

Year End Report 2006

- The turnover for 2006 increased by 15 percent to SEK 459.8 (400.9) million
- Results after tax for 2006 were SEK 38.8 (52.0) million
- Results per share for 2006 were SEK 1.20 (1.67)
- Operating result* for 2006 was SEK 33.7 (20.0) million
- Cash-flow from the current business for 2006 was SEK 55.5 (67.1) million
- The turnover for the fourth quarter increased by 13 percent to SEK 142.0 (125.8) million
- Results after tax for the fourth quarter was SEK 25.0 (29.8) million
- Results per share for the fourth quarter was SEK 0.77 (0.95)

Increased turnover by 15 percent and increased operating result* by 68 percent

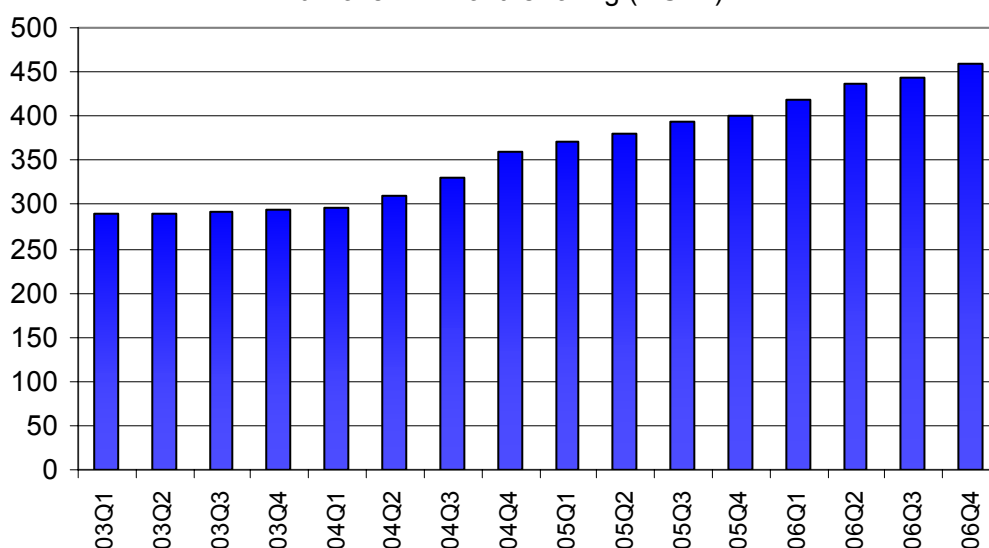
KEY DEVELOPMENTS DURING THE FOURTH QUARTER OF 2006

During the fourth quarter of 2006 ReadSoft made two important acquisitions. In October the SAP-specialist Ebydos was acquired and in December the remaining 50 percent of the Oracle-specialist ReadSoft Consit was acquired. The acquisitions are strategically important moves since they give ReadSoft the possibility to build integrated solutions within the SAP and Oracle business systems instead of building them outside. This gives the company a strong competitive advantage in the document automation market.

ReadSoft closed a number of deals with large multinational groups during the fourth quarter of 2006. One of these global agreements was signed with Volkswagen. The Volkswagen group has chosen ReadSoft as the preferred supplier of solutions for electronic invoice processing into their SAP business system. The agreement also stipulates commercial aspects for future international deals. ReadSoft has already installed the SAP certified solution at a number of Volkswagen units, automating the processing of more than one million supplier invoices annually.

Another deal was closed with CEMEX, a global building solutions company, that has chosen ReadSoft to supply its invoice processing solution. The initial agreement covers approximately one million invoices per year and ReadSoft has already installed the SAP certified solution at CEMEX's German, British and French businesses. Now they are reviewing their routines throughout the rest of the company.

