

# IBS Interim Report

## January - March 2009

Solna, Sweden, May 7, 2009 - IBS AB (listed on the OMX Nordic Exchange Stockholm, Nordic list, Small Cap, Information Technology: IBS) today presented the Group's interim report for January 1 - March 31, 2009. The information was submitted for publication on May 7, 2009, 12:00 p.m.

- Total revenue SEK 451 m (484).
- Net profit SEK -91 m (-46).
- Earnings per share SEK -0.73 (-0.56).
- Operating profit SEK -85 m (-55).
- Earnings after financial items SEK -88 m (-63).
- EBITDA\* SEK 12 m (-23).
- Cash flow from operating activities amounted to SEK 11 m (50).
- The staff reduction element of the strategic initiative announced in September 2008 has been completed.
- On January 15 an Extraordinary General Meeting of shareholders approved an incentive program to senior executives and Board of Directors.
- On March 12 the Board decided to apply for a listing of IBS B series shares on First North with a simultaneous delisting from Nasdaq OMX.

### Important events after end of period

- A new Chief Financial Officer, Mark Williams, was appointed on April 6.
- Last day of trading on Nasdaq OMX will be May 8 and first day of trading on First North will be May 11.

Summary of Q1 2009	Q1 2009	Q1 2008	Change
<b>Total revenue, SEK m</b>	451	484	-7%
- New sales	25	23	
- Renewal revenue	65	62	
<b>Software licenses, SEK m</b>	90	85	6%
<b>License margin</b>	94%	90%	4 p.p.
<b>Professional services revenue, SEK m</b>	273	298	-8%
<b>Professional services margin</b>	13%	16%	-3 p.p.
<b>Hardware and other revenue, SEK m</b>	88	101	-13%
<b>Hardware and other margin</b>	17%	19%	-2 p.p.
<b>Operating profit, SEK m</b>	-85	-55	
<b>Earnings after financial items, SEK m</b>	-88	-63	
<b>Net profit</b>	-91	-46	
<b>EBITDA SEK m*</b>	12	-23	

\* Earnings before interest, taxes, depreciation, amortization, restructuring costs and profit/loss from sale of subsidiaries



## President's Message

The first quarter ends with IBS transformed. The staff reduction program is now complete, and results in headcount almost 500 less at the end of the quarter compared to 2008, as the company focuses on core markets and a reduced number of market offerings.

The financial results for the first quarter reflect the transformation of the company as well as the current economic climate. Revenues were down versus the same quarter of 2008, with hardware revenues and margins under particular pressure. However, software license revenues, which feed the financial ecosystem of renewal fees and professional services revenues, actually increased year on year.

The cost reduction program resulted in operating costs down 21% versus the same quarter of 2008, and this resulted in an EBITDA\* positive quarter, SEK 12 m (-23), an encouraging landmark on the path back to full profitability.

The global economic outlook remains uncertain, yet the company exits the quarter in strong financial shape, with a leaner, more focused profile, and with the restructuring and cost reduction program substantially complete.

I am proud of the commitment and drive of our staff during these difficult last quarters and, now that the restructuring is behind us, look forward to reaping the benefits of these investments.

- Mike Shinya, CEO

\* Earnings before interest, taxes, depreciation, amortization, restructuring costs and profit/loss from sale of subsidiaries

# IBS interim report January – March 2009

## Market

An increased focus on existing customers has produced results and license revenue increased in the quarter.

Professional services revenue decreased overall in most markets, with the exception of the Americas, with fewer consultants in the smaller more focused organization with a reduced number of market offerings..

Hardware revenues were down, mainly due to the lower demand for IBM iSeries servers globally.

## January – March 2009

IBS' operating profit amounted to SEK -85 m (-55), of which SEK -63 m (0) was restructuring cost incurred in the period. Revenue was down by SEK 33 m or 7%. The average number of employees was down by 27% compared to last year.

The first quarter showed an increase in revenue for software licenses to SEK 90 m (85) with several existing customers making upgrades or buying new modules. New sales increased to SEK 25 m (23) and renewal revenue to SEK 65 m (62). The profit margin for software licenses increased to 94% (90).

Revenue from professional services amounted to SEK 273 m (298). The decline in revenue was due mainly to lower number of consultants employed after divestments and staff reductions.

