

## Year-end report January 1 – December 31, 2010

### October – December 2010 compared with October – December 2009

- Net sales totaled SEK 342.1 M (266.3), a growth of 28%.
- EBITA amounted to SEK 36.3 M (25.5), an increase by 42% and an EBITA margin of 10.6% (9.6).
- Operating profit amounted to SEK 32.5 M (21.3), an EBITA margin of 9.5% (8.0).
- Profit after tax was SEK 33.3 M (22.8).
- Earnings per share after tax amounted to SEK 1.33 (0.96).
- Cash flow from operating activities was a negative SEK 54.7 M (22.1).

### January – December 2010 compared with January – December 2009

- Net sales totaled SEK 1 059.9 M (989.4), a growth of 7%.
- EBITA amounted to SEK 67.5 M (65.7), an EBITA margin of 6.4% (6.6).
- Operating profit amounted to SEK 52.1 M (48.7), an EBITA margin of 4.9% (4.9).
- Profit after tax was SEK 51.2 M (42.8).
- Earnings per share after tax amounted to SEK 2.13 (1.81).
- Shareholders' equity per share was SEK 25.21 (25.40 on December 31, 2009).
- Cash flow from operating activities was SEK 68.4 M (65.5).

### Significant events during the fourth quarter 2010

- The acquisitions of Decerno AB, Tekis AB (with subsidiary Arkiva AB) and Mittbygge AB, as well as approximately 59% of the shares in Kartena AB.
- Framework agreement for e-services signed with the Legal, Financial and Administrative Services Agency for municipalities, county councils and government authorities.
- Breakthrough for the iipax™ product in the Norwegian market.
- Agreement signed for IT solution for the design of the New Karolinska university hospital.
- More than 100,000 TVC licenses installed in the US.
- Dick Hasselström new Board member.
- The Board decided to implement a buyback and transfer of treasury shares.
- New share issue completed in connection with company acquisition.

### Significant events after the end of the period

- The Board has decided to set new financial targets and a new financial policy.
  - Annual growth of at least 20% and an EBITA margin of at least 10%.
  - At least 50% of consolidated earnings after tax should be distributed to shareholders, provided that net cash is sufficient for running and developing operations.
- The Board proposes a dividend of SEK 1.50 (1.50) per share.

If you find any different figures from the Swedish version, then the original version in Swedish is the correct version.

The information in this year-end report is such that Addnode must disclose in accordance with the Swedish Securities and Clearing Operations Act and/or the Financial Instruments Trading Act.  
The information was released on February 4, 2011 at 8:00 a.m.

## Addnode's four business areas

Addnode's operations are organized in four business areas. Our IT solutions aid customers in streamlining internal processes, developing operations, and increasing sales.



### Design Management

IT solutions for managing digital models and designs.



### Product Lifecycle Mgt.

Platform solutions for managing product information.



### Process Management

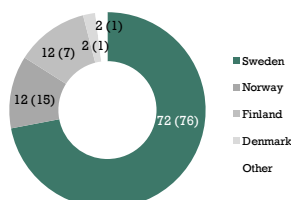
IT solutions for managing task information.



### Content Management

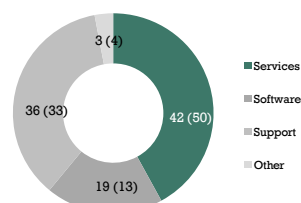
IT solutions for managing and publishing information.

## Nordic IT company



The diagram above shows net sales for 2010 (2009) distributed by country.

## Business concept with recurring sales



The diagram above shows net sales for 2010 (2009) distributed per income type.

## Financial targets

Addnode shall have an annual growth of at least 20% and an operating margin before depreciation, amortization and impairment loss of intangible assets (EBITA margin) of at least 10%.

## CEO's comments

### Strong growth and improved profitability

We concluded 2010 with 28% growth for the fourth quarter, compared with the corresponding year-earlier period. EBITA results improved by 42%.

Compared with 2009, we increased license and maintenance earnings. Through proprietary development and acquisitions, we increased the portion of proprietary applications and products in the solutions we offer. This has strengthened our offering in the niches in which we operate.

We are the largest and leading supplier of IT solutions for product development in the Nordic market. Our solutions streamline design, construction, calculations and visualization, as well as product information management. We are also Sweden's largest supplier of case management and publishing solutions. These include case management solutions for the public sector, a cross-sector Internet offering and significant expertise in geographic IT systems.

Acquisitions are an important part of Addnodes growth strategy. During 2010, we implemented several acquisitions in Sweden, Finland and Denmark. The acquired companies have contributed annual earnings of approximately SEK 310 M and are similar to Addnode in terms of business focus and corporate culture. In addition to supplementary acquisitions in existing niches, we are actively searching for operations where knowledge of customers' operations and processes will make the offering unique and more cost-efficient than general IT solutions.

Based on the Group's financial position and earnings strength, the Board decided to propose that the Annual General Meeting retain the dividend of SEK 1.50 per share.

Addnode stands stable ahead of 2011. We will continue to generate additional value for customers, employees, shareholders and other stakeholders through profitable growth.

*Staffan Hanstorp, President and CEO*

## Significant events during the fourth quarter of 2010

### Addnode will become one of the largest suppliers of operations-critical support systems to the public sector in Sweden

During the fourth quarter, Addnode acquired Decerno AB, Tekis AB (with subsidiary Arkiva AB) and Mittbyggge AB, as well as approximately 59% of the shares in Kartena AB. With the acquisition, Addnode will become one of the largest suppliers of operations-critical support systems to the public sector in Sweden. We will strengthen our solutions portfolio of services and products with a large portion of recurring income in the form of support and maintenance agreements.

The acquired companies had net sales of SEK 184 M in 2010, with an EBITA of SEK 25 M. The acquired operations have contributed positively to Addnode's earnings in 2010 and are included in the Process Management business area from December 1, 2010, with the exception of Kartena AB, which will be consolidated from December 31, 2010.

## Examples of projects during the fourth quarter of 2010

- CAD and PDM deliveries to Niras A/S, Eidsiva Energi AS, Sweco, Andritz OY and Stora Enso AB.
- PLM solutions to Orion, FLSmidth AS, GAP Inc. and Ericsson.
- Case management and GIS solutions to the Swedish Radiation Safety Authority, Västerås Stad, Bodens kommun, Setra, Länstrafiken I Norrbotten and Nacka kommun.
- Web and e-commerce solutions to SIS, SVT, the Swedish Radiation Safety Authority, the Migration Board and Bokia.

