



# Interim Report

JANUARY – SEPTEMBER 2008

## Focuses operations in response to weekend market

“ReadSoft’s business operations did not develop as planned during the third quarter of 2008. The state of uncertain markets around the world has influenced customers’ willingness to invest, and, in turn, growth and results were lower than expected. However, performance varied greatly from market to market. Sales in “USA and the rest of the world” increased by approximately 24 percent, while at the same time the large European markets displayed negative growth. Results in other geographic segments also varied significantly.

Due to the decrease in growth and the turbulent economic situation, ReadSoft has decided to take measures in response to the weakened market. This includes postponing the development of one of our products and focusing development on three specific product areas: SAP, Oracle and Capture.

Activity is now focused on our most successful areas, building a stable platform from which to meet the demands of a tougher market.”

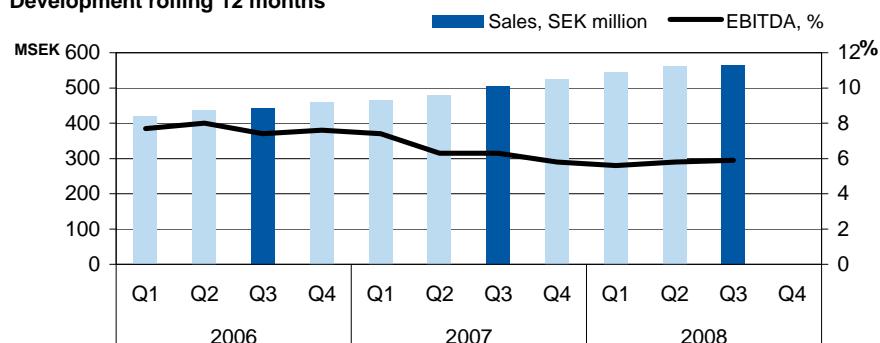
Jan Andersson  
President and CEO

- The turnover for the first nine months increased by 11% to SEK 401.8 (362.7) million
- Results EBITDA for the first nine months was SEK 7.6 (4.7) million
- Results per share for the first nine months were SEK -0.64 (-0.12)
- The turnover for the third quarter increased by 2% to SEK 127.9 (125.9) million
- Results EBITDA for the third quarter was SEK 3.8 (3.0) million
- Results per share for the third quarter was SEK -0.36 (-0.14)
- Cash-flow from the current business for the first nine months was SEK 52.0 (19.6) million
- ReadSoft has decided to focus its development resources on three product areas and to implement a savings program to cut down costs by SEK 40-45 million. The total non-recurring costs for these actions are estimated at SEK 20 million. SEK 10.8 million will be charged to the third quarter earnings and is write-downs for activated software development costs.

Key data	2008	2007	2008	2007	Rolling	Full year
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	12 months	2007
Net sales, SEK million	127,9	125,9	401,8	362,7	564,0	525,0
Profit/loss EBITDA, SEK million	3,8	3,0	7,6	4,7	33,2	30,3
Profit/loss before tax, SEK million	-15,4	-4,4	-23,6	2,2	-2,1	23,7
Net profit/loss, SEK million	-11,5	-4,6	-20,8	-3,9	1,0	17,8
Operating margin EBITDA, %	3,0	2,4	1,9	1,3	5,9	5,8
Profit margin before tax, %	-12,0	-3,5	-5,9	0,6	-0,4	4,5
Profit margin after tax, %	-9,0	-3,7	-5,2	-1,1	0,2	3,4
Net earnings per share, SEK	-0,36	-0,14	-0,64	-0,12	0,03	0,55
Cash flow, operating activities	9,6	3,5	52,0	19,6	65,2	32,4

\* Operating profit/loss before capitalization of costs for proprietary software development, depreciation, amortization, interest and tax.

### Development rolling 12 months



## The Group

### Turnover and results during the third quarter of 2008

During the third quarter, the revenue amounted to SEK 127.9 (125.9) million. Results EBITDA for the period was SEK 3.8 (3.0) million. The operating margin EBITDA for the quarter was 3.0 (2.4)%. Results after tax were SEK -11.5 (-4.6) million, SEK 10.8 million consists of non-recurring costs. Total revenue increased by 2% and license revenue decreased by 14%.

