

2011

ANNUAL REPORT

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2011 IN BRIEF

Key Figures

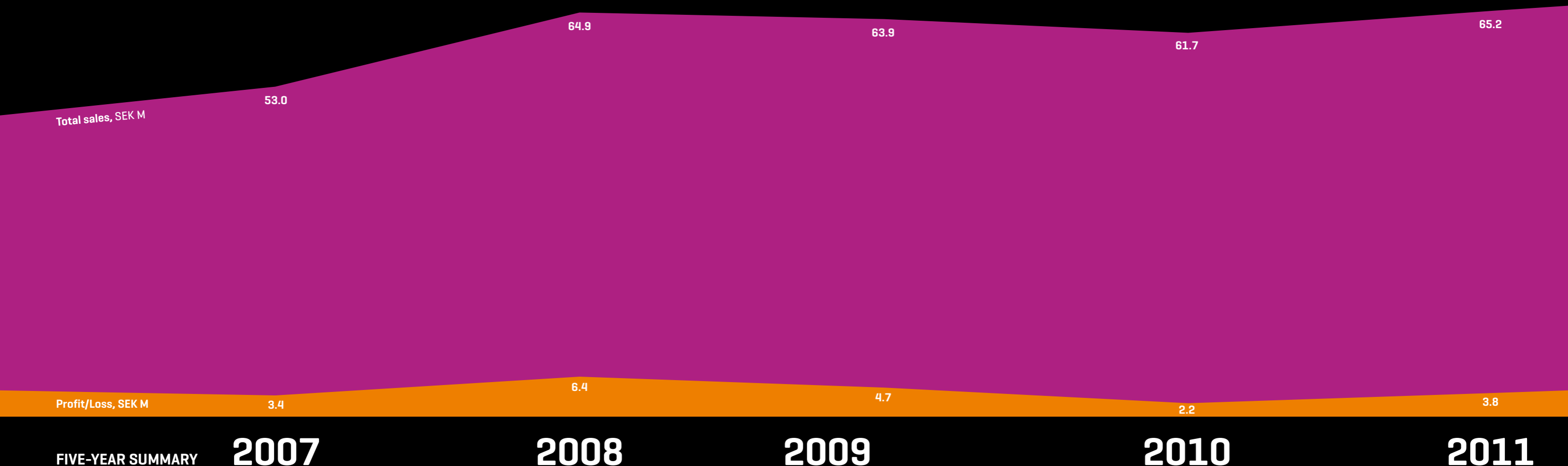
	2007	2008	2009	2010	2011
Total sales, SEK M	53.0	64.9	63.9	61.7	65.2
Increase/decrease, %	11.1	22.5	-1.5	-3.4	5.7
Profit/loss after financial items, SEK M	3.4	6.4	4.7	2.2	3.8
Operating margin, %	5.9	6.9	6.8	2.6	5.3
Net financial assets, SEK M	5.6	8.7	12.5	8.4	11.0

Financial

- Sales totaled SEK 65 million (62)
- Net operating profit was SEK 3.4 million (1.6)
- License subscription revenue and support was SEK 22 million (21)
- Net financial assets at year-end were SEK 11 million
- Continued high investments in R&D were approved for the 2012 budget

Important Events

- In 2011 sales increased by SEK 3 million as a result of normalization in the economy
- Subscriptions and annual support accounted for more than 36 percent of revenue in 2011
- The total number of subscribed and paid licenses increased by 6.4 percent to 8,933 total licenses
- Photo Lab in CET Designer released, making it possible to create incredibly photo-realistic renderings
- The Interior Design Continuing Education Council (IDCEC) awarded Configura with Continuing Education Unit (CEU) accreditation for both the Beginner and Advanced CET Designer courses
- Configura welcomed European kitchen manufacturer Ballingslöv International and four of its subsidiaries as a customers
- A South American company, Solinoff, signed on for a CET Designer Extension
- In the North American office market, Configura welcomed Connectrac; additionally, Extensions were launched for Aurora Storage Products and KI
- The fourth annual CET Designer User Conference was held in Las Vegas, Nevada, USA, with great success
- Configura started making preparations to open an office in Kuala Lumpur, Malaysia





Thank you for a fantastic 2011! We hope everyone working with us is delighted that so many wonderful things are happening and that the opportunities for innovation and added value are increasing every day.

Here are just a few of the great things that happened in 2011:

First, the launch of Photo Lab in CET Designer. With Photo Lab, we bring photorealism to an entirely new level. Photo Lab gives our users incredible capabilities to showcase and sell their products. In this report, we present a selection of images that we've produced in Photo Lab. You'll do a double-take and wonder if these renderings are actually photos. The images are simply stunning.

Second, our breakthrough into the Nordic kitchen market. With this breakthrough, we're positioned to become the leading software supplier in the kitchen market. This highly competitive market is really starting to focus on its commercially most important process – the sales process. As part of our kitchen industry strategy, we've developed a tool to create, maintain and publish kitchen catalogs. Our expectation of success in the important kitchen market is great, and I encourage you to read the kitchen article in this report. The story is not only true for the kitchen market but applies to all of our customer segments.

Third, our ongoing investment in strategic IT solutions, which create significant value for those companies that implement our technology. Thanks to collaborative efforts, Configura experienced 6.4 percent license growth in 2011, which fuels our ambition to grow and help more companies in more markets. In line with this ambition, we opened an office in Kuala Lumpur, Malaysia, in early 2012 in order to be closer to both existing and new customers in the Asian market. A presence in Asia is a natural step for us and something that we have planned for a number of years.

Fourth, a personal license model and cloud technology. In 2011, we laid the groundwork to introduce, in 2012, a personal MyConfigura ID. Users will be able to use their licenses from multiple computers, which aligns with today's "cloudification" of the Web. This is freedom – freedom to work when one wants, where one wants. In addition, MyConfigura offers services that facilitate communication and collaboration among colleagues and customers. So, log onto MyConfigura as soon as it's launched and enjoy your new possibilities!

Look for us in 2012 – we're all over the globe at yearly conferences and events for our users, manufacturers, partners and developers. I hope to see you at one of these important functions, and I wish you the best in 2012.

Finally, I want to thank our employees, customers, suppliers and partners for their wonderful cooperation in 2011. I look forward to continuing to work to further strengthen our products and services in the coming year. Have a wonderful 2012!

Johan Lyreborn, CEO
Linköping, April 2012

COLLABORATE

The IT Food Chain

by Johan Lyreborn

A common perception is that data is more important than software. This is not how we at Configura look at it and not how you should look at it either. Reverse the order, and you see that something is even more important: the CUSTOMER is king. Customers don't care about data. Customers don't even care about the software. Customers care about SERVICE.

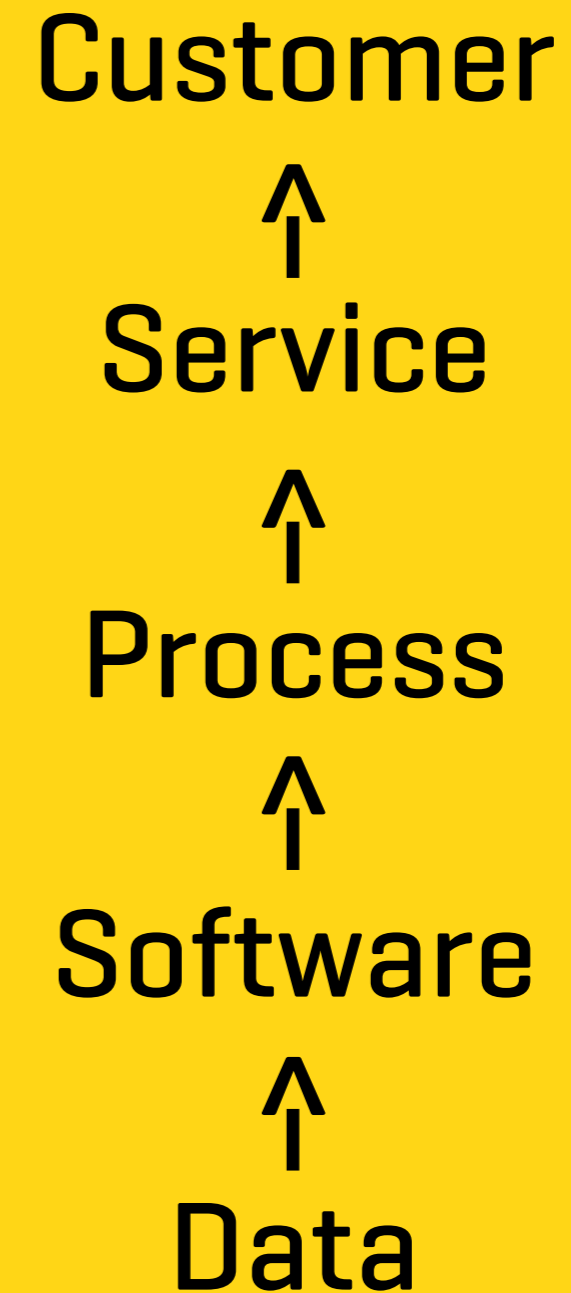
Companies must decide how they want to position themselves to deliver SERVICE. When companies have figured this out, they need to identify PROCESSES so they can deliver SERVICE in an efficient and appropriate way. When PROCESSES are identified and decided on, it's time to look for SOFTWARE that is needed to support the PROCESSES. When SOFTWARE is decided, it's time to start focusing on the DATA.

Our advice is:

Processes need support from software. Don't believe that processes can be implemented without the right software. So you have to ask yourself: Where do I want to be regarding CUSTOMER SERVICE? Start here!

Be prepared to throw current DATA in the bin! Many companies are stuck with what we in the IT world call "crap data" – data that won't support the new expectations regarding CUSTOMER SERVICE. Get yourself out of the bad DATA trap now. If you wait, it will cost in poor CUSTOMER SERVICE.

So DATA is last in the food chain. SOFTWARE eats DATA. SOFTWARE makes DATA valuable! And the CUSTOMER is KING.



VISION

MAKING
Parametric Graphical
Configuration
AVAILABLE
WORLDWIDE

MISSION

We develop and deliver Parametric Graphical Configuration (PGC) software for companies that sell highly configurable products. We work with our customers by implementing solutions that make their sales processes more efficient, cost-effective, accurate and profitable. We value innovation, longevity and leadership.



Core Business

Configura Sverige is the global leader in Parametric Graphical Configuration (PGC) software solutions. We serve customers in four core markets:

- Commercial Furniture
- Kitchen and Bath
- Material Handling
- Industrial Machinery

Our customers require solutions that simplify complex selling processes. Configura's PGC software delivers those solutions. Users can create drawings, calculate prices, generate bills of material and render photorealistic 3D images – all in one step, with one affordable tool.

PGC helps our customers to reduce their costs by:

- Making it faster and easier to propose on a project – from weeks to days to hours
- Allowing real-time feasibility check of specified products
- Reducing specification and order-entry errors to practically zero
- Increasing sales team retention with easy-to-learn software that quickly gets users up-to-speed on a gamut of products

PGC helps our customers to increase their revenues by:

- Improving efficiencies and cutting lead times, enabling design and sales staff to propose more and sell more
- Improving customer service through faster response, quality proposals and accurate ordering
- Ensuring worldwide access to current product information
- Delivering products to market faster

As a result, profit margins can increase by as much as five percentage points depending on the industry.

