CISION

Annual Report 2011

Contents

About Cision

Short facts about Cision

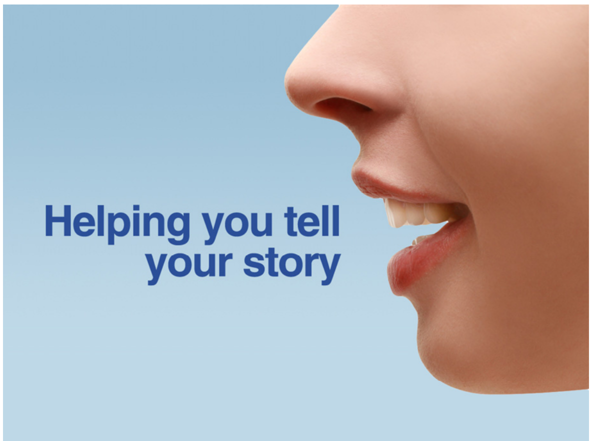
Cision's software, services and tools help PR and marketing professionals around the globe tell their stories through media channels that are constantly evolving.

PR and marketing professionals use Cision's products to help manage all aspects of their campaigns in a single platform – 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.

Launched in October 2007, CisionPoint rapidly became the standard campaign management platform for customers worldwide, including Fortune 500 corporations, FTSE 250 companies, global public relations firms, non-profit organizations, universities, and small businesses. Winner of the 2012 and 2011 CODiE Awards for Best Online Business Information Service and Best Marketing/PR Solution respectively, CisionPoint has been a CODiE Award finalist six times in the past two years. Cision also won the 2010 and 2009 CODiE Awards for Best Social Media Aggregator Service and Best Online News Service respectively. The awards are sponsored by the Software and Information Industry Association in the US. CisionPoint is also the recipient of the 2010 Product Development of the Year award given by the Data Publishers Association in the UK.

Cision employs about 1,200 people with a presence in North America, Europe and Asia; it has partners in over 125 countries. The company's employee base includes a diverse group of experienced professionals in software development, information services management, sales, marketing and PR. Cision AB is quoted on the Nordic Exchange. The company had revenues of about SEK 1.0 billion in 2011.

	Europe	North America
Markets	Sweden Finland Norway Denmark UK Germany Portugal	USA Canada
Revenue 2011	SEK 260 million	SEK 721 million
Average number of employees 2011	371	876



The Year in brief

Financial development

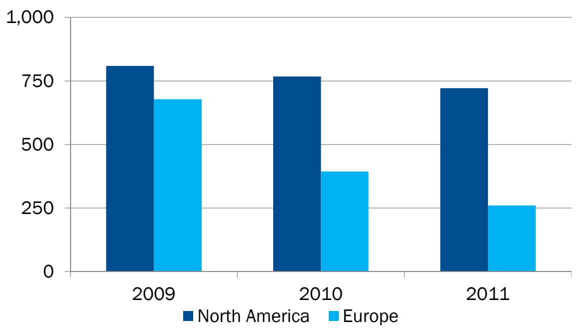
- Consolidated operating revenue amounted to SEK 969 million (1,132)
- Operating profit amounted to SEK 120 million (123)
- Operating profit excluding non-recurring items[1] amounted to SEK 132 million (142)
- The operating margin excluding non-recurring items[1] was 13.6 percent (12.6)
- Profit after tax amounted to SEK 85 million (56)
- Earnings per share[2] amounted to SEK 5.70 (4.01)
- Cash flow from operating activities amounted to SEK 81 million (105)

Important events during 2011

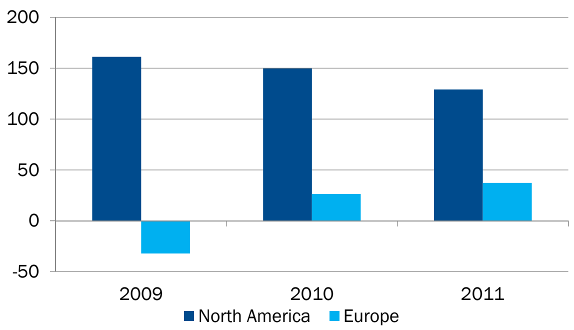
- On July 1, 2011, Cision completed the divestment of its Monitor and Analyze business in Finland to M-Brain Oy. The divestment comprised all shares in the legal entity Cision Finland Oy and did not include Cision's Finnish Plan and Connect business, which was separated before completion of the transaction and retained by Cision.
- Cision's PR software platform CisionPoint was fully rolled out to its UK customer base during the year and the roll out to other European customers continued according to plan. CisionPoint received further recognition with a CODIE award for Best Marketing/Public Relations Solution in the US through the US Software and Information Industry Association (SIIA).
- On September 7, 2011, Cision AB announced the acquisition of a minority stake in PitchEngine Inc for SEK 2 million and entered into a co-operation agreement to incorporate the PitchEngine social media publishing tools inside CisionPoint.
- During the year Cision launched Social Publish, which easily distributes all types of branded content to social networking sites like Twitter, Facebook and YouTube. Cision also launched Influencer Database - the largest and most complete global data source covering tens of thousands of digital influencers - and introduced the Cision Influence Rating.
- On November 24, 2011 Cision Sweden launched a digital monitoring service in a partnership with Newsline Group, in line with Cision's strategy to grow its share of revenue from existing customers, by offering additional high value services.

The Group in brief	2011	2010
Operating revenue, SEK million	969.3	1,131.8
Operating profit[1], SEK million	131.7	142.1
Operating profit, SEK million	120.3	122.7
Operating margin[1], %	13.6	12.6
Operating margin, %	12.4	10.8
Operating cash flow, SEK million	80.9	104.9
EBITDA margin[1], %	19.0	17.6
Interest-bearing net debt, SEK million	400.2	457.1
Interest-bearing net debt/EBITDA 12 MR[1]	2.2	2.3
Earnings per share[2], SEK	5.70	4.01
Dividend per share[3], SEK	2.00	–
Equity per share[2], SEK	67.1	60.5

Revenue by region[4], SEK million



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



1 Excluding goodwill impairment and non-recurring items.
2 Data per share after full dilution. The reverse share split with record date May 5, 2011, whereby ten old shares were consolidated into one new share, has been taken into consideration, also retroactively for previously reported periods.
3 Board of Directors' proposed dividend for 2011.
4 Excluding other and eliminations.

CEO's statement

2011 – The year of Cision's return to organic growth

During 2011 we moved firmly from turn-around into growth investment mode, capitalizing on the success of our award winning CisionPoint software at a time when spending on PR is looking to gain a larger share of overall marketing spend by corporations around the world.

For a SaaS software company like Cision investing in growth is relatively simple and carries relatively low risk. It means hiring more sales people and spending more money on marketing. The ROI can be modeled quite well: our sales people sell subscriptions, and every sale results in life time value of perhaps 4-5x in revenue because of the high renewal rates we enjoy. So the growth we saw in the second half of 2011 was a direct consequence of modest increases in sales and marketing in the fourth quarter of 2010 and the first quarter of 2011. Similarly, further investments in additional sales and marketing we did in the second half of 2011 will drive growth in 2012.

We entered the final transformation phase of our business in 2011, with the divestment of our traditional media monitoring business in Finland on July 1, 2011 and investments in transforming our Canadian business, which is the last part in the company to mainly have been focused on traditional media monitoring.

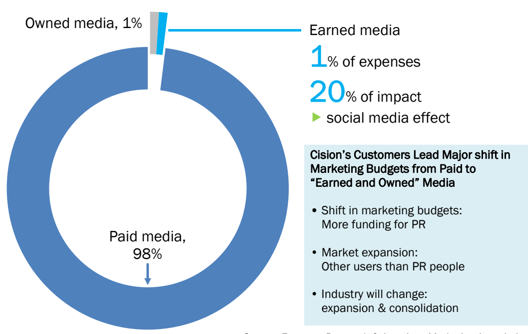
At December 31, 2011 Cision's cost base has again shrunk significantly with 118 fewer employees (-9 percent) than we had on December 31, 2010 but more importantly at the end of 2011 we had a higher percentage of our people in customer facing and or product innovation roles than ever before. These are the employees who spearhead our growth objectives and drive our ambition to remain the innovative market leader in PR/Earned media marketing software.

Once again, Cision improved margins

Cision achieved organic growth for the first time since 2007 and whilst the business is smaller and more focused, Cision once again improved profitability in 2011, with the Group's EBITDA margin growing to 19.0 percent well ahead of 2010 when it was 17.6 percent. The higher margin is mainly due to the continued improvements in the European business and the cumulative effect of the divestments made in Europe in the last two years to reduce our fixed costs base and improve our operating efficiencies. North American margins remain good despite a weak performance by our Canadian operation. During 2011, with the benefit of the proceeds from divesting our Finnish business and the improved free cash-flow financial position of the group has enabled us to reduce our net debt in 2011. Thus, making our business more robust to face the future.

Right product, right scale, and right time

Companies and other organizations use three types of media to get their marketing message out to their customers: "Paid media" (advertising), "Earned Media" (PR) and "Owned Media" (a company's web site, its facebook page etc.), and in general some 98 percent of all marketing budgets are spent on paid media, with the remainder on earned media (PR) and owned media. However, the explosive impact of social media on how consumers gather information and share opinions means that more than 20 percent of the marketing impact now comes from earned and owned media. Whenever 1-2 percent of expenses generate more than 20 percent of result, people will rapidly focus their efforts on such great ROI, and even more so in economically challenging times.



Source: Forrester Research & American Marketing Association

This is a big opportunity for Cision, as our CisionPoint PR software platform and the many digital services we sell through it provide our customers with the key tools they need to get their story out via social media and earn the desired coverage by millions of so called mass influencers on the internet.

Rapid transformation from a traditional media intelligence company into a "PR software platform" player

Cision's core skills from our past, namely content aggregation and data enhancement have enabled us to transform relatively quickly.

- We have always been a media focused business, but nowadays our focus has shifted to non-traditional media, e.g. social media and internet media.
- We have always had deep experience in aggregating data, enhancing it with rich meta-data and selling access to sophisticated databases, today we still do so but with two principal differences: we outsource much of the aggregation and focus on enhancement and intelligent integration of many different types of data.
- Whereas in the past we used to sell access to our various databases and services separately, today it's exclusively sold bundled with our CisionPoint PR software platform.

Our people have eagerly embraced this transformation and have been the key enablers for our success. After seven divestments of traditional media monitoring production organizations, today the number of customer facing employees as percentage of total workforce is higher than ever, and will continue to increase.

2011 – The year Cision started adjusting its strategy towards firm emphasis on growth

Having basically achieved the financial targets we set for 2012 already in 2011, going forward our ambitions are:

- To grow our revenue from both existing and new customers as aggressively as is prudent in these somewhat uncertain economic times.
- To maintain our 20 percent EBITDA target.

The strategy which has helped us turn the company around during the past three years will not change much going forward, but with the emphasis now firmly on growth our priorities do change somewhat:

Objective 1 – *Accelerate Revenue Growth from both existing and new customers, and from both existing and new services.* We'll achieve this by:

- Increasing investments in sales & marketing.
- Increasing investment in product development.
- Continuing to look for accretive Fill-in acquisitions.

Objective 2 – *Continue Cision's Transformation.* We'll achieve this by:

- Continuing to change our revenue mix through both new product development, partnering and possibly divestments.
- Continuing to convert fixed to variable cost through outsourcing and partnering.

The general economic outlook for 2012 is at best uncertain, but it's good to point out that during the last recession we saw only a modest recessionary impact on our business. Principal reason for this relative resilience is that our customers will foremost cut back on advertising ("paid media") rather than PR ("earned media") during recessions. In addition to such resilience, we are a quite different company now: today geographic revenue split is 75 percent North America and 25 percent Europe and our net debt is 60 percent lower than in 2008.

In 2011 Cision's industry continued to see some major consolidation, normal for an industry driven by convergence of data and services into software. Cision remains well positioned for any further consolidation in 2012 and beyond, but our focus will be firmly on leveraging the excellent market position we have worked so hard for in 2011 and thereby on growing our business.

Finally, The Cision AB Board and I are deeply grateful for the outstanding performance of our employees in 2011 and look forward to working with them for another exciting and developing year.

Stockholm in March 2012

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 and simplify 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 subscriptions, through continued investment in product development and adaptation of the business model.
- Reducing fixed costs, by focusing on integration and data enhancement of monitoring content produced by supply chain partners, rather than producing such content within Cision.
- Leveraging the success of CisionPoint to grow revenues, 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.

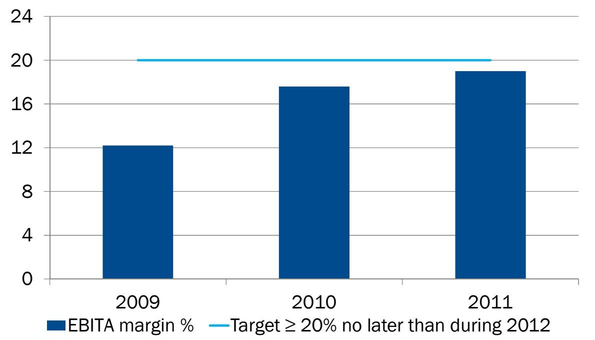
Financial targets

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

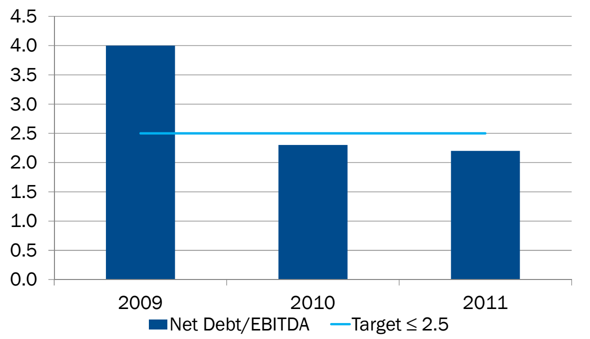
- EBITDA margin to exceed 20 percent no later than during fiscal year 2012.
- Interest-bearing net debt/EBITDA not to exceed the ratio 2.5.

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

Development EBITDA margin[1] 2009-2011



Development interest bearing net debt/12 months EBITDA[1] 2009-2011



[1] Excluding goodwill impairment and non-recurring items.

Five year summary

Income Statement SEK in millions	2011	2010	2009	2008	2007
Operating revenue	969.3	1,131.8	1,475.9	1,783.2	1,872.6
Gross Profit[1, 2]	598.7	660.8	729.1	866.6	–
Gross profit[2]	598.7	655.4	721.6	858.6	–
Operating profit[1]	131.7	142.1	96.3	124.6	231.5
Operating profit	120.3	122.7	–259.6	–172.6	179.2
EBITDA[3]	183.8	199.0	179.8	225.2	308.7
Profit before tax	**93.5**	**83.2**	**–341.1**	**–223.3**	**118.8**
Tax	–8.7	–27.1	–26.6	–49.5	–39.3
Net profit/loss for the year	**84.9**	**56.1**	**–367.7**	**–272.8**	**79.5**

Balance sheet SEK in millions	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2008	Dec. 31, 2007
Goodwill	1 404.6	1,418.7	1,476.4	1,802.7	1,879.2
Other fixed assets	144.3	162.8	187.2	281.1	273.0
Current assets	373.5	334.2	329.8	419.4	370.2
Tax assets	47.4	32.3	29.3	63.3	68.7
Liquid assets	50.9	101.6	143.5	162.3	131.7
Total assets	**2,020.7**	**2,049.6**	**2,166.2**	**2,728.8**	**2,722.8**
Shareholders' equity	996.9	902.3	681.3	1,090.4	1,285.6
Long-term liabilities	465.7	569.6	556.9	842.2	780.4
Tax liabilities	183.5	166.2	154.8	175.6	114.1
Current liabilities	374.6	411.5	773.2	620.6	542.7
Total shareholders' equity and liabilities	**2,020.7**	**2 049,6**	**2,166.2**	**2,728.8**	**2,722.8**

Key financial highlights	2011	2010	2009	2008	2007
Gross margin[1, 2], %	61.8	58.4	49.4	48.6	–
Operating margin[1], %	13.6	12.6	6.5	7.0	12.4
Profit margin, %	8.8	5.0	–24.9	–15.3	4.2
Return on equity, %	9	7	neg	neg	6
Return on operating capital, %	8	8	neg	neg	9
Return on operating capital[1], %	9	9	6	6	11
EBITDA margin[3], %	19.0	17.6	12.2	12.6	16.5
Interest-bearing net debt/EBITDA 12 MR[3]	2.2	2.3	4.0	3.2	2.7
Operating capital, SEK million	1,534.8	1,493.3	1,530.5	1,926.6	2,020.0
Operating capital excluding goodwill, SEK million	130.2	74.5	54.1	124.0	140.7
Interest-bearing net debt, SEK million	400.2	457.1	723.7	724.0	688.9
Debt/equity ratio, %	40	51	106	66	54
Equity/assets ratio, %	49	44	31	40	47
Interest coverage, multiple	5.6	3.3	–0.5	1.4	3.1
Free cash flow, SEK million	44.5	5.4	–48.5	20.4	93.6
Operating cash flow, SEK million	80.9	104.9	89.7	135.7	272.5
Acquisition value of acquired operations, SEK million	–	18.9	2.8	8.3	4.4
Number of employees at year-end	1,180	1,298	1,629	2,451	2,521

Data per share[4]	2011	2010	2009	2008	2007
Earnings per share before dilution, SEK[4]	5.70	4.03	–3.48	–3.66	1.07
Earnings per share after dilution, SEK[4]	5.70	4.01	–3.47	–3.66	1.07
Operating cash flow per share, SEK	5.43	7.51	0.84	1.82	3.66
Shareholders' equity per share before dilution, SEK	67.17	60.52	9.14	14.63	17.25
Shareholders' equity per share after dilution, SEK	67.10	60.52	9.14	14.63	17.25
Dividend[5], SEK	2.00	–	–	–	0.25
Profit before dilution, SEK thousand	84,879	56,058	–367,670	–272,781	79,517
Profit effect from potential shares, SEK thousand	–	–	–	–	–
Profit after dilution, SEK thousand	**84,879**	**56,058**	**–367,670**	**–272,781**	**79,517**
Average No of shares before dilution[4,6], thousand	14,881	13,924	105,764	74,544	74,538
Potential shares, thousand	16	42	737	–	–
Average No of shares after dilution[4,6], thousand	14,897	13,966	106,501	74,544	74,538
Number of shares at year-end	**14,910**	**14,910**	**74,544,418**	**74,544,418**	**74,544,418**

1 Excluding goodwill impairment and non-recurring items.
2 Not available before 2008.
3 Excluding goodwill impairment, depreciations and non-recurring items.
4 Inclusive new share issue 2010. 2009 has been translated according to the same principles. Previous periods have not been translated. The reverse share split with record date May 5, 2011, whereby ten old shares were consolidated into one new share, has been taken into consideration, also retroactively translated for 2010 but not earlier periods.
5 Board of Directors' proposed dividend for 2011.
6 The new share issue that was ongoing between March 24 and April 12, 2010 has been affecting the calculation of the average number of shares since the issue contains a bonus issue component. The bonus issue component arose 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 amounted to 14.19. Previous reported earnings per share have thus been adjusted.

The Share

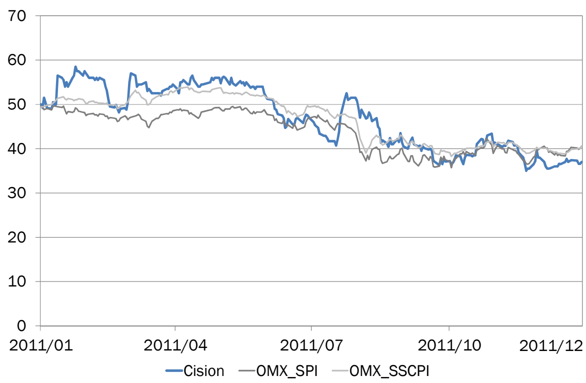
Share price performance and trading

Cision's shares are listed on the Nordic Exchange. Cision's market capitalization as of December 31, 2011 was SEK 552 million. In 2011, approximately 4.4 million shares were traded (all share data has been adjusted for the reverse share split 10:1). The price of the Cision share decreased by 24 percent during the year, from SEK 48.70 to SEK 37.00, while OMX SPI during the same period decreased by 17 percent. In 2011, the share reached a high of SEK 59.00 (May 2, 2011) and a low of SEK 34.90 (December 9, 2011).

