CISION

Annual Report 2010

Contents

About Cision

Short facts about Cision

Cision is the leading provider of software, services, and tools to the public relations and marketing communications industry. Public relations and marketing professionals use Cision's products to help manage all aspects of a campaign – from identifying key media and influencers to connecting with audiences; monitoring traditional and social media and analyzing outcomes. Journalists, bloggers, and other influencers use Cision's tools to research story ideas, track trends, and maintain their public profiles.

Through its award winning software application CisionPoint, Cision enables users to plan, connect, monitor and analyze their campaigns through a single software platform. Launched in October 2007, CisionPoint rapidly became the standard on-demand platform for its customers worldwide, including Fortune 500 corporations, FTSE 250 companies, global public relations firms, non-profit organizations, universities, and small businesses.

Winner of the 2009 CODiE Award for Best Online News Service, CisionPoint has been a CODiE Award finalist five times in the past two years. The award is sponsored by the Software and Information Industry Association. CisionPoint is also the recipient of the 2010 "Product Development of the Year – Software" award given by the Data Publishers Association.

Cision is present in Europe, North America and Asia with partners in over 125 countries. Cision AB is quoted on the Nordic Exchange. The company had revenues of about SEK 1.1 billion in 2010 and about 1,300 employees at year-end.

	Europe	North America
Markets	Sweden Finland Norway Denmark UK Germany Portugal	USA Canada
Revenue 2010	SEK 393 million	SEK 767 million
Average number of employees 2010	492	893

The Year in brief

Financial development

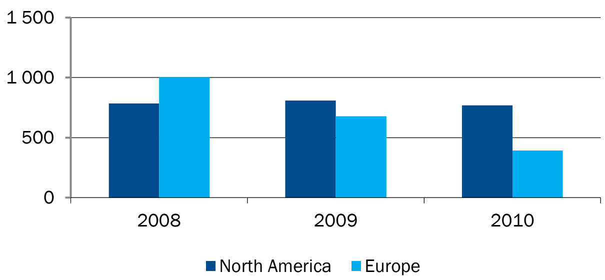
- Consolidated operating revenue amounted to SEK 1,132 million (1,476)
- Operating profit amounted to SEK 123 million (-260)
- Operating profit excluding non-recurring items[1] amounted to SEK 142 million (96)
- The operating margin excluding non-recurring items[1] was 12.6 percent (6.5)
- Profit after tax amounted to SEK 56 million (-368)
- Earnings per share[2] amounted to SEK 0.40 (-3.47)
- Cash flow from operating activities amounted to SEK 105 million (90)

Important events during 2010

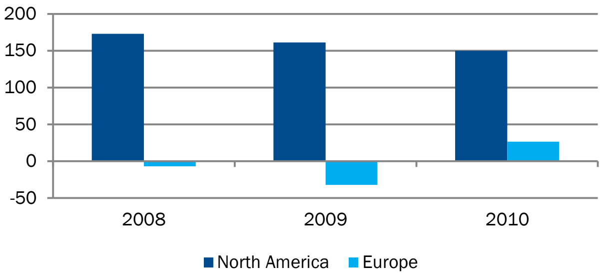
- During the first quarter of 2010, Cision divested its loss-making Monitor and Analyze business in Germany, with revenues of about EUR 18 million in 2009 and with about 240 employees as of December 31, 2009. Prior to the divestment, Cision separated out and retained the CisionPoint customers of the German business as well as a small sales force.
- During the first half of 2010, Cision implemented a rights issue of SEK 253 million. In conjunction with the rights issue, Cision also announced that it had renegotiated its loan with the current bank syndicate, where new loan terms include a facility limit of about USD 100 million and expiration of the facility in the second quarter of 2013.
- Cision's PR software solution, CisionPoint was fully rolled out to its US customer base during the year and the roll out to the European customer base continued according to plan. CisionPoint received further international recognition with awards both in the US through the US Software and Information Industry Association (SIIA) and in Europe through the Data Publishers Association in the UK.
- During the second half of the year, Cision launched a full Connect service in the US in a partnership with Nasdaq OMX, in line with Cision's strategy to grow its share of high margin Plan and Connect services.
- In the third quarter, Cision US announced the outsourcing of its broadcast monitoring sources, in accordance with Cision's strategy to reduce fixed costs and inhouse monitor production.
- Mainly due to the divestments of unprofitable Monitor operations in 2009 and early 2010, Cision's operating profit increased significantly during 2010, reaching EBITDA margins near the group's stated financial target of 20 % during the second half of 2010.

The Group in brief	2010	2009
Operating revenue, SEK million	1,131.8	1,475.9
Operating profit[1], SEK million	142.1	96.3
Operating profit, SEK million	122.7	– 259.6
Operating margin[1], %	12.6	6.5
Operating margin, %	10.8	– 17.6
Operating cash flow, SEK million	104.9	89.7
EBITDA margin[1], %	17.6	12.2
Interest-bearing net debt, SEK million	457.1	723.7
Interest-bearing net debt/EBITDA 12 MR[1]	2.3	4.0
Earnings per share[2], SEK	0.40	– 3.47
Dividend per share[3], SEK	–	–
Equity per share[2], SEK	6.05	9.14

Revenue by region[4], SEK million



Operating profit by region[1,4], SEK million



[1] Excluding goodwill impairment, restructuring expenses and other one-off costs
[2] Data per share after full dilution
[3] Board of Directors' proposed dividend for 2010
[4] Excluding other and eliminations

President's statement

2010 - a year of successful transition

In early 2010 we completed our sixth divestment within a five-quarter period. Across Cision worldwide we continued to scale down operating costs aggressively to mitigate the impact of the recession, while increasing investments in our CisionPoint PR software solution and cautiously expanding our sales and marketing efforts. As a consequence of these activities, as of early 2011 we are a much stronger company than one year ago. Cision's cost base has again shrunk significantly with about 330 fewer employees (-20 percent) on December 31, 2010 than we had on December 31, 2009 – on top of a 34-percent decrease in 2009 compared with 2008. Cision Europe returned from large losses in 2009 to healthy profitability in 2010 as a result of professional, hard work by our people to reduce costs and focus on customer satisfaction. In 2010, just as in 2009, our PR software solution CisionPoint achieved international recognition by again being nominated as a finalist for three CODiE Awards and as the winner of the category Best Social Media Aggregation Service. The CODiE Awards are considered the most prestigious software awards in the US, sponsored by the Software and Information Industry Association. CisionPoint also garnered the "Product Development of the Year - Software" award at the 2010 Data Publishers Association Awards in the UK. All excellent developments, but most importantly, 2010 allowed us to spend more time preparing Cision for growth rather than just addressing issues from the past.

Solid improvement in operating profitability and financial position

Cision's profitability significantly improved in 2010, mainly due to the European divestments in 2009 and the first quarter of 2010. The group's EBITDA margin before restructuring costs was just below the financial target of 20% during the second half of 2010 and operating profit before restructuring costs improved from SEK 96 million in 2009 to SEK 142 million in 2010. Restructuring costs also decreased significantly from about SEK 46 million in each of 2009 and 2008 to SEK 19 million for 2010. Organic growth was negative for 2010, but with an improving trend for each quarter, from negative eight percent in the first quarter to negative one percent in the fourth quarter.

Cision's financial position also improved considerably during the year, due to the rights issue as well as the gradual improvement in earnings and cash-flow throughout the year. Cision's key financial target for its financial position, Net Debt / EBITDA, improved from 4.0 as of December 31, 2009, to 2.3 as of December 31, 2010, below the financial target of 2.5.

The continuing fundamental changes in our markets create great opportunities for Cision

The pace at which people in general have been adopting the internet, especially social media, accelerated further in 2010. Facebook now has more than 500 million members and the 175 million Twitter users tweet almost 100 million times a day. In addition, there are hundreds of local and regional social networks all over the world. Social media are rapidly replacing not just how people gather information, but more importantly how they share information. When people use the phone or email to share their opinions about anything it's neither discoverable nor measurable, but when they share their opinion through social media it is. This trend is hugely relevant for Cision's customers and thereby for us. Forrester Research summarizes this development well in its April 2010 report on "Peer Influence Analysis":

"Within social networks, consumers created 256 billion influence impressions on one another about products and services last year. In social venues other than networks (such as blogs and product rating sites), consumers shared 1.64 billion influence posts. Using conservative estimates about the frequency with which people view these posts, the total number of consumer-generated impressions about products and services exceeded 500 billion in 2009. Compare that to the 2 trillion online ad impressions delivered over the same period, and it is evident that social applications now rival other mass media."

The complexity of a communication professional's job has risen dramatically, increasingly in real-time and on a global basis rather than just locally, increasing demand for and critical dependency on integrated PR software solutions like CisionPoint.

We have continued Cision's transformation into a fundamentally different company

The fundamental changes which our customers face in their world directly drive our transformation strategy: what services we sell, how we produce and how we deliver our services. During 2010 we continued to implement our four-point transformation strategy:

- Changing the revenue mix, by increasing the share of revenues from the higher margin Plan and Connect service areas, through continued investment in product development and adaptation of the business model. *In 2010 we launched a full Connect service in the USA in a partnership with Nasdaq-OMX.*
- Reducing fixed costs, by focusing on integration and data enhancement of Monitor content produced by supply chain partners, rather than producing such content within Cision. *In 2010 we divested our German Monitor and Analyze operations and outsourced production for our US broadcast monitoring service.*
- Leveraging the success of CisionPoint to grow revenues across all four service areas, by up-selling to the vast majority of customers who currently only subscribe to one or two of Cision's services. During 2010 we completed the roll-out of CisionPoint to our existing US customer base and made good progress in expanding the roll-out across Europe.
- Strengthening Cision's unique strong presence in North America and Europe, by making selective fill-in acquisitions in these markets. *In 2010 we acquired and successfully integrated PIR, a Plan and Connect company, to strengthen our Swedish market position.*

In 2010 Cision's industry started to consolidate aggressively, with more to come in 2011

During 2010, several acquisitions and divestments were carried out in our industry. This development has made it clear that the "normal" industry consolidation, in my experience caused by convergence of data and services into software, has started in earnest. When customers demand integrated software solutions from an industry which so far has consisted only of companies providing a single service (e.g. a press release service company or a monitoring data company), it also means they want to change from dealing with three to four suppliers to dealing with only one supplier. Many large and small companies that traditionally have only provided a single service, and now face customer demand for a full service offering through an integrated software solution, will not be able to make this change and will consider selling / merging their company or acquire complimentary companies.

Cision is one of few companies among the handful of global industry players that offers a full PR software solution. It's one of the few companies with years of experience selling the full range of "Plan-Connect-Monitor and Analyze" services, and can offer its customers a strong presence in both Europe and North America. This combination puts us in an excellent position not only to respond to changing customer demands, but also to be an active participant in the current industry consolidation process.

Stockholm in March 2011

Hans Gieskes
CEO and President

Business concept and strategy

Business concept

Cision provides PR professionals and members of the media with software tools and services to be successful in an increasingly complex media landscape.

Strategy

Cision's strategy for the period 2010–2012 is to continue the transformation of the company that started in 2009, by pro-actively bringing about change in how the company operates, leveraging its core strengths:

- Changing the revenue mix, by increasing the share of revenues from the higher-margin Plan and Connect service areas, through continued investment in product development and adaptation of the business model.
- Reducing fixed costs, by focusing on integration and data enhancement of Monitor content produced by supply chain partners, rather than producing such content within Cision.
- Leveraging the success of CisionPoint to grow revenues across all four service areas, by up-selling to the vast majority of customers who currently only subscribe to one or two of Cision's services. In addition, CisionPoint will enable the company to capture the large potential of the Small and Medium Enterprise markets.
- Strengthening Cision's unique industry characteristic of a strong presence in North America and Europe, by making selective fill-in acquisitions in these markets. Following an expected improvement in the current business, Cision will increasingly seek out opportunities for value-accretive acquisitions in prioritized service areas.

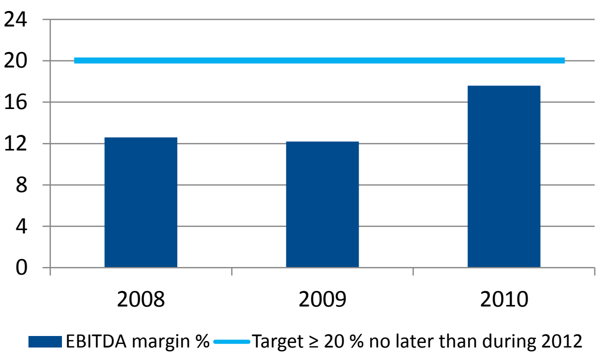
Financial targets

Based on Cision's strategy, the following financial targets have been adopted:

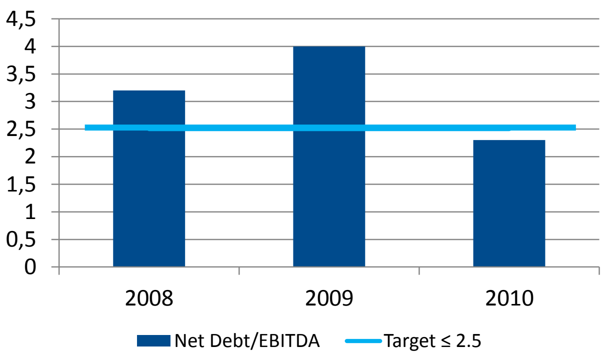
1. EBITDA margin to exceed 20% no later than during fiscal year 2012
2. Interest-bearing net debt/EBITDA not to exceed the ratio 2.5

Cision's board of directors' view is that the company over the longer term shall have a policy to distribute approximately 50 % of earnings after tax as dividend.

Development EBITDA margin[1] 2008-2010



Development interest bearing net debt/12 months EBITDA[1] 2008-2010



[1] Excluding goodwill impairment, restructuring expenses and other one-off costs

Five year summary

Income Statement SEK in millions	2010	2009	2008	2007	2006
Operating revenue	1,131.8	1,475.9	1,783.2	1,872.6	1,915.5
Gross Profit[1, 2]	660.8	729.1	866.6	–	–
Gross profit[2]	655.4	721.6	858.6	–	–
Operating profit[1]	142.1	96.3	124.6	231.5	203.7
Operating profit	122.7	–259.6	–172.6	179.2	–612.3
EBITDA[3]	199.0	179.8	225.2	308.7	289.4
Profit before tax	**83.2**	**–341.1**	**–223.3**	**118.8**	**– 679.3**
Tax	– 27.1	–26.6	–49.5	–39.3	–63.7
Net profit/loss for the year	**56.1**	**–367.7**	**–272.8**	**79.5**	**–743.0**

Balance sheet SEK in millions	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2008	Dec. 31, 2007	Dec. 31, 2006
Goodwill	1,418.7	1,476.4	1,802.7	1,879.2	1,921.6
Other fixed assets	162.8	187.2	281.1	273.0	275.8
Current assets	334.2	329.8	419.4	370.2	383.6
Tax assets	32.3	29.3	63.3	68.7	54.3
Liquid assets	101.6	143.5	162.3	131.7	127.9
Total assets	**2,049.6**	**2,166.2**	**2,728.8**	**2,722.8**	**2,763.2**
Shareholders' equity	902.3	681.3	1,090.4	1,285.6	1 249.1
Long-term liabilities	569.6	556.9	842.2	780.4	868.7
Tax liabilities	166.2	154.8	175.6	114.1	122.7
Current liabilities	411.5	773.2	620.6	542.7	522.7
Total shareholders' equity and liabilities	**2 049,6**	**2,166.2**	**2,728.8**	**2,722.8**	**2,763.2**

Key financial highlights	2010	2009	2008	2007	2006
Gross margin[1, 3], %	58.4	49.4	48.6	–	–
Operating margin[1], %	12.6	6.5	7.0	12.4	10.6
Profit margin, %	5.0	–24.9	–15.3	4.2	–38.8
Return on equity, %	7	neg	neg	6	neg
Return on operating capital, %	8	neg	neg	9	neg
Return on operating capital[1], %	9	6	6	11	9
EBITDA margin[3], %	17.6	12.2	12.6	16.5	15.1
Interest-bearing net debt/EBITDA 12 MR[3]	2.3	4.0	3.2	2.7	2.6
Operating capital, SEK million	1,493.3	1,530.5	1,926.6	2,020.0	2,081.7
Ditto excluding goodwill, SEK million	74.5	54.1	124.0	140.7	160.1
Interest-bearing net debt, SEK million	457.1	723.7	724.0	688.9	763.9
Debt/equity ratio, %	51	106	66	54	61
Equity/assets ratio, %	44	31	40	47	45
Interest coverage, multiple	3.3	–0.5	1.4	3.1	2.3
Free cash flow, SEK million	5.4	–48.5	20.4	93.6	79.1
Operating cash flow, SEK million	104.9	89.7	135.7	272.5	201.2
Acquisition value of acquired operations, SEK million	18.9	2.8	8.3	4.4	12.6
Number of employees at year-end	1,298	1,629	2,451	2,521	2,759

Data per share	2010	2009	2008	2007	2006
Earnings per share before dilution[4], SEK	0.40	–3.48	–3.66	1.07	–9.99
Earnings per share after dilution[4], SEK	0.40	–3.47	–3.66	1.07	–9.99
Operating cash flow per share, SEK	0.75	0.84	1.82	3.66	2.71
Shareholders' equity before dilution, SEK	6.05	9.14	14.63	17.25	16.78
Shareholders' equity after dilution, SEK	6.05	9.14	14.63	17.25	16.78
Dividend[5], SEK	–	–	–	0.25	–
Profit before dilution, SEK thousand	56,058	–367,670	–272,781	79,517	–742,893
Profit effect from potential shares, SEK thousand	–	–	–	–	–
Profit after dilution, SEK thousand	**56,058**	**–367,670**	**–272,781**	**79,517**	**–742,893**
Average number of shares before dilution[6], thousand	139,240	105,764	74,544	74,538	74,351
Potential shares, thousand	422	737	–	–	40
Average number of shares after dilution[6], thousand	139,661	106,501	74,544	74,538	74,391
Number of shares at year-end	**149,095,836**	**74,544,418**	**74,544,418**	**74,544,418**	**74,453,572**

1 Excluding goodwill impairment, restructuring expenses and other one-off costs.
2 Not available before 2008.
3 Excl. goodwill impairment, depreciations, restructuring costs and other one-off costs.
4 Inclusive new share issue 2010. 2009 has been translated according to the same principles. Previous periods have not been translated.
5 Board of Directors' proposed dividend for 2010.
6 The new share issue that was ongoing between March 24 and April 12 has been affecting the calculation of the average number of shares since the issue contains a bonus issue component (Swedish: fondemissionselement). The bonus issue component arise because the issue price was lower than the equivalent underlying value of the share. The calculated adjustment factor for the calculation of the average number of shares amounts to 1.419. Previous reported earnings per share have thus been adjusted.

The Share

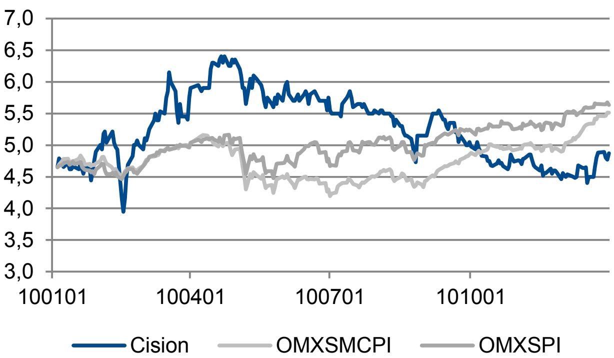
Share price performance and trading

Cision's shares are listed on the Nordic Exchange. Cision's market capitalization as of December 31, 2010 was SEK 726 million. In 2010, approximately 49.7 million shares were traded. The price of the Cision share changed by 3.8 per cent during the year, from SEK 4.69 on December 30, 2009 (recalculated after the rights issue) to SEK 4.87 on December 30, 2010. During the same period, the OMX SPI changed by 23.1 percent. In 2010, the share reached a high of SEK 6.40 and a low of SEK 3.95.

Share capital

Share capital in Cision AB amounted to SEK 223,643,754 as of December 31, 2010, divided among 149,095,836 shares, each with a par value of SEK 1.50. All shares carry an equal right to the company's earnings and assets, as well as an entitlement of one vote each.

Share performance 2010



Shareholdings	No. of share-holders	No. of shares	% of votes
1–1,000	12,513	2,549,515	1.7
1,001–10,000	2,150	7,017,561	4.7
10,001–50,000	280	6,175,581	4.1
50,001–100,000	37	2,819,555	1.9
100,001–	67	130,533,624	87.6
Total	**15,047**	**149,095,836**	**100.0**

Source: Euroclear Sweden AB

Ownership structure

At year-end 2010, Cision had 15,047 shareholders, according to the share registry maintained by Euroclear Sweden AB (Swedish Central Securities Depository). Swedish private individuals owned about 13 percent of the shares and Swedish institutional investors such as pension funds and insurance companies owned approximately 71 percent of the shares. Foreign investors owned 16 percent of the shares. The ten largest shareholders had a combined holding of 72 percent of the shares. The number of shareholders decreased during the year.

10 Largest shareholders, 2010 (Source: SIS Ägarservice)

Shareholders	No. of shares	(%) of share capital
Fairford Holdings Scandinavia AB	19,243,200	12.9
Lannebo fonder	16,887,000	11.3
Harris Associates fonder	15,277,200	10.2
Cyril Acquisition AB	15,236,836	10.2
Öresund Investment AB	10,280,218	6.9
Skandia Liv	9,324,188	6.3
Fjärde AP-fonden	6,929,274	4.6
Unionen	5,167,584	3.5
Wahlström, Jonas o bolag	4,770,000	3.2
Avanza Pension Försäkring AB	4,061,047	2.7
Subtotal	**107,176,547**	**71.8**
Other shareholders	41,919,289	28.2
Total	**149,095,836**	**100.0**

Incentive Programs

Incentive programs are described in Note 8 on page 55-58.

Analysts who continuously cover Cision:

- Enskilda Securities – Stefan Andersson
- Handelsbanken – Rasmus Engberg
- Danske Bank – Bile Daar
- ABG Sundal Collier – Martin Arnell
- Redeye – Jan Glevén

Cision's offer

Cision's mission is to empower communicators to tell their story more effectively to influencers, media and customers; to make better decisions based on deeper and more complete insights about communications strategies; and to improve organizational and personal productivity and performance.

Cision offers global reach and capacity, with presence in North America, Europe and Asia, and partners in over 125 countries.

The company reaches out constantly to its key audiences – communicators in private and public organizations, public relations firms, government agencies, and colleges and universities, plus media and online influencers – through participation and thought leadership in industry conferences, portals such as Cision Blog, Cision Navigator, the Media Members portal, and programs such as the CisionPoint College & Universities Program (US and Canada).

Cision's PR software solution - CisionPoint

CisionPoint, Cision's award-winning public relations software solution for corporate communication and PR professionals, enables users to manage all their key processes and activities through a single software platform. It integrates capabilities that help them **plan** campaigns, **connect** with key audiences, **monitor** coverage and **analyze** results.

Plan

The **Cision Media Database**, integrated into CisionPoint, helps users identify important influencers and media around the globe. It lists more than 1.5 million media and influencer contacts and outlets across North America and Europe and is updated daily.

Connect

Cision enables users to engage with key contacts across all traditional and social media channels. Cision offers a cost-effective news distribution service, integrated into CisionPoint, that allows users to distribute information via web and wire to thousands of wire services, news sites and newsrooms. Cision's own search-engine-optimized website **CisionWire**, with thousands of subscribers, is one of many channels accessed through CisionPoint.

Monitor

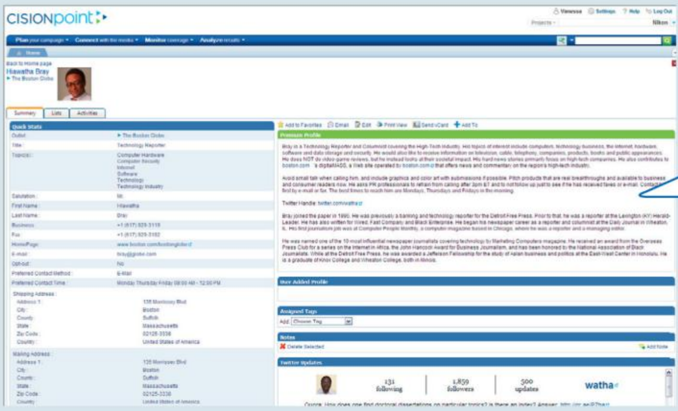
Cision offers a full suite of **media monitoring solutions**, delivered through and integrated with CisionPoint, to track worldwide print, broadcast and online coverage and social media conversations from over 100 million blogs, social media sites and microblogs. In addition, the company offers products such as the **Cision Social Media Dashboard**, a self-service social media monitoring portal, and **Cision Executive News Briefs**, a professional service offered by a dedicated team of Cision media analysts.

Analyze

Cision helps communicators quantify the impact of communications activity and determine the return on investment of their communications programs. **Advanced media analysis services** – supplementing the **basic and advanced analytics** capabilities within CisionPoint – apply the skills of Cision's analysis experts for custom reports, in-depth surveys, and marketing mix modeling consulting and analytics that offer strategic intelligence about the impact of communications and paths toward improvement.

In addition, Cision is developing and marketing free tools such as JournalistTweets.com, powered by Cision, which enables PR professionals, media and online influencers to aggregate, sort and track Twitter feeds from thousands of journalists around the world.

CisionPoint



Plan – identify the right target audience

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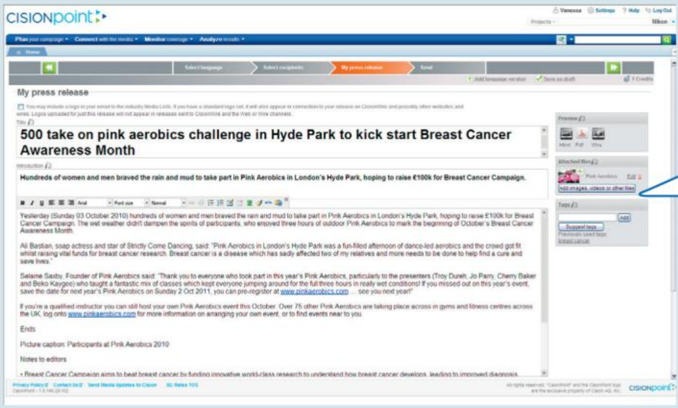
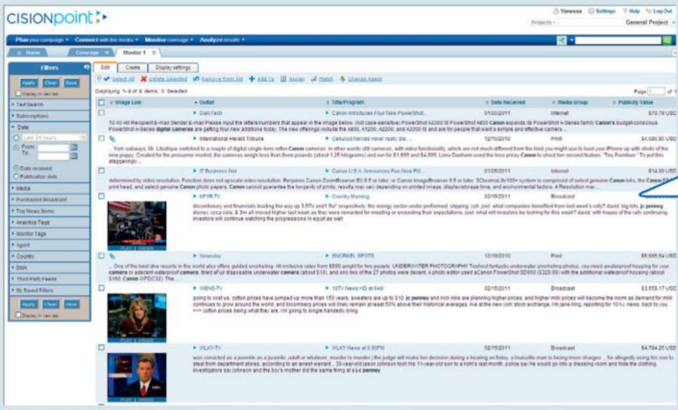


Connect – reaching out with messages

Cision enables users to engage with key contacts across all traditional and social media channels. Cision offers a cost-effective news distribution service, integrated into CisionPoint, that allows users to distribute information via web and wire to thousands of wire services, news sites and newsrooms. Cision's own search-engine-optimized website **CisionWire**, with thousands of subscribers, is one of many channels accessed through CisionPoint.



Monitor – tracking media in all formats

Cision offers a full suite of **media monitoring solutions**, delivered through and integrated with CisionPoint, to track worldwide print, broadcast and online coverage and social media conversations from over 100 million blogs, social media sites and microblogs. In addition, the company offers products such as the **Cision Social Media Dashboard**, a self-service social media monitoring portal, and **Cision Executive News Briefs**, a professional service offered by a dedicated team of Cision media analysts.

Analyze – evaluating effectiveness of communication

Cision helps communicators quantify the impact of communications activity and determine the return on investment of their communications programs. **Advanced media analysis services** – supplementing the **basic and advanced analytics** capabilities within CisionPoint – apply the skills of Cision's analysis experts for custom reports, in-depth surveys, and marketing mix modeling consulting and analytics that offer strategic intelligence about the impact of communications and paths toward improvement.

Customers

Cision has a broad customer base with about 15,000 customers around the world, ranging from small businesses and organizations to major international customers. They can be found in every industry, local and international companies, PR agencies, public authorities and organizations.

Among these customers, the actual users of Cision's products and services are typically communications professionals or consultants in PR, IR and marketing. They use the services to reach out to their target market with their messages and to plan, follow up on and evaluate their communications.

Cision's services are also used by journalists and other media professionals to gain access to the latest news and expert sources. By updating and refining their profile in Cision's media database, this professional group gains access to breaking news in a way that suits them.

The Market

Cision operates in a rapidly changing market. The growing importance of branding and the changing media landscape influence how enterprises and private individuals communicate, making it more important for companies to manage their image across a broad spectrum of traditional and new media. At the same time, the information available to PR professionals from the internet and social media continues to increase in volume, complexity and urgency, as consumers increasingly share opinions instantly using smart phones, social networking sites and other online sources. Consequently, Cision believes that the demand for integrated Public Relations software solutions, such as CisionPoint, will become increasingly essential to PR and communication professionals to help them manage their daily tasks.

Changes in online and offline information volume

The structural decline of information available in print and broadcast media will continue, while supply and demand for tracking information only available online is rapidly growing. This change in consumer media consumption habits presents a good growth opportunity for Cision as communication professionals will require more software based tools to manage the expanding online media landscape.

Market trends

Media landscape increasingly complex

Essentially unlimited opportunities for any user to create and spread information reinforce the significance of the internet, and specifically social media. Individuals and businesses take advantage of the opportunity to publish and spread negative and positive opinions about companies, products and services. Social Media is a growing global force that is critical to any company's or organization's reputation. It requires greater attention; constant monitoring and prompt response when appropriate to assure a fully engaged communications presence and control.

