

IBS Interim Report

January - June 2008

Solna, Sweden, August 8, 2008 - IBS AB (listed on the OMX Nordic Exchange Stockholm, Nordic list, Small Cap, Information Technology: IBS) today presented the Group's interim report for January 1 – June 30, 2008. The information was submitted for publication on August 8, 2008, 8:00 a.m.

January - June

- Total revenue amounted to SEK 1,000 m (1,072).
- Net profit amounted to SEK -71 m (-24).
- Earnings per share amounted to SEK -0.84 (-0.28).
- Operating profit amounted to SEK -81 m (-31).
- Earnings after financial items totaled SEK -86 m (-32).
- Cash flow from operating activities amounted to SEK 29 m (76).

April - June

- Total revenue amounted to SEK 516 m (531), of which new license sales amounted to SEK 44 m (38), an increase of 16%.
- Net profit amounted to SEK -25 m (-15).
- Earnings per share amounted to SEK -0.30 (-0.18).
- Operating profit amounted to SEK -26 m (-22).
- Earnings after financial items totaled SEK -23 m (-23).
- Cash flow from operating activities amounted to SEK -21 m (-26).
- IBS completed a rights issue to shareholders that was fully subscribed to and raised SEK 397 m. The full amount was paid in July 2008.
- Break-through contract in the Russian market to largest national importer and retailer of foreign cars.
- Swedish food distribution company Servera signed a professional services agreement at a total value of SEK 40 m.

Summary of January – June 2008	H1 2008	H1 2007	Change %
Total revenue, SEK m	1,000	1,072	-7%
- New sales	67	77	
- <u>Renewal revenue</u>	<u>127</u>	<u>129</u>	
Software licenses, SEK m	194	206	-6%
<i>License margin</i>	88%	92%	-4 p.p.
Professional services revenue, SEK m	586	599	-2%
<i>Professional services margin</i>	15%	17%	-2 p.p.
Hardware and other revenue, SEK m	220	267	-18%
<i>Hardware and other margin</i>	19%	18%	1 p.p.
Operating profit, SEK m	-81	-31	
Earnings after financial items, SEK m	-86	-32	
Net profit	-71	-24	

Operating margin, rolling 12-month basis *	-0.3%	2.5%	-2.8 p.p.
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* Excluding restructuring costs and capital loss from the sale of subsidiaries.

IBS interim report January – June 2008

Summary of second quarter

License revenue showed an increase in the quarter compared with the same period 2007, particularly in new sales. Several larger contracts were signed, including a break-through contract with the largest importer and retailer of foreign cars in Russia.

Professional Services revenue was level with the same period 2007, in spite of a division of the French operations being divested in 2007. Though hardware sales picked up towards the end of the quarter, hardware revenue continued to show decline, due in part to fewer very large hardware contracts than the same period last year.

The activity program to focus on profitability and cost improvements has had effects and can be seen in reduction of number of employees and lower G&A costs including costs for offices, travel and administration. Operating profit showed a decline of SEK 4 m compared to the same period last year, however the operating profit was affected by lower capitalization of product development costs, a reduction by SEK 18 m. Number of staff has been reduced by 10% compared to 2007, and revenue per employee improved.

During the second quarter, IBS launched and completed a rights issue to shareholders. The issue was subscribed to in its entirety and raised SEK 397 m, of which SEK 177 m was received in June and the balance received July 9. Supported by the additional capital from the rights issue, IBS will be able to improve profitability by making investments in new and expanding geographic markets, complete the new product offerings, continue the shift of resources to low-cost countries and to implement other cost measures within the current activity program. In addition, IBS intends to use the proceeds to pay down its debt in order to strengthen the company's financial position.

On June 27, Deccan Value Advisors announced that they had acquired more than 30% of the voting rights in IBS and on June 30 placed a mandatory bid on the company. The acceptance period for the bid runs to August 18, 2008. In a statement August 4, the Board recommended shareholders to not accept this bid.

Market

The second quarter showed an increase in license revenue, particularly from new customers. This was especially noticeable in the Nordic and Asia Pacific regions. Europe showed a decline in performance compared to last year and the US economy's decline continued to put pressure on the US operations.

License sales showed an improvement over the same period last year, particularly in new licenses. This was highlighted by a break-through order in the automotive sector, from the largest Russian car importer and retailer Rolf.

The demand for professional services was high in most markets with the exception of the US, where signs of an economic slowdown continued and some redundancies were made within IBS operations.

Hardware sales showed some improvement in June when the new IBM Power 6 series processor started showing in new contracts, however there was still a drop in revenue compared to the year-earlier period.

January – June 2008

Operating profit for the first six months amounted to SEK -81 m (-31). The decline in earnings occurred mainly in the first quarter and was attributable to a drop in license and hardware revenue, combined with lower capitalization of product development costs, totaling SEK 37 m, compared to the same period last year.

