

Addnode AB, Year-end report, January 1 – December 31, 2007

October – December 2007 compared with 2006

- Net sales increased by 29% to SEK 243.0 M (188.2).
- EBITA rose by 33% to SEK 31.0 M (23.3).
- Operating profit increased by 33% to SEK 27.3 M (20.5).
- Profit after tax amounted to SEK 25.0 M (78.2).
- Profit after tax for continuing operations amounted to SEK 29.5 M (20.1).
- Earnings per share after tax amounted to SEK 1.11 (3.49).
- Earnings per share after tax for continuing operations amounted to SEK 1.31 (0.90).
- Shareholders' equity per share amounted to SEK 22.50 (23.45).
- Cash flow from operating activities amounted to SEK 46.0 M (30.4).

Significant events during the fourth quarter

- New strategy – focus on four growth areas
- Media business area divested
- Two additional acquisitions with annual sales of approximately SEK 40 M.
- Decision to initiate repurchase of own shares

2007 compared with 2006

- Net sales increased by 26% to SEK 795.0 M (628.7).
- EBITA rose by 52% to SEK 86.5 M (56.9).
- Operating profit increased by 52% to SEK 73.6 M (48.4).
- Profit after tax amounted to SEK 45.5 M (104.2).
- Profit after tax for continuing operations amounted to SEK 73.5 M (42.3).
- Earnings per share after tax amounted to SEK 2.03 (4.74).
- Earnings per share after tax for continuing operations amounted to SEK 3.28 (1.96).
- Shareholders' equity per share amounted to SEK 22.50 (23.45).
- Cash flow from operating activities amounted to SEK 106.5 M (48.3).

Significant events after the end of the period

- Additional acquisitions with annual net sales of approximately SEK 35 M.
- The Board proposes an ordinary dividend of SEK 1.00 per share and an extraordinary dividend of SEK 0.35 per share, a total of 1.35 per share.

Addnode closed the year with 29% growth during the fourth quarter – delivered the best operating profit ever

Media business area divested

The Board proposes a dividend of SEK 1.35 per share

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



The year 2007 was fantastic. We strengthened our market positions and delivered record high profits in continuing operations, but it was also a year of changes in which we sharpened our strategy and laid the foundation for Addnode's continued development.

CEO'S Comments

The year 2007 was fantastic. We strengthened our market positions and delivered record high profits in continuing operations, but it was also a year of changes in which we sharpened our strategy and laid the foundation for Addnode's continued development.

We have refocused the Group's direction into a solution company. During this process, we divested one business area and implemented five acquisitions within a short space of time. Focusing all employees and energy toward a common goal is inspiring.

The divestment of the Media business area was charged against profits in the amount of SEK 28 M, but it also signified that we exposed the potential in remaining operations.

Addnode now has a common business concept, which is beginning to penetrate all our operations. Services in the form of projects comprise the basis of our offering and the key to our success. By using our software, proprietary and otherwise, we will create unique solutions with conditions for favourable margins and long-term customer relations. Support and maintenance agreements connected to delivered solutions will generate confidence and provide a strong platform for the future, both for our customers and the company.

Addnode is a growth company and we continue to develop the operation both organically and through acquisitions. During 2007, our growth rate was 26%, of which 15% was organic. We continuously monitor a considerable number of acquisition candidates and during 2008 will we implement additional acquisitions.

In times like these, when everyone is wondering whether we have reached the end of the economic cycle, and whether it will affect their own operations, it may seem presumptuous of me to stick out my neck and believe in a strong 2008 for Addnode. But, the fourth quarter of 2007 was our best ever, and we have secured several new contracts in the beginning of 2008. Our customers are now found in several segments and we have a substantial number of customer projects and customer commitments that will extend well into 2008.

Finally, I would like to thank all employees for their excellent input, which resulted in the best operating profit that the company ever had, this far.

Staffan Hanstorp, President and CEO

Net sales and earnings

Fourth quarter, October – December, 2007

During the fourth quarter, the Group's sales amounted to SEK 243.0 M (188.2), an increase of 29%. For comparable units, the increase was 24%. EBITA amounted to SEK 31.0 M (23.3), corresponding to an EBITA margin of 12.8% (12.4).

Increased utilization of consultants and a significant development in license sales with accompanying service and maintenance contracts, have resulted in improved margins compared with the preceding year.

The decline in the net financial items compared with the year-earlier period was primarily due to the revaluation of listed shares.

An assessment of the possibilities to utilize tax-loss carryforwards against taxable surplus in the future is conducted at every accounting period end. The assessment in conjunction with the annual accounts for 2007 meant that deferred tax income amounting to SEK 15 M was reported. The reason is that Addnode significantly improved its earnings ability and the Group is approaching a point at which profits from acquired companies can be offset against earlier loss carryforwards.

Cash flow from operating activities amounted to SEK 46.0 M (30.4). The change in cash flow from operating activities is primarily attributable to an improved EBITA result and seasonal variations.

