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INTERIM REPORT **Q1** 2013

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APRIL 18, 2013

FINANCIAL AND OPERATIONAL HIGHLIGHTS

GAINING EFFICIENCY FOR CONTINUED GROWTH

JANUARY-MARCH 2013 (FIRST QUARTER)

- ➔ License revenue amounted to SKr 84 million (Q1 '12: SKr 83 million), an increase of 6 percent currency adjusted.
- ➔ Maintenance revenue was SKr 226 million (Q1 '12: SKr 222 million), an improvement of 6 percent currency adjusted.
- ➔ Consulting revenue amounted to SKr 310 million (Q1 '12: SKr 335 million), a decrease of 4 percent currency adjusted.
- ➔ Net revenue was SKr 621 million (Q1 '12: SKr 643 million), an improvement of 1 percent currency adjusted.
- ➔ EBIT amounted to SKr -92 million (Q1 '12: SKr 13 million), including one-off costs for efficiency program amounting to SKr 92 million.
- ➔ Cash flow after investments was SKr 67 million (Q1 '12: SKr 94 million).
- ➔ Earnings per share after full dilution was SKr -2.94 (Q1 '12: SKr 0.27).

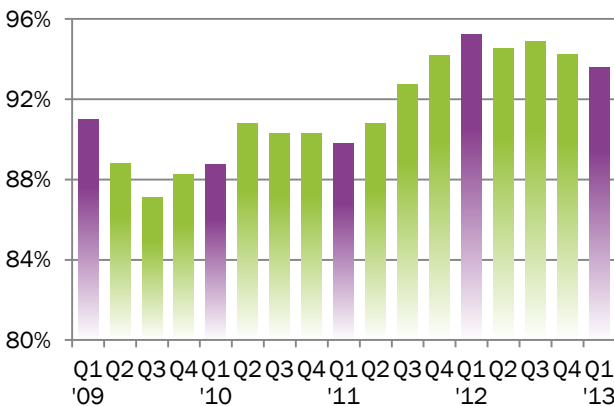
COMMENTARY ON Q1 2013

GAINING EFFICIENCY FOR CONTINUED GROWTH

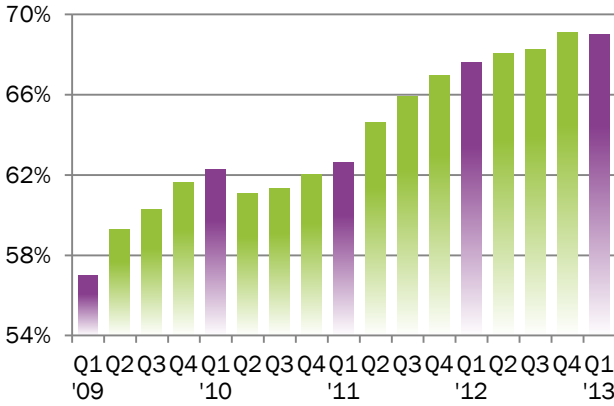
PRODUCT REVENUE AND MARGINS

- ➔ The underlying business remains strong: licenses continued to be sold in highly-competitive situations to new customers in our target sectors.
- ➔ Continued growth in maintenance revenue.
- ➔ Product revenue (R12) is now 52 percent of total revenue mix. Over the longer term, product revenue is expected to grow at least at twice the rate of consulting.

License margin (R12)



Maintenance margin (R12)

