

IBS Year-end Report

January-December 2007

Solna, Sweden, January 31, 2008 - IBS AB (listed on the OMX Nordic Exchange Stockholm, Nordic list, Small Cap, Information Technology: IBS) today presented the Group's Year-end Report for January 1 - December 31, 2007. The information was submitted for publication on January 31, 2008, 8:00 a.m.

January-December 2007

- Total revenue amounted to SEK 2 260 m (2 278).
- Net profit amounted to SEK -4 m (-7).
- Earnings per share amounted to SEK -0.04 (-0.09).
- Earnings after financial items totaled SEK 27 m (-6). Comparative figures for 2006 include restructuring costs of SEK 120 m.

October-December 2007

- Total revenue amounted to SEK 711 m (678).
- Net profit amounted to SEK 20 m (64).
- Earnings per share amounted to SEK 0.24 (0.77).
- Earnings after financial items totaled SEK 57 m (81).
- IBS' new license sales rose 20% during the quarter, compared with the same period last year.
- Several large license deals were signed with customers, among them the international media company Pearson and Swedish food distributor Servera, regarding installations during 2008.
- Go-live of first installation of IBS Enterprise Financials in a Windows version at a customer in Sweden.

Comments to the 2007 Year-end Results

The last quarter of 2007 showed strong license sales with several large contracts. However, professional services revenue declined due to fewer consultants in combination with calendar effects during December.

Costs for administration and product development increased during the quarter partly due to the fact that activated cost for product development was SEK 18 m lower compared to last year. The decrease was due to more conservative use of activation of product development costs.

The action program that was launched in 2006 has not generated the intended impact on earnings in 2007. In view of this, IBS' Board of Directors and management have decided on further measures to improve IBS' profitability during the following years. One of the measures will be to reduce the number of employees who do not generate billable hours by more than 100 full-time positions.

IBS Year-end Report 2007

Summary of full-year 2007	Jan-Dec 2007	Jan-Dec 2006	Change %
Total revenue, SEK m	2 260	2 278	-1%
- New sales	221	243	
- <u>Renewal revenue</u>	<u>269</u>	<u>269</u>	
Software licenses, SEK m:	490	512	-4%
<i>License margin</i>	92%	91%	+1 p.p.
Professional services revenue, SEK m	1 186	1 218	-3%
<i>Professional services margin</i>	22%	23%	- 1 p.p.
Hardware and other revenue, SEK m	584	549	+6%
<i>Hardware and other margin</i>	18%	20%	-2 p.p.
Operating profit before depreciation and capitalized development costs*, SEK m	23	83	
Operating profit *, SEK m	42	112	
Restructuring costs and capital gain/loss from divestment of subsidiaries, SEK m	- 4	-119	
Operating profit, SEK m	38	-7	
Profit after financial items, SEK m	27	-6	

*Excluding restructuring costs and capital gain/loss from divestment of subsidiaries.

Market

Market conditions for the new sale of software were favorable during the quarter, particularly in Northern Europe. A number of major license transactions were concluded, mainly in the industries that IBS is focusing on. In the US, Australia and Southern Europe, market conditions were stable, although demand declined slightly compared with the corresponding period last year.

Demand for consulting services remained favorable in most markets, particularly in Northern Europe. Major installation projects resulted in high capacity utilization, primarily in Sweden, UK, Germany and Benelux.

The hardware market is characterized by trends of lower prices and margins. The level of activity was high during the fourth quarter, which included a number of major transactions for which margins were lower.

January - December 2007

Total revenue declined to SEK 2 260 m during the year (2 278) due to lower license sales during the first three quarters of 2007 and lower professional services revenue for the full year 2007 compared with 2006. The

divestment of subsidiaries during the year had an adverse impact of approximately SEK 45 m on revenue, mainly professional services revenue.

Operating profit for full-year 2007 amounted to SEK 38 m (-7). Net profit was charged with a capital loss of SEK 4 m, resulting from the sale of parts of a subsidiary in IBS' French operations. Excluding restructuring costs charged against the third quarter of 2006 and a capital gain of SEK 1 m from the sale of subsidiaries, the figure for 2006 amounted to SEK 112 m.

The decrease was due to reduced license and professional services revenue, in combination with higher costs compared with the preceding year.

The average number of consultants declined during the year, due to the divestment of subsidiaries and the downsizing of units with low capacity utilization within certain units in Australia, Finland and Belgium.

