



## Strong execution in target sectors continues to deliver growth

### FINANCIAL AND OPERATIONAL HIGHLIGHTS

#### JULY–SEPTEMBER 2014 (THIRD QUARTER)

- License revenue amounted to SKr 132 million (Q3 '13: SKr 114 million), an increase of 8 percent currency adjusted.
- Maintenance revenue was SKr 258 million (Q3 '13: SKr 221 million), an improvement of 10 percent currency adjusted.
- Consulting revenue amounted to SKr 336 million (Q3 '13: SKr 286 million), an increase of 12 percent currency adjusted.
- Net revenue totaled SKr 728 million (Q3 '13: SKr 623 million), an improvement of 11 percent currency adjusted.
- Adjusted EBITDA was SKr 95 million (Q3 '13: SKr 76 million). EBIT amounted to SKr 63 million (Q3 '13: SKr 65 million).
- Cash flow after investments was SKr 9 million (Q3 '13: SKr -38 million).
- Earnings per share after full dilution amounted to SKr 1.62 (Q3 '13: SKr 1.94).

#### JANUARY–SEPTEMBER 2014 (NINE MONTHS)

- License revenue amounted to SKr 373 million (YTD '13: SKr 328 million), an increase of 11 percent currency adjusted.
- Maintenance revenue was SKr 763 million (YTD '13: SKr 668 million), an improvement of 11 percent currency adjusted.
- Consulting revenue amounted to SKr 1,025 million (YTD '13: SKr 919 million), an increase of 10 percent currency adjusted.
- Net revenue totaled SKr 2,167 million (YTD '13: SKr 1,922 million), an improvement of 10 percent currency adjusted.
- Adjusted EBITDA was SKr 230 million (YTD '13: SKr 153 million). EBIT amounted to SKr 158 million (YTD '13: SKr 40 million).
- Cash flow after investments was SKr 172 million (YTD '13: SKr 48 million).
- Earnings per share after full dilution amounted to SKr 4.13 (YTD '13: SKr 0.71).

### OUTLOOK

For 2014, IFS expects strong license growth and a significant improvement in EBIT.

### INQUIRIES

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## CHIEF EXECUTIVE SUMMARY

### Strong execution in target sectors continues to deliver growth

With license revenue growth of 11 percent, currency adjusted, we have seen strong business development in all three quarters this year. This continued growth has been achieved by our success in providing attractive business solutions to our target markets including aerospace and defense, offshore, EPCI, infrastructure, and service industries. We continue to invest to be able to deliver global projects to these sophisticated markets and so build upon our differentiation of being the ‘intelligent alternative’ to our larger generalist competitors. During quarter three we have had both major wins of new business accounts and seen existing customers extend their global use of IFS Applications.

Maintenance revenue year to date increased 11 percent, currency adjusted, resulting from the continued good growth in license sales and a high level of customer retention. The margin continues to improve, which is in part attributable to ongoing improvements to our global support operation.

Our drive to build and expand our service ecosystem aspires to provide customer choice and access to new markets, and above all scalability to our business. We have already undertaken a significant investment to support this process, for example, in partner management and by the creation of the IFS Academy, set up to provide partner training and certification. Even though the take up of customers contracting directly with partners is developing slower than expected, resulting in the service revenue being delivered by IFS with the associated bought in costs, we will over time see customers increasingly contracting directly with our partners to implement and extend the use of our products. As this trend becomes more established our growth in services revenue will reduce whilst our product revenue will continue to grow. The result will be a more scalable and capable IFS, with the capacity for higher growth. Year to date, consulting revenue increased by

10 percent, currency adjusted. The higher utilization of our own resources, together with an improved margin on services delivered by partners, will result in an improved consulting margin.

EBIT for the year improved significantly but was in line with last year for the third quarter. However, this was partly the result of higher amortization of capitalized product development. Adjusted EBITDA continued to improve and was 25 percent higher in the quarter and 50 percent higher year to date compared with last year.

Our offerings on Cloud were further advanced with the launch of IFS Applications provided on Microsoft Azure Cloud. The launch, which was made at Oracle Open World in September, illustrates the support we are receiving from our community of partners in the market today. Our overall partner community—technology, infrastructure, integration, and services—now numbers in excess of 300 companies globally.

Companies are showing sustained interest in the ERP market and those in need of consolidating their business solution or expanding its functionality are moving forward with their investments. The gradual improvement of the buying environment seen over the last couple of years is expected to continue. This leads industry analyst firms such as Gartner to anticipate the ERP market to grow in 2014 in the region of 6 to 7 percent.



IFS goes into the fourth quarter of 2014 with a strong pipeline and consequently, we continue to expect strong license revenue growth and a significant improvement in EBIT for the full year.

**Alastair Sorbie**  
PRESIDENT & CEO


## SIGNIFICANT EVENTS DURING THE QUARTER

A number of significant agreements were signed in the quarter, including:


### Aerospace and Defense

-  General Dynamics Information Technology
-  Lockheed Martin JSF




### Automotive

-  Dan T. Moore Company




### Construction and Contracting

-  Grandweld Shipyards
-  IMI
-  Pindan Group

### Energy and Utilities

-  Agder Energi
-  Central Nuclear Embalse
-  Nanjing Metro
-  OKG Aktiebolag
-  Onesourcewater
-  Teollisuuden Voima Oyj



### High Tech

-  Genesis Technology USA
-  Olympus KeyMed
-  Teledyne Oil & Gas








### Industrial Manufacturing

-  ACS Industries
-  Advanced Integration Technology
-  Allu Group
-  Belvac Production Machinery
-  Eickhoff
-  WNA


### Oil and Gas

-  Songa Offshore
-  Wood Group Mustang Norway






### Process Manufacturing

-  Al Rabie
-  Fundação Butantan
-  Guangzhou Grain Group
-  Omega Protein
-  Prince Minerals
-  Silvermill Holdings
-  Sumi Agro Europe




### Retail

-  Swedish Orphan Biovitrum (SOBI)

### Service Providers

-  Polygon International
-  Swarco Nordic
-  Tatsuno Engineering & Service Co.
-  Tibah Airport Operations Co.
-  Veolia Water Solutions & Technologies

### Other

-  ADP Ingénierie
-  CD Projekt
-  Shantou Zhongyeda

### IFS is the leading supplier of EAM software for the oil and gas industry

August 26. IFS has been identified for the third year running as the number one vendor in market share in enterprise asset management (EAM) and field service management (FSM) software for the oil and gas industry by ARC Advisory Group, the leading information technology research and advisory firm for industry and infrastructure.

