

IBS Interim report

January - September 2007

Solna, Sweden, October 26, 2007 - IBS AB (listed on the OMX Nordic Exchange Stockholm, Nordic list, Mid cap, Information Technology: IBS) today presented the Group's Interim Report for January 1 - September 30, 2007. The information in this press release is of such nature that it must be published by IBS in accordance with the Act on Stock Exchange and Clearing Operations and/or the Act on Trading in Financial Instruments. The information was submitted for publication on October 26, 8:00 a.m.

January-September 2007

- Total revenue amounted to SEK 1 549 m (1 600).
- Net profit amounted to SEK -24 m (-72).
- Earnings per share, before dilution amounted to SEK -0.28 (-0.87).
- Earnings after financial items totaled SEK -29 m (-88). Comparative figures for 2006 contained restructuring costs of SEK 120 m, reserves for which were posted during the third quarter.

July-September 2007

- Total revenue amounted to SEK 477 m (477).
- Net profit amounted to SEK 0 m (-93).
- Earnings per share, before dilution amounted to SEK 0 (-1.11).
- Earnings after financial items totaled SEK 2 m (-115). The result for the period was affected by a capital loss of SEK 4 m due to divestment of parts of a subsidiary. Comparative figures for 2006 contained restructuring costs of SEK 120 m, reserves for which were posted during the third quarter.
- The comparable operating profit was improved to SEK 7 mkr (3) and the margin on professional services improved to 25% (18). The result for the period was affected by a capital loss of SEK 4 m due to divestment of parts of a subsidiary.
- Additional restructuring measures, from an efficiency viewpoint, were implemented during the quarter, including a 10% reduction in the number of employees at head office, the relocation of product development and support of certain products to India and the reduction of the number of offices.
- Lars Nyberg has, as previously announced, today left the Board of IBS. The Board has elected Johan Björklund as the new acting Chairman. A new chairman will be proposed by the Nomination Committee

Outlook

- During the quarter, the IBS Board and Group Management identified additional measures to develop and focus the various operations within IBS, based on a detailed business analysis. A strong financial position will provide the prerequisites for the continued development of IBS's profitability and competitiveness in the years ahead.
- IBS' long-term financial goal of an operating margin of at least 10% stands firm.

IBS interim report January – September 2007

IBS' operating profit improved during the third quarter, compared with the year-earlier period despite a decline in license revenue. The improvement was achieved through increased professional services revenue and margins. Additional measures were implemented within the framework for the ongoing restructuring program during the quarter, aimed at reducing IBS' expenses for product development and administration. The IBS Board and Group Management, on the basis of a thorough business analysis, have also identified further measures to develop and focus IBS' various business activities and continue efficiency enhancement in the organization. An extensive sales effort is in progress within IBS involving a number of major contracts pertaining to new or expanded installations to be decided during the fourth quarter.

Summary of Jan-Sep 2007	Jan-Sep 2007	Jan-Sep 2006	Change %
Total revenue, SEK m	1 549	1 600	-3%
- New sales	112	153	
- Renewal revenue	196	193	
Software licenses, SEK m:	308	346	-11%
License margin	93%	92%	+1 p.p.
Professional services revenue, SEK m	878	884	-1%
Professional services margin	23%	22%	+1%
Hardware and other revenue, SEK m	363	371	-2%
Hardware and other margin	20%	21%	-1 p.p.
Operating profit, SEK m *	-21	28	
Profit after financial items, SEK m*	-26	31	
Operating profit margin, rolling 12 months*	2.8%	3.9%	-1.1 percentage points

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

Market

Despite relatively favorable market conditions in several of IBS' markets, new sales of licenses were weaker than in the year-earlier period, due to the absence of major license transactions. License sales are characterized by long sales cycles and a distinct seasonal trend with the fourth quarter being by far the strongest.

The demand for professional services remained high in most markets, particularly in the US and Northern Europe. Professional services revenue also increased in other markets during the quarter.

The hardware market is characterized by trends of low prices and margins. However, IBS managed to maintain its hardware margin during the quarter.