IBS' operating expenses rose by SEK 36 m during 2007, excluding restructuring costs and capital gains/losses on sales of

subsidiaries. The increased costs were mainly due to higher costs for product development and administration.

The cost increases were incurred by higher costs than last year for support, documentation and pre-studies, which are not capitalized. Administrative costs for 2007 include SEK 13 m (4) for provisions for bad debts.

After financial items, earnings amounted to SEK 27 m (-6). Excluding restructuring costs and capital gain/loss from divestment of subsidiaries, the figure for 2006 was SEK 113 m.

During 2007, SEK 40 m of the restructuring reserve of SEK 120 m posted during the third quarter 2006, has been used. The remaining reserve amounts to SEK 51 m.

Fourth quarter of 2007

Total revenue during the quarter amounted to SEK 711 m (678). The increase was incurred by higher license and hardware revenues.

IBS' operating profit amounted to SEK 63 m (84). The decline was due primarily to reduced professional services revenue and higher costs compared with the same quarter in the preceding year. Costs for administration and product development increased during the quarter partly due to the fact that activated cost for product development was SEK 18 m lower compared to last year. The decrease was due to more conservative use of activation of product development costs.

Earnings after financial items amounted to SEK 57 m (81).

Software revenue amounted to SEK 182 (166), of which new sales accounted for SEK 109 m (90) and renewal revenues for SEK 73 (76) m. New license agreements during the quarter included Blue Buffalo, Brumby Books, Cramo, Fibieg, Kirudan, Miele Australia, New Wave Group, Otto Geilenkirschen, Pearson, Servera, Superior Care Pharmacy, SYSteam and Vincent Printing.

The license margin was 92% (91).

Professional services revenue declined to SEK 309 m (334), due to a reduced number of consultants and calendar effects during the period. The decrease in the number of consultants was due mainly to the downsizing of units with low capacity

utilization and the divestment of a subsidiary with 23 consultants in France at the end of the third quarter of 2007.

The professional services margin was 22% (26). The reason for the lower margin was that capacity utilization was low within certain units and calendar effects compared to the preceding year.

Hardware and other revenues increased to SEK 220 m (178). The gross margin decreased to 16% (18), due to a number of major transactions for which margins were lower.

During the fourth quarter, SEK 10 m of the restructuring reserve was utilized.

Development by region

Nordic region:

IBS Nordics improved its earnings during the quarter. The increase was primarily attributable to higher license revenues compared with the same period last year. Several major license agreements were signed with such customers as Servera, SYSteam, Cramo, New Wave Group and Kirudan. Professional service revenues declined, due to a decrease in the number of consultants. Hardware revenues rose sharply during the quarter, mainly as a result of a number of major hardware transactions.

Central Europe:

License revenues rose during the quarter, due to such factors as a major license agreement with the international media company Pearson for installations in another four European countries in 2008. Despite increased revenues, earnings in this region declined somewhat, due to higher costs compared with the same period last year.

A number of major installation projects are under way in the region, including ones for PaperlinX in the UK and Germany.

Southern Europe and South America:

The region reported lower earnings during the quarter compared with the same period last year, due to reduced license revenues. Professional service revenues and hardware revenues increased during the period.

North and Central America:

During the quarter, American operations noted earnings that were at the same level as in the preceding year. Lower license revenues were offset by increased utilization in the professional services organization.

Australia and Asia:

Both revenues and earnings improved during

the quarter due to higher license revenues and hardware revenues. The restructuring of IBS Automotive and other changes in low-performing operations resulted in a sharp decrease in the number of consultants in the region.

New regional division as of 2008

As of January 1, 2008, the number of regions has been reduced from five to four, as follows: IBS Nordics, IBS Europe, IBS Americas and IBS Asia Pacific. IBS Europe is a merger of IBS Central Europe and IBS Southern Europe. At the same time, responsibility for IBS' operations in South America was transferred from IBS Southern Europe to IBS Americas.

Products and development

During 2007, IBS engaged in extensive development work pertaining to new functionality for a number of industries, such as paper, electro, machinery rental and pharmaceutical. In addition, development work was conducted involving IBS Enterprise and other types of IBS software in a multi-platform version, which is of long-term strategic importance because it will expand IBS' target market significantly.