The professional services margin amounted to 13% (16). In the first quarter, a knowledge transfer project to IBS' new off-shoring partner, HCL Technologies, was conducted. The knowledge transfer project resulted in a lower billability for the consultants, which has impacted the margin negatively during the quarter.

Hardware revenue dropped to SEK 88 m (101). The decrease is mainly attributable to the European region. The lower revenue has caused IBS to downsize the hardware sales force. The profit margin for hardware revenues decreased to 17% (19).

The Group's gross profit margin increased to 30% (29), mainly due to the increased margin on licenses sold.

Development costs during the quarter amounted to SEK -56 m (-55).

Sales and marketing costs were SEK -50 m (-65). This reflects use of lower number of sales resources and is indicative of a strategy shift to focus more on the existing customer base and less on new customer acquisitions compared to previously..

General and administrative costs were down 30% to SEK -52 m (-74), representing the biggest relative saving versus last year. This was a direct result of the activity program initiated in the first quarter 2008 and the strategic initiative announced in September 2008.

Earnings after financial items amounted to SEK -88 m (-63) and included a restructuring cost of SEK -63 m (0).

## Product development

The overall strategy is to continue developing IBS' position as the leading international supplier of software and professional services within distribution systems for selected market segments.

IBS currently has two customers running the Windows version of the financial system and has started selling the full suite to selected markets. The full launch of IBS Enterprise 6.0 for Windows is expected to commence in mid 2009.

A first version of IBS Enterprise that can be sold as Software as a Service (SaaS) has been made available in selected markets, with the first contracts signed. Preparations are under way for an expanded launch of the SaaS offering later in 2009.

## Liquidity and financial position

As of March 31, the Group's equity amounted to SEK 990 m (898) and the equity/assets ratio was 53% (48%). Liquidity amounted to 112% (92%).

During the first quarter, cash flow from operating activities amounted to SEK 11 m (50). Cash flow from investing activities amounted to SEK -28 m (-23).

Cash and cash equivalents, including short-term investments, amounted to SEK 290 m (193) on March 31. In addition, there were unused credit facilities of SEK 241 m (132).

The Group had interest-bearing loans totaling SEK 98 m (330) on March 31. Excluding debts to leasing companies, the corresponding figure was SEK 66 (297).

## **Investments**

The Group's investments in equipment during the period amounted to SEK 1 m (3).

## **Tax**

Tax for the period, as reported in the income statement, amounted to SEK -2 m (18) and consisted of SEK -2 m (-4) in current tax expenses and SEK 0 m (22) in deferred tax expenses. Tax paid during the period amounted to SEK -3 m (-3).

## **Currency**

IBS' currency risk is limited in that most operating subsidiaries invoice in the same currency in which expenses are incurred. Compared to the first quarter in 2008 currency exchange rate effects have had a 12% effect on revenue and 10% effect on costs for the period.

In the first quarter, an exchange difference of SEK -2 m (-5) was incurred.

## **Personnel**

The number of employees on March 31 was 1 228 (1 716), a decrease of 488 employees or 28% compared with the year-earlier period.

The number of consultants was 799 (1 090). The decrease in consultants and other staff was a result of the strategic initiative launched September 23, 2008.

## **Parent Company**

The Parent Company, IBS AB, has 25 (27) employees and the overall management responsibility for the Group.

The Parent Company's total revenue for the period amounted to SEK 3 m (2) and earnings after financial items amounted to SEK -43 m (-47).

Investments in tangible and intangible assets amounted to SEK 23 m (17). Cash and cash equivalents at the end of the period amounted to SEK 189 m (84).

## **Strategic initiative to improve profitability**

In order to enhance value to customers and improve profitability, IBS in 2008 decided to launch a strategic initiative in order to focus the business on core products and verticals.

During the period this initiative has resulted in restructuring costs of SEK -63 m (0). The cash flow effect was SEK -68 m (0) during the period. The remaining total restructuring provision in the balance sheet amounted to SEK 146 m on March 31, 2009.

The staff reduction part of the strategic initiative was completed early in the second quarter 2009.

Further costs for this initiative will be reported in coming interim reports.

## **Stock option program**

On 15 January, 2009, an extraordinary general meeting was held which resolved to adopt stock option based incentive programs to senior executives and the Board of Directors. It also resolved to issue a maximum of 11 518 500 warrants in order to hedge the program, out of which not more than 2 658 292 warrants may be used for covering social security charges. The combined incentive program entails dilution effect of approximately 8.3%. No options were allocated during the period.

