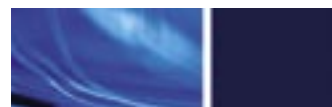


2006

ANNUAL REPORT
VALEA AB 556103 - 7838



valea
TECHNOLOGY & LAW



CONTENTS

04	OUR VISION
06	VALEA AND ITS BUSINESS SECTOR
07	ANNUAL REPORT VALEA AB 2006
08	REPORT OF THE BOARD OF DIRECTORS
11	PROFIT AND LOSS ACCOUNT
12	BALANCE SHEET
14	CASH FLOW ANALYSIS
15	SUPPLEMENTARY INFORMATION
16	NOTES
19	AUDITOR'S REPORT

OUR VISION



Valea is recognized as a European market leader in intellectual property consulting and as the partner of choice for clients with a proactive and strategic approach to maximizing value from their intellectual property.

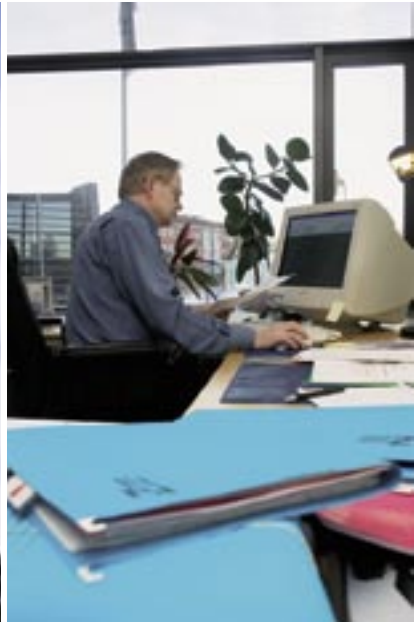
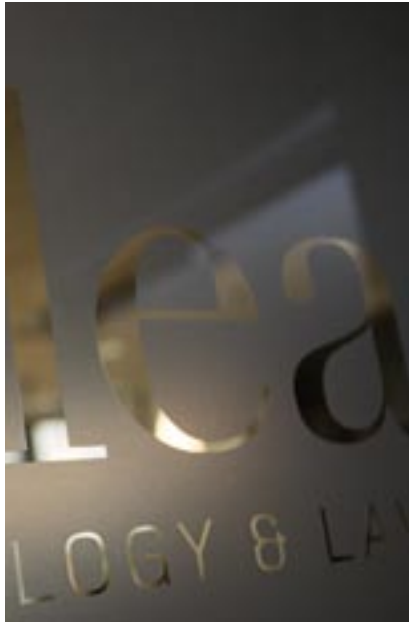
In order to live up to our vision we pledge to:

- Meet or exceed the needs and expectations of our customers in respect of our competence, quality, accessibility and delivery reliability.
- Do our utmost to maintain close long-term relationships with our customers based on a fundamental understanding of their business.
- Be the most attractive employer in our business sector.
- In every way be characterized by high morals and ethics.

From concept to commercialization

In order to gain maximum economic value from an idea it is important to evaluate the level of protection required and other necessary steps before product launch and marketing.

In close cooperation with our customers we develop effective strategies and recommend the most suitable type of protection for each individual case. This applies in equal measure to an assignment to register a domain name as it does to the drafting of suitable contracts, applying for global patents for a product, or defending product rights in court.



VALEA AB AND ITS BUSINESS SECTOR

In December 2004 we took a step toward becoming Europe's leading provider of consultancy services within the intellectual property rights field when we carried out an MBO and acquired 100 per cent of the shares in the company. Today Valea AB is a completely independent company wholly-owned by its personnel. This change received a very positive response from the market; the number of assignments from existing clients increased and at the same time we gained many new clients. We are grateful for the confidence the market has shown in us, and humbled by the challenges which lie ahead.

Valea AB bucks the trend

Many articles in the Swedish press have focused on the fact that the number of patent applications to the Swedish Patent and Registration Office (PRV) has declined markedly during the last five years. This decline has been ascribed to many factors, such as a worsening economy and the relocation of research and development to other countries. We at Valea AB would like to highlight the international aspect. Today's patent system allows companies and inventors to act globally in regard to their sales and apply for patents which cover several countries, e.g. by making use of an international patent appli-

cation under the Patent Cooperation Treaty (PCT), or by filing a European patent application according to the European Patent Convention (EPC). It is therefore too narrow a view to take a national standpoint when judging trends regarding Swedish companies and their patent applications. While the number of Swedish applications to the PRV has declined, the volume of Valea's assignments has increased dramatically.

