



**IMPROVING ONLINE BUSINESS**

# **Q4 Report 2006**

**January 26, 2007**

**CFO Owe Wedebrand  
COO Will Cooper**

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- This Presentation speaks as of 31 December 2006. You should be aware that the Presentation has not been updated to reflect any changes to the affairs of the Company since that date.

# Agenda

## Topic

## Speaker

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1) Business Highlights

Owe Wedebrand (CFO)

2) Q4 Financial Results

Owe Wedebrand (CFO)

3) Outlook

Will Cooper (COO)

4) Questions & Answers

# Business Highlights

## Financial Highlights Q4 2006

- Revenues of SEK 515.9m up from SEK 341.9m in Q4 2005, an increase of 51%
- Gross profit amounted to SEK 139.6m compared to SEK 97.1m Q4 last year, up 44%
- Operating profit totaled SEK 61.1m compared to SEK 36.0m in Q4 the previous year
- Share-based compensation expenses during Q4 2006 totaled SEK 0.8m (SEK -2.3m in Q4 2005)
- Adjusted operating profit (excluding share-based compensation expenses) was SEK 61.9m vs. SEK 38.3m in Q4 2005.
- Profit after tax amounted to SEK 47.9m compared to SEK 38.4m Q4 last year.
- Earnings Per Share of SEK 1.68 compared to SEK (1.36) Q4 last year

# Financial Highlights Full Year 2006

- Revenues of SEK 1 744.1m up from SEK 1 085.0m for the full year of 2005, an increase of 61%
- Gross profit amounted to SEK 480.3m compared to SEK 314.5m for the same period in 2005, up 53%
- Operating profit totaled SEK 190.1m compared to SEK 44m for the same period in 2005
- During the period, share based expenses relating to existing warrant schemes decreased operating profit by SEK 3.0m (SEK 23.4m)
- Adjusted operating profit (excluding share-based compensation expenses) was SEK 193.1m compared to SEK 67.4m for the full year 2005
- Profit after tax amounted to SEK 140.4m (SEK 38.9m)
- Earnings Per Share of SEK 4.93 (SEK 1.38)

# Business Highlights Q4 2006

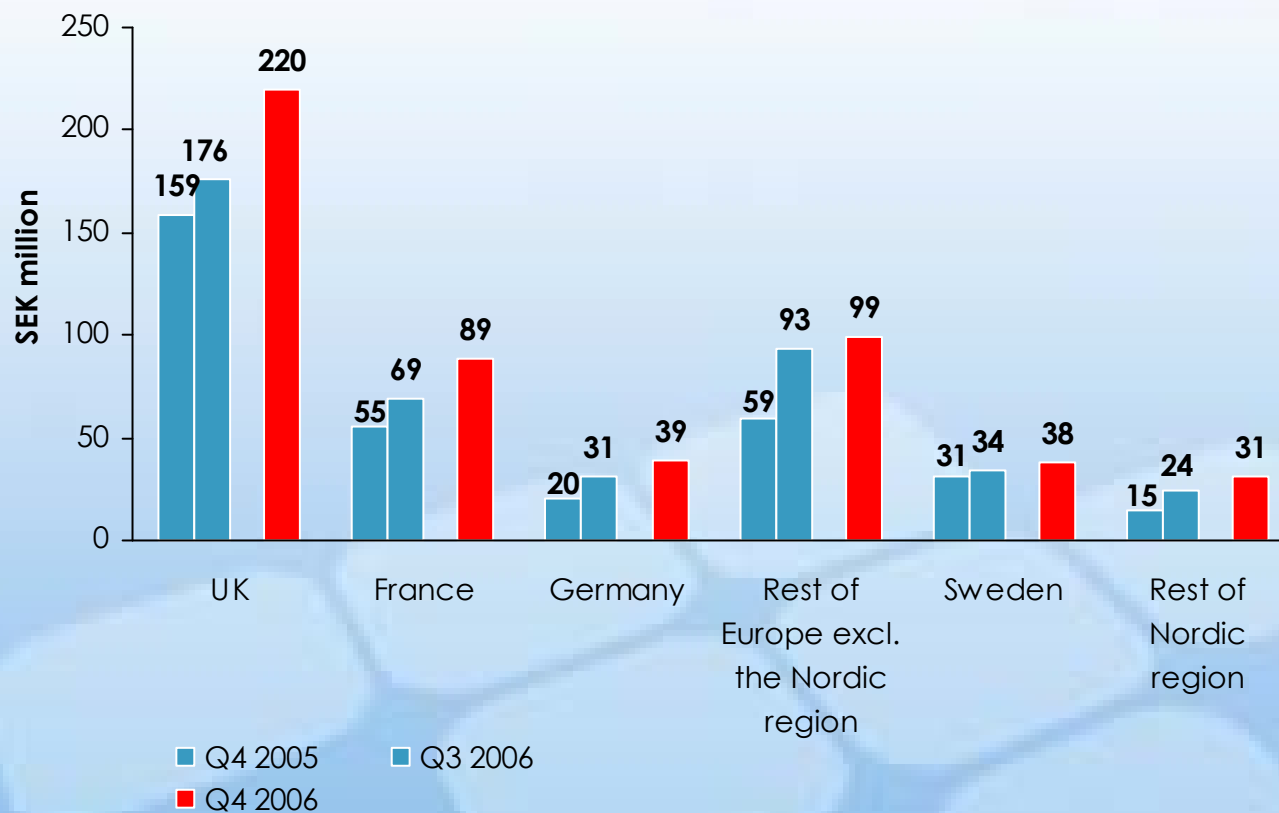
- Strong underlying market growth
- Excellent growth in emerging markets
- Ongoing development of functionality of service offerings
- Increased diversification of client base