Share capital

Share capital in Cision AB amounted to SEK 223,643,745 as of December 31, 2011, divided among 14,909,583 shares, each with a par value of SEK 15.00. All shares carry an equal right to the company's earnings and assets, as well as an entitlement of one vote each.

Share performance 2011



Shareholdings	No. of share-holders	No. of shares	% of votes
1–1,000	12,873	851,321	5.71
1,001–10,000	283	827,646	5.55
10,001–50,000	36	926,071	6.21
50,001–100,000	11	752,416	5.05
100,001–	21	11,552,129	77.49
Total	13,224	14,909,583	100.0

Source: Euroclear Sweden AB

Ownership structure

At year-end 2011, Cision had 13,224 shareholders, according to the share registry maintained by Euroclear Sweden AB (Swedish Central Securities Depository). Swedish private individuals owned about 12 percent of the shares and Swedish institutional investors such as pension funds and insurance companies owned approximately 69 percent of the shares. Foreign investors owned 19 percent of the shares. The ten largest shareholders had a combined holding of 68 percent of the shares.

10 Largest shareholders, December 31, 2011
(Source: SIS Ägarservice)

Shareholders	No. of shares	(%) of share capital
Fairford Holdings Scandinavia AB	1,924,320	12.9
Lannebo fonder	1,665,500	11.2
Harris Associates fonder	1,527,720	10.2
Cyril Acquisition AB	1,523,683	10.2
Investment AB Öresund	1,170,461	7.9
Fjärde AP-fonden	722,927	4.8
Unionen	516,758	3.5
Skandia Liv	463,214	3.1
Avanza Pension Försäkring AB	435,272	2.9
AMF Försäkring & Fonder	255,000	1.7
Subtotal	10,204,855	68.4
Other shareholders	4,704,728	31.6
Total	14,909,583	100.0

Incentive Programs

Incentive programs are described in Note 8 on page 53-57.

Analysts who continuously cover Cision:

- Enskilda Securities – Stefan Andersson
- Handelsbanken – Rasmus Engberg
- ABG Sundal Collier – Martin Arnell
- Redeye – Dawid Myslinski

Cision's offer

Cision gives PR and marketing professionals the power to deliver stories more effectively, to reach audiences more strategically, to deepen a story's impact and heighten the marketer's performance and productivity. Cision campaign management platform – launched as CisionPoint – is available in nine languages, and is used by 49 of the top 50 PR agencies in the US, corporations, nonprofits, universities and solo practitioners. This software makes it easy for users to master the key processes of managing a communications campaign through a single platform that integrates capabilities to plan their story, get it out, track it and then measure its results.

PLAN YOUR STORY

Cision helps customers to find detailed media contact profiles and editorial opportunities anywhere in the world. The Cision Media Database lists more than 1.5 million media and influencer contacts in traditional, social and emerging media across North America and Europe.

Case in Point

When Smak Media needed to get the word out in Canada about their men's prostate cancer awareness campaign called Movember, they used CisionPoint to plan the course of their story to reach the right influencers and maximize exposure. The end results speak for themselves. From 2009 to 2010, Movember received 503% more print coverage, 372% more broadcast coverage and 1,131% more internet coverage across Canada, and experienced a 290% increase in donations.

GET YOUR STORY OUT

Cision enables customers to connect with the right audiences across all media channels with its social media and traditional news distribution services, or to contact influencers directly through their preferred contact method.

Case in Point

When PR Revolution, a national, full-service, boutique public relations firm, needed to leverage the opening of a major motion picture starring Jennifer Aniston to get the story out about the placement of a client's product in the film, they posted a press release to Cision's search engine optimized press release distribution service CisionWire. The keywords reached media and influencers who follow children's health, the retail industry, the entertainment world and regional business. As a result, it received hits in both The Boston Globe and The Boston Herald, and over 1,675 hits online.

TRACK YOUR STORY

Cision offers a media monitoring service which tracks social media, online, print, and broadcast coverage of over 100 million sources worldwide. The customer gets instant access to a variety of metrics to understand who's covering their story, how, when and why.

Case in Point

Cision was among the first organizations of its size to commit to engaging key communities through social media. It formed a cross-departmental social media team, took part regularly in online conversations, launched a blog dedicated to the social web, and developed social media guidelines for its employees – on and off the clock. Cision currently helps users leverage social media monitoring to engage all key influencer communities – PR professionals, journalists, potential and existing clients, employees and others.

MEASURE YOUR STORY

Cision's media analysis tools enable communicators to quantify the impact of campaigns, determine the return on investment and make more informed decisions.

Case in Point

When Bunker Hill Community College (BHCC) needed to manage intense media interest with limited resources, they outsourced media monitoring to Cision's Professional Services staff, which tracked all coverage in print media, online news sites, broadcast outlets and blogs. As a result, they successfully managed an intense and successful period of widespread national media coverage, and quantified the impact of the story with coverage in over 350 outlets, reach of over 420 million impressions, and a Publicity Value of over $524,000.

Significant Awards

The Cision campaign management platform received significant honours in 2012 and 2011 when it won CODiE Awards as the year's Best Online Business Information Service and Best Marketing/PR Solution respectively. The CODiE Awards, established in 1986 and sponsored by the Software and Information Industry Association in the US, are the global software industry's only peer-reviewed competition. Cision also won the 2010 and 2009 CODiE Awards for Best Social Media Aggregator Service and Best Online News Service respectively.

In addition, in 2010, Cision received the Product Development of the Year Award from the Data Publishers Association in the UK.

Cision is continuously enhancing its products and services to maximize the benefit for the customers. During 2011, Cision introduced the following improvements to its campaign management platform:

- Through a partnership with PitchEngine, Cision has enhanced its offer to PR professionals and marketers to reach their target audiences through multiple social media platforms and with multiple types of branded content, including video, podcasts, white papers and more.
- Introduction of the Cision Influencer Database, with profiles of tens of thousands of digital influencers, and the Cision Influence Rating, a 360-degree assessment of social and traditional influencers based on more than fourty benchmarks.
- A powerful new underlying software architecture which improved performance and made it easier to use.
- Additional vertical market media profiles.
- Russian-language support through a partnership with a Moscow-based media monitoring and analytics group.
- The launch of a mobile application for users to access Cision's workflow features

Cision Global Analysts

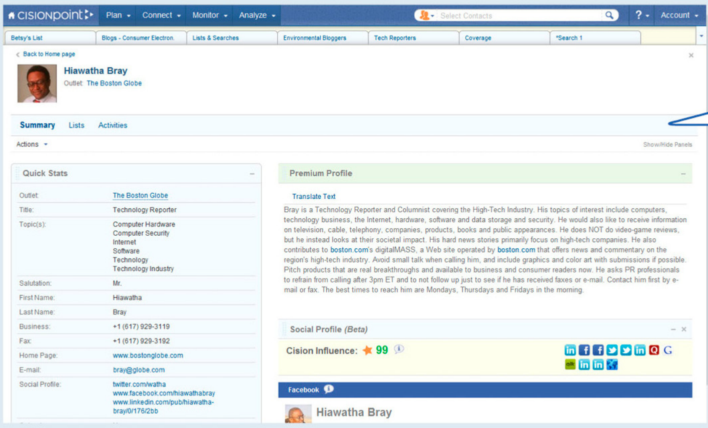
During the summer of 2011, Cision launched Cision Global Analysts, that offers custom research and services, and the Cision Index, an ongoing content analysis site for all PR and marketing decision-makers, to track and measure the impact of earned media on brand reputation.

Cision Global Analysts creates and manages scalable custom media analysis programs for its clients, ranging from ongoing, large-scale consulting engagements to primary survey research to daily email summaries of news and trending topics.

Other Cision Services and Tools

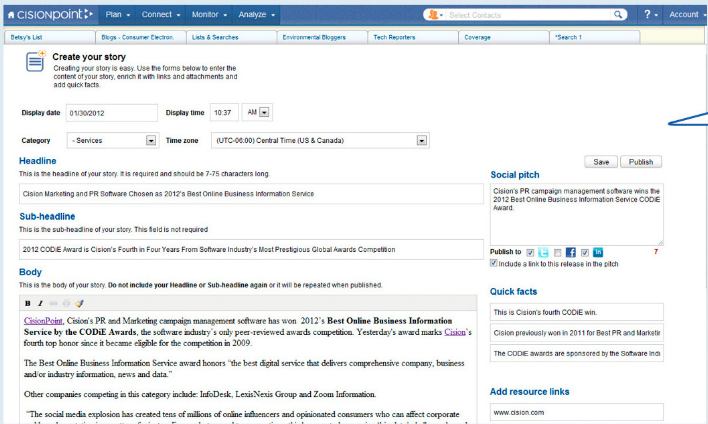
Cision also offers a selection of professional services and an array of free software tools such as Where to Pitch, EdCals, and JournalistTweets.com – all powered by Cision software – that enable people to plan PR activities and provide a powerful introduction to the capabilities of the fully-featured Cision campaign management platform.

CisionPoint



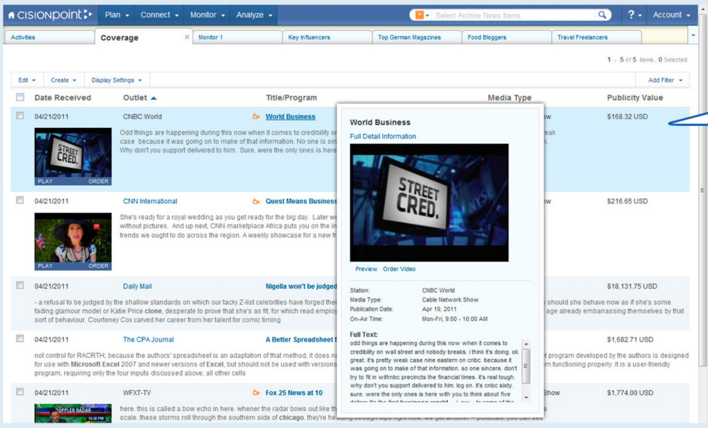
Plan your story

Cision helps customers to find detailed media contact profiles and editorial opportunities anywhere in the world. The Cision Media Database lists more than 1.5 million media and influencer contacts in traditional, social and emerging media across North America and Europe.



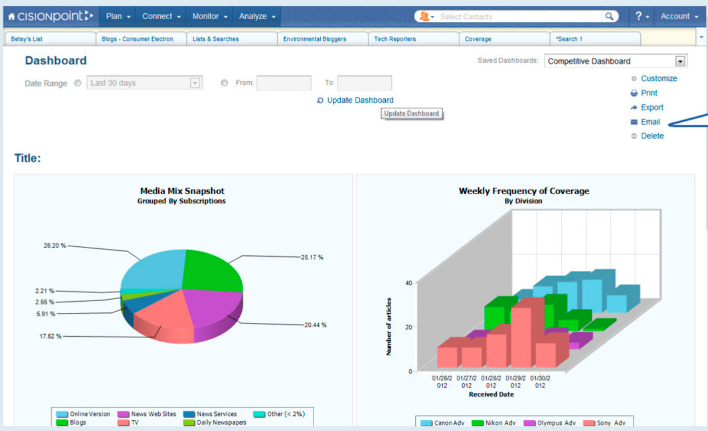
Get your story out

Cision enables customers to connect with the right audi-ences across all media channels with its social media and traditional news distribution services, or to contact influencers directly through their preferred contact method.



Track your story

Cision offers a media monitoring service which tracks social media, online, print, and broadcast coverage of over 100 million sources worldwide. The customer gets instant access to a variety of metrics to understand who's covering their story, how, when and why.



Measure your story

Cision's media analysis tools enable communicators to quantify the impact of campaigns, determine the return on investment and make more informed decisions.

Customers

Cision software and services are used by virtually every sized organization in nearly every industry. The company currently has more than 13,000 customers among its global customer base. Users of our services are typically marketing, public relations and communications professionals working at companies, agencies and government organizations.

Cision's media database contains information for over 1.5 million contacts, outlets and editorial opportunities including members of the media, journalists, freelancers and digital influencers. This database represents a source of future customer opportunity as Cision expands its service offerings to include new and better ways for communications professionals and media members of every kind to engage and interact.

The Market

Cision continues to anticipate and proactively respond to the rapid changes in the media and communications market — while remaining committed to its mission to help the world's communicators power their stories through its software and services. In the past year, the industry has re-discovered the effectiveness of corporate storytelling for advancing corporate communications objectives. The ways and means of getting these stories to the marketplace continue to evolve.

Market trends

The changing mix of paid, earned and owned media

Public Relations and Marketing professionals find their roles expanding as the lines between PR and traditional marketing blur. Traditional "paid" media campaigns such as advertising are now likely to be integrated with corporate "owned" media channels like web sites, blogs and social media corporate channels. Earned media placements such as editorial coverage and by-lines are just as likely to be supported by paid and owned activities. Integral to all paid, earned and owned media is "user generated content" driven by social media channels. As the PR function adapts to this new marketing mix, the need for services to support this set of responsibilities intensifies. Cision anticipated this trend early, and in 2011 introduced new software enhancements and services to address this shift in the mix.

The growing complexity of earning media coverage in a digital media landscape

Earned media remains a critical responsibility of Cision's customer base. While earning media coverage has always represented a challenge, the consolidation and elimination of traditional media outlets coupled with the increase and extreme variability of digital media outlets has made it even more so. To win earned media, communications professionals rely more than ever on complete, comprehensive and up-to-date media contact and profile information for both the traditional and digital media. Cision's campaign management platform gives customers access to the industry's best source of this media information. The company's model to aggregate, and update this volatile information ensures the quality and integrity of the data.

The volume and volatility of Digital Influencers

The research firm Forrester has published a report titled "Tapping the Entire Online Peer Influence Pyramid" that quantifies Digital Influencers (labeled in the report as "Mass Influencers") operating via social media at 28 million in the United States alone. These Digital Influencers now reach and influence combined audiences that rival traditional media sources. While the sheer number of Digital Influencers is daunting for communicators, the pace at which they come in and out of the digital landscape is even more so. The New York Times cites that as many as 95 percent of blogs that are started are eventually abandoned. PR and communications professionals cannot afford to ignore Digital Influencers. They need tools and services to help them understand which Digital Influencers matter to their business, to assess the perceptions of these influencers (and their audiences) and to manage their outreach and communications with these influencers to earn placements and mentions. Cision projects that the company's media database will contain profiles for over 10 million Digital Influencers within the next few years. The breadth of this data coupled with the company's unique model for keeping it up-to-date in the face of extreme volatility is a strong differentiator in the market.

The increase of corporate created content and the rise of social search

The increased use of corporate "owned" media – especially social media – has resulted in more corporate-created content in a variety of forms. Companies and communicators now regularly produce and publish their own videos, articles, e-books, presentations, whitepapers and more. At the same time, how this content is shared socially dictates how it ranks in various search engines – and therefore how effective it is at driving awareness and traffic for the company that created it. During the year, Cision has enhanced its software functionality and services that empowers communicators to not only publish their branded content, but also easily share content across all stakeholder groups.

The role of marketing professionals in traditional public relations activities

The changing mix of paid, earned and owned media not only increases the areas of ownership for Cision's core customer based of PR professionals, but also opens a significant new customer segment as marketing professionals approach their duties in a more media-integrated manner.

The rise of Big Data and its impact on productivity, growth, and innovation

In virtually every industry, the amount of data now available to organizations is exploding, and the marketing communications industry is not immune. The impact of social media is evident with over 30 billion pieces of content shared on Facebook every month, according to Facebook. With the increasing availability of online content, Cision recognizes the need to aggregate, normalize and provide insight into this data. According to the McKinsey Global Institute study "Big data: The next frontier for innovation, competition and productivity", the ability to store, combine and analyze data and then use the results to spur growth has become more accessible as cloud computing continues to lower costs and other technology barriers. Cision's continued investments in technology to aggregate and store traditional and social media enables the company to provide unique insights to its customers as to how these influencers are impacting their brand's reputations to help shape future campaigns.

An increase in smartphone and tablet usage demands more mobile accessible tools

According to McKinsey, in 2010, more than 60 percent of the world's population was using mobile phones and they expect smartphone penetration to grow 20 percent a year. Communicators require applications that work on mobile devices not only to perform workflow activities but they also want to share information with other mobile users such as employees, shareholders and constituents. Cision has developed several mobile applications for software users to perform tasks on their smartphones and has designed outputs to be accessible on mobile devices.

The importance of protecting brand reputations in an unforgiving media environment

A company's brand and brand reputation continues to be one of its most important assets. Brands face an unprecedented amount of scrutiny as social media allows vast networks of customers and consumers to share their experiences with a brand – both good and bad – and the 24-hour global news cycle ensures that news spreads far and fast. Corporate reputations that took years to build can face significant threats literally overnight. This unforgiving media environment drives the need for PR software platforms that offer extensive media monitoring and measurement capabilities, as well as professional services to assist in the event of a crisis. Cision's provides a full range of software and services-based monitoring and measurement. In 2011, Cision launched Cision Global Analysts to further address these needs. Cision Global Analysts are a team of highly-specialized consultants that typically work with the most senior levels of a client's organization.

Competitors

The market for the Company's services is fragmented. Usually Cision's competitors mainly offer 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, PR Newswire, Business Wire, and Marketwire. In the European market examples of Cision competitors are Gorkana Group, PR Newswire, MyNewsdesk, Meltwater, Precise, and Infopaq.

Positioning

Cision has a strong position as a global partner through a distinct brand and international presence. Cision is focused 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. With CisionPoint software and services, 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 media contacts and Social Media influencers in more than 200 countries gives 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 regularly reviewed 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 impact Cision's earning capacity. Cision's diverse client base, both geographically and in terms of industry, helps to spread the risks.

Copyright and data protection

Access to reasonably priced information is essential to the manner in which Cision conducts its operations. The application of copyright and data protection laws varies in the markets where Cision is active. Increased access to digital information drives copyright and data protection issues and brings them to the forefront in an environment in which the trend is to strengthen these laws. A tightening of copyright and data protection laws that limits the opportunity to distribute information, or demands for higher compensation by rights holders, could 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 entrants 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 entrants 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 certain information is 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, and its ability to offer bundled integrated services through its campaign management platform CisionPoint.

News Agenda

Monitoring 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 monitoring revenues are impacted by a general negative volume trend for printed and broadcast media, to some extent reduced by a positive trend relating to the quantity of accessible information in digital media. This volume dependency within monitoring 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.

Technology development

The rapid changes in technology affect both client solutions and internal production processes. Clients increasingly require digital deliveries to a portal or intranet and understand the need for an integrated web-based offering. Cision continuously develops its web-based services based on common IT platforms shared within the Group to meet its Clients needs.

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 3 percent of the Group's total revenue, which reduces Cision's exposure in case of the loss of an individual client.

Supplier dependency

Cision aims 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 increase the need for competence in fields such as Sales and 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 intellectual property 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. 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 can account for only a small part of the acquisition cost. The major part might consist 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 2011. The annual report has been approved for public release, by the Board of Directors, on February 29, 2012. The consolidated and parent company income statements and balance sheets will be presented for adoption at the Annual General Meeting on March 26, 2012. Unless stated otherwise, amounts in brackets refer to previous year, 2010.

Group operations and structure

Cision offers services and software solutions to the public relations and marketing communications industry. It creates value for clients by providing an integrated software platform including tools that identify key media influencers, connect with audiences, monitor traditional and social media and analyze outcomes. The business is tracking three lines of business: Subscriptions, Transactional services and Professional Services across its Operations over 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 impact of social media on consumers is expected to overtake the current impact of print and radio/TV media over time, with PR professionals today taking the lead to incorporate such "Earned Media" into a company's overall marketing mix. The information available to marketing and 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 even more essential for PR professionals to help them manage their daily tasks and also for other marketing professionals including companies that do not have PR departments. High-quality PR software solutions like CisionPoint are complex and expensive to develop; therefore Cision expects its market will 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. Historically, economic recessions have impacted companies like Cision, but less so than other media-related industries such as advertising-driven businesses.

