IBS Year-end Report January – December 2009

IBS reports strong license revenue growth and increased productivity by focusing on core offerings, however restructuring costs, goodwill impairment and change in deferred tax items affect profitability.

- Second half of the year new license revenue grew by 17% to SEK 98 m (2008: SEK 83m). For the full year the new license revenue increased by 30% to SEK 195 m (150). Main source of growth was the US market.
- Second half year total license revenue grew by 9% to SEK 240 m (220). For the full year total license revenue increased by 14% to SEK 476 m (419).
- Total second half year revenue down 14% to SEK 888 m (1 028), in line with the strategic decision to focus on core markets to drive future profitability. Professional services revenue was down by 21% to SEK 445 m (565) and hardware and other revenue down 17% to SEK 203 m (244). For the full year, total revenue was down 11% to SEK 1 819 m (2 034), professional services revenue down by 16% to SEK 969 m (1 150) and hardware and other revenue down by 19% to SEK 374 m (464).
- Average number of employees was down 29% and number of consultants employed during the year down 30% resulting in increased productivity. For the year revenue per employee increased 26% and professional services per consultant increased 13%.
- Second half EBITDA* down to SEK 17 m (89). EBITDA * for full year was SEK 75 m (81).
- Second half year net earnings SEK -349 m (-207). Full year net earnings SEK -433 m (-274) including goodwill impairment of SEK -131 m (-53) company taxes of SEK -14 m (1), deferred tax of SEK -86 m (-3), capitalization and depreciation of previously capitalized Product Development work of SEK -15 m (13)
- Cash flow from operating activities amounted to SEK -99 m (77) for the year. Excluding restructuring effect of SEK -174 m (-87), operating cash flows were SEK 75m (164). Cash flow from operating activities for the second half year amounted to SEK -44 m (48).

Summary of January - December 2009	**2009 Jul-Dec**	**2008 Jul-Dec**	**Var %**	**2009 Jan-Dec**	**2008 Jan-Dec**	**Var %**
Total revenue, SEK m	888	1 028	-14%	1 819	2 034	-11%
New sales	98	83		195	150	
Renewal revenue	142	137		281	269	
Software licenses, SEK m	240	220	9%	476	419	14%
License margin	*90%*	*91%*	*-1 p.p.*	*92%*	*90%*	*2 p.p.*
Professional services revenue, SEK m	445	565	-21%	969	1 150	-16%
Professional services margin	*4%*	*17%*	*-13 p.p.*	*8%*	*16%*	*-8 p.p.*
Hardware and other revenue, SEK m	203	244	-17%	374	464	-19%
Hardware and other margin	*18%*	*16%*	*2 p.p.*	*18%*	*17%*	*1 p.p.*
Operating profit, SEK m	-238	-208		-326	-283	
Earnings after financial items, SEK m	-241	-193		-333	-273	
Net earnings, SEK m	-349	-207		-433	-274	
EBITDA *	17	89		75	81	

* Earnings before interest, taxes, depreciation, amortization, restructuring costs and results from sale of subsidiaries

President's Message

Entering 2009 we knew that it was going to be a difficult year, where we executed a turnaround that saw a third of the staff exit the company and put a new strategy as well as a new management team in place – all during the worst economic conditions since the Great Depression. Accounting for several larger non-operational, non-commercial items such as goodwill impairment as well as higher depreciations and lower capitalization of product development costs – altogether affecting operating profit with SEK -106 m compared to 2008 – operating profit in fact showed improvement year-on-year.

But operationally the standout achievement is the continued growth in new license revenue and the 2009 year saw a total increase of 30% despite very difficult market conditions. This was a direct result of concentrating on the Distribution market. For IBS Enterprise, our most strategic product aimed specifically at this industry, new license sales grew even more at 49%. We saw the biggest overall progress in the Americas market, though the biggest single contract came from a European customer.

As a consequence of the strategic initiative in late 2008 to focus on high-value offerings and exits from markets with lower margins we now have a leaner, smaller and more specialized organization in 2009. This resulted in lower professional services and hardware revenues. However, looking at the productivity numbers we see an increase in revenue per employee of 26% and an increase of billing per consultant of 13%.

On the cost side the strategic initiative led to cost reductions that at the end of the year on a run-rate basis had stabilized at or better than initially announced.

In conclusion we have lowered run-rate costs to the promised level and at the same time quarter upon quarter see growth in the crucial heartbeat of the business – sales of new licenses. This was never going to be easy to accomplish and I would like to end my statement with a heartfelt thank you to the impressive will and drive to succeed that I find in all our staff. I feel that the necessary turnaround the company needed can now be called complete and we begin to build a new IBS on the fundamentally strong pillars of the old.

