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YEAR-END REPORT 2012

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FINANCIAL AND OPERATIONAL HIGHLIGHTS

STEADY PROGRESS BUT SLOWER THAN EXPECTED

OCTOBER–DECEMBER 2012 (FOURTH QUARTER)

- ➔ License revenue amounted to SKr 183 million (Q4 '11: SKr 166 million), an increase of 11 percent currency adjusted.
- ➔ Maintenance revenue was SKr 231 million (Q4 '11: SKr 220 million), an improvement of 6 percent currency adjusted.
- ➔ Consulting revenue amounted to SKr 353 million (Q4 '11: SKr 355 million), an increase of 1 percent currency adjusted.
- ➔ Net revenue was SKr 769 million (Q4 '11: SKr 745 million), an improvement of 4 percent currency adjusted.
- ➔ EBIT amounted to SKr 129 million (Q4 '11: SKr 126 million).
- ➔ Cash flow after investments was SKr 55 million (Q4 '11: SKr 18 million).
- ➔ Earnings per share after full dilution was SKr 3.70 (Q4 '11: SKr 3.31).

FINANCIAL AND OPERATIONAL HIGHLIGHTS

STEADY PROGRESS BUT SLOWER THAN EXPECTED

JANUARY-DECEMBER 2012 (FULL YEAR)

- ➔ License revenue amounted to SKr 467 million ('11: SKr 431 million), an increase of 8 percent currency adjusted.
- ➔ Maintenance revenue was SKr 909 million ('11: SKr 823 million), an improvement of 10 percent currency adjusted.
- ➔ Consulting revenue amounted to SKr 1,283 million ('11: SKr 1,311 million), a decrease of 2 percent currency adjusted.
- ➔ Net revenue was SKr 2,676 million ('11: SKr 2,576 million), an improvement of 4 percent currency adjusted.
- ➔ EBIT amounted to SKr 195 million ('11: SKr 233 million).
- ➔ Cash flow after investments was SKr -41 million ('11: SKr 94 million).
- ➔ Earnings per share after full dilution amounted to SKr 5.27 ('11: SKr 5.96).
- ➔ Proposed dividend for 2012 is SKr 3.50 per share ('11: SKr 3.50).

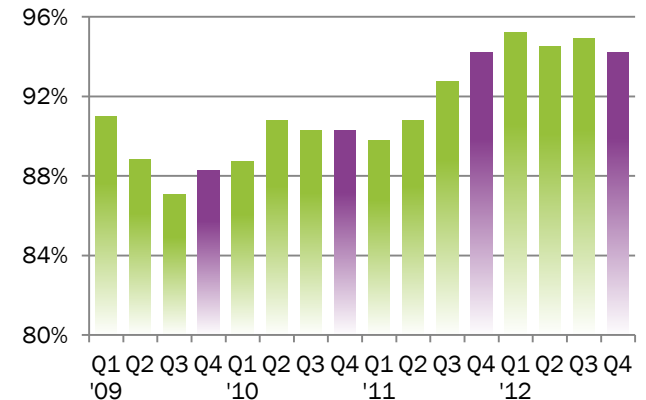
COMMENTARY ON Q4 2012

STEADY PROGRESS BUT SLOWER THAN EXPECTED

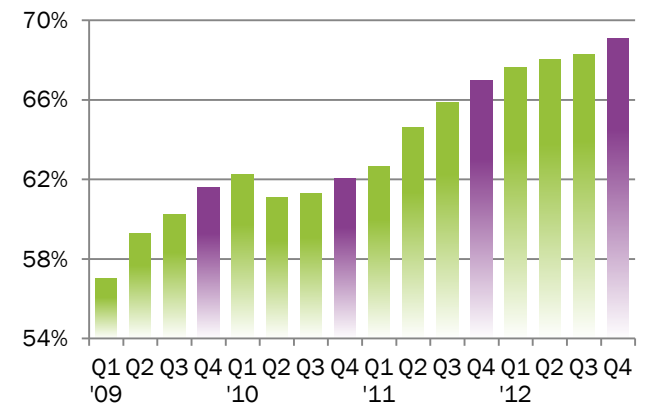
PRODUCT REVENUE AND MARGINS

- ➔ Licenses continued to be sold in highly-competitive situations to new customers in our target sectors.
- ➔ Continued growth in maintenance revenue and margin.
- ➔ Product revenue increased, as intended, to 52 percent of total revenue mix.

