

FOURTH QUARTER: OCTOBER–DECEMBER 2016

- Total operating revenue amounted to SEK 479 M (579). Adjusted for currency and non-recurring effects of SEK -12 M, the decrease was 15%.
- EBITDA decreased by 33% to SEK 72 M (107). The EBITDA margin was 15.0% (18.5%).
- Net income for the period was SEK -38 M (49).
- Earnings per common share for the period were SEK -0.10 (0.08) before dilution and SEK -0.10 (0.06) after dilution.
- Cash flow from operating activities was SEK 75 M (145).
- Eniro has continued the negotiations with the company's lenders. Until now, no agreement has been reached. The standstill agreement, concluded in December 2016, remains in effect until the end of February 2017.
- The Board of Directors proposes that the 2017 Annual General Meeting resolve to not pay any dividend – neither for common nor preference shares.

FULL YEAR: JANUARY–DECEMBER 2016

- Total operating revenue amounted to SEK 1,967 M (2,438). Adjusted for currency and non-recurring effects of SEK -43 M, the decrease was 18%.
- EBITDA increased by 12% to SEK 428 M (383). The EBITDA margin was 21.8% (15.7%).
- Net income for the period was SEK -862 M (-1,125), an improvement of 23%.
- Earnings per common share for the year were SEK -1.88 (-3.69) before and after dilution.
- Cash flow from operating activities was SEK 217 M (178).
- Net income includes impairment losses of SEK -873 M (-1,111) for goodwill.

SEK M	Oct-Dec 2016	Oct-Dec 2015	%	Jan-Dec 2016	Jan-Dec 2015	%
Operating revenue	479	579	-17	1,967	2,438	-19
EBITDA	72	107	-33	428	383	12
Adjusted EBITDA	77	119	-35	440	454	-3
Operating income	25	27	-7	-664	-1,030	36
Net income	-38	49	-178	-862	-1,125	23
Cash flow from operating activities	75	145	-48	217	178	22
Interest-bearing net debt excluding convertible bond and pension obligations	-1,217	-1,241	-2	-1,217	-1,241	-2

Eniro is a leading search company for individuals and businesses in the Nordic region. With quality-assured content and an unrivaled user experience, Eniro inspires local discoveries and makes local communities thrive. Eniro's content is available through Internet and mobile services, printed directories, directory assistance and SMS services.. Each week Eniro Group's digital services have 8.1 million unique visitors who perform 14.5 million searches. Eniro Group has about 1,700 employees and operations in Sweden, Norway, Denmark, Finland and Poland. The company is listed on Nasdaq OMX Stockholm [ENRO] and headquartered in Stockholm. More on Eniro at enirogroup.com,

CEO's comments



Intensive and exciting autumn

During the autumn, intense work was conducted with a focus on the company's financial situation in order to put Eniro on an even keel. Eniro has continued the negotiations with the company's lenders. Until now, no agreement has been reached. The standstill agreement, concluded in December 2016, remains in effect until the end of February 2017.

Starting on November 21 the first steps were taken in the change toward making Eniro a preferred marketing partner for small and medium-sized enterprises (SMEs). We launched a proof of concept for a more refined subscription-based model. The offer entails, in addition to presence on eniro.se – our classic, core business – also Närvarokollen ("Location check"), a feature offered in partnership with the American company Yext. Through Närvarokollen, customers' addresses, business hours, etc., are replicated correctly on most sites on the Web via a single input from Eniro. On top of this we have also added Google and Bing solutions. The offer has been very well-received in the market and confirms that Eniro's new path forward looks promising. The offer will be refined and strengthened in 2017 and will replace our existing offer and will be launched in both Norway and Denmark.

More developed digital business

The digital advertising market is experiencing double digit growth in all of Eniro's core markets. During the autumn the company developed its offering to include a broader product pallet for customers that includes partner products such as Google and now also Yext. Eniro's goal is to offer SME customers a product portfolio that meets their needs for digital marketing and contributes to developing our customers' business. The offering is subscription-based and includes various levels of engagement, depending on customers' ambitions for their digital advertising.

Eniro's challenge is to make the offering easily accessible and so clear that the customer benefit is plain to see. The goal is that Eniro will help customers who have an interest and need, but limited knowledge, to benefit from the power of digital marketing.

Fourth quarter

Operating revenue in the fourth quarter amounted to SEK 479 M (579), representing a 17% decline from the corresponding period a year ago.

Earnings, measured as EBITDA, totaled SEK 72 M (107), while adjusted EBITDA was SEK 77 M (119). The work on improving cost efficiency continues.

Users and traffic

The currency of the Internet is traffic, unique browsers, leads, and conversion (purchases or bookings).

Eniro has favorable traffic development. For several years the company has been developing good sites and interesting apps, and with effective keyword optimization, Eniro delivers good traffic to its customers. One challenge, however, is to explain the commercial benefit for customers with limited knowledge about how this works.

During the autumn efforts were focused on improving the user interface and user experience, which will be introduced successively in 2017. The Eniro app's new "Discover local" functionality was launched in September. This was the first step in broadening the user interface to include much more than just searches for people and businesses. Users can now search for a wealth of information in their local areas based on the geodata provided by our map, which creates entirely new user benefit. During the fourth quarter we added our User Tip function, which allows users themselves to share information that they find interesting and tips. It's a bit like a Facebook post and provides more than just a rating of one's experience. In a later step, offerings from our customers can be added to this channel.

