

Second quarter 2009

Alastair Sorbie, CEO

Second quarter summary

Improved EBIT and strongest cash flow to date

- Net revenue amounted to SKr 640 million (606), an increase of 6%
- Product revenue increased by 1% to SKr 279 million (276)
 - ▶ license revenue decreased to SKr 86 million (111)
 - ▶ maintenance and support revenue increased to SKr 193 million (165)
- Consulting revenue increased by 10% to SKr 357 million (324)
- EBIT increased to SKr 33 million (4)
- Cash flow after investments amounted to SKr 32 million (−46)

Second quarter summary

Improved EBIT and strongest cash flow to date 12 months rolling

- Net revenue increased to SKr 2 630 million (2 372)
- EBIT increased to SKr 210 million (91), including restructuring charges of SKr 24 million
- EBIT margin increased from 4% to 8%
- Cash flow after investments for 12 months rolling increased to SKr 163 million (151)

Impact of the current economy

General market outlook

- The ERP market as a whole is generally stable in terms of service and maintenance revenue.
- Most players have, like IFS, seen new license sales drop.
- Analysts such as AMR and Forrester expect the decline in license revenue to slow down toward the end of the year.
- From 2010 onwards analysts expect growth to return.

Impact of the Economic Downturn



General

- Pipelines for both licenses and consulting are growing.
- License sales are adversely affected by slower decision processes.
- IFS continues to be affected by the ‘lumpy’ nature of its target sectors.
- Consultancy is favored by ongoing international roll-outs and interest in upgrading to the new version of IFS Enterprise Explorer—which is now on general release.
- Contracts are coming from IFS’ target sectors which continue to be relatively active during the downturn:
 - ▶ Oil price has been rising and is likely to stimulate increased investment.
 - ▶ Defense sector budget pressures can favor IFS as more life is being sought from existing assets by providing systems support.

New business in 2009

Q2 Contracts:

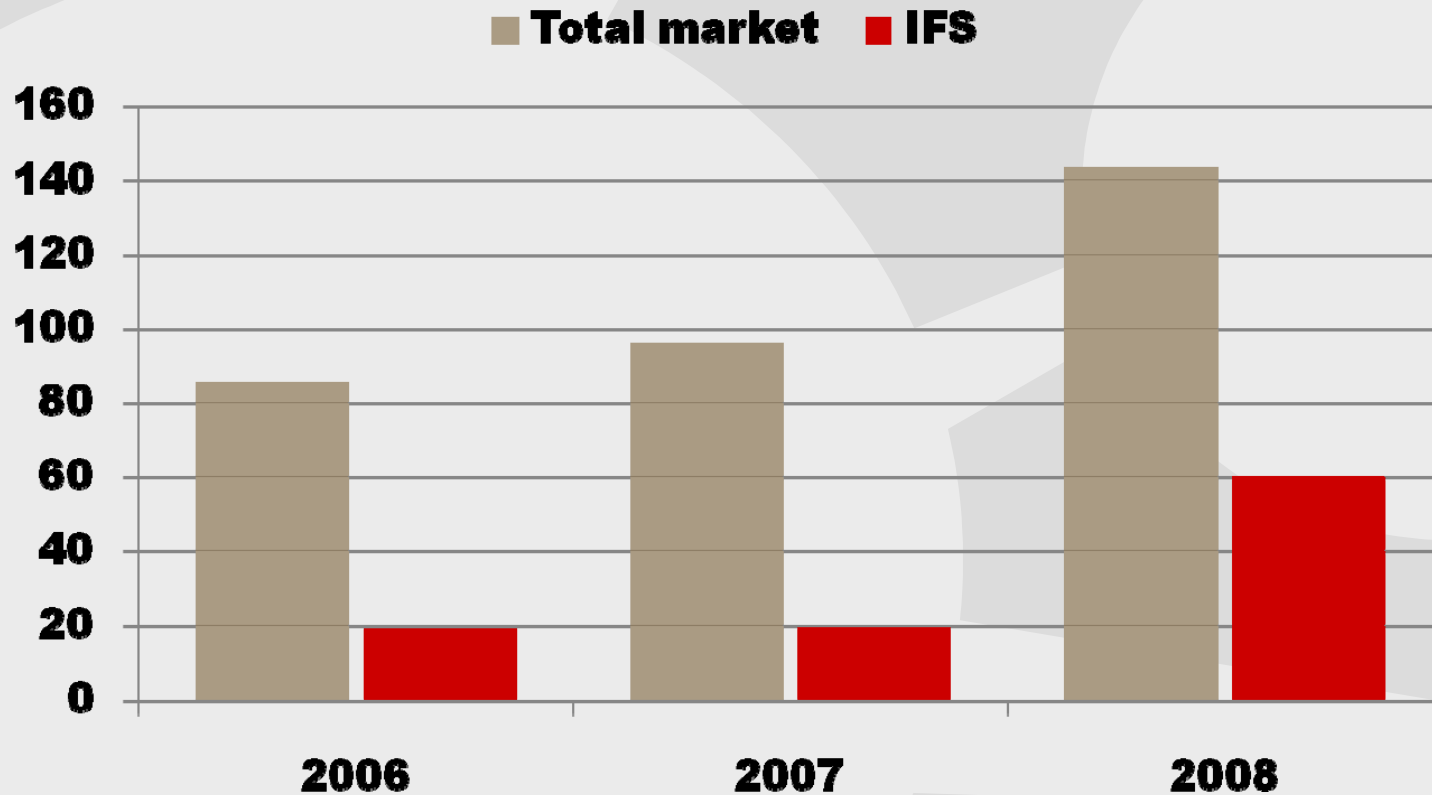
- Huf Hülsbeck & Fürst (automotive industry, Germany)
- Felleskjøpet Rogaland Agder (retail & wholesale, Norway)
- BanglaCAT (retail & wholesale, Bangladesh)
- Infratek (Infrastructure, Norway)
- Seawell (offshore, Norway)
- Yoigo (telecom, Spain)
- MTN (telecom, Nigeria and South Africa)