## *After Q4 Closing*

- AOL (a majority owned subsidiary of Time Warner Inc) has announced its intention to acquire all the outstanding shares of TradeDoubler.
- At a Board meeting on 25 January 2007, the Board appointed William Cooper as acting CEO of TradeDoubler from 16 February 2007. The final appointment of a permanent successor to Martin Henricson will be made at the time when the public offer from AOL has either expired or been accepted.

# Geographic breakdown of revenue

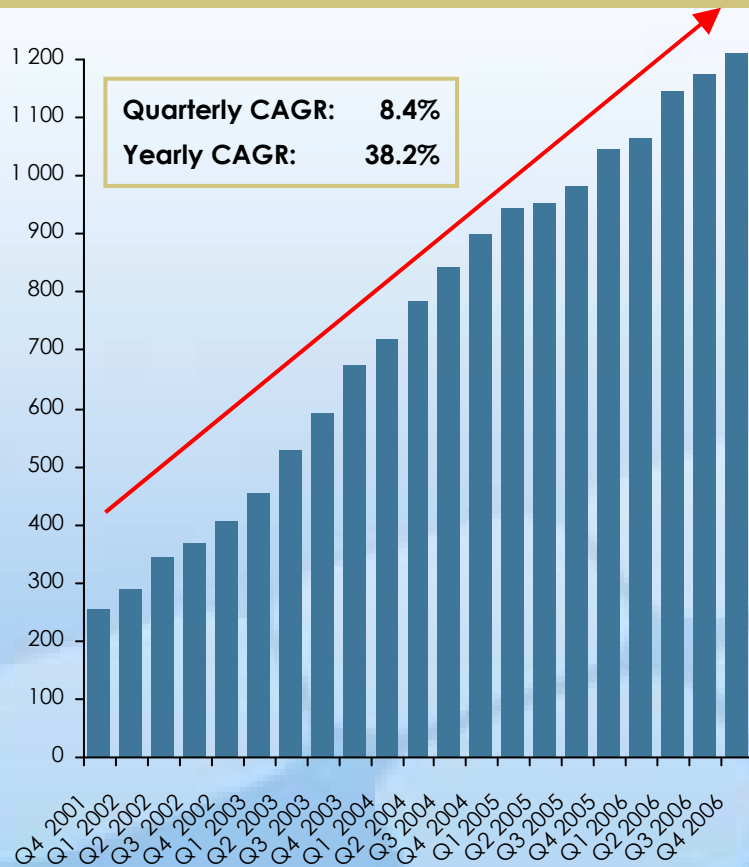
Revenue by region



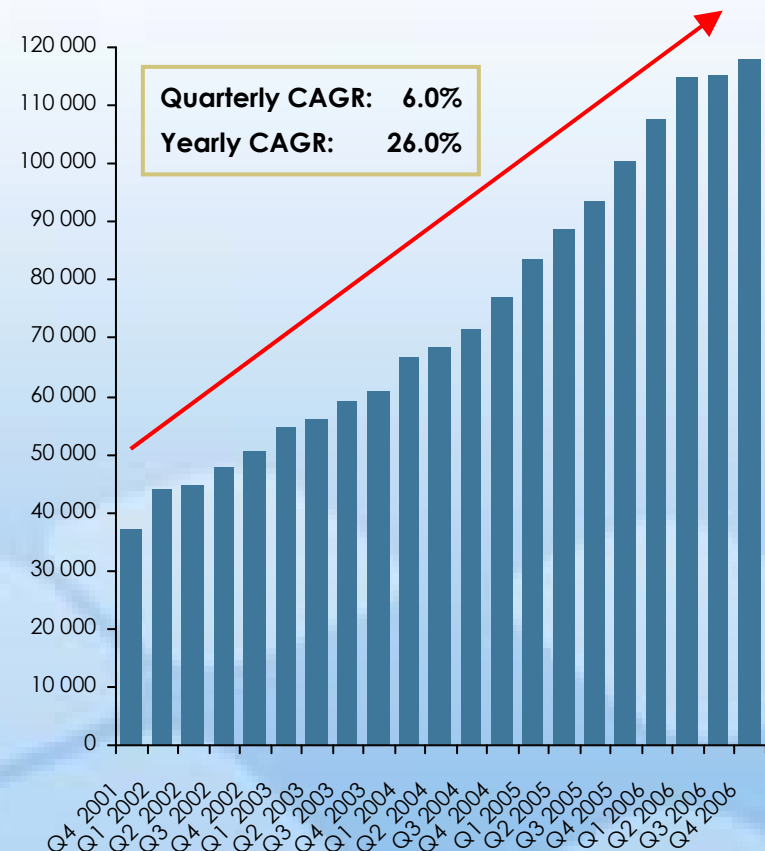
- Broad European revenue base with growth prospects across all markets
- Continued market leadership in the UK market, the largest e-commerce market in Europe
- Market leader in all markets except Germany based on company estimates
- Healthy growth in smaller, emerging markets

