

## AddNode AB Interim report January 1 – March 31, 2007

### *Strong demand and continued growth*

#### **January – March 2007 compared with 2006**

- Net sales increased 24% to SEK 231.8 M (186.6).
- EBITA rose 6% to SEK 17.0 M (16.1).
- Operating profit increased to SEK 13.7 M (13.8).
- Profit after tax amounted to SEK 12.6 M (11.9), of which SEK 0.0 M (1.5) pertained to divested operations.
- Earnings per share after tax amounted to SEK 0.56 (0.54), of which SEK 0.0 (0.05) pertained to divested operations.
- Shareholders' equity per share totaled SEK 24.16 (23.45 on December 31, 2006).
- Cash flow from operating activities amounted to SEK 47.5 M (22.2).

#### **Significant events during the first quarter**

- New President and CEO for AddNode AB was appointed effective from the Annual General Meeting, April 26, 2007.
- New dividend policy adopted.
- The Board of Directors proposes an ordinary dividend of SEK 0.90 per share and an extraordinary dividend of SEK 2.40 per share, making a total of SEK 3.30 per share.
- New customer contracts were signed with SVT and National Tax Board.
- Divestment of subsidiary Knowledge Partner.

#### **Significant events after close of period**

- Renewed contract in 2007 with the National Police Board valued at not less than SEK 20 M.

| <b>KEY FIGURES</b>                  | <b>3 month</b> | <b>3 month</b> | <b>12 month</b> |
|-------------------------------------|----------------|----------------|-----------------|
| <b>MSEK</b>                         | <b>2007</b>    | <b>2006</b>    | <b>2006</b>     |
| Net sales                           | 231,8          | 186,6          | 766,1           |
| EBITA                               | 17,0           | 16,1           | 53,9            |
| <i>EBITA margin</i>                 | <i>7,3%</i>    | <i>8,6%</i>    | <i>7,0%</i>     |
| Operating profit                    | 13,7           | 13,8           | 42,8            |
| <i>Profit margin</i>                | <i>5,9%</i>    | <i>7,4%</i>    | <i>5,6%</i>     |
| Profit before taxes                 | 15,7           | 13,8           | 43,5            |
| Net profit                          | 12,6           | 11,9           | 104,2           |
| - Profit from continuing operations | 12,6           | 10,4           | 36,6            |
| - Profit from divested operations   | -              | 1,5            | 67,6            |
| Cash flow from operations           | 47,5           | 22,2           | 35,9            |
| Average number of employees         | 537            | 419            | 472             |

The figures in the table pertain to the Group's continuing operations at the close of 2006. Profit after taxes also includes earnings from divested operations.

## **CEO's comments**

The start of the year was characterized by strong growth and continued high demand for our services. Net sales increased in all business areas compared with the year-earlier period. The Group's EBITA improved, but not at the same rate as growth, due to the loss within the Media business area, and also to a build up of new services within the Industrial business area.

Within the Media business area, we divested operations involved in KY (Advanced Vocational Education and Training) and continued efforts to reduce cost levels through the ongoing savings program. We have also strengthened the competency and sales force in the business area, which resulted in a substantial and long-term assignment with SVT. Further structural changes within the business area will be implemented in the near future aimed at creating a smaller but more profitable operation.

It is very gratifying that the Process Management business area, which includes the Ida Infront operations, continues to develop as strongly as it did at the close of 2006. Ida Infront has supplied us with major customers within the public sector and high competency within task management and communication solutions, which I believe will be an interesting growth area for AddNode.

Development within the Industrial and Technology business areas was stable and development of new services is expensed on a regular basis. Examples of activities include Product Design Management within Industrial and the further development of the logistics system within Technology.

Acquisition activities remain high and it is our ambition to present additional acquisitions during the year.

When I began working at AddNode four years ago, the starting point was an empty shell listed on the Stockholm Stock Exchange's O List. Growth has primarily been achieved through acquisition, but profitability has been generated mainly through our own efforts. I would like to thank all our competent employees who have contributed to the success. In the autumn of 2002, AddNode's market value was approximately SEK 5 M, and today it exceeds SEK 700 M, with major net cash assets that give us the latitude to continue developing the Group. During the same period, the share has price increased 75% to SEK 33 per share. It is also satisfying to be able to pay a dividend of SEK 3.30 per share, as the first repayment to shareholders for their patience. I can now, with a clear conscience, hand over the responsibility for the future of AddNode to Staffan Hanstorp.

