

## Year-end report

### January 1 – December 31, 2011

**Strong close of 2011, with the highest net sales and operating profit for a single quarter. Earnings per share for 2011 increased with 75% to SEK 3,73 (2,13) and the Board of Directors propose an increased dividend of SEK 2.25 per share.**

#### Fourth quarter 2011

- Net sales totaled SEK 373.5 M (342.1), up 9%.
- EBITA<sup>1)</sup> increased to SEK 48.3 M (36.3), an EBITA margin of 12.9 (10.6) percent.
- Operating profit<sup>1)</sup> increased to SEK 44.0 M (32.5), an operating margin of 11.8 (9.5) percent.
- Profit after tax was SEK 31.2 M (33.3).
- Earnings per share after dilution amounted to SEK 1.10 (1.33).
- Cash flow from operating activities amounted to SEK 54.1 M (54.7).

1) excluding cost of SEK 6 M for the revaluation of conditional purchase considerations

#### January – December 2011

- Net sales totaled SEK 1,300.4 M (1,059.9), up 23%.
- EBITA<sup>2)</sup> increased to SEK 122.9 M (67.5), an EBITA margin of 9.5 (6.4) percent.
- Operating income<sup>2)</sup> considerations, increased to SEK 105.2 M (52.1), an operating margin of 8.1 (4.9) percent.
- Profit after tax rose to SEK 105.9 M (51.2).
- Earnings per share after dilution increased to SEK 3.73 (2.13).
- Shareholders' equity per share was SEK 27.42 (25.21).
- Cash flow from operating activities amounted to SEK 143.9 M (68.4).

2) excluding capital gains of SEK 20.4 M and the cost of SEK 6.0 M for the revaluation of conditional purchase considerations

#### Significant events during the fourth quarter of 2011

- The acquisition of GeoSpatial Solutions Sweden (GeoSol) will strengthen the offering to the infrastructure market.
- Addnode's two largest shareholders acquired additional Class A shares.

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

- The Board of Directors proposes a dividend of SEK 2.25 per share (1.50).
- Agreement signed on full responsibility for the operation of the Swedish Governments Offices' websites.

The information in this interim 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 3, 2012 at 8:00 a.m.

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

## 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 the creation and management of digital models and drawings



### Product Lifecycle Management

IT solutions for product information during a product's life cycle



### Process Management

IT solutions for case management, municipal administration, e-archives and map data



### Content Management

Web-based IT solutions for information management and e-trade

## Net sales and EBITA, fourth quarter 2011 and 2010

SEK M	2011	2010
Net sales	373.5	342.1
Growth	9%	28%
EBITA	48.3 <sup>1)</sup>	36.3
EBITA margin	12.9%	10.6%

## Net sales and EBITA, January – December 2011 and 2010

SEK M	2011	2010
Net sales	1 300.4	1 059.9
Growth	23%	7%
EBITA	122.9 <sup>1)</sup>	67.5
EBITA margin	9.5%	6.4%

1) According to IFRS, the revaluation in conditional purchase considerations affects the result. To achieve comparability with other periods reported EBITA for 2011, the tables above exclude the capital gain in the third quarter from the sale of Eviware Software Ltd for SEK 20.4 M and the cost in the fourth quarter of increased conditional purchase considerations about SEK -6.0 M.

## CEO's comments

### Highest net sales and results for a single quarter

Net sales for the fourth quarter rose 9% to SEK 373.5 M (342.1). In local currencies, growth was 10%. EBITA, excluding costs totaling SEK -6.0 M for the revaluation of conditional purchase considerations amounted to 48.3 (36.3) million, an EBITA margin of 12.9% (10.6).

In the fourth quarter, all business areas contributed to Addnode generating the highest net sales and highest operating profit ever in a single quarter. The outcome was attributable to a stronger and broader offering, enhanced efficiency in our delivery organization, as well as the acquisition and integration of high-performance operations.

All business areas improved their operating profits during 2011. In the Design Management and Product Lifecycle Management business areas, we created major and distinct added value for anyone developing new products and solutions, resulting in higher margins. Our public offering has developed well and we see significant synergies between Process Management and Content Management. The Framework Agreement for e-government support services and the three-year contract with the Government Offices for the sites [www.regeringen.se](http://www.regeringen.se) and [www.sweden.gov.se](http://www.sweden.gov.se) are clear examples of this.

How the financial turmoil impacts the customers and therefore also Addnode in 2012, remains to be seen. Approximately 30% of our revenues are derived from the public sector and approximately 70% from the private sector. Our business concept means that we have a major portion of recurring revenue. For the 2011 fiscal year, revenue from support and maintenance agreements rose 30% to SEK 482 M. The IT solutions we provide are often critical to our customers' operations. This means that we support our customers both in good and bad times. Customers use the solutions to design new products and shorten lead times as well as increase sales and efficiency in the operation.

A strong and, over time, increasing dividend is important to our shareholders. The Board of Directors proposes a dividend to shareholders of SEK 2.25 per share. Addnode has an unleveraged balance sheet. After the proposed dividend, we will have financial resources to finance growth according to our financial targets.

Our employees are the most important asset in the solutions we deliver to our customers. I would like to take the opportunity to thank everyone for their efforts during the year, which meant that we were able to serve our customers with innovative solutions in a troubled business world.

Addnode is a company with extensive experience of growth through the acquisition of supplementary operations. We discuss ongoing with a number of acquisition candidates and is ready in 2012 to raise the acquisition level. In the light of my faith in Addnode I have over the past quarter increased my private shareholding in the company.

