

IBS Interim Report

January - March 2008

Solna, Sweden, April 22, 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 - March 31, 2008. The information was submitted for publication on April 22, 2008, 2:00 p.m.

- Total revenue amounted to SEK 484 m (541).
- Net profit amounted to SEK -46 m (-9).
- Earnings per share amounted to SEK -0.56 (-0.11).
- Operating profit amounted to SEK -55 m (-10).
- Earnings after financial items totaled SEK -63 m (-9).
- Cash flow from operating activities amounted to SEK 50 m (103).
- Second wave of cost program initiated with aim of reducing cost has led to a reduction of staff by 120 employees as compared to first quarter 2007.
- Implementation of new global organization finalized.

Summary of Q1 2008	Q1 2008	Q1 2007	Change %
Total revenue, SEK m	484	541	-11%
- New sales	23	39	
- <u>Renewal revenue</u>	<u>62</u>	<u>63</u>	
Software licenses, SEK m	85	102	-17%
<i>License margin</i>	90%	93%	-3 p.p.
Professional services revenue, SEK m	298	309	-4%
<i>Professional services margin</i>	16%	20%	-4 p.p.
Hardware and other revenue, SEK m	100	130	-23%
<i>Hardware and other margin</i>	19%	16%	3 p.p.
Operating profit, SEK m	-55	-10	-450%
Earnings after financial items, SEK m	-63	-9	-600%
Net profit	-46	-9	-411%

Operating margin, rolling 12-month basis *	-0.3%	4.0%	-4.3 p.p.
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* Excluding restructuring costs and capital loss from the sale of subsidiaries.

IBS interim report January – March 2008

During the first quarter, IBS launched a new phase of its ongoing activity program in order to improve profitability. Among the activities in this phase, IBS aims to reduce the number of non-billable staff by more than 100 full-time positions compared with the 2007 level. This phase will be finalized in the first half of the year.

The implementation of a new global structure in order to better support international customers in IBS' key industry solutions has been finalized.

Despite IBS areas reporting increased interest among customers during the course of the first quarter there was a drop in license revenue compared with the year-earlier period. Potential customers tended to defer signing contracts.

Professional Services revenue was affected by an earlier Easter holiday in 2008 than in the preceding year, the divestment of a division of the French operations and lower license sales. During the first quarter, customers became aware of IBM's pending launch of new hardware in April, which affected the signing of new contracts negatively.

Costs were impacted negatively by a number of primarily non-cash items, such as lower capitalization and increased depreciation of product development costs, negative exchange rate effects and additional severance costs. The total impact of these costs was SEK 38 m. The IBS Board of Directors and CEO Erik Heilborn have reached an agreement that Erik Heilborn will step down as CEO. Mr. Heilborn will remain in office until a new CEO has been recruited.

Market

During the first quarter the US market showed lower demand due to uncertainty in the financial market. The European and Asia Pacific markets showed a continuing interest in business systems. However, since potential customers were hesitant to make final investment decisions, license sales were lower than expected in the first quarter.

License sales are characterized by long sales cycles and a distinct seasonal trend, with the fourth quarter being by far the strongest.

New customer sales are focused on areas in which IBS offers industry-specific solutions. These include pharmaceutical distribution, electronics distribution, paper, automotive industry, publishing and other high-transaction volume operations, as well as a number of other market segments on a domestic level.

The demand for professional services was high in most markets with the exception of the US, where signs of an economic slowdown continued. Easter holiday in March impacted professional services revenues in the first quarter compared with last year, when the Easter holiday period was in April. Asia Pacific showed a significant improvement in professional services performance.

The hardware market is characterized by fluctuations between quarters, and the first quarter saw a decline in revenue. During the first quarter, customers became aware of IBM's launch of a new processor in April 2008, which affected the signing of new contracts negatively.

January – March 2008

IBS' operating profit amounted to SEK -55 m (-10), due to lower revenues of SEK 484 m (541), a reduction of SEK 57 m or 11%. Operating profit was further impacted negatively primarily by non-cash items incurred in first quarter.