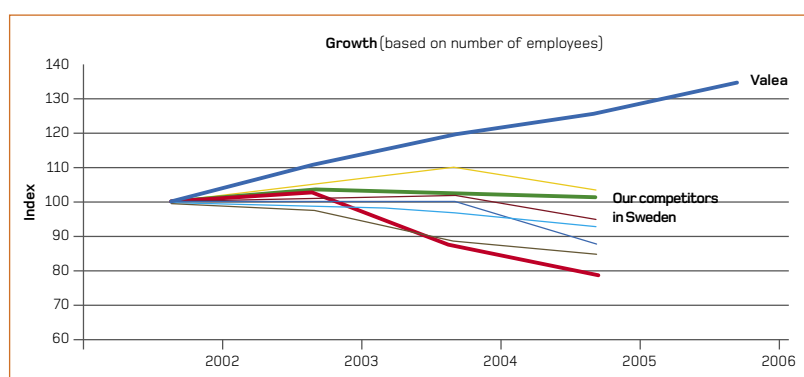
We are more involved than ever in our clients' business

We are drafting and filing more patent applications for our clients and we are involved in more aspects of the process, from conception through to commercialization. Opinions regarding the value of intellectual property rights and their protection have changed radically – it is no longer just a matter of applying for, and being granted, patents. Our clients work to a much greater extent with strategies which em-

brace not only the preparatory work necessary for the different kinds of patents available, but also the protection and defence of their rights, not just in court but also through licensing and cooperation agreements and such like.

Good times in our business sector

During the last five years our business has developed and grown continually within every service area. Based on a study of official annual reports carried out on our behalf by PricewaterhouseCoopers, it emerges that we have enjoyed better growth during the last five-year period than have our competitors in Sweden. We approach the future in open and constructive dialogue with our clients, to better understand and meet their needs. We are very positive about our business sector's future and we are confident in Valea's continued development.



Source: official annual reports



20

08

FINANCIAL REPORT

VALEA AB 556103-7838



ADMINISTRATION REPORT

The Board of Directors and Managing Director of Valea AB hereby present the annual report for the financial year 2006.

The company conducts consulting operations within the field of intellectual property, primarily patents, designs, trademarks and associated legal and business strategy issues.

Through a long-term close collaboration with our clients, an effective strategy that creates and ensures value for

the client has been developed and applied.

The company traces its roots from Dahls Patentbyrå and Göteborgs Patentbyrå, which began their operations in 1894 and 1898 respectively. Operations are currently conducted from offices in Gothenburg, Linköping and Stockholm. Since 31 December 2004, the company has been a wholly-owned subsidiary of Valea Holding AB, which is owned by personnel active within the Group.

During 2006, operations have continued to develop well.

Market contacts have been intensive with client meetings and participation at international conferences, and knowledge development has given a very good response. As a result of this, the number of staff, particularly the number of highly qualified employees, has increased through our success in attracting well-educated personnel. Competence development among existing personnel has given good results.

Group structure

The company is a subsidiary of Valea Holding AB, 556666-9494.

Sales

Sales during the financial year amounted to TSEK 125,315, which is an increase of 13 per cent in comparison with 2005.

Investments

The company's investments in machinery and equipment during the year amounted to TSEK 150.

Result and financial position

The company's income after financial items amount to TSEK 8,840, which is an increase of just over

118 per cent compared with the previous year. At the same time, income and the equity/assets ratio have developed positively. This development is due to the fact that the market has received Valea AB very positively which has led to a continuously increasing volume of orders.



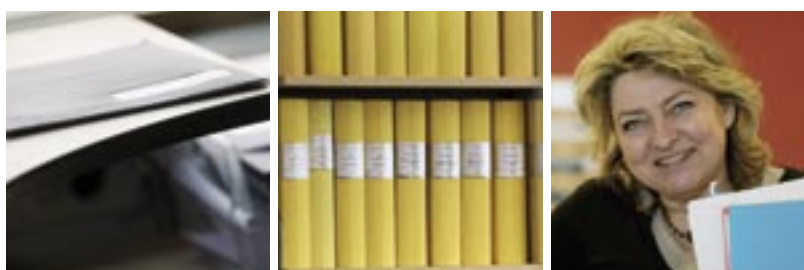
During 2007, operations will continue to develop in close collaboration with the clients and we intend to actively motivate and lead ongoing developments in our line of business.