Mike Shinya, CEO

IBS Year-end report January – December 2009

Significant events during the second half of the year

- New license revenue was up 30% and the largest ever license revenue order of more than SEK 20 m was signed in December. This also meant that 3 of the 6 largest orders in history were signed during the year.
- Professional services and Hardware revenues down as expected and as a result of lower headcount.
- Productivity per employee and per consultant improved significantly thanks to focus on higher margin offerings
- Restructuring project completed, with average headcount 29% below same period last year and run-rate costs in line with what was announced in the Strategic Initiative on September 23, 2008
- Net earnings was negatively affected by goodwill impairment of SEK -131 m (-53) company taxes of SEK -14 m (1) and deferred tax of SEK -86 m (-3).
- IBS formed the new business division Iptor to focus on storage, infrastructure and content management solutions.
- The company and CFO Mark Williams agreed that Mark would leave his position as Group CFO.

Market Conditions

Market conditions remain difficult, particularly for new business. It is difficult to predict buying intentions, and decision cycles remain lengthy and subject to delays. We do see indications of customers considering current market conditions being stabilized rather than deteriorating further, However credit is still a concern for many businesses.

Financial Overview

Revenues
The second half-year showed an increase in software license revenue to SEK 240 m (220). New sales increased to SEK 98 m (83) and renewal revenue to SEK 142 m (137). For the full year new sales increased to SEK 195 m (150) and renewal revenue to SEK 281 m (269).

Revenue from professional services amounted to SEK 445 m (565) in the second half year. The reduction was due principally to fewer consultants employed after divestments of some smaller non-core businesses and staff reductions after focusing on strategic higher value offerings. For the full year, revenue from professional services amounted to SEK 969 m (1 150).

The second half-year hardware and other revenue dropped to SEK 203 m (244) amid generally depressed market conditions. For the full year this revenue was SEK 374 m (464).

Revenues have had a favorable exchange rate variance of 9% compared to last year.

Costs
The company has executed a restructuring project since September 2008, addressing both strategic alignment and the cost base. Non-core businesses were closed or divested. As a result of this, staff costs are approximately 33% below last year. Costs, also accounting for an exchange rate variance of approximately -7%, are significantly down on last year. During the second half year, this resulted in restructuring costs of SEK -52 m (-170) and the cash flow effect of this was SEK -53 m (-71). The remaining restructuring provision in the balance sheet amounted to SEK 97 m on December 31, 2009. The restructuring cost for the full year was SEK -128 m (-170) and the cash effect of this was SEK -174 m (-87).

Development costs during the second half year amounted to SEK -134 m (-97). Sales and marketing costs were SEK -113 m (-121). General and administrative costs continued down 23% to SEK -79 m (-103).

Development costs for the full year amounted to SEK -255 m (-207), sales and marketing costs amounted to SEK -219 m (-259) and general and administrative costs amounted to SEK -180 m (-236).

Profitability

The Group's overall gross profit margin in the second half year was 32% (32%). The profit margin for software licenses increased to 92% (90%) as a result of the increase in the proportion of IBS versus third party software. The professional services gross margin fell to 8% (16%), mainly due to larger allocation of general and administrative costs into the professional services business. Using the same definitions used in 2008 the professional services margin was 15% (16%). Profit margins for hardware and other revenues remained resilient at 18% (17%).

EBITDA was SEK 17 m (89) for the second half year. For the full year, EBITDA was SEK 75 m (81)

IBS' operating profit for the second half year amounted to SEK -238 m (-208), of which SEK -52 m (-170) arose from restructuring costs incurred in the period. Operating profit for the full year amounted to SEK -326 m (-283), including goodwill impairment of SEK -131 m (-53). Restructuring costs for the full year amounted to SEK -128 (-170) m. For the full year profitability was affected negatively by goodwill impairment, lower capitalization and higher depreciation of previous product development costs after completing the Windows product. Altogether these items account for a total of SEK 106 m lower operating profit compared to 2008.

Earnings after financial items amounted to SEK -241 m (-193) for the second half year and SEK -333 m (-272) for the full year.

Cash flow, equity and Investments

Cash and cash equivalents, including short-term investments, amounted to SEK 135 m (313) on December 31. In addition, there were unutilised credit facilities of SEK 45 m (248).

During the second half year, cash flow from operating activities amounted to SEK -44 m (48), after approximately SEK -53 m outflow on restructuring activities. Cash flow from investing activities amounted to SEK -37 m (-64). The Group's investments in equipment during the period amounted to SEK -4 m (-14) and investments in intangible assets amounted SEK -36 m (-56), mainly consisting of capitalised product development costs.

During the full year, cash flow from operating activities amounted to SEK -99 m (77), after approximately SEK -174 m outflow on restructuring activities related to the provisions made in the previous quarters and 2008. Cash flow from investing activities amounted to SEK -88 m (-110). The Group's investments in equipment during the year amounted to SEK -9 m (-16) and investments in intangible assets amounted SEK -82 m (-98), mainly consisting of capitalised product development costs.