The license revenue amounted to SEK 43.8 (51.0) million during the third quarter, which is 34 (41)% of the total revenue. Out of the total license revenue for the third quarter, Trade Process Automation represented SEK 40.4 (41.0) million while SEK 3.4 (10.1) million were from Document Capture Automation. Service fees amounted to SEK 36.4 (35.4) million. In addition, revenues for training and customer-specific development were SEK 38.3 (29.8) million. Hardware sales (scanners) amounted to SEK 7.1 (7.5) million. Other revenues amounted to SEK 2.3 (2.2) million.

In the Nordic countries the sales totaled SEK 32.1 (32.0) million. The company's sales in the other parts of Europe amounted to SEK 60.2 (65.1) million. In the U.S. and the rest of the world sales amounted to SEK 35.7 (28.9) million.

### Key developments during and after the third quarter

On October 14 **ReadSoft announced a focus of its operations in order to adjust to weaker market conditions**. The ongoing global financial crisis makes future market predictions very difficult. Therefore ReadSoft has decided to take action and focus its development resources on three product areas; SAP, Oracle and Capture. At the same time, a savings program in order to cut down costs by SEK 40-45 million in 2009 is put into action. These measures include a staff reduction of 50-60 employees. The total non-recurring costs for these actions are estimated at SEK 20 million. SEK 10.8 million is write-downs for activated software development costs and is charged to the third quarter earnings. The rest will be charged to the fourth quarter earnings 2008.

During the third quarter ReadSoft announced a number of large deals especially on the North American market. One of them was a \$400,000 deal with **an energy services company in the U.S.** Another announced deal was with **one of the world's largest forest products companies** that decided to use ReadSoft's accounts payable automation solutions for SAP to process 620,000 invoices annually. The agreement is worth \$750,000 USD. During the last days of September **a leading agricultural company in North America** decided to invest \$350,000 USD in ReadSoft's accounts payable automation solutions for SAP. The agreement covers the processing of more than one hundred thousand invoices annually. Finally **a U.S. based global biopharmaceutical company** decided to invest more than USD 350,000 in ReadSoft's invoice automation solutions for SAP. The agreement was signed in September 2008 and covers the processing of tens of thousands of invoices annually. The solution from ReadSoft will be implemented at the company's offices in the U.S. as well as in several European countries.

Also in the U.K. some large deals were signed during the quarter. In September ReadSoft won a major deal within **local government in the U.K.** The agreement covers the processing of 350,000 invoices annually. The ReadSoft solution will automatically process invoices within the customer's SAP system. The value of the agreement is 320,000 EUR and the major part of this is licenses. ReadSoft also won a major deal with one of the most recognized and successful **public transportation brands in the U.K.** The agreement covers the processing of approximately half a million invoices annually. The ReadSoft solution will automatically process invoices within the customer's Oracle system. The value of the agreement is EUR 390,000 and the major part of this is licenses.

In an aim to increase transparency, ReadSoft has now changed its press release policy. Press releases containing financial information that could affect market value will be treated separately from releases of a more technical nature. In order to

be more efficient, ReadSoft plans to publish “no name” releases, lacking references to specific customers, unless contracts explicitly require customer approval.

### Turnover and results during the first nine months of 2008

During the first nine months, the revenue amounted to SEK 401.8 (362.7) million. Results EBITDA for the period was SEK 7.6 (4.7) million. The operating margin EBITDA for the first nine months was 1.9 (1.3) %. Results after tax were SEK -20.8 (-3.9) million, SEK 10.8 million consists of non-recurring costs. Total revenue increased by 11% and license revenue by 6%.

The license revenue amounted to SEK 145.3 (137.4) million during the first nine months 2008, which is 36 (38) % of the total revenue. Out of the total license revenue for the first nine months, Trade Process Automation represented SEK 127.1 (106.0) million while SEK 18.2 (31.4) million were from Document Capture Automation. Service fees amounted to SEK 111.2 (104.1) million. In addition, revenues for training and customer-specific development were SEK 114.7 (90.5) million. Hardware sales (scanners) amounted to SEK 22.4 (23.2) million. Other revenues amounted to SEK 8.2 (7.5) million.