*Staffan Hanstorp, President and CEO*

## Significant events during the fourth quarter of 2011

### **Acquisition of GeoSpatial Solutions Sweden (GeoSol) will strengthen the offering to the infrastructure market**

Geosol was founded in 2006, sales of SEK 10 M and has five employees. The company develops geographic information solutions (GIS) based on the Autodesk product portfolio and has a number of proprietary products and concepts. The acquisition is implemented as an asset-transfer acquisition and with transfer on 2 January 2012. The business will be integrated into the company Cad-Q in Design Management business area.

### **Addnode's two largest shareholders acquired additional Class A shares**

Addnode's President and CEO, Staffan Hanstorp, and Board member Dick Hasselström have acquired large blocks of Class A shares in Addnode AB. Vidinova AB (controlled by Dick Hasselström) acquired 130,000 Class A shares and Aretro Capital AB (controlled by Staffan Hanstorp and Jonas Gejer) acquired 200,000 Class A shares. In conjunction with the acquisition of the Class A shares, Vidinova has also acquired 35,000 Class B shares from Aretro Capital. Following these implemented transactions, Vidinova AB controls 26.1% of the capital and 28.1% of the votes in Addnode AB. Dick Hasselström privately owns an additional 2.2% of the capital and 1.7% of the votes in Addnode AB. The company Aretro Capital controls 13.5 percent of the capital and 24.8 percent of the votes in Addnode AB.

## Significant events after the close of the period

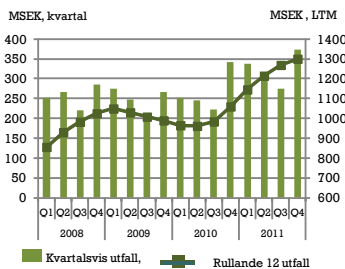
### **Overall responsibility for the operation of the Swedish Government Offices' websites**

The Addnode company, Ida Infront, with the sister company Mogul as supplier, signed an agreement with the Government Offices pertaining to operation of the [www.regeringen.se](http://www.regeringen.se) and [www.sweden.gov.se](http://www.sweden.gov.se) websites. The agreement extends for three years and is a supplier agreement within the framework of the supportive e-administrative services agreement. The initial order value is approximately SEK 13 M, with an option for an additional two years.

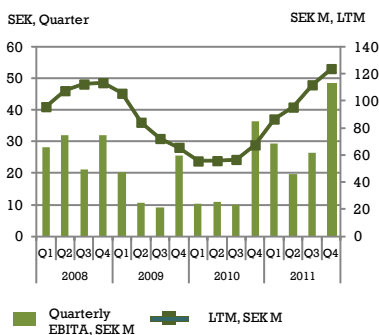
### **Board of Directors' dividend proposal**

The Board of Directors proposes a dividend of SEK 2.25 per share (1.50).

## Net sales by quarter, SEK M



## EBITA by quarter, SEK M<sup>1)</sup>

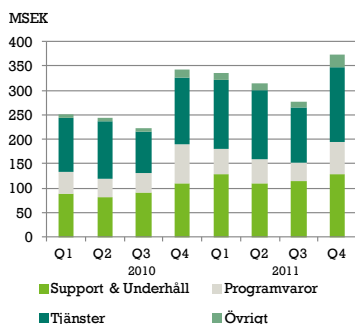


1) Excluding capital gains and revaluation of conditional purchase considerations

## Seasonal variations

Addnodes operations are seasonal. The fourth quarter is typically the strongest, while the third quarter is weakest.

## Business concept with recurring sales



The diagram above shows net sales for distributed per income type.

## Consolidated net sales and earnings

Refer also to the section "Net sales and EBITA in the business areas" on page 5 for additional comments on the performance of the business areas and the Group.

### Fourth quarter of 2011

Net sales in the fourth quarter rose 9% to SEK 373.5 M (342.1). In local currency, growth was 10%. The increase was attributable to improved offering and acquisitions implemented in the Process Management business area in 2010. For comparable units, net sales were in line with last year.

Software revenues amounted to SEK 67 M (79), revenues from support and maintenance agreements rose 16% to SEK 128 M (110) and revenues from services increased 13% to SEK 153 M (136).

During the fourth quarter, EBITA amounted to SEK 42.3 M (36.3), an EBITA margin of 11.3% (10.6). The improvements in earnings and margin were due to higher earnings in the Content Management business area, improved margins in the Product Lifecycle Management business area, as well as the acquisition of operations with high margins in the Process Management business area. In accordance with IFRS regulations, revenues were charged with SEK 6 M for revaluation of contingent considerations. Excluding revaluation conditional purchase considerations, EBITA was SEK 48.3 M (36.3), an EBITA margin of 12.9 (10.6) percent.

During the fourth quarter of 2011, Addnode capitalized costs of SEK 3.9 M (0.0) for investments in proprietary software and applications.

Tax on earnings for the period amounted to an expense of SEK 7.2 M (0.0). Profit after tax amounted to SEK 31.2 (33.3) million.

### January – December 2011

Net sales during 2011 rose 23% to SEK 1,300.4 M (1,059.9). In local currency, growth was 25%. The increase was mainly attributable to the acquisitions that were conducted in the Design Management and Process Management business areas in 2010. For comparable units, net sales were on par with the preceding year.

Software revenues rose 3% to SEK 207 M (201), revenues from support and maintenance agreements rose 30% to SEK 482 M (372) and revenues from services increased 22% to SEK 544 M (447).

During 2011, EBITA amounted to SEK 137.3 M (67.5), an EBITA margin of 10.6% (6.4). The improvement in earnings and margins were due to a more focused offering and higher efficiency, as well as a capital gain of SEK 20.4 M for the divestment of the holdings in eviware software AB. Earnings were also charged with SEK 6.0 M for the revaluation of conditional purchase considerations.