April – June 2008

IBS' operating profit was down to SEK -26 m (-22). Revenues were down to SEK 516 m (531), a reduction of SEK 15 m or 3%. This was mainly due to lower hardware revenue. Apart from lower revenue, operating profit was impacted negatively primarily by non-cash items incurred in the quarter, such as a continuation of the lower capitalization rate of product development cost that started in first quarter 2008.

The second quarter noted an increase in revenue for software licenses, SEK 110 m (104), with several customers signing contracts deferred from the first quarter and also substantial new deals signed in June. New sales accounted for SEK 44 m (38) and renewal revenues for SEK 66 m (66). The

profit margin from software licenses was 86% (90).

Revenue from professional services amounted to SEK 287 m (290). The Easter holiday occurred in March this year, instead of April as in 2007, which meant that there were more billable days compared to the same period last year. However, there was reduction of revenue due to the divestment of a division in France in 2007.

The professional services margin amounted to 15% (15). In the first quarter, a re-classification of product development work into billable work has led to a restatement of professional services margin from 2007; these restated figures are used throughout this report.

Hardware and other revenue continued to decline and amounted to SEK 119 m (137), which added to the overall reduction in revenue. The relative profit margin for hardware revenues was 19% (20).

The Group's gross profit margin remained at 31% (31).

Gross product development costs incurred during the quarter decreased to SEK -79 m (-86). However, the cost of capitalized product development declined to SEK 23 m (41). The resulting product development cost in the income statement thus increased to SEK -56 m (-45). Capitalization of product development costs will be lower in 2008 due to a reduction in development activity after the roll-out of IBS 6.0 and a more conservative application of capitalization policy.

Sales and marketing costs were SEK 73 m (68). The increase in reservations for bad debt made was SEK 8 m and occurred due to stricter internal policy. It should be noted this had no cash impact in the quarter.

General and administrative costs were down 19% to SEK 60 m (74) which was a direct result of the activity program initiated in the first quarter 2008.

Other operating income amounted to SEK 3 m (2) due to currency translation differences of an operative nature.

The remaining restructuring reserve related to the action plan approved in 2006 amounted to SEK 34 m on June 30, 2008. During the second quarter, SEK 7 m was utilized.

Earnings after financial items amounted to SEK -23 m (-23). Financial income of SEK 8 m (3) was impacted by a fair value change of SEK 7 m (1) in warrants held in UK-based IBS Open Systems, formerly a wholly owned subsidiary of IBS.

Restatement of Income Statement

A new organization was put in place in 2008 based on an international business-line structure. A consequence of the new organization was that some adjustments to the allocation of costs were made to the different cost functions in the income statement. For example, a number of former product development employees have been transferred to the professional services staff, in alignment with the stated ambition of reducing non-billable staff within IBS.

To facilitate comparison with the preceding year, an income statement for 2007 by quarter, with historically reported and restated figures, is presented later in this report.

Development by region

From January 1, 2008, IBS reports in accordance with the new IBS organization, which is divided into four Areas: Nordics, Europe, Americas and Asia Pacific.

Nordics:

Swedish operations were affected negatively by declining hardware sales and to some extent difficulties hiring qualified professional services staff. However, in June a services contract worth SEK 40 m was signed with Swedish food distribution company Servera. In Finland a consultancy division was re-organized on June 1. Norway continued to show improvement in earnings, as did Denmark.

Europe:

The sale to Russian automotive customer Rolf was a highlight in Europe; however this was somewhat off-set by a drop in hardware and professional services revenue compared to 2007. The Netherlands operations performed better while Belgium showed lower profit. Iberia was affected by reservations for a delayed installation project and also a loss of revenue in the weak market economy in Portugal. It should be noted that a division in France representing SEK 9 m in revenue for the first six months was divested in 2007.

Americas:

In the US, the general market economy is still affecting customers' ability to purchase new systems, though the last month produced several new contracts in the publishing vertical. Professional services revenue has also been affected, but the new global professional services organization has allowed Americas' resources to be utilized in UK, Germany, Netherlands, and Italy.

Asia Pacific:

In Asia Pacific as elsewhere we saw a decline in hardware revenue, however both license revenue and professional services revenue improved. This combined with lower cost of staff, in part thanks to the off-shoring of certain Australian operations to an Indian partner (FDS Infotech), meant that operating profit continued to improve compared to the same period last year.

Product development

The overall strategy is to continue developing IBS' position as the leading international supplier of software and professional services within supply chain management for selected market segments.

The first live installation of a Windows version of the financial system continues to run well. The first phase of testing for the complete suite of IBS Enterprise 6.0 is now complete and one or more pilot installations will be made to ensure the full system operates satisfactorily in industrial conditions. In parallel, a launch plan is being developed for deploying IBS Enterprise 6.0 in its entirety on a Windows/Intel platform, with the aim of making it available in all markets.

