

#### Interim report January – June 2007

- The turnover for the first six months increased by 9 percent to SEK 236.8 (217.6) million
- Results after tax for the first six months was SEK 0.7 (12.2) million
- Results per share for the first six months were SEK 0.02 (0.39)
- The turnover for the second quarter increased by 11 percent to SEK 127.6 (115.3) million
- Results after tax for the second quarter was SEK 3.3 (11.5) million
- Results per share for the second quarter was SEK 0.10 (0.37)
- Cash-flow from the current business for the first six months was SEK 16.1 (16.0) million

#### KEY DEVELOPMENTS DURING THE SECOND QUARTER OF 2007

Even though the financial outcome of the quarter was slightly weaker than planned the development in other areas during the first six months looks promising for the future. On the important US market sales started to pick up especially within the SAP segment. The reselling and installation of our new generation of DOCUMENTS has also begun with positive customer responses.

By the end of May ReadSoft established a subsidiary in Asia with headquarters in Kuala Lumpur, Malaysia. With a growing number of partners as well as large, international customers in the area, ReadSoft want to take a more active role by the establishment of a subsidiary. ReadSoft now has 14 subsidiaries on four continents.

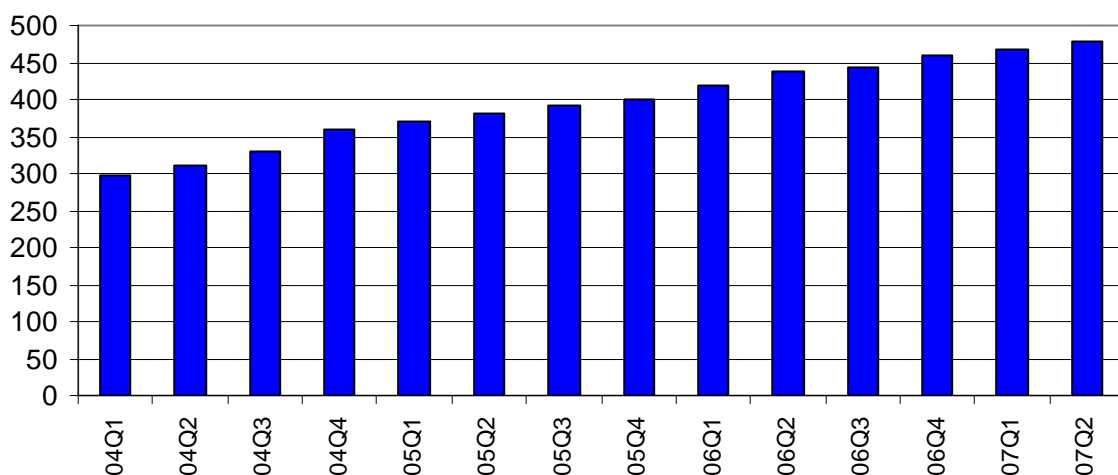
During the yearly AIIM show in USA ReadSoft was awarded the ECM Connection ACE Award 2007 in the Compliance category. ReadSoft is recognized for the ReadSoft DOCUMENTS for Invoices solution for Accounts Payable documents towards ERP systems as SAP, Oracle E-Business Suite and MicroSoft MySAP™. It was the first time ReadSoft received this award.

A number of important agreements have been signed during the quarter. **Schenker-Joyau**, a subsidiary of the German Schenker Group and one of the leading players in the logistics area in France, decided to automate their invoice processing in order to improve the administration processes within their SAP environment. Schenker-Joyau has chosen ReadSoft DOCUMENTS for Invoices to process the 240,000 invoices they receive every year.

**The Hospitals Contribution Fund (HCF)** - an Australian private health insurance company - has previously automated the handling of membership applications with ReadSoft software. They will now expand their use of Document Automation solutions by automating the processing of medical claims and invoices. The new agreement is worth just above SEK 1.4 million for ReadSoft.

