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YEAR-END REPORT 2010

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FINANCIAL AND OPERATIONAL HIGHLIGHTS

CONTINUED STRONG PROFITS AND CASH FLOW

OCTOBER–DECEMBER 2010 (FOURTH QUARTER)

- ➔ Net revenue at SKr 729 million (Q4 '09: SKr 750 million) was 3% higher currency adjusted.
- ➔ EBIT at SKr 110 million (Q4 '09: SKr 116 million) was 3% lower currency adjusted.
- ➔ Cash and cash equivalents at the end of the period were SKr 445 million (Q4 '09: SKr 355 million).

FINANCIAL AND OPERATIONAL HIGHLIGHTS

CONTINUED STRONG PROFITS AND CASH FLOW

JANUARY-DECEMBER 2010 (FULL YEAR)

- ➔ Net revenue at SKr 2,585 million ('09: SKr 2,605 million) was up 4% adjusted for currency.
- ➔ EBIT was SKr 221 million ('09: SKr 198 million), up 14% adjusted for currency.
- ➔ Cash flow after investments was SKr 234 million ('09: SKr 186 million).
- ➔ Earnings per share after full dilution amounted to SKr 4.96 ('09: SKr 4.57).
- ➔ Proposed dividend for 2010 of SKr 3.00 per share ('09: SKr 2.00).

COMMENTARY ON 2010

NET REVENUE

- ➔ **Licenses** still behave in a ‘lumpy’ fashion. A higher Dec. 2009 resulted in a weaker Q1 2010.
- ➔ A number of excellent customers were secured in 2010. The pipeline remains strong and license outlook for 2011 is good.
- ➔ **Maintenance** continued to grow as expected.
- ➔ **Consulting** was adversely affected by late-starting projects in Q1. The rest of the year performed well but the lost consulting days could not be recovered. The order book is healthy for 2011.

MARGINS

- ➔ Thanks to continued efficiency improvements and tight cost control, all margins improved in 2010 and should continue so in 2011, with the expected quarterly variances due to seasonality.

CASH

- ➔ Cash flow is expected to remain strong and enable IFS to perform more acquisitions.

CURRENCY

- ➔ Leading currencies behaving in 2011 as they did in 2010 would have a negative impact on IFS’s consolidated numbers but would not affect competitiveness.

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.

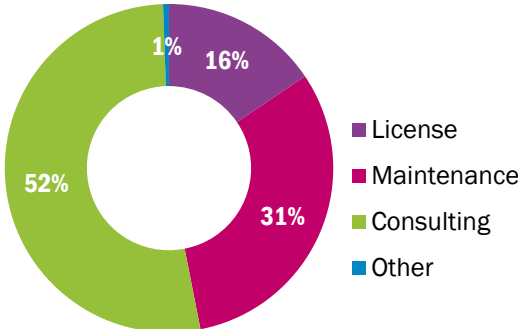
IFS WILL CONTINUE TO GROW THROUGH:

- ➔ cash-generating organic growth and
- ➔ targeted acquisitions.

FINANCIAL OVERVIEW

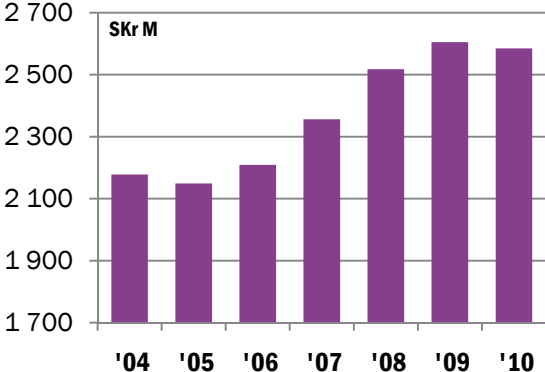
2004-2010

REVENUE MIX 2010

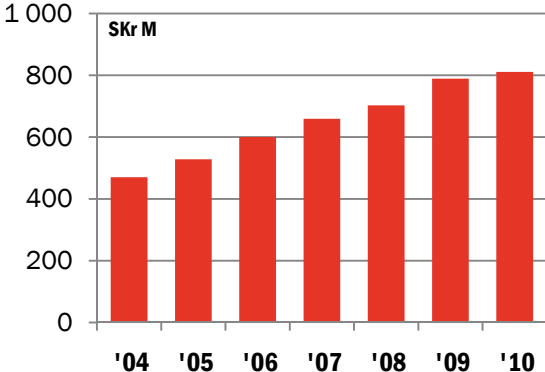


60% of consulting and 50% of licence revenues are sold to existing customers. 70% of total revenue is sold to the customer base.