### Launch of IFS-in-a-Box

September 29. IFS announced the availability of IFS-in-a-Box. Upon delivery of IFS-in-a-Box customers can implement Oracle Database Appliance into their existing rack of servers and configure the set-up using one of the templates that are supplied 'in-a-Box'. Customers have the reassurance that the

offer has been optimally configured, making this a compelling solution for companies wanting to scale up capacity and users of IFS Applications, whilst keeping total cost of ownership low.

### IFS launches global cloud solution on Microsoft Azure

September 29. IFS announced the availability of the full suite of IFS Applications on Microsoft Azure. The cloud-based offer enables customers to easily increase the breadth of their deployment and scale the number of user seats in line with business growth, while avoiding many of the costs normally associated with on-premise solutions. Customers can leverage Azure as an Infrastructure as a Service (IaaS) and self-manage their solution, or have it hosted and managed as a service (SaaS).

## FINANCIAL OVERVIEW

SKr million	Q3 2014	Q3 2013	Jan.–Sept. 2014	Jan.–Sept. 2013	Oct.–Sept. 2013/14	Oct.–Sept. 2012/13	Full year 2013
<b>Net revenue</b>	<b>728</b>	<b>623</b>	<b>2,167</b>	<b>1,922</b>	<b>2,949</b>	<b>2,685</b>	<b>2,704</b>
<i>whereof</i>							
License revenue	132	114	373	328	580	512	535
Maintenance and support revenue	258	221	763	668	997	894	902
Consulting revenue	336	286	1,025	919	1,362	1,268	1,256
<b>Gross earnings</b>	<b>374</b>	<b>333</b>	<b>1,087</b>	<b>949</b>	<b>1,526</b>	<b>1,364</b>	<b>1,388</b>
<i>whereof</i>							
Licenses	119	107	328	299	524	476	495
Maintenance and support	195	164	575	473	750	629	648
Consulting	60	62	184	174	251	253	241
<b>EBIT</b>	<b>63</b>	<b>65</b>	<b>158</b>	<b>40</b>	<b>320</b>	<b>171</b>	<b>202</b>
<b>EBIT margin</b>	<b>9%</b>	<b>10%</b>	<b>7%</b>	<b>2%</b>	<b>11%</b>	<b>6%</b>	<b>7%</b>
<b>Earnings before tax</b>	<b>54</b>	<b>63</b>	<b>139</b>	<b>24</b>	<b>299</b>	<b>154</b>	<b>184</b>
<b>Earnings for the period</b>	<b>41</b>	<b>49</b>	<b>104</b>	<b>17</b>	<b>230</b>	<b>111</b>	<b>143</b>
<b>Cash flow after investment operations</b>	<b>9</b>	<b>-38</b>	<b>172</b>	<b>48</b>	<b>246</b>	<b>98</b>	<b>122</b>

All comments refer to figures for the quarter unless otherwise stated.

### Revenue

Net revenue amounted to SKr 728 million (623), an increase of 11 percent currency adjusted. Europe West contributed most with an increase of 19 percent, currency adjusted, mainly through higher licenses. Consulting revenue increased with 12 percent, currency adjusted, partly due to more work done by partners. The largest increase in Consulting in absolute terms was in Europe North.

### Costs

Total costs amounted to SKr 665 million (558), an increase of 13 percent currency adjusted. This was mainly driven by an increase in direct costs of 26 percent, currency adjusted, partly as a result of the sale of third-party products, and partly from bought-in services relating to the continued transition towards a higher degree of partners implementing IFS Applications. Indirect costs increased by 11 percent, currency adjusted. Indirect costs were negatively affected by non-operating items such as higher amortization of capitalized development of SKr 48 million (38) while the capitalization of product development remained comparable at SKr 40 million (40). Amortization of intangibles relating to acquisitions was SKr 9 million. Restructuring and redundancy cost was SKr 4 million (-4), which was SKr 8 million higher due to the reversal of restructuring accruals last year.

### Earnings

Adjusted EBITDA increased to SKr 95 million (76) whereas EBIT decreased to SKr 63 million (65).

Earnings before tax amounted to SKr 54 million (63). Net financial items amounted to SKr -9 million (-2), whereof SKr -6 million (1) pertain to unrealized exchange losses. Interest expenses were SKr -2 million (-3).

Earnings for the period amounted to SKr 41 million (49).

### Cash flow and investments

The change in working capital amounted to SKr -58 million (-75). Investments amounted to SKr -49 million (-42), whereof capitalized product development was SKr -40 million (-40). Cash flow after investments amounted to SKr 9 million (-38).

Cash and cash equivalents totaled SKr 379 million (226) at the end of the period. Available liquid assets, including unutilized lines of credit, amounted to SKr 749 million (530). Liabilities to credit institutions were SKr 130 million (196) at the end of the period.

## OUTLOOK

For 2014, IFS expects strong license growth and a significant improvement in EBIT.

## OTHER INFORMATION

### Application of IFRS 11 “Joint Arrangements”

As of January 1, 2014, IFRS 11 “Joint Arrangements” joint ventures must be consolidated according to the equity method. Previously, assets, liabilities, revenue, and expenses were recognized on the basis of the party’s interest according to the proportional method. As the new principles affect reporting retrospectively, the new standard has an impact on the consolidation of the joint venture, IFS Defence Ltd. The holding was restructured on December 31, 2013. Thereafter, neither shares in IFS Defence Ltd nor earnings from shares in IFS Defence Ltd are included. This change of principle has no impact on net income or equity.

The effect of the change in accounting principle on holdings in joint ventures is detailed in the following tables.

