



Strong growth in license sales and earnings

FINANCIAL AND OPERATIONAL HIGHLIGHTS

OCTOBER–DECEMBER 2015 (FOURTH QUARTER)

- License revenue amounted to SKr 245 million (Q4 '14: SKr 185 million), an increase of 27 percent, currency adjusted.
- Maintenance revenue was SKr 303 million (Q4 '14: SKr 274 million), an improvement of 7 percent currency adjusted.
- Consulting revenue amounted to SKr 419 million (Q4 '14: SKr 402 million), an increase of 3 percent currency adjusted.
- Net revenue totaled SKr 968 million (Q4 '14: SKr 867 million), an improvement of 9 percent currency adjusted.
- Adjusted EBITDA was SKr 182 million (Q4 '14: SKr 135 million). EBIT amounted to SKr 134 million (Q4 '14: SKr 117 million).
- Cash flow after investments was SKr 133 million (Q4 '14: SKr 97 million).
- Earnings per share after full dilution amounted to SKr 3.26 (Q4 '14: SKr 4.32).

JANUARY–DECEMBER 2015 (FULL YEAR)

- License revenue amounted to SKr 682 million ('14: SKr 558 million), an increase of 14 percent currency adjusted.
- Maintenance revenue was SKr 1,174 million ('14: SKr 1,037 million), an improvement of 6 percent currency adjusted.
- Consulting revenue amounted to SKr 1,524 million ('14: SKr 1,427 million), an increase of 2 percent currency adjusted.
- Net revenue totaled SKr 3,389 million ('14: SKr 3,034 million), an improvement of 5 percent currency adjusted.
- Adjusted EBITDA was SKr 428 million ('14: SKr 365 million). EBIT amounted to SKr 314 million ('14: SKr 275 million).
- Cash flow after investments was SKr 196 million ('14: SKr 269 million).
- Earnings per share after full dilution amounted to SKr 8.37 ('14: SKr 8.45).

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IFS

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CHIEF EXECUTIVE SUMMARY

Strong growth in license sales and earnings

License sales showed strong growth, currency adjusted, of 27 percent in the final quarter of the year and 14 percent for the full year. This growth was achieved despite the fact that throughout 2015 many of our target sectors showed a significant decline, including all markets affected by the fall in the price of oil and also those regions affected by the downturn in the demand for commodities. This demonstrates that IFS is both a resilient and an agile business with many new customers being added in the last quarter.

In a market that remains very competitive IFS continues to be selected because of our understanding and ability to deliver both solutions to our target sectors and global projects with a lower cost of ownership than our larger competitors. The ongoing addition of new customers and the low level of churn has resulted in the growth of our maintenance and support revenue being, currency adjusted, 7 percent for the quarter and 6 percent for the full year and being fully in line with our expectations. Product revenue as a proportion of total revenue for the quarter continues to move in the correct direction at 57 percent (Q4 '14: 53). The maintenance and support margin for the quarter improved to 76 percent (72) and for the full year remained unchanged at 75 percent. The ongoing investment being made in the centralization of our global support operation should continue to create margin improvement.

The low growth in the consulting revenue at 3 percent in the quarter and 2 percent for the year, currency adjusted, is in line with our strategic direction, which is to grow our partner ecosystem as a complimentary delivery resource. This, as previously stated, will provide reach and scalability to IFS and provide our customers with choice. The partner ecosystem grew during 2015 with a good number of new partners joining each month and the Partner Academy coming on stream creating an increasing global pool of IFS certified consultants. The consulting margin increased to 24 percent (Q4 '14: 23).

The gradual improvement of the buying environment seen in recent years continued. Based on preliminary figures, the ERP

market as a whole grew by around 7 percent in 2015. Demand in North America, Western Europe, and Asia Pacific (excluding China) remains steady and industry analyst firms such as Gartner expect this trend of rather moderate overall growth to persist in 2016.

The acquisition of VisionWaves undertaken in July 2015 has been successfully integrated into the IFS Group. We are seeing that the acquired product is able to be packaged with other parts of the IFS product set to provide new innovative solutions and so create new market opportunities. Our acquisition strategy continues to be a high priority as we seek to build a stronger solution for our target markets.

On December 7, following the acquisition of the shares held by the main owner and other larger shareholders in IFS, EQT, through IGT Holding, announced a mandatory cash offer to the shareholders to acquire all outstanding shares. At the time of writing, IGT Holding owned 83.8 percent of the capital and 87.4 percent of the votes in the company. On December 17, the board of directors of IFS* unanimously recommended the shareholders to accept this offer. Over the five years preceding the offer, shareholders have seen total returns including reinvested dividends of 314 percent, or 33 percent per annum. This reflects the steady improvement that we have achieved and the attractiveness of our product for our ever-expanding group of customers. For 2016, we expect to see continued positive development and further improvements to our strengths.