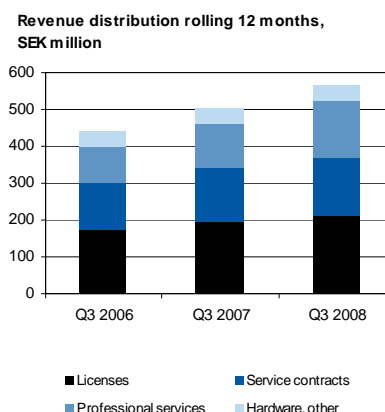
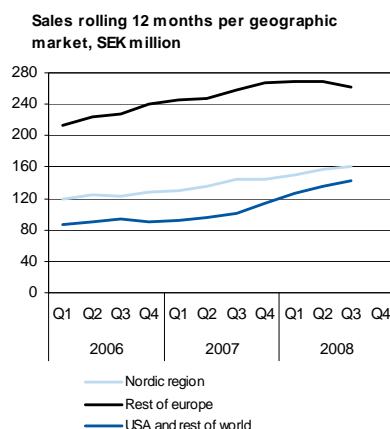
In the Nordic countries sales totaled SEK 113.1 (99.4) million. The company’s sales in the other parts of Europe amounted to SEK 182.9 (185.5) million. In the U.S. and the rest of the world sales amounted to SEK 105.8 (77.9) million.

### Turnover and results rolling 12 months, October 2007- September 2008

During the period October 2007 until September 2008, the revenue amounted to SEK 564.0 (504.7) million. Results EBITDA was SEK 33.2 (31.8) million. The operating margin was 5.9 (6.3) percent. Results after tax were SEK 1.0 (21.1) million, SEK 10.8 million consists of non-recurring costs. Total revenue increased by 12% and license revenue by 8%.

The license revenue amounted to SEK 211.2 (196.2) during the period, which is 37 (39) percent of the total revenue. Out of the total license revenue, Trade Process Automation represented SEK 179.4 (151.6) million while SEK 31.8 (44.7) million were from Document Capture Automation. Service fees amounted to SEK 159.4 (146.0) million. In addition, revenues for training and customer-specific development were SEK 150.9 (119.1) million. Hardware sales (scanners) amounted to SEK 30.3 (34.5) million. Other revenues amounted to SEK 12.2 (8.9) million.

In the Nordic countries sales totaled SEK 157.8 (144.3) million. The company’s sales in the other parts of Europe amounted to SEK 264.1 (258.8) million. In the U.S. and the rest of the world sales amounted to SEK 142.1 (101.6) million.



### **Consolidated balance sheet, financial position and investment**

The cash and bank balances for the group as of September 30, 2008 was SEK 60.8 (51.9) million. Bank overdraft facilities granted was SEK 58.2 (47.1) million, and used was SEK 19.7 (3.2) million. The cash-flow from the current business for the first nine months 2008 was SEK 52.0 (19.6) million and for the third quarter 9.6 (3.5).

The solidity was 44.2 (46.5) percent on September 30, 2008.

Investments in fixed assets for the first nine months amounted to SEK 12.5 (6.2) million and consisted of the acquisition of computer and office related equipment. Investments in fixed assets for the third quarter amounted to SEK 4.0 (1.2) million. Depreciations of tangible assets amounted to SEK 5.5 (4.7) million during the first nine months and to SEK 2.0 (1.6) million for the third quarter.

Of the research and development costs during the first nine months 2008 SEK 24.6 (25.6) million was capitalized and during the third quarter capitalization amounted to SEK 6.5 (6.6). Depreciations of product development expenses carried forward amounts to SEK 34.2 (19.2) million for the period January-September and to 10.7 (11.0) for the third quarter.

As a part of the decision to focus the operations in ReadSoft the development of one of the products for the SMB (small and medium business) has been postponed. A non-recurring write-down cost of SEK 10.8 million for capitalized research and development has been taken. Depreciations of intangible assets amounted to SEK 4.2 (4.2) million for the first nine months 2008 and to SEK 1.4 (1.4) during the third quarter.