### Consolidated income statement

SKr million	Q3 2013	Jan.–Sept. 2013	Full year 2013
Net revenue	-10	-28	-36
Direct expenses	5	17	19
<b>Gross earnings</b>	<b>-5</b>	<b>-11</b>	<b>-17</b>
Product development, sales, marketing, and administration expenses	3	9	10
Other operating revenue/expenses, net	0	1	-54
Result from joint venture	1	1	59
<b>EBIT</b>	<b>-1</b>	<b>0</b>	<b>-2</b>
Financing expenses and other financial items, net	1	0	2
<b>Earnings before tax</b>	<b>0</b>	<b>0</b>	<b>0</b>
Tax	-	-	-
<b>Earnings for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Consolidated balance sheet

SKr million	Sept. 30 2013	Dec. 31 2013
Intangible fixed assets	-23	-
Tangible fixed assets	-1	-
Participation in joint venture	19	-
Deferred tax receivables	-17	-
<b>Non-current assets</b>	<b>-22</b>	<b>-</b>
Current assets	-48	-
<b>Assets</b>	<b>-70</b>	<b>-</b>
Shareholders' equity	0	-
Non-current liabilities	-68	-
Current liabilities	-2	-
<b>Equity and liabilities</b>	<b>-70</b>	<b>-</b>

### Consolidated statement of cash flows

SKr million	Q3 2013	Jan.–Sept. 2013	Full year 2013
Cash flow from operations before change in working capital	1	3	8
Change in working capital	5	10	18
<b>Cash flow from current operations</b>	<b>6</b>	<b>13</b>	<b>26</b>
<b>Cash flow after investment operations</b>	<b>5</b>	<b>11</b>	<b>2</b>
<b>Cash flow for the period</b>	<b>5</b>	<b>11</b>	<b>63</b>
Cash and cash equivalents at the beginning of the period	-56	-63	-63
Exchange rate differences in cash and cash equivalents	0	1	0
<b>Cash and cash equivalents at the end of the period</b>	<b>-51</b>	<b>-51</b>	<b>0</b>

### Parent Company

Net revenue amounted to SKr 6 million (6), with earnings of SKr 4 million (12) before tax. Available liquid assets, including unutilized lines of credit, amounted to SKr 492 million (364).

### Pensions

IFS is continuously monitoring the development of actuarial assumptions for pensions. At year-end, the full actuarial calculations will be updated. This is not considered to have any significant impact on the balance sheet.

### Miscellaneous

The year-end report 2014 will be published on February 6, 2015.

Linköping, October 23, 2014

**Alastair Sorbie**  
PRESIDENT & CEO

**CONSOLIDATED INCOME STATEMENT**

SKr million	Q3 2014	Q3 2013	Jan.–Sept. 2014	Jan.–Sept. 2013	Oct.–Sept. 2013/14	Oct.–Sept. 2012/13	Full year 2013
License revenue	132	114	373	328	580	512	535
Maintenance and support revenue	258	221	763	668	997	894	902
Consulting revenue	336	286	1,025	919	1,362	1,268	1,256
Other revenue	2	2	6	7	10	11	11
<b>Net revenue</b>	<b>728</b>	<b>623</b>	<b>2,167</b>	<b>1,922</b>	<b>2,949</b>	<b>2,685</b>	<b>2,704</b>
License expenses	-13	-7	-45	-29	-56	-36	-40
Maintenance and support expenses	-63	-57	-188	-195	-247	-265	-254
Consulting expenses	-276	-224	-841	-745	-1,111	-1,015	-1,015
Other expenses	-2	-2	-6	-4	-9	-5	-7
<b>Direct expenses</b>	<b>-354</b>	<b>-290</b>	<b>-1,080</b>	<b>-973</b>	<b>-1,423</b>	<b>-1,321</b>	<b>-1,316</b>
<b>Gross earnings</b>	<b>374</b>	<b>333</b>	<b>1,087</b>	<b>949</b>	<b>1,526</b>	<b>1,364</b>	<b>1,388</b>
Product development expenses	-79	-61	-228	-191	-297	-263	-260
Sales and marketing expenses	-158	-138	-454	-412	-633	-585	-591
Administration expenses	-70	-71	-227	-212	-304	-281	-289
Other operating revenue*	1	7	3	10	9	49	16
Other operating expenses	-5	-6	-23	-105	-39	-117	-121
Result from joint venture	-	1	-	1	58	4	59
<b>Indirect expenses, net</b>	<b>-311</b>	<b>-268</b>	<b>-929</b>	<b>-909</b>	<b>-1,206</b>	<b>-1,193</b>	<b>-1,186</b>
<b>EBIT</b>	<b>63</b>	<b>65</b>	<b>158</b>	<b>40</b>	<b>320</b>	<b>171</b>	<b>202</b>
Result from associated companies	-1	0	0	-1	1	-1	0
Interest expenses	-2	-3	-6	-7	-9	-9	-10
Other financial items	-6	1	-13	-8	-13	-7	-8
<b>Earnings before tax</b>	<b>54</b>	<b>63</b>	<b>139</b>	<b>24</b>	<b>299</b>	<b>154</b>	<b>184</b>
Tax	-13	-14	-35	-7	-69	-43	-41
<b>Earnings for the period</b>	<b>41</b>	<b>49</b>	<b>104</b>	<b>17</b>	<b>230</b>	<b>111</b>	<b>143</b>
<b>Earnings for the period are allocated as follows:</b>							
Owners of the Parent Company (SKr million)	41	49	104	18	230	112	144
Non-controlling interests (SKr million)	0	0	0	-1	0	-1	-1
Earnings per share pertaining to Parent Company shareholders (SKr)	1.66	1.98	4.20	0.73	9.28	4.52	5.81
Earnings per share pertaining to Parent Company shareholders, after full dilution (SKr)	1.62	1.94	4.13	0.71	9.13	4.43	5.72
<b>Number of shares</b> (thousands)							
At the end of the period	24,772	24,772	24,772	24,772	24,772	24,772	24,772
At the end of the period, after full dilution	25,244	25,245	25,244	25,245	25,244	25,245	25,192
Average for the period	24,772	24,772	24,772	24,772	24,772	24,772	24,772
Average for the period, after full dilution	25,244	25,245	25,189	25,179	25,203	25,304	25,196

\* Other operating revenue includes exchange rate differences (net) and other operating revenue.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

SKr million	Q3 2014	Q3 2013	Jan.–Sept. 2014	Jan.–Sept. 2013	Oct.–Sept. 2013/14	Oct.–Sept. 2012/13	Full year 2013
<b>Earnings for the period</b>	<b>41</b>	<b>49</b>	<b>104</b>	<b>17</b>	<b>230</b>	<b>111</b>	<b>143</b>
<b>Other comprehensive income</b>							
<i>Items not to be reversed in the income statement</i>							
Revaluation of defined-benefit pension plans	-	-6	-	22	22	59	44
Revaluation of defined-benefit pension plans related to joint venture	-	13	-	13	-8	5	5
<i>Items that can later be reversed in the income statement</i>							
Exchange rate differences	26	-17	66	-15	77	-12	-4
<b>Other comprehensive income for the period, net of tax</b>	<b>26</b>	<b>-10</b>	<b>66</b>	<b>20</b>	<b>91</b>	<b>52</b>	<b>45</b>
<b>Total comprehensive income for the period</b>	<b>67</b>	<b>39</b>	<b>170</b>	<b>37</b>	<b>321</b>	<b>163</b>	<b>188</b>
<b>Total comprehensive income allocated as follows:</b>							
Owners of the Parent Company	68	39	171	38	322	164	189
Non-controlling interests	-1	0	-1	-1	-1	-1	-1