## Framework agreement for e-services with the Legal, Financial and Administrative Services Agency

Addnode has signed a framework agreement with the Legal, Financial and Administrative Services Agency for e-government services to municipalities, county councils and government authorities. The potential scope during the contract period of the selected deliveries is in the range of billions of SEK. The framework agreement has a duration of four years, with the possibility of extension for an additional year.

## Breakthrough for the *ii Pax*<sup>TM</sup> product in the Norwegian market

Addnode has now taken a major step in the Norwegian market for archive and case management in the public sector. The *ii Pax*<sup>TM</sup> product has been Noark-approved by Arkivverket (the Norwegian equivalent to the National Archives). This is a prerequisite for succeeding in the archive and case-management market for Norwegian authorities.

## IT solutions for the design of the New Karolinska University Hospital

An agreement has been signed with White Tengbom Team, which secured the assignment to design the New Karolinska University Hospital in Solna. In a transaction worth millions of SEK, the customer has chosen to invest in 80 new licenses of the Autodesk Revit Architecture BIM tool supplemented by Cad-Q's customized CQ Tools A. During the seven-year period, in which the assignment is expected to continue, the IT solution will be used by a maximum of approximately 120 employees.

## More than 100,000 TVC licenses installed in the US

A significant milestone has been passed when more than 100,000 Technia Value Components (TVC) licenses were installed for customers in the US, where an increasing number of customers are now implementing standardization using Technias TVC licenses. Technia Value Components are software that shortens implementation time and increases efficiency for customers.

## Buyback and transfer of treasury shares

Supported by authorization from the Annual General Meeting on April 27, 2010, Addnode has decided to implement the buyback of up to a maximum of 500,000 Series B treasury shares, and to transfer repurchased Series B shares in connection with the acquisition of shares in Kartena AB. During December 2010, Addnode repurchased a total of 116,639 Series B shares through Nasdaq OMX Stockholm and transferred 98,724 Series B shares to sellers of shares in Kartena AB. Addnode's holding of Series B treasury shares amounted to 17,915 on December 31, 2010.

## Dick Hasselström new Board member

Dick Hasselström was elected as a new Board member of Addnode at an Extraordinary General Meeting on November 30, 2010. Dick Hasselström, born in 1949, Graduate Engineer and PhD in Economics, is one of Decerno's founders and was its President between 1984 and 2003.

## **New share issue in connection with company acquisition**

The Extraordinary General Meeting on November 30, 2010 also resolved to acquire all shares in Decerno AB, Tekis AB (with subsidiary Arkiva AB) and Mittbygge AB, as well as approximately 40% of the shares in Kartena AB. As part payment for the acquired shares, the Meeting resolved to implement a new share issue of 4,500,000 Series B shares in Addnode directed at the seller DecernoGruppen AB.

## **Significant events after the end of the period**

### **New financial targets and a new dividend policy**

The Board has decided to set new financial targets and a new financial policy. The new financial targets comprise targets for growth and operating result. The dividend policy is being enhanced so as to provide a dividend of at least 50 % of net earnings for the year after tax.

- Addnode should have an annual growth of at least 20% and an operating margin before depreciation, amortization and impairment loss of intangible assets (EBITA margin) of at least 10%.
- At least 50% of consolidated earnings after tax should be distributed to shareholders, provided that net cash is sufficient for running and developing the operation.

### **The Board's dividend proposal**

Based on the Group's financial position and earnings strength, the Board has decided to propose that the Meeting approve a dividend of SEK 1.50 (1.50) per share for the 2010 fiscal year. The proposed dividend will total approximately SEK 42 M (35).

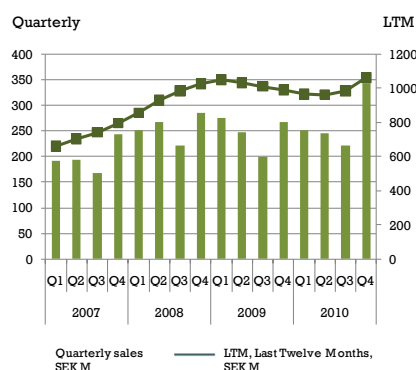
## Net sales and EBITA, fourth quarter 2010 and 2009

SEK M	2010	2009
Net sales	342.1	266.3
Growth	28.5%	Neg.
EBITA	36.3	25.5
EBITA-margin	10.6%	9.6%

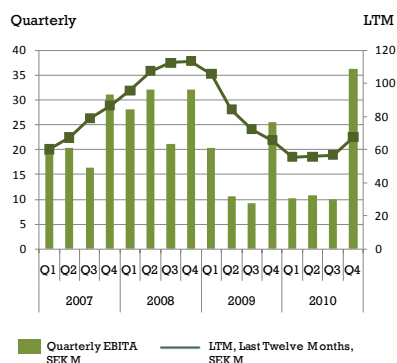
## Net sales and EBITA, January - December 2010 and 2009

SEK M	2010	2009
Net revenues	1 059.9	989.4
Growth	7.1%	Neg.
EBITA	67.5	65.7
EBITA-margin	6.4%	6.6%

## Net sales by quarter, SEK M



## EBITA by quarter, SEK M



## Net sales

### Fourth quarter of 2010

Net sales totaled SEK 342.1 M (266.3), up 28%. The Design Management business area increased net sales by 56%, which was attributable to strong demand from all customer groups in Sweden and Norway, as well as our acquisitions in Finland and Denmark. The Product Lifecycle Management business area increased net sales by 8%, which is a result of very strong license sales. In the Process Management business area, net sales rose 40%, primarily as a result of the acquired companies during the quarter. In the Content Management business area, sales fell 6% as a result of lower volumes in the consulting operations and price pressures in the Gothenburg area.

### 12-month period January - December 2010

Net sales totaled SEK 1,059.9 M (989.4), up 7%.

## EBITA

### Fourth quarter of 2010

EBITA amounted to SEK 36.3 M (25.5), an EBITA margin of 10.6% (9.6). The Design Management business area reported its best quarterly earnings ever for the fourth quarter. This was due to strong demand and increased content in services and proprietary applications in delivered solutions. The Product Lifecycle Management business area reported a positive profitability trend in 2010, which continued during the fourth quarter with very strong license sales. Earnings for the Process Management business area for the fourth quarter were positively impacted by acquired companies and a stable trend in existing operations. Within the Content Management business area, application management showed favorable profitability, while the more consultant-focused activities did not achieve the desired capacity utilization and profitability.

