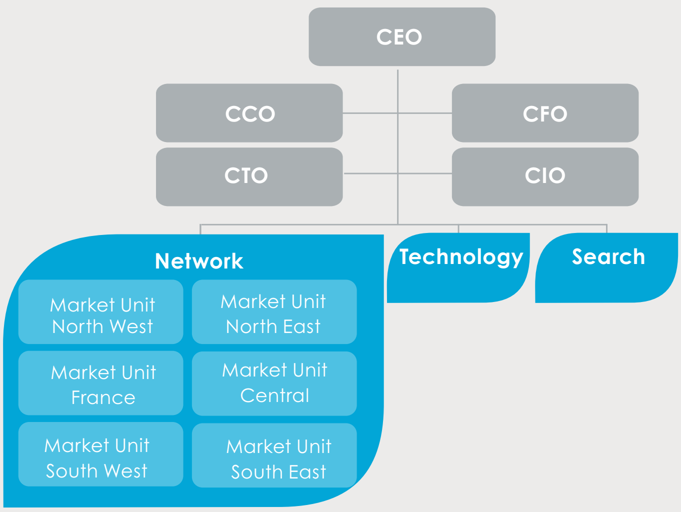
Approximately 9% of TradeDoubler's gross profit comes from operations within the Technology business unit where clients pay a start-up fee and licensing fees for using the platform.

Organisation

Network includes the operations within Affiliate and Campaign. Network is divided into six market units which all report directly to the CEO.
The market units are:

- **North West** (UK and Ireland)
- **North East** (Sweden, Denmark, Norway, Finland, Poland, Russia and Lithuania)
- **France**
- **Central** (Germany, Switzerland, Austria, the Netherlands and Belgium)
- **South West** (Spain and Portugal)
- **South East** (Italy)

Technology licenses TradeDoubler's technology platform for internet marketing to larger clients. The unit Search is active within search engine marketing.



- The CFO is responsible for the staff functions Finance, Legal and HR.
- The CCO is responsible for sales and marketing, particularly within Network.
- The CTO is responsible for product development, principally within Network but also to a certain extent in Technology.
- The CIO is responsible for the IT infrastructure and providing resources for development.

Creating profitable growth

During the past year we worked purposively in order to sharpen TradeDoubler's focus. The process began with the rights issue that was carried out over year-end 2009/2010 and then continued with comprehensive strategy- and change work during 2010. The overall goal was to create scalable profitable growth.

During the latter part of 2010, we successively implemented the new strategy. Our market recovered, while at the same time we started to see clear results from our changed working practices. My personal reflection is that it is possible to bring about positive improvements quickly in a young internet company such as TradeDoubler.

A clear business structure

The strategy work showed that our business structure needed to be refocused in order to make it possible to set clearer goals as well as achieve better measurability and follow up. The customers' needs were placed in focus and the offering was enhanced and made more distinctive. From 2011, we have organised the operations within Search and Technology into separate business units, with well-defined financial and operational goals. They now have a natural responsibility for developing their offerings and client relationships. They can invest in creating a strong position in prioritised markets and work with a sharper focus, while at the same time this supports the core business. I am convinced that the new structure will give a boost to business.

A sales- and results-driven corporate culture

We have also taken measures to generate more business and raise profitability in the core business activities within Affiliate and Campaign, which are now brought together in Network. From year-end 2010/2011, we are working in six market units which have considerable authority and full responsibility for the operations and profitability within each respective area. These units are tasked with looking after and developing business with local advertisers, publishers and media agencies.

We have simultaneously made the organisation flatter, to enable TradeDoubler's entire business to get closer to the customers. The sales culture is cultivated by sales-focused programmes and regular sales contests which emphasise and reward successful efforts in relation to clients and sales. We have also introduced a new variable salary scheme which encourages front-line employees to generate sales and results in a clearer way.

A stronger offering

The third major area we worked on during 2010 was to strengthen our offering with new products that create better customer benefit, meet demand, drive revenues and reinforce our competitiveness. We have developed products within targeting and re-targeting so that the ads can reach specific target groups more accurately. We have improved tracking technologies, something which benefits the clients and allows our publishers to get paid for more of the transactions generated and which concurrently also boosts our revenues. We also developed several new products which make it easier for consumers to buy from our clients, while at the same time we made it easier for our publishers to work with us. At the end of 2010, we opened the platform to external developers, which means that it is easier to develop proprietary APIs to offer in the network. As the pioneer within performance-based marketing, TradeDoubler shall also be one of the future leaders. We are therefore continuing to invest in new products. Social media and mobile telephony are two areas where I expect us to make great strides forward during 2011.

Performance-based marketing is a specialist segment. We are therefore now working purposefully with media agencies as clients, both globally and locally. We are developing, standardised solutions for the major sectors within e-commerce. We are also creating new solutions in collaboration with clients. We are striving to increase the number of publishers in our network so that the advertisers can really reach the consumers. It is increasingly a question of being present on social media and on different types of new innovative and niche sites.

Scalable profitable growth

These are some of the efforts we have made and are making to generate growth and ensure that the growth is scalable. The new organisation allows us to benefit from economies of scale whenever possible. The market units are responsible for the relationships with advertisers and publishers, while large parts of the production can be handled more efficiently and will greater scalability from central competence centres. The units are also encouraged to follow their clients into new markets. It is often a more cost effective and faster way of establishing on new markets than setting up local companies from the beginning. We are also aiming for increasing establishments through partnership or market acquisitions, which, however, may never take place at the expense of established business.

Focus areas for improvements

We also addressed a couple of problem areas during 2010. One of these was the search operation in the UK. The British market has been very difficult, while at the same time we have faced our own challenges in integrating the acquisition of IMW. When there was a reversal in the long-standing market trend of double-digit growth rates, an aggressive consolidation began with several mergers and an extensive price war. Several smaller players have been forced to leave the market after suffering severe losses. We have developed an action plan for our entire search operations which involves reducing costs, stemming the sales decline in the UK and concurrently investing in international growth. Our decline in the UK market was checked at the end of the year, while at the same time we showed phenomenal growth in certain markets, particularly in Spain, Italy and the Nordic region. The goal is that the unit should once again display growth and profitability. We have made considerable progress, and expect to continue this purposeful work during 2011.

Internal control was another area that we worked on a lot during 2010 where several projects were implemented. These projects mean that we have good internal transparency today, which allowed us to reduce operating costs during the second half of 2010. We enter 2011 with strong internal control and further improved focus on costs and cash flow.

The next area we are working on is to reduce employee turnover, which is too high today, due to the fact that we have many young employees who possess attractive and unique expertise. The new organisation is an important part in this work and we have also embarked on a number of initiatives which are creating more and clearer career opportunities for our key people. The goals established for the market companies also facilitate setting goals for and rewarding individual performance. This is a good way for us to guide and encourage the employees who are important for our success.

Focus for 2011

My focus in 2011 is to deliver on the strategy which aims for scalable profitable growth. We shall accomplish this by growing where we already operate, but also by expanding to new markets via our market units. The expansion can occur through the strong existing ties between the Iberian countries and Latin America, and also further to the east in Europe where several countries are now developing rapidly within performance-based marketing. Externally, market conditions have recovered in most places in Europe. The market for downloadable products such as music, films and apps is growing very strongly. We expect that the mobile market will become more important for us in the coming years. The consolidation has gathered momentum again. TradeDoubler is now ready to participate in this process.

Stockholm, February 2011

Urban Gillström, President and CEO

Strategy

The recent economic downturn unveiled weaknesses in the way TradeDoubler carried out its business. This inspired TradeDoubler to carry out a strategic review with the aim of achieving scalable profitable growth.

The process resulted in TradeDoubler presenting a new strategic focus for its core business in October, whose pillars are "One performance-based world-class network", "One cost-efficient company" and "One sales- and results-driven corporate culture".

One performance-based world-class network

TradeDoubler deploys the following strategies in order to maintain a performance-based world-class network:

- TradeDoubler should be leading in the markets where the company operates. TradeDoubler is market-leading in 17 of the 18 countries in which the company is active. TradeDoubler is the third largest player in Germany. TradeDoubler continually improves its knowledge about how internet advertising drives traffic and business, and develops its network of publishers as well as its technical platform. Good knowledge of local markets is an important factor in guaranteeing high quality, which TradeDoubler ensures through a local presence.
- TradeDoubler's network of publishers shall maintain a high quality and have a wide reach. Publishers are enticed to the network through good revenue opportunities. The network currently reaches 75 per cent of Europe's consumers. The network offers advertisers an effective way of reaching consumers in Europe, in conjunction with technical systems and tools.
- TradeDoubler works on strengthening European and global brands, which contributes to maintaining good quality in the network. TradeDoubler develops customised offerings for sectors in which a lot of business is conducted online. TradeDoubler has such offerings for the travel, financial, telecom, electronics and fashion sectors. TradeDoubler currently has 1,900 advertisers in its network, of which many are well-known international brands.
- TradeDoubler shall have strong relations with advertisers and media agencies. The business model, which means that TradeDoubler gets paid in relation to the results achieved, contributes to generating mutually profitable business.

One cost-efficient company

The second pillar in the strategy, a cost-efficient company, is central in order for TradeDoubler to grow with profitability. Several ways were indentified to improve operational efficiency during the strategic work in 2010 without the need for measures necessitating an increase in costs. Instead of each local company having to perform all stages themselves, the technical work associated with putting campaigns on websites has been centralised. Several support processes will be automated during 2011, such as registration and activation of publishers as well as sales and customer care processes. In parallel with specific measures, the efficiency continues to benefit from higher volumes.

One sales- and results-driven corporate culture

A sales- and results-driven corporate culture is essential in order to create a successful sales organisation which is the basis of TradeDoubler's operations. Stimulating such a culture was one of many important factors in designing the organisation which was introduced from 2011. The new organisation brings together the core business within the service areas Affiliate and Campaign in Network while Search and Technology were made into independent business units. Two hierarchical levels were removed, which reduces the distance from the business to controlling functions. The local offices gained a stronger sales focus with clear sales and profitability targets as well as greater responsibility for developing relationships with advertisers, media agencies and publishers and in this way will contribute to a performance-based world-class network. The sales culture is also supported by clear recruitment profiles, regular training and a modified incentive structure.

A growing part of the advertising market

TradeDoubler operates on the dynamic and rapidly growing market for internet marketing in Europe, where the largest advertisers are found within consumer-oriented sectors such as travel, finance and retail.

Advertisers have several different ways of marketing themselves and boosting their online sales and also have good opportunities to focus activities towards specific target groups. In internet marketing, it is possible to measure which activity the ad has given rise to, which enables advertisers to only pay for the result achieved.

A growth market

The increasing use of the internet and the growth of e-commerce have created an important market for services and products related to marketing and sales on the internet. The internet competes with traditional media such as newspapers, magazines and TV for advertisers' budgets. Internet marketing today has a greater reach than TV advertising in an increasing number of countries and target groups.

Like other advertising markets, the market for internet advertising is dependent on market conditions. However, the effects of the weak market conditions in Europe in recent years have been counterbalanced by transfer to the internet of a growing share of advertising. During 2010, the market for internet advertising is estimated to have grown by 8.8 per cent, which is well above GNP growth. Despite the growth, internet advertising is expected to continue to be underrepresented in comparison to other marketing. The current growth rate is therefore forecast to be maintained during 2011 and 2012.

Increased internet penetration and e-commerce is driving growth

The market for internet advertising is benefiting from higher internet penetration and growing e-commerce. The market research company, Forrester Research, estimates that over 70 per cent of Europe's households will have access to broadband by 2013, which is much more than the 52 per cent who had access to broadband in 2009. The broadband penetration in the Nordic region is over 85 per cent.

E-commerce for the retail industry in Europe is estimated to have grown by 18 per cent during 2010, which is faster than in 2009 but lower that the 20 per cent growth figures displayed during the period 2005-2008.

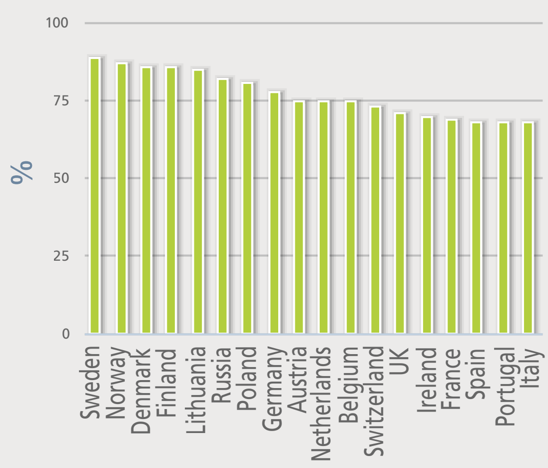
Strong market growth

The market for internet advertising in Europe is estimated to have grown by 8.8 per cent during 2010. The UK is the largest market in Europe for internet advertising. The UK, together with Germany and France, accounts for just over two thirds of the total European market.

The UK is not only the largest, but is also the most developed market in Europe. Here, the internet overtook TV as an advertising medium in 2009. During 2010, the internet advertising market, excluding Search, is expected to grow by about 4.5 per cent to 11 per cent of the total advertising market, according to the forecasting and research company, Magna Global. By 2015, the share of the total market is forecast to have grown to 13 per cent.

With an annual growth rate of approximately 10 per cent, internet advertising is growing faster than the overall advertising market even in France, Germany and Spain. The share of the total market in these countries is estimated to be 6–7 per cent. In Italy, internet advertising is showing double-digit growth figures but the share of the total market here is only estimated at 4 per cent.

Internet penetration 2015



Russia and Switzerland are expected to show the strongest growth in internet advertising during 2011. With anticipated growth of 28 per cent and 22 per cent respectively, both countries are expected to climb from sixth and eleventh place respectively within internet advertising in Europe. Other countries where the market is expected to develop strongly are Austria, Belgium and Poland.

Trends

Targeting and re-targeting

By studying consumer behaviour patterns on the internet, for example what type of website they visit, intermediaries and networks such as TradeDoubler can offer advertisers the opportunity to reach specially selected target groups.

Through re-targeting, advertisers can reconnect with or direct special offers to consumers who previously showed interest for a specific product or brand. This can be done by advertising on websites that a consumer continues to browse, for example after having suspended a purchase on the advertiser's website. It is more effective than traditional advertising since the advertising is directed to a target group which is involved in the brand or product.

Geo targeting and mobility

Advertisers are using the possibilities of positioning consumers geographically to a greater extent in order to direct local or regional offers to them. These possibilities are of special interest in mobile phones and tablets for reading, where different kinds of offer advertisements are most common at present. The marketing will also be developed and refined as more advanced devices increase in popularity, for example, in order to harness knowledge about how consumer behaviour changes depending on whether the consumers are inside or outside of their home environments.

Social media

Social media such as Facebook, Twitter and LinkedIn are creating new possibilities for advertisers. The more people who use social media and the more time they spend there, the more the knowledge of these companies increases about our interests and behaviour. Through social media it is possible to acquire deeper knowledge about consumer habits and interests than what Google and other players currently dominating the market are able to deliver through their platforms. Advertisers will demand systems and technologies to harness this knowledge in order to further improve the efficiency of their marketing. Using the best information about consumers, social media has the potential to lead marketing developments on the internet.

Virtual currencies

Another area which is expected to grow considerably in the next few years is virtual currencies. These are expected to change consumer behaviour and frames of reference which will impose demands on advertising methods and thereby create new opportunities. To gain an insight into what the area may imply, read on page 17 about the company TrialPay which uses virtual currencies in its business operations.

TradeDoubler market-leading in Europe

TradeDoubler competes, first and foremost, with other intermediaries, whose core business is to offer internet-based marketing opportunities via networks of advertisers and publishers.

With representation in 18 countries, TradeDoubler has the largest geographical coverage in Europe of all intermediaries and the company reaches around 75 per cent of Europe's internet users. In affiliate marketing, TradeDoubler is market-leading in all countries except for Germany. TradeDoubler is also a major player in the campaigns area. The company considers that it retained a leading position in 2010 within performance-based digital marketing.

Continued consolidation

ValueClick, Zanox, AdPepper, Affilinet, HiMedia and Specific Media are other large intermediaries within internet-based advertising in Europe. Like TradeDoubler, their business models are built on acting as an intermediary between advertisers and websites.

ValueClick is dominant in the North American market but is also present via its subsidiary, Commission Junction in European countries. Zanox, which is owned by the Axel-Springer group, is market leader in Germany and has operations in several European countries.

Zanox continued to expand in the UK in 2010 after having acquired a majority stake in Digital Window during 2009 with the network Affiliate Window. The network buy.at was acquired via Digital Window in February 2010 with operations in the UK, US and Scandinavia. The Zanox group now uses the Zanox brand in Continental Europe, and intends to integrate buy.at in Affiliate Window in the UK.

After a strategic change in 2010, United Internet sold the subsidiary AdLink to HiMedia which means that Affilinet is now found within Sedo Holding.

Actors

Advertisers may purchase advertising space on the internet directly from publishers or from intermediaries such as TradeDoubler. It is not unusual for advertisers to retain media agencies in order to purchase and effectively allocate advertising space among different media and channels. Media agencies then purchase advertising space directly from publishers and from intermediaries. TradeDoubler has a strategy of collaborating with media agencies.

Market participants

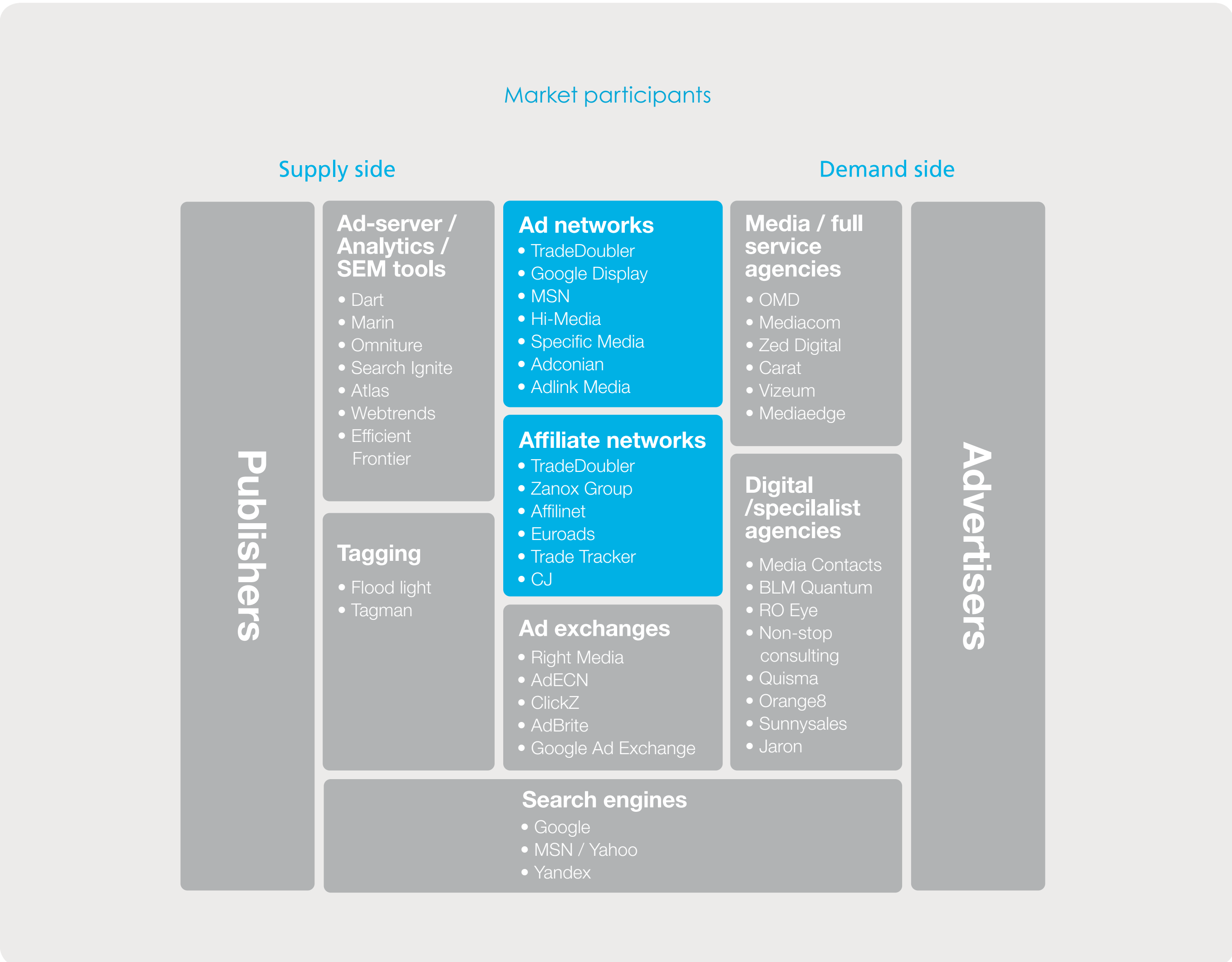
Publisher

Website that attracts visitors by supplying news, entertainment, price comparisons or other information. Publishers may be all from major newspapers and portals focused on broad target groups to blogs with a very narrow target group. Publishers generate revenues by selling advertising space on their websites.

Affiliate network
A network of publishers who sell advertising space on their websites via an intermediary. Advertisers offer ads to the network within which every publisher then chooses which ads they shall display on their websites. The remuneration to the publisher is determined by how much revenue the ad generates for the advertiser. In this way, the publisher is stimulated to choose ads which attract the target group which is active on the page.

Advertising network
A network of publishers who sell advertising space on their websites via an intermediary. Unlike in affiliate networks, the intermediary places the ads with publishers in the network. The publisher's remuneration is usually determined by views, clicks and registrations rather than by purchases. Advertising networks are normally used to complement the publisher's own ad sales.

Intermediaries
Arrange adverts by acting as an independent third party between advertisers and publishers or search engines. By maintaining contact with a large number of publishers and advertisers, the intermediary facilitates the sale and purchase of ads.



Network – our core busines

TradeDoubler's core business is to arrange ads between advertisers and publishers. We do this through our network which is used by 1,900 advertisers and comprises 138,000 publishers. We call this performance-based marketing.

The internet offers far more exact and detailed methods for measuring the results of different marketing activities, than the case with traditional marketing. These measurements have enabled players to accumulate considerable knowledge about how to generate results via internet-based marketing. TradeDoubler uses this knowledge in order to help companies boost their sales and brand awareness.

The basis of the operations is that TradeDoubler arranges ads; first and foremost embedded ads in the form of text links and product images for suitable websites, so-called publishers. Publishers may either select the material they want to publish themselves or they can allow TradeDoubler, sometimes subject to certain conditions, to automatically place it with them. Through automatic placement, TradeDoubler can optimise the result for both advertisers as well as publishers.

The remuneration to the publisher, which is the price paid by the advertiser, is determined by the volume of traffic that the publisher drives to the advertiser. The traffic can be measured by the number of views, clicks, registrations or purchases. The performance-based remuneration model steers publishers to select material that appeals to their visitors, which simultaneously benefits the advertiser.

TradeDoubler mostly works directly with advertisers. Some advertisers use media agencies in order to determine an appropriate marketing mix and to make a choice of channels. Therefore, TradeDoubler also regards media agencies as an important customer group.
The quality of the affiliate network is an important factor in TradeDoubler's success. This includes both advertisers and publishers, but even technical functionality which handles and enables different marketing solutions.

TradeDoubler currently conducts operations in 18 European countries. The company's most important markets are the UK, France and Germany, which combined, account for two thirds of the total internet marketing in Europe. Network accounted for 85 per cent of the group's gross profit in 2010.

Advertisers and publishers

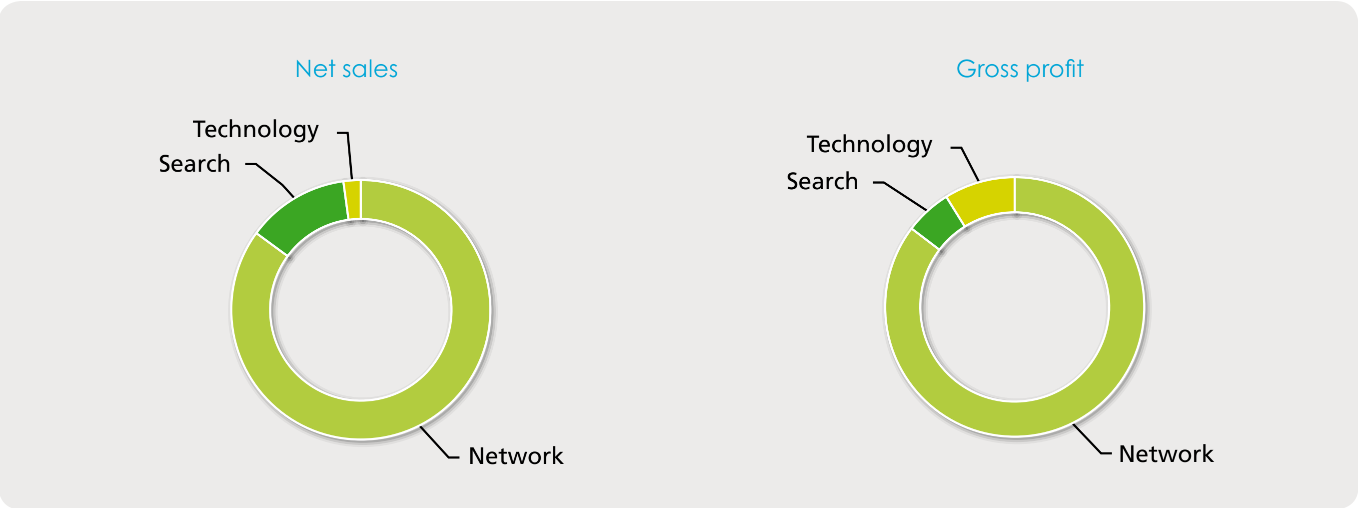
In order for TradeDoubler to maintain a high quality network, the advertisers and publishers should address the same target groups. TradeDoubler currently offers the largest network in Europe and works with a number of well-known brands.

Advertisers

TradeDoubler works with 1,900 advertisers from all over the world. Many are well-known global brands such as Apple Store, American Express, British Airways, Dell, Disney, Expedia, Hertz, hotels.com, lastminute.com and Nokia. In most cases, the advertisers work with TradeDoubler for their marketing in several European countries. Well-known brands mean that the network is held in high esteem by publishers. Major e-tailers are often also leaders in the development of new marketing methods, which contributes to improving the effectiveness of the network.

Publishers

TradeDoubler has 138,000 active publishers in its network. Publishers can be well-known media sites, price comparison sites, trade portals, newsletters, key word sites, blogs and other special interest sites. TradeDoubler has a unique reach in its network. Advertisers can reach a total of 75 per cent of Europe's e-commerce consumers via publishers. No other intermediary offers geographical coverage to



the same extent as TradeDoubler. Broad geographical representation is especially important for international brands, and also represents a distinct competitive advantage for TradeDoubler.

In the case of large media sites, TradeDoubler supplements their own advertising department while the network may account for almost all revenue for smaller sites. The quality in the network is crucial for the ability to generate business and thereby revenue for TradeDoubler as well as for advertisers and publishers.

Effective systems and tools

TradeDoubler's operations are based on effective use of technical systems and tools. These must maintain a high quality and be continuously improved, both for TradeDoubler to be able to offer the required functionality, and charge correctly for it in order to facilitate the use of the services for advertisers and publishers.

TradeDoubler monitors consumer behaviour on the internet, from advert to desired home page, registration and purchase. The tracking may take place over different lengths of time and number of clicks, where additional adverts can be displayed in order to entice back consumer interest. This tracking is central in order for TradeDoubler to be able to set the right price for the marketing activities, but also for the company to be in a position to offer services based on offers directed to consumers who displayed interest for certain goods or services.

During 2010, TradeDoubler plans to make the system more user-friendly in order to facilitate the administration for publishers and advertisers.

Product development

Internet marketing is a progressive market which is still in its infancy. Advertisers and e-tailers are often willing to try new ways of winning more consumers. Consumer behaviour changes continually and the marketing activities are becoming increasingly sophisticated and customised for the medium.

Open platform

TradeDoubler opened its system to external developers at the end of 2010 to stimulate technical developments. Just like for mobile phones, they can produce their own applications using the development tools offered, which are then free to use, in exchange for certain remuneration. The payment is determined, just like for publishers and for TradeDoubler itself, by how many transactions, registrations or clicks, are generated by a specific application.

Better at reaching target groups

TradeDoubler also develops new functionality internally in order to enable advertisers and publishers to generate better-quality business. One of the more important development trends is that advertisers are directing offerings to selected target groups. It may be consumers who have previously shown interest in, or purchased, certain categories of goods or persons who are situated in a specific geographical area and therefore may be assumed to be particularly interested in an offering. TradeDoubler has improved its systems during the year in order to satisfy these interests better.

More powerful advertising format

Marketing is also becoming increasingly effective, both as a result of higher confidence in e-commerce but also due to larger network capacity. Many consumers today are not just prepared, but also expect to be able to execute purchases directly from banners, something that e-tailers are also increasingly offering. The ad format is also becoming more sophisticated, with more frequent use of moving images. During 2010, TradeDoubler made it possible to integrate moving images in a much simpler manner.

More transactions on mobile phones

Mobile phone marketing is another area which is under rapid development. Here the format is often simpler, both as regards the layout and the type of message. The ads are often different types of campaign offers, for which reason the possibility of positioning consumers geographically is also particularly in demand here.

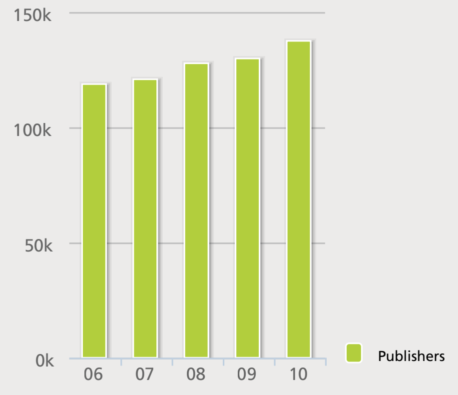
Network organisation

TradeDoubler's operations were organised into four regions during 2010. It was decided to introduce a new organisation consisting of six market units from 2011 in order to further develop the quality of TradeDoubler's affiliate network, achieve higher internal efficiency and strengthen the sales culture. The units are responsible for developing relationships with advertisers, publishers and media agancies and have clear sales and profitability targets.