January - September 2007

Operating profit for the first nine months amounted to SEK -25 m (-90). The profit for the period was affected by a capital loss of SEK 4 m from the sales of part of subsidiary in France. Excluding restructuring costs, which were charged against the third quarter, and a capital gain of SEK 2 m, the comparative figure for 2006 amounted to SEK 28 m. The decline was primarily attributable to lower license revenue compared with the year-earlier period.

Earnings after financial items amounted to SEK -29 m (-88). Excluding restructuring costs, the comparative figure amounted to SEK 31 m.

Total revenue during the period declined to SEK 1 549 m (1 600), as a result of lower license and hardware revenue.

Third quarter 2007

IBS' operating profit amounted to SEK 7 m (-117). The profit was affected by a capital loss of SEK 4 m from the sales of parts of a subsidiary in France. Excluding restructuring costs, the comparative figure for 2006 amounted to SEK 3 m. The improved operating profit was primarily attributable to increased professional services revenue and margin. Earnings after financial items amounted to SEK 2 m (-115). Excluding restructuring costs, the comparative figure amounted to SEK 5 m.

During the quarter, total revenue amounted to SEK 477 m (477).

License revenue amounted to SEK 102 m (110), of which new sales accounted for SEK 35 m (43) and renewal revenues for SEK 67 m (66). A number of small and mid-sized license contracts were signed with companies including Sunbeam, Hino, Potter Webster, Texto Editores, Plannja and Hubo.

The decrease in new sales during the quarter was due to the fact that no major license contracts were signed during the period, as was the case in the preceding year.

The license margin amounted to 93% (92).

Professional services revenue increased to SEK 279 m (255) despite fewer consultants. The increase was due to higher utilization and billing rate compared with the year-earlier period.

The professional services margin increased to 25% (18). The improvement was due to a combination of lower costs from the relocation of programming resources to Portugal and Poland as well as higher billing rate.

Hardware and other revenues declined to SEK 97 m (112). Gross margin for the quarter was 24% (24).

Of the SEK 120 m restructuring reserve allocated during the third quarter of 2006, SEK 5 m was utilized during the third quarter of 2007. The remaining reserve amounted to SEK 61 m.

Development by area for the quarter

Nordics:

IBS Nordics improved its earnings during the quarter. The improvement was primarily attributable to a higher billing rate for professional services combined with lower costs.

During the third quarter, a decision was made to further consolidate the number of offices in Sweden by closing the Jönköping office,

effective the end of the year. A study has been initiated regarding the possibility of implementing a merger between the IBS office in Malmö and Copenhagen to form a new office in Örestad in Denmark.

Central Europe:

Both professional services revenue and license sales increased, compared with the year-earlier period. Despite this, IBS Central Europe reported lower earnings, which was attributable to low earnings in France.

A number of large installation projects are in progress in the area, including installations for PaperlinX in the UK and Germany.

South Europe and South America:

IBS South Europe and South America reported lower earnings, compared with the year-earlier period, as a result of lower license and hardware revenue. Professional services revenue increased during the period.

North and Central America:

American operations showed improved earnings, despite lower license sales compared with the preceding year. The improvement was primarily attributable to higher professional services revenue.

Asia Pacific:

Both sales and earnings declined in Asia Pacific, compared with the year-earlier period. The decline was primarily due to lower revenue from professional services and licenses during the quarter. Restructuring within the IBS Automotive unit, including the discontinuation of certain product development projects, was another contributing factor to the decline in earnings compared with the preceding year.

Products and development

During 2007, IBS will continue to focus its sales on the new release of its international ERP software, IBS Enterprise 6, with enhanced functionality and a new Java user interface. IBS also intends to launch this software for other IT platforms, including Windows, with the objective of enabling increased market penetration in the industry sectors on which the company is focused.

During the first quarter of 2007, the first contract was signed with a customer in Sweden, pertaining to the test installation of the Windows version of the finance module of IBS Enterprise 6. The start-up of the new system is expected to occur in January 2008. During the first half of 2008, IBS will implement additional test installations based on the Windows platform of other parts of the IBS Enterprise business

software. Some of IBS' local software will also be converted and tested in the Java version for the Windows platform.

The development and launch of IBS Enterprise and other IBS software in multiplatform version is of strategically long-term significance for IBS, since it will expand IBS' target market.