Excluding the capital gain from the divestment of eviware and the revaluation of the conditional purchase considerations, EBITA amounted to SEK 122.9 M (67.5), An EBITA margin of 9.5% (6.4).

Through internal development and via acquisition, Addnode significantly increased its share of proprietary applications and products in the solutions that the company offers. During 2011, Addnode capitalized costs of SEK 17.6 M (0.0) for investments in proprietary software and applications.

Net financial income totaled SEK 1.4 M (1.0). Tax on earnings for the period amounted to an expense of SEK -15.1 M (-1.9). Addnode has had a low tax rate because profit from operation could be offset against loss carryforwards.

Profit after tax rose to SEK 105.9 M (51.2). Earnings per share amounted to SEK 3.73 (2.13).

## Net sales by business area

MSEK	Q4		Jan – dec	
	2011	2010	2011	2010
Design Mgt	151,9	138,7	514,8	401,5
Product Lifecycle Mgt	70,8	82,3	254,8	285,8
Process Mgt	107,8	74,6	361,8	193,2
Content Mgt	45,4	47,7	176,7	184,7
Elim/central	-2,4	-1,2	-7,7	-5,3
<b>Addnode</b>	<b>373,5</b>	<b>342,1</b>	<b>1 300,4</b>	<b>1 059,9</b>

## EBITA by business area <sup>1)</sup>

MSEK	Q4		Jan – dec	
	2011	2010	2011	2010
Design Mgt	15,1	15,1	44,5	33,4
Product Lifecycle Mgt	14,2	11,1	25,4	24,7
Process Mgt	21,7	15,0	64,7	30,5
Content Mgt	4,4	0,8	12,2	-0,8
Elim/central	-7,1	-5,7	-23,9	-20,3
<b>Addnode</b>	<b>48,3</b>	<b>36,3</b>	<b>122,9</b>	<b>67,5</b>

1) According to IFRS, the revaluation in conditional purchase considerations affects the result. To achieve comparability with other periods reported EBITA for 2011, the tables above exclude the capital gain in the third quarter from the sale of Eviware Software Ltd for SEK 20.4 M and the cost in the fourth quarter of increased conditional purchase considerations about SEK -6.0 M.

## EBITA margin by business area

	Q4		Jan – dec	
	2011	2010	2011	2010
Design Mgt	9,9%	10,9%	8,6%	8,3%
Product Lifecycle Mgt	20,1%	13,5%	10,0%	8,6%
Process Mgt	20,1%	20,1%	17,9%	15,8%
Content Mgt	9,7%	1,7%	6,9%	-0,4%
Elim/central	-	-	-	-
<b>Addnode</b>	<b>12,9%</b>	<b>10,6%</b>	<b>9,5%</b>	<b>6,4%</b>

## Average number of employees by business area

	Q4		Jan – dec	
	2011	2010	2011	2010
Design Mgt	211	174	194	152
Product Lifecycle Mgt	140	144	145	150
Process Mgt	232	146	231	122
Content Mgt	177	186	181	198
Central	8	7	7	7
<b>Addnode</b>	<b>768</b>	<b>657</b>	<b>758</b>	<b>629</b>

## Net sales and EBITA in the 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

In the fourth quarter, net sales rose 10% to SEK 151.9 M (138.7) as a result of favorable trend in Finland, the industrial sector in Norway and the construction and property sectors in Sweden. Among the customers are Citec Engineering, Multiconsult, Niras, Ramböll, Rejlers, Sandvik, TTS Sense, Wingårdh, WTT and YIT.

During the fourth quarter, EBITA amounted to SEK 15.1 M (15.1), an EBITA margin of 9.9% (10.9). Earnings in the fourth quarter were historically at a good level for the business area. The margin was somewhat lower, since the revenue mix was more advantageous in the year-earlier period.

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

Net sales for the fourth quarter declined 14% to SEK 70.8 M (82.3). The focus on the core operation entailed less volume, but more focus on the offering. Among the customers are Ericsson, FLSmidth, GAP, Guess, Outotec, Scania, Toyota Material Handling and VF Corporation.

EBITA for the fourth quarter amounted to SEK 14.2 M (11.1), an EBITA margin of 20.1% (13.5). The improvements in earnings and margin were due to a more focused offering, excellent license sales, cost control and more efficient deliveries.

### Process Management, IT support for case management

Net sales in the fourth quarter rose 45% to SEK 107.8 M (74.6). The increase was attributable to the acquisitions, which was completed at the end of 2010 and a favorable close for comparable units. The order book received several projects, including a transmission network system for Stockholm Vatten. Projects delivered include the Defence Material Administration, Sydved, Fortum, Swedish Prosecution Authority, Fastighetsbyrån and several municipalities.

EBITA for the fourth quarter amounted to SEK 21.7 M (15.0), an EBITA margin of 20.1% (20.1). The improvements in earnings were mainly due to acquisitions conducted in 2010, but also due to an excellent close of the year for comparable units.

### Content Management, Web-based IT solutions for information management and e-commerce

In the fourth quarter, net sales declined 5% to SEK 45.4 M (47.7). A more focused offering resulted in slightly lower volumes, compared with the year-earlier period. Larger customers in the fourth quarter are Atlas Copco, Direkt Media, Gota Media, SKF, Sodexo, Swedish Television, Stena Line and Varberg Municipality. Agreements were signed with the Swedish Government Offices pertaining to operations of its [www.regeringen.se](http://www.regeringen.se) and [www.sweden.gov.se](http://www.sweden.gov.se) websites. The agreement extends for three years and is a delivery agreement within the framework of supportive e-administrative services. The initial order value is approximately SEK 13 M and there is an option for an additional two years. EBITA in the fourth quarter rose to SEK 4.4 M (0.8), an EBITA margin of 9.7% (1.7). The improvements in earnings and margin come from a more focused service that has generated more efficient projects with better capacity utilization.