The first test installation of the financial system (IBS Enterprise 6.0) in a Windows version was successfully deployed in December 2007. During the first half of 2008, IBS will implement further test installations of other parts of the IBS Enterprise business system, which will be followed by a commercial launch of the Windows version during the second half of 2008.

With an extensive portfolio of software, IBS will focus on sales to midsize and large companies in selected industries in 2008, as well as on selected niche markets where IBS offers best-of-breed solutions. IBS will also start marketing its new Java-based user interface during 2008. Sales of this interface, which is used to upgrade customized business systems, started in the fourth quarter through the agreement with the consulting company SYSteam in Sweden.

Liquidity and financial position

At December 31, the Group's equity amounted to SEK 956 m (953) and the equity/assets ratio was 45% (42). Liquidity amounted to 100% (110).

During the year, cash flow from operating activities amounted to SEK 90 m (53). Cash flow from investing activities amounted to SEK -174 m (-142).

Cash and cash equivalents amounted to SEK 186 m (405).

On December 31, 2007, the Group had interest-bearing loans totaling SEK 337 m (470). Excluding debts to leasing companies, the corresponding figure was SEK 305 m (443). The interest bearing net debt amounted to SEK 150 m (20). In addition, there were credit facilities of SEK 141 m (23).

Investments

The Group's investments during the year amounted to SEK 174 m (142), of which SEK 139 m (132) pertained to development activities.

Tax

Tax for the period, as reported in the income statement, amounted to SEK -31 m (-1) and consisted of SEK -22 m (-25) in current tax expenses and SEK -9 m (24) in deferred tax expenses. Tax paid during the period amounted to SEK 19 m (28).

The current year's tax charges of SEK -31 m were affected by SEK -15 of tax pertaining to previous years, expired loss carry-forwards and a reduction of deferred tax asset regarding revaluation of loss carry-forwards.

Currency

IBS' currency risk is limited in that virtually all operating subsidiaries invoice in the same currency as that in which expenses are incurred. Major currency transactions are normally hedged. During the fourth quarter, the Swedish krona remained unchanged in relation to the IBS Group's currency basket.

Personnel

The number of employees on December 31 was 1 754 (1 851), a decrease of 5% compared with a year earlier. The number of consultants was 981 (1 056).

Parent Company

On May 1, 2007, parts of the Parent Company's operations were transferred to a subsidiary, IBS Global Functions AB. The subsidiary has 94 employees and is responsible for such Group-wide functions as product development, global marketing and support in international transactions and other global functions for internal infrastructure and processes.

The Parent Company, IBS AB, has 28 employees and overall management responsibility for the Group. The Parent Company's total revenue for the period amounted to SEK 130 m (151) and earnings after financial items to SEK -15 m (39). Earnings include capital gains from sales of

subsidiaries of SEK 0 m (7), dividends from subsidiaries of SEK 34 m (65) as well as write-down of shares in a subsidiary in the amount of SEK -66 m (-30).

Investment in tangible and intangible assets amounted to SEK 133 m (117). Cash and cash equivalents at the end of the period amounted to SEK 57 m (195).

Action program for increased profitability

In August 2006, IBS' Board of Directors decided to approve an action program to improve the company's profitability. The decision entailed implementing a number of measures, including the gradual relocation of portions of product development and programming from high-cost countries to medium- and low-cost countries, such as Portugal, Poland and India. Other activities in the program include coordinating IT infrastructure and reducing administrative costs. Restructuring costs were estimated at SEK 120 m, which was allocated as a reserve and expensed in 2006.

Actions taken in 2007

During 2007, IBS relocated development and support of certain products to India. At IBS' head office, the number of employees was decreased by 10%, with the objective of reducing administrative costs. The number of offices was also reduced during the year.

A new resource center was established in Porto, Portugal, which at year-end had about 70 programmers for both product development and major customization projects. IBS has also established a resource center in Poland with another 15 programmers.

During 2007, SEK 40 m of the restructuring reserve was utilized of which SEK 10 m was utilized during the fourth quarter. The remaining reserve amounted to SEK 51 m.

The action program has not generated the intended impact on earnings in 2007. In view of this, IBS' Board of Directors and management have decided on further measures to improve IBS' profitability during the following years.

Continued restructuring in 2008

IBS is introducing a new organization during the first quarter of 2008. The aim is to create conditions for further developing IBS' international software business and to develop IBS' local and supporting operations.

At the same time, introduction of the new organization will provide a platform for further increasing the operations' efficiency, primarily in terms of resource utilization within IBS' professional services organization and by reducing the cost of product development, administration and other activities that are not billable.