### **Staff**

As of September 30, 2008, the ReadSoft staff amounted to 466 (440) persons.

### **Risk management**

Important risks and factors of uncertainties are described in the Annual Report for 2007 under the item Risk and Risk Management, in the Administration Report and in the Notes 2 and 3.

### **Shareholder information**

At the end of the period, the number of shareholders amounted to 5,273 (5,922). Out of the company's total capital, 50 (47) percent were owned by Swedish and foreign institutions, 25 (25) percent by the company's founders, and 25 (28) percent by private persons, including staff. At the end of the period, Swedish shareholders held 84 (86) percent and foreign shareholders held 16 (14) percent of the total share value.

### **Going forward**

We assess that the underlying demand for our solutions is good. However, as current market conditions are influenced by the ongoing financial unrest, short-term demand is hard to forecast. As a result of this, ReadSoft has decided to take steps to reduce company spending. ReadSoft's long-term financial objectives continue to be a yearly growth of 20-25 percent and a business margin of at least 15 percent (EBITDA).

ReadSoft's long-term financial objectives continue to be a yearly growth of 20-25 percent annual growth and an operating margin (EBITDA) of at least 15 percent.

## Reports for geographic segments

ReadSoft is represented on five continents which give us the ability to deliver global solutions to multinational companies as well as local companies that are specialized in a particular market or industry. ReadSofts partners often have supplemental products and are resellers in markets where we do not have our own sales force, or they collaborate with our sales force. We have a need to be able to deliver our own complete solutions with both products and support for large customers, particularly in less mature markets. In more mature markets, we often work with our partners.

### The Nordic Region

In the Nordic region, where the majority of sales take place via partners, ReadSoft has subsidiaries in Sweden, Norway, Denmark and Finland. During the first nine months of 2008 sales in this region increased to SEK 113.1 (99.4) million. The twelve month rolling sales total was SEK 157.8 (144.3) million.

<b>Nordic, Key data</b>	<b>2008 Jul-Sep</b>	<b>2007 Jul-Sep</b>	<b>2008 Jan-Sep</b>	<b>2007 Jan-Sep</b>	<b>Rolling 12 months</b>	<b>Full year 2007</b>
Net sales, SEK million	32,1	32,0	113,1	99,4	157,8	144,1
Profit/loss (EBITDA), SEK million	9,5	13,0	47,5	41,3	68,2	62,0
Profit before financial items, SEK million	9,1	12,9	46,5	40,9	67,0	61,4
Profit margin (EBITDA), %	29,6	40,6	42,0	41,5	43,2	43,0
Profit margin (EBIT), %	28,3	40,3	41,1	41,1	42,5	42,6
Assets, SEK million	-	-	88,1	79,2	-	111,5
Liabilities, SEK million	-	-	57,6	53,2	-	70,8
Investments, SEK million	0,2	0,1	3,4	0,4	5,0	2,0
Depreciation, SEK million	0,3	0,2	1,0	0,5	1,1	0,6

### The rest of Europe

In Europe, ReadSoft subsidiaries are located in France, Germany, Holland, Spain and the United Kingdom. In those areas where ReadSoft does not have its own local sales offices, sales are primarily handled by partners. During the first nine months of 2008 sales increased to SEK 182.9 (185.5) million. The rolling sales total for "the rest of Europe" was SEK 264.1 (258.8) million.

<b>Rest of Europe, Key data</b>	<b>2008 Jul-Sep</b>	<b>2007 Jul-Sep</b>	<b>2008 Jan-Sep</b>	<b>2007 Jan-Sep</b>	<b>Rolling 12 months</b>	<b>Full year 2007</b>
Net sales, SEK million	60,2	65,1	182,9	185,5	264,1	266,7
Profit/loss EBITDA, SEK million	19,0	22,4	57,5	60,3	88,7	91,5
Profit before financial items, SEK million	18,7	22,4	56,6	59,4	87,5	90,3
Profit margin EBITDA, %	31,6	34,4	31,4	32,5	33,6	34,3
Profit margin EBIT, %	31,1	34,4	30,9	32,0	33,1	33,9
Assets, SEK million	-	-	184,5	150,8	-	186,0
Liabilities, SEK million	-	-	87,9	72,6	-	88,3
Investments, SEK million	0,3	0,5	1,2	1,7	0,8	1,3
Depreciation, SEK million	0,3	0,4	0,9	1,3	0,8	1,2