Company and capital structure

The work on improving the company's financial situation includes not only securing a new bank agreement, but also reviewing the capital structure and balance sheet. Last year we communicated that non-core businesses may be divested to strengthen our capital base and focus on the work of developing our core business. Talks are currently being held with a number of parties, and the company expects to carry out a few divestments shortly.

Outlook

2017 will be a very exciting year. We expect to secure a new agreement with the banks and to manage our financial challenges in order to dedicate our full strength and energy on boosting our revenue streams. I look with confidence that the strength and commitment provided by our employees will pay off in 2017 and that Eniro will take a new and exciting position in the market.

Kista, February 8, 2017

Örjan Frid, President and CEO

Fourth quarter results 2016

Revenue

Operating revenue decreased by 17% to SEK 479 M (579) during the fourth quarter of 2016. Eniro's new system for revenue recognition has created possibilities to a refined revenue periodization model with daily allocation of revenues. Previously Eniro has applied monthly allocation of revenues. A review of all contracts signed in 2016, has led to a one-time effect in reduced revenues and EBITDA by SEK 30 million in Q4, 2016. Cash flow was not affected by the change. Currency effects on revenue were SEK 18 M (-13).

Prepaid revenue amounted to SEK 449 M (528) at the end of the quarter. The 15% decrease compared with the end of December 2015 is mainly due to weaker sales, but also impacted by the decision to discontinue the print business.

Digital search

Revenue from Digital search decreased by 15% to SEK 342 M (401), where the decline is partly attributable to the nonrecurring item referred to above.

During the fourth quarter a pilot project was conducted in Sweden – with a field team and a teleteam – in which the new business was tested on the market. The result showed that existing customers were willing to spend more than previously. In 2017 Eniro will launch this concept across a broad front.

In order for sales representatives to be able to handle the broader product portfolio provided in Eniro's future business offering, Eniro has worked intensively with competence development.

Desktop / Mobile search

Revenue from Desktop/Mobile search decreased by 14% to SEK 300 M (347). The decrease of SEK 47 M included the nonrecurring item of SEK 30 M referred to above; excluding this, the decrease was 5%.

To counter the decline of revenue, initiatives are being taken in which the new business offering is a key component. During the fourth quarter a major training effort was carried out for the field organization in Sweden. The focus of the training was on insight-based sales, which aims to give sales representatives a better understanding of customers' needs and their value

drivers. This will create greater security and a base from which Eniro's sales representatives can then present relevant suggestions for customers.

The number of cases handled by customer service continues to decrease. Compared with the same quarter a year ago, the number of cases decreased by 17% in the Scandinavian countries.

During the quarter, 50% of total searches were made in the mobile channel, a decrease of 5 percentage points compared with the third quarter.

Complementary digital marketing products

Revenue from Complementary digital marketing products decreased by 22% to SEK 42 M (54).

To meet market demand, a separate division for banner sales has been established.

In Sweden, sales of Google AdWords were better than previously. This can be credited to a combination of the new Närvarokollen offering and the certification of sales representatives in specific products that took place during the autumn.

Print/Voice

Revenue from Print decreased by 35% to SEK 46 M (71).

Owing to unsatisfactory profitability, Eniro has decided to discontinue publication of printed directories during the first half of 2017. The last directories will be published before summer, after which the Print business will be discontinued.

Revenue from Voice decreased by 15% to SEK 91 M (107).

Voice continues to successfully optimize its operations and is delivering even slightly better sales than anticipated. The contact center service that Voice provides under contract for customers in Finland is growing and is partly compensating for the decline in directory information services in Finland.

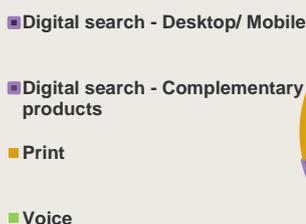
REVENUE Q4 2016

SEK **479** M

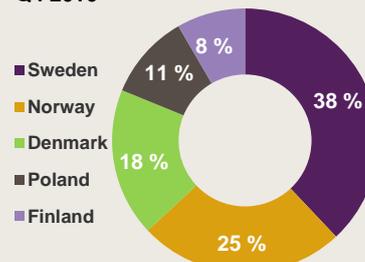
EBITDA Q4 2016

SEK **72** M

GROUP REVENUE PER CATEGORY Q4 2016



GROUP REVENUE PER COUNTRY Q4 2016



Operating income

Consolidated operating income for the fourth quarter amounted to SEK 25 M (27).

EBITDA for the Group was SEK 72 M (107). The EBITDA margin was 15.0% (18.5%).

Items affecting comparability during the fourth quarter amounted to SEK -5 M (-12), of which SEK -5 M (-26) pertained to restructuring costs. In addition, the comparison period was affected by the reversal of a provision for severance costs for Johan Lindgren, totaling SEK +14 M.

After deducting nonrecurring items, adjusted EBITDA for the Group amounted to SEK 77 M (119), a decrease of 35%. The adjusted EBITDA margin was 16.1% (20.6%).