New business in 2009

Q2 Defense Contracts:

- Northrop Grumman, USA
- General Dynamics, USA
- SEAKR Engineering, USA
- United Aircraft Corporation, Russia
- Babcock International, U.K.
- Saab, Sweden

EAM market for Aviation & Defense



“In 2008 IFS moved into the market leader position for EAM in the Aerospace & Defense market”— Ralph Rio, ARC Advisory Group

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Partner development

IFS Applications will be included in Saab's support offering to the market. The first major contract to be managed under the terms of the partnership is IT support for an overall support commitment for the SK60 aircraft system.



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Segment reporting I

Q2	Europe North		Europe West		Europe Central		Americas	
	2009	2008	2009	2008	2009	2008	2009	2008
SKr million								
License revenue	23	32	17	22	10	19	13	16
Maintenance & support revenue	75	70	30	25	18	14	34	26
Consulting revenue	167	149	38	35	42	44	41	43
Other revenue	0	2	1	0	0	0	0	0
Net external revenue	265	253	86	82	70	77	88	85
EBIT*	87	74	17	19	6	16	27	23
Average number employees	572	580	241	216	196	168	203	211

* before distribution of corporate items

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Segment reporting II

Q2	Europe East		Africa, Asia, and Pacific		Defense	
	2009	2008	2009	2008	2009	2008
SKr million						
License revenue	10	15	11	6	2	1
Maintenance & support revenue	13	13	14	10	7	6
Consulting revenue	28	24	30	18	10	10
Other revenue	1	1	1	0	0	1
Net external revenue	52	53	56	34	19	18
EBIT*	-6	-4	6	0	-4	-1
Average number employees	276	291	296	292	57	58

* before distribution of corporate items

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Financial development

	2009 Q2	2008 Q2	July 2008– June 2009	July 2007– June 2008
SKr million				
Net revenue	640	606	2 630	2 372
whereof				
License revenue	86	111	447	446
Maintenance and support revenue	193	165	764	665
Consulting revenue	357	324	1 391	1 238
Gross earnings	266	253	1 142	1 012
whereof				
Licenses	69	101	397	405
Maintenance and support	124	91	453	397
Consulting	71	58	275	200
EBIT	33	4	210	91
EBIT margin	5%	1%	8%	4%
Earnings before tax	26	7	202	81
Earnings for the period	17	6	121	83
Cash flow after investments	32	-46	163	151