During the fourth quarter of 2007, the Board decided to divest the Media business area, which was subsequently reported as operation under divestment. The preceding year, the operations in SIX companies were divested, which generated major capital gains. Net loss from divested operations amounted to SEK 4.5 M (gain: 58.1) during the fourth quarter.

12-month period, January – December 2007

During 2007, the Group's sales amounted to SEK 795.0 M (628.7), an increase of 26%. For comparable units, the increase in net sales was 15%. EBITA amounted to SEK 86.5 M (56.9), corresponding to an EBITA margin of 10.9% (9.1).

Tax expenses for the year were positively influenced by capitalized loss carryforwards in the accounts.

The cash flow from operating activities amounted to SEK 106.5 M (48.3). The change in cash flow from operating activities was mainly attributable to an improved EBITA result and seasonal variations.

The net loss from divested operations totaled SEK 28.0 M (gain: 61.9). In 2006, the operations in the SIX companies were divested, which generated major capital gains.

Results summary¹

	Q4	Q4	12m	12m
(SEK M)	2007	2006	2007	2006
Net sales	243,0	188,2	795,0	628,7
EBITA	31,0	23,3	86,5	56,9
<i>EBITA margin</i>	12,8%	12,4%	10,9%	9,1%
Operating profit	27,3	20,5	73,6	48,4
<i>Profit margin</i>	11,2%	10,9%	9,3%	7,7%
Profit before taxes	23,6	21,4	75,4	48,8
Profit after tax from continuing operations	29,5	20,1	73,5	42,3
Profit after tax from divested operations	-4,5	58,1	-28,0	61,9
Net profit for the period	25,0	78,2	45,5	104,2
Cash flow from current operations	46,0	30,4	106,5	48,3
Average number of employees	516	424	463	369

1) In accordance with applicable accounting principles for listed companies (IFRS), all income statement items pertaining to divested operations are reported on a separate line in the Group's income statement immediately before net profit/loss for the year.

New strategy – focusing on the four growth areas

Addnode's Board has decided on a new strategy for the future development of the company. Addnode will become a more focused IT company with the Nordic region as its domestic market. To clarify the operation and offering, the Group was organized into four new business areas from December 1, 2007.

- Design Management, Business Area Manager Rolf Kjaernsli
- Product Lifecycle Management, Business Area Manager Hans Wolfhagen
- Process Management, Business Area Manager Bengt Sandlund
- Content Management, Business Area Manager Urban Näsman

Segment reporting will commence from the fourth quarter of 2007 according to the business area division.

Development in Addnode's business areas January – December, 2007, compared with January – December 2006.

(MSEK)	Net sales		EBITA		EBITA margin		Operating profit		Profit margin		Average nr of employees		Investments, tangible	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Design Management	294,1	256,5	21,8	15,9	7,4%	6,2%	21,6	15,4	7,4%	6,0%	114	105	4,6	1,7
Product Lifecycle Mgt	206,8	163,9	31,0	22,1	15,0%	13,5%	29,0	20,7	14,0%	12,6%	116	92	4,3	1,6
Process Management	111,3	49,3	21,5	11,0	19,3%	22,4%	16,1	8,36	14,4%	17,0%	74	30	1,2	0,3
Content Management	182,6	158,7	26,8	19,2	14,7%	12,1%	21,5	15,2	11,8%	9,6%	155	139	2,3	3,1
Group	0,2	0,3	-14,6	-11,3	-	-	-14,6	-11,3	-	-	4	3	-	-
AddNode	795,0	628,7	86,5	56,9	10,9%	9,0%	73,63	48,4	9,3%	7,7%	463	369	12,4	6,7

Design Management business area

The Design Management business area's operation is conducted in the company Cad-Q, which is the Nordic region's leading supplier of CAD and design-related IT for the construction, property and industrial sectors. With a comprehensive product range that extends from design and construction to project coordination, document management and IT operations, we can create overall concepts that would effectively reduce costs, shorten lead times and develop customers' operations. The solutions are primarily based on products from world-leading Autodesk combined with proprietary products and solutions. Cad-Q is the largest in its field in the Nordic region and demand is driven by increased focus in and interest for design, product development and construction of plants, buildings and products.

Net sales amounted to SEK 294.1 M (256.5), up 15%. EBITA amounted to SEK 21.8 M (15.9), corresponding to an EBITA margin of 7.4% (6.2).

Increased utilization of consultants and favorable trend in software sales with accompanying service and maintenance agreements, have resulted in improved margins compared with 2006. Increased demand from existing customers within manufacturing industries and construction combined with the cultivation of the Norwegian offshore industry has generated positive returns. New customers include Aker Kværner, Euromaint, Dark Arkitekter, Tengbomgruppen, Vital Eiendom, Stockholm Sports Administration, Oiltech and LKAB.

In February 2008, the Sikroma operation with 19 employees and sales of SEK 35 M was acquired. This is in line with our growth strategy for 2008. The acquisition will provide skilled employees and an expanded customer base within manufacturing industries in the counties of Blekinge, Småland and Östergötland.