The first quarter was marked by lower revenue for software licenses, SEK 85 m (102), with several customers showing delays in making final decisions. New sales accounted for SEK 23 m (39) and renewal revenues for SEK 62 m (63). The profit margin from software licenses was 90% (93).

Revenue from professional services amounted to SEK 298 m (309). The reduction was due mainly to fewer working days in Q1 compared with the preceding year, since Easter holiday occurred in March compared with April in 2007, and the divestment of a division in France. Hardware-related services were also affected by a delay in hardware orders.

The professional services margin amounted to 16% (20). In the first quarter, more than

100 employees were transferred from non-billable positions to billable professional services positions. This has initially impacted the margin negatively.

Major quarterly fluctuations in hardware revenue are normal for IBS and in the first quarter the revenue dropped to SEK 100 m (130), which added to the overall reduction in revenue. IBM released a new processor in April, which contributed to a temporary slowdown of new sales in the first quarter. The relative profit margin for hardware revenues increased to 19% (16).

The Group's gross profit margin was 29% (33), with the decrease mainly deriving from a lower professional services margin and lower license sales.

Gross product development costs incurred during the quarter decreased to SEK 74 m (81). However, the capitalized cost declined to SEK 19 m (35) thus resulting in product development cost in the income statement increasing to SEK 55 m (46). Capitalization of product development costs was lower in the first quarter of 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 65 m (74) where significant cost savings was reported regarding personnel, traveling and marketing expenses.

General and administrative costs were SEK 74 m (71) which was impacted by an accrual for severance cost for CEO of SEK 9 m.

Other operating income/costs amounted to SEK -4 m (4) due to unrealized exchange differences.

To summarize, costs for the first quarter were impacted by accruals of SEK -9 m (0) for severance costs relating to the CEO, negative exchange differences of SEK -4 m (4), capitalized product development costs of SEK 19 m (35) and depreciation of capitalized product development costs of SEK -21 m (-16). These items together add up to SEK -38 m and it should be noted that most of the above cost had no cash flow impact in the first quarter.

The remaining restructuring reserve related to the action plan approved in 2006 amounted to SEK 51 m (91) at December 31, 2007. During the first quarter, SEK 10 m (15) was utilized and the remaining reserve at March 31, 2008, amounted to SEK 41 m (76).

Earnings after financial items amounted to SEK -63 m (-9). Financial expenses of SEK -8 m (1) were impacted by increased interest rates and impairment of share options.

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:

IBS' earnings in Sweden affected the region negatively, mainly due to lower professional services revenue and lower hardware sales. However, the services backlog in Sweden is favorable. In Finland and Norway, earnings improved slightly compared with the year-earlier period while Denmark performed better than in Q1 2007, particularly in the professional services business line.

Europe:

Lower license sales affected the region negatively. The Belgian and German-speaking operations showed lower profit compared with the year-earlier period, while the UK operations performed better. An implementation project with a large PaperlinX subsidiary (Deutsche Papier) went live as planned and is now one of the larger customers in Germany.

Americas:

The US market was affected by the insecurity in the financial markets making customers hesitant to make investments. This affected both new license sales and professional services revenue. To some extent, professional services improved by taking on work from other IBS units. IBS Brazil performed better in the first quarter than in the year-earlier period and IBS Colombia performed slightly worse.

Asia Pacific

Operating profit improved significantly in the Asia Pacific region compared with the year-earlier period. This was the result of an improvement in professional services revenue and license revenue, together with a decrease in staffing costs. Staffing costs were reduced in part as a result of the off-shoring of certain Australian operations to an Indian partner and reduction in the sales force.

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.

During 2008, IBS will continue to focus on sales of the international software version, IBS Enterprise 6.0, with enhanced functionality and a new Java User Interface. IBS also intends to continue the broadening of its business system into the Windows platform, with the objective of enabling increased market penetration in the sectors on which the company is focused.

The first live installation of a Windows version of the financial system (IBS Enterprise 6.0) has progressed into the second year and new installations will test further modules of the system in a live production environment. The multi-platform version of IBS Enterprise is of considerable strategic importance for IBS.

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 March 31, the Group's equity amounted to SEK 898 m (952) and the equity/assets ratio was 48% (44%). Liquidity amounted to 92% (107%).