Alastair Sorbie
PRESIDENT & CEO

* Anders Böös, chairman of the board, and Bengt Nilsson, deputy chairman of the board, did not participate in the recommendation and decision.

SIGNIFICANT EVENTS DURING THE QUARTER

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


Aerospace and Defense

-  Babcock Marine Division
-  General Dynamics - Information Systems & Technology
-  General Dynamics - Ordinance and Tactical Systems (OTS)
-  Saab






Asset Intensive

-  Hecla Mining Company
-  SSAB Europa




Automotive

-  CalsonicKansei North America
-  Öhlins Racing
-  Zakład Metalowy Plast-Met









Construction and Contracting

-  Arkon Prima Indonesia
-  NG Bailey Group
-  Skanska UK
-  VolkerWessels Telecom
-  VR Track

Energy and Utilities

-  Ragn-Sells Group IT
-  Service Stream
-  Statnett
-  Türksat Uydu Haberleşme Kablo TV ve İşletme
-  Umeå Energi

High-Tech Manufacturing

-  Axis Communications
-  Jotron
-  Kitron
-  Lab126 (A2Z Development Center)
-  Mafelec
-  Sartorius
-  Telenot Electronic
-  Tomra Systems

Industrial Manufacturing













-  Andersen Steel
-  Anstee Ware Group
-  Circor International
-  Huber
-  IMI Critical Engineering
-  J & E Hall
-  Janoschka Kippenheim
-  Loram Maintenance of Way
-  Maurer
-  Newag

-  Robertson Fuel System
-  Roxtec International
-  Saueressig
-  Völkl Sports
-  Whirley Industries
-  Wingroup

Oil and Gas

-  Bibby Offshore
-  Dixie Electric
-  Floatel International
-  Wood Group Mustang Norway










Process Manufacturing

-  Brugarolas
-  Instituto Butantan
-  Oxford Biomedica
-  PBI/Gordon Corporation
-  Pukka Herbs
-  Swedish Orphan Biovitrum (SOBI)
-  The Binding Site Group
-  Volac International
-  Whitford
-  Whitworths
-  Willamette Valley Company
-  William Grant & Sons



Retail and Wholesale

-  AG Thames Holdings
-  Singer Sri Lanka

Service Providers

-  APM Terminals Management
-  Auto Windscreens
-  J Tomlinson
-  Medical & Pharmaceutical Services
-  Orbotech
-  Reliance Comfort
-  URB - Urbanismo de Recife
-  Wennstrom Fuel Systems
-  Wilhelmsen Ships Service

Other

-  Foundation Garments
-  Q-TC
-  SII - Société pour l'informatique industrielle
-  Tiga Pilar Sejahtera Food
-  Vektis

German engineering company selects IFS Applications 9

October 2. Munich-based Maurer focuses on steel constructions such as buildings, bridges, roller coasters, Ferris wheels, and other complex dynamic, stressed structures. Following an evaluation process involving several major ERP vendors, Maurer selected IFS Applications to promote a unified way of working, enhance data quality, and promote business transparency at all levels of the organization.

IFS Applications 9 update launched and new support model

October 26. Among the new and enhanced features of IFS Applications 9 update 1 are new in-memory capabilities, enhanced visualization of manufacturing processes, extended support for rental management, and improved group consolidation functionality. IFS also launched a new support model that lets customers benefit from the latest product enhancements faster and at a lower cost.

Sartorius implements IFS Field Service Management

November 11. German pharmaceutical and laboratory equipment supplier Sartorius will implement IFS Field Service Management at 50 sites worldwide. The solution will support the company's growth plans and empower Sartorius staff with self-service tools, leading to faster response times to customer inquiries.

Australian Service Stream selects IFS

November 13. Service Stream is an essential network service provider to the telecommunications and utility industries throughout Australia. Service Stream will replace and consolidate multiple enterprise information systems with IFS Applications to promote operational efficiencies in its infrastructure projects and optimize project execution.

German security specialist consolidates with IFS

November 16. Following a rigorous selection process involving several well-known ERP vendors, Telenot chose IFS Applications 9 based on its comprehensive functional support. With IFS, the company will benefit from a modern, integrated ERP suite that will empower its employees through an intuitive user interface.

Skanska UK to implement IFS Applications 9

December 7. Skanska UK will implement IFS Applications as its new works management system at its Infrastructure Services division. The solution will provide Skanska with an advanced system to manage its infrastructure contracts, including work order planning, scheduling and execution, purchasing, inventory, time and attendance, and mobile work orders.

