



www.IFSWORLD.com



YEAR-END REPORT 2009

FEBRUARY 8, 2010

FINANCIAL AND OPERATIONAL HIGHLIGHTS

STRONG EARNINGS AND CASH FLOW IN Q4

OCTOBER–DECEMBER 2009 (FOURTH QUARTER)

- Net revenue increased to SKr 750 million (Q4 '08: SKr 744 million).
- EBIT improved to SKr 116 million (Q4 '08: SKr 105 million).
- Strong execution in license sales, with license revenue up 21% to SKr 176 million (Q4 '08 SKr 145 million).
- Cash flow after investments was SKr 96 million (Q4 '08: SKr 25 million).

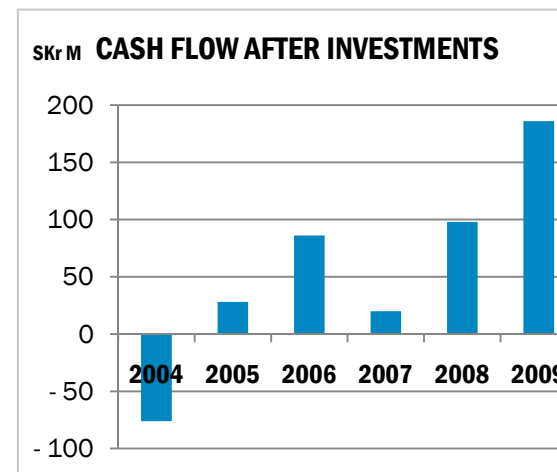
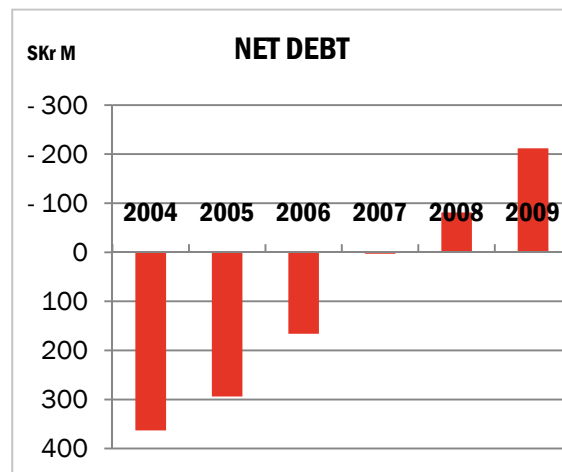
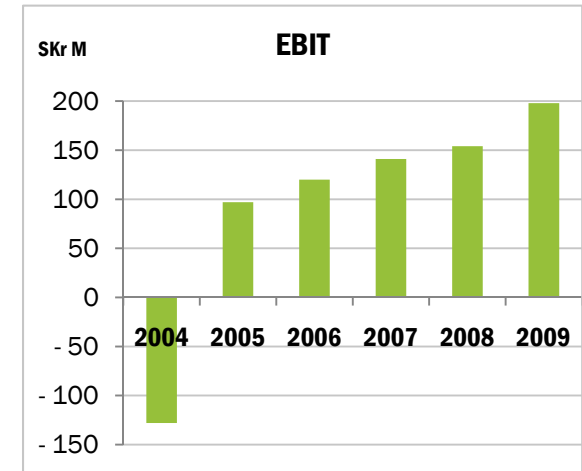
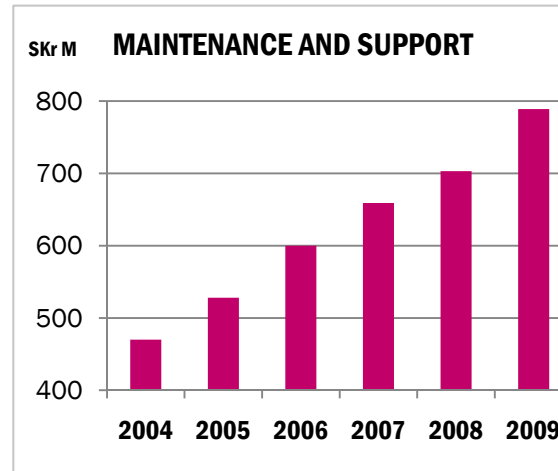
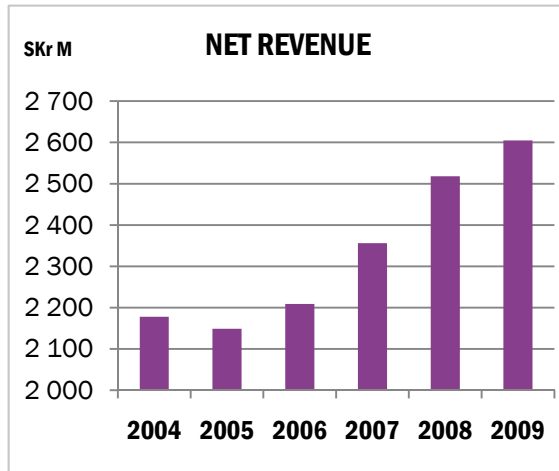
FINANCIAL AND OPERATIONAL HIGHLIGHTS