Growing importance of brands

A strong brand and a good reputation provide companies with many advantages. They can often charge more for their products and services. They find it easier to recruit the best employees. They are better able to manage crises as they have a cushion in their credibility. Brand reputation is becoming one of the most important weapons in the global marketplace in the fierce competition for consumers' attention. Demand is increasing for communication services that evaluate the strength of brands among a range of key audiences.

Dramatic increase in number of sources

Globalization, technological developments and a fast-changing media landscape are megatrends that all point to an increasingly borderless world of information. The number of sources that can impact a company's brand is growing. Successful companies need efficient tools to harness the exploding amount of information.

Growing demand for integrated service platforms

Due to the increased complexity of the media landscape and the growing number of channels, Cision believes that demand for integrated software solutions like CisionPoint will intensify. More and more journalists and communicators are working globally and in real-time, increasing the complexity of their roles. The need for effective integrated workflow solutions with information and services that help them to reach out with their messages is growing.

Market consolidation

Due to increased globalization and the investments that complex software solutions require, Cision believes that the industry will consolidate. Participants of various sizes will merge, both to increase their global presence and to expand their selection of services.

Competitors

The market for the Company's services is fragmented. Cision's competitors usually offer mainly one or two of the four service areas that Cision offers. Many are local players or have a strong presence on only one continent. However, Cision believes that market trends indicate that a growing number of participants will, through mergers and acquisitions, increase their global presence and expand their selection of services.

Examples of Cision competitors in North America are Vocus, Burrelles/Luce, VMS, PR Newswire, Business Wire, and Marketwire. In the European market examples of Cision competitors are Durrants, Landau Media, Meltwater, Gorkana, Precise, and Infopaq.

Positioning

Cision has a strong position as a global partner through a distinct brand and international presence. Cision is focusing on a standardized global offering under a uniform brand name and identity. Serving as a global partner offers customers advantages in terms of competence, cost and competitiveness.

Global offer

Cision has a unique market position through its strong geographic presence in Europe and North America. In addition, Cision has partners in over 125 countries, providing the company with unique opportunities to offer a global service. Cision is one of the few companies in the industry that can offer global services based on a strong presence in local markets, giving Cision an edge in its ability to work across cultures and borders when serving leading multinational companies and fast-growing enterprises of all sizes and ambitions.

Integrated services

Cision is constantly developing its services in order to retain its leading position in the market. The award-winning CisionPoint platform integrates all services in Plan, Connect, Monitor and Analyze. With CisionPoint, customers can efficiently and effectively manage the entire communications process through planning, follow up and analysis of their communications. This offer is the market leader, which is still dominated by companies that offer individual services within Cision's selection of services.

Leading media database and extensive digital media monitoring

Cision offers its customers one of the world's leading media databases. Over 1.5 million press contacts and new Social Media influencers in more than 200 countries give Cision a leading position. Moreover, through its partners, Cision offers the market's most extensive global digital media monitoring in over 125 countries.

Risks and Risk Management

Cision's operations and profitability are impacted by a number of factors. The risks the Group is exposed to can be classified as market-related, operations-related and financial. Risk management is a constant priority for the Group, and it is continuously developed in order to achieve balanced risk exposure. The following summary lists significant risks and how Cision manages them.

Market-related risks

Macroeconomic developments

The clients' level of activity and investment opportunities are affected by the economy and business climate. An economic downturn could significantly impact Cision's earning capacity. Cision's diverse client base, both geographically and in terms of industry, helps to spread the risks.

Copyright

Access to reasonably priced information is essential to the manner in which Cision conducts its operations. The application of copyright laws varies in the markets where Cision is active. Increased access to digital information drives copyright issues and brings them to the forefront in an environment in which the trend is to strengthen copyrights. A tightening of copyright laws that limits the opportunity to distribute information, or demands for higher compensation by rights holders, would have a direct impact on Cision's earning capacity. Cision continuously works on strengthening relationships and establishing collaboration agreements with copyright holders.

Increased competition and new actors on the market

Cision operates in a changing industry characterized by rapid technological development. Access to information on the internet has lowered the barriers to entry, leading to several new actors in the market and increased competition, also due to the fact that several of Cision's markets are undergoing a consolidation phase. The value, and therefore the price, of information are steadily declining, which requires the creation of value-added services for the clients in addition to the provision of information. Cision's competitiveness is strengthened by the breadth and depth of its offering, its strong position in analyzed information services, and its international services. Cision also offers integrated services through the web-based software application CisionPoint.

News flow

Within the Monitor business area, revenue is partly dependent on the number of business news items of relevance to the clients. This varies depending on the season and any events that lessen the amount of business news in the media, such as natural disasters. Moreover, Cision's Monitor revenues are impacted by a general negative volume trend for printed media, to some extent reduced by a positive trend relating to the quantity of accessible information in digital media. This volume dependency within Monitor is being reduced through gradual modifications to the service mix and pricing model. Cision intends to increase the level of recurring revenue by increasing the percentage of value-added services and shifting the pricing model toward subscription-based revenues.

Operations-related risks

Service development

A client-focused service development is critical to maintaining and increasing Cision's competitiveness. Services are developed to meet local client needs as well as the needs of large, international companies and organizations. The Cision Group is moving toward a more uniform offering to take better advantage of economies of scale in its service development. A growing share of the Group's services is provided through the web-based software application CisionPoint.

Technological development

The rapid technological development affects both client solutions and production. Clients increasingly request digital deliveries to a portal or intranet. Cision continuously develops its web-based services based on common IT platforms shared within the Group.

Client dependency

Cision's services help clients to increase the efficiency of their communications and make better-informed business decisions. This demand is not industry-specific. Cision is therefore less sensitive to developments in specific industries or client groups. Also, no single client accounts for more than about 2 percent of the Group's total revenue, which reduces Cision's exposure in case of the loss of an individual client.

Supplier dependency

Cision strives to outsource non-strategic aspects of work processes within production to reduce fixed costs, take advantage of time zone differences, and reduce expenses. Subcontractor-related quality deficiencies, delays, or interruptions have a negative impact on Cision's delivery to customers and can therefore damage Cision's reputation. Cision proactively monitors and follows up on delivery quality from subcontractors and partners.

Leaders and employees

Cision is a service company where the ability to attract, develop and retain competent employees is crucial to its success. Cision operates in a rapidly changing market and is dependent on senior executives with the ability to carry out strategic and operational changes. Increasing digitization of the business and the development of the service offering toward large international assignments increase the need for competence in fields such as sales, marketing and IT development. Cision is working to identify and develop leaders and other employees to ensure access to the right competence and future leaders in both the local subsidiaries and at the Group level. Cision's structural capital consists of jointly developed solutions, service platforms, documented methods and procedures that reduce dependency on individual key persons.

Security issues

Security issues are crucial to Cision, since the company handles confidential client information. In the Connect business area, Cision offers listed companies assistance with the distribution of price-sensitive information and the provision of information as required by EU directives and local legislation. Cision has developed routines and processes for employees who handle sensitive information and to ensure that any information that belongs to its clients is handled in accordance with applicable legislation, stock exchange listing agreements and other capital market regulations. Moreover, client solutions and internal production systems are becoming more IT based, which places demands on IT and operating security and requires contingency plans to minimize the effects of service disruptions. Cision conducts periodic IT security audits of its infrastructure and applications. The Group has insurance protection for liability risks and loss of income in the event of disruptions.

Acquisitions

Cision's strategy includes acquisition. The assets of acquired companies are normally limited in scope and account for only a small part of the acquisition cost. The major part consists of goodwill. The value of goodwill is dependent on the long-term earning capacity of the acquired business. Changes in market conditions in terms of competitiveness will therefore have a direct impact on the valuation of goodwill. Cision works with a methodology and model for risk analysis, evaluation, implementation and integration of acquisitions.

Cision generally acquires companies with good profitability, stable cash flows, established client bases and recognized trademarks, which reduces investment risk.

Financial risks

The Board of Directors of Cision has established a financial policy intended to act as a framework for Cision's financial activities and to provide guidelines for the management of financial risks. The objective is to limit any financial risks that arise in connection with borrowing, investments and foreign currency transactions. Financial risks and risk management are described in Note 2.

Board of Directors' report

The Board of Directors and the President of Cision AB (publ), corporate identity number 556027-9514, with its registered address in Stockholm, Sweden, are pleased to present the annual report and consolidated financial statements for the fiscal year 2010. The annual report has been approved for public release, by the Board of Director, on March 7, 2011. The consolidated and parent company income statements and balance sheets will be presented for adoption at the Annual General Meeting on March 31, 2011. Unless stated otherwise, amounts in brackets refer to previous year, i.e. 2009.

Group operations and structure

Cision offers services and software solutions to the public relations and marketing communications industry. It creates values for clients by providing an integrated software platform including tools to identify key media and influencers, connect with audiences, monitor traditional and social media and analyze outcomes. Operations comprise four service areas: Plan, Connect, Monitor and Analyze. Cision's principal geographic markets are Western Europe and North America, with partners in other regions.

Market outlook

Cision believes that the long-term growth prospects for software and services for the PR industry are good. The value of brands is increasing, making it more important for companies to manage their image across a broad spectrum of traditional and new media. At the same time, the information available to PR professionals is increasing in volume, complexity, and urgency, as consumers increasingly share opinions instantly using the internet and social media. Consequently, Cision believes that the demand for integrated PR software solutions, such as CisionPoint, will become increasingly essential for PR and communication professionals to help them manage their daily tasks. High-quality PR software solutions are complex and expensive to develop; therefore Cision expects its market to consolidate over the next few years. The structural decline of information available in print and broadcast media will continue, while supply and demand for information only available online is rapidly growing. In the shorter term, the recent economic recession has had a negative impact on demand for Cision's services.

Five year summary

SEK million	2010	2009	2008	2007	2006
Net sales	1,132	1,476	1,783	1,873	1,916
Organic growth, vs last year, %	−5	−13	−3	1	4
Currency effect on revenue, vs last year	−59	136	−31	−64	−3
Operating profit	123	−260	−173	179	−612
Operating profit [1]	142	96	125	232	204
Operating margin[1] %	12.6	6.5	7.0	12.4	10.6
Currency effect on operating profit, vs last year	−8	22	–	−15	−1
EBITDA[2]	199	180	225	309	289
EBITDA margin[2], %	17.6	12.2	12.6	16,5	15.1
Interest-bearing Net Debt/EBITDA 12MR[2]	2.3	4.0	3.2	2.7	2.6
Net profit	56	−368	−273	80	−743
Operating cash flow	105	90	136	273	201
Free cash flow	5	−49	30	94	79
Earnings per share[3]	0.40	−3.47	−3.66	1.07	−9.99
Operating cash flow per share[3]	0.75	0.84	1.95	3.66	2.71
Free cash flow per share[3]	0.04	−0.46	0.41	1.26	1.07
Number of employees at year-end	1,298	1,629	2,451	2,521	2,759

[1] Excluding goodwill impairment, restructuring expenses and other one-off costs.
[2] Excluding goodwill impairment, depreciations, restructuring expenses and other one-off costs.
[3] Data per share after full dilution.

Important events

- During the first quarter of 2010, Cision divested its loss-making Monitor and Analyze business in Germany, with revenues of about EUR 18 million in 2009 and with about 240 employees as of December 31, 2009. Prior to the divestment, Cision separated out and retained the CisionPoint customers of the German business as well as a small sales force. In line with the group's strategy, Cision Germany therefore was transformed to a software based and sales driven operation, with a complete service offering through CisionPoint and where media monitoring is provided through internet sources, electronic feeds and outsourced production of monitor content from print and broadcast sources.
- During the first half of 2010, Cision implemented a rights issue of SEK 253 million. In conjunction with the rights issue, Cision also announced that it had renegotiated its loan with the current bank syndicate, where new loan terms include a facility limit of about USD 100 million and expiration of the facility in the second quarter of 2013.
- Cision's PR software solution CisionPoint was fully rolled out to its US customer base during the year and the roll out to the European customer base continued according to plan. CisionPoint received further international recognition with awards both in the US through the US Software and Information Industry Association (SIIA) and in Europe through the Data Publishers Association in the UK.
- During the second half of the year, Cision launched a full Connect service in the US in a partnership with Nasdaq OMX, in line with Cision's strategy to grow its share of high margin Plan and Connect services.
- In the third quarter, Cision US announced the outsourcing of its broadcast monitoring sources, in accordance with Cision's strategy to reduce fixed costs and inhouse monitor production.
- Mainly due to the divestments of unprofitable Monitor operations in 2009 and early 2010, Cision's operating profit increased significantly during 2010, reaching EBITDA margins near the group's stated financial target of 20 % during the second half of 2010. Due to the improved profitability as well as the share issue and improved free cash-flow, the group's financial position also improved considerably during the year, with Net Debt / EBITDA at 2.3 as of December 31, 2010, below the financial target of 2.5.

The Group's development

SEK million	2010	2009
Total revenue	1,132	1,476
Organic growth, vs last year, %	−5	−13
Currency effect on revenue, vs last year	−59	136
Operating profit[1]	142	96
Operating margin[1], %	12.6	6.5
Currency effect on operating profit, vs last year	−8	22
EBITDA[2]	199	180
EBITDA margin[2], %	17.6	12.2
Net profit	56	−368
Employees, end of period	1,298	1,629

[1] Excluding goodwill impairment, restructuring expenses and other one-off costs.
[2] Excluding goodwill impairment, depreciations, restructuring expenses and other one-off costs.

Revenues for 2010 decreased compared with 2009, mainly due to the divestments of Monitor operations in the past two years (net impact of divestments and acquisitions about SEK 240 million), but also due to a negative currency development (impact of SEK 59 million) and negative organic growth of 5 %. Organic growth was negative in 2010 due to a weak recovery from the recession and lower transaction-based revenues from monitoring of print and radio/TV sources, although the decline in organic growth improved steadily during the year, from negative eight percent in the first quarter to negative one percent in the fourth quarter.

For 2010, operating profit and operating margin excluding restructuring costs, goodwill impairment, and other one-off costs improved significantly compared to 2009 due to improved profitability in Europe through the divestments of unprofitable Monitor operations in the UK, the Nordics, and Germany, partly offset by lower profit in North America mainly due to negative currency effects. Operating profit for 2010 improved to SEK 123 million (-260), due to much lower restructuring costs in 2010 of SEK 19 million (46) as well as the impairment charges of SEK 267 million and other one-off costs of SEK 43 million that were incurred in 2009.

The financial net for 2010 improved to SEK -50 million (-70), mainly due to lower debt following Cision's rights issue in the second quarter of 2010 as well as lower costs for financial fees. The financial net for 2010 was also positively impacted by favorable currency effects, but negatively impacted by one-off charges related to the refinancing of Cision's syndicated loan as well as a write-down of a financial receivable.

During 2010, Cision recorded a capital gain of SEK 11 million related to the divestment of Cision's German legal entities, compared with a capital loss of SEK 12 million in 2009 from the divestment of Nordic subsidiaries. The tax cost for 2010 amounted to SEK 27 million (27), of which SEK 22 million (22) is deferred tax for deductible goodwill amortizations. Tax paid for 2010 therefore amounted to SEK 2 million (3), mainly because of the deferred tax effect.

Development by region

Cision North America

SEK million	2010	2009
Total revenue	767	809
Organic growth, vs last year, %	−2	−10
Currency effect on revenue, vs last year	−31	103
Operating profit	150	161
Operating margin, %	19.5	19.9
Currency effect on operating profit, vs last year	−6	21
EBITDA	188	202
EBITDA margin, %	24.5	24.9

Organic growth for 2010 was negative at 2 % but much improved from last year’s -10 %, as mainly the US business benefitted from the successful roll-out of CisionPoint as well as improved market conditions. In the last quarter of 2010, the US reported positive 2 % organic growth. As of late 2010, CisionPoint has been fully rolled out to the US customer base. Transaction-based Monitor revenues had a negative impact on growth, particularly in Canada. Operating profit for Cision North America decreased in 2010 compared to last year largely due to negative currency effects, while operating margins remained at a very solid 20 %. During the second half of the year, Cision US outsourced its broadcast monitor operations, resulting in both an improved offering as well as another step toward implementing the group’s strategy of reducing fixed costs and in-house monitor production.

Cision Europe

SEK million	2010	2009
Total revenue	393	678
Organic growth, vs last year, %	−9	−15
Currency effect on revenue, vs last year	−28	33
Operating profit[1]	26	−32
Operating margin[1], %	6.7	−4.9
Currency effect on operating profit, vs last year	−2	1
EBITDA[2]	41	7
EBITDA margin[2], %	10.3	1.0

[1] Excluding goodwill impairment, restructuring expenses and other one-off costs
[2] Excluding goodwill impairment, depreciations, restructuring expenses and other one-off costs

Organic growth for Cision Europe was negative at 9 % for 2010, though the trend during the year was significantly positive, improving from about negative 15 % in the first two quarters of the year to about 0% organic growth in the fourth quarter. Operating profit and operating margins before restructuring costs, goodwill impairment, and other one-off costs improved considerably, as the division successfully transformed to a more profitable business model following the divestments of the majority of its loss-making Monitor operations during 2009 (UK, the Nordics, and Lithuania) and the first quarter of 2010 (Germany).

Restructuring

Restructuring expenses for January−December were SEK 19 million (46), mainly related to costs for efficiency improvements in Germany, the UK, and the Nordics. Restructuring costs were lower in 2010 than in 2009 because of the divestment of Monitor-based businesses in the past 18 months, where historically most of Cision’s restructuring activities have occurred.

Cision believes that per the end of 2010, the restructuring program as launched in 2006 has been largely completed, where costs were incurred to implement a higher degree of digital business processes, efficiency improvements, and staff reductions. However, Cision also believes that other one-off costs may occur in the future in the continued development of the Group, such as costs related to Cision’s stated intention of outsourcing production resources within the service area Monitor and similar one-off costs. Therefore, from 2011, Cision will no longer report *Restructuring Costs*, but may instead report one-off costs. To the extent that such costs are incurred, such items will be reported separately as *Non-Recurring Items*, which better reflects the characteristics of such potential items.

Capital expenditures

Gross capital expenditures amounted to SEK 62 million (66) and similar to last year, mainly consisted of the development of the group’s software platforms, in particular the CisionPoint service platform.

Financial position

SEK million	2010	2009
Shareholders equity	902	681
Equity per share	6.05	9.14
Interest bearing net debt	457	724
Net Debt/EBITDA 12MR[1]	2.3	4.0
Working Capital	−72	−103
Liquid Assets	102	144

[1] Excluding goodwill impairment, depreciations, restructuring expenses and other one-off costs

During the first half of 2010, Cision carried out a rights issue whereby equity increased by the net proceeds of SEK 238 million. During 2010, shareholders' equity also increased by SEK 56 million due to net profit and decreased by SEK 77 million due to exchange rate effects.

During the first half of 2010, Cision renegotiated its loan with the current bank syndicate, where new loan terms included a facility limit of about USD 100 million and expiration of the facility in the second quarter of 2013. The terms of the renegotiated loan include customary financial covenants as well as amortization and reduction of the facility by a total of USD 10 million during 2011−2012. As of December 31, 2010, utilization of the syndicated loan was approximately USD 83 million. Exchange rate effects decreased the syndicated loan by about SEK 26 million between January and December 2010.

The Interest Bearing Net Debt/EBITDA ratio, with EBITDA measured on a 12 month rolling basis before restructuring and other one-off costs, improved significantly during the year, mainly due to the share issue, but also due to improved EBITDA. For the fourth quarter, the Net Debt/EBITDA ratio improved from 2.7 to 2.3 mainly due to solid cash flows decreasing net debt, as well as improved

EBITDA year on year. The group's financial target is to have its Net Debt/EBITDA ratio not exceed 2.5.

Goodwill

Goodwill amounted to SEK 1,419 million as of December 31, 2010. Goodwill decreased during the period January–December 2010 by SEK 73 million due to exchange rate fluctuations and increased by SEK 15 million due to acquisitions.

Cash flow

SEK million	2010	2009
Operating Cash Flow	105	90
Free Cash Flow	5	−49

Operating cash flow and free cash flow for 2010 compared with 2009 improved considerably, mainly due to improved earnings and lower restructuring costs paid, partly offset by negative cash flow from working capital. Cash flow for 2010 includes a significant negative impact from restructuring costs taken in previous years and provisions related to the divestments of subsidiaries in 2009, as well as one-off charges related to Cision's loan refinancing.

Divestments

On March 2, 2010, Cision announced that it had signed an agreement to sell its German legal entities to Infopaq International. The transaction was completed according to plan on March 31, 2010. Prior to completion, Cision separated and thereby retained its current German CisionPoint customers, as well as a sales force in order to continue to sell this solution in the German market.

The purchase price was EUR 2.85 million on a cash and debt-free basis, payable on September 30, 2012. Cision also agreed to reimburse the divested unit for restructuring costs of EUR 250,000 and to provide a loan to the divested unit of EUR 2 million. The loan will be repaid in installments, with full payment by June 30, 2011.

Cision's German business had revenues of about EUR 18 million in 2009, with nearly all of its business focused on transactional Monitor and Analyze services, and with about 240 employees as of December 31, 2009. For 2009, Cision Germany reported an operating loss before restructuring costs of about EUR 1.6 million, including certain cost allocations from the Cision Group, as well as restructuring costs of EUR 0.9 million. During 2009, Cision Germany started to market its CisionPoint solution to new German customers, through a separate and dedicated sales force. As of January 2010, this part of Cision's German business, which was retained by Cision following the divestment, employed five people and had revenues with an annual run rate of about EUR 0.5 million. Following the divestment, Cision Germany will continue to offer customers a complete offering through the CisionPoint software platform, where media monitoring will be provided through internet sources, electronic feeds from news aggregators, and through a reseller agreement with Infopaq International.

Acquisitions

On July 1, 2010, Cision completed the acquisition of all shares of the Swedish company Public and Investor Relations PIR Svenska AB (PIR). PIR's business focuses on distributing press releases and providing a contact database for journalists and the media for the Swedish market (the services Cision refers to as 'Connect' and 'Plan'). As of June 30, 2010, PIR had 7 employees with revenues of about SEK 8 million for 2009. Through focused sales management and excellent customer service, PIR has experienced high growth rates in the past few years, accumulating a sizeable customer base, particularly in the public sector. Historically, PIR has delivered very solid operating margins. Combined with expected synergies upon its integration with Cision, the acquisition therefore has a positive impact on Cision's European operating margins from the second half of 2010.

Operating capital

Operating capital is defined as operating assets less operating liabilities. Tax assets and tax liabilities are not included. A large part of operating capital consists of goodwill arising through business acquisitions. In total, operating capital amounted to SEK 1,493 million (1,531) and operating capital excluding goodwill was SEK 75 million (54). The decrease in operating capital is mainly due to a decrease in goodwill due to currency effects. The increase in operating capital excluding goodwill is mainly due to lower operating liabilities, in turn mainly due to the divestments during 2009, leading to reduced business volumes for 2010.

SEK million	2010	2009
Goodwill	1,419	1,476
Other fixed assets	164	187
Short-term operating receivables	302	311
Provisions	−18	−29
Operating liabilities	−374	−415
Operating capital	**1,493**	**1,531**
Less goodwill	−1,419	−1,476
Operating capital excl. goodwill	**75**	**54**

Working capital

Working capital is defined as current operating receivables less current operating liabilities. Working capital as of December 31, 2010 amounted to SEK -72 million (-103). The negative working capital is partly explained by a relatively large part of the Group's revenue being paid in advance, in the form of subscription fees. The decrease in negative working capital compared to last year is partly due to lower business volumes, partly due to an increase in average days outstanding for accounts receivable in certain countries.

Share capital

The share capital amounted to SEK 223,644 thousand (111,817) on the balance sheet date. The share capital was represented by 149,095,836 (74,544,418) shares, with a nominal value of SEK 1.50. The number of shares and votes in Cision increased by 74,544,418 during the second quarter of 2010 due to the share issue and by

7, 000 during the third quarter due to exercise of employee stock options under the 2009 long-term incentive program. All shares are of the same class and carry the same entitlements in the company. The company does not hold any of its own shares and it did not acquire or transfer any own shares during the fiscal year. No dividend was paid during 2010 for the fiscal year 2009.

Dividend

For 2010, the board proposes no dividend in order to strengthen the group’s competitiveness and financial flexibility. However, due to the group’s positive development and strong cash-flow generation, the board’s view is that the company over the longer term shall have a policy to distribute approximately 50 % of earnings after tax as dividend. For 2010, the board proposes no dividend in order to strengthen the group’s competitiveness and financial flexibility.

Financial instruments and risk management

The Board of Directors has established a financial policy as a framework for the Group’s financial activities and to provide guidelines for managing financial risks. The goal of the finance operations is to make optimal use of the Group’s overall liquidity, optimize the Group’s financial net and provide an overall assessment of, and control over, the Group’s financial risks. In addition to the financial policy, which is reviewed annually, the Board of Directors establishes financial limits a calendar year at a time. For a further description of financial risks, exposure and financial instruments, see Note 2.

Corporate governance

The articles of association do not contain any provisions on the appointment and dismissal of Board members or on amendments to the articles. Detailed information on corporate governance can be found in the Corporate Governance section.

Research and development

Within its strategic guidelines, the Group develops client focused services based on shared services, methods and IT platforms. The largest projects during the year were as follows:

- Further development of the CisionPoint platforms for the North American as well as the European market. The CisionPoint platforms provide clients with a better interface with greater functionality, while reducing the number of different technical platforms in the Group.
- Development of new features and infrastructure for mainly Plan and Connect services, which are delivered through the CisionPoint platform.

Total research and development expenditures in 2010 amounted to SEK 85 million (85).

Employees and remuneration

The average number of employees for 2010 was 1,385, a decrease of 594 compared to the average number of employees in 2009, mainly due to the divestments in the Nordics, Lithuania and the UK in 2009 as well as the divestment in Germany during the first quarter of 2010. As of December 31, 2010, the Group had 1,298 employees, a decrease of 331 compared with December 31, 2009, mainly due to the German divestment in the first quarter of the year (reduction of about 235 employees), as well as other staff reductions to improve efficiency. For information on the distribution of the average number of employees and salaries, as well as a description of the guidelines on remuneration for senior executives, see Note 8. The Board’s proposed guidelines for remuneration for senior executives, approved at the Annual General Meeting in April 2010, have been applied during 2010.

Material risks and uncertainties

Cision's competitive strength depends on client-focused service development, the successful conversion to a digital offering based on analyzed information, and a digitized production process, as well as the ability to attract and retain competent personnel.

The greatest potential uncertainties over the next 12 months are as follows:

- Economic recessions will have a negative impact on Cision's earning capacity.
- Certain revenue streams for Monitor and Analyze services are negatively affected by the declining number of newspapers and volume of information in such media.
- Non-recurring items may arise in order to improve cost-efficiency, particularly in the area of Monitor operations.
- More than 90 % of the Group’s total revenue is in currencies other than Swedish kronor; consequently, currency fluctuations could have a major impact on the consolidated income statement.
- The Group has a net debt position financed by a syndicated loan facility, which expires in the second quarter of 2013. However, the syndicated loan facility is contingent upon certain covenants; if these are not met, the lenders may require a renegotiation of terms and the loan may become due for repayment.

For a more thorough explanation of material risks and uncertainties faced by the Cision Group and the Parent Company, please refer to the detailed information on pages 13-14 (Risks and Risk Management) and 49-52 (Note 2).

Future outlook

Cision has a positive view on the long-term market development for the company’s services. Execution of the company’s four-fold strategy as presented on page 6 is expected to contribute to increased competitiveness in the future.

Cision does not issue forecasts.

Parent company

The Parent Company's operations comprise parts of Group management and Group development resources. For the period January–December 2010, operating revenue amounted to SEK 62 million (240) with a profit before tax of SEK 91 million (–164). The decrease in revenue compared to last year is mainly because the parent company revenues during 2009 included revenues from a company operating under a commission agreement. The improved profit before tax is mainly because the 2009 result included impairment of immaterial assets, write-down of the value of shares in subsidiaries as well as capitalized losses on the divestment of subsidiaries, offset partly due to other capital gains on internal restructuring transacttions. At the end of the period, shareholders' equity amounted to SEK 842 million. Investments in other fixed assets amounted to SEK 12 million (23) for the period January–December 2010.

The parent company and Cision Sverige AB operated under a commission agreement until December 31, 2009, which was cancelled as of January 1, 2010. The income statement and the balance sheet for the parent company in 2010 therefore refer to the accounts of the parent company, whereas the same figures for 2009 refer to the parent company and Cision Sverige AB.

Commercial terms are applied to sales between Group companies. No significant changes have taken place in relationships or transactions with related parties compared with those described in the Annual Report for 2009.

Proposals for the Annual General Meeting

Dividend

For 2010, the board proposes no dividend in order to strengthen the group's competitiveness and financial flexibility.

Reverse Share Split

The Board of Directors has resolved to propose to the Annual General Meeting on March 31, 2011 that Cision AB carries out a reverse share split at a ratio of 1:10, i.e. whereby 10 existing shares will be consolidated into one share, in order to facilitate the trade in the Cision share. For those shareholders who on the record date for the reverse share split do not hold a number of shares corresponding to a whole number of new shares, such excess shares will be sold, after which the proceeds from the sale will be distributed among the shareholders who are entitled to such proceeds. Assuming approval by the Annual General Meeting on March 31, 2011, it is expected that the reverse share split can be effected not later than in May 2011. Additional details on the proposed reverse share split will be published with the notification of the Annual General Meeting.

Proposal for guidelines for remuneration to senior executives and proposal for a share based long-term incentive plan

A. Resolution regarding guidelines for salary and other remuneration to Cision's (the Company) President and other senior executives

The board of director's proposal below for guidelines for salary and other remuneration to the Company's President and senior executives has been prepared in order to secure that the Cision group offers a reward system that is competitive, business driven, performance focused and meets the highest standard on ethics and morale.