**SFR**, a French supplier of telephone services, have chosen ReadSoft DOCUMENTS for Invoices to automate the handling of the 200,000 invoices they receive every year. The solution will be integrated with a business system from SAP and create a highly automated "Purchase to Pay" flow.

Sales, rolling 12 months, SEK million



## TURNOVER AND RESULTS DURING THE FIRST SIX MONTHS OF 2007

During the first six months, the revenue amounted to SEK 236.8 (217.6) million. Results after interest income for the period was SEK 6.6 (15.4) million. The operating margin for the first six months was 2.8 (7.1) percent. Results after tax were SEK 0.7 (12.2) million.

The license revenue amounted to SEK 86.3 (80.0) million during the first six months 2007, which is 36 (37) percent of the total revenue. Out of the total license revenue for the first six months, ReadSoft DOCUMENTS for Invoices represented SEK 65.0 (61.2) million while SEK 21.3 (18.8) million were from ReadSoft DOCUMENTS for Forms. Service fees amounted to SEK 68.7 (62.4) million. In addition, revenues for training and customer-specific development were SEK 60.7 (50.8) million. Hardware sales (scanners) amounted to SEK 15.8 (18.8) million. Other revenues amounted to SEK 5.3 (5.6) million.

In Scandinavia the sales totaled SEK 67.4 (61.2) million. The company's sales in the remaining part of Europe amounted to SEK 120.4 (112.2) million. In the U.S. and the rest of the world the sales amounted to SEK 49.0 (44.2) million.

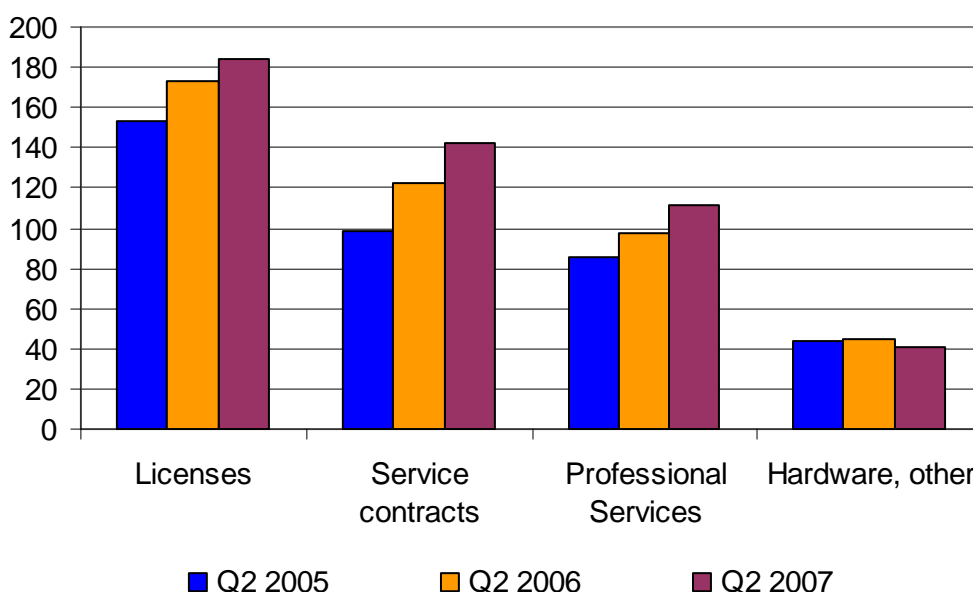
## TURNOVER AND RESULTS DURING THE SECOND QUARTER OF 2007

During the first six months, the revenue amounted to SEK 127.6 (115.3) million. Results after interest income for the period was SEK 7.2 (14.2) million. The operating margin for the first six months was 5.6 (12.3) percent. Results after tax were SEK 3.3 (11.5) million.

The license revenue amounted to SEK 48.4 (48.2) million during the second quarter 2007, which is 38 (42) percent of the total revenue. Out of the total license revenue for the second quarter, ReadSoft DOCUMENTS for Invoices represented SEK 37.5 (38.7) million while SEK 10.9 (9.5) million were from ReadSoft DOCUMENTS for Forms. Service fees amounted to SEK 35.3 (31.9) million. In addition, revenues for training and customer-specific development were SEK 33.5 (25.0) million. Hardware sales (scanners) amounted to SEK 7.9 (7.9) million. Other revenues amounted to SEK 2.5 (2.3) million.