STRONG PERFORMANCE IN A DIFFICULT YEAR

JANUARY-DECEMBER 2009 (FULL YEAR)

- Net revenue improved to SKr 2,605 million (2008: SKr 2,518 million).
- Product revenue increased to SKr 1,215 million (2008: SKr 1,182 million).
- EBIT amounted to SKr 198 million (2008: SKr 154 million).
- Cash flow after investments improved to SKr 186 million (2008: SKr 98 million).
- Earnings per share after full dilution amounted to SKr 4.57 (2008: SKr 3.51), an increase of 30%.
- Proposed dividend for 2009 of SKr 2.00 per share (2008: SKr 1.25).

STEADY IMPROVEMENT TOWARDS GOALS





TARGETS

FINANCIAL STRATEGY

IFS's board of directors has established long-term targets for growth, profitability, and financial leverage, and a policy for dividends and share repurchase, to be reached within four years.

IFS aims to:

- ➔ Grow product revenue (licenses, maintenance, and support) to SKr 2.2 billion through organic growth and acquisitions.
- ➔ Gradually improve the EBIT margin to 15% and a return of 25% on average operating capital at the end of the period.
- ➔ Over time 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

SKr million	4TH QUARTER		FULL YEAR	
	2009	2008	2009	2008
Net revenue	750	744	2 605	2 518
of which				
License revenue	176	145	426	479
Maintenance and support revenue	204	200	789	703
Consulting revenue	366	391	1 373	1 310
Gross earnings	368	350	1 131	1 106
of which				
Licenses	165	133	376	440
Maintenance and support	120	107	486	400
Consulting	82	106	263	248
EBIT	116	105	198	154
EBIT margin	15%	14%	8%	6%
Earnings before tax	118	115	168	161
Earnings for the period	90	64	123	95
Cash flow after investments	96	25	186	98