Five year summary

SEK million	2011	2010	2009	2008	2007
Net sales	969	1,132	1,476	1,783	1,873
Organic growth, vs last year, %	0.4	−4.8	−12.6	−2.9	0.6
Currency effect on revenue, vs last year	−87	−59	136	−31	−64
Operating profit	120	123	−260	−173	179
Operating profit[1]	132	142	96	125	232
Operating margin[1], %	13.6	12.6	6.5	7.0	12.4
Currency effect on operating profit, vs last year	−15	−8	22	–	−15
EBITDA[1]	184	199	180	225	309
EBITDA margin[1], %	19.0	17.6	12.2	12.6	16.5
Interest-bearing Net Debt/EBITDA 12MR[1]	2.2	2.3	4.0	3.2	2.7
Net profit	85	56	−368	−273	80
Operating cash flow	81	105	90	136	273
Free cash flow	45	5	−49	30	94
Earnings per share[2,3]	5.70	4.01	−34.76	−36.59	10.67
Operating cash flow per share[2,3]	5.43	7.51	8.42	18.20	36.56
Free cash flow per share[2,3]	2.98	0.39	−4.55	2.74	12.56
Number of employees at year-end	1,180	1,298	1,629	2,451	2,521

1 Excluding goodwill impairment and non-recurring items.
2 Data per share after full dilution. The reverse share split with record date May 5, 2011, whereby ten old shares were consolidated into one new share, has been taken into consideration, also retroactively for previously reported periods.
3 Including new share issue 2010. 2009 has been translated according to the same principles. Previous periods have not been adjusted.

Important events

- On May 5, 2011, Cision AB carried out a reverse share split at a ratio of 1:10, i.e. whereby 10 existing shares were consolidated into one share, in order to facilitate the trade in the Cision share.
- On July 1, 2011, Cision completed the divestment of its Monitor and Analyze business in Finland to M-Brain Oy. The divestment comprised all shares in the legal entity Cision Finland Oy. The divested Monitor and Analyze business had revenues of about SEK 71 million in 2010 and 98 employees as of June 30, 2011. The divestment did not include Cision's Finnish Plan and Connect business, which was separated before completion of the transaction and retained by Cision.
- Cision's PR software platform CisionPoint was fully rolled out to its UK customer base during the year and the roll out to other European customers continued according to plan. CisionPoint received further recognition with a CODIE award for Best Marketing/Public Relations Solution in the US through the US Software and Information Industry Association (SIIA).
- On September 7, 2011, Cision AB announced the acquisition of a minority stake in PitchEngine Inc for 2 MSEK and entered into a co-operation agreement to incorporate the PitchEngine social media publishing tools inside CisionPoint.
- During the year Cision launched Social Publish, which easily distributes all types of branded content to social networking sites like Twitter, Facebook and YouTube. Cision also launched Influencer Database - the largest and most complete global data source covering tens of thousands of digital influencers and introduced the Cision Influence Rating.
- On October 18, 2011, Cision announced a new reseller partnership with Prime Time Media Group which brings Cision's PR software platform CisoinPoint to the Russian market.
- On November 24, 2011 Cision Sweden launched a digital monitoring service in a partnership with Newsline Group, in line with Cision's strategy to grow its share of revenue from existing customers, by offering additional high value services.
- Cision's operating profit increased significantly during 2011, reaching EBITDA margins near the group's stated financial target of 20% during the second half of 2011. Due to the improved profitability and improved free cash-flow, the group's financial position also improved considerably during the year, with Net Debt/EBITDA at 2.2 as of December 31, 2011, which is below the financial target of 2.5.

The Group's development

SEK million	2011	2010
Total revenue	969	1,132
Organic growth, vs last year,%	0.4	−4.8
Currency effect on revenue, vs last year	−87	−59
Operating profit[1]	132	142
Operating margin[1], %	13.6	12.6
Currency effect on operating profit, vs last year	−15	−8
EBITDA[1]	184	199
EBITDA margin[1], %	19.0	17.6
Net profit	85	56
Employees, end of period	1,180	1,298

[1] Excluding non-recurring items.

Revenues for 2011 decreased compared to 2010, due to the Divestments of operations in Germany and Finland in the past two years, the net impact of this was SEK -81 million and also due to a negative currency impact of SEK 87 million and thus for the full year there was positive organic growth of SEK 5 million or 0.4% compared to -5% for the full year in 2010. In the second half of the year organic growth was 3%.

For 2011, Operating profit excluding non-recurring items reached SEK 132 million (142). Operating profit was negatively impacted by a significant negative currency effect of SEK -15 million. Operating Margin increased to 13.6% from 12.6% in 2010 and EBITDA margin also increased to 19.0% from 17.6%, further evidence of the solid improvement in business performance.

In 2011, Subscription revenue as a proportion of total revenue amounted to 58% (53%), whereas transactional revenue and revenue from professional services amounted to 25% (30%) and 17% (17%) respectively. Total number of customers amounted to 13,305 (13,529), the decline mainly being explained by divestments and a decrease in Cision's remaining monitoring activities. Customers on CisionPoint increased to 8,943 (8,397).

The Group's financial net for 2011 improved to SEK -33 million (-50), The financial net for 2011 has reduced mainly due to lower debt levels as well as lower costs for financial fees.

In 2011 Cision recorded a capital gain of SEK 6 million, related to the divestment of Cision's Monitor and Analyze business in Finland, compared with a gain of SEK 11 million in 2010 from the divestment of German subsidiaries.

The tax cost for 2011 amounted to SEK 9 million (27) and was impacted positively by a write up of the Group's deferred tax assets of SEK 12 million, and similar to 2010 the tax cost includes a deferred tax of SEK 18 million for deductible goodwill amortization.

Development by region

Cision North America

SEK million	2011	2010
Total revenue	721	767
Organic growth, vs last year, %	2	−2
Currency effect on revenue, vs last year	−73	−31
Operating profit	129	150
Operating margin[1], %	17.9	19.5
Currency effect on operating profit, vs last year	−14	−6
EBITDA[1]	167	188
EBITDA margin[1], %	23.1	24.5

1 Excluding non-recurring items.

Organic growth for 2011 in North America was 2% compared with last year's -2%. However, the revenue decline in Canada suppressed the region's growth and significantly impacted North America margins for the full year. In 2011, the US grew with 6% as a result from new releases of the CisionPoint software platform and with new and existing customers taking up additional services. Sales bookings were particularly strong in the last quarter partly due to the demise of VMS, a broadcast competitor in the US, which had the effect of reversing the declining trend in Broadcast monitoring revenue and added significant transactional revenue in the last quarter of the year.

Cision Europe

SEK million	2011	2010
Total revenue	261	393
Organic growth, vs last year, %	−3	−9
Currency effect on revenue, vs last year	−11	−28
Operating profit[1]	37	26
Operating margin[1], %	14.3	6.7
Currency effect on operating profit, vs last year	−1	−2
EBITDA[1]	46	41
EBITDA margin[1], %	17.6	10.3

1 Excluding non-recurring items.

For the year Europe improved the organic growth trend from -9% in 2010 to -3% in 2011. The UK has made the most significant change year on year as it has successfully made the transformation from a reactive production orientated business to a forward looking, fully functioning sales and marketing focused business selling CisionPoint and bundled subscription services to new and existing customers. In spite of difficult economic conditions in Portugal, they again delivered an excellent result. In 2011, Scandinavia built upon the progress made in 2010 with another good year with organic growth and solid margin performance. Cision's Finnish Monitor and Analyze business was divested July 1, 2011. In Europe, operating margins improved significantly to 14% (7%) due to continued improvements in operating efficiency. Scandinavia and Portugal reported strong margins and the UK operation returned to profitability. The German sales operation through a more focused sales approach also made good improvements.

Non-Recurring Items

Non-recurring items affecting the operating profit for January-December 2011 amounted to SEK -11 million (-19), of which SEK -10 million in the fourth quarter (-12) mainly due to a reorganization following the introduction of new technology in Canada to streamline the production process in Radio and TV monitoring. For a further description see non-recurring items, note 9.

In 2011, Cision no longer reported Restructuring Costs. To the extent that such costs were incurred, such items were reported separately as Non-Recurring Items, which better reflects the characteristics of such items. For a further description, see Accounting principles, note 1.

Investments

Gross capital expenditures amounted to SEK 49 million (62) mainly consisting of the development of the group's software systems, in particular the CisionPoint software platform. Capitalized development cost for 2011 amounted to SEK 32 million (30), whereas amortization amounted to SEK 30 million (28). As of December 31, 2011, the book value of capitalized development amounted to SEK 90 million (98).

Financial position

SEK million	2011	2010
Shareholders equity	997	902
Equity per share[1]	67.1	60.5
Interest bearing net debt	400	457
Net Debt/EBITDA 12MR[2]	2.2	2.3
Working Capital[3]	−5	−72
Liquid Assets	51	102

1 Data per share after full dilution. The reverse share split with record date May 5, 2011, whereby ten old shares were consolidated into one new share, has been taken into consideration, also retroactively for previous period.
2 Excluding non-recurring items.
3 Including non-recurring items.

As of December 31, 2011, utilization of the syndicated loan was approximately USD 66 million. Exchange rate effects decreased the syndicated loan by about SEK 1 million between January and December 2011.

The Interest Bearing Net Debt/EBITDA ratio, with EBITDA excluding non-recurring items, measured on a 12 month rolling basis, was 2.2 as of December 31, 2011. The group's financial target is to have its Net Debt/EBITDA ratio not exceed 2.5. During the year, Net debt decreased by SEK 57 million, mainly due to debt repayments.

Goodwill

Goodwill amounted to SEK 1,405 million as of December 31, 2011. It increased by SEK 16 million due to exchange rate fluctuations and was reduced by SEK -30 million due to the divestment of the Finnish Monitor and Analyze business. The goodwill as of December 31, 2011, is related to Cision Europe, SEK 112 million, and Cision North America – which includes Cision's activities in USA and Canada – SEK 1,292 million.

Cash flow

SEK million	2011	2010
Operating Cash Flow	81	105
Free Cash Flow	45	5

Free cash flow improved for 2011, SEK 45 million compared to SEK 5 million in 2010, mainly due to lower payments for historic divestments and restructuring efforts, as well as improved cash flow relating to Cision's financial net. It was partly offset by a negative effect from working capital, which was mainly due to a significant growth in bookings of 29% in the US during the fourth quarter. A large element of the growth was attributable to transactional monitoring and broadcast, supplied through a CisionPoint subscription, gained from customers during the fourth quarter following the closure of VMS, a broadcast competitor in the US. This has had the effect of increasing receivables by SEK 48 million which has impacted the cash flow negatively as a result.

Divestments

On July 1, 2011, Cision completed the divestment of its Monitor and Analyze business in Finland to M-Brain Oy. The divestment comprised all shares in the legal entity Cision Finland Oy. The divested Monitor and Analyze business had revenues of about SEK 71 million in 2010 and 98 employees as of June 30, 2011. The divestment does not include Cision's Finnish Plan and Connect business, with revenues of about SEK 6.25 million in 2010 and 7 employees as of June 30, 2011, which was separated before completion of the transaction and retained by Cision.

The purchase price for the divested unit was SEK 37.80 million on a cash and debt-free basis, of which SEK 33.33 million was paid on July 1, 2011 and SEK 4.47 million will be paid in July 2012. Cision Finland had experienced negative organic growth of about -13% in 2010, -5% in the first quarter of 2011 and -7% in the second quarter of 2011, with low profitability for this period, including certain allocated regional and group costs.

Following the divestment, Cision Finland offers customers a complete offering through the CisionPoint software platform, with an initial emphasis on Plan and Connect Services, as well as social media monitoring. Media monitoring will be provided through internet sources, electronic feeds from news aggregators, and through a reseller agreement with M-Brain Oy. Analysis services will be delivered through automated analysis dashboards using the CisionPoint analysis module.

Acquisitions

On September 7, 2011, Cision completed the acquisition of a minority stake in PitchEngine Inc for SEK 2 million and entered into a co-operation agreement to incorporate the PitchEngine social media publishing tools inside CisionPoint.

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 from business acquisitions. In total, operating capital amounted to SEK 1,535 million (1,493) and operating capital excluding goodwill was SEK 130 million (75). The increase in operating capital excluding goodwill is mainly due to higher short term receivables, due to increased growth in US sales bookings in the last quarter of 2011.

SEK million	2011	2010
Goodwill	1,405	1,419
Other fixed assets	144	164
Short-term operating receivables	362	302
Provisions	−9	−18
Operating liabilities	−367	−374
Operating capital	1,535	1,493
Less goodwill	−1,405	−1,419
Operating capital excl. Goodwill	130	75

Working capital

Working capital is defined as current operating receivables less current operating liabilities. Working capital as of December 31, 2011 amounted to SEK -5 million (-72). The negative working capital is partly explained by part of the Group's revenue being paid in advance, in the form of subscription fees. The change in working capital compared to last year is mainly due to a significant growth in transactional business in the US during the last quarter of 2011.

Share capital

The share capital amounted to SEK 223,644 thousand (223,644) on the balance sheet date. The share capital was represented by 14,909,583 (149,095,836) shares, with a nominal value of SEK 15.00 (1.50). On May 5, 2011, Cision AB carried out a reverse share split at a ratio of 1:10, i.e. whereby 10 existing shares were consolidated into one share, in order to facilitate the trade in the Cision share.

Dividend

In February 2011, the Board announced that Cision over the longer term shall have a policy to distribute up to 50% of earnings after tax in the form of dividend. For 2011, the board proposes a dividend of SEK 2 per share, equivalent to 35% of earnings after tax.

No dividend was paid during 2011 for the fiscal year 2010.

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 and rules 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 software platforms for the North American as well as the European market. The CisionPoint software platform provides 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 services, which are delivered through the CisionPoint software platform.

Total research and development expenditures in 2011 amounted to SEK 77 million (85).

Employees and remuneration

The average number of employees for 2011 was 1,247, a decrease of 138 compared to the average number of employees in 2010, mainly due to the divestments in Finland as well as the divestment in Germany during the first quarter of 2010. As of December 31, 2011, Cision had 1,180 employees, a decrease of 118 compared with December 31, 2010, of which 98 were due to the divestment of the Finnish Monitor and Analyze business and 32 due to the introduction of new technology in Canada, and this was partially offset by additional investment in new Sales headcount in the US, UK and Scandinavia.

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 March 2011, have been applied during 2011.

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.
- A tightening of copyright and data protection 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
- 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 14-15 (Risks and Risk Management) and 48-50 (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 2011, operating revenue amounted to SEK 67 million (62) with a profit before tax of SEK 79 million (94). The profit before tax for 2010 included a positive impact from the realized gain recorded for the German divestment, and a negative impact from one-off financial fees from the renegotiation of Cision's syndicated loan. As of December 31, 2011, shareholders' equity amounted to SEK 941 million (842) and the improvements in the year relates to net profit of the year, SEK 91 million, net investment in business abroad, SEK 10 million and other effects SEK -2 million. Long term Liabilities as of December 31, 2011 decreased to SEK 267 million (331) mainly due to amortization of the syndicated loan facility. Investments in other fixed assets amounted to SEK 7 million (12) for the period January–December 2011.

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 2010. The Parent company reports Group contribution as a financial income or as a financial cost, see Accounting Principles (Note 1).

Proposals for the Annual General Meeting

Dividend

In February 2011, the Board announced that Cision over the longer term shall have a policy to distribute up to 50% of earnings after tax in the form of dividend. For 2011, the board proposes a dividend of SEK 2 per share, equivalent to 35% of earnings after tax.

Authorization for the Board to decide on Cision AB's acquisition of its own shares

The board of directors proposes that the annual general meeting resolves to authorize the board of directors to, on one or several occasions, for the period until the date of the 2013 annual general meeting, resolve on acquisitions of the Company' 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.The Company's acquisitions of own shares may only be made to the extent that the Company's holding of own shares after the acquisition does not exceed one-tenth of all shares in the Company. The purpose of the board of directors' proposal is to offer the board of directors greater flexibility in order to adapt the Company's capital structure and thereby contribute to increased shareholder value.

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

A. The board of directors' proposal for guidelines for salary and other remuneration to Cision AB's CEO and senior executive

The board of directors' below proposal for guidelines for salary and other remuneration to Cision AB (publ)'s (the "Company") Chief Executive Officer ("CEO") 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.

For a description of the Company's outstanding remuneration programmes, reference is made to note 8 of the Company's Annual Report for 2011.

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

The board of directors proposes that the annual general meeting 2012 approves the board's proposal regarding guidelines for salary and other remuneration of the CEO 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 CEO, senior executives that report directly to the CEO 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 a long-term incentive plan.

Fixed salary

The Company shall offer market level terms that enable the Company to attract, develop and retain senior executives. The fixed salary level is based on what the local market pays for an equivalent position, based on 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 CEO is 50 percent of the fixed annual salary and the maximum bonus is 100 percent 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 percent of the fixed annual salary and the maximum bonus is 80-100 percent of the fixed annual salary, and for other senior executives the target bonus is 20-35 percent of the fixed annual salary and the maximum bonus is 40-70 percent of the fixed annual salary. The bonus is, for the CEO and the senior executives being part of the executive committee, based on the Company's achieved operating result (EBIT) and organic growth in revenue for the financial year 2012 on group level as compared to budget. For other senior executives the bonus is based on the achieved operating result (EBIT) and organic growth in revenue for the financial year 2012 as compared to budget, calculated based on a group, division or country level depending on their position. For each individual and based on position, the allocation of bonus is based on a weighting of the two components (EBIT and organic growth in revenue). In order for any bonus to be payable, at least 90 percent of the target according to budget for either of the components must be attained. Maximum bonus will be payable upon attainment of 120 percent of both the EBIT target and the target for organic growth in revenue according to budget. The cash bonus earned during 2012 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. 67 percent of the total annual fixed salary for the CEO 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-related long-term incentive plan, in accordance with the board's proposal set out in section 2 below. Since earlier the Company has two ongoing share and share price related incentive programs, adopted at the annual general meetings held in 2009 and 2011. The board of director's proposal for LTI 2012 set out in section 2 below, corresponds in all material respects to the share-related long term incentive program approved by the 2011 annual general meeting (LTI 2011).

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 CEO, the Company shall allocate an amount corresponding to 20 percent of the CEO's qualifying salary for pension and insurance solutions. The Company's senior executives follow local practice for supplementary pensions for salaried employees or corresponding arrangements. Other pension allocations are made in accordance with local customs and after approval from HR and the CEO.

Other benefits

The Company's CEO 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 CEO's employment contract is valid until further notice, with a mutual notice period of six months. The CEO is entitled to a severance payment equal to the annual base salary of the CEO. 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 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

In respect of the CEO, the compensation committee proposes, after discussions between the chairman of the board and the CEO, 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 CEO 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 2012**"). 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 2012

The board of directors proposes that LTI 2012 is implemented in accordance with the following main principles. 13 senior executives and key employees in the Company will be offered to participate in LTI 2012. To these executives and key employees, an amount corresponding to no more than 50 percent, 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 "**Performance Shares**"). The aggregate number of Performance Shares so payable shall not exceed a number corresponding to one percent. of the total number of shares in the Company, adjusted for performance 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 2012 correspond to a number of Performance Shares in excess of the Maximum Number (when purchased at the trading price set out below), the number of Performance 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 2012 will be determined in early 2013, 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 2012 will be distributed after the 2015 annual general meeting of the Company. The distribution of the Performance Shares will, however, be made only if the participant remains employed with the Company as per the day of distribution of Performance 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 Performance 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 Performance Shares determined in respect of such participant).

The costs for LTI 2012 (in the form of accountable salary costs, social security contributions and other necessary expenses related to the delivery of performance Shares to the participants) may, based on the proposed number of participants, be estimated to SEK 5 million in the event of no change in the trading price of the Company's shares and SEK 7 million in the event of a doubled trading price of the Company's shares, as per the date of delivery of the performance 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 performance Shares as proposed in item 2 below.