Liquidity and financial position

The Group's financial position remains strong. As of September 30, the Group's equity amounted to SEK 931 m (935) and the equity/assets ratio was 47% (45). Liquidity amounted to 101% (122).

During the third quarter, cash flow from operating activities amounted to SEK -49 m (-20). The cash flow from investing activities amounted to SEK -44 m (-33).

Cash and cash equivalents, including short-term investments, amounted to SEK 298 m (444) on September 30. In addition, there were credit facilities of SEK 18 m (25).

The Group had interest-bearing loans totaling SEK 474 m (469) on September 30. Excluding debts to leasing companies, the corresponding figure was SEK 443 m (441).

Investments

The Group's investments during the first nine months of the year amounted to SEK 134 m (107), of which SEK 108 m (83) pertained to development activities.

Tax

Tax for the period, as reported in the income statement, amounted to SEK 6 m (16) and consisted of SEK -4 m (-13 m) in current tax expenses and SEK 10 m (29) in deferred tax expenses. Tax paid during the period amounted to SEK 10 m (21).

Currency

IBS' currency risk is limited in that virtually all operating subsidiaries invoice in the same currency in which expenses are incurred. Major currency transactions are normally hedged. During the third quarter, SEK strengthened in relation to the IBS Group's currency basket. This means that in fixed exchange rates, the decline in revenues and costs was 2 percentage points lower, although this had only a marginal impact on earnings.

Personnel

The number of employees on September 30 was 1 809 (1 858), a decrease of 3% compared with the year-earlier period. The number of consultants was 1 019 (1 073).

Parent Company

On May 1, 2007, a new subsidiary was formed, in which parts of the Parent Company's operations were transferred. The new company, IBS Global Functions AB, 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 29 employees and overall management responsibility for the Group. The Parent Company's total revenue for the period amounted to SEK 91 m (102) and earnings after financial items to SEK 33 m (57). Earnings include dividends from subsidiaries of SEK 34 m (72).

Investment in tangible and intangible assets amounted to SEK 100 m (78). Cash and cash equivalents at the end of the period amounted to SEK 140 m (271).

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 entails implementing a number of measures, which include the gradual relocation of portions of product development and programming from high-cost countries to middle 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 are estimated at SEK 120 m, which was allocated as a reserve and expensed in the third quarter of 2006.

During the third quarter of 2007, IBS relocated development and support of certain products to India. At IBS' head office, the number of positions were decreased by 10%, with the objective of reducing administrative costs. The reduction in the number of offices continued during the quarter.

In September, IBS officially launched the new resource center in Porto, Portugal. The operation includes about 50 programmers and is used for product development and major customization projects. Today, an additional 15 employees are involved in development projects in Poland.

During the third quarter, SEK 5 m of the restructuring reserve was utilized. The remaining reserve amounted to SEK 61 m.

Divestment of operations in France

IBS divested as of 30 September parts of a subsidiary in France to Infor. The divested business includes 23 consultants working with installation and support of Infor's software BPCS (Infor ERP LX). The divestment has generated a capital loss for IBS to the amount of SEK 4 m.

Lennart Bernard appointed new CFO

In September, IBS announced that Lennart Bernard had been appointed as new CFO. Lennart Bernard was formerly, among other positions, the CFO at Scribona and Eniro and will take up his new duties on December 3, 2007.

The IBS share

The IBS share price decreased by 23% during the quarter and the closing share price was SEK 15.70 on September 30, 2007.

Accounting principles

This interim report was prepared in accordance with IAS 34 Interim Reporting and the Swedish Financial Accounting Standards Council's recommendation RR31 Interim Reporting for Corporate Groups. 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 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 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 42 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 that estimated.

Outlook

During the quarter, the IBS Board and Group Management identified additional measures to develop and focus the various IBS operations, based on a detailed analysis.

A strong financial position will provide the prerequisites to continue to develop IBS' profitability and competitiveness in the years ahead.

IBS' long-term financial goal of an operating margin of at least 10% stands firm.

New acting Chairman of the Board of IBS

In October, Lars Nyberg informed the Board of Directors of his intention to resign his post as Chairman of the Board of IBS, due to the shortage of time to the announcement and his taking up office as the new President and CEO of TeliaSonera AB. IBS' Board has appointed Johan Björklund as acting Chairman, effective October 26, 2007. A new Chairman will be proposed by the Nomination Committee.