CASH FLOW

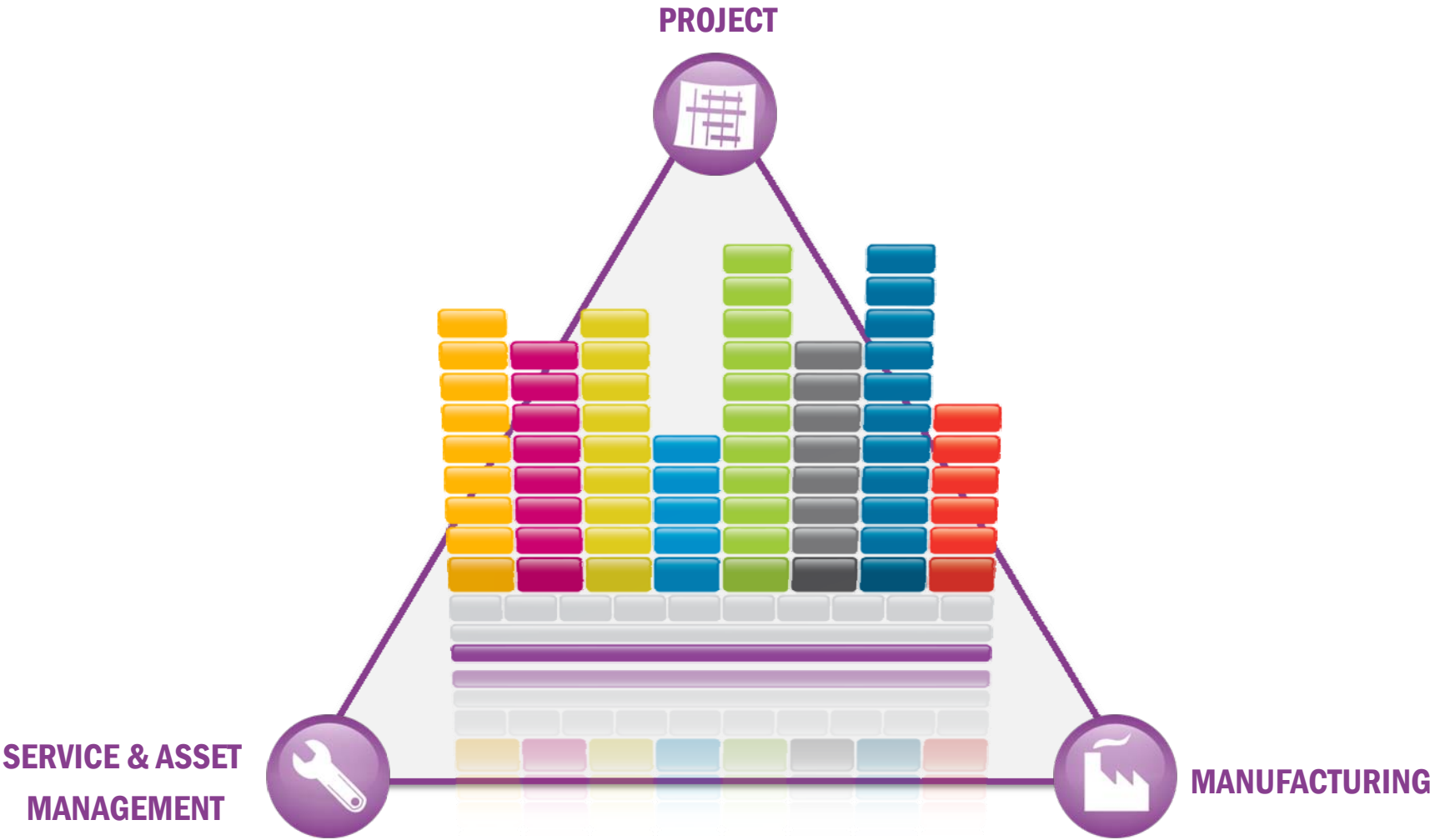
SKr million	FULL YEAR	
	2009	2008
Cash flow before change in working capital	345	317
Change in working capital	53	-75
Cash flow from current operations	398	242
Cash flow from investments	-212	-144
Cash flow after investments	186	98
Cash flow from financing	-146	-47
Cash flow for the period	40	51
Cash and cash equivalents at the beginning of period	317	254
Exchange rate differences in cash and cash equivalents	-2	12
Cash and cash equivalents at the end of the period	355	317

CLIENT WINS IN THE FOURTH QUARTER

DEALS CLOSED IN IFS TARGET SECTORS

- Lockheed Martin (aviation & defense, USA)
- MSI Defence (aviation & defense, UK)
- M7 Aerospace (aviation & defense, USA)
- Ball Aerospace & Technologies Corp (aviation & defense, USA)
- Stahlwille (manufacturing, Germany)
- Deere & Company (manufacturing, Sweden and USA)
- Ineos Technologies (chemicals manufacturing, UK)
- Armatury Group (industrial manufacturing, Czech Republic)
- Ceramika Paradyz Group (manufacturing, Poland)
- Wuhan Metro Group Co (rail & transit, China)
- Toronto Transit Commission (rail & transit, Canada)
- Abnormal Load Engineering (offshore & infrastructure, UK)
- Seawell (oil & gas, Norway)
- Samson AG Mess- und Regeltechnik (engineering & automation, Germany)
- Hama (wholesale distribution, Germany)
- European field service company, \$1.75m license and maintenance contract
- PTK Centertel (telecom, Poland)
- MTN Zambia Limited (telecom, Zambia)
- Yoigo (telecom, Spain)
- European telecommunications company, \$4.75m license and maintenance contract
- Kozienice Power Plant (utilities, Poland)
- New Zealand utility company