Participants in LTI 2012 are only entitled to distribution of a whole number of shares. Any part of the amount on which the bonus under LTI 2012 is based which is not paid in the form of Performance 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 Performance 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 2012 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 own shares for LTI 2012

In order to make possible the distribution of Performance Shares in accordance with LTI 2012, 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 2013 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% of the Maximum Number may be so acquired.

3. Transfer of Performance shares to participants of LTI 2012

In order to distribute performance Shares in accordance with LTI 2012, 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 above. Shares may be so transferred no later than June 30, 2015. The right to acquire shares shall reside in the participants of LTI 2012, with a right for each participant to acquire the number of shares determined in accordance with the terms and conditions of LTI 2012. 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 Performance Shares in accordance with LTI 2012.

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 Performance Shares to the persons participating in LTI 2012.

Nomination Committee Proposals

On February 17, 2012, Cision's nomination committee announced its proposals for resolutions for Cision's Annual General Meeting, which includes that Anders Böös, Hans-Erik Andersson, Alf Blomqvist, Hans Gieskes, and Gunilla von Platen are re-elected as directors of the board and that Rikard Steiber and Scott Raskin are newly elected as directors of the board. Anders Böös is proposed to remain as chairman of the board. The director of the board Thomas Heilmann resigned from his office as director on January 10, 2012 in connection with his assumption of the position as Senator of Justice (Senator für Justiz) in Berlin, a position that according to German law can not be combined with any business related positions.

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-2012/

Proposed distribution of earnings

See the "Proposed distribution of earnings" chapter.

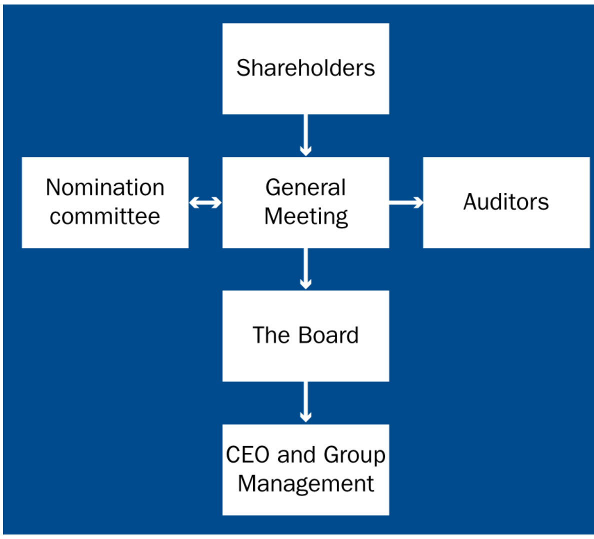
Financials and notes

The earnings and financial position of the Group and Parent Company are presented in the following income statements, statement of comprehensive income, 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 24–29, partly of the description of the Board of Directors, page 30, and the Senior Management, page 31.

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 March 2011 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 2011, Swedish institutional investors owned 69 percent of the share capital. Foreign investors owned 19 percent of the share capital. As of December 31, 2011 the ten largest shareholders held, in total, 68 percent of the share capital and there were 13,224 shareholders. Based on information from SIS Ägarservice, four owners each control more than 10 percent of the company's share capital and votes as of December 31, 2011. Please see the section on The Share, page 8, for additional share-holder 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) 2011 and 2010 represented 63 and 39 percent, respectively, of the company's total number of shares and votes.

The AGM held on March 31, 2011 adopted resolutions such as:

- Re-election of Anders Böös, Gunilla von Platen, Hans-Erik Andersson, Hans Gieskes, Alf Blomqvist and Thomas Heilmann. Pia Gideon and Peter Leifland declined election. 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 1,400,000 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.

The next AGM of Cision will be held on March 26, 2012. Information on the right of shareholders to bring a matter before the AGM can be found on the website, http://corporate.cision.com/sv/Bolagsstyrning/Arsstamma/Arsstamma-2012/.

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, 2011 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 and treasury shares could be acquired under the incentive programs adopted at the AGM held in 2009 and 2011, which are described below in more detail in the section "Principles of compensation for senior executives". As of December 31, 2011 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 accordance with the decision passed by the AGM held in 2011, in addition to the Chairman of the board of Cision, the nominaton committee shall consist of representatives of the four largest shareholders. If any of them declines, the right will pass to the next shareholder in terms of size of shareholding. 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. In accordance with the decision of the AGM held in 2011 the Chairman of the board contacted the four largest shareholders in the Company as per August 31, 2011. The members appointed to Cision's nomination committee were Bengt A. Dahl, representing Fairford Holdings Europe AB, Göran Espelund, representing Lannebo Fonder AB, Bertil Villard, representing Cyril Acquisition AB, Stefan Charette, representing Creades 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 19, 2011. Leading up to the AGM in March 2012 the nomination committee held five 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 2011, Cision's Board of Directors consisted of six directors, without deputies, elected by the AGM in March 2011. One of the directors elected by the AGM is a woman. Cision's CFO served as Secretary of the Board during 2011. 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 2011. 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 Europe AB, which as of December 31, 2011, owned about 13 percent 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 2012 the Board evaluated its work and that of its Chief Executive Officer for 2011.

The director of the board Thomas Heilmann tendered his resignation from Cision's board of directors on January 9, 2012. The resignation came into force on January 10, 2012 when the application for changes in the composition of the board of directors was received by the Swedish Companies Registration Office.

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

Board work

In fiscal year 2011 the Board held 12 meetings at which minutes were kept, of which 9 were ordinary meetings and 3 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 Finland
- Organizational development
- Financing and debt levels
- Business plan for 2012
- 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 2011. 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 other members of senior management.

Attendance at Board meetings and committee meetings during 2011

	Board meetings	Audit committee meetings	Compensation committee meetings
Hans-Erik Andersson	12	7	
Alf Blomqvist	12		6
Anders Böös	12	7	
Pia Gideon[1]	3		
Hans Gieskes	12		
Thomas Heilmann	11		
Peter Leifland[1]	4		2
Gunilla von Platen	12		4

[1] Resigned from the board at the AGM on March 31, 2011

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 2011, the audit committee consisted of Hans-Erik Andersson (Chairman) and Anders Böös, appointed by the board of directors.

Audit committee's work

The audit committee met seven times in 2011. 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 2011 and tax issues. The audit committee also examined the company's quarterly reports for 2011 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 2010, as well as interim financial statements and the interim report for the period January–September 2011.

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 for certain issues and on major issues the committee prepares documentation for decision-making purposes for the Board. During the year leading up to the AGM held in 2011, the compensation committee consisted of Peter Leifland and Alf Blomqvist. At the inaugural Board meeting following the AGM held in 2011 the Board resolved to appoint Alf Blomqvist to be Chairman and Gunilla von Platen to be a member of the compensation committee.

Compensation committee's work

The compensation committee met six times in 2011. 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, senior executives that report directly to the Chief Executive Officer as well as selected other senior executives in the company group. 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 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 for 2011 is 60 percent of the fixed annual salary and the maximum bonus is 100 percent 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 percent of the fixed annual salary and the maximum bonus is 80-100 percent of the fixed annual salary, and for other senior executives the target bonus is 20-35 percent of the fixed annual salary and the maximum bonus is 40-70 percent of the fixed annual salary. The bonus is 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, the calculation is based on a division or country level depending on their position. In order for any bonus to be payable, at least 90 percent of the target according to budget must be attained. Maximum bonus will be payable upon attainment of 120 percent of the EBIT target according to budget. 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.

The Annual General Meetings have passed resolutions on April 2, 2009 and March 31, 2011, and will adopt resolution on the next AGM held on March 26, 2012, to initiate three-year incentive programs. For the detailed information about these programs and on compensation and employment terms, please see Note 8.

Auditors

The accounting firm Ernst & Young and Chief Auditor Michael Forss were elected by the AGM in March 2011 until the AGM to be held in 2012. 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 2011. It is Michael Forss' first year of holding the Chief Auditor's position. Aside from Cision, he serves as auditor for Jeeves Information Systems AB (publ), Telenor Sverige AB, Schibsted Sverige AB, Hewlett-Packard Sverige AB, Synsam Sverige AB, Apple AB, among others. He has no assignments for companies affiliated with Cision, its major shareholders or the Chief Executive Officer. Ernst & Young auditing fees for 2011 amounted to SEK 3,474,000 (4,383,000). Fees for work other than auditing performed by Ernst & Young, mainly tax advice, amounted to SEK 927,000 (1,258,000) in 2011. For advice on accounting issues 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.

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 2011 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 31.

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 14-15. 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 CFO's through signature of Representation Letters at each annual year-end closing. Internally appointed, qualified CFO's 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 2011 such audits were carried out for Cision's operations in the UK and Sweden, including the Group's finance function, the parent company and the operational subsidiary. The Group's central finance function periodically performs a more comprehensive evaluation of efficiency, organization and quality within selected subsidiaries, focusing mainly on identification of areas needing improvement rather than on control. 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' CFO's 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 2011 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

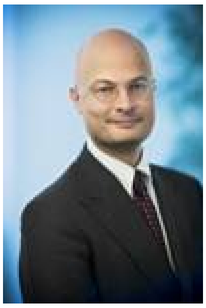
The Board ensures the quality of the financial reporting by continually reviewing information on financial developments, financial risk management and reports from the company's auditors. The Board receives monthly financial reports and a detailed quarterly report that includes a review of plans and 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 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 2011 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

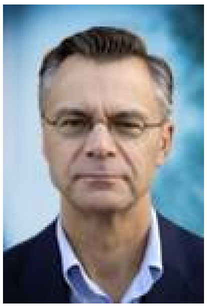


Anders Böös
Chairman

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. Director of the Board of Investment AB Latour, East Capital Baltic Property Fund AB, Newsec AB and Tundra Fonder AB.

Holding in Cision AB (through endowment assurance): 200,000 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. Director of the Board of Gjensidige Forsikring ASA.

Holding in Cision AB: 14,100 shares, of which 1,100 shares through endowment assurance.

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. Chairman of Appello Systems AB. Member of the Board of GuidePal Group AB. Director of the Council of the Swedish AIM and the Advisory Board at Fairford Holdings Europe AB.

Holding in Cision AB (through company): 2,000 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.

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. Director of the Board of RetirementJobs.com. Intelligize.com, Wingu.com and Swets & Zeitlinger Group B.V.

Holding in Cision AB: 4,000 shares; 900,000 employee stock options entitling to 126,000 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

Gunilla von Platen

Stockholm, Sweden, born 1972. Board director since 2006. Business Administrator. Founder, owner and Chairman of the Board of Xzakt Kundrelation AB and LEG Communications AB. Former sales manager for Skandia Insurance Company in Gothenburg and sales manager for Kalix Tele 24 AB. Owner and chairman of GVP Holding AB, GS Holding AB and GS Real Estate Holding AB. Part-owner and director of the Board of Kinvest AB and GSS Förvaltning AB. Deputy director of the board of Silvia Samuelsson Förvaltning AB and Stiftelsen 100%.

Holding in Cision AB (through company): 19,380 shares.

Gunilla von Platen is to be considered as independent with respect to Cision, its senior management and the major shareholders in Cision.

Shareholding as of December 31, 2011 unless otherwise indicated.

Senior Management

Hans Gieskes

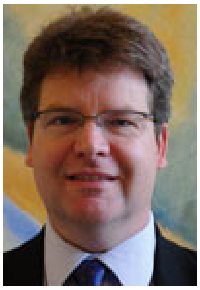
President and Chief Executive Officer, born 1954. Employed since 2008. Graduate from the Netherlands Institute for Marketing. Former CEO of the LexisNexis Group.

Holding in Cision AB: 4,000 shares; 900,000 employee stock options entitling to 126,000 shares.

Peter Granat

Chief Executive Officer North America, born 1970. Employed since 2003. Holds an MBA from Kellogg School of Management. Former Senior Vice President, Business Development at MediaMap.

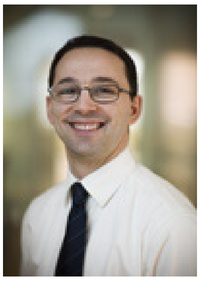
Holding in Cision AB: 2,332 shares; 300,000 employee stock options entitling to 42,000 shares.



Tosh Bruce-Morgan

Executive Vice President & CFO, born 1965. Employed since 2009. FCMA and holds a BA Hons in Business Studies from Glamorgan University. Former CFO at VNU Business Media Europe.

Holding in Cision AB: 0 shares.



Yann Blandy

Chief Executive Officer Europe, born 1971. Employed since 2006. Holds a Master's degree in Human Resources & Industrial relations. Former founder, owner and senior consultant at MindShift.

Holding in Cision AB: 14,480 shares; 75,000 employee stock options entitling to 10,500 shares.

Shareholdings as of December 31, 2011 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 471,176,953
Fair value reserve	SEK – 80,928,032
Share premium reserve	SEK 136,493,405
Net result for the year	SEK 90,593,951
Total	**SEK 617,336,277**

For 2011, The board proposes a dividend of SEK 2 per share and the remaining amount to be carried forward into new account in the parent company. As a basis for the dividend proposal, the Board of Directors has made an assessment in accordance with Chapter 18, Section 4 of the Swedish Companies Act. The Board of Directors has considered the Parent Company's result and financial position and the Group's position in general. In this respect, the Board of Directors has taken into account known commitments that may have an impact on the financial positions of the Parent Company and its subsidiaries. The proposed dividend does not limit the Group's ability to make investments or raise funds, and it is the assessment of the Board of Directors that the proposed dividend is well-balanced considering the nature, scope and risks of the business activities as well as the capital requirements for the Parent Company and the Group.

Consolidated Income statement

SEK in thousands	Note	2011	2010
Revenue	3, 4	965,741	1,130,095
Other revenue		3,563	1,700
Total revenue		**969,304**	**1,131,795**
Production costs[1]	4, 5, 9	–370,623	–476,401
Gross profit		**598,681**	**655,394**
Selling and administrative expenses[1]	4, 5, 6, 9	–478,379	–532,674
Operating profit	7, 8	**120,302**	**122,720**
Financial income	4, 11	2,665	24,542
Financial expenses	4, 12	–35,280	–74,767
Capital gain/loss divestment of subsidiaries	28	5,867	10,701
Profit before tax		**93,553**	**83,196**
Tax	13	–8,674	–27,138
NET PROFIT FOR THE YEAR		**84,879**	**56,058**

[1] Depreciation and write-down of tangible and other intangible assets are reported as; Production cost amounting to SEK –8,285 thousand (–12,791) and Selling and administrative expenses SEK amounting to –43,827 thousand (–44,121) in the consolidated income statement.

Statement of comprehensive income

SEK in thousands	Note	2011	2010
Net profit for the year		84,879	56,058
Other comprehensive income			
Translation differences	21	16,753	–84,481
Hedge of net investment in foreign operations	21	–4,747	7,587
Market valuation of financial instrument	21	–113	3,462
Other comprehensive income		11,893	–73,432
Total comprehensive income for the year		**96,772**	**–17,374**

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/write-down included in operating profit[1]	15, 16	–52,112	–56,912
Non-recurring items included in operating profit	9	–11,396	–19,429

[1] Depreciation and a write-down of tangible and other intangible assets are reported as; Production cost amounting to SEK – 8,285 thousand (– 12,791) and Selling and administrative expenses amounting to SEK –43,827 thousand (–44,121) in the consolidated income statement.

Profit per share, SEK	2011	2010
Before dilution[1]	5.70	4.03
After full dilution[1]	5.70	4.01
Dividend[2]	–	–
Profit before dilution, SEK thousand	84,879	56,058
Profit effect after dilution	**84,879**	**56,058**
Average number of shares before dilution, thousands[1]	14,881	13,924
Potential shares, thousands	16	42
Average number of shares after dilution, thousands	**14,897**	**13,966**

[1] The reverse share split with record date May 5, 2011, whereby ten old shares were consolidated into one new share, has been taken into consideration, also retroactively for previously reported periods.
[2] The Board of Directors proposes a dividend of SEK 2 per share for the fiscal year 2011.

Consolidated Balance sheet

SEK in thousands	Note	Dec. 31, 2011	Dec. 31, 2010
ASSETS	4		
Fixed assets			
Intangible fixed assets			
Goodwill	14	1,404,576	1,418,745
Other intangible fixed assets	15	93,208	103,217
		1,497,784	**1,521,962**
Tangible fixed assets			
Buildings and land	16	–	13,069
Equipment	16	48,054	46,529
		48,054	**59,598**
Other fixed assets			
Deferred tax assets	13	33,245	21,466
Other financial fixed assets	17	2,990	27,608
		36,235	**49,074**
Total fixed assets		**1,582,073**	**1,630,634**
Current assets			
Accounts receivable	18	331,107	264,396
Tax assets	13	14,215	10,877
Derivatives	2	242	552
Prepaid expenses and accrued income	20	30,967	31,025
Other current receivables		11,180	10,575
		387,711	**317,425**
Liquid assets	2	50,922	101,566
Total current assets		**438,633**	**418,991**
TOTAL ASSETS		**2,020,706**	**2,049,625**

SEK in thousands	Note	Dec. 31, 2011	Dec. 31, 2010
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	21		
Share capital		223,644	223,644
Other paid-in capital		230,995	229,840
Reserves		–70,943	–82,844
Retained earnings		613,171	531,684
Total shareholders' equity		**996,867**	**902,324**
Liabilities	4		
Long-term liabilities			
Deferred tax liability	13	183,532	161,627
Provision for non-recurring items	9	2,148	10,737
Other long-term liabilities	22	463,580	569,571
Total long-term liabilities		**649,260**	**741,935**
Current liabilities			
Provision for non-recurring items	9	6,472	7,026
Accounts payable	2	40,401	55,921
Tax liabilities	13	1,631	4,592
Convertible debentures	23	–	16,867
Bank overdraft facility	24	383	70
Derivatives	2	13	24
Accrued expenses and deferred income	25	321,420	302,031
Other current liabilities	26	4,259	18,835
Total current liabilities		**374,579**	**405,366**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**2,020,706**	**2,049,625**
Pledged assets	27	–	–
Contingent liabilities	27	–	–

Consolidated Shareholders' equity

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
Employees share option scheme						
Value of employee services	–	559	–	–	–	559
Proceeds from shares issues	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

2011 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, 2011	223,644	229,840	–83,198	355	531,684	902,324
Comprehensive income						
Net profit for the year	–	–	–	–	84,879	84,879
Other comprehensive income						
Translation difference for the year	–	–	16,753	–	–	16,753
Expanded net investment in foreign operations	–	–	–4,747	–	–	–4,747
Market valuation, financial instruments	–	–	–	–113	–	–113
Total other comprehensive income	–	–	12,006	–113	–	11,893
Total comprehensive income	–	–	12,006	–113	84,879	96,772
Transactions with company's owners						
Repurchase of own shares	–	–	–	–	–3,392	–3,392
Share based payments						
Value of employee services	–	1,155	–	–	–	1,155
Total transactions with company's owners	–	1,155	–	–	–3,392	–2,237
Closing shareholders' equity, December 31 2011	223,644	230,995	–71,186	242	613,171	996,867

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 a tax position.