### 12-month period January - December 2010

EBITA amounted to SEK 67.5 M (65.7), an EBITA margin of 6.4% (6.6).

## Net financial items

Net financial items amounted to SEK 0.8 M (0.1) for the fourth quarter and to SEK 1.0 M (expense: 3.9) for 2010.

## Profit after tax

Addnode has a low tax rate because profits from the operations can be offset against loss carryforwards. Profit after tax amounted to SEK 33.3 M (22.8) for the fourth quarter and to SEK 51.2 M (42.8) for 2010.

## Key figures financial position

SEK M	31 Dec 2010	31 Dec 2009
Cash and cash equivalents	77.5	103.8
Net cash	78.0	103.8
Shareholders' equity	714.8	600.6

## Cash flow, January - December 2010 and January - December 2009

SEK M	2010	2009
Cash flow from		
- operating activities	68.4	65.5
- investing activities	-50.2	-26.7
- financing activities	-41.8	-37.8
<b>Change in cash and cash equivalents</b>	<b>-23.6</b>	<b>1.0</b>
<b>Cash and cash equivalents, closing balance</b>	<b>77.5</b>	<b>103.8</b>

## Cash flow, fourth quarter 2010 and 2009

SEK M	2010	2009
Cash flow from		
- operating activities	54.7	22.1
- investing activities	-24.0	-3.7
- financing activities	-4.7	-1.0
<b>Change in cash and cash equivalents</b>	<b>26.0</b>	<b>17.4</b>
<b>Cash and cash equivalents, closing balance</b>	<b>77.5</b>	<b>103.8</b>

## Dividend policy

Addnode's dividend policy is that at least 50 percent of consolidated profit after tax shall be distributed to shareholders, provided that the net cash position is sufficient enough to run and develop business operations. In fiscal year 2010 dividend was 1.50 (1.50) per share.

## Consolidated balance sheet and cash flow

### Liquidity, cash flow and financial position

The Group's cash and cash equivalents amounted to SEK 77.5 M on December 31, 2010 (103.8 on December 31, 2009). Cash flow from operating activities amounted to SEK 68.4 M (65.5) in 2010.

Cash flow from investment activities in 2010 included payments of purchase considerations for acquired companies and operations totaling SEK 74.7 M. Cash and cash equivalents in the acquired subsidiaries amounted to SEK 32.7 M, which means that the acquisitions reduced the Group's cash and cash equivalents by SEK 42.0 M. During the second quarter, dividends of SEK 35.5 M were paid.

The Group's interest-bearing debt amounted to SEK 3.1 M (1.0) on December 31, 2010. The Group's net interest-bearing assets and liabilities amounted to SEK 78.0 M (103.8). The equity/assets ratio at December 31, 2010 amounted to 62% (66). As earlier, the Parent Company has an agreement for a credit facility amounting to SEK 100 M.

### Investments

Investments in intangible and tangible fixed assets amounted to SEK 21.2 M (12.8), of which SEK 10.4 M (5.8) pertained to equipment and SEK 8.0 M (5.0) pertained to goodwill arising for the purchase of net assets.

### Goodwill and other intangible assets

The consolidated carrying amount of goodwill at December 31, 2010 was SEK 543.1 M (409.6). The increase was mainly due to the acquisitions of Tekis AB, Decerno AB and CADi Oy. The carrying amount for brands was SEK 13.5 M (14.8). Other intangible assets amounted to SEK 58.4 M (27.7) and pertain primarily to customer contracts and software.

### Deferred tax assets

Total recognized deferred tax assets amounted to SEK 67.7 M on December 31, 2010, of which SEK 56.6 M pertained to tax loss carryforwards. The deferred tax assets attributable to the loss carryforwards were reported as assets to the extent that it is probable that the loss carryforwards will be deductible against surpluses in future taxation. At December 31, 2010, the Group's accumulated loss carryforwards amounted to approximately SEK 305 M. The amount of SEK 56.6 M recognized in the balance sheet represents only a portion of the total value of the loss carryforwards. The value recognized in the balance sheet is established by taking into account the amount of loss carryforwards expected to be utilized over the next few years.

### Shareholders' equity and number of shares

Shareholders' equity amounted to SEK 714.8 M (600.6) on December 31, 2010, corresponding to SEK 25.21 (25.40) per share outstanding. During the second quarter, a dividend amounting to SEK 35.5 M was paid. On November 30, 2010, an Extraordinary General Meeting resolved to implement a new share issue of 4,500,000 Series B shares directed at DecernoGruppen AB as partial payment in connection with company acquisitions. During December 2010, supported by an authorization from the Annual General Meeting on April 27, 2010, Addnode repurchased Series B treasury shares through Nasdaq OMX Stockholm, of which the majority was subsequently transferred, supported by the authorization at the same Meeting, as payment in connection with the acquisition of shares in Kartena AB (publ). The changes in the number of shares outstanding and shareholders' equity are shown on page 12. At December 31, 2010, no option or convertible programs were outstanding.

## Provisions

Provisions, which in the consolidated balance sheet are included in the long-term and current liabilities, amounted to SEK 11.1 M at December 31, 2010, of which SEK 9.8 M pertained to estimated supplementary purchase considerations for previously implemented company acquisitions and SEK 0.3 M pertained to provisions for restructuring measures. During 2010, SEK 1.3 M of previously established provisions for planned and implemented restructuring measures was utilized.

Provisions for estimated supplementary purchase considerations increased by SEK 10.2 M in conjunction with company and business acquisitions in 2010. Of the provisions recognized in the 2009 Annual Report for supplementary purchase considerations, SEK 3.5 M was reversed to goodwill 2010, since the actual outcome is less than the previously estimated amount.

## Employees

In 2010, the average number of employees in the Group was 629 (643). At the end of the year, the number of employees was 775 (646).