Nominating Committee and Annual General Meeting

In accordance with an Annual General Meeting resolution in May 2007, IBS has elected a Nominating Committee. The four largest shareholders on September 30, 2007 were given the opportunity to elect a representative each to be in the committee. All four of the largest shareholders chose to nominate a representative. The Nominating Committee comprises Henrik Jonsson (chairman of the committee), Catella Investments, Henrik Strömbom, Case Asset Management, George Ho, Deccan Value Advisors, Rickard Svensson, Arvid Svensson Invest and IBS' acting Chairman Johan Björklund.

IBS' Annual General Meeting is scheduled for 22 April 2008 in Stockholm. The exact time and place for the Annual General Meeting will be announced in IBS' year-end report.

Reporting dates for 2007

- The year-end report for 2007 will be published on January 31, 2008.
- The 2007 Annual Report will be published in April 2008.

Questions regarding this report is answered by

Erik Heilborn, CEO and President,

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or

John Womack, SVP Communications & IR

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Solna, October 26, 2007

Lars Nyberg, Chairman of the Board

Vinit Bodas, Board member

Johan Björklund, Board member

Gunnel Duveblad, Board member

Jan Jacobsen, Board member

Pallab Chatterjee, Board member

Erik Heilborn, President and CEO

Report on Review of Interim Financial Information

Introduction

We have reviewed the interim report of IBS AB, org nr 556198-7289, as of September 30, 2007 and for the nine-month period then ended. The Board of directors are responsible for the preparation and fair presentation of this interim financial information in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this semi-annual report based on our review.

Scope of Review

We conducted our review in accordance with the Standard on Review Engagements (SÖG) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information 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 the Standards on Auditing in Sweden RS and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

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 Annual Accounts Act.

Stockholm, October 26, 2007

KPMG Bohlins AB

Anders Malmeby
Authorized public accountant

Consolidated income statement

SEK million	2007 July-Sep	2006 July-Sep	07/06 %	2007 Jan-Sep	2006 Jan-Sep	07/06 %	Last 12 Months	2006 Full Year
Revenue								
Software licenses	101.5	109.7	-7%	308.0	345.7	-11%	474.1	511.8
Professional services	278.6	255.2	9%	877.6	883.6	-1%	1 211.5	1 217.5
Hardware and other revenue	96.6	111.7	-14%	363.4	370.8	-2%	541.3	548.7
Total revenue	476.7	476.6	0%	1 549.0	1 600.1	-3%	2 226.9	2 278.0
Cost of revenue								
Software licenses	-7.1	-8.3	-14%	-24.5	-28.9	-15%	-39.7	-44.1
Professional services	-207.9	-210.1	-1%	-677.4	-688.2	-2%	-924.3	-935.1
Hardware and other costs	-73.7	-85.3	-14%	-292.4	-293.3	0%	-438.9	-439.8
Total cost of revenue	-288.7	-303.7	-5%	-994.3	-1 010.4	-2%	-1 402.9	-1 419.0
Gross profit	188.0	172.9	9%	554.7	589.7	-6%	824.0	859.0
Product development costs	-61.2	-55.1	11%	-189.7	-177.7	7%	-251.2	-239.2
Sales and marketing costs	-51.7	-55.0	-6%	-177.6	-179.3	-1%	-236.6	-238.3
General and administrative costs	-64.9	-59.8	9%	-208.6	-204.5	2%	-273.2	-269.1
Other operating income/costs *	-3.5	0.1		-3.5	1.6		-4.1	1.0
Restructuring costs	-	-120.0		-	-120.0		-	-120.0
Operating profit	6.7	-116.9		-24.7	-90.2		58.9	-6.6
Financial items								
Financial income	1.6	4.2		6.3	9.6		8.9	12.2
Financial expenses	-6.1	-2.1		-11.0	-7.0		-15.8	-11.8
Earnings after financial items	2.2	-114.8		-29.4	-87.6		52.0	-6.2
Tax	-1.9	22.2		5.9	16.0		-11.2	-1.1
Net profit for the period	0.3	-92.6		-23.5	-71.6		40.8	-7.3
Whereof majority owners share	0.3	-92.5		-23.6	-71.7		40.7	-7.4
Whereof minority owners share	0.0	-0.1		0.1	0.1		0.1	0.1
Earnings per share (SEK)	0.0	-1.11		-0.28	-0.87		0.49	-0.09
Earnings per share after dilution (SEK)	0.0	-1.11		-0.28	-0.87		0.49	-0.09
Average number of shares (thousand)	83 608	83 608		83 608	82 275		83 608	82 608
Average number of shares after dilution (thousand)	83 608	83 608		83 608	83 242		83 608	83 333