Consolidated Statements of Cash flow

SEK in thousands	Note	2011	2010
Operating activities			
Net profit for the year		84,879	56,058
Adjustment for items included in Net Profit			
Tax	13	8,674	27,138
Net financial income and expenses	11, 12	32,615	50,225
Capital gain/loss divestment of subsidiaries	28	–5,867	–10,701
Reported cost for non-recurring items	9	11,396	19,429
Depreciation/amortization	15, 16	52,112	56,912
Other non-cash items		449	–1,330
Non-recurring paid	9	–6,741	–44,038
Interest received		3,218	1,977
Interest paid		–27,076	–55,254
Income tax paid		–5,840	–2,149
Change in working capital		–63,438	–40,070
Cash flow from operating activities		**84,382**	**58,197**
Investing activities			
Business acquisitions	28	–	–18,932
Business divestments	28	33,580	9,632
Investment in intangible fixed assets		–31,884	–46,115
Investment in tangible fixed assets		–17,445	–15,942
Divestments in tangible fixed assets		9,414	9,304
Increase/decrease in financial fixed assets		694	–13,035
Cash flow from investing activities		**–5,641**	**–75,088**
Financing activities			
Share issue	21	–	237,857
Repurchase of own shares	21	–3,392	–
Loan proceeds		–	216,956
Amortization of debt		–126,197	–447,798
Increase/decrease in current financial liabilities		313	–28,149
Cash flow from financing activities		**–129,276**	**–21,135**
Cash flow for the year		**–50,535**	**–38,026**
Liquid assets at beginning of year	2	101,566	143,549
Translation difference in liquid assets		–109	–3,959
Liquid assets at year-end		**50,922**	**101,564**
Operating cash flow		**80,906**	**104,908**
Free cash flow		**44,467**	**5,444**

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

Parent company Income statement

SEK in thousands	Note	2011	2010
Revenue	3, 4	66,634	62,269
Operating revenue		**66,634**	**62,269**
Other external expenses	6, 7	–62,984	–63,310
Staff costs	8	–20,390	–20,301
Depreciation/amortization	14, 15, 16	–5,452	–4,264
Operating profit		**–22,192**	**–25,606**
Result from financial investments			
Result from shares in the Group companies[1]	10	58,225	85,743
Financial income	11	72,913	98,003
Financial expenses	12	–30,061	–63,933
Profit before tax		**78,885**	**94,207**
Tax[1]	13	11,709	–1,716
NET PROFIT FOR THE YEAR[1]		**90,594**	**92,491**

[1] The 2010 results have been restated for the change in accounting principle for Group contributions. Group contributions of SEK 3,168 thousand and tax relating to items recognized directly in equity of SEK –833 thousand have been adjusted retroactively.

Statement of comprehensive income

SEK in thousands	Note	2011	2010
Net profit for the year[1]		90,594	92,491
Other comprehensive income			
Net investment in business abroad		10,281	–34,862
Other comprehensive income		10,281	–34,862
Total comprehensive income for the year		**100,875**	**57,629**

[1] The 2010 results have been restated for the change in accounting principle for Group contributions. Group contributions of SEK 3,168 thousand and tax relating to items recognized directly in equity of SEK –833 thousand have been adjusted retroactively.

According to a new accounting rule in 2011, group contribution is reported as financial items, see note 1 Accounting principles and 10 Result from shares in subsidiaries.

Parent company Balance sheet

SEK in thousands	Note	Dec. 31, 2011	Dec. 31, 2010
ASSETS			
Fixed assets			
Intangible fixed assets			
Other intangible fixed assets	15	16,517	18,346
		16,517	**18,346**
Tangible fixed assets			
Equipment	16	532	707
		532	**707**
Financial fixed assets			
Deferred tax assets	13	32,491	21,325
Shares in Group companies	19	546,258	475,617
Receivables from Group companies		605,357	595,077
Other financial fixed assets	17	2,227	25,656
		1,186,333	**1,117,674**
Total fixed assets		**1,203,382**	**1,136,726**
Current assets			
Accounts receivable	18	1,144	98
Receivables from Group companies		21,365	69,903
Tax assets	13	2,260	2,274
Prepaid expenses and accrued income	20	4,123	4,339
Other current receivables		9,397	1,601
		38,289	**78,215**
Cash and bank balances	2	12,009	50,466
Total current assets		**50,298**	**128,681**
TOTAL ASSETS		**1,253,680**	**1,265,408**

SEK in thousands	Note	Dec. 31, 2011	Dec. 31, 2010
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	21		
Restricted equity			
Share capital (14,909,583 shares at quota value SEK 15.00)		223,644	223,644
Statutory reserve		100,120	100,120
		323,764	**323,764**
Non-restricted equity			
Retained earnings[1]		471,177	382,078
Fair value reserve		–80,928	–92,338
Share premium reserve		136,493	136,493
Net profit for the year[1]		90,594	92,491
		617,336	**518,724**
Total shareholders' equity		**941,100**	**842,488**
Provision for non-recurring items	9	358	9,392
		358	**9,392**
Liabilities			
Long-term liabilities			
Liabilities to Group companies	22	211	211
Other long-term liabilities	22	267,264	330,914
		267,475	**331,125**
Current liabilities			
Accounts payable	2	5,492	5,616
Liabilities to Group companies		29,498	44,693
Convertible debentures	23	–	21,969
Bank overdraft facility	24	383	70
Accrued expenses and deferred income	25	9,305	9,937
Other current liabilities	26	69	118
		44,747	**82,403**
Total liabilities		**312,580**	**422,920**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**1,253,680**	**1,265,408**
Pledged assets	27	–	–
Contingent liabilities	27	255,688	298,621

[1] The 2010 results have been restated for the change in accounting principle for Group contributions. Group contributions of SEK 3,168 thousand and tax relating to items recognized directly in equity of SEK –833 thousand have been adjusted retroactively.

Parent company Shareholders' equity

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**
Change in expanded net investment in subsidiaries	–	–	–34,862	–	–	–34,862
Net profit for the year[1]	–	–	–	–	92,491	92,491
Total change in net assets, excl. transactions with company's owners	**–**	**–**	**–34,862**	**–**	**92,491**	**57,629**
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 2010 results have been restated for the change in accounting principle for Group contributions. Group contributions of SEK 3,168 thousand and tax relating to items recognized directly in equity of SEK –833 thousand have been adjusted retroactively.

2011 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, 2011	**223,644**	**100,120**	**–92,338**	**136,493**	**474,569**	**842,488**
Change in expanded net investment in subsidiaries	–	–	10,281	–	–	10,281
Net profit for the year	–	–	–	–	90,594	90,594
Total change in net assets, excl. transactions with company's owners	**–**	**–**	**10,281**	**–**	**90,594**	**100,875**
Repurchase of own shares	–	–	–	–	–3,392	–3,392
Employees share option scheme						
Value of employee services	–	–	1,129	–	–	1,129
Adjusted closing shareholders' equity, December 31, 2011	**223,644**	**100,120**	**–80,928**	**136,493**	**561,771**	**941,100**

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

According to a new accounting principle in 2011, group contribution is reported as a financial item, see note 1 Accounting principles and note 10 Result from shares in subsidiaries.

Parent company Statements of Cash flow

SEK in thousands	Note	2011	2010
Operating activities			
Net profit for the year[1]		90,594	92,491
Adjustments for items included in Net Profit			
Tax[1]	13	−11,709	1,716
Net financial items	11, 12	−42,852	−33,163
Result from shares in Group companies[1]	10	−58,225	−85,743
Reported cost for non-recurring items	9	72	1,632
Depreciation/write-downs	15, 16	5,452	4,265
Other non-cash items		390	4,876
Non-recurring items paid		−358	−10,710
Interest received		65,153	75,920
Interest paid		−18,532	−47,061
Dividends received		16,321	69,574
Income tax paid		−2,458	7
Change in working capital		53,536	−161,441
Cash flow from operating activities		**97,383**	**−87,638**
Investing activities			
Subsidiary acquisition		−23	−50
Divestment of subsidiaries		40,825	10,000
Cash, merge		–	115
Investment in intangible fixed assets		−7,431	−11,874
Investment in tangible assets		–	−532
Change loan to subsidiaries		–	−16,960
Paid group contribution		−80,751	−7,120
Granted and paid group contribution		3,168	−14,891
Repayment of shareholders' contribution		–	13,575
Increase/decrease in financial fixed assets		−2,227	–
Cash flow from investing activities		**−46,438**	**−27,738**
Financing activities			
Share issue	21	–	237,892
Repurchase of own shares	21	−3,392	–
Loan proceeds		–	217,146
Amortization of debt		−86,050	−340,494
Loan to third parties		–	−12,887
Reimbursement to third parties		2,568	–
Cash flow from financing activities		**−86,874**	**101,656**
Cash flow for the year		**−35,929**	**−13,719**
Liquid assets at beginning of year		50,466	67,192
Translation difference in liquid assets		−2,528	−3,007
Liquid assets at year-end		**12,009**	**50,466**

1 The 2010 results have been restated for the change in accounting principle for Group contributions. Group contributions of SEK 3,168 thousand and tax relating to items recognized directly in equity of SEK −833 thousand have been adjusted retroactively.

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 IFRS Interpretations Committee in force as of December 31, 2011, which have been approved by the European Commission for application within the EU. The Swedish Financial Reporting Board's recommendation RFR 1, Supplementary accounting rules for Groups, has 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, except some financial assets and financial liabilities (including derivative instruments) being revalued 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 2011 have not had any material impact on the Group's financial position.

Reporting in the Parent Company

The Parent Company has mainly 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.

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 consolidated 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 the 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 divestment.

Revenue recognition

Cision offers services in four areas: Plan, Connect, Monitor and Analyze. The majority of the Group's clients receive services through CisionPoint, a web-based software platform, 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. In those cases that services are not included in the fixed fee for 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 directory sales. Subscription fees paid by clients in advance are recognized in revenue evenly throughout the subscription period, while revenue from directory 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 for the period to which they pertain. If payment is made in advance, the fee is recognized in revenue evenly 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 either recognized in revenue upon delivery to the client, or they are billed annually under contract and recognized as revenue evenly over the contract period.

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 biggest revenue streams in the Parent Company comprise intra-Group invoicing for the Group's support units as well as royalties on software platforms and brands, 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.

Cision reports on two geographic segments, Cision North America and Cision Europe, which reflects Cision's internal reporting and organizational structure. Segment reporting also includes Other and Eliminations, which are presented in separate columns. Other includes the Parent Company and a small number of companies without any operating activities.

Up to 2011, the chief operating decision maker monitored revenues that the operating segments received from the services that Cision offered: Plan, Connect, Monitor and Analyze. Cision North America and Cision Europe have offered all these services, but the percentage of revenues that each service accounts for varied among the segments depending primarily on local market conditions. Beginning in 2012, Cision will no longer follow up on the services, but on lines of business. Those lines are identified as Subscription revenue, Professional Services and Transactional revenue and are distributed through the web-based software solution CisionPoint. The change has no effect on the company's financial position or reporting of the operating segments. Going forward, Cision will primarily, both internally and externally, continue to report the Operating geographic segments, Cision North America and Cision Europe.

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

Country	Currency	Average exchange rates 2011	Average exchange rates 2010	Balance sheet date exchange rates Dec. 31 2011	Balance sheet date exchange rates Dec. 31 2010
USA	USD	6.4969	7.2049	6.9234	6.8025
Canada	CAD	6.5657	6.9928	6.7773	6.8050
Euro	EUR	9.0335	9.5477	8.9447	9.0020
UK	GBP	10.4115	11.1287	10.6768	10.5475
Norway	NOK	1.1587	1.1920	1.1505	1.1520

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 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. The Group has no finance leases at this time.

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 it.

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 also applies 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.

Classification of financial assets and liabilities

In accordance with IAS 39, financial assets and financial liabilities are classified 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. In September, 2011, an acquisition of a minority stake in PitchEngine Inc for SEK 2 million was completedand is 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.

Subscription of convertible debentures was made in 2007. As per the balance sheet day the company had no convertible debentures. Please see note 8, 23 and the section on share-based compensation in this note.

Convertible bonds have been separated into liability and equity components based on the terms of the contract. The valuation was 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 were assumed to be limited since there were no plans for listing as per 31 December, 2010. According to the calculations in this valuation, the subscription price corresponded with the estimated market value of the convertibles.

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

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

Transaction costs were 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 were initially recognized.

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. Convertible debentures were repaid during the year.

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 equity. 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 is recognized immediately through profit or loss. The Group accounts for external borrowings as a hedge of net investments 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 carry 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 non-recurring items and provisions related to divestments of subsidiaries. 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 likely 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 no incentive programs. The 2009 general meeting approved a program, which is based on employee stock options entitling to a corresponding number of shares. The 2011 general meeting approved the other program, which is based on bonus shares, where an amount corresponding with a maximum of 50 % of any.

Earned bonus 2011 may be paid in the form of Cision shares.

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

The 2007 program based on convertible debentures was repaid in 2011. 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 note 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.

At the end of each reporting period, the company revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. 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.

Share-based compensation as resolved by the 2011 annual general meeting

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

The total purchase amount for own shares is determined by reference to the fair value of the acquisition: 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 shares that are expected to be vested. The acquisition of own shares, net of any directly attributable transaction costs, is charged to retained earnings and credited to cash. Shares constitute disposable shares and have no value in the accounts. The total expense is recognized as other cost over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied until any allotment of shares after the 2014 annual general meeting.

At the end of the each reporting period in 2011, the company revised its estimates of the number of shares expected to be allotted based on the non-marketing vesting conditions.

For more information about employee stock options, please see note 8.

Anticipated dividends

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 life cycle and is normally 3–5 years. Changes in client 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 loss carry forwards have been capitalized in an amount corresponding to what is likely that deductions can be offset against future taxes.

As of the balance sheet date 2011, the Group's accumulated tax loss carry forwards amount to SEK 414.0 million (478.5). A tax value of capitalized loss carry forwards of SEK 33.2 million (21.5) is recognized in the consolidated balance sheet, referring primarily to the parent company. For more information about the Group's loss carry forwards, please see note 13.

Changes in accounting policy and disclosures

The Group has adopted the following new and amended IFRSs as of January 1, 24:IAS 24 (revised), "Related Party Disclosures", applies from January 1, 2011 or later. 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 interpretation is not expected to impact the consolidated financial statements.

New and revised standards that have not yet entered into force

As of December 31, 2011 the following standards, amendments and interpretations of existing standards have been published and will come into force as of January, 2013: IAS 1, IAS 19, IFRS 9 (under revision), IFRS 10, IFRS 11, IFRS 12 and IFRS 13. 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.

IAS 1 (amendment) "Presentation of financial statements". The purpose of the revision is to clarify the classification of other comprehensive income.

IAS 19 (amendment), "Employee benefits". The standard introduces significant changes primarily relating to accounting for defined benefit pension plans. However, these changes will not affect the company's accounting since the Group does not currently have any pension plans reported as defined benefit plans.

IFRS 9 (under revision), "Financial instruments". The standard will probably be applied for the fiscal year beginning January 1, 2015 or later. 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.

IFRS 10 (replaces IAS 27 and SIC 12), "Consolidated financial statements". IFRS 10 sets out uniform rules for when units will be consolidated and gives a new definition of control.

IFRS 11 (replaces IAS 31), "Joint Arrangements". There are two types of Joint arrangements, joint operations and joint venture, where owners have rights and obligations to the assets and liabilities and rights to the net assets, respectively. IFRS 11 clarifies the accounting method and the choice of the equity method or proportionate consolidation method.

IFRS 12 (new), "Disclosures of interest in other entities". The new standard covers disclosure requirements of subsidiaries, joint Arrangements and associates. The purpose of the standard is to disclose the type and risks associated with investments in other companies, and to disclose the impact of ownership on the company's financial reporting.

IFRS 13 (new), "Fair value measurement". The new standard aims to provide uniform guidance for how measurement of fair value is determined, clarify the definition of fair value with related guidance, and improve disclosure requirements for fair value.

Material changes in RFR

UFR 2 has been replaced by RFR 2. Group contributions received are reported as financial income and contributions to the Group are reported against shares in subsidiaries, or as an expense. The Parent Company reports contributions to the group as a financial expense.

RFR 1 and RFR 2 have been adjusted for disclosure requirements deleted from the Annual Accounts Act.

Changes in presentation

Beginning January 1, 2011, Cision changed 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 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 not had any effect on the company's financial position, but only relates to a change in the presentation of the company's earnings.

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 reassessed 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, 2011, there were 2 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 and CAD. 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 91% (93) 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 -8,8 (-10.0) million and operating profit excluding NRI by SEK -1,2 (-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 2011 in local currencies.

Consolidated revenue by currency

2011	SEK in thousands	%
SEK	84,993	9%
EUR	109,630	11%
GBP	52,537	5%
USD	596,258	62%
CAD	122,050	13%
Other	3,836	–
	969,304	100%

Net assets and Interest-bearing debt, gross by currency

SEK in thousands	Net assets	Interest-bearing debt, gross
SEK	116,424	2,189
EUR	53,808	–
GBP	–7,229	–
USD	913,028	235,395
CAD	316,641	225,061
Other	3,472	–
	1,396,144	462,645

As of the balance sheet date, December 31, 2011, the following interest-bearing net debt existed.

Interest-bearing net debt, Group

SEK in thousands	2011	2010
Convertible debentures	–	16,867
Bank loans USD	235,395	231,285
Bank loans CAD	223,651	272,200
Bank loans EUR	–	63,014
Bank overdraft facilities	383	70
Other liabilities	3,217	5,457
Interest-bearing debt, gross	462,645	588,893
Less liquid assets	–50,922	–101,566
Less other financial receivables	–11,495	–30,263
Interest-bearing net debt	400,228	457,064

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 under extraordinary circumstances 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 was 8 months at year end 2011.

The average finance charge was 5.2% (5.0) 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 4.0 million (4.7), but this would be offset by entered interest rate swap agreements, reducing the cost by SEK 1.5 million (1.5) 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, 2011, 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

SEK in thousands	Accounts payable 2011	Accounts payable 2010	Borrowings[1] 2011	Borrowings[1] 2010	Derivative 2011	Derivative 2010	Interest 2011	Interest 2010
<30 days	36,610	40,071	–	–	13	24	831	523
1–3 months	3,773	3,396	–	–	–	–	4,641	6,560
3–12 months	9	12,427	383	16,937	–	–	16,416	15,286
1–3 years	–	27	459,046	566,499	–	–	9,120	37,776
>3 years	9	–	–	–	–	–	–	–
Total financial instruments – liabilities	40,401	55,921	459,429	583,436	13	24	31,007	60,145

[1] Borrowings refer to the utilized syndicated loan facility and bank overdraft facilities.

The tables 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

SEK in thousands	Accounts payable 2011	Accounts payable 2010	Borrowings[1] 2011	Borrowings[1] 2010	Internal liabilities 2011	Internal liabilities 2010	Other 2011	Other 2010
<30 days	5,163	5,419	–	–	27,851	44,693	–561	2,732
1–3 months	225	173	–	–	–	–	–	–
3–12 months	103	24	383	22,039	–	–	–	–
1–3 years	1	–	267,264	330,914	–	–	571	571
>3 years		–	–	–	211	211	61	40
Total financial instruments – liabilities	5,492	5,616	267,647	352,953	28,062	44,904	71	3,343

[1] Borrowings refer to the utilized syndicated loan facility and bank overdraft facilities.

Liquidity and refinancing risk

External capital funding 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 secures 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 2011, Cision renegotiated some amendments to the terms of the syndicated loan. The current credit agreement amounts to CAD 33 million and USD 62 million with maturity in Q2 2013. The terms of the loan include normal financial covenants as well as a reduction of the facility amounting to a total of USD 3 million during 2012. The utilization of the syndicated loan, as of December 31, 2011, amounts to approximately USD 66 (83) million, whereas the net debt was about USD 58 (67) million.

Cision has bank overdraft facilities in different currencies for the equivalent of SEK 46 million as at December 31, 2011. 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, 2011 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, 2011, relating to credit risk for these items amounts to SEK 0 million for currency forwards, SEK 0.2 million for interest swaps, SEK 9 million in current financial assets and SEK 0 million for long-term financial receivables. For the current financial assets, Cision has bank guarantees or 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 3% 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 judgement of the company, the necessary provisions have been allocated.

Age distribution of assets, Accounts receivable

SEK in thousands	Group 2011	Group 2010	Parent Company[1] 2011	Parent Company[1] 2010
<30 days	237,536	177,415	–	98
30–90 days	65,659	57,028	942	–
91–180 days	18,725	23,591	10	–
>180 days	9,187	6,362	193	–
Total	331,107	264,396	1,144	98

[1] Of the Parent Company's total accounts receivable, SEK 1,144 thousand (98) refer to external receivable.

Provisions for Accounts receivables

SEK thousand	Group 2011	Group 2010	Parent Company 2011	Parent Company 2010
Provision at beginning of year	–16,277	–23,450	–	–
Provision for anticipated losses	–5,441	–9,942	–	–
Established losses	5,648	9,353	–	–
Reversal of reserves	2,055	6,472	–	–
Exchange rate differences	64	1,291	–	–
Provision at year-end	–13,951	–16,277	–	–

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.