CORE-PROCESS FOCUS



CAPABILITY FOOTPRINT



SOLUTIONS

- **Project-based solution**
- **Supply chain management**
- **Service management**
- **Asset management**
- **Manufacturing**
- **MRO**

THEMES

- **One product**
- **Sustainability**
- **User experience**
- **Mobility**
- **Collaboration in context**
- **Open standards based**

ECONOMIC DRIVERS

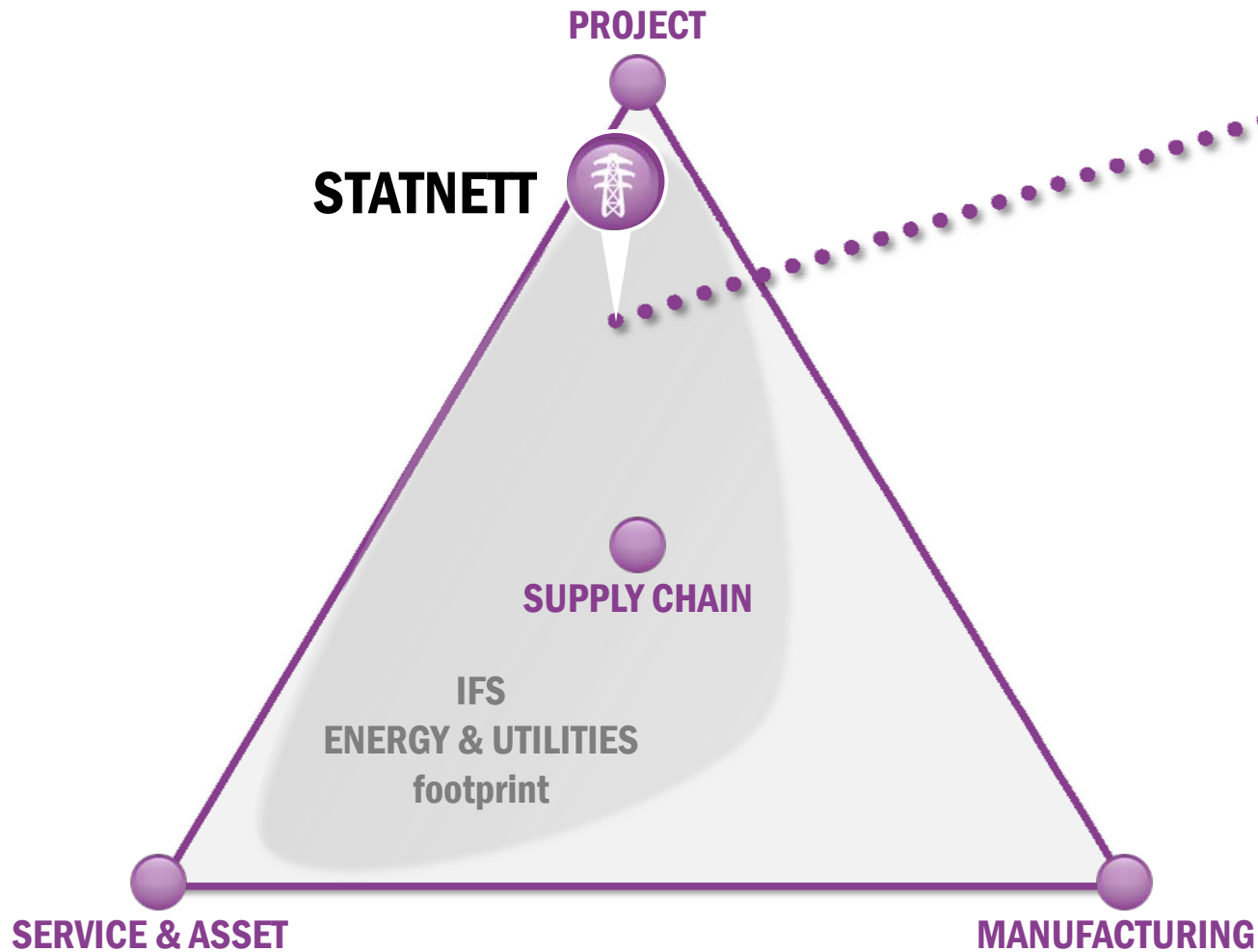
- **Global market**
- **Emerging economies**
- **Supply of scarce resources**
- **Energy needs**
- **Climate change**
- **Defense & security**