Guidelines for salary and other remuneration of the Company's President and senior executives

The board of directors proposes that the annual general meeting approves the board's proposal regarding guidelines for salary and other remuneration of the President and senior executives of the Company. The proposed guidelines mainly correspond to the guidelines for remuneration that have been applied in previous years and are based on existing agreements between the Company and the Company's senior executives. The guidelines apply to the President, senior executives that report directly to the President as well as selected other senior executives in the Company group. The remuneration structure for the Company's senior executives shall comprise of both fixed and variable salary, pension, other benefits and when appropriate long-term incentive plan.

Fixed salary

The Company shall offer market level terms that enables the Company to attract, develop and retain senior executives. The fixed salary level is based on what the local market pays for equivalent position, qualification and performance and is therefore a market-based salary. The fixed salary is reviewed on a yearly basis.

Short-term incentive plan (STI)

The variable cash remuneration is paid in the form of an annual performance based bonus. The target bonus for the Company's senior executives varies depending on their position. The target bonus for the President is 60 per cent. of the fixed annual salary and maximum bonus is 100 per cent. of the fixed annual salary when performance exceeds targets. For the Company's senior executives being part of the executive committee the target bonus is 40-50 per cent. of the fixed annual salary and the maximum bonus is 80-100 per cent. of the fixed annual salary, and for other senior executives the target bonus is 20-35 per cent. of the fixed annual salary and the maximum bonus is 40-70 per cent. of the fixed annual salary. The bonus is, for the President and the senior executives being part of the executive committee, based on the Company's achieved operating result (EBIT) for the financial year 2011 on group level as compared to the budget for this item. For other senior executives the bonus is based on the achieved operating result (EBIT) for the financial year 2011 as compared to the budget for this item, calculated at division or country level depending on their position. The cash bonus earned during 2011 under this incentive plan will, on the basis of the current composition of the senior executive team of the Company, amount to a maximum of approx. 70 per cent. of the total annual fixed salary for the President and the other senior executives participating in the STI programme.

Long-term incentive plan (LTI)
The board of directors proposes that the annual general meeting resolves to adopt a share based long-term incentive plan, in accordance with the board's proposal set out below.

Pension
The basic principle with respect to pension arrangements shall be that the terms and conditions correspond with market terms in the country where the Company's senior executives are domiciled. The retirement age for the executives varies in accordance with local customs. For the President, the Company shall allocate an amount corresponding to 20 per cent. of the President's pension-qualifying salary for pension and insurance solutions. The Company's senior executives follow local practice for supplementary pensions for salaried employees or corresponding arrangements. Others pension allocations are made in accordance with local customs and after approval of the HR and the President.

Other benefits
The Company's President and senior executives are eligible for customary benefits connected with their position, such as health care, medical insurance and a company car. Benefits vary between the countries and are based on local customs.

Severance payment and notice period
The President has an employment contract until 31 December 2011, which may be renewed with six months written notice. Should the Company terminate the President's employment before December 31, 2011, the President is entitled to receive a severance payment corresponding to twelve months' base salary. The notice period for the Company's senior executives varies between three and six months. For the Company, the notice period varies between three and six months. The Company's senior executives are entitled to a severance payment equal to six to twelve monthly salaries. Further, where the board of directors deems it required in order to secure the Company's need for continuity in the senior executive team in connection with significant changes to the structure or ownership of the Company, additional arrangements for senior executives may be implemented in relation to notice periods, severance payments and financial incentives to remain in the Company's service.

Preparation and resolution
With respect to the President, the compensation committee proposes, after discussions between the chairman of the board and the President, the salary, criteria for variable remuneration and other terms of employment, which are then approved by the board. For the Company's other senior executives, the President proposes terms and conditions which are then approved by the compensation committee and reported to the board of directors.

The board of directors shall have the right to deviate from these principles in individual cases if there is a solid business rationale and good reason for such a decision.

B. Resolution regarding a share based long-term incentive plan (LTI)
The board of directors proposes that the annual general meeting resolves to adopt a long-term share based incentive program (**"LTI 2011"**). The purpose of the program is to incentivise the senior executives and key employees of the Company to act in order to achieve the Company's long-term goal and create shareholder value.

1. Implementation of LTI 2011
The board of directors proposes that LTI 2011 is implemented in accordance with the following main principles. 19 senior executives and key employees in the Company will be offered to participate in LTI 2011. To these individuals, an amount corresponding to no more than 50 per cent. of any bonus earned pursuant to the STI programme will (in addition to the cash bonus paid under STI), be paid out in the form of shares in the Company (the **"Bonus Shares"**). The aggregate number of Bonus Shares so payable shall not exceed a number corresponding to one per cent. of the total number of shares in the Company, adjusted for bonus share issues, share splits, preferential rights issues and similar measures (the **"Maximum Number"**). Should the aggregate amount of bonus payable to the participants under LTI 2011 correspond to a number of Bonus Shares in excess of the Maximum Number (when purchased at the trading price set out below), the number of Bonus Shares attributable to each participant will be reduced with such participant's pro rata portion of the excess number of shares.

Provided that applicable performance criteria are met, the bonus under LTI 2011 will be determined in early 2012, provided further that the participant is still employed by the Company (or any company within the Company's group) on the date of such determination, and that the participant has not given or received notice of termination on such date. The bonus under LTI 2011 will be distributed after the 2014 annual general meeting of the Company. The number of Bonus Shares to which each participant shall be entitled will be based on the ratio between the available bonus and the average trading price of the Company's shares during the two week period beginning on the day after the date of completion of the reverse split of the Company's shares during the second quarter of 2011 or, if such reverse split is not approved by the annual general meeting, the first Monday following the date of publication of the Company's quarterly report for the first quarter of 2011. Distribution of the Bonus Shares will, however, be made only if the participant remains employed with the Company as per the day of distribution of Bonus Shares (save for where the participant's position has been vacated pursuant to termination by the participant's employer for reasons other than circumstances relating to the participant personally or by reason of retirement at a customary age, in which case the participant shall remain entitled to any Bonus Shares determined in respect of such participant unless the board of directors on a case by case basis resolves otherwise; or where the participant's position has been vacated due to death or long-term illness, in which case the participant shall remain entitled to any Bonus Shares determined in respect of such participant).

The costs for LTI 2011 (in the form of accountable salary costs, social security contributions and other necessary expenses related to the delivery of Bonus Shares to the participants) may, based on the proposed number of participants, be estimated to SEK 6.7 million in the event of no change in the trading price of the Company's shares and SEK 7.3 million in the event of a doubled trading price of the Company's shares, as per the date of delivery of the Bonus Shares, compared to the current trading price of the Company's shares as per the date of the notice convening the annual general meeting. These cost estimates are based on the assumption that own shares can be acquired in order to secure delivery of Bonus Shares as proposed in item 2 below.

Participants in LTI 2011 are only entitled to distribution of a whole number of shares. Any part of the amount on which the bonus under LTI 2011 is based which is not paid in the form of Bonus Shares shall not entitle the participant to any other form of remuneration.

The board of directors shall be entitled to resolve upon a reduction in the distribution of Bonus Shares if the board of directors considers that a distribution in accordance with the above terms – taking into consideration the financial results and position of the Company – would be manifestly unreasonable.

The board of directors shall be responsible for the details and the managing of LTI 2011 within the framework guidelines set out in this proposal, and shall furthermore be entitled to make such minor adjustments as may be required further to legal or administrative conditions.

2. Authorisation of the board of directors to resolve on acquisition of treasury shares on the stock exchange
In order to make possible the distribution of Bonus Shares in accordance with LTI 2011, and to secure for future cash flow effects due to payments of social security related thereto, the board of directors proposes that the annual general meeting authorises the board of directors to resolve, on one or more occasions (however before the date of the 2012 annual general meeting), upon the acquisition of own shares. Such acquisitions shall be made on NASDAQ OMX Stockholm at a price within the at each time registered share price interval, being the interval between the highest buying rate and the lowest selling rate. No more than a number of shares corresponding to the sum of (i) the Maximum Number and (ii) an additional amount of shares corresponding to 10.5 per cent. of the Maximum Number may be so acquired.

3. Transfer of treasury shares to participants of LTI 2011
In order to distribute Bonus Shares in accordance with LTI 2011, the board of directors proposes that the annual general meeting resolves on the transfer of own shares. The maximum amount of shares which may be so transferred corresponds to such number of shares which the board of directors may acquire in accordance with item 2(i) above. Shares may be so transferred no later than June 30, 2014. The right to acquire shares shall reside in the participants of LTI 2011, with a right for each participant to acquire the number of shares determined in accordance with the terms and conditions of LTI 2011. Transfer shall be made against no consideration and as soon as practically possible following such time as the participants have earned the right to distribution of Bonus Shares in accordance with LTI 2011.

The reason for the deviation from the shareholders' preferential rights in respect of the transfer of the Company's own shares is to allow the Company to transfer Bonus Shares to the persons participating in LTI 2011.

Election Committee Proposals
On February 22, 2011, Cision's election committee announced its proposals for resolutions for Cision's Annual General Meeting, including to re-elect Anders Böös, Hans-Erik Andersson, Alf Blomqvist, Hans Gieskes, Thomas Heilmann and Gunilla von Platen as directors of the board. Anders Böös is proposed to remain as chairman of the board. The directors Pia Gideon and Peter Leifland have declined re-election.

Other proposals for the Annual General Meeting
A complete set of proposals for the Annual General Meeting is posted on the company's website http://corporate.cision.com/Corporate-Governance/Annual-General-Meeting/Annual-General-Meeting-2011/.

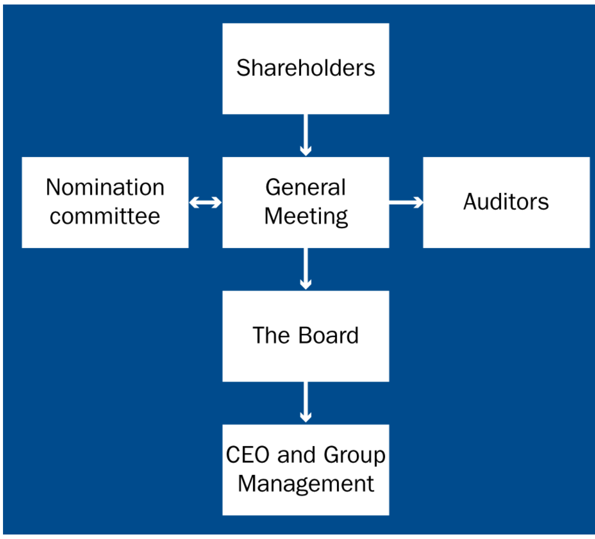
Proposed distribution of earnings
See the "Proposed distribution of earnings" chapter.

Financials and notes
The earnings and financial position of the Group and Parent Company are presented in the following income statements, balance sheets, shareholders' equity, statements of cash flows and notes to the financial statements. Hereafter all amounts are shown in SEK in thousands, unless stated otherwise.

Corporate Governance report

The Corporate Governance report consists partly of the following section on corporate governance from a general point of view, page 23-39, partly of the description of the Board of Directors, page 30-31, and the Senior Management, page 32.

The overview below illustrates how responsibility for management and control of Cision is divided between the shareholders at the General Meeting, the Board of Directors, committees and the Chief Executive Officer, according to external rules and internal policies, the Companies Act, other laws, regulations and current rules for listed companies, the Articles of Association, the Board's rules of procedure and the instruction for the Chief Executive Officer as well as policies laid down by the Board.



External rules
The following external rules impact Cision's corporate governance:
- Companies Act
- Annual Accounts Act
- Swedish Code of Corporate Governance
- Stockholmsbörsen's listing agreement

Internal rules
The following internal rules impact Cision's corporate governance:
- Articles of Association
- Board's rules of procedure
- Instruction for audit and compensation committees
- Instruction for the President
- Internal governing documents and policies

Swedish Code of Corporate Governance

Cision has applied the Swedish Code of Corporate Governance ("The Code", presented in detail at www.bolagsstyrning.se) since July 1, 2008, and reports one deviation, as stated below:

Number of members of the audit committee (Code 7.3)

The Code provides that the number of members be no fewer than three. The number of members of the audit committee that was appointed by the Board in April 2010 was two. The Board's opinion is that two members are enough for the audit committee to be able to fulfil its function, given the scope and complexity of Cision's operations.

Ownership structure

Cision's largest shareholders are institutional investors. Per Euroclear, as of year-end 2010, Swedish institutional investors owned 71 % of the share capital. Foreign investors owned 16 % of the share capital. As of December 31, 2010 the ten largest shareholders held, in total, 72 % of the share capital and there were 15,047 shareholders. Based on information from SIS Ägarservice, four owners each control more than 10 % of the company's share capital and votes as of December 31, 2010. Please see the section on The Share, page 8, for additional shareholder information.

General Meeting

The General Meeting is Cision's highest decision-making forum. Cision does not apply any special arrangements regarding the General Meeting's function, neither due to regulations in the articles of association nor, as far as the company is aware according to Swedish laws or through shareholder agreements. The shareholders exercise their influence over the company at the General Meeting and through the company's nomination committee. Every share in Cision represents one vote at the General Meeting. Shareholders attending the Annual General Meeting (AGM) 2010 and 2009 represented 39 and 43 %, respectively, of the company's total number of shares and votes.

The AGM 2010 was held on April 14, 2010. The meeting adopted resolutions such as:

- Re-election of Anders Böös, Pia Gideon, Peter Leifland, Gunilla von Platen, Hans-Erik Andersson, Hans Gieskes, Alf Blomqvist and Thomas Heilmann. Anders Böös was elected Chairman of the board.
- The current nomination procedure for board members will continue to serve as the basis for upcoming nomination work.
- Board fees of SEK 1,800,000 should be distributed as follows: SEK 600,000 to the Chairman, SEK 200,000 to each member not employed by the company. In addition members of the audit committee will be paid compensation of SEK 300,000 per year, including SEK 200,000 for the Chairman of the audit committee, and members of the compensation committee will be paid SEK 150,000 per year, including SEK 100,000 to the Chairman of the compensation committee.
- Adoption of principles for remuneration and other terms of employment for the Chief Executive Officer and officers of the company reporting to the Chief Executive Officer.

AGM 2010 will be held on March 31, 2011. Information on the right of shareholders to bring a matter before the AGM can be found on the website, http://corporate.cision.com/Corporate-Governance/Annual-General-Meeting/Annual-General-Meeting-2011/.

The company's articles of association do not have any special regulations on the appointment or dismissal of directors of the board or regarding changes of the articles of association. As of December 31, 2010 the Board was not authorized by the AGM to issue new shares or acquire treasury shares. However, it can be noted that new shares could be issued under the incentive programs adopted at the 2007 AGM as well as the 2009 AGM, which are described below in more detail in the section "Principles of compensation for senior executives." As of December 31, 2010 the Articles of Association did not impose any limitations on the number of votes each shareholder may cast at a general meeting either.

Nomination committee

The 2004 AGM decided to appoint a nomination committee. In addition to the Chairman, the committee will consist of representatives of the three largest shareholders. If any of them declines, the right will pass to the next shareholder in terms of size. The nomination committee will elect a Chairman from among its members. Prior to the AGM the committee will draft a proposal for resolution by the AGM on the Chairman of the AGM, Board members and the Chairman of the Board, Board members' fees, the nomination process, auditors' fees and, when applicable, election of the auditors. The members appointed to Cision's nomination committee were Bengt A. Dahl, representing Fairford Holdings Scandinavia AB, Göran Espelund, representing Lannebo Fonder AB, Bertil Villard, representing Cyril Acquisition AB and Anders Böös, Chairman of the board of Cision AB. The nomination committee appointed Göran Espelund to serve as Chairman. The composition of the nomination committee was announced on September 28, 2010. Leading up to the AGM in March 2011 the nomination committee held four meetings. The nomination committee's proposal is made public no later than in connection with the AGM notice. No compensation was paid to the committee.

Board of Directors

The AGM appoints the directors and deputy directors for Cision AB. According to the Articles of Association, the Board of Directors will consist of at least five and at most ten members with at most two alternates. As of year-end 2010, Cision's Board of Directors consisted of eight directors, without deputies, elected by the AGM in April 2010. Two of the directors elected by the AGM are women. Cision's CFO served as Secretary of the Board during 2010. All Board members elected by the AGM, with the exception of Chief Executive Officer Hans Gieskes, were considered independent of the company as of year-end 2009.

All directors except Alf Blomqvist are also to be considered as independent of the company's major shareholders. Alf Blomqvist is a member of the Advisory Board of Fairford Holdings Scandinavia AB, which as of December 31, 2010, owned about 13 % of share capital in Cision AB.

The Board annually establishes rules of procedure that govern, among other things, meeting procedures, the delegation of responsibility within the Board, including the Chairman's duties, the delegation between the Board and the Chief Executive Officer, and how committee work is conducted. The Board has also issued instructions to the Chief Executive Officer, including instructions on financial reporting to the Board. Further, the Board has adopted a number of governing documents and policies. The Board supervises the Chief Executive Officer's work through periodic monitoring of operations during the year and is responsible for ensuring that the organization, management and guidelines for managing the company's affairs are appropriate and that satisfactory internal control is in place. The Board is also responsible for development and monitoring of the company's strategies through plans and objectives, decisions on acquisitions and divestments, and major investments. Moreover, the Board adopts the semi-annual and annual financial statements. Other than the committees specified below, there is no particular delegation of responsebility on the Board. The Chairman ensures that the Board's work complies with laws and regulations, current rules for listed companies and the Board's internal governing documents. The Chairman oversees operations in dialogue with the Chief Executive Officer and is responsible, together with the Chief Executive Officer, for ensuring that other Board members receive the information needed for discussions and decisions. The Chairman is responsible for an annual evaluation of the Board's work. In early 2011 the Board evaluated its work and that of its Chief Executive Officer for 2010.

For a presentation of the directors of the board, please refer to page 30-31.

Board work

In fiscal year 2010 the Board held 18 meetings at which minutes were kept, of which 12 were ordinary meetings and 6 were extra meetings. All meetings were held in Stockholm. The Board primarily addressed the following issues:

- Development of the company's strategic focus
- Trends regarding the company's market and competitors
- Sales of operations in Germany
- Acquisition of operations in Sweden
- Organizational development
- Financing and debt levels
- Business plan for 2011
- Financial policy and financial frameworks as well as revision of governing documents

Members of Management presented at Board meetings. The company's auditors presented their conclusions and suggestions following their audit at the Board meeting in February 2010. On one occasion during the year the Board also had the opportunity to meet the company's auditors without the presence of the Chief Executive Officer or others members of senior management.

Attendance at Board meetings and committee meetings during 2010

	Board meetings	Audit committee meetings	Compensation committee meetings
Hans-Erik Andersson	18	7	
Alf Blomqvist	18		7
Anders Böös	18	7	
Pia Gideon	17		
Hans Gieskes	17		
Thomas Heilmann	18		
Peter Leifland	16		7
Gunilla von Platen	18		

Audit committee

The Audit committee follows a written instruction approved by the Board and its main duty is to prepare issues involving risk assessment, internal control, financial reporting and audits. The audit committee has a decision mandate in certain issues and in major issues the committee prepares documentation for decision-making purposes for the Board.

The purpose of the committee's work is to ensure compliance with established principles of financial reporting and internal control and that the company maintains a productive relationship with the auditors.

During 2010, the audit committee consisted of Hans-Erik Andersson (chairperson) and Anders Böös, appointed by the board of directors.

Audit committee's work

The audit committee met seven times in 2010. During the year its work focused on quarterly reporting, audits, internal control, governing documents within the finance function, the Code, follow-up of certain reporting-related assessments for 2010 and tax issues. The audit committee also examined the company's quarterly reports for 2010 prior to publication. The auditors attended two meetings and reported, among other things, on their observations from periodic examinations and the audit of the annual financial statements for 2009, as well as interim financial statements and the interim report for the period January–September 2010.

Compensation committee

The Compensation committee, which follows a written instruction approved by the Board, prepares and establishes principles of compensation and other terms of employment for the Chief Executive Officer and other executives directly subordinate to the Chief Executive Officer. It also prepares and establishes proposals for share-related incentive programs and other company-wide incentive programs. The compensation committee has a decision mandate in certain issues and in major issues the committee prepares documentation for decision-making purposes for the Board. During 2010, the compensation committee consisted of Peter Leifland (chairperson) and Alf Blomqvist, appointed by the board of directors.

Compensation committee's work

The compensation committee met seven times in 2010. During the year its work focused on review of compensation and compensation principles for senior executives, proposals for share-related incentive programs and governing documents for the compensation policy and the Code of Conduct.

Principles of compensation for senior executives

The AGM adopts the principles of remuneration and other terms of employment for the Chief Executive Officer and officers of the company reporting to the Chief Executive Officer. The aim is to offer a reward system that is competitive and on market terms in order to attract and retain qualified employees. Compensation consists of a base salary, variable remuneration, pension, long-term incentive program and other benefits. The market-based base salary is renegotiated on a yearly basis. The variable compensation is paid in the form of a bonus, based on the achievement of financial targets. The target bonus for senior executives is 40-50 % of base salary and the maximum bonus is 80-100 % of base salary. Pensions are premium-based and, as other benefits, based on what the market pays. The Chief Executive Officer's compensation is proposed by the compensation committee, after discussions between the Chairman and the Chief Executive Officer, and approved by the Board. For other members of

Management, the Chief Executive Officer proposes compensation, which is then approved by the compensation committee and reported to the Board. The Board has the right to deviate from these principles if, in individual cases, there are reasons for such a decision.

On March 29, 2007, at the 2007 Annual General Meeting, a resolution was passed to initiate a performance-based incentive program by issuing no more than 700,000 convertible profit-sharing debentures (convertibles) to 13 members of Group management. The issue price and nominal value of the convertibles was set at 113.3 % of the volume-weighted average price of the Cision share during the period April 27 – May 3, 2007, corresponding to the market value of the convertibles. A total of 660,000 convertibles were subscribed for at SEK 33.94 each. The total loan amount was SEK 22,400,400. Share capital may not increase by more than SEK 990,000. Each convertible confers the right to one new share in Cision AB. Conversion may be requested during the period April 1–June 30, 2011. The conversion price initially corresponds to the subscription price, but this may be revised downward if the company meets certain financial targets. Following customary conversion adjustments to compensate the participants for the economic dilution caused by the 2010 rights issue, the initial subscription price has been adjusted to SEK 24.30 per convertible during the second quarter of 2010. Following completion of the 2010 rights issue, full conversion will entail dilution of approximately 0.4 % of share capital and voting rights of Cision.

On April 2, 2009, at the 2009 Annual General Meeting, a resolution was passed to initiate a three-year equity-settled incentive plan consisting of 2,250,000 employee stock options entitling a corresponding number of shares. Vesting of allotted employee stock options depends on two criteria: 80 % are subject to market conditions related to the share price and continued employment and 20 % to continued employment only. The employee stock options subject to the market conditions vest in three tranches when the Company's share price exceeds the strike price by 100 %, 200 % and 300 %. The strike price is set to SEK 6.11 per share, which corresponds to 130 % of the volume-weighted average price of the Company's share during a measurement period of one month in conjunction with the Annual General Meeting 2009. A maximum of one third of the employee stock options subject to the market conditions can vest per year. Following customary conversion adjustments to compensate the participants for the economic dilution caused by the 2010 rights issue, the strike price has been adjusted to SEK 4.40 per share and the maximum number of shares that may be subscribed for under the program will be adjusted to 3,150,000 during the second quarter of 2010. Following completion of the 2010 rights issue and assuming an exercise of all awarded and outstanding employee stock options, the dilution would be approximately 2.1 % of share capital and voting rights of Cision. Fair value of the employee stock options have been determined based on a Monte Carlo simulation. The employee stock options are valid during the period April 3, 2009 – April 30, 2012.

For detailed information on compensation and employment terms, please see Note 8.

Auditors

The accounting firm Ernst & Young and Chief Auditor Bertel Enlund were elected by the AGM in March 2007 until the 2011 AGM. The auditors follow an audit plan presented annually to the Board. Every year in May the audit committee and auditors discuss their approach to the year's audit and any special considerations. In December the auditors report to the audit committee on their audit of the financial statements as of September 30 and on the internal control audit. Lastly, the auditors present a report on their audit of the annual financial statements at the Board's meeting in February of the following year. During the year the auditors reviewed Cision's interim report for the period January–September 2010. Bertel Enlund has held the position since 2006. Aside from Cision, Bertel Enlund serves as auditor for the Tetra Laval Group, Nefab, Retail and Brands, Lindab and Saab Automobile, among others. He has no assignments for companies affiliated with Cision, its major shareholders or the Chief Executive Officer. Auditing fees for 2010 amounted to SEK 4,383,000 (5,357,000). Fees for work other than auditing amounted to SEK 1,258,000 (2,982,000) in 2010. For advice on accounting issues, internal control and corporate governance, Cision has hired e.g. PricewaterhouseCoopers.

Management

The relationship between the Board and the Chief Executive Officer is governed by the rules of procedure and supplementary instructions to the Chief Executive Officer. The Chief Executive Officer is responsible for day-to-day management and operational control as well as drafting proposals for business plans, business controls, the Group’s financing, capital structure and risk management. The instructions to the Chief Executive Officer also govern quorums and delegation rights. It is the duty of the Chief Executive Officer to report at every Board meeting on the company’s financial position and development as well as provide all Board members and auditors with monthly financial reports. During the year Cision’s operations were mainly organized in two geographical divisions: North America and Europe. In addition Cision has a number of Group-wide central functions and a specialist function for production for international clients, International Production Center, though it closed at the end of 2010.

Cision’s organization is based on the principle of decentralized responsibility and authority. The divisions have full responsibility for managing and developing their operations and services in accordance with the Group’s strategic direction and overall objectives. Control of the divisions is based on a scorecard with long-term targets as well as annual business plans based on group-wide strategies. The Group has set objectives for each division for organic growth and operating margin (EBIT) based on overall financial objectives. To achieve profitable growth, Cision combines the benefits of a decentralized organization with the economies of scale that the Group’s size offers. Economies of scale can be achieved mainly in business and service development, IT development and operation, and coordination of outsourcing in production. Central coordination is organized through the Group staffs for Finance, Corporate Communications and HR. Group management in 2010 consisted of Cision's CEO, CFO and the division CEOs for North America and Europe, supported by the Group's SVP Human Resources. Cision is managed and developed in accordance with the strategy laid down by the Board and in other plans and objectives that have been adopted. Group Management is also responsible for maximizing economies of scale and synergies, as well as for ensuring that shared experience and best practices contribute to more efficient business processes.

For a presentation of the Chief Executive Officer and the Group Management, please refer to page 32.

Internal control

According to the Companies Act, the Board must ensure that the company's organization is designed so that accounting, asset management and the company's financial situation in other respects are controlled in a satisfactory manner. The Board is responsible for the company's internal control, the overall purpose of which is to protect the shareholders' investment and the company's assets. Internal control comprises methods and processes to safeguard assets, ensure compliance with established guidelines and control the accuracy and reliability of internal and external financial reporting. Internal control also improves operating efficiency and limits the level of risk in operations. Cision's framework for internal control is based on the guidelines and recommendations published by COSO (Committee of Sponsoring Organizations).

Control environment

The basis of internal control consists of the control environment with the organization, decision-making channels, delegation of decision-making authority and responsibilities documented and communicated in governing documents as well as the culture that the Board and Management communicate and base their actions on. Governing documents within Cision include:

- Procedural rules of the Board of Cision AB.
- Instructions to the audit committee and compensation committee of Cision AB.
- Instructions to the Chief Executive Officer of Cision AB including rules on certification and authorization.
- Instructions to the Group's subsidiary Presidents, including rules on certifications and authorization. This governing document covers the delegation of responsibility between the subsidiary Presidents and the Chief Executive Officer, the local President's authority and the group-wide policies and guidelines that are binding for all subsidiaries of the Group.
- Code of conduct. The code is an expression of the values and guidelines that apply within the Group with regard to business ethics, freedoms and rights. Cision follows the laws and regulations in the markets where it is active. Cision conducts its operations with high demands on integrity and ethics.
- Financial policy. The Group's finance function follows the framework for financial risk management adopted by the Board. The financial policy and financial framework are updated annually. The goal is to limit the financial risks that arise in connection with borrowing, investments and foreign currency transactions.
- Insurance policy. The policy describes risk management, delegation of responsibilities and the scope of global and local insurance protection.
- Information policy. The information policy describes the Group's principles for releasing information to the stock market and other external and internal stakeholders. The goal is to provide all market players with simultaneous, accurate, appropriate and reliable information on Cision.
- Compensation policy. The policy describes the principles of compensation (salaries, pensions, benefits and bonuses) for senior executives.

These governing documents, together with laws and other external regulations, serve as a framework that forms the basis of the Group's process for internal control and risk management. Cision's governing documents are revised annually by the Board. Since 2001 the "Cision Financial Manual" has been applied throughout the entire Group. This manual provides guidelines, policies, principles and routines for accounting, reporting and control to Cision's finance function. HR has group-wide policies on compensation and recruitment. The HR manual and guidelines are revised annually. Managers at various levels of the company are responsible for ongoing work with the internal control and risk management within each area of responsibility.

Risk assessments and control activities

The Board evaluates strategic risks and opportunities at the highest level and formulates the Group's strategy. See also the section on Risks and Risk Management, page 13-14. Responsibility for managing operating risks lies with the Group Management and the management within each country. They are responsible for identifying, evaluating and managing risks as well as implementing and maintaining control systems in accordance with the Board's policies. Control activities consist of clear delegation of responsibility, decision-making processes and rules, detailed analyses of results and follow-ups of business plans and forecasts. Follow-ups and feedback are provided at Board meetings and via monthly and quarterly reporting on financial developments. The Board has ultimate responsibility with regard to internal control of financial reporting. The audit committee follows up and evaluates this area and provides the Board with periodic feedback.