EBITDA for the Local search operating segment, which includes the Digital search and Print categories, amounted to SEK 58 M (62), and the EBITDA margin was 14.9% (13.1%).

EBITDA for the Voice operating segment amounted to SEK 29 M (55). The EBITDA margin for Voice was 31.9% (51.4%).

Cost efficiency

Eniro is continuing its work on efficiency improvement. Total operating costs were SEK 62 M lower than in the corresponding quarter a year ago.

Cost savings adjusted for restructuring and third-party costs amounted to SEK 37 M (107). The savings consisted mainly of lower personnel costs.

Amortization and impairment losses

Amortization amounted to SEK -57 M (-63) during the fourth quarter. Amortization of the Gule Sider and Ditt Distrikt trademarks totaled SEK -21 M (-21). The Voice trademark 1888, which was fully amortized at the end of 2015, was amortized during the fourth quarter of 2015 by SEK -8 M. During 2016 the Krak trademark has been reclassified from having indefinite useful life to a finite useful life of 10 years. Amortization of the trademark during the fourth quarter totaled SEK -3 M.

A renewed impairment test was performed as per December 31 to determine whether there was any need to recognize impairment of goodwill and trademarks with indefinite life. The impairment test did not indicate any need to recognize further impairment.

Acquisitions/divestments

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

Net financial items

Net financial items amounted to SEK -38 M (38). The effect of exchange rate differences on net financial items was SEK 0 M (74).

Income before tax and tax

Income before tax amounted to SEK -13 M (65). Reported tax totaled SEK -25 M (-16).

Net income for the period and earnings per common share

Net income for the fourth quarter was SEK -38 M (49). Earnings per common share were SEK -0.10 (0.08) before dilution and SEK -0.10 (0.06) after dilution.

Operating revenue by category and operating segment

SEK M	Oct-Dec	Oct-Dec	%	Jan-Dec	Jan-Dec	%
	2016	2015		2016	2015	
Desktop/Mobile search	300	347	-14	1,315	1,546	-15
Complementary digital marketing products	42	54	-22	144	222	-35
Digital search	342	401	-15	1,459	1,768	-17
Print	46	71	-35	138	210	-34
Local search	388	472	-18	1,597	1,978	-19
Voice	91	107	-15	370	460	-20
Total revenue	479	579	-17	1,967	2,438	-19

Reconciliation of operating income and adjusted EBITDA

SEK M	Oct-Dec	Oct-Dec	%	Jan-Dec	Jan-Dec	%
	2016	2015		2016	2015	
Operating income	25	27	-7	-664	-1,030	36
Depreciation/amortization	57	63		219	256	
Impairment losses	-10	17		873	1,157	
Total EBITDA	72	107	-33	428	383	12
Whereof Local search	58	62	-6	370	273	36
Whereof Voice	29	55	-47	117	189	-38
Whereof Other	-15	-10	-50	-59	-79	25
EBITDA margin %	15.0	18.5		21.8	15.7	
Items affecting comparability						
Restructuring costs	5	26		12	73	
Other items affecting comparability	0	-14		0	-2	
Total adjusted EBITDA	77	119	-35	440	454	-3
Adjusted EBITDA margin %	16.1	20.6		22.4	18.6	

Results January–December 2016

Revenue

Operating revenue decreased by 19% to SEK 1,967 M (2,438) in 2016. Currency effects on revenue were SEK -13 M (-5).

Digital search

Revenue from Digital search decreased by 17% to SEK 1,459 M (1,768).

Desktop / Mobile search

Revenue from Desktop/Mobile search decreased by 15% to SEK 1,315 M (1,546).

Complementary digital marketing products

Revenue from Complementary digital marketing products decreased by 35% to SEK 144 M (222).

Print/Voice

Revenue from Print decreased by 34% to SEK 138 M (210).

Revenue from Voice decreased by 20% to SEK 370 M (460).

Operating income

Consolidated operating income for the full year 2016 amounted to SEK -664 M (-1,030).

EBITDA for the Group in 2016 was SEK 428 M (383). The EBITDA margin was 21.8% (15.7%).

The net sum of items affecting comparability during the year was SEK -12 M (-71), of which SEK -12 M (-73) pertained to restructuring costs. Other items consisted of SEK 27 M pertaining to a shift to paying regular premiums for defined benefit pension plans in Sweden, which has entailed a changed calculation of the pension liability in accordance with IAS; of a provision of SEK -8 M for a discontinued project being conducted together with a partner; and of SEK -19 M in costs for severance pay. Other items during the comparison period were affected by costs for severance pay and the reversal of a provision for severance pay for Johan Lindgren, for a net total of SEK +2 M.

After adjusting for nonrecurring items, adjusted EBITDA for the Group amounted to SEK 440 M (454). The adjusted EBITDA margin was 22.4% (18.6%).

EBITDA for the Local search operating segment, which includes the Digital search and Print categories, amounted to SEK 370 M (273), and the EBITDA margin was 23.2% (13.8%).

EBITDA for the Voice operating segment amounted to SEK 117 M (189), and the EBITDA margin was 31.6% (41.1%).

Cost efficiency

Eniro is continuing its work on efficiency improvement. Total operating costs were SEK 508 M lower than in the preceding year.

Cost savings adjusted for restructuring and third-party costs amounted to SEK 406 M (322). The savings consisted mainly of lower personnel costs.