* Capital gain/loss from sale of subsidiaries/operations

Outcome per quarter												
SEK million	2004 Q4	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⁾
Software licenses	171.1	109.0	119.1	117.6	173.7	113.4	122.6	109.7	166.1	102.4	104.1	101.5
Total revenue	736.3	550.6	557.9	519.7	747.8	561.6	561.9	476.6	677.9	541.1	531.2	476.7
Operating profit	66.6	573.4	5.0	-1.7	62.5	13.3	13.4	-116.9	83.6	-9.9	-21.5	6.7
Earnings after financial items	61.5	578.4	10.8	1.6	62.9	14.6	12.6	-114.8	81.4	-8.8	-22.8	2.2

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-September	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	79.1	102.8	140.3	139.0	30.7	35.5	16.4	28.1	38.5	52.1	3.0	-11.8	308.0	345.7
Professional services	375.6	366.1	292.4	288.1	60.4	60.1	96.6	78.6	54.1	95.6	-1.6	-4.9	877.6	883.6
Hardware and other revenue	131.3	134.9	141.8	139.2	61.2	61.8	13.5	12.5	16.2	22.4	-0.6	0.0	363.4	370.8
	586.0	603.8	574.5	566.3	152.3	157.3	126.5	119.2	108.8	170.0	0.9	-16.7	1 549.0	1 600.1
Inter-segment revenue	21.0	11.9	16.0	12.6	8.3	11.6	7.3	1.6	9.5	4.4	-62.1	-42.1	0.0	0.0
Total revenue	607.0	615.7	590.5	578.9	160.6	168.9	133.8	120.8	118.3	174.4	-61.2	-58.8	1 549.0	1 600.1
Segment operating profit	50.9	53.2	40.8	71.7	6.7	12.9	14.7	6.1	-7.7	7.1	-130.1	-121.2	-24.7	29.8
Unallocated costs													-	-120.0
Operating profit													-24.7	-90.2

3 rd 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	23.2	26.1	49.1	46.2	11.8	14.4	3.6	7.2	13.5	26.6	0.2	-10.8	101.5	109.7
Professional services	105.5	102.3	98.0	81.9	17.5	13.3	32.9	29.5	22.7	33.9	2.1	-5.7	278.6	255.2
Hardware and other revenue	33.6	34.1	44.6	47.0	11.1	18.5	3.5	6.8	4.6	5.1	-0.8	0.2	96.6	111.7
	162.3	162.5	191.7	175.1	40.4	46.2	40.0	43.5	40.8	65.6	1.5	-16.3	476.7	476.6
Inter-segment revenue	3.8	3.5	7.0	6.2	3.4	4.2	1.3	1.2	2.6	2.0	-18.1	-17.1	0.0	0.0
Total revenue	166.1	166.0	198.7	181.3	43.8	50.4	41.3	44.7	43.4	67.6	-16.6	-33.4	476.7	476.6
Segment operating profit	10.6	5.8	27.6	35.7	2.5	5.4	5.1	-0.2	-0.4	4.5	-38.7	-48.2	6.7	3.1
Unallocated costs													-	-120.0
Operating profit													6.7	-116.9