**CONSOLIDATED BALANCE SHEET**

SKr million	Sept. 30 2014	Sept. 30 2013	Dec. 31 2013
<b>ASSETS</b>			
Capitalized expenditure for product development	594	583	594
Goodwill	435	360	398
Other intangible fixed assets	90	85	111
<b>Intangible fixed assets</b>	<b>1,119</b>	<b>1,028</b>	<b>1,103</b>
<b>Tangible fixed assets</b>	<b>103</b>	<b>93</b>	<b>96</b>
Participations in associated companies	4	2	3
Participation in joint venture	-	19	-
Deferred tax receivables	138	146	132
Other long-term receivables and other participations	25	23	23
<b>Financial fixed assets</b>	<b>167</b>	<b>190</b>	<b>158</b>
<b>Non-current assets</b>	<b>1,389</b>	<b>1,311</b>	<b>1,357</b>
Accounts receivable	490	478	740
Other receivables	330	314	238
Cash and cash equivalents	379	226	354
<b>Current assets</b>	<b>1,199</b>	<b>1,018</b>	<b>1,332</b>
<b>Assets</b>	<b>2,588</b>	<b>2,329</b>	<b>2,689</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital	499	499	499
Other capital contributed	693	699	701
Accumulated earnings, including earnings for the period and other reserves	121	-114	37
<b>Shareholders' equity pertaining to Parent Company shareholders</b>	<b>1,313</b>	<b>1,084</b>	<b>1,237</b>
Non-controlling interests	-1	-1	0
<b>Shareholders' equity</b>	<b>1,312</b>	<b>1,083</b>	<b>1,237</b>
Liabilities to credit institutions	0	0	0
Pension obligations	49	49	39
Other provisions and other liabilities	45	43	52
<b>Non-current liabilities</b>	<b>94</b>	<b>92</b>	<b>91</b>
Accounts payable	78	81	111
Liabilities to credit institutions	130	196	197
Other provisions and other liabilities	974	877	1,053
<b>Current liabilities</b>	<b>1,182</b>	<b>1,154</b>	<b>1,361</b>
<b>Liabilities</b>	<b>1,276</b>	<b>1,246</b>	<b>1,452</b>
<b>Equity and liabilities</b>	<b>2,588</b>	<b>2,329</b>	<b>2,689</b>
Pledged assets	893	594	721
Contingent liabilities	20	18	21



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SKr, million	Pertaining to parent company shareholders					Total	Non-controlling interests	Total stockholders' equity
	Share capital	Other contributed capital	Reserves	Profit brought forward				
Opening balance January 1, 2013	508	701	-90	17	<b>1,136</b>	1	<b>1,137</b>	
Total comprehensive income for the period	-	-	-15	52	<b>37</b>	-2	<b>35</b>	
Share-based payments	-	0	-	-	<b>0</b>	-	<b>0</b>	
Dividend	-	-	-	-87	<b>-87</b>	-	<b>-87</b>	
Repurchase of call options	-	-2	-	-	<b>-2</b>	-	<b>-2</b>	
Cancellation of repurchased shares	-9	-	-	9	<b>0</b>	-	<b>0</b>	
<b>Closing balance September 30, 2013</b>	<b>499</b>	<b>699</b>	<b>-105</b>	<b>-9</b>	<b>1,084</b>	<b>-1</b>	<b>1,083</b>	
Opening balance January 1, 2014	499	701	-94	131	<b>1,237</b>	0	<b>1,237</b>	
Total comprehensive income for the period	-	-	67	104	<b>171</b>	-1	<b>170</b>	
Share-based payments	-	3	-	-	<b>3</b>	-	<b>3</b>	
Dividend	-	-	-	-87	<b>-87</b>	-	<b>-87</b>	
Repurchase of call options	-	-11	-	-	<b>-11</b>	-	<b>-11</b>	
<b>Closing balance September 30, 2014</b>	<b>499</b>	<b>693</b>	<b>-27</b>	<b>148</b>	<b>1,313</b>	<b>-1</b>	<b>1,312</b>	

## CONSOLIDATED STATEMENT OF CASH FLOWS

SKr million	Q3	Q3	Jan.–Sept.	Jan.–Sept.	Oct.–Sept.	Oct.–Sept.	Full year
	2014	2013	2014	2013	2013/14	2012/13	
Earnings before tax	54	63	139	24	299	154	184
Adjustments for items not included in the cash flow	62	16	147	148	151	205	152
<b>Cash flow from operations before change in working capital</b>	<b>116</b>	<b>79</b>	<b>286</b>	<b>172</b>	<b>450</b>	<b>359</b>	<b>336</b>
Change in working capital	-58	-75	47	36	81	-36	70
<b>Cash flow from current operations</b>	<b>58</b>	<b>4</b>	<b>333</b>	<b>208</b>	<b>531</b>	<b>323</b>	<b>406</b>
Acquisition of subsidiaries	-	-	-	-	-	-5	-
Acquisition of intangible fixed assets	-37	-35	-136	-135	-243	-187	-242
Cash flow from other investment operations	-12	-7	-25	-25	-42	-33	-42
<b>Cash flow after investment operations</b>	<b>9</b>	<b>-38</b>	<b>172</b>	<b>48</b>	<b>246</b>	<b>98</b>	<b>122</b>
Dividend distributed	-	-	-87	-87	-87	-87	-87
Cash flow from other financing operations	-10	-4	-78	14	-18	30	74
<b>Cash flow for the period</b>	<b>-1</b>	<b>-42</b>	<b>7</b>	<b>-25</b>	<b>141</b>	<b>41</b>	<b>109</b>
Cash and cash equivalents at the beginning of the period	370	272	354	253	226	192	253
Exchange rate differences in cash and cash equivalents	10	-4	18	-2	12	-7	-8
<b>Cash and cash equivalents at the end of the period</b>	<b>379</b>	<b>226</b>	<b>379</b>	<b>226</b>	<b>379</b>	<b>226</b>	<b>354</b>

