



IFS increases stockholders' equity by SKr 82 million through conversion of convertible debentures and bonds

During the second quarter, 16,050,612 convertible debentures and bonds have been converted to Series B shares. For 2007, the effect on earnings of the reduction in financial expenses resulting from the conversion is estimated to amount to SKr 8 million, of which SKr 3 million will affect cash flow.

The number of Series B shares has increased by 3,061,591 as a result of the conversion of the KV4B convertible debenture, and by 12,989,021 through the conversion of the KV5 B convertible bond. After conversion, the number of Series B shares amounts to 245,059,037. On full conversion, an additional 11,407,910 Series B shares will be added, bringing the total number of Series B shares to 256,466,947. The number of Series A shares remains unchanged at 13,016,638.

Compared with the position at the end of March, the above conversions will reduce the nominal liability related to convertible debentures and bonds from SKr 153 million to SKr 64 million, whereas the booked liability will decrease from SKr 141 million to SKr 59 million. The conversions will reduce net debt, including convertible debentures and bonds, from SKr 105 million to SKr 23 million compared with the position in March. Stockholders' equity has increased from SKr 916 million to SKr 998 million. There is a positive effect of three percentage points on the assets/equity ratio.

After the above conversions, a nominal liability of SKr 18 million remains in respect of the KV4B convertible debenture, which matures on August 15, 2007. The conversion price for KV4B is SKr 6.90. A nominal liability of SKr 46 million remains in respect of the KV5 convertible bond, which matures on March 31, 2008. The conversion price for KV5B is SKr 5.25.

About IFS and IFS Applications

IFS (OMXS: IFS), the global enterprise applications company, provides solutions which enable organizations to respond quickly to market changes—allowing resources to be used in a more agile way to achieve better business performance and competitive advantage.

IFS was founded in 1983 and now has 2,600 employees worldwide. IFS has pioneered component-based ERP software with IFS Applications, now in its seventh generation. IFS' component architecture provides solutions that are easier to implement, run and upgrade. IFS Applications is available in 54 countries in 22 languages.

IFS has over 600,000 users across seven key vertical sectors: aerospace & defense; automotive; high-tech; industrial manufacturing; process industries; construction, contracting & service management and utilities & telecom. IFS Applications provides extended ERP functionality including customer relationship management (CRM), supply chain management (SCM), product lifecycle management (PLM), corporate performance management (CPM), enterprise asset management (EAM) and maintenance repair and overhaul (MRO) capabilities.

More details can be found at www.ifsworld.com.

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