## **Related party transactions**

No related party transactions were recorded during the period other than ordinary transactions with group companies.

## **Own shares acquired**

IBS has in total repurchased 2 303 800 shares in previous years at an average share price of SEK 21.70 per share.

## **Information on risks and uncertainty factors**

IBS is affected by a number of external and internal factors, and has an ongoing process to identify and address all existing risks.

At the time of writing, IBS sees no risks and uncertainty factors other than those listed in the 2008 annual report. For more information about IBS' risks and uncertainty factors, please read the 2008 annual report pp 12-13 and note 21 pp 39-41.

## **Accounting principles**

This interim report was prepared in accordance with IAS 34 Interim Reporting and applicable parts of the Swedish Annual Accounts Act. The same accounting principles and calculation methods were applied as in the most recent annual report for 2008. This means that the consolidated accounts were prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the interpretations issued by the Financial Reporting Interpretations Committee (IFRIC) as approved by the European Commission. New and revised standards and new interpretations applying as of January 2009 have only marginally affected the IBS Group's financial reporting. The Group has

applied the segment definitions (IFRS8) for 2009 but it is only the format that has been impacted. The Group has applied IAS1 (Revised), Presentation of Financial Statements, since January 1, 2009. For further information on the Group's accounting principles, see the 2008 annual report.

The Parent Company prepares its interim report according to the Swedish Annual Accounts Act and RFR 2.2.

### **Annual General Meeting**

The IBS Annual General Meeting will be held on May 7, 2009 at 3:00 p.m. at Nordic Sea Hotel, Vasaplan 4, Stockholm. Registration will commence at 2:15 p.m. The notice of the Annual General Meeting is available on [www.ibs.net](http://www.ibs.net)

### **Reporting dates during 2009**

- The interim report for January-June will be published on August 14

- The interim report for January-September will be published on October 29
- The year-end report for 2009 will be published in February 2010.

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Solna, May 7, 2009

Pallab Chatterjee, Chairman of the Board

Vinit Bodas, Member of the Board

Gunnel Duveblad, Member of the Board

George Ho, Member of the Board

Christian Paulsson, Member of the Board

Bertrand Sciard, Member of the Board

Ann-Mari Öhman, Member of the Board

Mike Shinya, President and CEO

*Questions regarding this report will be answered by:*

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*This interim report was not subject to review by the company's auditors*

## Consolidated income statement

SEK million

	2009 Jan-Mar	2008 Jan-Mar	09/08 %	Last 12 months	2008 Full Year
<b>Revenue</b>					
Software licenses	90,2	84,7	6%	425,5	420,0
Professional services	273,2	298,4	-8%	1 125,2	1 150,4
Hardware and other revenue	87,5	100,7	-13%	450,9	464,1
<b>Total revenue</b>	<b>450,9</b>	<b>483,8</b>	<b>-7%</b>	<b>2 001,6</b>	<b>2 034,5</b>
<b>Cost of revenue</b>					
Software licenses	-5,7	-8,7	-35%	-40,1	-43,1
Professional services	-238,6	-251,1	-5%	-951,0	-963,5
Hardware and other costs	-72,3	-81,5	-11%	-374,3	-383,5
<b>Total cost of revenue</b>	<b>-316,6</b>	<b>-341,3</b>	<b>-7%</b>	<b>-1 365,4</b>	<b>-1 390,1</b>
<b>Gross profit</b>	<b>134,3</b>	<b>142,5</b>	<b>-6%</b>	<b>636,2</b>	<b>644,4</b>
Product development costs	-55,9	-54,8	2%	-208,1	-207,0
Sales and marketing costs	-50,2	-64,8	-23%	-244,5	-259,1
General and administrative costs	-51,7	-73,6	-30%	-213,7	-235,6
Other operating income/costs *	0,9	-4,3		-50,5	-55,7
Restructuring cost	-62,6	-		-232,2	-169,6
<b>Operating profit</b>	<b>-85,2</b>	<b>-55,0</b>		<b>-312,8</b>	<b>-282,6</b>
<b>Financial items</b>					
Financial income	1,1	1,2		23,6	23,7
Financial expenses	-4,2	-9,5		-7,9	-13,2
<b>Earnings after financial items</b>	<b>-88,3</b>	<b>-63,3</b>		<b>-297,1</b>	<b>-272,1</b>
Tax	-2,4	17,8		-22,1	-1,9
<b>Net profit for the period</b>	<b>-90,7</b>	<b>-45,5</b>		<b>-319,2</b>	<b>-274,0</b>
Net profit attributable to:					
Parent company shareholders	-90,7	-45,5		-319,2	-274,0
Minority	0,0	0,0		0,0	0,0
Earnings per share (SEK)	-0,73	-0,54		-2,79	-2,63
Earnings per share after dilution (SEK)	-0,73	-0,54		-2,79	-2,63
Average number of shares (thousand)	124 271	84 399		114 230	104 185
Average number of shares after dilution (thousand)	124 271	84 399		114 230	104 185

