

INVISIO COMMUNICATIONS

Year-End Report

January – December 2011



Year-End Report January – December 2011

October – December

- Total income increased to SEK 9.5 m (9.3)
- Sales for the business area Professional products increased with 42.9 percent compared with the corresponding period 2010, and adjusted for currency effects with 44.2 percent
- Gross profit amounted to SEK 4.1 m (5.7)
- Gross margin amounted to 43.0 percent (61.3)
- Operating loss amounted to SEK -7.0 m (-6.9)
- Loss after tax amounted to SEK -8.9 m (-7.1)
- Loss per share amounted to SEK -0.34 Kr (-0.30)
- The order book for the business area Professional products was SEK 3.7 m (6.4) at the end of the quarter

January – December

- Total income increased to SEK 41.5 m (32.8)
- Sales for the business area Professional products increased with 56.7 percent compared with the corresponding period 2010, and adjusted for currency effects with 65.6 percent
- Gross profit increased to SEK 20.3 m (17.8)
- Gross margin amounted to 49.0 percent (54.4)
- Operating loss improved to SEK -24.2 m (-37.9)
- Loss after tax improved to SEK -28.6 m (-39.8)
- Loss per share improved to SEK -1.10 Kr (-1.75)

Important Events October – December

- INVISIO has received an order from the Swedish Armed Forces. The order is for the communications system INVISIO X50 with the headset INVISIO X5. The total order value is approximately SEK 800 000.
- INVISIO has launched a new series of innovative communication solutions with hearing protection for use with two-way radios, the INVISIO S-Series. The communication solutions complement INVISIO's product portfolio with hearing protection with a small, lightweight and easily operated solution.
- After the Board's decision on October 21, 2011, and the extra shareholders' meeting approval on November 9, 2011, a new share issue with shareholder precedence for the Company's existing shareholders was carried out. The share was subscribed to 90.7 percent and provided INVISIO with approximately SEK 39.1 m before issuance costs. The number of shares in INVISIO will after the share issue increase with 7 815 985 shares and amount to 33 667 437 shares.

Important Events After Year-End

- INVISIO has on January 20, 2012, agreed with Alecta occupational pension, Mutual, on a SEK 10 m loan. The loan is for one year and shall be repaid to Alecta in January 2013. The condition for the loan is that if INVISIO should carry out a share issue with



shareholder precedence during the period of the loan, Alecta has the possibility to require early repayment of the loan. The loan is running with 12.5 percent interest. As collateral, INVISIO has made a secondary pledge of the shares in the subsidiary Nextlink IPR AB. The loan is a part of the financing solution that INVISIO accounted for in the press release and prospect in connection with the autumn's new share issue with shareholder precedence, which also implies that INVISIO will pay back the earlier loan of SEK 20 m to Alecta. Alecta controls more than 10 percent of the shares and votes in INVISIO Communications, therefore the loan is to be considered as a transaction with a related party.

About INVISIO Communications AB

INVISIO Communications AB is a public company listed on the NASDAQ OMX First North Premier Segment (ticker code: IVSO) an alternative market on NASDAQ OMX Stockholm. INVISIO specializes in voice communications in difficult conditions. The company develops, manufactures, markets and sells communication solutions such as advanced headsets control units and accessories for use with two-way radio, primarily for professional users who often work in difficult environments. The customers are for example found in the military and military Special Forces, police and SWAT teams, emergency services, the security sector, and various industries throughout the world. Additional information is available on the company's web site at www.invisiocommunications.com. Mangold Fondkommission AB is Certified Adviser for INVISIO Communications AB.



CEO's Comments

2011 ended on a positive note with good sales of our professional products during the quarter, even though we did not reach our internal goals. We saw a continued grown customer base and an increased number of orders. The sizes of the orders from new customers are typically smaller but build a platform for future growth. We also saw an increased number of recurring customers, which are proof of that our communication solutions keep their promises. We also received a new order from the Swedish Armed Forces, which is especially important since Sweden is an important Nordic home market for us and together with our previous record order from the Danish Armed Forces act as important references for us on large markets outside the Nordics.

Business Area Professional Products

Sales during the quarter were considerable higher than the corresponding period last year, SEK 9.5 m compared to SEK 6.6 m, an increase with 42.9 percent. If the numbers are adjusted for currency effects the sales increase is even higher, 44.2 percent.

An especially pleasing order during the quarter came from the Swedish Armed Forces, which ordered a number of units of our communications system INVISIO X50 with the headset INVISIO X5 – an award winning communications solution and a very advanced cutting edge technology solution that Swedish soldiers now can benefit from. The order is especially important since it together with our previous record order from the Danish Armed Forces are orders from our home markets, which act as references for us on large markets outside of the Nordics.