Product Lifecycle Management business area

The Product Lifecycle Management business area's operation is conducted in the company Technia, which is the leading supplier of PLM systems in the Nordic region and one of the leading in the world. PLM is a common concept for systems that manage information and processes pertaining to the entire lifecycle of a product, from planning, design, development, production, sales and aftermarket support. Delivered solutions are based on software from Dassault Systemes and proprietary components. Demand is driven by customers' ambition to reduce development time for new products and improve profitability during the lifecycle of products.

Net sales amounted to SEK 206.8 M (163.9), an increase of 26%. EBITA amounted to SEK 31.0 M (22.1), corresponding to an EBITA margin of 15% (13.5).

Increased utilization of consultants and a favorable trend in software sales has resulted in improved margins compared with 2006.

A considerable number of new employees have been recruited and we have implemented supplementary acquisitions to cope with increased demands from existing and new customers. New customers include Oticon, VTI Technologies and Telenor Cinclus.

During the fourth quarter, the supplementary acquisition of Transcat PLM was implemented, which has been integrated into the current operations. The acquired company has seven employees, sales of approximately SEK 10 M and like Technia bases its PLM solutions on product platforms from the French company, Dassault Systèmes.

Process Management business area

The Process Management business area's operation is conducted in the companies of Ida Infront, Prosilia and Curalia, which sell operations-critical task management systems and security solutions. The majority of the business area's operations is based on iipax™, a proprietary product platform that offers advanced functions for electronic, long-term archiving, document and task management, professional e-services and secure information transfer. Customers are found primarily in the public sector, defense and banking and financial sectors. Customers' demands are driven by the ambition to mechanize manual case management.

Net sales amounted to SEK 111.3 M (49.3), up 126%. EBITA amounted to SEK 21.5 M (11.0), corresponding to an EBITA margin of 19.3% (22.4).

In assessing the business area's growth rate, the following should be taken into account: Ida Infront was consolidated with Addnode's accounts from September 1, 2006 and Curalia was consolidated from May 1, 2007.

Increased demand from existing customers has generated high capacity utilization for consultants. During 2007, additional orders were received from the Swedish Armed Forces (FMV), the National Police Board, the National Laboratory of Forensic Science and the National Heritage Board. New customers include Swedish Inspectorate of Strategic Products (ISP). We have strengthened our position through signed framework agreements with Verva for software and services for open software.

Content Management business area

The Content Management business area's operation is conducted in the companies of Mogul, Mogul Solution Provider, Modul Media Services, Linewise and Cartesia. The total offering comprises consulting services and customized IT solutions based on leading-edge standardized technologies and platforms within such areas as Java, Net, XML technologies, WebServices and Service Oriented Architecture (SOA). The focus areas are web publishing and system integration, geographic information and positioning technologies, editorial magazine systems and telecommunication and call-center solutions. Customers are from such industries as the media, telecommunication, banking/finances, public sector, forest industry, industry/logistics and directory companies and credit information companies. Demand is driven by customers' ambition to develop their operations, sales and service levels through accessible services via digital channels.

Net sales amounted to SEK 182.6 M (158.7), an increase of 15%. EBITA amounted to SEK 26.8 M (19.2), corresponding to an EBITA margin of 14.7% (12.1).

Increased utilization of consultants and favorable trend in license sales within the GIS area with accompanying service and maintenance agreements have resulted in improved margins compared with 2006. Major customers during the fourth quarter included Ericsson, SCA, Skandiabanken, SvD, Eniro and Berlingske Tidende.

During the fourth quarter, Solution Provider was acquired, which strengthened current operations in Mogul. The number of certified Java experts is increasing strongly and we are strengthening competence within requirement specification, architecture, design and testing. The acquired operations had sales of SEK 27 M during the split 2007 fiscal year.

Due to the new strategy and divestment of the Media business area, two operations were added to the Content Management business area. One is a consulting operation with 15 employees that implement systems for the Nordic media sector, and the other has management responsibility for the administration and operation of SVT's interactive services and publishing systems.

Divestment of Media business area

During the fourth quarter, Addnode's Board of Directors decided to divest the Media business area. The divestments implemented during 2007 were in line with this decision. During the fourth quarter, the following companies were divested: Prominent IT, DF Kompetens and Datacenter Stockholm. All divested operations were charged against the Group's earnings in the amount of SEK 28 M during 2007.

The media industry is important to Addnode and the Group has several services and offerings in this customer group. As part of the divestment of the previous Media business area, two consulting operations were transferred to the Content Management business area, in which the media industry is a key customer group. Hence, the Media business area is divested and no further expenses relating to the divestment will be charged against the Group's earnings.

Datacenter Stockholm

In a first phase, Addnode has sold 81% of its shares in the company Datacenter Stockholm to IT Support Center. The takeover date was December 14, 2007. A binding option agreement was signed by both parties, in which Addnode agrees to sell and IT Support Center pledges to purchase the remaining 19% in December 2009. The divestment resulted in a capital loss of approximately SEK 4 M, which was recognized in the fourth quarter of 2007.