In Scandinavia the sales totaled SEK 36.1 (31.0) million. The company's sales in the remaining part of Europe amounted to SEK 62.5 (59.3) million. In the U.S. and the rest of the world the sales amounted to SEK 29.0 (25.0) million.

Revenue distribution, rolling 12 months, SEK million

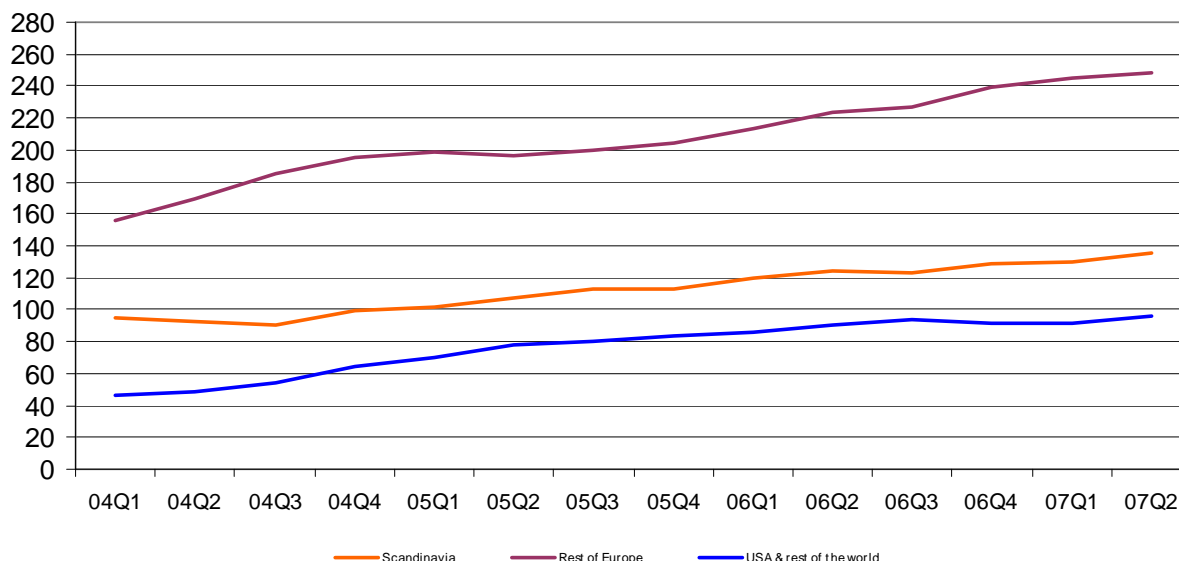


## TURNOVER AND RESULTS ROLLING 12 MONTHS, JULY 2006 – JUNE 2007

During the period July 2006 until June 2007, the revenue amounted to SEK 479.0 (436.9) million. Results after interest income was SEK 38.9 (50.4) million. The operating margin was 8.1 (11.5) percent. Results after tax were SEK 27.3 (48.1) million.

Total revenue increased by 10 percent and license revenue by 7 percent.

**Sales rolling 12 months per geographic market, SEK million**



The license revenue consists primarily of sales of one-time payments for the right to use our in-house developed software. The license revenue amounted to SEK 184.3 (172.7) during the period, which is 38 (40) percent of the total revenue. Out of the total license revenue, ReadSoft DOCUMENTS for Invoices represented SEK 137.7 (128.9) million while SEK 46.5 (43.9) million were from ReadSoft DOCUMENTS for Forms. Service fees amounted to SEK 142.1 (121.9) million. In addition, revenues for training and customer-specific development were SEK 111.8 (97.1) million. Hardware sales (scanners) amounted to SEK 32.3 (35.9) million. Other revenues amounted to SEK 8.6 (9.3) million.