IBS aims to achieve a steady improvement in the professional services organization. This is to be accomplished by improved resource allocation in the form of increased utilization and billing ratios within the Group.

The number of employees who do not generate billable hours will be reduced by slightly more than 100 full-time positions. The decline will be achieved by means of lay-offs and by transferring certain employees to new billable positions within the Group.

Extra General Meeting

In December 2007, an Extraordinary General Meeting of IBS shareholders was held, at which Pallab Chatterjee was elected new Chairman of the Board and Jan Jacobsen Deputy Chairman. Bertrand Sciard and Fredrik Svensson were also elected to the Board.

Accounting principles

This interim report was prepared in accordance with IAS 34 Interim Financial Reporting. The same accounting principles and calculation methods were applied as in the most recent annual report for 2006. This means that the consolidated accounts were prepared in accordance with the International Financing 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 2007 did not affect the IBS Group's interim reporting. For further information on the Group's accounting principles, see the 2006 annual report. The Parent Company applies RR32, Reporting of Legal Entities. RR32 means that the Parent Company must apply all EU-approved IFRS and recommendations but with certain exceptions (see the 2006 annual report for further information).

Risks and uncertainties

Risks and uncertainties for the Group and Parent Company include commercial and financial risks. IBS' operations are dependent upon maintaining and recruiting

qualified personnel, market-based conditions and a favorable working environment are important success factors. In its operations, IBS is exposed to certain risks that can influence earnings to varying degrees. Apart from the risks described in the IBS annual report 2006 (see page 62 and Note 21), no essential risks have occurred.

During the preparation of the financial accounts and the compilation of the Group's reports, the Board of Directors and the President make various accounting-related assessments and estimations pertaining to the accounting principles and their application. Assumptions and assessments are frequently based on historic experience as well as expectations pertaining to future events, which are considered reasonable under the circumstances. If other assumptions and estimations are used, earnings may differ and the actual outcome can deviate from estimations.

Market 2008

In 2008, conditions in the market for software and relating consulting services are expected to be favorable in most of IBS' international markets, although a reduced investment inclination has become noticeable, particularly in the US market. However, uncertainty has increased concerning a possible economic downturn, accompanied by a weaker investment climate.

Financial targets

IBS' long-term financial objective is to achieve an operating margin of at least 10%.

Nomination Committee

The Nomination Committee comprises George Ho (Chairman), Deccan Value Advisors, Henrik Strömbom, Case Asset Management, Rickard Svensson, Arvid Svensson Invest and Pallab Chatterjee, Chairman of the IBS Board. Henrik Jonsson, Catella has resigned from the Committee due to the divestment of all IBS shares during the fourth quarter.

Annual General Meeting

The Board of Directors invites shareholders to the Annual General Meeting, which will be held at 3 p.m. on April 22, 2008 in Stockholm. The exact location will be announced in the notice to the AGM which will be published at the end of March.

Dividend

No dividend is proposed for the 2007 fiscal year.

Reporting dates during 2008

- The 2007 Annual Report will be published in April 2008.
- The release from IBS' Annual General Meeting will be published on April 22.
- The interim report for January-March will be published on April 23, 2008.
- The interim report for January-July will be published on July 18.
- The interim report for January-September will be published on October 23.
- The year-end report for 2008 will be published in January 2009.

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

Questions regarding this report will be answered by:

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Solna, January 31, 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 Erik Heilborn, President and CEO