Cision's central finance function performs an annual risk assessment with regard to financial reporting, which is presented and discussed in the audit committee. Based on this risk assessment the central finance function carries out a number of different control activities in order to ensure proper internal control. Self-evaluations are performed by each subsidiary with regard to, for example, the financial statements process, which is audited and controlled by the central finance function. Annual accounts and their quality are confirmed by the subsidiary Presidents as well as the CFOs through signature of Representation Letters at each annual year-end closing. Internally appointed, qualified CFOs carry out an audit of the subsidiaries' finance function and financial statements process, according to an annually adopted audit program. The objective is for all subsidiaries to undergo such an audit during a two-year period. During 2010 such audits were carried out for Cision's operations in the United States and Canada. The Group's central finance function periodically performs a more comprehendsive evaluation of efficiency, organization and quality within selected subsidiaries, focusing mainly on identification of areas needing improvement rather than on control. During 2010 such an audit was carried out for Cision's operations in the United States and Canada. One person within the central finance function has been appointed to be responsible for coordination and follow-up of internal control activities as detailed above.

Information and communication

Policies, guidelines and instructions are available on the company's intranet. To ensure the quality of financial reporting, information is shared and a dialogue is maintained between the company's central finance function and the subsidiaries' CFOs and controllers through monthly reviews of financial results, quarterly reviews of business plans and forecasts, quarterly web conferences and annual financial conferences. Together with the company's IT function, Cision's group finance function also implements actions to secure the group's IT security in relation to financial communication.

Control model

In 2006 the Board adopted a scorecard with long-term targets, as well as annual business plans that build on group-wide strategies. Based on the Group's long-term strategy and financial targets, measurable targets for 2010 were set, such as organic growth and operating margin (EBIT) for each division and country. In addition, other key performance indicators were defined and provided with measurable objectives.

Follow-ups

The Board ensures the quality of the financial reporting by continually reviewing information on financial developments, financial risk management and reports from the company's auditors. The Board receives monthly financial reports and a detailed quarterly report that includes a review of plans and forecasts for the next twelve months in a format of its choosing. Follow-ups are made against business plans, financial targets and other key financial indicators. Moreover, goodwill is tested for impairment, which is annually verified by the company's auditors. In connection with the impairment test, the Board evaluates the assumptions that the test is based on and studies the outcome.

All legal entities report their financial results on a monthly basis in the Group's accounting system according to the Group's accounting principles (IFRS). Reporting is consolidated and serves as the basis for quarterly reports and monthly operational follow-ups of sales, results, cash flow and other key financial indicators and trends for the Group. Local accounting managers are responsible for ensuring that reported financial information is accurate, thorough and timely, for compliance with established policies and guidelines, and for introducing routines for internal control of financial reporting. Cision has a central business control function responsible for operational follow-ups and financial control of divisions and subsidiaries as well as for ensuring that internal financial information is transparent and relevant. Follow-ups serve as a basis for analysis and measures by management and controllers at various levels. Each division has a chief financial officer and each country has a business controller who is responsible for analysis of revenue, expenses and profitability from a commercial perspective, as well as investments and project follow-ups. The Group's business controllers also participate in the steering groups for major development projects. In connection with the quarterly accounts, reviews are conducted with each country in which the CEO, CFO, business controllers and the management from each country and division take part. The reviews cover developments relating to markets, clients, revenue and profit, with comparisons against objectives in the business plans.

Opinion with regard to special audit function

Based on the internal control system regarding financial reporting described above, in 2010 the Board evaluated Cision's need for a special audit function (internal audit). It is the Board's opinion that in view of the methods of the internal control system along with the company's size and complexity, Cision does not need a special, dedicated function for internal audit.

Board of Directors

Anders Böös
Chairman

Danderyd, Sweden, born 1964.
Chairman since 2006.
Professional independent director. Former President of H&Q AB and Drott AB. Chairman of Industrial and Financial Systems IFS AB and Cleanergy AB. Member of the Board of Investment AB Latour, Haldex AB, Niscayah Group AB, East Capital Baltic Property Fund AB and Newsec AB.
Holding in Cision AB (through endowment assurance): 1,622,708 shares.
Anders Böös is to be considered as independent with respect to Cision, its senior management and the major shareholders in Cision.

Hans-Erik Andersson

Danderyd, Sweden, born 1950. Board director since 2008. Business economist. Adviser. Former President and CEO of Skandia Försäkringsaktiebolag. Chairman of Semcon AB, Erik Penser Bankaktiebolag, Canvisa Consulting AB and Implement MP AB. Member of the Board of Giensidige Forsikring ASA.
Holding in Cision AB: 100,000 shares.
Hans-Erik Andersson is to be considered as independent with respect to Cision, its senior management and the major shareholders in Cision.

Alf Blomqvist

Stockholm, Sweden, born 1956. Board Director since 2009. Partner of Vadestra Value. Former CEO of Ledstiernan AB (publ) and Head of Corporate Finance at Swedbank Markets. Deputy Board Member of Appello Systems AB. Member of the Council of the Swedish AIM and the Advisory Board at Fairford Holdings Scandinavia AB.
Holding in Cision AB (through company): 20,000 shares.
Alf Blomqvist is to be considered as independent with respect to Cision and its senior management, but dependent with respect to the major shareholders in Cision.

Pia Gideon

Stockholm, Sweden, born 1954.
Board director since 2003.
Graduate Business Administrator, Stockholm School of Economics.
Adviser.
Former Vice President Marketing & Communication North America, Ericsson. Former Vice President Marketing and External Communications, Ericsson Group. Member of the Board of Svevia AB, Lappland Goldminers AB, Qlucore AB, Scandbook AB and Acta A/S.
Holding in Cision AB (direct and through company): 41,000 shares.
Pia Gideon is to be considered as independent with respect to Cision, its senior management and the major shareholders in Cision.

Hans Gieskes

Boston, USA, born 1954. Board director since 2009. Graduate from the Netherlands Institute for Marketing. President and Chief Executive Officer of Cision. Former group CEO of the LexisNexis Group. Member of the Board of RetirementJobs.com. intelligize.com and Wingu.com.
Holding in Cision AB: 20,000 shares; 900,000 employee stock options entitling to 1,260,000 shares.
Hans Gieskes is to be considered as dependent with respect to senior management in Cision, but independent with respect to major shareholders in Cision.

Thomas Heilmann

Berlin, Germany, born 1964. Board director since 2007. Lawyer. Chairman of Ampere AG and Econa AG. Member of the Board of Aperto AG and Advisory Director to Morgan Stanley.
Holding in Cision AB: 0 shares.
Thomas Heilmann is to be considered as independent with respect to Cision, its senior management and the major shareholders in Cision.

Peter Leifland

Danderyd, Sweden, born 1954. Board director since 2005. LL.B., Master of Law, Lic spec and IMD (PED). Executive Vice President of Alfa Laval. Former President of Alfa Laval International Engineering AB. Board member of 11 subsidiaries of the Alfa Laval AB Group.
Holding in Cision AB: 150,000 shares.
Peter Leifland is to be considered as independent with respect to Cision, its senior management and the major shareholders in Cision.

Gunilla von Platen

Stockholm, Sweden, born 1972. Board director since 2006. Business Administrator. Founder, owner, Chairman of the Board and Managing Director of Xzakt Kundrelation AB and LEG Communications AB. Former sales manager for Skandia Insurance Company in Göteborg and sales manager for Kalix Tele 24 AB. Chairman of GVP Holding AB and GS Holding AB. Part-owner and member of the Board of Kinvest AB. Board member of Fastighets AB Botvid. Deputy board member of Silvia Samuelsson Förvaltning AB and Stiftelsen 100 %.
Holding in Cision AB (through company):
58,800 shares.
Gunilla von Platen is to be considered as independent with respect to Cision, its senior management and the major shareholders in Cision.

Shareholdings as of December 31, 2010 unless otherwise indicated.

Senior Management

Hans Gieskes

President and Chief Executive Officer, born 1954. Employed since 2008. Graduate from the Netherlands Institute for Marketing. Former CEO of the LexisNexis Group.
Holding in Cision AB: 20,000 shares; 900,000 employee stock options entitling to 1,260,000 shares.

Joe Bernardo

President & CEO North America, born 1952. Employed since 1998. He holds an MBA from Chicago's Loyola University. Former President and Publisher of Futures Magazine and President of MGI of Chicago.
Holding in Cision AB: 0 shares. Joe Bernardo subscribes for 50,000 convertibles and holds 300,000 employee stock options entitling to 420,000 shares.

Peter Granat

President and CEO Europe, born 1970. Employed since 2003. Holds an MBA from Kellogg School of Management. Former Senior Vice President, Business Development at MediaMap.
Holding in Cision AB: 0 shares. Peter Granat subscribes for 50,000 convertibles and holds 300,000 employee stock options entitling to 420,000 shares.

Erik Forsberg

Executive Vice President & CFO, born 1971. Employed since 2008. M.Sc. Stockholm School of Economics. Former Business Area CFO at EF Education.
Holding in Cision AB: 0 shares; 300,000 employee stock options entitling to 420,000 shares.

Shareholdings as of December 31, 2010 unless otherwise indicated.

Proposed distribution of earnings

The following unappropriated earnings in the Parent Company are at disposal of the Annual General Meeting:

Retained earnings	SEK 384,413,065
Fair value reserve	SEK -92,337,550
Share premium reserve	SEK 136,493,405
Net result for the year	SEK 90,155,526
Total	**SEK 518,724,446**

The board of directors proposes that the retained earnings, fair value reserve, share premium reserve and net result for the year be carried forward.

Consolidated Income statement

SEK in thousands	Note	2010	2009
Revenue	3, 4	1,130,095	1,488,182
Other revenue[1]		1,700	–
Total revenue		**1,131,795**	**1,488,182**
Production costs[2]	4, 5, 9	– 476,401	– 754,300
Gross profit		**655,394**	**733,882**
Selling and administrative expenses[2]	4, 5, 6, 9	– 532,674	– 981,175
Other expenses[1]	4, 5, 30	–	– 12,308
Operating profit	7, 8	**122,720**	**– 259,601**
Financial income	4, 11	24,542	570
Financial expenses	4, 12	– 74,767	– 70,114
Capital gain/loss divestment of subsidiaries	30	10,701	– 11,978
Profit before tax		**83,196**	**– 341,123**
Tax	13	– 27,138	– 26,547
NET PROFIT FOR THE YEAR		**56,058**	**– 367,670**

[1] Other expenses 2009 relate to the realized loss on the divestment of the UK Print Monitor operations amounting to SEK 12.3 million. In the annual report 2009 the loss was classified as reduced other revenue and is reclassified in the annual report 2010 to other expenses. There is only a change in presentation and there is no effect on the operating profit or the net profit of the year 2009.
[2] Depreciation and amortization of tangible and other intangible assets are reported as; Production cost amounting to SEK -12,791 thousand (-26 341) and Selling and administrative expenses SEK amounting to -44,121 thousand (-87,887) in the consolidated income statement.

Statement of comprehensive income

SEK in thousands	Note	2010	2009
Net profit for the year		56,058	– 367,670
Other comprehensive income			
Translation differences	21	– 84,481	– 79,226
Hedge of net investment in foreign operations	21	7,587	31,900
Market valuation of financial instrument	21	3,462	5,438
Other comprehensive income		–73,432	–41,888
Total comprehensive income for the year		**– 17,374**	**– 409,558**

Net profit for the year and total comprehensive income of the year is attributable in its entirety to the Parent Company's shareholders.
No tax is reported on items recognized in other comprehensive income. In cases where it may be applicable it is not relevant since it refers to Swedish companies that are not in tax position.

Depreciation/amortization included in operating profit[2]	15, 16	–56,912	– 114,227
Impairment goodwill included in operating profit	14	–	– 267,113
Restructuring costs included in operating profit	9	– 19,429	– 45,802

[2] Depreciation and amortization of tangible and other intangible assets are reported as; Production cost amounting to SEK -12,791 thousand (-26 341) and Selling and administrative expenses SEK amounting to -44,121 thousand (-87,887) in the consolidated income statement.

Profit per share, SEK	2010	2009
Before dilution	0,40	– 3,48
After full dilution	0,40	– 3,47
Dividend[1]	–	–
Profit before dilution, SEK thousand	56,058	– 367,670
Profit effect from potential shares, SEK thousand	–	–
Profit effect after dilution	**56,058**	**– 367,670**
Average number of shares before dilution, thousands	139,240	105,764
Potential shares, thousands	422	737
Average number of shares after dilution, thousands	**139,661**	**106,501**

[1] Board of Directors proposes that no dividend be paid for the fiscal year 2010.

Consolidated Balance sheet

SEK in thousands	Note	Dec. 31, 2010	Dec. 31, 2009
ASSETS	4, 24		
Fixed assets			
Intangible fixed assets			
Goodwill	14, 30	1,418,745	1,476,413
Other intangible fixed assets	15, 30	103,217	89,475
		1,521,962	**1,565,888**
Tangible fixed assets			
Buildings and land	16	13,069	23,419
Equipment	16	46,529	72,839
		59,598	**96,258**
Other fixed assets			
Deferred tax assets	13	21,466	21,517
Other long-term receivables	17	27,608	1,511
		49,074	**23,028**
Total fixed assets		**1,630,634**	**1,685,174**
Current assets			
Accounts receivable	18	264,396	257,724
Tax assets	13	10,877	7,779
Derivate	2	552	–
Prepaid expenses and accrued income	20	31,025	48,257
Other current receivables		10,575	23,751
		317,425	337,511
Liquid assets	2	101,566	143,549
Total current assets		**418,991**	**481,060**
TOTAL ASSETS		**2,049,625**	**2,166,234**

SEK in thousands	Note	Dec. 31, 2010	Dec. 31, 2009
SHAREHOLDERS' EQUITY AND LIABILITIES	4		
Shareholders' equity	21		
Share capital		223,644	111,817
Other paid-in capital		229,840	103,251
Reserves		– 82,844	– 9,411
Retained earnings		531,684	475,626
Total shareholders' equity		**902,324**	**681,283**
Liabilities	24		
Long-term liabilities			
Provisions for deferred tax	13	161,627	152,635
Provision for restructuring program	9	10,737	–
Convertible debentures	23	–	15,475
Other long-term liabilities	22	569,571	541,389
Total long-term liabilities		**741,935**	**709,499**
Current liabilities			
Provision for restructuring program	9	7,026	29,355
Accounts payable	2	55,921	72,032
Tax liabilities	13	4,592	2,219
Convertible debentures	23	16,867	–
Other short term loans	26	–	288,500
Bank overdraft facility	25	70	28,219
Derivate	2	24	5,790
Accrued expenses and deferred income	27	302,031	321,314
Other current liabilities	28	18,835	28,023
Total current liabilities		**405,366**	**775,452**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**2,049,625**	**2,166,234**
Pledged assets	29	–	–
Contingent liabilities	29	–	–

Consolidated Shareholders' equity

2009 SEK in thousands	Share capital	Other paid-in capital	Translation reserves	Fair value reserve	Retained earnings and net profit for the year	Total
Opening balance, January 1, 2009	**111,817**	**102,795**	**41,022**	**– 8,545**	**843,296**	**1,090,385**
Comprehensive income						
Net profit for the year	–	–	–	–	– 367,670	– 367,670
Other comprehensive income						
Translation difference for the year	–	–	– 79,226	–	–	– 79,226
Expanded net investment in foreign operations	–	–	31,900	–	–	31,900
Market valuation, financial instruments	–	–	–	5,438	–	5,438
Total other comprehensive income	**–**	**–**	**– 47,326**	**5,438**	**–**	**– 41,888**
Total comprehensive income	**–**	**–**	**– 47,326**	**5,438**	**367,670**	**– 409,558**
Transactions with company's owners						
Dividend	–	–	–	–	–	–
Share based payments						
Value of employee services	–	456	–	–	–	456
Total transactions with company's owners	**–**	**456**	**–**	**–**	**–**	**456**
Closing shareholders' equity, December 31 2009	**111,817**	**103,251**	**– 6,304**	**– 3,107**	**475,626**	**681,283**

2010 SEK in thousands	Share capital	Other paid-in capital	Translation reserves	Fair value reserve	Retained earnings and net profit for the year	Total
Opening balance, January 1, 2010	**111,817**	**103,251**	**– 6,304**	**– 3,107**	**475,626**	**681,283**
Comprehensive income						
Net profit for the year	–	–	–	–	56,058	56,058
Other comprehensive income						
Translation difference for the year	–	–	– 84,481	–	–	– 84,481
Expanded net investment in foreign operations	–	–	7,587	–	–	7,587
Market valuation, financial instruments	–	–	–	3,462	–	3,462
Total other comprehensive income	**–**	**–**	**– 76,894**	**3,462**	**–**	**– 73,432**
Total comprehensive income	**–**	**–**	**– 76,894**	**3,462**	**56,058**	**– 17,374**
Transactions with company's owners						
Share issue	111,817	126,010	–	–	–	237,827
Dividend	–	–	–	–	–	–
Employees share option scheme						
Value of employee services	–	559	–	–	–	559
Proceeds from shares issued	10	20	–	–	–	30
Total transactions with company's owners	**111,827**	**126,589**	**–**	**–**	**–**	**238,415**
Closing shareholders' equity, December 31 2010	**223,644**	**229,840**	**– 83,198**	**355**	**531,684**	**902,324**

Shareholders' equity is attributable in its entirety to the Parent Company's shareholders. No minority interest exists.

No tax is reported on items recognized in equity. In cases where it may be applicable it is not relevant since it refers to Swedish companies that are not in tax position.

Consolidated Statements of Cash flow

SEK in thousands	Note	2010	2009
Operating activities			
Net profit for the year		56,058	– 367,670
Adjustment for items included in Net Profit			
Tax	13	27,138	26,547
Net financial income and expenses	11,12	50,225	69,544
Capital gain/loss divestment of subsidiaries	30	– 10,701	11,978
Capital gain on property sale	30	–	12,307
Reported cost for restructuring program	9	19,429	45,802
Depreciation/amortization	15,16	56,912	114,227
Goodwill impairment	14	–	267,113
Other non-cash items		– 1,330	– 2,391
Less restructuring expenses paid out	9	– 44,038	– 73,256
Interest received and paid		– 53,277	– 62,326
Income tax paid		– 2,149	– 2,606
Change in working capital		– 40,070	– 21,819
Cash flow from operating activities		**58,197**	**17,450**
Investing activities			
Business acquisitions	30	– 18,932	– 2,762
Business divestments	30	9,632	36,824
Investment in intangible fixed assets		– 46,115	– 33,941
Investment in tangible fixed assets		-15,942	-31,986
Divestments in tangible fixed assets		9,304	–
Increase/decrease in financial fixed assets		–13,035	–
Cash flow from investing activities		**–75,088**	**– 31,865**
Financing activities			
Share issue	21	237,857	–
Loan proceeds		216,956	36,183
Amortization of debt		– 447,798	– 15,936
Increase/decrease in current financial liabilities		– 28,149	– 22,853
Cash flow from financing activities		**– 21,135**	**– 2,606**
Cash flow for the year		**– 38,026**	**– 17,021**
Liquid assets at beginning of year	2	143,549	162,266
Translation difference in liquid assets		– 3,959	– 1,697
Liquid assets at year-end		**101,564**	**143,549**

Operating cash flow		104,908	89,711
Free cash flow		5,444	– 48,477

For definition of operating and free cash flow see Definitions and glossary.

Parent company Income statement

SEK in thousands	Note	2010	2009
Revenue	3, 4	62,269	239,733
Operating revenue		**62,269**	**239,733**
Operating expenses			
Production expenses		–	– 24,320
Other external expenses	6,7	– 63,310	– 131,546
Staff costs	8	– 20,301	– 110,935
Depreciation/amortization	14, 15, 16	– 4,264	– 49,181
Operating profit		**– 25,606**	**– 76,249**
Result from financial investments			
Result from shares in the Group companies	10	82,574	– 129,644
Financial income	11	98,003	201,629
Financial expenses	12	– 63,933	– 159,418
Profit before tax		**91,039**	**– 163,682**
Tax	13	– 883	– 18,917
NET PROFIT FOR THE YEAR		**90,156**	**– 182,599**

The Parent Company and Cision Sverige AB operated under a commission agreement until December 31, 2009. In the 2010 annual report the 2010 financial statements only refer to the Parent Company and comparative figures for fiscal 2009 comprise the Parent Company and Cision Sverige AB.

Statement of comprehensive income

SEK in thousands	Note	2010	2009
Net profit for the year		90,156	– 182,599
Other comprehensive income			
Group Contributions		3,168	– 14,891
Merger result		–	– 78,316
Net investment in business abroad		– 34,862	– 27,412[1]
Tax attributable to items recognized directly in shareholders' equity		– 833	3,916
Other comprehensive income		– 32,527	–116,703
Total comprehensive income for the year		**57,629**	**– 299,302**

[1] The fair value reserve has been corrected regarding the parent company's receivables on subsidiaries designated as extended net investments. The opening balance 2009 has been adjusted by SEK 0 thousand and the closing balance 2009 by SEK 57,699 thousand.

No tax is reported on items recognized in other comprehensive income. In cases where it may be applicable it is not relevant since it refers to Swedish companies that are not in tax position.

Parent company Balance sheet

SEK in thousands	Note	Dec. 31, 2010	Dec. 31, 2009
ASSETS			
Fixed assets			
Intangible fixed assets			
Goodwill	14	–	4,650
Other intangible fixed assets	15	18,346	27,167
		18,346	**31,817**
Tangible fixed assets			
Equipment	16	707	2,589
		707	**2,589**
Financial fixed assets			
Deferred tax assets	13	21,325	21,325
Shares in Group companies	19	475,617	519,659
Receivables from Group companies		595,077	613,390[1]
Other financial fixed assets	17	25,656	96
		1,117,674	**1,154,470**
Total fixed assets		**1,136,726**	**1,188,876**
Current assets			
Accounts receivable	18	98	12,640
Receivables from Group companies		69,903	45,593
Tax assets	13	2,274	592
Prepaid expenses and accrued income	20	4,339	21,691
Other current receivables		1,601	12,707
		78,215	**93,223**
Cash and bank balances	2	50,466	67,192
Total current assets		**128,681**	**160,415**
TOTAL ASSETS		**1,265,408**	**1,349,291**

SEK in thousands	Note	Dec. 31, 2010	Dec. 31, 2009
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	21		
Restricted equity			
Share capital (149,095,836 shares at quota value SEK 1.50)		223,644	111,817
Statutory reserve		100,120	100,120
		323,764	**211,937**
Non-restricted equity			
Retained earnings		384,413	564,677
Fair value reserve		– 92,338	– 57,578[1]
Share premium reserve		136,493	10,464
Net profit for the year		90,156	– 182,599
		518,724	**334,964**
Total shareholders' equity		**842,488**	**546,901**
Provision for restructuring program	9	9,392	15,315
		9,392	**15,315**
Liabilities			
Long-term liabilities			
Liabilities to Group companies	22	211	31,111
Convertible debentures	23	–	20,884
Other long-term liabilities	22	330,914	189,453
		331,125	**241,448**
Current liabilities			
Accounts payable	2	5,616	24,156
Liabilities to Group companies		44,693	172,849
Convertible debentures	23	21,969	–
Bank overdraft facility	25	70	28,219
Other short term loans	26	–	288,500
Accrued expenses and deferred income	27	9,937	27,926
Other current liabilities	28	118	3,977
		82,403	**545,627**
Total liabilities		**422,920**	**802,390**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**1,265,408**	**1,349,291**
Pledged assets	29	–	–
Contingent liabilities	29	298,621	321,480

[1] In non-restricted equity, the fair value reserve was retrospectively adjusted in 2009 regarding the expanded net investment in subsidiaries of SEK 57,669 thousand. Receivables from Group companies in financial fixed assets was retroactively adjusted for 2009 in the amount of SEK 57,669 thousand.

The Parent Company and Cision Sverige AB operated under a commission agreement until December 31, 2009. In the 2010 annual report the 2010 financial statements only refer to the Parent Company and comparative figures for fiscal 2009 comprise the Parent Company and Cision Sverige AB.

Parent company Shareholders' equity

2009 SEK in thousands	Share capital	Statutory reserve	Fair value reserve	Share premium reserve	Retained earnings and net profit for the year	Total
Opening balance, January 1, 2009	**111,817**	**100,120**	**– 30,167**	**10,464**	**653,968**	**846,202**
Group contributions	–	–	–	–	– 14,891	– 14,891
Merger results	–	–	–	–	– 78,316	– 78,316
Change in expanded net investment in subsidiaries	–	–	30,258	–	–	30,258
Tax attributable to items recognized directly in shareholders' equity	–	–	–	–	3,916	3,916
Retroactive adjustment of extended net investment in subsidiary	–	–	–57,669	–	–	–57,669[1]
Net profit for the year	–	–	–	–	– 182,599	– 182,599
Total change in net assets, excl. transactions with company's owners	**–**	**–**	**–27 411**	**–**	**– 271,890**	**–299 301**
Dividend	–	–	–	–	–	–
Adjusted closing shareholders' equity, December 31, 2009	**111,817**	**100,120**	**–57 578**	**10,464**	**382,078**	**546 901**

2010 SEK in thousands	Share capital	Statutory reserve	Fair value reserve	Share premium reserve	Retained earnings and net profit for the year	Total
Opening balance, January 1, 2010	**111,817**	**100,120**	**– 57,578**	**10,464**	**382,078**	**546,901**
Group contribution	–	–	–	–	3,168	3,168
Merger results	–	–	–	–	–	–
Change in expanded net investment in subsidiaries	–	–	– 34,862	–	–	– 34,862
Tax attributable to items recognized directly in shareholders' equity	–	–	–	–	– 833	– 833
Net profit for the year	–	–	–	–	90,156	90,156
Total change in net assets, excl. transactions with company's owners	**–**	**–**	**– 34,862**	**–**	**92,491**	**57,629**
Dividend	–	–	–	–	–	–
Share issue	111,817	–	–	126,010	–	237,827
Employees share option scheme						
Value of employee services	–	–	102	–	–	102
Proceeds from shares issued	10	–	–	19	–	29
Closing shareholders' equity, December 31, 2010	**223,644**	**100,120**	**– 92,338**	**136,493**	**474,569**	**842,488**

[1] The fair value reserve has been corrected regarding the parent company's receivables on subsidiaries designated as extended net investmenst. The opening balance 2009 has been adjusted by SEK 0 thousand and the closing balance 2009 by SEK 57,699 thousand.

Shareholders' equity is attributable in its entirety to the Parent Company's shareholders. No minority interest exists.

The Parent Company and Cision Sverige AB operated under a commission agreement until December 31, 2009. In the 2010 annual report the 2010 financial statements only refer to the Parent Company and comparative figures for fiscal 2009 comprise the Parent Company and Cision Sverige AB.

Parent company Statements of Cash flow

SEK in thousands	Note	2010	2009
Operating activities			
Net profit for the year		90,156	– 182,599
Adjustments for items included in Net Profit			
Tax	13	883	18,917
Net financial items	11,12	– 33,163	– 42,211
Result from shares in Group companies	10	– 82,574	129,644
Reported cost for restructuring program	9	1,632	7,693
Depreciation/amortization	15,16	4,265	49,181
Other non-cash items		4,876	–
Restructuring expenses and provisions paid		– 10,710	– 24,348
Interest received and paid		28,859	8,329
Dividends received		69,574	97,356
Income tax paid		7	8,559
Change in working capital		– 161,441	– 232,102
Cash flow from operating activities		**– 87,638**	**– 161,581**
Investing activities			
Subsidiary acquisition		– 50	154
Divestment of subsidiaries		10,000	11,788
Cash at bank at the fusion		115	137,723
Investment in intangible fixed assets		–11,874	–
Investment in tangible assets		–532	–21,710
Change loan to subsidiaries		–16,960	–
Paid group contribution		–7,120	4,391
Granted and paid group contribution		–14,891	–
Repayment of shareholders’ contribution		–13,575	12,745
Cash flow from investing activities		**– 27,738**	**145,091**
Financing activities			
Share issue	21	237,892	–
Loan proceeds		217,146	22,093
Amortization of debt		– 340,494	– 15,695
Lending to outsider		– 12,887	–
Cash flow from financing activities		**101,656**	**6,398**
Cash flow for the year		**– 13,719**	**– 10,092**
Liquid assets at beginning of year		67,192	79,345
Translation difference in liquid assets		– 3,007	– 2,061
Liquid assets at year-end		**50,466**	**67,192**

The Parent Company and Cision Sverige AB operated under a commission agreement until December 31, 2009. In the 2010 annual report the 2010 financial statements only refer to the Parent Company and comparative figures for fiscal 2009 comprise the Parent Company and Cision Sverige AB.

Notes to the Consolidated and Parent Company Financial Statements

Contents

Accounting principles and notes

Note 1 – Accounting principles

The consolidated accounts are prepared in accordance with the International Financial Reporting Standards (IFRS), including the International Accounting Standards (IAS) and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) in force as of December 31, 2010, which have been approved by the European Commission for application within the EU. Recommendation RFR 1 of the Swedish Financial Reporting Board, Supplementary Accounting Rules for Groups, has also been applied. All of the above regulations have been applied consistently in the year presented in the annual report.

Basis of preparation

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) at fair value. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in the chapter "Critical estimates and assumptions" in this note.

New standards and interpretations that entered into force during 2010 have not had any material impact on the Group's financial position.

Reporting in the Parent Company

The Parent Company has prepared its annual report in accordance with the Annual Accounts Act and the recommendation RFR 2 of the Swedish Financial Reporting Board. This means that the Parent Company, in the annual report for the legal entity, will apply all IFRS standards and pronouncements approved by the EU to the greatest extent possible within the framework of the Annual Accounts Act, and taking into account the connection between accounting and taxation. The Parent Company's accounting principles are the same as those of the Group and are contained in this note. Any cases where the Parent Company's accounting principles deviate from those of the Group have been described in the relevant sections.

The Parent Company and Cision Sverige AB operated under a commission agreement until December 31, 2009. In the 2010 annual report the 2010 financial statements only refer to the Parent Company and comparative figures for fiscal 2009 comprise the Parent Company and Cision Sverige AB.

When the commission agreement was terminated, Cision AB divested assets and liabilities to Cision Sverige AB, resulting in a net liability to Cision AB. The corresponding receivable in Cision AB was replaced by a shareholders' contribution.