## CONSOLIDATED ORGANIC NET REVENUE AND OPERATING EXPENSES

SKr, million	Q3				January–September					
	Actual 2014	Translation effect	Structural changes	Adjusted 2014	Actual 2013	Actual 2014	Translation effect	Structural changes	Adjusted 2014	Actual 2013
<b>NET REVENUE</b>										
License revenue	132	-9	-2	121	114	373	-9	-6	358	328
Maintenance and support revenue	258	-13	-5	240	221	763	-19	-16	728	668
<b>Total product revenue</b>	<b>390</b>	<b>-22</b>	<b>-7</b>	<b>361</b>	<b>335</b>	<b>1,136</b>	<b>-28</b>	<b>-22</b>	<b>1,086</b>	<b>996</b>
Consulting revenue	336	-16	-5	315	286	1,025	-18	-19	988	919
<b>Net revenue (including other revenue)</b>	<b>728</b>	<b>-38</b>	<b>-14</b>	<b>676</b>	<b>623</b>	<b>2,167</b>	<b>-46</b>	<b>-43</b>	<b>2,078</b>	<b>1,922</b>
<b>OPERATING EXPENSES</b>										
Operating expenses	665	-36	-11	618	558	2,009	-41	-34	1,934	1,882
<b>EBIT</b>	<b>63</b>	<b>-2</b>	<b>-3</b>	<b>58</b>	<b>65</b>	<b>158</b>	<b>-5</b>	<b>-9</b>	<b>144</b>	<b>40</b>
Other operating income/costs net	0	0	-	0	1	-1	0	-	-1	-
Capital gains/losses	0	-	-	0	0	0	-	-	0	0
Exchange rate gains/losses	-3	-1	-	-4	-4	-12	-1	-	-13	-7
Restructuring costs/redundancy costs	-4	0	-	-4	-2	-11	1	-	-10	-94
Reversal of restructuring costs	0	-	-	0	6	1	-	-	1	6
Amortization of capitalized product development	-48	-	-	-48	-38	-130	-	-	-130	-114
Amortization of acquired intangibles	-9	1	-	-8	-7	-29	1	-	-28	-23
Other amortization/depreciation	-8	0	-1	-9	-7	-21	0	-1	-22	-21
Capitalized product development	40	-	-	40	40	131	-	-	131	140
<b>Adjusted operating expenses</b>	<b>633</b>	<b>-36</b>	<b>-12</b>	<b>585</b>	<b>547</b>	<b>1,937</b>	<b>-40</b>	<b>-35</b>	<b>1,862</b>	<b>1,769</b>
<b>Adjusted EBITDA</b>	<b>95</b>	<b>-2</b>	<b>-2</b>	<b>91</b>	<b>76</b>	<b>230</b>	<b>-6</b>	<b>-8</b>	<b>216</b>	<b>153</b>
<b>Adjusted EBITDA/net revenue</b>	<b>13%</b>			<b>13%</b>	<b>12%</b>	<b>11%</b>			<b>10%</b>	<b>8%</b>

## CONSOLIDATED SEGMENT REPORTING, THIRD QUARTER

SKr million	Europe North		Europe West		Europe Central	
	2014	2013	2014	2013	2014	2013
License revenue	19	26	42	30	4	3
Maintenance and support revenue	91	85	57	43	23	21
Consulting revenue	137	116	44	34	46	39
Other revenue	1	0	0	1	1	1
<b>Total external revenue</b>	<b>248</b>	<b>227</b>	<b>143</b>	<b>108</b>	<b>74</b>	<b>64</b>
Internal revenue	4	4	20	11	7	9
<b>Total revenue</b>	<b>252</b>	<b>231</b>	<b>163</b>	<b>119</b>	<b>81</b>	<b>73</b>
External operating expenses	-155	-139	-106	-77	-62	-54
Internal operating expenses	-22	-24	-15	-12	-5	-5
Other operating items, net	-	-1	-1	0	-1	0
<b>Operating expenses</b>	<b>-177</b>	<b>-164</b>	<b>-122</b>	<b>-89</b>	<b>-68</b>	<b>-59</b>
<b>EBIT, undistributed</b>	<b>75</b>	<b>67</b>	<b>41</b>	<b>30</b>	<b>13</b>	<b>14</b>
<b>Numbers of employees *</b>						
Average for the period	447	459	324	319	205	195
At the end of the period	464	453	326	315	214	197
SKr million	Europe East		Americas		Africa, Asia, and Pacific	
	2014	2013	2014	2013	2014	2013
License revenue	6	8	40	37	21	10
Maintenance and support revenue	16	16	53	44	18	12
Consulting revenue	17	14	64	60	28	22
Other revenue	0	0	0	0	0	0
<b>Total external revenue</b>	<b>39</b>	<b>38</b>	<b>157</b>	<b>141</b>	<b>67</b>	<b>44</b>
Internal revenue	6	4	14	14	8	6
<b>Total revenue</b>	<b>45</b>	<b>42</b>	<b>171</b>	<b>155</b>	<b>75</b>	<b>50</b>
External operating expenses	-39	-43	-111	-93	-56	-40
Internal operating expenses	0	0	-10	-10	-3	-3
Other operating items, net	-2	-3	1	0	-1	-2
<b>Operating expenses</b>	<b>-41</b>	<b>-46</b>	<b>-120</b>	<b>-103</b>	<b>-60</b>	<b>-45</b>
<b>EBIT, undistributed</b>	<b>4</b>	<b>-4</b>	<b>51</b>	<b>52</b>	<b>15</b>	<b>5</b>
<b>Numbers of employees</b>						
Average for the period	218	242	282	280	255	254
At the end of the period	210	233	281	281	261	251
SKr million			Corporate items **		GROUP	
			2014	2013	2014	2013
License revenue			0	0	132	114
Maintenance and support revenue			0	0	258	221
Consulting revenue			0	1	336	286
Other revenue			0	0	2	2
<b>Total external revenue</b>			<b>0</b>	<b>1</b>	<b>728</b>	<b>623</b>
Internal revenue			-59	-48	-	-
<b>Total revenue</b>			<b>-59</b>	<b>-47</b>	<b>728</b>	<b>623</b>
External operating expenses			-132	-114	-661	-560
Internal operating expenses			55	54	-	-
Other operating items, net			0	8	-4	2
<b>Operating expenses</b>			<b>-77</b>	<b>-52</b>	<b>-665</b>	<b>-558</b>
<b>EBIT, undistributed</b>			<b>-136</b>	<b>-99</b>	<b>63</b>	<b>65</b>
<b>Numbers of employees</b>						
Average for the period			893	885	2,624	2,634
At the end of the period			917	883	2,673	2,613

\* Employees previously reported in the segment Defense are included in the financial statements in Europe West.