Acquisitions/divestments

No acquisitions or divestments were carried out in 2016.

Amortization and impairment losses

Amortization amounted to SEK -219 M (-256) in 2016. Amortization of the Gule Sider and Ditt Distrikt trademarks totaled SEK -86 M (-86). The Voice trademark 1888, which was fully amortized at the end of 2015, was amortized during the comparison period in 2015 by SEK -35 M. During 2016 the Krak trademark has been reclassified from having indefinite useful life to a finite useful life of 10 years. Amortization of the trademark during the year totaled SEK -12 M.

Accumulated impairment of goodwill amounted to SEK -873 M (-1,111) as per December 31. The impairment loss stems from the impairment testing of the value of the Group's intangible assets that was performed in connection with the preparation of the half-year interim report. A renewed impairment test was performed as per December 31 and indicated that there was no need to recognize additional impairment.

Impairment testing as per June 30 indicated a need to recognize impairment losses of SEK -873 M (-1,111) as a result of the downward adjustment of assumptions for revenue and earnings that were used in previous impairment tests along with an elevated risk assessment. Approximately 50% of the impairment losses were attributable to a higher risk premium.

Of the impairment losses, SEK -851 M (-646) pertained to Local search and SEK -22 M (-465) pertained to Voice. Of the impairment losses in Local search, SEK -622 M (-646) pertained to Norway and SEK -229 M (0) pertained to Denmark. Of the impairment losses in Voice, SEK -9 M (-360) pertained to Sweden, SEK -11 M (0) pertained to Norway, and SEK -2 M (-105) pertained to Finland.

Earnings for the preceding year were also charged with impairment losses of SEK -46 M, mainly for ongoing development projects.

Net financial items

Net financial items amounted to SEK -189 M (-60). Exchange rate differences had a negative effect on net financial items by SEK -43 M (89).

Net income for the period

Income before tax for the full year 2016 was SEK -853 M (-1,090). Net income for the year was SEK -862 M (-1,125). Earnings per common share were SEK -1.88 (-3.69) before and after dilution.

Cash flow and financial position – January-December 2016

Cash flow

Cash flow for the year amounted to SEK -48 M (39).

Cash flow from operating activities was SEK 217 M (178). Higher EBITDA of SEK 428 M (383), lower financial payments of SEK -101 M (-155) and lower tax payments of SEK -14 M (-18) were countered by a higher change in working capital of SEK -25 M (-21) and higher other non-cash items of SEK -71 M (-11), which mainly pertains to changes in provisions.

Eniro's tax payments are made mainly during the first half of the year. As a result of loss-carryforwards in Sweden, Denmark and Finland, Eniro has had low tax payments for several years. Tax payments are expected to remain low in the years immediately ahead.

Cash flow from investing activities amounted to SEK -92 M (-86), where net investments in operations amounted to SEK -93 M (-92).

Cash flow from financing activities amounted to SEK -173 M (-53). Against the background of the agreement reached by Eniro with its lenders in mid-December, which entails a deferment of principal payments and departure from key ratio covenants of the loans, the scheduled loan amortization as per December 31 did not take place. Amortization of bank loans in 2016 amounted to SEK -86 M (-885), where the preceding year's amortization included a lump-sum amortization of SEK -670 M in connection with the renegotiation of the loan agreement. A new issue and convertible issue affected cash flow in the preceding year positively by SEK 905 M, net.

Financial position

As per December 31 the Group's outstanding debt under existing credit facilities was NOK 199 M, DKK 44 M, and SEK 1,212 M. At year-end Eniro had an unutilized credit facility of SEK 101 M. Cash and cash equivalents, and unutilized credit facilities, totaled SEK 149 M.

The convertible bond is reported at cost and amounted to SEK 216 M as per December 31. The nominal debt at the same point in time was SEK 261 M, entailing that 239 of the total 500 convertibles have been converted to common stock. The Group's interest-bearing net debt excluding the convertible bond and pension obligations amounted to SEK 1,217 M as per December 31, 2016, compared with SEK 1,241 M on December 31, 2015.

The Group's indebtedness, expressed as interest-bearing net debt excluding the convertible bond and pension obligations in relation to EBITDA, was 2.8 on December 31, 2016, compared with 3.2 on December 31, 2015.

Eniro has credit insurance with PRI Pensionsgaranti (PRI) which remains in force through 2017. Eniro has pledged bank funds for future obligations (a so-called enhanced pension guarantee). A total of SEK 130 M was pledged between 2012 and 2015. During the second quarter Eniro pledged SEK 20 M, and an additional SEK 36 M was pledged during the fourth quarter of 2016. As per December 31, 2016, total pledged funds amounted to SEK 189 M (133), including returns. Eniro will pledge an additional SEK 11 M in 2017. Starting in 2016 Eniro has changed over to paying regular premiums for defined benefit pension plans in Sweden.

Reclassification of loans

In view of the ongoing discussions with Eniro's lenders, long-term bank borrowing has been reclassified as short-term bank borrowing.

Parent Company

Operating revenue amounted to SEK 23 M (26), which pertains to intra-Group services. During the year, shares in subsidiaries were written down by SEK -1,985 M (-1,249). Income for the period was SEK -1,967 M (-1,073). At year-end the Parent Company's equity amounted to SEK 565 M (2,489), of which unrestricted equity amounted to SEK 34 M (2,012).