As of December 31, the Group's equity amounted to SEK 644 m (1 065) and the equity/assets ratio was 41% (51%). Liquidity amounted to 100% (121%).

The Group had interest-bearing loans totalling SEK 121 m (107) on December 31. Excluding debts to leasing companies, the corresponding figure was SEK 93 (75).

Goodwill

At December 31, the Group performed a full goodwill impairment test. This impairment test has resulted in the recording of a non-cash impairment charge of SEK -131 m (-53) relating to goodwill and acquired intangible assets held by the divested business related to the products e42 and ECP as well as operations in Portugal, France and Italy where the test showed that recoverable values were less than carrying amounts at the close of 2009. Management foresee a negative change in the forecasts for operating profit for these units and less growth in critical factors such as market share, volume growth and utilization than what was expected.

As at December 31, the goodwill was SEK 255 m (363).

Tax

Tax for the full year, as reported in the consolidated income statement, amounted to SEK -101 m (-2) and consisted of SEK -14 m (1) in current tax expenses and SEK -86 m (-3) in deferred tax expenses. Tax paid during this period amounted to SEK 6 m (-12).
At December 31, the Group performed a review of Group's tax losses carry forward. It is uncertain that tax losses carry forward will be utilized against foreseeable profits in Portugal, France and Italy. Therefore deferred

tax assets relating to the unutilized losses have been fully impaired for these units. In addition, the deferred tax asset in Sweden has been impaired in part to reflect the uncertainty in the utilization of these losses in the foreseeable future. The assessment is that it will be possible to utilize the Groups remaining deferred tax asset at December 31 of SEK 56 m(142) against future profits. The write-down in 2009 was SEK -76 m (-26 m).

Currency
IBS' economic exposure to foreign currency is limited to the extent that operating subsidiaries have an approximate balance in revenue and expenses in the same currency. Compared to the full year 2008 currency exchange rate effects have had an effect of increasing revenues by approximately 9% and costs by approximately 7%. During the year an exchange charge of SEK -2 m (6) was incurred.

Other Information

Personnel
The number of employees on December 31 was 1 114 (1 377), a decrease of 263 employees or 19% compared with last year. The number of consultants was 677 (899). The decrease in consultants and other staff was a result of the strategic initiative launched September 23, 2008.

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 Financing 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.

New accounting principles
IBS reviewed the revenue recognition principle for the transaction of renewal license fees in the US subsidiary. The new principle is assessed to better reflect the economical content of the transaction. The renewal license revenues are according to new principle, deferred upon receipt and then amortized over the life of the renewal period of 12 months. The effect of the change in principle is shown in the equity specification and previous years in the report are restated according to the new principle.

Annual General Meeting
The Board of Directors invites shareholders to the Annual General Meeting, which will be held at 3 p.m. on 6 May 2010 in Stockholm. The exact location will be announced in the notice to the AGM which will be published at the beginning of April.

Dividend
No dividend is proposed for the 2009 fiscal year.

Reporting dates
- The 2009 Annual Report will be published 22 April, 2010.
- The half-year report for 2010 will be published July 20, 2010.
- The year-end report for 2010 will be published in February 2011

Parent Company
The Parent Company, IBS AB, has 20 (25) employees and the overall management responsibility for the Group. The Parent Company's total revenue for the year amounted to SEK 92 m (98) and earnings after financial items amounted to SEK -325 m (-39). Earnings include write-down of shares in subsidiaries SEK -174 m (-75) and loss from internal subsidiary sale to the subsidiary Iptor Holding AB amounting to SEK -13 m (0). The Parent Company has not received dividends from subsidiaries during 2009 (last year

SEK 93 m). Investments in tangible and intangible assets amounted to SEK 80 m (87). Cash and cash equivalents at the end of the period amounted to SEK 40 m (192).

Stock option program
On 15 January 2009, an Extraordinary General Meeting was held which resolved to adopt stock option based incentive programs for the Board of Directors, the CEO and certain senior executives and key employees. It also resolved to issue a maximum of 11 518 500 warrants, of which not more than 2 667 012 warrants may be used for covering social security charges, to cover these programs. During the period, 1 711 250 options were allocated.

Related party transactions
No related party transactions were performed during the period.

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. For more information about IBS' risks and uncertainty factors, please read the 2008 annual report pp 12-13 and note 21 pp 39-41.

Events after the close of the period
On January 15, the company announced the appointment of new interim CFO Fredrik Sandelin who will take up his position in March 2010. On February 8, the company announced divestment of assets associated with the products e42 and ECP specifically for the car dealership industry. Employee representative Ann-Mari Öhman left the Board of Directors on January 29 and was replaced by Ulf Eriksson.