### USA and the rest of the world

ReadSoft has subsidiaries in Australia, Brazil, Chile, Malaysia, Mexico and the United States of America. Most sales in markets where ReadSoft has subsidiaries occur directly, while other areas are covered by partners. During the first nine months of 2008 sales in this area reached SEK 105.8 (77.9) million. The twelve month rolling sales total for the "USA and the rest of the world" was SEK 142.1 (101.6) million.

USA and rest of world, Key data	2008 Jul-Sep	2007 Jul-Sep	2008 Jan-Sep	2007 Jan-Sep	Rolling 12 months	Full year 2007
Net sales, SEK million	35,7	28,9	105,8	77,9	142,1	114,2
Profit/loss EBITDA, SEK million	7,4	4,8	23,6	11,4	31,7	19,5
Profit before financial items, SEK million	7,1	4,5	22,8	10,6	30,6	18,4
Profit margin EBITDA, %	20,7	16,6	22,3	14,6	22,3	17,1
Profit margin EBIT, %	19,9	15,6	21,6	13,6	21,5	16,1
Assets, SEK million	-	-	91,6	60,0	-	72,3
Liabilities, SEK million	-	-	38,7	28,1	-	31,0
Investments, SEK million	1,5	0,2	1,8	1,2	2,3	1,7
Depreciation, SEK million	0,3	0,3	0,8	0,8	1,1	1,1

### Group shared

All costs, assets and debts not directly or reasonably related to the operating costs within these geographical areas are entered into the accounts as consolidated expenses.

Group shared, Key data	2008 Jul-Sep	2007 Jul-Sep	2008 Jan-Sep	2007 Jan-Sep	Rolling 12 months	Full year 2007
Net sales, SEK million	-	-	-	-	-	-
Profit/loss EBITDA, SEK million	-32,0	-37,2	-121,0	-108,3	-155,4	-142,7
Profit before financial items, SEK million	-49,6	-44,1	-148,4	-108,7	-185,6	-146,0
Profit margin EBITDA, %	-	-	-	-	-	-
Profit margin EBIT, %	-	-	-	-	-	-
Assets, SEK million	-	-	185,2	226,8	-	232,7
Liabilities, SEK million	-	-	122,2	122,6	-	150,8
Investments, SEK million	8,6	6,9	30,8	28,5	37,0	42,4
Depreciation, SEK million	26,8	13,2	52,0	25,5	66,8	40,3

## Financial Report

<b>Consolidated income statement in summary, SEK million</b>	<b>Jul-Sep 2008</b>	<b>Jul-Sep 2007</b>	<b>Jan-Sep 2008</b>	<b>Jan-Sep 2007</b>	<b>Rolling 12 months</b>	<b>Full year 2007</b>
<b>Net sales</b>	<b>127,9</b>	<b>125,9</b>	<b>401,8</b>	<b>362,7</b>	<b>564,0</b>	<b>525,0</b>
Capitalized expenditure for proprietary software	6,5	6,6	24,6	25,6	36,1	37,0
	<b>134,4</b>	<b>132,5</b>	<b>426,4</b>	<b>388,3</b>	<b>600,1</b>	<b>562,0</b>
Costs of goods and services sold	-11,9	-14,2	-40,8	-38,6	-58,4	-56,2
Personnel costs	-85,2	-77,5	-262,7	-231,5	-348,8	-317,5
Other external costs	-30,7	-29,3	-93,4	-86,8	-127,9	-121,4
Other operating expenses/income	3,7	-1,9	2,7	-1,1	4,3	0,4
Depreciation of tangible fixed assets	-2,0	-1,6	-5,5	-4,7	-6,7	-5,9
Amortization of capitalized expenditure for proprietary software	-10,7	-11,0	-34,2	-19,2	-46,0	-31,0
Write-downs of capitalized expenditure for proprietary software	-10,8	0,0	-10,8	0,0	-10,8	0,0
Amortization of intangible fixed assets	-1,4	-1,4	-4,2	-4,2	-6,3	-6,3
<b>Operating profit/loss (EBIT)</b>	<b>-14,6</b>	<b>-4,4</b>	<b>-22,5</b>	<b>2,2</b>	<b>-0,5</b>	<b>24,1</b>
<b>Financial income and expenses</b>						
Financial items	-0,8	0,0	-1,1	0,0	-1,6	-0,4
<b>Net profit/loss before tax</b>	<b>-15,4</b>	<b>-4,4</b>	<b>-23,6</b>	<b>2,2</b>	<b>-2,1</b>	<b>23,7</b>
Tax	3,9	-0,2	2,8	-6,1	3,1	-5,9
<b>Profit/Loss after tax</b>	<b>-11,5</b>	<b>-4,6</b>	<b>-20,8</b>	<b>-3,9</b>	<b>1,0</b>	<b>17,8</b>