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 since current terms and conditions correspond with those that would apply during renegotiation as at year-end. All financial instruments at fair value are valued as level 2 unless stated otherwise.

Financial instruments

	Group		Parent company	
SEK in thousands	2011	2010	2011	2010
Financial instruments – assets				
Loan receivables and accounts receivables (recognized at amortized cost)				
Financial fixed assets – receivables from Group companies	–	–	605,357	595,076
Other financial long term assets	763	27,608	–	25,655
Other financial short term assets[1]	9,254	–	9,012	–
Current assets – receivables from Group companies	–	–	19,745	69,902
Accounts receivables	331,107	264,396	1,144	97
Available-for-sale financial asstes				
Other financial long term assets	2,227	–	2,227	–
Other short-term financial assets (recognized at fair value via equity)				
Interest rate swaps, USD/SEK 22 million (Level 2)	242	355	–	–
Other short-term financial assets (recognized at fair value via the income statement)				
Forward exchange contract (Level 2)	–	197	–	–
Total financial instruments – assets	**343,593**	**292,555**	**637,485**	**690,730**
Financial instruments – liabilities				
Financial liabilities (recognized at amortized cost)				
Convertible debentures	–	16,867	–	21,969
Other long-term liabilities	463,580	569,571	267,475	331,125
Of which syndicated loans	459,046	566,499	267,264	330,914
Of which other financial liabilities	4,534	3,072	211	211
Bank overdraft facilities	383	70	383	71
Accounts payable	40,401	55,921	5,492	5,616
Liabilities to Group companies	–	–	27,851	44,694
Other current financial liabilities (recognized at fair value via the income statement)				
Forward exchange contract (Level 2)	13	24	–	–
Total financial liabilities	**504,377**	**642,453**	**301,201**	**403,475**

[1] In the consolidated balance sheet VAT receivables amounting to SEK 1.9 million (10.6) are included. In the parent company balance sheet VAT receivables amounting to SEK 0.4 million (1.6) are included.

Financial derivatives

Cision uses derivatives such as forward exchange contracts and interest rate swaps to hedge commercial currency flows, change the structure of the loan portfolio, or otherwise minimize underlying exposure. These instruments are not used for speculative purposes. In 2011 financial derivatives generated a result of SEK 2.6 (2.2) million, which has been recognized in operating profit and SEK -0.9 (-5.0) million and has been recognized in the 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, 2011, 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.

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 up to 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 1.8% (3.0) 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 Group CEO and group management have determined the operating segments based on the geographical breakdown the Group has for control and for monitoring purposes. Cision's two operating segments are Cision North America and Cision Europe. The operating segments have regional CEO's, who are included in the Group's senior management team.

The group management monitors revenues that the operating segments receive from the services Cision is offering: Plan, Connect, Monitor and Analyze. A growing share of the Group's customers receive services through the web-based software solution CisionPoint.

The group management evaluates the performance of the operating segments based on a measure called Operating profit. This measure excludes goodwill impairment, non-recurring items and capital gains/losses from the sale of subsidiaries. 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 income and tax cost.

Operating revenue by country

SEK in thousands	2011	2010
USA	598,190	613,475
Canada	122,997	153,945
Total, North America	**721,187**	**767,420**
Germany	7,550	46,891
UK	59,627	87,327
Portugal	67,833	67,178
Sweden	79,995	72,728
Norway	3,836	4,216
Finland	41,311	83,225
Europe other	305	31,552
Total, Europe	**260,457**	**393,117**
Total, Regions	**981,644**	**1,160,537**
Other	5,253	6,448
Eliminations	–17,593	–35,190
Total, Group	**969,304**	**1,131,795**

Working capital by region

SEK million	2011	2010
North America	12.1	–43.6
Europe	–3.9	–13.7
Total, Regions	**8.2**	**–57.3**
Other	–13.6	–14.8
Total, Group	**–5.4**	**–72.1**

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

Income statement by region

	North America		Europe		Other		Eliminations		Group	
SEK in thousands	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
External revenue	718,310	767,420	242,949	356,227	4,482	6,448	–	–	965,741	1,130,095
Intra-Group revenue	321	–	12,323	33,533	–	–	–12,644	–33,533	–	–
Intra-segment revenue	2,556	–	2,393	1,657	–	–	–4,949	–1,657	–	–
Other revenue	–	–	2,792	1,700	771	–	–	–	3,563	1,700
Operating revenue	**721,187**	**767,420**	**260,457**	**393,117**	**5,253**	**6,448**	**–17,593**	**–35,190**	**969,304**	**1,131,795**
Production costs[1]	–273,749	–266,188	–88,589	–191,926	–	–54	–	–	–362,338	–458,168
Gross profit[3]	**447,438**	**501,232**	**171,868**	**201,191**	**5,253**	**6,394**	**–17,593**	**–35,190**	**606,966**	**673,627**
Selling and administrative expenses[2]	–280,557	–313,030	–126,033	–157,153	–34,161	–39,573	17,593	35,190	–423,156	–474,566
Depreciation/write-down	–37,781	–38,490	–8,613	–17,624	–5,718	–798	–	–	–52,112	–56,912
Operating profit[4]	**129,101**	**149,712**	**37,222**	**26,414**	**–34,625**	**–33,977**	**–**	**–**	**131,698**	**142,149**
Non-recurring items	–8,969	–	–1,964	–14,231	–463	–5,198	–	–	–11,396	–19,429
Operating profit[5]	**120,132**	**149,712**	**35,258**	**12,183**	**–35,088**	**–39,175**	**–**	**–**	**120,302**	**122,720**
Financial income	–	–	–	–	–	–	–	–	2,665	24,542
Financial expenses	–	–	–	–	–	–	–	–	–35,280	–74,767
Capital gain/loss divestment of subsidiaries	–	–	–	–	–	–	–	–	5,867	10,701
Profit before tax	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**93,553**	**83,196**

1 Non-recurring items of SEK 0 million (–5.4), reported in the consolidated income statement under Production expenses, are here reported under Non-recurring items. Depreciation/write-down, reported in the consolidated income statement under production expenses of SEK –8.3 million (–12.8), are here reported under Depreciation/write-down.

2 Non-recurring items of SEK –11.4 million (–14.0), reported in the consolidated income statement under Selling and administrative expenses, are here reported under Non-recurring items. Depreciation/write-down, reported in the consolidated income statement under Selling and administrative expenses of SEK –43.8 million (–44.1), are here reported under Depreciation/write-down.

3 Excluding Non-recurring items and Depreciation/write-down.

4 Excluding Non-recurring items.

5 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 a business related revenue.

Assets and liabilities by region

SEK in thousands	North America 2011	North America 2010	Europe 2011	Europe 2010	Other 2011	Other 2010	Eliminations 2011	Eliminations 2010	Group 2011	Group 2010
Assets										
Fixed assets	1,432,565	1,414,654	133,480	183,968	16,028	30,012	–	–	1,582,073	1,630,634
Current assets, operating	311,036	234,781	49,855	67,139	1,111	440	–	–	362,002	302,360
Current assets, financial incl tax	42,122	52,506	7,500	10,067	27,009	54,068	–	–	76,631	116,631
Internal receivables	8,958	744	35,209	48,945	972,932	1,002,132	−1,017,099	−1,051,821	–	–
Total assets	**1,794,681**	**1,702,685**	**226,044**	**310,119**	**1,017,080**	**1,086,642**	**−1,017,099**	**−1,051,821**	**2,020,706**	**2,049,625**
Liabilities										
Long term liabilities incl deferred tax liability	413,615	429,459	5	7,056	235,640	235,640	–	–	649,260	741,935
Current liabilities, operating	298,920	278,333	53,767	80,272	14,737	14,737	–	–	367,424	374,433
Current liabilities, financial incl tax	2,991	2,028	1,631	8,680	2,533	20,225	–	–	7,155	30,933
Internal payables	720,810	732,332	47,453	74,796	248,836	244,693	−1,017,099	−1,051,821	–	–
Total liabilities	**1,436,336**	**1,439,152**	**102,856**	**170,804**	**501,746**	**589,166**	**−1,017,099**	**−1,051,821**	**1,023,839**	**1,147,301**

[1] Tangible and other intangible fixed assets in USA amount to 91.9 MSEK (92.5) and consists mainly of equipment and internally generated intangible assets.
Tangible and other intangible fixed assets in Canada amount to 13.8 MSEK (12.7) and consist mainly of equipment and internally generated intangible assets.
Tangible and other intangible fixed assets in Sweden amount to 26.2 MSEK (32.2) and consist mainly of equipment and internally generated intangible assets.

The consolidated balance sheet is classified according to IFRS' requirements and classifies total fixed assets, current assets, short-term liabilities and long-term liabilities. The external reporting makes no distinction between operating items and financial items. Internally, the group management mainly monitors the short-term trade receivables/payables, why assets and liabilities per region are classified based on the follow-up perspective, internally.

Operating cash flow by region

SEK in thousands	North America 2011	North America 2010	Europe 2011	Europe 2010	Other 2011	Other 2010	Group 2011	Group 2010
Operating profit[1]	129,101	149,712	37,223	26,414	−34,626	−33,977	131,698	142,149
Depreciation[2]	37,781	38,570	8,613	14,140	5,718	4,202	52,112	56,912
Investments in intangible assets	−23,578	−30,721	−2,571	−3,187	−5,735	−12,207	−31,884	−46,115
Investments in tangible assets	−14,649	−11,610	−2,796	−3,800	–	−532	−17,445	−15,942
Divestments	–	–	9,414	9,304	–	–	9,414	9,304
Other non-cash items	167	−443	167	−444	115	−443	449	−1,330
Change in working capital	−52,297	−4,268	−19,863	−32,775	8,722	−3,027	−63,438	−40,070
Operating cash flow[2]	**76,525**	**141,240**	**30,187**	**9,652**	**−25,806**	**−45,984**	**80,906**	**104,908**

[1] Excluding non-recurring costs.
[2] Cash flow from operating activities excl. non-recurring items, interest received and paid as well as income tax paid less investment in intangible and tangible fixed assets plus divestments of intangible and tangible fixed assets. [Calculation 2011: 84,382 + 6,741 + 23,858 + 5,840 – 17,445 – 31,884 + 9,414 = 80,906 thousand]

SEK in thousands	Revenue 2011	Revenue 2010
Plan/Connect	361,150	398,430
Monitor/Analyze	608,154	733,365
Total	**969,304**	**1,131,795**

None of Cision's clients represents more than three % 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 15,155 million (16,428) and Cision Europe SEK 4,928 million (7,401) and Royalties on technical platforms and brands distributed on Cision North America SEK 18,463 million (12,158) and Cision Europe SEK 10,212 million (12,530). Rebilling of rent is also included in the sales of Parent company.

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

SEK in thousands	Group 2011	Group 2010
Production expenses	−123,997	−138,472
Other expenses	−145,021	−177,113
Staff costs	−516,476	−617,150
Amortization/write-downs	−52,112	−56,912
Non-recurring items	−11,396	−19,429
Total	**−849,002**	**−1,009,076**

Note 6 – Auditing expenses

Auditing expenses

SEK in thousands	Group 2011	Group 2010	Parent Company 2011	Parent Company 2010
Ernst & Young				
Auditing assignments	3,474	4,383	830	930
Auditing other than the assignment	92	180	80	40
Tax services	514	253	373	131
Other assignments	321	825	321	776
Total	**4,402**	**5,642**	**1,604**	**1,877**

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 Group CEO, as well as other tasks incumbent on the company's auditors.

Note 7 – Leases

Operating leases				
	Group		Parent Company	
SEK in thousands	2011	2010	2011	2010
Lease expenses	30,448	31,056	3,892	2,039

Future lease payments				
	Group		Parent Company	
SEK in thousands	2011	2010	2011	2010
Within one year	29,734	28,399	3,928	3,928
Later than one year but within five years	54,456	71,595	8,738	12,374
Later than five years	210	391	–	–
Total	84,400	100,385	12,666	16,302

Leases mainly refer to office buildings within the Group.

Note 8 – Personnel

Principles of compensation

The 2011 Annual General Meeting 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 who report to him. Compensation to senior executives consists of the following components: 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 (STI)

Variable compensation is paid in the form of an annual performance-based bonus. The target bonus for senior executives and other senior executives of the Company varies depending on position. The target bonus for the CEO is 60 % of the base salary and the maximum bonus is 100 % of the base salary when performance exceeds the targets. From January 1, 2012 the target bonus for the CEO is 50 % of the fixed annual salary and the maximum bonus is 100 % of the fixed annual salary when performance exceeds targets. For senior executives in Group management the target bonus is 40-50 % of the annual base salary and a maximum bonus of 80-100 % of the annual base salary and for other senior executives, the target bonus is 20-35 % of the annual base salary and the maximum bonus is 40-70 % of the annual base salary. Allocation of cash bonus for the CEO and senior executives is based on the Company's operating profit (EBIT) at the Group level during the financial year 2011 in relation to the budget for this item. For other senior executives the bonus is based on operating profit (EBIT) achieved during financial year 2011 in relation to budget, calculated on a division or country level, depending on position. The cash bonus earned in 2011 under this program may, with the current composition of the Company's senior management, amount to a maximum of about 96 % of the total base salary for the CEO, and the senior executives participating in the STI.

Pension

The basic principle for pension benefits are terms being 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 to pension and insurance solutions. All other senior executives follow local practices with respect to pension agreement or equivalent. Other pension contributions are made in accordance with local practices and with the approval of HR and the CEO.

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 a permanent employment agreement. The CEO and the Company has a mutual notice period of six months if either party chooses to terminate the agreement. Should the Company terminate the CEO's employment the CEO is entitled to receive a severance payment corresponding to twelve months' 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 twelve months. A number of senior executives are entitled to six to twelve months of severance pay if employment is terminated by the company. Further, where the board of directors deems it required in order to secure the Company's need for continuity in the senior executive team if 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 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 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.

The Compensation Committee met on six occasions in 2011. For information on the Committee's composition and rules of procedure, please see the section on corporate governance.

Salaries and other benefits

The information of senior executives, with the exception of the CEO, refers to five individuals who held senior positions during the year. They include Cision's global group management team consisting of the Group Chief Financial Officer, who left his position during the year and his successor, the CEO and the COO in North America and the CEO in Europe.

Share-based compensation (LTI)

On March 29, 2007, at the Annual General Meeting, a resolution was passed to initiate a performance-based incentive program by issuing convertible profit-sharing debentures (convertibles) to 13 members of Group management. The conversion price, initially corresponded to the subscription 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. If conversion would have been requested, the share capital would not have increased by more than SEK 990,000. Each convertible conferred the right to one new share in Cision AB. Customary adjustments, to compensate participants for the financial dilution resulting from the 2010 rights issue and the 2011 reverse share split, were applied.

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 performance 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 %.

A maximum of one third of the employee stock options subject to the market conditions can vest per year. The strike price was set to SEK 6.11, which corresponded 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. Based on customary adjustment provisions to compensate participants for the financial dilution resulting from the 2010 rights issue and the 2011 reverse share split, the subscription price was adjusted to SEK 44.00 per share and the maximum number of shares that can be subscribed in accordance with the program was adjusted to 1,730,000 as of December 31, 2011. One option gives the right to 0.14 shares.

After completion of the 2010 rights issue and 2011 reverse share split and assuming that all granted and outstanding employee stock options are exercised, dilution would be about 1.6 % 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.

The annual general meeting on March 31, 2011 decided to adopt a long-term share-based incentive program. LTI 2011 is effective during a period of three years for a group of no more than 19 senior executives and key employees in the Group, appointed by the board of directors. Half of the performance-based bonus (STI), though no more than the equivalent of half of the target bonus paid, represents the LTI amount that serves as the basis for allocation of Performance Shares. Allocation is based on the Company's operating profit (EBIT) achieved within certain specified intervals. Bonus under LTI 2011 is determined in early 2012, provided that the Participant is still employed by the Company (or any company within the Group) and will be distributed after the 2014 annual general meeting, though no earlier than on the date which is three years from the date of the Participant's entering into an agreement governing LTI 2011. This is conditioned by the Participant still being employed by a company within the Group save for where said position has been vacated by the Participant pursuant to termination by the Participant's employer for reasons other than circumstances relating to the Participant personally or retirement at a customary age. In these cases the Participant shall retain the right to receive any Performance Shares determined unless the board of directors on a case by case basis resolves otherwise; or where said position has been vacated by the Participant due to death or long-term illness, where the Participant shall retain the right to receive Performance Shares. The calculation of Performance Shares awarded to each Participant (the "Bonus Number") will be based on the average volume-weighted share price on NASDAQ OMX Stockholm during the two week period immediately that followed the day of the completion of the reverse share split. The fair value of each share is determined using the volume-weighted average trading price of the Company's shares on NASDAQ OMX during the period (May 6, 2011 – May 18, 2011) amounting to SEK 54.86. The valuation date at which time the value of the Performance share is calculated occurs at the date of allotment which is the last day in the determination of the volume-weighted average trading price which was May 18, 2011. Maximum dilution attributable to the 2011 year incentive program is 1 % of the number of shares in Cision. In order to ensure distribution of Performance shares for the 2011 program and to cover related costs, the Board of Cision AB resolved to start buying shares in the Company as of July 22, 2011, in accordance with the decision of the 2011 annual general meeting.

Participants in LTI 2011 are only entitled to payment in whole numbers of shares. Prior to the distribution of Performance Shares the Participants will have no rights (e.g. voting rights or rights to dividends) otherwise attached to the Performance Shares. Participants make no payment for the award of Performance Shares.

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 CEO, have left Cision.

The senior executives paid the fair value of these convertible debentures; therefore no benefit occurred. Important input data in the model (not adjusted for the share issue in 2010 and the reverse share split in 2011) were the discounting interest rate of 9.16%, the fair value of SEK 4.35 per option, weighted average share price of SEK 30.16 on the allotment date, redemption price SEK 33.94, volatility of 23.1%, expected dividend of SEK 0.46 per share, an increae of 25 % each year, maturity July 1, 2011 and annual risk-free interest rate of 4.08%. Volatility measured as the standard deviation for expected return on the share price is based on statistical analysis of historical daily share prices for Cision.

No conversion rights of the convertible debentures were exercisable in 2009 or 2010 and no conversion rights were assigned, forfeited or exercised during 2009, 2010 or 2011. No conversion was requested during the exercise period (April 1, 2011–June 30, 2011) and no outstanding conversion rights remain. For convertible debentures, please see note 1 and 23.

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 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, why the conversion price was restated in accordance with the terms of the option agreement. One option entitles the holder to exercise 1.4 shares at a strike price of SEK 4.40. In 2011 a reverse share split (1:10) was carried out, why the conversion price was restated in accordance with the terms of the option agreement. One option entitles the holder to exercise 0.14 shares at a strike price of SEK 44.00. Within the category of senior executives and other key personnel, four people left Cision, whereupon 480,000 options lapsed.

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

	2011		2010	
	Average strike price in SEK per share [1]	Options (thousand)	Average strike price in SEK per share [1]	Options (thousand)
January 1	44.00	2,025	44.00	2,250
Allotted	–	–	–	–
Forfeited	–	–	–	–
Exercised	–	–	–	– 5
Lapsed	44.00	–260	44.00	– 220
December 31	**44.00**	**1,765**	**44.00**	**2,025**

[1] Recalculated to comply with the terms of the stock option plan due to the rights issue carried out in 2010 (previously the strike price was SEK 6.11 per share) and recalculated due to the reversed share split (1:10) in 2011.

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 (not adjusted for share issue in 2010 and reverse share split in 2011) 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 redemption, 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 [1]	Market conditions [1]	Value per option
Employee stock options (i)	2.0	1.19%	44	–	0.83
Employee stock options (ii)	2.5	1.41%	44	–	0.98
Employee stock options (iii)	3.0	1.62%	44	–	1.04
Market conditions options (i)	3.1	1.63%	44	88	0.62
Market conditions options (ii)	3.1	1.63%	44	132	0.43
Market conditions options (iii)	3.1	1.63%	44	176	0.38

[1] Recalculated to comply with the terms of the stock option plan idue to the rights issue carried out in 2010 (previously the strike price was SEK 6.11 per share) and recalculated due to the reversed share split (1:10) in 2011.