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Solna, February 18, 2010

On behalf of the Board of Directors:
Mike Shinya, President and CEO

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Consolidated income statement

SEK million

	2009 July-Dec	2008 July-Dec	09/08 %	2009 Full Year	2008 Full Year	09/08 %	2007 Full Year
Revenue							
Software licenses	240,3	219,5	9%	476,2	419,3	14%	489,4
Professional services	444,9	564,6	-21%	968,8	1 150,4	-16%	1 186,3
Hardware and other revenue	203,0	244,1	-17%	374,2	464,1	-19%	583,6
Total revenue	**888,2**	**1 028,2**	**-14%**	**1 819,2**	**2 033,8**	**-11%**	**2 259,3**
Cost of revenue							
Software licenses	-23,5	-19,4	21%	-38,9	-43,1	-10%	-38,2
Professional services	-427,1	-467,0	-9%	-889,1	-963,5	-8%	-949,5
Hardware and other costs	-166,1	-205,0	-19%	-306,4	-383,5	-20%	-478,2
Total cost of revenue	**-616,7**	**-691,4**	**-11%**	**-1 234,4**	**-1 390,1**	**-11%**	**-1 465,9**
Gross profit	**271,5**	**336,8**	**-19%**	**584,8**	**643,7**	**-9%**	**793,4**
Product development costs	-134,3	-96,6	39%	-254,7	-207,0	23%	-196,2
Sales and marketing costs	-113,2	-121,0	-6%	-218,7	-259,1	-16%	-275,2
General and administrative costs	-78,8	-102,5	-23%	-180,3	-235,6	-23%	-282,1
Other operating income/costs *	-131,6	-54,7		-128,9	-55,7		-2,4
Restructuring cost	-51,8	-169,6		-127,9	-169,6		-
Operating profit	**-238,2**	**-207,6**		**-325,7**	**-283,3**		**37,5**
Financial items							
Financial income	1,4	18,9		3,0	23,7		9,8
Financial expenses	-3,9	-3,8		-9,8	-13,2		-20,6
Earnings after financial items	**-240,7**	**-192,5**		**-332,5**	**-272,8**		**26,7**
Tax	-108,4	-14,5		-100,9	-1,6		-30,5
Net earnings for the period	**-349,1**	**-207,0**		**-433,4**	**-274,4**		**-3,8**
Net earnings attributable to:							
Parent company shareholders	-349,1	-207,0		-433,4	-274,4		-3,8
Minority	0,0	0,0		0,0	0,0		0,0
Earnings per share (SEK)	-2,81	-1,67		-3,49	-2,63		-0,05
Earnings per share after dilution (SEK)	-2,81	-1,67		-3,49	-2,63		-0,05
Average number of shares (thousand)	124 271	124 271		124 271	104 185		84 399
Average number of shares after dilution (thousand)	124 271	124 271		124 271	104 185		84 399

* *Currency translation differences in operating receivables/liabilities, capital loss/gain from sale of operations and impairment of goodwill*

Consolidated statement of comprehensive income

SEK million

	2009 July-Dec	2008 July-Dec	2009 Full Year	2008 Full Year	2007 Full Year
Net earnings for the period	**-349,1**	**-207,0**	**-433,4**	**-274,4**	**-3,8**
Other comprehensive income					
Translation differences for the period	-2,1	9,9	11,9	1,9	12,2
Other comprehensive income for the period	**-2,1**	**9,9**	**11,9**	**1,9**	**12,2**
Total comprehensive income for the period	**-351,2**	**-197,1**	**-421,5**	**-272,5**	**8,4**
Total comprehensive income attributable to:					
Parent company shareholders	-351,2	-197,1	-421,5	-272,5	8,4
Minority	0,0	0,0	0,0	0,0	0,0

Outcome per quarter

SEK million	2007 Q1	2007 Q2	2007 Q3 [1)]	2007 Q4	2008 Q1	2008 Q2	2008 Q3 [2)]	2008 Q4 [3)]	2009 Q1 [4)]	2009 Q2 [5)]	2009 Q3 [6)]	2009 Q4 [7)]
Software licenses	105,3	106,9	98,4	178,8	87,6	112,2	86,3	133,2	90,2	145,7	94,4	145,9
Total revenue	544,0	534,0	473,6	707,7	486,6	519,0	418,9	609,3	450,9	480,1	361,4	526,8
Operating profit	-7,0	-18,7	3,6	59,6	-52,2	-23,5	-94,8	-112,8	-85,2	-2,3	-63,4	-174,8
Earnings after financial items	-5,9	-20,0	-0,9	53,5	-60,5	-19,8	-92,5	-100,0	-88,3	-3,5	-69,4	-171,3

[1)] *Operating profit includes capital loss from sale of operations amounting to SEK -3,5 m.*

[2)] *Operating profit includes impairment of goodwill amounting to SEK -52,8 m.*

[3)] *Operating profit includes restructuring costs amounting to SEK -169,6 m and loss from sale of subsidiaries amounting to SEK -8,5 m*

