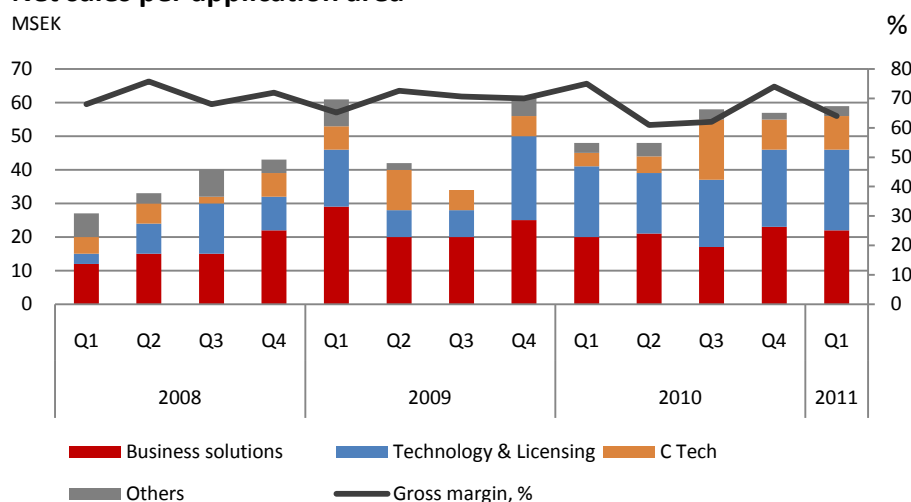


Interim Report January – March 2011

- Net sales in the first three months amounted to MSEK 59 (47).
- The gross margin for January-March was 65 % (75) and the gross profit was MSEK 39 (35).
- Earnings before depreciations and amortizations (EBITDA) in the first quarter were MSEK 5 (-3).
- The result after tax for the period was MSEK 1 (-7).
- Earnings per share for the first three months 2011 were SEK 0.01 (-0.06).
- The cash flow during the three months period was MSEK -13 (5).

Key ratios	2011	2010	2010
	Jan-Mar	Jan-Mar	Jan-Dec
Net sales, MSEK	59	47	208
Gross profit/loss	39	35	140
Gross margin, %	65	74	67
Operating profit/loss, MSEK	1	-7	-75
Profit/loss after tax, MSEK	1	-7	-77
Earnings per share			
before and after dilution, SEK	0,01	-0,06	-0,60
Cash flow, MSEK	-13	5	0
Cash at end of period, MSEK	68	85	81

Net sales per application area



This report was published April 29, 2011

Comments by Torgny Hellström, CEO

Net sales for the first quarter were MSEK 59 (47). This represents a 26 percent growth compared to the same period last year, mainly through a favorable development within Business Solutions, Technology & Licensing and C Technologies. Profit after taxes ended up at MSEK 1, including exchange rate losses of 4 MSEK as a result from a weakening US dollar.

The positive Q1 result is a combination of the ongoing restructuring, changes in our product portfolio, changes in our partner model and deliveries of orders received during the fall. The strive to restructure the business continues with a determination to make Anoto profitable with a positive cash flow from the second half of 2011.

As expected the cash flow for the first quarter is negative, mainly arising from payments following last year's restructuring activities.

We now see that the market is responding more favorably to digital pen solutions.

After the end of the reporting period we announced that TStudy have signed a three year agreement for distribution of interactive education applications in China. It is very satisfying with a long term agreement on such a large market. We estimate that Anoto will receive a royalty income of at least 2 MUSD over the next three years.

Outlook

We are in a favorable position and have good possibilities to be profitable with a positive cash flow from mid-year 2011.