## Information on acquisition of subsidiaries and business

On July 2, 2010, all shares in the Finnish company CADi Oy were acquired, with transfer the same day. The purchase consideration, which was paid in cash on the date of transfer, amounted to SEK 19.3 M. On condition that the established targets for operating profits for the February 2010 – January 2012 period are achieved, a maximum supplementary purchase consideration of approximately SEK 17.5 M may be paid. The preliminary acquisition analysis for CADi Oy was adjusted when it became clear at the end of 2010 that the assumptions used in the preliminary acquisition analysis were not accurate. In the final acquisition analysis, acquisition-related intangible assets have been identified with a value of approximately SEK 7 M, which resulted in deferred tax liabilities of approximately SEK 2 M. Goodwill amounted to approximately SEK 18 M. Other acquired assets and liabilities pertain primarily to accounts receivable and accounts payable.

In September 2010, Addnode acquired all shares in the Danish company Faester Sci A/S, which in turn through an asset-transfer acquisition acquired the Danish building systems division of the publicly traded Athena IT Group (Athena BSD). Faester SCi A/S was consolidated from September 30, 2010 and the operations in Athena BSD from October 1, 2010. The total purchase consideration for the two Danish operations may amount to a maximum of about SEK 14 M, including supplementary purchase considerations based on operating profit during 2011 and 2012. Acquisition-related intangible assets have been identified with a value of approximately SEK 2 M and goodwill amounted to about SEK 11 M, of which the tax deductible portion is expected to amount to approximately SEK 6 M.

Provisions for the estimated supplementary purchase considerations for the above-mentioned acquisitions in Finland and Denmark were recognized at approximately SEK 8 M.

The acquisitions in Finland and Denmark mean that Addnode will be the largest supplier of IT solutions based on the Autodesk platform in the Nordic region, and synergy effects will be achieved with the Group's existing operations in the Design Management business area.

On November 30, 2010, Addnode acquired all shares in Decerno AB, Tekis AB (with subsidiary Arkiva AB) and Mittbygge AB from DecernoGruppen AB. The purchase price amounted to SEK 144.5 M and comprised a cash payment of SEK 37.9 M on the transaction date, as well as 4,500,000 newly issued Series B shares in Addnode. A small additional cash payment will be paid, based on the settlement of the acquired companies' net cash at December 31, 2010. Acquisition-related intangible assets have been identified and valued at about SEK 27 M, which resulted in deferred tax liabilities of about SEK 7 M. Goodwill amounted to about SEK 102 M. Other acquired assets and liabilities pertain primarily to accounts receivable and deferred income. Through the acquisition, Addnode will be one of the largest suppliers of operations-critical support systems to the public sector in Sweden. Furthermore, the Group's offering of services and products will be strengthened in the Process Management business area with a large portion of recurring income from support and maintenance contracts.

On November 30, 2010, about 40% of the shares in Kartena AB (publ) were acquired and during the latter part of December 2010, additional shares were acquired totaling about 59%. The purchase price for the acquired shares amounted to SEK 8.6 M. The company will be consolidated as a subsidiary from December 31, 2010, whereby the holding without any controlling influence (previously designated as minority owners) has been valued at fair value, SEK 5.7 M, based on the cost of those so far acquired shares. The equity method has not been applied, since the effects on the Group's reporting would be insignificant. In Addnode's acquisition analysis, acquisition-related intangible assets were identified with a value of about SEK 3 M, which resulted in deferred tax liabilities of about SEK 1 M. Goodwill amounted to about SEK 6 M. During the nine-month period, January – September, 2010, Kartena reported net sales of about SEK 10 M and operating profits of about SEK 2 M. Through the acquisition Addnode strengthens the service- and product offering in the GIS field.

During 2010, all acquired subsidiaries and operations contributed about SEK 76 M to the Addnode Group's net sales and had a positive impact of about SEK 3 M on the Group's profit after tax. If the acquisition had been implemented on January 1, 2010, the Addnode Group's net sales for 2010 would have totaled about SEK 1,300 M and profit after tax about SEK 65 M. The costs for implementing the acquisition, SEK 2.3 M, are included in the Addnode Group's other external costs for 2010.

## Parent Company

Net sales totaled SEK 3.9 M (3.7), primarily pertaining to invoicing to subsidiaries for services rendered. Profit before tax amounted to SEK 26.7 M (21.8), including dividends from subsidiaries totaling SEK 94.9 M (48.1) and impairment of shares in subsidiaries by SEK 54.3 M (14.5).

At December 31, 2010, cash and cash equivalents amounted to SEK 16.3 M (53.8). Investments pertaining to shares in subsidiaries amounted to SEK 273.5 M, of which SEK 83.4 M pertained to acquisitions from other Group companies. There were no significant investments in intangible or tangible assets.

During the second quarter, dividends totaling SEK 35.5 M were paid. On November 30, 2010, an Extraordinary General Meeting resolved to implement a directed new share issue as partial payment in connection with company acquisitions, which means that the Parent Company's shareholders' equity increased by SEK 105.9 M. In December 2010, Addnode implemented a repurchase and transfer of Series B treasury shares, refer to the section on Shareholders' equity and the number of shares above.

Provisions for estimated supplementary purchase considerations increased by SEK 8.7 M in conjunction with company acquisitions during 2010.

The Parent Company has an agreement for SEK 100 M in credit facilities.



## Net sales by business area

SEK M	Q4		Jan-Dec	
	10	09	10	09
Design Mgt	138.7	88.8	401.5	335.3
Product Lifecycle Mgt	82.3	76.4	285.8	278.7
Process Mgt	74.6	53.2	193.2	171.9
Content Mgt	47.7	50.9	184.7	212.6
Elim/centralt	-1.2	-3.0	-5.3	-9.1
<b>Addnode</b>	<b>342.1</b>	<b>266.3</b>	<b>1 059.9</b>	<b>989.4</b>

## EBITA by business area

SEK M	Q4		Jan-Dec	
	10	09	10	09
Design Mgt	15.1	9.8	33.4	28.1
Product Lifecycle Mgt	11.1	8.6	24.7	14.8
Process Mgt	15.0	11.1	30.5	34.8
Content Mgt	0.8	0.0	-0.8	3.0
Elim/centralt	-5.7	-4.0	-20.3	-15.0
<b>Addnode</b>	<b>36.3</b>	<b>25.5</b>	<b>67.5</b>	<b>65.7</b>

## EBITA-margin by business area

	Q4		Jan-Dec	
	10	09	10	09
Design Mgt	10.9%	11.0%	8.3%	8.4%
Product Lifecycle Mgt	13.5%	11.3%	8.6%	5.3%
Process Mgt	20.1%	20.9%	15.8%	20.2%
Content Mgt	1.7%	0.0%	-0.4%	1.4%
Elim/centralt	-	-	-	-
<b>Addnode</b>	<b>10.6%</b>	<b>9.6%</b>	<b>6.4%</b>	<b>6.6%</b>

## Average number of employees by business area

	Q4		Jan-Dec	
	10	09	10	09
Design Mgt	174	132	152	133
Product Lifecycle Mgt	144	155	150	167
Process Mgt	146	112	122	112
Content Mgt	186	208	198	226
Centralt	7	5	7	5
<b>Addnode</b>	<b>657</b>	<b>612</b>	<b>629</b>	<b>643</b>

From the fourth quarter of 2010, Cartesia, with a large portion of municipality customers and GIS expertise, has been transferred from the Content Management business area to the Process Management business area. Historic outcome for Process Management and Content Management has been adjusted for this.