Turnover 12 months rolling (MSEK)

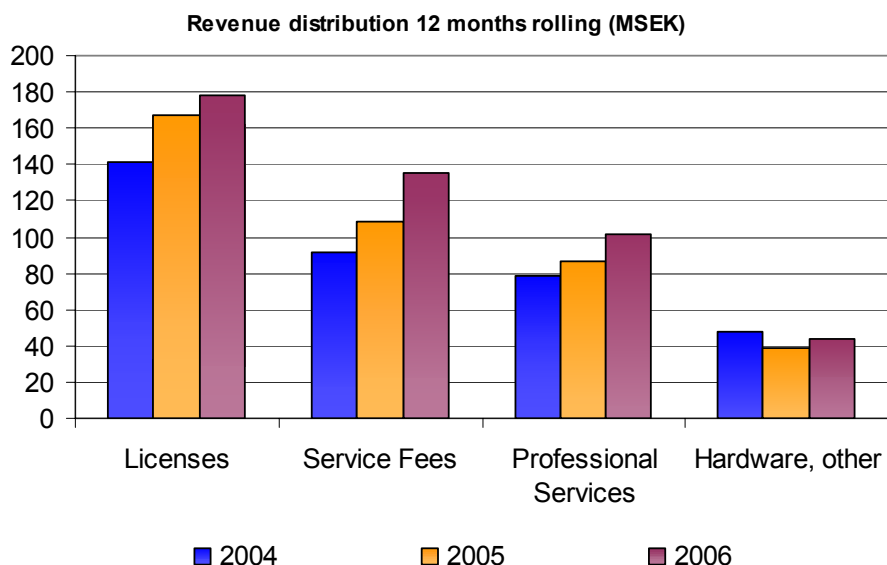


* Operating income not affected by tax, currency divergence, capitalization of R&D expenditure and depreciations of intangible assets.

TURNOVER AND RESULTS 2006

During 2006 the revenue amounted to SEK 459.8 (400.9) million. Results after interest income was SEK 47.7 (52.5) million. Currency divergence effected the result by SEK -3.1 (13.9) million. The operating margin for the period was 10.4 (13.1) percent, adjusted for currency divergence the operating margin was 11.0 (9.6) percent. Results after tax were SEK 38.8 (52.0) million. The operating result* improved substantially to SEK 33.7 (20.0) million.

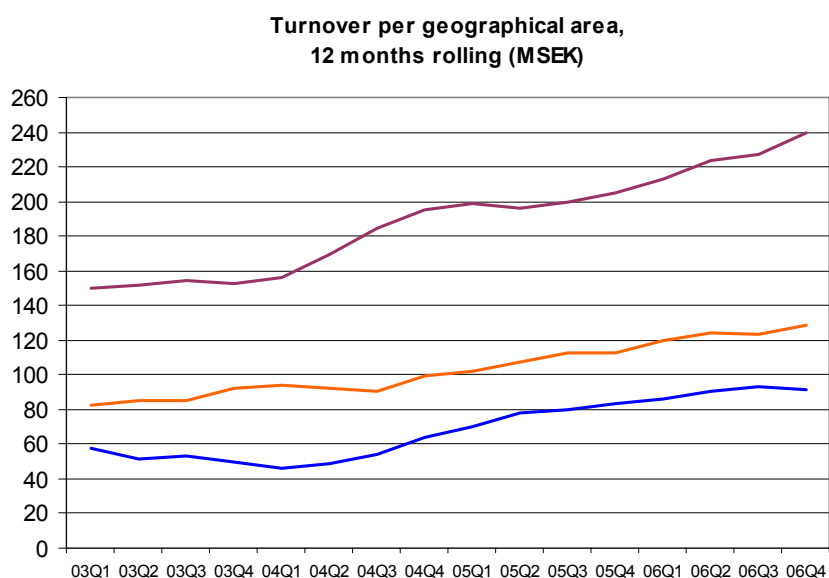
Total sales grew by 15 percent year-over-year. Sales of licenses were growing by 7 percent.