A partner driven business model

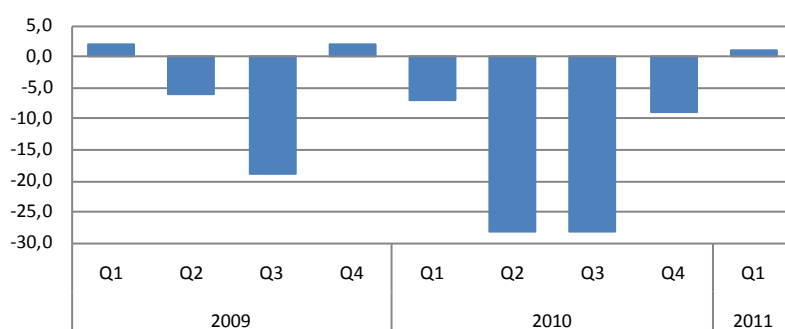
Anoto's business is organized in three applications areas: Business Solutions, Technology & Licensing and C Technologies. These three application areas generate income in five different categories - licensing, royalty, digital pens, components and NRE (Non Refundable Engineering).

Net sales per product group

MSEK	2011	2010	2010
	Jan-Mar	Jan-Mar	Jan-Dec
Licenses	7	10	34
Royalty	9	9	30
Digital pens*	34	22	121
Components	3	3	12
NRE and other	6	3	11
Total	59	47	208

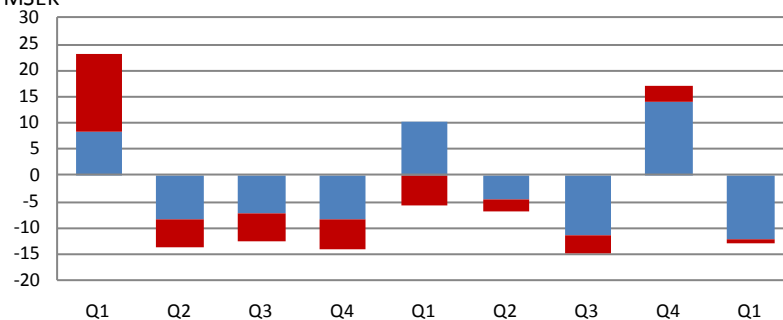
EBIT 2009-2011

MSEK



Cash flow 2009-2011

MSEK



■ Cash flow from operating activities ■ Cash flow from other activities

Business Solutions

Business Solutions focuses on systems, products and services that target businesses, primarily in the field of forms processing. Anoto has an indirect business model and markets its products through partners, such as system integrators, software developers and IT consulting firms, all of which offer customized solutions with Anoto technology to their customers.

Business Solutions sales were MSEK 3 higher in the first quarter than in the same period last year and well in line with our expectations.

Overall our partners have positively endorsed our partner centric market approach and cooperation, in particular through joint marketing and PR efforts as well as the Advisory Board.

We see an overall increase in business opportunities, in particular in the US Healthcare Market and an overall improvement in the general economical environment. It is worth noticing the HIMSS healthcare event in February in Orlando, FL, USA, where several Anoto partners exhibited, generating extensive press coverage and further validating our belief that Anoto technology provides substantial value in the healthcare sector.

MSEK	2011	2010	2010
	Jan-Mar	Jan-Mar	Jan-Dec
Net sales	22	19	81
Gross profit	17	15	61

Technology & Licensing

Customers within Technology & Licensing develop and sell products based on technology and digital pens provided by Anoto. These products are learning toys, educational tools, visual communication equipment and personal productivity solutions. Several of these products are interactive, enabling real-time audio or visual feedback while writing or when touching interactive areas in books, on paper, whiteboards and flipcharts. End product customers are individual consumers as well as enterprises.

Net sales in the first quarter were MSEK 3 higher than in the same period last year and in line with our expectations.

We have delivered a significant number of pens to the North American IWB market, which was according to plan. We have also started delivering the newly developed USB pen to TStudy in South Korea, a pen which primarily will be used together with online distance education applications. The USB pen is an interesting product which, considering its attractive pricing, may be used within other application areas.

The royalty income was in line with the first quarter last year.

MSEK	2011	2010	2010
	Jan-Mar	Jan-Mar	Jan-Dec
Net sales	24	21	81
Gross profit	16	15	60

C Technologies

C Technologies develops, manufactures and sells C-Pen®, a handheld scanner solution with character recognition software. The C-Pen captures printed information such as text, numbers and codes, decodes the information and transfers it to computers and smartphones. The products are made available through the C-Pen brand and as OEM-branded versions.