A first version of IBS Enterprise that can be sold as Software as a Service (SaaS) has gone into beta testing and is expected to be marketed in a limited market during the second half of 2008.

Liquidity and financial position

As of June 30, the Group's equity amounted to SEK 1 046 m (939), impacted by receiving SEK 177 m as part of the rights issue. The balance of the rights issue was received in July. The equity/assets ratio was 51% (43%). Liquidity amounted to 107% (101%).

During the second quarter, cash flow from operating activities amounted to SEK -21 m (-26). Cash flow from investing activities amounted to SEK -22 m (-47).

Cash and cash equivalents, including short-term investments, amounted to SEK 315 m

(397) on June 30. In addition, there were credit facilities of SEK 135 m (9).

The Group had interest-bearing loans totaling SEK 329 m (478) on June 30. Excluding debts to leasing companies, the corresponding figure was SEK 296 m (451).

Investments

The Group's investments in fixed assets during the period amounted to SEK 2 m (11).

Tax

Tax for the period, as reported in the income statement, amounted to SEK 15 m (8) and consisted of SEK -5 m (-5) in current tax expenses and SEK 20 m (12) in deferred tax expenses. Tax paid during the period amounted to SEK 6 m (6).

Currency

IBS' currency risk is limited in that virtually all operating subsidiaries invoice in the same currency in which expenses are incurred.

Personnel

The number of employees on June 30 was 1 661 (1 837), a decrease of 176 employees or -10% compared with the year-earlier period. Part of this reduction is derived from the restructuring program aimed at reducing non-billable staff by more than 100 employees and some divestment of non-profitable operations.

The number of consultants was 1 058 (1 038). The increase was primarily derived from consultants hired in low-cost resource centers and developers transferred to billable staff.

Parent Company

The Parent Company, IBS AB, has 27 (28) employees and the overall management responsibility for the Group. On May 1, 2007, parts of the Parent Company's operations were transferred to a subsidiary, IBS Global Functions AB. The subsidiary has 88 employees and is responsible for Group-wide functions such as product development and global functions for internal infrastructure and processes. This has caused costs and revenue in the parent company to drop significantly.

The Parent Company's total revenue for the period amounted to SEK 25 m (63) and earnings after financial items amounted to SEK 19 m (30).

Investments in tangible and intangible assets amounted to SEK 37 m (50). Cash and cash equivalents at the end of the period amounted to SEK 234 m (213).

Action program for increased profitability

The new business line focused organization is now fully implemented and efficiencies can be seen particularly in the G&A costs, and also the fact that the professional services organization is utilized more efficiently. However, there are still some short-term activities to improve costs, including the reduction of office space used throughout the group, partly due to the reduction of number of employees.

The program to relocate some of the product development, programming and customer support resources to low-cost countries such as Portugal, Poland and India will continue.

As the rights issue is completed, management is producing a detailed plan to accelerate the action program. This will include making investments in new and expanding geographic markets, complete the new product offerings on new technical platforms, continue the shift of resources to mid- and low-cost countries and to implement other cost measures. This plan will be presented during the fall.

The IBS share

The IBS share price decreased by 27% during the quarter and the closing share price was SEK 10.55 on June 30, 2008.

Accounting principles

The interim report is prepared in accordance with IAS 34 Interim Financial Reporting. Applicable rules in the Annual Accounts Act and the Securities Markets Act have also been applied. The same accounting principles and calculation methods were applied as in the most recent annual report 2007. This means that the consolidated accounts were prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the interpretations issued by the Financial

Reporting Interpretations Committee (IFRIC) as approved by the European Commission. New and revised standards and new interpretations applying as of January 2008 did not affect the IBS Group's financial reporting. For further information on the Group's accounting principles, see the 2007 annual report.

For the Parent Company, the interim report has been prepared in accordance with Annual Accounts Act and the Securities Markets Act and in accordance with Recommendation RFR 2.1 – Accounting for Legal Entities. The same accounting principles and calculation methods were applied as in the most recent annual report 2007.

Reporting dates during 2008

- The interim report for the January – September period will be published on October 23.

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The Board of Directors declares that the interim report gives a fair overview of the business development, financial position and result of operation of the Parent Company and the consolidated Group, and describes significant risks and uncertainties that the parent company and its subsidiaries are facing.