New version of IFS Field Service Management released

December 9. IFS Field Service Management 5.6.3 includes major enhancements such as a next-generation mobile client for Windows 10, several predefined IFS Lobbies, and the option to deploy in the IFS Managed Cloud on Microsoft Azure.

Finland's biggest rail constructor selects IFS

December 10. VR Track, part of the state-owned VR Group, chose IFS Applications 9 to support its service and maintenance processes. The IFS solution covers field service and maintenance management, B2B contracting, and powerful reporting capabilities through IFS Lobby.

IFS named a 'leader' in Gartner Magic Quadrant

December 14. For the third consecutive year, IFS was recognized as a 'leader' in the 2015 Gartner Magic Quadrant for Single-Instance ERP for Product Centric Midmarket Companies.

High-tech automotive manufacturer to deploy IFS Applications

December 21. A global provider of electromagnetic components chose to deploy to IFS Applications 9 at more than 20 sites worldwide. The solution will enhance the company's configure-to-order (CTO) processes, enhance quality, minimize waste, and reduce inventory by optimizing demand planning.

WinGroup selects IFS Applications 9 in the cloud

December 21. WinGroup, a leading manufacturer of aluminum-framed glazing systems, has chosen to implement IFS Applications 9 as its central ERP platform. The solution will be deployed in the IFS Managed Cloud on Microsoft Azure and will be used by some 200 users in seven countries.

Saab to deploy IFS Applications 9

December 28. Saab has chosen to deploy IFS Applications 9 at its Aeronautics unit and South African operations. The agreement is valued at approximately SKr 11 million in licenses. The company will leverage the layered application architecture of IFS Applications 9 to enable more efficient applications development and configuration at a lower total cost of ownership.

FINANCIAL OVERVIEW

SKr million	Q4 2015	Q4 2014	Full year 2015	Full year 2014
Net revenue	968	867	3,389	3,034
<i>whereof</i>				
License revenue	245	185	682	558
Maintenance and support revenue	303	274	1,174	1,037
Consulting revenue	419	402	1,524	1,427
Gross earnings	554	469	1,842	1,556
<i>whereof</i>				
Licenses	230	177	646	505
Maintenance and support	229	198	875	773
Consulting	100	94	324	278
EBIT	134	117	314	275
EBIT margin	14%	13%	9%	9%
Earnings before tax	132	119	306	258
Earnings for the period	83	107	214	211
Cash flow after investment operations	133	97	196	269

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

Revenue

Net revenue amounted to SKr 968 million (867), an increase of 9 percent, currency adjusted. The increase in net revenue, adjusted for revenue coming from the acquisition of VisionWaves, was 7 percent, currency adjusted. License revenue was SKr 245 million (185), an increase of 27 percent, currency adjusted. Europe West and Europe North contributed the most to the growth in license revenue, with an increase of 45 percent and 25 percent respectively, currency adjusted. Maintenance and support revenue was SKr 303 million (274), an increase of 7 percent, currency adjusted; Europe North, Europe Central and Africa, Asia and Pacific contributed the most to the growth. Consulting revenue amounted to SKr 419 million (402), an increase of 3 percent, currency adjusted. Europe North contributed most to the increase in consulting revenue.

Costs

Operating expenses amounted to SKr 834 million (750), an increase of 9 percent, currency adjusted. Cost of revenue increased by 2 percent, currency adjusted. Other operating expenses, net, increased by 17 percent, adjusted for currency. Other operating expenses were negatively affected by a one-off cost of SKr 27 million related to the change of control of IFS. Adjusted for this one-off item and the expenses coming from the acquisition of VisionWaves, the underlying increase was 6 percent, currency adjusted. The underlying increase was mainly due to ongoing investments in sales and marketing as well as research and development.

Earnings

Adjusted EBITDA increased to SKr 182 million (135) and EBIT increased to SKr 134 million (117).

Earnings before tax amounted to SKr 132 million (119). Net financial items amounted to

SKr -2 million (2), whereof interest expenses were SKr -2 (-2) and SKr 0 million (3) pertained to realized/unrealized exchange gains/losses.

Tax charges in the fourth quarter were negatively affected by the reversal of deferred tax assets in North America due to the change of control of IFS.

Earnings for the period amounted to SKr 83 million (107).

Cash flow and investments

Cash flow after investments amounted to SKr 133 million (97). The change in working capital amounted to SKr 6 million (4). Investments amounted to SKr -69 million (-71), whereof capitalized product development was SKr -60 million (-59).

Cash and cash equivalents totaled SKr 533 million (489) at the end of the period. Available liquid assets, including unutilized lines of credit, amounted to SKr 936 million (859). Liabilities to credit institutions were SKr 172 million (130) at the end of the period.