We prioritise growth with further recruitments within the patent area as well as the legal area and we expect a result at a stable level as well as a positive cash flow during the upcoming year. The primary risks are believed to be the availability of the workforce and the development of the state of the market for the industry.

For information regarding the company's result and financial position, reference is made to the following income statement and balance sheet, with accompanying notes.

FIVE YEAR SUMMARY	2006	2005	2004	2003	2002
Net sales (TSEK)	125,315	110,795	104,767	93,853	87,382
Income after net financial income (TSEK)	8,840	4,054	4,782	2,681	3,679
Balance sheet total (TSEK)	45,073	45,194	40,682	38,551	30,102
Number of employees	61	58	55	51	46
Equity/assets ratio (%)	21.0	9.4	31.3	29.1	18.8
Return on total assets (%)	18.0	14.9	13.1	9.4	13.7
Return on equity (%)	97.0	95.9	31.5	12.7	45.9

For definitions of key ratios, please see supplementary information.

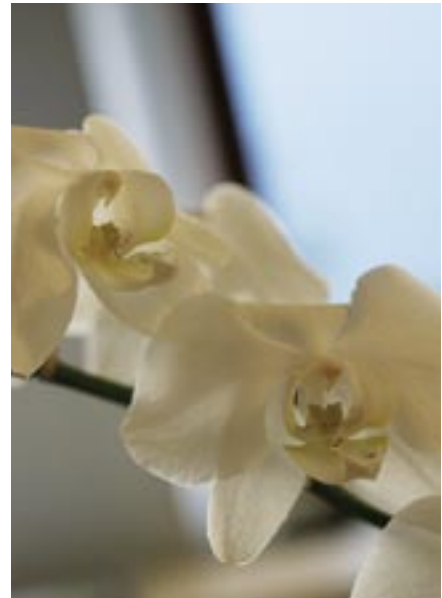


Proposed appropriation of profits

The Board of Directors and Managing Director propose that profits available (TSEK):	
profit brought forward	237
net profit for the year	6,287
	6,524
be distributed as follows:	
Dividend Parent Company	2,000
to be carried forward	4,524
	6,524

Group contribution has been submitted to the Parent Company under condition of the annual general meeting's approval at the amount of TSEK 1,885.

The submitted Group contribution and dividend have reduced the company's equity/assets ratio. The equity/assets ratio continues to be good, given that the operations of the company are conducted with acceptable profitability. Liquidity in the company is deemed to be maintainable on a similarly acceptable level. The Board's opinion is that the submitted Group contribution will not hinder the company from fulfilling its short and long-term obligations, nor from making necessary investments. The submitted Group contribution and dividend can thereby be justified with regard to the statement in The Companies Act 17:3, paragraphs 2–3.



INCOME STATEMENT

TSEK	Note	2006	2005
Net sales	1	125,315	110,795
		125,315	110,795
Operating expenses	1		
Costs for production of IP Services		-47,491	-41,732
Other external expenses	2	-20,707	-17,242
Personnel costs	3,4,5	-47,649	-45,247
Exchange rate effects	6	758	-1,114
Depreciation and write-downs of tangible fixed assets		-1,325	-1,728
		-116,414	-107,063
Operating profit		8,901	3,732
Income from financial items			
Other interest income and similar profit/loss items		54	360
Interest expenses and similar profit/loss items		-115	-38
Profit after financial items		8,840	4,054
Tax on profit for the year	7	-2,553	-1,235
Net profit/loss for the year		6,287	2,819

BALANCE SHEET

TSEK	Note	2006	2005
ASSETS	8,9		
Fixed assets			
<i>Tangible fixed assets</i>			
Equipment, tools, fixtures and fittings	10	1,711	2,886
<i>Financial fixed assets</i>			
Participations in Group companies	11	950	950
Other investments held as fixed assets		9	9
Deferred tax assets	12	295	305
		1,254	1,264
Total fixed assets		2,965	4,150
Current assets			
<i>Current receivables</i>			
Accounts receivable		29,149	27,905
Current income taxes recoverable		653	712
Other receivables		1,888	1,165
Prepaid expenses and accrued income	13	8,450	10,158
		40,140	39,940
Cash and bank balances	14	1,968	1,104
Total current assets		42,108	41,044
TOTAL ASSETS		45,073	45,194