In Scandinavia the sales totaled SEK 135.0 (124.0) million. The company's sales in the remaining part of Europe amounted to SEK 248.0 (222.8) million. In the U.S. and the rest of the world the sales amounted to SEK 96.0 (90.1) million.

#### **STAFF**

As of June 30, 2007, the ReadSoft staff amounted to 416 (316). Of the increase 54 came from acquisitions.

#### **INVESTMENTS**

Investments in fixed assets during the first six months 2007 amounted to SEK 5.0 (3.1) million and consisted of the acquisition of computer and office related equipment. Investments during the second quarter amounted to SEK 2.5 (0.8) million. Depreciations of tangible assets amounts to SEK 3.0 (2.2) million during the first six months and to SEK 1.6 (1.1) million during the second quarter.

Of the research and development costs during the first quarter SEK 18.9 (13.9) million was capitalized. During the second quarter SEK 9.1 (7.0) million was capitalized. Depreciations of product development expenses carried forward amounts to SEK 8.2 (3.1) million for the first six months and to SEK 4.1 (1.5) million during the second quarter. Depreciations of intangible assets amounts to SEK 2.8 (0) million for the first six months and to SEK 1.4 (0) million during the second quarter.

#### **FINANCIAL POSITION**

The cash and bank balances for the group as of June 30 was SEK 55.4 (60.4) million. Bank overdraft facilities granted was SEK 47.1 (43.4) million, and used was SEK 2.0 (0) million. The cash-flow from the current business for the first six months was SEK 16.1 (16.0) million. For the second quarter the cash-flow from the current business was SEK 6.8 (-2.6) million. During the second quarter, ReadSoft issued a convertible loan in a nominal amount of SEK 9.8 million. The loan runs from June 11, 2007 to June 11, 2010. The convertible debentures entitle the holders to convert the loan to ReadSoft B shares at a conversion price of SEK 28 during the period December 11, 2009 to May 24, 2010. Upon full conversion, the number of series B shares will increase by 348,300 shares and the share capital by SEK 34,830.

The solidity was 46.9 (48.9) percent on June 30, 2007.

## SHAREHOLDER INFORMATION

At the end of the period, the number of shareholders amounted to 6,173 (6,794). Out of the company's total capital, 47 (45) percent were owned by Swedish and foreign institutions, 25 (26) percent by the company's founders, and 28 (29) percent by private persons, including staff. At the end of the period, Swedish shareholders held 86 (87) percent and foreign shareholders held 14 (13) percent of the total share value.

## IMPORTANT RISKS AND FACTORS OF UNCERTAINTIES

Important risks and factors of uncertainties are described in the Annual Report for 2006 under the item Risk Analysis, in the Administration Report and in the Notes 2 and 3.

## THE PARENT COMPANY

The parent company's net sales for the first six months 2007, including inter-company posts, amounted to SEK 83.8 (80.4) million. The result after financial items was SEK 1.8 (2.1) million.

Investments in fixed assets in the parent company amounted to SEK 2.6 (1.2) million. The parent company's cash and bank balances as of June 30, was SEK 7.0 (29.8) million. Bank overdraft facilities granted was SEK 35.0 (35.0) million, and used was SEK 0 (0) million. Equity was SEK 181.1 (123.7) million, resulting in a solidity of 66.5 (64.6) percent.

## ACCOUNTING POLICY

This interim report is presented in accordance with International Financial Reporting Standards (IFRS), the IAS 34 Interim Reporting, with Redovisningsrådets recommendation RR31, Interim Reporting for Groups and RR32 concerning financial reporting by legal entities.

## GOING FORWARD

We estimate that the market conditions continue to be good and that ReadSoft holds a strong position on the market. Furthermore, the imminent expansions into new markets and new product launches are other reasons for us to consider ReadSoft to have good potential for future growth. During 2007, we are expanding our sales and delivery organization which will burden the results initially, but these efforts will most likely have a positive effect on growth and results during the next quarters and beyond. ReadSoft's long-term financial targets are 20-25% annual growth and an operating margin (EBITDA) of at least 15%.