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	2007 30 Sep	2006 30 Sep	2006 31 Dec		2007 30 Sep	2006 30 Sep	2006 31 Dec
ASSETS				EQUITY AND LIABILITIES			
Capitalized product development costs	340.7	248.8	280.1	Majority holders	930.7	934.5	952.2
Goodwill	418.8	426.8	423.0	Minority holders	0.4	0.9	1.0
Other intangible assets	32.3	39.4	37.3	Total equity	931.1	935.4	953.2
Intangible assets	791.8	715.0	740.4	Liabilities			
Tangible assets	96.2	102.0	97.5	Liabilities to credit institutions	76.1	98.9	86.4
Financial assets	17.9	18.1	17.2	Deferred tax	11.4	15.4	10.6
Deferred tax receivables	159.7	156.6	146.1	Provisions	41.5	55.9	51.3
Total fixed assets	1 065.6	991.7	1 001.2	Other long-term liabilities	19.8	25.5	26.2
Inventories	8.0	8.0	8.5	Long-term liabilities	148.8	195.7	174.5
Accounts receivable	400.1	420.8	635.2	Liabilities to credit institutions	397.8	369.8	383.8
Tax receivables	22.3	21.2	19.6	Provisions	29.3	62.5	49.7
Other receivables	191.6	195.6	190.5	Accounts payable	73.2	82.7	148.5
Current assets	614.0	637.6	845.3	Income tax liability	0.1	1.3	5.1
Cash and cash equivalents	298.2	443.5	405.4	Other current liabilities	405.5	433.4	545.6
Total current assets	920.2	1 089.1	1 259.2	Short-term liabilities	905.9	949.7	1 132.7
TOTAL ASSETS	1 985.8	2 080.8	2 260.4	Total liabilities	1 054.7	1 145.4	1 307.2
				TOTAL EQUITY AND LIABILITIES	1 985.8	2 080.8	2 260.4

Change in Group equity

SEK million	2007 30 Sep	2006 30 Sep	2006 31 Dec
Opening balance	953.2	1 173.1	1 173.1
Dividends paid to shareholders	-	-167.1	-167.1
Warrants exercised	-	30.6	30.6
Own shares aquired	-5.5	-7.2	-44.5
Net profit for the period	-23.5	-71.6	-7.3
Translation differences for the period	6.9	-22.4	-31.6
Closing balance	931.1	935.4	953.2
Whereof majority owners share	930.7	934.5	952.2
Whereof minority owners share	0.4	0.9	1.0

Changes in Group pledged assets and contingent liabilities

SEK million	2007 30 Sep	2006 31 Dec	Change
Corporate mortgages	0.3	0.3	-
Pledged shares in subsidiaries	83.3	107.5	-24.2
Assets charged with ownership reservation	45.2	63.3	-18.1
Other contingent liabilities	10.9	14.8	-3.9

Changes in Parent company pledged assets and contingent liabilities

SEK million	2007 30 Sep	2006 31 Dec	Change
Corporate mortgages	0.3	0.3	-
Pledged shares in subsidiaries	83.3	107.5	-24.2
Guarantees, subsidiaries	52.7	54.7	-2.0

Consolidated cash flow analysis

SEK million	2007 July-Sep	2006 July-Sep	2007 Jan-Sep	2006 Jan-Sep	Last 12 Months	2006 Full Year
<i>Operating activities</i>						
Earnings after financial items	2.2	-114.8	-29.4	-87.6	52.0	-6.2
Adj. to reconcile earnings after fin. items to cash	33.0	130.4	57.7	179.6	71.2	193.1
Tax paid	-4.2	-11.1	-9.7	-20.6	-16.8	-27.7
Cash flow from operating activities before changes in working capital	31.0	4.5	18.6	71.4	106.4	159.2
<i>Changes in working capital</i>						
Inventories	1.5	-3.2	0.8	-1.4	0.0	-2.2
Operating assets	75.8	47.5	240.9	144.5	18.5	-77.9
Operating liabilities	-157.6	-101.5	-233.3	-217.8	-41.4	-25.9
Cash flow from operating activities	-49.3	-52.7	27.0	-3.3	83.5	53.2
<i>Investing activities</i>						
Change, intangible assets	-32.3	-31.6	-108.3	-84.2	-157.6	-133.5
Change, tangible assets	-13.5	-9.1	-24.7	-27.6	-30.2	-33.1
Change, financial assets	-3.1	2.9	-0.7	5.0	-1.6	4.1
Acquisition of subsidiaries and operations	-	-	-5.5	-	-5.5	-
Sale of subsidiaries and operations	5.1	4.6	5.1	20.4	5.1	20.4
Cash flow from investing activities	-43.8	-33.2	-134.1	-86.4	-189.8	-142.1
<i>Financing activities</i>						
Dividends paid to shareholders	-	-	-	-167.1	-	-167.1
Warrants exercised	-	-	-	30.6	-	30.6
Own shares acquired	-	-4.6	-5.5	-7.2	-42.8	-44.5
Net change, loans	-1.7	24.4	3.2	9.8	8.3	14.9
Cash flow from financing activities	-1.7	19.8	-2.3	-133.9	-34.5	-166.1
Cash flow for the period	-94.8	-66.1	-109.4	-223.6	-140.8	-255.0
Cash and cash equivalents, beginning of period	397.1	508.0	405.4	676.4	443.5	676.4
<i>Translation differences in cash and cash equivalents</i>	-4.1	1.6	2.2	-9.3	-4.5	-16.0
Cash and cash equivalents, end of period	298.2	443.5	298.2	443.5	298.2	405.4

