

Stockholm, January 16, 2009

## Report from extraordinary general meeting in IBS AB (publ)

*At an extraordinary general meeting in IBS AB on January 15, 2009, the general meeting resolved on the following which is summarized below.*

Resolution on cancellation of synthetic call option program and that the repurchased own shares shall no longer be held by the company as security for the program

- The general meeting resolved to cancel the synthetic call option program resolved on by the annual general meeting 2008. Furthermore the general meeting resolved that the repurchased own shares shall no longer be held by the company as security for the program and, hence, that the company may dispose of these own shares for other purposes as resolved by a general meeting.

Resolutions on (i) implementation of two long term employee stock option programs, one directed to the CEO and one directed to certain senior executives and key employees, (ii) directed issue of warrants to secure the programs and (iii) transfer of warrants for the fulfilment of the obligations under the programs

- The general meeting resolved to implement two long term employee stock option programs, one program covering the CEO of the company ("CEO Stock Option Program 2009/2015") and one program covering certain senior executives and key employees ("Employee Stock Option Program 2009/2015"). The two programs are jointly referred to as the "Incentive Programs 2009/2015" below.

The board of directors has been of the opinion that to be able to successfully carry out the currently ongoing changes in the company in order to i.a. strengthen the company's competitiveness, substantial efforts and a great engagement will be required by the management of the company and key employees. The board of directors considers that long term share-related incentive programs in general and the long term employee stock option programs resolved by the general meeting in particular entails an increased commitment by and increased motivation for the participants and in addition hereto entail a stronger connection between these persons and the IBS group, which is considered to be to the benefit of both the company and its shareholders and thus result in an increased shareholder value.

The CEO Stock Option Program 2009/2015 will comprise of a maximum of 2,531,488 employee stock options and Employee Stock Option Program 2009/2015 will comprise of a maximum of 6,328,720 employee stock options or the lower number of employee stock options that may be granted after reduction of the number of employee stock options that are granted to members of the board of directors according to the program covering members of the board of directors resolved by the general meeting, i.e. not more than 8,860,208 employee stock options (should no options be granted to the members of the board of directors) or not more than 6,828,720 employee stock options (should the maximum number of options be granted to the members of the board of directors). Each employee stock option entitles to the acquisition of one series B share in the Company. The employee stock options are granted free of charge at four occasions during the

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period 2009-2012 and may be exercised for acquisition of shares after a vesting period of two years counted from the respective granting dates. Grants of employee stock options are conditional upon the employment is still subsisting. It shall be possible to grant a maximum of 25 % annually of the total number of options under the CEO Stock Option Program 2009/2015 and a maximum of 200,000 employee stock options annually per participant during the period 2009-2012 under the Employee Stock Option Program 2009/2015. The right to exercise granted employee stock options will normally be conditional upon a continuing employment during the vesting period. The strike price for each employee stock option under the CEO Stock Option Program 2009/2015 is SEK 9.64. The strike price for each employee stock option under the Employee Stock Option Program 2009/2015 shall correspond to the market price of the IBS share at the respective grant date. The conditions for the employee stock options contain customary terms on re-calculation, regulation on accelerated vesting and shortened term for the employee stock options in case of a change of control of IBS or a delisting of the IBS-share.

The total effect on the profit and loss statement due to Incentive Programs 2009/2015 will vary as a result of changes in the share price, grant of employee stock options to employees, the size of the social security contributions as well as the company's corporate tax rate.

The costs shall be viewed in relation to the IBS group's total costs for salaries, which amounted to approximately SEK 1.2 billion in 2007, including social security contributions. The effects of the costs are partly a result of accounting-related salary costs pursuant to IFRS 2 and partly a result of social security contributions pursuant to UFR 7.