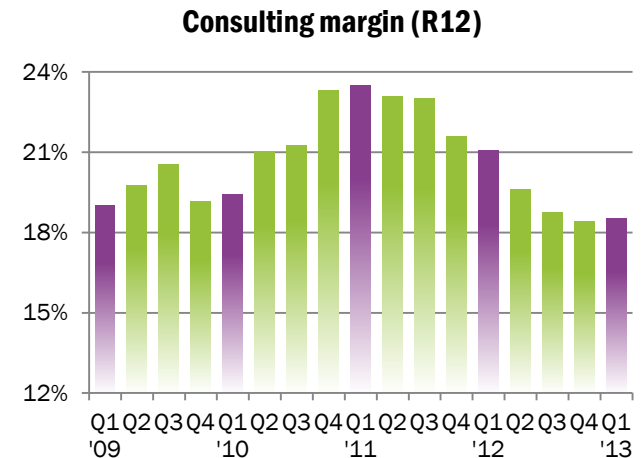


COMMENTARY ON Q1 2013

GAINING EFFICIENCY FOR CONTINUED GROWTH

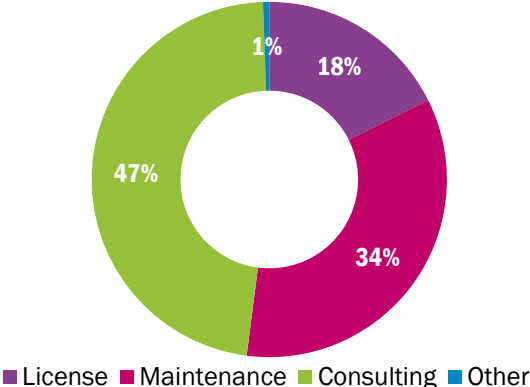
CONSULTING REVENUE AND MARGIN

- ➔ Consulting down 4 percent in Q1, currency adjusted, but expected to pick up in the coming quarters, both in terms of revenue and margin.
- ➔ Easier and quicker to implement IFS.
- ➔ Changing mix of skills and increased use of implementation partners.
- ➔ Costs have remained broadly flat resulting in decline in margin during the latest quarters.
- ➔ 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.