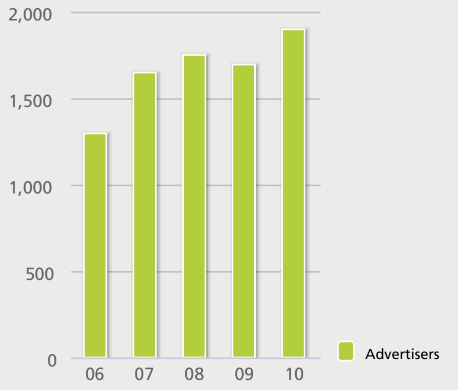
The six market units are:

- North West: UK and Ireland
- North East: Sweden, Denmark, Norway, Finland, Poland, Russia and Lithuania
- Central Europe: Germany, Switzerland, Austria, Netherlands and Belgium
- France
- South West: Spain and Portugal
- South East: Italy

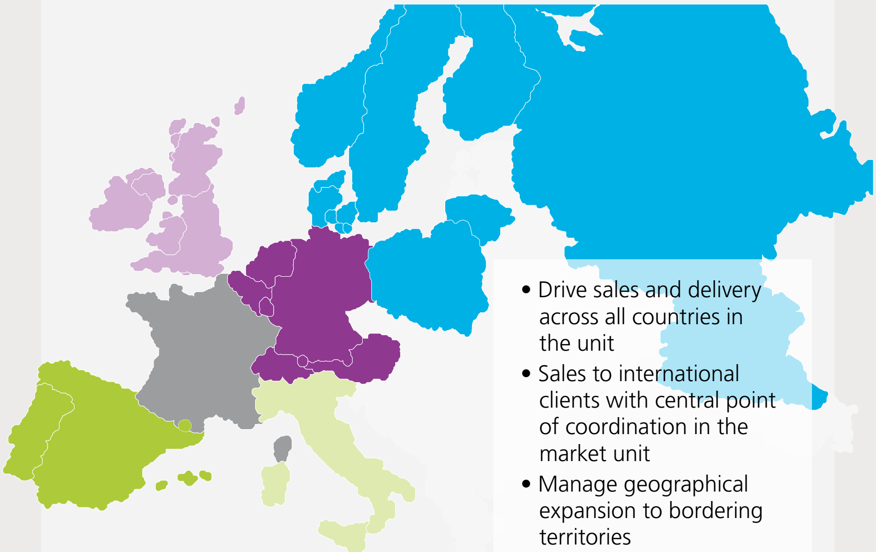
Publishers



Advertisers



Market Units – Key responsibilities



- Drive sales and delivery across all countries in the unit
- Sales to international clients with central point of coordination in the market unit
- Manage geographical expansion to bordering territories

Market Unit North West
UK and Ireland
Revenue: SEK 640 million
Gross profit: SEK 106 million
Internet penetration 2010*: 81.1%
Internet penetration 2015*: 81.6%
Population online 2010 (M)*: 47.0
Population online 2015 (M)*: 48.0
Growth internet marketing (excl. search)*: 7.8%

Contact information:
24th Floor, Portland House
Bressenden Place, London, SW1E 5BH
United Kingdom
info.uk@tradedoubler.com
T: +44 (0)20 7798 5800
F: +44 (0)20 7798 5801

Market Unit North East
Sweden, Denmark, Norway, Finland, Poland, Russia and Lithuania
Revenue: SEK 423 million
Gross profit: SEK 125 million
Internet penetration 2010*: 44.4%
Internet penetration 2015*: 71.8%
Population online 2010 (M)*: 92.4
Population online 2015 (M)*: 149.8
Growth internet marketing (excl. search)*: 20.7%

Contact information:
Sveavägen 20
S-111 57 Stockholm
Sweden
info.se@tradedoubler.com
T: +46 8 40 50 800
F: +46 8 40 50 844

Market Unit Central Europe
Germany, Switzerland, Austria, Netherlands and Belgium
Revenue: SEK 450 million
Gross profit: SEK 120 million
Internet penetration 2010*: 77.5%
Internet penetration 2015*: 79.1%
Population online 2010 (M)*: 44.9
Population online 2015 (M)*: 45.3
Growth internet marketing (excl. search)*: 7.5%

Contact information:
Herzog-Wilhelm Straße 26
D-80331 München
Germany
info.de@tradedoubler.com
T: +49 89 215 872-0
F: +49 89 215 872 11

*Source: Magna Global Core Media Advertising Forecast

Market Unit France
France
Revenue: SEK 539 million
Gross profit: SEK 106 million
Internet penetration 2010*: 72.2%
Internet penetration 2015*: 75%
Population online 2010 (M)*: 46.5
Population online 2015 (M)*: 49.5
Growth internet marketing (excl. search)*: 6.5%

Contact information:
4/6 boulevard Montmartre
75009 Paris
France
info.fr@tradedoubler.com
T: +33 1 42 65 12 89
F: +33 1 42 65 45 52

Market Unit South East
Italy
Revenue: SEK 191 million
Gross profit: SEK 57 million
Internet penetration 2010*: 60%
Internet penetration 2015*: 70%
Population online 2010 (M)*: 35.0
Population online 2015 (M)*: 41.4
Growth internet marketing (excl. search)*: 8.7%

Contact information:
Via Melchiorre Gioia 70
20 125 Milano
Italy
info.it@tradedoubler.com
T: +39 02 671 01054
F: +39 02 673 878 65

Market Unit South West
Spain and Portugal
Revenue: SEK 174 million
Gross profit: SEK 46 million
Internet penetration 2010*: 60.8%
Internet penetration 2015*: 72.3%
Population online 2010 (M)*: 24.4
Population online 2015 (M)*: 29.8
Growth internet marketing (excl. search)*: 9.9%

Contact information:
Alcalá 21, Pl.12
28014 Madrid
Spain
info.es@tradedoubler.com
T: +34 91 532 12 47
F: +34 91 531 26 00

We drive business for our customers

TradeDoubler's broad and comprehensive offering creates opportunities for the clients to optimise their marketing to achieve the best possible results. The company's revenues come primarily from its role as an intermediary, where TradeDoubler receives remuneration based on the transaction flow between advertisers and the websites and search engines which provide advertising space against payment. In 2010, this transaction flow corresponded to a value of around SEK 24 billion (22).

TradeDoubler has a variety of customers that uses the advanced technology in different ways and for different business purposes. Some of the success stories from 2010 are presented in the following section.

Microsoft Store expands online

Microsoft Store's focus on online marketing in Europe has shown great results over the last few years. TradeDoubler with its focus on performance-based marketing, is a vital partner for Microsoft Store, enabling the company to easily expand its affiliate programme to new countries. Microsoft Store already utilises TradeDoubler's network in nine countries across Europe and the company is continuously expanding to new markets.

In Europe, Microsoft Store focuses exclusively on Online Business and Online Marketing. The goal is to further increase sales and maintain a strong focus on developing the direct online sales channel that has proved to be very effective. This is facilitated through the CRM service provider, arvato which is the merchant of record for Microsoft Store in Europe. arvato has a clear focus on performance-based campaigns, and affiliate marketing is a strong pillar of the company's online strategy.

When Microsoft Store was looking for a partner for their online marketing, TradeDoubler was chosen due to its extensive business experience. However, the strongest consideration was TradeDoubler's capability of working across all major European countries.

"At TradeDoubler, we have a dedicated person who is our main contact for all local markets, supported by the local country managers. This structure works very well for our organisation. At the same time, TradeDoubler's user-friendly and self-explaining interface is very handy and provides really good and sophisticated reporting capabilities", says Alexander Bock, online marketing director for arvato digital services and online marketing lead EMEA/CA/AU/BR for Microsoft Store Europe.

TradeDoubler's technical solution and pan-European capabilities enable Microsoft Store to run almost all of their European performance-based marketing activities through the TradeDoubler network. Unlike the case in other affiliate networks, Microsoft Store values the possibility of running the whole programme through a single scheme via TradeDoubler's network. This enables them to work through a single login in each local account and also in their preferred language. Microsoft Store uses TradeDoubler's network in Germany, United Kingdom, France, Denmark, Spain, Italy, Netherlands, Norway and Sweden and soon will also use it in Belgium, Ireland and Finland.

About Microsoft Store

The official online store of Microsoft provides the whole range of Microsoft products including flagship products such as Windows 7 and Office Suites, Developer Software as well as Xbox consoles, accessories and the new gaming sensation, Kinect. All software products are also available in the standard box format or customers can directly download them in minutes. The Microsoft Store offers users a convenient and secure payment channel as well as lots of different payment options.

MyVoucherCodes.co.uk

Vouchers all over Europe

Markco Media is a global web-based marketing and advertising company with a global portfolio of high traffic websites. The company operates the UK's number one voucher and deals network – MyVouchersCodes.co.uk. Markco Media began operating in the UK with a single employee in 2006. Now there are operations across several European and international markets. This growth was achieved with TradeDoubler as a key affiliate partner.

MyVoucherCodes.co.uk develops online marketing solutions for retailers of all types. In the UK, the company is the leading voucher and deals website and offers the most attractive discounts. MyVoucherCodes.co.uk has seen a year-on-year increase in traffic and in the number of searches on the site. In 2010, MyVoucherCodes.co.uk generated almost 200,000 individual purchases and £25 million in sales revenue for retailers via the TradeDoubler network in the UK.

As a company offering online marketing solutions, an efficient affiliate marketing programme is vital. TradeDoubler has been a key affiliate partner to Markco Media since the start in 2006 and the collaboration mainly takes place through MyVoucherCodes.co.uk. In pace with Markco Media's expansion, the relationship with TradeDoubler has grown even stronger. Today, MyVocucherCodes.co.uk uses TradeDoubler as its primary affiliate partner in the UK, France, Germany and Ireland.

"MyVoucherCodes.co.uk works with all of the major affiliate networks, but TradeDoubler has always been a key contributor to our success. For us it is vital to maintain a close relationship and we have always had that with TradeDoubler. The fact that TradeDoubler also offers outstanding customer service and works globally with a single affiliate network has previously, and will continue to be, critical in facilitating our expansion", says Salvatore Maiorano, International Marketing Manager at MyVoucherCodes.co.uk.

To continue expanding its share of a growing market, MyVoucherCodes.co.uk must develop new services. In 2010, the company launched an iPhone application to great reviews and it has proved massively successful. During 2011, MyVoucherCodes.co.uk expects to launch an Android application and a geolocational service enabling users to find discounts in the local area through their mobile phones. This will allow the affiliate partners to offer their merchants even greater reach with their marketing efforts and MyVoucherCodes.co.uk will now be able to drive footfall directly to merchants' high street stores.

Effective sales every last minute

lastminute.com is Europe's leading online travel & leisure retailer, with over 1.65 million visitors per week solely in the UK. With online marketing being a core part of lastminute.com's business, a professional and effective affiliate marketing programme is vital. As an integrated partner, TradeDoubler has helped play an important role for lastminute.com which displayed impressive year-on-year growth in 2010 and continues to focus on further expansion.

lastminute.com offers a wide variety of products ranging from holidays, city breaks and hotel nights away to theatre, music and eating out, with a choice of 80,000 hotels and flights worldwide.

lastminute.com works exclusively with TradeDoubler's affiliate network and this has been an important factor in lastminute.com's growth online. TradeDoubler has created value for lastminute.com by helping to drive their business and by creating new and innovative ways of collaborating with their partners.

In lastminute.com's business, sudden changes in external factors can quickly affect a customer's booking behaviour - such as the weather or politics. lastminute.com has to be able to act rapidly to adapt campaigns to these conditions. It is therefore crucial to work closely with a creative affiliate distributor.

"Compared to other affiliate networks, TradeDoubler's strength lies in their creative and passionate account management teams, their technology and unrivalled reach. We are advancing and improving our collaboration as we move forward to make lastminute.com the best affiliate programme in Europe", says Lina Patel, European Head of Affiliate and Distributed Partnerships at lastminute.com.

lastminute.com utilises TradeDoubler's services in the UK, Ireland, France, Italy, Spain, Germany and the Nordics. The collaboration with TradeDoubler started in 2005 and centred on lastminute.com's brand, Holiday autos. During 2009, TradeDoubler was retained as lastminute.com's secondary affiliate network and then became the exclusive network for both brands during 2010.

Successful conquest of the European market through TradeDoubler

The Silicon Valley based company TrialPay has experienced a rapid international expansion reaching 180 countries with their offering. TrialPay's unique "Get It Free" solution allows customers to get virtual currency, software or online services for free when they complete an offer from one of many name-brand advertisers.

For example, customers who want more Virtual Currency from their favorite social game can get it for free by subscribing to a movie rental service, buying clothes from their favorite retail store or selecting one of many other offers. Local knowledge about advertisers that are attractive to end-users on each local market is crucial. This presents a difficulty for a US-based company in the diversified European market.

TradeDoubler connects TrialPay with handpicked advertisers throughout Europe. Thereby TrialPay has eliminated the need to staff sales teams in each country that their platform serves. Similarly, TradeDoubler helps bridge language gaps that make it difficult for TrialPay to sell into advertisers directly in the local markets. During 2010 TrialPay earned between $75,000 and $150,000 in each quarter through TradeDoubler.

"TradeDoubler serves as our gateway into Europe and beyond. They help us source, acquire and manage international advertisers that we want to promote through our platform. They have enabled us to grow our business at an exponential rate internationally without the added hassle and cost of sourcing new branches in these respective markets", says Brendan Gluck, Associate Manager, Business Development TrialPay.

TradeDoubler's Account Managers, based in the respective markets in which they are working, gives TrialPay invaluable expertise to determine with what brands users will connect. This local knowledge base, on top of TradeDoubler´s ability in understanding TrialPay's business, enables TradeDoubler to find the most relevant advertisers that have the highest potential to succeed on TrialPay's platform.

TrialPay emphasises that TradeDoubler's strength compared to other affiliate networks lie in the balanced organisational structure. TrialPay has one main contact who they deal with on a day-to-day basis and is able to spearhead their efforts throughout the various country teams. TrialPay can at the same time get local expertise and language localisations easily by going through the respective country managers.

"They have really found the delicate balance that many other affiliate networks lack. This makes working with TradeDoubler easy, enjoyable and extremely efficient", says Brendan Gluck.

Finally, TrialPay sees the combination of technology and quality of advertisers as a huge reason why their partnership has been so successful.

"We have some strict needs with regard to tracking under which TradeDoubler has thrived. We were able to get up and running much quicker with TradeDoubler than any other affiliate network. Not only does TradeDoubler present us with a critical mass of programmes, the advertisers with whom they partner are of the utmost quality. Without TradeDoubler's extensive network of high caliber advertisers in every target market in Europe, we would not have been able to see such remarkable growth internationally", says Brendan Gluck.

About TrialPay

TrialPay's "Get It Free" solution boosts revenue and converts more customers for online merchants by providing customers with an alternative way to pay for an online good. TrialPay presents customers with compelling incentives and payment options from their favourite name-brand advertisers as a way to pay for products, earn virtual currency or get exclusive discounts. As a result, TrialPay increases sales for online merchants while driving high-quality traffic and customer acquisitions for premier advertisers. With TrialPay, everyone wins: customers get a free product or significant discount, advertisers acquire new loyal customers on a pay-for-performance basis and online merchants earn more revenue from their current traffic.

Technology

The business unit Technology offers technical platforms which enable clients to manage their own online marketing activities.

Technology was established as a stand-alone unit as of 2011. Since licensing of technology solutions differs substantially from other activities in the group, the unit is expected to benefit from becoming a specialised organisation. The goal is to drive growth and increase profitability.

Customer-specific solutions

By offering a wide and flexible range of functionalities, each client can be offered a solution customised to their specific needs. These solutions enable advertisers, publishers and media agencies to manage, analyse and optimise all kinds of online marketing campaigns such as affiliate programmes, display or search campaigns.

Larger clients dominate

The business unit's clients consist of advertisers, publishers and media agencies. Running proprietary online marketing campaigns requires specialist knowledge and dedicated staff, which makes the use of Technology's technical platform an attractive option, particularly for larger clients. The majority of clients are located in TradeDoubler's larger markets France, Germany and the UK. Technology accounts for around 9 per cent of the group's gross profit. The profitability in terms of EBITDA/gross profit margin is high in the business.

Main focus on large markets

The organisation is focused on the core markets France, Germany and the UK where Technology has its own teams. The business unit also has specialised staff in several local markets, while smaller markets are serviced from the core markets.

Product offering

Technology's clients usually use the platform in one of the following setups or a combination thereof:

- Ad Serving: TradeDoubler's ad serving functionality allows clients to run efficient and successful display campaigns through easy working processes and automated optimisation.
- Cross-channel Tracking: All online marketing channels, such as affiliate marketing, co-operation and display or search campaigns, are tracked in one platform. The software de-duplicates the tracking and analyses user journeys across all tracked marketing channels, providing a powerful insight tool for analyses of all online marketing channels.
- Private Networks: As the technology platform is a private-label version of the platform TradeDoubler uses to manage affiliate programs, it is used by clients to manage private affiliate programs. The platform offers functionalities for tracking, payments and publisher access in a branded environment.
- Bid Management (PPC): TradeDoubler offers a bid management technology through a third party search management application, Marin Search Marketer, enabling clients to manage and optimise search marketing campaigns. Clients can benefit from using the bid management software in combination with TradeDoubler's tracking.

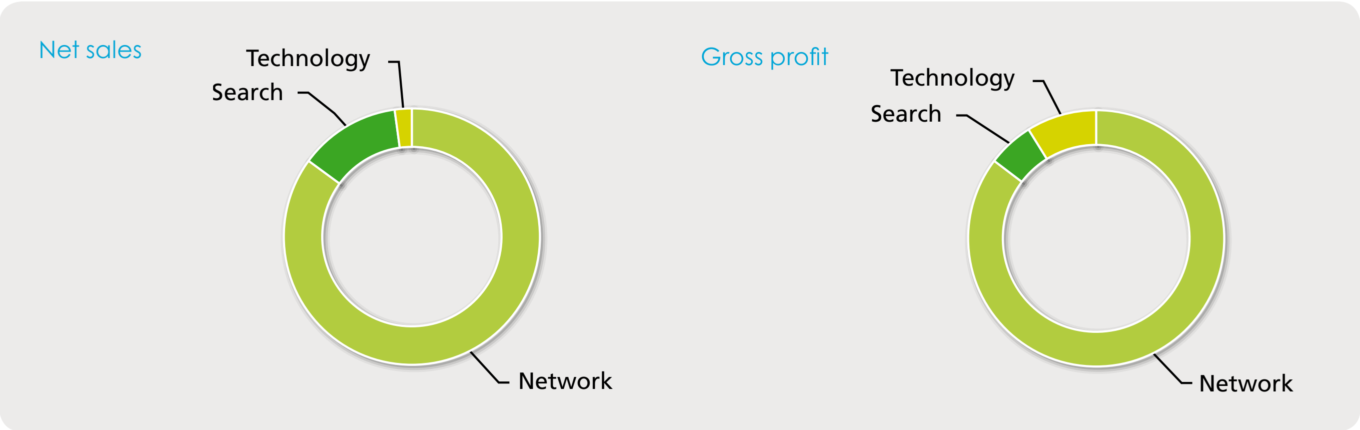
Clients pay a start-up fee and licensing fees for using the platform. Fees vary according to the setup chosen.

Market position and competitors

The online technology market is fragmented and features various technologies for different segments such as ad serving, bid management solutions, email-marketing, tracking and others. The market is expected to grow in line with the growth rate of the total online marketing market.

TradeDoubler faces competition in all product segments, but is one of the few operators offering solutions across all online marketing channels.

The company has competitive advantages including state-of-the-art offerings for private networks and bid management solutions for search campaigns. Through its combined offering, TradeDoubler successfully competes based on its flexibility, customised setups, transparent pricing and outstanding local support.



Search

Search comprises the Company's products and services for search engine marketing and search engine optimisation.

From 2011, Search is a stand-alone business unit. In collaboration with Marin Software, it also has the capacity to deliver optimised Facebook campaigns as well as performance metrics. Thus, Search will be able to maintain and develop its expertise and competitiveness in this highly competitive market segment. As a stand-alone unit, Search will also be assigned clear targets and goals, in order to drive its profitable growth.

Within Search, TradeDoubler's core business is "paid search". In the paid search model, advertisers pay to ensure that their links appear high up among the search engine's sponsored links, which are found in a list beside the non-sponsored search results list. The price of a sponsored link is determined through bidding for specific keywords and the site's keyword quality score.

Search engine optimisation aims to achieve a high exposure in the non-sponsored links generated by search engines. Advertisers optimise their websites' content, structure and links to achieve a higher ranking in the non-sponsored links. TradeDoubler offers its expertise in this field to clients in the form of consulting services.

Search represents around 6 per cent of group gross profit. Paid search makes up around two-thirds of revenues and search engine optimisation accounts for the remaining third. Profitability among geographic markets varies significantly and is driven by the level of competition and differences in the online media mix. TradeDoubler's strongest growth in this sector is currently in Southern Europe and the Nordics.

Clients across Europe are mainly served from local offices supported by core expertise in Telford, and London, UK. TradeDoubler delivers Search services in over 20 countries using native speakers of 12 languages.

Competitive advantages

Some of TradeDoubler's most important strengths in the field of search marketing are:

- More than 10 years of experience in the field has provided TradeDoubler with in-depth knowledge of the way search engines function, generate and rank search results. TradeDoubler also gains valuable experience from working with large clients on an ongoing basis, as they often lead innovation.
- A broad international reach with native speaking staff in 12 languages. Strong language skills are a prerequisite for successful search engine marketing as results are determined by which words consumers across Europe use when performing searches.
- By integrating paid and non-sponsored search, TradeDoubler can ensure that clients' budgets are spent efficiently across channels. TradeDoubler Search also provides *attribution* services for all online sales as part of its relationship with leading retailers.
- TradeDoubler, through its partnership with Marin Software, provides a powerful software platform that improves efficiency as well as cost effectiveness. TradeDoubler's search professionals are expert users of the Marin interface and have developed bespoke applications of it for their customers.

Market position and competitors

After very rapid development, growth in the European market for search engine marketing is beginning to level off in mature markets, whereas strong growth continues in less mature markets. The market grew by 10.8 per cent annually during the period 2008–2009*.

Keyword bidding

In paid search, advertisers may either purchase keywords themselves directly from the search engines or outsource this to an expert, such as TradeDoubler, which then handles keyword bidding on their behalf.

Technical platforms are normally used in the bidding process to optimise results, but are also used in search engine optimisation. Such platforms are of varying quality. TradeDoubler believes that it has access to state-of-the-art technology in this area through its collaboration with Marin Software.

Better page ranking

In search engine optimisation, changes to the algorithms of major search engines mean that the techniques required to improve ranking and increase traffic for clients are constantly evolving. Content, links and structure are always important but their relative weight is altered as the engines try to balance relevance with profitability, while at the same time, media companies and advertisers jostle for ranking, traffic and profit.

Keener competition

The market for search engine marketing is fragmented and competition has increased significantly in recent years. Apart from specialist agencies, media agencies are now very active in the segment, incorporating search engine marketing into their overall offering. Competitive operations require specialist capabilities and updated software platforms, giving larger operators an edge. Competition has been particularly intense in the UK where some larger players have also been loss-making recently.

Apart from TradeDoubler, only a few players have a presence in several European countries and most of these companies are media agency groups. These include Zenith's newly relaunched Performics bigmouthmedia/ Lbi, Group M and MediaContacts. By pooling resources to its UK offices while retaining local expertise, TradeDoubler achieves the size necessary to offer specialist skills on a long-term basis. Consolidation in the sector is ongoing and expected to continue.

*Source: IAB Europe/Screen Digest AdEx 2010

Towards a sales- and results-driven culture

TradeDoubler is a knowledge-intensive company in a fast growing and progressive industry. A major part of the business consists of sales and TradeDoubler's strategy is also to maintain a sales- and results-driven culture. This imposes demands on the organisation's ability to attract, develop and retain skilled personnel.

New business structure for better business opportunities

During 2010, the operations were conducted in a geographical organisation consisting of four regions. The local companies in 18 countries were responsible for sales of all services with profit responsibility. Central functions such as finance, HR, product development and management of IT systems and legal were located at or controlled from the head office in Sweden.

From January 2011, the earlier service areas Search and Technology became independent business units. The core business within internet advertising is run as one unit – Network – where customer and sales responsibility lies with the local companies that were organised into six market units. Several business functions, including the production work in connection with advertising campaigns, are performed centrally in Telford, UK.

Two management levels have been eliminated in the new organisation, which has reduced the distance from the management to the advertising and sales business; something that is expected to boost the sales- and results-focus of the organisation. The new organisation also enables greater efficiency through centralisation and automation of several functions.

To encourage a sales-driven culture, TradeDoubler conducts regular sales contests where both local offices and individual employees are recognised and rewarded. In order to develop this culture further, investments in training are planned, and a new incentive structure is being introduced from 2011 which rewards strong sales results, among other things.

Increased efficiency

The average number of employees (full-time equivalents) decreased during 2010 to 570 (589). At the end of 2010, the number of employees (full-time equivalents) was 525 (565), which was 40 less than the previous year. The fall is due to a restrictive recruitment policy combined with measures aimed at improving efficiency. The operations are conducted at 19 offices in 18 countries and just over 80 per cent of the employees work outside of Sweden.

Staff retention

The staff turnover increased to 32 per cent during 2010. It is thus higher than 29 per cent in 2008, after having fallen to 21 per cent during the weak market conditions in 2009. The increase is considered to be due to generally improved labour markets, and to the organisational changes carried out by TradeDoubler in combination with a restrictive recruitment policy.

TradeDoubler has a strong position in an industry which is developing at a rapid rate. This makes the employees' skills attractive to competitors and other players in the industry, and many employees are therefore enticed to new places of work. TradeDoubler is also the first workplace for many people, which generally gives rise to greater mobility.

Programme to reduce staff turnover

TradeDoubler aims to reduce staff turnover, particularly in key categories and introduced a programme for this during the second half of 2010. The programme includes a number of measures of which the most important are:

- Skills review with appraisals and individual action plans for all employees

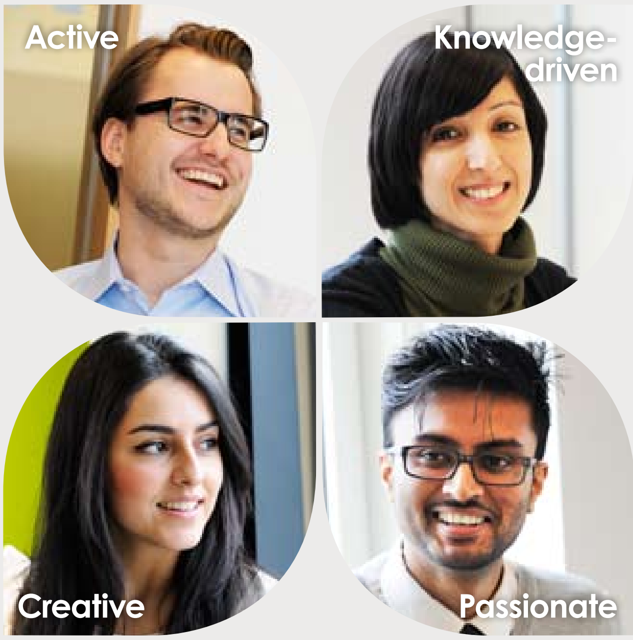
- An incentive programme for all employees aimed at strengthening the sales culture.
- Improved internal career opportunities with job rotation and exchange programmes
- Internal sales training courses

Employee survey

TradeDoubler carries out an extensive employee survey annually. The outcome in 2010 indicated the same index as the previous year, which was 3.8 on a 1 to 5 scale. The majority of employees are happy or very happy working at TradeDoubler and would recommend the company as an employer. The employees have high awareness of the company's core values, and consider that they are treated with respect by their manager and that colleagues have a constructive attitude. The perception of an inspiring work environment has increased and people are generally satisfied with information and communication. Like in previous years, TradeDoubler's employees perceive that they have equal opportunities for personal and career development, irrespective of nationality, ethnic background or gender.

TradeDoubler's core values

- Take Action
- Build Knowledge
- Create Value
- Show Passion



TradeDoubler's core values

Take Action
– as market leader in Europe and pioneer in digital marketing, we continuously strive to be at the cutting edge of our industry.

Build Knowledge
– we always try to increase our knowledge by listening, and sharing each other's experiences and skills to continually develop our customer relationships and ourselves.

Create Value
– we continuously seek opportunities to improve and thus create favorable results and profitability for our clients and for ourselves.

Show Passion
– we think the unthinkable and are satisfied when our clients' expectations are met and are proud when we exceed our clients' expectations.

TradeDoubler's origin

An interview with Martin Henricson about TradeDoubler's origin, development and core values.

"If our customers make money, we make money – this has always been our core value"

Martin Henricson, Board member, President and CEO of TradeDoubler 2001–2007

When the IT bubble was at its peak in autumn 1999, Martin Lorentzon and Felix Hagnö laid the foundations of TradeDoubler in Stockholm. Inspired by the US, the first affiliate network in Europe was created in order to connect traffic flows on the internet and advertisers in pursuit of more effective advertising. The customers who were open to the possibilities afforded by affiliate networks during the first few years were mainly the emerging dot-com companies. They wished to attract high traffic flows to their sites, but the sites did not have much money or cash flow in the business. When the dot-com bubble burst many customers disappeared with it and TradeDoubler realised early on the importance of educating traditional retail companies in the opportunities presented by e-commerce and performance-based marketing.

"Initially, we were forced to explain everything from the basics, including the possibilities of the internet. However, there is no more effective argument for a customer than that they can make money. There can be no clearer sales value than a customer who can tell you what they want and just pay for it. Measurable results have therefore always been the essence of TradeDoubler's operations", says Martin Henricson who was President and CEO of TradeDoubler during the years 2001–2007 and still sits on the board.

The transparency in TradeDoubler's performance-based system, where the customer can clearly see the growth of the traffic volumes through ads, has always been a feature of TradeDoubler's strength.

The market for e-commerce has developed since the early years, while at the same time, TradeDoubler has retained its market-leading position. TradeDoubler has continued to invest in technological development, expanded the network of publishers and has been consistently better at connecting the right advertisers with the right publishers. The focus throughout has been on creating value for the advertiser as well as for the publisher. Long-term affiliate marketing builds a strong relationship between an advertiser and the collective of publishers within the network; a relationship which is constantly developed. TradeDoubler's history as a market-leader has thus resulted in advanced market knowledge.

The market has also developed with more distinct segments and increasingly knowledgeable customers. The strong growth within search engine optimisation meant that TradeDoubler decided in 2007 to diversify its operations and provide a complete e-marketing offering including search engine optimisation. However, major differences exist between search engine optimisation and affiliate marketing. The latter requires individual consultation and higher local knowledge which takes years to build up.

"Technological developments are constantly in progress, and the combination of our technology, our extensive network and the employees' accumulated experience of optimising this – this is why TradeDoubler is still market-leading in Europe. If the customers make money so do we. Thus it is a question of always doing what we do best; ensuring that our advertisers and publishers make as much money as possible", says Martin Henricson.

Risks and uncertainties

TradeDoubler handles a very large number of transactions between many different parties and in order to accomplish this, the Company depends on an advanced technical platform which is developed continuously. The operations are conducted on a strongly competitive market in many countries involving different currencies and legal systems.

Identifying and managing risks is a central component in the governance and control of TradeDoubler's business and is incorporated in all parts of the operations. Through clear processes and routines, the goal is to take advantage of the opportunities presented on a rapidly changing market, while at the same time, minimising the risk for damage and losses.

TradeDoubler distinguishes between market-related risks, operating risks, financial risks and legal risks. The most significant risks and uncertainties affecting TradeDoubler's operations are described below.

Market-related risks

The impact of market conditions on demand

For TradeDoubler's core business, Network, the market may be divided into the e-commerce market and the advertising services market. The Company sees that the e-commerce market displays a steady positive development over the course of a business cycle. The market for internet marketing is more volatile and is impacted to a greater extent by the general market conditions. As internet maturity and behaviour on the internet differ among the geographical markets, the Company's respective geographical markets are affected very differently by trends in macroeconomic conditions.

The recession in recent years has impacted TradeDoubler more on certain markets than others. Market conditions have resulted in lower e-commerce growth rate in many quarters, particularly through a decrease in the average customer spend. It also affected the general demand for advertising services. The market recovered in some European markets during 2010 while it remained weak in other countries. This recovery compared with 2009 became increasingly evident during the year.

The general trend is still that advertisers to a greater extent are choosing the internet over traditional media, which in conjunction with TradeDoubler's performance-based business model, has counterbalanced the fall in demand to some degree in recent years.

Competition and price pressure

The market for internet advertising and related services is subject to intense competition with increasing price pressure, especially on a more mature market such as the UK. Large and popular websites have employees who work with direct sales of significant proprietary advertising space, which influences pricing of internet advertising in several of TradeDoubler's markets.

We see a future risk for the emergence of more automated intermediaries in parts of TradeDoubler's service offering. A more automated market would mean that TradeDoubler's provision of services would come under price pressure. In the first instance, this would affect services which have low demands in respect of tracking possibilities.

The markets for e-commerce and internet advertising

TradeDoubler's long-term development is contingent on growth within e-commerce and within internet advertising. This growth may decline or stop, e.g. due to an extended privacy protection or problems with payment systems.

Technical development

Internet advertising is a very technology-intensive sector, characterised by a high degree of innovation. New functionalities and technical tools are being constantly developed, both by TradeDoubler and by its competitors. Technological progress or innovation can radically alter conditions for companies active in the sector, or materially change the competitive situation.

Changes in the value of goodwill

TradeDoubler has a significant goodwill item after the previous acquisition in the UK. When the acquisition was integrated into TradeDoubler's operations, the goodwill was allocated to four cash-generating units. Pursuant to TradeDoubler's reorganisation, the goodwill will be reallocated during 2011 to the new reporting structure. This consists of eight cash-generating units, including the six market units within Network as well as Search and Technology. The goodwill is tested for impairment at least on an annual basis. It cannot be ruled out that a future test in respect of a permanent decline in goodwill – an impairment test – would lead to a further impairment need.

Operational risks

Behavioural patterns on the internet

TradeDoubler is dependent on people's use of and behaviour on the internet. Should internet use decrease or present behavioural patterns change, e.g. so that users are prevented from reaching websites displaying adverts, this may affect TradeDoubler. There is also a risk that dominant players will steer the users' behavioural patterns for their own benefit.

Key people

The development of internet advertising imposes increasingly strict demands on the skills of employees. This, in conjunction with the fact that knowledge of local conditions in 18 markets is one of

TradeDoubler's main competitive advantages, means that TradeDoubler is totally dependent on being able to attract and retain skilled personnel, including managers as well as other key people.

Computer and communication systems

TradeDoubler's business operations are dependent on computer and communications systems which function effectively and without disruptions. A breakdown or fault in public communications or in internal systems may complicate or render TradeDoubler's operations impossible. All systems are vulnerable, e.g. to computer virus attacks.