Solna, August 8, 2008

Pallab Chatterjee, Chairman of the Board

Bo Pettersson, Member of the Board

Vinit Bodas, Member of the Board

Gunnel Duveblad, Member of the Board

Fredrik Svensson, Member of the Board

Bertrand Sciard, Member of the Board

Ann-Mari Öhman, Member of the Board

George Ho, Member of the Board

Erik Heilborn, President and CEO

Questions regarding this
report will be answered by:

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This interim report was not subject to review by the company's auditors

Consolidated income statement

SEK million

	2008	2007	08/07	2008	2007	08/07	Last 12	2007
	Apr-June	Apr-June	%	Jan-June	Jan-June	%	months	Full Year
Revenue								
Software licenses	109,6	104,1	5%	194,3	206,5	-6%	477,7	489,9
Professional services	287,4	290,0	-1%	585,8	599,0	-2%	1 173,1	1 186,3
Hardware and other revenue	119,3	137,1	-13%	220,0	266,8	-18%	536,8	583,6
Total revenue	516,3	531,2	-3%	1 000,1	1 072,3	-7%	2 187,6	2 259,8
Software licenses	-15,0	-10,6	42%	-23,7	-17,4	36%	-44,5	-38,2
Professional services	-245,5	-247,7	-1%	-496,6	-495,3	0%	-950,8	-949,5
Hardware and other costs	-96,9	-109,3	-11%	-178,4	-218,7	-18%	-437,9	-478,2
Total cost of revenue	-357,4	-367,6	-3%	-698,7	-731,4	-4%	-1 433,2	-1 465,9
Gross profit	158,9	163,6	-3%	301,4	340,9	-12%	754,4	793,9
Product development costs	-55,6	-44,8	24%	-110,4	-90,4	22%	-216,2	-196,2
Sales and marketing costs	-73,3	-68,2	7%	-138,1	-142,3	-3%	-271,0	-275,2
General and administrative costs	-59,5	-73,6	-19%	-133,1	-144,8	-8%	-270,4	-282,1
Other operating income/costs *	3,3	1,5		-1,0	5,2		-8,6	-2,4
Operating profit	-26,2	-21,5		-81,2	-31,4		-11,8	38,0
Financial items								
Financial income	7,9	2,6		4,8	6,9		7,7	9,8
Financial expenses	-4,2	-3,9		-9,4	-7,1		-22,9	-20,6
Earnings after financial items	-22,5	-22,8		-85,8	-31,6		-27,0	27,2
Tax	-2,7	8,0		15,1	7,8		-23,4	-30,7
Net profit for the period	-25,2	-14,8		-70,7	-23,8		-50,4	-3,5
Net profit attributable to:								
Parent company shareholders	-25,2	-14,6		-70,7	-23,9		-50,3	-3,5
Minority	0,0	-0,2		0,0	0,1		-0,1	0,0
Earnings per share (SEK)	-0,30	-0,18		-0,84	-0,28		-0,60	-0,04
Earnings per share after dilution (SEK)	-0,30	-0,18		-0,84	-0,28		-0,60	-0,04
Average number of shares (thousand)	84 917	84 399		84 658	84 399		84 528	84 399
Average number of shares after dilution (thousand)	95 152	84 399		89 775	84 399		87 087	84 399

* Currency translation differences in receivables/liabilities of an operating character and capital loss from sale of operations

Outcome per quarter

	2005	2005	2005	2005	2006	2006	2006	2006	2007	2007	2007	2007	2008	2008
SEK million	Q1 ¹⁾	Q2	Q3	Q4	Q1	Q2 ²⁾	Q3 ³⁾	Q4	Q1	Q2	Q3 ⁴⁾	Q4	Q1	Q2
Software licenses	109,0	119,1	117,6	173,7	113,4	122,6	109,7	166,1	102,4	104,1	101,5	181,9	84,7	109,6
Total revenue	550,6	557,9	519,7	747,8	561,6	561,9	476,6	677,9	541,1	531,2	476,7	710,8	483,8	516,3
Operating profit	573,4	5,0	-1,7	62,5	13,3	13,4	-116,9	83,6	-9,9	-21,5	6,7	62,7	-55,0	-26,2
Earnings after financial items	578,4	10,8	1,6	62,9	14,6	12,6	-114,8	81,4	-8,8	-22,8	2,2	56,6	-63,3	-22,5

¹⁾ Operating profit includes capital gain from sale of subsidiaries amounting to SEK 571,4 m

²⁾ Operating profit includes capital gain from sale of subsidiaries to SEK 1,5 m.

³⁾ Operating profit includes restructuring costs amounting to SEK -120,0 m.

⁴⁾ Operating profit includes capital loss from sale of operations amounting to SEK -3,5 m.