The license revenue consists primarily of sales of one-time payments for the right to use our in-house developed software but also licenses for external software. The external software's are always sold as an integrated part of the products offered from ReadSoft. The license revenue amounted to SEK 177.9 (166.8) million 2006, which is 39 (42) percent of the total revenue.

Out of the total license revenue for 2006, ReadSoft DOCUMENTS for Invoices represented SEK 133.9 (122.5) million while SEK 44.0 (44.3) million were from ReadSoft DOCUMENTS for Forms. Service fees amounted to SEK 135.8 (108.6) million. In addition, revenues for training and customer-specific development were SEK 101.9 (86.5) million. Hardware sales (scanners) amounted to SEK 35.4 (32.0) million. Other revenues amounted to SEK 8.8 (6.9) million.

In Scandinavia the sales totaled SEK 128.8 (112.5) million. The company's sales in the remaining part of Europe amounted to SEK 239.8 (204.7) million. In the U.S. and the rest of the world the sales amounted to SEK 91.2 (83.7) million.



TURNOVER AND RESULTS DURING THE FOURTH QUARTER OF 2006

During the fourth quarter, the revenue amounted to SEK 142.0 (125.8) million. Results after interest income for the period was SEK 25.0 (29.8) million. Currency divergence effected the result SEK -0.7 (4.2) million. The operating margin for the quarter was 20.8 (23.1) percent, adjusted for currency divergence the operating margin was 21.3 (19.8) percent. Results after tax were SEK 25.0 (29.8) million.

The operating result for the fourth quarter was 26.2 (19.7)

The license revenue amounted to SEK 58.9 (54.5) million during the fourth quarter 2006, which is 42 (43) percent of the total revenue. Out of the total license revenue for the fourth quarter, ReadSoft DOCUMENTS for Invoices represented SEK 45.6 (42.7) million while SEK 13.3 (11.8) million were from ReadSoft DOCUMENTS for Forms. Service fees amounted to SEK 41.9 (33.7) million. In addition, revenues for training and customer-specific development were SEK 28.5 (24.5) million. Hardware sales (scanners) amounted to SEK 11.3 (10.9) million. Other revenues amounted to SEK 1.4 (2.2) million.

In Scandinavia the sales totaled SEK 45.0 (39.2) million. The company's sales in the remaining part of Europe amounted to SEK 73.3 (60.8) million. In the U.S. and the rest of the world the sales amounted to SEK 23.7 (25.8) million.

DIVIDEND

The board of directors suggests no share dividend for 2006.

STAFF

As of December 31, 2006, the ReadSoft staff amounted to 381 (301). Of the increase 54 came from the acquisition of Ebydos. The average number of staff during the year has been 330 (292). 25 (24) percent were women and 75 (76) percent men.

INVESTMENTS

Investments in fixed assets during 2006 amounted to SEK 7.3 (5.7) million and consisted of the acquisition of computer and office related equipment. Investments during the fourth quarter amounted to SEK 3.5 (1.2) million. Depreciations of tangible assets amounts to SEK 4.9 (4.4) million during 2006 and to SEK 1.6 (1.5) million during the fourth quarter.

Of the research and development costs during 2006 SEK 28.4 (25.4) million was capitalized. During the fourth quarter SEK 8.8 (7.2) million was capitalized. Depreciations of product development expenses carried forward amounts to SEK 10.1 (6.8) million for 2006 and to SEK 4.0 (2.0) million during the fourth quarter.

During the fourth quarter 2006 ReadSoft AB acquired 100 percent of Ebydos AG and the remaining 50 percent of ReadSoft Consit AS. These investments totaled SEK 54.3 million. The purchase agreement with Ebydos AG consist of a variable portion during the period 2006-2008. This portion cannot exceed SEK 24.4 million. The goodwill from the acquisitions amounted to SEK 49.5 million and the intangible assets amounted to SEK 27.9 million on Dec 31, 2006.