## UPCOMING FINANCIAL REPORTS

- The Interim Report January – September 2007 will be presented on October 22, 2007
- Year-end communiqué 2007 will be presented on February 12, 2007
- The Interim Report January – March 2008 will be presented on April 23, 2008
- General Meeting will be held April 23, 2008

This interim report has not been audited by the auditors of ReadSoft.

## BOARD ASSURANCE

The Board of Directors and the CEO certify that the half-yearly financial report gives a fair review of the performance of the business, position and profit or loss of the Company and the Group, and describes the principal risks and uncertainties that the Company and the companies in the Group face.

Göran E. Larsson  
Chairman

Lars Appelstål  
Member of the Board

Lennart Pihl  
Member of the Board

Gündor Rentsch  
Member of the Board

Anna Söderblom  
Member of the Board

Jan Andersson  
President and CEO

*For more information contact President/CEO Jan Andersson +46-42-490 21 00, mobile +46-708-37 66 00 or VP Corporate Communication, Jonna Opitz at +46 42 490 21 08 or CEO Jan Bertilsson at +46 42 490 21 43. Please visit <http://www.readsoft.com/>*

## Group's income statements in summary

Amounts in SEK million	April- June 2007	April- June 2006	Jan- June 2007	Jan- June 2006	Rolling 12 months July 06- June 07	Full year 2006
<b>Net sales</b>	<b>127,6</b>	<b>115,3</b>	<b>236,8</b>	<b>217,6</b>	<b>479,0</b>	<b>459,8</b>
Capitalization of R&D expenditure	<u>9,1</u>	<u>7,0</u>	<u>18,9</u>	<u>13,9</u>	<u>33,4</u>	<u>28,3</u>
	136,7	122,3	255,7	231,5	512,4	488,1
Commodities	-13,1	-24,3	-24,5	-44,9	-60,1	-80,6
Personnel costs	-80,0	-58,2	-153,9	-114,5	-285,7	-246,3
Other external costs	-28,6	-22,6	-57,6	-47,8	-102,5	-92,7
Other operating income/expences	-0,7	-0,2	0,8	-3,0	0,7	-3,1
Share of loss in associated companies	-	-0,4	-	-0,9	-1,2	-2,1
Depreciations on fixed assets	-1,6	-1,1	-3,0	-2,2	-5,8	-4,8
Depreciations on product dev expenses carried forward	-4,1	-1,5	-8,2	-3,1	-15,2	-10,1
Depreciations of intangible assets	-1,4	-	-2,8	-	-4,0	-1,3
<b>Operating income</b>	<b>7,2</b>	<b>14,0</b>	<b>6,5</b>	<b>15,1</b>	<b>38,6</b>	<b>47,1</b>
<b>Financial income and expenses</b>						
Interest income	0	0,2	0,1	0,3	0,3	0,6
<b>Income after financial items</b>	<b>7,2</b>	<b>14,2</b>	<b>6,6</b>	<b>15,4</b>	<b>38,9</b>	<b>47,7</b>
Tax	-3,9	-2,7	-5,9	-3,2	-11,6	-8,9
<b>Net profit/loss after taxes</b>	<b>3,3</b>	<b>11,5</b>	<b>0,7</b>	<b>12,2</b>	<b>27,3</b>	<b>38,8</b>

## Group's balance sheet in summary

	2007 June 30	2006 June 30	2006 Dec 31
<b>Assets</b>			
<b>Fixed assets</b>			
Software developed in house	98,3	74,2	87,4
Goodwill	49,6	-	49,5
Other fixed assets	73,1	28,6	73,8
<b>Total fixed assets</b>	<b>221,0</b>	<b>102,8</b>	<b>210,7</b>
<b>Current assets</b>			
Accounts receivables	135,9	131,0	164,0
Current assets	55,4	60,4	54,7
Other current assets	110,0	73,9	87,7
<b>Total current assets</b>	<b>301,3</b>	<b>265,3</b>	<b>306,4</b>
<b>Total assets</b>	<b>522,3</b>	<b>368,1</b>	<b>517,2</b>
<b>Equity and liabilities</b>			
Equity	245,2	180,0	238,6
Long-term liabilities	59,5	9,3	46,1
Accounts payable	18,2	28,1	20,0
Other short-term liabilities	199,4	150,7	212,5
<b>Total equity and liabilities</b>	<b>522,3</b>	<b>368,1</b>	<b>517,2</b>