Consolidated accounts

The consolidated accounts comprise the Parent Company, Cision AB, and those companies in which Cision AB at year-end, directly or indirectly, held more than 50 % of the voting rights or otherwise had a decisive influence. All Group companies are 100 % owned and the Group does not comprise any associated companies.

The consolidated financial statements have been prepared in accordance with IAS 27 and IFRS 3 on consolidated accounts and by applying the purchase accounting method. Subsidiaries are included in the consolidated accounts from the day when decisive influence is transferred to the Group and are excluded when the decisive influence ends.

The cost of an acquisition consists of the fair value of the assets offered as compensation, of equity instruments issued, and arisen or assumed liabilities as of the transfer date. The surplus comprised of the difference between the acquisition value and the fair value of the Group's share of identifiable, acquired net assets is recognized as goodwill. In the consoledated accounts, transaction costs are expensed in the period they arise and any subsequent adjustments to a contingent purchase consideration are made in the income statement. The acquiring company includes transaction costs and contingent purchase consideration as part of cost. If the acquisition value is less than the fair value of the acquired subsidiary's net assets, the difference is recognized directly through profit or loss.

All intra-Group transactions, i.e. revenue, expenses, receivables, liabilities, unrealized gains and Group contributions, have been eliminated. Where necessary, the subsidiaries' accounting principles have been adjusted in order to ensure consistent accounting within the Group. The consolidated income statement includes companies acquired during the year as of the date possession is taken. Companies divested during the year are excluded as of the date of sale.

Revenue recognition

The CisionPoint offers services in four areas: Plan, Connect, Monitor and Analyze. An increasing part of the Group's clients receive services through CisionPoint, the web-based software solution, in some countries in the form of a subscription paid in advance and then is recognized in revenue evenly throughout the subscription period. A CisionPoint subscription contains different services within all service areas. When services are not included in the CisionPoint subscription or are purchased separately, revenue is mainly reported as follows:

Revenue from Plan services consists of subscription fees for electronic use of contact databases as well as of revenue from catalogue sales. Subscription fees paid by clients in advance are recognized in revenue evenly throughout the subscription period, while revenue from catalogue sales is reported when delivery has been made to the client.

Revenue from Connect services consists of fixed start-up fees, variable fees for each distribution, and subscription fees. Distribution fees are recognized in revenue in connection with delivery. Start-up fees are recognized in revenue when the service begins since these fees generally are not matched by an individual performance but are one-time fees without any real uncertainties regarding vesting. Subscription fees paid in advance are accrued evenly throughout the subscription period.

Revenue from monitoring services in the Monitor service area comes from both fixed and variable fees. Fixed fees consist of subscription fees and fees for software solutions, and are recognized in revenue in the period to which they pertain. If payment is made in advance, the fee is recognized in revenue throughout the subscription period. Fees for the supply of services with variable pricing are recognized in revenue when the service has been delivered to the client. One example of such revenue is the fee for press clippings.

Analysis and evaluation services are recognized in revenue upon delivery to the client. Revenue from analysis provided through web-based portal solutions, i.e. dashboards, in the Analyze service area consists of fees for monthly subscriptions, which are recognized in the month to which the subscription pertains.

All sales are reported net after value-added tax, discounts, returns and shipping. Intra-Group revenue is eliminated.

The Parent Company's operations comprise both support functions and portions of development resources for the Group. The largest revenue streams in the Parent Company comprise intragroup invoicing for the Group's support units as well as royalties on technical platforms and the brand, for which Cision AB owns the intellectual property and economic rights.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified by the Group as the Group CEO and group management.

From January 1, 2010, Cision have switched to reporting two geographical segments, instead of three segments as in 2009. The segments "Rest of Europe" and "Nordics and Baltics" were combined into one, "Cision Europe", which reflects Cision's internal reporting and organizational structure. Cision reports operating income divided into two main segments, Cision North America and Cision Europe. In segment reporting the heading Other and Eliminations are also presented in separate columns. Other includes the Parent Company and a small number of companies without any operating activities.

Translation of foreign currencies

The Parent Company's functional currency and reporting currency is Swedish kronor (SEK). Group companies report in their functional currency, which for Cision means the official national currency in the country where operations are conducted.

Key exchange rates used in the financial statements

		Average exchange rates		Balance sheet date exchange rates	
Country	Currency	2010	2009	Dec. 31 2010	Dec. 31 2009
USA	USD	7.2049	7.6457	6.8025	7.2125
Canada	CAD	6.9928	6.6971	6.8050	6.8850
Euro	EUR	9.5477	10.6213	9.0020	10.3530
UK	GBP	11.1287	11.9260	10.5475	11.4850
Norway	NOK	1.1920	1.2162	1.1520	1.2430

Assets and liabilities of foreign subsidiaries are translated at balance sheet date exchange rates, while income statement items are translated at average exchange rates for the year.

Translation differences associated with the translation of balance sheet items are recognized in other comprehensive income and do not affect the profit for the year.

Net investment in foreign operations

Translation differences that arise in connection with the translation of a foreign net investment when consolidated, and of borrowing identified as hedges of such investments, are recognized in Other comprehensive income. When a foreign operation is divested, such exchange rate differences are recognized through profit or loss as a part of the capital gain/loss.

Transactions as well as assets and liabilities in foreign currencies

Transactions denominated in foreign currencies are reported in the functional currency at the exchange rate in force on the transaction date. Receivables and liabilities denominated in foreign currencies are translated on the balance sheet date into the functional currency in force at the time. Exchange rate gains and losses on financial receivables and liabilities are reported among the financial items. Operations-related exchange rate gains and losses are reported in the operating profit. However, for the parent company, the book value of receivables and liabilities in foreign currencies is not affected when an effective currency hedge is in place.

Intangible assets

Goodwill

Cision is a service company that has acquired businesses in order to introduce the Cision business model, with the purpose of increasing growth and margins as well as creating value by restructuring and refining the acquired operations. Historically, companies acquired by Cision largely lack identifiable intangible assets. The main part of the purchase prices in acquisitions of operations has therefore been allocated to goodwill.

Goodwill is not written off but is instead tested annually for impairment; however, it can be tested more often if there are indications that the value has decreased. Impairment tests are conducted on all cash-generating units regardless of whether or not there is an indication of impairment.

An established model to determine impairment is used for the entire Group. The basis of the model is that goodwill is tested for impairment at the same level for cash-generating units as Cision uses for primary follow-up and where separate cash flows are deemed possible to identify. An impairment loss is recognized in the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less selling costs and its value in use.

Other intangible fixed assets

Other intangible fixed assets are recognized in the balance sheet at acquisition value less accumulated amortization. The amortization schedule is three to five years based on the economic life of the asset. If there is an indication of decreased value, an estimate is made of the asset's carrying amount. In cases where the carrying amount exceeds the asset's estimated recoverable amount, the asset is written down to its recoverable amount.

Research and development expenditures are capitalized as an intangible asset if it can be established with certainty that they will lead to future economic benefits. Other expenditures, such as costs for repairs and maintenance, are recognized as costs in the periods in which they arise. Capitalized costs primarily consist of staff costs for employees fully engaged in the development of the intangible assets and costs for competence brought in from outside the company. Amortization of capitalized research and development costs begins on the date the asset is put to use.

The value of intangible fixed assets with indefinite useful lives and development expenditures for assets that have not yet been put to use are tested annually for impairment, as well as when events or changes in conditions indicate that the value may not be recoverable. Cision has no other intangible assets with indefinite useful lives.

Tangible fixed assets

Tangible fixed assets are reported at acquisition value less accumulated depreciation based on the economic lives of the assets. Equipment is depreciated over three to ten years and office buildings over 50 years. Land is not depreciated. The residual values and periods of use of the assets are tested on each balance sheet date and adjusted when needed.

An asset's carrying amount is written down to its recoverable amount if the asset's carrying amount exceeds its estimated recoverable amount. Gains and losses on the sale of tangible fixed assets are determined through a comparison between the sales proceeds and carrying amount and are recognized through profit or loss.

Borrowing costs directly attributed to the acquisition, construction or production of a qualifying asset that takes a substantial period of time to get ready for use or sale, as part of the cost of that asset. As of the balance sheet date, there are no assets in the group for which borrowing costs can be a part of the asset.

Leasing

Leases in which the economic risks and benefits associated with the ownership of the leased asset are essentially transferred from the lessor to Cision are classified as finance leases. Cision recognizes finance leases as tangible fixed assets and depreciates them in accordance with similar assets. However, the period of use does not exceed the length of the lease, unless it was established with reasonable certainty at the time the lease was signed that ownership rights will be transferred at the conclusion of the lease period. At the inception of the lease period, the asset and liability are reported at the lower of the fair value and the present value of the minimum lease payments. Future lease payments are reported as a liability, and lease payments during the year reduce, after deducting interest, the reported debt. Leases not classified as finance leases are reported as operating leases. The cost of operating leases is recognized through profit or loss on a straight-line basis over the lease period. Operating leases largely refer to office premises and office equipment. There are no finance leases reported.

Liquid assets

Liquid assets include cash and short-term investments with a maturity of less than three months from the time of acquisition, and bank balances.

Financial assets and liabilities

The financial instruments recognized in the balance sheet include, on the asset side, liquid assets, accounts receivables, loan receivables, and derivatives. Liabilities include accounts payable, loan liabilities and derivatives. Purchases and sales of financial instruments are recognized on the trade date, i.e. the date on which the Group commits to buying or selling the asset. Accounts receivables are recognized in the balance sheet when invoices are sent. Correspondingly, supplier invoices are recognized when received.

At inception, financial instruments are recognized at acquisition value, corresponding to the instrument’s fair value plus transaction costs, which applies to all financial assets except those attributed to the category fair value through profit or loss. The reporting is subsequently based on how they have been classified.

A financial asset is removed from the balance sheet when the rights in the agreement have been realized, expired, or when the company loses control over them.

A financial liability is removed when the obligation in the agreement is discharged or otherwise extinguished. The fair value of quoted investments is based on current bid prices on the balance sheet date. If the market for a certain financial instrument is not active, fair value is determined using valuation techniques suitable for the transaction. This is also applicable to unlisted securities.

On each balance sheet date, an assessment is made whether there are objective indications that a financial asset or a group of financial assets is impaired.

The Parent Company, supported by RFR 2, chose not to apply the rules on financial instruments in IAS 39. Instead, these are assessed based on cost, under the Swedish Annual Accounts Act. This means that the Parent Company's accounting for financial instruments deviates from the Group's accounting.

Definition of financial assets and liabilities

In accordance with IAS 39, financial assets and financial liabilities are defined in different categories and are then recognized and carried according to the principles that apply to each category. Instruments are classified based on the purpose of the holding.

Financial assets and liabilities at fair value through profit or loss

This category comprises financial assets and liabilities held for trading. A financial asset or liability is classified as held for trading if it is acquired principally for the purpose of selling or repurchasing in the short-term, is included in a portfolio with identifiable financial instruments which are managed together and for which there is a proven pattern of recent short-term gains, or derivatives classified as held for trading, unless they qualify for hedge accounting. Assets in this category are carried at fair value with changes in value recognized through profit or loss.

Liquid assets and short-term investments are classified as assets carried at fair value with changes in their value recognized through profit or loss. Liquid assets include cash and bank balances. As of the balance sheet date, the Group has no short-term investments.

Loan receivables and accounts receivables

Loan receivables and accounts receivable are carried after the date of acquisition at amortized cost using the effective interest method less any impairment losses. The Group’s accounts receivables and loan receivables comprise accounts receivables, other short-term receivables, and other long-term receivables.

The larger part of the Group’s financial assets refers to accounts receivables attributable to services rendered. These receivables are classified as current assets. Due to their short maturity, the time value of money prior to payment is not taken into account. The Group has no intent of trading any receivables that may arise. A provision for the decrease in value of accounts receivable is allocated when there is objective proof of anticipated client losses. The allocated amount is recognized through profit or loss.

Held-to-maturity investments

Held-to-maturity investments are carried after the date of acquisition at amortized cost using the effective interest method less any impairment losses. Held-to-maturity financial assets are included in fixed assets except in those cases when maturity is less than 12 months after the end of the reporting period, in which case they are classified as current assets. During the fiscal year, the Group has not had any financial instruments classified as held-to-maturity.

Available-for-sale financial assets

Available-for-sale financial assets are recognized after initial recognition at fair value with changes in fair value recognized in other comprehensive income excluding impairment losses and foreign exchange gains or losses on currency monetary items that can be sold, which are reported in net income. When an investment is derecognized the cumulative gain or loss in other comprehensive income is transferred to net income.

These assets are included in non-current assets unless the intent is to dispose of the investment within 12 months. During the fiscal year, the Group has not had any financial assets classified as available-for-sale financial assets.

Other financial liabilities

Financial liabilities are initially measured at fair value, net of transaction costs. Borrowing is subsequently carried at amortized cost. Any difference between the amount received (net after acquisition costs) and the repayment amount is recognized through profit or loss over the term of the loan using the effective interest rate method. This is calculated so that a constant effective interest rate is obtained over the term of the loan.

Convertible bonds are separated into liability and equity components based on the terms of the contract. The valuation is based partly on the value of interest-bearing debentures without conversion rights, and the value of the conversion right under the Black-Scholes model, taking into account that the liquidity of the convertible bonds is assumed to be limited since presently there are no plans for listing. According to the calculations in this valuation, the subscription price corresponds with the estimated market value of the convertibles.

On issuance of the convertible bonds, the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond. This amount is classified as a financial liability measured at amortized cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognized and included in shareholders' equity. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible preference shares based on the allocation of proceeds to the liability and equity components when the instruments are initially recognized.

Subscription of convertible debentures was in 2007; please see note 23. For other share-based compensation, please see the section on share-based compensation in this note.

Accounts payable and similar current liabilities, where maturities are short and there are no agreed upon interest rates, are recognized at nominal amounts.

Long-term liabilities have an expected maturity of longer than 12 months, while current liabilities have an expected maturity of less than 12 months.

As of the balance sheet date, the Group has the following financial liabilities recognized at amortized cost: accounts payables, bank overdraft facilities, syndicated loan facilities, and convertible debentures.

Derivatives and hedge accounting

Derivatives are recognized in the balance sheet on the contract date and are carried at fair value, both at inception and in subsequent valuations. The method for reporting the gain or loss arising from the revaluation will depend on whether the derivative is identified as a hedging instrument, and, if so, the nature of the item being hedged. Changes in value of derivatives that are not hedging instruments are recognized through profit or loss.

The Group identifies derivatives as either a hedge at fair value of an identified asset/liability or a binding commitment (fair value hedge), a hedge of a highly probable forecast transaction (cash flow hedge), or a hedge of the net investment in foreign operations. If the conditions for hedge accounting are no longer met, the derivative is recognized at fair value and the change in value is recognized through profit or loss.

The Group documents the relationship between the hedge instrument and the hedged item, the strategy for undertaking different hedging measures, and the objectives of its risk management. Assessments are documented at the hedge's inception and periodically over time in order to ensure that the derivatives used in hedging transactions are effective in evening out changes in fair value or changes in cash flow for hedged items.

During the year, the Group has had a number of forward foreign exchange contracts at fair value where the change in value has been recognized in net income. As of year-end, the Group has interest rate swaps that are used to hedge a portion of the interest expenses for the syndicated loan facility for which the Group applies hedge accounting, according to the principles of cash flow hedges.

Fair value hedges

Changes in the fair value of a derivative that has been identified as a fair value hedge and which meets the conditions for hedge accounting are recognized through profit or loss together with the change in fair value of the asset or liability that gave rise to the hedged risk. During the fiscal year, the Group has not had any derivatives classified as fair value hedges.

Cash flow hedges

The effective portion of changes in the fair value of a derivative, which is identified as a cash flow hedge and which meets the conditions for hedge accounting, is recognized in comprehensive income. Any gain or loss related to the ineffective portion of the hedge is recognized immediately in other comprehensive income. The Group's interest rate swaps are recognized as hedges according to the principles for cash flow hedges.

Net investment hedges

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss in terms of the hedging instrument related to the effective portion of the hedge is recognized directly in comprehensive income. Any gain or loss related to the ineffective portion of the hedge is recognized immediately through other comprehensive income. The Group's syndicated bank loans are recognized as net investment hedges in foreign operations.

Net investment in foreign operations

Exchange differences arising on translation of monetary items that form part of the Parent Company's net investment in foreign operations are recognized in other comprehensive income in exchange reserves of the Group and the fair value of the parent.

Liabilities that constitute hedging instruments, Parent Company

The Parent Company applies RFR 2, which means that it can continue to apply the rules in BFN R7 "Valuation of receivables and liabilities in foreign currency". According to BFN R7, an effective currency hedge arises in the Parent Company when shares in a foreign subsidiary have been financed through loans in local currency. For an effective currency hedge to exist, its intent must have been in evidence on the transaction date. The carrying amount of such loans is not affected by changes in exchange rates.

Shareholders' equity

Transactions directly attributable to the issuance of new shares or options are recognized, net after tax, in shareholders' equity as a deduction from the issue proceeds.

Taxes

The year's tax expense refers to tax payable on taxable profit for the year as well as changes in deferred tax. Taxes are estimated in accordance with tax regulations applicable in each country. Deferred tax is reported according to the balance sheet method, i.e. on all temporary differences between the book value and fiscal value of assets and liabilities. Temporary differences primarily arise through tax amortization of goodwill and tax loss carries forwards. Deferred tax is determined in accordance with the tax rates (legislation) in force that are expected to apply when the deferred tax asset is realized or when the deferred tax liability is regulated. Tax loss carry forwards are recognized to the extent it is probable that deductions can be applied against future surpluses.

Provisions

Provisions are recognized when the Group has or may have an obligation as a result of past events and it is probable that payments will be required to settle the obligation. A further condition is that a reliable estimate can be made of the amount that has to be paid. The provisions made are for future restructuring programs and provisions related to divestments. No provisions are made for future operating losses.

Contingent liabilities

A contingent liability is recognized when there is a potential obligation attributable to past events and whose existence is confirmed only by one or more uncertain future events, or when there is an obligation not recognized as a liability or provision since it is not clear that an outflow of resources will occur.

Employee benefits

With the exception of Swedish Group companies, the Group's occupational pension plans are defined contribution plans. Premiums paid for defined contribution pension plans are expensed in the period they arise. The Group's Swedish companies follow Alecta's ITP plan, which is a multi-employer defined benefit plan. Due to a lack of information from Alecta, the plan cannot be reported as defined benefit, and is therefore reported as if it were a defined contribution plan.

Share-based compensation

As of the balance sheet date, the Group has two incentive programs. The 2007 annual general meeting approved a program based on issuance of convertible debentures consisting of two parts, a loan and an option. The 2009 general meeting approved the other program, which is based on employee stock options entitling to a corresponding number of shares.

Share-based compensation as resolved by the 2007 annual general meeting

For accounting of convertible debt instruments, please see the section Other financial liabilities in this note. For more information about convertible debentures, please see note 8 and 23.

Share-based compensation as resolved by the 2009 annual general meeting

The equity-settled share-based compensation plans, under which the company receives services from employees as consideration for equity instruments (employee stock options), are expensed.

The total amount to be expensed is determined by reference to the fair value of the options granted: including any market performance conditions; excluding the impact of any service and non-market performance vesting conditions; and including the impact of any non-vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to be vested. The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. It recognizes the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

When the options are exercised, the company issues new shares. The proceeds received net of any directly attributable transaction cost is credited to share capital (nominal value) and other paid-up capital when the options are exercised. For more information about employee stock options, please see note 8.

Anticipated dividend

Anticipated dividends from subsidiaries are recognized in cases where the Parent Company alone has the right to decide on the size of the dividend and the Parent Company has decided on the size of the dividend before it has published its financial reports.

Statement of cash flows

The statement of cash flows is prepared in accordance with the indirect method.

Critical estimates and assumptions

In connection with the preparation of financial reports, the Management and the Board make estimates and assumptions that impact assets and liabilities as well as the carrying amount of contingent liabilities on the balance sheet date. Recognized revenue and expenses are impacted as well. Estimates and assumptions are evaluated periodically based on historical experience and other factors, including expectations of future events that seem reasonable under current circumstances. Actual outcomes may deviate from these estimates.

The Management has discussed with the audit committee the development, choice, and disclosure of the Group's critical accounting principles and estimates as well as the application of these principles and estimates. The estimates and assumptions that carry a significant risk of material adjustments in the carrying amounts of assets and liabilities during the upcoming fiscal year are discussed below.

Impairment testing of goodwill

Several assumptions with regard to future conditions and estimates of parameters have been made in the calculation of the recoverable amount of cash-generating units when determining goodwill impairment. A description can be found in note 14.

Recovery of the value of development expenditures

Expenditures for development are capitalized when it is probable that they will lead to future economic benefits. The main part of capitalized development expenditures refers to technical solutions for digital supply of information, software solutions, and interactive client applications. Their period of use is determined based on each application's commercial lifecycle and is normally 3–5 years. Changes in clients' behavior, competitors' offerings, and technological developments may affect the assessment of the value of undepreciated assets.

Valuation of tax loss carry forwards

Based on the companies' plans and forecasts, tax effect of the tax loss carry forwards have been capitalized in an amount corresponding to the amount the carry forwards are likely to be utilized towards future taxable profit.

As of the balance sheet date 2010, the accumulated tax loss carries forwards amounts to SEK 498.9 million (582.0), whereof SEK 46.3 million are locked. In the consolidated balance sheet, tax loss carry forwards amounting to SEK 21.5 million (21.5) are recognized and relates primarily to the Parent Company. For further details of the tax loss carry forwards in the Group, see note 13.

Changes in accounting policy and disclosures

The Group has adopted the following new and amended IFRS's as of January 1, 2010:

IAS 27 (revised), "Consolidated and Separate Financial Statements" effective from July 1, 2009. The revised standard requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is remeasured to fair value, and a gain or loss is recognized in profit or loss. This change has had no impact on the consolidated financial statements since minority interests do not exist within the group.

IFRS 3 (revised) 'Business combinations', effective from 1 July 2009. The revised standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently remeasured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquire either at fair value or at the non-controlling interest's proportionate share of the acquirer's net assets. All acquisition-related costs should be expensed. IFRS 3 (revised) has affected the accounting of acquisitions carried out during the year with respect to accounting of transaction costs and contingent consideration.

IAS 38 (amendment) 'Intangible assets', is being applied from January 1, 2010 proactively for all business combinations. The amendment clarifies guidance in measuring the fair value of an intangible asset acquired in a business combination, Intangible assets may be grouped as a single asset if each asset has similar useful economic lives. This change has had no material impact on the consolidated financial statements.

IFRS 5 (amendment) 'Measurement of non-current assets (or disposal groups)'. The amendment provides clarification that IFRS 5 specifies the disclosures in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations. It also clarifies that the general requirement in IAS 1 still applies. This change has had no material impact on the consolidated financial statements.

IAS 1 (amendment) 'Presentation of financial statements'. The amendment provides clarification that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non-current. This change has had no material impact on the consolidated financial statements.

IFRS 2 (amendment), 'Group cash-settled and share based payment transactions', is being applied from January 1, 2010 proactively. The amendment implies that IFRC 8 'Scope of IFRS 2', and IFRC 11, 'IFRS 2 – Group and treasury share transactions including group internal' will be incorporated in the standard. This change has had no material impact on the consolidated financial statements.

Amendments to standards that have not yet entered into force

As of December 31, 2010 the following standards, amendments and interpretations of existing standards have been published and will come into force in 2011 or later: IFRS 9 (under revision), IAS 24 (revised), IAS 32 (amendment), IFRIC 14 (amendment), IFRIC 19 (interpretation) and IFRS 7 (amendment). The Group did not elect early adoption. Those cases in which the effects are expected to affect the Group and the Parent are indicated below.

IFRS 9 (under revision), "Financial instruments". The standard will probably be applied for the fiscal year beginning January 1, 2013 or later. However, the EU has not yet adopted the standard. This standard is the first step in the process to replace IAS 39. The standard entails a decrease in the number of measurement categories for financial assets and means that the main categories for accounting are cost (amortized cost) and fair value through the income statement, respectively. For certain investments in equity instruments, the possibility exists to recognize at fair value in the balance sheet with changes in value recognized directly in other comprehensive income, where no transfer is made to net profit on disposal. In addition, new rules have been introduced for how changes in own credit spreads should be presented when liabilities are recognized at fair value. The standard will be supplemented by rules on impairment, hedge accounting and removal from the balance sheet. The Group is waiting for all of the components of the standard to be completed before evaluating the effects of the new standard.

IAS 24 (revised), "Related party disclosures", applies from January 1, 2011 or later. Early adoption is permitted for the entire standard or for part of it. The revised standard clarifies and simplifies the definition of a related party, and removes the requirements for government-related entities to disclose details of all transactions with the government and other government-related entities. Under the conditions that exist at the time of the preparation of this annual report, the amendment is not expected to have any impact on Group reporting.

IAS 32 (amendment), "Classification of rights issues"; applies for the fiscal year beginning February 1, 2010 or later. The amendment deals with accounting for rights issues in currencies other than the entity's functional currency. Provided that certain requirements are met, such rights issues are now classified as equity regardless of the currency in which the price is stated. Previously such rights were classified as derivative liabilities. Under the conditions that exist at the time of the preparation of this annual report, the amendment is not expected to have any impact on Group reporting.

IFRIC 19 (interpretation), "Extinguishing financial liabilities with equity instruments", applies for the fiscal year beginning July 1, 2010 or later. The interpretation clarifies the accounting for renegotiation of loan terms so that all or part of the loan is repaid by issuing shares. The shares will be measured at fair value and the difference between this value and the carrying amount of the loan will be recognized through profit or loss. If the fair value of the shares cannot be reliably measured, they will instead be measured so they reflect the fair value of the loan. The Group will apply this interpretation from January 1, 2011 but it is not expected to have any impact.

Material changes in RFR

RFR 2 will be applied for fiscal years beginning January 1, 2010 or later. A number of amendments and additions have been made to RFR 2.

Costs associated with business combinations will be reported in accordance with the Annual Accounts Act, with the result that the balance sheet item includes transaction costs and contingent considerations.

Negative goodwill does not have to be directly recognized. Changes to the Swedish Annual Accounts Act, for fiscal years starting March 1, 2009 or later, allow accounting of liability for additional consideration at fair value, but an optional exemption remains due to uncertain tax consequences.

Requirements that bills must comply with IAS 1 have been added. The Council has determined that a full statement of comprehensive income is not consistent with the Annual Accounts Act; an income statement followed by a separate statement of comprehensive income may be used instead.

Shares in subsidiaries, associates and joint ventures may be measured at fair value if other financial instruments are measured according to IAS 39.

Changes in presentation

Beginning January 1, 2011, Cision will change the classification for what was called *Restructuring expenses* from 2006 to 2010; in the future it will be called *Non-recurring items*. Restructuring expenses have arisen from the shift from an analog to a digital business process, measures to improve production and efficiency, as well as staff cuts that arose during this phase. In 2010 the company largely completed this restructuring process, but believes that in the future certain non-recurrent expenses could arise, which, for purposes of comparability between years, it would be appropriate to exclude from the analysis of development of the company's operations. Non-recurring expenses can thus be composed of items such as settlement activities, cost of redundant personnel, and other costs attributable to the change in organizational and management structure which should be classified as isolated events.

The change has no effect on the company's financial position, but only relates to a change in the presentation of the company's profit/loss.

Note 2 – Financial risk management

Through its operations, the Group is exposed to a number of different financial risks, including foreign exchange risk, interest rate risk, refinancing risk, credit risk, liquidity risk, and counterparty risk.

The Board of Directors has established a financial policy as a framework for Cision's financial activities and to provide guidelines for managing the above-mentioned financial risks.

The objective of the finance operations is to ensure the Group's financing, optimize its financial net, and provide an overall assessment of and control over the Group's financial risks. In order to take advantage of economies of scale and minimize handling risks, the work is centralized. In addition to the financial policy, which is reviewed annually, the Board establishes financial limits one calendar year at a time. Periodic follow-ups are carried out during the year, and limits are re-assessed when needed. In this way, rapid changes in financial risks and the continuous development of the company's structure can be effectively managed. Financial operations do not have a risk mandate, and derivatives are used only to reduce underlying exposure. These instruments are not used for speculative purposes.

Foreign exchange risk

Foreign exchange risks in the form of so-called transaction exposures affect Cision primarily through interest expenses on foreign loans as well as investments and operating expenses in currencies other than the local country's currency. Foreign exchange risks also arise in the translation of assets and liabilities in foreign currency, as well as in the translation of profits of foreign subsidiaries, so-called translation exposure.

Transaction exposure

Transaction exposure is marginal in the Group, since invoicing and expenses are primarily in a unit's local currency. Interest and amortization are primarily paid with cash flow generated in the local currency in question. Significant exposures that arise are hedged with the help of forward exchange contracts. The purpose of hedging is to minimize the impact of fluctuations in exchange rates on the Group's profits. As at December 31, 2010, there were four forward exchange contract.

Translation exposure

The effects of translation exposure are limited mainly by matching foreign net assets against loans in corresponding currencies, with the objective of reducing the impact of exchange rate changes on shareholders' equity and financial covenants. The most important exchange rates are between SEK and USD, GBP, CAD and EUR. Adjustments to the balance between the various currencies can be made using financial derivatives. Any remaining exposure in shareholders' equity is not hedged.

Of the Group's total revenue, approximately 93 % (90) is generated in currencies other than SEK. Consequently, currency fluctuations have a major impact on the consolidated income statement. A sensitivity analysis shows that a 1% increase in the value of the Swedish krona against all other currencies would affect consolidated revenue by SEK -10.0 million and operating profit excluding restruct by SEK -1.6 million. This exposure is not hedged. Expected impact on the income statement also affects equity except for any possible tax effect. The sensitivity analysis is based on the Group's revenue and operating profit reported for fiscal year 2010 in local currencies.