Notwitstanding the precautionary measures taken by TradeDoubler, unlawful acts by a third party, natural catastrophes or other unforeseen events can result in information at TradeDoubler, or at third parties being destroyed or lost.

Internal governance and control

In 2010, the work continued from 2009 on strengthening the internal governance and control of TradeDoubler's operations and processes, including the financial reporting and the IT security connected to that. Several of the projects initiated in 2009 were completed during the year. Even if several successes were achieved during 2010, work still remains to be done before the internal control and risk management in respect of the company's financial reporting reaches the level desired by the board. The work is described in the section The Board of Director's report on internal control and risk management on page 35.

Financial risks

Foreign exchange risk

Foreign exchange risks refer to the risk that changes in exchange rates may affect the consolidated income statement, balance sheet and cash flow statement. Foreign exchange risk exists in the form of transaction risk and translation risk. TradeDoubler is exposed to foreign exchange risk in 18 countries involving nine different currencies, with Euro (EUR) and British pounds (GBP) representing the majority share.

During 2010, approximately 50 (50) per cent of group revenue was made in EUR and 34 (35) per cent was in GBP. Approximately 32 (32) per cent of the group's costs were in EUR and 23 (29) per cent were in EUR.

The consolidated accounts and accounting in the group's Swedish companies are prepared in SEK while the accounting in the group's foreign companies is prepared in each country's currency.

In the event of a weakening of the group's underlying currencies of 10 per cent, this would affect the Company's profit before tax negatively by approx. SEK 7.3 M. If the Company's underlying currencies weakened by 10 per cent at the end of the reporting period, it would weaken the consolidated equity by approx. SEK 6.0 M.

Transaction risk

Exposure attributable to exchange rate fluctuations in client and supplier invoices is limited since client billing and suppliers' invoices largely occur in local currency for all companies in the group.

TradeDoubler is also exposed to foreign exchange risk in the parent company's inter-company lending to subsidiaries which takes place in the subsidiary's currency, as well as deposits from subsidiaries of excess liquidity. Part of this lending and deposits consists of "increased (reduced) investments in subsidiaries" where the differences in exchange rates as well as on translation exposure are recognised as a component of "other comprehensive income" (outside the income statement) whereas other exchange rate differences are recognised in the income statement.

Inter-company lending and deposits are not hedged.

Translation risk

Changes in foreign exchange rates impact the group's earnings on translation of the income statements of the foreign subsidiaries to the group's presentation currency, SEK. TradeDoubler was affected in 2010 by an unfavourable trend where the presentation currency strengthened against the EUR and GPB in particular. If this trend continues, it will affect the group's future earnings.

In connection with translation of the group's investments in foreign subsidiaries to the group's presentation currency, SEK, translation exposure arises which is recognised as a component of "other comprehensive income" (outside the income statement).

The group's net investments in foreign currency primarily involve EUR and GBP. Net investments in foreign currency are not currently hedged.

Customer credit risk

The group is exposed to credit risks in respect of trade receivables. The number of customers with financial difficulties increases during a recession. TradeDoubler is thus subject to increased customer credit risk during a recession.

New clients are subjected to credit rating reports through credit information companies, and the outcome provides the basis for credit and payment terms and conditions for each client.

The group has a credit policy that determines how clients are managed, with decision-making levels set for various credit limits. TradeDoubler's business model is based on advanced payment. In the event of any deviations, the Company's credit policy serves as the basis for decision. The Company continues to see very low customer losses in the business.

No specific risk concentration exists for any geographical region or customer segment, however, the credit risk is greater in relation to search engine marketing.

Interest risk

Interest risk refers to the risk that changes in market interest rates may affect the consolidated income statement and cash flow or the fair value of financial assets and liabilities. A significant factor affecting the interest risk is the fixed interest term. The group's interest rate exposure is managed centrally, which means that the finance function is responsible for identifying and managing this exposure.

After the amortisation of SEK 192.1 M during January 2010 and the additional amortisation of SEK 50 M in the middle of February 2010 there are no interest bearing debt.

Certain interest risk remains as a consequence of financial investments.

Liquidity risk

TradeDoubler's Treasury policy is established in order to minimise the group's liquidity risks by not taking any risks in the cash flow. In most cases, a publisher is only paid when the customer has paid the invoice to TradeDoubler. TradeDoubler limits the liquidity risk in this manner. Credit ratings are performed on all new clients and TradeDoubler normally requires advance payments from clients for whom adequate financial information is not available.

Until the completion of the rights issue, TradeDoubler was dependent on external financing in order to secure the group's long-term operations. For the period until February 15, 2010, borrowings were secured through agreements with banks and shareholders. The completed rights issue has strengthened the group's financial position and has thereby reduced the liquidity risk.

Legal risks

Tax

TradeDoubler conducts its operations via companies in several countries. The operations, including transactions between group companies, are conducted in accordance with applicable tax laws, tax treaties and other provisions in the relevant countries. However, it cannot be ruled out that TradeDoubler's interpretation of applicable law does not conform to what a court or authority may determine in the future, or that prevailing rules are altered, possibly with retroactive effect. Future rulings or decisions may cause TradeDoubler's tax situation to change negatively.

Disputes and intellectual property rights

From time to time, TradeDoubler is involved in disputes in the course of its normal business operations. There are few disputes in relation to the scale of the operations. Disputes that arise typically concern small amounts.

TradeDoubler is particularly exposed to disputes regarding intellectual property rights. The operations are totally dependent on the technical platform which is largely internally developed and protected by copyright and trade secrets legislation. Open source codes are used in the systems. TradeDoubler risks being exposed to both infringement and assertions of infringement.

In addition, the nature of the business means that TradeDoubler handles large volumes of trademarks and other protected intellectual property on behalf of advertisers. Minor disputes and claims continually arise on account of this.

Another primary category for potential disputes is different types of internet fraud or similar acts by publishers, deficient quality of the traffic supplied to advertisers or other alleged deficiencies in TradeDoubler's services.

New legislation

TradeDoubler's operations are conducted in a large number of geographical markets, principally within the EU, which means that the group is exposed to a large number of legal systems. The internet is a comparatively new sector and there is reason to believe that the rate of regulation will increase, not least in matters relating to personal integrity.

The EU adopted a directive on privacy and electronic communications (2002/58/EG) at the end of 2009 which depending on how it is implemented may have negative consequences for how tracking on the internet may be carried out, and thus for parts of TradeDoubler's operations. However, the consequences of the directive are difficult to foresee as there are many different possible interpretations. TradeDoubler actively cooperates with other players in the sector both centrally within the EU and in local member states in order to influence how the directive is implemented. Under the resolution now in force, the member states must implement the directive by May 2011 at the latest. At year-end 2010/2011, no member state had presented legislative proposals in respect of the directive.

Corporate Governance

TradeDoubler is a Swedish public limited liability company domiciled in Stockholm. TradeDoubler's share has been listed on NASDAQ OMX Stockholm since 8 November 2005.

The corporate governance in TradeDoubler is primarily exercised by the shareholders at the annual general meeting, the board of directors, the CEO and the group management.

The report over the corporate governance has been prepared in accordance with the external control instruments which make up the corporate governance framework within TradeDoubler including the Swedish Companies Act, the Swedish Annual Account Act , NASDAQ OMX Stockholm's rules and regulations, statements of the Swedish Securities Council, the Swedish Code of Corporate Governance ("the Code") as well as other relevant laws and regulations. The internal control instruments include the articles of association adopted by the general meeting, the formal work plan for the board of directors, the CEO's instructions and instructions regarding the financial reporting. The Code is based on the principle "comply or explain" which means that a company which applies the Code may depart from individual rules in particular cases if it would be considered to result in better corporate governance. This report has been the subject of examination by the Company's auditor.

For information about the share, see page 74.

General meeting of shareholders

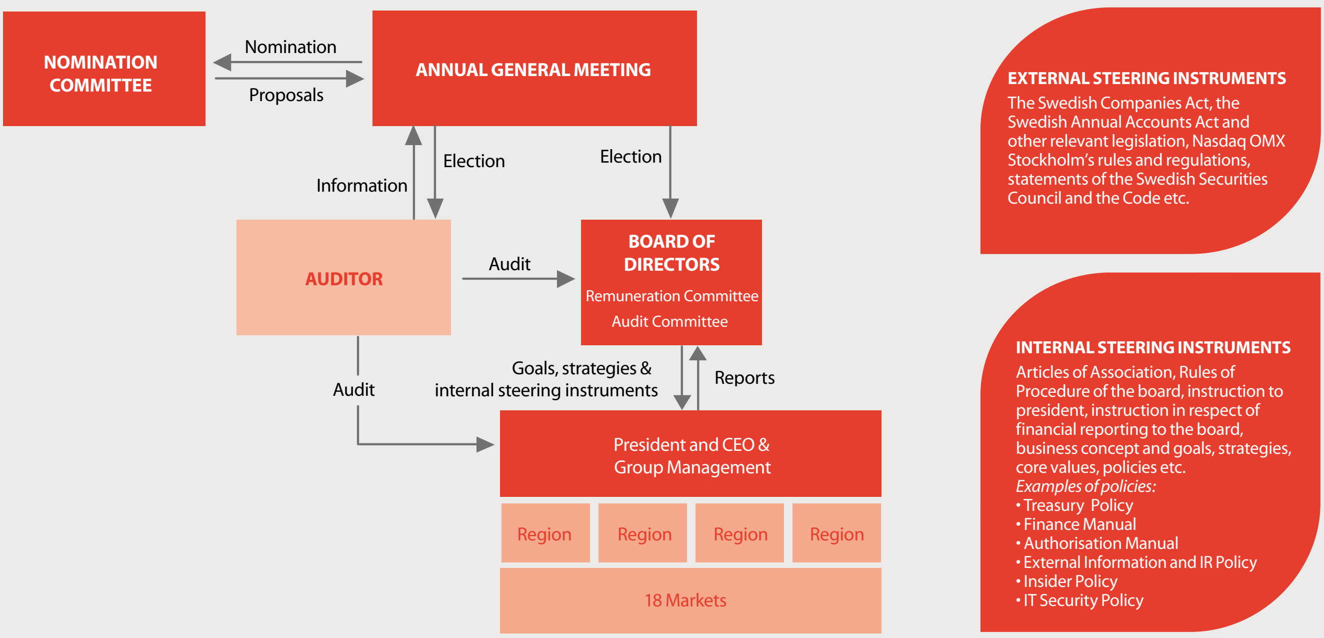
The General Meeting is TradeDoubler's highest decision-making body in which the shareholders exercise their rights to decide on the affairs of the Company. Each share carries one vote and there are no limitations as regards to how many votes each shareholder may cast at a general meeting of shareholders. Shareholders are informed via the home page of their entitlement to have an item addressed at the annual general meeting.

Notices convening annual general meetings where the annual accounts shall be presented and extraordinary general meetings where questions relating to amendment of the articles of association shall be dealt with, must be sent out not earlier than six and not later than four weeks prior to the meeting. Notices convening other extraordinary general meetings must be issued not earlier than six weeks and not later than three weeks prior to the meeting. Notices convening TradeDoubler's general meetings should take place through an advertisement in Swedish Official Gazette and also in Svenska Dagbladet and Dagens Industri.

Shareholders who are registered in the share register on the record day, five weekdays days prior to the date of the annual general meeting and who have provided notification of their intention to attend in accordance with what is stated in the convening notice, are entitled to participate in the annual general meeting, either in person or by proxy.

By law, the annual general meeting must be held within six months of the end of the financial year. The obligatory duties of the annual

Corporate governance in TradeDoubler



Composition, independence and remuneration of the Board 2010

Name	Born	Nationality	Elected	The Board of Directors	The Audit Committee	The Remuneration Committee	Independent in relation to the Company , the Company management and the Company's major shareholders*	Fee in SEK (incl. committee work)**	Own or related party shareholding***
Mats Sundström	1955	Swedish	2009	Chairman	Member	Member	Yes	650,000 + 50,000 + 25,000	25,000
Kristofer Arwin	1970	Swedish	2007	Member	-	-	Yes	300,000	31,150
Heléne Vibbleus Bergquist	1958	Swedish	2009	Member	Member	Chairman	Yes	300,000 + 50,000 + 50,000	3,000
Martin Henricson	1961	Swedish	2001	Member	-	Member	Yes	300,000 + 25,000	15,000
Martina King	1961	Brittish	2010	Member	-	-	Yes	300,000	-
Caroline Sundewall	1958	Swedish	2009	Member	Chairman	-	Yes	300,000 + 100,000	2,000
Simon Turner	1951	Swedish	2010	Member	-	-	Yes	300,000	-
TOTAL								2,750,000	76,150

*All board members are considered to be independent in relation to the Company and the company management and also in relation to the Company's major shareholders according to the Code from July 1, 2008 and from February 1, 2010. According to the Code from February 1, 2010, as far as the independence of board member is concerned, shall be first applied to members elected after July 1, 2010.
** The annual general meeting 2010 adopted the nomination committee's proposal regarding directors' fees corresponding to SEK 650,000 for the chairman of the board and SEK 300,000 to each of the other board members elected by the general meeting. SEK 100,000 is payable to the chairman of the audit committee and SEK 50,000 to each of the other members of the audit committee. SEK 50,000 is payable to the chairman of the remuneration committee and SEK 25,000 to each of the other members of the remuneration committee. The amount of compensation relates to the period May 6, 2010 to May 6, 2011.
***Holdings of shares or other equal financial instruments by private or related persons or legal entities in TradeDoubler according to the latest available information to TradeDoubler.

general meeting include resolving on adoption of the income statement and balance sheet for the parent company and the consolidated income statement and consolidated balance sheet, to resolve on appropriation of the Company's profit or loss according to the adopted balance sheet, resolve on discharge from liability for the members of the board and the CEO as well as to adopt principles of remuneration for the senior executives. The General Meeting is the body which decides on any changes in the Company's Articles of Association, which is the most basic governing document.

Among other things, the annual general meeting shall elect board members until the end of the next annual general meeting, the chairman of the board until the end of the next annual general meeting, and where appropriate, auditors. The annual general meeting shall also pass resolutions regarding fees for directors and auditors, possible share-related and share-price related incentive programmes to the company management as well as appointment of the nomination committee.

Nomination Committee

The Company should have a nomination committee according to the Code. TradeDoubler's annual general meeting will resolve on a nomination committee ahead of the next annual general meeting. The principal duty of the nomination committee is to prepare proposals to be submitted to the annual general meeting for resolution regarding:

- election of chairman at the annual general meeting
- election of board members
- election of the chairman of the board
- election of auditor, where appropriate
- fees and other remuneration for directorships to each one of the board members and remuneration for committee work
- fees to auditor
- appointment of nomination committee

The nomination committee's proposals shall be announced in conjunction with the notice convening the annual general meeting. The nomination committee presents its proposals and a report on its work at the annual general meeting. All shareholders are entitled to submit proposals for board members to the nomination committee. The nomination committee shall consist of four members and be composed of one representative of each of the three largest shareholders in terms of the number of votes, as of the last banking day in June, who wish to appoint such a representative, as well as the chairman of the board.

The members of the nomination committee receive no remuneration from TradeDoubler. However, the chairman of the board receives remuneration from TradeDoubler in the form of ordinary directors' fees. The nomination committee's composition is announced as soon as its members are appointed and not later than in connection with the interim report for the third quarter. If, over the course of the mandate period, the relationship among the three largest shareholders changes in terms of the number of votes, the member of the nomination committee concerned shall place his or her position on the committee at the disposal of the shareholder that has assumed a place among the three largest shareholders in terms of the number of votes. Changes in the composition of the nomination committee shall be announced as soon as such an event occurs.

Board of Directors

The Board of Director's composition and independence

According to Tradedoubler's articles of association, the board shall be composed of between six and nine members. The CEO is not a member of the board, but attends board meetings. Other white-collar employees from TradeDoubler participate in board meetings when required, for instance to present reports. At most meetings,

Attendance at board and committee meetings and independence 2010

Name	Board of Directors	Attend-ance, Board Meetings	The Audit Committee	Attend-ance, Audit Committee	The Remu-neration Committee	Attendance, Remuneration Committee	Independent in relation to the Company, Company management and the Company's major shareholders
Mats Sundström	Chairman	15/15	Member	9/11	Member	12/12	yes
Kristofer Arwin	Member	15/15	-	-	-	-	yes
Heléne Vibbleus Bergquist	Member	15/15	Member	11/11	Chairman	12/12	yes
Martin Henricson	Member	15/15	-	-	Member	12/12	yes
Martina King	Member*	6/6	-	-	-	-	yes
Lars Stugemo	Member**	7/9	-	-	-	-	yes
Caroline Sundewall	Member	15/15	Chairman	11/11	-	-	yes
Simon Turner	Member*	5/6	-	-	-	-	yes

*From May 6, 2010
** Until May 6, 2010

the board conducts discussions where neither the CEO nor any other employee of the Company are present. The company's general counsel serves as the secretary to the board.

The Code stipulates that the majority of the board members elected by the annual general meeting must be independent in relation to the Company and the company management, and that at least two of the members must be independent in relation to the Company's major shareholders.

The Board of Directors' responsibility and work

TradeDoubler's board is responsible under the Swedish Companies Act for the Company's organisation and the administration of the Company's affairs. The Board shall continually assess the financial situation of the Company and the group and ensure that the Company's organisation is designed so that the management of assets and the Company's affairs in other respects are controlled in a secure manner.

According to the Code, the duties of the board include:

- setting operational goals and strategies,appointing, evaluating and when required dismissing the chief executive officer,
- ensuring that effective systems for follow up and control of the Company's operations are in place,
- ensuring that there is satisfactory control of the Company's compliance with laws and other regulations applicable to the Company's operations,
- ensuring that requisite ethical guidelines are established for the Company's conduct and
- ensuring that the Company's information disclosure is characterised by openness and that it is accurate, relevant and reliable.

The work of the board is guided by a formal work plan that is adopted each year, usually at the statutory board meeting. The formal work plan sets out the responsibilities of the board and regulates the board, its committees and its members' internal division of work, the decision-making order within the board, notifications of board meetings, agendas and minutes, and the board's work on internal control, risk management and the financial reporting.

According to the formal work plan, the board must hold at least five ordinary meetings annually and a statutory meeting after the annual general meeting. Four ordinary meetings must be held in connection with the release of interim reports and the year-end report. In addition to this, the board meets in order to determine the group's strategies and goals and to adopt the group's budget and business plan for the next year.

The board's responsibility also includes deciding on acquisitions and disposals of companies and operations, deciding on major investments, deciding on loans, guarantees and providing guarantees, deciding on appointment of the chief executive officer, deciding on guidelines for remuneration and other conditions of employment for senior executives to be adopted by the annual general meeting, and continuous follow up of the operations during the year.

The Company's auditor participates in at least one board meeting annually.

The formal work plan stipulates that an annual evaluation of the board's work should be carried out. This shall take the form of a systematic and structured process, the results of which shall be presented to the nomination committee. The Board also assesses the CEO's work in accordance with the instruction to the CEO at least once a year.

The formal work plan was adopted at the board meeting on 12 April 2010.

Chairman of the Board of Directors

According to the Code, the chairman of the board must ensure that the board work is conducted effectively and that the board fulfils its duties. In particular, the chairman shall:

- organise and lead the work of the board,
- ensure that the members receive necessary training and continually update their knowledge about the Company,
- be responsible for contact with the owners regarding ownership issues,
- ensure that the board receives adequate information and decision data,
- make sure that the board's decisions are executed and
- ensure that the board's work is evaluated annually

The Board's committees

According to the Swedish Companies Act, a company whose negotiable securities are traded on a regulated market should have an audit committee, which the Code states should consist of at least three board members. The majority of the committee's members should be independent in relation to the Company and the company management, and at least one of the members should be independent in relation to the Company's major shareholders.

The Code also stipulates that the board should establish a remuneration committee whose members must be independent in relation to the Company and the company management.

Audit Committee

The board has appointed an audit committee which is composed of three board members, of which one is chairman. According to the formal work plan of the board the audit committee shall:

- monitor the Company's financial reporting,
- with regard to the financial reporting, monitor the effectiveness of the Company's internal control and risk management,
- continuously meet the Company's auditor and keep informed about the audit of the annual accounts and consolidated accounts and discuss the coordination between the external audit and the internal control function and the view of the Company's risks,
- review and monitor the auditor's impartiality and independence and in this connection pay special attention if the auditor supplies other services to the Company apart from audit services,
- adopt guidelines for which non-audit services the Company may procure from the Company's auditor,
- evaluate the auditing work and assist the nomination committee with the preparation of proposals for the general meeting's resolution on election of auditor and
- deal with other questions that the board may entrust to the audit committee to prepare or determine.

As part of the supervision of the Company's financial reporting, the audit committee shall ensure that established principles for the financial reporting and the internal control are followed and that the Company's financial reporting is prepared in accordance with laws, applicable accounting standards and other requirements on listed companies.

The audit committee must hold at least four meetings annually. When considered appropriate, the audit committee may invite the CEO, the Company's CFO, the Company's auditor or others to participate in the committee's meetings. The company's general counsel serves as the secretary to the audit committee. Minutes are taken of the audit committee's meetings and a copy of the minutes is sent to all board members.

Remuneration Committee

The board has also appointed a remuneration committee which is composed of three board members, of which one is chairman. According to the formal work plan of the board, the remuneration committee shall:

- prepare resolutions for the board in questions relating to remuneration principles, remuneration and other terms of employment for the company management,
- follow and evaluate ongoing programmes as well as programmes for variable remuneration which finished during the year, both for the company management and other employees,
- provide the board with proposals for guidelines for remuneration to senior executives to be adopted by the annual general meeting,
- follow and evaluate the application of the guidelines for remuneration to senior executives adopted by the annual general meeting as well as current remuneration structures and rates of compensation in the Company,
- provide the board with proposals regarding terms of remuneration and other conditions of employment for the chief executive officer,
- determine terms of remuneration and other conditions of employment for the company management, apart from the chief executive officer,
- prepare the board's report on programmes for variable remuneration to senior executives, all outstanding share-related and share-price related incentive programmes and the application of current guidelines according to item 10.3 of the Code,
- support the board generally in monitoring compliance with applicable legislation, NASDAQ OMX Stockholm's regulatory framework and the Code regarding information about terms of remuneration and other conditions of employment for the chief executive officer and the rest of the company management, and
- deal with other questions that the board may entrust to the remuneration committee to prepare or determine.

The remuneration committee shall hold meetings when necessary. When considered appropriate, the remuneration committee may invite the chief executive officer, the Company's CFO, the Company's auditor or others to participate in the committee's meetings. The company's HR director serves as the secretary to the remuneration committee.

Minutes are taken of the remuneration committee's meetings and a copy of the minutes is sent to all board members.

Chief Executive Officer and Group Management

Under the Swedish Companies Act, TradeDoubler's chief executive officer is responsible for the day-to-day management of the Company's affairs pursuant to the board's guidelines and directives.

The board has approved an instruction for the CEO which sets out the CEO's responsibilities and authority. According to the instruction, the CEO shall provide the board with decision data to make well-reasoned decisions and with documentation in order to continually monitor the operations during the year.

The current instruction was adopted at the board meeting on 12 April 2010.

The President and CEO leads the day-to-day operations and is assisted by the group management (company management) which under 2010 consisted of eight persons, the CEO, the Company´s CFO, COO, CTO, Human Resources Director, General Counsel, VP International Sales & Marketing and Product Manager.

As of January 1, 2011 the group management (company management) is composed of the CEO, the Company's CFO, CCO, the heads of the six market units, heads of the business units Search and Technology, CTO and CIO.

Auditor

Under the Swedish Companies Act, the auditor elected by the general meeting shall review the annual accounts, the consolidated accounts and accounting records as well as the administration of the board of directors and the CEO. In addition the auditor shall review the report over the corporate governance. The auditor also performs a review of one interim report annually on behalf of the board. The auditor reports the result of his work to the annual general meeting through his auditor's report. The auditor participates in meetings of the audit committee and in at least one board meeting each year to discuss the focus and scope of the audit as well as the outcome of the audit.

The company's auditors are elected at the annual general meeting for a period of four years.

Corporate governance 2010

Deviation from the code
The Company has not made any deviations from the Code during 2010.

Shareholders
TradeDoubler's share has been listed on NASDAQ OMX Stockholm since 8 November 2005. The share capital amounted to SEK 17.1 M as at 31 December 2010, distributed among 42,807,449 shares, each one with a quota value of SEK 0.40 kronor. Each share carries one vote. There were 3,732 shareholders at year-end, distributed as the graphs below.

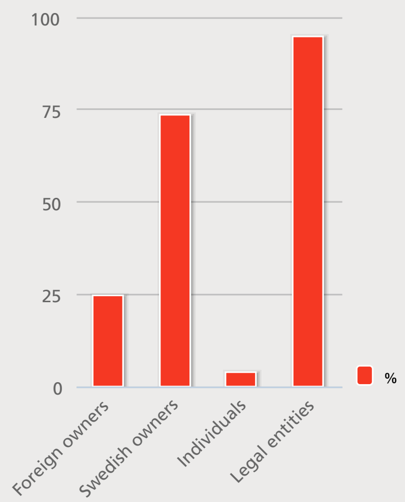
Alecta is the only shareholder whose holding exceeds 10 per cent.

The Nomination Committee
The composition of the nomination committee ahead of the annual general meeting 2011 was announced on 23 September 2010.

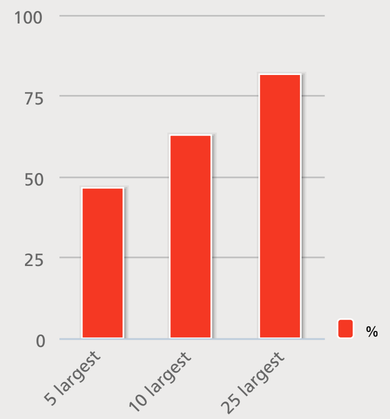
An internal evaluation of the board and its work has been carried out during the year. The nomination committee held individual meetings with all board members.

The nomination committee's proposals for board members, fees and other remuneration etc. are presented in the notice convening the annual general meeting 2011 and are also available on the Company's home page, www.tradedoubler.com.

Distribution of ownership



Ownership concentration



Annual general meeting 2010
The annual general meeting was held on 6 May 2010 in Stockholm. 56.14 per cent of the shares were represented at the meeting. All board members proposed for re-election or election attended as well as the CEO.

The Annual General Meeting passed the following resolutions, among others:
- to adopt the income statements and balance sheets for the Company and the group,
- not to declare any dividend for 2009 in accordance with the board's proposal,
- to grant the board and the CEO discharge from liability for the financial year 2009 in accordance with the recommendation of the auditor,
- to re-elect the board members Kristofer Arwin, Heléne Vibbleus Bergquist, Martin Henricson, Caroline Sundewall and Mats Sundström and also elect Martina King and Simon Turner as new members,
- to re-elect Mats Sundström as chairman of the board,
- to determine remuneration to the board and auditor, see further below under Remuneration to the board of directors, CEO and company management,
- to determine extra remuneration to three members for work contributions over and above the regular board work during 2009 and
- to adopt the board's proposal for guidelines for remuneration to senior executives.

Board of Directors
The Board of Director's composition and independence
Since the annual general meeting 2010, TradeDoubler's board of directors has been composed of seven members, Mats Sundström (chairman), Kristofer Arwin, Heléne Vibbleus Bergquist, Martin Henricson, Martina King, Caroline Sundewall and Simon Turner.

According to the information contained in the table "Attendance at board and committee meetings and independence 2010", all board members are considered to be independent in relation to both the Company and the company management and in relation to the Company's major shareholders.

Work of the Board of Directors
The board held 15 recorded board meetings during 2010, of which six took place by telephone and three were held per capsulam. The individual members attendance at board and committee meetings is shown in the table on page 28 "Attendance at board and committee meetings and independence 2010".

The board's work during the year focused mainly on:
- A new strategy and organisation for the company
- Group results
- Cost savings
- Financial reporting, risk management and internal control
- Budget and business plan for 2011
- Recruitment of a new CEO

Audit Committee

The Audit Committee's composition and independence

The audit committee during 2010 was composed of Caroline Sundewall, chairman, Heléne Vibbleus Bergquist and Mats Sundström.

All members of the audit committee are considered to be independent in relation to the Company and the company management and the Company's major shareholders.

The work of the audit committee

The committee held 11 recorded meetings during 2010. The work initiated in 2009 on strengthening the internal control in respect of the financial reporting and on enhancing the quality of the financial reporting, has continued. For more information about the internal control and risk management, see page 35.

Remuneration Committee

The remuneration committee's composition and independence

The remuneration committee during 2010 was composed of Heléne Vibbleus Bergquist, chairman, Martin Henricson and Mats Sundström.

All members of the remuneration committee are considered to be independent in relation to the Company and the company management and the Company's major shareholders.

The work of the remuneration committee

The committee held twelve recorded meetings during 2010, of which one was per capsulam. Above all, the work has focused on follow up of the application of guidelines for remuneration to senior executives adopted by the annual general meeting 2010, follow up of the outcome of programmes for variable remuneration for 2010 and long-term incentive programmes, programmes for variable remuneration which are revised for 2011, future long-term incentive programme, preparation of resolutions on terms of remuneration and other conditions of employment for the CEO, approval of terms of remuneration and employment for other members of the company management, and follow up of the staff "Employee Satisfaction Survey".

Chief Executive Officer and Group Management

The President and CEO leads the day-to-day operations in accordance with the board's guidelines and directives. and is assisted by the group management (company management) which under 2010 consisted of eight persons, the cheif executive officer, the Company's CFO, COO, CTO, Human Resources Director, General Counsel, VP International Sales & Marketing and Product Manager. Urban Gillström has been President and CEO since 16 February 2010, when he succeeded the interim CEO, Örjan Frid.

As part of the implementation of the new strategy (which is described on page 6), the CEO has appointed a new group management as of 1 January 2011. The group management now consists of 13 people: the CEO, CFO, CCO, the heads of the six market units, heads of the business units Search and Technology, CTO and CIO.

Erik Skånsberg has been CFO since 24 May 2010. He replaced Bernt Andersson who served as acting CFO from 16 February 2010. The previous CFO, Thord Norberg, resigned from TradeDoubler at the same time as Örjan Frid.

TradeDoubler's COO, Björn Lindberg, resigned from the company at the end of 2010 and the COO and regional manager structure was abolished. VP International Sales Dominic Trigg, HR director Ulrika Wahllöf, and general counsel Niklas Lundquist also resigned from TradeDoubler during the year.

The group management is presented on page 38.

Auditor

Ernst & Young AB was elected as auditor at the annual general meeting 2009 for the period until the annual general meeting 2013, with the authorised public accountant, Thomas Forslund, as auditor-in-charge.

During 2010, the auditor reviewed the annual accounts, the consolidated accounts and accounting records as well as the administration of the board of directors and the CEO. The auditor has also reviewed the interim report for the period January-June 2010 and has been retained for certain advice, most of which pertained to audit-related consultations regarding accounting and tax matters.

For information regarding fees paid to TradeDoubler's auditors during 2010, see table and note 5.

The Nomination Committee

Name	Representing	Shareholding*/**
Ramsay Brufer, Chairman	Alecta	14.9% / 14.9%
Annika Andersson	Fjärde AP-fonden	9.1% / 9.1%
Jan Andersson	Swedbank Robur Fonder	8.4% /8.8%
Mats Sundström	Chairman of the Board of Directors	

* Source: Euroclear Sweden, as at December 30 2010.
**Source: Euroclear Sweden, as at June 30 2010.

Remuneration for auditor

KSEK	Group 2010	Group 2009	Parent company 2010	Parent company 2009
Ernst & Young				
Audit assignment	6,766	4,410	3,895	3,210
Audit work apart from the audit assignment	256	322	-	-
Tax services	95	-	75	-
Other assignments	350	482	243	482
KPMG				
Audit assignment	234	4,593	-	2,030
Audit work apart from the audit assignment	-	-	-	-
Tax services	-	-	-	-
Other assignments	105	-	-	-
Other auditors				
Audit assignment	-	183	-	-
Other assignments	-	30	-	-
Total	**7,806**	**10,020**	**4,213**	**5,722**

Remuneration to the Board and the company management

Remuneration to the board of directors

The annual general meeting 2010 approved the following remuneration to the board of directors: SEK 650,000 to the chairman of the board and SEK 300,000 to each of the other board members elected by the annual general meeting who are not employed in TradeDoubler. In addition to this, the annual general meeting approved remuneration for committee work, to the members appointed by the board, of SEK 100,000 to the chairman of the audit committee and SEK 50,000 to each of the other members of the audit committee, and SEK 50,000 to the chairman of the remuneration committee and SEK 25,000 to each of the other members of the remuneration committee.