OUTLOOK

For 2016, IFS expects continued positive development.

OTHER INFORMATION

Parent Company

Net revenue amounted to SKr 11 million (4), with earnings of SKr 188 million (121) before tax. Available liquid assets, including unutilized lines of credit, amounted to SKr 628 million (587).

During the quarter, the company bought back 68,100 B shares with a value of SKr 22 million. At the end of the period, 426,600 B shares were in the company's own custody.

Pensions

The movements arising on the revaluation of the defined-benefit pension plans are booked in 'other comprehensive income.' Due mainly to the application of newly issued assumptions regarding life expectancy, lower return than expected on plan assets, and the increase in the discount rate applied in the quarter (in Sweden from 3.7 percent to 4.0 percent), the actuarial valuation of the pension obligations was increased in the fourth quarter by SKr 2 million, net.

Legal dispute in Sri Lanka

As reported previously, IFS has been involved in a legal dispute that was instituted in Sri Lankan courts in 2002 by the other major shareholder of the partly-owned company IFS Sri Lanka.

Following dismissal of the case by the local court in 2008 and ensuing arbitration proceedings in Singapore, the dispute was finally decided in a Final Award issued in June 2014. Confirming IFS's position that the counterparty's allegations were completely unfounded, the Final Award rejected the counterparty's claims, declared that IFS had not committed any of the alleged contract breaches, and awarded IFS compensation from the counterparty for legal costs. The Final Award has gained full legal force.

IFS received last year notice that the counterparty had requested a leave for a legal action in Sri Lankan courts that entailed a reexamination of the merits of the case. It is IFS's unequivocal position that the case has been finally settled by the Final Award and that there are no grounds whatsoever for any leave to be granted by the court.

Mandatory cash offer by EQT

On December 7, EQT, through IGT Holding, announced a mandatory cash offer to the shareholders in IFS to acquire all outstanding A- and B-shares in IFS at a price of SEK 362.50 per share, regardless of share class. On December 17, the board of directors of IFS* unanimously recommended the shareholders to accept this offer. At the time of writing, IGT Holding owned 83.8 percent of the capital and 87.4 percent of the votes in the company.

* Anders Bööös, chairman of the board, and Bengt Nilsson, deputy chairman of the board, did not participate in the recommendation and decision.

Annual general meeting of shareholders

The annual general meeting of shareholders for 2016 will be held on March 14, 2016 in Stockholm, Sweden. The board of directors will submit the notification convening the annual general meeting, including the proposed dividend for 2015, on February 15, 2016, at the latest.

Annual report

The Annual Report for 2015 will be available on IFS's website, www.ifsworld.com, and at the company's headquarters no later than February 22, 2016. There will be no hard-copy version of the annual report for 2015.

Miscellaneous

The report for the first quarter of 2016 will be published on April 21, 2016.

Linköping, February 10, 2016

The Board of Directors

Audit report

This report has not been subject to review by the company's auditors.

CONSOLIDATED INCOME STATEMENT

SKr million	Q4 2015	Q4 2014	Full year 2015	Full year 2014
License revenue	245	185	682	558
Maintenance and support revenue	303	274	1,174	1,037
Consulting revenue	419	402	1,524	1,427
Other net revenue	1	6	9	12
Net revenue	968	867	3,389	3,034
License expenses	-15	-8	-36	-53
Maintenance and support expenses	-74	-76	-299	-264
Consulting expenses	-319	-308	-1,200	-1,149
Other net expenses	-6	-6	-12	-12
Cost of revenue	-414	-398	-1,547	-1,478
Gross earnings	554	469	1,842	1,556
Product development expenses	-84	-75	-333	-303
Sales and marketing expenses	-206	-181	-769	-635
Administration expenses	-92	-85	-367	-312
Other revenue	1	1	3	4
Other expenses	-39	-12	-60	-35
Result from associated companies and joint venture	0	-	-2	-
Other operating expenses, net	-420	-352	-1,528	-1,281
EBIT	134	117	314	275
Interest expenses	-2	-2	-8	-8
Other financial items	0	4	0	-9
Earnings before tax	132	119	306	258
Tax	-49	-12	-92	-47
Earnings for the period	83	107	214	211
Earnings for the period are allocated as follows:				
Owners of the Parent Company (SKr million)	82	109	211	213
Non-controlling interests (SKr million)	1	-2	3	-2
Earnings per share pertaining to Parent Company shareholders (SKr)	3.34	4.40	8.54	8.60
Earnings per share pertaining to Parent Company shareholders, after full dilution (SKr)	3.26	4.32	8.37	8.45
Number of shares (thousands)				
At the end of the period	24,545	24,772	24,545	24,772
At the end of the period, after full dilution	25,130	25,177	25,130	25,177
Average for the period	24,569	24,772	24,706	24,772
Average for the period, after full dilution	25,155	25,240	25,207	25,202