## Key figures financial position

SEK M	31 Dec 2011	31 Dec 2010
Cash and cash equivalents	153.3	77.5
Net cash	155.6	78.0
Shareholders' equity	772.8	714.8

## Cash flow, third quarter 2011 and 2010

SEK M	2011	2010
Cash flow from		
- operating activities	54.1	54.7
- investing activities	-9.4	-24.0
- financing activities	-0.4	-4.7
<b>Change in cash and cash equivalents</b>	<b>44.3</b>	<b>26.0</b>
<b>Cash and cash equivalents, closing balance</b>	<b>153.3</b>	<b>77.5</b>

## Cash flow, January – December 2011 and 2010

SEK M	2011	2010
Cash flow from		
- operating activities	143.9	68.4
- investing activities	-22.7	-50.2
- financing activities	-45.0	-41.8
<b>Change in cash and cash equivalents</b>	<b>76.2</b>	<b>-23.6</b>
<b>Cash and cash equivalents, closing balance</b>	<b>153.3</b>	<b>77.5</b>

## Financial targets

Addnode will have an annual growth of at least 20 percent with an operating margin before depreciation and amortization of intangible assets (EBITA margin) of at least 10 percent.

## 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 totaled SEK 153.3 M on December 31, 2011 (77.5 on December 31, 2010). Cash flow from operating activities amounted to SEK 143.9 M (68.4) during 2011. The healthy cash flow was largely due to advance payments from customers pertaining to support and maintenance agreements.

Cash flow from investing activities for 2011 includes payments of SEK 17.6 M (0.0) for proprietary software. The sale of the shareholding in eviware software AB in July 2011 had a positive impact of SEK 21.5 M on cash flow from investing activities. During the second quarter, a share dividend of SEK 42.2 M was paid.

The Group's interest-bearing assets and liabilities amounted to SEK 0.7 M (3.1) on December 31, 2011. The Group's net interest-bearing assets and liabilities amounted to SEK 155.6 M (78.0). The equity/assets ratio on December 31, 2011 was 64% (62). The Parent Company has an existing agreement for a credit facility amounting to SEK 100 M.

### Investments

Investments in intangible and tangible fixed assets amounted to SEK 33.3 M (21.2), of which SEK 17.6 M (0.0) pertained to proprietary software, SEK 15.4 M (10.4) to equipment and SEK 0.0 M (8.0) to goodwill arising from the purchase of the net assets of a business.

### Goodwill and other intangible assets

The consolidated carrying amount of goodwill on December 31, 2011 amounted to SEK 550.5 M (543.1). The carrying amount of brands totaled SEK 12.8 M (13.5). Other intangible assets amounted to SEK 61.7 M (58.4) and pertained primarily to customer agreements and software.

### Deferred tax assets

Total recognized deferred tax assets on December 31, 2011 amounted to SEK 68.9 M, of which SEK 55.4 M pertained to tax loss carryforwards. On December 31, 2011, the Group's accumulated loss carryforwards amounted to approximately SEK 250 M. The deferred tax assets attributable to loss carryforwards are recognized as assets insofar as it is probable that the loss carryforwards will be deductible against surpluses in future taxation.

### Shareholders' equity and number of shares

Shareholders' equity amounted to SEK 772.8 M (714.8) on December 31, 2011, corresponding to SEK 27.42 (25.21) per share outstanding. During the second quarter, a share dividend of SEK 42.2 M was paid.

During March 2011, supported by authorization from the Annual General Meeting on April 27, 2010, Addnode repurchased 13,012 Class B shares via Nasdaq OMX Stockholm. In May 2011, following approval from the Annual General Meeting on May 4, 2011, Addnode transferred the holding of 30,926 Class B treasury shares as payment in connection with the acquisition of approximately 5% of the total number of shares in Kartena AB. Acting on a mandate from the Annual General Meeting on May 4, 2011, Addnode implemented a new share issue, as well as the immediate repurchase of 674,224 Class C shares in September 2011 to ensure future deliveries of shares in accordance with a recently established share-savings program. Addnode's holding of treasury shares on December 31, 2011 amounted to 674,224 Class C shares. Changes in the number of shares outstanding and shareholders' equity are shown on page 13.

The Annual General Meeting on May 4, 2011 resolved to implement a share-savings program for all Group employees, as described in further detail on page 9. On December 31, 2011, there were no other outstanding share-savings, options or convertibles programs.

## **Provisions**

Provision, which in the consolidated balance sheet, is included among long-term and current liabilities, amounted to SEK 19.5 M on December 31, 2011, of which SEK 18.4 M pertained to estimated conditional purchase considerations for implemented company and business acquisitions. The revaluation of the conditional purchase considerations at December 31, 2011 entailed an increase of SEK 6.0 M in provisions, which was expensed in the consolidated profit and loss pursuant to IFRS 3. During 2011, SEK 0.3 M of previously established provisions for planned and implemented restructuring measures was utilized.

## **Employees**

During 2011, the average number of employees in the Group was 758 (629). At the end of the year, the number of employees was 809 (775).

## **Information concerning acquisition of subsidiaries and operations**

All of the shares in the Danish company CDLight A/S were acquired on June 1, 2011, with transfer on the same date. The company has annual net sales of about SEK 30 M and 14 employees. The acquisition will expand the Design Management business area's offering in the Danish market in terms of products, services, customers and geographic coverage, and offers potential synergies with the Group existing operations. During 2011, the acquisition has contributed about SEK 20 M to the Addnode Group's net sales and had a positive impact on the Group's profit after tax in the amount of about SEK 1 M. If the acquisition had been completed on January 1, 2011, the Addnode Group's net sales during 2011 would have amounted to approximately SEK 1,315 M and profit after tax to approximately SEK 106 M. The costs for implementing the acquisition, SEK 0.1 M, were included in the Addnode Group's other external costs for 2011.

