

Financial reports

The Board monitors the quality of financial reporting by means of instructions to the CEO and reporting instructions via the Audit Committee. The Audit Committee prepares all of TradeDoubler's financial reports due for publication. The entire Board approves TradeDoubler's interim reports and year-end report. The entire Board is ultimately responsible for ensuring that TradeDoubler's financial reports are prepared in accordance with applicable legislation, accounting standards and other requirements on limited liability companies. It is the task of the CEO, in cooperation with the CFO, to prepare, evaluate and ensure the quality of all external financial reports, including financial communiqués, interim reports, year-end reports, press releases with financial content, and presentation material for the media, shareholders and financial institutions.

Organisation of internal control regarding financial reporting

Internal control with regards to financial reporting is defined as the process conducted by the Board, executive management and other personnel concerned to gain reasonable assurance of the accuracy of the Group's financial reporting. Internal control is organised on the basis of the following sub-areas: control environment, risk management, control systems, information and communication channels as well as procedures for follow-up.

Control environment

The basis for internal control with regards to financial reporting is the control environment, which shapes the culture and the values from which TradeDoubler operates. The Group's organisational structure, decisionmaking channels, authority and responsibility, policies and other governing documents that are communicated to all employees of TradeDoubler represent the key to this culture. Governing documents such as verification instructions and documentation of the division of work between the Board and CEO as well as between the various bodies that the CEO and Board have established are examples. Accounting policies and other guidelines in respect of financial reporting are regularly updated and reviewed annually.

Risk Management

Risk management in the group was prioritized during the year and a formal approach was established for measuring, valuing and managing risk. The focus of this risk management is the Board's overall responsibility and a clear decision-making procedure with a high degree of risk awareness among employees. At TradeDoubler, controlled risk-taking within set limits is combined with a high degree of transparency in external reporting. Responsibility within the Board for quality assurance of the Group's financial reporting lies with the Audit Committee. By means of continual contact

with managers at TradeDoubler and with external auditors, the Audit Committee ensures that any risk of material misstatements in financial reporting are identified and dealt with. During the past year, for example, a formal analysis was conducted of the financial processes in an effort to identify high risk processes in the Group's accounting functions as well as to document and ensure the Group's financial processes. The subsequent assessment was based on the volume and the value of the transactions or risks, which are reported in the income statements and balance sheet. To ensure effective management and a low risk level for financial reporting, system support has been commissioned during the year that reduces the manual handling of flows and processes and thus the risk of mistakes. The current level of risk management and documentation is the basis for further measures designed to improve internal control and follow-up procedures for the future.

Control systems

The risks identified in respect of the financial reporting are managed via detailed control activities that are regularly updated and documented. The control activities may be of a general nature or related to a specific risk or individual account in the balance sheet or income statement. TradeDoubler's work on procedures and checks designed to ensure good internal control is present in all relevant areas and at all levels. Control activities are aimed at preventing and, when required, identifying inaccuracies and divergences - such as account reconciliations, analytical follow-up of outcomes and controls built into the IT system. Two areas of focus during the past year were processes and a process survey of work flows in the accounting organisation, as well as a complete review and reorganisation of the Group's accounting structure. The company tracks developments in IFRS and monitors the implementation of these in the Group.

Information and communication channels

TradeDoubler's information and communications channels are aimed at ensuring that financial reporting is complete and accurate. In an effort to attain these objectives, there are governing documents in the form of internal policies, guidelines and manuals to ensure that financial reporting is updated regularly, at least annually, which are communicated to the personnel involved.

Monitoring

The Board receives monthly financial reports and, at each Board meeting, the Group's financial situation is presented and discussed. TradeDoubler enhances and monitors compliance with these policies and guidelines, as well as the precision of financial reporting. The monitoring procedures also ensure that the Group's information and communications channels are appropriate and shaped to match financial reporting on the basis of the plan set by the Audit Committee. The results of audits, measures and status are continuously reported to the company's Board.

Conclusion

In line with the aforementioned reports for internal control, TradeDoubler's management has systematically verified and, when required, structured or created the internal documentation required for the maintenance of the internal control system. Nothing has arisen during this work to indicate that the control system does not work in the intended manner. In addition, the company's management continues to work with further improving and strengthening internal control in the Group. Proceeding on this basis, the Board has decided not to set up a special internal auditing function. This decision will be reviewed annually. This report on internal control in respect of financial reporting for 2007 has been drawn up in accordance with the Swedish Code of Corporate Governance and is part of the company's governance report. The company's auditors have not examined the report.