During the quarter at the military trade fair AUSA 2011 in Washington D.C. we launched a new series of innovative communications solutions with hearing protection for use with two-way radio, the INVISIO S-Series. The demand for communications solutions with hearing protection is increasing and with the new S-series that has market leading hearing protection our product portfolio is complemented with a small, lightweight and easily operated solution.

A fun happening during the quarter was that INVISIO is mentioned in the recently published novel "The Detachment", written by the American writer Barry Eisler. When the main character in this thriller, who is a James Bond like character, needs communications equipment for his mission, he chooses the control unit INVISIO X50 with the headset INVISIO X5. We were not involved in this product placement, but believe that Eisler knows and likes INVISIO from his time as a CIA agent. This was no important event, but a proof of our products strong brand.

Business Area Consumer Products and Cooperation with Motorola

Sales during the fourth quarter in the business area Consumer products amounted to SEK 0 m (2,7).

The exclusive licence and collaboration agreement that INVISIO entered into with Motorola in 2008 in the business area Consumer products was conditioned by certain goals and undertakings, which has not been fulfilled. The agreement therefore expired on March 31, 2011 and after renegotiations during the second quarter, a new agreement was signed in the third quarter, which implies that Motorola can continue to manufacture and market products with INVISIO's technology until May 31, 2012. The agreement also implies that Motorola no longer has exclusivity on INVISIO's technology for the consumer market, which means that INVISIO is free to enter agreements with other manufacturers.



According to the new agreement with Motorola the income in the business area now solely comes from Motorola's manufacturing and sales success of products with INVISIO's patented technology.

In connection to the new agreement with Motorola, the Company received a non-recurring compensation that was noted as an income during the first half of 2011. In the adjustment against the non-recurring compensation, Motorola has the right to produce units up to certain volume before INVISIO obtains further compensation. Since Motorola's manufacturing did not exceed the given volume during the fourth quarter in order for INVISIO to receive further compensation, no further revenues have been accounted for during the quarter.

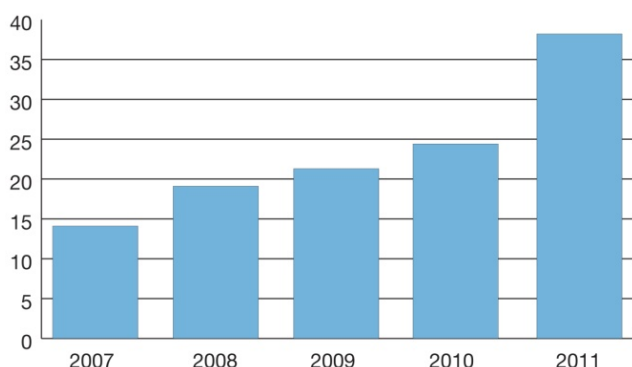
The Clearly Best Year Ever For Our Professional Products

Sales wise 2011 was yet another record year for our professional products. Sales were 56.7 percent higher than for the full year of 2010, and 65.6 percent higher if the currency effects are disregarded.

Since the change of INVISIO's strategy to focus on the business area Professional products that began during 2008, we have seen a number of important steps forward within the strategy as proof of the strategy being correct:

- Increased sales each year (see diagram).
- A broadened product portfolio from headsets only to communication solutions with headsets, control units and accessories for use with two-way radio.
- As sales have increased we have also achieved an improved gross margin.
- The number of sales leads, queries and full-scale customer trials has increased substantially.
- The number of resellers and strategic cooperations with for example manufacturers of radio equipment for two-way communication has increased.
- Costs have decreased.

Sales Development Professional Products 2007-2011 (SEK m)



The diagram shows the sales of INVISIO's professional products in SEK m per year. 2011 was the clearly best year with sales of SEK 38.2 m.

On the negative side we can note that the lead times from first contact with customer, to inquiry, to customer testing, to quotation and to firm order has been longer than we anticipated in the change of strategy in 2008. Result wise we have therefore not reached the goal of turning to



profit and achieving a positive cash flow from the operations, but we are definitely on the right track and the judgement is that this can be reached before year-end 2012.

Our focus area Professional products took an important step with our single largest order ever, a breakthrough order during the second quarter from the Danish Armed Forces for urgent operational requirement. The order was not mainly important because of its size, but above all because it acts as proof that INVISIO's products are used operationally and that we can deliver larger volumes in a short period of time, which is important in the sales work towards large and other military customers.

During the year we have seen several other important military orders, amongst others first-time orders from the German and Swiss Defence Forces as well as orders from recurring customers such as the Australian Defence Forces. Furthermore, we have received additional important orders within the TETRA-market; from a Danish fire department and an additional order from Portugal's public safety organisations. In total, we have seen a good spread on our orders, both from a segmental and geographical perspective.