***Bo Strandberg, President and CEO***

## **NET SALES AND EARNINGS**

*AddNode is a Nordic IT Group that offers sector, process or technology-specific IT services and solutions that enhance and develop its customers' business opportunities and operations. The company operates through profiled subsidiaries, which are organized into four business areas: Industrial, Media, Technology and Process Management. The company has 530 employees and operates in Sweden, Norway, Denmark and Finland, with its head office in Stockholm.*

During the first quarter of 2007, the Group's net sales amounted to SEK 231.8 M (186.6), which corresponds to a 24% increase. For comparable divisions, the increase in net sales was 6.5%. EBITA amounted to SEK 17.0 M (16.1), corresponding to an EBITA margin of 7.3% (8.6). The EBITA margin did not increase at the same rate as net sales, which was due to the loss reported within the Media business area and costs for the build-up of new services within the Industrial business area. The Process Management business area exceeded our high expectations and the Technology business area developed in line with the year-earlier period.

The increase in net financial income was attributable to the growth in net cash assets. Cash flow from operating activities amounted to SEK 47.5 M (22.2). The improved cash flow was due to a large portion of advanced invoicing of licenses and maintenance contracts and normal variations in the flow of payments.

Earnings per share for the Group's other operations increased by 14% compared with the year-earlier period.

## BUSINESS AREAS, JANUARY – MARCH 2007 COMPARED TO JANUARY - MARCH 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       |
| Industrial         | 124,0        | 113,9        | 12,0        | 13,1        | 9,6%         | 11,5%       | 11,6             | 12,4        | 9,4%          | 10,9%       | 207                     | 190        | 1,5                   | 0,9        |
| Media              | 46,2         | 35,7         | -1,0        | 1,9         | -2,2%        | 5,3%        | -2,1             | 1,1         | -4,5%         | 3,1%        | 128                     | 106        | 2,0                   | 1,1        |
| Process Management | 19,5         | -            | 4,5         | -           | 23,3%        | -           | 3,7              | -           | 19,0%         | -           | 51                      | -          | 0,0                   | -          |
| Technology         | 42,1         | 37,0         | 5,3         | 4,9         | 12,7%        | 13,2%       | 4,3              | 4,1         | 10,2%         | 11,1%       | 148                     | 120        | 0,8                   | 0,7        |
| Group              | -            | -            | -3,8        | -3,8        | -            | -           | -3,8             | -3,8        | -             | -           | 3                       | 3          | -                     | -          |
| <b>AddNode</b>     | <b>231,8</b> | <b>186,6</b> | <b>17,0</b> | <b>16,1</b> | <b>7,3%</b>  | <b>8,6%</b> | <b>13,7</b>      | <b>13,8</b> | <b>5,9%</b>   | <b>7,4%</b> | <b>537</b>              | <b>419</b> | <b>4,3</b>            | <b>2,7</b> |

### Industrial business area

*The Industrial business area is the Nordic region's leading supplier of services and IT systems for industrial product development and product data management for the manufacturing industry and for the construction and property sectors. The offering supports the entire lifecycle of a product from development to production, sales and after market. The operation is conducted in the Technia and Cad-Q companies and brands. The business area's success factor is a broad knowledge of the customer's operations, a strong range of services and an extensive product portfolio. Solutions offered are based on world-leading platforms from Dassault Systèmes and Autodesk.*

Net sales during the period totaled SEK 124.0 M (113.9) and EBITA amounted to SEK 12.0 M (13.1), which corresponds to an EBITA margin of 9.6% (11.5).

The first quarter was characterized by strong sales and capacity utilization for Technia's and Cad-Q's consultants. Demand from both current and new customers continue to develop positively, which is evident in several new contracts and the renewal of existing contracts with such customers as SonyEricsson, Andritz, Scania, Aker Kværner Business Partner, Ångpanneföreningen and White Arkitekter AB. During the period, a number of new recruitments were implemented within both Technia and Cad-Q and several recruitments will occur during the fiscal year. Technia's investment in Product Design Management, aimed at small and medium-sized companies, performed satisfactorily, but affected earnings for the period. Cad-Q's investment in systems for Building Information Modeling (BIM) was rewarded when one of Norway's leading technical consultancies within construction and marine structures, Dr. Techn. Olav Olsen AS, chose the BIM system, Autodesk Revit Structure.