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SKr million	Q4 2015	Q4 2014	Full year 2015	Full year 2014
Earnings for the period	83	107	214	211
Other comprehensive income				
<i>Items not to be reversed in the income statement</i>				
Revaluation of defined-benefit pension plans	-2	-100	33	-100
<i>Items that can later be reversed in the income statement</i>				
Exchange rate differences	-21	40	-12	106
Other comprehensive income for the period, net of tax	-23	-60	21	6
Total comprehensive income for the period	60	47	235	217
Total comprehensive income allocated as follows:				
Owners of the Parent Company	59	48	232	219
Non-controlling interests	1	-1	3	-2

CONSOLIDATED BALANCE SHEET

SKr million	Dec. 31 2015	Dec. 31 2014
ASSETS		
Capitalized expenditure for product development	630	608
Goodwill	512	452
Other intangible fixed assets	99	84
Intangible fixed assets	1,241	1,144
Tangible fixed assets	119	115
Participations in associated companies and joint venture	2	4
Deferred tax receivables	130	146
Other long-term receivables and other participations	25	28
Financial fixed assets	157	178
Non-current assets	1,517	1,437
Accounts receivable	777	790
Other receivables	306	312
Cash and cash equivalents	533	489
Current assets	1,616	1,591
Assets	3,133	3,028
EQUITY AND LIABILITIES		
Share capital	499	499
Other capital contributed	692	694
Accumulated earnings, including earnings for the period and other reserves	221	169
Shareholders' equity pertaining to Parent Company shareholders	1,412	1,362
Non-controlling interests	1	-2
Shareholders' equity	1,413	1,360
Liabilities to credit institutions	0	0
Pension obligations	109	168
Other provisions and other liabilities	36	14
Non-current liabilities	145	182
Accounts payable	104	127
Liabilities to credit institutions	172	130
Other provisions and other liabilities	1,299	1,229
Current liabilities	1,575	1,486
Liabilities	1,720	1,668
Equity and liabilities	3,133	3,028
Pledged assets	23	903
Contingent liabilities	19	17

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, 2014	499	701	-94	131	1,237	0	1,237	
Total comprehensive income for the period	-	-	106	113	219	-2	217	
Share-based payments	-	4	-	-	4	-	4	
Dividend	-	-	-	-87	-87	-	-87	
Repurchase of call options	-	-11	-	-	-11	-	-11	
Closing balance December 31, 2014	499	694	12	157	1,362	-2	1,360	
Opening balance January 1, 2015	499	694	12	157	1,362	-2	1,360	
Total comprehensive income for the period	-	-	-12	244	232	3	235	
Share-based payments	-	8	-	-	8	-	8	
Dividend	-	-	-	-111	-111	-	-111	
Repurchase of own shares	-	-	-	-69	-69	-	-69	
Repurchase of call options	-	-10	-	-	-10	-	-10	
Acquisition of non-controlling interests	-	-	-	0	0	-	0	
Closing balance December 31, 2015	499	692	0	221	1,412	1	1,413	

CONSOLIDATED STATEMENT OF CASH FLOWS

SKr million	Q4 2015	Q4 2014	Full year 2015	Full year 2014
Earnings before tax	132	119	306	258
Adjustments for items not included in the cash flow	64	45	238	192
Cash flow from operations before change in working capital	196	164	544	450
Change in working capital	6	4	2	51
Cash flow from current operations	202	168	546	501
Acquisition of intangible fixed assets	-61	-56	-198	-192
Acquisition of subsidiaries	0	0	-111	0
Cash flow from other investment operations	-8	-15	-41	-40
Cash flow after investment operations	133	97	196	269
Dividend distributed	0	-	-111	-87
Repurchase of own shares	-22	-	-69	-
Cash flow from other financing operations	-10	1	29	-77
Cash flow for the period	101	98	45	105
Cash and cash equivalents at the beginning of the period	437	379	489	354
Exchange rate differences in cash and cash equivalents	-5	12	-1	30
Cash and cash equivalents at the end of the period	533	489	533	489

