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INTERIM REPORT **Q3** 2011

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FINANCIAL AND OPERATIONAL HIGHLIGHTS

STRONG GROWTH IN PRODUCT REVENUE

JULY-SEPTEMBER 2011 (THIRD QUARTER)

- ➔ License revenue amounted to SKr 98 million (Q3 '10: SKr 99 million), an improvement of 5 percent currency adjusted.
- ➔ Maintenance revenue was SKr 208 million (Q3 '10: SKr 201 million), an increase by 8 percent currency adjusted.
- ➔ Consulting revenue amounted to SKr 288 million (Q3 '10: SKr 309 million), a decrease by 4 percent currency adjusted.
- ➔ Net revenue was SKr 596 million (Q3 '10: SKr 612 million), an improvement of 1 percent currency adjusted.
- ➔ EBIT amounted to SKr 45 million (Q3 '10: SKr 39 million). Cash flow after investments was SKr 33 million (Q3 '10: SKr -2 million).
- ➔ Earnings per share after full dilution amounted to SKr 1.26 (Q3 '10: SKr 1.00).

FINANCIAL AND OPERATIONAL HIGHLIGHTS

STRONG GROWTH IN PRODUCT REVENUE

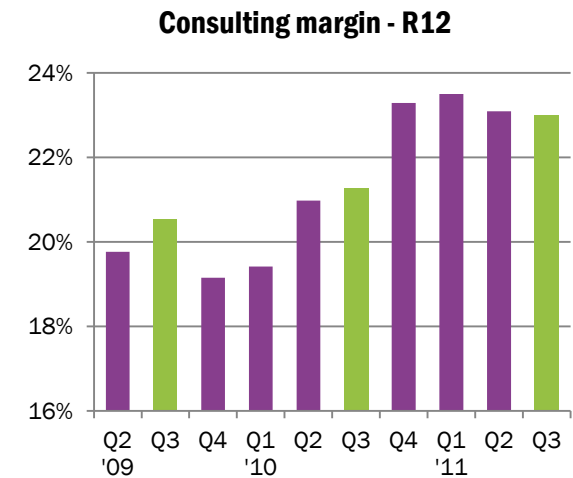
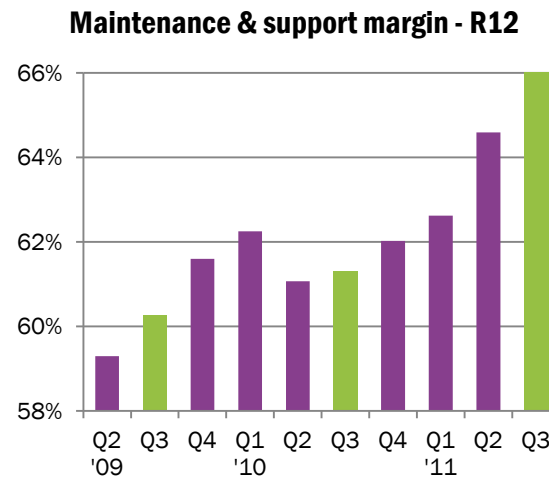
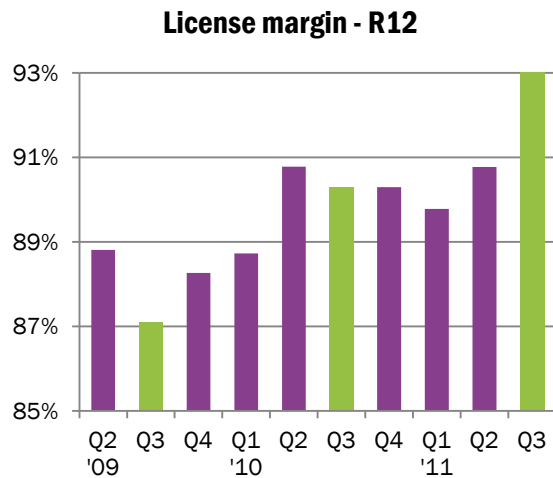
JANUARY–SEPTEMBER 2011 (NINE MONTHS)

- ➔ License revenue amounted to SKr 265 million (YTD '10: SKr 267 million), an improvement of 7 percent currency adjusted.
- ➔ Maintenance revenue was SKr 603 million (YTD '10: SKr 605 million), an increase by 6 percent currency adjusted.
- ➔ Consulting revenue amounted to SKr 956 million (YTD '10: SKr 974 million), an improvement of 4 percent currency adjusted.
- ➔ Net revenue was SKr 1,831 million (YTD '10: SKr 1,856 million), an increase by 5 percent currency adjusted.
- ➔ EBIT amounted to SKr 107 million (YTD '10: SKr 111 million). Cash flow after investments was SKr 76 million (YTD '10: SKr 164 million).
- ➔ Earnings per share after full dilution amounted to SKr 2.67 (YTD '10: SKr 2.44).