DF Kompetens

The company, DF Kompetens AB, was sold to Dataföreningen i Sverige AB. The sale generated a capital loss of approximately SEK 2 M. DF Kompetens had sales of approximately SEK 24 M during the January – September 2007 period, with an operating loss. The takeover date was November 19, 2007.

Prominent IT

The company, Prominent IT AB, was sold to Multiple Choice Företagsservice AB. During the period, January – September 2007, Prominent IT AB had sales of approximately SEK 15 M with an operating loss. The takeover date was October 26, 2007. The divestment generated a capital loss of approximately SEK 2 M during the fourth quarter. Although the divestment was of no significance to Addnode's financial position, the Board obtained a fairness opinion from Söderlund & Co pertaining to the transaction based on the fact that Prominent IT was transferred to a company that was owned by a former senior executive of the Group. According to this fairness opinion, the transaction is deemed appropriate from a financial viewpoint for Addnode.

Acquisition

Addnode continuously analyses acquisition candidates that could supplement the existing offering or become a new offering within Addnode. During the fourth quarter, two companies were acquired which will jointly contribute annual sales of approximately SEK 40 M. After the end of the period, an acquisition was implemented in the Design Management business area, which will contribute annual sales of SEK 35 M.

Product Lifecycle Management

The acquisition of Transcat PLM AB on October 1, 2007 will strengthen the organization through the subsidiary Technia, with several expert consultants and will supplement the existing PLM offering. The acquired company has

seven employees, sales of approximately SEK 10 M and similar to Technia, bases its PLM solutions on product platforms from the French company, Dassault Systèmes.

Content Management

The acquisition of Solution Provider will supplement and strengthen the existing operations in the Mogul subsidiary. Solution Provider is a consulting and development company with major experience in software development in all its phases such as requirement specification, architecture, design and testing. The company has 20 employees and customers are primarily from such industries as telecommunication, energy and service and also within the public sector.

Acquired operations in the September 2006 - August 2007 fiscal year had net sales of approximately SEK 27 M. Addnode will pay a cash purchasing consideration of approximately SEK 9 M and a supplemented purchase consideration based on operating profits during the September 2007 – August 2009 period. The acquisition is estimated to have a positive effect on Addnode's operating results from takeover date, which was November 30, 2007.

Design Management

Addnode has acquired Sikroma with 19 employees. The acquired operations will be integrated with Addnode's subsidiary Cad-Q, which is the Nordic region's largest supplier of CAD and design-related IT solutions. The acquisition will provide Cad-Q with better possibilities of coping with increased demand for design and production solutions from industries and construction sectors.

Sikroma, whose principal operation is supplying design and production solutions to manufacturing industries, had sales of approximately SEK 35 M in the 2006/2007 fiscal year. The acquisition was implemented as a net asset acquisition in which Addnode takes over the employees, business relationships, ongoing customer projects and service and maintenance agreements. The acquisition will provide geographic presence to the expanding manufacturing industry primarily in the counties of Blekinge, Småland and Östergötland.

The purchase consideration consists of a cash consideration upon taking possession and a contingent purchase consideration based on the acquired service and maintenance agreements. The date of possession was February 1, 2008. The acquired operation is estimated to contribute positively to Addnode's earnings during 2008.

Repurchase of own shares

According to the authorization from the Annual General Meeting on April 26, 2007, the Board is entitled to decide on the acquisition of as many own Class B shares that following the acquisition the company's holdings total a maximum of 10% of the total number of shares in the company. Consequently, the largest number of shares that can be repurchased amount to 2,242,798 class B-shares.

During the fourth quarter, the company's Board decided to utilize this authorization. According to the Board's decision, the repurchase shall currently be limited to not more than 1,000,000 Class B-shares. The objective of the acquisition of own shares is so that Addnode is able to transfer shares in conjunction with the financing of company acquisitions and other types of investments and/or to adapt the company's capital structure to the company's capital requirements.

At February 19, 2008, Addnode AB owns 152,500 Class B shares that were repurchased according to the repurchase program. The shares were acquired through the OMX Exchange Stockholm at the beginning of 2008 at an average share price of SEK 21.06.

Dividend proposal

The Board proposes that the Annual General Meeting approves a dividend of SEK 1.35 per share, of which SEK 1.00 per share is attributable to an ordinary dividend and SEK 0.35 per share to an extraordinary dividend. The proposed dividend will total approximately SEK 30 M.

Other events

Legal dispute settlement

In December 2005, a former employee submitted a summons to the Stockholm City Court in which he claimed that Addnode was obligated to repurchase shares from him. A settlement was reached in the matter. Addnode's total process and settlement expenses amounted to SEK 0.7 M, which was charged against earnings in the 2005-2007 period.