BALANCE SHEET

TSEK	Note	2006	2005
EQUITY AND LIABILITIES	9		
Equity	15		
<i>Restricted equity</i>			
Share capital		2,200	2,200
Statutory reserve		440	440
		2,640	2,640
<i>Non-restricted equity</i>			
Profit/loss brought forward		237	-1,225
Net profit/loss for the year		6,287	2,819
		6,524	1,594
Total equity		9,164	4,234
Provisions			
Provisions for pensions and similar commitments		1,053	1,089
Long-term liabilities			
Liabilities to Group companies		967	967
Current liabilities			
Advance payments from customers		1,664	1,574
Accounts payable – trade		10,281	12,092
Bank overdraft facility	14	–	3,375
Liabilities to Group companies		7,038	9,486
Other liabilities		4,335	3,983
Accrued expenses and deferred income	16	10,571	8,394
		33,889	38,904
TOTAL EQUITY AND LIABILITIES		45,073	45,194
Pledged assets			
<i>For own liabilities and allocations</i>			
Floating charges		8,000	6,250
Contingent liabilities		None	None

CASH FLOW STATEMENT

TSEK	Note	2006	2005
Operating activities			
Profit after financial items		8,840	3,732
Depreciation		1,325	1,728
Interest received		54	360
Interest paid		-115	-38
Paid tax		-1,953	-665
Cash flow from operating activities before changes in working capital		8,151	5,117
Cash flow from changes in working capital			
Change in current receivables		-201	-6,406
Change in current liabilities		-5,015	13,213
Cash flow from operating activities		2,935	11,924
Investing activities			
Investments in tangible fixed assets		-150	-840
Cash flow from investment activities		-150	-840
Financing activities			
Change in long-term liabilities and provisions		-36	-200
Dividends paid		-	-10,000
Group contribution		-1,885	-1,835
Cash flow from financing activities		-1,921	-5,658
Cash flow for the year		864	-951
Cash and cash equivalents at the beginning of the year		1,104	2,055
Cash and cash equivalents at the end of the year		1,968	1,104

SUPPLEMENTARY INFORMATION

ACCOUNTING AND VALUATION PRINCIPLES

The annual report has been prepared in accordance with the Swedish Annual Accounts Act and the general advice and guidelines of the Swedish Accounting Standards Board. The accounting principles remain unchanged as compared with previous years.

Foreign currencies

Assets and liabilities in foreign currency are valued at closing rate of exchange.

Income

Income for services in progress is reported in the period in which the income is earned.

Income tax

Reported income tax includes tax which is to be paid or received, regarding the current year, and adjustments concerning the previous years' current taxes and changes in deferred tax.

All income tax liabilities and receivables are valued at their nominal amount according to the tax regulations and tax rates that have been decided or that have been announced and are likely to be adopted.

In the case of items reported in the income statement, related tax effects are also reported in the income statement. The tax effects of items that are accounted for directly against equity are also reported directly against equity.

Deferred tax is calculated according to the balance sheet method on all temporary differences arising between the reported value and the tax value of the assets and liabilities. The temporary tax effects have primarily arisen due to provisions for pensions.

Due to tax regulations, the Parent Company reports deferred tax liabilities on untaxed reserves as untaxed reserves.

Tangible fixed assets

Tangible fixed assets are reported at acquisition value reduced by the amount of depreciation.

Tangible fixed assets are depreciated systematically over their estimated useful lifetimes. If applicable, the residual value of the assets is taken into consideration when determining the amount of depreciation of the assets.

The straight-line method of depreciation is utilised for all types of tangible assets. The following periods of depreciation are applied:

Equipment, tools, fixtures and fittings: 3-5 years.

Financial fixed assets

Financial assets which are intended to be held over a long period of time are reported at acquisition cost. If a financial fixed asset has, on balance sheet date, a value lower than its book value, the value of the asset is written down to a lower value if it can be assumed that such reduction in value is permanent.

Financial instruments

Financial instruments reported in the balance sheet include financial assets, accounts receivable - trade, accounts payable - trade and other current loans. For these financial instruments in which the market values are not listed, the market value is deemed to be equivalent to book value.

Accounts receivable – trade. Accounts receivable are reported as current assets at the amounts expected to be received after deductions for individually-assessed bad debts.

Financial assets. Financial assets acquired with the intention of being held in the long-term are reported at acquisition cost reduced with any write-downs.

Borrowing. Borrowing comprises bank overdraft facilities.

Set-off of financial receivables and financial liabilities. A financial asset and a financial liability are set off and reported at a net amount in the balance sheet only when a legal right of set-off exists and when a payment in a net amount is intended to take place or when the simultaneous sale of the asset and payment of the liability is intended to take place.

Receivables

Receivables with due dates later than 12 months after balance sheet date are reported as fixed assets. Other receivables are reported as current assets. Receivables are reported in the amounts that, on the basis of individual assessment, are estimated to be received.