The annual general meeting 2010 resolved that additional remuneration for exceptional work contributions should be paid to three board members, Mats Sundström, Heléne Vibbleus Bergquist and Caroline Sundewall of SEK 150,000 each.

The annual general meeting 2010 authorised the payment of directors' fees and additional remuneration to a board member's company, provided it has no impact on the Company's costs and is in compliance with current tax legislation. The additional remuneration have for two members of the board been paid out to the respective board members company.

No board member was employed by any company in the group during 2010. Remuneration to each of the board members is shown in the table on page 27.

Guidelines for remuneration and other terms of employment for the company management

The annual general meeting 2010 resolved on the following guidelines for remuneration to senior executives, referring to the chief executive officer and other members of the group management (the company management).

The total remuneration shall be competitive on the local market in which the employee is based in order to attract, motivate and retain skilled employees. The individual remuneration shall be based on the employee's experience, skills, responsibilities and performance.

The total remuneration should be based on four main components; fixed salary, variable remuneration, pension benefits and long-term incentive programme. Any long-term incentive programme was not proposed to the annual general meeting 2010.

Fixed salary: The fixed salary shall be commercially competitive and based on experience, skills, responsibilities and performance.

Variable remuneration: Variable remuneration should be commercially competitive and reward growth, operating profit and should be applied consistently throughout the group. It should be based on predetermined measurable targets, both quantitative and qualitative, and agreed in writing with the employee. The outcome of the variable remuneration shall have an upper ceiling, which normally should not exceed 50 per cent of the fixed salary.

Pension benefits: Pension benefits are offered to certain members of the company management depending on local market conditions. Swedish-based employees are offered a solution which largely corresponds with the ITP plan.

Notice and termination benefits: A mutual period of notice of 3–9 months shall apply for the company management. In the event of termination by the Company, termination benefits, in applicable cases, shall not exceed an amount equivalent to 12 fixed monthly salaries. In the event of termination by the employee, he or she shall not normally be entitled to any termination benefits.

Long-term incentive programme: In addition to variable remuneration, which rewards growth and operating profit during the financial year, the board considers that long-term incentive programmes are an important component of the long-term remuneration strategy. In the future, the board may invite the company management and other key employees to participate in a long-term incentive programme. The board considers that such a programme should be performance-based or require personal investment and imply continued employment in the group. Share-related and share-price related incentive programmes must be approved by the general meeting of shareholders.

Other benefits: Other benefits, such as car benefit, should have a limited value in relation to the total remuneration package.

Questions concerning terms of employment of the chief executive officer are decided by the board. The chief executive officer determines the terms of employment for other members of the company management after approval from the remuneration committee.

The board of directors or the remuneration committee may depart from these guidelines if special grounds exist in a particular case.

Remuneration to the company management

The chief executive officer Urban Gillström received SEK 2,625,000 in fixed salary during 2010 as well as SEK 1,000,000 in variable remuneration, SEK 683,000 as remuneration for payments to private pension insurance and other benefits to a value of approx. SEK 60,000.

The previous interim chief executive officer was paid a consultancy fee of SEK 325,000 per month during 2010, SEK 1,463,000 in total. The amount includes remuneration during a notice period of 3 months.

Other senior executives other than the chief executive officer received a total of SEK 14,600,000 in fixed salary, SEK 442,000 in variable remuneration as well as SEK 1,919,000 as remuneration for payments to private pension insurance.

Björn Lindberg, Ulrika Wahllöf and Thord Norberg were paid termination benefits of SEK 1,556,000 in total, in addition to salary during the notice period.

Remuneration to the chief executive officer and group management during 2010 is shown in the table below.

Pension benefits

TradeDoubler offers pension plans on some markets that are adapted to the local market conditions. The pension plans are mainly defined contribution, i.e. TradeDoubler pays determined fees to an insurance company and has no subsequent obligations. The retirement age for all senior executive is 65. No right to early retirement exists.

Variable remuneration and long-term incentive programs

Variable remuneration

TradeDoubler operates a performance- and results-based programme for variable remuneration for employees within the group. Various quantitative and qualitative performance- and results-based targets are set for different occupational categories, based on company-wide, regional and discretionary targets for the employees. Group management receive variable remuneration which is primarily linked to the group's financial performance. The variable remuneration has a ceiling. The ceiling lies in the range of between 10 and 50 per cent for the majority of employees. For the group management the variable remuneration can amount to 50 per cent of the fixed salary.

Variable remuneration is paid annually in arrears, however, portions of the variable salary are determined and disbursed on a quarterly basis for employees within the occupational categories, sales and customer service. During 2010, SEK 26.5 M, of which SEK 4.1 M are social costs, was expensed for the performance- and results-based programme for variable remuneration.

A new variable remuneration programme has been drawn up for 2011. The focus of the programme is on steering the company towards a sales-driven culture and organisation, effective processes and profitability.

Apart from this performance- and results-based program for variable remuneration for employees within the group, a large number of employees previousely have been invited to participate in the employee stock option programs.

Long-term incentive programme

Currently, there is one long-term incentive programme within the group – performance-based share program 2008/2011, described below.

The board confirmed on 8 February 2010 that two previous options programmes – stock option programme 2006/2010 and 2007/2010 – would not be exercised since the performance requirements (measured in earnings per share) were not fulfilled.

No employees were invited to participate in any long-term incentive programme during 2009 or 2010.

Remuneration to CEO and Group Management 2010

SEK '000	Fixed salary	Variable remuneration	Long-term incentive program	Pension obligations	Total
Örjan Frid (CEO)*	1,463	-	-	-	1,463
Urban Gillström (CEO)**	2,625	1,000	-	683	4,308
Other group management	14,600	442	-	1,919	16,961
Total	**18,688**	**1,442**	**-**	**2,602**	**22,732**

* Örjan Frid took over as President and CEO on December 22, 2008. Örjan Frid was an interim CEO and remuneration was paid consisting of a fixed consultancy fee of SEK 325,000 per month. No other remuneration or termination benefits were payable.
** From Febuary 16, 2010.

Performance share programme 2008/2011

The annual general meeting 2008 resolved on a performance-based share programme of up to 240,000 performance shares (options). Each option initially gave the holder the right to acquire one (1) share in the future subject to certain conditions. The exercise price was SEK 10 per share. The terms of the programme were adjusted on account of the rights issue in 2009. Each option at the present time gives the holder the right to acquire 1.22 shares at an exercise price of SEK 8.20.

The options were allocated to employees in the group gratuitously and are not assignable. The programme runs until 1 July 2011 with right to exercise options for purchase of shares first on this date. A condition to exercise the options is that the holder remains in his/her employment and that a growth target measured in earnings per share is fulfilled.

The number of options that may be exercised depends on the average annual increase in earnings per share during the financial years 2008, 2009 and 2010. In the event of an average annual increase of at least 10 percent, 20 percent of the options may be exercised (subscription may not take place at all in the event of an increase of less than 10 percent), in the event of an average annual increase of 18 percent , 50 percent of the options may be exercised, and in the event of an average annual increase of 29 percent, 100 percent of the options may be exercised. The right of exercise is linear between 10 and 18 percent and between 18 and 29 percent.

As of December 31, 2010, the number of outstanding options amounted to 161,200. TradeDoubler has acquired 130,000 of its own shares for this purpose.

On April 11, 2011 the board passed a resolution that subscription did not take place in the program 2008/2011, since the performance requirements of annual growth per share were not fulfilled.

Accounting treatment

IFRS 2 prescribes that the value of the performance shares allocated under the programme must be recognised as an employee benefit expense in the income statement during the vesting period. Social security contributions will also be recognised as an employee benefit expense in the income statement through a provision. The size of the provision is based on the development in the value of the shares and the applicable tax rates for social costs in force when allocation of shares is finally determined.

Proposal to the annual general meeting 2011 regarding long-term incentive programme

The board of directors proposes that the annual general meeting approve a long-term incentive programme ("Performance-Based Share Programme 2011"). The aim of such a programme is to increase the group's attractiveness as an employer and to encourage continued loyalty and good performance on the part of the employees.

Participants

The programme will cover up to 17 key employees. The board also intends to propose a long-term incentive programme for 2012 and 2013 to the annual general meeting in accordance with the principles now proposed. Future participation will be determined from year to year and participation in the Performance-Based Share Programme 2011 does not imply any guarantees or undertakings regarding invitations to participate in the future.

Employees domiciled in Sweden must hold TradeDoubler shares ("Savings shares") in order to participate in the Performance-Based Share Programme 2011. There are no share ownership requirements for employees domiciled outside of Sweden.

Terms and Conditions

Maximum participation in the Performance-Based Share Programme implies that employees domiciled in Sweden hold TradeDoubler shares corresponding to a value of ten per cent of the participant's basic salary before tax for the year 2011, divided by the average volume-weighted price paid for the Tradedoubler share on NASDAQ OMX Stockholm during a period of ten trading days immediately after the annual general meeting 2011. If Savings shares are retained by the employee during a three-year period and he/she was employed in the TradeDoubler Group during the entire period, the employee is entitled to gratuitous allotment of shares ("Performance shares"). The group's chief executive officer is entitled to a maximum of four Performance shares, while other key employees are entitled to a maximum of three Performance shares. Allotment of Performance shares is based on an average annual percentage increase in earnings per share during the financial years 2011 to 2013, compared with the financial year 2010.

Outcome

The value that participants can receive on allocation of Performance shares in the programme is maximised at an amount per share which corresponds to 400 per cent of the share price. Before final determination of the number of Performance shares to be allotted, the board shall examine if the allotment is reasonable in relation to the company's financial results and position etc. On allotment of Performance shares, the participants shall receive compensation for cash dividends during the three-year period. The number of shares covered by this proposal will be recomputed by the board in order to reflect all changes in the capital structure such as bonus issue, consolidation or split of shares, rights issue or reduction of the share capital, or similar measures.

The programme can consist of a maximum of 170,000 shares in addition to 30,000 shares to cover social security contributions among other things, corresponding to approximately 0.47 per cent of the number of shares and votes in April 2011. It is expected to correspond to a total cost amounting to a maximum of approximately SEK 9.0 M based on a share price of SEK 45 and 100 per cent target fulfilment. It is proposed that allotment of shares should take place by assignment of own shares.

Recognition

IFRS 2 prescribes that the value of the Performance shares allocated under the programme must be recognised as an employee benefit expense in the income statement during the vesting period. Social security contributions will also be recognised as an employee benefit expense in the income statement through a provision in the balance sheet. The size of the provision is based on the development in the value of the shares and the applicable tax rates for social costs in force when allocation of shares is finally determined.

Remuneration to auditor

Total remuneration of SEK 7,806,000 was paid to the auditor during 2010, of which SEK 7,467,000 was paid to the current auditor Ernst & Young AB and SEK 339,000 was paid to the former auditor, KPMG AB, which remained as auditor in certain subsidiaries during 2010.

During 2010, the auditor reviewed the annual accounts, the consolidated accounts and accounting records as well as the administration of the board of directors and the CEO. The auditor has also reviewed the interim report for the period January-June 2010 and has been retained for certain advice, most of which pertained to audit-related consultations regarding accounting and tax matters.

Remuneration to auditors is shown in the table on page 31.

The Board of Director's report on internal control and risk management

The board's responsibility for internal control and risk management is governed by the Swedish Companies Act and by the Code. In addition, the Swedish Annual Accounts Act and the Code include a requirement for a corporate governance report which under the Annual Accounts Act should contain information about the most important elements of the Company's system for internal control and risk management in connection with the financial reporting. Internal control and risk management in respect of the financial reporting constitute a part of the overall internal control and risk management within TradeDoubler which is based on the COSO framework and represents a central feature of TradeDoubler's corporate governance.

Internal control and risk management are processes that are influenced by the board, the audit committee, the CEO, the group management and other employees and which are designed with the aim of providing a reasonable assurance that TradeDoubler's goals are achieved in respect of appropriate and efficient operations, reliable reporting and compliance with applicable laws and regulations. The process is based on the control environment which creates discipline and structure for the other four components in the process – risk management, control structure, information and communication as well as follow up.

The control environment consists of the values and ethics that the board, audit committee, CEO and group management communicate and operate from and also the group's organisational structure, leadership, decision paths, authority, responsibility and the skills held by the employees. External control instruments in the form of applicable legislation and other external regulations in conjunction with internal control instruments form important elements of TradeDoubler's control environment. An overview of the group's organisational structure and internal control instruments is found on page 26.

The board's internal control and risk management report may be found below in connection with the financial reporting which has been prepared in accordance with the Annual Accounts Act and the Code as part of the corporate governance report. This report has been the subject to examination by the Company's auditor.

Internal control and risk management in respect of the financial reporting

Internal control and risk management in respect of the financial reporting aim to provide reasonable assurance regarding the reliability of the external financial reporting in the form of interim reports, annual reports and year-end reports and that the external financial reporting is prepared in accordance with laws, applicable accounting standards and other requirements on listed companies.

Control environment

The board has the overall responsibility for the internal control and risk management in relation to the financial reporting. The board has adopted a formal work plan, which is an internal control instrument that sets out the responsibilities of the board and regulates the board, its committees and the members' internal division of work. In addition, the board has appointed an audit committee which has the principal task of monitoring the Company's financial reporting and as well as the effectiveness of the Company's internal control and risk management in respect of the financial reporting. The audit committee shall also continuously meet the Company's auditor and keep informed about the audit of the annual accounts and consolidated accounts and review and monitor the auditor's impartiality and independence.

The board has also established internal control instruments in the form of an instruction for the CEO and an instruction in relation to financial reporting for TradeDoubler's board.

The responsibility for maintaining an effective control environment and the day-to-day work regarding the internal control and risk management has been delegated to the CEO.

Internal control instruments for the financial reporting mainly consist of the Company's Treasury Policy, Finance Manual and Authorisation Manual.

Treasury Policy – governs the Treasury function's strategy and objectives in general as well descriptions of roles and division of responsibility in the day-to-day operations. It also contains instructions pertaining to managing currency exposure, liquidity management and financing.

Finance Manual – governs the finance function's work generally, as well as description of roles, processes and reporting instructions.

Authorisation Manual – governs attestation rights for investments and purchasing among other things, authority to sign customer and supplier agreements and also authority concerning recruitment, salary adjustments etc.

The Company's External Information and IR Policy, Insider Policy as well as IT Security Policy are also important control instruments for the financial reporting.

External Information and IR Policy – governs the Company's information disclosure to the capital market and media and the internal division of responsibility in these questions.

Insider Policy – governs the board's, the group management's and certain other employee's possibility of buying or selling the Company's financial instruments.

IT Security Policy – IT security is central to the operations and is continually enhanced through structured work. The IT security work is mostly governed by an established IT Security Policy. ISO 27000 guides the IT security work.
The CEO in conjunction with the rest of the group management is responsible for ensuring that the above-mentioned internal control instruments are complied with and updated if necessary.

Risk management

The area of internal control and risk management in respect of the financial reporting forms part of the board's and group management's overall work on identifying and managing risks. The work aims to identify and assess the most critical risks affecting the internal control in respect of the financial reporting in the group's companies and processes, as a basis for how to handle risks through different control structures. The most significant risks for the group are described under Risks and uncertainties on page 23.

Control structures

Control structures are concerned with what controls are chosen to manage risks in respect of the financial reporting in the group's companies and processes. The controls may be general or detailed, preventive or discovery-based and automated or manual in character.

Information and communication

The internal control instruments are available for the relevant employees on TradeDoubler's intranet.

The CEO and other members of the group management including the Company's CFO report the work on strengthening the Company's internal control and risk management to the audit committee. The result of the audit committee's work in the form of observations, recommendations and proposals for decision and actions are continually reported by the chairman of the audit committee to the board at board meetings. In addition to this, the board members receive a copy of the minutes from the audit committee's meetings.

Follow-up

Follow up in order to ensure the effectiveness of the internal control and risk management in respect of the financial reporting is conducted by the board, the audit committee, the CEO and the rest of the group management, including the Company's CFO. Follow up includes review of monthly financial reports against the budget and targets.

The follow up also encompasses review of reports including project plans from the CEO and the rest of the group management including the Company's CFO in respect of the work being conducted in order to strengthen the Company's internal control and risk management.

The IT security work takes places continually with monthly follow up meetings with the CISO, CTO and group managers for development and operations in attendance. IT security related incidents are reported at these meetings and follow up takes place of IT security-related projects and activities. When required, the CISO reports to the CEO and other members of the group management including the Company's CFO. There are agreements with external security experts in order to receive advice and support regarding implementation, assessments, and priorities of IT security-related issues.

The work during 2010 and the goal for 2011

The board initiated work during the third quarter 2009 aimed at strengthening the internal governance and control of TradeDoubler's operations and processes, including the financial reporting and the IT security connected to that.

This work has continued during 2010 and has its starting point in a Company-wide and systematic identification and appraisal of risks, financial as well as general, and existing control structures. The identification and evaluation of risks, which has been carried out by the group management, incorporates all components in the COSO model and is used as a basis for priorities and decisions in respect of the risk management. The CEO has reported the result of this work to the board.

Several of the projects initiated during 2009 have been completed. Two projects have focused on the reliability of the reconciliations between the enterprise resource planning system and the general ledger. This work has been largely completed.

Another project aimed at improving the traceability of transaction flows in the enterprise resource planning system has been completed. In addition, projects involving development and documentation of the processes regarding invoicing and payment of salaries are essentially concluded.

A review of the internal control instruments has led to the revision of important control instruments, including the update of the Company's Treasury Policy, Finance Manual and Authorisation Manual.

During the year, the board and group management strengthened the financial department with additional resources in order to obtain a clearer division of responsibilities and ensure greater focus on internal control and risk management in the group companies and processes.

Even if several successes were achieved during 2010, work still remains to be completed before the internal control and risk management in respect of the Company's financial reporting reaches the level desired by the board.

During 2011, the company will continue the work on strengthening the internal control and risk management in respect of the financial reporting in the group companies and processes. The work will focus, first and foremost, on continued development and documentation of the financial processes and the control structures in the latter and on completing certain ongoing projects. The board has also taken a decision regarding purchasing of a new invoicing system. Implementation is expected to occur during 2011 and 2012. This system forms part of the execution of the new strategy and is expected to improve the efficiency of the invoicing process considerably, and also significantly enhance the internal control.

At present, the company does not have any special audit function. The work of strengthening the internal governance and control of TradeDoubler's operations and processes has instead been carried out by project teams during the year consisting of a combination of internal and external resources which report the results of their work to the audit committee on an ongoing basis. The question of establishing a formal audit function is continually reviewed.

Board of Directors

1. Mats Sundström, born 1955
Chairman of the Board of Directors and member of the remuneration committee and the audit committee since 2009.
Education: BSc Econ from Stockholm School of Economics.
Other assignments: Board Chairman of St Stephens Episcopal School and Board member of Infocare A/S.
Former assignments: Mats Sundström was previously inter alia Chairman of the Board of DoubleClick Scandinavia AB and Unibet plc and also Board member of TV 4 AB, Poolia AB, Neonet AB and Off the Wall Media Production & Consulting AB. Mats Sundström has also been active within the Kinnevik Group, President for Imedia and TV 1000 as well as Executive V.P. of Scansats Broadcast Ltd.
Shareholding: 25,000 shares.

2. Kristofer Arwin, born 1970
Member of the Board of Directors since 2007.
Education: BSc in Business and Administration from Stockholm University.
Other assignments: Board member of Unibet Group plc, Alertsec AB and Stagepool AB. Arwin is co-founder and CEO of TestFreaks AB since 2007 and is also a Board member of TestFreaks AB.
Former Assignments: Kristofer Arwin is the founder of PriceRunner and was the President of the company until December 2005.
Shareholding: 31,150 shares.

3. Heléne Vibbleus Bergquist, born 1958
Member of the Board of Directors, chairman of the remuneration committee and member of the audit committee since 2009.
Education: BSc Econ from Linköping University.
Other assignments: Management consultant. Chairman of the Board of INVISIO Communications AB. Board member of Renewable Energy Corporation ASA, Trelleborg AB (publ), Tyréns AB, Nordic Growth Market NGM AB, Sida and Pertendo AB.
Former Assignments: Heléne Vibbleus Bergquist was previously the Chairman of the Board of Nordic Growth Market NGM AB and Nordic Growth Market NGM Holding AB and also member of the Board of Redovisningsrådets Service AB and Swedish Financial Accounting Standards Council. Heléne Vibbleus Bergquist has also been active within Electrolux AB as Senior Vice President, Group Controller and as Senior Vice President, Head of Management Assurance and Special Assignments, and also as Authorised Public Accountant, partner and Board member of PricewaterhouseCoopers in Sweden.
Shareholding: 3,000 shares.

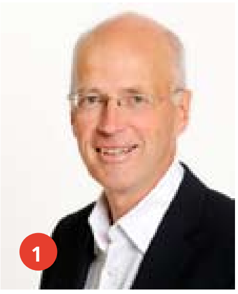
4. Martin Henricson, born 1961
Member of the Board of Directors since 2001 and member of the Remuneration Committee.
Education: Bachelor of Arts from Lund University.
Other assignments: President of EPiServer Group AB, Board member of Implema AB, Projectplace AB and Besedo Group AB.
Former Assignments: Martin Henricson was previously a Board member of AcadeMedia AB, Swedish IT-corporation Organisation AB, Ramböll Informatics AB and also Chairman of the Board and Board member of Mercuri International Sverige AB, Mercuri International Group AB, Anew Learning AB and Vittra AB. Furthermore, Martin Henricson has also been the external President for Bure Equity AB and Mercuri International Group AB. From 2001 until February, 2007 Martin Henricson was the President and CEO of TradeDoubler.
Shareholding: 15,000 shares.

5. Martina King, born 1961
Proposed member of the Board of Directors.
Other assignments: Board member of IMD PLC, Debenhams PLC, Capital PLC, Cineworld PLC, trustee of Coram and Governor of Seckford Foundation.
Former Assignments: Martina King was previously a Board member of Johnston Press.
Shareholding: -

6. Caroline Sundewall, born 1958
Member of the Board of Directors and Chairman of Audit Committee since 2009.
Education: BSc Econ from Stockholm School of Economics.
Other assignments: Chairman of the Board of Svolder AB. Board member of SJ AB, Haldex AB, Lifco AB, Pågengruppen AB, Aktiemarknadsbolagens Förening, Mertzig Asset Management AB and Ahlsell AB. Caroline Sundewall is also Chairman of the Board and Consultant of Caroline Sundewall AB and also Chairman of the Board in the tennis trust, Streber Cup.
Former Assignments: Caroline Sundewall has been a Board member of Strålfors AB, Getupdated Internet Marketing AB, Kultur och Näringsliv and Swedbank AB.
Shareholding: 2,000 shares.

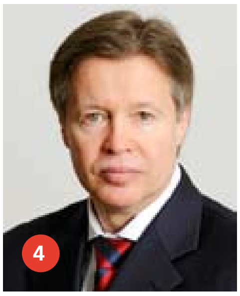
7. Simon Turner, born 1951
Proposed member of the Board of Directors.
Education: Bachelor of Arts from University of Surrey.
Other assignments: Board member of Yorkshire Building Society, Identive Group Inc, Net Retail Holdings BV and consultant for Acer Group.
Former Assignments: Simon Turner has been an Operating Board member and Group Managing Director of Dixons Retail Group as well as Managing Director of Philips Consumer Electronics UK Division and Board Member and Commercial Director of Belling Ltd. Simon Turner has also held several senior executive positions within the software and advertising industry.
Shareholding: -

Board of Directors as detailed above applies from April 1, 2011.


1

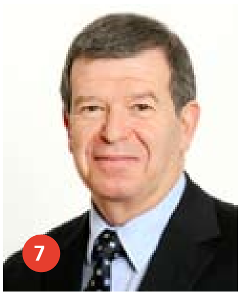

2


3


4


5


6


7

Chief Executive Officer and Group Management

1. Urban Gillström, Born 1964
President and CEO since 2010.
Education: M.Sc. Industrial Management and Engineering, The Institute of Technology, Linköping.
Previous assignments: Urban Gillström was formerly group President and responsible for global sales at the US IT/telecoms company, Comverse Inc. Before then, he had a long career with Ericsson, including head of Ericsson's corporate market worldwide, and as President of Sony Ericsson Mobile Communications in the USA.
Based: Stockholm
Holdings: 10,000 shares and 0 employee stock options.

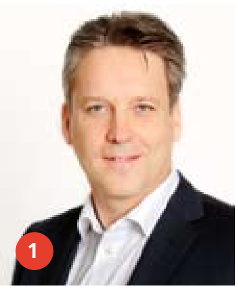
2. Erik Skånsberg, born 1964
CFO since 2010.
Education: MSc Stockholm School of Economics.
Previous assignments: Erik Skånsberg was previously CFO of COOP Norden as well as CFO within the Orkla Group, including as CFO of companies such as Carlsberg Sweden, Kemetyl and BOB. Most recently Erik Skånsberg has been running his own consulting business where he held assignments at Vårdapoteket, Capio and SATS, among other companies.
Based: Stockholm
Holdings: 15,565 shares and 0 employee stock options.

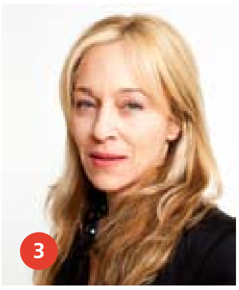
3. Elaine Safier, born 1966
CCO since February 2011.
Education: BSc Economics and MBA from Wharton.
Previous assignments: Elaine Safier has spent over 10 years in the digital media space, managing business units and corporate development activities for large multinational organisations including AOL, Cable & Wireless, and United News & Media. Previously founded and managed early stage ventures including media information business sold to Taylor Nelson Sofres (now part of WPP).
Based: London
Holdings: 0 shares and 0 employee stock options.

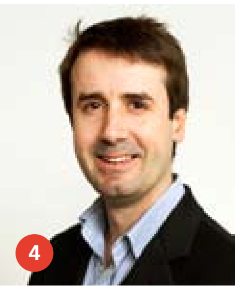
4. Gavin Ailes, born 1971
Interim Market Unit Leader North West since 2011.
Previous assignments: Gavin has more than 12 years digital marketing experience. Gavin was part of the management team of the IMW Group at the time of the acquisition of this company and so in total has been with the company over 5 years. Prior to his time at TradeDoubler, Gavin worked for WPP's MindShare in various roles and markets over a 7 year period.
Based: London
Holdings: 0 shares and 2,500 employee stock options.

5. Leif Eliasson, born 1972
Market Unit Leader North East from May 2011.
Education: M.Sc. Mechanical Engineering and Industrial Management, Lund Institute of Technology.
Previous assignments: Leif Eliasson has spent over 12 years in the mobile and online media space, both as general manager in larger organizations such as Tele2, Ericsson and as founder in European mobile and online start-ups. Prior to joining TradeDoubler, Leif Eliasson came from a position as CEO for Relevant Traffic Europe AB, a pan-European search engine marketing company owned by the Kinnevik Group. During his four years in this position, he was also engaged in New Investments within the Kinnevik Group, particularly involving online start-ups.
Based: Stockholm
Holdings: 0 shares and 0 employee stock options..

6. Torben Heimann, born 1971
Interim Market Unit Leader Central since December 2010.
Education: Studied Marketing and Business Economics at University of Applied Science Dortmund.
Previous assignments: Torben Heimann was formerly Country Manager and responsible for TradeDoubler's sales and delivery of Affiliate, Campaigns, Search and Technology in Germany. Before then, he had Marketing and Sales positions at Deutsche Bank, AOL, PAYBACK and was running his own Sales agency.
Based: Munich
Holdings: 0 shares and 2,300 employee stock options.







7. Vittorio Lorenzoni, born 1959
Country manager Italy since 2007 and now Market Unit Leader South East Europe.
Education: Degree in Electrical Engineering with full marks at Padua Engineering University.
Previous assignments: Formerly Commercial Director at Yahoo! Italia for Southern Europe and emerging countries. Before then he had a long career at IBM Italia, covering different roles within sales and marketing.
Based: Milan
Holdings: 0 shares and 2,300 employee stock options.

8. Frederic Prigent, born 1976
Country Manager France since 2009 and now Market Unit Leader France.
Education: Studied Marketing and Electronics at Cergy-Pontoise university.
Previous assignments: Frederic Prigent was previously Head of client services since 2005 He had begun his career at ValueClick France in 2000, then had joined AddviseMedia agency.
Based: Paris
Holdings: 0 shares and 3,000 employee stock options.

9. Juan Sevillano, born 1969
Country Manager Spain and Portugal since 2010 and now Market Unit Leader South West
Education: Educated in Economics.
Previous assignments: Juan has more than 10 years' experience in large communication Groups. He was Sales Director of Search & E-Commerce in Yahoo for more than three years. Then he decided to join Microsoft in 2008, and became the Head of Microsoft Media Network, managing the portfolio of products, sales strategy and responsible for cross-business unit critical projects, helping prioritize investments and resources, improving asset yields and adapting the business model to the changing market conditions.
Based: Madrid
Holdings: 0 shares and 0 employee stock options.

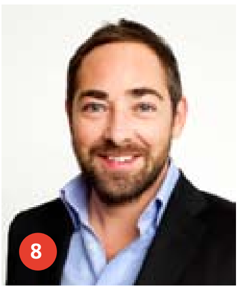
10. Chris Simpson, born 1968
Business Unit Leader Search since Oct 2010.
Education: Holds Degree in Chemical Engineering and Minerals Engineering from the University of Birmingham.
Previous assignments: Managing Director The Search Works 2008. Previously Commercial Director Probability games plc (AIM), General Manager Capita Offshore Services, Managing Director ipoints (now maximiles UK), Commercial Director Air Miles (British Airways). 7 Years in Oil Industry at Texaco and Shell.
Based: London
Holdings: 0 shares and 5,000 employee stock options.

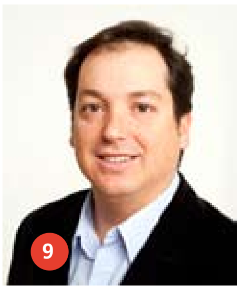
11. Matthias Stadelmeyer, born 1976
Business Unit Leader Technology since 2010.
Education: Studies of Industrial Management and Engineering at the University of Applied Sciences in Munich.
Previous assignments: Matthias Stadelmeyer was previously Sales Director and Head of TD Technology at TradeDoubler Germany. Matthias started his carrier as Team leader for Online Marketing at CANCOM IT Systeme AG, Munich.
Based: London
Holdings: 0 shares and 0 employee stock options.

12. Jonas Flodh, born 1971
CTO since 2008.
Education: Holds a Master of Engineering from the Royal Institute of Technology in Stockholm and has studied marketing and economics at INSEAD.
Previous assignments: Formerly Director, Product Operations at Orange Ltd.
Based: Stockholm
Holdings: 7,050 shares (of which 3,750 are owned by related parties) and 3,000 employee stock options.

13. Mats Rosberg, born 1956
CIO since 2008.
Education: Studies in systems science and economics at Stockholm University.
Previous assignments: Previously worked as CEO, CIO and management consultant within various parts of the IT industry, including TietoEnator and TDC.
Based: Stockholm
Holdings: 0 shares and 6,000 employee stock options.

Company management as detailed above applies from April 1, 2011.





Administration report

The board of directors and the chief executive officer of TradeDoubler AB (publ), corporate identity number 556575-7423, hereby submit the annual accounts for the operations in the parent company and the group for the financial year 2010.

Operations

TradeDoubler is Europe's leading player within performance-based internet marketing. The company's technology platforms, products and solutions facilitate an efficient and relevant flow for advertisers who wish to market themselves or drive online sales and for websites (publishers) who provide advertising space on their websites and search engines.

TradeDoubler's broad and comprehensive offering creates opportunities for the clients to optimise their marketing to achieve the best possible results. The company's revenues come primarily from its role as an intermediary, where TradeDoubler receives remuneration based on the transaction flow between advertisers and the websites and search engines which provide advertising space against payment. In 2010, this transaction flow corresponded to a value of around SEK 24 billion (22), from which TradeDoubler generated revenues of approximately SEK 2.8 billion (3.0) and gross profit of approximately SEK 658 M (690).

Since its establishment in 1999, TradeDoubler has developed the business from a focus on affiliate marketing, where TradeDoubler as an independent third party arranges advertising and campaign space between advertisers and websites on the internet, towards a broad portfolio of products and services within internet marketing. TradeDoubler offers the majority of its service range on all markets in which the Company operates. An exception is made in the case of markets that are in an early phase of development within internet marketing and where the focus is on campaign marketing.

TradeDoubler is leading on the European market in relation to the service offering and geographical coverage. The company reaches about 75 percent of Europe's internet users through representation in 18 countries. TradeDoubler is market-leading in affiliate marketing in all countries where the Company operates, except in Germany, and is also an important player on the European markets for campaign marketing and search engine optimisation.