\*\* Undistributed corporate revenue and expenses, including eliminations.

**CONSOLIDATED SEGMENT REPORTING, NINE MONTHS**

SKr million	Europe North		Europe West		Europe Central	
	2014	2013	2014	2013	2014	2013
License revenue	103	100	84	70	29	13
Maintenance and support revenue	266	258	165	128	72	64
Consulting revenue	465	421	132	107	126	105
Other revenue	1	1	1	3	2	1
<b>Total external revenue</b>	<b>835</b>	<b>780</b>	<b>382</b>	<b>308</b>	<b>229</b>	<b>183</b>
Internal revenue	15	15	59	35	23	33
<b>Total revenue</b>	<b>850</b>	<b>795</b>	<b>441</b>	<b>343</b>	<b>252</b>	<b>216</b>
External operating expenses	-524	-494	-300	-237	-195	-166
Internal operating expenses	-73	-68	-29	-27	-18	-13
Other operating items, net	-1	-44	-9	-4	-1	-9
<b>Operating expenses</b>	<b>-598</b>	<b>-606</b>	<b>-338</b>	<b>-268</b>	<b>-214</b>	<b>-188</b>
<b>EBIT, undistributed</b>	<b>252</b>	<b>189</b>	<b>103</b>	<b>75</b>	<b>38</b>	<b>28</b>
<b>Numbers of employees *</b>						
Average for the period	449	490	327	330	206	198
At the end of the period	464	453	326	315	214	197
SKr million	Europe East		Americas		Africa, Asia, and Pacific	
	2014	2013	2014	2013	2014	2013
License revenue	21	21	89	81	47	43
Maintenance and support revenue	47	47	149	128	64	42
Consulting revenue	54	43	175	173	73	68
Other revenue	1	0	0	0	1	1
<b>Total external revenue</b>	<b>123</b>	<b>111</b>	<b>413</b>	<b>382</b>	<b>185</b>	<b>154</b>
Internal revenue	16	13	43	45	18	15
<b>Total revenue</b>	<b>139</b>	<b>124</b>	<b>456</b>	<b>427</b>	<b>203</b>	<b>169</b>
External operating expenses	-120	-133	-317	-273	-152	-125
Internal operating expenses	-1	-1	-22	-29	-8	-16
Other operating items, net	-3	-8	7	0	-2	-5
<b>Operating expenses</b>	<b>-124</b>	<b>-142</b>	<b>-332</b>	<b>-302</b>	<b>-162</b>	<b>-146</b>
<b>EBIT, undistributed</b>	<b>15</b>	<b>-18</b>	<b>124</b>	<b>125</b>	<b>41</b>	<b>23</b>
<b>Numbers of employees</b>						
Average for the period	217	255	282	283	255	264
At the end of the period	210	233	281	281	261	251
SKr million			Corporate items **		GROUP	
			2014	2013	2014	2013
License revenue			0	0	373	328
Maintenance and support revenue			0	1	763	668
Consulting revenue			0	2	1,025	919
Other revenue			0	1	6	7
<b>Total external revenue</b>			<b>0</b>	<b>4</b>	<b>2,167</b>	<b>1,922</b>
Internal revenue			-174	-156	-	-
<b>Total revenue</b>			<b>-174</b>	<b>-152</b>	<b>2,167</b>	<b>1,922</b>
External operating expenses			-381	-360	-1,989	-1,788
Internal operating expenses			151	154	-	-
Other operating items, net			-11	-24	-20	-94
<b>Operating expenses</b>			<b>-241</b>	<b>-230</b>	<b>-2,009</b>	<b>-1,882</b>
<b>EBIT, undistributed</b>			<b>-415</b>	<b>-382</b>	<b>158</b>	<b>40</b>
<b>Numbers of employees</b>						
Average for the period			892	891	2,628	2,711
At the end of the period			917	883	2,673	2,613

\* Employees previously reported in the segment Defense are included in the financial statements in Europe West.

\*\* Undistributed corporate revenue and expenses, including eliminations.

## INCOME STATEMENT OF THE PARENT COMPANY

SKr million	Q3 2014	Q3 2013	Jan.–Sept. 2014	Jan.–Sept. 2013	Oct.–Sept. 2013/14	Oct.–Sept. 2012/13	Full year 2013
<b>Net revenue</b>	<b>6</b>	<b>6</b>	<b>15</b>	<b>17</b>	<b>20</b>	<b>22</b>	<b>22</b>
Administration expenses	-7	-9	-27	-30	-37	-37	-40
Other operating revenue	-	0	-	0	0	0	-
<b>EBIT</b>	<b>-1</b>	<b>-3</b>	<b>-12</b>	<b>-13</b>	<b>-17</b>	<b>-15</b>	<b>-18</b>
Result from participations in subsidiaries	0	0	0	0	0	21	0
Financial revenue	19	18	44	44	58	63	58
Financial expenses	-14	-3	-29	-18	-34	-22	-23
<b>Earnings before tax</b>	<b>4</b>	<b>12</b>	<b>3</b>	<b>13</b>	<b>7</b>	<b>47</b>	<b>17</b>
Tax	-1	-3	-1	-3	-2	-15	-4
<b>Earnings for the period</b>	<b>3</b>	<b>9</b>	<b>2</b>	<b>10</b>	<b>5</b>	<b>32</b>	<b>13</b>

## BALANCE SHEET OF THE PARENT COMPANY

SKr million	Sept. 30 2014	Sept. 30 2013	Dec. 31 2013
<b>ASSETS</b>			
Participations in subsidiaries	992	992	992
Deferred tax receivables	9	11	10
Receivables in subsidiaries	78	71	73
Other long-term receivables and other participations	2	2	2
<b>Financial fixed assets</b>	<b>1,081</b>	<b>1,076</b>	<b>1,077</b>
<b>Non-current assets</b>	<b>1,081</b>	<b>1,076</b>	<b>1,077</b>
Receivables in subsidiaries	799	901	867
Prepaid expenses and accrued income	5	14	10
Cash and cash equivalents	122	60	121
<b>Current assets</b>	<b>926</b>	<b>975</b>	<b>998</b>
<b>Assets</b>	<b>2,007</b>	<b>2,051</b>	<b>2,075</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital	499	499	499
Statutory reserve	573	573	573
Retained earnings, including earnings for the period and share premium reserve	367	457	461
<b>Shareholders' equity</b>	<b>1,439</b>	<b>1,529</b>	<b>1,533</b>
<b>Provisions for pensions and similar commitments</b>	<b>7</b>	<b>6</b>	<b>7</b>
Liabilities to credit institutions	130	196	197
Liabilities to subsidiaries	400	289	312
Other liabilities	31	31	26
<b>Current liabilities</b>	<b>561</b>	<b>516</b>	<b>535</b>
<b>Shareholders' equity and liabilities</b>	<b>2,007</b>	<b>2,051</b>	<b>2,075</b>