Definitions of key ratios

Equity/assets ratio. Equity and untaxed reserves (less deferred tax) as a percentage of total assets.

Return on total assets. Income before deduction of interest expenses as a percentage of balance sheet total.

Return on equity. Income after financial items as a percentage of equity and untaxed reserves (less deferred tax).

NOTES (TSEK)

1. Intra-group transactions

	2006	2005
Purchases (%)	2.4	3.3
Sales (%)	0.0	0.2

2. Fees and remuneration

Audit assignment refers to the examination of the annual report and accounting records, as well as of the administration of the Board of Directors and Managing Director, other assignments which are the responsibility of the company's auditors to execute and providing advisory services or other assistance resulting from observations made during such an examination or the implementation of such other assignments. Any other assignment is classified as other assignments.

Öhrlings PricewaterhouseCoopers AB

	2006	2005
Audit assignment	190	203
Other assignments	51	0
	241	203

3. Number of men and women in senior management

	2006	2005
Members of the Board		
Women	2	2
Men	4	4
	6	6
Managing Director and other senior management		
Women	4	4
Men	4	4
	8	8

4. Absence due to illness

Absence due to illness is stated as a percentage of the total ordinary working hours for each group.

	2006	2005
All employees (%)	2.60	5.40
Participations Long-term absence due to illness* (%)	42.50	83.50
Women (%)	3.30	3.20
Men (%)	1.00	6.50
Employees		
29 years or younger (%)	0.20	1.40
between 30-49 years (%)	2.70	4.90
50 years or older (%)	2.60	9.70

* Long-term absence due to illness refers to absence due to illness for a consecutive period of 60 days or more.

5. Average number of employees, salaries, other remuneration and social security contributions

	2006	2005
Average number of employees		
Women	42	37
Men	19	21
	61	58
Salaries, remuneration and social security contributions		
Salaries and other remunerations to Board and Managing Director	3,116	3,240
other employees	26,425	24,826
Pension costs:		
to Board and Managing Director	395	380
to other employees	4,159	3,556
Other social security contributions	10,333	10,207
	44,428	42,209

6. Exchange rate effects

	2006	2005
Exchange rate gains	1,062	1,435
Exchange rate losses	-304	-2,549
	758	-1,114

7. Tax on profit for the year

	2006	2005
Current tax	2,025	665
Deferred tax	528	570
	2,553	1,235

8. Disclosure regarding Parent Company

The Parent Company of the Group in which Valea AB is a subsidiary and which prepares the consolidated accounts is Valea Holding AB.

Name: Valea Holding AB
Corporate Identity No.: 556666-9494
Registered offices: Gothenburg

9. Financial risks

The company is exposed to financial risks through its operations. Financial risks refer to fluctuations in the company's result and cash flow as a result of changes in interest levels, exchange rates and credit risks, among others. The overall goal is to minimise the negative effects of market fluctuations on the company's result.

Interest rate risks The company currently has a bank overdraft facility with the agreed limit of TSEK 8,000. The credit has variable interest rates.

Foreign currency risks The company has both sales and purchases in foreign currencies. This means an off and on net currency exposure. Presently, no part of this currency exposure is protected using forward exchange agreements. However, the company tries to actively plan in order to match incoming and outgoing payments in the same currency as much as possible.

Credit risks The company has established guidelines for ensuring that sales are made to clients with a suitable credit background.

Liquidity risks The management of liquidity risks takes place on the basis of a cautious approach as the starting point, implying the maintenance of sufficient liquid funds and suitable financing on the basis of a sufficient number of granted credit facilities.

10. Equipment, tools, fixtures and fittings

	2006	2005
Accumulated acquisition costs		
Opening acquisition cost	7,853	8,433
Purchases	150	942
Sales/disposals	0	-1,522
Closing accumulated acquisition costs	8,003	7,853
Accumulated depreciation		
Opening amortisation/depreciation	-4,967	-4,659
Sales/disposals	-	1,420
Depreciation for the year	-1,325	-1,728
Closing accumulated depreciation	-6,292	-4,967
Closing book value	1,711	2,886

11. Specification of participations in Group companies

	Share of equity	Share of vote	No. of participations	Book value
Aktiebolaget Dahls Patentbyrå	100	100	1,000	950
				950
Disclosure regarding Corporate Identity Number and registered office:	Corporate Identity No.	Registered offices	Equity	Income
Aktiebolaget Dahls Patentbyrå	556016-1514	Gothenburg	-	-

12. Deferred tax

Deferred tax is attributable to Provisions for pensions.