Configura uses a subscription licensing model, which ensures regular product upgrades, guarantees access to the most recent technology and engages users in product development.

This business model provides Configura with continual and stable revenue, fully supporting our financial goals of sustainable, profitable growth. We will continue to achieve these goals by investing in research and development, employing a focused growth strategy, delivering value to our customers and making significant contributions to the global software industry.

PGC



I've been with Configura for more than 10 years and have had the opportunity to grow with the company. I've really enjoyed being a part of the journey, from a small business to a medium-sized company with offices on three continents. As chief operating officer, I can rarely plan my day ahead, as new challenges always arise, whether a minor detail to be taken care of, or a larger problem to be solved. The best part about my job is ensuring that our employees have optimal conditions to do really great things for our customers. I like coaching our team leaders and supporting our project teams in their mission of delivering the very best. **Cecilia Angbratt, COO**

Objectives

1. Lead as the originator and ongoing developer of PGC software
2. Deliver PGC solutions to four core global markets:
 - Commercial Furniture
 - Kitchen and Bath
 - Material Handling
 - Industrial Machinery
3. Build long-term relationships with customers through a software subscription licensing model
4. Share and expand on PGC solutions through an extensive partner network
5. Inspire our employees with creative, high-tech environments as well as continuing education and the opportunity to work internationally

Presenting MyConfigura

Configura's two platforms, Configura and CET Designer, move to the "cloud" with MyConfigura.

A couple of years ago, Configura began talking about cloud-based services and the exciting possibilities of working in the cloud.

We began developing our own cloud based technology in 2010. The next year, we began beta-testing it with CET Designer "Power Peer" users. In 2012, cloud capabilities will become reality on Configura's two platforms, Configura and CET Designer.

OUR CLOUD, DUBBED MYCONFIGURA, WILL BENEFIT OUR:

- **Users**
Designers/salespeople who use Configura software
- **Administrators**
Buyers of Configura software
- **Manufacturers**
Supervisors – those who have invested in a Configura software solution

With MyConfigura, which launches with Configura 8.0 and CET Designer 3.0, we switch from machine-based to user-based licensing. Configura 8.0 is also moving from hardware certificates to software licenses.

To continue the weather metaphor, one could say that MyConfigura is like an umbrella under which everything that is Configura- and CET-Designer-related – which a user, administrator or manufacturer might need – can be stored, accessed and shared.

MyConfigura means **freedom for our users** as they will be able to work when they want, where they want. They won't be tied to a particular computer. And, they'll enjoy valuable new storage and sharing capabilities.

MyConfigura means **an easier way to buy and manage licenses for our administrators and manufacturers** with a new web-based purchasing and distribution process.

CLOUD-BASED FREEDOM



M

EVERYTHING UNDER ONE UMBRELLA



I love complex tasks and solving difficult problems. In my work, I strive to make things simpler and, simultaneously, more elegant. A small adjustment in a detail can change how the user feels about one's work. Working in web-based development presents the possibility of being on the forefront of technology; the web has taken huge steps forward – today, one can do things you'd have never thought possible just a few short years ago. I love the idea of making a website really easy to use so the user doesn't even need to think but instead responds intuitively. Together with the talented team at Configura, I'm working to be at the forefront of web development. I always say to myself: How can I make this even better and more beautiful? **Jon Lindholm, Webmaster**

HERE'S HOW IT WILL WORK:

Users, administrators and manufacturers will log onto Configura.com (or directly through the software) where they'll enter the MyConfigura portal. In MyConfigura, users will be able to create a personal login account – a "MyConfigura ID." This ID is then used for logging into both the software and MyConfigura. Users will be able to safely and securely store design documents, renderings, videos and more to access them anytime, anywhere and easily share them with colleagues, clients and other users. They'll also be able to create and manage specific "Briefcases" with content intended for certain people. Up to 1 GB of storage space per licensed user will be available – a good chunk of space for storing projects.

In the future, MyConfigura will be directly connected to the software: users will be able to automatically publish presentation packages for clients directly from the program into a secure MyConfigura Briefcase created just for them.

In MyConfigura, administrators will be able to access a License Administration tab to view information about all licenses that they manage (for example, which user has a specific license, when it was last used, etc.). They'll also be able to handle license requests and order licenses directly from Configura plus communicate more efficiently with users.

With MyConfigura, we're proud to not only be on the cutting edge of technology; we're also proud to be changing the industry.

WHAT DOES "CLOUD-BASED" MEAN?

"Cloud-based" means software and projects are accessible ("computable") from any machine – anytime and anywhere (they're "in the cloud" – MyConfigura). Cloud-based service is also a means of storage. Wikipedia defines cloud computing as the delivery of computing as a service rather than a product. Shared resources, software and information are provided to computers and other devices as a utility over a network. Cloud computing provides computation, software applications, data access, data management and storage resources without requiring cloud users to know the location and other details of the computing infrastructure.

"CLOUD" TECHNOLOGY AND SO MUCH MORE

MyConfigura is "cloud" technology that handles the communication between Configura software and the license server. MyConfigura is also:

Portal webservice

MyConfigura is, via Configura.com, a portal webservice connecting authorized users, administrators and manufacturers to all of Configura's cloud-based services.

Community

MyConfigura is a community, a place provided by Configura where users, administrators and manufacturers can create Briefcases [and store/share files] and collaborate via discussion threads.

Communication

To ensure that users and administrators don't miss important information, email messages can be generated via MyConfigura [for example, a user would receive a message when his/her license request has been approved or denied; an administrator would receive a message after receiving a new license request].

REPORT ON OPERATIONS



Maj-Brit Rahbek, Master Data Coordinator, Kvik

2011 marked Configura's 21st year as a company. Profits in 2011 returned to a higher level. Sales increased with new manufacturing clients and license subscriptions – in fact, the total number of licenses increased by more than 500, to a total of almost 9,000 paying users in 2011. We signed a major European kitchen client in 2011. Five of the largest companies in the U.S. commercial furniture industry are our customers, and the industry is closely following our development.

SALES INCREASED BY SEK 3 MILLION

Amounts in SEK M	2011	2010	Change
Consultancy	41	40	+1
License sales	2	1	+1
Subscription and support fees	22	21	+1
Total	65	62	+3

2011 was a year when the financial markets were in turbulence. This environment contributed to caution among some of Configura's customers and prospects in terms of investing in IT, including the Configura solution.

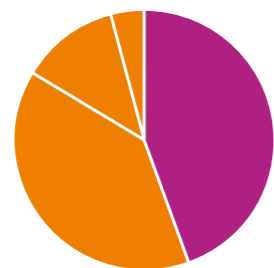
Many customers had, during previous years, decreased spending in relation to fundamental need. Investment will eventually catch up when the market demands new products and functionalities. The market rebound actually happened for several Configura customers in 2011, which resulted in increased consultancy sales for the company. Support fees and license subscriptions increased as a result of more users.

NET OPERATING PROFIT INCREASED BY ALMOST SEK 2 MILLION: SEK 3.4 MILLION [1.6]

Profits in 2011 returned to a higher level as they were neither burdened with extraordinary costs nor effects from exchange-rate movements as in the previous year. Sales increased during 2011 but so did salary expenses. The company has maintained a low-cost profile. Investment in research and development increased slightly, as R&D is deemed critical for long-term survival.

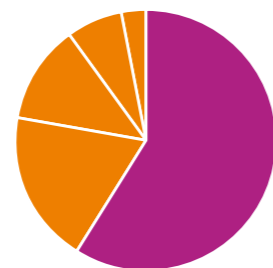
Sales in North America continue to increase as our products become proven with North American-based contract furniture companies.

INVOICING



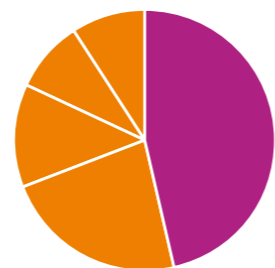
REGIONS

The Americas, 45%
Sweden, 39%
Europe, 12%
Nordic countries, 4%



SEGMENTS

Commercial Furniture, 59%
Industrial Machinery, 19%
Material Handling, 12%
Kitchen and Bath, 7%
Construction, 3%



CUSTOMERS

1-5, 47%
6-10, 23%
11-15, 13%
16-20, 9%
21+, 9%

EVALUATION OF RISK AND OPPORTUNITY

Configura is the main asset for our shareholders. It is therefore natural that the company adopts a low-risk strategy. Our long-term business relationship with our customers also depends on the certainty that Configura will survive in the long-term.

The company has not taken on any financial debt and presently has financial assets exceeding 20 percent of revenues. The subscription model ensures stable revenues even during a slump in the business cycle. This was confirmed during 2009 and 2010, both of which were notoriously difficult business years for key customers.

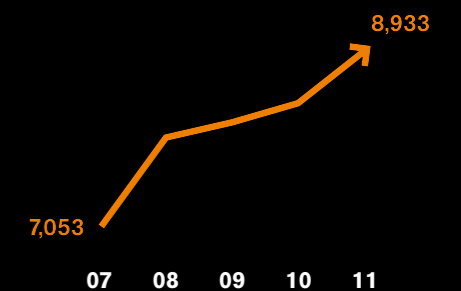
Subscription revenues and annual support account for more than 30 percent of revenues for 2011. Our business model provides stability in cash-flow and assures long-term profitability and financial stability. We will continue on this path.

The subscription model, rather than license sales, is beneficial for our customers. Users always have access to the most updated software version, and subscriptions can be terminated at any time, which means that the cost can continually be compared to the benefits the software delivers. Only a small fraction of clients cancel their subscriptions in a given year. Total licenses had an aggregate increase in 2011, as is the case every year. The stable and increased numbers confirm the value of our software and that the subscription model is a financial strength for the company.

The total number of licenses increased by more than 500, to a total of almost 9,000 paying users in 2011. Five main customers dominate our sales. They are becoming becoming almost equal in size, and Configura is thus less exposed to the risk of just a handful of customers. Our revenue stream is spread among various sectors and regions. Latin America is the latest new market. Diversification decreases total risk.

Sales in North America continue to increase as our products become proven with North American-based contract furniture companies.

Configura is starting a production center in Kuala Lumpur, Malaysia, which will further diversify the cost structure and increase dollar-related costs. This will give a better cost match with dollar income.



LICENSES

Our technology is continually improving. The R&D budget for 2012 remains at an unchanged high level and the results show in continually improved software. New cost efficiencies will be achieved by allocating some tasks to our new Kuala Lumpur operation. Superior technology is the main factor for ensuring our long-term success.

The value for our users increases as our software content and functionality expand. Our content offering increases as more CET Designer Extensions and libraries are created. Five of the largest companies in the North American commercial furniture industry are our customers, and the industry is closely following our development. We have added several new functionalities, which are described in other sections of this report.

Three new customers were gained during 2011. We are especially pleased with the expansion in the kitchen segment where companies from Ballingslöv Group signed with Configura. It confirms the quality of the program and decreases exposure to the office furniture segment.