During the first quarter, cash flow from operating activities amounted to SEK 50 m (103). Cash flow from investing activities amounted to SEK -23 m (-43).

Cash and cash equivalents, including short-term investments, amounted to SEK 193 m (429) on March 31. In addition, there were credit facilities of SEK 132 m (54).

The Group had interest-bearing loans totaling SEK 330 m (436) on March 31.

Excluding debts to leasing companies, the corresponding figure was SEK 297m (410).

Investments

The Group's investments in equipment during the period amounted to SEK 3 m (2).

Tax

Tax for the period, as reported in the income statement, amounted to SEK 18 m (0) and consisted of SEK -4 m (-1) in current tax expenses and SEK 22 m (3) in deferred tax expenses. Tax paid during the period amounted to SEK -3 m (-2).

Currency

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

In the first quarter, an exchange difference of SEK -4 m (4) was reported primarily due to an unrealized exchange loss on intra-Group receivables/liabilities.

Personnel

The number of employees on March 31 was 1 716 (1 836), a decrease of 120 employees or -7% 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.

The number of consultants was 1 090 (1 039). 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 (122) 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 91 employees and is responsible for Group-wide functions such as product development and global functions for internal infrastructure and processes.

The Parent Company's total revenue for the period amounted to SEK 2 m (2) and earnings after financial items amounted to SEK -47 m (-32).

Investments in tangible and intangible assets amounted to SEK 17 m (35). Cash and cash equivalents at the end of the period amounted to SEK 84 m (24).

Action program for increased profitability

The new phase of the ongoing activity program continued with a new organization implemented globally, representing a move from a decentralized organization to an organization based on business lines. As part of this new structure, more than 100 staff were identified and redundancies are being made worldwide.

The program to relocate some of the product development and programming resources to low-cost countries such as Portugal, Poland and India will continue. Other operating costs such as IT infrastructure, administrative costs and office costs will also be addressed throughout the year.

The implementation of a global sales and marketing business line for the IBS Enterprise software will improve sales efficiency especially with regards to major international customers in IBS' key industries. Similarly, the implementation of a global professional services business line for the IBS Enterprise software will improve efficiency in delivering global projects to major international customers while allowing IBS to leverage industry expertise in key industries.

Cost reductions relating to the second phase of the action program are proceeding as planned. In the first quarter, however, the impact of these actions was offset to some extent by the above-mentioned non-cash flow items.

Changes in IBS' Group Management

The IBS Board of Directors and CEO Erik Heilborn have reached an agreement that Erik Heilborn will step down as CEO. The process of recruiting a new CEO is under way and Mr. Heilborn will remain as CEO until such recruitment has been finalized.

Mark Cockings was appointed Senior Vice President Sales & Marketing for IBS International. He was formerly Area President Central Europe.

Ole Fritze was appointed Senior Vice President Professional Services for IBS International. He was formerly Senior Vice President Global Operations.

Henrik Stache was appointed Senior Vice President for IBS Technology & Services. He was formerly Senior Vice President Sales & Marketing.

Kent Mattsson was appointed Area President for the Nordics area, replacing Esa

Parjanen. He is also Sales Director of the Nordics area and MD of IBS Sweden.

John Taylor was appointed Area President for the Americas (including South America) and also MD for IBS US, replacing Barry Christian in both positions. He is also Sales Director for the Americas.

As part of the merger of the areas Europe and South Europe, Richard Marques was appointed Area President for Europe. He was formerly Area President of South Europe and South America and remains MD of IBS Iberia.

The IBS share

The IBS share price increased by 11% during the quarter and the closing share price was SEK 14.40 on March 31, 2008.

Accounting principles

This interim report was prepared in accordance with IAS 34 Interim Reporting and the Swedish Financial Accounting Standards Council's recommendation RR 31 Interim Reporting for Corporate Groups. The same accounting principles and calculation methods were applied as in the most recent annual report for 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. The Parent Company applies RR 32, Reporting of Legal Entities. RR 32 means that the Parent Company must apply all EU-approved IFRS and recommendations but with certain exceptions (see the 2007 annual report for further information).