13. Prepaid expenses and accrued income

	31 Dec 2006	31 Dec 2005
Accrued uninvoiced fees	4,862	5,584
Prepaid rent	1,407	1,415
Accrued remuneration, insurance etc	402	1,077
Accrued receivables from previous Group companies	127	572
Other items	1,652	1,510
	8,450	10,158

14. Bank overdraft facilities

	31 Dec 2006	31 Dec 2005
Granted credit	8,000	5,500
Utilised credit	-	3,375

15. Change in equity

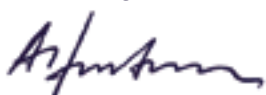
Nominal value of SEK 0.10 per share
Number of shares: 22,000,000

	Share capital	Statutory reserve	Accum. profit/loss	Annual profit/loss
Amount at beginning of year	2,200	440	-1,225	2,819
Appropriation of profits in accordance with decision of annual general meeting for the year			2,819	-2,819
Group contribution provided			-1,885	
Tax effect of Group contribution			528	
Net profit/loss for the year				6,287
Amount at year-end	2,200	440	237	6,287

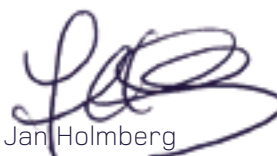
16. Accrued expenses and deferred income

	2006	2005
Accrued holiday pay	-3,876	-3,602
Accrued bonus remunerations	-2,454	-1,626
Other items	-1,828	-1,977
Accrued social security contributions and special employer's contribution	-2,413	-1,189
	-10,571	-8,394

Gothenburg 2 March 2007



Anders Havstam
Managing Director



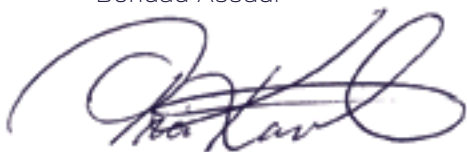
Jan Holmberg
Chairman



Behdad Assadi



Andrew Hammond




Pia Karlsson



Ann Nilsson

Auditor's endorsement

My audit report was presented on 7 March 2007



Håkan Jarkvist
Authorised Public Accountant

AUDITOR'S REPORT

TO THE ANNUAL GENERAL MEETING OF VALEA AB
REGISTRATION NR. 556103-7838

I have examined the Annual Financial Report and associated accounts together with the Board's and Managing Director's administration of Valea for the financial year 2006.

The Company's annual financial report forms part of the printed version of this document on pages 7 to 18. It is the Board and Managing Director who bear responsibility for the accounts and their administration, and for ensuring that The Swedish Act on Annual Accounts is applied when the accounts are established. My responsibility is to comment on the annual report and its administration on the basis of my audit.

This audit has been carried out in full accordance with good Swedish practice regarding audits of financial reports. This means that I have planned and carried out the audit in order to achieve a high, but not absolute, level of certainty in ensuring that the annual report does not

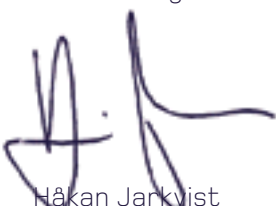
contain substantial inaccuracies. An audit involves examining a selection of the basic data regarding amounts and other information in the accounts; it also involves examining the accounting principles applied by the Board and the Managing Director, judging the more significant assessments which the Board and the Managing Director have made when establishing the annual report, and evaluating information compiled in the annual report as a whole. As the basis for my recommendations to the Annual General Meeting I have studied the principal decisions, proceedings and circumstances of the Company in order to judge whether any of the Board Members or the Managing Director is liable in any way to pay compensation to the Company. I have also studied whether any Board Member or the Managing Director have in any other way acted in contravention of The Swedish

Companies Act, The Swedish Accounting Act or the Company's Articles of Association. I consider my audit provides reasonable grounds for the pronouncement set out below.

This audit has been performed in accordance with The Swedish Companies Act and good accounting practices and provides a true picture of the Company's results and current financial status. The Report of The Board of Directors is consistent with the Annual Financial Report's relevant passages.

I therefore recommend that the Annual General Meeting approve the Annual Financial Report and the Balance Sheet, and allocate the profits according to the proposal put forward in The Report of The Board of Directors, and that the Meeting adopt the Annual Financial Report for this financial year.

Gothenburg 7 March 2007



Håkan Jarkvist
Authorised Public Accountant

Valea AB

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