Consolidated revenue by currency

2010	SEK in thousands	%
SEK	83,274	7%
EUR	189,561	17%
GBP	87,327	8%
USD	613,475	54%
CAD	153,945	14%
Other	4,213	0%
	1,131,795	100%

Net assets and Interest-bearing debt, gross by currency

SEK in thousands	Net assets	Interest-bearing debt, gross
SEK	89,912	20,173
EUR	79,176	63,014
GBP	–972	190
USD	858,539	231,285
CAD	329,929	274,231
Other	3,117	–

As of the balance sheet date, December 31, 2010, the following interest-bearing net debt existed.

Interest-bearing net debt, Group

SEK in thousands	2010	2009
Convertible debentures	16,867	15,475
Bank loans GBP	–	103,365
Bank loans USD[1]	231,285	324,563
Bank loans CAD	272,200	275,400
Bank loans EUR	63,014	124,236
Bank overdraft facilities	70	28,219
Market valuation, financial instruments[2]	–	5,790
Other liabilities	5,457	9,071
Interest-bearing debt, gross	**588,893**	**866,119**
Less liquid assets	–101,566	– 143,549
Less other financial receivables	–30,263	– 18,852
Interest-bearing net debt	**457,064**	**723,718**

[1] Of which SEK 288 500 thousand refers to short-term loan in 2009.
[2] Market valuations, financial instrument refers to the market valuation of interest rate swaps and forward exchange contracts.

Interest rate risk

Changes in interest rates have a direct impact on Cision's net interest expense. The target for average duration for the Group's borrowing is 6 to 24 months, but if extenuating circumstances are present this target may be temporarily disregarded. Interest rates are fixed using interest rate swaps where Cision pays a fixed interest rate to the counterparty and the counterparty pays the LIBOR or similar variable interest rate to Cision. The purpose of fixed interest terms is to be able to predict interest rate expenses to a greater extent and to reduce the fluctuations in the financial covenants of the Group's syndicated loan facility. The average duration in 2009 was 10 months (4).

The average finance charge was 5.0 % (5.3) at year-end. A sensitivity analysis shows that an overall increase in interest rates of 1% would have an effect on borrowing costs of SEK 4.7 million (-7.5), but this would be offset by entered interest rate swap agreements, reducing the cost by SEK 1.5 million (1.2) based on net debt. Expected impact on net interest income also affects equity except for any possible tax effect.

The sensitivity analysis is based on the Group's interest-bearing net debt as at December 31, 2010, as well as interest swaps per the same date, with their remaining maturity. Bank overdraft facilities carry a variable interest rate. Investments are made only in liquid instruments with short maturities, i.e. less than 12 months.

Liquidity analysis, Group

	Accounts payable		Borrowings[1]		Derivates		Interest	
SEK in thousands	2010	2009	2010	2009	2010	2009	2010	2009
<30 days	40,071	47,679	–	–	24	–	523	6,451
1–3 months	3,396	20,201	–	108,188	–	–	6,560	4,112
3–12 months	12,427	4,118	16,937	208,531	–	5,790	15,286	28,495
1–3 years	27	–	566,499	556,864	–	–	37,776	17,274
>3 years	–	34	–	–	–	–	–	–
Total financial instruments – liabilities	**55,921**	**72,032**	**583,436**	**873,583**	**24**	**5,790**	**60,145**	**56,332**

[1] Borrowings refer to the syndicated loan facility, bank overdraft facilities and the convertible debentures.

The table below presents the undiscounted cash flows, resulting from the Group's financial liabilities, based on the contracted remaining time to maturity on the balance sheet date. Amounts denominated in foreign currency and amounts to be paid based on a floating rate have been estimated using the exchange rates and interest rates as of the balance sheet date.

Liquidity analysis, Parent Company

	Accounts payable		Internal liabilities		Borrowings[1]		Other	
SEK in thousands	2010	2009	2010	2009	2010	2009	2010	2009
<30 days	5,419	18,862	44,693	172,849	–	–	2,732	3,373
1–3 months	173	5,256	–	–	–	–	–	–
3–12 months	24	38	–	–	22,039	28,219	–	–
1–3 years	–	–	–	–	330,914	210,337	571	580
>3 years	–	–	211	31,111	–	–	40	24
Total financial instruments – liabilities	**5,616**	**24,156**	**44,904**	**203,960**	**352,953**	**238,556**	**3,343**	**3,977**

[1] The Parent Company's borrowings consist of bank overdraft facilities, convertible debentures and syndicated loan facility.

Liquidity and refinancing risk

The procurement of capital and outside investments expose Cision to certain liquidity risks. Refinancing risk refers to the risk that the company cannot refinance its loans at will or raise new financing in the market when needed. Cision hedges its short-term liquidity by maintaining a liquidity reserve, consisting of liquid assets and committed credit lines, with the objective that it corresponds to at least one month's revenues. Credit lines consist of the syndicated loan facility and bank overdraft facilities. The loan facility depends on certain covenants being fulfilled; if they are not, the lenders can request renegotiation and the loan can be prematurely terminated. The covenants consist of operating profit before depreciation and amortization in relation to net debt and in relation to financial costs, with certain adjustments to the definitions of these key numbers during different time periods. During the first half of the year 2010 Cision renegotiated its syndicated bank loan, with new loan terms including a limit of about USD 100 million with maturity in Q2 2013. The terms of the renegotiated loan include normal financial covenants as well as a reduction of the facility amounting to a total of USD 10 million during 2011–2012. The utilization of the syndicated loan, as of December 31, 2010, amounts to approximately USD 83 million (USD 115 million), whereas the net debt was about USD 67 million (USD 100 million).

Cision has bank overdraft facilities in different currencies for the equivalent of SEK 45 million as at December 31, 2010. The overdraft facilities are renegotiated annually.

Credit and counterparty risk

Credit and counterparty risks arise in the investment of liquid assets, through accounts receivable and when using financial derivatives. Credit risk is the risk that one party to a transaction cannot fulfill their commitment, thereby causing the other a loss. Counterparty risk is a form of credit where a counterparty in a financial derivative transaction does not meet its financial commitments. Investments are made and agreements concerning financial derivatives are entered into only with counterparties with a credit rating of at least A- from Standard & Poor's, or similar rating. Regarding financial receivables and accounts receivable, there are counterparties that lack or have a lower equivalent rating.

As of December 31, 2010 Cision holds financial instruments relating to currency forwards, interest swaps as well as short-term and long-term financial receivables. Maximum exposure as at December 31, 2010, relating to credit risk for these items amounts to SEK 0.2 million for currency forwards, SEK 0.4 million for interest swaps, SEK 3 million in current financial assets and SEK 15.8 million for long-term financial receivables. For the short-term and long-term financial receivables, Cision has parent company guarantees from the debtor's owners.

Commercial credit risk refers to clients' solvency and is managed by each subsidiary by monitoring its clients' payment habits and financial reports, and through good communications. The payment term for accounts receivable is normally 30–60 days. No single client accounts for more than two percent of the Group's total revenue.

In accordance with Cision's Group policy, all receivables have primarily been valued individually and recognized in the amounts that are expected to be received. In the judgment of the company, the necessary provisions have been allocated.

Age distribution of assets, Accounts receivable

	Group		Parent Company[1]	
SEK in thousands	2010	2009	2010	2009
<30 days	183,093	149,747	98	6,857
30–90 days	57,028	70,367	–	5,451
91–180 days	23,591	34,753	–	244
>180 days	684	2,857	–	88
Total	**264,396**	**257,724**	**98**	**12,640**

[1] Of the Parent Company's total accounts receivable, SEK 98 thousand (12,640) refers to external receivable.

Provisions for nonperforming claims

	Group		Parent Company	
SEK thousand	2010	2009	2010	2009
Provision at beginning of year	23,914	24,971	–	465
Provision for anticipated losses	4,740	16,457	–	109
Established losses	–5,791	–11,531	–	–77
Reversal of reserves	6,120	–4,723	–	–
Exchange rate differences	–2,118	–1,260	–	–
Provision at year-end	**26,865**	**23,914**	**–**	**497**

Fair value disclosures

Fair value measurements recognized in the balance sheet should be disclosed for each class of financial instruments:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets for liabilities
  Level 2 – inputs other than quoted prices that are observable for the asset or liability in level 1, either directly (for example as prices), or indirectly (for example, derived from prices)
- Level 3 – inputs for the asset or liability that are not based on observable market data

In the schedule Financial instruments the financial assets and liabilities are classified within the levels of the fair value disclosures to which they relate.

Financial instruments

	Group		Parent company	
SEK in thousands	2010	2009	2010	2009
Financial instruments – assets				
Loan receivables and accounts receivable (recognized at amortized cost)				
Financial fixed assets – receivables from Group companies	–	–	595,076	613,390
Other long-term receivables	27,608	1,511	–	–
Other financial fixed assets	–	–	25,655	96
Current assets – receivables from Group companies	–	–	69,902	45,593
Accounts receivables	264,396	257,724	97	12,640
Other short-term financial assets (recognized at fair value via equity)				
Interest rate swaps, USD/SEK 22 million (Level 2)	355	–	–	–
Other short-term financial assets (recognized at fair value via the income statement)				
Forward exchange contract, GBP/SEK 2.1 million (Level 2)	29	–	–	–
Forward exchange contract, EUR/GBP 0.6 million (Level 2)	18	–	–	–
Spot exchange contract, USD/SEK 4 million (Level 2)	150	–	–	–
Total financial instruments – assets	**292,555**	**259,235**	**690,730**	**671,719**
Financial instruments – liabilities				
Financial liabilities (recognized at amortized cost)				
Convertible debentures	16,867	15,475	21,969	20,884
Other long-term liabilities	569,571	541,389	331,125	189,453
Of which syndicated loans	566,499	539,064	330,914	189,328
Of which other financial liabilities	–	125	211	125
Bank overdraft facilities	70	28,219	71	28,219
Other short term loans [1]	–	288,500	–	288,500
Accounts payable	55,921	72,032	5,616	24,156
Liabilities to Group companies	–	–	44,694	172,849
Other short-term liabilities			–	–
Other current financial liabilities (recognized at fair value via equity)				
Interest rate swaps, EUR 6 million (Level 2)	–	2,775	–	–
Interest rate swaps, USD 15 million (Level 2)	–	3,015	–	–
Other current financial liabilities (recognized at fair value via the income statement)				
Forward exchange contract, NOK/SEK 2.2 million (Level 2)	24	–	–	–
Total financial liabilities	**642,453**	**951,405**	**403,475**	**724,061**

[1] Other short-term loans refer to the short-term part of the syndicated loan

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Fair value is deemed not to differ materially from the book value. Accounts receivables and accounts payables are short-term and therefore no material differences are expected to occur. The book value for the syndicated loans is not deemed to differ materially from the fair value on the closing date based on that the loans have been renegotiated during 2010 and current terms and conditions correspond with those that would apply during renegotiation as at year-end. See note 23 for fair value of convertible debentures. All financial instruments at fair value are valued as level 1 unless stated otherwise.

Financial derivatives
Cision uses derivatives such as forward exchange contracts and interest rate swaps to hedge commercial currency flows, change the structure of its loan portfolio, or otherwise minimize underlying exposure. These instruments are not used for speculative purposes. In 2010 financial derivatives generated a result of SEK 2.2 million (-1.5), which has been recognized in operating profit SEK -5.0 million (-9.2) being and contributed to financial net. The result is a consequence of hedges of bank balances in foreign currency, loans in foreign currency, and client and supplier invoices.

As of the balance sheet date, December 31, 2010, the financial derivatives existed as shown in the above table.

Capital structure and financial targets
The company's asset management objective is to maintain a capital structure that provides the company with sufficient financial strength to conduct its operations in accordance with the adopted strategy and thereby create a return for shareholders. The capital structure should reflect the risk level adopted by the Board. The capital structure is modified based on changes in economic conditions and risks in operations. The company can impact its capital structure by paying dividends to shareholders, repurchasing shares, issuing new shares, and raising or amortizing loans. Cision defines its managed capital as the closing shareholders' equity.

The objective of the Cision's debt policy is for net interest bearing debt not to exceed 2.5 times in relation to 12-month rolling EBITDA, a level deemed appropriate to allow financing on acceptable terms and with acceptable financial risk.

Cision's board of directors' view is that the company over the longer term shall have a policy to distribute approximately 50% of earnings after tax as dividend.

Note 3 – Transactions with related parties
Commercial terms are applied to sales between Group companies. Intra-Group revenue amounted to 3.0 % (3.6) of the Group's total revenue. All intra-Group sales are eliminated in the consolidated accounts.

For information on compensation paid to senior executives and board directors, see note 8.

No business transactions have taken place between Cision and its board directors and senior executives.

Note 4 – Segment reporting
Group
The chief operating decision maker has determined the operating segments based on the geographical breakdown that the Group has for control and monitoring purposes. Cision's two operating segment are Cision North America and Cision Europe. The operating segments have regional presidents/CEO's, who are included in the Group's senior management group.
The chief operating decision maker monitors revenues that the operating segments receive from the services that Cision offers: Plan, Connect, Monitor and Analyze. Cision North America and Cision Europe offer all these services, but the percentage of revenues that each service accounts for varies among the segments depending primarily on local market conditions.
A growing share of the Group's customers receives services through the web-based software solution CisionPoint.

The chief operating decision maker evaluates the performance of the operating segments based on a measure called Operating profit. This measure excludes goodwill impairment, restructuring costs and other one-off costs. Capital gains from the sale of subsidiaries are not included in Operating profit which is used as Cision's internal measurement of performance. Interest income and interest expenses are not broken down by segment, since they are affected by measures taken by the central finance function that is in charge of the Group's quick ratio. Moreover, the measurement excludes the effects of tax revenue and tax liabilities.

The chief operating decision maker also reviews the capital utilization measures return on operating capital excluding goodwill as well as capital utilization through net working capital.

As of 2010 Cision is reporting two geographical segments, instead of the three segments presented in the 2009 annual report. The segments "Rest of Europe" and "Nordics and Baltics" have been combined into one, "Cision Europe", to reflect Cision's internal reporting and organizational structure. Cision has two main segments, Cision North America and Cision Europe. In segment reporting other and eliminations are also presented in separate columns. Other includes the Parent Company as well as a few companies that have no operating activities.

Operating revenue by country

SEK in thousands	2010	2009
USA	613,475	650,199
Canada	153,945	158,866
Total, North America	**767,420**	**809,065**
Germany	46,891	190,801
UK	87,327	159,940
Portugal	67,178	65,385
Sweden	72,728	125,963
Denmark	–	4,956
Norway	4,216	17,067
Finland	83,225	106,533
Baltic countries	–	7,111
Europe other	31,552	–
Total, Europe	**393,117**	**677,756**
Total, Regions	**1,160,537**	**1,486,821**
Other	6,448	56,410
Eliminations	– 35,190	– 55,049
Total, Group	**1,131,795**	**1,488,182**

Working capital by region

SEK million	2010	2009
North America	– 43.6	– 52.8
Europe	– 13.7	– 17.1
Total, Regions	**– 57.3**	**– 69.9**
Other	– 14.8	– 33,4
Total, Group	**– 72.1**	**– 103.3**

Working capital is defined as current operating receivables less current operating liabilities.

Income statement by region

SEK in thousands	North America 2010	North America 2009	Europe 2010	Europe 2009	Other 2010	Other 2009	Eliminations 2010	Eliminations 2009	Group 2010	Group 2009
External revenue	767,420	809,065	356,227	664,149	6,448	14,968	–	–	1,130,095	1,488,182
Intra-Group revenue	–	–	33,533	6,647	–	41,431	– 33,533	– 48,078	–	–
Intra-segment revenue	–	–	1,657	6,960	–	11	– 1,657	– 6,971	–	–
Other revenue	–	–	1,700	–	–	–	–	–	1,700	–
Operating revenue	**767,420**	**809,065**	**393,117**	**677,756**	**6,448**	**56,410**	**– 35,190**	**– 55,049**	**1,131,795**	**1,488,182**
Production costs[1]	– 266,188	– 303,989	– 191,926	– 411,371	– 54	– 31,409	–	–	– 458,168	– 746,769
Gross profit	**501,232**	**505,076**	**201,191**	**266,385**	**6,394**	**25,001**	**– 35,190**	**– 55,049**	**673,627**	**741,413**
Selling and administrative expenses[2]	– 313,030	– 303,536	– 157,153	– 259,309	– 39,573	– 23,065	35,190	55,029	– 474,566	– 530,881
Depreciation	– 38,490	– 40,391	– 17,624	– 39,311	– 798	– 34,525	–	–	– 56,912	– 114,227
Operating profit [3]	**149,712**	**161,149**	**26,414**	**– 32,235**	**– 33,977**	**– 32,589**	**–**	**– 20**	**142,149**	**96,305**
Goodwill impairment	–	–	–	–	–	–267,113	–	–	–	– 267,113
Restructuring costs	–	–	– 14,231	– 38,885	– 5,198	– 6,917	–	–	– 19,429	– 45,802
Other one-off costs[4]	–	–	–	– 15,792[5]	-	– 27,199	–	–	–	– 42,991
Operating profit	**149,712**	**161,149**	**12,183**	**– 86,912**	**– 39,175**	**– 333,818**	**–**	**– 20**	**122,720**	**– 259,601**
Financial income	42	71	440	386	100,192	99,707	– 76,132	– 99,594	24,542	570
Financial expenses	– 86,259	– 85,794	– 4,189	– 3,272	– 60,451	– 80,642	76,132	99,594	– 74,767	– 70,114
Capital gain/loss divestment of subsidiaries	–	–	–	–	10,701	– 11,978	–	–	10,701	– 11,978
Profit before tax	**63,495**	**75,426**	**8,434**	**– 89,798**	**11,267**	**– 326,731**	**–**	**– 20**	**83,196**	**– 341,123**

[1] Restructuring expenses of SEK -5.4 million (-7.5), reported in the consolidated income statement under Production expenses, are reported here under Restructuring costs.

[2] Restructuring costs of SEK -14,0 million (-38.3), reported in the consolidated income statement under selling and administrative expenses, are reported here under restructuring costs. Goodwill impairment of SEK 0 million (-267.1), reported in the consolidated income statement under production costs and selling and administrative expenses, is reported here under goodwill impairment. Other one-off costs of SEK 0 million (-30.7), reported in the consolidated income statement under selling and administrative expenses, are reported here under other one-off costs. Depreciation and amortization, reported in the consolidated income statement under selling and administrative expenses, are reported here under depreciation and amortization.

[3] Excluding goodwill impairment, restructuring costs and other one-off costs. Operating profit for Europe 2010 includes SEK 1.7 million which mainly relates to a gain from real estate sale. This item is not included in the internally followed-up operating profit because it is not business related revenue.

[4] Other one-off costs in 2009 consisted of a realized loss on the divestment of the UK Print Monitor operations in the UK of SEK 12.3 million, as well as impairment of intangible assets of SEK 30.7 million.

[5] Other one-off costs of SEK -12.3 million, reported under other expenses in the consolidated income statement, are here reported under other one-off costs.

Assets and liabilities by region

SEK in thousands	North America 2010	North America 2009	Europe 2010	Europe 2009	Other 2010	Other 2009	Eliminations 2010	Eliminations 2009	Group 2010	Group 2009
Assets										
Current operating assets	239,092	193,476	65,362	100,834	1,542	35,422	–	–	305,996	329,732
Fixed assets [1]	105,200	103,257	39,368	72,509	45,855	11,478	–	–	190,423	187,244
Internal receivables	849	7,683	7,804	42,416	1,613	18,641	– 10,266	– 68,740	–	–
Goodwill	1,279,369	1,339,328	139,376	137,085	–	–	–	–	1,418,745	1,476,413
Financial assets and tax assets	436,556	507,329	48,484	161,240	690,974	961,623	– 1,041,553	– 1,457,347	134,461	172,845
Total assets	**2,061,066**	**2,151,073**	**300,394**	**514,084**	**739,984**	**1,027,164**	**– 1,051,819**	**– 1,526,087**	**2,049,625**	**2,166,234**
Liabilities										
Current operating liabilities	277,287	246,670	80,048	132,657	19,452	38,453	–	–	376,787	417,780
Internal liabilities	3,494	1,923	4,719	55,631	2,055	11,186	– 10,268	– 68,740	–	–
Financial liabilities and tax liabilities	1,396,965	1,474,138	84,496	194,457	330,606	855,923	– 1,041,553	– 1,457,347	770,514	1,067,171
Total liabilities	**1,677,746**	**1,722,731**	**169,263**	**382,745**	**352,113**	**905,562**	**– 1,051,821**	**– 1,526,087**	**1,147,301**	**1,484,951**

[1] Fixed assets in USA amount to 92.5 MSEK (93.9) and consists mainly of equipment and internally generated intangible assets.
Fixed assets in Canada amount to 12.7 MSEK (9.4) and consist mainly of equipment and internally generated intangible assets.
Fixed assets in Sweden amount to 32.2 MSEK (30.2) and consist mainly of acquired and internally reprocessed intangible assets.
Fixed assets in the UK amount to 17.3 MSEK (30.3) and consist mainly of buildings and land.

Operating capital by region		
SEK million	2010	2009
North America	1,334.4	1,391.7
Europe	165.6	165.6
Total, Regions	**1,500.0**	**1,557.3**
Other	– 6.7	– 26.8
Total, Group	**1,493.3**	**1,530.5**

Capital excluding goodwill by region		
SEK million	2010	2009
North America	58.2	55.8
Europe	23.0	25.1
Total, Regions	**81.2**	**80.9**
Other	– 6.7	– 26.8
Total, Group	**74.5**	**54.1**

Operating capital is defined as operating assets less operating liabilities. Tax assets and tax liabilities are not included. A large part of operating capital consists of goodwill arising through acquisitions.

Operating cash flow by region	North America		Europe		Other		Eliminations		Group	
SEK in thousands	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Operating profit[1]	149,712	161,149	26,414	– 32,235	– 33,977	– 32,589	–	– 20	142,149	96,305
Depreciation[2]	38,570	40,391	14,140	39,311	4,202	3,842	–	–	56,912	83,544
Investments	– 42,331	– 33,165	– 6,986	– 17,476	– 12,739	– 15,286	–	–	– 62,056	– 65,927
Divestments	–	–	9,304	–	–	–	–	–	9,304	–
Other non-cash items	– 443	–	– 444	–	– 443	– 2,391	–	–	– 1,330	– 2,391
Change in working capital	– 4,268	– 20,342	– 32,775	16,709	– 3,027	– 18,186	–	–	– 40,070	– 21,819
Operating cash flow[3]	**141,240**	**148,033**	**9,653**	**6,309**	**– 45,984**	**– 64,611**	–	**– 20**	**104,908**	**89,711**

[1] Excluding goodwill impairment, restructuring expenses and other one-off costs

[2] In the consolidated statement of cashflows 2009 a write-down of intangible assets amounting to SEK 30.7 million is included. The cost is classified as other one-off costs and is excluded in the operating cash flow by region.

[3] Cash flow from operating activities excl. restructuring expenses, interest received and paid, dividend and income tax paid less investment in intangible and tangible fixed assets plus divestments of intangible and tangible fixed assets. [Calculation 2010: 58,197+44,038+53,277+2,149–62,057+9,304=SEK 104,908 thousand]

Reporting by service areas	Revenue		Operating Assets	
SEK in thousands	2010	2009	2010	2009
Plan/Connect	398,430	448,043	174,760	153,128
Monitor/Analyze	733,365	1,040,139	321,830	355,447
Other	–	–	381	8,401
Group	**1,131,795**	**1,488,182**	**496,971**	**516,976**

None of Cision's clients represents more than two percent of the total revenue for the Group.

Parent Company

Parent company's sales consist primarily of sales related to support functions distributed on Cision North America SEK 16,428 million (20,377) and Cision Europe SEK 7,401 million (16,687) and Royalties on technical platforms and brands distributed on Cision North America SEK 12,158 million (0) and Cision Europe SEK 12,530 million (15,312). Rebilling of rent is also included in the sales of Parent company. The parent company and Cision Sverige AB operated under a commission agreement until, December 31, 2009. Sales in 2009 related to the agreement amounts to SEK 169,542 million.

Note 5 – Expenses by Nature

Operating expenses are presented in the consolidated income statement report with classification based on the functions “Production expenses” and “Selling and administrative expenses”. The total of expenses classified by function is as follows:

Expenses by Nature		
	Group	
SEK in thousands	2010	2009
Production expenses	–138,472	–166,864
Other expenses	–177,113	–272,109[1]
Staff costs	–617,150	–881,668
Impairment goodwill	–	–267,113
Amortization/write-downs	–56,912	–114,227
Restructuring expenses	–19,429	–45,802
Total	-1,009,076	-1,747,783

[1]Of other expenses 2009, SEK 12.3 million relate to the realized loss of the divestment of the UK Print Monitor operations.

Note 6 – Auditing expenses

Auditing expenses				
	Group		Parent Company	
SEK in thousands	2010	2009	2010	2009
Ernst & Young				
Auditing assignments	4,383	5,357	930	1,090
Auditing other than the assignment	180	1,209	40	871
Tax services	253	1,061	131	954
Other assignments	825	712	776	712
Total	5,642	8,339	1,877	3,628

Auditing assignments refer to fees of; the annual accounts, the consolidated accounts, the accounting records and the administration of the board of directors and the managing director, as well as other tasks incumbent on the company’s auditors.

Note 7 – Leases

Operating leases				
	Group		Parent Company	
SEK in thousands	2010	2009	2010	2009
Lease expenses	31,056	57,173	2,039	20,591

Future lease payments				
	Group		Parent Company	
SEK in thousands	2010	2009	2010	2009
Within one year	28,399	41,296	3,928	11,951
Later than one year but within five years	71,595	49,603	12,374	4,081
Later than five years	391	9,835	–	4,285
Total	100,385	100,734	16,302	20,317

Leases mainly refer to office buildings within the Group.

Note 8 – Personnel

Principles of compensation

The Annual General Meeting 2010 approved the following principles of compensation to senior executives. The principles for compensation and other employment terms for senior executives have been designed to ensure that the Cision Group can offer terms of employment that are competitive and on market terms in order to attract and retain qualified employees. The principles cover the CEO and the senior executives reporting to him. The compensation to senior executives consists of the following parts: base salary, variable compensation in the form of a performance based bonus, pension, other benefits, and long-term incentive program.

Base salary

The base salary is based on what the local market pays for similar roles and qualifications. The base salary is reviewed every year.

Variable compensation

Variable compensation is paid in the form of bonuses. The bonus amounts to 40-50 % of the base salary and a maximum of 80-100 % of base salary in case the performance exceeds expectations. The bonus is based on the achievement of financial EBIT-related objectives for the division and/or Group. The CEO receives a bonus of 60 %, with a maximum bonus of 100 % of the base salary.

Pension

The basic principle for pension benefits is that the terms must be competitive praxis on the market in the country where the senior executive has his/her permanent residence. The retirement age for senior executives varies depending on local practices. The company makes annual contributions equal to 20 % of the CEO’s pensionable annual salary (base salary and variable compensation) to pension and insurance solutions. All other Swedish senior executives follow the ITP general pension plan or its equivalent. For others, pension contributions are made in accordance with local practices.

Other benefits

The CEO and other senior executives have the opportunity to receive benefits that are typical in their position, such as occupational health care, health insurance, and a company car. Benefits vary by country based on local practices.

Severance payment

The CEO has an employment contract until December 31, 2011, which may be renewed with six months written notice. Should the Company terminate the CEO’s employment before December 31, 2011, the CEO is entitled to receive a severance payment corresponding to twelve months' base salary. For other senior executives, the notice period varies between three and six months. From the company's side the term of notice varies between three and six months. Other senior executives are entitled to six to twelve months of severance pay if employment is terminated by the company.

Preparation and decision-making process

With regard to the CEO, after discussions between the Chairman and the CEO the Compensation Committee proposes a salary, criteria for variable compensation and other employment terms, which are then approved by the Board. For other senior executives, the CEO, after discussions with the executives, proposes these terms, which are then approved by the Compensation Committee and reported to the Board. The Board has the right to deviate from these principles in the individual case if such a decision is justified. During 2010, the Compensation Committee has met on seven occasions. For information on the Committee's composition and rules of procedure, please see the section on corporate governance.

Salaries and other benefits

The information on senior executives, with the exception of the CEO, refers to three individuals who held senior executive positions during the year. They include Cision's global group management team consisting of the Chief Financial Officer, CEO North America and CEO Europe.

Share-based compensation

On March 29, 2007, at the Annual General Meeting, a resolution was passed to initiate a performance-based incentive program by issuing no more than 700,000 convertible profit-sharing debentures (convertibles) to 13 members of Group management. The conversion price was set at SEK 33.94 each and a total of 660,000 convertibles were subscribed at this price. The total loan amount was SEK 22,400,400. Share capital will not increase by more than SEK 990,000. Each convertible confers the right to one new share in Cision AB. Conversion may be requested during the period April 1– June 30, 2011. The conversion price initially corresponds to the subscription price, but this may be revised downward if the Company meets certain financial targets. Based on customary adjustment provisions to compensate participants for the financial dilution resulting from the 2010 rights issue, the initial subscription price was adjusted to SEK 24.30 per convertible during the second quarter of 2010. After completion of the 2010 rights issue, the total number of convertibles corresponds to approximately 0.4 % of the share capital and votes on a fully diluted basis.

The Annual General Meeting passed a resolution on April 2, 2009, to initiate a three-year equity-regulated incentive program consisting of 2,250,000 employee stock options entitling to a corresponding number of shares.

Vesting of allotted employee stock options depends on two criteria: 80 % are subject to market conditions related to the share price of the Company and requirements for continued employment. 20 % are subject solely to requirements for continued employment. The employee stock options subject to the market conditions vest in three tranches when the Company's share price exceeds the strike price by 100 %, 200 % and 300 %. The strike price is set to SEK 6.11, which corresponds to 130 % of a volume-weighted average price of the Company's share during a measurement period of one month in conjunction with the Annual General Meeting 2009. A maximum of one third of the employee stock options subject to the market conditions can vest per year. Based on customary adjustment provisions to compensate participants for the financial dilution resulting from the 2010 rights issue, the subscription price was adjusted to SEK 4.40 per share and the maximum number of shares that can be subscribed in accordance with the program was adjusted to 3,150,000 during the second quarter of 2010. After completion of the 2010 rights issue and assuming that all granted and outstanding employee stock options are exercised, dilution would be about 2.1 % of Cision's share capital and votes.