Consolidated income statement

SEK million	2007 Oct-Dec	2006 Oct-Dec	07/06 %	2007 Full Year	2006 Full Year	07/06 %	2005 Full Year
Revenue							
Software licenses	181.9	166.1	10%	489.9	511.8	-4%	519.4
Professional services	308.7	333.9	-8%	1 186.3	1 217.5	-3%	1 253.0
Hardware and other revenue	220.2	177.9	24%	583.6	548.7	6%	603.6
Total revenue	710.8	677.9	5%	2 259.8	2 278.0	-1%	2 376.0
Cost of revenue							
Software licenses	-13.7	-15.2	-10%	-38.2	-44.1	-13%	-40.5
Professional services	-242.1	-246.9	-2%	-919.5	-935.1	-2%	-987.9
Hardware and other costs	-185.8	-146.5	27%	-478.2	-439.8	9%	-492.7
Total cost of revenue	-441.6	-408.6	8%	-1 435.9	-1 419.0	1%	-1 521.1
Gross profit	269.2	269.3	0%	823.9	859.0	-4%	854.9
Operating profit							
Product development costs	-70.8	-61.5	15%	-260.5	-239.2	9%	-242.8
Sales and marketing costs	-62.8	-59.0	6%	-240.4	-238.3	1%	-259.2
General and administrative costs	-72.9	-64.6	13%	-281.5	-269.1	5%	-284.8
Other operating income/costs *	-	-0.6		-3.5	1.0		571.1
Restructuring costs	-	-		-	-120.0		-
Operating profit	62.7	83.6		38.0	-6.6		639.2
Financial items							
Financial income	3.5	2.6		9.8	12.2		24.2
Financial expenses	-9.6	-4.8		-20.6	-11.8		-9.7
Earnings after financial items	56.6	81.4		27.2	-6.2		653.7
Tax	-36.6	-17.1		-30.7	-1.1		-31.6
Net profit for the period	20.0	64.3		-3.5	-7.3		622.1
Whereof majority owners share	20.1	64.4		-3.5	-7.4		622.0
Whereof minority owners share	-0.1	-0.1		0.0	0.1		0.1
Earnings per share (SEK)	0.24	0.77		-0.04	-0.09		7.81
Earnings per share after dilution (SEK)	0.24	0.77		-0.04	-0.09		7.58
Average number of shares (thousand)	83 608	83 608		83 608	82 608		79 608
Average number of shares after dilution (thousand)	83 608	83 608		83 608	83 333		82 026

* Capital gain/loss from sale of subsidiaries/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
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
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
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
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

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

Jan-December	Nordics		Central Europe		South Europe South America		North- and Central America		Asia Pacific		Parent comp. incl. Group adjustments		Total	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
SEK million														
Revenue from external customers														
Software licenses	133.8	151.6	216.1	194.0	44.2	54.8	35.3	52.4	57.4	54.9	3.1	4.0	489.9	511.8
Professional services	508.1	503.2	397.3	395.3	87.5	81.2	124.0	107.7	69.8	127.2	-0.4	2.9	1 186.3	1 217.5
Hardware and other revenue	247.0	213.5	197.8	200.6	98.5	90.0	17.0	15.7	23.7	26.6	-0.4	2.4	583.6	548.7
	888.9	868.3	811.2	789.9	230.2	226.0	176.3	175.8	150.9	208.7	2.3	9.3	2 259.8	2 278.0
Inter-segment revenue	48.4	17.1	22.9	24.9	15.3	17.9	8.7	4.7	13.7	5.1	-109.0	-69.7	0.0	0.0
Total revenue	937.3	885.4	834.1	814.8	245.5	243.9	185.0	180.5	164.6	213.8	-106.7	-60.4	2 259.8	2 278.0
Segment operating profit	95.5	91.3	83.3	124.8	13.7	25.3	31.7	23.8	-7.0	3.2	-179.2	-155.1	38.0	113.4
Unallocated costs	0.0	-9.2	0.0	-8.8	0.0	-5.6	0.0	0.0	0.0	-15.8	0.0	-80.6	0.0	-120.0
Operating profit													38.0	-6.6

4th Quarter	Nordics		Central Europe		South Europe South America		North- and Central America		Asia Pacific		Parent comp. incl. Group adjustments		Total	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
SEK million														
Revenue from external customers														
Software licenses	54.8	48.7	75.8	55.1	13.5	19.3	18.9	24.3	18.9	2.8	0.0	15.8	181.9	166.1
Professional services	132.5	137.1	104.9	107.2	27.1	21.1	27.4	29.2	15.7	31.6	1.1	7.8	308.7	333.9
Hardware and other revenue	115.7	78.5	56.0	61.4	37.3	28.3	3.5	3.2	7.5	4.2	0.2	2.4	220.2	177.9
	303.0	264.3	236.7	223.7	77.9	68.7	49.8	56.7	42.1	38.6	1.3	25.9	710.8	677.9
Inter-segment revenue	27.3	5.2	6.9	12.3	7.1	6.3	1.4	3.1	4.2	0.7	-46.9	-27.6	0.0	0.0
Total revenue	330.3	269.5	243.6	236.0	85.0	75.0	51.2	59.8	46.3	39.3	-45.6	-1.7	710.8	677.9
Segment operating profit	44.6	38.2	42.5	53.1	7.0	12.4	16.9	17.7	0.7	-3.9	-49.1	-33.8	62.7	83.6
Unallocated costs													-	-
Operating profit													62.7	83.6