\* Currency translation differences in receivables/liabilities of an operating character, capital loss from sale of operations and impairment of goodwill.

## Consolidated statement of comprehensive income

SEK million

	2009 Jan-Mar	2008 Jan-Mar	Last 12 months	2008 Full Year
<b>Net profit for the period</b>	<b>-90,7</b>	<b>-45,5</b>	<b>-319,2</b>	<b>-274,0</b>
<i>Other comprehensive income</i>				
Translation differences for the period	7,5	-13,1	23,9	3,3
<b>Other comprehensive income for the period</b>	<b>7,5</b>	<b>-13,1</b>	<b>23,9</b>	<b>3,3</b>
<b>Total comprehensive income for the period</b>	<b>-83,2</b>	<b>-58,6</b>	<b>-295,3</b>	<b>-270,7</b>
Total comprehensive income attributable to:				
Parent company shareholders	-83,2	-58,6	-295,3	-270,7
Minority	0,0	0,0	0,0	0,0

## Outcome per quarter

	2006	2006	2006	2006	2007	2007	2007	2007	2008	2008	2008	2008	2009
SEK million	Q1	Q2 <sup>1)</sup>	Q3 <sup>2)</sup>	Q4	Q1	Q2	Q3 <sup>3)</sup>	Q4	Q1	Q2	Q3 <sup>4)</sup>	Q4 <sup>5)</sup>	Q1 <sup>6)</sup>
Software licenses	113,4	122,6	109,7	166,1	102,4	104,1	101,5	181,9	84,7	109,6	89,4	136,3	90,2
Total revenue	561,6	561,9	476,6	677,9	541,1	531,2	476,7	710,8	483,8	516,3	422,0	612,4	450,9
Operating profit	13,3	13,4	-116,9	83,6	-9,9	-21,5	6,7	62,7	-55,0	-26,2	-91,7	-109,7	-85,2
Earnings after financial items	14,6	12,6	-114,8	81,4	-8,8	-22,8	2,2	56,6	-63,3	-22,5	-89,4	-96,9	-88,3

<sup>1)</sup> Operating profit includes capital gain from sale of subsidiaries to SEK 1,5 m.

<sup>2)</sup> Operating profit includes restructuring costs amounting to SEK -120,0 m.

<sup>3)</sup> Operating profit includes capital loss from sale of operations amounting to SEK -3,5 m.

<sup>4)</sup> Operating profit includes impairment of goodwill amounting to SEK -52,8 m.

<sup>5)</sup> Operating profit includes impairment of goodwill amounting to SEK -52,8 m, restructuring costs amounting to SEK -169,6 m and loss from sale of subsidiaries amounting to SEK -8,5 m

<sup>6)</sup> Operating profit includes restructuring costs amounting to SEK -62,6 m.

## Reconciliation to EBITDA\*

SEK million

	2009 Jan-Mar	2008 Jan-Mar	Last 12 months	2008 Full Year
<b>Operating profit</b>	<b>-85,2</b>	<b>-55,0</b>	<b>-312,8</b>	<b>-282,6</b>
<i>Reversals</i>				
Restructuring costs	62,6	0,0	232,2	169,6
Depreciation	8,8	8,5	37,3	37,0
Amortization	25,7	23,7	97,9	95,9
Impairment of goodwill	0,0	0,0	52,8	52,8
Loss from sale of subsidiaries	0,0	0,0	8,5	8,5
<b>EBITDA</b>	<b>11,9</b>	<b>-22,8</b>	<b>115,9</b>	<b>81,2</b>