Key figures and data per share

Key figures	2007 July-Sep	2006 July-Sep	2007 Jan-Sep	2006 Jan-Sep	Last 12 Months	2006 Full Year
Average number of employees	1 808	1 862	1 833	1 880	1 837	1 873
Revenue per employee (SEK thousand)	264	256	845	851	1 212	1 216
Value added per employee (SEK thousand)	155	91	495	450	684	638
Operating margin %	1.4	-24.5	-1.6	-5.6	2.6	-0.3
Capital turnover ratio	0.2	0.2	0.7	0.9	1.0	1.0
Return on total capital %	0.3	-5.3	-0.9	-4.4	3.2	0.2
Return on capital employed %	0.4	-7.7	-1.3	-7.1	4.8	0.4
Return on equity %	0.0	-9.4	-2.5	-9.8	2.8	-0.7
Ratio of risk capital %	47	46	47	46	48	43
Liquidity %	101	122	101	122	101	110
Equity to total assets ratio %	47	45	47	45	47	42
Interest cost cover ratio	2	-54	-2	-12	4	0
DSO (Days of sales outstanding)	66	65	72	72	64	62
Key figures per share						
Net profit	0.00	-1.11	-0.28	-0.87	0.49	-0.09
Net profit after dilution	0.00	-1.11	-0.28	-0.87	0.49	-0.09
Adjusted equity	11.14	11.19	11.14	11.19	11.14	11.31
Adjusted equity after dilution	11.14	11.19	11.14	11.19	11.14	11.31
Cash flow from operating activities	-0.59	-0.63	0.32	-0.04	1.00	0.64
Cash flow from operating activities after dilution	-0.59	-0.63	0.32	-0.04	1.00	0.64
Share data						
Average number of shares (thousand)	83 608	83 608	83 608	82 275	83 608	82 608
Average number of shares after dilution (thousand)	83 608	83 608	83 608	83 242	83 608	83 333
Total no. of shares (thousand)	83 608	83 608	83 608	83 608	83 608	83 608
Total no. of warrants (thousand)	-	-	-	-	-	-
Average share price	17.58	24.08	22.05	27.64	21.99	26.04

Analysis

3rd Quarter

Jan – Sep

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)	-1%	-4%	-6%	-3%	-4%	-5%
Acquisitions/disposals	-1%	0%	0%	0%	2%	0%
Price and efficiency change	4%	-3%	9%	6%	0%	5%
Growth rate, internally influenced	2%	-7%	3%	3%	-2%	0%
Influence of exchange rate fluctuation	-2%	-1%	2%	-6%	0%	0%
Total growth rate	0%	-8%	5%	-3%	-2%	0%

Gross profit per revenue stream (SEK million)

	2007	2006	2005	2007	2006	2005
Software licenses	94	101	109	284	317	319
Professional services	71	45	47	200	195	185
Hardware and other revenue	23	27	22	71	78	70
Total	188	173	178	555	590	574

Gross margin in % per revenue stream

	2007	2006	2005	2007	2006	2005
Software licenses	93%	92%	93%	92%	92%	92%
Professional services	25%	18%	18%	23%	22%	21%
Hardware and other revenue	24%	24%	17%	20%	21%	18%
Total	39%	36%	34%	36%	37%	35%