We are confident about the future, and Configura's finances are strong. We are increasing the dividend to 2.8 MSEK. Net financial assets after dividends are estimated to remain at a healthy level of more than 25 percent of sales.





The Photos: Kvik and DFI-Geisler

In 2011, we began collaboration with Ballingslöv Group, one of the leading manufacturers of kitchen, bathroom and storage solutions in Europe. Ballingslöv has chosen CET Designer as its kitchen design software for four of the subsidiaries within the group: Kvik, DFI-Geisler, XInt and 3BO.

Our business in the kitchen market has gotten a great boost because of our collaboration with Ballingslöv Group – it shows how important it is to have a customer who demands great things of us as a software company. The challenge strengthens and positions us to take CET Designer to a new level in the kitchen industry. We will, as the first developer of kitchen design software, be able to automate many of the numerous complex adaptations that are possible to do on a countertop.

2011 HIGHLIGHTS

Configura signed Solinoff for CET Designer Extension

In February, Configura announced that South America-based Solinoff selected Configura to produce a CET Designer Extension for Solinoff's product lines.

Solinoff's focus is developing and designing work spaces with high flexibility and technology as part of the production process. Solinoff Owner and President Guillermo Flórez noted Configura's technology and the CET Designer solution fit well with Solinoff's mission.

Solinoff was founded in 1987, specializing in manufacturing storage systems. Over the years, the Bogota, Colombia-based company has grown to have three manufacturing plants, producing award-winning lines of office furniture. The company has been expanding into Peru and Chile and plans to enter European and North American markets.

Solinoff is identified by a dolphin on its brand, which was chosen because of its intelligence, speedy movement and friendliness.

CET Designer courses approved for CEU credit

In May, the company announced that the Interior Design Continuing Education Council (IDCEC) awarded Configura with Continuing Education Unit (CEU) accreditation for both the Beginner and Advanced CET Designer courses. These CEUs apply to interior design licensure and the continuing education requirements of our CET Designer users. This important designation also indicates that CET Designer is an industry standard in the interior design profession.

Configura signed Connectrac for CET Designer Extension

In May, Configura announced that it had signed Dallas-based Connectrac for a CET Designer Extension. Connectrac develops, manufactures and markets floor-mounted electrical access systems and a growing line of accessories used in almost every type of facility – corporate, government, education, airport, healthcare and casino. The CET Designer Extension will be for Connectrac's entire line.

"Configura's system is exactly what we need. Not only will it improve our accuracy and efficiency, but it will also give us a powerful graphical tool to communicate proposed layouts to our customers," said Clint Strong, the company's founder.

Configura launched Photo Lab

In June, Configura demo'ed CET Designer 2.6 with Photo Lab – extreme photorealism rendering in a single design-and-specification solution – at the NeoCon World's Trade Fair; the technology officially released in November.

Photo Lab provides a completely new level of rendering. It doesn't require add-on tools or outsourcing of rendering functions. Using natural light and shading, Photo Lab allows CET Designer users to render multiple images at once. It enables immediate post-rendering processing changes without the need to re-render; the software automatically updates changes in the rendering to ensure accuracy. Photo Lab renders in the background, allowing users to keep working with their space plan even when multiple renderings are being created.

The powerful tool handles rendering needs from start to finish. The results are renderings that look like photos – quickly, easily and cost-effectively produced in CET Designer.

Configura released Aurora Storage Products' CET Designer Extension

In August, Configura launched Aurora Storage Products' CET Designer Extension. Aurora Storage Products of Aurora, Illinois, is a leading manufacturer of storage and filing equipment.

"We're excited about what this means for our employees and dealers," said Roy Koch, president of Aurora Storage Products. "They'll be able to respond very quickly – and very creatively – to clients' and prospects' needs for presentations, pricing and other bid and ordering materials. It's powerful software."



During my years at Configura, I've had the opportunity to develop on personal and professional levels. My current roles are core developer and "ScrumMaster." I like the variations these roles allow – I like being part of core development with features, new projects and releases; with the Scrum process, I like coordinating sprint planning, daily follow-up meetings and retrospectives. The Core team develops functionality for all of our customers, and I like to see the big picture. My job is stimulating since we're constantly faced with new problems to solve. Plus, my colleagues are great to work with – it's always a pleasure to go to work.

**Emma Johansson, Core Developer,
CET Designer Platform**

FUNCTION

KI's SpecEngine Extension launched

In August, Configura launched KI's CET Designer Extension, SpecEngine.

"The KI team is very excited about our new Configura-generated SpecEngine solution. We anticipate improved customer satisfaction through the integration of many visual tools, including 3D previews, floor plans and automated quotations, all through the SpecEngine CET Designer Extension," said KI Senior Product Marketing Manager Rob Wittl.

Green Bay, Wisconsin-based KI, serving customers since 1941, manufactures innovative furniture and movable wall system solutions for education, healthcare, government and corporate markets across the globe.

4th CET Designer User Conference held

In October, Configura held its fourth annual CET Designer User Conference in Las Vegas, Nevada. More than 150 participants – double the number from 2010 – took advantage of this fun and educational two-day event to learn, network and share. Once again, several CET Designer "Power Peer" users served as instructors in breakout sessions, teaching and sharing with their peers in the best practices in CET Designer.

At the conference, Configura announced the winners of the Best of CET Designer Awards, an annual competition sponsored by Configura honoring best uses of the software. Winner for Best Success Story was Target Commercial Interiors; the dealership received a new computer, high-end graphics card and CET Designer license. Awards were also given in video and rendering categories.



We collaborate with Configura to future-proof and streamline our business.

It is an investment for the future that will surely make it much easier to order countertops in the kitchen stores. It is a milestone for us to be able to import a file from CET Designer directly into our ERP system and automatically generate the necessary files for our CNC milling machines. We are very pleased to work with Configura to cross this milestone and thereby strengthen our position as one of Scandinavia's strongest and most efficient producers of custom countertops for kitchen and bath.

Lars Langkjær, Managing Director, DFI-Geisler



Lars Langkjær, Managing Director, DFI-Geisler

Configura entered collaboration with Ballingslöv Group

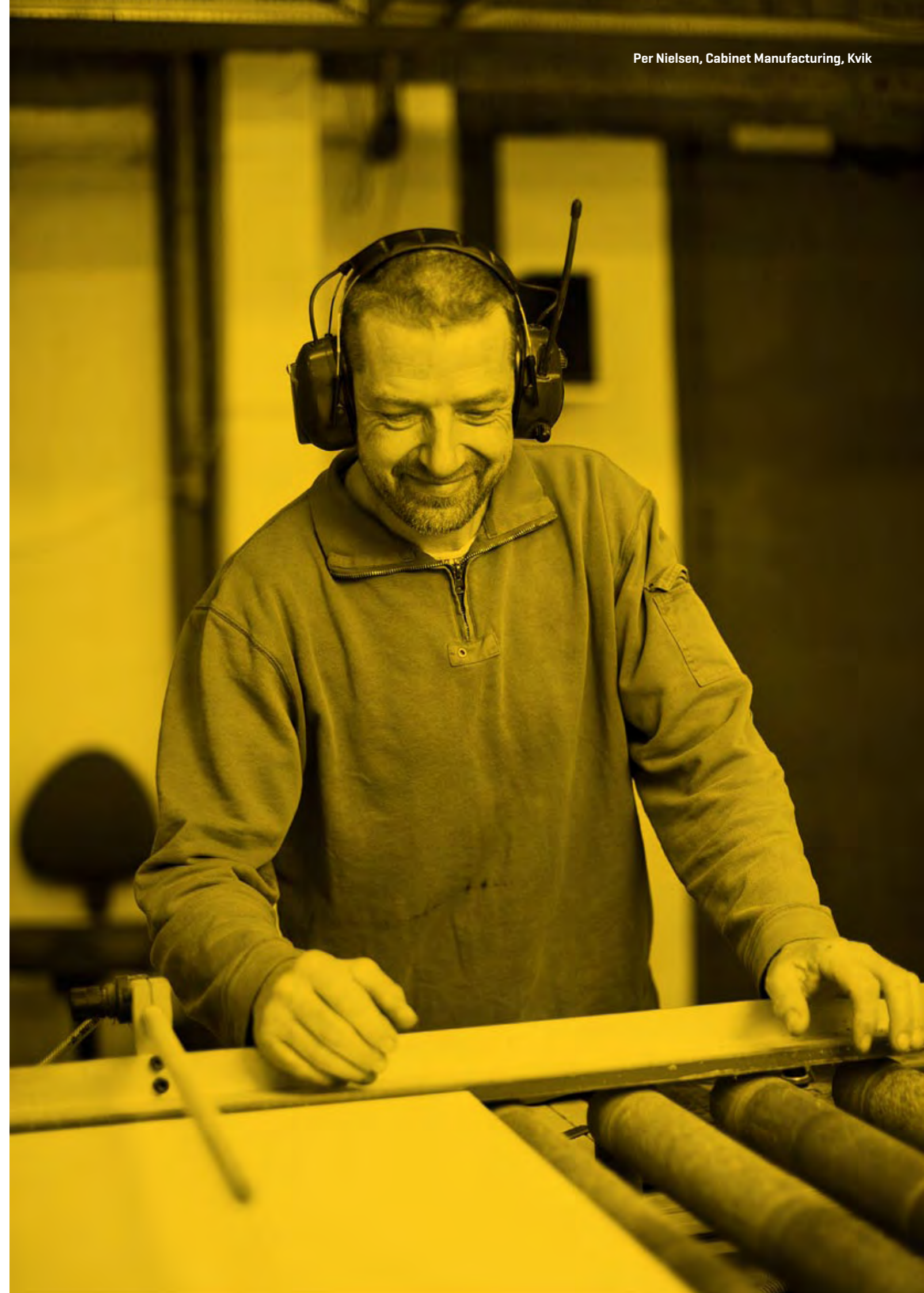
In October, Configura announced a collaboration with Ballingslöv Group subsidiaries Kvik, XInt, 3BO and DFI-Geisler. Ballingslöv Group is one of the leading manufacturers of kitchen, bathroom and storage solutions in Europe, with the subsidiary companies accounting for a considerable part of the group's consolidated sales.

In order to meet the demand for more efficient sales of kitchen, bath and storage solutions, the Kvik kitchen company is upgrading its business solution for all stores. As an essential part of this upgrade, Configura will provide the CET Designer solution for designing, specifying and visualizing kitchens. Configura will also deliver a simplified version of the software solution for end-customers who want to handle their own kitchen design.

"We believe it should be easy to design and specify kitchen, bath and storage solutions and we want to minimize the risk of making mistakes – that's why we selected Configura and the CET Designer solution. CET Designer removes the complexity in the planning process and therefore becomes available also for the inexperienced user. At the same time, it is a very powerful solution for the experienced kitchen designer," said Staffan Jönsson, CSO, Ballingslöv International AB.

The collaboration with Ballingslöv Group is extremely important to Configura in our goal to become the leading provider of design and specification software in the European kitchen market. Their investment in CET Designer affirms the power of our technology and proves that there is room for an improved sales and distribution process within the kitchen industry.