Shares and holdings of treasury shares

As per December 31 the total number of shares was 531,087,050, of which 530,087,050 are common shares and 1,000,000 are preference shares. The total number of votes as per December 31 was 530,187,050, of which common shares correspond to 530,087,050 votes and preference shares to 100,000 votes.

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

Eniro held 1,703,266 treasury shares on December 31, 2016. The average holding of treasury shares during the year was 1,703,266.

Interest-bearing net debt excluding convertible bond and pension obligations

SEK M	Dec. 31 2016	Dec. 31 2015
Borrowing	-1,442	-1,465
Finance lease	-12	-
Other current interest-bearing receivables	0	0
Other non-current interest-bearing receivables ¹⁾	189	133
Cash and cash equivalents	48	91
Interest-bearing net debt excluding convertible bond and pension obligations	-1,217	-1,241

¹⁾ included in financial assets

Other information

Annual General Meeting

Eniro's 2017 Annual General Meeting will be held on May 9, 2017.

Dividend

Eniro's preference shares are entitled to an annual dividend of SEK 48 per share. Dividends have been paid in three-month intervals, where the last record date was January 31, 2017.

The Board of Directors proposes that the 2017 Annual General Meeting resolve to not pay any dividend – neither for common nor preference shares.

Employees

The number of employees (full-time equivalents) was 1,656 as per December 31, 2016, compared with 1,877 on December 31, 2015.

Full-time employees at year-end

	Dec. 31 2016	Dec. 31 2015
Sw eden	347	432
Norw ay	248	279
Denmark	149	201
Poland	625	661
Local search including Other	1,369	1,573
Sw eden	100	119
Norw ay	26	32
Finland	161	153
Voice	287	304
Total Group	1,656	1,877

Risks and uncertainties

A risk that must be addressed is if Eniro does not reach an agreement with the banks.

Eniro conducts risk analysis in an annual Enterprise Risk Management process, covering all parts of the business operations.

A detailed description of factors that could affect Eniro's business operations, financial position and earnings is provided on pages 34-37 of the 2015 Annual Report. The principal risks and uncertainties that were considered to have a potential impact on the Group's performance in 2016 are related to recruitment and high personnel turnover, continued falling digital revenue, greater competition from global actors in local search, and a decrease in local search traffic.

Events after the end of the reporting period

No significant events have taken place after the end of the reporting period.

Review report

This year-end report has not been reviewed by the company's auditors.

Disclosure

The information in this report is such that Eniro AB (publ) is obligated to disclose pursuant to EU Market Abuse Regulation. This information was submitted for publication, by agency of the contact persons below, at 08:00 (CET) on February 8, 2017.

Kista, February 8, 2017

Örjan Frid

President and CEO

FOR FURTHER INFORMATION, PLEASE CONTACT:

Örjan Frid
President and CEO
Tel.: +46-8-553 310 00

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

FINANCIAL CALENDAR

Interim report Jan.-March 2017	May 9, 2017
Annual General Meeting 2017	May 9, 2017
Interim report Jan.-June 2017	August 15, 2017
Interim report Jan.-Sept. 2017	October 25, 2017

Consolidated accounts

Consolidated income statement

	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
SEK M	2016	2015	2016	2015
Operating revenue	479	579	1,967	2,438
Production costs	-117	-133	-440	-550
Sales costs	-181	-213	-674	-883
Marketing costs	-56	-61	-194	-257
Administration costs	-58	-86	-245	-397
Product development costs	-55	-42	-215	-226
Other income/costs	3	0	10	2
Impairment of non-current assets	10	-17	-873	-1,157
Operating income	25	27	-664	-1,030
Financial items, net	-38	38	-189	-60
Income before tax	-13	65	-853	-1,090
Income tax	-25	-16	-9	-35
Net income	-38	49	-862	-1,125
Of which, attributable to:				
Owners of the Parent Company	-40	50	-869	-1,124
Non-controlling interests	2	-1	7	-1
Net Income	-38	49	-862	-1,125
Earnings per common share before dilution, SEK	-0.10	0.08	-1.88	-3.69
Earnings per common share after dilution, SEK	-0.10	0.06	-1.88	-3.69
Average number of common shares before dilution after deduction of treasury shares, 000s	509,153	466,076	488,961	317,742
Average number of common shares after dilution after deduction of treasury shares, 000s	662,849	653,768	642,657	505,435
Preference shares on closing date, 000s	1,000	1,000	1,000	1,000

Consolidated statement of comprehensive income

SEK M	Oct-Dec 2016	Oct-Dec 2015	Jan-Dec 2016	Jan-Dec 2015
Net income	-38	49	-862	-1,125
Other comprehensive income				
Items that cannot be reclassified to income statement				
Revaluation of pension obligations	124	92	-39	199
Tax attributable to revaluation pension obligations	-27	-20	9	-44
Total	97	72	-30	155
Items that have been or can be reclassified to the income statement				
Exchange rate differences	-22	-138	185	-235
Hedge of net investments	7	11	-27	21
Tax attributable to hedge of net investments	-2	-3	9	-5
Total	-17	-130	167	-219
Other comprehensive income, net after tax	80	-58	137	-64
Total comprehensive income	42	-9	-725	-1,189
Of which, attributable to:				
Owners of the Parent Company	40	-6	-736	-1,183
Non-controlling interests	2	-3	11	-6
Total comprehensive income	42	-9	-725	-1,189