Segment analysis Jan-June		Nordics		Europe		Americas		Asia Pacific		Parent company incl. group adjustments		Total	
<i>SEK million</i>		2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
<i>Revenue from external customers</i>													
Software licences		55,6	55,8	100,7	108,0	10,6	15,0	26,9	25,0	0,5	2,8	194,3	206,5
Professional services		267,9	270,1	217,2	233,7	53,2	67,4	41,5	31,5	6,0	-3,6	585,8	599,0
Hardware and other revenue		87,6	97,8	121,2	147,2	5,6	9,9	5,6	11,6	0,0	0,2	220,0	266,8
		411,1	423,7	439,1	488,9	69,4	92,3	74,0	68,1	6,5	-0,6	1 000,1	1 072,3
Inter-segment revenue		23,9	18,1	25,4	11,7	5,5	6,1	7,5	6,9	-62,3	-42,9	0,0	0,0
Total revenue		435,0	441,8	464,5	500,6	74,9	98,4	81,5	75,0	-55,8	-43,5	1 000,1	1 072,3
Segment operating profit		38,5	40,3	-0,2	17,1	0,8	9,9	2,2	-7,3	-122,3	-91,5	-81,2	-31,4
Unallocated expenses												0,0	0,0
Operating profit												-81,2	-31,4

Segment analysis Q2		Nordics		Europe		Americas		Asia Pacific		Parent company incl. group adjustments		Total	
<i>SEK million</i>		2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
<i>Revenue from external customers</i>													
Software licences		29,8	29,6	58,2	51,8	6,4	8,3	14,7	13,7	0,5	0,8	109,6	104,1
Professional services		137,2	132,3	102,2	116,4	25,5	32,2	20,0	13,7	2,5	-4,7	287,4	290,0
Hardware and other revenue		58,8	47,1	54,1	83,2	3,1	2,8	3,3	3,9	0,0	0,2	119,3	137,1
		225,8	209,0	214,5	251,4	35,0	43,3	37,9	31,3	3,0	-3,7	516,3	531,2
Inter-segment revenue		14,3	8,1	13,5	5,0	3,0	3,2	4,0	3,8	-34,8	-20,2	0,0	0,0
Total revenue		240,1	217,1	228,0	256,4	38,0	46,5	41,9	35,1	-31,8	-23,9	516,3	531,2
Segment operating profit		24,8	18,0	-1,7	4,9	1,8	5,4	2,0	-3,7	-53,0	-46,1	-26,2	-21,5
Unallocated expenses												0,0	0,0
Operating profit												-26,2	-21,5

The segment reporting is created in accordance with IAS 14. For IBS, geographical area is the primary basis for segmentation. The segmentation is based on IBS' organisation and the structure of the international reporting system. IBS' risks and opportunities are primarily impacted by the Group having operations in different countries. Internal pricing is based on market price. The segment results include items that are directly assignable or can be allocated to a segment in a reasonable and reliable way.

Consolidated balance sheet

SEK million

	2008 30 June	2007 30 June	2007 31 Dec
ASSETS			
Capitalized product development costs	349,0	325,5	352,8
Goodwill	422,6	432,4	419,1
Other intangible assets	26,7	34,4	29,4
Intangible assets	798,3	792,3	801,3
Tangible assets	86,6	93,8	93,1
Financial assets	17,5	20,1	12,7
Deferred tax receivables	153,2	158,5	135,0
Total fixed assets	1 055,6	1 064,7	1 042,1
Inventories	10,2	9,8	16,6
Accounts receivable	458,1	474,4	714,5
Tax receivables	20,4	18,2	17,7
Other receivables	185,8	200,7	160,5
Cash and cash equivalents	314,9	397,1	186,3
Total current assets	989,4	1 100,2	1 095,6
TOTAL ASSETS	2 045,0	2 164,9	2 137,7

	2008 30 June	2007 30 June	2007 31 Dec
EQUITY AND LIABILITIES			
Equity holders of the parent company	1 045,7	938,1	956,0
Minority interests	0,1	0,4	0,1
Total equity	1 045,8	938,5	956,1
Liabilities			
Liabilities to credit institutions	59,5	77,2	68,9
Deferred tax	5,4	10,9	6,7
Provisions	11,4	41,2	11,2
Other long-term liabilities	6,3	19,8	14,3
Total long-term liabilities	82,6	149,1	101,1
Liabilities to credit institutions	269,1	400,5	267,7
Provisions	34,2	34,9	51,1
Accounts payable	96,5	116,3	166,5
Income tax liability	6,0	2,4	4,9
Other current liabilities	510,8	523,2	590,3
Total short-term liabilities	916,6	1 077,3	1 080,5
Total liabilities	999,2	1 226,4	1 181,6
TOTAL EQUITY AND LIABILITIES	2 045,0	2 164,9	2 137,7

Change in Group equity

SEK million	2008 30 June	2007 30 June	2007 31 Dec
Opening balance 1 Jan	956,1	953,2	953,2
Rights issue	177,0	-	-
Costs related to rights issue	-10,0	-	-
Own shares acquired	-	-5,5	-5,5
Net profit for the period	-70,7	-23,8	-3,5
Translation differences for the period	-6,6	14,6	11,9
Closing balance end of period	1 045,8	938,5	956,1
Equity attributable to:			
Equity holders of the parent company	1 045,7	938,1	956,0
Minority interests	0,1	0,4	0,1