Type of revenue in % of total revenue

	2007	2006	2005	2007	2006	2005
Software licenses	21%	23%	23%	20%	22%	21%
Professional services	59%	54%	52%	57%	55%	55%
Hardware and other revenue	20%	23%	25%	23%	23%	24%
Total	100%	100%	100%	100%	100%	100%

Operating costs in % of revenue

	2007	2006	2005	2007	2006	2005
Product development costs	13%	12%	12%	12%	11%	11%
Sales and marketing costs	11%	12%	11%	11%	11%	11%
General and administrative costs	13%	13%	12%	13%	13%	13%
Total	37%	37%	35%	37%	35%	35%

Depreciation (SEK million)

	2007	2006	2005	2007	2006	2005
Goodwill (incl. write-down)	-	-	-	-	-	-3
Capitalised product development costs	-17	-14	-16	-50	-39	-40
Other fixed assets	-12	-13	-13	-38	-37	-34
Total	-29	-27	-29	-88	-76	-77

Parent company income statement

SEK million	2007 July-Sep	2006 July-Sep	07/06 %	2007 Jan-Sep	2006 Jan-Sep	07/06 %
Revenue						
Software licenses	0.5	0.1	400%	1.5	1.1	36%
Professional services	1.7	2.1	-19%	5.2	6.7	-22%
Other revenue	25.6	30.6	-16%	84.1	93.9	-10%
Total revenue	27.8	32.8	-15%	90.8	101.7	-11%
Cost of revenue						
Software licenses	-0.2	-0.5	-60%	-0.4	-2.1	-81%
Professional services	-1.1	-		-2.6	-	
Other costs	-	-		-	-	
Total cost of revenue	-1.3	-0.5	160%	-3.0	-2.1	43%
Gross profit	26.5	32.3	-18%	87.8	99.6	-12%
Product development costs	-10.8	-19.8	-45%	-60.5	-54.1	12%
Sale and marketing costs	-	-5.8		-5.5	-9.9	-44%
General and administrative costs	-11.9	-3.9	205%	-28.1	-44.3	-37%
Restructuring costs	-	-12.8		-	-12.8	
Operating profit	3.8	-10.1		-6.3	-21.5	
Financial items						
Financial income	3.8	9.2		16.1	23.2	
Financial expense	-4.2	0.6		-10.8	-16.3	
Result from participations in subsidiaries	-	55.1		34.0	71.9	
Earnings after financial items	3.4	54.8		33.0	57.3	
Tax	-0.3	0.0		-1.2	-1.7	
Net profit for the period	3.1	54.8		31.8	55.6	

Parent company balance sheet

SEK million	2007 30 Sep	2006 30 Sep	2007 30 Sep	2006 30 Sep
ASSETS			EQUITY AND LIABILITIES	
Capitalized product development costs	292.3	189.5	<i>Restricted equity</i>	
Acquired software rights	1.7	2.4	Share capital	16.7
Intangible assets	294.0	191.9	Statutory reserve	318.7
Tangible assets	4.0	6.1		335.4
Receivables from subsidiaries	177.8	170.1	<i>Non-restricted equity</i>	
Deferred tax receivables	41.8	38.1	Share premium reserve	29.8
Participation in subsidiaries	507.6	507.1	Translation reserve (Fair value fund)	8.1
Financial investments	8.0	8.0	Retained earnings	478.4
Total fixed assets	1 033.2	921.3	Net profit for the period	31.8
Inventory	5.3	2.8		548.1
Accounts payable	4.4	1.5	Equity	883.5
Tax receivables	4.9	4.5	Untaxed reserves	4.0
Receivables from subsidiaries	359.2	387.0	Liabilities to credit institutions	52.1
Other receivables	13.2	13.3	Other liabilities	8.3
Current receivables	381.7	406.3		
Cash and cash equivalents	140.0	270.9	Long-term liabilities	60.4
Total current assets	527.0	680.0	Liabilities to credit institutions	328.9
TOTAL ASSETS	1 560.2	1 601.3	Accounts payable	6.1
			Current liabilities to subsidiaries	214.7
			Other current liabilities	62.6
			Short-term liabilities	612.3
			Total liabilities	672.7
			TOTAL EQUITY AND LIABILITIES	1 560.2

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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