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# INTERIM REPORT Q1 2010

APRIL 21, 2010

# FINANCIAL AND OPERATIONAL HIGHLIGHTS

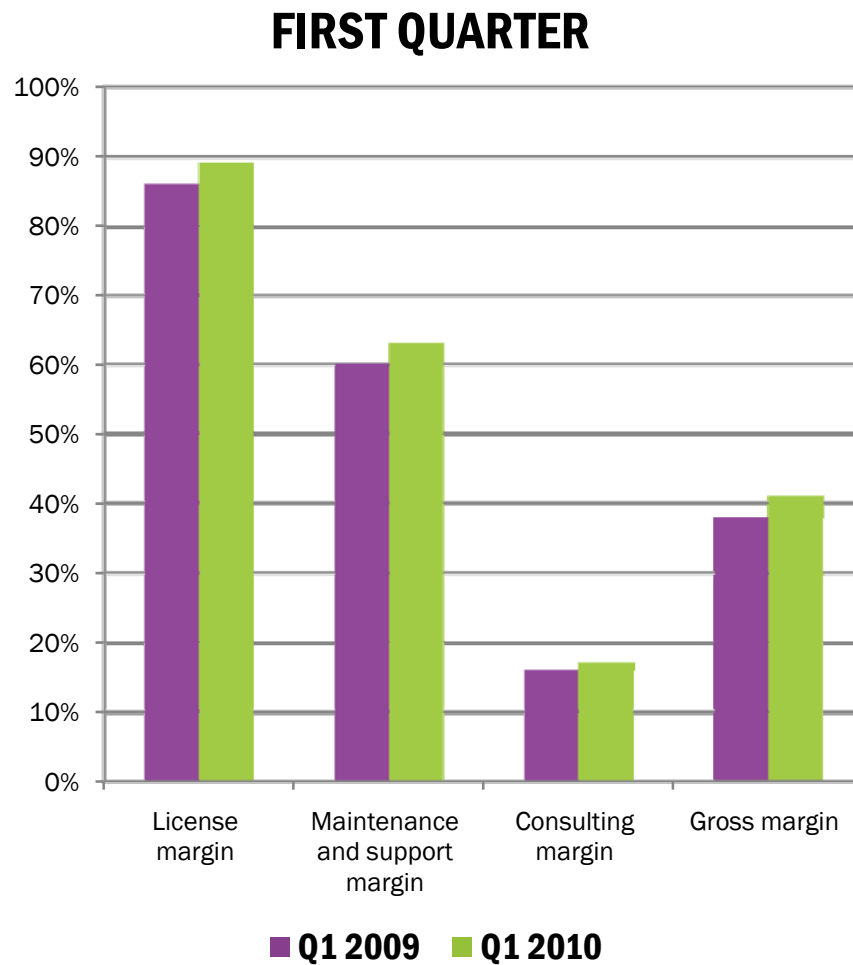
## PROGRESS IN LINE WITH PLANS

- Seasonally slow Q1 impacted by the strengthening of the Swedish krona.
- Underlying performance in line with plan with a currency-adjusted increase in product revenue.
- Good strategic sales in target sectors to impact from Q2.

## JANUARY-MARCH 2010 (FIRST QUARTER)

- Net revenue was SKr 589 million (634).
- EBIT was SKr 8 million (30).
- Strong balance sheet with net liquidity of SKr 326 million (256).
- Cash flow after investments was SKr 74 million (121).

# STEADY IMPROVEMENT TOWARDS GOALS



# FINANCIAL OVERVIEW

GROUP SKr million X	1ST QUARTER		APRIL-MARCH	
	2010	2009	2009/10	2008/09
<b>Net revenue</b>	<b>589</b>	<b>634</b>	<b>2 560</b>	<b>2 596</b>
of which Licenses	65	74	417	472
of which Maintenance and support	199	196	792	736
of which Consulting	322	356	1 339	1 358
<b>Gross earnings</b>	<b>239</b>	<b>243</b>	<b>1 127</b>	<b>1 129</b>
of which Licenses	58	64	370	429
of which Maintenance and support	125	118	493	420
of which Consulting	54	57	260	262
<b>EBIT</b>	<b>8</b>	<b>30</b>	<b>176</b>	<b>181</b>
<b>EBIT margin</b>	<b>1%</b>	<b>5%</b>	<b>7%</b>	<b>7%</b>
<b>Earnings before tax</b>	<b>4</b>	<b>15</b>	<b>157</b>	<b>183</b>
<b>Earnings for the period</b>	<b>3</b>	<b>10</b>	<b>116</b>	<b>110</b>
<b>Cash flow after investments</b>	<b>74</b>	<b>121</b>	<b>139</b>	<b>85</b>