We also launched several new products during the year; a new version of the successful headset INVISIO M3 that has received the suffix EX and is IECEx and ATEX certified. The headset has been developed to be absolutely safe to use in situations where the smallest spark might lead to a fire or explosion, and through being able to offer IECEx and ATEX certified products we open for business in new customer segments such as the oil and gas industry where this certification is a must. The earlier mentioned product series INVISIO S, our new series of innovative communications solutions with market leading hearing protection for use with two-way radios, complement our product portfolio with a small, lightweight and easily operated solution. This is important since the demand for communications solutions with hearing protection is increasing.

We see a steadily increasing interest for our communications solutions from relevant stakeholders as we are becoming more well-known. Even media is noting INVISIO's technology and solutions increasingly and during the year the important trade publications G3 Defence, Armada and Military Technology have published articles about our products and solutions. During the year we have also accelerated our market efforts through advertisements in key media that contributes to convey the message about INVISIO's leading products.

The consumer market for mobile phones and accessories such as wireless headsets has changed significantly during 2009, 2010 and 2011. Partly due to the introduction of new phones and smartphones that has led to new services and consumer behaviour, such as increased use of stereo headsets, and partly due by the global economic crisis that caused a decrease in the global market for Bluetooth-headsets during the period.

As mentioned earlier, the agreement with Motorola implies that they no longer has exclusivity on INVISIO's technology for the consumer market, which means that INVISIO is free to enter agreements with other manufacturers. Due to the increased focus on our professional products we will however short-term focus our resources on this rather than new collaborations on the consumer market. Thus, our expectations on income from the consumer market during 2012 are low.

The need for consumers and professions that use mobile phones during work to be able to communicate in noisy and demanding environments remains. Therefore we make the judgement that long-term there is good potential for INVISIO's patented technology on the consumer market.

Our considerable institutional and enduring ownership is a strength for us. The new share issue with precedence rights for existing shareholders that was conducted during year provided us with a total of SEK 39.1 m before issuance costs, and is a continued proof of the shareowners



and investors trust in us. The ambition to list the Company's share on NASDAQ OMX Small Cap Stockholm is intact but first when we assess that the collected conditions are sufficiently good.

Lars Højgård Hansen
CEO

Total Income and Result October – December 2011

Total income during the fourth quarter increased with 2.1 percent compared with the corresponding period 2010 and amounted to SEK 9.5 m (9.3).

Gross profit amounted to SEK 4.1 m (5.7) and the gross margin was 43.0 percent (61.3).

The order book for the business area Professional products was SEK 3.7 m (6.4) at the end of the quarter.

Operating expenses for the fourth quarter improved to SEK -11.1 m (-12.6). Included in the expenses are depreciations of SEK -1.4 m (-4.6) and development costs of SEK -2.2 m (-1.7).

Operating loss for the fourth quarter thus amounted to SEK -7.0 m (-6.9).

Net financial items for the fourth quarter amounted to SEK -1.8 m (-0.2). The net financial items for the quarter include financial costs of SEK -1.3 m in connection with the new share issue with shareholder precedence.

Loss after tax for the fourth quarter amounted to SEK -8.9 m (-7.1). The deterioration in comparison to last year is primarily due to a temporary increase of financial costs.

Loss per share for the fourth quarter amounted to SEK -0.34 (-0.30).

Professional Products

Sales during the fourth quarter in the business area Professional products increased with 42.9 percent compared to the corresponding period 2010 and amounted to SEK 9.5 m (6.6).

The gross profit margin decreased compared to the fourth quarter 2010 and amounted to 43.0 percent (45.6). It is characteristic of the business area that the gross margin may vary from quarter to quarter depending on product mix and on the share of direct sales to end-customers – with higher margins – compared with the share of sales made through distributors.

Consumer Products

In connection to the new agreement with Motorola, the Company received a non-recurring compensation that was noted as an income during the first half of 2011. In the adjustment against the non-recurring compensation, Motorola has the right to produce units up to certain volume before INVISIO obtains further compensation. Since Motorola's manufacturing did not exceed the given volume during the fourth quarter in order for INVISIO to receive further compensation, no further revenues have been accounted for during the quarter.

During the fourth quarter no income has been accounted for (SEK 2.7 m).



Total Income and Result January – December 2011

Total income for the period January – December increased with 26.5 percent compared to the corresponding period 2010 and amounted to SEK 41.5 m (32.8).

Gross profit amounted to SEK 20.3 m (17.8) and the gross margin was 49.0 percent (54.4).

Operating expenses for the period January – December decreased to SEK -44.5 m (-55.7). The costs include depreciations of SEK -8.1 m (-12.2), development costs of SEK -8.6 m (-8.1) and non-recurring costs of SEK 0 m (-5.6).

Operating loss for the period January – December thus improved to SEK -24.2 m (-37.9).

Loss after tax for the period January – December decreased to SEK -28.6 m (-39.8).

Loss per share for the period January – December decreased to SEK -1.10 (-1.75).

