

INTO.I 2008



ANNUAL REPORT

Excerpt from

## The Annual Report 2008

This annual report is available in Swedish and English. The English version is an excerpt from the Swedish report and is virtually identical to the corresponding sections of the Swedish original. In the event of discrepancies between the Swedish and English versions, the Swedish version takes precedence.

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### FINANCIAL CALENDAR

First quarter report	January – March 2009	April 29, 2009
Semi-annual report	January – June 2009	August 25, 2009
Third quarter report	January – September 2009	October 28, 2009

# Contents

Highlights of 2008.....	3
Comments from the CEO.....	4
<b>ANNUAL REPORT 2008</b>	
Group 2008 .....	6
Subsidiaries.....	10
The Intoi share and ownership structure .....	12
Business risks.....	16
Other information .....	17
Consolidated income statement.....	21
Consolidated balance sheet .....	22
Consolidated statement of changes in equity.....	23
Consolidated cash flow statement .....	24
Five-year overview .....	25
Corporate governance .....	27

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## Highlights of 2008

- Total net sales reached SEK 579.3m (693.8). Net sales in continuing operations amounted to SEK 570.5m (518.9), equal to organic growth of 10 percent.
- Total operating profit for the year was SEK 31.7m (40.5). Total operating margin was 5 percent (6).
- Earnings per share amounted to SEK 2.85 (5.10).
- At year-end 2008 the Group had four subsidiaries – IAR Systems, Northern, Deltaco and Nocom Software – all of which were profitable during the year. Nocom Drift was sold in the fourth quarter.
- The financial position is strong and the equity/assets ratio at December 31, 2008, was 79 percent (83).
- Intoi's class B share (INTO B) is quoted on the Small Cap list of the NASDAQ OMX Nordic Exchange Stockholm. The share price at December 31, 2008, was SEK 13.35 (38.20). Intoi's market capitalization on the same date was SEK 148m (428).
- In 2008 Intoi repurchased a total of 155,100 class B shares for a combined value of SEK 6.3m. The buybacks were carried out in the first four months of the year.
- In February Board Chairman Stefan Skarin resumed the post of President and CEO. In connection with this, Board member Trygve Angell took over as Board Chairman.
- The Annual General Meeting on May 6, 2008, resolved to change the company's name from Nocom AB (publ) to Intoi AB (publ). At the same time, the company's operating focus was clarified as the "acquisition, active ownership and divestiture of IT companies".
- The Annual General Meeting also resolved to approve a 1-for-10 reverse share split (consolidation of shares) in which each 10 shares of the same class was consolidated into a single share of the same class. The record date was May 16, 2008.
- The Board proposes a regular dividend of SEK 0.60 (2.00) per share.

**Intoi AB (publ)** is an IT group that was founded in 1985 and listed on the stock exchange in 1999. The Intoi share is traded on the Small Cap list of the NASDAQ OMX Nordic Exchange Stockholm. Intoi's mission is based on the acquisition, active ownership and divestment of IT companies. Business is conducted in subsidiaries operating under their own names and business concepts – IAR Systems, Northern, Deltaco and Nocom Software.



## 2008 – the year when we became Intoi

We entered 2008 with an explicit promise that the year would be devoted to more clearly defining our identity and potential. We started the year as Nocom – and became Intoi in the spring. With the same focus and ambition and the same unwavering emphasis on long-term profitability, but with a new platform and an expressed goal to continue building companies and maximizing our potential – through “acquisition, active ownership and divestment of IT companies”.

**T**HE PAST YEAR marked the end of the old – the dot in the new logotype symbolizes the end of the former distribution-oriented Nocom. But even more importantly, the dot stands for our core business in active ownership – building companies. It symbolizes a springboard to the future and to Intoi – guided by values like openness, ambition, commitment, communication and operating focus.

The need for clarity can be traced to the Group's long history. The entire first decade of the new millennium has been a time of change for the company that was originally Nocom and in 2008 became Intoi. From having mainly been a distributor in the IT market, corporate transactions came to play a more prominent role. The Group was successively transformed, in-depth expertise and experience of corporate transactions was built up and the original role of distributor was abandoned. The only aspect that has remained constant over the years is our emphasis on long-term profitability – and in the 2008 the Group delivered stable profitability for the sixth consecutive year.