Consolidated balance sheet in summary, SEK million	Sep 30, 2008	Sep 30, 2007	Dec 31, 2007
<b>Assets</b>			
<b>Fixed assets</b>			
Proprietary software development	74,0	93,8	93,6
Goodwill	60,7	49,5	60,7
Other non-fixed assets	18,1	23,7	25,1
Fixed assets	22,0	12,7	12,3
Financial assets	42,9	34,0	42,7
<b>Total fixed assets</b>	<b>217,7</b>	<b>213,7</b>	<b>234,4</b>
<b>Current assets</b>			
Accounts receivable - trade	182,4	141,3	203,3
Cash and cash equivalents	60,8	51,9	40,1
Other current assets	88,4	109,9	88,7
<b>Total current assets</b>	<b>331,6</b>	<b>303,1</b>	<b>332,1</b>
<b>Total assets</b>	<b>549,3</b>	<b>516,8</b>	<b>566,5</b>
<b>Equity and liabilities</b>			
Equity	242,7	240,3	261,7
Long-term liabilities	43,3	60,2	57,8
Accounts payable - trade	22,8	18,3	20,8
Other current liabilities	240,5	198,0	226,2
<b>Total equity and liabilities</b>	<b>549,3</b>	<b>516,8</b>	<b>566,5</b>

Change in equity, SEK million	Jan-Sep 2008	Jan-Sep 2007	Full year 2007
Opening balance	261,7	238,6	238,6
Translation difference	1,8	5,6	5,3
Profit for the period	-20,8	-3,9	17,8
<b>Equity at the end of the period</b>	<b>242,7</b>	<b>240,3</b>	<b>261,7</b>

Cash-flow statement in summary, SEK million	Jul-Sep 2008	Jul-Sep 2007	Jan-Sep 2008	Jan-Sep 2007	Full year 2007
Cash flow before working capital changes	11,3	9,5	24,8	24,2	63,9
Working capital changes	-1,7	-6,0	27,2	-4,6	-31,5
<b>Cash flow from operating activities</b>	<b>9,6</b>	<b>3,5</b>	<b>52,0</b>	<b>19,6</b>	<b>32,4</b>
Cash flow from investing activities	-11,0	-6,7	-37,3	-31,0	-56,6
Cash flow from financing activities	0,0	-0,3	6,0	8,6	9,5
<b>Change in cash and cash equivalents</b>	<b>-1,4</b>	<b>-3,5</b>	<b>20,7</b>	<b>-2,8</b>	<b>-14,7</b>