Professional Products

Sales for the period January – December in the business area Professional products increased with 56.7 percent compared to the corresponding period 2010 and amounted to SEK 38.2 m (24.4).

The gross profit margin increased compared to the corresponding period 2010 and amounted to 47.1 percent (38.8). It is characteristic of the business area that the gross margin may vary from quarter to quarter depending on the product mix and on the share of direct sales to end-customers – with higher margins – compared with the share of sales made through distributors.

Consumer Products

Sales during the period January – December in the business area Consumer products decreased with 61.2 percent compared to the corresponding period 2010 and amounted to SEK 3.3 m (8.4).

Gross margin amounted to 70.9 percent (99.0). The result has been burdened with costs associated with the renegotiation of the agreement with Motorola.

Capital Expenditure, Cash flow and Liquidity, Financing and Shareholders' Equity

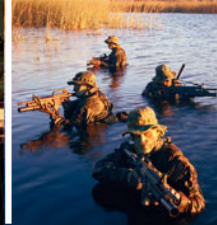
Capital Expenditure

During the period January – December net capital expenditures amounted to SEK -6.3 m (-7.0), of which SEK -5.7 m (-6.5) consisted of capitalized development costs attributable mainly to the development of future professional products.

Cash Flow and Liquidity

Cash flow from operating activities during the period January – December amounted to SEK -29.6 m (-37.2). Cash flow from investing activities amounted to SEK -6.3 m (-7.0). Cash flow from financing activities amounted to SEK 40.5 m (52.1), of which the new share issue SEK 29.5 m (21.1), the current share issue of SEK 4.8 m (20.5) and liabilities to credit institutions of SEK 6.2 m (10.6). Cash flow during the period thus amounted to SEK 4.6 m (7.9).

At the end of the fourth quarter, cash and cash equivalents of the Group amounted to SEK 17.3 m (12.8). On the closing day of the books, the available funds on the Company's trust account were SEK 4.1 m, included in other receivables.



The Company management and Board continue to work actively and continuously with the Company's governance and control, including earnings, liquidity and financial position. The Board is also continuously evaluating that the conditions for further operations are fulfilled. It is not possible to exclude the possibility that the Company might need additional capital until the business reaches break-even. The view held by the Company management and Board is the same as previously, namely that necessary liquidity and financing will be generated and added to operations through continuing income, borrowing, the possible exercise of stock options, and the authorisation granted by the Annual General Meeting to carry out new issues or such.

The Board will during the year proactively monitor the need for additional capital and if applicable this will be met through new loans alternatively new share issue.

Financing

On February 18, 2011, INVISIO Communications signed an agreement with Alecta occupational pension, Mutual, regarding a subordinate SEK 20 m loan. The loan has run with a 10 percent interest rate and was fully paid back on January 20, 2012 in connection with the new share issue with shareholder precedence. Alecta controls more than 10 percent of the shares and votes in INVISIO Communications, for which reason the loan is to be considered as a transaction with a related party.

During the period, two short-term loans of SEK 3 m and SEK 10 m have been obtained in INVISIO Communications AB. The loan of SEK 3 m was paid back on October, 28, 2011 and the loan of SEK 10 m was paid back on December 30, 2011 in connection with the new share issue with precedence rights.

On January 13, 2011, all of the 2 350 132 shares concerning the new issue of shares with shareholder precedence for the Company's existing shareholders that was carried out during November to December 2010 was registered, which corresponded to about 9.1 percent of the total number of shares in the Company following the issue. The issue was fully subscribed and provided the Company SEK 20.5 m net after issuance costs. The subscription price was SEK 10 per share.

After the Board's decision on October 21, 2011, and the extra shareholders' meeting approval on November 9, 2011, a new share issue with shareholder precedence for the Company's existing shareholders was carried out. The share issue was subscribed to 50.2 percent with support of subscription rights. 40.5 percent was signed without shareholder precedence, which also included allocation of guarantors. The new share issue resulted in an 89.1 percent allocation for guarantors of their respective commitments. Thus the share issue was subscribed to 90.7 percent and provided INVISIO with approximately SEK 39.1 m before issuance costs. The number of shares in INVISIO increased with 7 815 985 shares and thus amounted to 33 667 437 shares. The share capital increased with 7 815 985 Kr and thus amounted to 33 667 437 Kr. The subscription price was SEK 5 per share

Shareholders' Equity

The Group's reported shareholders' equity at the end of the fourth quarter amounted to SEK 11.3 m (5.6), which resulted into an equity ratio of 22.2 percent (11.9)



Parent Company

Net income for the Parent Company during the period January – December amounted to SEK 0.06 m (0.4). Operating loss for the period amounted to SEK -6.5 m (-9.4). The difference is mainly attributable to non-recurring costs in connection with the planned listing at NASDAQ OMX Small Cap Stockholm. The period's result was SEK -43.1 m (-41.7), where SEK -33.3 m (-30.0) is attributable to shareholder contribution to the subsidiary company INVISIO Communications A/S.