FINANCIAL POSITION

The cash and bank balances for the group as of December 31 was SEK 54.7 (52.0) million. Bank overdraft facilities granted was SEK 46.9 (43.4) million, and used was SEK 4.4 (0) million. The cash-flow from the current business was SEK 55.5 (67.1) million for 2006. For the fourth quarter the cash-flow from the current business was SEK 25.8 (34.4) million. The solidity was 46.1 (46.0) percent on December 31, 2006.

SHAREHOLDER INFORMATION

At the end of the period, the number of shareholders amounted to 6,626 (7,553). Out of the company's total capital, 46 (41) percent were owned by Swedish and foreign institutions, 25 (26) percent by the company's founders, and 29 (33) percent by private persons, including staff. At the end of the period, Swedish shareholders held 87 (89) percent and foreign shareholders held 13 (11) percent of the total share value. The share capital has increased by 1,229,000 shares due to the acquisition of Ebydos.

THE PARENT COMPANY

The parent company's net sales for 2006, including inter-company posts, amounted to SEK 175.1 (147.4) million. The result after financial items was SEK 23.6 (48.8) million. Earnings were positively affected by the reversal of previous write-downs of the parent company's participation in subsidiaries in the amount of SEK 3.4 (27.6) million. This has not affected the Group's result 2006.

Investments in fixed assets in the parent company amounted to SEK 3.5 (3.2) million. The parent company's cash and bank balances as of December 31, was SEK 6.8 (10.7) million. Bank overdraft facilities granted was SEK 35.0

(35.0) million, and used was SEK 0 (0) million. Equity was SEK 177.5 (125.6) million, resulting in a solidity of 67.8 (69.7) 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.

The same accounting policies that were used in the latest annual report, 2005, have been used in this interim report. The new accounting policies, affective as of January 1, 2006, have had no impact on the Group's Income Statement and Opening Balance.

GOING FORWARD

Growth of 15% in 2006 was in line with our present financial target. ReadSoft now faces a key phase in its development. A new platform has been completed, and its first products are headed for the market. Meanwhile, the company has carried out two strategic acquisitions to supplement its technology and expertise. ReadSoft now has complete, proprietary invoice processing solutions for the leading ERP systems from SAP and Oracle. We also have the expertise required to design fully integrated solutions that automate processing of other kinds of documents in these systems. As a result, we have secured a strong market position.

Our sales organisation will grow substantially in 2007. The company will start doing business in a series of new markets, further expand its organisation for sales through partners and continue it's active acquisition strategy.

With this changes we have revised our financial targets. ReadSoft's new 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 – March 2007 will be presented on April 25th 2007
- The Annual Meeting will be held on April 25th 2007
- The Interim Report January – June 2006 will be presented on August 13th 2007
- The Interim Report January – September 2006 will be presented on October 22nd 2007

The Board of Directors ReadSoft AB

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Group's income statements in summary

Amounts in SEK million	Oct-Dec 2006	Oct-Dec 2005	Full Year 2006	Full Year 2005
Net sales	142.0	125.8	459.8	400.9
Capitalization of R&D expenditure	<u>8.8</u>	<u>7.2</u>	28.4	25.4
	150.8	133.0	488.2	426.3
Commodities	-15.5	-25.2	-80.6	-81.4
Personnel costs	-72.6	-59.6	-246.3	-216.1
Other external costs	-25.4	-19.7	-92.7	-78.3
Other operating income/expences	-0.7	4.2	-3.1	13.9
Share of loss in associated companies	-0.8	-0.3	-2.2	-1.2
Depreciations on fixed assets	-1.6	-1.5	-4.9	-4.2
Depreciations on product dev expenses carried forward	-4.0	-2.0	-10.1	-6.8
Depreciations of intangible assets	-1.2	-	-1.2	-
Operating income	29.0	28.9	47.1	52.2
Financial income and expenses				
Interest income	0.1	0.2	0.6	0.3
Income after financial items	29.1	29.1	47.7	52.5
Tax	-4.1	0.7	-8.9	-0.5
Net profit/loss after taxes	25.0	29.8	38.8	52.0