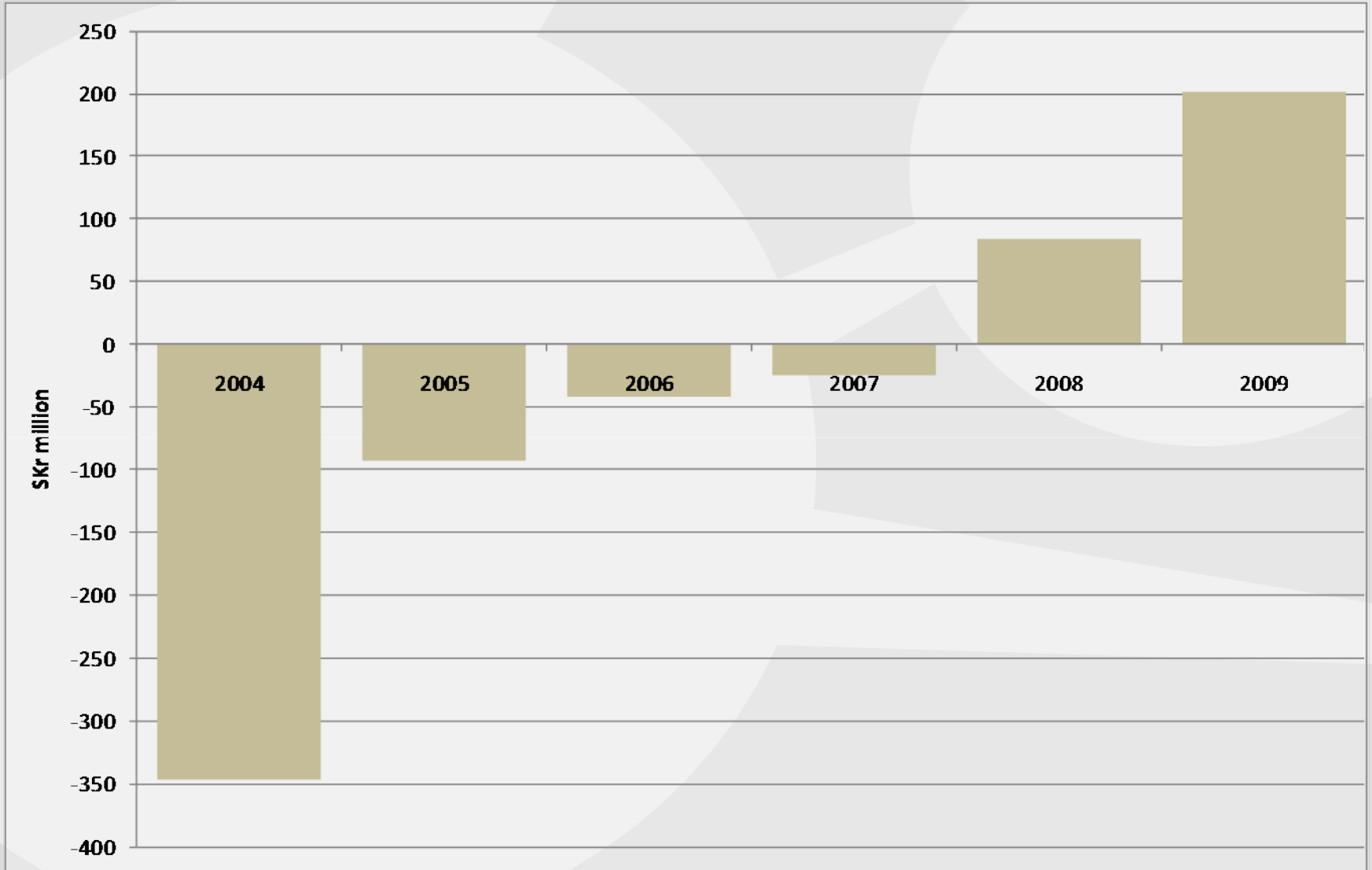
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Statement of cash flows

Q2	2009	2008
SKr million		
Cash flow before change in working capital	70	41
Change in working capital	9	-61
Cash flow from current operations	79	-20
Cash flow from investments	-47	-26
Cash flow after investments	32	-46
Cash flow from financing	-28	-62
Cash flow for the period	4	-108
Cash and cash equivalents at the beginning of period	346	371
Exchange rate differences in cash and cash equivalents	10	0
Cash and cash equivalents at the end of the period	360	263

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Net debt



Outlook 2009



IFS expects its development in 2009 to be stable and generally in line with 2008.

“Demand for products and services will be constantly tracked across all regions and should any deterioration in demand be seen, then cost reduction action will be quickly taken.”

**IFS—THE GLOBAL ENTERPRISE
APPLICATIONS COMPANY**