CONSOLIDATED ORGANIC NET REVENUE AND OPERATING EXPENSES

SKr, million	Q4				Full year					
	Actual 2015	Translation effect	Structural changes	Adjusted 2015	Actual 2014	Actual 2015	Translation effect	Structural changes	Adjusted 2015	Actual 2014
NET REVENUE										
License revenue	245	-10	-6	229	185	682	-45	-8	629	558
Maintenance and support revenue	303	-10	-1	292	274	1,174	-77	-4	1,093	1,037
Total product revenue	548	-20	-7	521	459	1,856	-122	-12	1,722	1,595
Consulting revenue	419	-6	-6	407	402	1,524	-72	-8	1,444	1,427
Net revenue (including other net revenue)	968	-26	-12	930	867	3,389	-195	-19	3,175	3,034
OPERATING EXPENSES										
Operating expenses	834	-20	-14	800	750	3,075	-193	-23	2,859	2,759
EBIT	134	-6	2	130	117	314	-2	4	316	275
Other income/costs net	-29	0	-	-29	-	-33	0	-	-33	-1
Capital gains/losses	0	0	-	0	-	0	0	-	0	-
Exchange rate gains/losses	-9	0	-	-9	-12	-26	-1	-	-27	-24
Restructuring costs/redundancy costs	-3	0	-	-3	-4	-6	0	-	-6	-15
Reversal of restructuring costs	-	-	-	-	1	0	-	-	0	2
Amortization of capitalized product development	-47	-	-	-47	-45	-186	-	-	-186	-175
Amortization of acquired intangibles	-9	0	-	-9	-9	-37	3	-	-34	-38
Other amortization/depreciation	-11	0	-	-11	-8	-36	2	-	-34	-29
Capitalized product development	60	-	-	60	59	210	-	-	210	190
Adjusted operating expenses	786	-20	-14	752	732	2,961	-189	-23	2,749	2,669
Adjusted EBITDA	182	-6	2	178	135	428	-6	4	426	365
Adjusted EBITDA/net revenue	19%			19%	16%	13%			13%	12%

CONSOLIDATED SEGMENT REPORTING, FOURTH QUARTER

SKr million	Europe North		Europe West		Europe Central	
	2015	2014	2015	2014	2015	2014
License revenue	56	46	62	40	39	32
Maintenance and support revenue	97	95	67	59	31	26
Consulting revenue	182	184	63	56	52	52
Other net revenue	0	4	1	2	0	0
Total external revenue	335	329	193	157	122	110
Internal revenue	7	6	30	30	10	13
Total revenue	342	335	223	187	132	123
External operating expenses	-197	-195	-128	-115	-89	-74
Internal operating expenses	-28	-32	-17	-11	-10	-6
Other revenue and expenses, net	-1	-1	-1	-1	0	0
Operating expenses	-226	-228	-146	-127	-99	-80
EBIT, undistributed	116	107	77	60	33	43
Numbers of employees						
Average for the period	471	464	337	328	251	231
At the end of the period	470	465	340	327	252	229

SKr million	Europe East		Americas		Africa, Asia, and Pacific	
	2015	2014	2015	2014	2015	2014
License revenue	15	8	46	40	27	19
Maintenance and support revenue	16	19	66	56	26	19
Consulting revenue	19	20	79	68	24	25
Other net revenue	0	1	-1	1	1	2
Total external revenue	50	48	190	165	78	65
Internal revenue	7	5	15	15	9	6
Total revenue	57	53	205	180	87	71
External operating expenses	-43	-43	-135	-118	-65	-59
Internal operating expenses	-1	-2	-9	-7	-3	-3
Other revenue and expenses, net	-2	-10	0	0	-3	-2
Operating expenses	-46	-55	-144	-125	-71	-64
EBIT, undistributed	11	-2	61	55	16	7
Numbers of employees						
Average for the period	204	209	295	278	273	264
At the end of the period	204	208	294	280	274	264

SKr million	Corporate items *		GROUP	
	2015	2014	2015	2014
License revenue	-	0	245	185
Maintenance and support revenue	-	0	303	274
Consulting revenue	-	-3	419	402
Other net revenue	0	-4	1	6
Total external revenue	0	-7	968	867
Internal revenue	-78	-75	-	-
Total revenue	-78	-82	968	867
External operating expenses	-141	-135	-798	-739
Internal operating expenses	68	61	-	-
Other revenue and expenses, net	-29	3	-36	-11
Operating expenses	-102	-71	-834	-750
EBIT, undistributed	-180	-153	134	117
Numbers of employees				
Average for the period	998	925	2,829	2,699
At the end of the period	1,004	934	2,838	2,707

* Undistributed corporate revenue and expenses, including eliminations.