### Media business area

*The Media business area supplies and is responsible for the operation and management of IT solutions. Important parts of the offering include operations, maintenance and support of hardware, applications and systems management, but also customer-adapted solutions for IT users. Assignments range from small customer-adapted solutions to major overall solutions such as svt.se. The business area has extensive knowledge of the needs of the Media industry.*

Net sales for the period totaled SEK 46.2 M (35.7) and an EBITA loss of SEK 1.0 M (profit: 1.9) was reported.

The Media business area offers a broad range of products to the market and its profitability trend varied during the period. A positive trend in IT education and consulting operations pertaining to editorial systems was unable to offset the weak trend within operations and support and the KY operations in Knowledge Partner.

In April 2007, the sale of Knowledge Partner was finalized, which had annual sales of SEK 10 M. For a considerable period, the divested business was a losing concern and the sale will have a positive impact on the business area's profit from the second quarter of 2007. Reversing the earnings trend will entail efforts within business development, in addition to cost savings. It is therefore gratifying that SVT selected Teknik i Media as the supplier of operational and technical management of such interactive services as svt.se, mobil.svt.se, forum.svt.se, medlem.svt.se, etc. The transaction confirms the strength and width in the

offering to media production companies. The contract is comprehensive and extends over a three-year period. The parties have agreed not to disclose the order value.

#### **Process Management business area**

*The Process Management business area develops products and builds large-scale and operations-critical task management and communication solutions for authorities and companies. The solutions are based on the proprietary developed product family, iipax<sup>TM</sup>, which offers advanced functions for electronic, long-term archiving, document and task management, professional e-services and safe information transfer.*

Net sales for the period totaled SEK 19.5 M (-) and EBITA amounted to SEK 4.5 M (-), which corresponds to an EBITA margin of 23.3% (-). The operations were consolidated in AddNode's accounts from September 1, 2006, which means that no comparison figures are reported for 2006.

The positive trend from the previous quarter continued, with strong earnings and the satisfactory introduction of new projects. A new contract was signed with the National Tax Board valued at SEK 4-8 M. The new contract implies an extension and further development of the current contract for the development and management of the National Tax Board's in/out data management, including systems for handling printing. The breakthrough in the banking and insurance market continued to generate positive results, and the most recent company to select Ida Infront's proprietary developed standard product, iipax communication, for secure information transfer, is AMF Pension. During the period, a solution was supplied that facilitated medical certificates being sent electronically between health departments and Försäkringskassan, which means that considerable cost savings can be made in direct administration costs and the reduction of sickness absence periods.

After the close of the period, Ida Infront renewed its current contract with the National Police Board. The contract is valued at more than SEK 20 M in 2007 and includes operation support, development and management of several of the National Police Board's operations-critical systems. Examples of supplied operations systems are task management for international cooperation at the National Police Board, safe communication with the National Road Administration and the Office of the Prosecutor General and a system for DNA registers for the National Laboratory of Forensic Science.

#### **Technology business area**

*The Technology business area offers consulting services and customized IT solutions that help customers capitalize on the full business potential of digital channels. The solutions are based on creative utilization of standardized technologies and platforms. The business area includes extensive expertise of web publication, systems integration, geographic information and positioning technology, logistic systems and telecommunication and call-center solutions.*

Net sales for the period amounted to SEK 42.1 M (37.0) and EBITA was SEK 5.3 M (4.9), which corresponds to an EBITA margin of 12.7% (13.2).

The start of the fiscal year was characterized by favorable capacity utilization for consultants within all areas. In order to meet the strong demand, new employees were recruited within primarily areas such as web publication, system integration, geographic information and positioning technology. One example of a recruitment that also generated new customers and strengthened the offering within web publication and system integration was the incorporation of consultants from the IT company Halogen. During the period, such customers as Keskousumalainen, Gota Media, Familjebostäder, Citymail and the Swedish Federation for Study Promotion were supplied with solutions for public websites, extranets and intranets. The offering within geographic information and positioning technology developed positively during the period; for example, several municipalities elected to use the web product, Solen, to publish geographic information.