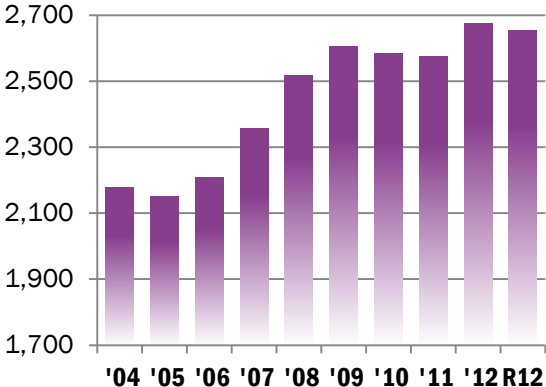


FINANCIAL OVERVIEW

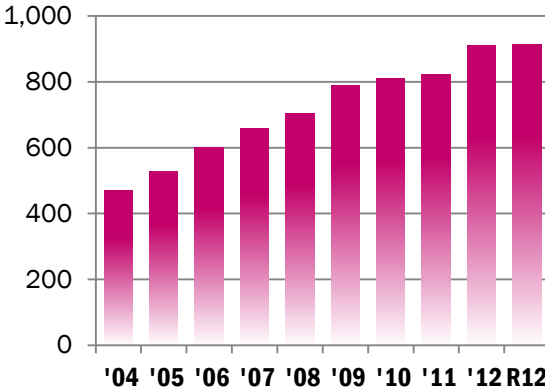
REVENUE MIX R12



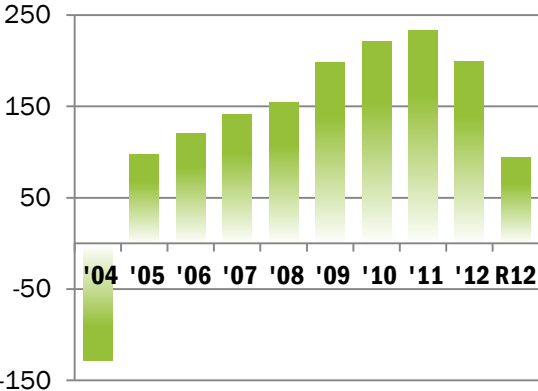
NET REVENUE



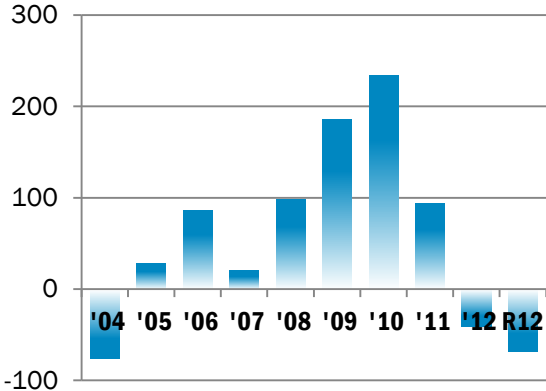
MAINTENANCE SUPPORT REVENUE



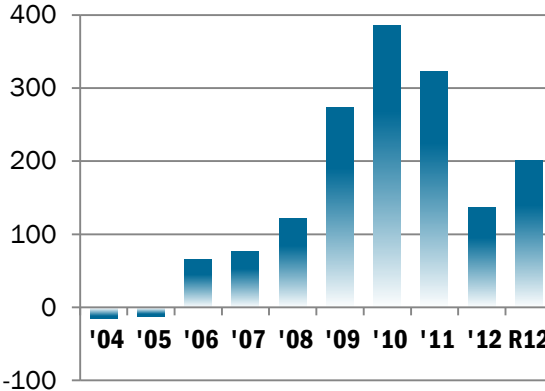
EBIT



CASH FLOW AFTER INVESTMENTS



NET LIQUIDITY



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 support can reduce this.
- ➔ IFS targets growing markets that are less exposed to economic fluctuations.
- ➔ 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.



CUSTOMER WINS IN Q1





Aerospace and Defense

-  Federal Aviation Administration
-  Norwegian Defence Logistics Org.—Army


Asset Intensive

-  Nucor Steel Seattle





Automotive

-  CalsonicKansei North America
-  DTR Industries
-  Manufactura Moderna de Metales
-  Schlemmer


Construction and Contracting

-  Babcock Infrastructure Services




Energy and Utilities

-  Ericsson
-  Hafslund
-  Statnett
-  Vantaa Energy





High Tech

-  Instron



Industrial Manufacturing

-  Belvac Production Machinery
-  Flare Industries
-  Krinner
-  Pellenc




Oil and Gas

-  Apply Sørco
-  Atlas Pipeline
-  Seadrill Norge
-  Sevan Drilling

Process Manufacturing

-  Agrovista UK
-  major life-science manufacturer

Miscellaneous

-  George Steuarts Optimize
-  Operadora de Hoteles City Express
-  WP Beverages

STRONG UNDERLYING BUSINESS

HIGHLY-COMPETITIVE CONTRACTS IN TARGET SECTORS



ERICSSON SELECTS IFS METRIX

Ericsson, the world's leading provider of communications technology and services, has chosen IFS Metrix Service Management to support business-critical processes in its Hardware Services business unit.



EMIRATES SELECT IFS APPLICATIONS

Emirates, the fourth-largest airline in the world in terms of international passengers carried, have selected IFS Applications to support their new, and Asia's most technically sophisticated, engine overhaul facility. (Q2)

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	1ST QUARTER		APRIL–MARCH	
	2013	2012	2012/13	2011/12
Net revenue	621	643	2,654	2,612
of which Licenses	84	83	468	440
Maintenance and support	226	222	913	849
Consulting	310	335	1,258	1,311
Gross earnings	276	281	1,306	1,270
of which Licenses	75	77	438	419
Maintenance and support	153	151	630	574
Consulting	50	53	233	276
EBIT	-92	13	94	236
EBIT margin	-15%	2%	4%	9%
Earnings before tax	-94	9	87	222
Earnings for the period	-74	7	57	159
Cash flow after investments	67	94	-68	145

CASH FLOW

GROUP	1ST QUARTER		APRIL-MARCH	
	2013	2012	2012/13	2011/12
SKr million				
Cash flow before change in working capital	18	46	335	401
Change in working capital	116	98	-62	-47
Cash flow from current operations	134	144	273	354
Cash flow from investments	-67	-50	-341	-209
Cash flow after investments	67	94	-68	145
Cash flow from financing	-14	-42	21	-154
Cash flow for the period	53	52	-47	-9
Cash and equivalents, beginning of period	316	374	422	430
Exchange differences in cash and equivalents	-2	-4	-8	1
Cash and equivalents, end of the period	367	422	367	422

OUTLOOK



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

The outlook for 2013 includes the costs arising from and the savings realized through the ongoing efficiency improvements.



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