[4)] *Operating profit includes restructuring costs amounting to SEK -62,6 m.*

[5)] *Operating profit includes restructuring costs amounting to SEK -13,5 m.*

[6)] *Operating profit includes restructuring costs amounting to SEK -14,7 m.*

[7)] *Operating profit includes restructuring costs amounting to SEK -37,1 m, impairment of goodwill amounting to SEK -131,3 m and capital gain from sale of operations amounting to SEK 4,3 m.*

Reconciliation to EBITDA*

SEK million

	2009 July-Dec	2008 July-Dec	2009 Full year	2008 Full year	2007 Full year
Operating profit	**-238,2**	**-207,6**	**-325,7**	**-283,3**	**37,5**
Reversals					
Restructuring costs	51,8	169,6	127,9	169,6	-
Depreciation	14,6	19,0	31,8	37,0	40,8
Amortization	61,3	46,9	114,3	95,9	80,1
Impairment of goodwill	131,3	52,8	131,3	52,8	-
Loss/gain from sale of subsidiaries	-4,3	8,5	-4,3	8,5	3,5
EBITDA	**16,5**	**89,2**	**75,3**	**80,5**	**161,9**

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

Segment analysis Jan-Dec	Nordics		Europe		Americas		Asia Pacific		Parent company incl. group adjustments		Total	
SEK million	***2009***	***2008***	***2009***	***2008***	***2009***	***2008***	***2009***	***2008***	***2009***	***2008***	***2009***	***2008***
Revenue from external customers												
Software licences	117,9	119,1	246,0	211,8	50,8	37,5	61,6	50,7	0,0	0,2	476,3	419,3
Professional services	437,2	516,8	357,3	431,7	98,8	113,1	68,4	85,0	7,0	3,8	968,7	1 150,4
Hardware and other revenue	140,8	194,6	213,5	245,0	9,2	11,2	10,7	13,3	0,0	0,0	374,2	464,1
	695,9	830,5	816,8	888,5	158,8	161,8	140,7	149,0	7,0	4,0	1 819,2	2 033,8
Inter-segment revenue	23,0	42,5	37,7	55,6	12,7	15,7	9,1	14,9	-82,5	-128,7	0,0	0,0
Total revenue	718,9	873,0	854,5	944,1	171,5	177,5	149,8	163,9	-75,5	-124,7	1 819,2	2 033,8
Segment operating profit	**-7,4**	**100,6**	**84,6**	**41,4**	**8,8**	**25,6**	**6,4**	**10,5**	**-290,2**	**-291,8**	**-197,8**	**-113,7**
Unallocated expenses/restructuring cost	-34,3	-38,2	-74,6	-97,3	-3,9	-33,4	-2,9	-4,4	-12,2	3,7	-127,9	-169,6
Operating profit	**-41,7**	**62,4**	**10,0**	**-55,9**	**4,9**	**-7,8**	**3,5**	**6,1**	**-302,4**	**-288,1**	**-325,7**	**-283,3**

Segment analysis July-Dec	Nordics		Europe		Americas		Asia Pacific		Parent company incl. group adjustments		Total	
SEK million	***2009***	***2008***	***2009***	***2008***	***2009***	***2008***	***2009***	***2008***	***2008***	***2008***	***2009***	***2008***
Revenue from external customers												
Software licences	67,0	63,5	129,4	111,1	15,2	21,4	28,7	23,8	0,0	-0,3	240,3	219,5
Professional services	201,5	248,9	157,4	214,5	44,9	59,9	38,0	43,5	3,1	-2,2	444,9	564,6
Hardware and other revenue	89,1	107,0	108,1	123,8	3,6	5,6	2,2	7,7	0,0	0,0	203,0	244,1
	357,6	419,4	394,9	449,4	63,7	86,9	68,9	75,0	3,1	-2,5	888,2	1 028,2
Inter-segment revenue	15,0	18,6	14,7	30,2	1,8	10,2	2,4	7,4	-33,9	-66,4	0,0	0,0
Total revenue	372,6	438,0	409,6	479,6	65,5	97,1	71,3	82,4	-30,8	-68,9	888,2	1 028,2
Segment operating profit	**-49,2**	**62,1**	**43,8**	**41,6**	**-14,7**	**19,4**	**2,5**	**8,3**	**-168,8**	**-169,4**	**-186,4**	**-38,0**
Unallocated expenses/restructuring cost	-17,4	-38,2	-25,0	-97,3	-0,9	-33,4	-2,4	-4,4	-6,1	3,7	-51,8	-169,6
Operating profit	**-66,6**	**23,9**	**18,8**	**-55,7**	**-15,6**	**-14,0**	**0,1**	**3,9**	**-174,9**	**-165,7**	**-238,2**	**-207,6**