## Addnode's business areas

Addnode's operations are organized and controlled from four business areas. For more information on each business area, refer to [www.addnode.com](http://www.addnode.com).

### Design Management, IT support for digital models and drawings

Net sales during the fourth quarter totaled SEK 138.7 M (88.8) and EBITA amounted to SEK 15.1 M (9.8), an EBITA margin of 10.9% (11.0). Net sales for the Design Management business area increased 56% with retained margins and were able to deliver the best results ever for an individual quarter. Demand from construction and property customers in Sweden and Norway was very favorable and demand from the Swedish industrial customers accelerated from a low level. The acquired operations in Finland and Denmark contributed to a net sales increase and are profitable, but the results were impacted by integration processes. In general, the business area had a very satisfactory conclusion to 2010, primarily because we have developed a broader product and service offering.

### Product Lifecycle Management, IT support for product information

Net sales in the fourth quarter totaled SEK 82.3 M (76.4) and EBITA amounted to SEK 11.1 M (8.6), an EBITA margin of 13.5% (11.3). Following a tough year in 2009 and a weak start to 2010, the Product Lifecycle Management business area concluded with 8% growth and improved margins. The main reason is strong license sales of proprietary supplementary components for Dassault's platforms, stable support and maintenance stock and implemented cost reductions. Demand from industrial customers improved from a low level.

### Process Management, IT support for case management

Net sales in the fourth quarter totaled SEK 74.6 M (53.2) and EBITA amounted to SEK 15.0 M (11.1), an EBITA margin of 20.1% (20.9). The operating margin for the business area improved successively during 2010 following a weaker start to the year. Sales growth and the improved earnings were due to the acquisition of the Decerno Group's business operations and excellent demand for the GIS solutions that we offer. The acquired operations will be consolidated from December 2010. To utilize the synergies, the Cartesia company, with a large portion of municipality customers and GIS expertise will be transferred from the Content Management business area to the Process Management business area.

### Content Management, IT support for publishing and cooperation

Net sales for the fourth quarter totaled SEK 47.7 M (50.9) and EBITA amounted to SEK 0.8 M (0.0), an EBITA margin of 1.7% (0.0). Application management and operations were profitable, while the more consultant-focused activities did not achieve the desired capacity utilization and profitability.

During the fourth quarter, operating agreements for SVT's Internet programs were extended and we delivered solutions to such customers as SIS, Swedish Radiation Safety Authority, the Migration Board and Bokia. The Group's framework agreement for e-services with the Swedish Legal, Financial and Administrative Services Agency will generate opportunities to sell our web-based solutions to the public sector.

## Financial agenda

Interim report, first quarter 2011  
April 29, 2011

Annual General Meeting 2011

May 4, 2011

Six-month report 2011

July 20, 2011

Nine-month report 2011

October 21, 2011

## The ten largest owners December 31, 2010

Owners	Votes, %	Capital, %
DecernoGruppen <sup>1)</sup>	25.1	26.1
Aretro Capital <sup>2)</sup>	20.0	13.2
Robur fonder	4.0	5.3
Staffan Johansson	3.9	1.7
Magnus Fredlund	3.8	1.5
Mats Åkesson	3.4	1.0
Länsförsäkringar Småbolagsfond	2.9	3.9
Multiple Choice Företagsservice	2.0	0.6
Johan Petrini	2.0	2.6
Banque Carnegie Luxembourg		
Other	1.9	2.6
<b>Total</b>	<b>31.0</b>	<b>41.5</b>
	<b>100.0</b>	<b>100.0</b>

1) Dick Hasselström is the majority owner of the company.

2) The company is jointly owned by Staffan Hanstorp, CEO of Addnode, and Jonas Gejer.

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## Accounting policies

This year-end report was prepared in accordance with IAS 34 Interim Financial Reporting. The consolidated accounts were prepared in accordance with the International Financial Reporting Standards, IFRS, as adopted by the EU and with the Swedish Annual Accounts Act. The Parent Company's accounts were prepared in accordance with the Annual Accounts Act and recommendation RFR 2 Accounting for Legal Entities.

As of 2010, the Group applies the revised standard IFRS 3 Business Combinations and the amended standard IAS 27 Consolidated and Separate Financial Statements. The implications of the revised and amended standards are described on page 64 of the 2009 Annual Report. The application is prospective for all operating entities and transactions with holders without any controlling influence (previously designated as minority owners) from January 1, 2010. Implementation has not had any effect on the Group's financial position or financial reports for 2010 except to expense transaction costs for implemented company acquisitions in the consolidated profit and loss, and holdings without any controlling influence in acquired subsidiaries (previously designated as minority owners) have been valued at fair value.

From 2010, hedge accounting in accordance with IAS 39 is applied for currency futures contracts. This means that unrealized value changes are recognized in the consolidated comprehensive income report until each hedged item is recognized in consolidated profit and loss, whereby earnings for corresponding currency forward contracts will also be recognized in the consolidated profit and loss.

In other respects, the accounting policies and calculation methods are unchanged, compared with the description in the 2009 Annual Report.

## Significant risks and uncertainties

Addnode's significant risks and uncertainties are described in the Board of Directors' Report in the 2009 Annual Report, in the section "Risks and uncertainties," on page 53 and in Note 37 "Financial risks and risk management," and Note 38 "Key estimates and assessments for accounting purposes," on pages 85-88. No significant changes have subsequently occurred.