\* EBITDA: earnings before interest, taxes, depreciation, amortization, restructuring costs and loss/gain from sale of subsidiaries

<b>Information about operating Segments</b>	Nordics		Europe		Americas		Asia Pacific		Parent company incl. group adjustments		Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	<i>SEK million</i>											
<b>January - March</b>												
<i>Revenue from external customers</i>												
Software licences	22,5	25,8	44,6	42,6	7,2	4,2	15,8	12,2	0,0	0,0	90,2	84,7
Professional services	121,7	130,7	106,8	115,0	28,1	27,7	14,8	21,5	1,9	3,5	273,2	298,4
Hardware and other revenue	27,6	28,8	55,5	67,1	3,1	2,4	1,3	2,4	0,0	0,0	87,5	100,7
	171,8	185,3	206,9	224,6	38,4	34,4	31,9	36,0	1,9	3,5	450,9	483,8
Revenue from other segments	3,1	9,6	13,2	11,9	6,7	2,5	2,4	3,5	-25,4	-27,5	0,0	0,0
Total revenue	174,9	194,9	220,1	236,5	45,1	36,9	34,3	39,5	-23,5	-24,0	450,9	483,8
Segment operating profit	<b>20,0</b>	<b>13,7</b>	<b>12,5</b>	<b>1,5</b>	<b>6,6</b>	<b>-1,1</b>	<b>1,1</b>	<b>0,2</b>	<b>-62,7</b>	<b>-69,3</b>	<b>-22,6</b>	<b>-55,0</b>
Restructuring cost	-5,2	0,0	-40,5	0,0	-2,0	0,0	0,0	0,0	-14,9	0,0	-62,6	0,0
Financial items											-3,1	-8,3
Earnings after financial items	<b>14,8</b>	<b>13,7</b>	<b>-28,0</b>	<b>1,5</b>	<b>4,6</b>	<b>-1,1</b>	<b>1,1</b>	<b>0,2</b>	<b>-77,6</b>	<b>-69,3</b>	<b>-88,3</b>	<b>-63,3</b>

Operating segment reporting is created in accordance with IFRS 8. For IBS, geographical areas are those in which the chief operating decision-maker does follow up. These areas correspond with the primary IBS geographical regions as shown in the 2008 annual report. The segmentation is based on how IBS is organized and how internal reporting is structured. Internal pricing is based on market price. The segment results include items that are directly assignable or can be allocated to a segment in a reasonable and reliable way.

The chief operating decision-maker does not follow up assets per operating segment.

Parent company incl. group adjustments apply to elimination of revenue from other segments, head office costs and other group-wide functions.

## Consolidated balance sheet

SEK million

	2009 31 Mar	2008 31 Mar	2008 31 Dec
<b>ASSETS</b>			
Capitalized product development costs	358,7	349,4	357,9
Goodwill	372,3	414,4	363,3
Other intangible assets	27,7	27,0	27,5
Intangible assets	758,7	790,8	748,7
Tangible assets	82,0	94,3	87,1
Financial assets	14,6	12,4	11,2
Deferred tax receivables	137,7	156,6	136,4
<b>Total fixed assets</b>	<b>993,0</b>	<b>1 054,1</b>	<b>983,4</b>
Inventories	6,0	10,5	7,0
Accounts receivable	423,0	450,9	644,9
Tax receivables	31,1	15,7	33,7
Other receivables	128,9	165,0	122,8
Cash and cash equivalents	290,0	193,1	312,7
<b>Total current assets</b>	<b>879,0</b>	<b>835,2</b>	<b>1 121,1</b>
<b>TOTAL ASSETS</b>	<b>1 872,0</b>	<b>1 889,3</b>	<b>2 104,5</b>