CORE-PROCESS FOCUS – INDUSTRY SUPPORT

ENERGY & UTILITIES, MAPPING CUSTOMERS



TAGS: Utilities, Transmission, Project, Based Solutions, EAM, Norway

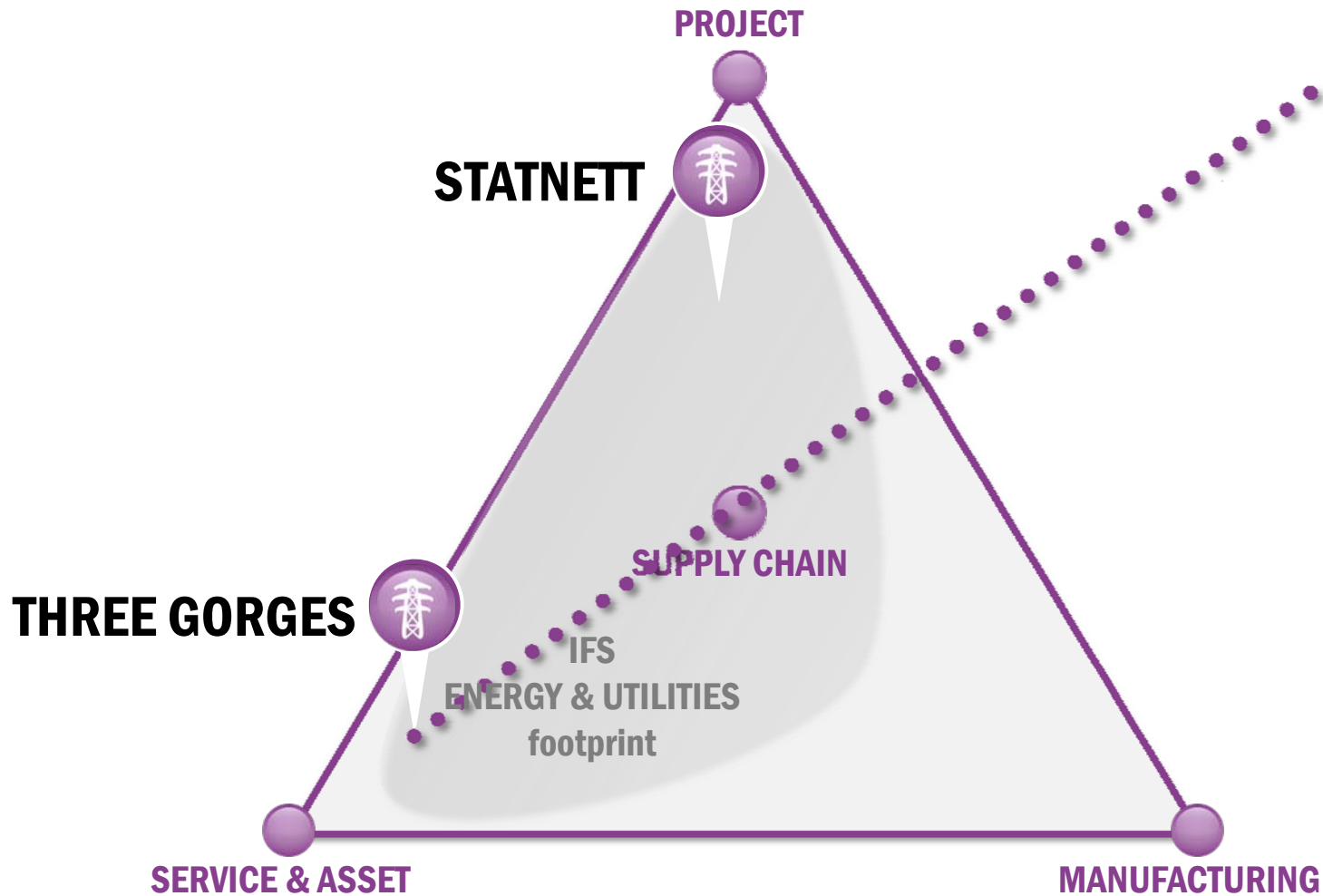
STATNETT

Government-owned Statnett owns key sections of the Norwegian transmission system for power and ensures that consumption and production are in balance at all times.



CORE-PROCESS FOCUS – INDUSTRY SUPPORT

ENERGY & UTILITIES, MAPPING CUSTOMERS



TAGS: Utilities, Hydro Power, Power Generation, Financials, EAM, Service Management, China