# Growth of advertising clients and active publishers

## Growth in number of advertising clients



## Growth in number of active publishers



Note: Active publisher defined as publisher having generated > 1 transaction during last month

# Q4 2006 Financial Results

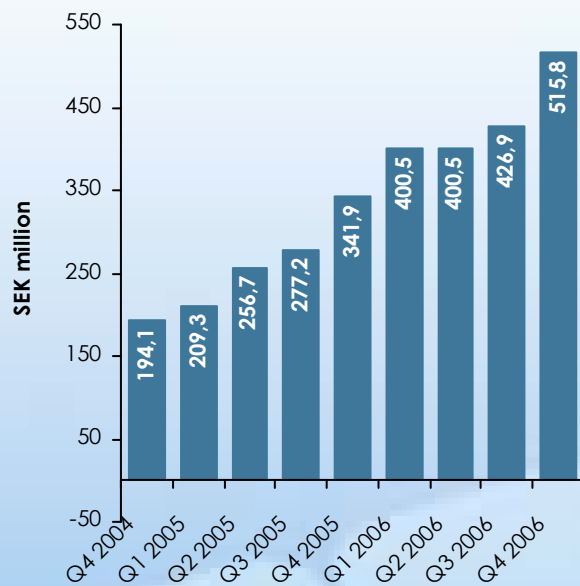
## Financial Highlights

SEK million	Year ended 31 Dec		Q4	
	2005	2006	2005	2006
Revenue	1,085.0	1,744.1	341.9	515.9
% Growth	NA	60.7%	NA	50.9%
Gross profit <sup>1</sup>	314.5	480.3	97.1	139.6
Gross Margin		52.7%	NA	42.6%
Operating Profit (adjusted)	121.0	193.1	44.1	61.9
OP margin (adjusted)	11.2%	11.1%	12.9%	11.7%
OP (adjusted) as % of Gross profit	38.5%	40.2%	45.2%	44.3%
Net profit	38.9	140.4	38.4	47.9
<b>Adjustments:</b>				
Costs relating to IPO preparations	53.6	00.0	5.8	
Warrant costs/(income) recognised under IFRS	23.4	3.0	2.3	+0.8