	2009 31 Mar	2008 31 Mar	2008 31 Dec
<b>EQUITY AND LIABILITIES</b>			
Equity holders of the parent company	990,0	897,4	1 073,2
Minority interests	0,0	0,1	0,0
<b>Total equity</b>	<b>990,0</b>	<b>897,5</b>	<b>1 073,2</b>
<b>Liabilities</b>			
Liabilities to credit institutions	41,6	64,7	46,8
Deferred tax	4,3	6,5	4,2
Provisions	52,9	11,2	55,0
Other long-term liabilities	6,8	13,5	6,4
<b>Total long-term liabilities</b>	<b>105,6</b>	<b>95,9</b>	<b>112,4</b>
Liabilities to credit institutions	56,1	265,1	60,1
Provisions	106,2	40,9	106,5
Accounts payable	99,2	61,5	166,8
Income tax liability	5,0	4,8	5,5
Other current liabilities	509,9	523,6	580,0
<b>Total short-term liabilities</b>	<b>776,4</b>	<b>895,9</b>	<b>918,9</b>
<b>Total liabilities</b>	<b>882,0</b>	<b>991,8</b>	<b>1 031,3</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1 872,0</b>	<b>1 889,3</b>	<b>2 104,5</b>

### Change in Group equity

SEK million	2009 31 Mar	2008 31 Mar	2008 31 Dec
<b>Opening balance 1 Jan</b>	<b>1 073,2</b>	<b>956,1</b>	<b>956,1</b>
Total comprehensive income for the period	-83,2	-58,6	-270,7
Rights issue	-	-	408,1
Costs related to rights issue	-	-	-20,3
<b>Closing balance end of period</b>	<b>990,0</b>	<b>897,5</b>	<b>1 073,2</b>
Equity attributable to:			
Equity holders of the parent company	990,0	897,4	1 073,1
Minority interests	0,0	0,1	0,1

### Pledged assets and contingent liabilities Group

SEK million	2009 31 Mar	2008 31 Dec	Change
Corporate mortgages	0,3	0,3	0,0
Pledged shares in subsidiaries	83,2	83,8	-0,6
Assets charged with ownership reservation	107,1	113,7	-6,6
Contingent liabilities	12,3	12,4	-0,1

### Pledged assets and contingent liabilities Parent company

SEK million	2009 31 Mar	2008 31 Dec	Change
Corporate mortgages	0,3	0,3	0,0
Pledged shares in subsidiaries	57,6	58,2	-0,6
Guarantees, subsidiaries	51,0	49,6	1,4

## Consolidated cash flow analysis

SEK million

	2009 Jan-Mar	2008 Jan-Mar	Last 12 months	2008 Full year
<b>Operating activities</b>				
Earnings after financial items	-88,3	-63,3	-297,1	-272,1
Adjustments to reconcile earnings after financial items to cash	23,7	30,0	258,0	264,3
Tax paid	-2,5	-2,8	-11,9	-12,2
<b>Cash flow from operating activities before changes in working capital</b>	<b>-67,1</b>	<b>-36,1</b>	<b>-51,0</b>	<b>-20,0</b>
<i>Changes in working capital</i>				
Inventories	1,0	6,1	4,9	10,0
Operating assets	222,3	241,2	148,5	167,4
Operating liabilities	-145,0	-161,7	-64,2	-80,9
<b>Cash flow from operating activities</b>	<b>11,2</b>	<b>49,5</b>	<b>38,2</b>	<b>76,5</b>
<i>Investing activities</i>				
Change, intangible assets	-26,0	-18,8	-105,2	-98,0
Change, tangible assets	-1,3	-2,8	-14,0	-15,5
Change, financial assets	-0,5	0,4	-0,5	0,4
Acquisition of subsidiaries	-	-2,0	-	-2,0
Disposal of subsidiaries	-	-	5,4	5,4
<b>Cash flow from investing activities</b>	<b>-27,8</b>	<b>-23,2</b>	<b>-114,3</b>	<b>-109,7</b>
<i>Financing activities</i>				
Rights issue	-	-	408,1	408,1
Costs related to rights issue	-	-	-21,0	-21,0
Net change, loans	-10,9	-14,7	-243,3	-247,1
<b>Cash flow from financing activities</b>	<b>-10,9</b>	<b>-14,7</b>	<b>143,8</b>	<b>140,0</b>
<b>Cash flow for the period</b>	<b>-27,5</b>	<b>11,6</b>	<b>67,6</b>	<b>106,8</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>312,7</b>	<b>186,3</b>	<b>193,1</b>	<b>186,3</b>
Translation differences in cash and cash equivalents	4,8	-4,8	29,3	19,6
<b>Cash and cash equivalents, end of period</b>	<b>290,0</b>	<b>193,1</b>	<b>290,0</b>	<b>312,7</b>