At the same time, it was obvious at an early stage that we had not been equally successful at communicating the process of change the Group had undergone. The need for clarity grew increasingly apparent and we promised ourselves, our subsidiaries and our stockholders that we would become clearer in 2008.

Efforts to clarify our focus continued throughout 2008. I resumed the post of President and CEO in February after having served as Board Chairman for a couple of years. In connection with the AGM in May, the Group changed its name to Intoi and the company's mission was reformulated as the "acquisition, active ownership and divestiture of IT companies". As Intoi, we have a new platform to stand on.

Active ownership is at the very heart of Intoi. We see our holdings not only as financial investments but also take active stockholder responsibility in terms of both commitment and a keen operating focus. We build companies. We strengthen and develop our subsidiaries and support their organizations, leadership and sales. We create value – in our subsidiaries, and in a longer perspective also in the Group and for our stockholders.

Our second pillar is corporate transactions – the acquisition and divestiture of IT companies. In the past eight years alone we carried out close to 20 corporate transactions. To a large extent, the key to success is good timing – which is something we have excelled at. But it has also required analytical ability, good business sense and decisiveness.

The level of activity in corporate transactions was high during the year. As a result of our new more clearly defined profile, we handled significantly more contacts and processes related to potential acquisitions and divestitures. However, the global financial crisis drastically altered the conditions for financing during the year and a number of far advanced deals were postponed into the future.

Although we did not reach closure in many of the processes, it is satisfying that none of the transactions in progress were terminated other than on our own initiative.

As I look back on the past year, I am pleased to note that we have come a long way in the

process of clarifying our profile. Despite an impaired economy and financial turmoil, Intoi stands secure. All of our holdings are profitable and have enviable positions in their respective markets. We are active and involved in the operations and development of our subsidiaries and are continuously evaluating new corporate transactions.

We have left behind 2008 with subsidiaries that are showing stable earnings growth and have built up considerable potential in the Group. We have a solid financial position that is a source of security and strength in a turbulent world. Long-term profitability has been our foremost objective for many years, and will remain so in 2009. Our robust earnings, strong financial position and the potential of our holdings have given us a platform for further improvement in 2009.

**“Our robust earnings, strong financial position and the potential of our subsidiaries have given us a platform for further improvement in 2009.”**



Stefan Skarin  
President and CEO  
Intoi AB (publ)

The Board of Directors and the President of Intoi AB (publ), corporate identity number 556400-7200 domiciled in Stockholm, hereby present the annual report and the consolidated annual report of the Parent Company and the Group for the financial year 2008. The results of the year's operations and the financial positions of the Group are presented in the description of operations, income statements and balance sheets. The following pages contain an excerpt from the original Swedish version.

ADMINISTRATION REPORT

## Group 2008

**At year-end 2008 Intoi had four subsidiaries – IAR Systems, Northern, Deltaco and Nocom Software. Nocom Drift was sold during the year.**

**T**HE YEAR WAS MARKED by determined efforts to strengthen and clarify the company's focus. Intoi's mission is to "acquire, actively own and divest IT companies". Active ownership is our core business and is aimed at building, strengthening and maximizing the value of our subsidiaries. Corporate transactions – acquisitions and divestitures – are the activities surrounding our core business, and are carried out on strictly commercial and industrial grounds.

The realignment started already in 2001, when we began a process to streamline our operations. The aim was to shed our involvement in the traditional software distribution business, where the Group saw few opportunities for development and profitability growth. A total of around 20 transactions have been carried out since the millennium shift – consisting of a roughly equal number of acquisitions and divestitures.

## Intoi's business mission consists of acquisition, active ownership and divestiture of IT companies – of which active ownership is the most important component.