Changes in pledged assets and contingent liabilities Group

SEK million	2008 30 June	2007 31 Dec	Change
Corporate mortgages	0,3	0,3	0,0
Pledged shares in subsidiaries	52,4	76,2	-23,8
Assets charged with ownership reservation	48,4	58,7	-10,3
Contingent liabilities	10,8	11,0	-0,2

Changes in pledged assets and contingent liabilities Parent company

SEK million	2008 30 June	2007 31 Dec	Change
Corporate mortgages	0,3	0,3	0,0
Pledged shares in subsidiaries	52,4	55,7	-3,3
Guarantees, subsidiaries	48,8	53,7	-4,9

Consolidated cash flow analysis

SEK million

	2008 Apr-June	2007 Apr-June	2008 Jan-June	2007 Jan-June	Last 12 months	2007 Full year
Operating activities						
Earnings after financial items	-22,5	-22,8	-85,8	-31,6	-27,0	27,2
Adjustments to reconcile earnings after financial items to cash	15,9	17,7	45,9	24,7	106,9	85,7
Tax paid	-3,4	-3,5	-6,2	-5,5	-19,9	-19,2
Cash flow from operating activities before changes in working capital	-10,0	-8,6	-46,1	-12,4	60,0	93,7
<i>Changes in working capital</i>						
Inventories	0,3	-0,8	6,4	-0,7	-0,5	-7,6
Operating assets	-20,9	-1,9	220,3	165,1	28,7	-26,5
Operating liabilities	9,6	-15,0	-152,1	-75,7	-45,8	30,6
Cash flow from operating activities	-21,0	-26,3	28,5	76,3	42,4	90,2
<i>Investing activities</i>						
Change, intangible assets	-23,3	-41,0	-42,1	-76,0	-105,2	-139,1
Change, tangible assets	1,0	-9,1	-1,8	-11,2	-22,3	-31,7
Change, financial assets	0,2	3,1	0,6	2,4	-4,9	-3,1
Acquisition of subsidiaries	-	-	-2,0	-5,5	-2,0	-5,5
Disposal of subsidiaries	-	-	-	-	5,1	5,1
Cash flow from investing activities	-22,1	-47,0	-45,3	-90,3	-129,3	-174,3
<i>Financing activities</i>						
Rights issue	177,0	-	177,0	-	177,0	-
Costs related to rights issue	-10,0	-	-10,0	-	-10,0	-
Own shares aquired	-	-	-	-5,5	-	-5,5
Net change, loans	-3,5	43,1	-18,2	4,9	-159,7	-136,6
Cash flow from financing activities	163,5	43,1	148,8	-0,6	7,3	-142,1
Cash flow for the period	120,4	-30,2	132,0	-14,6	-79,6	-226,2
Cash and cash equivalents, beginning of period	193,1	428,9	186,3	405,4	397,1	405,4
Translation differences in cash and cash equivalents	1,4	-1,6	-3,4	6,3	-2,6	7,1
Cash and cash equivalents, end of period	314,9	397,1	314,9	397,1	314,9	186,3

Key figures and data per share

Key figures	2008	2007	2008	2007	Last 12	2007
	Apr-June	Apr-June	Jan-June	Jan-June	months	Full year
Average number of employees	1 674	1 852	1 700	1 845	1 743	1 815
Revenue per employee (SEK thousand)	308	287	588	581	1 255	1 245
Value added per employee (SEK thousand)	165	169	315	340	697	720
Operating margin %	-5,1	-4,0	-8,1	-2,9	-0,5	1,7
Capital turnover ratio	0,3	0,2	0,5	0,5	1,1	1,0
Return on total capital %	-0,9	-0,9	-3,7	-1,1	-0,2	2,2
Return on capital employed %	-1,4	-1,3	-5,7	-1,7	-0,3	3,5
Return on equity %	-2,6	-1,6	-7,1	-2,5	-5,3	-0,4
Ratio of risk capital %	51	44	51	44	51	45
Liquidity %	107	101	107	101	107	100
Equity to total assets ratio %	51	43	51	43	51	45
Interest cost cover ratio	-4	-5	-8	-3	0	2
DSO (Days of sales outstanding)	63	65	78	71	67	66
Interest-bearing net debt	14	81	14	81	14	150
Key figures per share						
Earnings	-0,30	-0,18	-0,84	-0,28	-0,60	-0,04
Earnings after dilution	-0,30	-0,18	-0,84	-0,28	-0,60	-0,04
Adjusted equity	10,44	11,54	10,44	11,54	10,44	11,76
Adjusted equity after dilution	8,48	11,54	8,48	11,54	8,48	11,76
Cash flow from operating activities	-0,25	-0,31	0,34	0,90	0,50	1,07
Cash flow from operating activities after dilution	-0,22	-0,31	0,32	0,90	0,49	1,07
Share data						
Average number of shares (thousand)	84 917	84 399	84 658	84 399	84 528	84 399
Average number of shares after dilution (thousand)	95 152	84 399	89 775	84 399	87 087	84 399
Total no. of shares (thousand)	99 931	81 304	99 931	81 304	99 931	81 304
Average share price	10,62	23,60	11,26	24,43	13,47	20,88