Five-year summary and key data for the Group	Jan-Sep 2008	Jan-Sep 2007	Jan-Sep 2006	Jan-Sep 2005	Jan-Sep 2004	Full year 2007
Net sales, SEK million	401,8	362,7	317,8	275,1	241,3	525,0
Sales growth, %	10,8	14,1	15,5	14,0	16,7	14,2
Operating profit EBITDA, SEK million	7,6	4,7	7,9	13,0	1,8	30,3
Operating profit EBIT, SEK million	-22,5	2,2	18,1	23,4	10,5	24,1
Profit/loss after financial items, SEK million	-23,6	2,2	18,6	23,5	10,4	23,7
Profit/loss after tax, SEK million	-20,8	-3,9	13,8	22,3	8,7	17,8
Operating margin EBITDA, %	1,9	1,3	2,5	4,7	0,7	5,8
Operating margin EBIT, %	-5,6	0,6	5,7	8,5	4,4	4,6
Profit margin after financial items, %	-5,9	0,6	5,9	8,5	4,3	4,5
Profit margin after tax, %	-5,2	-1,1	4,3	8,1	3,6	3,4
Equity/assets ratio, %	44,2	46,5	50,3	45,3	37,4	46,2
Capital employed, SEK million	289,5	261,1	191,4	158,3	109,7	286,5
Return on equity, %	-8,6	-1,8	8,5	20,3	11,6	7,1
Return on total capital, %	-4,2	0,5	5,5	8,9	5,1	4,8
Net debt/equity ratio, times	-0,07	-0,13	-0,33	-0,18	-0,17	-0,06
Net interest-bearing liabilities, SEK million	-17,1	-31,1	-59,5	-26,1	-14,9	-15,2
Number of employees at end of period	466	440	321	295	274	451
Number of shares at end of period, 000s	32 488	32 488	31 259	31 259	30 467	32 488
Equity per share, SEK	7,47	7,40	5,83	4,52	2,85	8,05
Earnings after financial items per share, SEK	-0,73	0,07	0,60	0,78	0,34	0,73
Earnings after tax per share, SEK	-0,64	-0,12	0,44	0,71	0,29	0,55
Share price at end of period, SEK	0,00	19,90	27,10	29,00	12,85	14,90

## Glossary and Definitions

<b>Document Capture Automation</b>	The product group for Capture products, as well as ReadSoft DOCUMENTS for Forms and ReadSoft DOCUMENTS for Mailrooms.
<b>Trade Process Automation</b>	The product group for ReadSofts products that handle INVOICES and other business related documents, including ReadSoft DOCUMENTS for Invoices, INVOICE COCKPIT, WEB CYCLE, INVOICEIT and APPROVE.
<b>EBITDA</b>	Operating profit/loss before capitalization of costs for proprietary software development, depreciation, amortization, interest and tax.
<b>Equity per share</b>	Equity per share divided by the average number of shares.
<b>Net interest-bearing liabilities</b>	Interest-bearing liabilities minus interest-bearing assets.
<b>Net debt/equity ratio</b>	Net interest-bearing liabilities divided by equity.
<b>Return on equity</b>	Profit/loss after financial items less current tax as a percentage of average adjusted equity.
<b>Return on total capital</b>	Profit/loss after financial items plus financial expenses as a percentage of total assets.
<b>Solidity</b>	Equity as a percentage of total assets.
<b>Working Capital</b>	Current assets less cash and cash equivalents and current liabilities.

## Accounting principles

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 principles that were used in the latest annual report have been used in this interim report.

## Parent company

### Income statement, Parent company

The parent company's net sales for the first nine months 2008, including inter-company posts, amounted to SEK 143.7 (131.1) million. The result after financial items was SEK 3.4 (2.5) million.

### Balance sheet, financial position and investment, Parent company

Investments in fixed assets in the parent company amounted to SEK 5,5 (2.9) million. The parent company's cash and bank balances as of September 30, was SEK 1.6 (8,4) million. Bank overdraft facilities granted was SEK 50.0 (35.0) million, and used was SEK 15.8 (0,2) million. Equity was SEK 205,8 (178,9) million, resulting in a solidity of 57,4 (62,8) percent.