Grants of the employee stock options entails accounting-related salary costs in the form of social security contributions pursuant to generally accepted accounting principles (IFRS). Employee stock options do not constitute securities and cannot be pledged, transferred or disposed of in any way other than through exercise. However, an estimated value of each employee stock option can be calculated. The board of directors has estimated the value for each employee stock options under the CEO Stock Option Program 2009/2015 to be SEK 1.46. The value for each employee stock option pursuant to the Employee Stock Option Program 2009/2015 is estimated to be SEK 2.27. The estimates are based on generally accepted valuation principles and using a share price for an IBS share on 9 December 2008 of approximately SEK 6.65, without regard to lock-in effects or transfer restrictions for the employee stock options. The total estimated value of all the 8,860,208 employee stock options amounts to approximately SEK 18 million. The value corresponds to approximately 2.1 per cent of the company's market capitalisation based on the abovementioned share price.

According to IFRS 2, salary costs attributable to the value of the granted employee stock options at the grant date shall be distributed over the vesting periods. Social security contributions will be accounted for as an expense during the same vesting periods. During the vesting periods a provision is gradually recognised for the social security contributions. The size of this provision and thus the costs accounted for will be continually re-measured based on the development of the value of the employee stock options. If the value of employee stock options for accounting purposes would amount to the value stated above, the total cost of the Incentive Programs 2009/2015, excluding social security contributions, will on average amount to approximately SEK 4,5 million per program, which for each program is recognised as expense over its two year vesting period.

- The general meeting resolved to, in order to implement the above mentioned employee stock option programs, and the employee stock option program covering certain members of the board of directors resolved by the general meeting, with deviation from

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the shareholders' preferential rights, issue a maximum of 11,518,500 warrants, divided into five separate series of warrants (Series 2009/2016:I, Series 2009:2013, Series 2009:2014, Series 2009:2015 and Series 2009:2016:II) of which not more than 2,658,292 warrants may be used for covering certain costs related to the programs, primarily social security charges. The warrants are issued free of charge to a wholly-owned Swedish subsidiary ("the Subsidiary"). Each warrant entitles the holder to acquire one series B share in the company. The issues entail a total dilution effect of approximately 8.3 % of the shares in the company.

- In order to fulfil the obligations under the above mentioned employee stock option programs, the general meeting approved that the Subsidiary may, to a third party, transfer or otherwise dispose of the issued warrants.

Resolutions on (i) implementation of a long term employee stock option program directed to members of the board of directors and (ii) measures in order to secure the program

- The general meeting resolved to implement an employee stock option program directed to those board members elected of a general meeting of shareholders that are not employed by Deccan Value Advisors L.P. (the "Principal Shareholder") ("the Board Stock Option Program 2009/2015").

The Principal Shareholder has stated that substantial efforts and a great engagement will not only be required by the management of the company and key employees but also by the members of the company's board of directors to be able to successfully carry on the above mentioned currently ongoing changes in the company. Given that the management and the board of directors have a common interest to strengthen the company's competitiveness, the Principal Shareholder considers that it would be appropriate that also members of the company's board of directors elected of a general meeting of shareholders, excluding board members employed by the Principal Shareholder, are offered the opportunity to participate in an employee stock option program that entails a greater owner engagement. The Principal Shareholder is convinced that a long term share-based incentive program that gives the above mentioned members of the board of directors this opportunity not only entails an increased commitment but also helps the company to recruit and retain qualified board members.

Board Stock Option Program 2009/2015 comprises a maximum of 2,531,488 employee stock options that each entitles to the acquisition of one series B share in the Company. The employee stock options are granted free of charge at four occasions during the period 2009-2012 and may be exercised for acquisition of shares after a vesting period of two years counted from the respective granting dates. Grants of employee stock options are conditional upon the assignment as board member is still subsisting. It shall be possible to grant a maximum of 300,000 employee stock options annually per participant during the period 2009-2012. The right to exercise granted employee stock options will normally be conditional upon a continuing assignment as a board member during the vesting period. The strike price for each employee stock option under the Board Stock Option Program 2009/2015 shall, in accordance with the Employee Stock Option Program 2009/2015 covering certain senior executives and key employees, correspond to the market price of the IBS share at the respective grant date. The conditions for the employee stock options contain customary terms on re-calculation, regulation on accelerated vesting and shortened term for the employee stock options in case of a change of control of IBS or a delisting of the IBS-share.