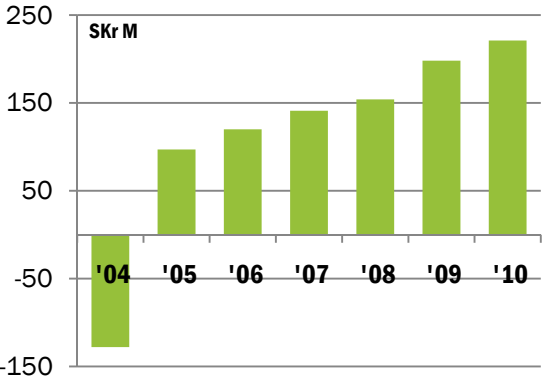
NET REVENUE



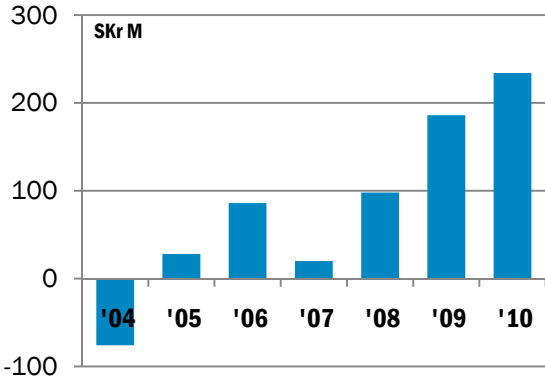
MAINTENANCE SUPPORT REVENUE



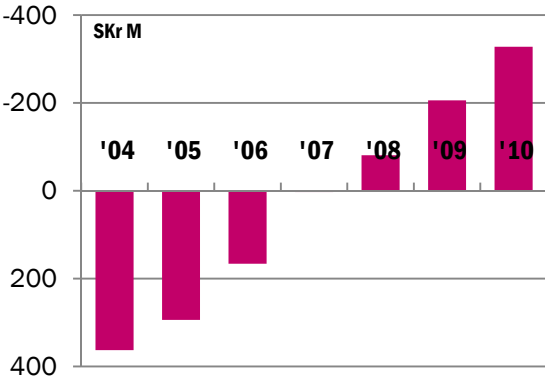
EBIT



CASH FLOW AFTER INVESTMENTS



NET DEBT



CLIENT WINS IN THE FOURTH QUARTER

-  Parisot (manufacturing; France)
-  Toyo Denki Seizo K.K. (transportation; Japan)
-  DEF (service provider; France)
-  Huber SE (project-based manufacturing, Germany)
-  Control Components, Inc. (industrial mfg; USA)
-  Global Solar Energy Inc (renewable energy; USA)
-  BAE Systems Technology and Solution (defense; USA)
-  Svenska Kraftnät (energy and utilities; Sweden)
-  Medicontur Kft. (medical devices; Hungary)
-  MPK Krakówie (transport; Poland)
-  MPWiK Sp. (utilities; Poland)
-  Mitutoyo China Corporation (manufacturing; China)
-  SPG Holdings LLC (solar-energy systems; USA)
-  Lockheed Martin (defense JSF; USA)
-  Samson AG (industrial manufacturing; Germany)
-  SCIL (manufacturing; Germany)
-  Casco Adhesives (process industry; Sweden)
-  SCA Graphic Sundsvall (process industry; Sweden)
-  Kazakhmys (mining and metals; Kazakhstan)
-  Borgstena Group (automotive; Portugal)
-  SAAB Aerospace (defense; Sweden)
-  Echo Investment S.A. (facility management; Poland)