Annual General Meeting

The IBS Annual General Meeting will be held on April 22, 2008 at 3:00 p.m. at Summit Solna Gate, Hemvärnsgatan 9, Solna. Registration will take place starting 2:15 p.m. The notice of the Annual General Meeting is available on www.ibs.net

Reporting dates during 2008

- The Annual General Meeting will be held on April 22.
- The interim report for the January – June period will be published on July 18.
- The interim report for the January – September period will be published on October 23.

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Solna, April 22, 2008

Pallab Chatterjee, Chairman of the Board

Jan Jacobsen, Dep. Chairman 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

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 Jan-Mar	2007 Jan-Mar	08/07 %	Last 12 Months	2007 Full Year
<i>Revenue</i>					
Software licenses	84.7	102.4	-17%	472.2	489.8
Professional services	298.4	309.0	-3%	1 175.7	1 186.3
Hardware and other revenue	100.7	129.7	-22%	554.6	583.6
Total revenue	483.8	541.1	-11%	2 202.5	2 259.8
<i>Cost of revenue</i>					
Software licenses	-8.7	-6.8	28%	-40.1	-38.2
Professional services	-251.1	-247.6	1%	-953.0	-949.5
Hardware and other costs	-81.5	-109.4	-26%	-450.3	-478.2
Total cost of revenue	-341.3	-363.8	-6%	-1 443.4	-1 465.9
Gross profit	142.5	177.3	-20%	759.1	793.9
Product development costs	-54.8	-45.6	20%	-205.4	-196.2
Sales and marketing costs	-64.8	-74.1	-13%	-265.9	-275.2
General and administrative costs	-73.6	-71.2	3%	-284.5	-282.1
Other operating income/costs *	-4.3	3.7		-10.4	-2.4
Operating profit	-55.0	-9.9		-7.1	38.0
<i>Financial items</i>					
Financial income	1.2	4.3		6.7	9.8
Financial expenses	-9.5	-3.2		-26.9	-20.6
Earnings after financial items	-63.3	-8.8		-27.3	27.2
Tax	17.8	-0.2		-12.7	-30.7
Net profit for the period	-45.5	-9.0		-40.0	-3.5
Whereof majority owners share	-45.5	-9.3		-39.7	-3.5
Whereof minority owners share	0.0	0.3		-0.3	0.0
Earnings per share (SEK)	-0.56	-0.11		-0.49	-0.04
Earnings per share after dilution (SEK)	-0.56	-0.11		-0.49	-0.04
Average number of shares (thousand)	81 304	81 304		81 304	81 304
Average number of shares after dilution (thousand)	81 304	81 304		81 304	81 304

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

Outcome per quarter													
SEK million	2005 Q1 ¹⁾	2005 Q2	2005 Q3	2005 Q4	2006 Q1	2006 Q2 ²⁾	2006 Q3 ³⁾	2006 Q4	2007 Q1	2007 Q2	2007 Q3 ⁴⁾	2007 Q4	2008 Q1
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
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
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
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

1) Operating profit includes capital gain from sale of subsidiaries amounting to SEK 571.4m.

2) Operating profit includes capital gain from sale of subsidiaries amounting to SEK 1.5m.

3) Operating profit includes restructuring costs amounting to SEK -120.0m.

4) Operating profit includes capital loss from sale of operations amounting to SEK -3.5m

Segment analysis

January-March	Nordics		Europe		Americas		Asia Pacific		Parent comp. incl. Group adjustments		Total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
SEK million												
Revenue from external customers												
Software licenses	25.8	26.2	42.6	56.2	4.2	6.7	12.2	11.3	0.0	2.0	84.7	102.4
Professional services	130.7	137.7	115.0	117.3	27.7	35.2	21.5	17.7	3.5	1.1	298.4	309.0
Hardware and other revenue	28.8	50.7	67.1	64.0	2.4	7.2	2.4	7.7	0.0	0.0	100.7	129.7
	185.3	214.7	224.6	237.5	34.4	49.0	36.0	36.8	3.5	3.1	483.8	541.1
Inter-segment revenue	9.6	10.0	11.9	6.7	2.5	2.9	3.5	3.1	-27.5	-22.7	0.0	0.0
Total revenue	194.9	224.6	236.5	244.2	36.9	51.9	39.5	39.9	-24.0	-19.5	483.8	541.1
Segment operating profit	13.7	22.3	1.5	12.3	-1.1	4.5	0.2	-3.6	-69.3	-45.3	-55.0	-9.9
Unallocated costs											0.0	0.0
Operating profit											-55.0	-9.9