License margin (R12)



Maintenance margin (R12)

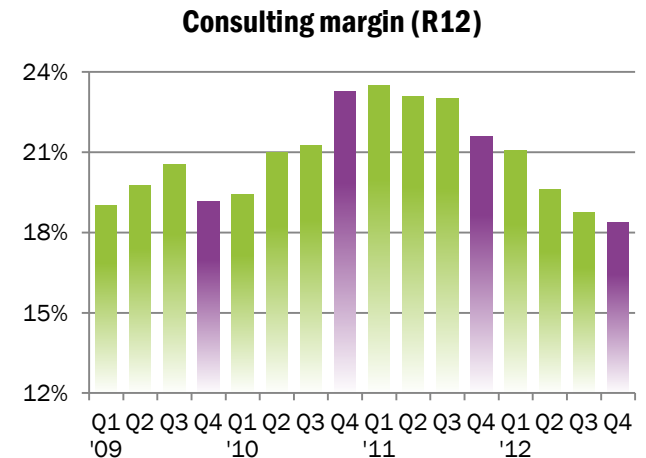


COMMENTARY ON Q4 2012

STEADY PROGRESS BUT SLOWER THAN EXPECTED

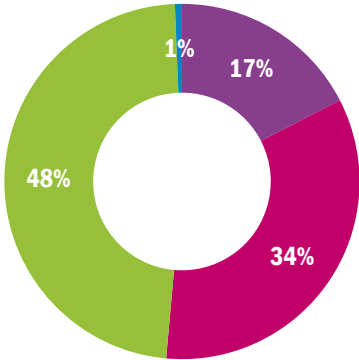
CONSULTING REVENUE AND MARGIN

- ➔ Revenue down, particularly in Scandinavia, due to:
 - ➔ changing demand for consulting skills,
 - ➔ timing of license sales,
 - ➔ less demand for customization of the product.
- ➔ Easier and quicker to implement IFS.
- ➔ Costs have remained broadly flat resulting in decline in margin during the year.