### **SIGNIFICANT EVENTS DURING THE FIRST QUARTER**

#### **New President and CEO for AddNode AB**

In March 2007, the Board of Directors decided to appoint Staffan Hanstorp, Manager of the Industrial business area, as new President and CEO effective from the Annual General Meeting on April 26, 2007. Staffan Hanstorp is President and one of the founders of Technia, which was acquired by AddNode in the

autumn of 2004. Subsequent to AddNode's acquisition of Technia, in his role as business area manager, Staffan Hanstorp developed Industrial into the Nordic region's leading supplier of services and IT systems for industrial product development and product data management.

#### **Divestment of subsidiary**

In March 2007, a contract was signed pertaining to the sale of Knowledge Partner, a company within the Media business area that focuses on qualified vocational education and other labor market training courses. The divested company had eight employees and sales of approximately SEK 10 M. AddNode finalized the sale after the close of the period. The transaction did not result in any significant capital gain but will have a positive impact on operating profits for the next quarter.

#### **New customer contract signed with SVT and the National Tax Board**

SVT has selected Teknik i Media as supplier for operations and technical management of such interactive services as svt.se, mobil.svt.se, forum.svt.se, medlem.svt.se, etc. The transaction is evidence of the strength and width of the offering to media production companies. The contract includes and extends over a three-year period. The parties have agreed not to disclose the order value.

Since 1995, Ida Infront has been cooperating with the National Tax Board within the area of secure communication. The new contract with the National Tax Board signifies an extension and expansion of the current contract, which includes development and management pertaining to in/out data management including systems for handling printers. The order is valued at SEK 4-8 M.

#### **New dividend policy**

AddNode has not paid any dividend in the past. In view of the Group's attained stability and future prospects, the Board of Directors of AddNode has decided to adopt a new dividend policy according to the following:

*"Dividends to shareholders shall reflect the Group's profit and cash-flow trend as well as future growth prospects. It is the opinion of the Board of Directors that 50% of the Group's profit after tax shall be paid, on condition that the Group's equity/assets ratio exceeds 50% and that cash and cash equivalents are sufficient to operate and develop the Group."*

#### **Dividend proposal**

The Board of Directors proposes that the Annual General Meeting approve a dividend of SEK 3.30 per share, of which SEK 0.90 per share is attributable to ordinary dividend and SEK 2.40 is attributable to extra dividend as a result of a significant increase in net cash assets following the divestment of the Financial business area. The proposed dividend totals approximately SEK 74.0 M.

### **SIGNIFICANT EVENTS AFTER THE CLOSE OF THE PERIOD**

#### **Renewed contract with the National Police Board valued at not less than SEK 20 M.**

Ida Infront has renewed its present contract with the National Police Board. The contract is valued at not less than SEK 20 M during 2007 and includes operations support, development and management of several of the National Police Board's operations-critical systems. Examples of supplied operations systems include task management for international cooperation at the National Police Board, secure communication with the National Road Administration and the Office of the Prosecutor General and systems for the DNA register for the National Laboratory of Forensic Science.

### **FUTURE OUTLOOK**

As in the preceding period, we foresee continued healthy demand for IT solutions and stable pricing for IT consulting services. The demand situation for the Group's services strengthened during the first quarter and the trend for the Industrial, Process Management and Technology business areas remains positive for 2007. For the Media business area, the focus in 2007 is to reverse the negative earnings trend, which may imply changes in the business area's structure aimed at creating a smaller but more profitable operation.

The Board of Directors' overall assessment of AddNode's earnings outlook for 2007 is positive, but it chooses not to issue any forecast. The long-term assessment is that investments within IT will continue to grow more rapidly than total investments in the industrial and service sectors.

AddNode's financial goal is to achieve an operating margin of 7-10%, before depreciation/amortization and impairment of intangible fixed assets (EBITA) over a complete business cycle.

## **FINANCIAL INFORMATION**

### **Cash and cash equivalents, cash flow and financial position**

On March 31, 2007, the Group's cash and cash equivalents amounted to SEK 188.9 M (116.7 on December 31, 2006). Cash flow from operating activities amounted to SEK 47.5 M (22.2).