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 31 Mar	2007 31 Mar	2007 31 Dec		2008 31 Mar	2007 31 Mar	2007 31 Dec
ASSETS				EQUITY AND LIABILITIES			
Capitalized product development costs	349.4	301.2	352.8	Majority holders	897.4	951.6	956.0
Goodwill	414.4	428.5	419.1	Minority holders	0.1	0.7	0.1
Other intangible assets	27.0	36.1	29.4	Total equity	897.5	952.3	956.1
Intangible assets	790.8	765.8	801.3	Liabilities			
Tangible assets	94.3	96.0	93.1	Liabilities to credit institutions	64.7	81.1	68.9
Financial assets	12.4	19.0	12.7	Deferred tax	6.5	12.3	6.7
Deferred tax receivables	156.6	153.3	135.0	Provisions	11.2	51.8	11.2
Total fixed assets	1 054.1	1 034.1	1 042.1	Other long-term liabilities	13.5	19.0	14.3
Inventories	10.5	8.6	16.6	Long-term liabilities	95.9	164.2	101.1
Accounts receivable	450.9	481.9	714.5	Liabilities to credit institutions	265.1	354.4	267.7
Tax receivables	15.7	11.2	17.7	Provisions	40.9	34.7	51.1
Other receivables	165.0	201.6	160.5	Accounts payable	61.5	116.3	166.5
Current assets	631.6	694.7	892.7	Income tax liability	4.8	3.7	4.9
Cash and cash equivalents	193.1	428.5	186.3	Other current liabilities	523.6	540.3	590.3
Total current assets	835.2	1 131.8	1 095.6	Short-term liabilities	895.9	1 049.4	1 080.5
TOTAL ASSETS	1 889.3	2 165.9	2 137.7	Total liabilities	991.8	1 213.6	1 181.6
				TOTAL EQUITY AND LIABILITIES	1 889.3	2 165.9	2 137.7

Change in Group equity

SEK million	2008 31 Mar	2007 31 Mar	2007 31 Dec
Opening balance	956.1	953.2	953.2
Own shares aquired	-	-5.5	-5.5
Net profit for the period	-45.5	-9.0	-3.5
Translation differences for the period	-13.1	13.6	11.9
Closing balance	897.5	952.3	956.1
Whereof majority owners share	897.4	951.6	956.0
Whereof minority owners share	0.1	0.7	0.1

Changes in Group pledged assets and contingent liabilities

SEK million	2008 31 Mar	2007 31 Dec	Change
Corporate mortgages	0.3	0.3	-
Pledged shares in subsidiaries	59.3	80.1	-20.8
Assets charged with ownership reservation	48.3	58.7	-10.4
Other contingent liabilities	11.0	11.0	-

Changes in Parent Company pledged assets and contingent liabilities

SEK million	2008 31 Mar	2007 31 Dec	Change
Corporate mortgages	0.3	0.3	-
Pledged shares in subsidiaries	55.7	55.7	-
Guarantees, subsidiaries	52.1	53.7	-1.6