Fair value of the granted stock options was calculated using a Monte Carlo simulation. The employee stock option plan runs from April 3, 2009 - April 30, 2012.

2007 Convertible debentures (convertibles)

Financial instruments, senior executives	2007 program Convertible debentures 2007/2011			
	Number	Value	Acquisition price, SEK	Benefits
Former Chief Executive Officer, Niklas Flyborg	250,000	8,485,000	8,485,000	–
Other senior executives in Group, eight individuals	280,000	9,503,200	9,503,200	–
Senior executives i subsidiary, three individuals	130,000	4,412,200	4,412,200	–
Total	**660,000**	**22,400,400**	**22,400,400**	**–**

Eight of the twelve senior executives referred to above, including the former Chief Executive Officer, have left Cision.

The senior executives paid the fair value of these convertibles; therefore no benefit occurred. The fair value of the convertible debentures is determined by valuing the debt component separately and then adding the fair value of the conversion right (the option). The debt component has been valued at fair value by discounting the expected cash flows with a market rate for similar non-convertible debentures. The interest rate used for this discounting was 9.16 %. The option component (conversion right) was valued using the Black-Scholes valuation model. Fair value was SEK 4.35 per option (conversion right). Important input data in the model were weighted average share price of SEK 30.16 on the allotment date, strike price SEK 33.94, volatility of 23.1%, expected dividend of SEK 0.46 per share, increasing by 25 % each year, maturity July 1, 2011 and annual risk-free interest rate of 4.08 %. Volatility measured as standard deviation for expected return on the share price is based on statistical analysis of historical daily share prices for Cision.

With regard to the convertible debentures, no conversion rights were exercisable in 2009 or 2010. No conversion rights were assigned, forfeited, exercised or lapsed during 2009 or 2010.

2009 Employee stock option program

	2009 program Employee stock options 2009/2012			
	Number	Value	Acquisition price, SEK	Benefits
Chief Executive Officer, Hans Gieskes	900,000	514,200	–	514,200
Other senior executives in Group, three individuals	900,000	514,200	–	514,200
Other key personnel in Group and subsidiary, six individuals	450,000	257,100	–	257,100
Total	**2,250,000**	**1,285,500**	**–**	**1,285,500**

The column "Value" in the above table shows the number of options multiplied by their value, calculated by applying the Monte Carlo simulation. Since the employees did not pay anything for the stock options the benefit is the same as the value of the options. In last year's financial statements the data in the column headed "Acquisition Price" represented the maximum number of stock options multiplied by the strike price.

In 2010 a rights issue was carried out, so the conversion price was recalculated in accordance with the terms and conditions of the option agreement. One option entitles the holder to exercise of 1.4 shares at a strike price of SEK 4.40. Within the category of other key personnel, three people left Cision, whereupon 220,000 options lapsed.

Number and average strike prices for employee stock options (2009 LTI program)

	2010		2009	
	Average strike price in SEK per share [1]	Options (thousand)	Average strike price in SEK per share [1]	Options (thousand)
January 1	4.40	2,250	–	–
Allotted	–	–	4.40	2,250
Forfeited	–	–	–	–
Exercised	4.40	– 5	–	–
Lapsed	4.40	– 220	–	–
December 31	4.40	2,025	4.40	2,250

[1] Recalculated to comply with the terms of the stock option plan in connection with the rights issue carried out in 2010 (previously the strike price was SEK 6.11 per share).

The value of the employee stock options, using the Monte Carlo simulation (see table below), was calculated for each of the stock options; market conditions were also taken into account in this simulation. Important input data in the model were volume-weighted average share price of SEK 5.34 on the allotment date, strike price of SEK 6.11, volatility of 35%, expected dividend of SEK 0.00, SEK 0.07 and SEK 0.10 for 2010-2012. The valuation model takes into account expected early strike, as shown in the table below in the column expected maturity. Volatility measured as standard deviation for expected return on the share price is based on statistical analysis of historical daily share prices for Cision over the past three years.

Option Value (SEK)	Expected maturity	Risk-free interest rate	Strike price	Market conditions	Value per option
Employee stock options (i)	2.0	1.19%	6.11	–	0.83
Employee stock options (ii)	2.5	1.41%	6.11	–	0.98
Employee stock options (iii)	3.0	1.62%	6.11	–	1.04
Market conditions options (i)	3.1	1.63%	6.11	12.22	0.62
Market conditions options (ii)	3.1	1.63%	6.11	18.33	0.43
Market conditions options (iii)	3.1	1.63%	6.11	24.44	0.38

Of the 2,025,000 outstanding options (2,250,000), 135,000 options (0) were exercisable. Exercised stock options 5,000 in 2010 resulted in issuance of 7,000 shares at a weighted average price of SEK 4.40 per share. Weighted average price at the time of exercise was SEK 5.82.

Outstanding convertible rights and options

Outstanding convertible rights and options (in thousands) at year-end have the following expiry date and strike prices:

		Shares	
Expiry date	Strike price, SEK per share	2010	2009
June 30, 2011	24.30	660	660
April 30, 2012	4.40	2,835	3,150
		3,495	3,810

Numbers of shares and exercise price in the table above have been recalculated to take into account the terms of the agreements relating to the 2010 rights issue. Before recalculation, the number of potential shares for the employee stock option plan was 2,025,000 (2,250,000), and the strike price was SEK 33.94 and SEK 6.11 respectively for the convertible debentures and employee stock option plan.

Average number of employees

Average number of employees

	2010		2009	
	Number of employees	Of whom men	Number of employees	Of whom men
Parent Company	13	6	152	80
Sweden	60	35	23	6
Norway	2	1	14	8
Denmark	–	–	6	4
Finland	108	33	113	34
Baltic countries	–	–	34	12
Germany	59	21	253	91
UK	101	48	274	126
Portugal	149	60	134	59
Canada	247	147	227	162
USA	646	345	699	296
Total	1,385	696	1,979	878

In 2010 Cision divested the German subsidiary and outsourced the US broadcast monitoring operation. In 2010 the Cision parent company is presented without the Swedish subsidiary. December 31, 2010 the contract of consignment between the parent company and the Swedish subsidiary was terminated.

Sick leave

Sick leave only refers to Swedish companies

	2010		2009	
Sick leave as % of normal working hours	Total	Of which longer than 60 days	Total	Of which longer than 60 days
	1.2	23.0	1.6	17.2

	2010		2009	
Average sick leave by gender as % of normal working hours	Women	Men	Women	Men
	1.2	0.9	2.0	1.3

	2010			2009		
Average sick leave by age as % of normal working hours	–29	30–49	50–	–29	30–49	50–
	0.6	1.5	0.7	1.1	1.8	0.7

Remuneration and other benefits

SEK in thousands	2010 Base salary/ Board fees	2010 Variable compen-sation	2010 Other benefits	2010 Social security	2010 Pension cost	2010 Share-based compensation	2009 Base salary/ Board fees	2009 Variable compen-sation	2009 Other benefits	2009 Social security	2009 Pension cost	2009 Share-based compensation
Group												
Chairman of the board Anders Böös	700	–	–	220	–	–	850	–	–	267	–	–
Board director, Pia Gideon	200	–	–	63	–	–	200	–	–	63	–	–
Board director, Hans-Erik Andersson	400	–	–	126	–	–	375	–	–	118	–	–
Former Board director, Ulf Ivarsson	-	–	–	-	–	–	63	–	–	20	–	–
Board director, Peter Leifland	300	–	–	94	–	–	325	–	–	102	–	–
Board director, Gunilla von Platen	200	–	–	63	–	–	150	–	–	47	–	–
Board director, Thomas Heilmann	200	–	–	63	–	–	200	–	–	63	–	–
Board director, Alf Blomqvist	250	–	–	79	–	–	188	–	–	59	–	–
Chief Executive Officer, Hans Gieskes	3,401	1,367	728	94	67	174	3,823	–	818	106	68	158
Other senior executives[1]	6,314	2,265	2,718	1,151	474	174	6,843	500	2,823	1,008	480	158
Total	**11,965**	**3,632**	**3,446**	**1,952**	**541**	**348**	**13,016**	**500**	**3,641**	**1,853**	**548**	**316**

[1] Note that the above compensation to senior executives is also included in the compensation for other senior executives and other employees in the Parent Company and subsidiaries. 2009 and 2010 reporting only includes Cision's executive committee, comprising the Chief Executive Officer, Executive Vice President and the CEOs of Cision North America and Cision Europe

Compensation for senior executives, SEK in thousands	2010 Remunera-tion and other benefits	2010 (of which bonus)	2009 Remunera-tion and other benefits	2009 (of which bonus)
Parent Company	2,793	903	2,391	500
UK	4,679	633	4,296	–
USA	9,321	2,096	8,120	–
Total	**16,793**	**3,632**	**14,807**	**500**

Other employees SEK in thousands	2010 Wages, salaries and remunerations	2009 Wages, salaries and other remuneration
Parent Company	9,352	70,213
Sweden	29,588	7,869
Norway	1,089	6,425
Denmark	–	2,788
Finland	37,628	51,880
Baltic countries	–	4,882
Germany	24,930	119,618
UK	41,811	124,578
Portugal	17,901	20,828
Canada	75,813	81,055
USA	276,817	272,405
Total	**514,929**	**762,541**

See explaining text under average number of Employees.

SEK in thousands	2010 Social security	2010 (of which pensions)	2009 Social security	2009 (of which pensions)
Senior executives				
Parent Company	1,325	340	1,171	344
Subsidiaries	461	201	485	204
Other employees				
Subsidiaries	64,176	16,968	93,496	17,744
Total	**65,962**	**17,509**	**95,152**	**18,292**

The social security column also includes the company's total pension costs. The CEO is reported in the subsidiaries column.

The expense for the Alecta ITP plan was SEK 2,883 thousand (3,818) for the year. On the balance sheet date 2010, Alecta had a solvency margin of 143 % (to be compared with a solvency margin of 141 % on the 2009 balance sheet date).

Note 9 – Restructuring expenses

Restructuring expenses mainly relate to efficiency improvements in the operations in the UK, Germany, the Nordics and the parent company. The restructuring expenses mainly relate to costs arising from reductions of administrative functions and staff within the service area Monitor, related to the Group's conversion to a digital client offering based on a digital production process. In the income statement, restructuring expenses for Germany and expenses incurred in connection with the sale of the German operation are reported on the line for restructuring expenses and the line for capital gains, sale of subsidiary.

Restructuring costs incl. in operating profit , SEK in thousands	Group 2010	Group 2009	Parent Company 2010	Parent Company 2009
Personnel-related expenses	15,040	41,536	1,631	10,604
Production-related expenses	4,386	3,153	–	363
Other expenses	3	1,113	–	–
Total	**19,429**	**45,802**	**1,631**	**10,967**

Provision for restructuring program for each class, SEK in thousands	Group 2010	Group 2009	Parent Company 2010	Parent Company 2009
Personnel-related expenses	6,060	19,876	–	8,937
Production-related expenses	2,590	3,101	279	–
Other provisions	9,113	6,378	9,113	6,378
Total	**17,763**	**29,355**	**9,392**	**15,315**

Other provisions relate mainly to provisions related to costs associated with the sale of subsidiaries. Provisions attributable to the restructuring program are classified as current and long-term liabilities. SEK 10,737 thousand (0) is a long-term liability and settled after 12 months of the balance sheet date. The remaining part is settled within 12 months of the balance sheet date.

Provision for restructuring program, SEK in thousands	Group 2010	Group 2009	Parent Company 2010	Parent Company 2009
Opening balance	29,355	26,096	15,315	18,066
Allocated	33,115	72,100	1,631	24,201
Allocated provision	–	–	8,786	–
Utilized	– 44,038	– 53,134	– 10,710	– 24,349
Reversed	–	– 15,158	– 5,630	– 2,603
Translation differences	– 669	– 549	–	–
Closing balance	17,763	29,355	9,392	15,315

Note 10 – Result from shares in Group companies

Parent Company SEK in thousands	2010	2009
Dividends from Group companies	69,574	97,357
Result from sale of shares in subsidiaries	19,300	225,365
Result from write-down of shares in subsidiaries	– 6,300	– 452,366
Total	82,574	– 129,644

Result from sale of shares in subsidiaries refers to divestment of Cision Holding Gmbh and result from liquidation/unregistration of subsidiaries referring mainly to Oy Pressfax and Oy Waymaker. Result from change of shares refers to write-down of shares in Cision Germany GmbH, Cision Norge AS and Cision Svenska Holding AB.

Result from sale of shares in subsidiaries 2009 refers to divestment of Cision Sverige AB, Cision Norge AS, Cision Danmark A/S, Cision UAB Lietuva and result from liquidation referring mainly to Observer New Media Sarl. Result from write-down of shares in 2009 refers to write down of shares Cision UK Holdings Ltd and write-down shares Cision Holding GmbH.

Note 11 – Financial income

Group SEK in thousands	2010	2009
Income from securities and receivables held as fixed assets	–	111
Interest income	2,955	459
Exchange rate differences	20,249	–
Other financial income	1,338	–
Total	24,542	570

Exchange differences mainly refer to the amortization of external loans that is reported according to the policies increased net investments where the effects earlier have been reported against equity.

Parent company SEK in thousands	2010	2009
Interest income	75,772	77,616
Exchange rate differences	22,231	124,013
Total	98,003	201,629

The item interest income includes interest income from Group companies of SEK 75,264 thousand (77,500).

Exchange rate differences that relate to bank balances, accounts payable and accounts receivable that affected operating profit amount to SEK 1,249 thousand (7,529).

Note 12 – Financial expenses

Group SEK in thousands	2010	2009
Expenses of derivatives	– 5,011	– 9,239
Interest expenses	– 30,497	– 39,647
Exchange rate differences	– 8,966	– 1,246
Other financial expenses	– 30,293	– 19,982
Total	– 74,767	– 70,114

Other financial expenses refer mainly to costs associated with renegotiating certain of the terms for the company's syndicated loan facility 2009 and 2010, and write-down of a financial receivable during 2010.

Parent company SEK in thousands	2010	2009
Expenses of derivatives	– 5,011	– 9,239
Interest expenses	– 18,027	– 54,282
Exchange rate differences	– 14,455	– 76,354
Other financial expenses	– 26,440	– 19,543
Total	– 63,933	– 159,418

The item interest expenses includes interest expenses to Group companies of SEK -287 thousand (-31,093) and costs from derivative of SEK 0 thousand (-9,405).

Exchange rate differences that relate to bank balances, accounts payable, accounts receivable and derivatives that affected operating profit amount to SEK -6,930 thousand (-6,662).

Note 13 – Tax

SEK in thousands	Group 2010	Group 2009	Parent Company 2010	Parent Company 2009
Components in tax expenses for the year				
Tax paid	– 9,585	– 4,636	– 833	– 18,917
Tax paid for previous years	1,725	– 8,686	–	–
Deferred tax expense on temporary differences	– 19,277	– 13,225	–	–
Reported tax expenses	**– 27,138**	**– 26,547**	**– 883**	**– 18,917**
Connection between tax expense for the year and reported pretax profit				
Reported profit before tax	83,197	– 341,122	91,039	– 163,681
Tax according to current tax rate, 26.3 %	**–21,881**	**89,715**	**– 23,943**	**43,048**
Tax effect on non-deductible expenses				
Goodwill impairment/Write-downs Shares in subsidiaries	–	– 70,251	– 1,713	– 118,973
Write-downs in other financial assets	–	–	16,868	–
Capital gain/loss divestment of subsidiaries	–	–3,150	-11,736	–
Other expenses/Tax effect previous year	–2,582	4,335	– 1,194	– 101,140
Tax effect of tax-exempt revenue				
Capital gain/loss divestment of subsidiaries	2,814	–	–	2,953
Dividends from subsidiaries	–	–	18,299	185,242
Other income	1,653	1,445	–	–
Tax effect of items not included in reported profit	4,536	2,569	3,276	–
Tax effect deferred tax due to change in tax rate	–15	–	–	–
Non recorded deferred tax on the years fiscal loss	–5,747	–37,891	– 740	– 15,047
Tax effect change of loss carry forward	–	–15,000	–	– 15,000
Tax effect related to previous years	– 1,573	– 3,256	–	–
Effect of other tax rates in foreign subsidiaries	– 4,343	5,027	–	–
Reported tax expenses	**– 27,138**	**– 26,547**	**– 883**	**– 18,917**
Temporary differences				
Deferred tax assets				
Capitalized tax loss carry forwards and other	21,466	21,517	21,325	21,325
	21,466	**21,517**	**21,325**	**21,325**
Deferred tax liabilities				
Intangible fixed assets	– 149,818	– 139,585	–	–
Tangible fixed assets	– 3,478	– 8,779	–	–
Other	– 8,331	– 4,271	–	–
	-161,627	**-152,635**	**–**	**–**
Tax assets				
Tax assets	10,877	7,779	2,274	592
Deferred tax assets	21,466	21,517	21,325	21,325
Total	**32,343**	**29,296**	**23,599**	**21,917**
Tax liabilities				
Tax liabilities	– 4,592	– 2,219	–	–
Deferred tax liabilities	– 161,627	– 152,635	–	–
Total	**– 166,219**	**– 154,854**	**–**	**–**

Tax-deductible goodwill amortization in the U.S. reduces tax payments by approximately USD 3 million per year through 2015. In accordance with IFRS, a provision and charge for deferred taxes is reported related to goodwill amortization in the Group. The provision was SEK 142.9 million (131.0) and primarily refers to deferred tax attributable to tax-deductible goodwill amortization in the United States.

The total tax liability includes tax liabilities of SEK 4,592 thousand (2,219) that mature within 12 months of the balance sheet date. Total tax assets include tax assets of SEK 10,887 thousand (7,779) that mature within 12 months of the balance sheet date. There is no time limit on the use of those tax loss carry forwards that are not taken into account in the calculation of deferred tax.

As of the balance sheet date 2010, the accumulated tax loss carry forwards amount to SEK 498.9 million (582.0), of which SEK 46.3 million is blocked. Of the total tax loss, a value of SEK 21.5 million (21.5) was capitalized in the consolidated balance sheet. Based on the companies' plans and forecasts, tax effect of the tax loss carry forwards have been capitalized in an amount corresponding to the amount the carry forwards are likely to be utilized towards future taxable profit.

As of the balance sheet date 2010, Cision AB has accumulated tax loss carry forwards amounting to SEK 319.9 million (347.0), of which SEK 46.3 million is blocked. With a tax rate of 26.3 %, the value of the accumulated tax loss carry forwards amount to SEK 84.1 million (91.3), of which SEK 12.2 million is blocked. SEK 21.3 million (21.3) of the abovementioned tax loss carry forwards have been recognized in the consolidated balance sheet.

As of the balance sheet date 2010, Cision UK Holdings Ltd has accumulated tax loss carry forwards amounting to GBP 15.8 million (15.9). With a tax rate of approximately 27 %, the value of the accumulated tax loss carry forwards amounts to GBP 4.3 million (4.4). As of the balance sheet date 2010, Cision US Inc has tax loss carry forwards amounting to USD 1.8 million (1.7). With a tax rate of approximately 37 % the value of the accumulated tax loss carry forwards amounts to USD 0.7 million (0.6). Due to limitations on the utilization of tax loss carry forwards, the Management and the Board have done a valuation and decided not to recognize them in the consolidated balance sheet.

In Sweden, except for tax on group contribution, no tax is reported on items recognized in equity or in other comprehensive income due to the fact that the Swedish companies are not in a tax position. Tax on group contribution does not affect the consolidated group accounting.

Within a reasonable future, the group does not plan to bring any taxable dividends from the subsidiaries to the parent company.

Please see Note 1, Critical estimates and assumptions, in the section on the valuation of tax loss carry forwards, for the Group's opinion.

Note 14 – Goodwill

Group		
SEK in thousands	2010	2009
Acquisition values, opening balance	3,113,268	3,149,583
Purchases/acquisitions	14,861	2,762
Translation differences	– 190,138	– 39,077
Accumulated acquisition values, closing balance	**2,937,991**	**3,113,268**
Amortization values and write-downs, opening balance	– 1,636,855	– 1,346,930
Purchases/acquisitions	–	–
Sales/disposals	–	–
Translation differences	117,609	– 22,812
Write-downs	–	– 267,113
Accumulated amortization and write-downs, closing balance	**– 1,519,246**	**– 1,636,855**
BOOK VALUE, CLOSING BALANCE	**1,418,745**	**1,476,413**

Write-downs by country		
SEK in thousands	2010	2009
UK	–	– 177,859
Germany	–	– 89,254
Total	**–**	**– 267,113**

The write-downs in the UK and Germany during 2009 are consequences of a more conservative view on these operations.

Parent Company		
SEK in thousands	2010	2009
Acquisition values, opening balance	–	12,000
Purchases/acquisitions	–	–
Sales/disposals	–	–
Accumulated acquisition values, closing balance	**–**	**12,000**
Amortization, opening balance	–	– 6,750
Purchases/acquisitions	–	–
Sales/disposals	–	–
Amortization for the year	–	– 600
Accumulated amortization, closing balance	**–**	**– 7,350**
BOOK VALUE, CLOSING BALANCE	**–**	**4,650**

Goodwill in 2009 refers to Cision Sverige AB, which was run in commission with Cision AB until December 31, 2009, no opening amount is therefore reported in 2010.

Impairment tests for cash-generating units containing goodwill

Cision follows up on its operations by country. In most cases, there is only one operating subsidiary per country. In cases where there is more than one operating subsidiary in a country, the range of services is still so integrated that follow-ups are carried out for the country as a whole. Consequently, for impairment testing of goodwill, Cision has one cash-generating unit per country in Europe. For impairment testing of goodwill for Cision's activities in the United States and Canada, North America is treated as one cash-generating unit beginning in 2010. As operations in the United States and Canada have become increasingly more integrated, e.g. due to the the launch of the common software solution CisionPoint, Cision's assessment is that cash flow for these two countries cannot be separated in a relevant way.

During the third quarter of 2009 a goodwill impairment loss was taken of a total of SEK 267 million, including SEK 178 million for the cash-generating unit Germany and SEK 89 million for the cash-generating unit UK, in the segment Europe (in 2009 both countries reported in the segment Rest of Europe). The impairment losses were the result of gradually worsening performances for the operation in these two countries in 2009, which in turn resulted in a more conservative vision for future cash flow generation. The write-down included all goodwill relating to the UK and Germany; that is, from the fourth quarter of 2009 no goodwill remains for the countries in question.

The cash-generating units below have recognized goodwill of such a scope that their aggregate goodwill amounts to at least 90 % of the Group's total reported goodwill.

Group		
SEK in thousands	2010	2009
USA	974,815	1,033,569
Canada	301,368	302,363
	1,276,183	**1,335,932**
Other cash-generating units combined	142,562	140,481
	1,418,745	**1,476,413**

Goodwill is booked in local currency and gives rise to currency translation effects in the consolidated accounts. The change in goodwill during the fiscal year in the above units is indicated in the following table:

Reported Goodwill			
SEK in thousands	Additional goodwill	Write-downs	Translation effect
USA	–	–	– 58,753
Canada	2,587	–	– 3,582
	2,587	–	– 62,335
Other cash-generating units combined	12,274	–	– 10,194
	14,861	**–**	**– 72,529**

To ensure that the value does not deviate negatively from booked value, the value of goodwill is tested annually, but it can be tested more often if there are indications that the value may have decreased. Impairment tests for units containing goodwill are based on a calculation of value in use. This value is based on cash flow forecasts for the next ten years as well as a terminal period. Cision applies a forecast period exceeding five years, since the company's assumption is that future cash flows are sufficiently secure to use a forecast period of ten years. Tests are conducted by cash-generating unit in the local currency.

The units' cash flows are affected by commercial factors, including market growth, competitiveness, technological development, overall cost trends, investment levels, and tied-up working capital. In the case of discounting, financial factors come into play, such as interest rates, borrowing costs, market risk, beta values, and tax rates.

The assumptions made in the test reflect management's best assessment of the economic conditions that are expected to have an impact during the period of use. The first five years are based on current internal forecasts projected forward. For periods beyond five years, a gradually declining growth rate is applied down to approximately 3 %, depending on country, which is applied for the terminal period. The assessed growth rate in the terminal period is mainly based on the company's understanding of the market's long-term growth rate and has not changed to any material extent compared with the previous year's impairment test.

Sensitivity analyses of commercial assumptions, to test for impairment, have been carried out for all cash-generating units.

The financial factors have been used to calculate the weighted average cost of capital (WACC) before tax, per cash-generating unit, which has then been used as the discounting factor. The discounting factor for the four largest cash-generating units varies between 9.25 % and 13.70 % before tax for 2010, compared with 7.63 % and 9.95 % before tax for 2009. The higher discount rate is mainly because the assessed requirement for return on equity was revised upwards compared with the impairment test for 2009.

Since assets affiliated with the head office cannot be divided among cash-generating units on a reasonable and consistent basis, these assets have not been tested separately for impairment. Instead, it has been assessed that the recognized value of these assets falls within the estimated value in use for the entire Group in comparison with all reported assets in the Group.

Note 15 – Other intangible fixed assets

Other intangible fixed assets are divided into acquired and internally capitalized intangible assets. The internally capitalized assets relate to internally generated technical platforms which partly refer to capitalized costs. The acquired assets relate to licenses and software as well as acquired assets in connection with acquisitions of operations, where a portion of the purchase price has been separated from goodwill and allocated primarily to customer lists.

Internally developed intangible assets primarily relate to CisionPoint, which is an internally generated technical platform with integrated software solutions. In CisionPoint Cision's clients can manage all aspects of a campaign, from identifying key media and influencers to connecting with audiences, monitoring traditional and social media and analyzing outcomes.

Group

SEK in thousands	2010 Software and licenses	2010 Internally generated technical platforms	2010 Customer list	2010 Other	2010 Total	2009 Software and licenses	2009 Internally generated technical platforms	2009 Custom er list	2009 Other	2009 Total
Acquisition values, opening balance	136,406	182,879	4,439	1,564	325,288	218,033	176,245	4,359	–	398,637
Purchases	–	30,226	–	–	30,226	–	31,288	–	–	31,288
Acquisitions	15,913	–	3,946	938	20,797	1,888	–	–	765	2,653
Sales/disposals	– 43,482	–	–	–	–43,482	– 78,033	– 22,122	–	799	– 99,356
Reclassifications	91	– 91	–	–	–	–	–	–	–	–
Translation differences	– 8,793	– 4,509	– 241	–	– 13,543	– 5,482	– 2,532	80	–	–7,934
Accumulated acquisition values, closing balance	**100,135**	**208,505**	**8,144**	**2,502**	**319,286**	**136,406**	**182,879**	**4,439**	**1,564**	**325,288**
Amortization/write-down, opening balance	– 114,038	– 117,879	– 2,838	– 1,058	– 235,813	– 150,634	– 86,638	– 2,593	–	– 239,865
Sales/disposals	43,414	–	–	–	43,414	45,374	31,691	–	– 27	77,038
Reclassifications	– 10	10	–	–	–	–	–	–	–	–
Translation differences	7,444	1,899	183	–	9,526	1,165	2,142	82	–	3,389
Write-down for the year [1]	–	– 3,610	–	–	– 3,610	– 3,484	– 31,332	–	–	–34,816
Amortization for the year	– 6,350	– 21,401	– 1,467	– 368	– 29,586	– 6,459	– 33,742	– 327	– 1,031	–41,559
Accumulated amortization/write-down, closing balance	**– 69,540**	**– 140,981**	**– 4,122**	**– 1,426**	**– 216,069**	**– 114,038**	**– 117,879**	**– 2,838**	**– 1,058**	**– 235, 813**
BOOK VALUE, CLOSING BALANCE	30,595	67,524	4,022	1,076	103,217	22,368	65,000	1,601	506	89,475

[1] The amount SEK 3,610 thousand (4,133) that is included in "write-down for the year" is 2010 included in restructuring expenses and 2009 included in capital gain/loss divestment of subsidiaries.

Impairment in 2009 mainly refers to impairment of internally generated technical platforms in the parent company, amounting to SEK 27.2 thousand.

Parent Company

SEK in thousands	2010 Software and licenses	2010 Internally generated technical platforms	2010 Total	2009 Software and licenses	2009 Internally generated technical platforms	2009 Total
Acquisition values, opening balance	–	83,214	83,214	–	135,895	135,895
Purchases	–	11,159	11,159	–	21,712	21,712
Acquisitions	715	–	715	–	–	–
Sales/disposals	–	–	–	–	–53,068	–53,068
Reclassifications	91	–91	–	–	–	–
Accumulated acquisition values, closing balance	**805**	**94,282**	**95,087**	**–**	**104,539**	**104,539**
Amortization/write-down, opening balance	–	–72,699	–72,699	–	–63,559	–63,559
Sales/disposals	–	–	–	–	29,240	29,240
Reclassifications	–	2	2	–	–	–
Translation differences	–	–1	–1	–	–	–
Write-down for the year	–	–259	–259	–	–3,036	–3,036
Amortization for the year	–44	–3,741	–3,785	–	– 40,017	– 40,017
Accumulated amortization/write-down, closing balance	–44	–76,697	–76,741	–	– 77,372	– 77,372
BOOK VALUE, CLOSING BALANCE	761	17,585	18,346	–	27,167	27,167

In 2009 impairment of internally generated technical platforms amounted to SEK 27.2 thousand in the parent company.

In the intangible assets for year 2009 Cision Sverige AB's participation is also included in view of that the company operated under a commission agreement until December 31, 2009.