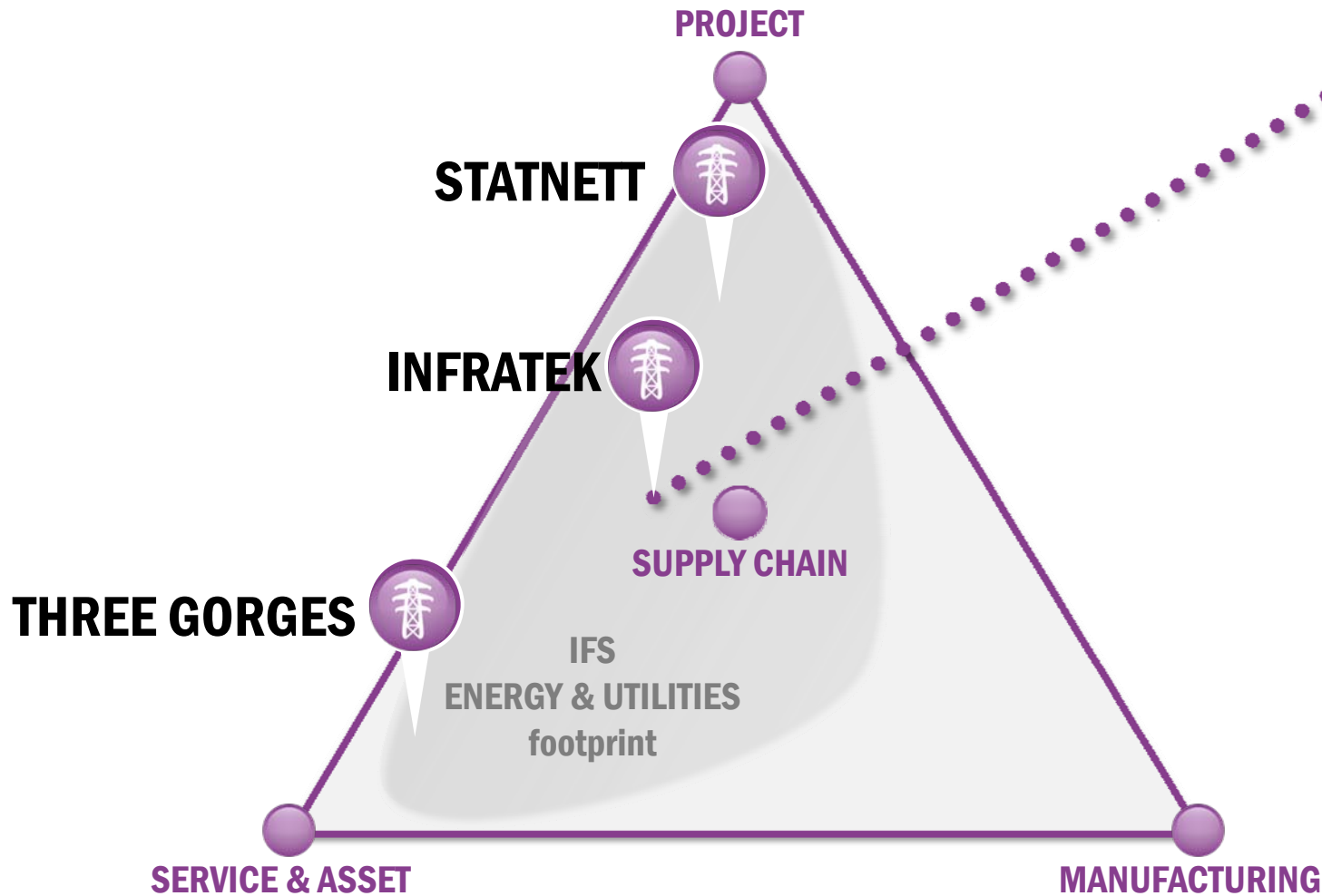
THREE GORGES

is the largest water conservation project in the world. It is located on the Yangtze River in Hubei province, central China.



CORE-PROCESS FOCUS – INDUSTRY SUPPORT

ENERGY & UTILITIES, MAPPING CUSTOMERS



TAGS: Facility Management, EAM, Service Management, Project, Sweden, Norway, Finland

INFRATEK

With approximately 2,000 employees in Norway, Sweden and Finland, Infratek is a leading Nordic provider of comprehensive services to the construction, operation and maintenance of critical infrastructure. The company has expanded strongly through acquisitions.



MARKET

COMING BACK TO GROWTH

- The improving availability of financing, especially for mid-size companies, together with signs of general economic recovery, is starting to stabilize the ERP market.
- Overall, analysts project the ERP market will grow 3–7% in 2010.
- One driver is the deployment of ERP to increase the robustness, security, and transparency of processes and the valuation of assets, and not only for cost cutting and higher efficiency.
- IFS operates markets with sustainable long-term growth prospects, in which IFS have developed strong market positions in higher-growth sectors.
- IFS anticipates moderate growth in 2010, supported by a pipeline up 17% year on year.

Q1 2010 DEFENSE DEAL



Anne Vandbakk
Corporate Communications Director

Manni Svensson
IR & PR

CONTACT INFORMATION

Phone: +47 66 90 73 00
anne.vandbakk@ifsworld.com