## OUTSTANDING SHARES

	Series A	Series B	TOTAL
Number of shares on January 1, 2014	1,262,445	23,709,385	<b>24,971,830</b>
Conversion of series-A shares into series-B shares	-126,058	126,058	-
<b>Number of shares on September 30, 2014</b>	<b>1,136,387</b>	<b>23,835,443</b>	<b>24,971,830</b>
Repurchase of shares, in own custody	-	-200,000	<b>-200,000</b>
<b>Number of outstanding shares on September 30, 2014</b>	<b>1,136,387</b>	<b>23,635,443</b>	<b>24,771,830</b>
<b>Number of voting rights on September 30, 2014</b>	<b>1,136,387</b>	<b>2,363,544</b>	<b>3,499,931</b>
Additional shares after full dilution	-	471,902	<b>471,902</b>
<b>Number of shares on September 30, 2014 after full dilution</b>	<b>1,136,387</b>	<b>24,107,345</b>	<b>25,243,732</b>

## KEY FIGURES FOR THE GROUP

		Q3 2014	Q3 2013	Jan.–Sept. 2014	Jan.–Sept. 2013	Oct.–Sept. 2013/14	Oct.–Sept. 2012/13	Full year 2013
<b>Revenue indicator</b>								
Net revenue per employee	SKr, '000	277	237	825	709	1,124	980	1,006
<b>Expense and expenditure indicators</b>								
Product development expenses/net revenue	%	11%	10%	11%	10%	10%	10%	10%
Sales and marketing expenses/net revenue	%	22%	22%	21%	21%	21%	22%	22%
Administration expenses/net revenue	%	10%	11%	10%	11%	10%	10%	11%
Amortization and depreciation	SKr, M	-65	-52	-180	-158	-234	-212	-212
of which amortization of capitalized product development expenditure	SKr, M	-48	-38	-130	-114	-169	-155	-153
Capitalized product development expenditure	SKr, M	40	40	131	140	179	191	188
<b>Margin indicators</b>								
License margin	%	90%	94%	88%	91%	90%	93%	93%
Maintenance and support margin	%	76%	74%	75%	71%	75%	70%	72%
Consulting margin	%	18%	22%	18%	19%	18%	20%	19%
Gross margin	%	51%	53%	50%	49%	52%	51%	51%
EBIT margin	%	9%	10%	7%	2%	11%	6%	7%
Earnings margin	%	7%	10%	6%	1%	10%	6%	7%
Return on average operating capital	%	6%	6%	15%	4%	31%	17%	19%
<b>Capital indicators</b>								
Equity/assets ratio	%	51%	47%	51%	47%	51%	47%	46%
Accounts receivable (average 12 months)/net revenue (rolling 12 months)	%	18%	18%	18%	19%	18%	19%	19%
Interest-bearing liabilities	SKr, M	179	245	179	245	179	245	236
<b>Liquidity indicators</b>								
Net liquidity	SKr, M	249	30	249	30	249	30	157
Debt/equity ratio	times	0.1	0.2	0.1	0.2	0.1	0.2	0.2
<b>Employees</b>								
Average for the period		2,624	2,634	2,628	2,711	2,624	2,741	2,688
At the end of the period		2,673	2,613	2,673	2,613	2,673	2,613	2,616

## DEFINITIONS

**adjusted EBITDA.** EBIT before depreciation, net of capitalized product development and adjusted for non-recurring items.

**available assets.** Cash and cash equivalents plus unutilized lines of credit.

**consulting margin.** Consulting revenue minus consulting expenses in relation to consulting revenue. In addition to expenses related to sub-contracted consultants, consulting expenses include mainly payroll expenses, travel expenses, and office rental pertaining to personnel staffing the Consulting service.

**debt/equity ratio.** Interest-bearing liabilities in relation to equity, at the end of the period.

**earnings margin.** Earnings before tax in relation to net revenue.

**equity/assets ratio.** Equity in relation to total assets, at the end of the period.

**interest-bearing liabilities.** Liabilities to credit institutions and pension obligations.

**license margin.** License revenue minus license expenses in relation to license revenue. License expenses include only expenses related to partners and third-party suppliers.

**maintenance and support margin.** Maintenance and support revenue minus maintenance and support expenses in relation to maintenance and support revenue. In addition to external expenses related to partners and third-party suppliers, maintenance and support expenses include mainly payroll expenses, travel expenses, and office rental pertaining to personnel staffing the Maintenance and Support service.

**net liquidity.** Cash and cash equivalents minus interest-bearing liabilities to credit institutions, at the end of the period.

**non-recurring items.** Non-recurring items comprise capital gains and losses, impairment losses, restructuring programs (costs for phasing out operations and personnel redundancy costs), and other costs with the character of not being part of normal daily operations.

**organic change.** Year-on-year figures adjusted for currency effects on consolidation as well as changes in structure.

**return on average operating capital.** EBIT in relation to average operating capital. Operating capital refers to total assets, excluding liquid assets, and other interest-bearing assets, less total liabilities excluding interest-bearing liabilities.