At the end of the fourth quarter, cash and cash equivalents held by the Parent Company amounted to SEK 14.6 m (11.8) and shareholders' equity amounted to SEK 79.9 m (88.9), which resulted into an equity ratio of 74.7 (78.9). The Parent Company had 1 employee (1).

On January 13, 2011, all of the 2 350 132 shares concerning the new issue of shares with shareholder precedence for the Company's existing shareholders that was carried out during November to December 2010 was registered, which corresponded to about 9.1 percent of the total number of shares in the Company following the issue. The issue was fully subscribed and provided the Company SEK 20.5 m net after issuance costs. The subscription price was SEK 10 per share.

After the Board's decision on October 21, 2011, and the extra shareholders' meeting approval on November 9, 2011, a new share issue with shareholder precedence for the Company's existing shareholders was carried out. The share issue was subscribed to 50.2 percent with support of subscription rights. 40.5 percent was signed without shareholder precedence, which also included allocation of guarantors. The new share issue resulted in an 89.1 percent allocation for guarantors of their respective commitments. Thus the share issue was subscribed to 90.7 percent and provided INVISIO with approximately SEK 39.1 m before issuance costs. The number of shares in INVISIO increased with 7 815 985 shares and thus amounted to 33 667 437 shares. The share capital increased with 7 815 985 Kr and thus amounted to 33 667 437 Kr. The subscription price was SEK 5 per share

Outlook for 2012 – Continued Growth Through Professional Products

Professional Products

As a result of INVISIO Communications' conscious development towards becoming a communications company, where INVISIO now offers advanced communications solutions and has a product portfolio that includes headsets, control units and accessories, opportunities for orders that partly are a larger part of the value-chain and partly in new customer segments have opened.

Our breakthrough order from the Danish Armed Forces is a further proof and an important reference order towards other military customers. This, as well as the increased marketing, the continuous efforts to increase the number of resellers and strategic cooperations, and the fact that the products deliver what they promise during trials, means that INVISIO expects a considerable long-term increase of sales in the business area. Short-term the next few quarters, sales can be affected in some markets by restrictions in public budgets as a result of the financial crisis. In addition, sales in the business area can as previously communicated vary from quarter to quarter due to long lead times from first contact with customer, to inquiry, to customer testing, to quotation and to firm order.



Consumer Products

With the new agreement, which is valid until May 2012, income in the business area now solely comes from Motorola's manufacturing and sales success of products with INVISIO's patented technology, such as Motorola Finiti, without guaranteed minimum compensation.

As mentioned earlier, the agreement with Motorola implies that they no longer has exclusivity on INVISIO's technology for the consumer market, which means that INVISIO is free to enter agreements with other manufacturers. Due to the increased focus on our professional products we will however short-term focus our resources on this rather than new collaborations on the consumer market. Thus, our expectations on income from the consumer market during 2012 are low.

The need for consumers and professions that use mobile phones during work to be able to communicate in noisy and demanding environments remains. Therefore we make the judgement that long-term there is good potential for INVISIO's patented technology on the consumer market.

Financing

INVISIO has on January 20, 2012, agreed with Alecta occupational pension, Mutual, on a SEK 10 m loan. The loan is for one year and shall be repaid to Alecta in January 2013. The condition for the loan is that if INVISIO should carry out a share issue with shareholder precedence during the period of the loan, Alecta has the possibility to require early repayment of the loan. The loan is running with 12.5 percent interest. As collateral, INVISIO has made a secondary pledge of the shares in the subsidiary Nextlink IPR AB. The loan is a part of the financing solution that INVISIO accounted for in the press release and prospect in connection with the autumn's new share issue with shareholder precedence, which also implies that INVISIO will pay back the earlier loan of SEK 20 m to Alecta. Alecta controls more than 10 percent of the shares and votes in INVISIO Communications, therefore the loan is to be considered as a transaction with a related party.

The Company's costs during 2012 are estimated to remain on the same level as 2011 and the Company commit to the judgment of turning to profit and reaching a positive cash-flow from the operations before the year-end 2012.

Accounting Principles

This interim report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The Parent Company's accounts have been prepared in accordance with RFR 2, Accounting for Legal Entities and the Swedish Annual Accounts Act. The accounting principles that are described in the 2010 Annual Report have been applied.

Significant Risks and Uncertainties

INVISIO's business and earnings are affected by a number of external and internal factors. A continuous process is conducted to identify all risks and to assess how each respective risk shall be managed.

The risks that the Company is mainly exposed to are market-related risks (including legislation and political decisions, global economic situation, competition, technological risks and market acceptance of new products and dependency of suppliers), operational risks (including the



ability to manage growth, customers and cooperation agreements, product liability, immaterial rights, dependence on key persons and employees, as well as risks related to financial reporting) and financial risks (including primarily currency risk, financing risks and liquidity risks).