CONSOLIDATED SEGMENT REPORTING, FULL YEAR

SKr million	Europe North		Europe West		Europe Central	
	2015	2014	2015	2014	2015	2014
License revenue	183	149	146	124	77	61
Maintenance and support revenue	384	361	262	224	116	98
Consulting revenue	646	649	219	188	186	178
Other net revenue	1	5	3	3	1	2
Total external revenue	1,214	1,164	630	539	380	339
Internal revenue	21	21	91	89	34	36
Total revenue	1,235	1,185	721	628	414	375
External operating expenses	-718	-719	-475	-415	-297	-269
Internal operating expenses	-108	-105	-49	-40	-31	-24
Other revenue and expenses, net	-1	-2	-4	-10	-1	-1
Operating expenses	-827	-826	-528	-465	-329	-294
EBIT, undistributed	408	359	193	163	85	81
Numbers of employees						
Average for the period	466	452	329	327	242	212
At the end of the period	470	465	340	327	252	229
SKr million	Europe East		Americas		Africa, Asia, and Pacific	
	2015	2014	2015	2014	2015	2014
License revenue	42	29	159	129	75	66
Maintenance and support revenue	69	66	259	205	84	83
Consulting revenue	76	74	291	243	106	98
Other net revenue	0	2	0	1	4	3
Total external revenue	187	171	709	578	269	250
Internal revenue	22	21	58	58	23	24
Total revenue	209	192	767	636	292	274
External operating expenses	-172	-163	-525	-435	-245	-211
Internal operating expenses	-5	-3	-32	-29	-17	-11
Other revenue and expenses, net	-9	-13	-1	7	-6	-4
Operating expenses	-186	-179	-558	-457	-268	-226
EBIT, undistributed	23	13	209	179	24	48
Numbers of employees						
Average for the period	206	215	285	281	272	257
At the end of the period	204	208	294	280	274	264
SKr million			Corporate items *		GROUP	
			2015	2014	2015	2014
License revenue			-	0	682	558
Maintenance and support revenue			-	0	1,174	1,037
Consulting revenue			-	-3	1,524	1,427
Other net revenue			0	-4	9	12
Total external revenue			0	-7	3,389	3,034
Internal revenue			-249	-249	-	-
Total revenue			-249	-256	3,389	3,034
External operating expenses			-584	-516	-3,016	-2,728
Internal operating expenses			242	212	-	-
Other revenue and expenses, net			-37	-8	-59	-31
Operating expenses			-379	-312	-3,075	-2,759
EBIT, undistributed			-628	-568	314	275
Numbers of employees						
Average for the period			971	901	2,771	2,645
At the end of the period			1,004	934	2,838	2,707

* Undistributed corporate revenue and expenses, including eliminations.

INCOME STATEMENT OF THE PARENT COMPANY

SKr million	Q4 2015	Q4 2014	Full year 2015	Full year 2014
Net revenue	11	4	28	19
Administration expenses	-10	-6	-34	-33
Other operating expenses	-27	-	-27	-
EBIT	-26	-2	-33	-14
Result from participations in subsidiaries	199	118	199	118
Financial revenue	16	14	50	58
Financial expenses	-1	-9	-10	-38
Earnings before tax	188	121	206	124
Tax	-4	-13	-8	-14
Earnings for the period	184	108	198	110

BALANCE SHEET OF THE PARENT COMPANY

SKr million	Dec. 31 2015	Dec. 31 2014
ASSETS		
Participations in subsidiaries	1,197	994
Deferred tax receivables	2	2
Receivables in subsidiaries	1	57
Other long-term receivables and other participations	2	2
Financial fixed assets	1,202	1,055
Non-current assets	1,202	1,055
Receivables in subsidiaries	790	851
Prepaid expenses and accrued income	13	6
Cash and cash equivalents	225	217
Current assets	1,028	1,074
Assets	2,230	2,129
EQUITY AND LIABILITIES		
Share capital	499	499
Statutory reserve	573	573
Retained earnings, including earnings for the period and share premium reserve	491	476
Shareholders' equity	1,563	1,548
Provisions for pensions and similar commitments	11	7
Non-current liabilities	11	7
Liabilities to credit institutions	172	130
Liabilities to subsidiaries	418	409
Other liabilities	66	35
Current liabilities	656	574
Shareholders' equity and liabilities	2,230	2,129

OUTSTANDING SHARES

	Series A	Series B	TOTAL
Number of shares on January 1, 2015	1,084,103	23,887,727	24,971,830
Conversion of series-A shares into series-B shares	-54,762	54,762	-
Number of shares on December 31, 2015	1,029,341	23,942,489	24,971,830
Repurchase of shares, in own custody	-	-426,600	-426,600
Number of outstanding shares on December 31, 2015	1,029,341	23,515,889	24,545,230
Number of voting rights on December 31, 2015	1,029,341	2,351,589	3,380,930
Additional shares after full dilution	-	585,227	585,227
Number of shares on December 31, 2015 after full dilution	1,029,341	24,101,116	25,130,457