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 Dec	2008 31 Dec	2007 31 Dec
ASSETS			
Capitalized product development costs	337,7	357,9	352,8
Goodwill	254,5	363,3	419,1
Other intangible assets	16,8	27,5	29,4
Intangible assets	609,0	748,7	801,3
Tangible assets	67,0	87,1	93,1
Financial assets	9,8	11,2	12,7
Deferred tax receivables	56,0	142,3	139,6
Total fixed assets	**741,8**	**989,3**	**1 046,7**
Inventories	2,1	7,0	16,6
Accounts receivable	582,7	644,9	714,5
Tax receivables	9,4	33,7	17,7
Other receivables	89,9	122,8	160,5
Cash and cash equivalents	135,1	312,7	186,3
Total current assets	**819,2**	**1 121,1**	**1 095,6**
TOTAL ASSETS	**1 561,0**	**2 110,4**	**2 142,3**

	2009 31 Dec	2008 31 Dec	2007 31 Dec
EQUITY AND LIABILITIES			
Equity holders of the parent company	644,3	1 064,5	949,1
Minority interests	0,0	0,0	0,1
Total equity	**644,3**	**1 064,5**	**949,2**
Liabilities			
Liabilities to credit institutions	22,9	46,8	68,9
Deferred tax	4,9	4,2	6,7
Provisions	63,6	55,0	11,2
Other long-term liabilities	5,8	6,4	14,3
Total long-term liabilities	**97,2**	**112,4**	**101,1**
Liabilities to credit institutions	98,1	60,1	267,7
Provisions	48,4	106,5	51,1
Accounts payable	175,8	166,8	166,5
Income tax liability	2,3	5,5	4,9
Other current liabilities	494,9	594,6	601,8
Total short-term liabilities	**819,5**	**933,5**	**1 092,0**
Total liabilities	**916,7**	**1 045,9**	**1 193,1**
TOTAL EQUITY AND LIABILITIES	**1 561,0**	**2 110,4**	**2 142,3**

Change in Group equity

SEK million	2009 31 Dec	2008 31 Dec	2007 31 Dec
Opening balance 1 Jan	**1 064,5**	**949,2**	**953,2**
Effect of change in accounting principles	-	-	-6,9
Adjusted opening balance 1 Jan	**1 064,5**	**949,2**	**946,3**
Total comprehensive income for the period	-421,5	-272,5	8,4
Rights issue	-	408,1	-
Costs related to rights issue	-	-20,3	-
Options/own shares aquired	1,3	-	-5,5
Closing balance end of period	**644,3**	**1 064,5**	**949,2**
Equity attributable to:			
Eqity holders of the parent company	644,3	1 064,5	949,1
Minority interests	0,0	0,0	0,1

Pledged assets and contingent liabilities Group

SEK million	2009 31 Dec	2008 31 Dec	Change
Corporate mortgages	0,3	0,3	0,0
Pledged shares in subsidiaries	160,8	83,8	77,0
Assets charged with ownership reservation	49,9	113,7	-63,8
Contingent liabilities	8,8	12,4	-3,6

Pledged assets and contingent liabilities Parent company

SEK million	2009 31 Dec	2008 31 Dec	Change
Corporate mortgages	0,3	0,3	0,0
Pledged shares in subsidiaries	61,4	58,2	3,2
Guarantees, subsidiaries	35,1	49,6	-14,5

Consolidated cash flow analysis

SEK million

	2009 July-Dec	2008 July-Dec	2009 Full year	2008 Full year	2007 Full year
Operating activities					
Earnings after financial items	-240,7	-192,5	-332,5	-272,8	27,2
Adjustments to reconcile earnings after financial items to cash	207,9	218,4	221,5	264,3	85,7
Tax paid	4,1	-6,0	6,1	-12,2	-19,2
Cash flow from operating activities before changes in working capital	**-28,7**	**19,9**	**-104,9**	**-20,7**	**93,7**
Changes in working capital					
Inventories	3,0	3,6	4,9	10,0	-7,6
Operating assets	-172,7	-52,9	66,8	167,4	-26,5
Operating liabilities	154,0	77,4	-66,1	-80,2	30,6
Cash flow from operating activities	**-44,4**	**48,0**	**-99,3**	**76,5**	**90,2**
Investing activities					
Change, intangible assets	-35,7	-55,9	-81,8	-98,0	-139,1
Change, tangible assets	-4,2	-13,7	-8,9	-15,5	-31,7
Change, financial assets	0,5	-0,2	0,2	0,4	-3,1
Acquisition of subsidiaries	-	-	-	-2,0	-5,5
Disposal of subsidiaries	2,8	5,4	2,8	5,4	5,1
Cash flow from investing activities	**-36,6**	**-64,4**	**-87,7**	**-109,7**	**-174,3**
Financing activities					
Own shares aquired	-	-	-	-	-5,5
Net change, loans	25,5	-228,9	12,8	-247,1	-136,6
Cash flow from financing activities	**25,5**	**-8,8**	**12,8**	**140,0**	**-142,1**
Cash flow for the period	**-55,5**	**-25,2**	**-174,2**	**106,8**	**-226,2**
Cash and cash equivalents, beginning of period	**198,5**	**314,9**	**312,7**	**186,3**	**405,4**
Translation differences in cash and cash equivalents	-7,9	23,0	-3,4	19,6	7,1
Cash and cash equivalents, end of period	**135,1**	**312,7**	**135,1**	**312,7**	**186,3**