Significant risks and uncertainties

Addnode's significant risks and uncertainties are described in the Board of Directors' Report in the Annual Report for 2006, in the section "Opportunities and risks," on pages 34 – 35 and in Note 31 on page 56 and Notes 37 – 38 on page 60. No significant changes occurred subsequently.

Financial information

Liquidity, cash flow and financial position

On December 31, 2007, the Group's cash and cash equivalents amounted to SEK 110.5 M (116.7 on December 31, 2006). Cash flow from operating activities for the Group's continuing operations amounted to SEK 106.5 M (48.3).

Cash flow from investing activities in 2007 included payment of purchase considerations for acquired companies totaling SEK 53.1 M, of which SEK 38.7 M pertains to supplementary purchase considerations for company acquisitions implemented in earlier years. Cash flow from investing activities also includes received payment of a receivable from SIX AB (formerly Ecovision) amounting to SEK 47.6 M, which arose in conjunction with the sale of the Financial business area in November 2006. Of interest-bearing receivables at December 31, 2007, SEK 27.6 pertains to SIX, which is to be paid in installments for the period ending September 2011.

The Group's interest-bearing liabilities pertain to financial leasing contracts and amounted on December 31, 2007 to SEK 7.3 M (10.1). The Group's net interest-bearing assets and liabilities amounted to SEK 136.7 M (183.1).

During the second quarter of 2007, a share dividend amounting to SEK 74.0 M was paid. The equity/assets ratio amounted to 59% (63) on December 31, 2007.

Investments

Investments in intangible and tangible fixed assets amounted to SEK 27.4 M (10.5), of which SEK 12.4 M (6.7) pertains to equipment and SEK 1.4 M (0.6) to development of software.

Goodwill and other intangible assets

The consolidated goodwill reported on December 31, 2007, was SEK 330.7 M (282.2). The carrying amount for brands amounted to SEK 16.6 M (23.7). Other intangible assets amounted to SEK 41.0 M (38.9) and pertained primarily to customer contracts, partnership agreements and software.

During 2007, SEK 5.0 M for impairment of intangible assets within the Media business area was charged against consolidated operating profit, which is included in the results from divested operations.

Deferred tax assets

On December 31, 2007, deferred tax assets totaled SEK 35.6 M, of which SEK 34.8 M was attributable to tax-loss carryforwards. The deferred tax assets attributable to the loss carryforwards was reported as assets to the extent that it is probable that the loss carryforwards will be deductible against a surplus in future taxation. On December 31, 2007, the Group's accumulated loss carryforwards totaled approximately SEK 340 M. The amount of SEK 34.8 M reported in the balance sheet represents only a small portion of the total value of the loss carryforwards. The value reported in the balance sheet is established by taking into account the amount of loss carryforwards expected to be utilized over the next few years. Renewed assessment of the possibilities of utilizing the tax-loss carryforwards in the future has meant that deferred tax income of approximately SEK 15 M was reported during the fourth quarter of 2007.

Shareholders' equity and number of shares

On December 31, 2007, shareholders' equity amounted to SEK 504.7 M (525.9), which corresponds to SEK 22.50 per share (23.45). During the second quarter of 2007, a share dividend amounting to SEK 74.0 M was distributed. The change in the number of shares and shareholders' equity during the current and the preceding years is shown on page

12. There were no outstanding options or convertible programs on December 31, 2007. In accordance with the authorization from the previous Annual General Meeting, Addnode has repurchased own shares, after the balance sheet date, which is described in detail under a separate section above.

Provisions

Provisions, which in the consolidated balance sheet are included in long-term and current liabilities, amounted to SEK 73.3 M on December 31, 2007, of which SEK 64.6 M pertains to estimated supplementary purchase consideration for previously implemented company acquisitions and SEK 4.7 M to provisions for restructuring measures. During 2007, SEK 6.8 M in new provisions for restructuring measures was booked, and SEK 3.8 M of previously created provisions was utilized for projected and implemented structural measures. In 2007, provisions for estimated supplementary purchase considerations increased by SEK 39.4 M in conjunction with company acquisitions and renewed assessments pertaining to estimated supplementary purchase consideration and declined by SEK 34.0 M in conjunction with disbursements. Of the supplementary purchase considerations reported in the December 31, 2007 annual accounts, approximately SEK 40 M is estimated to be paid out during the first half of 2008.

Employees

During 2007, the average number of employees in the Group amounted to 545 (528), of which 463 pertained to continuing operations. At the end of the year, the number of employees in the Group was 548 (536 on December 31, 2006).

Transactions with related parties

Addnode has market-based contracts that are renegotiated on a regular basis with companies within the Bisnode Group, which is the largest shareholder in Addnode. Of net sales during the period January – March 2007, 2% pertained to sales to the Bisnode Group. No significant purchases occurred from the Bisnode Group during the first quarter of 2007. At the close of the first quarter of 2007, Addnode was no longer an associated company of Bisnode.