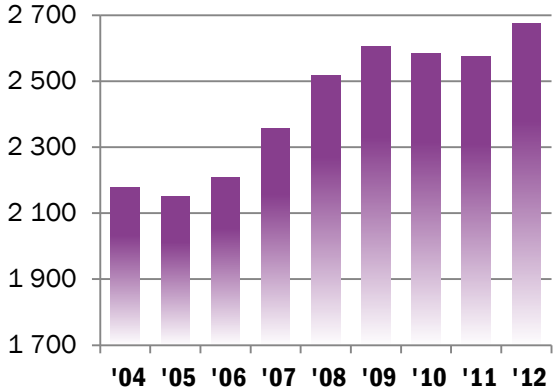
FINANCIAL OVERVIEW

REVENUE MIX R12

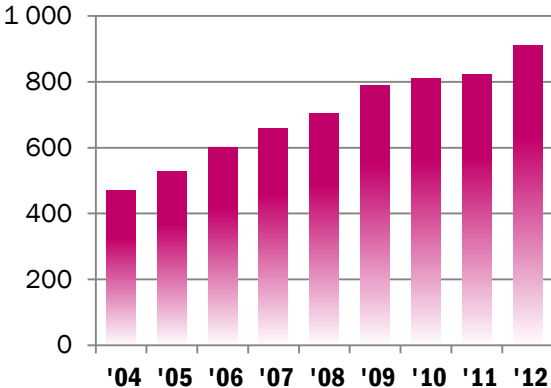


■ License ■ Maintenance ■ Consulting ■ Other

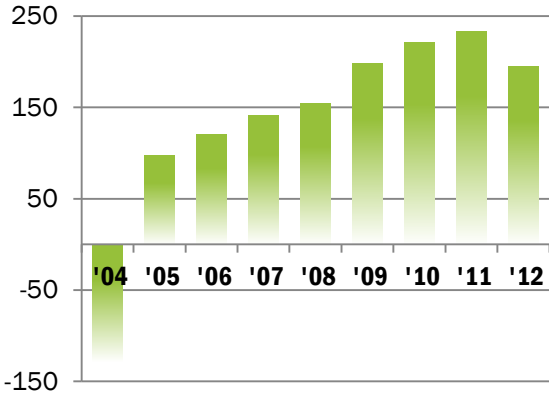
NET REVENUE



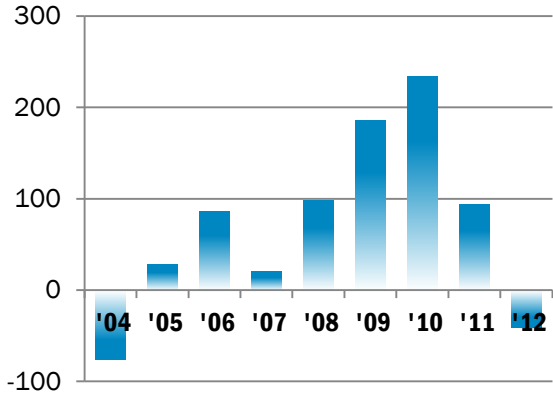
MAINTENANCE SUPPORT REVENUE



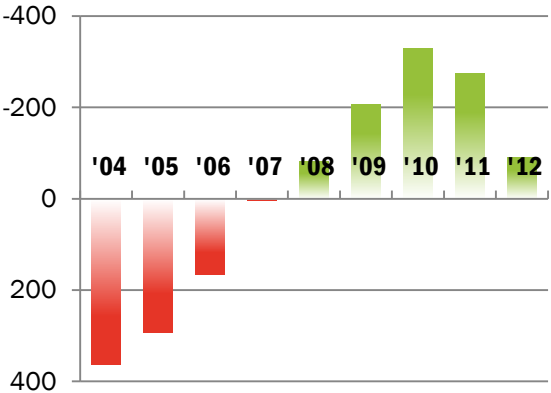
EBIT



CASH FLOW AFTER INVESTMENTS



NET DEBT



MARKET AND PRODUCT UPDATE

FOURTH QUARTER 2012

IFS WORLD CONFERENCE HELD IN GOTHENBURG, SWEDEN

Attracted attendees from all over the world and a lot of attention from sponsors.

IFS APPLICATIONS RECEIVED INDUSTRY DISTINCTIONS

IFS was named a Visionary in Gartner's magic quadrant for EAM software for power generation and earned Oracle Exadata and Exalogic Optimized status.

IFS SIGNED COLLABORATIVE ISV AGREEMENT WITH HONEYWELL

Framework for technology alignment and joint sales and marketing activities.

IFS LAUNCHED ITS 4TH GENERATION MOBILE CLIENT FOR SERVICE AND MAINTENANCE

Optimized for Android, it complements IFS's solution for Windows Mobile.

IFS PRESENTED NEW IFS METRIX SERVICE MANAGEMENT VERSION

Recognized as the best-of-breed solution for managing a field-service workforce.

IFS ANNOUNCED FOUR NEW SOLUTIONS FOR CSR AND SEVEN NEW SMARTPHONE APPS

BUSINESS AND STRATEGY

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 at profitable terms and conditions.