## Future outlook

The Board has not changed its assessment of the future outlook compared with the previous quarter. In the nine-month report for 2010, the Board submitted the following future outlook:

In the long-term, the areas in which Addnode is active are deemed to have a strong underlying potential. Addnode's growth strategy is for organic growth, and to contribute new supplementary offerings and additional expertise through the acquisition of new operations.

The policy of not issuing a forecast stands firm, but the Board has decided to set new financial targets which are described at page 4 in the section "New financial targets and a new financial policy".

Stockholm February 4, 2011

Board of Directors

This year-end report has not been audited.

## CONSOLIDATED INCOME STATEMENT

(SEK M)	2010 Oct-Dec	2009 Oct-Dec	2010 Full year	2009 Full year
Net sales	342.1	266.3	1,059.9	989.4
<b>Operating costs:</b>				
Purchases of goods and services	-127.7	-85.8	-375.2	-315.8
Other external costs	-38.8	-32.4	-124.1	-116.6
Personnel costs	-136.5	-119.8	-482.2	-478.3
Depreciation and write-downs of				
- tangible fixed assets	-2.8	-2.8	-10.9	-13.0
- intangible fixed assets	-3.8	-4.2	-15.4	-17.0
<b>Total operating costs</b>	<b>-309.6</b>	<b>-245.0</b>	<b>-1,007.8</b>	<b>-940.7</b>
<b>Operating profit</b>	<b>32.5</b>	<b>21.3</b>	<b>52.1</b>	<b>48.7</b>
Financial income	1.0	4.6	1.6	1.1
Financial expenses	-0.2	-4.5	-0.6	-5.0
<b>Profit before taxes</b>	<b>33.3</b>	<b>21.4</b>	<b>53.1</b>	<b>44.8</b>
Current tax	-2.9	-5.7	-7.1	-13.3
Deferred tax	2.9	7.1	5.2	11.3
<b>NET PROFIT FOR THE PERIOD</b>	<b>33.3</b>	<b>22.8</b>	<b>51.2</b>	<b>42.8</b>
<b>Attributable to:</b>				
Shareholders of the Parent company	33.3	22.8	51.2	42.8
Earnings per share, SEK	1.33	0.96	2.13	1.81
Average number of outstanding shares, millions	25.1	23.6	24.0	23.6

The company has no outstanding options or convertibles programs that would result in dilution.

## STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME

(SEK M)	2010 Oct-Dec	2009 Oct-Dec	2010 Full year	2009 Full year
Net profit for the period	33.3	22.8	51.2	42.8
<b>Other comprehensive income:</b>				
Translation differences on consolidation	-0.3	1.7	-13.7	3.0
Cash flow hedges	-0.4		1.0	
Assets available for sale:				
- Revaluation at fair value				-0.2
- Revaluation recognized in income statement in connection with sale		0.2		0.2
<b>Total other comprehensive income after tax for the period</b>	<b>-0.7</b>	<b>1.9</b>	<b>-12.7</b>	<b>3.0</b>
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>32.6</b>	<b>24.7</b>	<b>38.5</b>	<b>45.8</b>
<b>Attributable to:</b>				
Shareholders of the Parent company	32.6	24.7	38.5	45.8

## CONSOLIDATED BALANCE SHEET

(SEK M)	Dec 31, 2010	Dec 31, 2009
Goodwill	543.1	409.6
Trademarks	13.5	14.8
Other intangible fixed assets	58.4	27.7
Tangible fixed assets	22.9	19.8
Financial fixed assets	75.6	74.6
Inventories	2.0	0.8
Current receivables	355.6	259.7
Cash and cash equivalents	77.5	103.8
<b>TOTAL ASSETS</b>	<b>1,148.6</b>	<b>910.8</b>
Shareholders' equity	714.8	600.6
Long-term liabilities	41.7	35.2
Current liabilities	392.1	275.0
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>1,148.6</b>	<b>910.8</b>
Interest-bearing receivables amount to	3.6	1.0
Interest-bearing liabilities amount to	3.1	1.0
Pledged assets	7.4	2.7
Contingent liabilities	-	-

## SHAREHOLDERS' EQUITY AND NUMBER OF SHARES

Specification of changes in shareholders' equity	2010 Oct-Dec	2009 Oct-Dec	2010 Full year	2009 Full year
<b>SHAREHOLDERS' EQUITY</b>				
Shareholders' equity, opening balance	571.0	575.9	600.6	588.4
New share issues	106.6		106.6	1.9
Issue expenses	-0.7		-0.7	
Dividend			-35.5	-35.5
Repurchase of own shares	-2.9		-2.9	
Transfer of own shares	2.5		2.5	
Minority interest in connection with purchase of subsidiary	5.7		5.7	
Comprehensive income for the period	32.6	24.7	38.5	45.8
<b>Shareholders' equity, closing balance</b>	<b>714.8</b>	<b>600.6</b>	<b>714.8</b>	<b>600.6</b>
<b>Shareholders' equity attributable to:</b>				
Shareholders of the Parent company	709.1	600.6	709.1	600.6
Minority interest	5.7		5.7	
<b>Specification of number of shares outstanding, millions</b>				
Number of outstanding shares, opening balance	23.6	23.6	23.6	23.6
New share issues	4.5		4.5	0.1
Repurchase of own shares	-0.1		-0.1	
Transfer of own shares	0.1		0.1	
<b>Number of outstanding shares, closing balance</b>	<b>28.1</b>	<b>23.6</b>	<b>28.1</b>	<b>23.6</b>

The number of registered shares was 28,145,408 on December 31, 2010 and 23,645,408 on December 31, 2009. During 2010, a new share issue of 4,500,000 B-shares has been executed in connection with purchase of subsidiaries. Furthermore, 116,639 own B-shares has been repurchased, of which 98,724 B-shares has been transferred in connection with purchase of subsidiary. As of December 31, 2010, the holdings of own B-shares was 17,915. As of December 31, 2009, Addnode had no holdings of own shares. The number of outstanding shares was 28,127,493 on December 31, 2010 and 23,645,408 on December 31, 2009.