Information on acquisitions and divestment of subsidiaries

During 2007, Addnode acquired Curalia AB, Transcat PLM AB and Solution Provider Consulting Sverige AB. The acquired companies have contributed approximately SEK 15 M and had a positive effect on the consolidated profit after tax of approximately SEK 1 M. If the companies had been acquired on January 1, 2007, net sales for the Addnode Group in 2007 for continuing operations would have amounted to approximately SEK 830 M and profit after tax to approximately SEK 73 M.

The total purchase consideration for the acquired companies is estimated at about SEK 41 M, of which approximately SEK 25 M pertains to an estimated supplementary purchase price based on net sales. In the acquisition analyses, acquisition-related intangible assets worth approximately SEK 4 M were identified, which triggered a deferred tax liability of approximately SEK 1 M. Consolidated goodwill amounted to approximately SEK 35 M. Other acquired assets and liabilities pertain primarily to accounts receivable, accrued income, accounts payable and accrued expenses.

In April 2007, the subsidiary Knowledge Partner Syd AB was divested and in July 2007, the subsidiary Prominent IT Helsingborg AB was divested. During the fourth quarter of 2007, the subsidiaries Prominent IT AB, DF Kompetens AB and Teknik I Media Datacenter Stockholm AB were divested. The divestments in 2007 resulted in capital losses totaling SEK 9 M. During the period the companies were part of the Addnode Group in 2007 they reported net sales totaling approximately SEK 100 M with consolidated operating loss of SEK 8 M. In November 2007, Addnode decided to divest the majority of the operations that were previously part of the Media business area, which include the companies that were divested in 2007. In accordance with applicable accounting recommendations for listed companies (IFRS), Addnode has reported all income statement items for 2007 and 2006 for this business area as income from discontinued operations on a separate line in the consolidated income statement. Income from divested operations for 2006 also includes the divested Financial business area.

Parent Company

Net sales amounted to SEK 8.2 M (6.6), which primarily refers to invoicing to subsidiaries for services rendered. Profit before tax amounted to SEK 37.4 M (0.9) including dividends from subsidiaries of SEK 78.4 M (54.0). Cash and cash equivalents on December 31, 2007 amounted to SEK 82.3 M (95.8). Investments pertaining to shares in subsidiaries and other shares amounted to SEK 42.7 M. During 2007, the Parent Company received repayment of its receivable to SIX of SEK 38.8 M. The Parent Company's provisions for estimated supplementary purchase considerations increased

by SEK 21.5 M during 2007 in conjunction with company acquisitions and renewed assessments of estimated supplementary purchase considerations and declined by SEK 31.0 M in conjunction with disbursements. During the second quarter of 2007, a share dividend amounting to SEK 74.0 was distributed.

Accounting principles

This year-end report was prepared in accordance with IAS 34, Interim Financial Reporting. The accounting principles are unchanged compared with the Annual Report for 2006 and are based on the EU-approved International Financial Reporting Standards (IFRS). The Parent Company's accounts were prepared in accordance with RFR 2.

Future outlook

As in the preceding period, we foresee continued healthy demand for IT solutions and stable pricing for IT consulting services. The long-term assessment is that investments in IT will continue to grow faster than total investments in the industry and service sectors.

In the nine-month report, it was the opinion of the Board that the Media business area's operating profits, after implemented changes, would be positive during the fourth quarter of 2007, but that the business area's underlying profitability was too weak, which could lead to additional structural measures. The Board's outlook for the rest of Addnode was continued favorable earnings.

The Media business area has now been divested and continuing operations closed the 2007 fiscal year on a very strong note. The Board has a positive view of Addnode's development during 2008, but chooses not to issue a forecast.

Forthcoming information dates

Interim report, first quarter	April 24, 2008
Six-month report	July 22, 2008
Nine-month report	October 28, 2008

Annual General Meeting

The Annual General Meeting is scheduled for Thursday, April 24, 2008 at 3:00 p.m. at Westmanska Palatset on Holländargatan 7, Stockholm. A separate notice to convene the meeting will be published.

Stockholm, February 20, 2008

Board of Directors

This report has not been reviewed by the company's auditors.

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Addnode Group's consolidated accounts