Of the 1,765,000 outstanding options (2,250,000) 270,000 options (135,000) were exercisable. No options were exercised in 2011. In 2010 exercised stock options were 5,000 which resulted in issuance of 700 shares at a weighted average price of 44.0 per share.

2011 Long-term share-based incentive program

Financial instruments senior executives	2011 program Performance shares 2011/2014			
	Number	Value	Acquisition price, SEK	Benefits
Chief Executive Officer, Hans Gieskes	17,272	964,797	–	964,797
Other senior executives in Group, six individuals	30,328	1,694,166	–	1,694,166
Senior executives in subsidiaries, 11 individuals	14,642	817,887	–	817,887
Total	62,242	3,476,850	-	3,476,850

Of the above, one of the senior executives and three other leading executives left Cision.

Further to any costs related to STI 2011, LTI 2011 may incur further costs to the Company, partly as accountable salary costs, as social security contributions and partly as other necessary expenses related to the delivery of Bonus Shares to the Participants. Said costs are, based on the proposed number of Participants, estimated to approximately:

- SEK 6.7 million in the event of no change in the trading price of the Company's shares;
- SEK 7.1 million in the event of an increase in the trading price of the Company's shares by two-thirds; 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 summoning to the annual general meeting.
- Allotment of shares under the program will result in a maximum increase in the number of outstanding shares of 1%.

In order to fulfill its commitments under the 2011 incentive program the Company uses repurchased shares. The shares are allocated to participants in the 2011 incentive program if performance targets are met for STI in 2011 and if the employees remain in service at the time of award.

Cost related to Long-term incentive program

For 2011, the long-term incentive programs entailed an expense in the income statement of SEK 1,836 thousand (including SEK 17 thousand in social security costs), compared with an expense of SEK 637 thousand in 2010 (including SEK 59 thousand in social security costs). The total provision for social security costs in the balance sheet is SEK 114 thousand (113).

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	2011	2010
LTI 2009; June 30, 2011	24.30	–	660
LTI 2009; April 30, 2012	44.00	247	284
LTI 2011; March 31, 2014	–	62	–

Number of shares and exercise price in the table above has 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 debt instruments and employee stock option plan. In May 2011 the reverse share split (1:10) was carried out which entailed recalculation of the strike price for the share from SEK 4.40 to SEK 44.00 per share and each option gives the right to 0.14 shares (previously 1.4 shares/option). For convertible debentures, please see note 1 and 23.

Average number of employees

	2011		2010	
	Number of employees	Of whom men	Number of employees	Of whom men
Parent Company	13	5	13	6
Sweden	58	34	60	35
Norway	3	2	2	1
Finland	58	17	108	33
Germany	5	3	59	21
UK	88	43	101	48
Portugal	146	66	149	60
Canada	224	127	247	147
USA	652	285	646	345
Total	1,247	582	1,385	696

In 2011 Cision divested the Finnish Monitor and Analyze operation.

Remuneration and other benefits

SEK in thousands	2011 Base salary Board fees	2011 Variable compensa-tion	2011 Other benefits	2011 Social security costs	2011 Pension costs	2011 Share-based compensa-tion	2010 Base salary Board fees	2010 Variable compensa-tion	2010 Other benefits	2010 Social security	2010 Pension costs	2010 Share-based compensa-tion
Group												
Chairman of the board Anders Böös	700	–	–	220	–	–	700	–	–	220	–	–
Board director, Pia Gideon	50	–	–	16	–	–	200	–	–	63	–	–
Board director, Hans-Erik Andersson	400	–	–	126	–	–	400	–	–	126	–	–
Board director, Peter Leifland	75	–	–	24	–	–	300	–	–	94	–	–
Board director, Gunilla von Platen	237.5	–	–	75	–	–	200	–	–	63	–	–
Board director, Thomas Heilmann	200	–	–	62	–	–	200	–	–	63	–	–
Board director, Alf Blomqvist	287.5	–	–	90	–	–	250	–	–	79	–	–
Chief Executive Officer, Hans Gieskes	3,248	1,930	672	95	64	340	3,401	1,367	728	94	67	174
Other senior executives[1]	8,033	2,919	1,310	1,417	796	482	6,314	2,265	2,718	1,151	474	174
Total	**13,231**	**4,849**	**1,982**	**2,125**	**860**	**822**	**11,965**	**3,632**	**3,446**	**1,952**	**541**	**348**

[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. 2010 and 2011 reporting only includes Cision's group management team, comprising the Chief Executive Officer, the Chief Financial Officer/Executive Vice President who left his position during the year, his successor, the CEO and COO of Cision North America and CEO of Cision Europe .

Compensation for senior executives, SEK in thousands	2011 Remunera-tion and other benefits	2011 (of which bonus)	2010 Remunera-tion and other benefits	2010 (of which bonus)
Parent Company	1,813	–	2,851	903
UK	938	283	4,737	633
Sweden	2,460	642	–	–
USA	13,723	3,924	9,553	2,096
Total	**18,934**	**4,849**	**17,141**	**3,632**

SEK in thousands	2011 Remuneration and other benefits	2011 Social security	2011 (of which pensions)	2010 Remuneration and other benefits	2010 Social security	2010 (of which pensions)
Senior executives						
Parent Company	1,813	865	264	2,851	1,325	340
Subsidiaries	17,121	1,507	596	14,290	461	201
Other employees						
Parent Company	10,112	4,714	1,429	23,407	10,216	2,089
Subsidiaries	419,110	45,237	14,905	491,792	64,387	16,027
Total	**448,156**	**52,323**	**17,194**	**532,340**	**76,389**	**18,657**

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

The expense for Alecta's ITP plan amounted to SEK 2,041 thousand (2,883) during the year. As of the balance sheet date, Alecta had a solvency margin of 113 % (to be compared with a solvency margin of 143 % on the 2010 balance sheet date).

Board members, CEO and Group Management by gender at year end SEK in thousands	2011 Females	2011 Males	2010 Females	2010 Males
Parent Company				
Board members	20%	80%	25%	75%
Group Management	–	–	–	100%
Subsidiaries				
Group Management and CEO	–	100%	–	100%

Note 9 – Non-recurring items

Non-recurring items primarily pertain to the reorganization in Canada as a result of the launch of new technology in order to optimize the production process in radio and TV monitoring.

As of January 1, 2011, Cision changed the description of what is called Restructuring expenses in previous years, to Non-recurring items.

Non-recurring items incl. in operating profit , SEK in thousands	Group		Parent Company	
	2011	2010	2011	2010
Personnel-related expenses	9,488	15,040	72	1,631
Production-related expenses	–	4,386	–	–
Other expenses	1,908	3	–	–
Total	11,396	19,429	72	1,631

Provision for non-recurring items for each class, SEK in thousands	Group		Parent Company	
	2011	2010	2011	2010
Personnel-related provisions	7,502	6,060	358	–
Production-related provisions	–	2,590	–	279
Other provisions	1,118	9,113	–	9,113
Total	8,620	17,763	358	9,392

Other provisions relate mainly to provisions related to costs associated with the sale of subsidiaries. Provisions are divided into a short-term and long-term portion. SEK 2,148 thousand (10,737) is long-term and settled after 12 months of the balance sheet date. The remainder is short-term and settled within 12 months of the balance sheet date.

Provision for non-recurring items, SEK in thousands	Group		Parent Company	
	2011	2010	2011	2010
Opening balance	17,763	29,355	9,392	15,315
Allocated	12,526	33,115	7,410	10,417
Utilized	–10,265	–44,038	–4,814	–10,710
Reversed	–11,838	–	–11,816	–5,630
Translation differences	434	– 669	186	–
Closing balance	8,620	17,763	358	9,392

In 2011 the item allocated is primarily related to costs associated to the reorganization in Canada and for the parent company it's related to costs for the sale of Oy Cision Finland. In 2010 for both group and the parent company the same item was related mainly to costs associated with the sale of subsidiaries.

Note 10 – Result from shares in Group companies

Parent Company		
SEK in thousands	2011	2010
Dividends from Group companies	16,321	69,574
Group contributions received[1]	15,975	7,219
Result from disposal of shares in subsidiaries	32,585	19,300
Group contributions paid[1]	–93	–4,050
Result from write-down of shares in subsidiaries	–6,563	–6,300
Total	58,225	85,743

[1] The 2010 results have been restated for the change in accounting principle for Group contributions. Group contributions of SEK 3,168 thousand and tax relating to items recognized directly in equity of SEK –833 thousand have been adjusted retroactively.

According to the new accounting policy in 2011, group contribution is reported in financial items. The income from write-down of shares in subsidiaries relates to the write-down of shares in Cision Germany GmbH, Cision Norge AS, Cision Sverige AB and Cision Svenska Holding AB.

Note 11 – Financial income

Group		
SEK in thousands	2011	2010
Interest income	1,927	2,955
Exchange rate differences	–191	20,249
Other financial income	929	1,338
Total	2,665	24,542

Exchange differences in 2010 mainly referred to the amortize-tion 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	2011	2010
Interest income	67,559	75,772
Exchange rate differences	5,354	22,231
Total	72,913	98,003

The item interest income includes interest income from Group companies of SEK 66,711 thousand (75,264).

Exchange rate differences that relate to bank balances, accounts payable and accounts receivable that affected operating profit amount to SEK 7,077 thousand (1,249).

Note 12 – Financial expenses

Group		
SEK in thousands	2011	2010
Expenses of derivatives	–571	–5,011
Interest expenses	–20,514	–30,497
Exchange rate differences	2,551	–8,966
Other financial expenses	–16,746	–30,293
Total	–35,280	–74,767

Other financial expenses refer mainly to write-down of financial receivables during 2010 and 2011 and costs associated with renegotiating certain of the terms for the company's syndicated loan facility during 2010.

Parent company		
SEK in thousands	2011	2010
Expenses of derivatives	–571	–5,011
Interest expenses	–9,827	–18,027
Exchange rate differences	–2,930	–14,455
Other financial expenses	–16,733	–26,440
Total	–30,061	–63,933

The item interest expenses includes interest expenses to Group companies of SEK –75 thousand (–287).

Exchange rate losses that relate to bank balances, accounts payable, accounts receivable and derivatives that affected operating profit, and therefore not the financial net, amount to SEK –5,027 thousand (–6,930).

Note 13 – Tax

SEK in thousands	Group 2011	Group 2010	Parent Company 2011	Parent Company 2010
Components in tax expenses for the year				
Current tax	2,866	–7,861	–291	–1,716
Deferred tax on temporary differences	–11,540	–19,277	12,000	–
Reported tax expense	**–8,674**	**–27,138**	**11,709**	**–1,716**
Connection between tax expense for the year and reported pre-tax profit				
Reported profit before tax[1]	93,553	83,196	78,885	94,207
Tax according to current tax rate, 26.3%	**–24,605**	**–21,881**	**–20,747**	**–24,776**
Tax effect on non–deductible expenses				
Goodwill impairment/Write down of shares in group companies	–	–	–1,726	–1,713
Write–down in other financial assets	–2,479	–	–2,479	16,868
Capital loss on divestment of subsidiaries	–		–	–11,736
Other non–deductible expenses	–604	–2,582	–541	–1,194
Tax effect of items not included in reported profit				
Capital gain on divestment of subsidiaries	2,291	2,814	8,570	–
Dividends from subsidiaries	–	–	4,292	18,299
Tax effect of items not included in reported profit	–245	4,536	–	3,276
Prior period taxes	2,143	–1,573	–	–
Other income taxes	–688	1,653	–	–
Increase in realizability of deferred tax assets	11,779	–	12,000	–
Utilized tax loss carry–forwards	11,036	–	12,340	–
Non recorded deferred tax on the current year loss	–3,438	–5,747	–	–740
Change in tax rate	–1,360	–15	–	–
Other	1,819	–	–	–
Effect of other tax rates in foreign subsidiaries	–4,323	–4,343	–	–
Reported tax expenses	**–8,674**	**–27,138**	**11,709**	**– 1,716**
Temporary differences				
Deferred tax assets				
Capitalized tax loss carry forwards	33,245	21,466	32,491	21,325
	33,245	**21,466**	**32,491**	**21,325**
Deferred tax liabilities				
Intangible fixed assets	–166,156	–149,818	–	–
Tangible fixed assets	–2,326	–3,478	–	–
Other	–15,050	–8,331	–	–
	–183,532	**–161,627**	–	–
Tax assets				
Tax assets	14,215	10,877	2,260	2,274
Deferred tax assets	33,245	21,466	32,491	21,325
Total	**47,460**	**32,343**	**34,751**	**23,599**
Tax liabilities				
Tax liabilities	–1,631	–4,592	–	–
Deferred tax liabilities	–183,532	–161,627	–	–
Total	**–185,163**	**–166,219**	–	–

[1] The 2010 results have been restated for the change in accounting principle for Group contributions. Group contributions of SEK 3,168 thousand and tax relating to items recognized directly in equity of SEK –833 thousand have been adjusted retroactively.

Tax-deductible goodwill impairment in the U.S. reduces tax payments by approximately USD 3 million per year untill 2015. In accordance with IFRS, a provision and charge for deferred taxes is reported related to goodwill impairment in the Group. The provision was SEK 166.2 million (149.8) and refers to 2011 deferred tax attributable to tax-deductible goodwill impairment in the United States.

The total tax liability includes tax liabilities of SEK 1,631 thousand (4,592) that mature within 12 months of the balance sheet date. Total tax assets include tax assets of SEK 14,215 thousand (10,877) that mature within 12 months of the balance sheet date.

As of the balance sheet date 2011, the Group's accumulated tax loss carry forwards amount to SEK 414.0 million (478.5). Of the total tax loss, a value of SEK 33.2 million (21.5) was capitalized in the consolidated balance sheet. Based on the companies' plans and forecasts, tax loss carry forwards have been capitalized in an amount corresponding to what is estimated could be utilized. 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 2011 loss carry forwards of SEK 220.3 million (299.5) were recognized in Sweden and mainly relate to Cision AB. With a tax rate of 26.3 %, the accumulated tax loss carry forwards amount to SEK 57.9 million (78.8). SEK 32.5 million (21.3) of the above mentioned tax loss carry forwards have been recognized in the consolidated balance sheet. In 2011 an upwards revaluation of SEK 12 million was carried out, based on the company's future prospects.

As of the balance sheet date 2011, Cision UK Holdings Ltd has tax loss carry forwards valued at GBP 17.3 million (15.8). With a tax rate of about 25 %, the accumulated tax loss carry forwards amount to GBP 4.3 million (4.3). As of the balance sheet date 2011, Cision US Inc has tax loss carry forwards valued at USD 1.7 million (1.8). With a tax rate of about 37 %, accumulated tax loss carry forwards amount to USD 0.6 million (0.7). Due to limitations on how tax loss carry forwards can be used, the Management and the Board have done a valuation and decided not to recognize them in the consolidated balance sheet.

Other than tax on group contributions, in Sweden 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 contributions has no effect on the consolidated accounts.

The Group is not planning on any taxable dividends from subsidiaries within the foreseeable future.

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	2011	2010
Acquisition values, opening balance	2,937,991	3,113,268
Purchases/acquisitions	–	14,861
Sales/disposals	–30,015	–
Translation differences	33,173	–190,138
Accumulated acquisition values, closing balance	2,941,149	2,937,991
Amortization values and write-downs, opening balance	–1,519,246	–1,636,855
Purchases/acquisitions	–	–
Sales/disposals	–	–
Translation differences	–17,327	117,609
Accumulated amortization and write-downs, closing balance	–1,536,573	–1,519,246
BOOK VALUE, CLOSING BALANCE	1,404,576	1,418,745

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. 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.

Goodwill attributable to North America represents more than 90% of consolidated total reported goodwill.

Group		
SEK in thousands	2011	2010
North America	1,292,270	1,276,183
Europe	112,306	142,562
	1,404,576	1,418,745

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	Sales/ Disposals goodwill	Write-downs	Translation effect
North America	–	–	–	16,099
Europe	–	–30,015	–	–253
	–	–30,015	–	15,846

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 five years as well as a terminal period. 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 the terminal periods a growth rate is applied to approximately 2%, depending on country. 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 analysis of commercial assumptions, to test for impairment, have been carried out for the 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 three largest cash-generating units varies between 11.20% (9.25) and 23.00% (13.70) before tax for 2011. For U.S. and Canada a discounting factor of 12.10 % (9.55) and 12.00 % (9.62) has been used. The higher discount rate is mainly because the assessed requirement for return on equity was revised upwards compared with the impairment test for 2010. A sensitivity analysis, to test the effects for impairment from an increase of the WACC rate, have been carried out for the cash-generating units. These tests show a reasonable level of head-room when determining the risk associated with movements in the WACC rate.

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

	2011					2010				
SEK in thousands	Software and licenses	Internally generated technical platforms	Customer list	Other	Total	Software and licenses	Internally generated technical platforms	Customer list	Other	Total
Acquisition values, opening balance	100,135	208,505	8,144	2,502	**319,286**	136,406	182,879	4,439	1,564	**325,288**
Purchases	5,046	26,807	–	31	**31,884**	–	30,226	–	–	**30,226**
Acquisitions	–	–	–	–	**–**	15,913	–	3,946	938	**20,797**
Sales/disposals	–6,296	–10,573	–	–	**–16,869**	–43,482	–	–	–	**–43,482**
Reclassifications	–79	–5,767	–	–	**–5,846**	91	–91	–	–	**–**
Translation differences	1,955	1,678	204	–180	**3,657**	–8,793	–4,509	–241	–	**–13,543**
Accumulated acquisition values, closing balance	**100,761**	**220,650**	**8,348**	**2,353**	**332,112**	**100,135**	**208,505**	**8,144**	**2,502**	**319,286**
Depreciation/write-down, opening balance	–69,540	–140,981	–4,122	–1,426	**–216,069**	–114,038	–117,879	–2,838	–1,058	**–235,813**
Sales/disposals	6,042	10,582	–	–	**16,624**	43,414	–	–	–	**43,414**
Reclassifications	68	392	–1,195	1,057	**322**	– 10	10	–	–	**–**
Translation differences	–1,453	–1,287	–30	–5	**–2,775**	7,444	1,899	183	–	**9,526**
Write-down for the year [1]	–1,616	–3,983	–	–	**–5,599**	–	–3,610	–	–	**–3,610**
Amortization for the year	–5,344	–24,305	–1,184	–574	**–31,407**	–6,350	–21,401	–1,467	–368	**–29,586**
Accumulated depreciation/write-down, closing balance	**–71,843**	**–159,582**	**–6,531**	**–948**	–238,904	**–69,540**	**–140,981**	**–4,122**	**–1,426**	–216,069
BOOK VALUE, CLOSING BALANCE	28,918	61,068	1,817	1,405	93,208	30,595	67,524	4,022	1,076	103,217

[1] The amount SEK 5,599 thousand (3,610) that is included in "write-down for the year" is included in capital gain/loss divestment of subsidiaries.