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	2007 31 Dec	2006 31 Dec	2005 31 Dec		2007 31 Dec	2006 31 Dec	2005 31 Dec
ASSETS				EQUITY AND LIABILITIES			
Capitalized product development costs	352.8	280.1	204.2	Majority holders	956.0	952.2	1 171.2
Goodwill	419.1	423.0	435.8	Minority holders	0.1	1.0	1.9
Other intangible assets	29.4	37.3	49.5	Total equity	956.1	953.2	1 173.1
Intangible assets	801.3	740.4	689.5	Liabilities			
Tangible assets	93.1	97.5	104.1	Liabilities to credit institutions	68.9	86.4	112.5
Financial assets	12.7	17.2	15.7	Deferred tax	6.7	10.6	19.8
Deferred tax receivables	135.0	146.1	135.2	Provisions	11.2	51.3	13.4
Total fixed assets	1 042.1	1 001.2	944.5	Other long-term liabilities	14.3	26.2	26.1
Inventories	16.6	8.5	6.8	Long-term liabilities	101.1	174.5	171.8
Accounts receivable	714.5	635.2	648.7	Liabilities to credit institutions	267.7	383.8	346.5
Tax receivables	17.7	19.6	13.6	Provisions	51.1	49.7	-
Other receivables	160.5	190.5	158.4	Accounts payable	166.5	148.5	165.7
Current assets	892.7	845.3	820.7	Income tax liability	4.9	5.1	1.5
Cash and cash equivalents	186.3	405.4	676.4	Other current liabilities	590.3	545.6	589.8
Total current assets	1095.6	1 259.2	1 503.9	Short-term liabilities	1 080.5	1 132.7	1 103.5
TOTAL ASSETS	2 137.7	2 260.4	2 448.4	Total liabilities	1 181.6	1 307.2	1 275.3
				TOTAL EQUITY AND LIABILITIES	2 137.7	2 260.4	2 448.4

Change in Group equity

SEK million	2007 31 Dec	2006 31 Dec	2005 31 Dec
Opening balance	953.2	1 173.1	525.8
Dividends paid to shareholders	-	-167.1	-
Warrants exercised	-	30.6	-
Own shares aquired	-5.5	-44.5	-
Net profit for the period	-3.5	-7.3	622.1
Translation differences for the period	11.9	-31.6	25.2
Closing balance	956.1	953.2	1 173.1
Whereof majority owners share	956.0	952.2	1 171.2
Whereof minority owners share	0.1	1.0	1.9

Changes in Group pledged assets and contingent liabilities

SEK million	2007 31 Dec	2006 31 Dec	Change
Corporate mortgages	0.3	0.3	-
Pledged shares in subsidiaries	76.2	107.5	-31.3
Assets charged with ownership reservation	58.7	63.3	-4.6
Other contingent liabilities	10.4	14.8	-4.4

Changes in Parent Company pledged assets

SEK million	2007 31 Dec	2006 31 Dec	Change
Corporate mortgages	0.3	0.3	-
Pledged shares in subsidiaries	76.2	107.5	-31.3
Guarantees, subsidiaries	53.7	54.7	-1.0