COMMENTARY ON Q3 2011

MARGINS

- ➔ Key performance indicators are steadily improving on a twelve-month basis.
- ➔ Quarterly variances to be expected due to seasonality and 'lumpy' timing.



CURRENCY

- ➔ Currency effects this year expected to have the same negative impact on IFS's consolidated numbers but would not affect competitiveness.

MARKET AND PRODUCT UPDATE

THIRD QUARTER 2011

GLOBAL ECONOMY

- ➔ 'Patchy' world economy showing varying levels of activity.
- ➔ Economic uncertainty surfaced during Q3. Analyst firms Forrester and Gartner forecast growth for the whole year to be 5–10 percent.

IFS ONE OF THE WORLD'S MAJOR EAM VENDORS






IFS was identified as one of the world's major vendors within three different enterprise asset management (EAM) fields by ARC Advisory Group. The group placed IFS as the single largest vendor within aerospace and defense, the 2nd largest within the oil and gas industry and the 3rd within power generation. The combined rankings make IFS the third largest EAM software vendor globally.

IFS RECEIVES TWO PRESTIGIOUS AWARDS



- ➔ IFS Defence received a Certificate of Commendation by the Chief of Defence Material (CDM) for its work with the UK Royal Navy.
- ➔ IFS was awarded the prestigious Frost & Sullivan Customer Value Enhancement Award in the enterprise asset management (EAM) segment.

CUSTOMER WINS IN Q1



AEROSPACE AND DEFENSE

-  Alitalia Maintenance Systems
-  Celebi Ground Handling Hungary Kft.
-  Klimov
-  Lockheed Martin
-  U.S. Army - Army Material Command (AMC)



AUTOMOTIVE

-  TRI Poland
-  UzDongYang JV

CONSTRUCTION AND CONTRACTING

-  Brookfield Corporate Operations LP
-  Taiwan Railway Administration



ENERGY AND UTILITIES

-  Eltur Wapore Sp. z o.o.
-  Energa Elektrownie Ostrołęka SA

HIGH TECH



-  Kendrion
-  Kitron ASA

INDUSTRIAL MANUFACTURING

-  Camfil Farr Power Systems
-  COM.40 Limited Sp. z o.o.

-  D Samson & Sons Limited
-  Ensival Moret
-  Greens Holdings
-  Halopolymer
-  Lymington Precision Engineering
-  Inno-Comp Kft.
-  Marmon Retail Services Asia-Leader
-  Pellenc
-  Ponsse Oyj





OIL AND GAS

-  Bergen Group Rosenberg
-  Rockfin Group Sp. z o.o.

RETAIL AND WHOLESALE

-  Neoteric Informatique Pvt. Ltd.

SERVICE PROVIDERS




-  Bhilai Engineering Corporation Limited
-  Honeywell Life Safety AS
-  Oslo Airport
-  Static Systems Group

OTHER

-  Silverbridge Software Solutions

CUSTOMER WINS IN Q2






AEROSPACE AND DEFENSE

-  Lockheed Martin
-  SEAKR Engineering
-  a major ship-building company



ASSET-INTENSIVE INDUSTRIES

-  Visy Pulp and Paper







AUTOMOTIVE






-  Burg Silvergreen GmbH
-  Changui Group
-  Linamar Corporation
-  Sumitomo Rubber (Japan) Co., Ltd.
-  Tokai Rubber Industries, Ltd.
-  Toyo Denki Seizo K.K.
-  Volvo Car Dealers Sweden

CONSTRUCTION AND CONTRACTING



-  BSBK Engineers Pvt. Ltd.
-  Smit Nederland BV

ENERGY AND UTILITIES



-  APTransco (Transmission corp. of Andhra Pradesh)
-  Auro Mira Bio Power India Pvt. Ltd.
-  Eesti Energia
-  Integrated Water Services
-  MPWiK w m.st. Warszawie S.A.
-  O&M Energy Uganda Ltd (Gas Natural Fenosa)

-  PKE, Południowy Koncern Energetyczny S.A.
-  TCIL (Telecommunications Consultants India Ltd)
-  Torresol Energy
-  Umeå Energi
-  VA Tech Wabag

HIGH TECH

-  Beijer Electronics
-  CSP Computers

INDUSTRIAL MANUFACTURING

-  Automated Packaging Systems, Inc.
-  Bergene Holm AS
-  Ceramika Paradyz Group
-  Kuusakoski Oy
-  LPKF Laser & Electronics AG
-  PRT-Forest Oy
-  Samson AG Mess- und Regeltechnik
-  Samson Rubber Industries Limited
-  Stera Technologies Oy
-  TA Hydronics