Also as part of the agreement, Configura will produce catalogs for XInt's kitchen products, 3BO's storage solutions and DFI-Geisler's countertops. These catalogs will be offered to the markets and channels in which the companies operate.



With CET Designer, we will achieve a significant improvement in the sales process in our stores.

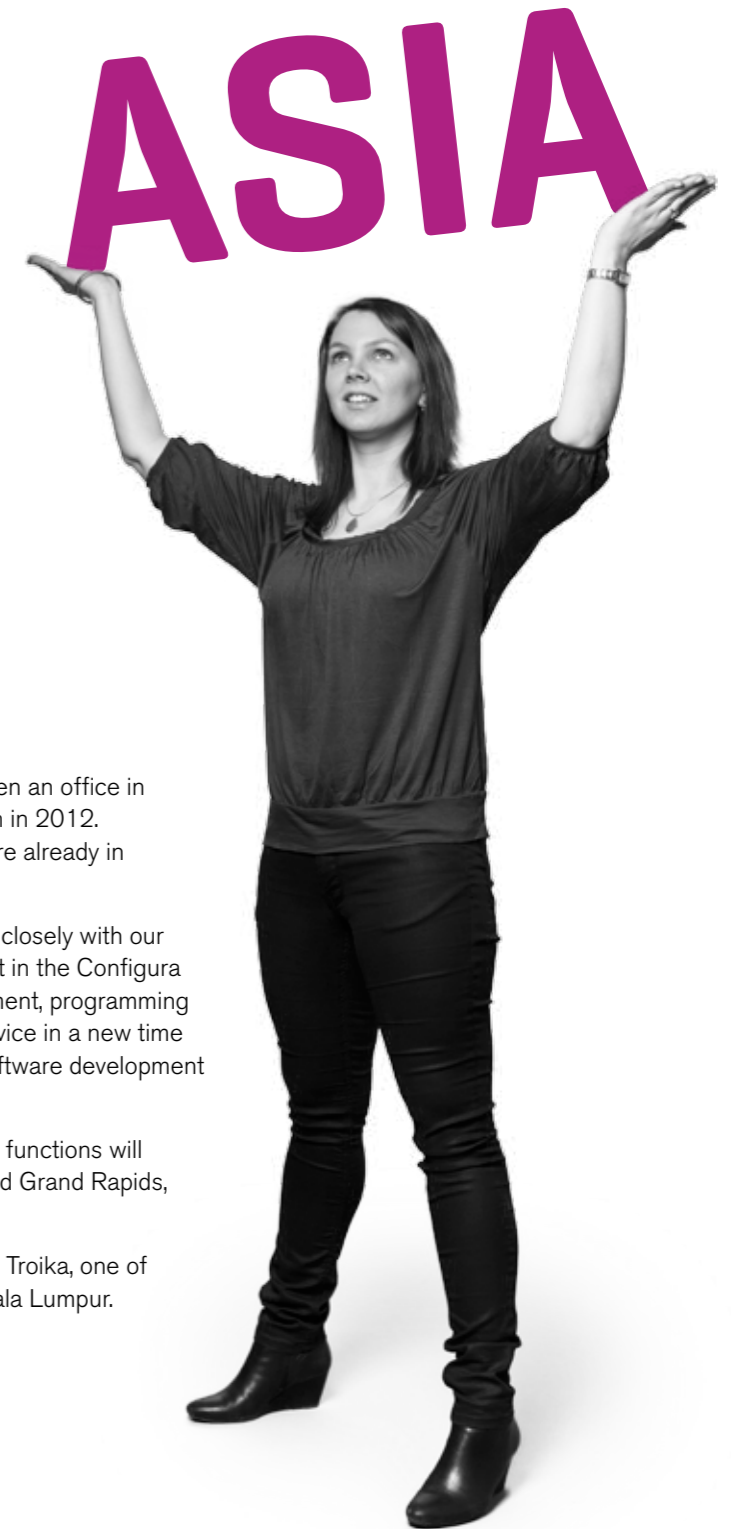
Salespersons will be able to efficiently produce accurate and complete price quotes and beautiful drawings and renderings for customers. We expect that this will make it easier for our customers to buy kitchens from Kvik. Essential for Kvik's decision to use CET Designer was also the flexibility the system offers, which strongly supports Kvik's business model.

Per Munk Laustsen, Finance Director, Kvik

Per Munk Laustsen, Finance Director, Kvik



The Malaysia-based team will assist customers who are already in Asia, or plan to be, as well as new Asian customers.



Configura prepared to open an office in Malaysia

In 2011, Configura started making preparations to open an office in Kuala Lumpur, Malaysia. The office was slated to open in 2012. The Malaysia-based team will assist customers who are already in Asia, or plan to be, as well as new Asian customers.

A presence in Asia aligns with our mission of working closely with our clients and potential customers. Customers who invest in the Configura solution will benefit from additional software development, programming and support talent. The office in Asia will enhance service in a new time zone at a competitive cost, and expand Configura's software development operations worldwide.

Configura software development, training and support functions will continue to grow in Configura's Linköping, Sweden and Grand Rapids, Michigan, USA, offices.

Configura's Kuala Lumpur office will be located in The Troika, one of the newest and most beautiful buildings in central Kuala Lumpur.

As an accountant and as part of the Administration team, no day is ever the same. I like to work with numbers and also enjoy the customer-service aspects of my job. My goal is to help both employees and customers, and to deliver correct figures on time. In my job, I have close contact with many Configura employees. I also have contact with customers, which I like. I really appreciate the variety of tasks, from invoicing to issuing paychecks to answering customer questions. **Frida Lindh, Accountant**



MARKETING & SALES

In 2011, Configura launched a series of coordinated direct sales and marketing, advertising and public relations campaigns aimed at increasing awareness and adoption of the CET Designer solution across the globe.

Direct sales, marketing and educational opportunities

Configura marketed to existing users and prospects via direct engagement with the customer – traveling to their showrooms, often in collaboration with our manufacturer clients. These face-to-face meetings and training sessions were supplemented by a strategic direct-mail marketing campaign tied to monthly webinar offerings. Each month, users and key prospects received a calendar featuring a user-created rendering, user profile, employee profile, tips and hints, the monthly webinar offerings and other educational opportunities. The calendar project was hugely successful, increasing both sales of CET Designer as well as overall adoption rates.

Configura's twice annual Manufacturers' Roundtable Meetings also served as an important marketing opportunity for the company, bringing together the manufacturers that have invested in the Configura solution. The meetings continually afford Configura the opportunity to update the manufacturers of our many marketing activities and to engage the manufacturers in possible collaborative marketing opportunities.

A huge educational and marketing opportunity came with the announcement that Google SketchUp's Aidan Chopra would be the keynote speaker at the fourth annual CET Designer User Conference. His informative and humor-filled presentation combined design and SketchUp tips, and drew a powerful connection between Google and Configura.

Additional marketing opportunities to users in 2011 included quarterly eNewsletters and message alerts built into the software.

Updated graphical profile

Configura completed updating its corporate identity (graphical profile), a process begun in 2010. The resulting identity reflects our Swedish heritage and the fresh, modern design for which Swedes are known. It also incorporates the bold photography, imagery and typography that are popular around the globe. As part of the identity update, Configura's software logos were streamlined to coordinate with the overall corporate rebranding. The logos' redesigns intentionally simplify the identity and "pop" against a white background. Our "corporate makeover" included updated collateral – from business cards to brochures – as well as a sophisticated print advertising campaign. The new identity also was reflected in the redesign of our NeoCon booth, unveiled in June.

Multimedia advertising campaign

Knowing that our users are our best ambassadors, Configura launched a strategic multimedia advertising campaign in 2011 featuring real CET Designer users sharing their success stories. Print and digital ads, targeted to the North American contract furniture market, appeared in such publications as *MMQB*, *officeinsight* and *Contract*. The ads were linked to photos, renderings, videos and case studies hosted at www.configura.com/casestudies.



NeoCon

The NeoCon World's Trade Fair is the largest exhibition of contract furniture and related products of its kind in North America. Held for decades running at Chicago's revered Merchandise Mart, this multi-story facility along the Chicago River houses permanent showrooms for furniture icons Haworth, Steelcase, Herman Miller and many others, and temporary spaces for exhibiting companies such as Configura.

Configura's exhibition at NeoCon 2011 – our 10th year in a row since we first incorporated in the United States – featured a brand-new booth-showroom. The redesign, tied to Configura's new identity, features walls of white and fuschia, and white furniture. High-definition screens for optimum display and demo'ing of Configura's software were added as well as high-top counter space and a storage compartment. The booth features visuals indicating Configura's global presence and notable manufacturing customers.

CET Designer users attending NeoCon were invited to register at Configura's booth for the User Conference and to also enter a drawing for two free trips (hotel and airfare) to the conference. The winners were drawn and announced at NeoCon.

Public relations

Media outreach included ongoing relationship-building with key industry and local media. Press releases were timed to coincide with monthly calendar mailings announcing training webinars. Additional press releases featured Configura at NeoCon, the CET Designer User Conference in Las Vegas, the North American Training Tour and the CET Designer Academy in Grand Rapids. Press communications also touted software releases, new manufacturer clients and Extensions.

The results of Configura's public relations efforts included major articles and ongoing mentions in such publications as *MMQB*, *officeinsight*, *OFDA*, *Corp! magazine*, *Rapid Growth* and many others. *MMQB* Senior Reporter Rob Kirkbride attended and covered Configura's fourth annual CET Designer User Conference.

As part of its public relations efforts, Configura continued to expand into social media, engaging with more fans and followers on our Facebook, Twitter and YouTube sites:

www.facebook.com/cetdesigner

www.twitter.com/configura

www.twitter.com/cetdesigner

www.youtube.com/configuraAB

Holding a master's degree in cognitive science really helps me in my role as a technical writer as I have knowledge about programming and linguistics as well as psychology and neuropsychology. Knowing how people interpret and remember pieces of information helps me in my daily work as the lead responsible for Configura's technical documentation. What I love about my work is that I get to interact with many different colleagues, such as our application consultants and our marketing department, while creating and maintaining help files, release notes and user guides. My goal is to produce documentation that is well-structured and has a nice look and feel, while also being pedagogical and easy to understand. As a complement to written documents, I'm also producing video tutorials that present new functionality or specific features in our software. Many of our users say that they often prefer short, informative videos to written texts, and I really feel that this is a new and exciting field to explore and develop.

Sara Schill Saran, Technical Writer



SUPPORT & TRAINING

Configura's Support and Training team helps our users to simplify their work by adopting and incorporating CET Designer as a smart, single-tool software solution.

Transitioning to a new solution can be challenging, especially in environments that are risk-averse and change-resistant. We assist our clients during each step in the transition, working with organizations to incorporate CET Designer into their business models and helping end-users to fully embrace the powerful functionalities of the tool.

The Configura team includes technology and interior design experts who have dual roles of providing both training and support in CET Designer. We build consistent, long-term relationships with our users, who include dealer-principals, design directors, junior- and senior-level designers, salespeople and our manufacturer customers. We offer initial training, continuing-education opportunities and easy-to-access support.