## CONSOLIDATED CASH FLOW STATEMENT

(SEK M)	2010 Oct-Dec	2009 Oct-Dec	2010 Full year	2009 Full year
<b>Current operations</b>				
Operating profit	32.5	21.3	52.1	48.7
Adjustment for items not included in cash flow	4.8	4.1	22.5	24.2
<b>Total</b>	<b>37.3</b>	<b>25.4</b>	<b>74.6</b>	<b>72.9</b>
Net financial items	0.3	-2.6	0.9	-1.9
Tax paid, etc.	5.2	-0.2	-7.5	-25.8
<b>Cash flow from current operations before changes in working capital</b>	<b>42.8</b>	<b>22.6</b>	<b>68.0</b>	<b>45.2</b>
Total changes in working capital	11.9	-0.5	0.4	20.3
<b>Cash flow from current operations</b>	<b>54.7</b>	<b>22.1</b>	<b>68.4</b>	<b>65.5</b>
Cash flow from investing activities <sup>1)</sup>	-24.0	-3.7	-50.2	-26.7
Cash flow from financing activities <sup>2)</sup>	-4.7	-1.0	-41.8	-37.8
<b>Change in cash and cash equivalents</b>	<b>26.0</b>	<b>17.4</b>	<b>-23.6</b>	<b>1.0</b>
Cash and cash equivalents, opening balance	50.7	86.0	103.8	101.5
Exchange-rate difference in cash and cash equivalents	0.8	0.4	-2.7	1.3
<b>Cash and cash equivalents, closing balance</b>	<b>77.5</b>	<b>103.8</b>	<b>77.5</b>	<b>103.8</b>

### 1) Specification of investing activities:

Acquisition and sales of intangible and tangible fixed assets	-3.9	-1.3	-8.8	-4.5
Acquisition and sales of financial fixed assets		1.6	-0.1	1.3
Acquisition of subsidiaries and operations	-50.4	-4.1	-74.7	-25.0
Cash and cash equivalents in acquired companies	30.2		32.7	
Repayment of receivables	0.1	0.1	0.7	1.5
<b>Total</b>	<b>-24.0</b>	<b>-3.7</b>	<b>-50.2</b>	<b>-26.7</b>

### 2) Specification av financing activities:

Paid dividend			-35.5	-35.5
Repurchase of own shares	-2.9		-2.9	
Amortization of debts	-1.8	-1.0	-3.4	-2.3
<b>Total</b>	<b>-4.7</b>	<b>-1.0</b>	<b>-41.8</b>	<b>-37.8</b>

## KEY FIGURES

	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
	<b>Oct-Dec</b>	<b>Oct-Dec</b>	<b>Full year</b>	<b>Full year</b>
Net sales, SEK M	342.1	266.3	1,059.9	989.4
Average number of employees	657	612	629	643
Net sales per employee, SEK 000s	521	435	1,685	1,539
Change in net sales, %	28	-7	7	-3
EBITA margin, %	10.6	9.6	6.4	6.6
Operating margin, %	9.5	8.0	4.9	4.9
Profit margin, %	9.7	8.0	5.0	4.5
Equity/assets ratio, %	62	66	62	66
Acid-test ratio, %	110	132	110	132
Shareholders' equity, SEK M	714.8	600.6	714.8	600.6
Return on shareholders' equity, % *	5.4	3.9	8.6	7.3
Return on capital employed, % *	5.2	3.7	8.8	8.4
Net liabilities, SEK M	-78.0	-103.8	-78.0	-103.8
Debt/equity ratio, multiple	0.05	0.05	0.05	0.05
Interest coverage ratio, multiple	383.4	208.8	194.8	139.1
Percentage of risk-bearing capital, %	63	68	63	68
Investments in equipment, SEK M	4.5	1.7	10.4	5.8

\*Key figures for the various interim periods have not been adjusted to return on an annual basis.

## SHARE DATA

	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
	<b>Oct-Dec</b>	<b>Oct-Dec</b>	<b>Full year</b>	<b>Full year</b>
Average number of outstanding shares, millions	25.1	23.6	24.0	23.6
Total number of outstanding shares, millions	28.1	23.6	28.1	23.6
Total number of registered shares, millions	28.1	23.6	28.1	23.6
Earnings per share, SEK	1.33	0.96	2.13	1.81
Shareholders' equity per share, SEK	25.21	25.40	25.21	25.40
Dividend per share, SEK	-	-	1.50 <sup>1)</sup>	1.50
Stock-market price at end of period, SEK	25.60	23.80	25.60	23.80
P/E ratio	-	-	12	13
Share price/shareholders' equity	1.02	0.94	1.02	0.94

1) According to proposal from the board.

The company has no outstanding options or convertibles programs that would result in dilution.

## OPERATING SEGMENTS

The figures below refer to the first nine months of each year.

(MSEK)	DESIGN MGT		PLM MGT		PROCESS MGT		CONTENT MGT		CENTRALT		ELIMINERING		ADDNODE	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
<b>INTÄKTER</b>														
Externa kunder	401.0	334.9	285.8	277.6	192.6	171.3	179.0	203.9	1.5	1.7			<b>1,059.9</b>	<b>989.4</b>
Transaktioner mellan segment	0.5	0.4		1.1	0.6	0.6	5.7	8.7	8.7	9.1	-15.5	-19.9	<b>0.0</b>	<b>0.0</b>
Summa intäkter	401.5	335.3	285.8	278.7	193.2	171.9	184.7	212.6	10.2	10.8	-15.5	-19.9	<b>1,059.9</b>	<b>989.4</b>
EBITA	33.4	28.1	24.7	14.8	30.5	34.8	-0.8	3.0	-20.3	-15.0			<b>67.5</b>	<b>65.7</b>
EBITA-marginal	8.3%	8.4%	8.6%	5.3%	15.8%	20.2%	-0.4%	1.4%					<b>6.4%</b>	<b>6.6%</b>
Rörelseresultat	30.9	27.1	21.8	10.5	25.4	29.8	-5.7	-3.7	-20.3	-15.0			<b>52.1</b>	<b>48.7</b>
Rörelsemarginal	7.7%	8.1%	7.6%	3.8%	13.1%	17.3%	-3.1%	-1.7%					<b>4.9%</b>	<b>4.9%</b>
Medelantal anställda	152	133	150	167	122	112	198	226	7	5			<b>629</b>	<b>643</b>

Addnodes verksamhet är organiserad i och styrs utifrån affärsområdena Design Management, Product Lifecycle Management (PLM), Process Management och Content Management, vilka utgör koncernens rörelsesegment. Under fjärde kvartalet 2010 har dotterbolaget Cartesia GIS AB, med en årlig nettoomsättning på cirka 60 MSEK, övergått från Content Management till Process Management, varvid historiska jämförelsetal har räknats om. Det har i övrigt inte skett någon förändring i segmentindelningen eller beräkningen av segmentens resultat sedan den senast avgivna årsredovisningen. Segmenten redovisas enligt samma redovisningsprinciper som koncernen. Skillnaden mellan summan av segmentens rörelseresultat och koncernens resultat före skatt avser finansiella intäkter 1,6 (1,1) MSEK och finansiella kostnader -0,6 (-5,0) MSEK. Genomförda företagsförvärv har inneburit att totala tillgångar hos Process Management har ökat med cirka 250 MSEK jämfört med uppgifterna i den senaste årsredovisningen. I övrigt har det inte skett några väsentliga förändringar vad gäller segmentens tillgångar.