Key figures and data per share

Key figures	2009 July-Dec	2008 July-Dec	2009 Full year	2008 Full year	2007 Full year
Average number of employees	1 100	1 524	1 145	1 612	1 815
Revenue per employee (SEK thousand)	807	679	1 589	1 262	1 245
Value added per employee (SEK thousand)	199	213	566	534	720
Operating margin %	-26,8	-19,5	-17,9	-13,9	1,7
Capital turnover ratio	0,5	0,5	1,0	1,0	1,0
Return on total capital %	-14,2	-8,6	-17,6	-12,2	2,1
Return on capital employed %	-25,2	-14,0	-33,2	-21,0	3,5
Return on equity %	-42,3	-19,3	-50,7	-27,3	-0,4
Ratio of risk capital %	42	51	42	51	45
Liquidity %	100	121	100	121	100
Equity to total assets ratio %	41	50	41	50	44
Interest cost cover ratio	-59	-22	-32	-20	2
DSO (Days of sales outstanding)	82	77	76	68	66
Interest-bearing net debt	-14	-206	-14	-206	150
Key figures per share					
Earnings	-2,81	-1,67	-3,49	-2,63	-0,05
Earnings after dilution	-2,81	-1,67	-3,49	-2,63	-0,05
Adjusted equity	5,18	8,64	5,18	8,57	11,67
Adjusted equity after dilution	5,18	8,64	5,18	8,57	11,67
Cash flow from operating activities	-0,36	0,39	-0,80	0,73	1,07
Cash flow from operating activities after dilution	-0,36	0,39	-0,80	0,73	1,07
Share data					
Average number of shares (thousand)	124 271	124 271	124 271	104 185	84 399
Average number of shares after dilution (thousand)	124 271	124 271	124 271	104 185	84 399
Total no. of shares (thousand) *	124 271	124 271	124 271	124 271	81 304
Average share price	6,88	8,12	6,79	9,87	20,88

* Number of shares outstanding

Analysis

	July-Dec		Full year		
Analysis of the change in revenue between the years					
%	09/08	08/07	09/08	08/07	07/06
Volume increase (average no. of staff)	-23%	-14%	-25%	-9%	-1%
Acquisitions/disposals	-1%	-3%	-2%	-2%	-1%
Price and efficiency change	5%	1%	7%	0%	1%
Growth rate, internally influenced	**-19%**	**-16%**	**-20%**	**-11%**	**-1%**
Influence of exchange rate fluctuation	5%	3%	9%	1%	0%
Total growth rate	**-14%**	**-13%**	**-11%**	**-10%**	**-1%**

Gross profit per revenue stream					
SEK million	2009	2008	2009	2008	2007
Software licences	217	200	437	376	452
Professional services	18	97	80	187	237
Hardware and other revenue	37	39	67	80	105
Total	**271**	**336**	**585**	**644**	**794**

Gross margin in % per revenue stream					
%	2009	2008	2009	2008	2007
Software licences	90%	91%	92%	90%	92%
Professional services	4%	17%	8%	16%	20%
Hardware and other revenue	18%	16%	18%	17%	18%
Total	**31%**	**33%**	**32%**	**32%**	**35%**

Type of revenue in % of total revenue					
%	2009	2008	2009	2008	2007
Software licences	27%	21%	26%	21%	22%
Professional services	50%	55%	53%	57%	52%
Hardware and other revenue	23%	24%	21%	23%	26%
Total	**100%**	**100%**	**100%**	**100%**	**100%**

Operating costs in % of revenue					
%	2009	2008	2009	2008	2007
Product development costs	15%	9%	14%	10%	9%
Sales and marketing costs	13%	12%	12%	13%	12%
General and administrative costs	9%	10%	10%	12%	12%
Total	**37%**	**31%**	**37%**	**36%**	**33%**

Depreciation					
SEK million	2009	2008	2009	2008	2007
Goodwill impairment	-131	-53	-131	-53	-
Capitalized product development costs	-48	-42	-95	-85	-69
Other fixed assets	-28	-24	-51	-48	-52
Total	**-207**	**-119**	**-277**	**-186**	**-121**