Consolidated cash flow analysis

SEK million	2008 Jan-Mar	2007 Jan-Mar	Last 12 Months	2007 Full Year
<i>Operating activities</i>				
Earnings after financial items	-63.3	-8.8	-27.3	27.2
Adj. to reconcile earnings after fin. items to cash	30.0	7.0	108.7	85.7
Tax paid	-2.8	-2.0	-20.0	-19.2
Cash flow from operating activities before changes in working capital	-36.1	-3.8	61.4	93.7
<i>Changes in working capital</i>				
Inventories	6.1	0.1	-1.6	-7.6
Operating assets	241.2	167.0	47.7	-26.5
Operating liabilities	-161.7	-60.7	-70.4	30.6
Cash flow from operating activities	49.5	102.6	37.1	90.2
<i>Investing activities</i>				
Change, intangible assets	-18.8	-35.0	-122.9	-139.1
Change, tangible assets	-2.8	-2.1	-32.4	-31.7
Change, financial assets	0.4	-0.7	-2.0	-3.1
Acquisition of subsidiaries and operations	-2.0	-5.5	-2.0	-5.5
Sale of subsidiaries and operations	-	-	5.1	5.1
Cash flow from investing activities	-23.2	-43.3	-154.2	-174.3
<i>Financing activities</i>				
Own shares acquired	-	-5.5	-	-5.5
Net change, loans	-14.7	-38.2	-113.1	-136.6
Cash flow from financing activities	-14.7	-43.7	-113.1	-142.1
Cash flow for the period	11.6	15.6	-230.2	-226.2
Cash and cash equivalents, beginning of period	186.3	405.4	428.9	405.4
<i>Translation differences in cash and cash equivalents</i>	-4.8	7.9	-5.6	7.1
Cash and cash equivalents, end of period	193.1	428.9	193.1	186.3

Key figures and data per share

Key figures	2008 Jan-Mar	2007 Jan-Mar	Last 12 Months	2007 Full Year
Average number of employees	1 725	1 839	1 787	1 815
Revenue per employee (SEK thousand)	280	294	1 233	1 245
Value added per employee (SEK thousand)	150	172	699	720
Operating margin %	-11.4	-1.8	-0.3	1.7
Capital turnover ratio	0.2	0.2	1.1	1.0
Return on total capital %	-2.7	-0.3	0.0	2.2
Return on capital employed %	-4.2	-0.4	0.0	3.5
Return on equity %	-4.9	-0.9	-2.9	-0.4
Ratio of risk capital %	48	45	48	45
Liquidity %	92	107	92	100
Equity to total assets ratio %	48	44	48	45
Interest cost cover ratio	-6	-2	0	2
DSO (Days of sales outstanding)	87	74	67	66
Interest-bearing net debt	137	7	137	150
Key figures per share				
Net profit	-0.56	-0.11	-0.49	-0.04
Net profit after dilution	-0.56	-0.11	-0.49	-0.04
Adjusted equity	11.04	11.72	11.04	11.76
Adjusted equity after dilution	11.04	11.72	11.04	11.76
Cash flow from operating activities	0.61	1.26	0.46	1.11
Cash flow from operating activities after dilution	0.61	1.26	0.46	1.11
Share data				
Average number of shares (thousand)	81 304	81 304	81 304	81 304
Average number of shares after dilution (thousand)	81 304	81 304	81 304	81 304
Total no. of shares (thousand)	81 304	81 304	81 304	81 304
Total no. of warrants (thousand)	-	-	-	-
Average share price	13.28	25.06	18.05	20.88

Analysis

1st Quarter

Analysis of revenue growth between the years (%)	08/07	07/06
Volume increase (average no. of staff)	-5%	-1%
Acquisitions/disposals	-1%	-2%
Price and efficiency change	-5%	1%
Growth rate, internally influenced	-11%	-2%
Influence of exchange rate fluctuation	0%	-2%
Total growth rate	-11%	-4%
Gross profit per revenue stream (SEK million)	2008	2007
Software licenses	76	96
Professional services	48	61
Hardware and other revenue	19	20
Total	143	177
Gross margin in % per revenue stream	2008	2007
Software licenses	90%	93%
Professional services	16%	20%
Hardware and other revenue	19%	16%
Total	29%	33%
Type of revenue in % of total revenue	2008	2007
Software licenses	18%	19%
Professional services	62%	57%
Hardware and other revenue	21%	24%
Total	100%	100%
Operating costs in % of revenue	2008	2007
Product development costs	11%	8%
Sales and marketing costs	13%	14%
General and administrative costs	15%	13%
Total	40%	35%
Depreciation (SEK million)	2008	2007
Capitalised product development costs	-21	-16
Other fixed assets	-11	-12
Total	-32	-28