Phone: +46 8 58 78 45 00
manni.svensson@ifsworld.com

U.S. Army selects IFS Applications for Enterprise Manufacturing and Maintenance Execution Systems

Linköping, February 8, 2010 – IFS, the global enterprise applications company, announced that the U.S. Army has selected IFS Applications as the manufacturing and maintenance software for use in its Logistics Modernization Program (LMP) at all of the Army's arsenals, depots, and ammunition plants.

The basic purchasing agreement (BPA) between Army Materiel Command (AMC) and IFS North America outlines plans and options to purchase IFS Applications components and services over five years, totaling up to U.S. \$9.9 million.



OUTLOOK



Following a turbulent year in 2009 from which IFS emerged financially stronger, IFS is now well positioned to pursue strategic growth opportunities. The long-term targets to achieve an EBIT margin of 15% and double product revenue remain in place.

In 2010, IFS expects moderate growth, excluding any effects from acquisitions.



www.IFSWORLD.com

THIS DOCUMENT MAY CONTAIN STATEMENTS OF POSSIBLE FUTURE FUNCTIONALITY FOR IFS'S SOFTWARE PRODUCTS AND TECHNOLOGY. SUCH STATEMENTS OF FUTURE FUNCTIONALITY ARE FOR INFORMATION PURPOSES ONLY AND SHOULD NOT BE INTERPRETED AS ANY COMMITMENT OR REPRESENTATION. IFS AND ALL IFS PRODUCT NAMES ARE TRADEMARKS OF IFS. THE NAMES OF ACTUAL COMPANIES AND PRODUCTS MENTIONED HEREIN MAY BE THE TRADEMARKS OF THEIR RESPECTIVE OWNERS.