Cash flow from investing activities in 2007 includes repayment of SEK 31.5 M for receivables in Ecovision, which arose in conjunction with the sale of the Financial business area in November 2006. Of the interest-bearing receivables on March 31, 2007, SEK 43.8 M pertains to Ecovision, of which SEK 8.8 M will be paid during April 2007 and the remaining receivables amounting to SEK 35.0 M will be paid successively during the period up to September 2011.

The Group's interest-bearing liabilities pertain to financial lease agreements and amounted to SEK 9.0 M (10.1) on March 31, 2007. The Group's net of interest-bearing assets and liabilities amounted to SEK 224.7 M (183.1 on December 31, 2006). During the second quarter of 2007, payment of supplementary purchase prices for previously implemented company acquisitions amounted to approximately SEK 32.2 M. The proposed share dividend totals SEK 74.0 M.

The equity/assets ratio on March 31, 2007 was 62% (63 on December 31, 2006).

### **Investments**

Investments in intangible and tangible fixed assets amounted to SEK 5.1 M (4.4), of which SEK 0.3 M (0.0) pertains to development of software.

### **Goodwill and other intangible assets**

The consolidated goodwill reported on March 31, 2007 was SEK 284.3 M (282.8 on December 31, 2006). The carrying amount for brands amounted to SEK 23.4 M (23.7). Other intangible assets amounted to SEK 37.1 M (38.9) and pertain primarily to customer contracts, partnership agreements and software.

### **Deferred tax assets**

On March 31, 2007, deferred tax assets totaled SEK 23.2 M, of which SEK 21.8 was attributable to 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 a surplus in future taxation. On March 31, 2007, the Group's accumulated loss carryforwards totaled approximately SEK 365 M. The amount of SEK 21.8 M reported in the balance sheet represents only a small portion of the total value of 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.

### **Shareholders' equity and number of shares**

On March 31, 2007, shareholders' equity amounted to SEK 541.8 M (525.9 on December 31, 2006), which corresponds to SEK 24.16 (23.45) per share. The Board of Directors has proposed that the Annual General Meeting on April 26, 2007 approve a dividend totaling SEK 74.0 M. The change in the number of shares and shareholders' equity during 2007 and 2006 is shown on page 9. On March 31, 2007, there were no outstanding options or convertibles programs.

### **Provisions**

Provisions, which in the consolidated balance sheet are included in long-term and current liabilities, amounted to SEK 68.1 M on March 31, 2007, of which SEK 62.1 M pertains to estimated supplementary purchase price for previously implemented company acquisitions. During 2007, SEK 0.3 M of previously posted provisions for restructuring measures was utilized for planned and implemented structural measures.

## **Employees**

During the first quarter, the average number of employees in the Group amounted to 537 (419). At the close of the period, the number of employees in the Group was 538 (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 January – March 2007 period, 2% pertained to sales to the Bisnode Group. No significant purchases occurred from the Bidnode 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.

## **Parent Company**

Net sales amounted to SEK 1.7 M (1.6), which pertains primarily to invoicing to subsidiaries for services rendered. Before tax, a loss of SEK 4.1 M (loss: 2.9) was reported. Cash and cash equivalents on March 31, 2007 amounted to SEK 172.6 M (95.8 on December 31, 2006). No significant investments were made in intangible, tangible or financial fixed assets. During the first quarter of 2007, the Parent Company received repayment of its receivable to Ecovision of SEK 31.5 M.

## **Accounting principles**

This interim report was prepared in accordance with IAS 34 Interim Reporting and RR 31 Interim Reporting for Groups. The accounting principles are unchanged compared with the Annual Report for 2006 and is based on the EU approved International Financial Reporting Standards, IFRS. The Parent Company's Annual Report was prepared in accordance with RR 32:06.