Parent Company

	2011			2010		
SEK in thousands	Software and licenses	Internally generated technical platforms	Total	Software and licenses	Internally generated technical platforms	Total
Acquisition values, opening balance	805	94,282	**95,087**	–	83,214	**83,214**
Purchases	–	7,431	**7,431**	–	11,159	**11,159**
Acquisitions	–	–	**–**	715	–	**715**
Sales/disposals	–	–	**–**	–	–	**–**
Reclassifications	–	–	**–**	91	–91	**–**
Accumulated acquisition values, closing balance	**805**	**101,713**	**102,518**	**805**	**94,282**	**95,087**
Depreciation/write-down, opening balance	–44	–76,697	**–76,741**	–	–72,699	**–72,699**
Sales/disposals	–	–	**–**	–	–	**–**
Reclassifications	–	–	**–**	–	2	**2**
Translation differences	–	–	**–**	–	–1	**–1**
Write-down for the year	–	–3,983	**–3,983**	–	–259	**–259**
Amortization for the year	–190	–5,087	**–5,277**	–44	–3,741	**–3,785**
Accumulated depreciation/write-down, closing balance	**–234**	**–85,767**	–86,001	**–44**	**–76,697**	–76,741
BOOK VALUE, CLOSING BALANCE	571	15,946	16,517	761	17,585	18,346

Note 16 – Tangible fixed assets

Group

	2011			2010		
SEK in thousands	Buildings and land	Equipment	Total	Buildings and land	Equipment	Total
Acquisition values, opening balance	15,629	206,540	222,169	30,078	377,298	407,376
Purchases	–	17,445	17,445	–	16,093	16,093
Sales/disposals	–15,440	–29,856	–45,296	–12,555	–164,715	–177,270
Reclassifications	–	4,811	4,811	–	–10	–10
Translation differences	–189	2,625	2,436	–1,894	–22,126	24,020
Accumulated acquisition values, closing balance	–	201,565	201,565	15,629	206,540	222,169
Depreciation/write-down, opening balance	–2,560	–160,011	–162,571	–6,659	–304,459	–311,118
Sales/disposals	2,676	28,128	30,804	4,097	153,729	157,826
Reclassifications	–	873	873	–	–35	–35
Translation differences	19	–1,931	–1,912	447	17,635	18,082
Depreciation for the year	–135	–20,570	–20,705	–445	–26,881	–27,326
Write-down for the year	–	–	–	–	–	–
Accumulated depreciation/write-down, closing balance	–	–153,511	–153,511	–2,560	–160,011	–162,571
BOOK VALUE, CLOSING BALANCE	–	48,054	48,054	13,069	46,529	59,598

In 2011 Cision sold the building and land that made up the opening balance for the year in the UK.

Parent Company

	2011	2010
SEK in thousands	Equipment	Equipment
Acquisition values, opening balance	13,051	12,518
Purchases	–	532
Sales/disposals	–	–
Accumulated acquisition values, closing balance	13,051	13,051
Depreciation, opening balance	–12,343	–12,037
Sales/disposals	–	–
Reclassifications	–	–86
Depreciation for the year	–175	–220
Accumulated depreciation, closing balance	–12,519	–12,343
BOOK VALUE, CLOSING BALANCE	532	707

Note 17 – Other fixed financial assets

	Group		Parent Company	
SEK in thousands	2011	2010	2011	2010
Other interest-bearing financial receivables	–	26,065	–	25,656
Minority interest	2,227	–	2,227	–
Other long-term receivables	763	1,543	–	–
Total	2,990	27,608	2,227	25,656

In 2010 other interest-bearing financial assets was mainly related to a divestment of an operation. In 2011 this item has been reclassified to short-term receivable. Payment is due on September 30, 2012.

In September, 2011, Cision acquired a minority stake in PitchEngine Inc.

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	2011	2010	2011	2010
Accounts receivable	345,058	280,673	1,144	98
Provisions for decrease in value of accounts receivable	–13,951	–16,277	–	–
Net	331,107	264,396	1,144	98

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	2011	2010
Acquisition values, opening balance	2,248,240	2,222,587
Purchases/acquisitions	82,814	71,124
Sales/disposals	–5,611	–45,471
Accumulated acquisition values, closing balance	**2,325,443**	**2,248,240**
Write-downs, opening balance	–1,772,622	–1,702,928
Sales/disposals	–	–
Write-downs for the year	–6,563	–69,694
Accumulated impairments, closing balance	**–1,779,185**	**–1,772,622**
BOOK VALUE, CLOSING BALANCE	**546,258**	**475,617**

During the year capital contributions were provided to Cision Sverige AB, Cision Svenska Holding AB, Cision Canada Inc., Cision UK Holdings Ltd, Cision Germany GmbH and Cision Norge AS.

Shares in group companies were written down with the amount of SEK 6.6 million during the year. The amount refers to write-down of shares in Cision Norge AS, Cision Germany GmbH, Cision Sverige AB and Cision Svenska Holding AB where impairment was identified.

Company	Country	Registered address	Reg. no.	No. of shares	Holding %	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	72,032
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	6,229
Cision Svenska Holding AB	Sweden	Stockholm	556812-1205	500	100	SEK	50,000	50
Cision UK Holdings Ltd	UK	London	3 858 850	104,793,467	100	GBP	104,793,467	29 842
Cision Plan and Connect Finland Oy	Finland	Helsingfors	2414230-2	2,500	100	EUR	3	23
Ursula Holding Corp	USA	Delaware	–	100	100	USD	1	388,015
Dormant companies	Sweden	Stockholm	–		100	SEK		201
								546,258
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	London	2 255 420	2	100	GBP	2	
Cision Global Solutions Ltd	UK	London	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	London	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	London	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	2011	2010	2011	2010
Prepaid rents	2,053	1,987	1,070	1,294
Prepaid interest expenses	–	2,206	–	–
Other prepaid expenses[1]	21,448	19,816	2,069	2,595
Accrued interest income[2]	984	450	984	450
Other accrued income	6,482	6,566	–	–
Total	**30,967**	**31,025**	**4,123**	**4,339**

[1] The item mainly consists of prepaid expenses for third party broadcasting, IT-license fees and maintenence for software and hardware.
[2] 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	2011	2010
Opening balance	149,095,836	74,544,418
Rights issue March 31, 2010	–	74,544,418
Subscription of employee stock options	–	7,000
Reverse share split	–134,186,252	–
Closing balance	**14,909,583**	**149,095,836**

On March 31, 2011 the annual general meeting decided to carry out a reverse share split. The reverse share split was registered on May 5, 2011. The number of shares was recalculated after the reverse share split of 1:10.

The total number of shares is 14.9 million (149.1) with a quota value of SEK 15.00 per share (1.50). All shares are fully paid and have the same voting rights and are equally entitled to the company's assets.

The Group issued 73,773,470 shares on 23 April 2010 and 770,948 shares on April 29, 2010. Fair value for the issued shares was SEK 237.8 million (SEK 3.19 per share). The related transaction costs, amounting to SEK 15,625 thousand, were offset against the proceeds. Information regarding the rights issue in 2010 has not been recalculated taking into account the reverse share split in 2011.

In 2011, no options have been exercised. Previous year, 5,000 stock options were exercised, resulting in issuance of 7,000 shares at a weighted average price of SEK 44 per share.

Other paid in capital

Other paid in capital relates to equity contributed by the owners. This includes premiums paid in connection with the issuance and transactions related to employee stock options. Please see notes 1, 8 and 23 for a description of the Group's convertible debentures and employee stock options.

Translation reserve

The translation reserve comprises all translation differences that arise from the translation of the financial reports of foreign subsidiaries reporting in a currency other than the currency of the Group's financial reports. Translation differences arising from the translation of foreign operations according to the current method contributed to a decrease in the translation reserve of SEK 16,753 thousand (-84,481). Translation differences that have arisen in connection with borrowings and that have been identified as hedges of foreign net investments have increased the translation reserve by SEK -4,747 thousand (7,587).

Fair value reserve

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 comprise the previous year's non-restricted funds and net profit for the year minus the amount paid to repurchase shares.

Own shares

The Parent Company acquired a total of 69,442 of its own shares at an average price of SEK 48.84 per share in 2011. Cision repurchased shares in relation to the 2011 share-based incentive program. Treasury shares are recorded as a reduction of retained earnings and thus do not affect share capital.

Dividend to shareholders

The Board proposes a dividend of SEK 2 per share for the fiscal year 2011. No dividend was issued for the fiscal year 2010.

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 September 2011 Cision's syndicated loan facility was renegotiated, originally signed in October 2006. The loan terms included a facility limit of USD 62 million and CAD 33 million, 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 3 million during 2012. The interest margin varies depending on the company's loan ratio.

	Group		Parent Company	
SEK in thousands	2011	2010	2011	2010
Bank loans, USD	235,395	231,285	267,264	267,264
Bank loans, CAD	223,651	272,200	–	–
Bank loans, EUR	–	63,014	–	63,650
Other liabilities	4,534	3,072	–	–
Liabilities to Group companies	–	–	211	211
Total	**463,580**	**569,571**	**267,475**	**331,125**

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 (211) 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 fell due on June 30, 2011, at their nominal value of SEK 22.4 million. No conversion was requested and therefore the loan was repaid in full in July 2011.

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 amounted to its nominal amount at payback.

The reported fair value of the liability component, included in short-term liabilities, 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 were recognized in the balance sheet of the parent company as follows:

Parent Company		
SEK in thousands	2011	2010
Nominal value of convertible debentures issued May 4, 2007	–	22,400
Equity component	–	– 3,050
Liability component at issuance May, 4 2007	–	**19,350**
Accumulated interest expenses	–	6,628
Accrued interest	–	– 280
Accumulated interest paid	–	– 3,729
Liability component at December 31	–	**21,969**

Since the loan was repaid in 2011, as of December 31, 2011, there was no liability component in the Group (16,867) or in the parent company (21,969).

Note 24 – Bank overdraft facility

The limit granted on the Group's shared and parent company's bank overdraft facilities is SEK 45,770 thousand (45,400), of which SEK 383 thousand (70) had been utilized as of the balance sheet date. The bank overdraft facility for the group is renegotiated yearly.

Note 25 – Accrued expenses and deferred income

SEK in thousands	Group 2011	Group 2010	Parent Company 2011	Parent Company 2010
Vacation compensation liability	9,955	13,582	1,443	1,943
Other accrued staff costs	26,361	15,832	2,151	2,393
Accrued interest expenses	3,204	5,240	1,794	3,212
Other accrued expenses	34,984	37,771	3,917	2,388
Deferred income	246,916	229,606	–	–
Total	321,420	302,031	9,305	9,937

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

Note 26 – 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 27 – 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 5,000 thousand (0), lease guarantees of SEK 119 thousand (0) and a guarantee of lease car SEK 173 thousand (0) issues by the parent company.

Furthermore Cision AB has issued parent company guarantees regarding payment services to Danske Bank SEK 26,745 thousands (26,421).

A payment guarantee amounting to SEK 223,651 thousand (272,200) 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 28 – Business combinations

Acquisitions and disposals of shares and participations in subsidiaries

Cision's holdings of shares and participations in group companies as per December 31, 2011 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 2011

Cision did not make any acquisitions in 2011 that had a significant effect on the Group accounts.

On June 30, 2011, Cision acquired all shares in the startup company, Cision Plan and Connect Finland Oy. The purchase price was SEK 23 thousand. Cision Plan and Connect's business focuses on Plan and Connect services.

Acquisition 2011

Company	Description	Acquired shares	Date
Cision Plan and Connect Finland Oy	Plan & Connect business	2,500	June 30, 2011

Acquisitions in 2010

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. The purpose of the acquisition was to strengthen the existing 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 offers a database with contacts and information of journalists and media to the Swedish market in the service area by Cision called "Plan" and "Connect". Combined with expected synergies, this acquisition has had a positive impact on the operating margin for Cision Europe.

Acquisition 2010

Company	Description	Acquired shares	Date
Cision Svenska 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	Monitor operations	–	January 4, 2010

Acquired net assets in 2011 and 2010

For acquisitions made in 2011 and 2010, 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.

Acquired net assets

Group, SEK in thousands	2011	2010
Intangible fixed assets	–	5,155
Tangible fixed assets	–	168
Long-term receivables	–	54
Current receivables	–	1,239
Liquid assets	23	2,768
Provisions	–	–348
Loan	–	–250
Current liabilities	–	–1,802
Total	23	6,984
Goodwill	–	14,861
Acquired net assets	23	21,845
Liquid assetspaid	–23	–21,845
Liquid assets as stated in the acq. analyses	23	2,913
Impact on the consolidated Liquid assets	–	–18,932

The items in the table above refer to all acquisitions. The goodwill of SEK 14,716 thousand, arising from the result of the 2010 acquisition, is attributable to the synergies expected from the consolidation of Cision's and 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 as a result of the divestments of subsidiaries:

Capital gains for subsidiaries sold in 2011 totalled SEK 5,867 thousand and is attributable to the divestment of the Finnish operation. The previous year's capital gain of SEK 10,701 thousand referred to the divestment of the German operations and the remainder relates to effects from divestments in 2009

Net assets of divestments

Group, SEK in thousands	2011	2010
Goodwill	–30,015	–
Tangible fixed assets	–1,623	–11,285
Current receivables	–13,357	–32,546
Liquid assets	–7,298	–4,430
Current liabilities	19,416	28,022
Divested net assets	**–31,321**	**–20,239**
Liquid assetsreceived	40,878	14,062
Liquid assets in the divested companies	–7,298	–4,430
Impact on the consolidated Liquid assets	**33,580**	**9,632**

Divestments 2011

Company/asset	Description	Date
OY Cision Finland AB	Divestment of the Finnish Monitor and Analyze business. Cisions Plan and Connect business was not divested.	July 1, 2011

Divestments 2010

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

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 26, 2012, for adoption.

Cision AB (publ)

Stockholm, February 29, 2012

Anders Böös
Chairman

Hans-Erik Andersson *Director*	Alf Blomqvist *Director*	Gunilla von Platen *Director*

Hans Gieskes
Chief Executive Officer

Our audit report was submitted on February 29, 2012

Ernst & Young AB

Michael Forss
Authorized Public Accountant

Auditors' report

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

Corporate identity number 556027-9514

Report on the annual accounts and consolidated accounts

We have audited the annual accounts and consolidated accounts of Cision AB for the year 2011. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 16–67.

Responsibilities of the Board of Directors and the Chief Executive Officer for the annual accounts and consolidated accounts

The Board of Directors and the Chief Executive Officer are responsible for the preparation and fair presentation, of the annual accounts in accordance with the Annual Accounts Act and, of the consolidated accounts in accordance with International Financial Reporting Standards, as adopted by the EU, and for such internal control as the Board of Directors and the Chief Executive Officer determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Chief Executive Officer, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of December 31, 2011 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act, and the consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of December 31, 2011 and of their financial performance and cash flows in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. 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 consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the parent company and the group.

Report on other legal and regulatory requirements

In addition to our audit of the annual accounts and consolidated accounts, we have examined the proposed appropriations of the company's profit and the administration of the Board of Directors and the Chief Executive Officer of Cision AB for the year 2011.

Responsibilities of the Board of Directors and the Chief Executive Officer

The Board of Directors is responsible for the proposal for appropriations of the company's profit, and the Board of Directors and the Chief Executive Officer are responsible for administration under the Companies Act.

Auditor's responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit, we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the Chief Executive Officer is liable to the company. We also examined whether any member of the Board of Directors or the Chief Executive Officer has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinions

We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Chief Executive Officer be discharged from liability for the financial year.

Stockholm February 29, 2012
Ernst & Young AB

Michael Forss
Authorized Public Accountant

Notice of annual general meeting

The Annual General Meeting will be held on Monday March 26th, 2012 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 Tuesday March 20 , 2012, *and*
- notify the Company of their intention to attend the annual general meeting no later than 4 p.m. (CET) on Tuesday March 20, 2012.

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 Friday, March 23, 2012. Please note that powers of attorney must be presented 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 available for download on the website, http://corporate.cision.com/Corporate-Governance-/Annual-General-Meeting/Annual-General-Meeting-2012/.

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 Tuesday, March 20, 2012, which means that the shareholder must inform the nominee well in advance of this date.

Financial reporting dates 2012

- Interim report January–March 2012, April 24, 2012
- Interim report January–June 2012, July 18, 2012
- Interim report January–September 2012, October 19, 2012

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

Investor contact

For further information on Cision, please contact Tosh Bruce-Morgan, Chief Financial Officer, phone: +44 7710 385 006, e-mail: tosh.bruce-morgan@cision.com.

Definitions and glossary

Margins

Gross margin

Gross profit excl. goodwill impairments, non-recurring items as a percentage of operating revenue.
[Calculation 2011: 598,681 / 969,304 = 61.8 %]

Operating margin

Operating profit excl. goodwill impairments, non-recurring items as a percentage of operating revenue.
[Calculation 2011: 131,699 / 969,304 = 13.6 %]

Profit margin

Net result for the year as a percentage of operating revenue.
[Calculation 2011: 84,879 / 969,304 = 8.8 %]

EBITDA margin

EBITDA excl. goodwill impairments, depreciations, non-recurring items as percentage of operating revenue.
[Calculation 2011: 183,811 / 969,304 = 19.0 %]

Return on capital

Return on operating capital

Operating profit as a percentage of average operating capital.
[Calculation 2011: 120,302 / ((1,493,256 + 1,534,772) / 2) = 7.9%]

Return on operating capital excl. goodwill impairment and non-recurring items

Operating profit excl. goodwill impairments, non-recurring items as a percentage of average operating capital.
[Calculation 2011: 131,699 / ((1,493,256 + 1,534,722) / 2) = 8.7 %]

Return on equity

Net result for the year as a percentage of average shareholder's equity.
[Calculation 2011: 84,879 / (902,324 + 996,867) / 2) = 8.9 %]

Operating profit

EBITDA

Operating profit excl. goodwill impairments, depreciations, non-recurring items.
[Calculation 2011: 120,302 + 52,112 + 11,396 = 183,811]

Capital structure

Operating capital

Operating assets less operating liabilities excl. tax assets and tax liabilities.
[Calculation 2011: (1,956,175 – 45,829) – (559,106 – 183,532) = SEK 1,534,772 thousand]

Equity/assets ratio

Shareholder's equity as a percentage of total assets.
[Calculation 2011: 996,867/ 2,020,706 = 49 %]

Interest-bearing net debt

Financial liabilities less financial assets.
[Calculation 2011: 462,645 – 62,417 = SEK 400,228 thousand]

Debt/equity ratio

Interest bearing net debt divided by shareholder's equity
[Calculation 2011: 400,228 / 996,867 = 40 %]

Interest coverage

Result after financial items plus interest expenses and goodwill impairment divided by interest expenses.
[Calculation 2011: (93,553 + 20,514 + 0) / 20,504 = 5.6 x]

Net debt/EBITDA 12MR

Interest bearing net (financial debts minus financial assets) divided with EBITDA.
[Calculation 2011: 400,228 / 183,811 = 2.2]

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 2011: 84,382 – 31,884 – 17,445 + 9,414 = SEK 44,467 thousand]

Operating cash flow

Cash flow from operating activities excl. non-recurring 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 2011: 84,382 + 6,741 + 23,858 + 5,840– 17,445 – 31,884 + 9,414 = SEK 80,906 thousand]

Free cash flow per share

Free cash flow divided with average number of shares after dilution.
[Calculation 2011: 44,467 / 14,897 = SEK 2.98]

Personnel

Value-added per employee

Operating profit excl. Goodwill impairments, non-recurring items plus staff costs divided by the average number of employees.
[Calculation 2011: (131,699 + 516,476) / 1,247 = 520 thousand]

Data per share

Average number of shares before dilution

Weighted average of the number of shares during the report period.
[Calculation 2011: (14,909,583 * (212/365)) + (14 840 141 * (153/365)) = 14,881 thousand]

Average number of shares after dilution

Weighted average of the number of shares during the report period, taking into account potential shares.
[Calculation 2011: ((14,909,583 * 212/365) + (14,840,141 * 153/365) + 283,500 – ((283,500 * (44 + 0,02) / 46,68)) = 14,897 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 2011: ((14,909,583 * 212/365) + (14,840,141 * 153/365) + 283,500 – ((283,500 * (44 + 0.02) / 46.68)) – ((14,909,583 * 212/365) + (14,840,141 * 153/365)) = 16,155]

Earnings per share before dilution

Net profit for the year divided by the average number of shares.
[Calculation 2011: 84,878,962 / ((14,909,583 * 212/365) + (14,840,141 * 153/365)) = SEK 5.70]

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 2011: 84,878,962 / ((14,909,583 * 212/365) + (14,840,141 * 153/365) + 283,500 – (283,500 * (44 + 0.02) / 46.68)) = SEK 5.70]

Operating cash flow per share

Operating cash flow divided by the average number of shares after dilution.
[Calculation 2011: 80,906 / 14,897 = SEK 5.43]

Equity per share before dilution

The closing balance of shareholders' equity divided by the number of shares at year-end, taking into account repurchased shares.
[Calculation 2011: 996,867 / (14,910 – 70) = SEK 67.17]

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 repurchased shares and potential shares.
[Calculation 2011: 996,867 / (14,910 – 70) + 16) = SEK 67.10]

Dividend per share

Approved or proposed dividend amount divided by the number of shares entitled to dividends.
[Calculation 2011: 29,680 / 14,840 = SEK 2]

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.

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