Consolidated balance sheet

SEK M	Dec. 31 2016	Dec. 31 2015
Assets		
Non-current assets		
Tangible assets	29	21
Intangible assets	2,761	3,615
Deferred tax assets	97	100
Financial assets	235	179
Total non-current assets	3,122	3,915
Current assets		
Accounts receivable - trade	210	265
Current tax assets	16	14
Other current receivables	109	131
Other interest-bearing receivables	0	0
Cash and cash equivalents	48	91
Total current assets	383	501
TOTAL ASSETS	3,505	4,416
Shareholders' equity and liabilities		
Shareholders' equity		
Share capital	531	477
Additional paid in capital	5,554	5,517
Reserves	-327	-490
Retained earnings	-5,332	-4,385
Shareholders' equity, owners of the Parent Company	426	1,119
Non-controlling interests	42	39
Total Shareholders' equity	468	1,158
Non-current liabilities		
Borrowing	10	1,295
Convertible bond	216	284
Deferred tax liabilities	164	209
Pension obligations	428	415
Provisions	5	5
Other non-current liabilities	0	-
Total non-current liabilities	823	2,208
Current liabilities		
Accounts payable - trade	52	50
Current tax liabilities	12	13
Prepaid revenues	449	528
Other current liabilities	248	250
Provisions	9	39
Borrowing	1,444	170
Total current liabilities	2,214	1,050
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	3,505	4,416

Consolidated statement of changes in equity

SEK M	Share Capital	Additional paid in capital	Reserves	Retained earnings	Total equity, owners of the Parent Company	Non-controlling interest	Total equity
Opening balance, January 1, 2015	309	5,125	-277	-3,420	1,737	60	1,797
Total comprehensive income	-	-	-213	-970	-1,183	-6	-1,189
Reduction of share capital	-257	-	-	257	0	-	0
Rights issue	153	278	-	-	431	-	431
Bonus issue	204	-	-	-204	0	-	0
Convertible bond - equity part	-	72	-	-	72	-	72
Conversion of convertible bonds	68	42	-	-	110	-	110
Dividend on preference shares	-	-	-	-48	-48	-	-48
Dividend non-controlling interest	-	-	-	-	-	-15	-15
Closing balance, December 31, 2015	477	5,517	-490	-4,385	1,119	39	1,158
Opening balance, January 1, 2016	477	5,517	-490	-4,385	1,119	39	1,158
Total comprehensive income	-	-	163	-899	-736	11	-725
Conversion of convertible bonds	54	36	-	-	90	-	90
Warrant incentive program	-	1	-	-	1	-	1
Dividend on preference shares	-	-	-	-48	-48	-	-48
Dividend non-controlling interest	-	-	-	-	-	-8	-8
Closing balance, December 31, 2016	531	5,554	-327	-5,332	426	42	468

Consolidated statement of cash flows

SEK M	Oct-Dec 2016	Oct-Dec 2015	Jan-Dec 2016	Jan-Dec 2015
Operating income	25	27	-664	-1,030
Adjustments for				
Depreciation, amortization and impairment	47	80	1,092	1,413
Capital gain/loss and other non-cash items	1	8	-71	-11
Financial items, net	-29	-32	-101	-155
Income tax paid	0	0	-14	-18
Cash flow from operating activities before changes in working capital	44	83	242	199
Changes in working capital	31	62	-25	-21
Cash flow from operating activities	75	145	217	178
Acquisitions/divestments of Group companies and other assets	0	1	1	6
Investments in non-current assets, net	-22	-28	-93	-92
Cash flow from investing activities	-22	-27	-92	-86
Proceeds from borrowings	-13	-21	24	0
Repayment of borrowings	0	-72	-86	-885
Long-term investments	-36	-	-56	-10
Dividend on preference shares	-12	-12	-48	-48
Dividend non controlling interests	-4	-4	-8	-15
Warrant incentive program	-	-	1	-
Rights issue	-	-	-	430
Convertible bonds	-	-	-	475
Cash flow from financing activities	-65	-109	-173	-53
Cash flow for the period	-12	9	-48	39
Cash and cash equivalents at start of period	60	83	91	58
Cash flow for the period	-12	9	-48	39
Exchange rate differences in cash and cash equivalents	0	-1	5	-6
Cash and cash equivalents at end of period	48	91	48	91

Parent Company accounts

Income statement

	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
SEK M	2016	2015	2016	2015
Operating revenue	7	0	23	26
Administration costs	-22	-9	-87	-101
Other income/costs	0	-1	2	1
Operating income	-15	-10	-62	-74
Financial items, net	-114	-279	-1,993	-1,291
Appropriations, Group contributions received	76	323	76	323
Income before tax	-53	34	-1,979	-1,042
Income tax	-10	-64	12	-31
Net income	-63	-30	-1,967	-1,073

Eniro AB has written down shares in subsidiaries by SEK 1,985 M (1,249), of which SEK 98 M (261) in Q4.