OIL AND GAS




-  Semco Maritime

RETAIL

-  Singer

CUSTOMER WINS IN Q3





AEROSPACE AND DEFENSE

-  Lockheed Martin
-  SEAKR Engineering
-  TLT-Babcock





AUTOMOTIVE

-  Linamar Corporation





BATCH MANUFACTURING






-  Akbar Brothers Pvt Ltd
-  Konimpex Sp. z o.o
-  Premiere Products
-  Richardson International Limited

CONSTRUCTION AND CONTRACTING

-  Alliance Contracting Pty Ltd
-  Bhilai Engineering Corporation Limited
-  Stocznia Gdańsk S.A
-  Szabadics Közmű és Mélyépítő Zrt

ENERGY AND UTILITIES



-  AS Latvenergo
-  Calsonic Kansei (China) Holding Co
-  Communications Systems Inc
-  Guo Tou Yi Li Energy Development Co., Ltd

-  ITT
-  TCIL (Telecommunications Consultants India Ltd)
-  VA Tech Wabag
-  Yoigo
-  Yun Nan Lan Cang River Hydroelectric Power

HIGH TECH

-  Mediq Sweden AB


INDUSTRIAL MANUFACTURING

-  Specma Hydraulic AB
-  Vishva Vishal Engineering Limited







OIL AND GAS

-  Midco Limited

RETAIL

-  Singer

SERVICE PROVIDERS

-  EDB ErgoGroup ASA
-  Future FM Zrt
-  MicroSeismic Inc
-  Synergy Health plc
-  York Telecom
-  European marketing communications group

BUSINESS AND STRATEGY UPDATE

THE INTELLIGENT ALTERNATIVE CHOICE

IFS WILL CONTINUE TO SUCCEED BECAUSE:

- ➔ Implementation time is critical for customers with international operations; IFS's component architecture and worldwide implementation support can reduce this.
- ➔ IFS is targeting growing markets that are less exposed to the recent fluctuations in the world economy.
- ➔ Through close cooperation with our customers, IFS can offer differentiating industry solutions; we listen and respond rather than dominate and dictate.
- ➔ IFS's agile open-technology platform enables customers to benefit from new IT developments rather than causing restrictive customer lock-in.

IFS WILL CONTINUE TO GROW THROUGH:

- ➔ cash-generating organic growth and
- ➔ targeted acquisitions on profitable terms and conditions.

FINANCIAL TARGETS

IFS's board of directors has set long-term targets for growth, profitability, and financial leverage, and a policy for dividends and share repurchase.

- ➔ Grow product revenue (licenses, maintenance, and support) through organic growth and acquisitions.
- ➔ Improve the EBIT margin to 15% and achieve a return of 25% on average operating capital.
- ➔ Increase dividends to 50% of earnings after tax.
- ➔ Use additional surplus capital, which is not required for investments, expansion, and other needs relating to the financial position of the group, to repurchase shares.



FINANCIAL OVERVIEW

GROUP	JULY-SEPTEMBER (Q3)		JANUARY-SEPTEMBER		FULL YEAR
	2011	2010	2011	2010	2010
SKr million					
Net revenue	596	612	1 831	1 856	2 585
of which Licenses	98	99	265	267	402
Maintenance and support	208	201	603	605	811
Consulting	288	309	956	974	1 357
Gross earnings	288	275	845	818	1 188
of which Licenses	91	84	243	235	363
Maintenance and support	144	129	406	376	503
Consulting	54	60	195	203	316
EBIT	45	39	107	111	221
EBIT margin	8%	6%	6%	6%	9%
Earnings before tax	44	33	96	88	189
Earnings for the period	33	26	70	65	134
Cash flow after investments	33	-2	76	164	234

CASH FLOW

GROUP	JANUARY-SEPTEMBER	
	2011	2010
SKr million		
Cash flow before change in working capital	241	206
Change in working capital	-17	89
Cash flow from current operations	224	295
Cash flow from investments	-148	-131
Cash flow after investments	76	164
Cash flow from financing	-191	-130
Cash flow for the period	-115	34
Cash and cash equivalents at the beginning of period	445	355
Exchange rate differences in cash and cash equivalents	3	-12
Cash and cash equivalents at the end of the period	333	377

OUTLOOK



**IFS EXPECTS
GOOD ORGANIC GROWTH IN 2011,
WITH STRONGER LICENSE SALES
AND AN IMPROVEMENT IN EBIT.**



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