In December 2011, an agreement was signed to acquire an operation from GeoSpatial Solutions Sweden AB with transfer on January 2, 2012. The acquired business has annual net sales of approximately SEK 10 M and five employees. The operation focuses on IT solutions for infrastructure projects and will be integrated into Addnode's existing operation within the Design Management business area.

## **Parent Company**

Net sales totaled SEK 5.0 M (3.9), which primarily pertained to invoicing to subsidiaries for services rendered. Profit before tax amounted to SEK 86.9 M (100.1) including a dividend from subsidiaries of SEK 132.4 M (94.9), Group contribution received from subsidiaries totaling SEK 55.0 M (73.4) and impairment of shares in subsidiaries amounting to SEK 80.0 M (54.3).

At December 31, 2011, cash and cash equivalents totaled SEK 100.6 M (16.3). Investments concerning shares in subsidiaries amounted to SEK 25.7 M. No significant investments were made in intangible or tangible fixed assets. During the second quarter, a share dividend of SEK 42.2 M was paid. During 2011, Addnode implemented a repurchase and transfer of Class B treasury shares, as well as a new share issue and immediate repurchase of Class C shares. For further information, refer to the section on "Shareholders' equity and number of shares" above.



## Share-savings program

In accordance with the Board's motion, the Annual General Meeting on May 4, 2011 resolved to implement a share-savings program for all Addnode Group employees. There are no previous share-based incentive programs within the Group.

In brief, the share-savings program entails that in August 2014, employees who participate in the program may be allotted Class B Addnode shares free of charge, both matching share rights and performance shares, on the condition that they have made their own individual investment in Addnode shares. To be entitled to receive matching shares, the participant must be employed by the Group and the investment in Addnode shares must have remained intact up to the date on which the shares are allotted. The allotment of performance shares also requires the Group to achieve certain financial targets for 2011, 2012 and 2013. Under the Annual General Meeting's resolution, the share-savings program may not result in the allotment of more than 674,224 Class B Addnode shares. A total of 303 employees have applied for the share-savings program. Based on this participation and Addnode's assumptions concerning target fulfillment and other factors, the future allotment is expected to amount to 253,232 Class B shares.

To ensure delivery of Class B shares under the share-savings program, the Annual General Meeting passed a resolution concerning an amendment of the Articles of Association, whereby a new class of shares, designated Class C shares, will be introduced. The Board of Directors was authorized to make a decision regarding a private placement of Class C shares to Nordea Bank AB (publ) and to make decisions on the repurchase of the same shares. It was also decided that the Class C shares repurchased by Addnode, after conversion to Class B shares, would be transferable to participants in the share-savings program. The new issue and immediate repurchase of 674,224 Class C shares was implemented in September 2011.

## Accounting policies

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

The standards, amendments and interpretations of existing standards that gained legal force in 2011 had no impact on the Group's financial position or financial reports. From 2011, the Parent Company will recognize Group contributions received as financial income. The accounting policies and calculation methods are unchanged compared with the description in the 2010 Annual Report.

## Financial agenda

Interim report, first quarter 2012  
April 27, 2012

Annual General Meeting 2012  
May 3, 2012

Six-month report 2012  
July 20, 2012

Nine-month report 2012  
October 25, 2012

## The largest owners Dec 30, 2011

Owners	Capital, %	Votes, %
Vidinova AB <sup>1)</sup>	26,1	28,1
Aretro Capital AB <sup>2)</sup>	13,5	24,8
Robur Fonder	5,2	4,0
Fjärde AP Fonden	3,1	2,4
Tangent	3,0	2,2
Länsförsäkringar Småbolagsfond	2,7	2,0
PSG Small Cap	2,7	2,0
Banque Carnegie	2,4	1,8
Addnode, eget innehav	2,3	1,8
Multiple Choice	0,2	1,7
Öhman fonder	2,2	1,6
Övriga aktieägare	36,6	27,6
Totalt	100,0	100,0

<sup>1)</sup> Board member Dick Hasselström is the majority owner of Vidinova.

<sup>2)</sup> Aretro Capital is jointly owned by Staffan Hanstorp, Addnode CEO, and Jonas Gejer Head of Business Area Product Lifecycle Management.

## For further information, please contact:

Staffan Hanstorp,  
President and CEO  
Tel: +46 733 772 430  
E-mail:  
[staffan.hanstorp@addnode.com](mailto:staffan.hanstorp@addnode.com)

Johan Andersson,  
Corporate Head of Business  
Development and Communication  
Tel: +46 704 205 831  
E-mail:  
[johan.andersson@addnode.com](mailto:johan.andersson@addnode.com)

Addnode AB (publ)  
Corp. Reg. No. 556291-3185

Hudiksvallsgatan 4  
113 30 Stockholm  
Tel: +46 8 506 66 210  
[www.addnode.com](http://www.addnode.com)

## Significant risks and uncertainties

Addnode's significant risks and uncertainties are described in the Board of Directors' Report in the 2010 Annual Report, in the section "Risks and uncertainties" on pages 41-42 and in Note 37 "Financial risks and risk management" and Note 38 "Key estimates and assessments for accounting purposes" on pages 75-77. 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 interim report for the first nine months of 2011, 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.

## Assurance

The Board of Directors and the CEO assure that the interim report provides a fair view of the company's and the Group's operations, position and earnings, and describes the significant risks and uncertainties facing the company and the companies included in the Group.