Significant events during the year

TradeDoubler completed a rights issue in January 2010 with preferential rights for existing shareholders which provided the Company with SEK 355.6 M, before transaction costs, aimed at repaying all of TradeDoubler's loans and strengthening the Company's financial position. Through the rights issue, TradeDoubler has gained financial flexibility which strengthens the company's competitiveness, facilitates investments and increases the confidence of clients and suppliers.

On 16 February, Urban Gillström took over as new President and Chief Executive Officer after Örjan Frid, who served as interim President and Chief Executive Officer from December 2008. Erik Skånsberg took over as new CFO on 24 May and replaced Bernt Andersson who was interim CFO from February 2010.

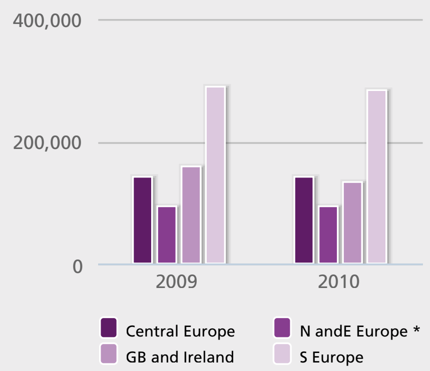
An agreement was entered into with Marin Software regarding integrating their search engine technology in TradeDoubler's td Integral Cross Media Marketing platform. The technology complements and enhances TradeDoubler's existing solution and offers customers access to one of the most powerful and user-friendly platforms for paid search engine marketing on the market today.

The board has taken a decision on a new strategic direction to enable TradeDoubler to grow with good profitability. The new direction focuses on One performance-based world-class network, One cost-efficient company and One sales- and results-driven corporate culture. The strategic direction was presented at a capital markets day in October. A new organisation was presented where the core business activities within Affiliate and Campaign are brought together from 2011 within the business unit Network while Technology and Search are managed as independent units. Network was organised into six market units. The conversion to the new organisation began during the fourth quarter. The reorganisation will affect the Company's future financial statements where the segment reporting will henceforth be reported according to the new organisation.

TradeDoubler earmarked dedicated resources for product development as a result of the new strategy. Geo targeting was introduced during 2010 which enables advertisers to target consumers located within a certain geographical area. Several new products are under development for release during 2011. Certain production activities were brought together in the UK in order to boost efficiency. Several measures to boost efficiency and increase the degree of automation will be implemented during 2011 in order to create scalable growth. During the year, TradeDoubler also prepared for the introduction of a new sales support and invoicing system which is expected to become operational during 2011 and 2012.

Gross profit and operating profit 2006 – 2010

Gross profit by segment



The work initiated during the third quarter 2009 aimed at strengthening the internal governance and control of TradeDoubler's operations and processes including the financial reporting and the associated IT security, continued during 2010.

The annual general meeting on 6 May 2010 elected Martina King and Simon Turner as new board members. Lars Stugemo resigned from the board at his own request.

Earnings

Consolidated net sales amounted to SEK 2,840.1 M (3,014.3) in 2010, which was a decrease of 6 per cent compared with 2009. Gross profit amounted to SEK 658.4 M (689.9) and the operating margin was 23.2 (22.9) per cent. Adjusted for changes in foreign exchange rates, gross profit increased by 3 per cent.

The gross profit in local currencies increased progressively during 2010 on comparison with each corresponding quarter in 2009. The market conditions for both online marketing and e-commerce were markedly stronger during 2010 than the previous year in practically all countries where the Company operates. In particular, TradeDoubler's affiliate operations developed strongly, but even the search operations outside the UK grew significantly. The transaction margin for both the affiliate and campaign operations was stable compared with the previous year, which indicates the absence of any systematic price pressure in the market.

The gross profit in the business segment Southern Europe showed the highest growth figure in local currencies with an increase of 10 per cent compared to 2009, followed by Central Europe with an increase of 7 per cent. The segment Northern and Eastern Europe displayed an increase of 2 per cent, while the gross profit fell by 10 per cent in the UK and Ireland segment, where an increase in affiliate did not fully compensate for a decline in the search operations.

Costs, including depreciation and amortization and impairment of goodwill, fell to SEK 575.9 M (795.0). The underlying costs were at the same level as the previous year, adjusted for changes in foreign exchange rates and non-recurring costs of SEK -180.3 M in 2009. The costs included expenses for organisational changes and for the work on strengthening the internal control. The costs in 2009 included impairment of goodwill of SEK -150.3 M, and a provision of SEK -30.0 M for unutilised office space in London. Personnel costs, which were the single largest type of cost, gradually declined during the year in line with the decrease in the number of employees. From a peak in March 2010 of 602 full-time equivalents, the number of employees decreased and at year-end amounted to 525 full-time equivalents.

Operating profit improved to SEK 82.5 M (-105.1) and the operating margin to 2.9 (-3.5) per cent. Adjusted for changes in foreign exchange rates and non-recurring costs of SEK -180.3 M during 2009, operating profit increased by SEK 12.3 M.

Net financial items amounted to SEK -11.2 M (-22.0), which were largely due to changes in foreign exchange rates in respect of receivables from foreign subsidiaries. The group had no interest-bearing liabilities from the end of February until the end of the year.

Profit before tax improved to SEK 71.3 M (-127.0). Net profit for the year amounted to SEK 61.3 M (-178.5). The tax expense was positively impacted by the group utilising tax loss carry-forwards more effectively from 2010. The net margin for 2010 was 2.2 (-5.9) per cent.

At year-end, TradeDoubler's staff corresponded to 525 (579) full-time equivalents, which includes full-time, temporary and contract employees. The average number of full-time equivalents during 2010 fell to 567 (589). The decline was mainly due to high employee turnover in combination with restrictive new recruitment and employee replacement policies.

Cash flow and financing

The cash flow from operating activities before changes in working capital amounted to SEK 94.0 M (46.0). The improvement was primarily due to tax refunds and lower tax paid, but also due to better earnings.

The change in working capital amounted to SEK -99.8 M (18.7). The decrease was mainly due to a normalisation of payment flows during the first quarter after the proceeds of the rights issue were received. The cash flow from operating activities thus amounted to SEK -5.8 M (64.7).

Net investments in non-current assets amounted to SEK 8.7 M (14.1).

The cash flow from financing activities amounted to SEK -199.3 M (256.1) and consisted of amortisation of loans of SEK -242.1 M as well as the remaining proceeds from the rights issue of SEK 42.8 M. The comparative period was positively affected by SEK 300.8 M as a consequence of receiving the first part of the rights issue proceeds. Thus, the cash flow for the full-year amounted to SEK -213.8 M (306.6).

On 31 December 2010, cash and cash equivalents amounted to SEK 209.7 M (436.6) and the group had no interest-bearing liabilities (SEK 242.1 M). The Swedish Tax Agency repaid SEK 22.5 M during the third quarter, after an adjustment of TradeDoubler's tax return for income year 2008. A further SEK 32.8 M was repaid during the fourth quarter in respect of preliminary tax paid in for income years 2009 and 2010. The refunds of SEK 55.3 M in total have not had any impact on earnings.

Financial position

At the start of 2010, the group's total interest-bearing liabilities amounted to SEK 242.1 M. For the purpose of repaying all loans and strengthening the Company's financial position, a rights issue was carried out with preferential rights for existing shareholders of approximately SEK 355.6 M before transaction costs which was fully subscribed for. The issue proceeds were largely paid in as of 31 December 2009. Bank loans were redeemed in January and the subordinated loan that TradeDoubler had to one of the major owners was repaid in February.

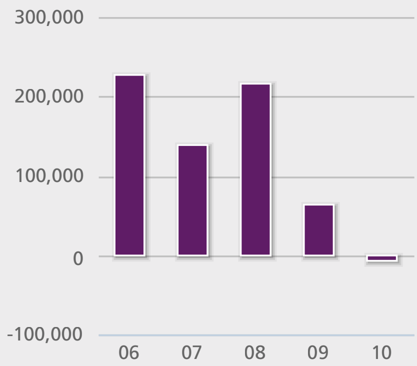
The group had no interest-bearing liabilities at year-end 2010.

The Group's working capital decreased during 2010 primarily due to a normalisation of payment flows after the proceeds of the rights issue were received during the first quarter.

The group's assets amounted to SEK 1,415.7 M (1,725.6) at the end of 2010. The change compared with the end of 2009 was mainly due to foreign currency effects on translation exposure, as well as a decrease in cash and cash equivalents. Cash and cash equivalents amounted to SEK 209.7 M (436.6) as of 31 December 2010.

The group's liabilities amounted to SEK 898.9 M (1,245.1) as of 31 December 2010 and shareholders' equity amounted to SEK 516.8 M (480.5).

Cash flows from operations



Research and development
TradeDoubler allocates considerable expenditure and resources in order to retain its leading position within performance-based marketing on the internet. A development team was established during 2010 which drew up a "road map" for the development work in the medium term. Several new development projects were initiated, including within geo targeting, which resulted in many new product releases during 2010 which will be followed by further releases during 2011.

Research and development costs amounted to approximately SEK 37.9 M (42.1) during 2010, corresponding to 5.8 (6.1) per cent of the gross profit.

Environment
TradeDoubler's operations have a limited impact on the environment. The Company's ambition is to operate as a sustainable company. The company makes environmentally sound choices where possible. The company is included in ethical indexes for capital investors.

Risks and uncertainties
TradeDoubler handles a very large number of transactions between many different parties and in order to accomplish this, the company depends on an advanced technology platform which is developed continuously. The operations are conducted on a strongly competitive market in many countries involving different currencies and legal systems.

Identifying and managing risks is a central component in the governance and control of TradeDoubler's business and is incorporated in all parts of the operations.

Through clear processes and routines, the goal is to take advantage of the opportunities presented on a rapidly changing market, while at the same time, minimising the risk for damage and losses.

TradeDoubler distinguishes between market-related risks, operational risks, financial risks and legal risks.

For further description of most significant risks and uncertainty factors, see the section Risks and uncertainty factors. For a description of how financial risks are managed, also see note 19.

Corporate governance
A special Corporate governance report including a section on internal control and risk management in respect of the financial reporting has been prepared in accordance with the Swedish Annual Accounts Act (1995:1554 Chapter 6 Section 6).

Compliance
The company complies with the Swedish code of corporate governance, and has undertaken, whenever possible, to follow best practice as regards corporate governance at a global level. This includes continuing to comply with the corporate governance provisions of the Code, unless a deviation from such provisions would result in better corporate governance under the "comply or explain" principle

Parent Company
The parent company's net sales amounted to SEK 151.6 M (255.6). Revenues primarily consisted of licensing revenue and remuneration from subsidiaries for centrally performed services. Licensing revenues are based on the underlying profitability in subsidiaries in accordance with the group's transfer pricing agreement. The decrease in net sales was mainly due to lower licensing revenues. Profit after tax amounted to SEK 5.8 M (67.4). The average number of full-time equivalents in the parent company was 93 (93).

The parent company's receivables from subsidiaries amounted to SEK 639.0 M (898.0) at year-end of which SEK 338.0 M (361.3) are non-current receivables. The parent company's liabilities to subsidiaries amounted to SEK 121.9 M (51.4) of which SEK 0.0 M (0.0) are non-current liabilities.

Share capital and owners
TradeDoubler had 3,732 (3,593) shareholders at year-end. The company's largest shareholder is Alecta with 14.9 per cent of capital and votes. The five largest shareholders, consisting of financial and institutional players, jointly owned 47.2 (45.3) per cent of the shares.

TradeDoubler AB had a share capital of SEK 17.1 M on 31 December 2010, distributed among 42,807,449 shares, each with a quota value of SEK 0.40. Each share carries one vote. A rights issue was registered in January 2010 which increased the share capital by SEK 5.7 M and the number of shares by SEK 14,225,816.

TradeDoubler repurchased shares on three occasions during 2008 for the purpose of securing the obligation related to the Performance share programme 2008/2011. The company's holdings of own shares amounted to 130,000 ordinary shares at the end of 2010.

Guidelines for remuneration and other terms of employments for the company management
The guidelines approved by the annual general meeting 2010 have been applied for the chief executive officer and other members of the company management. For a further description, see note 4.

Prior to the annual general meeting 2011, the board has proposed the following guidelines for remuneration to the company management.

The total remuneration shall be competitive on the local market in which the employee is based in order to attract, motivate and retain skilled employees. Individual remuneration shall be based on the employees' experience, skills, responsibility and performance.

The total remuneration should be based on four main components; fixed salary, variable remuneration, pension benefits and long-term incentive programme. The fixed salary shall be commercially competitive and based on experience, skills, responsibility and performance. Variable remuneration should be commercially competitive and reward growth, operating profit and should be applied consistently throughout the group. It should be based on predetermined measurable targets, both quantitative and qualitative, and agreed in writing with the employee. The outcome of the variable remuneration shall have an upper ceiling, which normally should not exceed 50 per cent of the fixed salary. Pension benefits are offered to certain members of the company management depending on local market conditions. Swedish-based employees are offered a solution which largely corresponds with the ITP plan. A mutual period of notice of 3-9 months shall apply for the company management. In the event of termination by the Company, termination benefits, in applicable cases, shall not exceed an amount equivalent to 12 fixed monthly salaries. In the event of termination by the employee, he/she shall not normally be entitled to any termination benefits.

In addition to variable remuneration, which rewards growth and operating profit during the financial year, the board considers that long-term incentive programmes are an important part of the long-term remuneration strategy. The board may invite the company management and other key employees to participate in a long-term incentive programme. The board considers that such a programme should be performance-based or require personal investment and imply continued employment in the group. Such a programme may be designed as a share-related or share-price related incentive programme or as a cash-based programme which is not share-related or share-price related, where the maximum payment to the company management can amount to 50 per cent of the fixed salary. Share-related and share-price related incentive programmes must be approved by the general meeting of shareholders.

Other benefits, such as car benefit, shall have a limited value in relation to the total remuneration package.

Questions regarding terms of employment for the chief executive officer are determined by the board. The chief executive officer determines terms of employment for other members of the company management after approval by the remuneration committee.

The board of directors or the remuneration committee may depart from these guidelines if special grounds exist in a particular case.

Proposal to the annual general meeting 2011 regarding long-term incentive programme

The board of directors proposes that the annual general meeting approve a Long-term Incentive Programme (LTI). The aim of such a programme is to

- Facilitate the recruitment of new employees and to retain key employees
- Create a long-term focus on the company's growth
- Align the participants' long-term interest with that of the company's shareholders

Participants

The programme will cover key employees and will not exceed 17 persons. During 2012 and 2013, it is also intended to propose a LTI to the general meeting of shareholders in accordance with the principles now proposed for retaining key employees. Future participation will be determined from year to year and participation in 2011 does not imply any guarantees or undertakings regarding invitations to participate in the future.

Participation in LTI 2011 means that employees resident in Sweden acquire shares in TradeDoubler or assign shares already held to LTI 2011. Employees who are resident outside of Sweden will not need to acquire shares.

Conditions

Maximum participation in LTI 2011 implies that employees domiciled in Sweden hold TradeDoubler shares corresponding to a value of ten per cent of the participant's basic salary before tax for the year 2011 divided, by the share price during a predetermined period. If the holding is retained for three years, the participant gains the opportunity to receive a predetermined number of shares gratuitously (Performance shares) provided that the participant is still employed and the performance targets have been fulfilled. There are no share ownership requirements for employees domiciled outside of Sweden. The group's chief executive officer can receive a maximum of 4 Performance shares, while other key employees can receive a maximum of 3 Performance shares. The allocation of Performance shares will depend on the average annual growth in earnings per share (EPS) during a three-year period (1 January 2011 – 31 December 2013), compared with earnings per share for the base period (2010).

Outcome

The maximum outcome for each participant is limited to an amount per Performance share which corresponds to 400 percent of the share price. Before determination of the number of Performance shares that shall be finally allocated, the board must examine if the allocation is reasonable. In the allocation of the Performance shares, the participants shall receive compensation for cash dividends which the company has paid out during the three-year period. The number of shares covered by this proposal will be recomputed by the board in order to reflect all changes in the capital structure such as bonus issue, consolidation or split of shares, rights issue or reduction of the share capital, or similar measures.

The programme can consist of a maximum of 170,000 shares in addition to 30,000 shares to cover social security contributions. corresponding to approximately 0.47% of the number of shares and votes as of April 2011. It is calculated to correspond to a cost of a maximum of approximately SEK 9.0 M based on a share price of SEK 45 and 100% target fulfilment.

Accounting treatment

IFRS 2 prescribes that the value of the performance shares allocated under the programme must be recognised as an employee benefit expense in the income statement during the vesting period. Social security contributions will also be recognised as an employee benefit expense in the income statement through a provision. The size of the provision is based on the development in the value of the shares and the applicable tax rates for social costs in force when allocation of shares is finally determined.

Outlook

The market for digital marketing is a growth market which was characterised in 2010 by demand increasing again after the recession in recent years. At the same time, the competition continued to be intense, particularly in more mature markets and the rate of change was still high. Social media and advertising via mobile phones are examples of areas which are creating new opportunities and challenges for players on this market. TradeDoubler is considered to have retained its market-leading position in Europe within performance-based digital marketing.

During 2010, the European market for internet advertising is estimated to have grown by 9 per cent, which exceeds GNP growth. Despite this growth, the internet is expected to continue to be under-utilised as an advertising medium in comparison to other marketing channels. The current growth rate for internet advertising is therefore expected to be maintained during 2011 and 2012. TradeDoubler's goal is to grow faster than the market and to grow with scalable profitability.

Events after the end of the reporting period

From 2011, TradeDoubler introduced a new organisation where the core business within Affiliate and Campaign has been brought together in the business unit Network while Technology and Search are now managed as independent business units. Network is organised into six market units.

The group management also changed as a consequence of the new organisation. Apart from the CEO, CFO and a newly established function with responsibility for sales and marketing, the directors of all market units, the directors of Technology and Search as well as certain support functions are represented in the group management.

Elaine Safier was appointed as director of sales and marketing in February 2011 with overall responsibility for driving the group's sales and marketing. Leif Eliasson was appointed as director of the North East market unit and as country manager for Sweden.

The next-generation targeting solution was launched in March 2011. The solution gives advertisers opportunities to reconnect with potential customers and earn money from lost traffic from all types of online activities.

Proposed distribution of earnings

At the disposal of the annual general meeting of the parent company:	(SEK)
Share premium reserve	352,540,285
Fair value reserve	-89,947,382
Retained profit	144,898,981
Net profit for the year	5,791,038
Total non-restricted equity	**413,282,922**

The board of directors and the chief executive officer propose that no dividend should be declared and that the profits at the disposal of the annual general meeting be carried forward.

Consolidated income statement

SEK '000	Note	2010	2009
Net sales	2, 3	2,840,070	3,014,349
Cost of goods sold		-2,181,653	-2,324,457
Gross profit		**658,416**	**689,892**
Selling expenses		-369,163	-374,959
Administrative expenses		-168,780	-227,610
Research & development expenses		-37,945	-42,062
Impairment of goodwill		-	-150,339
Operating profit	3, 4, 5, 6, 16, 20	**82,528**	**-105,078**
Financial income		823	664
Financial expenses		-12,009	-22,616
Net financial items	7	**-11,186**	**-21,952**
Profit before tax		**71,342**	**-127,030**
Tax	8	-10,007	-51,463
Net profit for the year		**61,334**	**-178,493**

Statement of comprehensive income

Net profit for the year		61,334	-178,493
Other comprehensive income			
Exchange difference on increased net investment, net after tax	8	-21,449	15,799
Translation differences, net after tax	8	-4,094	8,692
Total other comprehensive income		**-25,543**	**24,491**
Total comprehensive income for the year		**35,791**	**-154,002**
Total comprehensive income for the year attributable to:			
The parent company's shareholders		61,334	-178,493
Comprehensive income attributable to:			
The parent company's shareholders		35,791	-154,002
Earnings per share	15		
before dilution (SEK)		1.44	-5.31
after dilution (SEK)		1.44	-5.31

Consolidated statement of financial position

SEK '000	Note	2010-12-31	2009-12-31
Assets	3, 9		
Non-current assets			
Intangible assets	10	423,123	477,276
Equipment, tools, fixtures and fittings	11	15,772	21,425
Other non-current receivables		2,182	2,520
Deferred tax receivables	8, 26	27,700	28,831
Total non-current assets		**468,777**	**530,052**
Current assets			
Trade receivables		685,862	657,049
Tax receivables	8	22,293	21,454
Other receivables		11,464	61,075
Prepaid expenses and accrued income	12	17,585	19,352
Cash and cash equivalents		209,744	436,596
Total current assets		**946,948**	**1,195,526**
Total assets		**1,415,725**	**1,725,578**
Equity and liabilities			
Shareholders' equity	13		
Share capital		17,123	11,433
Paid-up, non-registered share capital		-	5,674
Share premium		441,600	441,130
Translation reserve		-104,137	-78,594
Retained earnings including net profit for the year		162,198	100,864
Total equity		**516,784**	**480,507**
Non-current liabilities			
Subordinated loan	14, 19	-	50,000
Deferred tax liabilities	8	17,899	23,862
Provisions: non-current		1,027	-
Total non-current liabilities		**18,926**	**73,862**
Current liabilities			
Liabilities to credit institutions	14, 19	-	117,500
Overdraft facilities	14, 19	-	74,565
Trade payables		47,398	127,432
Current liabilities to publishers		447,242	418,615
Tax liabilities	8	2,505	-
Other liabilities	17	261,324	311,208
Accrued expenses and deferred income	18	121,546	121,889
Total current liabilities		**880,015**	**1,171,209**
Total equity and liabilities		**1,415,725**	**1,725,578**
Pledged assets	21	2,179	94,393
Contingent liabilities	21	None	None

Consolidated statement of changes in equity

SEK '000	Share capital	Paid-up, non-registered share capital	Share premium	Translation reserve	Retained earnings incl. Net profit for the year	Total equity
Opening balance at Januari 1, 2009	**11,433**	**-**	**103,658**	**-103,085**	**279,908**	**291,914**
Comprehensive income						
Net profit for the year					-178,493	-178,493
Other comprehensive income						
Exchange difference on increased net investment, net after tax[1]	-	-	-	15,799	-	15,799
Translation differences, net after tax	-	-	-	8,692	-	8,692
Total other comprehensive income	-	-	-	24,491	-	24,491
Total comprehensive income	**-**	**-**	**-**	**24,491**	**-178,493**	**-154,002**
Transactions with shareholders						
Rights issue	-	5,674	337,472	-	-	343,146
Share-based payments settled with equity instruments, IFRS 2	-	-	-	-	-551	-551
Total transactions with shareholders	**-**	**5,674**	**337,472**	**-**	**-551**	**342,595**
Opening balance at Januari 1, 2010	**11,433**	**5,674**	**441,130**	**-78,594**	**100,864**	**480,507**
Comprehensive income						
Net profit for the year					61,334	61,334
Other comprehensive income						
Exchange difference on increased net investment, net after tax[2]	-	-	-	-21,449	-	-21,449
Translation differences, net after tax	-	-	-	-4,094	-	-4,094
Total other comprehensive income	-	-	-	-25,543	-	-25,543
Total comprehensive income	**-**	**-**	**-**	**-25,543**	**61,334**	**35,791**
Transactions with shareholders						
Rights issue	5,690	-5,674	470	-	-	486
Total transactions with shareholders	**5,690**	**-5,674**	**470**	**-**	**-**	**486**
Closing balance at December 31, 2010	**17,123**	**-**	**441,600**	**-104,137**	**162,198**	**516,784**

[1] Change in value for the year amounted to SEK 21,437,000, of which SEK 5,638,000 was tax.

[2] Change in value for the year amounted to SEK 29,103,000, of which SEK 7,654,000 was tax.

Consolidated cash flow statement

SEK '000	Note	2010	2009
Operating activities	24		
Profit before tax		71,342	-127,029
Adjustment for items not included in the cash flow		30,000	249,959
Taxes paid		-7,321	-76,889
Cash flow from operating activities before changes in working capital		**94,021**	**46,041**
Cash flow from changes in working capital			
Increase (-)/Decrease (+) in operating receivables		-158,477	-14,517
Increase (-)/Decrease (+) in operating liabilities		58,630	33,186
Cash flow from operating activities		**-5,826**	**64,710**
Investing activities			
Net investments in intangible assets		-3,152	-1,816
Net investments in property, plant and equipment		-5,494	-11,096
Net investments in financial assets		-39	-1,202
Cash flow from investing activities		**-8,685**	**-14,114**
Financing activities			
Rights issue		42,820	300,812
Buyback of own shares		-	80,000
Amortization of loans		-242,065	-124,762
Cash flow from financing activities		**-199,245**	**256,050**
Cash flow for the year		-213,757	306,646
Cash and cash equivalents at the beginning of the year		436,596	133,389
Exchange difference in cash and cash equivalents		-13,095	-3,439
Cash and cash equivalents at the end of the year		**209,744**	**436,596**

Financial position and cash flow

Cash holdings amounted to SEK 209.7 (436.6) M at year end. At year-end, the group had no interest bearing debt SEK (242.1) M. The cash flow for the year before change in working capital was SEK 94.0 M (46.0).

The change in working capital amounted to SEK -99.8 M (18.7). Net investment in intangible assets for the full year corresponded to SEK -3.2 M (-1.8). Net investments in property, plant and equipment amounted to SEK-5.5 M (-11.1).

Rights issue

In December 2009, TradeDoubler carried out a rights issue of SEK 355.6 M with preferential rights for existing shareholders. The company had received SEK 312.3 M as at December 31, 2009 and the remainder of SEK 43.3 M was paid in at the start of January 2010. The issue expenses amounted to approx. SEK 11.5 M. The rights issue has thereby impacted the cash flow from financing activities positively with SEK 42.8 M (300.8).

After the rights issue the group has redeemed its external loans which has impacted the cash flow with SEK -242.0 M.

Parent company income statement

SEK '000	Note	2010	2009
Net sales	2, 3	151,554	255,563
Cost of goods sold		-11,336	-12,443
Gross profit		**140,218**	**243,120**
Selling expenses		-8,941	-5,465
Administrative expenses		-140,766	-120,904
Research & development expenses		-31,714	-30,334
Operating profit	3-5, 16, 20	**-41,203**	**86,417**
Profit from financial items			
Profit from participations in group companies		7,209	5,452
Other interest income and similar income statement items		47,445	10,506
Interest expenses and similar income statement items		-5,235	-13,950
Net financial items	7	**49,418**	**2,008**
Profit before tax		**8,215**	**88,425**
Tax	8	-2,424	-21,057
Net profit for the year		**5,791**	**67,368**

Statement of comprehensive income

Net profit for the year		5,791	67,368
Other comprehensive income			
Exchange difference on increased net investment, net after tax	8	-21,449	15,799
Total other comprehensive income		**-21,449**	**15,799**
Total comprehensive income for the year		**-15,658**	**83,167**
Total comprehensive income for the year attributable to:			
The parent company's shareholders		5,791	67,368
Comprehensive income attributable to:			
The parent company's shareholders		-15,658	83,167
Earnings per share	15		
before dilution (SEK)		1.44	-5.31
after dilution (SEK)		1.44	-5.31

Parent company balance sheet

SEK '000	Note	2010-12-31	2009-12-31
Assets	3, 9		
Subscribed capital unpaid	13	**-**	**42,334**
Non-current assets			
Intangible assets	10	3,785	1,816
Equipments, tools, fixtures and fittings	11	10,735	13,348
Participations in group companies	23	57,038	56,742
Non-current receivables from group companies		330,372	354,015
Total non-current assets		**401,930**	**425,921**
Current assets			
Trade receivables		3,633	3,301
Receivables from group companies		301,098	536,635
Tax receivables	8	4,435	6,784
Other receivables		3,742	6,339
Prepaid expenses and accrued income	12	7,349	5,365
Cash and cash equivalents		41,888	270,836
Total current assets		**362,145**	**829,260**
Total assets		**764,075**	**1,297,515**
Equity and liabilities			
Shareholders' equity	13		
Restricted equity			
Share capital		17,123	11,433
Paid-up, non registered share capital		-	5,674
Statuatory reserve		89,022	89,022
Non-restricted equity			
Share premium reserve		352,540	352,108
Fair value reserve		-89,947	-68,498
Retained earnings		144,899	77,531
Net profit for the year		5,791	67,368
Total equity		**519,428**	**534,638**
Non-current liabilities			
Subordinated loan	14, 19	-	50,000
Non-current liabilities to group companies		-	320,281
Total non-current liabilities		**-**	**370,281**
Current liabilities			
Liabilities to credit institutions	14, 19	-	117,500
Overdraft facilities	14, 19	-	74,565
Trade payables		10,843	11,945
Liabilities to group companies		121,941	51,350
Other liabilities	17	90,960	112,272
Accrued expenses and deferred income	18	20,904	24,964
Total current liabilities		**244,647**	**392,596**
Total equity and liabilities		**764,075**	**1,297,515**
Pledged assets	21	-	21,442
Contingent liabilities	21	137,472	3,094

Parent company changes in equity

	Restricted			Non-restricted			
SEK '000	Share capital	Paid-up, nonregistered share capital	Statutory reserve	Share premium reserve	Fair value reserve	Retained earnings incl. net profit for the year	Total equity
Opening balance January 1, 2009	**11,433**		**89,022**	**14,636**	**-84,297**	**84,127**	**114,921**
Comprehensive income							
Net profit for the year						67,368	67,368
Other comprehensive income							
Exchange difference on increased net investment, net after tax [1]					15,799		15,799
Total other comprehensive income					15,799		15,799
Total comprehensive income					**15,799**	**67,368**	**83,167**
Transactions with shareholders							
Rights issue		5,674		337,472		-	343,146
Group contribution, net after tax						-6,596	-6,596
Opening balance at January 1, 2010	**11,433**	**5,674**	**89,022**	**352,108**	**-68,498**	**144,899**	**534,638**
Comprehensive income							-
Net profit for the year						5,791	5,791
Other comprehensive income							-
Exchange difference on increased net investment, net after tax [2]					-21,449		-21,449
Total other comprehensive income					-21,449	-	-21,449
Total comprehensive income					**-21,449**	**5,791**	**-15,658**
Transactions with shareholders							
Rights issue	5,690	-5,674		432		-	448
Closing balance at December 31, 2010	**17,123**	**-**	**89,022**	**352,540**	**-89,947**	**150,690**	**519,428**

[1] Change in value for the year amounted to SEK 21,437,000, of which SEK -5,638,000 was tax.

[2] Change in value for the year amounted to SEK -29,103,000, of which SEK 7,654,000 was tax.

Parent company cash flow statement

SEK '000	Note	2010	2009
Operating activities	24		
Profit before tax		8,215	88,425
Adjustment for items not included in the cash flow		17,582	6,241
Taxes paid		-86	-34,257
Cash flow from operating activities before changes in working capital		**25,711**	**60,409**
Cash flow from changes in working capital			
Increase (-)/Decrease (+) in operating receivables		3,250	-64,193
Increase (-)/Decrease (+) in operating liabilities		-52,813	32,601
Cash flow from operating activities		**-23,852**	**28,817**
Investing activities			
Net investments in intangible assets		-2,040	-1,816
Net investments in property, plant and equipment		-3,811	-10,996
Net investments in financial assets		-	-3,831
Cash flow from investing activities		**-5,851**	**-16,643**
Financing activities			
Rights issue		42,820	300,812
Loans raised		-	80,000
Amortization of loans		-242,065	-124,762
Cash flow from financing activities		**-199,245**	**256,050**
Cash flow for the year		**-228,948**	**268,224**
Cash and cash equivalents at the beginning of the year		270,836	2,612
Cash and cash equivalents at the end of the year		**41,888**	**270,836**

Content

01. Accounting policies

General information

TradeDoubler AB (the Parent Company) and its subsidiaries together make up the TradeDoubler Group.

TradeDoubler AB (publ), corporate registration number 556575-7423, is a Swedish registered limited liability company with its registered office in Stockholm.

The address of the head office is Sveavägen 20, 111 57 Stockholm. The parent company's shares are listed on Nasdaq OMX Stockholm.

The board of directors approved these consolidated financial statements for publication on April 11, 2011. The balance sheets and income statements are subject to approval by the annual meeting of shareholders.

Summary of significant accounting policies

The consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as well as interpretations from the International Financial Reporting Interpretations Committee (IFRIC), as adopted by the European Commission for application within the EU. In addition, the Swedish Financial Reporting Board's recommendation RFR 1, Supplementary Accounting Rules for Groups is applied.

The parent company applies the same accounting policies as the group except in the instances described below in the section "The Parent Company's accounting policies". Discrepancies between the principles applied by the Parent Company and the Group arise due to restrictions on the ability to apply IFRS within the Parent Company imposed by the Swedish Annual Accounts Act, the Pension Obligations Vesting Act ("tryggandelagen") and, in some cases, by tax considerations.