Sales of C-Pen were MSEK 7 higher in the first quarter than in the same period last year, which is in line with our expectations.

A significant number of units have, according to plan, been shipped to two large OEM accounts during the period. The C-Pen retail business remains on forecasted level.

The OEM product offer was updated during the period to include a C-Pen to be used with the Android platform via Bluetooth, which is expected to generate revenue in Q3.

Within retail efforts are made to strengthen the distribution channels within Europe. Resources have also been dedicated to configure C-Pen as a reading tool for people with reading disabilities (dyslexia, visually impaired). In this context an agreement was signed during the first quarter with SVOX AG, a leading provider of text to speech solutions.

MSEK	2011	2010	2010
	Jan-Mar	Jan-Mar	Jan-Dec
Net sales	10	4	36
Gross profit	5	2	18

Financing and liquidity

At the close of the quarter, the group's total cash amounted to MSEK 68 (85).

Anoto Group AB

As a pure holding company, Anoto Group AB has a limited number of corporate functions. Sales for the third quarter were MSEK 1 (1), while the pre-tax profit was MSEK 0 (0). At the close of the quarter liquid assets, including current investments amounted to MSEK 1 (0). Investments came to MSEK 0 (0).

Accounting policies

This interim report was prepared in accordance with IAS 34, Interim Financial Reporting and applicable parts of the Swedish Annual Accounts Act chapter 9. For information about the accounting policies applied, refer to the 2010 annual report. The accounting policies are unchanged from those applied in 2010.

Risk factors and uncertainties

No significant additional risks are deemed to have arisen beyond those described in the 2010 annual report for the Anoto Group. (Please see Note 4 in the Annual report 2010 for a detailed presentation of the company's risk exposure and management.)

Related party transactions

Since the Annual Meeting in May 2010, when Joonhee Won (TStone) and Paddy Padmanabhan (DoubleDay) joined as members of the Anoto Board sales have been made to TStudy, South Korea (a subsidiary of TStone) of MSEK 4.8 and to Expedata Inc (a subsidiary of DoubleDay) of MSEK 0.3. All transactions have been made on normal commercial conditions.

Transactions and activities after March 31, 2011

After the end of the reporting period we announced that TStudy have signed a three year agreement for distribution of interactive education applications in China. We estimate that Anoto will receive a royalty income of at least MUSD 2 over the next three years.

Share data

The company share is listed on the NASDAQ OMX Nordic Small Cap List in Stockholm. Shares numbered 128,583,867 at the end of the third quarter. No warrants were issued.

Option program

For the moment Anoto has no outstanding warrants or other incentive program.

Calendar 2011

Annual General Meeting	May 12, 2011
Second quarter	July 29, 2011
Third quarter	October 28, 2011
Year end	February 3, 2012

This report has been reviewed by the company auditors.

Anoto Group AB may be required to disclose the information provided herein pursuant to the Securities Markets Act. The information was submitted for publication at 08.30 on April 29, 2011.

For more information

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Financial report

Condensed statement of comprehensive income

Note	Jan-Mar 2011	Jan-Mar 2010	Jan-Dec 2010
TSEK			
Net sales	59 116	46 891	208 395
Cost of goods and services sold	-20 589	-13 263	-68 303
Gross profit	38 527	33 628	140 092
Sales, administrative and R&D costs	-32 511	-42 795	-188 471
Other operating income/cost	-4 717	1 927	-26 096
Operating profit/loss	1 299	-7 240	-74 475
Writedown of shares	-	-354	-499
Other financial items	-27	463	-2 298
Profit before taxes	1 272	-7 131	-77 272
Taxes	-6	-29	-54
Profit/loss for the period	1 266	-7 160	-77 326
Other comprehensive income			
Translation differences for the period	2 308	-49	1 049
Other comprehensive income for the period	2 308	-49	1 049
Total comprehensive income for the period	3 574	-7 209	-76 277
Total comprehensive income for the period attributable to:			
Shareholders of Anoto Group AB	3 262	-7 071	-74 342
Non controlling interest	312	-138	-1 935
Total comprehensive income for the period	3 574	-7 209	-76 277
Key ratios:			
Gross margin	65,2%	71,7%	67,2%
Operating margin	2,2%	Neg	Neg
Earnings per share before and after dilution	0,01	-0,06	-0,60
Average number of shares before and after dilution	128 583 867	128 583 867	128 583 867