Stockholm, February 3, 2012

Board of Directors

This year-end report has not been audited by the auditors.

## CONSOLIDATED INCOME STATEMENT

<b>(SEK M)</b>	<b>2011</b>	<b>Oct - Dec 2010</b>	<b>2011</b>	<b>Full- year 2010</b>
Net sales	373,5	342,1	300,4	059,9
Other operating income			20,4	
<b>Operating costs:</b>				
Purchases of goods and services	-124,7	127,7	442,5	375,2
Other external costs	-45,1	-38,8	156,1	124,1
Personnel costs	-156,6	136,5	585,3	482,2
Capitalized work performed by the company for its own use	3,9		17,6	
Revaluation of conditional purchase price	-6,0		-6,0	
Depreciation and write-downs of				
- tangible fixed assets	-2,7	-2,8	-11,2	-10,9
- intangible fixed assets	-4,3	-3,8	-17,7	-15,4
<b>Total operating costs</b>	<b>-335,5</b>	<b>309,6</b>	<b>201,2</b>	<b>007,8</b>
<b>Operating profit</b>	<b>38,0</b>	<b>32,5</b>	<b>119,6</b>	<b>52,1</b>
Financial income	0,6	1,0	2,0	1,6
Financial expenses	-0,2	-0,2	-0,6	-0,6
<b>Profit before taxes</b>	<b>38,4</b>	<b>33,3</b>	<b>121,0</b>	<b>53,1</b>
Current tax	-4,6	-2,9	-16,4	-7,1
Deferred tax	-2,6	2,9	1,3	5,2
<b>NET PROFIT FOR THE PERIOD</b>	<b>31,2</b>	<b>33,3</b>	<b>105,9</b>	<b>51,2</b>
<b>Attributable to:</b>				
Shareholders of the Parent company	31,1	33,3	105,1	51,2
Minority share	0,1		0,8	
Earnings per share before dilution, SEK	1,10	1,33	3,73	2,13
Earnings per share after dilution, SEK	1,10	1,33	3,73	2,13
Average number of outstanding shares:				
Before dilution, millions	28,1	25,1	28,1	24,0
After dilution, millions	28,2	25,1	28,1	24,0

## STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME

(SEK M)	Oct - Dec		Full- year	
	2011	2010	2011	2010
Net profit for the period	31,2	33,3	105,9	51,2
<b>Other comprehensive income:</b>				
Translation differences on consolidation	-5,0	-0,3	-0,7	-13,7
Cash flow hedges	-0,2	-0,4	-0,8	1,0
<b>Total other comprehensive income after tax for the period</b>	<b>-5,2</b>	<b>-0,7</b>	<b>-1,5</b>	<b>-12,7</b>
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>26,0</b>	<b>32,6</b>	<b>104,4</b>	<b>38,5</b>
<b>Attributable to:</b>				
Shareholders of the Parent company	25,9	32,6	103,6	38,5
Minority share	0,1		0,8	

## CONSOLIDATED BALANCE SHEET

(SEK M)	Dec 31, 2011	Dec 31, 2010
	Goodwill	550,5
Trademarks	12,8	13,5
Other intangible fixed assets	61,7	58,4
Tangible fixed assets	26,2	22,9
Financial fixed assets	75,8	75,6
Inventories	2,0	2,0
Current receivables	324,7	355,6
Cash and cash equivalents	153,3	77,5
	<b>1</b>	
<b>TOTAL ASSETS</b>	<b>207,0</b>	<b>1 148,6</b>
Shareholders' equity	772,8	714,8
Long-term liabilities	41,5	41,5
Current liabilities	392,7	392,3
	<b>1</b>	
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>207,0</b>	<b>1 148,6</b>
Interest-bearing receivables amount to	3,0	3,6
Interest-bearing liabilities amount to	0,7	3,1
Pledged assets	6,4	7,4
Contingent liabilities	-	-

## SHAREHOLDERS' EQUITY AND NUMBER OF SHARES

Specification of changes in shareholders' equity	2011	2010	2011	2010
<b>SHAREHOLDERS' EQUITY</b>				
Shareholders' equity, opening balance	746,5	571,0	714,8	600,6
New share issues		106,6	8,1	106,6
Issue expenses		-0,7		-0,7
Dividend			-42,2	-35,5
Repurchase of own shares		-2,9	-8,5	-2,9
Transfer of own shares		2,5	1,1	2,5
Minority interest in connection with purchase of subsidiary		5,7		5,7
Acquisition of shares from minority interest			-5,6	
Incentive program	0,3		0,7	
Comprehensive income for the period	26,0	32,6	104,4	38,5
<b>Shareholders' equity, closing balance</b>	<b>772,8</b>	<b>714,8</b>	<b>772,8</b>	<b>714,8</b>
<b>Shareholders' equity attributable to:</b>				
Shareholders of the Parent company	771,8	709,1	771,8	709,1
Minority interest	1,0	5,7	1,0	5,7
<b>Specification of number of shares outstanding, millions</b>				
Number of outstanding shares, opening balance	28,1	23,6	28,1	23,6
New share issues		4,5	0,7	4,5
Repurchase of own shares		-0,1	-0,7	-0,1
Transfer of own shares		0,1		0,1
<b>Number of outstanding shares, closing balance</b>	<b>28,1</b>	<b>28,1</b>	<b>28,1</b>	<b>28,1</b>

The number of registered shares was 28,819,632 on December 31, 2011 and 28,145,408 on December 31, 2010. During the first quarter of 2011, 13,012 own B-shares has been repurchased through Nasdaq OMX Stockholm. During the second quarter of 2011, 30,926 own B-shares has been transferred to sellers of shares in Kartena AB and 1 share has been transferred through Nasdaq OMX Stockholm. During the third quarter of 2011, 674 224 new C-shares has been issued and thereafter immediately repurchased in order to secure future delivery of B-shares to those employees who participate in Addnode's share savings program. The C-shares will be converted to B-shares before delivery to the participants in the share savings program. On December 31, 2011 Addnode's holdings of own shares was in total 674,224 C-shares. On December 31, 2010 Addnode's holdings of own shares was 17,915 B-shares. The number of outstanding shares was 28,145,408 on December 31, 2011 and 28,127,493 on December 31, 2010.