Balance sheet

	Dec. 31	Dec. 31
SEK M	2016	2015
Non-current assets	2,519	4,412
Current assets	185	363
TOTAL ASSETS	2,704	4,775
Shareholders' equity	565	2,489
Provisions	78	75
Non-current liabilities	2,014	2,087
Current liabilities	47	124
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	2,704	4,775

Notes to the consolidated accounts

Note 1 Accounting policies

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

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

Note 2 Segment information

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

SEK M	Local search				Voice			
	Oct-Dec 2016	Oct-Dec 2015	Jan-Dec 2016	Jan-Dec 2015	Oct-Dec 2016	Oct-Dec 2015	Jan-Dec 2016	Jan-Dec 2015
Operating revenue								
Sweden	144	189	633	817	38	50	164	221
Norway	107	132	445	580	13	13	49	61
Denmark	87	101	312	366	-	-	-	-
Finland	-	-	-	-	40	44	157	178
Poland	50	50	207	215	-	-	-	-
Total	388	472	1,597	1,978	91	107	370	460
Adjusted EBITDA	64	83	367	338	29	57	117	191
Items affecting comparability ¹⁾	-5	-21	3	-65	-	-2	-	-2
EBITDA	59	62	370	273	29	55	117	189
Depreciation/amortization	-56	-53	-214	-215	-1	-10	-5	-41
Impairment losses	11	-18	-851	-693	-1	1	-22	-464
Operating income	14	-9	-695	-635	27	46	90	-316

SEK M	Other				Total			
	Oct-Dec 2016	Oct-Dec 2015	Jan-Dec 2016	Jan-Dec 2015	Oct-Dec 2016	Oct-Dec 2015	Jan-Dec 2016	Jan-Dec 2015
Operating revenue								
Sweden	-	-	-	-	182	239	797	1,038
Norway	-	-	-	-	120	145	494	641
Denmark	-	-	-	-	87	101	312	366
Finland	-	-	-	-	40	44	157	178
Poland	-	-	-	-	50	50	207	215
Total	-	-	-	-	479	579	1,967	2,438
Adjusted EBITDA	-16	-21	-44	-75	77	119	440	454
Items affecting comparability ¹⁾	0	11	-15	-4	-5	-12	-12	-71
EBITDA	-16	-10	-59	-79	72	107	428	383
Depreciation/amortization	0	0	0	0	-57	-63	-219	-256
Impairment losses	-	-	-	-	10	-17	-873	-1,157
Operating income	-16	-10	-59	-79	25	27	-664	-1,030
Net financial items					-38	38	-189	-60
Taxes					-25	-16	-9	-35
Net income for the period					-38	49	-862	-1,125

¹⁾ Items affecting comparability consist of restructuring costs. The figure for 2016 also includes a non-recurring effect of pensions, closure cost, and severance pay.

Note 3 Earnings per share

Earnings per common share before dilution

Earnings per share before dilution are calculated as income for the period attributable to owners of the Parent Company less the set dividend on preference shares for the period, divided by the average number of common shares, excluding treasury shares, before dilution.

Earnings per common share after dilution

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

	Oct-Dec 2016	Oct-Dec 2015	Jan-Dec 2016	Jan-Dec 2015
SEK M				
Earnings attributable to owners of the Parent Company	-40	50	-869	-1,124
Dividend established for cumulative preference shares during the period	-12	-12	-48	-48
Earnings used for calculating earnings per common share, before dilution	-52	38	-917	-1,172
Coupon rate for convertible bonds	3	4	15	13
Earnings used for calculating earnings per common share, after dilution	-49	42	-902	-1,159
Earnings per common share				
before dilution, SEK	-0.10	0.08	-1.88	-3.69
after dilution, SEK	-0.10	0.06	-1.88	-3.69
Average number of common shares after deduction of treasury shares				
before dilution, 000s	509,153	466,076	488,961	317,742
after dilution, 000s	662,849	653,768	642,657	505,435
Preference shares on closing date, 000s	1,000	1,000	1,000	1,000

Note 4 Financial instruments by category

Assets and liabilities on the balance sheet SEK M	Dec. 31 2016	Dec. 31 2015
Loans and accounts receivables		
Non-current assets		
Interest-bearing receivables, blocked bank funds	189	133
Current assets		
Accounts receivable - trade and other receivables	222	278
Cash and cash equivalents	48	91
TOTAL	459	502
Other financial liabilities		
Non-current liabilities		
Borrowing	0	1,295
Convertible bond	216	284
Finance lease	10	-
Current liabilities		
Borrowing	1,442	170
Finance lease	2	-
Accounts payable - trade	52	50
TOTAL	1,722	1,799

Note 5 Goodwill

SEK M	Dec. 31 2016	Jun. 30 2016	Dec. 31 2015
At start of year	2,808	2,808	4,051
Reclassifications	-	-	-20
Impairment loss for the year	-873	-873	-1,111
Exchange rate difference	83	60	-112
Carrying amount	2,018	1,995	2,808

Impairment testing of goodwill and trademarks with indefinite useful life

Accumulated impairment losses for goodwill amounted to SEK -873 M (-1,111) as per December 31. The impairment losses stem from the impairment testing of the value of the Group's intangible assets that was conducted in connection with the half-year interim report. New impairment testing was performed as per December 31 and did not show a need to recognize additional impairment losses.