2011 highlights:

- We trained more than 300 users through our North American Training Tour, held in collaboration with manufacturers Steelcase and Haworth, in cities across the United States and Canada.
- We held additional training classes for clients in Central and South America.
- We assisted our manufacturer partners by teaching scheduled classes at their showroom locations.
- We continued to offer the CET Designer Academy (monthly Beginner and Advanced training classes in Grand Rapids, Michigan).
- We mailed monthly calendars to our users featuring a rendering, user, employee, and tips and hints of the month. Each calendar offered details on free instructor-led webinars and self-study videos. The monthly calendar has been hugely successful as both an educational and marketing tool.
- We added some exciting new functionality to CET Designer, including Photo Lab and the Reconfiguration Tool. These great new features required special classes and training, and both were well-received by our users. We're exploring new technology to offer virtual classes in order to better serve users around the world.

RESEARCH & DEVELOPMENT

In 2011, Configura began a major project to transition to a user-based license model and to provide access to MyConfigura, our cloud. The user-based license model and MyConfigura will be introduced in both of our software platforms, CET Designer and Configura, in 2012.

CET Designer 2011 highlights

The year 2011 saw one major release of the CET Designer platform, with 2.6 launching in the fall.

For CET Designer, R&D work focused on core functionality and stability. Significant resources were used to update the Movie Studio Extension and to complete and deliver Photo Lab, which provides a completely new way of producing renderings in CET Designer. Using natural light and shading, Photo Lab allows CET Designer users to render multiple images at once. It enables immediate post-rendering processing and post-rendering changes without the need to re-render; the software automatically updates changes in the rendering to ensure accuracy. Photo Lab renders in the background, allowing users to keep working with their space plan even when multiple renderings are being created.

The Reconfiguration Tool also was released; the tool provides an easy way to manage multiple product inventories and reconfigurations of complex facilities, which are common for larger companies in North America.

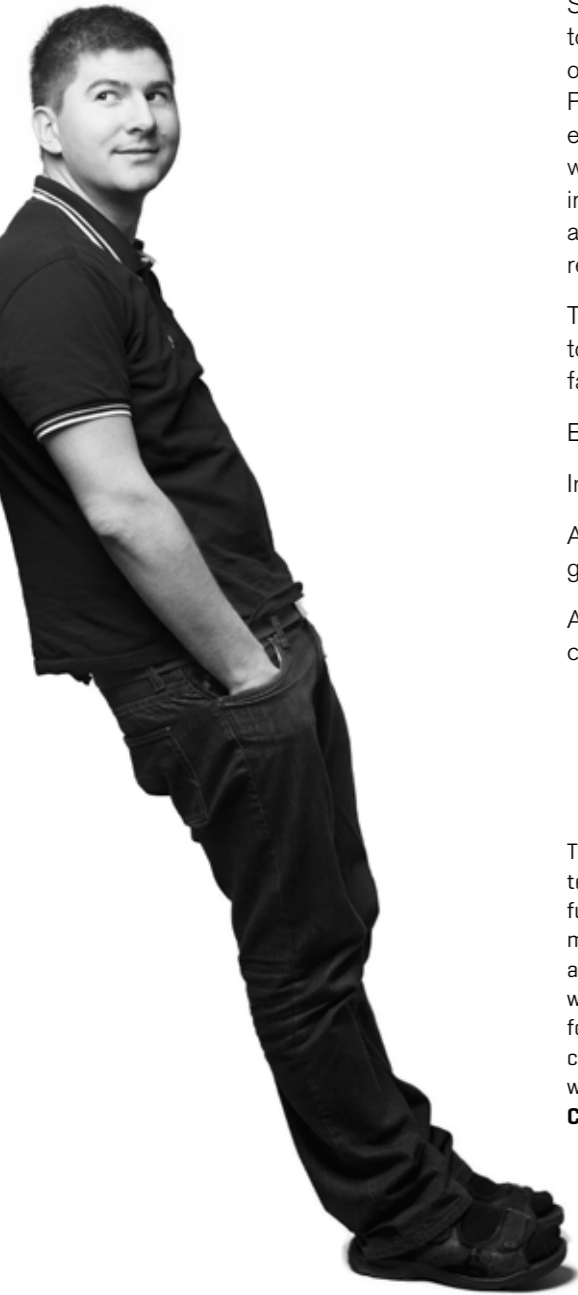
Edit Graphics was released, giving users the ability to create specials.

Improvements were made with AutoCAD handling in CET Designer.

A new background color control was added to let users change the background color when working in 2D and 3D views.

A new Watermark feature, a post-processing option letting users insert a company logotype into renderings with only a few clicks, also was introduced.

This is my fifth year as a software consultant at Configura. I love the high technical level of work and the friendly atmosphere. Thanks to a wonderfully supportive work environment, I've improved immensely as programmer. In recent years, I've worked daily with external development partners, and it is very rewarding to see them grow into confident developers as well. But I believe that non-technical communication is equally important for successful PGC implementation. I've gained huge understanding of customers' issues and needs, and this background helps to produce workable solutions. **Martin Ericsson, Senior Application Consultant, CET Designer Platform**



Configura 2011 highlights

Along with the project to remove the old hardware certificates and transition to user-based software licenses and provide user access to MyConfigura, the Configura R&D team improved the stability of the Configura software.

The program was divided into smaller units to simplify the development of side projects and software updates for customers. Optimizations were performed to make Configura more resource-efficient. This work has significantly improved load times and memory when importing large AutoCAD drawings.

The year 2011 saw two major releases of the Configura platform, with 7.4 launching in the spring and 7.5 in the fall. The two releases brought the following improvements:

- Enhancements in the advanced graphics engine by merging similar sorts of geometry, leading to a more efficient use of the graphics card, which increases the speed of the advanced graphics engine and improves the handling of large drawings
- New installation package with a more modern look and feel and more flexibility, as well as improved Windows 7 compatibility
- Improved quality of 2D and 3D models to enhance the quality of drawings and rendered photos
- Changed behavior in the default Material/Color dialog
- Drawing file format improvements with new and more efficient compression and reduced size of dwg data
 - Better support for solid entities in dwg export
 - New version of RED 2.4 with better hardware compatibility and improved font accuracy
 - Support for Google SketchUp™ 8
 - Dropped support for ANSI mode – we only support Unicode
 - New graphical profile

My work at Configura involves both project management and programming. Over the years, I've worked with several customers in different market segments, but now I mainly work on the Commercial Furniture team at Configura. This team has a great mix of personalities and technical specialties. I function as "ScrumMaster" on this team, which means my main task is to coach and coordinate work within the group. I provide a "here-and-now" perspective to ensure best possible development conditions. As a project manager, my role is to coordinate the overall plan for current and future client projects. As a programmer, I'm part of the creative development process. As a person, I strive to deliver high quality and to exceed customer expectations. Even though I've worked at Configura for more than 10 years, I enjoy going to work more than ever and experiencing the new challenges and opportunities that are presented each day. **Sofie Rönnberg, Senior Application Consultant, Configura Platform**



CORPORATE CLIMATE

Configura's corporate climate is based on three guiding principles: the Individual, the Team and the Customer.

THE INDIVIDUAL

CONFIGURA ASSOCIATES ARE DEDICATED AND VALUED

It's important for employees to be dedicated to their work and valued for it – to be part of a team effort – and to have fun doing it. Configura offers competitive salary and benefits packages. We invest in our employees with continuing education and training, and company-sponsored physical fitness programs. We offer flexible work hours and encourage our staff to maintain a healthy balance between their personal and professional lives.

We're a great company to work for – and the high number of long-time employees and low staff turnover are evidence of it!

THE TEAM

CONFIGURA'S TEAMS ARE INDEPENDENT, RESPONSIBLE AND LEADERSHIP-DRIVEN

Configura's structure of small, self-managing groups, in which each person's suggestions and decisions are valued, results in an agile, flexible organization that quickly responds to customers' needs and adapts to changing market conditions. A functional mix of competencies and personalities in each team delivers organizational results and contributes to each associate's professional development.

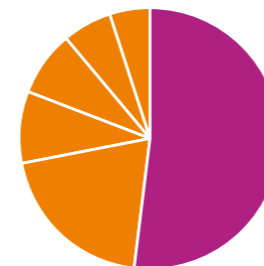
THE CUSTOMER

OUR CUSTOMERS DESERVE OUR BEST

Configura's line of business demands industry expertise in bringing products to market and supporting our customers with unparalleled service and support. Configura has enjoyed low-employee turnover over the years and, today, we have significant depth of customer and market knowledge. We maintain and build on our expertise by continually researching, learning and communicating among flexible teams. We cultivate long-term relationships with our customers and consider them partners in our efforts to develop solutions that benefit a greater good.

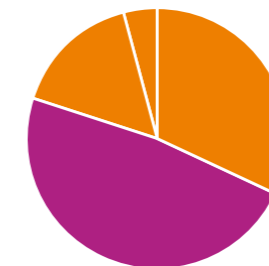


My days at Configura involve different areas of work, with an overall focus on providing a great software solution for our customers. As a project manager, I have extra responsibility for some key customers. I'm involved in all project phases, from the pre-study to implementation through to completion. During a project, I oversee planning, budgets and team members. As much as possible, I also do programming, which is where I started several years ago and still enjoy. **Henrik Jensen, Senior Application Consultant, Configura Platform**



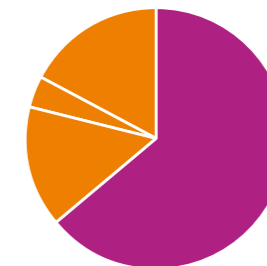
FUNCTION

Consultants, 52%
 Research and Development, 20%
 Marketing and Sales, 9%
 Administration, 8%
 Support and Training, 6%
 IT, 5%



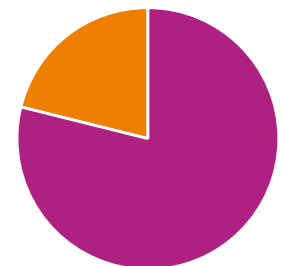
AGE

20-29, 32 %
 30-39, 48%
 40-49, 16%
 50-59, 4%



EDUCATION

Academic studies:
 4 years or more, 64%
 3 years or more, 15%
 Up to 3 years, 4%
 None/less than 2 years, 17%



GENDER

Male, 79%
 Female, 21%



the Renderings

I have been with Configura since 1999 – that’s ages ago in software time – and along the way, I have seen CET Designer evolve into an incredible design and specification solution. With Photo Lab, which was released during 2011, I was part of taking CET Designer rendering to the extremes of photorealism. I’m proud that Configura dares to break new ground wherever we think it’s possible. We have big ambitions, and that’s great. I like the freedom of my work, our development environment and that there are always new challenges. I especially love working with the rendering and photo-editing components of our software. **Staffan Linderth, R&D Developer**

Is it a photo, or is it Photo Lab?

Photo Lab in CET Designer takes rendering to the extremes of photo-realism, producing renderings so real that those who see them do a double-take and wonder if they're really photos. Configura introduced Photo Lab in CET Designer in 2011. With this important new built-in feature, additional rendering tools and/or outsourcing of renderings are no longer needed – a huge time- and cost-savings.

“Photo Lab is a completely new level of rendering. It’s never been easier for interior designers and salespeople at dealerships to create high-level renderings for their clients,” Configura Support and Training Manager Tracy Lanning says.