In the Company's opinion, no additional significant risks or uncertainties have arisen during the year, apart from those reported in this Interim Report and on the pages 43, 46, 47, 48 and in note 2 in INVISIO's Annual Report for 2010 and in the prospect dated November 25, 2010 with reason of the then forthcoming share issue.

As noted in the section "Cash Flow and Liquidity", the Company management and Board are working actively and continuously with the Company's governance and control, including earnings, liquidity and financial position. The Board continuously tests that the conditions for continued operation exist. It is not possible to exclude the possibility that the Company might need additional capital until the business reaches break-even. The view held by the Company management and Board is the same as previously, namely that necessary liquidity and financing will be generated and added to operations through continuing income, borrowing, the possible exercise of stock options, and the authorisation granted by the Annual General Meeting to carry out new issues or such.

The Board will during the year proactively monitor the need for additional capital and if applicable this will be met through new loans alternatively new share issue.

Related Party Transaction

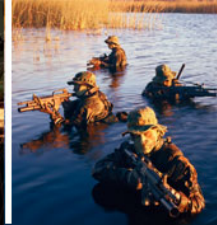
Lage Jonason with related parties is one of the Company's largest individual shareholders. Lage Jonason has personally stood surety for some of the Company's liabilities to credit institutions, for a nominal amount of SEK 12 m, and for undertakings vis-à-vis suppliers. The loan of SEK 12 m was paid back by the Company on February 28, 2011. The Company has not compensated Lage Jonason for his current security responsibility.

The company has agreed with Alecta occupational pension, Mutual, on a loan of SEK 10 m, for further information see the section Financing.

Election Committee

At the Company's Annual General Meeting on April 28, 2011, it was decided to appoint an Election Committee for preparation and submission of proposals for the Shareholders at the Annual General Meeting concerning the number of Board members, election of Board members and, where applicable, auditor and also remuneration to Board and auditors and other queries which may appear at an Election Committee in accordance with Swedish code of corporate governance. The Election Committee, as now appointed, consists of Lage Jonason, representing himself with family and company, Ramsay Brufer, representing Alecta occupational pension, Mutual, Björn Franzon, representing Swedbank Robur fonder and Lars Röckert, INVISIO's Chairman of the Board.

This Interim Report has not been reviewed by the Company's auditor.



Future Reporting Dates

- Annual meeting of shareholders 2012: April 20, 2012, in Stockholm
- Interim Report January – March: April 19, 2012
- Interim Report April – Juni: August, 16, 2012
- Interim Report July – September: November 6, 2012
- Year-End Report 2012: February 15, 2013

Stockholm, February 3, 2012

Lars Röckert
Chairman of the Board

Anders Persson
Director

Jan Samuelson
Director

Mats Warstedt
Director

Lars Højgård Hansen
CEO

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Tables

Consolidated Income Statement

SEK 000s

Income statement	Oct. - Dec. 2011	Oct. - Dec. 2010	Jan. - Dec. 2011	Jan. - Dec. 2010
Sales	9 483	9 287	41 463	32 787
Cost of goods sold	-5 408	-3 591	-21 162	-14 955
Gross Profit	4 075	5 696	20 301	17 832
Operating expenses ^{1/ 2/}	-11 104	-12 599	-44 475	-55 698
Operating profit/loss	-7 029	-6 903	-24 174	-37 866
Net financial items	-1 843	-226	-4 451	-1 948
Profit/loss before tax	-8 872	-7 129	-28 625	-39 814
Income tax	-	-	-	-
Profit/loss for the period	-8 872	-7 129	-28 625	-39 814
Other comprehensive income				
Translation differences during the period from translation of foreign businesses	-685	-1 315	-6	-3 187
Comprehensive income for the period	-9 557	-8 444	-28 631	-43 001

Profit for the period as well as comprehensive income are entirely attributable to equity holders of the parent.

1/ Of which, depreciation	-1 394	-4 562	-8 085	-12 224
2/ Of which, cost of one-off measure	-	750	-	-5 568

Per-share data	Oct. - Dec. 2011	Oct. - Dec. 2010	Jan. - Dec. 2011	Jan. - Dec. 2010
Earnings per share, SEK	-0,34	-0,30	-1,10	-1,75
Earnings per share after dilution, SEK	-0,34	-0,30	-1,10	-1,75
Shareholders' equity per share, SEK	0,35	0,24	0,35	0,24
Shareholders' equity per share after dilution, SEK	0,35	0,24	0,35	0,24
Equity ratio	22%	12%	22%	12%
Number of shares outstanding	32 704 351	23 501 320	32 704 351	23 501 320
Average number of shares outstanding	26 436 479	23 501 320	25 919 371	22 723 151
Number of shares outstanding after dilution	32 704 351	23 501 320	32 704 351	23 501 320
Share price, SEK	3,70	10,00	3,70	10,00