## **FORTHCOMING INFORMATION DATES**

- Interim report, second quarter 2007 July 20, 2007
- Interim report, third quarter 2007 October 27, 2007
- Year-end report 2007 February, 2008

Stockholm, April 26, 2007

## ***Board of Directors***

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

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## Addnode Group's consolidated accounts

| Income Statement<br>(SEK M)                        | 2007<br>Jan - March | 2006<br>Jan - March | 2006<br>Full year |
|--|---------------------|---------------------|-------------------|
| <b>Continuing operations</b>                       |                     |                     |                   |
| Net sales  | 231,8               | 186,6               | 766,1             |
| <b>Operating costs:</b>                            |                     |                     |                   |
| Purchases of goods and services                    | -88,4               | -64,1               | -275,9            |
| Other external costs                               | -27,7               | -28,0               | -100,6            |
| Personnel costs                                    | -96,0               | -76,3               | -324,8            |
| Depreciation and impairment of                     |                     |                     |                   |
| - tangible fixed assets                            | -2,7                | -2,1                | -10,9             |
| - intangible fixed assets                          | -3,3                | -2,3                | -11,1             |
| <b>Total operating costs</b>                       | <b>-218,1</b>       | <b>-172,8</b>       | <b>-723,3</b>     |
| <b>Operating profit</b>                            | <b>13,7</b>         | <b>13,8</b>         | <b>42,8</b>       |
| Financial income                                   | 2,1                 | 0,4                 | 2,0               |
| Financial expenses                                 | -0,1                | -0,4                | -1,3              |
| <b>Profit before taxes</b>                         | <b>15,7</b>         | <b>13,8</b>         | <b>43,5</b>       |
| Current tax  | -2,3                | -2,2                | -6,9              |
| Deferred tax                                       | -0,8                | -1,2                | 0,0               |
| <b>Profit from continuing operations</b>           | <b>12,6</b>         | <b>10,4</b>         | <b>36,6</b>       |
| Profit from divested operations                    |                     | 1,5                 | 67,6              |
| <b>NET PROFIT FOR THE PERIOD</b>                   | <b>12,6</b>         | <b>11,9</b>         | <b>104,2</b>      |
| <b>Pertaining to:</b>                              |                     |                     |                   |
| Shareholders of the Parent company                 | 12,6                | 11,4                | 102,5             |
| Minority shareholders                              | 0,0                 | 0,5                 | 1,7               |
| Earnings per share from continuing operations, SEK | 0,56                | 0,49                | 1,69              |
| Earnings per share from divested operations, SEK   |                     | 0,05                | 3,05              |
| Earnings per share, total, SEK                     | 0,56                | 0,54                | 4,74              |
| Average number of shares (000,000s)                | 22,4                | 21,2                | 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     | 2,0        | 10,4        |
| Capital gain on divestment of operations |            | 58,7        |
| Tax on net profit for the year           | -0,5       | -1,5        |
| <b>Profit from divested operations</b>   | <b>1,5</b> | <b>67,6</b> |



## AddNode Group's consolidated accounts

### Balance sheet

| <b>(SEK M)</b>                                    | <b>2007-03-01</b> | <b>2006-03-01</b> | <b>2006-12-31</b> |
|---|-------------------|-------------------|-------------------|
| Goodwill  | 284,3             | 250,0             | 282,8             |
| Trademarks  | 23,4              | 30,3              | 23,7              |
| Other intangible fixed assets                     | 37,1              | 63,1              | 38,9              |
| Tangible fixed assets                             | 21,9              | 24,5              | 20,3              |
| Financial fixed assets                            | 80,4              | 28,4              | 81,3              |
| Inventories                                       | 4,4               | 3,0               | 6,4               |
| Current receivables                               | 239,0             | 214,2             | 270,9             |
| Cash and cash equivalents                         | 188,9             | 149,1             | 116,7             |
| <b>TOTAL ASSETS</b>                               | <b>879,4</b>      | <b>762,6</b>      | <b>841,0</b>      |
| Shareholders' equity                              | 541,8             | 407,3             | 525,9             |
| Long-term liabilities                             | 70,6              | 86,1              | 74,0              |
| Current liabilities                               | 267,0             | 269,2             | 241,1             |
| <b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b> | <b>879,4</b>      | <b>762,6</b>      | <b>841,0</b>      |
| Interest-bearing receivables amounted to          | 44,8              | 1,3               | 76,5              |
| Interest-bearing liabilities amounted to          | 9,0               | 14,9              | 10,1              |
| Pledged assets                                    | 3,4               | 13,3              | 3,8               |
| Contingent liabilities                            | 2,2               | -                 | 2,2               |