Parent Company income statement in summary, SEK million	Jan-Sep 2008	Jan-Sep 2007	Full year 2007
<b>Net sales</b>	<b>143,7</b>	<b>131,1</b>	<b>201,4</b>
Cost of goods and services sold	-31,6	-20,0	-34,2
Personnel costs	-86,4	-81,7	-108,4
Other external costs	-28,5	-27,3	-39,8
Other operating income/expenses	2,3	0,1	8,5
Depreciation of tangible fixed assets	-2,2	-2,1	-2,9
<b>Operating loss EBIT</b>	<b>-2,7</b>	<b>0,1</b>	<b>24,6</b>
<b>Financial income and expenses</b>			
Net financial items	6,1	2,4	4,4
<b>Net profit/loss before tax</b>	<b>3,4</b>	<b>2,5</b>	<b>29,0</b>
Appropriations	0,0	0,0	-7,1
Tax	0,0	-0,7	-4,5
<b>Net profit/loss after tax</b>	<b>3,4</b>	<b>1,8</b>	<b>17,4</b>

Parent Company balance sheet in summary	Sep 30, 2008	Sep 30, 2007	Dec 31, 2007
<b>Assets</b>			
<b>Fixed assets</b>			
Intangible assets	5,1	1,6	2,7
Tangible assets	4,1	3,7	3,2
Shares in Group companies	104,2	84,8	104,2
Receivables from Group companies	163,0	115,7	111,0
Other fixed assets	0,4	0,4	0,4
<b>Total fixed assets</b>	<b>276,8</b>	<b>206,2</b>	<b>221,5</b>
<b>Current assets</b>			
Accounts receivable - trade	6,5	10,2	19,4
Receivables from Group companies	64,5	50,4	79,3
Cash and cash equivalents	1,6	8,4	0,6
Other current assets	9,4	9,5	6,0
<b>Total current assets</b>	<b>82,0</b>	<b>78,5</b>	<b>105,3</b>
<b>Total assets</b>	<b>358,8</b>	<b>284,7</b>	<b>326,8</b>
<b>Equity and liabilities</b>			
Equity and liabilities	205,8	178,9	199,1
Untaxed reserves	7,1	0,0	7,1
Long-term liabilities	14,7	17,6	18,6
Long-term liabilities to Group companies	6,5	6,5	1,3
Other long-term liabilities	0,0	1,6	4,4
Accounts payable - trade	10,1	7,4	4,8
Current liabilities to Group companies	26,4	24,3	16,6
Other current liabilities	88,2	48,4	74,9
<b>Total equity and liabilities</b>	<b>358,8</b>	<b>284,7</b>	<b>326,8</b>

## Financial information

Interim reports, annual reports and ReadSoft's press releases can be ordered from ReadSoft AB, Södra Kyrkogatan 4, SE-252 23 Helsingborg, by phone +46 (0)42-490 21 00, e-mail: [info@readsoft.com](mailto:info@readsoft.com) or at [www.readsoft.com](http://www.readsoft.com).

### Financial calendar

Year-end Report January-December	February 11, 2009
Interim Report January-March, 2009	April 22, 2009
Annual General Meeting	April 22, 2009

Helsingborg, Sweden October 22, 2008

*The Board of Directors ReadSoft AB*

### Review report

We have reviewed this report for the period 1 January 2008 to 30 September 2008 for ReadSoft AB (publ). The board of directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

We conducted our review in accordance with the Swedish Standard on Review Engagements SÖG 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review 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 Standards on Auditing in Sweden, RS, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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 Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Malmö, October 22, 2008

Öhrlings PricewaterhouseCoopers AB

Mikael Eriksson

Authorised Public Accountant

Auditor in charge

Eric Salander

Authorised Public Accountant

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## **About ReadSoft**

ReadSoft is a leading global provider of software solutions for Document Automation. ReadSoft's software enables companies to automate document processes such as data entry, classification, ERP matching, workflows, e-invoicing etc. The results are faster and less expensive document processing, and increased control. ReadSoft is by far the world's number one choice for invoice automation solutions. Specialized solution labs for SAP, Oracle, Microsoft and Capture processes ensure cutting edge solutions with great customer value. Since the start in 1991, ReadSoft has grown to a worldwide group with operations in 16 countries on five continents and a network of local and global partners. The head office is located in Helsingborg, Sweden and the ReadSoft share is traded on the Nasdaq OMX Nordic Exchange Small Cap list. For more information about ReadSoft, please visit [www.readsoft.com](http://www.readsoft.com).