## CONSOLIDATED CASH FLOW STATEMENT

(SEK M)	Oct - Dec		Full- year	
	2011	2010	2011	2010
<b>Current operations</b>				
Operating profit	38,0	32,5	119,6	52,1
Adjustment for items not included in cash flow	13,2	4,8	13,8	22,5
<b>Total</b>	<b>51,2</b>	<b>37,3</b>	<b>133,4</b>	<b>74,6</b>
Net financial items	0,6	0,3	1,4	0,9
Tax paid, etc.	7,1	5,2	-8,0	-7,5
<b>Cash flow from current operations before changes in working capital</b>				
	<b>58,9</b>	<b>42,8</b>	<b>126,8</b>	<b>68,0</b>
Total changes in working capital	-4,8	11,9	17,1	0,4
<b>Cash flow from current operations</b>				
	<b>54,1</b>	<b>54,7</b>	<b>143,9</b>	<b>68,4</b>
Cash flow from investing activities <sup>1)</sup>	-9,4	-24,0	-22,7	-50,2
Cash flow from financing activities <sup>2)</sup>	-0,4	-4,7	-45,0	-41,8
<b>Change in cash and cash equivalents</b>				
	<b>44,3</b>	<b>26,0</b>	<b>76,2</b>	<b>-23,6</b>
Cash and cash equivalents, opening balance	110,7	50,7	77,5	103,8
Exchange-rate difference in cash and cash equivalents	-1,7	0,8	-0,4	-2,7
<b>Cash and cash equivalents, closing balance</b>				
	<b>153,3</b>	<b>77,5</b>	<b>153,3</b>	<b>77,5</b>
<b>1) Specification of investing activities:</b>				
Acquisition and sales of intangible and tangible fixed assets	-8,9	-3,9	-32,2	-8,8
Acquisition and sales of financial fixed assets			22,4	-0,1
Acquisition of subsidiaries and operations	-0,5	-50,4	-13,9	-74,7
Cash and cash equivalents in acquired companies		30,2	1,0	32,7
Repayment of receivables		0,1		0,7
<b>Total</b>	<b>-9,4</b>	<b>-24,0</b>	<b>-22,7</b>	<b>-50,2</b>
<b>2) Specification av financing activities:</b>				
Paid dividend			-42,2	-35,5
New share issues			8,1	
Repurchase of own shares		-2,9	-8,5	-2,9
Amortization of debts	-0,4	-1,8	-2,4	-3,4
<b>Total</b>	<b>-0,4</b>	<b>-4,7</b>	<b>-45,0</b>	<b>-41,8</b>

## KEY FIGURES

	Oct - Dec		Full- year	
	2011	2010	2011	2010
Net sales, SEK M	373,5	342,1	1 300,4	1 059,9
Average number of employees	768	657	758	629
Net sales per employee, SEK 000s	486	521	1 716	1 685
Change in net sales, %	9	28	23	7
EBITA margin, %	11,3	10,6	10,6	6,4
Operating margin, %	10,2	9,5	9,2	4,9
Profit margin, %	10,3	9,7	9,3	5,0
Equity/assets ratio, %	64	62	64	62
Acid-test ratio, %	122	110	122	110
Shareholders' equity, SEK M	772,8	714,8	772,8	714,8
Return on shareholders' equity, % *	4,1	5,4	14,4	8,6
Return on capital employed, % *	5,1	5,2	16,5	8,8
Net liabilities, SEK M	-155,6	-78,0	-155,6	-78,0
Debt/equity ratio, multiple	0,04	0,05	0,04	0,05
Interest coverage ratio, multiple	494,3	383,4	439,5	194,8
Percentage of risk-bearing capital, %	65	63	65	63
Investments in equipment, SEK M	5,3	4,5	15,4	10,4

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

## SHARE DATA

Average number of outstanding shares after dilution, millions	28,2	25,1	28,1	24,0
Total number of outstanding shares, millions	28,1	28,1	28,1	28,1
Total number of registered shares, millions	28,8	28,1	28,8	28,1
Earnings per share after dilution, SEK	1,10	1,33	3,73	2,13
Shareholders' equity per share, SEK	27,42	25,21	27,42	25,21
Dividend per share, SEK	-	-	2,25 <sup>1)</sup>	1,50
Stock-market price at end of period, SEK	27,80	25,60	27,80	25,60
P/E ratio	-	-	7	12
Share price/shareholders' equity	1,01	1,02	1,01	1,02

1) According to proposal from the board.

## OPERATING SEGMENTS

The figures below refer to each full-year.