Assets and liabilities are recognized at historical cost if not otherwise stated below. Non-current assets and disposal groups that are held for sale are recognized at the lower of the prior carrying amount and fair value less selling expenses. The parent company's functional currency is the Swedish krona (SEK), which is also the presentation currency for the parent company and the group. This means that the financial statements are presented in Swedish kronor. All amounts are rounded off to the nearest thousand, unless otherwise stated.

Assessments and estimates in the financial statements

Preparation of financial statements in conformity with IFRS requires the group management to make estimates and assumptions that affect the application of the accounting policies and the recognized amounts for assets, liabilities, revenue and expenses. Actual outcomes can deviate from these estimates and assessments.

Estimates and assumptions are reviewed regularly. Changes in estimates are recognized in the period in which they arise if the change affects that period alone or, alternatively, in the period in which they arise and during future periods if the change affects both the period in question and future periods.

Assumptions made by the group management in the application of IFRS that have a material impact on the financial statements and estimates which may give rise to significant adjustments in future financial statements are presented in more detail in note 26.

Significant accounting policies applied

The accounting principles set out below have, with the exceptions described in detail, been applied consistently in all periods presented in the group's financial statements. In addition, the group's accounting policies have been applied consistently by the group's companies.

Amended accounting policies and disclosure requirements 2010

IFRS 3 and IAS 27 are mandatory for the first time for annual periods beginning on 1 January 2010. These have not had any impact on the consolidated accounts. The standards can impact the financial statements in the future.

None of the other amendments to standards or new interpretations approved for application from annual periods beginning in 2010 or later are expected to have any material impact on the consolidated accounts.

New accounting standards

New IFRS amendments or interpretations of these standards which are published but have not yet become effective, have not been adopted. To the extent that expected effects on the financial statements arising from the application of the following new or amended standards and interpretations are not described below, no assessment has yet been made of their effects. The new accounting standards which are deemed capable of affecting TradeDoubler's accounting in 2011 and subsequently are:

IFRS 9 Financial Instruments is intended to replace IAS 39 Financial instruments: Recognition and measurement from 2013 at the latest. IASB has published the first phases which together with other future phases will constitute IFRS 9. The two first phases deal with classification and measurement of financial assets and financial liabilities respectively. The categories for financial assets in IAS 39 are replaced by two categories, where measurement takes place at fair value or amortised cost. Amortised cost is used for instruments where the objective of the entity's business model is to hold the financial asset to collect the contractual cash flows, which are solely payments of principal and interest on the principal outstanding on specified dates. All other financial assets must be measured at fair value and the possibility of applying the "fair value option" in IAS 39 is retained. Changes in fair value must be recognised in profit or loss, except for those equity investments not held for trading for which the entity has elected to report value changes on initial recognition in 'other comprehensive income'. Value changes on derivatives that are treated as a hedging instrument are not affected by this phase of IFRS 9, but are recognised in accordance with IAS 39. The company has still not evaluated how these new standards will affect the financial statements.

The following amendments of accounting principles which are effective in the future are not expected to have any impact on the consolidated accounts:

Amendments of IAS 24 Related party disclosures, mainly relating to disclosures for state-controlled entities, but also as regards the definition of related party.

Amendments of IAS 32 Financial instruments: Classification, as regards classification of rights issues.

Amendments to IFRS 7 Financial instruments: Disclosures, as regards new disclosure requirements for transferred financial assets.

Amendments of IFRIC 14 IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their Interaction as regards prepayments to cover minimum funding requirements.

IFRIC 19 Extinguishing financial liabilities with equity instruments.

Annual improvements of IFRS which are not already effective, first among those published in May 2010.

Classification

Non-current assets and non-current liabilities in the parent company and the group largely consist of amounts that are expected to recovered or paid after more than twelve months, calculated from the end of the reporting period. Current assets and current liabilities in the parent company and the group largely consist of amounts that are expected to be recovered or paid within twelve months, calculated from the end of the reporting period.

Segment reporting

Identification of segments is based on the internal reporting to the chief operating decision-maker, which as far as TradeDoubler is concerned is deemed to be the President.

The group's internal reporting system is based on geographical areas, see further description in note 3.

Basis of consolidation

Subsidiaries

The group's financial statements comprise the financial statements of the parent company and all of its subsidiaries. Subsidiaries are the companies over which the parent company has a controlling influence. Controlling influence means, directly or indirectly, a right to set the company's financial and operational strategies with the aim of obtaining economic benefits. When determining whether a controlling influence exists, potential voting shares that can be called upon or converted without delay should be considered.

All subsidiaries are consolidated using the purchase method. The method means that acquisition of a subsidiary is treated as a transaction by which the group indirectly acquires the subsidiary's assets and assumes its liabilities and contingent liabilities. The consolidated historical cost is determined through a purchase price allocation in connection with the acquisition. The analysis determines the cost of acquisition of the shares or the entity, as well as the fair value at the date of acquisition of the identifiable assets acquired and liabilities and contingent liabilities assumed. The cost of acquisition of a subsidiary's shares and operations consists of the fair values of the assets on the date of exchange, liabilities incurred or assumed and equity instruments issued as consideration in exchange for the acquired net assets. In business combinations where the cost of acquisition exceeds the net value of acquired assets, and liabilities and contingent liabilities assumed, the difference is recognized as goodwill. When the difference is negative, this is recognized directly in the income statement.

The subsidiaries' financial statements are included in the consolidated financial statements from the date of acquisition until the date where the controlling influence ceases.

Transactions eliminated on consolidation

Inter-company receivables and liabilities, revenue or expenses, and unrealized gains or losses arising from transactions between group companies, are eliminated in full on preparation of the consolidated financial statements.

Foreign currency

Transactions in foreign currencies

Transactions in foreign currencies are translated to the functional currency at the exchange rate prevailing on the transaction date. The functional currency is the currency which applies in the primary economic environments in which the companies conduct their operations. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the prevailing year-end exchange rate. Exchange differences arising on translation are recognized in the income statement with the exception of exchange differences in respect of inter-company loans which are treated as a net investment in a foreign operation (increased/reduced net investment) where the exchange differences are recognized in other comprehensive income in the same way as translation differences.

Financial statements of foreign operations

The group's presentation currency is the Swedish krona (SEK). Assets and liabilities in foreign operations, including goodwill and other goodwill/negative goodwill arising on consolidation, are translated from the foreign operation's functional currency to the group's presentation currency, Swedish krona, at the exchange rate prevailing at the end of the reporting period. Income and expenses in a foreign operation are translated to Swedish kronor at an average rate that represents an approximation of the prevailing exchange rates on the date of each transaction. Translation differences arising on such translation are recognized directly against equity as a translation reserve.

At present, the Company does not hedge foreign exchange exposure. In connection with the disposal of a foreign operation the accumulated translation differences attributable to the operation are recognised in the consolidated income statement. As of the reporting date, the Company has not divested any business operations.

Revenue

Sales revenue, which is synonymous with net sales, is recognized at the fair value of the consideration received, or which shall be received, taking into account any discounts and rebates. Revenue recognition takes place in the income statement when it is probable that the future economic benefits will accrue to the group and these benefits can be measured in a reliable manner. Revenue includes only the gross inflow of economic benefits that the Company receives or can receive for its own benefit. Revenue from rendering services is recognized when the economic benefits for the services performed can be measured reliably and the economic benefits accrue to the group.

Group revenue consists of payments from the companies and organizations that advertise and market their products and services via the group. Revenue consists of fixed start-up and monthly fees as well as variable transaction and consulting revenues. The majority of revenue consists of transaction revenues.

For the parent company, revenue consists mainly of licensing fees charged to subsidiaries.

Operating expenses and financial income and expenses

Cost of goods sold

Cost of goods sold consists of payments to publishers and search engines and is recognized as revenue recognition takes place.

Financial income and expenses

Interest income is primarily interest on bank deposits and is recognized in the income statement as it arises by application of the effective interest method. Dividend income is recognized in the income statement when the group secures the right to receive payments. Financial expenses consist of interest costs on borrowings, the effect of dissolution of present value computation of provisions, loss on changes in value of financial assets measured at fair value via the income statement, impairment of financial assets and such losses on hedging instruments that are recognised in the income statement. All borrowing costs are recognized in revenue by using the effective interest method irrespective of how the borrowed funds have been deployed. Exchange gains and exchange losses are recognised net.

Financial instruments

Financial instruments on the asset side that are recognized in the balance sheet include cash and cash equivalents, trade and financial receivables. Liabilities include trade payables, liabilities to publishers and liabilities to credit institutions.

Recognition and derecognition in the balance sheet

A financial asset or financial liability is carried in the balance sheet when the Company or one of the subsidiaries becomes a party under the commercial terms of the instrument. Trade receivables are carried in the balance sheet when the invoice has been sent. Liabilities are carried when the counterparty has performed and there is a contractual obligation to pay, even if the invoice has not yet been received. Trade payables are recognized upon receipt of invoice.

A financial asset is derecognized when the contractual rights are realized, expire or the Company no longer has control over them. The same rule applies for part of a financial asset. A financial liability is derecognized when the contractual liability is discharged or otherwise expires. The same rule applies for part of a financial liability. Acquisition and disposal of financial assets are recognized on the transaction date, which represents the day when the Company committed to acquire or dispose of the asset. The fair value of quoted financial assets corresponds to the asset's quoted buying rate at the end of the reporting period.

The fair value of unquoted financial assets is determined by using valuation techniques such as recently completed transactions, the price of similar instruments and discounted cash flows.

Classification and measurement

Financial instruments that are not derivatives are initially recognized at the cost of acquisition corresponding to the fair value of the instrument plus transaction costs for all financial instruments, apart from those classified as financial assets recognized at fair value via the income statement, which are recognized at fair value excluding transaction costs. A financial instrument is classified on initial recognition based on the purpose for which the instrument was acquired. The classification determines how the financial instrument is measured after the initial reporting date, as described below.

Loans and receivables

Loans and receivables are financial assets that are not derivative instruments, which have fixed or determinable payments and which are not quoted on an active market. These assets are measured at amortized cost according to the effective interest method.

Trade receivables are recognized at the amount that is expected to be received less doubtful debts, which are assessed individually. Since trade receivables have a short expected maturity, the value of each receivable is carried at its nominal amount with no discount. Impairment losses of receivables are recognized in operating expenses.

Receivables with an expected maturity of more than one year are classified as non-current receivables and those with shorter maturities are classified as other receivables.

Financial liabilities

Financial liabilities are measured at amortized cost. Amortized cost is determined on the basis of the effective rate measured when the liability was carried. This means that premiums or discounts and issue expenses are allocated over the term of the liability.

Trade payables have short expected maturities and are measured at their nominal value without discount.

Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and directly accessible balances at banks and similar institutions as well as short-term highly liquid investments with original maturities of less than three months which are only subject to an insignificant risk of fluctuations in value.

Property, plant and equipment

Owned assets

Property, plant and equipment is recognized as an asset in the balance sheet if it is probable that the future economic benefits will accrue to TradeDoubler and the cost of the asset can be reliably measured. The cost of acquisition is defined as the purchase price and the costs for putting the asset in place.

Property, plant and equipment is recognized in the group at cost less accumulated depreciation and any impairments. Additional expenditure is added at cost only if it is probable that the future economic benefit associated with the asset will increase. All other expenditure is expensed.

Property, plant and equipment consisting of units with different useful lives are treated as separate items of property, plant and equipment.
The carrying amount of an item of property, plant and equipment is derecognized on retirement or disposal or when no future economic benefits can be expected from its use. Gains or losses arising from disposal or retirement of an asset consist of the difference between the selling price and the asset's carrying

amount less directly related selling expenses. Gains and losses are recognized as other operating revenue/expenses.

Leased assets
The leases in the group have been classified as operating leases, which means that the lessor retains the absolute majority of the risks and the benefits of ownership of an asset. Operating leases mean that leasing fees are expensed on a straight-line basis over the term of the lease, which may differ in practice from the amount of leasing fees paid during the year.

Depreciation methods
Depreciation takes place on a straight-line basis over the estimated useful life of the asset.

Equipment	Three to five years

An assessment is made of an asset's residual value and useful life every year.

Intangible assets
Goodwill
Goodwill is measured at acquisition cost less any accumulated impairment. Goodwill is distributed to cash-generating units and is tested at least once annually for any impairment need. Testing is performed more frequently if there are indications that the unit may need to be impaired. If the recoverable amount of the cash-generating unit is less than the carrying value the impairment loss is allocated first to reduce any goodwill carrying amount allocated to the unit and the unit's other assets on a pro-rata basis of the carrying value of each asset in the unit.

For acquisitions where the cost is less than the net value of assets acquired and liabilities and contingent liabilities, the difference is recognized directly in the income statement.

Development
Expenses for new or substantially improved products or processes are carried as assets in the balance sheet only if the product or process is technologically or commercially viable and the group has sufficient resources to complete development. Capitalization may occur when a new platform or functionality is developed and includes costs of materials, direct work and a reasonable share of indirect costs. System maintenance costs are expensed as they arise. Capitalized development expenses are reported at cost less accumulated depreciation and impairment charges.

Other intangible assets
Other intangible assets acquired by the group consist of client relations, technology platforms and trademarks, and are recognized at acquisition cost less accumulated depreciation (see below) and impairment.

Additional expenditure
Additional costs for capitalized intangible assets are recognized as an asset in the balance sheet only when they increase the future economic benefits for the specific asset to which they relate to. All other costs are expensed as they arise.

Amortization methods
Amortization is recognised in the income statement on a straight-line basis over the estimated useful lives of the intangible assets, provided such useful lives are determinable. Goodwill and other intangible assets with an undeterminable useful life are tested for impairment on an annual basis and also as soon as there are indications suggesting that the asset in question has decreased in value. Intangible assets that may be amortized are amortized from the date from which they are available for use. The estimated useful lives are:

Client relations	Seven years
Technology platforms	Three years
Trademarks	Five years
Development	Three years

Impairment
The carrying amounts of the group's assets are tested on each balance sheet date in order to determine if there is any indication of an impairment need. IAS 36 is applied for testing impairment requirements for assets other than financial assets, which are tested in accordance with IAS 39, assets for sale and disposal groups, which are tested in line with IFRS 5, and deferred tax receivables. For exempted assets, as above, the carrying amount is tested in accordance with each standard.

Impairment testing of property, plant and equipment and intangible assets and participations in subsidiaries
If there is an indication that an asset may be impaired, the asset's recoverable amount is calculated using IAS 36 (see below). If it is impossible to determine significant independent cash flows to a single asset, the assets should be grouped, in conjunction with impairment testing, at the lowest level at which it is possible to identify significant independent cash flows - a so-called cash-generating unit.

An impairment loss is recognized when the carrying amount of an asset or cash-generating unit (group of units) exceeds its recoverable amount. An impairment is charged to the income statement.

The recoverable amount is the higher of the fair value less selling expenses and value in use. In calculating value in use, future cash flows are discounted using a discount factor that takes into account the risk-free interest rate and the risk relating to the specific asset.

Impairment testing of goodwill
Goodwill consists of the amount by which the acquisition cost exceeds the fair value of the net assets acquired by the group in conjunction with a company acquisition or acquisition of assets and liabilities. Goodwill arising from the acquisition of an associated company is included in the carrying amount for the associated company. Goodwill is allocated to cash-generating units upon acquisition and is not amortized, but is tested annually to identify any impairment needs. Goodwill is measured at acquisition cost less any accumulated impairments. Impairments of goodwill are not reversed. The recognized revenue from the disposal of a group company includes the remaining carrying amount of the goodwill attributable to the sold entity.

Impairment testing of financial assets
In connection with quarterly financial reporting, TradeDoubler assesses whether there is objective evidence that a financial asset or group of assets requires impairment. Objective evidence consists partly of observable circumstances that occurred and which have a negative impact on the possibility to recover the cost of acquisition.

The recoverable amount of assets belonging to the categories of loans and receivables, which are recognized at amortized cost, is measured as the present value of future cash flows discounted by the effective rate that applied upon initial recognition of the asset. Assets with a short term are not discounted. An impairment is charged to the income statement.

Reversal of impairment losses
An impairment is reversed if there is an indication that an impairment need no longer exists and a change has occurred in the assumptions that provided the basis for the measurement of the recoverable amount. A reversal is only made to the extent that the carrying amount of the asset after reversal does not exceed the carrying amount that would have been recognized, less amortization where appropriate, if no impairment had been made. Impairment of goodwill is never reversed.

Impairments of loans and receivables recognized at amortized cost are reversed if a later increase in the recoverable amount can be objectively attributed to an event that occurred after the impairment was made.

Earnings per share
The calculation of earnings per share is based on the group's net profit for the year attributable to the parent company's shareholders and on the weighted average number of shares in issue during the year. In the calculation of earnings per share after dilution, the profit and the average number of shares are adjusted to take account of the effects of dilutive potential ordinary shares, which consisted of warrants issued to employees during the presented periods. A rights issue was ongoing as at December 31, 2009, which was completed in January 2010.

The average number of outstanding shares has been adjusted upwards by the bonus issue component of the preferential rights issue for 2008 and 2009.

Employee benefits
Defined contribution plans
The group mainly operates defined contribution pension plans. In defined contribution plans, TradeDoubler pays fixed fees to an insurance company and has no obligation to pay further amounts.

Obligations in respect of charges for defined contribution plans are recognized as an expense in the income statement as they arise.

Compensation on termination of employment

A provision is recognized in conjunction with the termination of employment only if it is evident that TradeDoubler is obligated, without any realistic possibility of withdrawal, by a formal detailed plan to terminate employment before the normal retirement date. When remuneration is offered to encourage voluntary severance, it is recognized as a cost if it is likely that the offer will be accepted and the number of employees accepting the offer can be reliably estimated.

Share-based remuneration

Stock option programs enable employees to acquire shares in the parent company. The fair value of the allotted options is recognized as a personnel cost with a corresponding increase in shareholders' equity. The fair value is calculated at the date of allotment and is allocated over the vesting period. The fair value of the allotted options is calculated according to the Black-Scholes method, taking into consideration the terms and conditions prevailing on the allotment date, including the market value when available. The amount which is recognized as an expense is adjusted to reflect the actual number of options earned.

During every year-end closing, an assessment is made as to whether, and to what degree, the vesting conditions will be fulfilled. If this assessment results in an estimate of a lower number of options being earned during the vesting period, previously expensed amounts are reversed in the income statement. This means that in those cases where the vesting requirements are not fulfilled, no costs will be recognized in the income statement, as viewed over the entire vesting period. Social security contributions attributable to the options programs are recognized.

Provisions for social security contributions are calculated using the best estimate at each closing date of the group's future liability for social security contributions. The provision for social security contributions is allocated over the vesting period. The calculations are based on the fair value of the options on each closing date. The provision for social security contributions also includes social security contributions for equity instruments.

Provisions

Provisions are recognized in the balance sheet when the group has an existing legal or informal obligation as a result of past events, and it is probable that an outflow of financial resources will be required to settle the obligation and the amount can be reliably estimated. Provisions include leases where the outlay exceeds the economic benefits. In cases where the effect of payment timing is significant, provisions are calculated by discounting the expected future cash flow at an interest rate before tax that reflects current market assessments of the time value of money, and if applicable, the risks specific to the liability.

Taxes

Income taxes in the income statement include both current tax and deferred tax. Taxes are recognized in the income statement except where the underlying transaction is recognized in other comprehensive income or directly against equity.

Current tax is tax that shall be paid or received in respect of the current year, using the tax rates which have been enacted or which in practice were enacted on the balance sheet date. This includes adjustments of current tax attributable to prior periods.

Deferred taxes are estimated in accordance with the liability method, based on temporary differences between the tax bases of assets and liabilities and their carrying amounts. The following temporary differences are not taken into consideration; for temporary differences arising on the initial recognition of goodwill, nor for the initial recognition of assets and liabilities that are not business combinations and which at the transaction date affect neither accounting nor taxable income, furthermore, temporary differences are not taken into consideration that are attributable to participations in subsidiaries and associated companies and which are not expected to be reversed within the foreseeable future. The measurement of deferred tax is based on how the carrying amounts of assets or liabilities are expected to be realized or settled. Deferred tax is measured using the tax rates and tax regulations that are enacted or which are in practice enacted on the balance sheet date.

Deferred tax assets in respect of deductible temporary differences and loss carryforwards are only recognised to the extent that it is probable that these can be utilized. The value of deferred tax assets is reduced when it is no longer considered probable that they can be utilized.

Any additional income tax arising on dividends is recognized at the same time as the dividend is recognized as a liability.

Contingent liabilities

A contingent liability is recognized when there is a possible obligation arising from past events and whose occurrence can only be confirmed by one or more uncertain future events or when an obligation arises which cannot be recognized as a liability or provision as it is not probable that an outflow of resources will be required or the liability can not be measured with sufficient reliability.

The Parent Company's accounting policies

The parent company has prepared its annual financial statements according to the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation, RFR 2 Accounting for Legal Entities. RR 2 means that the parent company, in the financial statements for the legal entity, shall apply all EU adopted IFRS and statements whenever possible within the framework of the Swedish Annual Accounts Act and taking into account the relationship between recognition and taxation. The recommendation states which exemptions and amendments from IFRS should be utilized. Statements issued by the Swedish Financial Reporting Board are also applied.

Differences between the accounting policies of the Group and the Parent Company

The differences between the accounting policies applied by the group and the parent company are shown below. The accounting policies stated below for the parent company have been consistently applied for all periods presented in the parent company's financial statements.

Classification and format

The parent company's income statement and balance sheet are prepared according to the Swedish Annual Accounts Act's layout. The difference in relation to IAS 1: Presentation of financial statements that was applied in the presentation of the consolidated financial statements is mainly in recognition of financial income and expenses, non-current assets and shareholders' equity and the presence of provisions as a separate heading in the balance sheet.

Subsidiaries

Participations in subsidiaries are recognized in accordance with the cost method.

Group contributions and shareholders' contributions for legal entities

The parent company reports group contributions and shareholders' contributions in accordance with the statement of the Swedish Financial Reporting Board's statement. Group contributions are recognized according to their financial effects. This means that group contributions that are granted with a view to minimizing the group's total tax are reported directly against equity. Shareholders' contributions are carried directly against equity in the case of the receiver and capitalized as shares and participations by the grantor, to the extent that impairment is not required.

02. Distribution of revenue

	Group		Parent Company	
SEK '000	2010	2009	2010	2009
Revenues Transaction	2,228,832	2,231,824	11,163	12,007
Other revenue	118,059	290,103	3,241	2,984
Revenues Search	493,179	492,422		
License fees	-	-	137,150	240,572
Total revenue	**2,840,070**	**3,014,349**	**151,554**	**255,563**

03. Segment reporting

TradeDoubler has four segments, Central Europe, Northern and Eastern Europe including Japan, the UK and Ireland and Southern Europe. Identification of segments is based on the internal reporting to the chief operating decision-maker. Reporting and follow up take place based on the geographical regions which constitute the basis of division for the segment reporting which corresponds to the previous primary segment reporting. The group's chief operating decision-maker continually follows up the gross profit and operating profit per segment.

Inter-company transfer prices between the group's different segments are set based on the "arm's length" principle, i.e. between parties that are independent of each other, well informed and with an interest in completing the transactions.

Operating profit for the parent company, central functions and eliminations primarily refers to the parent company's operating expenses and costs for central functions such as marketing, IT and research and development.

The same accounting principles as the group are applied in the segment reporting.

TradeDoubler has no customers which account for revenues of more than 10 per cent of the company's total revenues for the years 2010 or 2009.

	Gross profit		Operating profit	
SEK '000	2010	2009	2010	2009
Central Europe	144,392	144,512	80,517	78,928
Northern and Eastern Europe, including Japan	94,503	95,044	41,655	43,568
UK and Ireland	133,928	160,344	68,600	-108,743
Southern Europé	285,593	289,993	183,084	186,512
Parent Company, central function and eliminations	-	-	-291,328	-305,343
Total	**658,416**	**689,893**	**82,528**	**-105,078**

Geographical information

	Gross profit		Operating profit	
SEK '000	2010	2009	2010	2009
Sweden	41,911	40,562	17,915	18,936
Great Britain	129,573	154,641	68,018	-107,456
Germany	66,084	72,326	37,979	40,745
France	121,835	120,132	83,715	87,756
Spain	47,599	52,646	31,023	34,948
Italy	59,916	56,802	39,824	35,977
Other	191,498	192,784	-195,945	-215,984
Total	**658,416**	**689,893**	**82,528**	**-105,078**

04. Remuneration to employees, group management and board of directors

Average number of employees	2010		2009	
		men (%)		men (%)
Parent company				
Sweden	81	63	86	61
Subsidiaries				
Belgium	11	67	10	57
Denmark	13	50	13	70
Finland	12	55	11	64
France	57	63	52	58
Ireland	5	57	4	56
Italy	27	41	25	44
Japan	0	0	5	61
Lithuania	8	51	8	49
Netherlands	22	75	24	90
Norway	13	72	12	75
Poland	19	48	12	72
Portugal	4	67	3	67
Russia	5	54	5	45
Switzerland	15	70	14	67
Spain	34	59	32	64
UK	170	59	198	61
Sweden	29	77	30	63
Germany	40	63	42	65
Austria	5	55	3	53
Total subsidiaries	**489**	**60**	**503**	**62**
Total group	**570**	**61**	**589**	**62**

Distribution of men and women in board of directors and group management

	Group		Parent Company	
Share women (%)	2010	2009	2010	2009
The board of directors	42.9	33.3	42.9	33.3
President and other senior executives	16.7	12.5	16.7	12.5

Absence due to illness in the parent company

%	2010	2009
Total absence due to illness as a percentage of regular working hours	2.2	1.3
Of which represents continuous absence due to illness of 60 days or more	48.0	10.0

Absence due to illness as a percentage of each group's regular working hours

%	2010	2009
Absence due to illness distributed by gender:		
Men	0.8	0.8
Women	4.7	2.3
Absence due to illness distributed by age group:		
29 years or younger	0.5	0.8
30-49 years	3.1	1.6
50 years or older	0.1	-

Note 4 continue

Remuneration to employees distributed between the Parent Company and subsidiaries

	Salaries and other remune-ration	Social fees (of which pension)	Salaries and other remune-ration	Social fees (of which pension)
	2010		2009	
Parent Company	62,807	24,585	60,304	25,893
		(6,847)		(6,914)
Subsidiaries	217,214	38,830	260,299	40,043
		(6,175)		(5,743)
Total	**280,021**	**63,415**	**320,603**	**65,936**

Cost of remuneration to employees

	Group	
SEK '000	**2010**	2009
Salaries and remuneration	280,021	321,172
Share-based payments	-	-569
	280,021	320,603
Pension expenses, defined contribution plans (see further in note 16)	13,022	12,657
Social security contributions	50,393	53,378
Social security contributions attributable to share-based payments	-	-99
	63,415	65,936
Total	**343,436**	**386,539**

Costs for remuneration to employees amounted 2009 to SEK 386.5 M. Adjusted for allocation of variable remuneration regarding 2008, share-based payments and changes in foreign exchange rates, remuneration to employees 2009 totaled SEK 365.8.

Remuneration distributed by country and between group management and other employees in the group.

	Senior executives	Other employees	Senior executives	Other employees
	2010		2009	
Parent Company				
Parent Company	16,947	45,860	12,831	47,473
(of which variable remuneration)	(1,442)	(134)	(479)	(3,605)
Subsidiaries				
Belgium	-	4,901	-	3,885
(of which variable remuneration)	-	(315)	-	(244)
Denmark	-	8,663	-	8,872
(of which variable remuneration)	-	(1,502)	-	(826)
Finland	-	5,935	-	5,343
(of which variable remuneration)	-	(694)	-	(448)
France	-	23,137	-	22,156
(of which variable remuneration)	-	(4,600)	-	(2,692)
Ireland	-	3,095	-	3,191
(of which variable remuneration)	-	(599)	-	(735)
Italy	-	13,897	-	13,852
(of which variable remuneration)	-	(2,865)	-	(2,340)
Japan	-	-	-	4,295
(of which variable remuneration)	-	-	-	(235)
Lithuania	-	1,604	-	1,644
(of which variable remuneration)	-	(169)	-	(144)
Netherlands	-	8,582	-	10,653
(of which variable remuneration)	-	(100)	-	(912)
Norway	-	8,797	-	8,225
(of which variable remuneration)	-	(1,750)	-	(1,012)
Poland	-	5,636	-	3,812
(of which variable remuneration)	-	(1,009)	-	(196)
Portugal	-	1,508	-	1,578
(of which variable remuneration)	-	(129)	-	(164)
Russia	-	1,877	-	2,109
(of which variable remuneration)	-	(330)	-	(485)
Switzerland	-	9,398	-	8,573
(of which variable remuneration)	-	(830)	-	(223)
Spain	-	12,230	-	15,469
(of which variable remuneration)	-	(986)	-	(2,165)
UK	1,720	69,898	2,993	100,613
(of which variable remuneration)	-	(2,744)	(76)	(8,842)
Sweden	-	13,830	-	14,909
(of which variable remuneration)	-	(1,392)	-	(1,742)
Germany	-	20,264	-	25,936
(of which variable remuneration)	-	(723)	-	(3,401)
Austria	-	2,242	-	2,191
(of which variable remuneration)	-	(-29)	-	(277)
Total subsidiaries	**1,720**	**215,494**	**2,993**	**257,306**
(of which variable remuneration)	-	(20,708)	(76)	(27,083)
Total group	**18,667**	**261,354**	**15,824**	**304,779**
(of which variable remuneration)	(1,442)	(20,842)	(555)	(30,688)

Remuneration to the president, group management and board of directors

Remuneration and other benefits, (SEK '000)	2010 Basic salary, directors' fees	Variable remunera-tion	Long-term incentive programs	Pension obligations	Total	2009 Basic salary, directors' fees	Variable remunera-tion	Long-term incentive programs	Pension obligations	Total
The Board of Directors										
Mats Sundström [1]	811	-	-	-	811	347	-	-	-	347
Elisabet Annell [2]	-	-	-	-	-	96	-	-	-	96
Kristofer Arwin	268	-	-	-	268	200	-	-	-	200
Heléne Vibbleus Bergquist [1]	518	-	-	-	518	198	-	-	-	198
Eva Brådhe [1, 3]	-	-	-	-	-	108	-	-	-	108
Martin Henricson	293	-	-	-	293	217	-	-	-	217
Nick Hynes [3]	-	-	-	-	-	183	-	-	-	183
Martina King	200	-	-	-	200	-	-	-	-	-
Lars Lundquist [2]	-	-	-	-	-	108	-	-	-	108
Rolf Lydahl [2]	-	-	-	-	-	88	-	-	-	88
Lars Stugemo	68	-	-	-	68	200	-	-	-	200
Caroline Sundewall [1]	518	-	-	-	518	198	-	-	-	198
Simon Turner	200		-	-	200	-	-	-	-	-
Örjan Frid (former CEO) [4]	1,463	-	-	-	1,463	3,900	-	-	-	3,900
Urban Gillström (CEO) [5]	2,625	1,000	-	683	4,308	-	-	-	-	-
Other group management	**14,600**	**442**	**-**	**1,919**	**16,961**	**11,369**	**555**	**-**	**1,974**	**13,898**
Total	**21,564**	**1,442**	**-**	**2,602**	**25,608**	**17,212**	**555**	**-**	**1,974**	**19,741**

[1] From May, 6, 2009
[2] Until May 6, 2009
[3] Until Nov 16, 2009
[4] Örjan Frid took over as President and CEO on December 22, 2008. Örjan Frid is an interim president and remuneration is paid consisting of a fixed consultancy fee of SEK 325,000 per month. The amount includes a dismissal pay of three months. No other remuneration or termination benefits are payable.
[5] From February 16, 2011
[6] The directors´ fees are allocated on the basis of the calender year

The group management was composed of six persons as at December 31, 2010 (eight persons as at December 31, 2009).
Björn Lindberg was TradeDoubler´s COO until December 31, 2010. In addition to dismissal pay until June 30, 2011, termination benefits have been paid.
Ulrika Wahllöf was TradeDoubler´s Human Resources Director until June, 2010. In addition to dismissal pay until October 16, 2010, termination benefits have been paid.
Thord Norberg was TradeDoubler´s CFO until May,2010. In addition to dismissal pay until August 16, 2010 termination benefits have been paid.
Termination benefits of totally SEK 1,556,000 have been paid.