Group's balance sheet in summary

	2006 Dec 31	2005 Dec 31
Assets		
Fixed assets		
Software developed in house	87.4	63.3
Goodwill	49.5	-
Other fixed assets	73.8	30.2
Total fixed assets	210.7	93.5
Current assets		
Accounts receivables	164.0	149.6
Current assets	54.7	52.0
Other current assets	87.7	72.6
Total current assets	306.4	274.2
Total assets	517.2	367.7
Equity and liabilities		
Equity	238.6	169.2
Long-term liabilities	46.1	0.4
Accounts payable	20.0	34.7
Other short-term liabilities	212.5	163.4
Total equity and liabilities	517.2	367.7

Change in equity

	Full Year 2006	Full Year 2005
Opening balance	169.2	112.3
New issue	33.7	7.2
Translation difference	-3.1	-2.3
Result for the period	38.8	52.0
Closing balance	238.6	169.2

Cash-flow statements in summary

	July-Sep 2005	Jan-Sep 2006	Jan-Sep 2005	Full Year 2005
Cash-flow before changes in working capital	30.0	30.2	56.3	54.7
Changes in working capital	-4.2	4.2	-0.8	12.4
Cash-flow from the current business	25.8	34.4	55.5	67.1
Cash-flow from investment activities	-72.2	-9.4	-95.0	-38.1
Cash-flow from financial activities	33.5	-16.2	42.3	-9.0
Change in liquid assets	-12.9	8.8	2.8	20.0

Three-year summary and key data. Group

	Full Year 2006	Full Year 2005	Full Year 2004
Revenue	459.8	400.9	358.7
Revenue growth %	14.7	11.8	21.7
Operating income	47.1	52.2	33.3
Income after financial items	47.7	52.5	33.1
Net result after tax	38.8	52.0	28.0
Operating margin %	10.2	13.0	9.3
Profit margin financial items %	10.4	13.1	9.2
Profit margin after tax %	8.4	13.0	7.8
Solidity %	46.1	46.0	41.2
Capital employed	252.1	169.8	122.2
Return on equity, %	19.0	37.0	29.4
Return on total capital, %	10.8	16.6	14.0
Net dept/equity ratio	-0.17	-0.30	-0.20
Net interest bearing liabilities	-41.3	-51.3	-22.0
Number of employees at end of period	381	301	274
Number of shares at close of period, thousands	32,488	31,259	30,892
Equity per share, (SEK)	7.35	5.41	3.64
Earnings after financial items per share (SEK)	1.47	1.69	1.08
Earnings after tax per share (SEK)	1.20	1.67	0.91
Share price at close of period (SEK)	27.40	29.60	14.25

Statement of accounts in geographical areas

	Scandinavia		The rest of Europe		U.S. and the rest of the world	
	Full Year 2006	Full Year 2005	Full Year 2006	Full Year 2005	Full Year 2006	Full Year 2005
Revenue	128.8	112.5	239.8	204.7	91.2	83.7
Result before financial items	49.2	39.1	65.4	46.3	12.7	24.2
Profit margin %	38.2	34.7	27.3	22.6	13.9	28.9
Assets	95.8	78.5	159.7	134.2	49.9	53.6
Liabilities	60.5	50.5	64.3	70.5	24.3	25.4
Investments	1.1	0.6	1.7	0.9	1.0	1.0
Depreciation	0.8	0.5	1.2	1.0	0.9	0.8

	Parent Company incl. Group adjustments		Total	
	Full Year	Full Year	Full Year	Full Year
	2006	2005	2006	2005
Revenue	-	-	459.8	400.9
Result before financial items	-80.2	-57.4	47.1	52.2
Profit margin %	-	-	-	13.0
Assets	211.8	101.4	517.2	367.7
Liabilities	129.5	52.1	278.6	198.5
Investments	31.8	28.6	35.6	31.1
Depreciation	13.3	8.7	16.2	11.0

Learn more about ReadSoft on 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