Consolidated Balance Sheet

Condensed balance sheet

SEK 000s

Assets	12/31/2011	12/31/2010
Intangible assets	15 336	16 948
Property, plant and equipment	576	834
Financial assets	678	643
Inventories	5 215	2 780
Accounts receivable - trade	5 668	10 169
Other receivables, prepaid expenses and accrued income ^{3/}	6 039	3 156
Cash and bank balances	17 305	12 752
Total assets	50 817	47 282

^{3/} Other receivables include cash in the trust account at 2011-12-31 about 4.1 m (0)

Shareholders' equity and liabilities	12/31/2011	12/31/2010
Shareholders' equity	11 287	5 630
Liabilities to credit institutions	27 736	21 570
Accounts payable - trade	6 284	9 301
Other liabilities, accrued expenses and deferred income	5 510	10 781
Total shareholders' equity and liabilities	50 817	47 282

Changes in shareholders' equity	12/31/2011	12/31/2010
Opening balance	5 630	7 030
New issues	34 288	41 601
Comprehensive income for the period	-28 631	-43 001
Closing balance	11 287	5 630



Statement of financial position. Group

SEK 000s

	Share capital	Other capital contributions	Loss carried forward	Total shareholders' equity
Interim period 1/1/2011 – 12/31/2011				
Opening balance, 1/1/2011	23 501	216 676	-234 547	5 630
Issues during registration 31/12/2010	2 350	-2 350	-	-
New Issues	6 853	27 412	-	34 265
Issues expenses	-	-4 792	-	-4 792
Issues during registration 31/12/2011	-	4 815	-	4 815
Comprehensive income for the period	-	-	-28 631	-28 631
Shareholders' equity, 12/31/2011	32 704	241 761	-263 178	11 287

	Share capital	Other capital contributions	Loss carried forward	Total shareholders' equity
Interim period 1/1/2010 – 12/31/2010				
Opening balance, 1/1/2010	21 565	177 011	-191 546	7 030
Issues during registration 31/12/2009	500	-500	-	-
New Issues	1 436	20 564	-	22 000
Issues expenses	-	-900	-	-900
Issues during registration 31/12/2010	-	23 501	-	23 501
Issues expenses Issues during registration 31/12/2010	-	-3 000	-	-3 000
Comprehensive income for the period	-	-	-43 001	-43 001
Shareholders' equity, 12/31/2010	23 501	216 676	-234 547	5 630

Statement of cash flows – Group

SEK 000s

Cash flow	Oct. - Dec. 2011	Oct. - Dec. 2010	Jan. - Dec. 2011	Jan. - Dec. 2010
Operating activities				
Profit/loss before tax	-8 872	-7 129	-28 625	-39 814
Adjustments for non-cash items	1 250	4 269	8 123	9 519
Taxes	-	-	-	-
Cash flow from operating activities before changes in working capital	-7 622	-2 860	-20 502	-30 295
Cash flow from changes in working capital	-6 558	-4 647	-9 138	-6 927
Cash flow from operating activities	-14 180	-7 507	-29 640	-37 222
Investing activities				
Capitalization of non-current assets	-1 357	-1 121	-5 701	-6 472
Acquisition/divestment of property, plant and equipment	-3	-256	-562	-565
Cash flow from investing activities	-1 360	-1 377	-6 263	-7 037
Financing activities				
New issues	29 473	20 501	29 473	41 601
Issues during registration	4 815	-	4 815	-
Change in financial assets	-2 565	-950	6 185	10 550
Acquisition/divestment of financial assets	-	-48	-	-19
Cash flow from financing activities	31 723	19 503	40 473	52 132
Cash flow for the period	16 183	10 619	4 570	7 873
Cash and bank balances at start of period	1 171	2 091	12 752	5 059
Translation differences in cash and bank balances	-49	42	-17	-180
Cash and bank balances at end of period	17 305	12 752	17 305	12 752

Parent Company Income Statement

SEK 000s

Income statement	Oct. - Dec. 2011	Oct. - Dec. 2010	Jan. - Dec. 2011	Jan. - Dec. 2010
Operating income	15	308	60	383
Operating expenses ⁴⁾	-1 737	-1 402	-6 593	-9 804
Operating loss	-1 722	-1 094	-6 533	-9 421
Net financial items ⁵⁾	-10 161	-760	-36 424	-32 338
Loss before tax	-11 883	-1 854	-42 957	-41 759
Income tax	-105	68	-105	68
Loss for the period	-11 988	-1 786	-43 062	-41 691

4/ Of which, depreciation

5/ Of which, SEK 33.3 m in shareholder contribution to subsidiaries as per 12/31/2011 (30