## Key figures and data per share

	2009 Jan-Mar	2008 Jan-Mar	Last 12 months	2008 Full year
<b>Key figures</b>				
Average number of employees	1 262	1 725	1 496	1 612
Revenue per employee (SEK thousand)	357	280	1 338	1 262
Value added per employee (SEK thousand)	146	150	526	534
Operating margin %	-18,9	-11,4	-15,6	-13,9
Capital turnover ratio	0,2	0,2	1,0	1,0
Return on total capital %	-4,2	-2,7	-14,9	-12,2
Return on capital employed %	-7,4	-4,2	-23,4	-20,9
Return on equity %	-8,8	-4,9	-25,4	-27,0
Ratio of risk capital %	53	48	53	51
Liquidity %	112	92	112	121
Equity to total assets ratio %	53	48	53	51
Interest cost cover ratio	-20	-6	-37	-20
DSO (Days of sales outstanding)	85	87	67	68
Interest-bearing net cash	192	-137	192	206
<b>Key figures per share</b>				
Earnings	-0,73	-0,54	-2,79	-2,63
Earnings after dilution	-0,73	-0,54	-2,79	-2,63
Adjusted equity	7,97	11,04	7,97	8,64
Adjusted equity after dilution	7,97	11,04	7,97	8,64
Cash flow from operating activities	0,09	0,59	0,33	0,73
Cash flow from operating activities after dilution	0,09	0,59	0,33	0,73
<b>Share data</b>				
Average number of shares (thousand)	124 271	84 399	114 230	104 185
Average number of shares after dilution (thousand)	124 271	84 399	114 230	104 185
Total no. of shares (thousand) *	124 271	81 304	124 271	124 271
Average share price	7,04	13,28	9,27	9,87

\* Number of shares outstanding

## Analysis

	1st Quarter	
<b>Analysis of the change in revenue between the years</b>		
%	09/08	08/07
Volume increase (average no. of staff)	-22%	-5%
Acquisitions/disposals	-3%	-1%
Price and efficiency change	6%	-5%
<b>Growth rate, internally influenced</b>	<b>-19%</b>	<b>-11%</b>
Influence of exchange rate fluctuation	12%	0%
<b>Total growth rate</b>	<b>-7%</b>	<b>-11%</b>
<b>Gross profit per revenue stream</b>		
SEK million	2009	2008
Software licences	84	76
Professional services	35	48
Hardware and other revenue	15	19
<b>Total</b>	<b>134</b>	<b>143</b>
<b>Gross margin in % per revenue stream</b>		
%	2009	2008
Software licences	94%	90%
Professional services	13%	16%
Hardware and other revenue	17%	19%
<b>Total</b>	<b>30%</b>	<b>29%</b>
<b>Type of revenue in % of total revenue</b>		
%	2009	2008
Software licences	20%	18%
Professional services	61%	62%
Hardware and other revenue	19%	21%
<b>Total</b>	<b>100%</b>	<b>100%</b>
<b>Operating costs in % of revenue</b>		
%	2009	2008
Product development costs	12%	11%
Sales and marketing costs	11%	13%
General and administrative costs	11%	15%
<b>Total</b>	<b>34%</b>	<b>39%</b>
<b>Depreciation</b>		
SEK million	2009	2008
Capitalized product development costs	-23	-21
Other intangible assets	-3	-3
Tangible assets	-9	-8
<b>Total</b>	<b>-35</b>	<b>-32</b>