New offices, kitchens and other spaces are big investments for customers. Photo Lab lets them see what they're buying while giving designers and salespeople the ability to easily create spaces and make changes, even in front of customers. Photo Lab renders in the background, which lets the designer/salesperson keep working in the software even as multiple renderings are created.

Photo Lab creates high-quality images with natural light and shading. It enables immediate post-rendering processing and post-rendering changes without the need to re-render. And it automatically updates changes made by the user in the rendering to ensure accuracy.

Swatches of fabric and floor samples often aren't enough for customers to make informed decisions. Photo Lab in CET Designer completes the designer's sales toolkit by helping customers to see exactly what they're buying.



Western sun and recessed lighting cast shadows in this rendering featuring Haworth furniture.



Bright morning light fills a rendering that features office furniture from Steelcase's c:scape product line.



Late-afternoon light illuminates this office environment featuring Steelcase products.



A kitchen from XInt with appliances from Siemens and furnishings partly from Google Warehouse.

TAKING ADVANTAGE OF TECHNOLOGY

Simplify Selling COMPLEX PRODUCTS



The benefits for the manufacturer and dealer are many:

- Increased customer service
- Shorter lead times
- Fewer errors
- Higher customer satisfaction at lower cost
- Increased profit margins

Selling kitchens and office furniture is a complex and time-consuming task. Too much non-value-added time is spent dealing with technical details. With Configura's software technology, technical time can be reduced to a fraction, freeing the salesperson or designer to truly be productive and creative.

Combining large-scale production with unique customer demands is a challenging task for companies that produce component-based products – kitchens, office furniture, shelving systems, material handling systems, construction products and other goods.

Assigning parts numbers is the customary way of describing component-based products and communicating with ERPs and other information systems. Many parts numbers, however, increase risk that incorrect specification and incorrect input become routine; errors begin to compound in sales, ordering and manufacturing processes.

Indeed, component-based products give rise to millions of potential variants. The almost infinitesimal number of combinations begs these questions:

- Can the salesperson or designer, without the use of an intelligent configuration tool, correctly calculate multitudes of combinations?
- Is it humanly possible to propose the best solution without the aid of an intelligent configuration tool when there are millions of potential variants?
- Will the customer understand the proposal if it lacks visualization possibilities and only "shows" numbers and vector drawings?
- Will the products be accurately produced, delivered and installed without the aid of an intelligent configuration tool?

The answers to the above questions, of course, are "no" in every case.

However, the problems associated with component-based products and variant handling can be solved by using a graphical, rules-based product configurator that automatically handles parts numbers while providing stunning visualization possibilities.

On the following pages we'll explore the challenges and opportunities that the Kitchen and Bath Industry faces. We'll explain the competitive advantages that Configura's technology offers to meet these challenges and opportunities, describe how manufacturers and their sales channels can benefit from these advantages, and estimate the financial savings that can be gained using Configura's technology.

KITCHEN AND BATH INDUSTRY

From previously being a traditional and largely localized industry, the Kitchen and Bath Industry now quickly moves toward becoming globalized, with high demands on rapid product development and efficient sales channels. Consolidation of companies will continue. The companies that choose the best tools for their sales and ordering needs will enjoy competitive advantage in the fight for market share.

Rather than hesitating, now is the time to consider the benefits of Configura's technology.

CONFIGURA'S TECHNOLOGY BRINGS PRODUCT KNOWLEDGE TO POINT OF SALES

On the surface, most software products in the Kitchen and Bath Industry seem to offer similar functionality: the ability to draw and quote kitchen products for a customer. But here stops the similarity.

To understand what Configura's Parametric Graphical Configuration (PGC)-based technology offers, it is necessary to start with the daily work of a designer or salesperson. The main task for a designer/salesperson is to sell a well-designed and functional kitchen or bathroom to a customer at an acceptable price. The time and effort to reach this point should of course be as short as possible and without difficulty.

But, and here is the problem: Almost all existing software for kitchen/bath design is based on the premise that the designer/salesperson has deep and detailed product knowledge about the possibilities and limitations of the products and also knows products' parts numbers.

Reality: It is extremely costly and time-consuming to develop deep and detailed product knowledge. It's humanly impossible to know every single product and part number. And, should designers/salespersons leave a company, any legacy knowledge goes with them; the time-consuming training process begins again.

Thus, the ability to package product knowledge into an intelligent product catalog – a smart configurator – and distribute it to every single point of sales has a leveraging impact on a company's front-line and back-end operations.

We deliver a new technology to **change** and **streamline** the entire sales process.

HOW WILL THE CONFIGURA SOLUTION AFFECT A KITCHEN MANUFACTURER?

The battle for kitchen customers in the next five years will be fought and won in lower price segments. These segments have the biggest volumes but the slimmest margins. The room for error and inefficiency is very small.

Increased competition will also put downward price-pressure on all of the players and further shrink operating margins. In order to succeed in this scenario, many manufacturers will lower their supply chain and manufacturing costs as well as implement new product platform concepts.

The Configura solution – CET Designer and manufacturer Extensions – stands above as key to survival in the competitive Kitchen and Bath Industry, leveraging new technology to change and streamline the entire sales process.

The technology that Configura offers has the potential to dramatically reduce the sales costs for selling kitchens, bathrooms and storage systems by as much as 10 percent of total costs within a few years of adoption. These cost-savings are achieved by implementing a better sales process – a process that is rooted in Configura's technology. Around 70 percent of the cost savings occur in the sales channels, but the remaining savings on the manufacturing side are also impressive.

The key to these savings and improved profitability is a solution that is more than a drawing tool; the solution must also be a calculation tool – one that actually "reconfigures" the work process.



FUNDAMENTAL POINTS TO CONSIDER IN AN ANALYSIS

In our view, any analysis of design software must consider the degree to which a system can support a company's operational, strategic and tactical goals, as well as any added value that a new system can generate.

The advantages of a sales configurator like CET Designer to the sales function are obvious, impacting time, certainty and creativity. All are equally important in the struggle to win a contract/customer.

Time to design an average-sized kitchen

Designing and drawing, quoting and visualizing an average-sized kitchen in CET Designer takes about 15 minutes. Comparing this time with the time it takes using a traditional kitchen design tool shows that the latter takes significantly longer – often an hour or more.

In CET Designer, all manufacturing information (order data, drawings, countertop adaptations, etc.) are complete and auto-generated. This data can then be sent directly to the cabinet manufacturer's MRP-system. Countertops and adaptations are specified and digitally transferred to the software that creates the CNC code for production. Thus, using CET Designer, users realize a seamless chain of information, from point of sale to production and even through to installation.

Most often, customers want make design or layout changes to the initial proposal. The number of revisions could be many; every revision creates a lot of work and delays the sales process. With CET Designer, as opposed to traditional design software, the many automatic revision features make changes extremely easy and fast. CET Designer has proved to be many times more efficient in this design and change phase, thereby shortening the sales process and the number of iterations between the kitchen designer and the customer.

Certainty that rules out configuration errors

A sales system that automatically prevents errors from being entered into quotes and orders is a huge competitive advantage. Errors create a ripple effect of extra costs and inconveniences affecting everyone in the sales, ordering, manufacturing and installation cycle. Errors particularly affect the sales organization, eroding and sometimes destroying the relationship with the end customer.

The costs of human error vary among industries and companies; however, a conservative estimate puts this amount in the range of two to four percent of a company's annual sales. The actual cost of errors is usually much higher.

Creativity

Creativity is a factor that is not easily quantified, but it's still important to include in an analysis. A designer or salesperson's ability to quickly and easily produce different proposals, while the system simultaneously ensures each proposal's accuracy, can give the salesperson a confidence-inducing boost in the pressure-filled sales environment.

CONFIGURA'S TECHNOLOGY OPENS UP OPPORTUNITIES FOR SCALABILITY, GROWTH AND NEW MARKETS

One of the most important features of CET Designer's unique user interface is the fact that it doesn't require of the designer or salesperson any previous product knowledge (product codes and part numbers, possible cabinet variants, available finishes, etc.). All of this knowledge is built into and made available to every designer/salesperson by the software, and it's ready for distribution to new markets, new designers and new salespeople.

This ability to easily disseminate product knowledge among designers and salespeople considerably facilitates the greatest hurdle for expansion: training people in product knowledge and drawing software. Finding a salesperson is easy. Solving the issues of logistics and distribution is relatively easy. But training people in product knowledge and the use of a drawing package is difficult, time-consuming and, in the early stages of the learning curve, prone to a lot of human error.

A commonly used figure in the kitchen industry puts the cost of training a new salesperson at the equivalent of the new hire's annual salary plus the time it takes to become proficient (between 12 and 16 months). Imagine significantly reducing that cost to a fraction and shortening the time it takes for the new hire to become an expert, from years to months or even weeks.

Thus, applying the above logic, we reach the following conclusions that a manufacturer and its sales channels will realize:

- Substantially more profitable dealerships/kitchen stores through higher sales efficiency, improved customer service and higher closing ratios
- A more profitable manufacturer through:
 - A substantially lower number of order errors and complaints
 - Lower enterprise-wide costs for ordering/customer support
 - Increased sales
 - The opportunity for an enormously aggressive sales and marketing organization with the potential for strong expansion in the market

Configura's technology provides a means to eliminate many of the costs associated with expansion and, at the same time, improve an organization's sales efficiency.

The mindset among many company leaders, unfortunately, doesn't go beyond thinking of software for sales and design as more than a drawing tool. It's a narrow mindset, because the true power of a technology like Configura's is in the ability to quickly and accurately design, specify, render and order configurable products.

But the smart companies do analyze. They're open to reimagining old processes. They're open to reinventing themselves. Ultimately, they're open to technology that doesn't just tweak a process – it turns the process on its head, simplifies it and creates a whole new way of working.

DRAWING



Johanna Barring, Kitchen Architect, Borgunda Bygghandel



GOES FAST

[Borgunda Bygghandel](#)
[Marbodal Center, Tidaholm, Sweden](#)
[Borgunda Bygghandel runs four merchant builders' stores in Västra Götaland, Sweden](#)

Although Johanna Barring is a new user, she quickly learned CET Designer and can easily design a kitchen in half an hour or less.

"CET Designer is an easy-to-use program that is built in a logical way. You can see the cost of the kitchen as you design. This is a great advantage when you want to help the client to control costs," Johanna says.

Johanna has sold kitchens for more than four years, the last two months with the help of CET Designer. She is a kitchen designer at Borgunda Bygghandel, which has a showroom at Marbodal Center in Tidaholm, Sweden.

"I'm currently designing a kitchen with two angles that are not straight. Without CET Designer, it would be a challenge to fit the countertops in a good way, but, with CET Designer, it goes perfectly well," Johanna says.

One of the major advantages of CET Designer is the program warns if something goes wrong, Johanna says. "It could be the dimensions of a countertop that are incorrect or an error in the price list. And you don't need to know the product assortment in detail. Except for general kitchen design knowledge, everything you need to know about products is in the program, and that makes it really easy to learn and use."