Parent Company Balance Sheet

Condensed balance sheet

SEK 000s

Assets	12/31/2011	12/31/2010
Financial assets/shares in subsidiaries	81 512	81 819
Receivables from Group companies	5 902	16 804
Other receivables, prepaid expenses and accrued income ³⁾	4 860	2 278
Cash and bank balances	14 597	11 798
Total assets	106 871	112 699

3/ Other receivables include cash in the trust account at 2011-12-31 about 4.1 m (0)

Shareholders' equity and liabilities

	12/31/2011	12/31/2010
Shareholders' equity	79 852	88 921
Liabilities to credit institutions	23 500	18 300
Accounts payable - trade	1 826	2 736
Liabilities to Group companies	111	103
Other liabilities, accrued expenses and deferred income	1 582	2 639
Total shareholders' equity and liabilities	106 871	112 699

Changes in shareholders' equity

	12/31/2011	12/31/2010
Opening balance	88 921	88 822
New issues	34 265	22 000
Issues expenses	-4 792	-900
Issues during registration	4 815	23 501
Issues expenses issues during registration	-	-3 000
Group contribution	-400	257
Tax group contribution	105	-68
Loss for the period ⁵⁾	-43 062	-41 691
Closing balance	79 852	88 921

5/ Of which, SEK 33.3 m in shareholder contribution to subsidiaries as per 12/31/2011 (30

Consolidated Income Statement - Segmental Breakdown

SEK 000s

Income statement, per segment, Oct. - Dec. 2011	Professional		Consumer	Other	Total
	Products	Products	Products		
Sales	9 474	9	9	-	9 483
Cost of goods sold	-5 404	-4	-4	-	-5 408
Gross Profit	4 070	5	5	-	4 075
Selling and marketing expenses	-4 356	-43	-43	-122	-4 521
Administrative expenses	-1 554	-16	-16	-1 487	-3 057
Research and development costs	-3 394	-87	-87	-45	-3 526
Operating profit/loss ⁵⁾	-5 234	-141	-141	-1 654	-7 029
Net financial items	-379	-	-	-1 464	-1 843
Profit/loss before tax	-5 613	-141	-141	-3 118	-8 872
Tax	-	-	-	-	-
Profit/loss for the period	-5 613	-141	-141	-3 118	-8 872

5/ Includes depreciation of SEK 1 394 thousand for the period Oct. - Dec. 2011



Income statement, per segment, Jan. - Dec. 2011	Professional	Consumer	Other	Total
	Products	Products		
Sales	38 197	3 266	-	41 463
Cost of goods sold	-20 210	-952	-	-21 162
Gross Profit	17 987	2 314	-	20 301
Selling and marketing expenses	-15 587	-228	-396	-16 211
Administrative expenses	-6 163	-78	-5 766	-12 007
Research and development costs	-14 206	-1 919	-132	-16 257
Operating profit/loss ^{7/}	-17 969	89	-6 294	-24 174
Net financial items	-1 344	-	-3 107	-4 451
Profit/loss before tax	-19 313	89	-9 401	-28 625
Tax	-	-	-	-
Profit/loss for the period	-19 313	89	-9 401	-28 625

7/ Includes depreciation of SEK 8 085 thousand for the period Jan. - Dec. 2011

Income statement, per segment, Oct. - Dec. 2010	Professional	Consumer	Other	Total
	Products	Products		
Sales	6 630	2 657	-	9 287
Cost of goods sold	-3 610	19	-	-3 591
Gross Profit	3 020	2 676	-	5 696
Selling and marketing expenses	-3 532	-18	304	-3 246
Administrative expenses	-1 706	-17	-1 474	-3 197
Research and development costs	-5 090	-1 196	130	-6 156
Operating profit/loss ^{8/}	-7 308	1 445	-1 040	-6 903
Net financial items	-475	-	249	-226
Profit/loss before tax	-7 783	1 445	-791	-7 129
Tax	-	-	-	-
Profit/loss for the period	-7 783	1 445	-791	-7 129

8/ Includes depreciation of SEK 4 562 thousand for the period Oct. - Dec. 2010

Income statement, per segment, Jan. - Dec. 2010	Professional	Consumer	Other	Total
	Products	Products		
Sales	24 375	8 412	-	32 787
Cost of goods sold	-14 918	-37	-	-14 955
Gross Profit	9 457	8 375	-	17 832
Selling and marketing expenses	-17 489	-482	-1 511	-19 482
Administrative expenses	-8 744	-163	-7 611	-16 518
Research and development costs	-14 163	-5 096	-439	-19 698
Operating profit/loss ^{9/}	-30 939	2 634	-9 561	-37 866
Net financial items	-1 482	-	-466	-1 948
Profit/loss before tax	-32 421	2 634	-10 027	-39 814
Tax	-	-	-	-
Profit/loss for the period	-32 421	2 634	-10 027	-39 814

9/ Includes depreciation of SEK 12 224 thousand for the period Jan. - Dec. 2010