

Year-end Report 2000

Eniro shows continued strong growth and improved profitability

Three acquisitions and strong position in Online-market strengthen Eniro's position

- Eniro's revenues continued to improve during 2000, rising to SEK 3,004 M (up 13 percent)
- Operating income before depreciation and amortization (EDITDA) amounted to SEK 891 M, an increase of 16 percent, and the operating margin is 30 percent. Operations generated a very strong operating cash flow of SEK 810 M during the year
- Eniro consolidated its strong position in the Online market during the year. Eniro is the largest player in the Swedish market for Internet advertising. Online revenues show continued strong growth, rising 111 percent to SEK 442 M and now account for about 15 percent of the Group's total revenues
- Eniro has acquired Y P Moscow of Russia and Wer liefert was? (WLW) of Germany and signed an agreement to acquire Windhager of Germany. The acquisitions will increase Eniro's annual revenues by about 25 percent.

Eniro Telephone Conference February 12 at 15.00 hours (Swedish time)

Lars Guldstrand, CEO and Lennart Bernard CFO will be presenting Eniro's Year-end communiqué. You are welcome to take part in this conference.

Call information:

To make sure that you get linked up to the telephone conference, please call the following number a few minutes before the conference starts.

- Telephone: +44 (0) 208 240 8241
- Code: Eniro
- The telephone conference will be recorded and will be available until February 17 on telephone number +44 (0) 208 288 4459, access code 611882

Market

Today Eniro operates in 22 countries. Economic growth in these markets remains relatively strong. Favorable market conditions and strong demand have resulted in continued growth, both within Eniro's traditional directory activities (Offline) and the Group's Online operations.

All member countries of EU show accelerated economic growth, low inflation and favorable employment trends. Markets in Eastern Europe have experienced weaker economic growth during recent years, but are now showing signs of strong recovery.

Current economic trends in the Nordic countries are creating favorable effects on the advertising market, both the traditional media market for printed directories and Internet advertising. A marginal slowdown in the growth rate has been noted, however. The value of Internet advertising in Europe is estimated at SEK 10,700 M¹ and the traditional directory market is valued at SEK 55,500 M².

The Nordic directory and Internet advertising media are among the most highly developed advertising markets in Europe. Of all countries in which Eniro operates, the German market is believed to offer the greatest potential. Eniro has very strong positions in all Internet and directory advertising markets in which the company is represented. Eniro Sweden commands a 75-percent share of its directory advertising market and 33 percent of the market for Internet advertising. In a growing market, accordingly, the company has successfully defended its very strong position. Eniro also has a strong position in the Danish directory advertising market, with a market share of more than 20 percent and a 30-percent market share in Finland. Market shares in Eastern Europe and the Baltic Countries range from 30 to 50 percent.

The anticipated growth in mobile Internet offers a potential source of increased revenues from both Internet advertising and e-commerce.

Operations

Eniro continues to show favorable business development, with revenues up 13 percent (organic growth) in the year 2000, compared with 1999. Operations in Sweden accounted for 73 percent of total Group revenues during the year. Denmark and Finland accounted for 12 and 8 percent, respectively. Operations in the Baltic countries and Eastern Europe generated 5 percent of the total revenues.

Strategic initiatives in the form of market investments in Copenhagen, Helsinki and Moscow adversely affected operating income in these geo-

graphical markets compared with the preceding year. Revenues related to these initiatives will be generated from 2001 and the years ahead.

Offline activities show continued growth and accounted for 85 percent of Eniro Group revenues in 2000. Eniro publishes about 740 directory titles today, with a total circulation of 30 million copies. Directory operations in Sweden (Off and Online) generate commercial sales of more than SEK 300 billion annually.

Online operations are also characterized by strong growth, with revenues up 111 percent in 2000. The number of searches on our Internet sites amounts to about 55 million annually, an increase of approximately 65 percent. Eniro works continuously with product and market development. Determined efforts are made to reach new customers, through new channels, and offer greater content. During 2000, Eniro became one of the first companies in the world to launch MPS (Mobile Positioning Services) related to Yellow Pages information, a service that enables users to seek, via their mobile phone, the closest restaurant or drug store, for example, based on their present location.