Analysis

	2 nd Quarter		Jan-June	
	08/07	07/06	08/07	07/06
Analysis of the change in revenue between the years				
%				
Volume increase (average no. of staff)	-8%	-3%	-6%	-1%
Acquisitions/disposals	-1%	-2%	-1%	-2%
Price and efficiency change	7%	-2%	0%	-2%
Growth rate, internally influenced	-2%	-7%	-7%	-5%
Influence of exchange rate fluctuation	-1%	2%	0%	0%
Total growth rate	-3%	-5%	-7%	-5%
Gross profit per revenue stream				
SEK million	2008	2007	2008	2007
Software licences	95	94	171	189
Professional services	42	42	89	104
Hardware and other revenue	22	28	41	48
Total	159	164	301	341
Gross margin in % per revenue stream				
%	2008	2007	2008	2007
Software licences	86%	90%	88%	92%
Professional services	15%	15%	15%	17%
Hardware and other revenue	19%	20%	19%	18%
Total	31%	31%	30%	32%
Type of revenue in % of total revenue				
%	2008	2007	2008	2007
Software licences	21%	20%	19%	19%
Professional services	56%	55%	59%	56%
Hardware and other revenue	23%	25%	22%	25%
Total	100%	100%	100%	100%
Operating costs in % of revenue				
%	2008	2007	2008	2007
Product development costs	11%	8%	11%	8%
Sales and marketing costs	14%	13%	14%	13%
General and administrative costs	12%	14%	13%	14%
Total	36%	35%	38%	35%
Depreciation				
SEK million	2008	2007	2008	2007
Capitalised product development costs	-22	-17	-43	-33
Other fixed assets	-13	-12	-24	-24
Total	-35	-29	-67	-57

Restatement

Consolidated income statement per quarter 2007

	Reported 2007					Restated 2007				
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
Revenue										
Software licenses	102,4	104,1	101,5	181,9	489,9	102,4	104,1	101,5	181,9	489,9
Professional services	309,0	290,0	278,6	308,7	1 186,3	309,0	290,0	278,6	308,7	1 186,3
Hardware and ther revenues	129,7	137,1	96,6	220,2	583,6	129,7	137,1	96,6	220,2	583,6
Total Revenue	541,1	531,2	476,7	710,8	2 259,8	541,1	531,2	476,7	710,8	2 259,8
Cost of revenue										
Software licenses	-6,8	-10,6	-7,1	-13,7	-38,2	-6,8	-10,6	-7,1	-13,7	-38,2
Professional services	-234,0	-235,5	-207,9	-242,1	-919,5	-247,6	-247,7	-213,2	-241,1	-949,6
Hardware and ther revenues	-109,4	-109,3	-73,7	-185,8	-478,2	-109,4	-109,3	-73,7	-185,8	-478,2
Total cost of revenue	-350,2	-355,4	-288,7	-441,6	-1 435,9	-363,8	-367,6	-294,0	-440,6	-1 466,0
Gross profit	190,9	175,8	188,0	269,2	823,9	177,3	163,6	182,7	270,2	793,8
Product development costs	-63,8	-64,7	-61,2	-70,8	-260,5	-45,6	-44,8	-49,5	-56,3	-196,2
Sale and marketing costs	-64,0	-61,9	-51,7	-62,8	-240,4	-74,1	-68,2	-60,6	-72,3	-275,2
General and administrative costs	-73,0	-70,7	-64,9	-72,9	-281,5	-71,2	-73,6	-58,3	-79,0	-282,1
Other operating income *			-3,5		-3,5	3,7	1,5	-7,6	0,1	-2,3
Operating profit	-9,9	-21,5	6,7	62,7	38,0	-9,9	-21,5	6,7	62,7	38,0

* Currency transalation differences in receivables/liabilities of an operating character and capital loss from sale of operations and