Remuneration to the board and senior executives

Fees to board memebers and members of the board's committees

The annual general meeting 2010 approved the following remuneration to the board of directors:

SEK 650,000 to the chairman of the board and SEK 300,000 to each of the other board members elected by the annual general meeting who are not employed in TradeDoubler. In addition to this, the annual general meeting approved remuneration for committee work, to the members appointed by the board, of SEK 100,000 to the chairman of the audit committee and SEK 50,000 to each of the other members of the audit committee, and SEK 50,000 to the chairman of the remuneration committee and SEK 25,000 to each of the other members of the remuneration committee.

The annual general meeting 2010 resolved that additional remuneration for exceptional work contributions should be paid to three board members, Mats Sundström, Heléne Vibbleus Bergquist and Caroline Sundewall of SEK 150,000 each.

The annual general meeting 2010 authorised the payment of directors' fees and additional remuneration to a board member's company, provided it has no impact on the Company's costs and is in compliance with current tax legislation. The additional remuneration have for two members of the board been paid out to the respective board members company.

Guidelines for remuneration for senior executives

The annual general meeting 2010 resolved on the following guidelines for remuneration to senior executives, referring to the chief executive officer and other members of the group management (the company management).

The total remuneration shall be competitive on the local market in which the employee is based in order to attract, motivate and retain skilled employees. The individual remuneration shall be based on the employee's experience, skills, responsibilities and performance.

The total remuneration should be based on four main components; fixed salary, variable remuneration, pension benefits and long-term incentive programme. The fixed salary shall be commercially competitive and based on experience, skills, responsibilities and performance. Variable remuneration should be commercially competitive and reward growth, operating profit and should be applied consistently throughout the group. It should be based on predetermined measurable targets, both quantitative and qualitative, and agreed in writing with the employee.

The outcome of the variable remuneration shall have an upper ceiling, which normally should not exceed 50 per cent of the fixed salary.

Pension benefits are offered to certain members of the company management depending on local market conditions. Swedish-based employees are offered a solution which largely corresponds with the ITP plan.

A mutual period of notice of 3-9 months shall apply for the company management. In the event of termination by the Company, termination benefits, in applicable cases, shall not exceed an amount equivalent to 12 fixed monthly salaries. In the event of termination by the employee, he or she shall not normally be entitled to any termination benefits.

In addition to variable remuneration, which rewards growth and operating profit during the financial year, the board considers that long-term incentive programmes are an important component of the long-term remuneration strategy. In the future, the board may invite the company management and other key employees to participate in a long-term incentive programme. The board considers that such a programme should be performance-based or require personal investment and imply continued employment in the group. Share-related and share-price related incentive programmes must be approved by the general meeting of shareholders.

Other benefits, such as car benefit, should have a limited value in relation to the total remuneration package.

Questions concerning terms of employment of the chief executive officer are determined by the board. The chief executive officer determines the terms of employment for other members of the company management after approval from the remuneration committee.

The board of directors or the remuneration committee may depart from these guidelines if special grounds exist in a particular case.

Note 4 continue

Pension benefits

TradeDoubler offers pension plans on some markets that are adapted to the local market conditions. The pension plans are mainly defined contribution, i.e. TradeDoubler pays determined fees to an insurance company and has no subsequent obligations. The retirement age for all senior executive is 65. No right to early retirement exists.

Chief executive officer

For the cheif executive officer a mutual period of notice of 6 months shall apply. In the event of termination by the Company, the chief executive officer is entitled to termination benefits of 12 months to be paid out monthly in equal shares.

The pension plan of the chief executive officer consists of a defined contribution plan amounting to 26 percent of the fixed salary. Payment to the pension plan will end at retirement or earlier if the chief executive officer leaves the company for any other reason.

Variable remuneration including long-term incentive programs

TradeDoubler operates a performance- and results-based programme for variable remuneration for employees within the group. Various quantitative and qualitative performance- and results-based targets are set for different occupational categories, based on company-wide, regional and discretionary targets for the employees. The Company management receive variable remuneration which is primarily linked to the group's financial performance. The variable remuneration has a ceiling. The ceiling lies in the range of between 10 and 50 per cent for the majority of employees. For the Company management the variable remuneration can amount to 50 per cent of the fixed salary.

Variable remuneration is paid annually in arrears, however, portions of the variable salary are determined and dispursed on a quarterly basis for employees within the occupational categories – sales and client services.

During 2010, SEK 26.5 M, of which SEK 4.1 M are social fees, was expensed for the performance- and results-based program for variable remuneration in respects of 2010.

Apart from this performance- and results-based program for variable remuneration for employees within the group, a large number of employees previously have been invited to participate in the employee stock option program, see further in note 16.

05. Remuneration for auditor

SEK '000	Group 2010	Group 2009	Parent Company 2010	Parent Company 2009
Ernst & Young				
Audit assignments	6,766	4,410	3,895	3,210
Audit related fees	256	322		
Tax services	95	-	75	-
Other assignments	350	482	243	482
KPMG				
Audit assignments	234	4,593		2,030
Audit related fees	-	-	-	-
Tax services	-	-	-	-
Other assignments	105	-	-	-
Other auditors				
Audit assignments	-	183	-	-
Other assignments	-	30	-	-
Total	**7,806**	**10,020**	**4,213**	**5,722**

Audit assignments refers to the examination of the annual accounts, the consolidated accounts and accounting records as well as the administration of the board of directors and the CEO, other duties that the Company´s auditors are obliged to perform as well as advice or other assistance arising from observations during such examination and implementation of such duties. In addition, the auditor reviewed the corporate governance report. The auditor has also reviewed the interim report for the period January-June 2010 and has been retained for certain advice, most of which pertained to audit-related consultations regarding accounting and tax matters.

06. Operating costs allocated by type of cost

SEK '000	Group 2010	Group 2009
Remuneration cost to publishers	1,857,169	1,869,236
Remuneration cost to seach engines	324,485	455,220
Employee costs	376,427	410,809
Depreciation and amortization	30,933	37,684
Impairments	-	150,339
Other operating costs	168,528	196,139
Total	**2,757,541**	**3,119,427**

07. Net Financial Items

SEK '000	Group 2010	Group 2009
Interest income on bank balances	766	664
Interest income, other	57	
Financial income	**823**	**664**
Interest expenses on financial liabilities measured at amortised cost	-1,232	-16,302
Interest income, other	-406	
Changes in foreign exchange rates	-10,371	-6,314
Financial expenses	**-12,009**	**-22,616**
Net financial items	**-11,186**	**-21,952**

SEK '000	Parent Company 2010	Parent Company 2009
Dividend	7,209	5,452
Interest income, group companies	6,679	7,807
Interest income, other	511	27
Changes in foreign exchange rates	40,255	2,672
Financial income	**54,654**	**15,958**
Interest expenses	-5,235	-13,950
Financial expenses	**-5,235**	**-13,950**
Net financial items	**49,418**	**2,008**

08. Taxes

Recognised in the income statement

SEK '000	Group 2010	Group 2009
Current tax expense		
Tax expense for the period	-15,807	-30,967
Deferred tax expense		
Deferred tax in respect of temporary differences	4,794	-7,103
Deferred tax revenue in capitalised loss carrying forwards for tax purposes during the year	1,917	3,047
Deferred tax expense due to utilisation and revision of previous capitalised loss carryforwards for tax purposes	-911	-16,440
Total	**-10,007**	**-51,463**

SEK 7,654 M (-5,638) of the tax expense was recognised in other comprehensive income and relates to an exchange difference on an intra-group loan (increased net investment).

SEK '000	Parent Company 2010	Parent Company 2009
Current tax expense		
Tax expense for the period	-469	-19,824
Tax attributable to previous years	-1,955	1,121
Tax attributable to group companies	-	-2,354
Total	**-2,424**	**-21,057**

SEK 7,654 M (-5,638) of the tax expense was recognised in other comprehensive income and relates to an exchange difference on an intra-group loan (increased net investment).

Reconciliation of effective tax

Group	2010 %	2010 SEK '000	2009 %	2009 SEK '000
Profit before tax		71,342		-127,029
Tax according to applicable tax rate for parent company	26.3	-18,763	26.3	33,409
Effect of other tax rates for foreign subsidiaries	1.8	-1,280	3.0	3,823
Adjustment of tax in respect of previous years	-4.7	3,368	-1.3	-1,705
Non-deductible expenses	2.5	-1,762	-34.7	-44,114
Non-taxable income	0.0	7	0.0	11
Increase in loss carryforwards without corresponding capitalisation of deferred tax	-	-	-22.9	-29,072
Capitalisation of loss carryforwards	-2.7	1,917	-	-
Utilisation of previous capitalised loss carryforwards	-5.4	3,884	-	-
Write-down of previous capitalised loss carryforwards	-	-	-10.6	-13,500
Other	-3.7	2,622	-0.3	-315
Effective tax/tax rate	**14.0**	**-10,007**	**-40.5**	**-51,463**

Parent Company	2010 %	2010 SEK '000	2009 %	2009 SEK '000
Profit before tax		8,215		88,425
Tax according to applicable tax rate for parent company	26.3	-2,161	26.3	-23,256
Tax attributable to previous years	23.8	-1,955	-1.3	1,121
Non-deductible expenses	2.5	-204	0.4	-356
Non-taxable income	-23.1	1,896	-1.6	1,434
Effective tax/tax rate	**29.5**	**-2,424**	**23.8**	**-21,057**

Deferred tax assets and tax liabilities recognised in the balance sheet

Deferred tax assets and tax liabilities are attributable to the following:

Group	Deferred tax assets		Deferred tax liabilities		Net	
SEK '000	**2010**	2009	**2010**	2009	**2010**	2009
Loss carryforwards	27,700	28,831	-	-	27,700	28,831
Other receivables	-	-	-	-769	-	-769
Other liabilities	-	-	-5,495	-5,495	-5,495	-5,495
Hedging recognised against equity	-	-	-5,638	-5,638	-5,638	-5,638
Other non-current assets	-	-	-6,766	-11,960	-6,766	-11,960
Deferred tax assets and tax liabilities	**27,700**	**28,831**	**-17,899**	**-23,862**	**9,801**	**4,969**

Note 8 continue

Non-recognised deferred tax assets
Deductible temporary differences and loss carryforwards for tax purposes for which deferred tax assets have not been recognised in the income statement and balance sheet:

SEK '000	Group 2010	Group 2009	Parent Company 2010	Parent Company 2009
Loss carryforwards for tax purposes	36,963	44,024	-	-
Total	**36,963**	**44,024**	**-**	**-**

The value for tax purposes of capital loss carryforwards of SEK 27,700,000 and non-capital loss carryforwards of SEK 36,963,000, amounting to SEK 64,663,000 in total, have a perpetual term. For information on capital loss carryforwards see note 26.

Group

SEK '000	Balance at Jan 1, 2010	Recognised via income statement	Recognised against other comprehensive income	Translation differences	Balance at Dec 31, 2010	Balance at Jan 1, 2009	Recognised via income statement	Recognised against other comprehensive income	Translation differences	Balance at Dec 31, 2009
Capitalisation of loss carryforwards	28,831	1,006	-	-2,137	27,700	39,219	-13,394	-	3,006	28,831
Other receivables	-769	769	-	-	0	-	-769	-	-	-769
Other liabilities	-5,495	-	-	-	-5,495	6,610	-12,105	-	-	-5,495
Exchange difference, increased net investment	-5,638	-	-	-	-5,638	-	-	-5,638	-	-5,638
Other non-current assets	-11,960	4,025	-	1,169	-6,766	-17,232	5,771	-	-499	-11,960
Deferred tax assets and tax liabilities	**4,969**	**5,800**	**-**	**-968**	**9,801**	**28,597**	**-20,497**	**-5,638**	**2,507**	**4,969**

09. Financial assets and liabilities distributed per category

Group

SEK '000	2010 Loans and receivables	2010 Other financial liabilities	2010 Total carrying amount	2009 Loans and receivables	2009 Other financial liabilities	2009 Total carrying amount
Trade receivables	685,862		685,862	657,049		657,049
Other receivables	-		-	42,334		42,334
Cash and bank balances	209,744		209,744	436,596		436,596
Total financial assets	**895,606**	**-**	**895,606**	**1,135,979**	**-**	**1,135,979**
Non-current interest-bearing liabilities		-	-		50,000	50,000
Due to credit institutions		-	-		117,500	117,500
Overdraft facilities		-	-		74,565	74,565
Trade payables		47,398	47,398		127,432	127,432
Liabilities to publishers		447,242	447,242		418,615	418,615
Total financial liabilities	**-**	**494,640**	**494,640**	**-**	**788,112**	**788,112**

Parent Company

SEK '000	2010 Loans and receivables	2010 Other financial liabilities	2010 Total carrying amount	2009 Loans and receivables	2009 Other financial liabilities	2009 Total carrying amoun
Subscribed capital unpaid	-		-	42,334		42,334
Trade receivables and other receivables	3,633		3,633	3,301		3,301
Receivables from group companies	631,470		631,470	890,650		890,650
Cash and bank balances	41,888		41,888	270,836		270,836
Total financial assets	**676,991**	**-**	**676,991**	**1,207,121**	**-**	**1,207,121**
Non-current interest-bearing liabilities		-	-		50,000	50,000
Due to credit institutions		-	-		117,500	117,500
Overdraft facilities		-	-		74,565	74,565
Liabilities to group companies		121,941	121,941		371,631	371,631
Trade payables		10,843	10,843		11,945	11,945
Total financial liabilities	**-**	**132,784**	**132,784**	**-**	**625,641**	**625,641**

Trade receivables, trade payables, other current receivables and liabilities that are measured at cost have short terms and thus fair value corresponds with the carrying amount.

10. Intangible assets

Group

SEK '000	Development expenses	Market and client-based assets	Goodwill	Other	Total
Accumulated acquisition costs					
Opening balance at Jan, 1, 2009	44,596	84,723	531,911	-	661,230
Investments for the year	-	-	-	1,816	1,816
Translation difference	441	1,791	11,233	-	13,465
Closing balance at Dec 31, 2009	**45,037**	**86,514**	**543,144**	**1,816**	**676,511**
Opening balance at Jan 1, 2010	45,037	86,514	543,144	1,816	676,511
Investments for the year	1,112	-	-	2,040	3,152
Disposals	-13,626	-	-	-	-13,626
Translation difference	-1,512	-6,965	-44,337	-	-52,814
Closing balance Dec 31, 2010	**31,011**	**79,549**	**498,807**	**3,856**	**613,223**
Accumulated amortisation and impairment losses					
Opening balance at Jan 1, 2009	-12,474	-17,099	-	-	-29,573
Amortisation for the year	-12,034	-13,015	-	-	-25,049
Impairment losses for the year	-	-	-150,339	-	-150,339
Translation difference	47	120	5,559	-	5,726
Closing balance at Dec 31, 2009	**-24,461**	**-29,994**	**-144,780**	**-**	**-199,235**
Opening balance at January 1, 2010	-24,461	-29,994	-144,780	-	-199,235
Amortisation for the year	-8,379	-12,146	-	-71	-20,596
Disposals	13,626				13,626
Translation difference	1,475	2,812	11,818	-	16,105
Closing balance Dec 31, 2010	**-17,739**	**-39,328**	**-132,962**	**-71**	**-190,100**
Carrying amounts					
At Jan 1, 2009	32,122	67,624	531,911	-	631,657
At Dec 31, 2009	20,576	56,520	398,364	1,816	477,276
At Dec 31, 2010	13,272	40,221	365,845	3,785	423,123

Amortsation of intangible assets is included in administrative expenses. All intangible assets, except for goodwill, are amortised. For information regarding amortisation principles, see note 1.

As the operations from the acquisition of IMW Group were integrated into TradeDoubler's existing businesses and created synergies in sales of the group's existing products, the goodwill was allocated under 2009 to four cash generating units, that are identical with the group's operating segments.

Goodwill is tested annually for impairment by means of impairment testing or more often if there are indications that an impairment need exists. This testing was based on value in use in 2010, i.e. on discounted cash flows for the different operating segments.

A discount rate of interest (WAAC) is used in the discounted cash flow analyses based on a risk-free rate of interest plus a market risk premium. The WACC after tax in the calculations for the four cash generating units as at December 31, 2010 is in the range 12.0 to 13.4 (12.0 to 13.4) percent.

A sensitivity analysis shows that the measurement of goodwill is not affected by a change of one percentage point in the various WACC levels.

Both external and internal assumptions are used in assessment of future revenues and growth. TradeDoubler's forecasts extend through 2019. The growth rate according to the forecast period is set at 2 (2) percent annually. The forecast period exceeds five years as the internet marketing market is a relatively new market and strong growth is expected over the next ten years.

Goodwill allocated per cash generating unit

SEK '000	2010	2009
Northern and Eastern Europe and Japan	49,881	54,313
Central Europe	99,761	108,626
UK and Ireland	41,621	45,330
Southern Europe	174,582	190,095
Total	**365,845**	**398,364**

Note 10 continue

Parent Company

SEK '000	Övrigt
Accumulated acquisition costs	
Opening balance at Jan 1, 2009	-
Investments for the year	1,816
Closing balance at Dec 31, 2009	**1,816**
Opening balance Jan 1, 2010	1,816
Investments for the year	2,040
Utgående balans 2010-12-31	**3,856**
Accumulated amortisation	
Opening balance at Jan 1, 2009	-
Amortisation for the year	-
Closing balance at Dec 31, 2009	**-**
Opening balance at Jan 1, 2010	-
Amortisation for the year	-71
Closing balance Dec 31, 2010	**-71**
Carrying amounts	
At Dec 31, 2009	1,816
At Dec 31, 2010	3,785

11. Property, plant and equipment

Group

SEK '000	Equipment, tools, fixtures and fittings
Accumulated cost	
Opening balance Jan 1, 2009	58,865
Investments	11,374
Disposals	-729
Translation difference	-278
Closing balance Dec 31, 2009	**69,232**
Opening balance Jan 1, 20010	69,232
Investments	5,494
Disposals	-5,946
Translation difference	-3,178
Closing balance Dec 31, 2010	**65,602**
Accumulated depreciation	
Opening balance Jan 1, 2009	-36,190
Depreciation for the year	-12,635
Disposals	649
Translation difference	369
Closing balance Dec 31, 2009	**-47,807**
Opening balance Jan 1, 2010	-47,807
Depreciation for the year	-9,334
Disposals	4,942
Translation difference	2,369
Closing balance Dec 31, 2010	**-49,830**
Carrying amounts	
At Jan 1, 2009	22,675
At Dec 31, 2009	21,425
At Dec 31, 2010	15,772

Parent Company

SEK '000	Equipment, tools, fixtures and fittings
ccumulated cost	
Opening balance Jan 1, 2009	26 873
Investments	10 996
Closing balance Dec 31, 2010	**37,869**
Opening balance Jan 1, 2010	37 869
Investments	3 811
Disposals	-432
Closing balance Dec 31, 2010	**41 248**
Accumulated depreciation	
Opening balance Jan 1, 2009	-18 692
Depreciation for the year	-5 829
Closing balance Dec 31, 2009	**-24 521**
Opening balance Jan 1, 2010	-24 521
Depreciation for the year	-5 992
Closing balance Dec 31, 2010	**-30 513**
Carrying amounts	
At Jan 1, 2009	8,181
At Dec 31, 2009	13,348
At Dec 31, 2010	10,735

12. Prepaid expenses and accrued income

	Group		Parent Company	
SEK '000	**2010**	2009	**2010**	2009
Rent	7,599	6,976	2,003	2,410
Accrued income	2,353	2,533	-	-
Other	7,633	9,843	5,346	2,955
Total	**17,585**	**19,352**	**7,349**	**5,365**

13. Shareholders' equity

Share capital

Share capital refers to the parent company's share capital. Each share carries one vote and those entitled to vote may vote for the full number of shares represented and owned without any restriction in voting rights. All shares carry equal rights to share in the Company's assets and profits and in any surplus on liquidation.

At December 31, 2010, TradeDoubler AB had a share capital of SEK 17.1 M, distributed among 42,807,449 shares, each share with a par value of SEK 0.40.

Reconciliation of number of shares	Number of shares issued	Issued share capital (SEK)
Number of shares issued January 1, 2010	28,581,633	11,432,655
Rights Issue	14,225,816	5,690,328
Number of shares issued December 31, 2010	42,807,449	17,122,983

Rights Issue

TradeDoubler carried out a rights issue of SEK 355.6 M in December 2009 with preferential rights for existing shareholders. The rights issue, which was registered on January 18, 2010, increased TradeDoubler's share capital by SEK 5.7 M to SEK 17.1 M. The number of shares increased by 14,225,816 to 42,807,449.

Note 13 continue

Other capital contributions
Other capital contributions refer to shareholders' equity that is contributed by the shareholders. In this respect, this included part of the share premium reserves transferred to the statutory reserve on December 31, 2005. Allocations to the share premium reserve from January 1, 2006 and onwards are also recognized as capital contributions.

Translation reserve
The translation reserve encompasses all exchange rate differences arising from the translation of financial statements of foreign operations that have prepared their financial statements in a currency other than the currency used to present the group's and parent company's financial statements, namely, Swedish kronor.

The translation reserve also includes exchange rate effects, net after tax, on lending and deposits to subsidiaries which are considered net investments in accordance with IAS 21 item 15.

Retained earnings including net profit for the year
Retained earnings including net profit for the year includes profits earned in the parent company and its subsidiaries. Previous allocations to the statutory reserve, excluding transferred share premium reserves, are included in this equity item.

Dividend
No dividend has been proposed.

Group capital management
Group capital under management is composed of shareholders' equity, which at the end of 2010 amounted to SEK 516.8 M (480.5) in total. The measures of the Company's capital structure used for control purposes are the Interest Coverage Ratio, defined as pre-tax profit, plus interest expense, divided by interest expense; and the Debt/Equity Ratio, defined as the total of interest-bearing liabilities and pension provisions less cash and cash equivalents and interest-bearing receivables, divided by shareholders' equity.

Buyback of shares
During 2008, the board decided to enact the authorization that was received at the annual general meeting 2008, to buy back the Company's own shares, for the purpose of ensuring obligations related to the performance share program 2008/2011.

As a result of that authorization, TradeDoubler has, on three occasions during 2008, bought back 130,000 shares at price intervals corresponding to the highest buying price and the lowest selling price on the Nasdaq OMX Stockholm Exchange. 65,000 shares were bought back at a price of SEK 112.50 per share 13,000 shares at a price of SEK 50.00 per share, and 52,000 shares at a price of SEK 57.75 per share. This represented a total investment of SEK 11.1 M. Total holdings of own shares amounts to 130,000 ordinary shares after buybacks.

14. Liabilities to credit institutions

	Group		Parent Company	
Subordinated loan	2010	2009	2010	2009
Bank loans	-	50,000	-	50,000
Overdraft facilities	-	117,500	-	117,500
Total	-	74,565	-	74,565
Summa	**-**	**242,065**	**-**	**242,065**

15. Earnings per share

Earnings per share before and after dilution amounts to SEK 1.44 (-5.31). Calculation of earnings per share is based on the profit and number of shares presented below.

Profit for computation of earnings per share before and after dilution

SEK '000	2010	2009
Profit for the year attributable to the parent company's shareholders	61,334	-178,493

Weighted average number of outstanding ordinary shares

Shares, in thousands	2010	2009
Weighted average number of outstanding ordinary shares before and after dilution	42,661	33,591

Potential future dilution
Employee stock option programs 2006/2010, 2007/2010 and 2008/2011 are not dilutive due to the fact that levels of earnings per share reached to date according to the vesting conditions of the employee stock option programs do not provide or could not provide holders with the right to exercise any options. (see description in note 16)

16. Pensions and share-based remuneration

Defined contribution plans

The group mainly operates defined contribution pension plans. For defined contribution plans, TradeDoubler pays fixed charges to an insurance company and subsequently has no obligation to pay further contributions.

Obligations in respect of charges for defined contribution pension plans are recognized as an expense in the income statement in the period in which they arise.

	Group		Parent Company	
SEK '000	2010	2009	2010	2009
Costs for defined contribution plans	13,022	12,657	6,487	6,914

Long-term incentive program
The group had three different outstanding long-term incentive programs during 2009 and 2010.

Supply of shares to the option holders was secured by an issue of subscription options directed to the subsidiary TradeDoubler Sweden AB and through purchase of own shares in TradeDoubler.

During the third quarter 2008, the Company reversed a previously recognised cost of SEK 18.7 M in respect of option program 2006/2010 and 2007/2010. The reversal was made since the Company estimated that the performance requirement – an average growth in earnings per share of at least 20 percent per year – would not be achieved and that subscription would therefore not take place in the program.

During the fourth quarter 2009, the Company reversed a previously recognised cost of SEK 0.6 M in respect of option program 2008/2011. The reversal was made since the Company estimated that the performance requirement – an average growth in earnings per share of at least 20 percent per year – would not be achieved and that subscription would therefore not take place in the program.

The terms and conditions of the incentive programs contain similar provisions regarding conversion, that the options are issued gratuitously, that the exercise of the options may only take place if the option holder at the time of exercise is still employed in the group, and that the performance target set by the board regarding annual growth in earnings per share is fulfilled.

Option program 2006/2010 and 2007/2010
The annual general meeting 2006 resolved on a stock option program of up to 1,400,000 options. The number of stock options issued amounted to 893,300 and gives entitlement to acquire the same number of shares. The exercise price is SEK 175.50 per share. On allotment, 1,000,000 subscription options were issued to the subsidiary TradeDoubler Sweden AB in order to secure future supply of shares. The stock options are allotted gratuitously to employees in the group and are not assignable. During 2007, 120,000 subscription options were bought back by TradeDoubler for cancellation.

The program 2006/2010 runs until December 31, 2010 with right to exercise options for purchase of shares on a total of four occasions during the years 2008, 2009 and 2010. The employees may exercise one third of the options each year. A condition for exercising the options is that the option holder remains in their employment and that the earnings per share increases by 20 percent during the financial years 2007, 2008 and 2009. If the performance requirement is not fulfilled one year, options may under certain circumstances be exercised instead during subsequent subscription periods.

It was resolved at the annual general meeting 2007 to continue the option program 2006/2010 through allotment of a further 560,400 stock options (option program 2007/2010) in combination with an issue of 580,000 subscription options to TradeDoubler Sweden AB in order to secure supply of shares to the

Note 16 continue

holders of the options. The exercise price is SEK 188.10 per share. The option program 2007/2010 also runs until December 31, 2010, with right to exercise options for purchase of shares on a total of three occasions during 2009 and 2010. The employees may exercise half of the options each year. A condition for exercising the options is that the option holder remains in their employment and that the earnings per share has increased by 20 percent during the financial years 2008 and 2009. If the performance requirement is not fulfilled one year, options may under certain circumstances be exercised instead during subsequent subscription periods.

As of December 31, 2010 the number of outstanding options in the program 2006/2010 amounted to 0 (405,612). The maximum dilution that exercise of these options can result in amounts to 0 percent.

As of December 31, 2010 the number of outstanding options in the program 2007/2010 amounted to 0 (309,400). The maximum dilution that exercise of these options can result in amounts to 0 percent.

On February 8, 2010 the board passed a resolution that subscription did not take place either in program 2006/2010 or 2007/2010, since the performance requirement of annual growth per share of at least 20 percent was not fulfilled for 2009. On account of this, it was stated that both programs had expired and that only one incentive program remains, namely, 2008/2011. Conversion has thus not taken place of how many shares each stock option gives entitlement to and the exercise price taking account of the completed rights issue during 2009.

Performance share program 2008/2011

A new performance share program was resolved upon at the annual general meeting 2008 of up to 240,000 performance shares (options). Each option initially gave the holder the right to acquire one (1) share in the future subject to certain conditions. The exercise price was ten kronor per share. The terms of the program were adjusted on account of the rights issue in 2009. Each option at the present time gives the holder the right to acquire 1.22 shares at an exercise price of 8.20 kronor.

The options were allocated to employees in the group gratuitously and are not assignable. The program runs until July 1, 2011 with right to exercise options for purchase of shares first on this date. A condition for the exercise of the options is that the holder remains in his/her employment and that the growth targets for earnings per share are fulfilled.

The number of options that may be exercised depends on the average annual increase in earnings per share during the financial years 2008, 2009 and 2010. In the event of an average annual increase of at least 10 percent, 20 percent of the options may be exercised (subscription may not take place at all in the event of an increase of less than 10 percent), in the event of an average annual increase of 18 percent, 50 percent of the options may be exercised, and in the event of an average annual increase of 29 percent, 100 percent of the options may be exercised. The right of exercise is linear between 10 and 18 percent and between 18 and 29 percent.

As of December 31, 2010, the number of outstanding options amounted to 161,200 (195,200). The Company has acquired 130,000 of its own shares for this purpose.

On April 11, 2011 the board passed a resolution that subscription did not take place in the program 2008/2011, since the performance requirements of annual growth per share were not fulfilled.

Input data used in the computation of fair value on allotment (weighted averages)

	Program 2006/2010	Program 2007/2010	Program 2008/2011
Exercise price, SEK	175.50	188.10	10.00
Share price, SEK	198.00	181.00	59.75
Volatility, %	35	36	36
Term, years	3.04	2.78	3.86
Risk-free rate of interest, %	4.13	4.13	4.40
Dividend, SEK	-	-	-
Number of options	893,300	560,400	227,600
Number of shares	893,300	560,400	227,600
Fair value per option, SEK	67.14	36.43	51.32

Valuation was carried out using the Black & Scholes option valuation model. The expected volatility is based on historic volatility (with the calculation based on the weighted average remaining lifetime of the options) adjusted for any expected changes in future volatility as a result of officially available information. The calculation of expected lifetime is based on a uniform distribution of the programs' different exercise periods in each year, with the portion earned in 2009 adjusted for the possibility of exercise in December 2010 and July 2011.

Personnel expenses (including social security contributions) for share based remuneration

	Group	
SEK '000	2010	2009
Stock options allotted	-	-668
Total personnel expense/income arising from share-based remuneration	-	-668

	Parent Company	
SEK '000	2010	2009
Stock options allotted	-	-
Total personnel expense/income arising from share-based remuneration	-	-

Group	Weighted average exercise price		Number of shares to which the options may provide entitlement	
SEK	2010	2009	2010	2009
Outstanding at beginning of period	144.15	143.97	953,156	1,054,680
Allotted during the period	-	-	-	3,000
Conversion in respect of rights issue	-	-	-	42,944
Forfeited during the period	135.94	142.69	-125,034	-147,468
Exercised during the period	-	-	-	-
Expired during the period	180.62	-	-631,458	-
Outstanding at beginning of period	8.20	144.15	196,664*	953,156
Exercisable at end of the period	-	-	-	-

*The performance requirement for the stock option program are not fulfilled and therefore no subscription in the program will take place.

17. Other liabilities

	Group	
SEK '000	2010	2009
Prepayments from clients	170,692	205,362
VAT	30,801	23,593
Withholding tax and social security contributions	16,253	28,515
Other	43,577	53,738
Total	**261,324**	**311,208**

	Parent Company	
SEK '000	2010	2009
Current liabilities to publishers	85,386	89,550
Withholding tax and social security contributions	4,458	14,612
Other	1,115	8,110
Total	**90,960**	**112,272**

18. Accrued expenses and deferred income

	Group		Parent Company	
SEK '000	2010	2009	2010	2009
Holiday pay	10,619	12,624	3,424	2,866
Other payroll expenses	25,414	10,722	7,986	4,397
Search engine costs	27,190	34,931	-	-
Issue costs	-	10,100	-	10,100
Provision for rent, redundant premises	28,674	34,750	-	-
Other	29,649	18,762	9,494	7,601
Total	**121,546**	**121,889**	**20,904**	**24,964**

19. Financial risks

Treasury policy

TradeDoubler´s Treasury Policy is prepared with the aim of minimizing the group´s financial risks. The policy is reviewed continousely and adopted by the board of directors. The responsibility for the group´s financial transactions and risks rests with the group´s central finance function.

Credit risks

Financial investments

Cash and cash equivalents are invested in bank accounts with large banks and credit institutions at the best possible bank interest rates. Trade in in securities for speculative purposes must not occur.

Customers

The group and the Company are exposed to credit risks, which arise primarily in connection with trade receivables. Trade receivables at year-end totaled SEK 686 M (657). New clients are subjected to credit rating reports, which provide the basis for credit and payment terms and conditions for each client. The credit rating reports provide an assessment of the clients' financial position, based on information compiled from various credit rating companies.

The group has established a credit policy that determines how clients are managed, with decision-making levels set for various credit limits. TradeDoubler's business model is based on advanced payment. In the event of any deviations, the company's credit policy serves as the basis for decision.

TradeDoubler makes the assessment that no specific risk concentration exists for any geographical region or customer segment, however, the credit risk is greater in relation to search engine marketing. TradeDoubler UK had until August 2010 a credit insurance covering potential bad debt losses within the Search market. A decision was taken not to prolong it.