### SHAREHOLDERS' EQUITY AND NUMBER OF SHARES

|   | <b>2007</b>        | <b>2006</b>        | <b>2006</b>      |
|---|--------------------|--------------------|------------------|
| <b>Specification of changes in shareholders' equity</b> | <b>Jan - March</b> | <b>Jan - March</b> | <b>Full year</b> |
| Shareholders' equity, opening balance                   | 525,9              | 397,6              | 397,6            |
| New share issues  |                    |                    | 30,2             |
| Minority interest in acquisition of subsidiaries        |                    | -2,3               | -2,3             |
| Revaluation of financial fixed assets to fair value     | 1,0                |                    | -0,7             |
| Translation difference                                  | 2,3                | 0,1                | -3,1             |
| Profit for the period                                   | 12,6               | 11,9               | 104,2            |
| <b>Shareholders' equity, closing balance</b>            | <b>541,8</b>       | <b>407,3</b>       | <b>525,9</b>     |

#### Shareholders' equity pertaining to:

|  |       |       |       |
|--|-------|-------|-------|
| The shareholders of the Parent Company | 541,8 | 405,6 | 525,9 |
| Minority shareholders                  | 0,0   | 1,7   | 0,0   |

#### Specification of number of shares "000,000"

|  |             |             |             |
|--|-------------|-------------|-------------|
| Number of shares, opening balance        | 22,4        | 21,2        | 21,2        |
| Newly issued shares                      |             |             | 1,2         |
| <b>Number of shares at end of period</b> | <b>22,4</b> | <b>21,2</b> | <b>22,4</b> |

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

| <b>ADDNODE GROUP'S CONSOLIDATED ACCOUNTS</b>                               | <b>2007</b>        | <b>2006</b>        | <b>2006</b>      |
|--|--------------------|--------------------|------------------|
| <b>CASH FLOW STATEMENT (SEK M)</b>   | <b>Jan - March</b> | <b>Jan - March</b> | <b>Full year</b> |
| <b>Current operations</b>  |                    |                    |                  |
| Operating profit   | 13,7               | 13,8               | 42,8             |
| Adjustment for items not included in cash flow                             | 5,6                | 4,6                | 19,0             |
| <b>Total</b>   | <b>19,3</b>        | <b>18,4</b>        | <b>61,8</b>      |
| Net financial items  | 2,0                | 0,0                | 2,2              |
| Tax paid, etc  | -3,9               | -2,9               | -9,1             |
| <b>Cash flow from current operations before changes in working capital</b> | <b>17,4</b>        | <b>15,5</b>        | <b>54,9</b>      |
| Total changes in working capital   | 30,1               | 6,7                | -19,0            |
| <b>Cash flow from current operations</b>                                   | <b>47,5</b>        | <b>22,2</b>        | <b>35,9</b>      |
| Cash flow from investing activities 1)                                     | 25,4               | -5,8               | -65,8            |
| Cash flow from financing activities  | -1,2               | -1,6               | -6,9             |
| Cash flow from divested operations 2)                                      |                    | -17,3              | 2,8              |
| <b>Change in cash and cash equivalents</b>                                 | <b>71,7</b>        | <b>-2,5</b>        | <b>-34,0</b>     |
| Cash and cash equivalents, beginning of the period                         | 116,7              | 151,4              | 151,4            |
| Exchange-rate difference in cash and cash equivalents                      | 0,5                | 0,2                | -0,7             |
| <b>Cash and cash equivalents, end of the period</b>                        | <b>188,9</b>       | <b>149,1</b>       | <b>116,7</b>     |
| <b>1) Specification of investment operations:</b>                          |                    |                    |                  |
| Acquisition of tangible and intangible fixed assets                        | -5,2               | -2,1               | -12,1            |
| Acquisition of financial fixed assets                                      |                    |                    | -9,3             |
| Acquisitions of subsidiaries and minority shares                           | -1,1               | -4,0               | -58,3            |
| Cash and cash equivalents in acquired subsidiaries                         |                    |                    | 13,6             |
| Repayment of receivables   | 31,7               | 0,3                | 0,3              |
| <b>Totalt</b>  | <b>25,4</b>        | <b>-5,8</b>        | <b>-65,8</b>     |
| <b>2) Specification of cash flow from divested operations:</b>             |                    |                    |                  |
| Cash flow from current operations  |                    | 9,2                | 19,1             |
| Cash flow from investing activities  |                    | -26,4              | -15,7            |
| Cash flow from financing activities  |                    | -0,1               | -0,6             |
| <b>Total</b>   |                    | <b>-17,3</b>       | <b>2,8</b>       |