(SEK M)	DESIGN MGT		PLM MGT		PROCESS MGT		CONTENT MGT		CENTRAL		ELIM / OTHER <sup>1)</sup>		ADDNODE	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	##	2011	2010	2011	2010
<b>REVENUE</b>														
External sales	514,0	401,0	254,8	285,8	360,4	192,6	171,0	179,0	0,2	1,5			1 300,4	1 059,9
Other operating revenue											20,4		20,4	
Transactions between segments	0,8	0,5			1,4	0,6	5,7	5,7	8,3	8,7	16,2	15,5	0,0	0,0
<b>Total revenue</b>	<b>514,8</b>	<b>401,5</b>	<b>254,8</b>	<b>285,8</b>	<b>361,8</b>	<b>193,2</b>	<b>176,7</b>	<b>184,7</b>	<b>8,5</b>	<b>10,2</b>	<b>4,2</b>	<b>15,5</b>	<b>1 320,8</b>	<b>1 059,9</b>
EBITA	44,5	33,4	25,4	24,7	64,7	30,5	12,2	-0,8	23,9	20,3	14,4		137,3	67,5
EBITA margin	8,6%	8,3%	10,0%	8,6%	17,9%	15,8%	6,9%	0,4%					10,6%	6,4%
Operating profit	39,7	30,9	22,3	21,8	57,3	25,4	9,8	-5,7	23,9	20,3	14,4		119,6	52,1
Operating margin	7,7%	7,7%	8,8%	7,6%	15,8%	13,1%	5,5%	3,1%					9,2%	4,9%
Average number of employees	194	152	145	150	231	122	181	198	7	7			758	629

<sup>1)</sup> Included in the column "Elim / Other" above is a capital gain and dividend, in total SEK 20.4 M, in connection with sale of the shares in eviware software AB and result, SEK -6.0 M, regarding revaluation of conditional purchase price for acquired companies.

Addnode's operations are organized and managed based on the business areas Design Management, Product Lifecycle Management (PLM), Process Management and Content Management, which are the Group's operating segments. There have been no changes in the segment division or calculation of segment results since the most recently published Annual Report. Segments are reported according to the same accounting principles as the Group. The difference between the sum of the segments' operating income and consolidated income before tax is, beside the items in the column "Elim / Other" above, attributable to financial income of SEK 2.0 M (1.6) and financial expenses of SEK -0.6 M (-0.6). There have been no significant changes in the segments' assets, compared to the information in the most recent annual report.

## QUARTERLY FINANCIAL OVERVIEW

(SEK M)	2011					2010					2009				
	Total	Q4	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1
Net sales	1 300,4	373,5	275,7	314,5	336,7	1 059,9	342,1	221,8	245,0	251,0	989,4	266,3	199,5	248,0	275,6
EBITA	137,3	42,3	46,0	19,7	29,3	67,5	36,3	10,1	10,9	10,2	65,7	25,5	9,2	10,7	20,3
Operating profit	119,6	38,0	41,5	15,3	24,8	52,1	32,5	6,1	7,2	6,3	48,7	21,3	5,0	6,4	16,0
Profit before taxes	121,0	38,4	42,5	15,2	24,9	53,1	33,3	5,0	8,7	6,1	44,8	21,4	4,1	5,4	13,9
Profit after taxes	105,9	31,2	38,9	14,1	21,7	51,2	33,3	4,6	7,8	5,5	42,8	22,8	3,6	4,5	11,9
EBITA margin	10,6%	11,3%	16,7%	6,3%	8,7%	6,4%	10,6%	4,6%	4,4%	4,1%	6,6%	9,6%	4,6%	4,3%	7,4%
Operating margin	9,2%	10,2%	15,1%	4,9%	7,4%	4,9%	9,5%	2,8%	2,9%	2,5%	4,9%	8,0%	2,5%	2,6%	5,8%
Cash flow from current operations	143,9	54,1	3,7	20,9	65,2	68,4	54,7	-14,6	-1,2	29,5	65,5	22,1	-2,1	17,5	28,0
Average number of employees	758	768	766	755	741	629	657	620	597	604	643	612	626	657	676



## PARENT COMPANY INCOME STATEMENT

<b>(SEK M)</b>	<b>Oct - Dec</b>			<b>Full-year</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2011</b>	<b>2010</b>
Net sales	1,2	1,1	5,0		3,9
Other operating income		0,5			0,5
Operating expenses	-7,1	-5,3	-24,3		-19,0
<b>Operating result</b>	<b>-5,9</b>	<b>-3,7</b>	<b>-19,3</b>		<b>-14,6</b>
Financial income	55,4	74,3	109,6		115,8
Financial expenses	-0,5	-0,7	-3,4		-1,1
<b>Profit before taxes</b>	<b>49,0</b>	<b>69,9</b>	<b>86,9</b>		<b>100,1</b>
Tax	14,8	8,0	14,8		8,0
<b>NET PROFIT FOR THE PERIOD</b>	<b>63,8</b>	<b>77,9</b>	<b>101,7</b>		<b>108,1</b>

## PARENT COMPANY BALANCE SHEET

<b>(SEK M)</b>	<b>Dec 31,</b>	<b>Dec 31,</b>
	<b>2011</b>	<b>2010</b>
Tangible fixed assets	0,0	0,1
Financial fixed assets	768,2	807,2
Current receivables	31,2	75,8
Cash and cash equivalents	100,6	16,3
<b>TOTAL ASSETS</b>	<b>900,0</b>	<b>899,4</b>
Shareholders' equity	728,0	667,1
Provisions	19,5	9,3
Current liabilities	152,5	223,0
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>900,0</b>	<b>899,4</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 attributable to the parent company's shareholders' as a percentage of the average shareholders' equity.

### **Return on capital employed**

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

### **Equity/assets ratio**

Shareholders' equity (including shareholder's equity related to non-controlling interest) 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 shareholder's equity related to non-controlling interest) and deferred tax liability in untaxed reserves as a percentage of total assets.

### **Earnings per share**

Net profit for the period attributable to the parent company's shareholders' divided by the average number of shares outstanding.

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

Shareholders' equity attributable to the parent company's shareholders' 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.