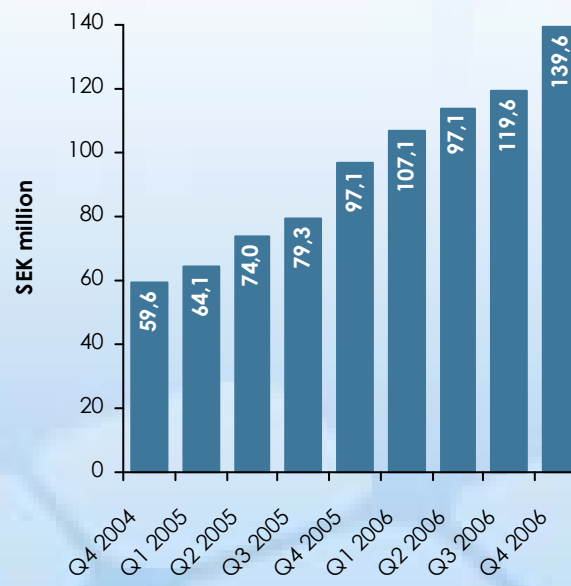
<sup>1</sup> Revenue less publisher compensation

# Continued track record of growth and profitability

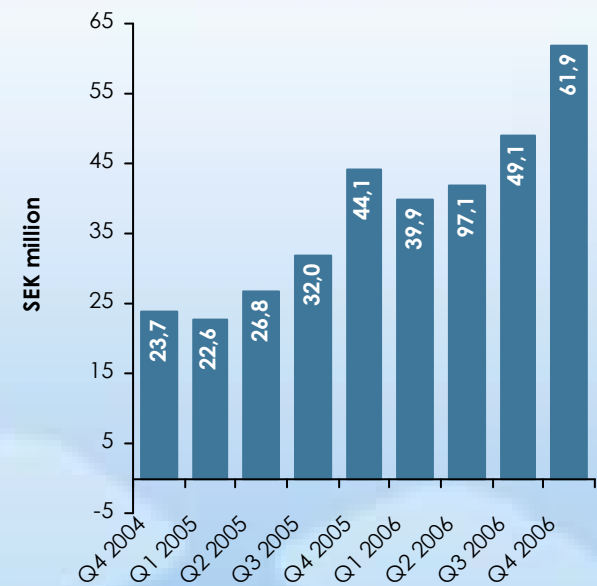
## Quarterly revenue



## Quarterly Gross Profit

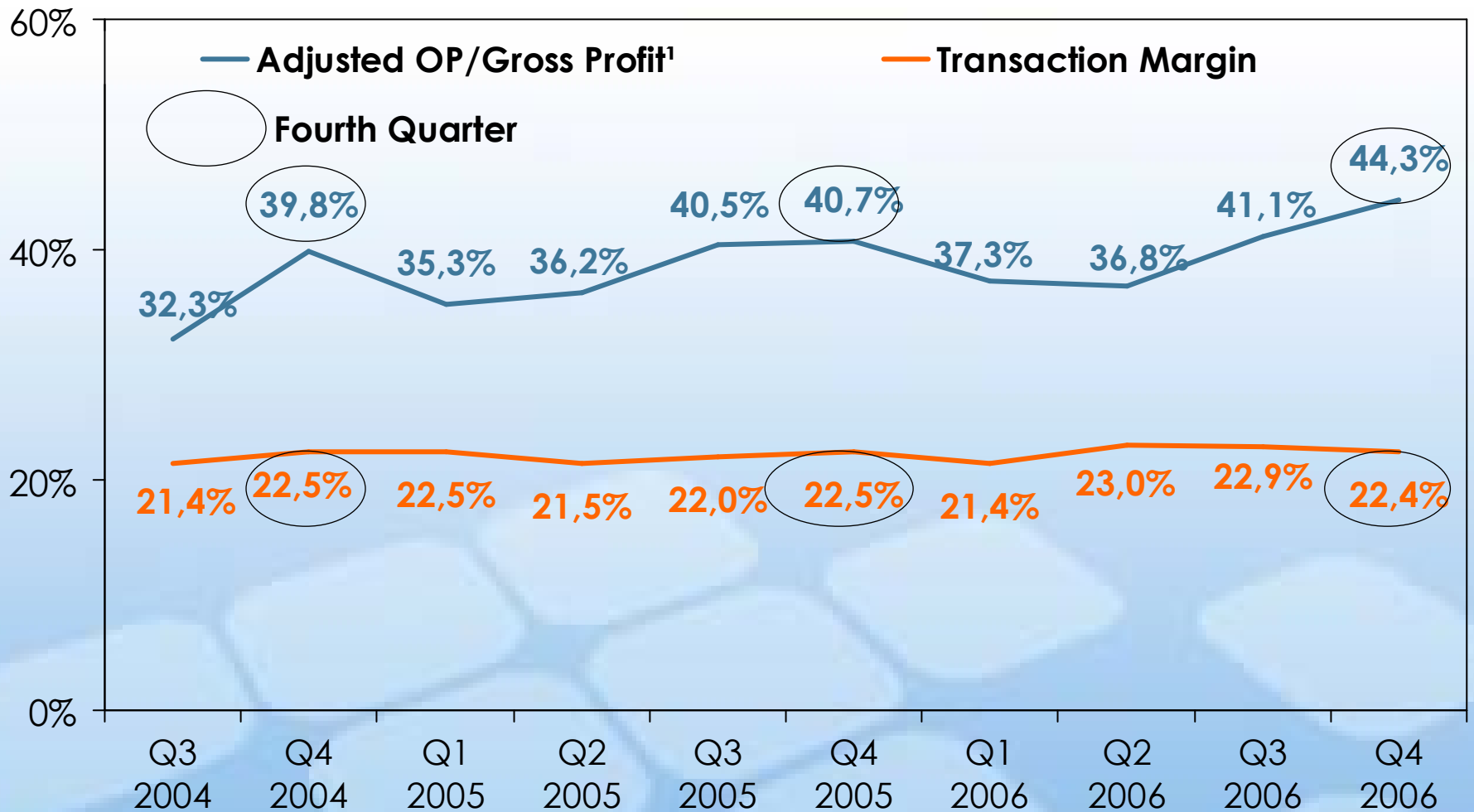


## Quarterly Adjusted OP<sup>1</sup>



<sup>1</sup>Excluding share-based compensation and IPO related costs

# Margin Analysis



<sup>1</sup>Excluding share-based compensation and IPO related costs

## Q4 Cash Flow

### Consolidated Cash Flow (SEK 000's)

	2005	2006
Cash Flows From Operating Activities Before Changes in Working Capital	71,752	196,635
Changes in Working Capital	-29,912	32,533
<b>Cash Flow From Operating Activities</b>	<b>41,840</b>	<b>229,168</b>
Cash Flow from Investment Activities	(7,218)	(17,201)
Financing Activities	48,211	8,225
<b>Cash Flow for the Period</b>	<b>82,833</b>	<b>220,192</b>

## Balance Sheet

Balance Sheet (SEK 000's)	31-Dec-2004	31-Dec-2005	31-Dec-2006
Total Fixed Assets	21,243	18,365	27,339
Total Current Assets	281,361	515,441	887,365
<b>Total Assets</b>	<b>302,604</b>	<b>533,806</b>	<b>914,704</b>
Shareholders' Equity	93,488	188,562	348,965
Long-term Liabilities	4,102	7,200	3,562
Current Liabilities	205,014	338,044	562,177
<b>Total Shareholders' Equity and Liabilities</b>	<b>302,604</b>	<b>533,806</b>	<b>914,704</b>
<b>Cash Position</b>	<b>128,589</b>	<b>218,348</b>	<b>433,082</b>

# Outlook

# Outlook 2007

- Historically TradeDoublor's top line growth has fluctuated and it is clear that it is very difficult to forecast the revenue figures.
- We foresee that local markets will continue to develop strongly. The relative growth of the UK will slow however we expect this to be compensated by the growth of the rest of Europe and emerging markets.
- In order to secure long term sustainable growth there is a need to increase our investment in the areas of technology and product development in 2007. We also foresee additional efforts and investments if we develop outside of Europe.
- The Gross margin is expected to decrease as a consequence of continued change in the product mix. The Gross margin emanating from transactions will continue to increase proportionally.
- The transaction margin is expected to decrease slightly to around 21-22 percent due to increased competition.
- Revenue for 2007 is expected to increase by 40-50%
- EBIT for 2007 is expected to increase by 35-40%
- The tax rate is expected to be around 30% for 2007
- The Board of Directors of TradeDoublor and the management do not have any intention of issuing forecasts similar to this in the future. This is an exception in relation to the bid from AOL Time Warner.