Eniro is establishing a growing presence in the market for e-commerce, both within B2C (dindel.se) and B2B (emfas.com), and the Group now has about 400 e-commerce shops – websites with buy and sell functions. Revenues are derived from annual fees and transaction fees, the latter of which are extremely low in the initial phase of operations.

An extra General Meeting of Shareholders on November 21, 2000 authorized Eniro's Board of Directors to implement a new issue of shares, not exceeding 10 percent of the company's present share capital. Funds generated from the issue will be used to finance future acquisitions. A warrant program for Eniro's employees was also approved. Due to tax considerations, the warrants were offered only to employees in Sweden, Denmark, Finland, Estonia and Latvia. All members of corporate management and management groups applied for subscriptions to the warrants.

In December, Eniro AB officially announced that it had signed an agreement to acquire three companies, whereof Windhager, was formally incorporated in the Group on January 1, 2001:

ZAO Yellow Pages Moscow is an Off- and Online provider of B2C services. As a result of the acquisition, Eniro now has a 35-percent market share and is the largest directory publishing company in the Moscow area. The acquisition will also strengthen Eniro's position in Eastern Europe.

Wer liefert was? GmbH (WLW) was acquired in exchange for a cash settlement of about SEK 550 M and new shares in Eniro valued at approximately SEK 520 M, amounting to a total purchase price of SEK 1,070 M. WLW reported revenues of about SEK 360 M in 2000, with operating income before depreciation and amortization (EBITDA) of about

¹ Jupiter

² Simba, Eniro

SEK 70 M. The German company is a European leader in B2B information, with operations in 13 countries. Advertising revenues from WLW's Online activities are expected to account for 60 percent of revenues in 2001.

Windhager Mediengruppe is Germany's seventh largest directory company, with services in B2C and C2C, and offices in Baden Württemberg and Leipzig. The purchase price was SEK 840 M. Revenues in fiscal year 1999/2000 amounted to about SEK 370 M, with operating income before depreciation and amortization (EBITDA) of about SEK 70 M.

Since the effective date of the Windhager acquisition was January 1, 2001, the company's financial results were not consolidated in Eniro's 2000 year-end accounts.

The three acquisitions are a reflection of Eniro's growth strategy and efforts to strengthen its presence in markets with strong development potential. As a result of the acquisitions, Eniro has become the largest player in Off and Online directory services in northern Europe. The directory market in Germany is one of the strongest growth-potential markets in Europe. Directory advertising per capita amounts to about one-third of the corresponding advertising in Sweden. The acquisitions are expected to increase Eniro's annual revenues by about 25 percent, and Germany is now Eniro's second largest market, after Sweden.

Eniro shares

Eniro AB was listed on the O-List of the OM Stockholm Exchange on October 10, 2000 at an opening price of SEK 84 per share. The issue was oversubscribed nearly three times, and price trends in relation to index have been favorable since the introduction. Effective January 1, 2001, Eniro's shares were transferred to the Attract 40 list.

Telia is the largest shareholder in Eniro, with 49 percent of both voting rights and equity. Due to the conditions of Eniro's stock listing, Telia's shares are locked in and may not be traded for six months from October 10, 2000.

Notable among other ownership interests is that foreign institutions represent about 39 percent and Swedish ownership interests, not including Telia, amount to nearly 12 percent.

Sales and Earnings

Eniro continues to show a strong development, with Revenues in 2000 rising to SEK 3,004 M (2,649), an increase of 13 percent (organic growth) compared with the preceding year. The strongest growth was reported in Sweden, with revenues up 16 percent. With the exception of Denmark, where revenues increased by 7 percent, operations in all other geographic markets showed a growth rate of at least 10 percent.

The strong increase in revenues during 2000 was largely attributable to Online operations, which increased 111 percent to SEK 442 M (209). Offline operations during the year showed a 5-percent increase in revenues to SEK 2,562 M (2,440).

Operating income before depreciation and amortization (EBITDA) amounted to SEK 891 M (769), an increase of 16 percent, with an operating margin of 30 percent (29). The strongest increase in earnings was attributable to operations in Sweden, which showed an operating margin of 40 percent (34). Operations in Finland also reported favorable development, with the operating margin rising to 17 percent (13).

Operating Income before amortization of goodwill (EBITA) amounted to SEK 865 M (745), with an Operating Margin of 29 percent (28).

Substantial market investments in the Copenhagen area had negative effects on Operating Income reported by our Danish activities, since the full cost of market investments was charged against earnings for the year.