## FINANCIAL TREND FOR THE GROUP

SKr million	2014 Q3	2014 Q2	2014 Q1	2013 Q4	2013 Q3	2013 Q2	2013 Q1	2012 Q4	2012 Q3	2012 Q2	2012 Q1	2011 Q4
License revenue	132	134	107	207	114	128	86	183	109	92	83	166
Maintenance and support revenue	258	256	249	234	221	226	221	231	224	232	222	220
Consulting revenue	336	354	335	337	286	329	304	353	268	327	335	355
Other revenue	2	1	3	4	2	3	2	2	11	1	3	4
<b>Net revenue</b>	<b>728</b>	<b>745</b>	<b>694</b>	<b>782</b>	<b>623</b>	<b>686</b>	<b>613</b>	<b>769</b>	<b>612</b>	<b>652</b>	<b>643</b>	<b>745</b>
License expenses	-13	-15	-17	-11	-7	-13	-9	-7	-6	-8	-6	-3
Maintenance and support expenses	-63	-62	-63	-59	-57	-67	-71	-71	-67	-72	-71	-75
Consulting expenses	-276	-288	-277	-270	-224	-265	-256	-270	-229	-266	-282	-267
Other expenses	-2	-2	-2	-3	-2	1	-3	-1	-5	-1	-3	-3
<b>Direct expenses</b>	<b>-354</b>	<b>-367</b>	<b>-359</b>	<b>-343</b>	<b>-290</b>	<b>-344</b>	<b>-339</b>	<b>-349</b>	<b>-307</b>	<b>-347</b>	<b>-362</b>	<b>-348</b>
<b>Gross earnings</b>	<b>374</b>	<b>378</b>	<b>335</b>	<b>439</b>	<b>333</b>	<b>342</b>	<b>274</b>	<b>420</b>	<b>305</b>	<b>305</b>	<b>281</b>	<b>397</b>
Product development expenses	-79	-78	-71	-69	-61	-66	-64	-72	-72	-65	-61	-56
Sales and marketing expenses	-158	-146	-150	-179	-138	-138	-136	-175	-136	-138	-137	-144
Administration expenses	-70	-78	-79	-77	-71	-72	-69	-69	-66	-68	-71	-65
Other operating revenue	1	1	1	6	7	1	2	39	2	-2	3	0
Other operating expenses	-5	-7	-11	-16	-6	-1	-98	-12	-4	-5	-2	-6
Result from joint venture	-	-	-	58	1	0	0	-	-	-	-	-
<b>Indirect expenses, net</b>	<b>-311</b>	<b>-308</b>	<b>-310</b>	<b>-277</b>	<b>-268</b>	<b>-276</b>	<b>-365</b>	<b>-289</b>	<b>-276</b>	<b>-278</b>	<b>-268</b>	<b>-271</b>
<b>EBIT</b>	<b>63</b>	<b>70</b>	<b>25</b>	<b>162</b>	<b>65</b>	<b>66</b>	<b>-91</b>	<b>131</b>	<b>29</b>	<b>27</b>	<b>13</b>	<b>126</b>
Result from participations in associated companies	-1	1	0	1	0	0	-1	0	0	0	0	-1
Interest expenses	-2	-2	-2	-3	-3	-2	-2	-2	-2	-2	-2	-2
Other financial items	-6	-5	-2	0	1	-9	0	1	2	-3	-2	-1
<b>Earnings before tax</b>	<b>54</b>	<b>64</b>	<b>21</b>	<b>160</b>	<b>63</b>	<b>55</b>	<b>-94</b>	<b>130</b>	<b>29</b>	<b>22</b>	<b>9</b>	<b>122</b>
Tax	-13	-16	-6	-34	-14	-13	20	-36	-7	-7	-2	-36
<b>Earnings for the period</b>	<b>41</b>	<b>48</b>	<b>15</b>	<b>126</b>	<b>49</b>	<b>42</b>	<b>-74</b>	<b>94</b>	<b>22</b>	<b>15</b>	<b>7</b>	<b>86</b>
Cash flow after investment operations	9	30	133	74	-38	9	77	55	-28	-162	94	18
Number of employees at the end of the period	2,673	2,622	2,628	2,616	2,613	2,656	2,738	2,829	2,839	2,851	2,822	2,821

Values are adjusted to conform with new IFRS11 as of Q1 2013.

## RISKS AND UNCERTAINTIES

In its operations, the IFS Group is exposed to certain risks that can affect earnings to a greater or lesser extent. Apart from the general concern about the economy and the political unrest in North Africa, the Middle East, and Ukraine, the assessment is that no new significant risks or uncertainties have arisen. For a detailed account of risks and uncertainty factors, please see the annual report for fiscal 2013.

## ESTIMATES AND CRITICAL ASSUMPTIONS

To present the financial reports in accordance with the IFRS, the management must make certain estimates and assumptions that affect the application of the accounting principles and the reported amounts pertaining to assets, liabilities, revenue, and expenses. Actuals may differ from the estimates and assumptions.

The estimates and assumptions are regularly reviewed. Changes in estimates are reported in the period in which the change is made if the change affects only that period, or in the period in which the change is made and future periods if the change affects both the current and future periods.

## ACCOUNTING PRINCIPLES

This consolidated report has been prepared in accordance with International Financial Reporting Standards (IFRS) and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the EU. In addition, recommendation RFR 1, Supplementary Accounting Rules for Groups, of the Swedish Financial Reporting Board (RFR) has been applied.

This interim report for the Group has been prepared in accordance with the Swedish Annual Report Act and with IAS 34, Interim Financial Reporting. For the Parent Company, the Swedish Annual Report Act and RFR recommendation RFR 2, Accounting for Legal Entities, have been applied.

As of January 1, 2014, the standard IFRS 11 "Joint Arrangements" has come into force. According to this new standard, an interest in a joint venture is to be recognized via the equity method and the use of the proportional method is no longer permitted. As a result of the new standard, accounting principles for joint ventures have been changed compared with the Group's accounting principles in Annual Report 2013 and in previously published interim reports in 2013. See section

“Other information” for the effect of the change in the accounting principle.

For detailed information about the accounting principles: see annual report 2013.

## REPORT OF REVIEW OF INTERIM FINANCIAL INFORMATION

### Introduction

We have reviewed this report for the period 1 January 2014 to 30 September 2014 for Industrial and Financial Systems, IFS AB (publ). The board of directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

### Scope of review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

## FINANCIAL INFORMATION 2014/2015

Year-end report 2014	February 6, 2015	Stockholm, October 23, 2014
Interim report January–March 2015	April 22, 2015	<i>PricewaterhouseCoopers AB</i>
Interim report January–June 2015	July 21, 2015	
Interim report January–September 2015	October 22, 2015	
Year-end report 2015	February 2016	

**Nicklas Kullberg**

AUTHORIZED PUBLIC ACCOUNTANT

## ABOUT IFS

IFS is a globally recognized leader in developing and delivering business software for enterprise resource planning (ERP), enterprise asset management (EAM), and enterprise service management (ESM). IFS brings customers in targeted sectors closer to their business, helps them be more agile, and enables them to profit from change. IFS is a public company (XSTO: IFS) that was founded in 1983 and currently has over 2,600 employees. IFS supports more than 2,200 customers worldwide from local offices and through partners in more than 60 countries.

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