CUSTOMER WINDS IN Q4

HIGHLY-COMPETITIVE CONTRACTS IN TARGET SECTORS





MAERSK






CUSTOMER WINS IN Q4



Aerospace and Defense

-  Federal Aviation Administration
-  TAE Gas Turbines






Asset Intensive

-  Citic Terminal
-  CuDeco
-  Nucor Corporation






Automotive

-  Huf Hülsbeck & Fürst
-  Sumitomo Rubber Co.







Construction and Contracting

-  Brierty
-  Damen Shipyards
-  SATO
-  Sinopacific Shipbuilding Group
-  VA Tech Wabag

Energy and Utilities

-  Ceylon Electricity Board
-  Groupe Le Du
-  MTN Zambia
-  Portsmouth Water
-  SDIC Qinzhou Electric Power Co.

High Tech

-  Applikon Biotechnology
-  JOT Automation
-  NEC Corporation
-  Thomson Video Networks
-  Thoratec Corporation
-  Trüb

Industrial Manufacturing

-  Avanco
-  Barrday
-  Conax Technologies
-  Deere & Company
-  Elba Equipamentos e Serviços
-  Instron
-  Platt 2003
-  Valmont Industries

Oil and Gas

-  Atlas Pipeline Continent Holdings
-  Ceona Offshore
-  GDK Angola
-  GOK Regler und Armaturen
-  Maersk
-  Mir Valve
-  Odfjell Drilling
-  Rowan Companies
-  ShawCor
-  Technip Flexi-France

Process Manufacturing

-  Doumak
-  HaloPolymer
-  Holmen
-  KCC Paints
-  Laboratorio Farmaceutico Sobral
-  Prince Minerals
-  Wynn's Belgium




Retail

-  Singer
-  Ulker

Service Providers

-  Automateriell
-  Avinor
-  EnerSys
-  Fitzgerald Brothers Beverages
-  Metro Safety
-  Ministry of Infrastructure & Environment
-  Tomra of North America

Miscellaneous

-  DeCrescente Distributing Co.
-  Lal Teer Seeds
-  Spencer Technologies

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

SKr million	4TH QUARTER		FULL YEAR	
	2012	2011	2012	2011
Net revenue	769	745	2 676	2 576
of which Licenses	183	166	467	431
Maintenance and support	231	220	909	823
Consulting	353	355	1 283	1 311
Gross earnings	420	397	1 311	1 242
of which Licenses	176	163	440	406
Maintenance and support	160	145	628	551
Consulting	83	88	236	283
EBIT	129	126	195	233
EBIT margin	17%	17%	7%	9%
Earnings before tax	129	122	186	218
Earnings for the period	94	86	135	156
Cash flow after investments	55	18	-41	94

CASH FLOW

GROUP	4TH QUARTER		FULL YEAR	
	2012	2011	2012	2011
SKr million				
Cash flow before change in working capital	187	165	363	406
Change in working capital	-66	-79	-80	-96
Cash flow from current operations	121	86	283	310
Cash flow from investments	-66	-68	-324	-216
Cash flow after investments	55	18	-41	94
Cash flow from financing	16	28	-7	-163
Cash flow for the period	71	46	-48	-69
Cash and equivalents, beginning of period	249	333	374	445
Exchange differences in cash and equivalents	-4	-5	-10	-2
Cash and equivalents, end of the period	316	374	316	374

EFFICIENCIES GOING FORWARD

TACTICAL IMPROVEMENTS TARGETED IN THE BUSINESS

- ➔ Aligning consulting resources with demand in terms of skills and location will increase the consulting margin to previously-achieved higher levels.
- ➔ The cost of achieving targeted savings will impact the first half of the year and will be matched by corresponding savings for the full year.
- ➔ The above actions, with associated costs, together with double-digit license growth will provide a moderate improvement in EBIT for the year.
- ➔ The full-year effect next year will be far greater.

OUTLOOK



**FOR 2013, IFS EXPECTS
STRONG LICENSE REVENUE
GROWTH AND AN
IMPROVEMENT IN EBIT.**



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