The group's bad debt losses which arose during the year amounted to SEK 3,734,000 (9,346,000).

Provision for expected bad debt losses in the balance sheet amounted to SEK 22,001,000 (27,602,000).

In most cases a publisher is only paid when the customer has paid the invoice, thereby reducing the company's customer credit risk.

Maturity analysis, amount less doubtful debts

	2010	2009
SEK '000	Carrying amount	
Trade receivables not due	475,260	378,254
Trade receivables, due 0-30 days	144,219	181,265
Trade receivables, due 31-90 days	41,624	48,463
Trade receivables, due >90+ days	24,759	49,067
	685,862	**657,049**

Foreign exchange risks

Foreign exchange risk refers to the risk that changes in foreign exchange rates will impact the consolidated income statement, balance sheet and cash flow. Foreign exchange risk exists in the form of transaction risk and translation risk. TradeDoubler is exposed to foreign exchange risk in 18 countries involving nine different currencies, with Euro (EUR) and British pounds (GBP) representing the majority share.

In 2010, approximately 50 (50) percent of sales were made in EUR and 34 (35) in GBP. Of the costs approximately 32 (32) percent were in EUR and approximately 23 (29) percent were in GBP.

The consolidated financial statements and accounting in the group's Swedish companies takes place in SEK while the accounting in the group's foreign companies takes place in each country's currency.
In the event of a weakening of the group's underlying currencies of 10 per cent, this would affect the Company's profit before tax negatively by approx. SEK 7.3 M. If the Company's underlying currencies weakened by 10 per cent at the end of the reporting period, it would weaken the consolidated equity by approx. SEK 6.0 M.

Transaction risks

Exposure attributable to exchange rate fluctuations in client and supplier invoices is limited since client billing and suppliers' invoices largely occur in local currency for all companies within the group.

TradeDoubler is also exposed to foreign exchange risks in the parent company's inter-company lending to subsidiaries which takes place in the subsidiary's currency, as well as in deposits from subsidiaries of excess liquidity. Part of this lending and deposits consists of so-called "increased (reduced) investments in subsidiaries" where the differences in exchange rates as well as on translation exposure are recognized as a component of "other comprehensive income" (outside the income statement) whereas other exchange rate differences are recognized in the income statement.

Inter-company lending and deposits are not currently hedged.

Translation risks

Changes in foreign exchange rates impact the group's revenues on translation of the income statements of the foreign subsidiaries to the parent company's presentation currency, SEK. TradeDoubler was affected in 2010 by an unfavourable trend where the presentation currency strengthened against the EUR and GPB in particular. If this trend continues, it will affect the group's future earnings.

In connection with translation of the group's investments in foreign subsidiaries to the group's presentation currency SEK, translation exposure arises which is recognized as part of "other comprehensive income" (outside the income statement).

The group's net investments in foreign currency primarily involve GBP and EUR. Net investments in foreign currency are not currently hedged.

Interest risk

Interest risk refers to the risk that changes in market interest rates may affect the consolidated income statement and cash flow or the fair value of financial assets and liabilities. A significant factor affecting the interest rate risk is the fixed interest term. The group's interest-rate exposure is managed centrally, which means that the finance function is responsible for identifying and managing this exposure.

After the amortisation of SEK 192.1 M during January 2010 and the additional amortisation of SEK 50 M in the middle of February there are no interest bearing debt.

A certain amount of interest risk remains due to financial investments.

Liquidity risks

TradeDoubler's treasury policy is established in order to minimize the Group's liquidity risks by not taking any risks in the cash flow. In most cases, a publisher is only paid when the customer has paid the invoice to TradeDoubler. In this manner, TradeDoubler limits the liquidity risk. Credit ratings are performed on all new clients and TradeDoubler normally requires advance payments from clients for whom adequate financial information is not available.

Until the completion of the rights issue, TradeDoubler was dependent on external financing in order to secure the group's long-term operations. For the period until February 15, 2010, borrowings were secured through agreements with banks and shareholders. The completed rights issue has strengthened the group's financial position and has thereby reduced the liquidity risk.

Duration analysis, financial liabilities

	2010				2009					
Group, SEK '000	Currency	Nom. amount original currency	Total	Within one month	Currency	Nom. amount original currency	Total	Within one month	1-12 months	1 - 5 years
Bank loan SEB	SEK	-	-	-	SEK	30,000	30,000	30,000	-	-
Bank loan SEB	SEK	-	-	-	SEK	87,500	87,500	-	87,500	-
Overdraft facility SEB	SEK	-	-	-	SEK	74,565	74,565	74,565	-	-
Subordinated loan Alecta	SEK	-	-	-	SEK	50,000	50,000	-	-	50,000
Trade payables			47,398	47,398		-	127,432	127,432	-	-
Short-term liabilities to publishers			447,242	447,242		-	418,615	418,615	-	-
Total			**494,640**	**494,640**			**788,112**	**650,612**	**87,500**	**50,000**

20. Operating leases

Leasing where the Company is lessor
Non-terminable lease payments amount to:

	Group		Parent Company	
SEK '000	2010	2009	2010	2009
Within one year	29,948	37,813	9,881	9,771
Between one and five years	60,381	102,576	19,556	29,314
Longer than five years	-	3,936	-	-
	90,329	**144,325**	**29,437**	**39,085**

Costs for operating leases amounted to SEK 34,124,000 (71,937,000) for the group in 2010. In 2009 a provision for redundant premises in the UK of SEK 34,750,000 was included.

21. Pledged assets and contingent liabilities

	Group		Parent Company	
SEK '000	2010	2009	2010	2009
Pledged assets				
Rental deposits	2,179	2,517	-	-
Pledged subsidiaries	-	91,876	-	21,442
Total pledged assets	**2,179**	**94,393**	**-**	**21,442**
Contingent liabilities	**Inga**	**Inga**	**137,472**	**3,094**

Contingent liabilities consist of performance guarantees to subsidiaries.

22. Transactions with related parties

Transaction with related parties within the TradeDoubler Group mainly consists of licensing fees corresponding to SEK 137.1 M (240.6), invoiced by the parent company to subsidiaries and other revenue of SEK 3.3 M (3.0). Transactions with related parties are priced on commercial terms. The parent company´s receivables from subsidiaries amounted to SEK 639.1 M (890.6) and include financing in connection with the purchase of IMW Group. The parent company´s liabilites to subsidiaries amount to SEK 122.6 M (371.6). Receivables and liabilities from subsidiaries have been netted off in the balance sheet.

Transactions with key people in executive positions

No transactions with key people in executive positions have taken place during the year.

See note 4 regarding information about Örjan Frid´s contract as well as remuneration to the board of directors and senior executives.

23. Group companies

Specification of the parent company's direct holdings of participations in subsidiaries

					Book value	
Subsidiary	Corporate registration number	Registered office	Number of shares	Participation as %	Dec 31, 2010	Dec 31, 2009
TradeDoubler Ireland Ltd	422593	Dublin	1	100	7	7
TradeDoubler OY	777468	Helsinki	100	100	4,269	4,269
TradeDoubler A/S	25137884	Copenhagen	125	100	5,772	5,772
TradeDoubler LDA	507810007	Lisbon	1	100	46	46
TradeDoubler Ltd	3921985	London	5,000	100	3,126	3,126
TradeDoubler Espana SL	B82666892	Madrid	100	100	62	62
TradeDoubler BVBA	874694629	Mechelen	371	100	172	172
TradeDoubler Srl	210954 (rep)/26762 (Rac)	Milano	1	100	2,683	2,683
TradeDoubler LLC	7707589545	Moscow	1	100	4,247	4,247
TradeDoubler GmbH	76167/URNo R181/2001	Munich	1	100	8,235	8,235
TradeDoubler AS	982006635	Oslo	1,000	100	7,957	7,957
The Search Works SARL	501439194	Paris	1,000	100	71	71
TradeDoubler SARL	B431573716 (2000B08629)	Paris	500	100	119	119
TradeDoubler BV	20100140	Rotterdam	40	100	189	189
TradeDoubler Services AB	556695-6511	Stockholm	1,000	100	10,000	10,000
TradeDoubler Digital Media AB	556745-5422	Stockholm	1,000	100	100	100
TradeDoubler Media AB	556745-5414	Stockholm	1,000	100	100	100
TradeDoubler Software AB	556745-2999	Stockholm	1,000	100	100	100
TradeDoubler Sweden AB	556592-4007	Stockholm	1,000	100	1,103	1,103
UAB TradeDoubler	1411537	Vilnius	100	100	36	36
TradeDoubler Sp zoo	015792506	Warszawa	1,000	100	114	114
TradeDoubler Austria Gmbh	FN296915	Vienna	1	100	324	324
TradeDoubler AG	CH020.3.3.028.851-0	Zurich	997	100	8,206	7,910
					57,038	**56,742**

TradeDoubler Ltd's direct holdings of participations in subsidiaries

Subsidiary	Corporate registration number	Registered office	Participation as %
Interactive Marketing Works Ltd	5401134	London	100
Interactive Marketing Works Ltd's holdings of participations in subsidiaries			
TradeDoubler Search Ltd	5302987	London	100
Bidbuddy Ltd	5295309	London	100
The Dialog Works Ltd	5551559	London	100
The Search Lab Ltd	5302987	London	100

Parent Company, SEK '000	Dec 31, 2010	Dec 31, 2009
Accumulated cost		
At start of the year	56,742	52,787
Acquisition	296	10,148
Divestment	-	-6,193
Impairment	-	
Closing balance December 31	**57,038**	**56,742**

Acquisitions and divestments for the year referred to granted and repaid shareholder´s contributions.

24. Cash flow statement, supplementary information

Cash and cash equivalents

	Group		Parent Company	
SEK '000	2010	2009	2010	2009
The following sub-components are included in cash and cash equivalents				
Cash and bank balances	209,744	435,596	41,888	270,836
Total according to the balance sheet	**209,744**	**435,596**	**41,888**	**270,836**
Total according to the cash flow statement	**209,744**	**435,596**	**41,888**	**270,836**

	Group		Parent Company	
SEK '000	2010	2009	2010	2009
Interest received	823	664	1,233	7,834
Interest paid	-1,638	-16,302	-1,290	-13,950

Adjustment for items not included in the cash flow

	Group		Parent Company	
SEK '000	2010	2009	2010	2009
Depreciation and amortization	30,934	39,115	6,064	5,829
Impairment of goodwill	-	150,339	-	-
Items affecting comparability	-	34,750	-	-
Other	-934	25,755	11,518	412
	30,000	**249,959**	**17,582**	**6,241**

25. Post balance sheet events

From 2011, TradeDoubler introduced a new organisation where the core business within Affiliate and Campaign has been brought together in the business unit Network which in turn is divided in six geographical markets. Operations within Technology and Search are now conducted in independent business units.

The TradeDoubler group will henceforth report in accordance with the Company´s new segment structure in which the segments are the six market units within Network and the business units Technology and Search.

The group management also changed as a consequence of the new organisation. The group management now consists of the CEO, CFO, CCO, the directors of the six market units within Network, the directors of Technology and Search as well as CTO and CIO.

26. Critical estimates and judgements

The Company management and board of directors make estimates and assumptions about the future. These estimates and assumptions affect recognized assets and liabilities as well as revenue and costs and other information presented. These estimates are partly based on historical experience and partly on expectations of future events. Areas where the risk for future adjustments of carrying amounts is greatest are mentioned below.

Goodwill

No amortization of goodwill is performed. Instead, testing is carried out annually for possible impairment needs, or when there are indications that an impairment need exists. Testing is based on estimates and assumptions regarding the future. Goodwill amounts to SEK 365.8 M (398.4).

Deferred tax assets

The group recognises deferred tax assets on loss carryforwards of SEK 27.7 M (28.8). The deferred tax assets are primarily attributable to tax loss carryforwards in the UK. The value of the balance sheet item may be impacted by new estimates regarding future profits.

The undersigned assure that the consolidated financial statements and annual report have been prepared in accordance with international accounting standards, IFRS, as adopted by the EU, and pursuant to generally accepted accounting standards and provide a true and fair view of the group's and parent company's operations, financial position and results of operations and describe significant risks and uncertainties facing the group. The consolidated income statement and statement of financial position and the parent company's income statement and balance sheet are subject to approval by the annual general meeting to be held on May 5, 2010.

Stockholm, April 11, 2011

Mats Sundström
Chairman of the Board

Kristofer Arwin
Board member

Heléne Vibbleus Bergquist
Board member

Martin Henricson
Board member

Martina King
Board member

Caroline Sundewall
Board member

Simon Turner
Board member

Urban Gillström
President and Chief Executive Officer

Our audit report was submitted on April 11, 2011
Ernst & Young AB

Thomas Forslund
Authorised Public Accountant

Audit report

To the annual meeting of the shareholders of TradeDoubler AB (publ) Corporate identity number 556575-7423

We have audited the annual accounts, the consolidated accounts, the accounting records and the administration of the board of directors and the managing director of TradeDoubler AB for the financial year 2010. The board of directors and the managing director are responsible for these accounts and the administration of the company as well as for the application of the Annual Accounts Act when preparing the annual accounts and the application of international financial reporting standards IFRSs as adopted by the EU and the Annual Accounts Act when preparing the consolidated accounts. Our responsibility is to express an opinion on the annual accounts, the consolidated accounts and the administration based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Sweden. Those standards require that we plan and perform the audit to obtain reasonable assurance that the annual accounts and the consolidated accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and their application by the board of directors and the managing director and significant estimates made by the board of directors and the managing director when preparing the annual accounts and consolidated accounts as well as evaluating the overall presentation of information in the annual accounts and the consolidated accounts. As a basis for our opinion concerning discharge from liability, we examined significant decisions, actions taken and circumstances of the company in order to be able to determine the liability, if any, to the company of any board member or the managing director. We also examined whether any board member or the managing director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association. We believe that our audit provides a reasonable basis for our opinion set out below.

The annual accounts have been prepared in accordance with the Annual Accounts Act and give a true and fair view of the company's financial position and results of operations in accordance with generally accepted accounting principles in Sweden. The consolidated accounts have been prepared in accordance with the international financial reporting standards IFRSs as adopted by the EU and the Annual Accounts Act and give a true and fair view of the group´s financial position and results of operations. The statutory administration report is consistent with the other parts of the annual accounts and the consolidated accounts.

We recommend to the annual meeting of shareholders that the income statements and balance sheets of the parent company and the income statement and the statement of financial position for the group be adopted, that the profit of the parent company be dealt with in accordance with the proposal in the administration report and that the members of the board of directors and the managing director be discharged from liability for the financial year.

Stockholm April 11, 2011

Ernst & Young AB

Thomas Forslund
Authorised Public Accountant

Financial overview – Group

Condensed income statements

SEK '000	2010	2009	2008	2007	2006
Revenue	2,840,070	3,014,349	3,456,696	2,663,642	1,744,080
Cost of products sold	-2,181,653	-2,324,457	-2,709,611	-2,027,619	-1,263,783
Gross profit	**658,416**	**689,892**	**747,085**	**636,023**	**480,297**
Selling expenses	-369,163	-374,959	-420,315	-310,459	-200,110
Administrative expenses	-168,780	-227,610	-122,278	-102,567	-72,041
Research & development expenses	-37,945	-42,062	-54,551	-28,164	-18,080
Impairment of goodwill	-	-150,339	-	-	-
Operating profit	**82,528**	**-105,078**	**149,941**	**194,833**	**190,066**
Financial income	823	664	7,215	31,790	8,534
Financial expenses	-12,009	-22,616	-28,180	-17,667	-400
Profit before tax	**71,342**	**-127,030**	**128,976**	**208,956**	**198,200**
Tax	-10,007	-51,463	-34,572	-56,609	-57,814
Net profit for the year	**61,334**	**-178,493**	**94,404**	**152,347**	**140,386**

Condensed balance sheet

SEK '000	2010-12-31	2009-12-31	2008-12-31	2007-12-31	2006-12-31
Assets					
Intangible assets	423,123	477,276	631,657	730,667	12,715
Tangible assets	15,772	21,425	22,675	24,918	11,558
Long-term receivables	2,182	2,520	1,475	803	803
Deferred tax assets	27,700	28,831	45,829	49,455	2,263
Trade receivables	685,862	657,049	673,948	685,749	417,514
Tax receivables	22,293	21,454	-	-	-
Other receivables	11,464	61,075	25,410	28,406	30,316
Prepaid expenses and accrued income	17,585	19,352	16,903	15,357	6,453
Short-term investments	-	-	-	477,485	-
Cash and cash equivalents	209,744	436,596	133,389	224,157	433,082
Total assets	**1,415,725**	**1,725,578**	**1,551,286**	**2,236,997**	**914,704**
Equity and liabilities					
Total shareholders´equity	**516,784**	**480,507**	**291,914**	**361,308**	**348,965**
Subordinated loan	-	50,000	-	-	-
Provisions	1,027	-	-	1,121	10,500
Deferred tax liabilities	17,899	23,862	17,232	33,227	3,562
Liabilities to credit institutions	-	117,500	37,500	964,707	-
Overdraft facilities	-	74,565	249,327	-	-
Trade payables	47,398	127,432	186,698	257,913	12,662
Current liabilities to publishers	447,242	418,615	396,707	311,660	270,374
Tax liabilities	2,505	-	24,497	48,100	26,325
Other liabilities	261,324	311,208	294,824	209,703	196,949
Accrued expenses and deferred income	121,546	121,889	52,587	49,258	45,367
Total equity and liabilities	**1,415,725**	**1,725,578**	**1,551,286**	**2,236,997**	**914,704**

Condensed cash flow statement

SEK '000	2010	2009	2008	2007	2006
From operating activities					
Pre-tax profit	71,342	-127,029	128,976	208,956	198,201
Adjusted for items not included in cash flow	30,000	249,959	21,699	33,233	3,337
Tax paid	-7,321	-76,889	-48,786	-16,000	-4,903
Cash flow from current operations before changes in working capital	94,021	46,041	101,889	226,189	196,635
Cash flow from changes in working capital	-99,847	18,669	116,090	-85,785	32,533
Cash flow from operating activities	-5,826	64,710	217,979	140,404	229,168
Cash flow from investing activities	-8,685	-14,114	-23,661	-735,455	-17,201
Cash flow from financing activities	-199,245	256,050	-290,015	383,591	8,225
Cash flow for the year	**-213,757**	**306,646**	**-95,697**	**-211,460**	**220,192**

Five-year summary 2010 - 2006

%	2010	2009	2008	2007	2006
Operation margin	2.9	-3.5	4.3	7.3	10.9
EBITDA (SEK '000)	115,949	84,377	183,268	214,088	196,474
EBITDA margin	4.1	2.8	5.3	8.0	11.3
Equity/assets ratio	36.5	27.8	18.8	16.2	38.0
Return on capital employed	13.5	-27.4	16.5	27.0	74.0
Return on shareholders' equity	12.3	-46.2	28.9	43.0	52.0
Risk-bearing capital	37.8	29.2	19.9	17.6	38.5
Number of employees at end of period	534	565	637	550	351
Average number of employees	570	589	624	461	308

Quarterly summary 2010-2008

SEK million	Q4-10	Q3-10	Q2-10	Q1-10	Q4-09	Q3-09	Q2-09	Q1-09	Q4-08	Q3-08	Q2-08	Q1-08
Revenue	772	698	661	709	725	711	734	844	814	789	867	987
Revenue growth, %	10.6	5.6	-6.8	-2.2	2.1	-3.2	-13.1	3.7	3.3	-9.0	-12.2	13.1
Cost of products sold	-591	-543	-502	-545	-553	-567	-547	-657	-619	-608	-687	-796
Gross profit	**181**	**155**	**159**	**164**	**172**	**143**	**187**	**187**	**195**	**181**	**180**	**191**
Growth in gross profit, %	17.1	-2.6	-3.1	-4.9	20.1	-23.5	0.3	-4.2	7.9	0.2	-5.5	2.0
Selling expenses	-94	-85	-95	-95	-94	-89	-90	-102	-127	-98	-98	-96
Administrative expenses	-45	-38	-43	-43	-49	-79	-54	-45	-43	-22	-26	-31
R&D expenses	-10	-8	-10	-10	-10	-9	-10	-13	-16	-13	-15	-11
Impairment of goodwill	-	-	-	-	2	-152	-	-	-	-	-	-
Operating profit	**32**	**25**	**10**	**16**	**21**	**-186**	**33**	**27**	**9**	**48**	**41**	**53**
Net financial items	-4	-16	16	-7	3	-39	13	1	-5	-1	-12	-3
Profit before tax	**28**	**8**	**26**	**9**	**23**	**-225**	**47**	**28**	**4**	**47**	**29**	**50**
Tax	-8	3	1	-6	-18	-12	-13	-8	0	-12	-12	-11
Net profit for the period	**20**	**11**	**27**	**3**	**5**	**-237**	**33**	**20**	**4**	**35**	**17**	**39**

Keydata

SEK '000	Q4-10	Q3-10	Q2-10	Q1-10	Q4-09	Q3-09	Q2-09	Q1-09	Q4-08	Q3-08	Q2-08	Q1-08
Operating margin (%)	4.2	3.6	1.4	2.3	2.8	-26.2	4.6	3.2	1.1	6.1	4.7	5.3
EBITDA	39,278	33,157	18,493	25,021	29,359	-24,046	42,979	36,085	16,734	56,563	48,926	61,046
EBITDA margin (%)	5.1	4.8	2.8	3.5	4.0	-3.4	5.9	4.3	2.1	7.2	5.6	6.2
Equity/assets ratio, (%)	36.5	37.9	36.8	35.5	27.8	10.5	25.1	20.6	18.8	20.2	18.2	21.4
Return on shareholders' equity, %	12.3	14.7	-44.8	-48.4	-46.2	-79.4	26.3	22.4	28.9	42.7	51.3	52.3
Return on capital employed, %	6.3	5.0	1.8	3.6	-27.4	-35.1	13.9	11.7	16.5	29.9	45.1	44.9
Marginal, Transaction, %	21.2	20.2	22.0	20.9	21.2	21.1	21.3	21.3	22.5	21.5	22.2	21.4
Marginal, Search, %	9.8	9.0	10.2	12.6	15.0	909.0	8.5	9.0	10.1	9.8	6.3	6.5
Number of employees at end of period	525	534	589	602	565	580	582	602	637	638	644	594
Average number of employees	534	534	587	588	569	578	589	618	640	642	631	587

The TradeDoubler share 2010

TradeDoubler (TRAD .ST) is listed on Nasdaq OMX Nordic Exchange's Mid Cap list. The closing price on December 31, 2010 was SEK 49.50, giving a market capitalization corresponding to SEK 2,119 M.

The Share

TradeDoubler was listed on 8 November 2005 and is traded on NASDAQ OMX Stockholm AB's Mid Cap list. The share is classified as Information Technology. The share capital on 31 December 2010 amounted to SEK 17.1 M, distributed among 42,807,449 shares, with a par value of SEK 0.40. All shares carry equal rights to share in the company's assets and profits. At the annual general meeting, each shareholder is entitled to vote for all the shares he/she represents without restriction as to the number of votes cast.

Ownership structure

At the end of the year, TradeDoubler had 3,732 (3,593) shareholders. The company's principal owner is Alecta with 14.9 (14.9) per cent of capital and votes. The five largest shareholders owned 47.2 per cent (45.3) of the shares. At year-end, Swedish financial and institutional players owned 67.6 per cent (74.0) of the shares and Swedish private individuals owned 4.8 per cent (4.7) of the shares. Foreign ownership increased during 2010 to 25.7 (17.9) per cent. The board of directors and group management jointly own about 0.3 (0.3) per cent of votes and capital.

Share development and sales

TradeDoubler's share price rose by 6 per cent during 2010, from SEK 46.80 to 49.50. The highest price recorded during the year was SEK 54.50 and the lowest price was SEK 23.00. The market capitalisation on 31 December 2010 amounted to SEK 2,119 M. The diagrams show the share turnover and share price development compared with the OMX-all share index during 2010 and since the listing.

Distribution of ownership by size

(Source: Euroclear Sweden)

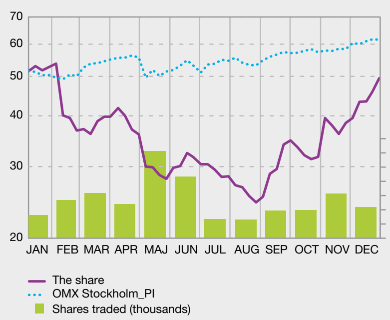
Holding	No. of shareholders	No. of shares	Holding/ votes (%)
1-500	2,331	381,775	0.89%
501-1,000	526	439,598	1.03%
1,001-5,000	633	1,411,298	3.30%
5,001-10,000	72	548,951	1.28%
10,001-15,000	35	463,037	1.08%
15,001-20,000	16	275,074	0.64%
20,001 –	119	39,287,716	91.78%
Total, December 30, 2010	**3,732**	**42,807,449**	**100.00%**

Distribution of ownership – individuals

(Source: Euroclear Sweden)

	No. of shareholders	Share-holders (%)	Holding/ votes	Holding/ votes (%)
Individuals	3,008	80.60%	2,058,551	4.81%
of which based in Sweden	2,981	79.88%	2,036,772	4.76%
Legal entities	724	19.40%	40,748,898	95.19%
of which based in Sweden	401	10.74%	29,776,684	69.56%
Total, December 30, 2010	**3,732**	**100.00%**	**42,807,449**	**100.00%**
of which based in Sweden	3,382	90.62%	31,813,456	74.32%

Share development and turnover 2010



Share development and turnover 2007–2010

Total return 2007–2010

Source: NASDAQ OMX

Dividend policy

TradeDoubler has a policy of distributing at least 50 per cent of the profit after tax, provided that a suitable capital structure is maintained. Distribution may occur through share dividends, share redemption and share buyback. No such distribution took place during 2010.

Dividend

The board proposes to deviate from the dividend policy for 2010 by not declaring any dividend. The reason is a desire to maintain a financial flexibility, which strengthens the company's competitiveness, enabling a further geographic expansion and increasing confidence in the company of its customers and suppliers.

Analysts

ABG Sundal Collier
Karl Berglund
karl.berglund@abgsc.se

Carnegie Investment Bank
Daniel Ek
daniel.ek@carnegie.se

Crédit Agricole Cheuvreux Nordic
Niklas Kristoffersson
nkristoffersson@chevreux.com

Danske Bank
Bile Daar
bile.daar@danskebank.se

Enskilda Securities
Stefan Nelson
stefan.nelson@enskilda.se

Erik Penser Bankaktiebolag
Mikael Holm
mikael.holm@penser.se

Handelsbanken Capital Markets
Fredrik Agardh
frag01@handelsbanken.se

Nordea Bank
Johan Grabe
johan.grabe@nordea.com

Swedbank Markets
Christian Anderson
christian.anderson@swedbank.se

Ålandsbanken
Mikael Laséen
mikael.laseen@alandsbanken.se

Ten largest owners – shareholdings (Source: Euroclear Sweden)

Name/Adress	No. of shares	Holding/votes (%)
ALECTA PENSIONSFÖRSÄKRING	6,387,522	14.92%
FJÄRDE AP-FONDEN	3,913,455	9.14%
Swedbank Robur fonder	3,606,039	8.42%
SEB Investment Management	3,273,672	7.65%
AMF - Försäkring och Fonder	3,001,764	7.01%
FORSTA AP-FONDEN	2,232,786	5.22%
MORGAN STANLEY & CO INC, W9	1,333,194	3.11%
SEB ASSET MANAGEMENT S A	1,313,499	3.07%
SIX SIS AG, W8IMY	1,168,243	2.73%
SKANDINAVISKA ENSKILDA BANKEN S.A., NQI	1,096,854	2.56%
Total ten largest owners	27,327,028	63.84%
Other	15,480,421	36.16%
Total, December 30, 2010	**42,807,449**	**100.00%**

Share-related key ratios (Source: Euroclear Sweden)

	2010	2009	2008	2007	2006
Dividend per share	-	-	-	2,75	5,00
Dividend as percentage of net profit	-	-	-	51%	100%
Market price at year-end	49,5	47	37	139	205
Highest/lowest price paid	55/23	81/24	144/30	135/232	212/110
Market capitalisation at year-end, SEK M	2 119	1 338	1 053	3 952	5 717
Average number of shares before dilution	42 660 902	33 590 996	33 675 579	33 166 612	32 291 440
Average number of shares after dilution	42 660 902	33 590 996	33 675 579	33 702 744	33 623 395
Number of shares outstanding at year-end (excluding own shares)	42 677 449	28 451 633	28 451 633	28 429 359	27 954 837
P/E ratio	35	-7,5	11	26	40
Shareholders equity per share	12	17	10	13	12

Share ownership distributed per group (Source: Euroclear Sweden)

	No. of shares	Holding/votes (%)
Financial and institutional owners	27,742,842	64.80%
Owners outside Sweden	10,993,993	25.68%
Private individuals in Sweden	2,036,772	4.76%
Non-financial companies	831,980	1.94%
Public sector	14,499	0.04%
Interest groups	1,187,363	2.77%
Total December 30, 2010	**42,807,449**	**100.00%**

Geographical distribution of shares (Source: Euroclear Sweden)

	No. of shareholders	No. of shares	Holding/votes (%)
Living in Sweden	3,382	31,813,456	74.32%
Rest of Nordic region	128	559,469	1.30%
Rest of Europe	150	7,849,921	18.35%
USA	32	2,315,423	5.41%
Rest of world	40	269,180	0.63%
Total December 30, 2010	**3,732**	**42,807,449**	**100.01%**

Definitions and glossary

Definitions

Capital employed
Total assets less current and long-term noninterest-bearing liabilities, including deferred tax liabilities.

EBITDA
EBITDA is revenue before tax, net financial items and depreciation/amortization and impairment.

EBITDA-margin
EBITDA as a percentage of revenue.
Equity/assets ratio - Shareholders' equity as a percentage of total assets.

Net margin
Profit after tax as a percentage of sales.

Operating margin
Operating profit as a percentage of revenue.

Percentage of risk-bearing capital
Total of shareholders' equity, minority interests, shareholder loans and deferred tax liabilities divided by total assets.

Price/equity ratio
Price of the share divided by shareholders' equity per share.

P/E ratio
Share price divided by revenue for the year per share.

Return on shareholders' equity
Revenue for the period as a percentage of the average shareholders' equity, calculated as open and closing shareholders' equity divided by two.

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

Revenue per share
Revenue of the year divided by the average number of shares.

Revenue per share after full dilution
Revenue of the year divided by the average number of shares after full dilution.

Glossary

Affiliate
Describes a website that through advertisements generates online traffic of Internet visitors to the advertising company's website.

Affiliate network
A system in which advertisers that want to increase sales via the Internet are matched together with website owners who wish to increase their advertising revenue through so-called affiliate programs.

Affiliate marketing
A form of performance based Internet advertising in which online publishers advertise in return for compensation based on specific actions of Internet users – such as clicking, user registration or purchase, in response to their advertisements.

Affiliate program
An agreement in which advertisers pay a fee to the publisher to forward traffic to the advertiser's website.

Cost-per-action (CPA)
A price model in which advertisers pay a fee based either on the sale of advertised products or a number of specific activities such as leads – primarily registration – that their advertisement generates.

Cost-per-click (CPC)
A price model in which advertisers pay a fee based on the number of clicks or unique visitors that their advertisements generate.

Cost-per-lead (CPL)
Means that the advertiser pays a fee based either on the number of leads – primarily registration – that their advertisements generate.

Cost-per-thousand impressions (CPM)
A price model in which the advertisers pay a fee based on the number of timed the advertisement is displayed.

E-mail publishers
Use e-mail to send targeted offers to a recipient list.

Keyword publishers
Do not always have an own website but use search engines to initiate display of advertisements and to generate Internet traffic for advertisers. This is carried out primarily through purchasing keywords via a search engine that then sends to the advertisers.

Performance-based
A general term for online marketing activities in which publishers only receive payment when a predetermined transaction is generated.

Premium websites
(Also referred to as loyalty websites) Websites with relatively large traffic volumes that generate sales through offers to members from advertisers. Users regain part of the sales value in the form of money, bonus points or discounts.

Portals
Websites that serve as an entrance (portal) and offer a broad content and large traffic volume. There are many links at a portal, a search engine and other services, for example, free e-mail or filtering or blocking services.

Publisher
(Also referred to as an affiliate) Websites that agree to display advertisements and generate online traffic of Internet visitors to the advertising company's website.

Search-engine-optimised publishers
Own websites that use search engines, for example Google and Yahoo!, combined with own know-how about search engines to display the advertiser at the top of the list of the search results.

Tracking
The process and method used to follow up website traffic, primarily through the use of cookies.

Vertical websites
(Also referred to as content websites) Websites with lower traffic volumes that focus on online users with specific demographic features or special interests.