| KEY FIGURES                           | 2007        | 2006        | 2006      |
|---------------------------------------|-------------|-------------|-----------|
|                                       | Jan - March | Jan - March | Full year |
| <b>Continuing operations</b>          |             |             |           |
| Net sales, SEK                        | 231,8       | 186,6       | 766,1     |
| Average number of employees           | 537         | 419         | 472       |
| Net sales per employee, SEK 000s      | 432         | 445         | 1 623     |
| Change in net sales, %                | 24          | 83          | 87        |
| EBITA margin                          | 7,3         | 8,6         | 7,0       |
| Operating margin                      | 5,9         | 7,4         | 5,6       |
| Profit margin, %                      | 6,8         | 7,4         | 5,7       |
| Equity/assets ratio, %                | 62          | 53          | 63        |
| Acid-test ratio, %                    | 160         | 135         | 161       |
| Shareholders' equity, SEK M           | 541,8       | 407,3       | 525,9     |
| Return on shareholders' equity, %*    | 2,4         | 2,9         | 23,8      |
| Return on capital employed, %*        | 2,9         | 3,4         | 9,9       |
| Net indebtedness, SEK M               | -224,7      | -135,5      | -183,1    |
| Debt/equity ratio, multiple           | 0,07        | 0,13        | 0,07      |
| Interest coverage ratio, multiple     | 108,5       | 29,0        | 54,5      |
| Percentage of risk-bearing capital, % | 63          | 55          | 64        |
| Investments in equipment, SEK M       | 4,3         | 2,7         | 10,2      |

\*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  | 21,2  | 21,6  |
| Total number of shares, millions                   | 22,4  | 21,2  | 22,4  |
| Earnings per share from continuing operations, SEK | 0,56  | 0,49  | 1,69  |
| Earnings per share from divested operations, SEK   | 0,00  | 0,05  | 3,05  |
| Earnings per share, total, SEK                     | 0,56  | 0,54  | 4,74  |
| Shareholders' equity per share, SEK                | 24,16 | 19,11 | 23,45 |
| Dividend per share, SEK                            | -     | -     | 3,30  |
| Period-end stock-market price, SEK                 | 29,40 | 28,40 | 26,80 |
| P/E multiple                                       | -     | -     | 6     |
| Stock market price/Share holders equity            | 1,22  | 1,49  | 1,14  |

1) According to Board 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  |       |       |       |       | 2005  |       |      |      |       |
|-----------------------------|-------|-------|-------|-------|-------|-------|-------|-------|------|------|-------|
|                             | Q1    | Total | Q4    | Q3    | Q2    | Q1    | Total | Q4    | Q3   | Q2   | Q1    |
| Net sales                   | 231,8 | 766,1 | 228,3 | 161,7 | 189,5 | 186,6 | 409,7 | 131,8 | 77,7 | 98,2 | 102,0 |
| EBITA                       | 17,0  | 53,9  | 21,5  | 4,2   | 12,1  | 16,1  | 30,0  | 7,1   | 2,6  | 8,1  | 12,2  |
| Operating profit            | 13,7  | 42,8  | 17,4  | 1,7   | 9,9   | 13,8  | 23,5  | 5,5   | 1,5  | 5,2  | 11,3  |
| Profit after taxes          | 12,6  | 104,2 | 78,2  | 5,1   | 9,0   | 11,9  | 44,5  | 11,8  | 4,8  | 19,5 | 8,4   |
| Operating margin, %         | 5,9   | 5,6   | 7,6   | 1,1   | 5,2   | 7,4   | 5,7   | 4,2   | 1,9  | 5,3  | 11,1  |
| Average number of employees | 537   | 472   | 537   | 486   | 448   | 420   | 319   | 340   | 305  | 303  | 324   |

The figures in the table pertain to the Group's continuing operations at the close of 2006.

Profit after taxes also includes earnings from divested operations.

## 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.