It took Johanna about one day of training to become so familiar with the basic functions of the program that soon she was drawing kitchens for customers. A month later, she took a two-day course in advanced countertop adaptations.

Working with the customer is easy with CET Designer

Usually, Johanna draws the kitchen on her own first. Recently, she planned a kitchen with a customer.

"After half an hour, the customer got to see an image of what his kitchen would look like. We discussed the image and made some changes back and forth. Initially, the customer had a different picture of his kitchen but, when he saw my solution, he wanted a price on that kitchen. He was very pleased."

Every kitchen is different

Johanna says that high-quality photorealistic renderings of proposed kitchens are essential in order to be able to sell the best solutions. "Many customers find it difficult to imagine what their new kitchen will look like based on a two-dimensional drawing," she says. "CET Designer helps them to visualize what they're getting."

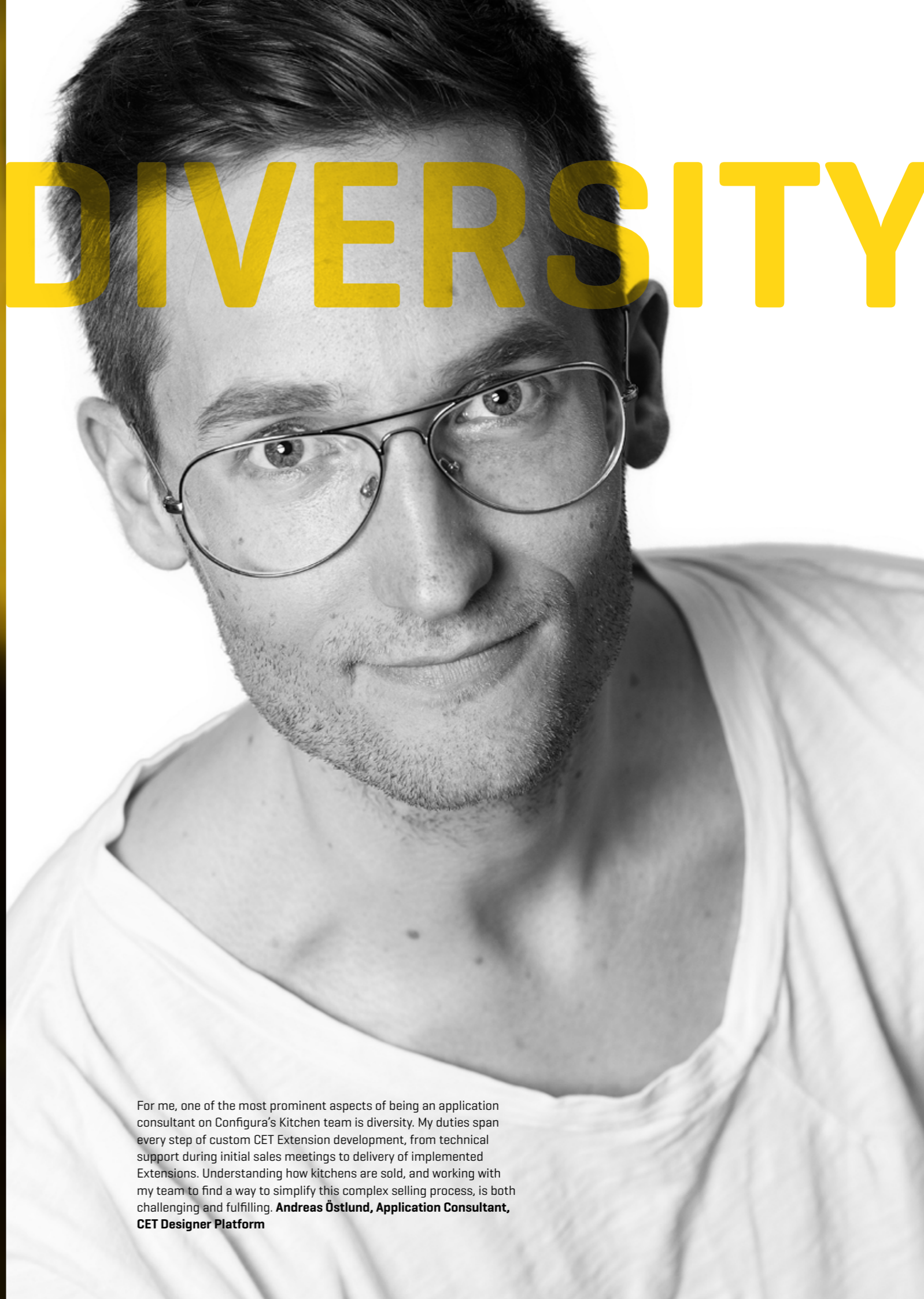
Since Johanna began selling kitchens more than four years ago, about half of all offers are turned into orders. She hopes to further increase the "sold" rate through better photo renderings.

"The best part about selling kitchens is that every kitchen is different. There is a new customer and a new layout every time. It is a challenge and workout for your brain," she says.



EVERY KITCHEN IS UNIQUE

DIVERSITY



For me, one of the most prominent aspects of being an application consultant on Configura's Kitchen team is diversity. My duties span every step of custom CET Extension development, from technical support during initial sales meetings to delivery of implemented Extensions. Understanding how kitchens are sold, and working with my team to find a way to simplify this complex selling process, is both challenging and fulfilling. **Andreas Östlund, Application Consultant, CET Designer Platform**

THE PERFECT

Beijer Byggmaterial, Skövde, Sweden

Beijer Byggmaterial is a Swedish chain of builders' merchants. It operates through combi-stores and has a wide and well-assorted product range for both professional customers and consumers

To find a solution that matches the customer's needs, the perfect solution that the customer wants to buy – this is the most rewarding part when selling a kitchen, according to Eva-Lena Andersson, interior salesperson at Beijer Byggmaterial in Skövde, Sweden.

"Customers often return just to tell me how much they enjoy their new kitchen," she says.

Eva-Lena has sold kitchens since 2002. She began using CET Designer in 2004 when the software first launched in the kitchen market. Recently, she began selling Beijer's newly introduced lower-priced kitchen brand, Nabis.

"Before CET Designer, I had only drawn kitchens by hand, so it was completely different to start drawing on the computer. But, using CET Designer was easy; I just started to draw," she says.

Pleased customers

Last winter, a couple entered Eva-Lena's store. She showed them different door styles, countertops and sinks. She then visited the couple in their home to measure their kitchen and discuss different solutions. Back at her office, Eva-Lena designed a solution for the couple. She returned to show the design to the couple.

"Everything was perfect. The customer did not want to change anything, and I was able to sell the entire kitchen – cabinets, appliances, tiles, flooring. The client was so pleased, and so was I."

One of the many benefits of CET Designer is its ability to avoid mistakes and errors in the design process.

"You can focus entirely on creating a functional and aesthetic kitchen design for your customers," says Eva-Lena. "It's amazing how many bits and pieces that a kitchen consists of, but everything – fillers, end-panels, toe-kicks, cabinets, countertops, appliances and so forth – is automatically calculated and specified in the background in CET Designer. In the same moment as I finish the drawing and design work, the customer's offer is ready. No post-processing work is necessary."

Stepping into the kitchen

Professional, photorealistic renderings, coupled with accurate pricing, are crucial in the customer's willingness to place an order.

"It's a great advantage for the customer to be able to see the kitchen from different angles. It becomes almost like stepping into the kitchen," she says.

Eva-Lena once tested another kitchen planning software. "I found it very complicated; I felt 'controlled' by the program. CET Designer, on the other hand, is much more logical; it's much easier to design a kitchen with CET Designer."



Eva-Lena Andersson, Interior Salesperson, Beijer Byggmaterial

Board and Executive Management



Sune Rydqvist

Chairman, born 1938. Entrepreneur and inventor. Sune has been a driving force in the development of Configura.



Johan Lyreborn

CEO, born 1963. M.Sc. Computer Science and Engineering, Linköping University of Technology.



Göran Rydqvist

VP Research & Development, born 1964. M.Sc. Computer Science and Engineering, Linköping University of Technology.



Johan Bengtsson

VP Business Development, born 1960. M.Sc. Mechanical Engineering, Chalmers University of Technology.



Niels Madsen

CFO, born 1961. MBA, INSEAD. B.Sc. Stockholm School of Economics and Business Administration.

FINANCIAL REPORT 2011

Five-Year Summary

Summary of the Configura Group's financial development, 2007-2011

	2011	2010	2009	2008	2007
Net sales, SEK T	64,602	60,508	62,881	64,649	53,377
Profit/loss after financial items, SEK T	3,800	2,164	4,672	6,426	3,413
Total assets, SEK T	21,311	18,296	21,669	21,770	17,159
Average number of employees	78	76	69	73	64
Equity/assets ratio, %	47	49	53	54	53
Operating margin, %	5	3	7	7	6

Definitions of the key ratios used are given in Note 1.

Proposed appropriation of profits

The Group's non-restricted reserves according to the Consolidated Balance Sheet totaled SEK 6,114 thousand. There are no proposed allocations to restricted reserves.

Available for appropriation by the Shareholders' meeting:

Retained earnings, SEK	2,228.47
Net profit for the fiscal year, SEK	2,864,073.29
	2,866,301.76

The Board of Directors and the CEO propose that the profit be appropriated as follows:

Dividend to the shareholders, SEK	2,805,600.00
To be carried forward, SEK	60,701.76
	2,866,301.76

Earnings and financial position

The Company's earnings and financial position at year-end are presented in the following Income Statements, Balance Sheets and notes thereto.

Consolidated Income Statement

SEK thousand	Note	2011	2010
	1		
Operating income			
Net sales		64,602	60,508
Change in work on contract		600	1,224
Change in inventories		-27	-36
Total income etc		65,175	61,696
Operating expenses			
Other external expenses	2	-16,027	-17,283
Personnel expenses	3,4	-45,539	-42,555
Depreciation of tangible fixed assets		-160	-166
Other operating expenses		-27	-112
Total operating expenses		-61,753	-60,116
Total operating income		3,422	1,580
Income from financial investments			
Income from participations in Group companies		-	-33
Income from current investment	5	-5	818
Other interest income		462	58
Interest expense and similar financial items		-79	-259
Total income from financial investments		378	584
Income after financial items		3,800	2,164
Tax on income for the year	6	-1,193	-688
Net income for the year		2,607	1,476

Consolidated Balance Sheet

SEK thousand	Note	12/31/2011	12/31/2010	SEK thousand	Note	12/31/2011	12/31/2010
ASSETS				EQUITY AND LIABILITIES			
Fixed assets				Equity			
Tangible fixed assets				12			
Equipment, tools, fixtures and fittings	7	488	290	Share capital		200	200
		488	290	Restricted reserves		3,718	4,575
Financial fixed assets				Non-restricted reserves		3,507	2,758
Other long-term receivables	8	550	550	Net income for the year		2,607	1,476
		550	550	Total equity		10,032	9,009
Total fixed assets		1,038	840	Provisions			
Current assets				Deferred tax liabilities			
Inventories, etc.						1,312	1,618
Finished goods and goods for resale		61	88	Current liabilities			
Work on contract	9	-	60	Advance payment from customers		1,898	1,624
		61	148	Work on contract	9	844	-
Current receivables				Accounts payable - trade		1,455	524
Accounts receivable - trade		7,117	7,034	Income tax liabilities		-	-
Current tax assets		225	84	Other current liabilities		1,009	954
Other current receivables		174	194	Accrued expenses and deferred income	13	4,761	4,567
Prepaid expenses and accrued income	10	1,693	1,553	Total current liabilities		9,967	7,669
		9,209	8,865	Total equity and liabilities			
Current investments						21,311	18,296
Other current investments	11	565	90	Pledged assets			
		565	90	Floating charges for bank overdraft facility			
Cash and bank balances						2,000	2,000
		10,438	8,353			2,000	2,000
Total current assets		20,273	17,456	Contingent liabilities			
						None	None
Total assets		21,311	18,296				

Notes for Group

Note 1 Accounting principles

The Company's 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, except for BFNAR 2008:1 Annual Reports in smaller listed companies (K2 rules).

