



www.IFSWORLD.com



INTERIM REPORT JANUARY–SEPTEMBER 2009

OCTOBER 21, 2009

AN INTRODUCTION TO IFS

- Leading global provider of end to end ERP software solutions.
- Delivering improved planning, management, and control to over 2,000 customers worldwide.
- Focused on higher growth markets including defense, utilities, logistics, and oil & gas.
- Established and proven alternative to SAP and Oracle, with a reputation for service excellence.
- High percentage of recurring revenue from sales to a growing customer base.

FINANCIAL AND OPERATIONAL HIGHLIGHTS

STEADY PROGRESS THROUGH THIRD QUARTER

JULY-SEPTEMBER 2009 (THIRD QUARTER)

- Net revenue was SKr 581 million (Q3 '08: SKr 612 million).
- EBIT was SKr 19 million (Q3 '08: SKr 42 million).
- A large defense order in the third quarter last year affects year-on-year comparisons – underlying revenue stable.
- Completed acquisition of MultiPlus Solutions AS.
- Appointment of London-based Chief Financial Officer, Paul Smith.

FINANCIAL AND OPERATIONAL HIGHLIGHTS

STEADY PROGRESS THROUGH THIRD QUARTER

JANUARY-SEPTEMBER 2009 (NINE MONTHS)

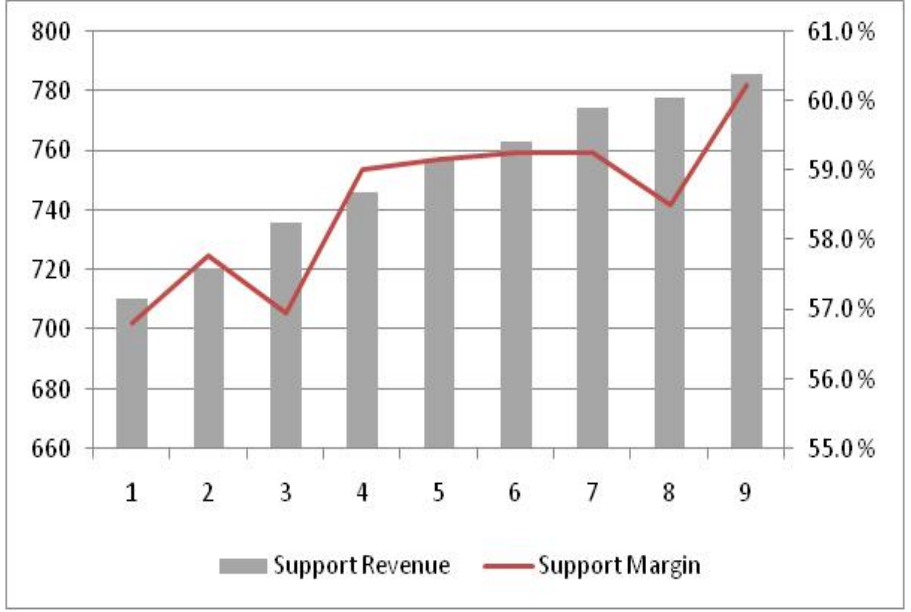
- Net revenue improved to SKr 1,855 million (YTD '08: SKr 1,774 million).
- EBIT improved to SKr 82 million (YTD '08: SKr 49 million).
- A number of significant contracts were won in the target verticals, including the defense, marine, and EPCI sectors, across several different regions.
- Earnings per share after full dilution was SKr 1.23 (Q3 '08: SKr 1.14).

R12 REVENUE AND MARGIN

IMPROVED PERFORMANCE IN CONSULTING AND SUPPORT



CONSULTING



MAINTENANCE AND SUPPORT



CLIENT WINS IN THE THIRD QUARTER

DEALS CLOSED IN IFS TARGET SECTORS

	Sweden		Poland		Norway
	Sweden		Poland		Norway
	France		Holland		U.K.
	USA		Norway		Canada

FIVE-YEAR STRATEGY FOR GROWTH

- Double product revenue (licenses, maintenance and support) through organic growth and acquisitions.
- Use debt in a controlled manner for cash acquisitions
- Achieve an EBIT margin of 15% and a return of 25% on average

ACQUISITION OF MULTIPLUS SOLUTIONS

- Well established vendor of project-based business applications to the marine, EPCI and project manufacturing industries
- Strengthens IFS' position in core higher growth markets
- Allows IFS to access significant international customer base
- 2008 net revenue NOK 45.9 million (EBIT of NOK 2.8 million)
- Acquisition paid for from cash reserves



FINANCIAL OVERVIEW

SKr million	3RD QUARTER		OCTOBER-SEPTEMBER	
	2009	2008	2008/2009	2007/2008
Net revenue	581	612	2 599	2 456
of which				
License revenue	90	142	395	482
Maintenance and support revenue	196	175	785	679
Consulting revenue	294	287	1 398	1 272
Gross earnings	254	283	1 113	1 075
of which				
Licenses	78	131	344	440
Maintenance and support	124	104	473	403
Consulting	53	41	287	216
EBIT	19	42	187	113
EBIT margin	3%	7%	7%	5%
Earnings before tax	9	46	165	113
Earnings for the period	6	30	97	59
Cash flow after investments	-63	-15	115	134

CASH FLOW

SKr million	3RD QUARTER	
	2009	2008
Cash flow before change in working capital	71	96
Change in working capital	-54	-82
Cash flow from current operations	17	14
Cash flow from investments	-80	-29
Cash flow after investments	-63	-15
Cash flow from financing	-2	-18
Cash flow for the period	-65	-33
Cash and cash equivalents at the beginning of period	360	263
Exchange rate differences in cash and cash equivalents	-13	5
Cash and cash equivalents at the end of the period	282	235

MARKET

- Structural demand for ERP indicates a long-term positive outlook
- Industry analysts (Forrester and AMR) expect decline in license revenue to have bottomed out in the third quarter, growth to return in 2010
- IFS well placed to capitalize on increasing number of market opportunities by offering better ROI and lower total cost of ownership
- Maintenance and consulting revenue and margins expected to remain healthy
- New business pipeline is stable
- Signs of a recovery and the increasing availability of financing will support license sales
- Delayed license revenue expected to be recognized in Q4

OUTLOOK



IFS's development in 2009 is expected to be stable and generally in line with that of 2008.



www.IFSWORLD.com