## Parent company income statement

SEK million

	2009 Jan-Mar	2008 Jan-Mar	%	2008 Full year
<b>Revenue</b>				
Software licenses	0,2	0,4	-50%	7,8
Professional services	1,8	1,7	6%	7,0
Other income	0,5	0,0		83,1
<b>Total revenue</b>	<b>2,5</b>	<b>2,1</b>	<b>19%</b>	<b>97,9</b>
<b>Cost of revenue</b>				
Software licenses	-0,1	-0,2	-50%	-6,9
Professional services	-0,9	-0,9	0%	-4,0
Other costs	0,0	-0,3		0,0
<b>Total cost of revenue</b>	<b>-1,0</b>	<b>-1,4</b>	<b>-29%</b>	<b>-10,9</b>
<b>Gross profit</b>	<b>1,5</b>	<b>0,7</b>	<b>114%</b>	<b>87,0</b>
Product development costs	-19,5	-15,2	28%	-65,9
Sales and marketing costs	0,0	0,0		0,0
General and administrative costs	-20,9	-23,2	-10%	-74,0
Restructuring cost	-11,7	0,0		-15,2
Other operating income/costs <sup>*</sup>	4,4	-4,1		9,2
<b>Operating profit</b>	<b>-46,2</b>	<b>-41,8</b>		<b>-58,9</b>
<b>Financial items</b>				
Financial income	3,9	4,1	-5%	28,7
Financial expenses	-0,9	-9,5	-91%	-19,2
Result from participations in subsidiaries	0,0	0,0		10,9
<b>Earnings after financial items</b>	<b>-43,2</b>	<b>-47,2</b>		<b>-38,5</b>
Transfers from untaxed reserves	0,0	0,0		1,6
<b>Profit before tax</b>	<b>-43,2</b>	<b>-47,2</b>		<b>-36,9</b>
Tax	-0,9	13,7		11,3
<b>Net profit for the period</b>	<b>-44,1</b>	<b>-33,5</b>		<b>-25,6</b>

<sup>\*</sup> Currency translation differences in receivables/liabilities of an operating character

## Parent company balance sheet

SEK million

	2009 31 Mar	2008 31 Mar	2008 31 Dec
<b>Assets</b>			
Capitalized product development costs	328,7	311,5	328,3
Acquired software rights	1,4	2,3	1,5
Intangible assets	330,1	313,8	329,8
Tangible assets	5,3	3,1	5,1
Receivables from subsidiaries	134,6	168,2	132,2
Deferred tax receivables	45,6	46,9	45,6
Participation in subsidiaries	439,3	453,5	439,3
Financial investments	0,0	0,0	0,0
<b>Total fixed assets</b>	<b>954,9</b>	<b>985,5</b>	<b>952,0</b>
<b>Inventory</b>	<b>4,3</b>	<b>6,7</b>	<b>4,7</b>
Accounts receivables	3,0	1,1	3,2
Tax receivables	1,6	3,6	1,2
Receivables from subsidiaries	206,4	106,7	210,6
Other receivables	6,2	7,9	6,4
<b>Current receivables</b>	<b>217,2</b>	<b>119,3</b>	<b>221,4</b>
<b>Cash and cash equivalents</b>	<b>188,8</b>	<b>84,4</b>	<b>191,7</b>
<b>Total current assets</b>	<b>410,3</b>	<b>210,4</b>	<b>417,8</b>
<b>TOTAL ASSETS</b>	<b>1 365,2</b>	<b>1 195,9</b>	<b>1 369,8</b>

	2009 31 Mar	2008 31 Mar	2008 31 Dec
<b>EQUITY AND LIABILITIES</b>			
<i>Restricted equity</i>			
Share capital	25,3	16,7	25,3
Statutory reserve	318,7	318,7	318,7
	344,0	335,4	344,0
<i>Non-restricted equity</i>			
Share premium reserve	429,4	29,8	429,4
Translation reserve (fair value fund)	8,3	0,9	0,5
Retained earnings	409,4	455,2	434,9
Net profit for the period	-44,0	-33,5	-25,6
	803,1	452,4	839,2
<b>Equity</b>	<b>1 147,1</b>	<b>787,8</b>	<b>1 183,2</b>
<b>Untaxed reserves</b>	<b>0,4</b>	<b>2,0</b>	<b>0,4</b>
<b>Liabilities</b>			
Liabilities to credit institutions	20,8	41,7	26,0
Other liabilities	0,0	6,8	0,0
<b>Long-term liabilities</b>	<b>20,8</b>	<b>48,5</b>	<b>26,0</b>
Liabilities to credit institutions	20,8	205,7	20,8
Provisions	14,8	0,0	8,6
Accounts payable	7,2	5,5	13,3
Current liabilities to subsidiaries	112,5	103,5	83,5
Other current liabilities	41,6	42,9	34,0
<b>Short-term liabilities</b>	<b>196,9</b>	<b>357,6</b>	<b>160,2</b>
<b>Total liabilities</b>	<b>217,7</b>	<b>406,1</b>	<b>186,2</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1 365,2</b>	<b>1 195,9</b>	<b>1 369,8</b>