KEY FIGURES FOR THE GROUP

		Q4 2015	Q4 2014	Full year 2015	Full year 2014
Revenue indicator					
Net revenue per employee	SKr, '000	342	321	1,223	1,147
Expense and expenditure indicators					
Product development expenses/net revenue	%	9%	9%	10%	10%
Sales and marketing expenses/net revenue	%	21%	21%	23%	21%
Administration expenses/net revenue	%	10%	10%	11%	10%
Amortization and depreciation	SKr, M	-67	-62	-259	-242
of which amortization of capitalized product development expenditure	SKr, M	-47	-45	-186	-175
Capitalized product development expenditure	SKr, M	60	59	210	190
Margin indicators					
License margin	%	94%	96%	95%	91%
Maintenance and support margin	%	76%	72%	75%	75%
Consulting margin	%	24%	23%	21%	20%
Gross margin	%	57%	54%	54%	51%
EBIT margin	%	14%	13%	9%	9%
Earnings margin	%	14%	14%	9%	9%
Return on average operating capital	%	11%	10%	29%	24%
Capital indicators					
Equity/assets ratio	%	45%	45%	45%	45%
Accounts receivable (average 12 months)/ net revenue (rolling 12 months)	%	19%	18%	18%	18%
Interest-bearing liabilities	SKr, M	281	298	281	298
Liquidity indicators					
Net liquidity	SKr, M	361	359	361	359
Debt/equity ratio	times	0.2	0.2	0.2	0.2
Employees					
Average for the period		2,829	2,699	2,771	2,645
At the end of the period		2,838	2,707	2,838	2,707

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 external 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 external 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	2015 Q4	2015 Q3	2015 Q2	2015 Q1	2014 Q4	2014 Q3	2014 Q2	2014 Q1	2013 Q4	2013 Q3	2013 Q2	2013 Q1
License revenue	245	141	181	115	185	132	134	107	207	114	128	86
Maintenance and support revenue	303	293	287	291	274	258	256	249	234	221	226	221
Consulting revenue	419	335	396	374	402	336	354	335	337	286	329	304
Other net revenue	1	3	3	2	6	2	1	3	4	2	3	2
Net revenue	968	772	867	782	867	728	745	694	782	623	686	613
License expenses	-15	-5	-10	-6	-8	-13	-15	-17	-11	-7	-13	-9
Maintenance and support expenses	-74	-73	-78	-74	-76	-63	-62	-63	-59	-57	-67	-71
Consulting expenses	-319	-285	-298	-298	-308	-276	-288	-277	-270	-224	-265	-256
Other net expenses	-6	-2	-1	-3	-6	-2	-2	-2	-3	-2	1	-3
Cost of revenue	-414	-365	-387	-381	-398	-354	-367	-359	-343	-290	-344	-339
Gross earnings	554	407	480	401	469	374	378	335	439	333	342	274
Product development expenses	-84	-79	-89	-81	-75	-79	-78	-71	-69	-61	-66	-64
Sales and marketing expenses	-206	-176	-215	-172	-181	-158	-146	-150	-179	-138	-138	-136
Administration expenses	-92	-81	-103	-91	-85	-70	-78	-79	-77	-71	-72	-69
Other revenue	1	1	1	0	1	1	1	1	6	7	1	2
Other expenses	-39	-7	-8	-6	-12	-5	-7	-11	-16	-6	-1	-98
Result from associated companies and joint venture	0	0	-2	-	-	-	-	-	58	1	0	0
Other operating expenses, net	-420	-342	-416	-350	-352	-311	-308	-310	-277	-268	-276	-365
EBIT	134	65	64	51	117	63	70	25	162	65	66	-91
Interest expenses	-2	-2	-2	-2	-2	-2	-2	-2	-3	-3	-2	-2
Other financial items	0	-4	1	3	4	-7	-4	-2	1	1	-9	-1
Earnings before tax	132	59	63	52	119	54	64	21	160	63	55	-94
Tax	-49	-15	-16	-13	-12	-13	-16	-6	-34	-14	-13	20
Earnings for the period	83	44	47	39	107	41	48	15	126	49	42	-74
Cash flow after investment operations	133	-1	-8	72	97	9	30	133	74	-38	9	77
Number of employees at the end of the period	2,838	2,817	2,745	2,732	2,707	2,673	2,622	2,628	2,616	2,613	2,656	2,738

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 2014.

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.

For detailed information about the accounting principles: see annual report 2014.

FINANCIAL INFORMATION 2015/16

Interim report January–March 2016	April 21, 2016
Interim report January–June 2016	July 21, 2016
Interim report January–September 2016	October 20, 2016
Year-end report 2016	February 2017

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 2,800 employees. IFS supports more than 2,400 customers worldwide from local offices and through partners in more than 60 countries.

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