Income Statement (SEK M)	2007 Oct-Dec	2006 Oct-Dec	2007 Full year	2006 Full year
Continuing operations				
Net sales	243,0	188,2	795,0	628,7
Operating costs:				
Purchases of goods and services	-83,1	-67,2	-271,9	-225,0
Other external costs	-25,9	-17,5	-94,2	-78,1
Personnel costs	-100,3	-77,0	-332,8	-261,4
Depreciation and impairment of				
- tangible fixed assets	-2,7	-3,2	-9,6	-7,3
- intangible fixed assets	-3,7	-2,8	-12,9	-8,5
Total operating costs	-215,7	-167,7	-721,4	-580,3
Operating profit from continuing operations	27,3	20,5	73,6	48,4
Financial income	-3,5	1,3	2,3	1,6
Financial expenses	-0,2	-0,4	-0,5	-1,2
Profit before taxes	23,6	21,4	75,4	48,8
Current tax	-6,2	-3,4	-12,2	-6,9
Deferred tax	12,1	2,1	10,3	0,4
Profit from continuing operations	29,5	20,1	73,5	42,3
Profit from divested operations ¹⁾	-4,5	58,1	-28,0	61,9
NET PROFIT FOR THE PERIOD	25,0	78,2	45,5	104,2
Pertaining to:				
Shareholders of the Parent company	25,0	78,2	45,5	102,5
Minority shareholders				1,7
Earnings per share from continuing operations, SEK	1,31	0,90	0,91	1,96
Earnings per share from divested operations, SEK	-0,20	2,59	-1,25	2,78
Earnings per share, total, SEK	1,11	3,49	0,91	4,74
Average number of shares (000,000s)	22,4	22,4	22,4	21,6

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

1) Specification of profit from divested operations

Profit before taxes and capital gain	-0,1	-0,3	-24,0	5,1
Capital gain on divestment of operations	-8,4	58,7	-8,8	58,7
Tax on net profit for the year	4,0	-0,3	4,8	-1,9
Profit from divested operations	-4,5	58,1	-28,0	61,9

AddNode Group's consolidated accounts

Balance sheet

(SEK M)	2008-12-31	2007-12-31
Goodwill	330,7	282,8
Trademarks	16,6	23,7
Other intangible fixed assets	41,0	38,9
Tangible fixed assets	27,2	20,3
Financial fixed assets	80,3	81,3
Inventories	1,8	6,4
Current receivables	251,9	270,9
Cash and cash equivalents	110,5	116,7
TOTAL ASSETS	860,0	841,0
Shareholders' equity	504,7	525,9
Long-term liabilities	47,7	74,0
Current liabilities	307,6	241,1
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	860,0	841,0
Interest-bearing receivables amounted to	33,5	76,5
Interest-bearing liabilities amounted to	7,3	10,1
Pledged assets	4,7	3,8
Contingent liabilities	1,7	2,2

SHAREHOLDERS' EQUITY AND NUMBER OF SHARES

Specification of changes in shareholders' equity	2007 Oct-Dec	2006 Oct-Dec	2007 Full year	2006 Full year
Shareholders' equity, opening balance	475,5	449,8	525,9	397,6
New share issues				30,2
Dividend			-74,0	
Minority interest in acquisition of subsidiaries				-2,3
Revaluation of financial fixed assets to fair value	-1,0	-0,7	-2,1	-0,7
Revaluation of financial fixed assets to fair value when	5,6		5,6	
Translation difference	-0,4	-1,4	3,8	-3,1
Profit for the period	25,0	78,2	45,5	104,2
Shareholders' equity, closing balance	504,7	525,9	504,7	525,9

Shareholders' equity pertaining to:

The shareholders of the Parent Company	504,7	525,9	504,7	525,9
Minority shareholders				

Specification of number of shares "000,000"

Number of shares, opening balance	22,4	22,4	22,4	21,2
Newly issued shares				1,2
Number of shares at end of period	22,4	22,4	22,4	22,4

The number of shares was 22,427,984 at December 31, 2006 and at december 31, 2007.

Addnode Group's consolidated accounts

ADDNODE GROUP'S CONSOLIDATED ACCOUNTS CASH FLOW STATEMENT (SEK M)	2007 Oct-Dec	2006 Oct-Dec	2007 Full year	2006 Full year
Current operations				
Operating profit	27,3	20,5	73,6	48,4
Adjustment for items not included in cash flow	10,6	3,0	24,9	14,3
Total	37,9	23,5	98,5	62,7
Net financial items	-3,3	1,9	1,8	1,9
Tax paid, etc	1,1	0,0	-6,3	-8,4
Cash flow from current operations before changes in working capital	35,7	25,4	94,0	56,2
Total changes in working capital	10,3	5,0	12,5	-7,9
Cash flow from current operations	46,0	30,4	106,5	48,3
Cash flow from investing activities 1)	-13,0	-12,6	-22,6	-53,3
Cash flow from financing activities 2)	-0,1	-1,9	-77,2	-4,7
Cash flow from divested operations 3)	-10,0	25,4	-13,7	-24,3
Change in cash and cash equivalents	22,9	41,3	-7,0	-34,0
Cash and cash equivalents, beginning of the period	87,9	75,6	116,7	151,4
Exchange-rate difference in cash and cash equivalents	-0,3	-0,2	0,8	-0,7
Cash and cash equivalents, end of the period	110,5	116,7	110,5	116,7

1) Specification of investment operations:

Acquisition of tangible and intangible fixed assets	-8,8	-3,3	-26,7	-9,9
Acquisition and Sales of financial fixed assets	4,1	-9,3	7,3	-9,3
Acquisitions and Sales of subsidiaries and minority sha	-10,9		-53,1	-48,0
Cash and cash equivalents in acquired subsidiaries	0,8		2,1	13,6
Repayment of receivables	1,8		47,8	0,3
Totalt	-13,0	-12,6	-22,6	-53,3