Parent company income statement

SEK million

	2008	2007		2008	2007		2007
	Apr-June	Apr-June	%	Jan-June	Jan-June	%	Full year
Revenue							
Software licenses	0,4	0,5	-20%	0,8	1,0	-20%	8,0
Professional services	2,5	2,2	14%	4,2	3,6	17%	6,9
Other income	20,2	58,4	-65%	20,2	58,5	-65%	114,6
Total revenue	23,1	61,1	-62%	25,2	63,1	-60%	129,5
Cost of revenue							
Software licenses	-0,2	0,0	-	-0,4	-0,3	33%	-5,6
Professional services	-1,6	-0,6	167%	-2,5	-1,5	67%	-3,6
Other costs	-0,1	0,0	-	-0,4	0,0	-	0,0
Total cost of revenue	-1,9	-0,6	217%	-3,3	-1,8	83%	-9,2
Gross profit	21,2	60,5	-65%	21,9	61,3	-64%	120,3
Product development costs	-17,5	-11,4	54%	-32,7	-24,8	32%	-72,6
Sale and marketing costs	-	-3,4	-100%	-	-10,0	-100%	-5,5
General and administrative costs	-12,8	-20,1	-36%	-36,0	-42,4	-15%	-42,4
Restructuring cost	-	-	-	-	-	-	-1,7
Other operating income/costs [*]	3,8	2,1	-	-0,3	5,8	-	3,0
Operating profit	-5,3	27,7		-47,1	-10,1		1,1
Financial items							
Financial income	7,3	3,8	-	11,4	12,3	-	19,3
Financial expense	-0,5	-3,9	-	-10,0	-6,6	-	-17,7
Result from participations in subsidiaries	64,4	34,0	-	64,4	34,0	-	-18,1
Earnings after financial items	65,9	61,6		18,7	29,6		-15,4
Transfers from untaxed reserves	-	-	-	-	-	-	2,0
Profit before tax	65,9	61,6		18,7	29,6		-13,4
Tax	0,0	-9,7	-	13,7	-0,9	-	-9,7
Net profit for the period	65,9	51,9		32,4	28,7		-23,1

^{*} Currency translation differences in receivables/liabilities of an operating character

Parent company balance sheet

SEK million

	2008 30 June	2007 30 June	2007 31 Dec
Assets			
Capitalized product development costs	314,4	251,1	310,3
Acquired software rights	1,8	2,8	2,7
Intangible assets	316,2	253,9	313,0
Tangible assets	2,7	4,8	3,6
Receivables from subsidiaries	177,1	180,8	174,0
Deferred tax receivables	46,9	42,1	33,2
Participation in subsidiaries	456,4	503,5	451,4
Financial investments	6,8	9,3	3,7
Total fixed assets	1 006,1	994,4	978,9
Inventory	6,3	5,3	7,1
Accounts payable	1,8	3,7	4,4
Tax receivables	4,0	4,1	2,8
Receivables from subsidiaries	129,4	375,0	168,0
Other receivables	19,1	7,8	15,2
Current receivables	154,3	390,6	190,4
Cash and cash equivalents	234,1	212,9	57,2
Total current assets	394,7	608,8	254,7
TOTAL ASSETS	1 400,8	1 603,2	1 233,6

	2008 30 June	2007 30 June	2007 31 Dec
EQUITY AND LIABILITIES			
<i>Restricted equity</i>			
Share capital	20,4	16,7	16,7
Statutory reserve	318,7	318,7	318,7
	339,1	335,4	335,4
<i>Non-restricted equity</i>			
Share premium reserve	203,1	29,8	29,8
Translation reserve (fair value fund)	9,6	11,0	6,6
Retained earnings	445,3	478,4	478,3
Net profit for the period	32,4	28,7	-23,1
	690,4	547,9	491,6
Equity	1 029,5	883,3	827,0
Untaxed reserves	1,9	4,0	2,0
Liabilities			
Liabilities to credit institutions	36,5	57,3	46,9
Other long-term liabilities	0,0	8,3	6,7
Long-term liabilities	36,5	65,6	53,6
Liabilities to credit institutions	213,6	333,0	235,4
Accounts payable	4,2	9,4	15,5
Current liabilities to subsidiaries	69,4	233,3	81,1
Other current liabilities	45,7	74,6	19,0
Short-term liabilities	332,9	650,3	351,0
Total liabilities	369,4	715,9	404,6
TOTAL EQUITY AND LIABILITIES	1 400,8	1 603,2	1 233,6

IBS in brief

IBS' mission is to help our customers increase profitability and customer service through solutions and services that improve business processes and deliver measurable business value.

IBS is a leading provider of specialised business solutions that optimise and increase the efficiency of the entire supply chain. IBS' solutions include effective routines for sales support, customer relations, order handling, procurement and supply chain management, demand-driven manufacturing and distribution, financial control and flexible business performance measurement.

We offer complete solutions by providing software, professional services, IT equipment, facilities management and financing services. Fast and efficient implementation enables customers to focus on their own business targets.

A global network of subsidiaries and business partners ensures that IBS' solutions are available worldwide.

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