The accounting principles remain unchanged compared with the previous year.

Consolidated statements

The consolidated accounts include the subsidiaries in which the Parent Company, directly or indirectly, holds more than 50% of the votes.

The consolidated statements have been prepared according to the acquisition accounting method. This means that upon acquisition, a subsidiary company's equity, established as the difference between the real value of assets and liabilities, is eliminated in full. The Group thus only includes the part of the subsidiary's equity that has accrued since its acquisition.

If the consolidation acquisition value of the shares exceeds the value of the subsidiary's net assets in the acquisition analysis, the difference is recorded as consolidation goodwill. If, on the other hand, the consolidation acquisition value of the shares falls below the value of the subsidiary's net assets in the acquisition analysis, the difference is recorded as a provision for negative goodwill. The dissolution provision is based on expected earnings.

The Company uses the current method when translating the annual statements of foreign subsidiaries. This means that the assets and liabilities of the foreign companies are translated using the year-end exchange rate. All income statement items are translated using the transaction exchange rate for the year. Translation differences are recorded directly under Group equity.

Income

Sales of goods are reported at delivery of product to the customer, according to the terms of sales. Sales are reported net after value-added tax, discounts and exchange rate differences when sales in foreign currency.

Principles for reporting income from service and construction contracts are reported under 'Work on contract'.

Receivables

Receivables are reported in the amounts that, on basis of individual assessment, are estimated to be received.

Income taxes

Reported income taxes include taxes that are to be paid or received during the year, adjustments relating to previous years' current taxes and changes in deferred taxes.

The valuation of all tax debts and receivables are at their face value, and are performed according to the tax rules, and at the tax rates that are decided or that have been announced, provided there is a high probability that they will be approved. A separate assessment of the offset ability of the tax claims will be done.

The tax effects for the items reported in the income statement 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.

Foreign currencies

Receivables and liabilities denominated in foreign currency are valued at the balance sheet rate. Where hedging is implemented, such as forward contracts, forward rate is used. Profits and losses on operating receivables and liabilities are disclosed as other operating income and other operating expenses respectively.

Work in progress

Income from consultant assignments is recorded according to Income Tax Legislation. Income and expenses from assignments secured at a fixed price are recorded during the duration of the assignment as work on contract in the balance sheet, and are accounted for profit when the assignment is concluded. Balanced work in progress is reduced with anticipated loss. Income and expenses from assignments on hourly basis are accounted for in the pace the assignment is completed and invoiced for, therefore there is no balance item regarding these assignments.

Fixed assets

Tangible and intangible fixed assets are depreciated systematically over the estimated useful life of the assets. The following depreciation periods are applied:

Equipment, tools, fixtures and fittings 5 years

Research and development

Expenditures for research and development projects are generally written off on an ongoing basis as these expenditures arise.

Investments

Current investments in shares have been valued to the lowest of acquisition value or market value at year-end.

Definitions of key ratios

Equity/assets ratio

Equity and untaxed reserves (less deferred tax) in relation to total assets.

Operating margin

Total operating income in relation to net sales.

Note 2 Audit fees and remuneration

	2011	2010
<i>SEK thousand</i>		
<i>Audit assignment</i>		
Öhrlings PricewaterhouseCoopers	180	170
<i>Other assignments</i>		
Öhrlings PricewaterhouseCoopers	135	145
	315	315

Note 3 Average number of employees, salaries, other remuneration and Social Security contributions

	2011	2010
Average number of employees		
Women	15	17
Men	63	57
	78	74

SEK thousand

Salaries and other remunerations amount to:

The Board of Directors and the CEO	1,569	1,548
Other employees	29,629	27,372
Total salaries and remunerations	31,198	28,920

Statutory and contractual Social Security contributions	8,612	7,996
Pension expenses (of which 804 (776) are in respect of the Board of Directors and the CEO)	3,038	2,733

Total salaries, emoluments, Social Security contributions and pension expenses	42,848	39,649
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Members of the Board and Senior Management

	2011		2010	
	Number on balance sheet date	Percentage males	Number on balance sheet date	Percentage males
Members of the Board	5	100%	5	100%
CEO	1	100%	1	100%

Note 4 Absence due to illness

	01/01/2011 –12/31/2011	01/01/2010 –12/31/2010
Total absence due to illness	1,54%	1,53%
- Absence due to illness, males	1,53%	1,48%
- Absence due to illness, females	1,61%	1,71%
- Employees aged <30	1,20%	1,49%
- Employees aged 30–50	1,69%	1,54%

Note 5 Income from current investment

	2011	2010
<i>SEK thousand</i>		
Dividends	4	-
Capital gain disposals	14	818
Depreciation	-23	-
	-5	818

Note 6 Tax on income for the year

	2011	2010
<i>SEK thousand</i>		
Tax for the year	-1,466	-623
Tax relating to tax allocation reserve	-33	-36
Deferred tax liabilities	306	-29
	-1,193	-688

Note 7 Equipment, tools, fixtures and fittings

	12/31/2011	12/31/2010
<i>SEK thousand</i>		
Opening acquisition value	3,655	3,655
Changes during the year		
- Purchases	356	-
- Translation differences	6	-
Closing accumulated acquisition value	4,017	3,655
Opening depreciation	-3,365	-3,190
Changes during the year		
- Depreciation	-160	-166
- Translation differences	-4	-9
Closing accumulated depreciation	-3,529	-3,365
Closing residual value according to plan	488	290

Note 8 Other long-term receivables

	12/31/2011	12/31/2010
<i>SEK thousand</i>		
Opening acquisition value	550	550
Closing accumulated acquisition value	550	550
Closing book value	550	550

Note 9 Work on contract

	2011	2010
<i>SEK thousand</i>		
Contract costs incurred	3,227	2,627
Provisions work on contract	-665	-200
Invoiced partial amounts	-3,406	-2,367
	-844	60

Note 10 Prepaid expenses and accrued income

	12/31/2011	12/31/2010
<i>SEK thousand</i>		
Prepaid rent	389	371
Prepaid insurance premiums	315	360
Accrued income	67	15
Other items	922	807
	1,693	1,553

Note 11 Current investments

	12/31/2011	12/31/2010
<i>SEK thousand</i>		
Book value, total	565	90
Listed stocks included in the above		
- Book value	588	90
- Market value	565	90

Note 12 Change in equity

	12/31/2011	12/31/2010
<i>SEK thousand</i>		
Restricted equity		
<i>Share capital</i>		
Share capital	200	200
<i>Restricted reserves</i>		
Opening balance	4,575	4,464
Transfers between restricted and non-restricted equity	-857	111
Closing balance	3,718	4,575
Closing total restricted equity	3,918	4,775
Non-restricted equity		
Opening balance	4,234	6,716
Dividends	-1,663	-3,908
Translation difference	79	61
Transfers between restricted and non-restricted equity	857	-111
Net income for the year	2,607	1,476
Closing total non-restricted equity	6,114	4,234

Accumulated translation differences reported directly against equity capital amount to SEK 157 thousand (SEK 78 thousand).

Number of shares amounts to 2,004

Note 13 Accrued expenses and deferred income

	12/31/2011	12/31/2010
<i>SEK thousand</i>		
Accrued vacation pay	2,566	2,429
Accrued social security contributions	2,036	1,864
Other items	159	274
	4,761	4,567

Linköping, March 29, 2012



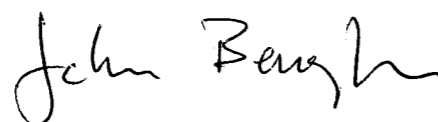
Johan Lyreborn
CEO



Sune Rydqvist
Chairman of the Board



Göran Rydqvist



Johan Bengtsson



Niels Madsen

Complete Financial Statements

Pages 72–80 are a translation of Group figures in Configura Sverige AB's (Corporate Registration Number 556404-7156) official financial statements. In addition to the information included in this document, the official financial statements include figures of Parent Company and a Directors' Report. This report has been replaced by more substantial information on pages 1–71. Configura Sverige AB's official financial statements are available at the Swedish Companies Registration Office.

Audit Report

Jonas Leek, Authorized Public Accountant, has issued an Auditor's Report for the official financial statements. His Auditor's Report does not contain any comments. The auditor's recommendation to the general meeting of shareholders is that the income statements and balance sheets of the Group be adopted and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Linköping, March 29, 2012



Jonas Leek
Authorized Public Accountant

ENVIRONMENTAL



At Configura, we work to minimize the impact of our business on the environment. Within the company, we actively work to spread knowledge about and commitment to environmental issues.

Configura will:

- Give priority to purchasing as well as using products and services with the least environmental impact
- Endeavor to reduce our energy consumption
- Minimize the amount of waste we produce
- Encourage electronic documentation, marketing and commerce
- Make environmental demands of our suppliers
- Continuously improve our environmental work

SOFTWARE AND COMPANY

CET Designer®

CET Designer is a complete design, specification and visualization tool that allows designers and salespeople to complete every step of the sales and order process with one single program. Through rapid graphical configuration, it creates layouts in 2D and 3D as well as accurate quotes and order data. The program is designed as a multi-company solution, which means that end users can work with products from different manufacturers.

CET Developer®

CET Developer is a programming environment used to create Extensions for our base application, CET Designer. Using CET Developer, our development partners can quickly build Extensions containing product catalogs or additional features, such as links to ERP systems.

Configura®

Configura is a highly customizable graphical sales configurator available to manufacturers. The system is built to fit a manufacturer's exact needs in terms of sales automation and has been successfully implemented in sales organizations in the Commercial Furniture, Material Handling and Industrial Machinery business segments.

InstantPlanner®

InstantPlanner is a generic space planning tool used primarily by manufacturers, distributors, system integrators and consultants in the Material Handling industry. InstantPlanner is based on the same core technology as Configura. However, whereas Configura focuses on configuration and calculation, the main focus of InstantPlanner is on drawing and visualization of storage and warehouse solutions.

The Configura Group

Configura Sverige AB is the parent company of the Configura Group (referred to as Configura), which also includes the subsidiaries Configura CET AB, Configura Inc. and Configura Pacific Sdn Bhd. Configura's operations are based on its proprietary software platforms: Configura, CET Designer, CET Developer and InstantPlanner. Configura licenses its software to customers based on a subscription model, with the license fee including new versions and support.

configura.com

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