Restatement

Consolidated income statement per quarter 2007

	Reported 2007					Restated 2007				
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
<i>Revenue</i>										
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 other revenue	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
<i>Cost of revenue</i>										
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	-949.5
Hardware and other revenue	-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	-1 465.9
Gross profit	190.9	175.8	188.0	269.2	823.9	177.3	163.6	182.7	270.2	793.9
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/costs	-	-	-3.5	-	-3.5	3.7	1.5	-7.6	0.1	-2.4
Operating profit	-9.9	-21.5	6.7	62.7	38.0	-9.9	-21.5	6.7	62.7	38.0

Parent company income statement

SEK million	2008 Jan-Mar	2007 Jan-Mar	08/07 %	2007 Full Year
Revenue				
Software licenses	0.4	0.5	-20%	8.0
Professional services	1.7	1.4	21%	6.9
Other revenue	-	0.1	-100%	114.6
Total revenue	2.1	2.0	5%	129.5
Cost of revenue				
Software licenses	-0.2	-0.3	-33%	-5.6
Professional services	-0.9	-0.9		-3.6
Other costs	-0.3	-		-
Total cost of revenue	-1.4	-1.2	17%	-9.2
Gross profit	0.7	0.8	-13%	120.3
Product development costs	-15.2	-13.4	13%	-72.6
Sale and marketing costs	-	-6.6	-100%	-5.5
General and administrative costs	-23.2	-22.3	4%	-42.4
Restructuring costs	-	-		-1.7
Other operating income/expenses *	-4.1	3.7		3.0
Operating profit	-41.8	-37.8		1.1
Financial items				
Financial income	4.1	8.5		19.3
Financial expense	-9.5	-2.7		-17.7
Result from participations in subsidiaries	-	-		-18.1
Earnings after financial items	-47.2	-32.0		-15.4
Transfers from untaxed reserves	-	-		2.0
Profit before tax	-47.2	-32.0		-13.4
Tax	13.7	8.8		-9.7
Net profit for the period	-33.5	-23.2		-23.1

* Currency translation differences in receivables/liabilities of operating character

Parent company balance sheet

SEK million	2008 31 Mar	2007 31 Mar	2007 31 Dec	2008 31 Mar	2007 31 Mar	2007 31 Dec
ASSETS				EQUITY AND LIABILITIES		
Capitalized product development costs	311.5	249.4	310.3	<i>Restricted equity</i>		
Acquired software rights	2.3	2.9	2.7	Share capital	16.7	16.7
Intangible assets	313.8	252.3	313.0	Statutory reserve	318.7	318.7
Tangible assets	3.1	5.0	3.6		335.4	335.4
Receivables from subsidiaries	168.2	175.7	174.0	<i>Non-restricted equity</i>		
Deferred tax receivables	46.9	51.8	33.2	Share premium reserve	29.8	29.8
Participation in subsidiaries	453.5	503.5	451.4	Translation reserve (Fair value fund)	0.9	6.0
Financial investments	-	8.5	3.7	Retained earnings	455.2	478.3
Total fixed assets	985.5	996.8	978.9	Net profit for the period	-33.5	-23.2
Inventory	6.7	5.4	7.1		452.4	490.9
Accounts receivable	1.1	3.7	4.4	Equity	787.8	826.3
Tax receivables	3.6	3.2	2.8	Untaxed reserves	2.0	3.9
Receivables from subsidiaries	106.7	101.2	168.0	Liabilities to credit institutions	41.7	62.5
Other receivables	7.9	20.2	15.2	Other liabilities	6.8	10.7
Current receivables	119.3	128.3	190.4		48.5	73.2
Cash and cash equivalents	84.4	23.9	57.2	Long-term liabilities		
Total current assets	210.4	157.6	254.7	Liabilities to credit institutions	205.7	107.5
TOTAL ASSETS	1 195.9	1 154.4	1 233.6	Accounts payable	5.5	15.7
				Current liabilities to subsidiaries	103.5	60.7
				Other current liabilities	42.9	67.1
				Short-term liabilities	357.6	251.0
				Total liabilities	406.1	324.2
				TOTAL EQUITY AND LIABILITIES	1 195.9	1 154.4

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.