Consolidated balance sheet in summary

TSEK	2011-03-31	2010-12-31
Intangible fixed assets	327 279	328 614
Tangible assets	8 548	8 943
Financial fixed assets	1 563	1 794
Total fixed assets	337 390	339 351
Inventories	24 842	25 306
Accounts receivable	17 295	19 139
Other current assets	14 212	14 950
Total short-term receivables	31 507	34 089
Liquid assets, including current investments	67 804	81 044
Total current assets	124 153	140 439
Total assets	461 543	479 790
Equity attributable to shareholders of Anoto Group AB	398 025	394 763
Non controlling interest	-2 848	-3 160
Long term liabilities	17 331	19 806
Provisions	934	829
Other current liabilities	48 101	67 552
Total current liabilities	49 035	68 381
Total liabilities and shareholders equity	461 543	479 790

Change in shareholders equity

TSEK	Share capital	Other capital contributed	Reserves	Profit for the year	Shareholders equity	Non controlling Interest	Total shareholders equity
Opening balance January 1, 2010	2 572	448 508	-118	18 143	469 105	-1 225	467 880
Total comprehensive income for the period			1 049	-75 391	-74 342	-1 935	-76 277
Shareholders equity December 31, 2010	2 572	448 508	931	-57 248	394 763	-3 160	391 603
Total comprehensive income for the period			2 308	954	3 262	312	3 574
Shareholders equity March 31, 2011	2 572	448 508	3 239	-56 294	398 025	-2 848	395 177

Consolidated Cash flow statement in summary

TSEK	Jan-Mar 2011	Jan-Mar 2010	Jan-Dec 2010
Profit/loss after financial items	1 272	-7 131	-77 272
Depreciation, amortisation and write-downs	3 705	4 596	49 639
Other items not included in cash flow	99	-242	-7
Total items not included in cash flow	3 804	4 354	49 632
Cash flow from operating activities			
before change in working capital	5 076	-2 777	-27 640
Change in working capital	-16 852	13 112	45 002
Cash flow from operating activities	-11 776	10 335	17 362
Cash flow from investments activities	-1 464	-5 650	-17 088
Total cash flow before financing activities	-13 240	4 685	274
Cash flow from financing activities			
Cash flow for the period	-13 240	4 685	274
Liquid assets at the beginning of the period	81 044	80 770	80 770
Liquid assets at the end of the period	67 804	85 455	81 044

Key ratios

TSEK	Jan-Mar 2011	Jan-Mar 2010	Jan-Dec 2010
Cash flow for the period	-13 240	4 685	274
Cashflow / share before and after dilution (SEK) ¹	-0,10	0,04	0,00
			2010-12-31
Equity/assets ratio			82,3%
Number of shares			128 583 867
Shareholders equity per share (kr)			3,07

¹ Based on the weighted average number of shares and outstanding warrants for each period. Only warrants for which the present value of the issue price is lower than the fair value of the ordinary share are included in the calculation.

Parent company, summary of income statement

TSEK	Jan-Mar 2011	Jan-Mar 2010	Jan-Dec 2010
Net sales	1 761	932	9 126
Gross profit	1 761	932	9 126
Administrative costs	-1 602	-874	-7 966
Operating profit	159	58	1 160
Financial items	1	1	6
Profit for the period	160	59	1 166

Parent company, balance sheet in summary

TSEK	2011-03-31	2010-12-31
Intangible fixed assets	475	506
Tangible assets	43	49
Financial fixed assets	344 699	344 699
Total fixed assets	345 217	345 254
Other short-term receivables	63 976	108 374
Liquid assets, including current investments	534	1 042
Total current assets	64 510	109 416
Total assets	409 727	454 670
Equity	407 422	453 260
Other current liabilities	2 305	1 410
Total liabilities and shareholders equity	409 727	454 670