## QUARTERLY FINANCIAL OVERVIEW

(SEK M)	2010					2009					2008				
	Total	Q4	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1
Net sales	<b>1,059.9</b>	342.1	221.8	245.0	251.0	<b>989.4</b>	266.3	199.5	248.0	275.6	<b>1,025.1</b>	285.4	221.0	267.3	251.4
EBITA	<b>67.5</b>	36.3	10.1	10.9	10.2	<b>65.7</b>	25.5	9.2	10.7	20.3	<b>113.4</b>	32.0	21.2	32.1	28.1
Operating profit	<b>52.1</b>	32.5	6.1	7.2	6.3	<b>48.7</b>	21.3	5.0	6.4	16.0	<b>98.2</b>	28.0	17.2	28.5	24.5
Profit before taxes	<b>53.1</b>	33.3	5.0	8.7	6.1	<b>44.8</b>	21.4	4.1	5.4	13.9	<b>104.0</b>	28.8	19.3	30.5	25.4
Profit after taxes	<b>51.2</b>	33.3	4.6	7.8	5.5	<b>42.8</b>	22.8	3.6	4.5	11.9	<b>92.0</b>	27.1	17.1	26.4	21.4
EBITA margin	<b>6.4%</b>	10.6%	4.6%	4.4%	4.1%	<b>6.6%</b>	9.6%	4.6%	4.3%	7.4%	<b>11.1%</b>	11.2%	9.6%	12.0%	11.2%
Operating margin	<b>4.9%</b>	9.5%	2.8%	2.9%	2.5%	<b>4.9%</b>	8.0%	2.5%	2.6%	5.8%	<b>9.6%</b>	9.8%	7.8%	10.7%	9.7%
Cash flow from current operations	<b>68.4</b>	54.7	-14.6	-1.2	29.5	<b>65.5</b>	22.1	-2.1	17.5	28.0	<b>115.9</b>	44.4	30.8	7.6	33.1
Average number of employees	<b>629</b>	657	620	597	604	<b>643</b>	612	626	657	676	<b>565</b>	588	577	548	540

## PARENT COMPANY INCOME STATEMENT

<b>(SEK M)</b>	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
	<b>Oct - Dec</b>	<b>Oct - Dec</b>	<b>Full year</b>	<b>Full year</b>
Net sales	1.1	0.8	3.9	3.7
Other operating income	0.5		0.5	
Operating costs	-5.3	-4.4	-19.0	-15.8
<b>Operating result</b>	<b>-3.7</b>	<b>-3.6</b>	<b>-14.6</b>	<b>-12.1</b>
Financial income	0.9	-13.7	42.4	35.5
Financial expenses	-0.7	-0.2	-1.1	-1.6
<b>Profit before taxes</b>	<b>-3.5</b>	<b>-17.5</b>	<b>26.7</b>	<b>21.8</b>
Tax	27.3	13.5	27.3	13.5
<b>NET PROFIT FOR THE PERIOD</b>	<b>23.8</b>	<b>-4.0</b>	<b>54.0</b>	<b>35.3</b>

## PARENT COMPANY BALANCE SHEET

<b>(SEK M)</b>	<b>Dec 31,</b>	<b>Dec 31,</b>
	<b>2010</b>	<b>2009</b>
Tangible fixed assets	0.1	0.1
Financial fixed assets	807.2	588.6
Current receivables	75.8	63.1
Cash and cash equivalents	16.3	53.8
<b>TOTAL ASSETS</b>	<b>899.4</b>	<b>705.6</b>
Shareholders' equity	667.1	488.9
Provisions	9.3	1.0
Current liabilities	223.0	215.7
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>899.4</b>	<b>705.6</b>



## DEFINITIONS

### **Average number of employees**

Average number of full-time employees during the period.

### **Shareholder's equity**

Reported shareholders' equity plus untaxed reserves less deferred tax at current tax rate.

### **Capital employed**

Total assets less non-interest-bearing liabilities and non-interest-bearing provisions including deferred tax liabilities.

### **Net sales per employee**

Net sales divided by the average number of full-time employees.

### **EBITA**

Profit before depreciation/amortization and impairment of intangible assets.

### **EBITA margin**

EBITA as a percentage of net sales.

### **Operating margin**

Operating profit as a percentage of net sales.

### **Profit margin**

Profit before tax as a percentage of net sales.

### **Return on shareholder's equity**

Net profit for the period (excluding minority share) as a percentage of the average shareholders' equity (excluding minority share).

### **Return on capital employed**

Profit before tax plus financial expenses as a percentage of the average capital employed.

### **Equity/assets ratio**

Shareholders' equity (including minority share) as a percentage of total assets.

### **Acid test ratio**

Current assets excluding inventory as a percentage of current liabilities.

### **Net liabilities**

Interest-bearing liabilities less cash and cash equivalents and other interest-bearing receivables.

A negative net liability, according to this definition, means that cash and cash equivalents and other interest-bearing financial assets exceed interest-bearing liabilities.

### **Debt/equity ratio**

Total amount of interest-bearing long-term and current liabilities and deferred tax liability in relation to shareholders' equity.

### **Interest coverage ratio**

Profit before tax plus interest expenses as a percentage of interest expense.

### **Percentage of risk-bearing capital**

Reported shareholders' equity (including minority share) and deferred tax liability in untaxed reserves as a percentage of total assets.

### **Earnings per share**

Net profit for the period (excluding minority share) divided by the average number of shares outstanding.

### **Shareholder's equity per share**

Shareholders' equity (excluding minority share) divided by the number of shares outstanding.

### **P/E ratio**

Share price in relation to profit per share.

### **Share price/shareholder's equity**

Share price in relation to shareholders' equity per share.