Consolidated cash flow analysis

SEK million	2007 Oct-Dec	2006 Oct-Dec	2007 Full Year	2006 Full Year	2005 Full Year
<i>Operating activities</i>					
Earnings after financial items	56.6	81.4	27.2	-6.2	653.7
Adj. to reconcile earnings after fin. items to cash	28.0	13.4	85.7	193.1	-489.3
Tax paid	-9.5	-7.0	-19.2	-27.7	-24.5
Cash flow from operating activities before changes in working capital	75.1	87.8	93.7	159.2	139.9
<i>Changes in working capital</i>					
Inventories	-8.4	-0.8	-7.6	-2.2	-1.6
Operating assets	-267.4	-222.4	-26.5	-77.9	-9.1
Operating liabilities	263.9	191.9	30.6	-25.9	-48.7
Cash flow from operating activities	63.2	56.5	90.2	53.2	80.5
<i>Investing activities</i>					
Change, intangible assets	-30.8	-49.3	-139.1	-133.5	-96.7
Change, tangible assets	-7.0	-5.5	-31.7	-33.1	-34.8
Change, financial assets	-2.4	-0.9	-3.1	4.1	-2.5
Acquisition of subsidiaries and operations	-	-	-5.5	-	-185.5
Sale of subsidiaries and operations	-	-	5.1	20.4	649.6
Cash flow from investing activities	-40.2	-55.7	-174.3	-142.1	330.1
<i>Financing activities</i>					
Dividends paid to shareholders	-	-	-	-167.1	-
Warrants exercised	-	-	-	30.6	-
Own shares acquired	-	-37.2	-5.5	-44.5	-
Net change, loans	-139.8	5.0	-136.6	14.9	104.5
Cash flow from financing activities	-139.8	-32.2	-142.1	-166.1	104.5
Cash flow for the period	-116.8	-31.4	-226.2	-255.0	515.1
Cash and cash equivalents, beginning of period	298.2	443.5	405.4	676.4	153.5
<i>Translation differences in cash and cash equivalents</i>	4.9	-6.7	7.1	-16.0	7.8
Cash and cash equivalents, end of period	186.3	405.4	186.3	405.4	676.4

Key figures and data per share

Key figures	2007 Oct-Dec	2006 Oct-Dec	2007 Full Year	2006 Full Year	2005 Full Year
Average number of employees	1 763	1 850	1 815	1 873	1 874
Revenue per employee (SEK thousand)	403	366	1 245	1 216	1 268
Value added per employee (SEK thousand)	226	188	720	638	1 043
Operating margin %	8.8	12.3	1.7	-0.3	26.9
Capital turnover ratio	0.3	0.3	1.0	1.0	1.2
Return on total capital %	3.2	4.0	2.2	0.2	33.0
Return on capital employed %	4.9	6.0	3.5	0.4	53.5
Return on equity %	2.1	6.8	-0.4	-0.7	73.2
Ratio of risk capital %	45	43	45	43	49
Liquidity %	100	110	100	110	136
Equity to total assets ratio %	45	42	45	42	48
Interest cost cover ratio	7	18	2	0	68
DSO (Days of sales outstanding)	56	56	66	62	56
Interest-bearing net debt	150	65	150	65	-217
Key figures per share					
Net profit	0.24	0.77	-0.04	-0.09	7.81
Net profit after dilution	0.24	0.77	-0.04	-0.09	7.58
Adjusted equity	11.44	11.31	11.44	11.31	14.74
Adjusted equity after dilution	11.44	11.31	11.44	11.31	14.67
Cash flow from operating activities	0.76	0.68	1.08	0.64	1.01
Cash flow from operating activities after dilution	0.76	0.68	1.08	0.64	0.98
Share data					
Average number of shares (thousand)	83 608	83 608	83 608	82 608	79 608
Average number of shares after dilution (thousand)	83 608	83 608	83 608	83 333	82 026
Total no. of shares (thousand)	83 608	83 608	83 608	83 608	79 608
Total no. of warrants (thousand)	-	-	-	-	4 000
Average share price	14.86	21.67	20.88	26.04	18.97

Analysis

4th Quarter

Jan – Dec

Analysis of revenue growth between the years (%)

	07/06	06/05	05/04	07/06	06/05	05/04
Volume increase (average no. of staff)	-2%	-4%	-6%	-1%	-4%	-5%
Acquisitions/disposals	-2%	-2%	-2%	-1%	1%	0%
Price and efficiency change	6%	0%	6%	1%	0%	4%
Growth rate, internally influenced	2%	-6%	-2%	-1%	-3%	-1%
Influence of exchange rate fluctuation	3%	-3%	4%	0%	-1%	2%
Total growth rate	5%	-9%	2%	-1%	-4%	1%

Gross profit per revenue stream (SEK million)

	2007	2006	2005	2007	2006	2005
Software licenses	168	151	160	452	468	479
Professional services	67	87	81	267	282	265
Hardware and other revenue	34	31	40	105	109	111
Total	269	269	281	824	859	855

Gross margin in % per revenue stream

	2007	2006	2005	2007	2006	2005
Software licenses	92%	91%	92%	92%	91%	92%
Professional services	22%	26%	22%	22%	23%	21%
Hardware and other revenue	16%	18%	19%	18%	20%	18%
Total	38%	40%	38%	36%	38%	36%