2) Specification of Cash flow from financing activities:

Paid dividend			-74,0	
Amortization of debts	-0,1	-1,9	-3,2	-4,7
Total	-0,1	-1,9	-77,2	-4,7

3) Specification of cash flow from divested operations:

Cash flow from current operations	-0,5	13,5	-0,9	6,7
Cash flow from investing activities	-9,3	12,2	-12,0	-28,2
Cash flow from financing activities	-0,2	-0,3	-0,8	-2,8
Total	-10,0	25,4	-13,7	-24,3

ADDNODE GROUP

KEY FIGURES	2007	2006	2007	2006
	Oct-Dec	Oct-Dec	Full year	Full year
Continuing operations				
Net sales, SEK	243,0	188,2	795,0	628,7
Average number of employees	516	424	463	369
Net sales per employee, SEK 000s	471	444	1 717	1 704
Change in net sales, %	29	82	26	126
EBITA margin	12,8	12,4	10,9	9,1
Operating margin	11,2	10,9	9,3	7,7
Profit margin, %	9,7	11,4	9,5	7,8
Equity/assets ratio, %	59	63	59	63
Acid-test ratio, %	118	161	118	161
Shareholders' equity, SEK M	504,7	525,9	504,7	525,9
Return on shareholders' equity, %*	5,1	16,1	9,1	23,8
Return on capital employed, %*	4,8	4,4	14,8	11,0
Net indebtedness, SEK M	-136,7	-183,1	-136,7	-183,1
Debt/equity ratio, multiple	0,06	0,07	0,06	0,07
Interest coverage ratio, multiple	252,5	233,8	162,2	71,0
Percentage of risk-bearing capital, %	60	64	60	64
Investments in equipment, SEK M	4,7	2,2	12,4	6,7

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

Share data

Average number of shares, millions	22,4	22,4	22,4	21,6
Total number of shares, millions	22,4	22,4	22,4	22,4
Earnings per share from continuing operations, SEK	1,31	0,90	3,28	1,96
Earnings per share from divested operations, SEK	-0,20	2,59	-1,25	2,78
Earnings per share, total, SEK	1,11	3,49	2,03	4,74
Shareholders' equity per share, SEK	22,50	23,45	22,50	23,45
Dividend per share, SEK	-	-	1,35 ¹⁾	3,30
Period-end stock-market price, SEK	21,10	26,80	21,10	26,80
P/E multiple	-	-	10	6
Stock market price/Share holders equity	0,94	1,14	0,94	1,14

1) According to the Board of directors proposal

There are no outstanding programs of options or convertible debentures that could give rise to dilution.

QUARTERLY FINANCIAL OVERVIEW

Amounts i SEK M	2007					2006				
	Total	Q4	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1
Net sales	795,0	243,0	168,2	193,1	190,7	628,7	188,2	131,2	151,6	157,7
EBITA	86,5	31,0	16,3	20,3	18,9	56,9	23,3	4,9	13,1	15,6
Operating profit	73,6	27,3	12,9	17,1	16,3	48,4	20,5	2,8	11,3	13,8
Profit after taxes	45,5	25,0	2,1	5,8	12,6	104,2	78,2	5,1	9,0	11,9
Operating margin, %	9,3	11,2	7,7	8,9	8,5	5,6	10,9	2,1	7,5	8,8
Average number of employees	463	516	461	443	424	472	424	373	338	328

1) The figures in the table pertain to the Group's continuing operations at the close of 2007.

Profit after taxes also includes earnings from divested operations.

Addnode Parent company

Income Statement (SEK M)	2007	2006	2007	2006
	Jul - Sep	Jul - Sep	Jan - Sep	Jan - Sep
Net sales	2,4	0,1	8,2	6,6
Total operating costs	-6,8	-6,9	-23,5	-19,9
Operating profit	-4,4	-6,8	-15,3	-13,3
Financial income	-28,1	-40,2	54,5	15,9
Financial expenses	-0,4	-0,5	-1,8	-1,7
Profit before taxes	-32,9	-47,5	37,4	0,9
Tax	3,8	2,2	3,8	2,2
NET PROFIT FOR THE PERIOD	-29,1	-45,3	41,2	3,1

Balance sheet

(SEK M)	2007-12-31	2007-12-31
Tangible fixed assets	0,0	0,0
Financial fixed assets	548,1	559,5
Current receivables	52,4	71,2
Cash and cash equivalents	82,3	95,8
TOTAL ASSETS	682,8	726,5
Shareholders' equity	450,8	469,0
Provisions	47,9	62,4
Current liabilities	184,1	195,1
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	682,8	726,5

DEFINITIONS

Average number of employees

Average number of full-time employees during the period.

Shareholders' 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 shareholders' 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.

Shareholders' 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/shareholders' equity

Share price in relation to shareholders' equity per share.