# CASH FLOW

SKr million	1ST QUARTER	
	2010	2009
<b>Cash flow before change in working capital</b>	<b>33</b>	<b>50</b>
Change in working capital	82	109
<b>Cash flow from current operations</b>	<b>115</b>	<b>159</b>
Cash flow from investments	-41	-38
<b>Cash flow after investments</b>	<b>74</b>	<b>121</b>
Cash flow from financing	-84	-97
<b>Cash flow for the period</b>	<b>-10</b>	<b>24</b>
Cash and cash equivalents at the beginning of period	355	317
Exchange rate differences in cash and cash equivalents	-4	5
<b>Cash and cash equivalents at the end of the period</b>	<b>341</b>	<b>346</b>

# CLIENT WINS IN THE FIRST QUARTER

## DEALS CLOSED IN IFS TARGET SECTORS

- U.S. Army (Aerospace & Defense; USA)
- UK Royal Navy (Aerospace & Defense; UK)
- M7 Aerospace (Aerospace & Defense; USA)
- Semco Maritime (Oil & Gas; Denmark)
- Sabreliner Corp (Aerospace & Defense; USA)
- Tomra (High Tech Manufacturing; Norway)
- Clancy Docwra (Construction; UK)
- Lymington Precision Engineers (Manufacturing; UK)
- Torresol Energy (Energy & Utilities; Spain)
- TenneT BV (Energy & Utilities; Netherlands)
- Damen Shipyards (Shipbuilding; Netherlands)
- Smit Internationale (Maritime; Netherlands)
- MTN Uganda (Telco; Africa)
- Jammu and Kashmir State Power Development Corporation Ltd (JKSPDCL) (Energy & Utilities; India)
- Chengdu Metro Corporation Ltd (Rail & Transit; China)
- Holmen Timber (Industrial Manufacturing; Sweden)
- FEV Motorentechnik GmbH (Automotive; Germany)
- Dar Natury (Manufacturing; Poland)
- FCPK Bytów (Manufacturing; Poland)
- Aunde Poland (Automotive; Poland)
- ALPOL Group (Manufacturing; Poland)
- Powen-Wafapomp Group (Manufacturing; Poland)

# MARKET AND PRODUCT UPDATE

- Overall, analysts project the ERP market will grow 3–7% in 2010.
- IFS pipeline has grown over 20% year on year, excluding defense.
- There have been a number of key product releases made in the first quarter, both as new components and as enhancements to IFS Applications:
  - IFS Virtual Map™, a new planning solution for service management businesses, using Microsoft Bing Maps.
  - Trade Management 2.0, designed to give IFS's customers with multi-country business-supply chains improved functionality and control.
  - The latest project-based solutions, PBS 3.0, designed to give project managers and the rest of the organization all the benefits of a fully-integrated ERP suite with specialist functionality for project control, project financial visibility, and project materials management.



# Q1 2010 DEFENSE DEAL

IFS Applications™

**DESIGNED FOR THE  
AEROSPACE & DEFENSE INDUSTRY**



## **UK ROYAL NAVY SELECTS IFS FOR MAINTENANCE MANAGEMENT SERVICES AND APPLICATIONS HOSTING**

**The UK Royal Navy has selected IFS Defence to provide support and application hosting for the UK MoD Navy primary Maintenance Management System (UMMS). The contract outlines plans and options to procure services for up to five years, totaling up to £7.9m.**

The UK Royal Navy uses UMMS as the primary onboard maintenance management and scheduling tool for all major surface and subsurface vessels; it is also being deployed across the Royal Fleet Auxiliary.

This product was acquired by IFS Defence through acquisition of ISC Ltd in July 2007. The service will commence in April 2010.

# OUTLOOK



**THE OUTLOOK FOR THE FULL YEAR  
REMAINS UNCHANGED.  
IN 2010, IFS EXPECTS MODERATE  
GROWTH, EXCLUDING ANY EFFECTS  
FROM ACQUISITIONS.**



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