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

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

Impairment testing as per June 30 indicated a need to recognize impairment losses of SEK -873 M (-1,111) as a result of the downward adjustment of assumptions for revenue and earnings that were used in previous impairment tests along with an elevated risk assessment. Approximately 50% of the impairment losses were attributable to a higher risk premium. Of the impairment losses, SEK -851 M (-646) pertained to Local search and SEK -22 M (-465) pertained to Voice. Of the impairment losses in Local search, SEK -622 M (-646) pertained to Norway and SEK -229 M (0) pertained to Denmark. Of the impairment losses in Voice, SEK -9 M (-360) pertained to Sweden, SEK -11 M (0) pertained to Norway, and SEK -2 M (-105) pertained to Finland.

Discount rate after tax by cash generating unit, %	Dec. 31 2016	Jun. 30 2016	Dec. 31 2015
Sw eden, Local search	12,49	12,44	10,50
Sw eden, Voice	15,60	15,60	10,50
Norw ay, Local search	11,67	11,72	10,04
Norw ay, Voice	15,00	15,00	10,04
Denmark, Local search	12,52	12,52	10,46
Poland, Local search	15,30	15,30	11,64
Finland, Voice	14,20	14,20	10,50

Key ratios

	Dec. 31 2016	Dec. 31 2015
Equity, average 12 months, SEK M	624	1,312
Return on equity (ROE), 12 months, %	-139.3	-85.7
Return on Assets (ROA), 12 months, %	-18.8	-18.7
Earnings per common share before dilution, SEK	-1.88	-3.69
Earnings per common share after dilution, SEK	-1.88	-3.69
Interest-bearing net debt excluding convertible bond and pension obligations, SEK M	-1,217	-1,241
Debt/equity ratio, times	2.60	1.07
Equity/assets ratio, %	13	26
Interest-bearing net debt excluding convertible bond and pension obligations/EBITDA 12 months, times	2.8	3.2
Interest-bearing net debt excluding convertible bond and pension obligations/adjusted EBITDA, times	2.8	2.7
Average number full-time employees	1,767	2,067
Number of full-time employees on closing date	1,656	1,877
Number of common shares before dilution on closing date after deduction of treasury shares, 000s	528,384	474,538
Number of common shares after dilution on closing date after deduction of treasury shares, 000s	682,080	662,230
Number of preference shares on closing date, 000s	1,000	1,000

Key ratios per share

	Dec. 31 2016	Dec. 31 2015
Equity per share, SEK	0.80	2.35
Share price for common shares at end of period, SEK	0.25	0.92

Financial definitions

Eniro presents certain financial measures in its interim reports that are not defined in IFRS. Eniro believes that these measures provide valuable, complementary information to investors and the company's management, as they enable assessment of trends and the company's performance. Since not all companies calculate financial measures in the same way, these are not always comparable with measures used by other companies. These financial measures shall therefore not be regarded as a substitute for the measures defined in IFRS.

For a description of how the key ratios are calculated, please see Eniro's website: www.enirogroup.com.

Adjusted EBITDA

EBITDA excluding restructuring costs and other items affecting comparability.

Adjusted EBITDA margin (%)

Adjusted EBITDA divided by operating revenue.

Average number of common shares after dilution

The average number of common shares adjusted for full conversion of all potential common shares through the convertible bond and warrants.

Average number of common shares before dilution

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

Average number of full-time employees

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

Average shareholders' equity

Calculated as average shareholders' equity attributable to owners of the Parent Company per quarter, based on the opening and closing balance per quarter.

Average total assets

Total assets for the four most recent quarters, divided by four.

Debt/equity ratio

Interest-bearing net debt excluding convertible bond and pension obligations divided by shareholders' equity including non-controlling interests.

Earnings per common share for the period after dilution

Income for the period attributable to owners of the Parent Company less dividend on preference shares for the period plus interest expense after tax pertaining to the convertible loan, in relation to the average number of shares after full conversion.

Earnings per common share for the period before dilution

Income for the period attributable to owners of the Parent Company less the set dividend on preference shares for the period, divided by the average number of common shares before dilution.

EBITDA

Operating income before depreciation, amortization and impairment losses.

EBITDA margin (%)

EBITDA divided by operating revenue.

Equity/assets ratio (%)

Shareholders' equity including non-controlling interests divided by the balance sheet total.

Equity per share

Shareholders' equity attributable to owners of the Parent Company divided by the number of shares at the end of the period, excluding treasury shares.

Interest-bearing net debt/EBITDA

Interest-bearing net debt divided by EBITDA, 12 months.

Interest-bearing net debt excluding convertible bond and pension obligations

Borrowings including finance leases less cash and cash equivalents and interest-bearing assets.

Operating cash flow

Cash flow from operating activities and cash flow from investing activities excluding company acquisitions and divestments.

Return on equity (%)

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

Return on total assets (%)

Moving 12-month operating income and financial income divided by the average total assets.

Total operating costs

Production, sales, marketing, administrative and product development costs excluding depreciation, amortization and impairment losses.

Eniro AB
Kistagången 12
Kista
SE-169 87 Stockholm

Telephone
+46 8 553 310 00
E-mail
info@eniro.com

Website
www.enirogroup.com
Corporate identity number
556588-0936