Note 16 – Tangible fixed assets

Group

SEK in thousands	2010 Buildings and land	2010 Equipment	2010 Total	2009 Buildings and land	2009 Equipment	2009 Total
Acquisition values, opening balance	30,078	377,298	407,376	29,617	469,819	499,436
Purchases	–	16,093	16,093	–	31,986	31,986
Sales/disposals	– 12,555	– 164,715	– 177,270	–	– 115,389	– 115,389
Reclassifications	–	– 10	– 10	–	– 552	– 552
Translation differences	– 1,894	– 22,126	24,020	461	– 8,566	– 8,105
Accumulated acquisition values, closing balance	**15,629**	**206,540**	**222,169**	**30,078**	**377,298**	**407,376**
Depreciation/write-down, opening balance	– 6,659	– 304,459	– 311,118	– 6,222	– 372,869	– 379,091
Sales/disposals	4,097	153,729	157,826	–	110,155	110,155
Reclassifications	–	– 35	– 35	–	212	212
Translation differences	447	17,635	18,082	52	6,324	6,376
Depreciation for the year	– 445	– 26,881	– 27,326	– 489	– 41,496	– 41,985
Write-down for the year[1]	–	–	–	–	– 6,785	– 6,785
Accumulated depreciation/write-down, closing balance	**–2,560**	**– 160,011**	**– 162,571**	**– 6,659**	**– 304,459**	**– 311,118**
BOOK VALUE, CLOSING BALANCE	13,069	46,529	59,598	23,419	72,839	96,258

[1] SEK 0 thousand (6,785) of the amount under “equipment” included capital gain/loss divestment of subsidiaries.

The balance sheet item Buildings and land includes a book value of SEK 3,886 thousand (4,231). The land has a permanent value.

Parent Company

SEK in thousands	2010 Equipment	2009 Equipment
Acquisition values, opening balance	12,518	62,334
Purchases	532	1,214
Sales/disposals	–	– 47,170
Accumulated acquisition values, closing balance	**13,051**	**16,378**
Depreciation, opening balance	– 12,037	– 57,615
Sales/disposals	–	45,896
Reclassifications	-86	–
Depreciation for the year	– 220	– 2,070
Accumulated depreciation, closing balance	**– 12,343**	**– 13,789**
BOOK VALUE, CLOSING BALANCE	707	2,589

In the tangible assets for year 2009 Cision Sverige AB’s participation is also included in view of that the company operated under a commission agreement until December 31, 2009.

Note 17 – Other long-term receivables

	Group		Parent Company	
SEK in thousands	2010	2009	2010	2009
Other interest-bearing financial receivables	26,065	–	25,656	–
Other long-term receivables	1,543	1,511	–	96
Total	27,608	1,511	25,656	96

Other interest-bearing financial assets are mainly related to a divestment of an operation. Payment is due on September 30, 2012.

See Note 2 for information on financial instruments classified in categories / levels within the fair value hierarchy.

Note 18 – Accounts receivable

	Group		Parent Company	
SEK in thousands	2010	2009	2010	2009
Accounts receivable	280,673	281,175	98	12,672
Provisions for decrease in value of accounts receivable	– 16,277	– 23,451	–	– 32
Net	264,396	257,724	98	12,640

All accounts receivable fall due for payment within 12 months of the balance sheet date.

See Note 2 for information on age distribution of accounts receivable.

Note 19 – Shares in Group companies

Parent Company		
SEK in thousands	2010	2009
Acquisition values, opening balance	2,222,587	2,792,840
Purchases/acquisitions	71,124	531,974
Sales/disposals	– 45,471	– 1,102,227
Accumulated acquisition values, closing balance	**2,248,240**	**2,222,587**
Write-downs, opening balance	– 1,702,928	– 1,488,254
Sales/disposals	–	158,954
Write-downs for the year	– 69,694	– 373,628
Accumulated impairments, closing balance	**– 1,772,622**	**– 1,702,928**
BOOK VALUE, CLOSING BALANCE	475,617	519,659

During the year Public and Investor Relations PIR Svenska AB was acquired; for more information, please see note 29. In addition, capital contributions were provided to Cision Sverige AB, Cision Svenska Holding AB, Cision Germany GmbH and Cision Norge AS.

During the year the German operation Cision Holding GmbH was sold and the companies Oy Waymaker and Oy Pressfax were liquidated.

Share capital was reduced during the year in the companies Cision Canada Ltd and Oy Cision Finland by decreasing the number of shares to a total value of SEK 45.5 million. The amount was repaid to stockholders.

Shares in group companies were written down in the amount of SEK 6.3 million during the year. The amount refers to a write-down of shares in Cision Norge AS, Cision Germany Gmbh and Cision Svenska Holding AB where the impairment was identified.

Write-downs of shares in group companies during 2009 of SEK 373.6 million primarily refer to impairment losses related to Cision Holding Ltd and Cision Holding Gmbh due to worsening conditions in these markets.

Company	Country	Registered address	Reg. no.	No. of shares	Holding percent	Currency	Nominal value in each currency	Book value (SEK '000)
Cision AB	Sweden	Stockholm	556027- 9514					
Cision Canada Inc.	Canada	Ontario	399095- 8	6	100	CAD	3,000,000	30,544
Atodia AB	Sweden	Stockholm	556694- 2990	1,000	100	SEK	100,000	100
Cision Global Solutions AB	Sweden	Stockholm	556659- 7760	1,000	100	SEK	100,000	100
Cision Germany GmbH	Germany	Frankfurt	HRB87462	25,000	100	EUR	25,000	267
Cision Norge AS	Norway	Oslo	993 903 264	1,000	100	NOK	100,000	155
Cision Portugal SA	Portugal	Lisbon	501 355 383	81,923	100	EUR	409,615	49,245
Cision Sverige AB	Sweden	Stockholm	556317-1916	1,000	100	SEK	100,000	1,329
Cision Sverige Holding AB	Sweden	Stockholm	556812-1205	500	100	SEK	50,000	50
Cision UK Holdings Ltd	UK	Chesham, Buckinghamshire	3 858 850	104,793,467	100	GBP	104,793,467	1
Oy Cision Finland Ab	Finland	Helsinki	684 094	250,150	100	EUR	809,282	5,611
Ursula Holding Corp	USA	Delaware	–	100	100	USD	1	388,015
Dormant companies	Sweden	Stockholm	–		100			201
								475,617
Indirectly owned subsidiaries								
Cision US Inc.	USA	Delaware		1,000	100	USD	10,000	
Informandum	Portugal	Lisbon	6 350	1	100	EUR	32,500	
Romeike Monitoring Ltd	UK	Chesham, Buckinghamshire	2 255 420	2	100	GBP	2	
Cision Global Solutions Ltd	UK	Chesham, Buckinghamshire	4 036 848	1	100	GBP	1	
Cision Quebec Inc.	Canada	Montreal	131 325 458	58,535	100	CAD	181,572	
Cision UK Ltd	UK	Chesham, Buckinghamshire	5 297 089	1	100	GBP	1	
Public and Investor Relations PIR Sverige AB	Sweden	Stockholm	556642-2795	1,000	100	SEK	100,000	
Romeike Research Ltd	UK	Chesham, Buckinghamshire	1 499 817	405,100	100	GBP	405,100	

The list contains Cision's operating companies. Dormant companies are not included. A complete statutory specification of participations in affiliated companies can be obtained from Cision AB.

Note 20 – Prepaid expenses and accrued income

	Group		Parent Company	
SEK in thousands	2010	2009	2010	2009
Prepaid rents	878	8,490	1,294	6,171
Prepaid interest expenses	2,206	6,903	–	6,944
Other prepaid expenses	6,939	11,758	2,595	3,079
Accrued interest income[1]	450	–	450	–
Other accrued income	20,552	21,106	–	5,497
	31,025	**48,257**	**4,339**	**21,691**

[1] The item refers to accrued interest income in Group companies where the interest is capitalized

All prepaid expenses and accrued income are settled within 12 months of the balance sheet date.

Note 21 – Shareholders' equity

Share capital

The share capital relates to the Parent Company's share capital.

No. of shares	2010	2009
Opening balance	74,544,418	74,544,418
Rights issue March 31, 2010	74,544,418	–
Subscription of shares based on employee stock options	7,000	–
Closing balance	**149,095,836**	**74,544,418**

Total number of shares is 149.1 million (74.5) with quota value of SEK 1.5 per share (1.5). All issued shares are fully paid, have the same voting rights and are equally entitled to the company's assets.

The Group issued 73,773,470 shares on April 23, 2010 and 770,948 shares on April 29, 2010. Fair value for the issued shares is SEK 237.8 million (SEK 3.19 per share). The related transaction costs, amounting to SEK 15,625 thousand, were offset against the proceeds.

Exercised stock options 5,000 in 2010 resulted in issuance of 7,000 shares at a weighted average price of SEK 4.40 per share.

Own shares

Neither the company nor its subsidiaries hold any Cision shares.

Reserves

The translation reserve comprises all translation differences that arise from the translation of the financial reports of foreign operations that have prepared their reports in a currency other than the one the Group's financial reports are presented in. Translation differences arising from the translation of foreign operations according to the current method contributed to an increase in the translation reserve of SEK -84,481 thousand (-79,226). Translation differences that have arisen in connection with borrowing and that have been identified as hedges of foreign net investments have decreased the translation reserve by SEK 7,587 thousand (31,900).

The fair value reserve includes the net change in the fair value of the Group's financial instruments.

Profit brought forward incl. profit/loss for the year

Retained earnings and net profit for the year are comprised of the previous year's non-restricted funds and net profit for the year.

Dividend to shareholders

The Board proposes that no dividends be issued for the fiscal year 2010, similar to the fiscal year 2009.

Other paid in capital

Relates to payments made by owners including share premiums paid and transactions related to employee stock options.

Convertible debentures and employee stock options

Please see notes 1, 8 and 23 for a description of the Group's convertible debentures and employee stock options.

Management of capital

Cision defines its managed capital as the closing shareholders' equity.

See note 2, in particular the section 'Capital structure and financial targets' for a description of financial risks and Cision's policies for managing its balance sheet, the group's targets for capital structure and profitability.

Note 22 – Other long-term liabilities

In February 2010 Cision's syndicated loan facility was renegotiated, originally signed in October 2006. The new loan terms included a facility limit of USD 100 million (125), which can be utilized in several different currencies over this period. Expiration of the facility is May 2013. The facility limit will be reduced by USD 10 million during 2011-2012. The interest margin varies depending on the company's interest bearing net/EBITDA.

	Group		Parent Company	
Group, SEK in thousands	2010	2009	2010	2009
Bank loans, GBP	–	103,265	–	–
Bank loans, USD	231,285	36,063	267,264	72,496
Bank loans, CAD	272,200	275,400	–	–
Bank loans, EUR	63,014	124,236	63,650	116,957
Other liabilities	3,072	2,325	–	–
Liabilities to Group companies	–	–	211	31,111
Total	**569,571**	**541,389**	**331,125**	**220,564**

Market valuation, financial instruments refers to the market valuation of interest rate swaps and forward exchange contract.

See note 2, schedule 'Liquidity analysis', for information about when the liabilities fall due for payment.

See note 2, the paragraph 'Liquidity and refinancing risk for a more detailed description of the syndicated loan facility, including its covenants'.

Of the Parent Company's long-term liabilities, SEK 211 thousand (31,111) refers to liabilities that fall due for payment more than five years after the balance sheet date.

Note 23 – Convertible debentures

660,000 convertible debentures were subscribed with a nominal value of SEK 22.4 million on May 4, 2007. The debt instruments fall due on June 30, 2011, at their nominal value of SEK 22.4 million or can be converted to shares at the request of the holder at a price of SEK 24.3 per share. The respective value of the liability component and the equity component (conversion right) was determined at issuance. The convertible debentures were issued at a nominal interest rate of 5%. During the life of the instrument an interest expense equivalent to 9.16% was recognized of which 5% interest was paid, and the remainder was allocated to the liability. Consequently the liability will amount to its nominal amount at payback.

The book value of the liability component, included in current liabilities (long-term liabilities 2009), was calculated using a market interest rate for an equivalent non-convertible debt instrument. The remaining amount, which represents the value of the equity component, is included in shareholders' equity in the item Reserves.

Convertible debentures are recognized in the balance sheet as follows:

Tkr	2010	2009
Nominal value of convertible debentures issued May 4, 2007	22,400	22,400
Equity component	– 3,050	– 3,050
Liability component at issuance May, 4 2007	**19,350**	**19,350**
Accumulated interest expenses	6,628	4,423
Accrued interest	– 280	– 280
Accumulated interest paid	– 3,729	– 2,609
Liability component at December 31	**21,969**	**20,884**

As per December 31, 2010 the liability component in the consolidated balance sheet amounted to SEK 16,867 thousand (15,475) because a small percentage of the convertible debt instruments are held by the subsidiary Cision US Inc. The fair value for the liability component of the convertible debt instrument amounted per the balance sheet date to SEK 16,573 thousand in the Group and SEK 21,448 thousand in the Parent Company.

Note 24 – Net assets and loans in foreign subsidiaries

Foreign subsidiary	Non financial net assets	Loan
USA	131 million USD	34 million USD
Portugal, Germany and Finland	10 million EUR	7 million EUR

The parent company applies hedging based on that shares in non-Swedish subsidiary is funding with loan in local currency.

Note 25 – Bank overdraft facility

The limit granted on the Group's shared and parent company's bank overdraft facilities is SEK 45,400 thousand (75,000), of which SEK 70 thousand (28,219) had been utilized as of the balance sheet date. The bank overdraft facility for the group is renegotiated yearly.

Note 26 – Short-term loans

Short-term loans refers to the short-term part of the Group's syndicated loan facility, amounting to SEK 0 thousand (288,500) as of the balance sheet date. After renegotiation of the loan agreement, the short-term part as of the 2009 balance sheet was reclassified as a long-term liability as of the 2010 balance sheet date.

Note 27 – Accrued expenses and deferred income

	Group		Parent Company	
SEK in thousands	2010	2009	2010	2009
Vacation compensation liability	13,582	17,221	1,943	6,413
Other accrued staff costs	15,832	14,685	2,393	3,998
Accrued interest expenses	5,240	8,943	3,212	7,201
Other accrued expenses	37,771	65,159	2,388	5,484
Deferred income	229,606	215,306	–	4,830
Total	**302,031**	**321,314**	**9,937**	**27,926**

All accrued expenses and deferred income fall due for payment within 12 months of the balance sheet date.

Note 28 – Other current liabilities

Group

Other current liabilities mainly consist of unpaid value-added tax. All current liabilities fall due for payment within 12 months of the balance sheet date.

Parent Company

Other current liabilities mainly consist of unpaid value-added tax. All current liabilities fall due for payment within 12 months of the balance sheet date.

Note 29 – Pledged assets and contingent liabilities

Group

No pledged assets or contingent liabilities exist on Group level.

Parent Company

No pledge assets exist in the parent company. Contingent liabilities consist of capital adequacy guarantees of SEK 0 thousand (17 000) and lease guarantees of SEK 0 thousand (311) issues by the parent company.

Furthermore Cision AB has issued parent company guarantees regarding payment services to Danske Bank SEK 26,421 thousands (28,770) and for Cision UK, year 2009, regarding customer contracts to The Secretary state of Health without amount.

A payment guarantee amounting to SEK 272,200 thousand (275,400) is issued to Cision Canada Inc regarding their share of the syndicated loan.

The amounts in foreign currency are translated to SEK using the exchange rates on the balance sheet day.

Note 30 – Business combinations

Acquisitions and disposals of shares and participations in subsidiaries

Cision's holdings of shares and participations in group companies as at December 31, 2010 are presented in note 19. Group acquisitions and divestments are itemized below.

The results from all acquisitions are included in the Group as of the acquisition dates. A calculation of contributions to the Group's revenue and net profit is not possible for practical reasons, since the necessary assumptions regarding synergies, financing expenses and taxes would make any calculation arbitrary.

Acquisitions in 2010

Cision did not make any acquisitions in 2010 that had a material effect on the Group's accounts.

On January 4, 2010, Cision acquired a part of a business in Canada, 709 News. The purchase price was SEK 5 597 thousand. 709 News' business focuses on Monitor services. Cision's assessment is that this acquisition will have a positive impact on the Canadian operations, mostly through synergy effects.

On June 18, 2010, Cision acquired all shares in the startup company, Cision Sverige Holding AB. The purchase price was SEK 50 thousand.

All shares in Public and Investor Relations PIR Sverige AB (PIR) were acquired on July 1, 2010. The purchase price was SEK 16,198 thousand. PIR's business focuses on distribution of press releases and offering a database with contacts and information about journalists and the media to the Swedish market (the service area that Cision calls "Connect" and "Plan"). In recent years, PIR has had a solid growth and reported revenues of about SEK 8 million for 2009 with a very strong operating margin. Combined with expected synergies, this acquisition has had a positive impact on the operating margin for Cision Europe during the second half of 2010. Cision's assessment is that this acquisition will have a positive impact even in the future.

Acquisition 2010			
Company	Description	Acquired shares	Date
Cision Sverige Holding AB	Holding company	500	June 18, 2010
Public and Investor Relations PIR Sverige AB	Plan & Connect business	1,000	July 1,2010
709 News	Monitoroperations	–	January 4, 2010

Acquisitions in 2009

On March 31, 2009, Cision acquired all shares in Cision Norge AS. The purchase price was SEK 2,762 thousand.

Operations at Cision Norge AS focus on Plan and Connect services.

Acquisition 2009			
Company	Description	Acquired shares	Date
Cision Norge AS	Plan & Connect business	1,000	Mars 31, 2009

Net assets disposed of Acquisition 2010 and 2009

For acquisitions made in 2010 and 2009, the fair value adjustments in the acquisition balance sheets have not been significant. The table below specifies the effects on the Cision Group's balance sheet and cash flow statement, estimated on values from each acquisition date in connection with the acquisition of subsidiaries.

Net assets disposed of Acquisition		
Group, SEK in thousands	2010	2009
Intangible assets	5,155	2,762
Tangible fixed assets	168	–
Long-term receivables	54	–
Current receivables	1,239	–
Cash and cash equivalents	2,913	–
Provisions	– 348	–
Loan	– 250	–
Current liabilities	– 1,802	–
Total	**7,129**	**2,762**
Goodwill	14,716	–
Acquired net assets	**21,845**	**2,762**
Cash and cash equivalents paid	– 21,845	– 2,762
Cash and cash equivalents as stated in acquisition analyses	2,913	–
Impact on the consolidated cash and cash equivalents	**– 18,932**	**– 2,762**

The items in the table above refer to all acquisitions in 2010.

The goodwill of SEK 14,716 thousand that arose as a result of 2010 acquisitions is attributable to the synergies expected from consolidation of the acquired entities' operations.

Acquisitions after the end of the period

Cision has not carried out any acquisitions after the end of the period.

Divestments

The table below specifies the effects on the Cision Group's balance sheet and cash flow statement in connection with divestments of subsidiaries:

Net assets disposed of divestments		
Group, SEK in thousands	2010	2009
Intangible assets	–	– 22,430
Tangible fixed assets	– 11,285	– 3,106
Current receivables	– 32,546	– 68,310
Cash and cash equivalents	– 4,430	– 6,492
Current liabilities	28,022	78,637
Divested net assets	**– 20,239**	**– 21,701**
Cash and cash equivalents received	14,062	43,316
Cash and cash equivalents in divested companies	– 4,430	– 6,492
Impact on the consolidated cash and cash equivalents	**9,632**	**36,824**

Capital gains for subsidiaries sold in 2010 totaled SEK 10,701 thousand. SEK 8,028 thousand is attributable to the divestment of the German operation and the remainder relates to effects from divestments in 2009. The previous year's capital loss of SEK 11,978 thousand referred to the divestment of the subsidiaries in Denmark, Norway, Lithuania and Sweden. In 2009 the Monitor and Analyze business in the UK was also divested, resulting in a loss of SEK 12,308 thousand, which was recognized in the income statement as Other expenses.

Divestments 2010		
Company/asset	Description	Date
Cision Holding GmbH	Divestment of German operations. Cision-Point customers are not included.	March 31,2010
Cision Deutschland GmbH	Divestment of German operations. Cision-Point customers are not included.	March 31,2010
Cision Vertriebs GmbH	Divestment of German operations. Cision-Point customers are not included.	March 31,2010
Cision Produktions GmbH	Divestment of German operations. Cision-Point customers are not included.	March 31,2010
Cision RTV Produktion GmbH	Divestment of German operations. Cision-Point customers are not included.	March 31,2010
Cision Kommunikationslösungen GmbH	Divestment of German operations. Cision-Point customers are not included.	March 31,2010

Divestments 2009		
Company/asset	Description	Date
Cision Danmark AS	Divestment of Danish Monitor- and Analyze operations. Cision's Plan- and Connect operations are not included.	February 6, 2009
Cision Sverige AB	Divestment of Swedish Monitor- and Analyze operations. Cision's Plan- and Connect operations are not included.	March 31, 2009
Cision Norge AS	Divestment of Norwegian Monitor- and Analyze operations. Cision's Plan- and Connect operations are not included.	March 31, 2009
UK Print-Monitor operations	Divestment of British Monitor- and Analyze operations. Cision's Plan- and Connect operations are not included.	September 30,2009
UAB Cision Lietuva	Divestment of subsidiary in Lithuania. Cision's operations in Lithuania focused on Monitor and Analyze services.	October 1, 2009

Board’s assurance

The undersigned certify that the consolidated accounts and the annual report have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as adopted for use in the European Union, and generally accepted accounting principles respectively, and give a true and fair view of the financial positions and results of the Group and the Parent Company, and that the Board of Directors report give a fair review of the development of the operations, financial positions and results of the Group and the Parent Company and describes substantial risks and uncertainties that the Group companies faces. The Parent Company and consolidated income statements and balance sheets will be presented to the Annual General Meeting on March 31, 2011, for adoption.

Cision AB (publ)

Stockholm, March 7, 2011

Anders Böös
Chairman

Hans-Erik Andersson *Director*	Alf Blomqvist *Director*	Pia Gideon *Director*
Thomas Heilmann *Director*	Peter Leifland *Director*	Gunilla von Platen *Director*

Hans Gieskes
Chief Executive Officer
Director

Our audit report was submitted on March 7, 2011

Ernst & Young AB

Bertel Enlund
Authorized Public Accountant

Auditors' report

To the annual meeting of the shareholders of Cision AB (publ)

Corporate identity number 556027-9514

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 for the financial year 2010. The annual accounts and the consolidated accounts of the company are included in the printed version of this document on pages 15-68. 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 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. A corporate governance statement has been prepared. The statutory administration report and the corporate governance statement are consistent with the other parts of the annual accounts and the consolidated accounts.

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

Stockholm, March 7, 2011

Ernst & Young AB

Bertel Enlund
Authorized Public Accountant

Notice of annual general meeting

The Annual General Meeting will be held on Thursday March 31, 2011 at 4 p.m. CEST at Konferens Spårvagnshallarna, Birger Jarlsgatan 57A, Stockholm.

Participation

Shareholders who wish to participate in the annual general meeting must:

- be recorded in the register of shareholders maintained by Euroclear Sweden AB (former VPC AB – the Swedish Central Securities Depository & Clearing Organization) on Friday March 25 , 2011, *and*
- notify the Company of their intention to attend the annual general meeting no later than 4 p.m. (CET) on Friday March 25, 2011.

Notification of attendance

By post to Cision AB (publ), Att: Angela Elliot, P.O.Box 24194, SE-104 51 Stockholm, by e-mail to angela.elliot@cision.com, by telephone, +46 8 507 410 00, or by fax, +46 8 507 410 25.

In the notification, shareholders (or, where applicable, proxies of shareholders) should state their name, personal/corporate identity number, address, telephone number during business hours, the number of shares held and, where applicable, (a maximum of two) advisors participating. In order to facilitate admission to the annual general meeting, the Company wishes to receive powers of attorney, certificates of incorporation and other authorisation documents no later than Tuesday, March 29, 2011. Please note that powers of attorney must be submitted in their original copy. Power of attorney forms will, without charge, be sent by post to shareholders who so request, stating their address, and are furthermore available for download on the website, http://corporate.cision.com/Corporate-Governance-/Annual-General-Meeting/Annual-General-Meeting-2011/.

Shareholders whose shares are registered in the name of a nominee through the trust department of a bank or similar institution must temporarily register their shares in their own name in the shareholders' register maintained by Euroclear Sweden AB, in order to be entitled to participate in the annual general meeting. This procedure, known as voting right registration, must be effected no later than Friday, March 25, 2011, which means that the shareholder must inform the nominee well in advance of this date.

Financial reporting dates 2011

- Interim report January–March 2011, April 27, 2011
- Interim report January–June 2011, July 21, 2011
- Interim report January–September 2011, October 25, 2011

All reports and press releases are available on Cision's website, http://corporate.cision.com/

Investor contact

For further information on Cision, please contact Erik Forsberg, Chief Financial Officer, phone: +46 8 507 410 91, e-mail: erik.forsberg@cision.com.

Definitions and glossary

Margins

Gross margin
Gross profit excl. goodwill impairments, restructuring costs and other one-off costs as a percentage of operating revenue.
[Calculation 2010: 660,836 / 1,131,795 = 58.4%]

Operating margin
Operating profit excl. goodwill impairments, restructuring costs and other one-off costs as a percentage of operating revenue.
[Calculation 2010: 142,149 / 1,131,795 = 12.6%]

Profit margin
Net result for the year as a percentage of operating revenue.
[Calculation 2010: 56,058 / 1,131,795 = 5.0%]

EBITDA margin
EBITDA excl. goodwill impairments, depreciations, restructuring costs and other one-off costs as percentage of operating revenue.
[Calculation 2010: 199,011 / 1,131,795 = 17.6%]

Return on capital

Return on operating capital
Operating profit as a percentage of average operating capital.
[Calculation 2010: 122,720 / ((1,530,528 + 1,493,256) / 2) = 8.1%]

Return on operating capital excl. goodwill impairments, restructuring costs and other one-off costs
Operating profit excl. goodwill impairments, restructuring costs and other one-off costs as a percentage of average operating capital.
[Calculation 2010: 142,149 / ((1,530,528 + 1,493,256) / 2) = 9.4%]

Return on equity
Net result for the year as a percentage of average shareholder's equity.
[Calculation 2010: 56,058 / (681,283 + 902,324) / 2) = 7.1%]

Operating profit

EBITDA
Operating profit excl. goodwill impairments, depreciations, restructuring costs and other one-off costs.
[Calculation 2010: 142,148 + 56,863 = 199,011]

Capital structure

Operating capital
Operating assets less operating liabilities excl. tax assets and tax liabilities.
[Calculation 2010: (1,917,774 – 32,343) – (558,394 – 166,219) = SEK 1,493,256 thousand]

Equity/assets ratio
Shareholder's equity as a percentage of total assets.
[Calculation 2010: 902,325 / 2,049,625 = 44%]

Interest-bearing net debt
Financial liabilities less financial assets.
[Calculation 2010: 588,893 – 131,829 = SEK 457,064 thousand]

Debt/equity ratio
Interest bearing net debt divided by shareholder's equity
[Calculation 2010: 457,064 / 902,324 = 51%]

Interest coverage
Result after financial items plus interest expenses and goodwill impairment divided by interest expenses.
[Calculation 2010: (83,196 + 35,508 + 0) / 35,508 = 3.3 ggr]

Net debt/EBITDA 12M
Interest bearing net (financial debts minus financial assets) divided with EBITDA.
[Calculation 2010: 457,064 / 199,011 = 2.3]

Cash flow

Free cash flow
Cash flow from operating activities less net investments in intangible and tangible fixed assets plus divestments of intangible and tangible fixed assets.
[Calculation 2010: 58,197 – 62,057+ 9,304 = SEK 5,444 thousand]

Operating cash flow
Cash flow from operating activities excl. restructuring expenses, interest received and paid, dividend and income tax paid less investment in intangible and tangible fixed assets plus divestments of intangible and tangible fixed assets. [Calculation 2010: 58,197 + 44,038 + 53,277 + 2,149– 62,057 + 9,304 = SEK 104,908 thousand]

Free cash flow per share
Free cash flow divided with average number of shares after dilution.
[Calculation 2010: 5,444 / 149,096 = SEK 0.04]

Personnel

Value-added per employee

Operating profit excl. Goodwill impairments, restructuring costs and other one-off costs plus staff costs divided by the average number of employees.
[Calculation 2010: (142,149 + 608,705) / 1,385 = 542 thousand]

Data per share

Average number of shares before dilution

Weighted average of the number of shares during the report period.
[Calculation 2010: (74,544,418 * 1.419 * 83/365) + (149,088,836 *282/365) + (7,000 * 150/365) = 139, 240, thousand]

Potential shares

Shares added through the future exercise of warrants, convertible debenture loans and employee stock options and which therefore have a dilution effect, i.e., where the discounted subscription price is lower than the stock's average market price during the report period.
[Calculation 2010: 149,095,836 + 2,835,000 – ((2,835,000 * (4.40 + 0.08)) / 4.67 = 149,212 thousand]

Earnings per share before dilution

Net profit for the year divided by the average number of shares.
[Calculation 2010: 56,057,805 / ((74,544,418 * 1,419 * 83/365) + (149,088,836 * 282/365) = SEK 0.40]

Earnings per share after dilution

Net profit for the year taking into account the profit effect of potential shares divided by the average number of shares taking into account potential shares.
[Calculation 2010: 56,057,805 / ((74,544,418 * 1.419 * 83 / 365) + (149,088,836 * 282 / 365) + 7,000 + 2,835,000 – ((4.40 + 0.08) / 5.26))) = SEK 0.40]

Operating cash flow per share

Operating cash flow divided by the average number of shares before dilution.
[Calculation 2010: 104,908 / 139,661 = SEK 0.75]

Equity per share before dilution

The closing balance of shareholders' equity divided by the number of shares at year-end.
[Calculation 2010: 902,324 / 149,096 = SEK 6.05]

Equity per share after dilution

The closing balance of shareholders' equity adjusted for the effect of potential shares divided by the number of shares at year-end taking into account potential shares.
[Calculation 2010: (902,324 + 510) / (149,096 + 116) = SEK 6.05]

Dividend per share

Approved or proposed dividend amount divided by the number of shares entitled to dividends.
[Calculation 2010: 0 / 149,096 = SEK 0]

About the Annual Report

Every care has been taken in the translation of this annual report. In the event of discrepancies, however, the Swedish original will supersede the English translation.

Privacy policy

Cision will not provide personal information obtained through the annual report to other parties. Nor is the information collected on visitors used to track individuals who have visited the annual report.

Contact information

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