Development in the Baltic countries and Eastern Europe was also impacted by substantial market investments. The decline in earnings for the year was attributed primarily to investments and organization changes.

In our judgment, we are much better equipped today to create growth and profitability in these markets.

Operating income after depreciation (EBIT) amounted to SEK 738 M (617), and Net Income for the year totaled SEK 489 M (402).

Operating income includes SEK 18 M attributable to refunds of pension contributions from SPP, which were booked under other revenues for the year.

Seasonal variations in Eniro's operations are substantial. During the fourth quarter of 2000, several important directories were distributed, including the Stockholm edition of the Yellow Pages. This is the main reason for the Group's high revenues in the fourth quarter and its strong Operating Income of SEK 545 M (501) before depreciation, and amortization which generated an Operating Margin of 39 percent (39).

The acquisition of WLW was finalized on December 28, 2000 and, as a result, only the acquired company's balance sheet was consolidated in the Eniro Group. In the interim report for the three-month period ending March 31, 2001, both WLW and Windhager will be included in Eniro's consolidated income statement and balance sheet.

Operating cash flow

The operating cash flow before financial items and tax, excluding effects of the WLW acquisition, amounted to SEK 810 M (530).

The strong cash flow in 2000 was attributable primarily to favorable operating income of SEK 891 M (769) before depreciation (EBITDA) and only a negligible change in working capital during the year, as well as low net investments.

Operating cash flow, after due consideration for the WLW acquisition, totaled SEK 740 M (530), and free cash flow, excluding goodwill, amounted to SEK 493 M (316).

Financial position

The equity/assets ratio at year-end 2000 was 50 percent, and the debt/equity ratio was 0.40.

Return on equity amounted to 33 percent.

The Group's interest-bearing net debt amounted to SEK 969 M, and net investments for the year, excluding goodwill, totalled SEK 139 M.

Dividend

In conjunction with Eniro's listing on the stock market, the Board of Directors stated that average dividends paid by the company would correspond to about 30 percent of earnings for the year.

The Eniro group was established mid 2000, with a Net Profit of SEK 335 M. The Board of Directors will propose to the Annual General Meeting of 2001 to pay a dividend to the shareholders, of approximately 30 percent of Net Profit of SEK 101 M, equivalent to SEK 0,65 per share.

Personnel

The number of full-time employees, positions, as per December 31, 2000 was 2,142, an increase of 245 compared with December 31, 1999. Of the total, 573 (613) persons were employed in Sweden, and WLW accounted for 210 employees.

Outlook for 2001

The official statistics for the development of the advertising market on Eniro's most important markets shows continuous growth. Lately, however, there have been certain indications of a slowdown in the growth rate. The market segment within the advertising market where Eniro operates is usually less affected by changes in business cycles than the traditional advertising and media market is.

Eniro's intention is to strengthen the position within new media channels and services, such as voice, e-commerce and MPS (mobile positioning system).

Pro forma information

Financial information for the Eniro Group in this report is presented pro forma and based mainly on the Group structure that is expected to be fully implemented during the first quarter of 2001.

Detailed information about pro forma terms and conditions is presented in the prospectus distributed prior to the company's listing on the OM Stockholm Exchange's O-List.

Copies of the prospectus may be ordered from Eniro and are also available at www.eniro.com. The Group's financial position and legal structure are presented at the end of this report.

Significant events after year-end 2000

Effective January 1, 2001, Eniro AB is listed on the Attract40 list of the OM Stockholm Exchange.

Eniro and Bonnier entered a cooperation agreement in February. In the first stage of the agreement, Eniro will acquire *Svar om Stockholm*, a service that provides voice and web-based information.

Stockholm February 12, 2001

Lars Guldstrand

President and CEO, Eniro AB

For additional information, contact:

Lars Guldstrand, President and CEO Eniro AB,
Ph +46 8 634 70 01, +46 70 528 81 81

Lennart Bernard, CFO Eniro AB:
Ph +46 8 634 70 30, +46 70 825 18 34

Financial information

Annual Report	April 2001
Interim report, Jan-Mar 2001	May 7, 2001
Annual General Meeting	May 7, 2000
Interim report, Jan-Jun	Aug 10, 2001
Interim report, Jan-Sep	Oct 30, 2001