Parent company income statement

SEK million

	2009 July-Dec	2008 July-Dec	%	2009 Full year	2008 Full year	%	2007 Full year
Revenue							
Software licenses	5,0	7,0	-29%	5,5	7,8	-29%	8,0
Professional services	3,3	2,8	18%	7,0	7,0	0%	6,9
Other income	32,5	62,9	-48%	79,0	83,1	-5%	114,6
Total revenue	**40,8**	**72,7**	**-44%**	**91,5**	**97,9**	**-7%**	**129,5**
Cost of revenue							
Software licenses	-6,7	-6,5	3%	-6,8	-6,9	-1%	-5,6
Professional services	-1,7	-1,5	13%	-3,4	-4,0	-15%	-3,6
Other costs	0,0	0,4	-100%	0,0	0,0	0%	0,0
Total cost of revenue	**-8,4**	**-7,6**	**11%**	**-10,2**	**-10,9**	**-6%**	**-9,2**
Gross profit	**32,4**	**65,1**	**-50%**	**81,3**	**87,0**	**-7%**	**120,3**
Product development costs	-44,3	-33,2	33%	-86,0	-65,9	31%	-47,8
Sales and marketing costs	0,0	0,0		0,0	0,0		-10,0
General and administrative costs	-85,0	-38,0	124%	-126,4	-74,0	71%	-62,7
Other operating income/costs *	-2,9	9,5	-131%	7,1	9,2	-23%	3,0
Restructuring cost	-6,3	-15,2	-59%	-16,6	-15,2	9%	-1,7
Operating profit	**-106,1**	**-11,8**		**-140,6**	**-58,9**		**1,1**
Financial items							
Financial income	4,1	17,3	-76%	12,2	28,7	-57%	19,3
Financial expenses	-1,9	-9,2	-79%	-3,2	-19,2	-83%	-17,7
Result from participations in subsidiaries	-193,5	-53,5		-193,5	10,9		-18,1
Earnings after financial items	**-297,4**	**-57,2**		**-325,1**	**-38,5**		**-15,4**
Transfers from untaxed reserves	0,0	1,6		0,0	1,6		2,0
Profit before tax	**-297,4**	**-55,6**		**-325,1**	**-36,9**		**-13,4**
Tax	-45,4	-2,4		-46,3	11,3		-9,7
Net profit for the period	**-342,8**	**-58,0**		**-371,4**	**-25,6**		**-23,1**

* *Currency transalation differences in operating receivables/liabilities*

Parent company balance sheet

SEK million

	2009 31 Dec	2008 31 Dec	2007 31 Dec
Assets			
Capitalized product development costs	320,8	328,3	310,3
Acquired software rights	1,0	1,5	2,7
Intangible assets	321,8	329,8	313,0
Tangible assets	4,4	5,1	3,6
Receivables from subsidiaries	144,9	132,2	174,0
Deferred tax receivables	0,8	45,6	33,2
Participation in subsidiaries	341,7	439,3	451,4
Financial investments	0,0	0,0	3,7
Total fixed assets	**813,6**	**952,0**	**978,9**
Inventory	**1,1**	**4,7**	**7,1**
Accounts receivables	1,7	3,2	4,4
Tax receivables	1,8	1,2	2,8
Receivables from subsidiaries	219,1	210,6	168,0
Other receivables	26,1	6,4	15,2
Current receivables	**248,7**	**221,4**	**190,4**
Cash and cash equivalents	**39,8**	**191,7**	**57,2**
Total current assets	**289,6**	**417,8**	**254,7**
TOTAL ASSETS	**1 103,2**	**1 369,8**	**1 233,6**

	2009 31 Dec	2008 31 Dec	2007 31 Dec
EQUITY AND LIBILITIES			
Restricted equity			
Share capital	25,3	25,3	16,7
Statutory reserve	318,7	318,7	318,7
	344,0	344,0	335,4
Non-restricted equity			
Share premium reserve	429,4	429,4	29,8
Translation reserve (fair value fund)	24,8	0,5	6,6
Retained earnings	410,0	434,9	478,3
Net profit for the period	-371,4	-25,6	-23,1
	492,8	839,2	491,6
Equity	**836,8**	**1 183,2**	**827,0**
Untaxed reserves	**0,4**	**0,4**	**2,0**
Liabilities			
Liabilities to credit institutions	5,2	26,0	46,9
Other liabilities	0,0	0,0	6,7
Long-term liabilities	**5,2**	**26,0**	**53,6**
Liabilities to credit institutions	67,2	20,8	235,4
Provisions	5,0	8,6	0,0
Accounts payable	7,6	13,3	15,5
Current liabilities to subsidiaries	157,1	83,5	81,1
Other current liabilities	23,9	34,0	19,0
Short-term libilities	**260,8**	**160,2**	**351,0**
Total liabilities	**266,0**	**186,2**	**404,6**
TOTAL EQUITY AND LIABILITIES	**1 103,2**	**1 369,8**	**1 233,6**