The total effect on the profit and loss statement due to the Board Stock Option Program 2009/2015 will vary as a result of changes in the share price, grant of employee stock

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options to members of the board elected by the general meeting, the size of the social security contributions as well as the company's tax rate.

The costs shall be viewed in relation to the IBS group's total salary costs, which amounted to approximately SEK 1.2 billion in 2007, including social security contributions. The effects on the costs are partly a result of accounting related salary costs pursuant to IFRS 2 and partly a result of social security contributions pursuant to UFR 7.

Grant of employee stock options result in accounting related salary costs and costs in the form of social security contributions pursuant to generally accepted accounting principles (IFRS). Employee stock options do not constitute securities and cannot be pledged, transferred or disposed of in any way other than through exercise. However, an estimated value of employee stock options can be calculated. The Principal Shareholder has estimated the value of each employee stock option under the Board Stock Option Program 2009/2015 at SEK 2.27. The estimates are based on generally accepted valuation principles and by using a share price for the IBS share on 9 December 2008 of SEK 6.65, disregarding lock-in effects or transfer restrictions for the employee stock options. The total estimated value of all 2,531,488 employee stock options is approximately SEK 5.7 million. The value corresponds to approximately 0.7 per cent of IBS's market value based on the above share price.

According to IFRS 2, the salary costs attributable to the value of the granted employee stock options at the grant date shall be distributed over the vesting period. Social security contributions will be accounted for as expense during the same vesting periods. During the vesting period a provision is gradually recognised for the social security contributions. The size of this provision and thus the costs accounted for will be continually re-measured based on the development of the value of the employee stock options. If the value of employee stock options for accounting purposes would amount to the value stated above, the total cost of the Board Stock Option Program 2009/2015, excluding social security contributions, will amount to an average of approximately SEK 1.4 million per program, which for each program is recognised as expense over its two year vesting period.

Since the 2,531,488 employee stock options, which can be issued under the Board Stock Option Program 2009/2015, are included in the maximum threshold specified in the proposal by the company's board or directors for the Incentive Programs 2009/2015, the total cost of the Incentive Programs 2009/2015 proposed by the board of directors and the Board Stock Option Program 2009/2015 will not exceed the total cost specified in the board of directors' proposal on the Incentive Programs 2009/2015.

- The general meeting resolved to that not more than 3,291,000 of the warrants that the general meeting resolved to be issued to the Subsidiary in order to secure the Employee Stock option program 2009/2015 above, of which 822,750 warrants of each of the board of directors' proposed four series of warrants (Series 2009:2013, Series 2009:2014, Series 2009:2015 and Series 2009:2016:II), shall be disposable for securing the company's obligations under the Board Stock Option Program 2009/2015 and that the Subsidiary shall thus be entitled to transfer to a third party or otherwise dispose of these warrants for the fulfilment of the obligations also under the Board Stock Option Program 2009/2015. Should all the above mentioned warrants not be required to secure the company's obligations under the Board Stock Option program 2009/2015, the remaining warrants may be used for securing the Employee Stock Option Program 2009/2015 above. The dilution effect of the Board Stock Option Program 2009/2015 is included in the total dilution effect of approximately 8.3 % of the shares in the company described above.

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#### **IBS in brief**

With over 30 years of experience, IBS is a leading provider of distribution management solutions. IBS focuses on industries such as automotive, electrical components, paper & packaging and pharmaceutical distribution. More than 5,000 customers across some 40 countries use IBS software to gain fast and measurable returns on IT investments.

IBS B share is listed on OMX Nordic Exchange Stockholm. For more information, please visit [www.ibs.net](http://www.ibs.net)

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