OTHER CLIENT WINS IN 2010

-  Semco Maritime (oil & gas; Denmark)
-  Damen Shipyards (shipbuilding; Netherlands)
-  Reinertsen (oil and gas contractor; Norway)
-  Technip (engineering; France)
-  Echo Investment S.A. (construction; Poland)
-  TMM-Energobud (construction; Ukraine)
-  China CAMC Engineering (engineering; China)
-  U.S Army (aerospace & defense; USA)
-  UK Royal Navy (aerospace & defense; UK)
-  RUAG Space (aerospace; Sweden)
-  Federal Aviation Administration (aviation; USA)
-  Babcock Integrated Technology (defense; Australia)
-  Chengdu Metro Corporation Ltd (rail & transit; China)
-  Torresol Energy (energy & utilities; Spain)
-  TenneT BV (energy & utilities; Netherlands)
-  Poznan Municipal Transport (public transport; Poland)
-  Mälarenergi (utility; Sweden)
-  Brightpoint (telco trade and logistics; USA)
-  China CAMC Engineering (engineering; China)
-  KSK Mahanadi Power Co. (power generation; India)
-  Shan Dong Nuclear Power Co. Ltd. (power; China)
-  Bachman Electronic (industrial automation; Austria)
-  Beijer Electronics (industrial automation; Sweden)
-  Contiga (manufacturing; Norway)
-  Kuusakoski (recycling services; Finland)
-  Linamar (automotive; Canada)
-  Aunde Poland (automotive; Poland)
-  ALPOL Group (manufacturing; Poland)
-  Beaver-Visitec International, Inc. (medical; USA)
-  Lymington Precision Engineers (manufacturing; UK)
-  Tomra (recycling manufacturing; Norway)
-  Holmen Timber (manufacturing; Sweden)
-  FEV Motorentechnik GmbH (automotive; Germany)
-  Dar Natury (manufacturing; Poland)
-  Powen-Wafapomp Group (manufacturing; Poland)
-  Hotstart Engine Heating (manufacturing; USA)
-  William Grant & Sons (distillers; UK)
-  Wren Kitchens (manufacturing; UK)
-  Procam (distributor; UK)
-  Robinson Healthcare (manufacturing; UK)
-  C&D Industrial (contracting; UK)

IFS ACQUIRES 360 SCHEDULING

EXECUTING ON GROWTH STRATEGY

- ➔ One of the leaders in mobile-workforce scheduling and optimization software.
- ➔ Strengthens IFS's market position in the targeted Service & Asset industry.
- ➔ Highly scalable SOA-optimization framework that delivers very advanced mobile-workforce scheduling for both on-premises and “cloud” deployment.
- ➔ Net revenue of SKr 28 million, of which more than 90% is product revenue.
- ➔ Thanks to IFS's international sales coverage, this product now gets a far wider reach, and both customers and prospects have shown great interest in it.



MARKET AND PRODUCT UPDATE

YEAR-END REPORT JANUARY–DECEMBER 2010

- ➔ 2011 is expected to show modest single-digit growth compared with 2010.
- ➔ IFS pipeline has grown over 13% year on year, excluding defense.
- ➔ **NEC delivers IFS Applications in the Cloud**
 - ➔ IFS and NEC have expanded their alliance to provide IFS Applications as a service hosted in NEC's cloud-oriented data center. The service will offer components for financials, supply chain, and manufacturing functionality.
- ➔ **New partnerships**
 - ➔ IFS has expanded its alliance with Veyron, a Mexico-based software consulting organization. Veyron can offer total support around IFS Applications, including sales, marketing, and services, throughout Mexico.
- ➔ **New R&D organization**
 - ➔ To meet the business challenges for the coming years, prepare for business growth, and ensure product-development agility in response to rapid market changes, IFS re-organized its R&D operation during the fourth quarter.

FINANCIAL OVERVIEW

GROUP SKr million X	4TH QUARTER		FULL YEAR	
	2010	2009	2010	2009
Net revenue	729	750	2 585	2 605
of which Licenses	135	176	402	426
of which Maintenance and support	206	204	811	789
of which Consulting	383	366	1 357	1 373
Gross earnings	370	368	1 188	1 131
of which Licenses	128	165	363	376
of which Maintenance and support	127	120	503	486
of which Consulting	113	82	316	263
EBIT	110	116	221	198
EBIT margin	15%	15%	9%	8%
Earnings before tax	101	118	189	168
Earnings for the period	69	90	134	123
Cash flow after investments	70	96	234	186

CASH FLOW

GROUP SKr million X	FULL YEAR	
	2010	2009
Cash flow before change in working capital	373	345
Change in working capital	93	53
Cash flow from current operations	466	398
Cash flow from investments	-232	-212
Cash flow after investments	234	186
Cash flow from financing	-130	-146
Cash flow for the period	104	40
Cash and cash equivalents at the beginning of period	355	317
Exchange rate differences in cash and cash equivalents	-14	-2
Cash and cash equivalents at the end of the period	445	355

OUTLOOK



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



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