Type of revenue in % of total revenue

	2007	2006	2005	2007	2006	2005
Software licenses	26%	25%	23%	22%	22%	22%
Professional services	43%	49%	49%	52%	53%	53%
Hardware and other revenue	31%	26%	28%	26%	25%	25%
Total	100%	100%	100%	100%	100%	100%

Operating costs in % of revenue

	2007	2006	2005	2007	2006	2005
Product development costs	10%	9%	9%	12%	11%	10%
Sales and marketing costs	9%	9%	9%	11%	10%	11%
General and administrative costs	10%	10%	11%	12%	12%	12%
Total	29%	28%	29%	35%	33%	33%

Depreciation (SEK million)

	2007	2006	2005	2007	2006	2005
Goodwill (incl. write-down)	-	-	-	-	-	-3
Capitalised product development costs	-19	-14	-9	-69	-53	-49
Other fixed assets	-14	-13	-13	-52	-50	-47
Total	-33	-27	-22	-121	-103	-99

Parent company income statement

SEK million	2007 Oct-Dec	2006 Oct-Dec	07/06 %	2007 Full Year	2006 Full Year	07/06 %
Revenue						
Software licenses	6.5	7.5	-13%	8.0	8.6	-7%
Professional services	1.7	4.3	-60%	6.9	11.0	-37%
Other revenue	30.5	37.3	-18%	114.6	131.2	-13%
Total revenue	38.7	49.1	-21%	129.5	150.8	-14%
Cost of revenue						
Software licenses	-5.2	-1.8	189%	-5.6	-3.9	44%
Professional services	-1.0	-		-3.6	-	
Other costs	-	-		-	-	
Total cost of revenue	-6.2	-1.8	244%	-9.2	-3.9	136%
Gross profit	32.5	47.3	-31%	120.3	146.9	-18%
Product development costs	-12.1	-20.0	-40%	-72.6	-74.1	-2%
Sale and marketing costs	-	-13.2	-100%	-5.5	-23.1	-76%
General and administrative costs	-11.3	-11.4	1%	-39.4	-55.7	-29%
Restructuring costs	-1.7	-7.7		-1.7	-20.5	
Operating profit	7.4	-5.0		1.1	-26.5	
Financial items						
Financial income	3.2	5.4		19.3	28.6	
Financial expense	-6.9	6.3		-17.7	-10.0	
Result from participations in subsidiaries	-52.1	-25.0		-18.1	46.9	
Earnings after financial items	-48.4	-18.3		-15.4	39.0	
Transfers from untaxed reserves	2.0	-0.4		2.0	-0.4	
Profit before tax	-46.4	-18.7		-13.4	38.6	
Tax	-8.5	4.4		-9.7	2.7	
Net profit for the period	-54.9	-14.3		-23.1	41.3	

Parent company balance sheet

SEK million	2007 31 Dec	2006 31 Dec	2007 31 Dec	2006 31 Dec
ASSETS			EQUITY AND LIABILITIES	
Capitalized product development costs	310.3	219.7	<i>Restricted equity</i>	
Acquired software rights	2.7	2.9	Share capital	16.7
Intangible assets	313.0	222.6	Statutory reserve	318.7
Tangible assets	3.6	5.4		335.4
Receivables from subsidiaries	174.0	169.3	<i>Non-restricted equity</i>	
Deferred tax receivables	33.2	42.7	Share premium reserve	29.8
Participation in subsidiaries	451.4	496.0	Translation reserve (Fair value fund)	6.6
Financial investments	3.7	6.9	Retained earnings	478.3
Total fixed assets	978.9	942.9	Net profit for the period	-23.1
Inventory	7.1	5.2	Equity	491.6
Accounts receivable	4.4	7.6	Untaxed reserves	2.0
Tax receivables	2.8	2.1	Liabilities to credit institutions	46.9
Receivables from subsidiaries	168.0	169.1	Other liabilities	6.7
Other receivables	15.2	17.9		
Current receivables	190.4	196.7	Long-term liabilities	53.6
Cash and cash equivalents	57.2	195.4	Liabilities to credit institutions	235.4
Total current assets	254.7	397.3	Accounts payable	15.5
TOTAL ASSETS	1 233.6	1 340.2	Current liabilities to subsidiaries	81.1
			Other current liabilities	19.0
			Short-term liabilities	351.0
			Total liabilities	404.6
			TOTAL EQUITY AND LIABILITIES	1 233.6
				1 340.2

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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