## Change in equity

	Jan-June 2007	Jan-June 2006	Full Year 2006
Opening balance	238,6	169,2	169,2
New issue	-	-	33,7
Translation difference	5,9	-1,4	-3,1
Result for the period	0,7	12,2	38,8
<b>Closing balance</b>	<b>245,2</b>	<b>180,0</b>	<b>238,6</b>

## Cash-flow statements in summary

	April-June 2007	April-June 2006	Jan-June 2007	Jan-June 2006	Full Year 2006
Cash-flow before changes in working capital	10,4	12,9	14,7	18,1	60,9
Changes in working capital	-3,6	-15,5	1,4	-2,1	-16,1
<b>Cash-flow from the current business</b>	<b>6,8</b>	<b>-2,6</b>	<b>16,1</b>	<b>16,0</b>	<b>44,8</b>
Cash-flow from investment activities	-11,7	-7,6	-24,3	-16,4	-50,6
Cash-flow from financial activities	8,9	9,0	8,9	8,9	8,6
<b>Change in liquid assets</b>	<b>4,0</b>	<b>-1,2</b>	<b>0,7</b>	<b>8,5</b>	<b>2,8</b>

## Three-year summary and key data. Group

	Jan-June 2007	Jan-June 2006	Jan-June 2005	Full Year 2006
Revenue	236,8	217,6	181,6	459,8
Revenue growth %	8,8	19,8	14,1	14,7
Operating income	6,5	15,1	17,5	47,1
Income after financial items	6,6	15,4	17,5	47,7
Net result after tax	0,7	12,2	16,2	38,8
Operating margin %	2,7	6,9	9,6	10,2
Profit margin financial items %	2,8	7,1	9,6	10,4
Profit margin after tax %	0,3	5,6	8,9	8,4
Solidity %	46,9	48,9	46,4	46,1
Capital employed	265,1	189,3	146,5	252,3
Return on equity, %	0,3	7,8	14,9	19,0
Return on total capital, %	1,6	4,7	6,9	10,9
Net dept/equity ratio	-0,14	-0,28	-0,19	-0,17
Net interest bearing liabilities	-35,5	-51,1	-25,6	-41,1
Number of employees at end of period	416	316	299	381
Number of shares at close of period, thousands	32488	31259	31259	32488
Equity per share, (SEK)	7,55	5,76	4,31	7,49
Earnings after financial items per share (SEK)	0,20	0,49	0,56	1,50
Earnings after tax per share (SEK)	0,02	0,39	0,52	1,22
Share price at close of period (SEK)	23,30	24,20	30,00	27,40

## Statement of accounts in geographical areas

	Scandinavia			The rest of Europe			U.S. and the rest of the world		
	Jan- June 2007	Jan- June 2006	Full Year 2006	Jan- June 2007	Jan- June 2006	Full Year 2006	Jan- June 2007	Jan- June 2006	Full Year 2006
Revenue	67,4	61,2	128,8	120,4	112,2	239,8	49,0	44,2	91,2
Result before financial items	22,0	22,5	49,2	25,5	26,9	65,4	6,1	4,3	12,7
Profit margin %	32,7	36,7	38,2	21,2	24,0	27,3	12,4	9,6	13,9
Assets	80,9	60,1	95,8	156,5	124,5	159,7	57,4	51,8	49,9
Liabilities	54,3	41,8	60,5	73,3	65,1	64,3	26,9	22,2	24,3
Investments	0,3	0,3	1,1	1,2	1,0	1,7	1,0	0,6	1,0
Depreciation	0,3	0,3	0,8	0,9	0,5	1,2	0,5	0,4	0,9

	Parent Company incl. Group adjustments			Total		
	Jan- June 2007	Jan- June 2006	Full Year 2006	Jan- June 2007	Jan- June 2006	Full Year 2006
Revenue	-	-	-	236,8	217,6	459,8
Result before financial items	-47,1	-38,6	-80,2	6,5	15,1	47,1
Profit margin %	-	-	-	2,7	6,9	10,2
Assets	227,5	131,7	211,8	522,3	368,1	517,2
Liabilities	122,6	59,0	129,5	277,1	188,1	278,6
Investments	21,4	14,4	31,8	23,9	17,0	35,6
Depreciation	12,3	4,1	13,3	14,0	5,3	16,2

## Parent company's income statements in summary

Amounts in SEK million

	Jan-June 2007	Jan-June 2006	Helår 2006
<b>Net sales</b>	<b>83,8</b>	<b>80,4</b>	<b>175,1</b>
Commodities	-10,3	-11,9	-24,8
Personnel costs	-55,1	-48,2	-98,5
Other external costs	-18,6	-18,7	-32,4
Other operating income/expences	0,7	-1,7	1,1
Depreciations on fixed assets	-1,3	-0,9	-2,0
<b>Operating income</b>	<b>-0,8</b>	<b>-1,0</b>	<b>18,5</b>
<b>Financial income and expenses</b>			
Interest income	2,6	3,1	5,1
<b>Income after financial items</b>	<b>1,8</b>	<b>2,1</b>	<b>23,6</b>
Tax	-0,5	0	-0,2
<b>Net profit/loss after taxes</b>	<b>1,3</b>	<b>2,1</b>	<b>23,4</b>

## Parent company's balance sheet in summary

	2007-06-30	2006-06-30	2006-12-31
<b>Assets</b>			
<b>Fixed assets</b>			
Intangible and tangible assets	5,7	3,2	4,4
Shares in Group companies	84,6	5,4	84,6
Shares in associated company	-	11,2	-
Receivables from Group companies	117,3	84,5	107,2
Other fixed assets	0,4	2,5	0,4
<b>Total fixed assets</b>	<b>208,0</b>	<b>106,8</b>	<b>196,6</b>
<b>Current assets</b>			
Accounts receivables - trade	5,8	9,6	9,4
Receivables from Group companies	42,5	38,2	43,7

Cash and cash equivalents	7,0	29,8	6,8
Other current assets	8,9	7,0	5,4
<b>Total current assets</b>	<b>64,2</b>	<b>84,6</b>	<b>65,3</b>
<b>Total assets</b>	<b>272,2</b>	<b>191,4</b>	<b>261,9</b>
<b>Equity and liabilities</b>			
Equity	181,1	123,7	177,5
Long-term liabilities	19,0	10,3	9,4
Long-term liabilities to Group companies	4,2	2,4	2,2
Accounts payable - trade	6,5	11,3	5,2
Short-term liabilities to Group companies	10,7	4,0	5,3
Other short-term liabilities	50,7	39,7	62,3
<b>Total Equity and Liabilities</b>	<b>272,2</b>	<b>191,4</b>	<b>517,2</b>

**Learn more about ReadSoft on [www.readsoft.com](http://www.readsoft.com)**

*ReadSoft is the world's leading supplier of software for Document Automation. The company develops and markets a complete software platform for Document Automation named ReadSoft DOCUMENTS. The vision is to free businesses everywhere from manual document handling. Since its founding in 1991, ReadSoft has developed into a global group with offices in 14 countries in Europe, North and South America and Australia, and a large number of local and global partners. ReadSoft is headquartered in Helsingborg, Sweden, and its primary R&D facility is in Stockholm. ReadSoft has been listed on the Stockholm stock exchange since 1999. ReadSoft AB. Södra Kyrkogatan 4, 252 23 Helsingborg. Sweden. Phone: +46-(0)42 – 490 21 00, Registration number: 556398-1066*