### CLARIFICATION OF INTOI'S FOCUS

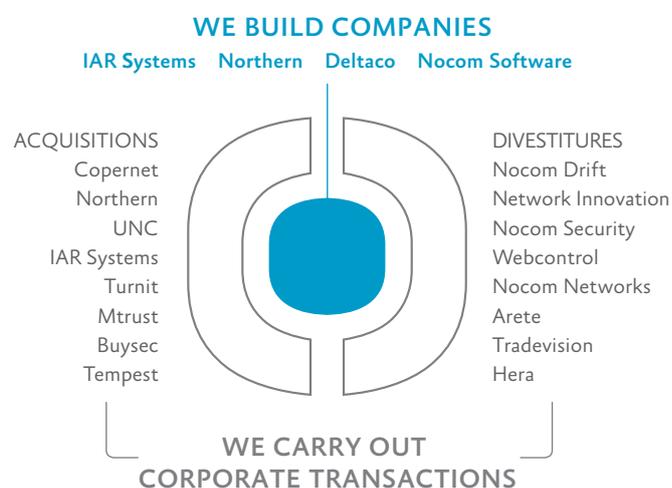
In the wake of these acquisitions, the emphasis gradually shifted to the individual subsidiaries rather than the Group as a whole. We want to make it clear that Intoi should be seen and valued as a single unit, with a focus on aggregate performance. Although the subsidiaries and their development are naturally the building blocks that make up the Group, comparison and assessment of individual events and transactions in the subsidiaries is of lesser overall significance for the Group.

To a certain extent this approach has also been reflected in our financial reports, where aspects such as the individual subsidiaries' sales by business area, earnings, financial goals and market segments were accounted for in detail, which despite our ambition to maintain transparency and openness instead obscured the picture of the Group as a whole. Comparisons between years were hindered by continuous changes and the fragmented scenario made it difficult to get a grasp of the Group's actual development.

We wanted to avoid this by presenting the Group's total sales, profit and development, regardless of which subsidiaries are included and how these have been affected by various factors. In doing so

we provide a more complete picture of Intoi – both in comparison with earlier years and through future changes in our holdings. At the same time, this means that the total information flow from Intoi will initially decrease, since ongoing events, changes in the offering, market factors and business activities in the subsidiaries are no longer reported in detail.

At the same time it is important to emphasize that there has been no change of focus or business model, only a clarification and a means for simplifying the Group's development.



### IMPORTANT STEPS TOWARDS A CLEARER FOCUS

The process of strengthening and communicating our new, more clearly defined profile continued throughout 2008. A few of the milestones were:

- Reformulation of the business mission – to the "acquisition, active ownership and divestiture of IT companies".
- Board Chairman Stefan Skarin returned to the CEO post in February, to clarify his active commitment to the Group.
- Name changed to Intoi AB (publ) in connection with the Annual General Meeting in May.
- A clearer focus on the Group as a whole in communication and reporting.
- New structure and design for the interim reports to reflect the new and clearer focus.
- A new graphic identity that communicates a clear and responsive company.
- More, and stronger, communication channels to the market, among other things through development of the website's functionality, content and design and through publication of a monthly electronic newsletter from the CEO.

### ACTIVE OWNERSHIP – WE BUILD COMPANIES

Active ownership is the foundation for long-term profitability, which is the Group's foremost objective. As a result, profitability is continuously in focus when we build and develop our subsidiaries. Active ownership is Intoi's core business – an ongoing process in close cooperation with the companies in the Group. The aim is to build and develop the subsidiaries through commitment to, participation in and support of their operations. Intoi contributes expertise in areas such as analysis, leadership, marketing, sales, accounting, finance and organization.

In the past year much of this active ownership centered around Northern. When the company was acquired in 2006, it was successful and had an established sales organization in the USA. In the Swedish market and the rest of Europe, the company's sales presence was modest. Under Intoi's management, Northern was given the opportunity to expand both faster and more aggressively than before. This process began with a drive for European expansion through the build-up of a sales organization, but also through acquisitions. One result of this is that Northern is now represented in five European countries instead of one.

### Active ownership is the foundation for our long-term profitability.

At the same time, Northern's offering has grown from being available only in a Windows environment in 2006 to now include four different platforms. The selection of Northern during 2008 to be included in the world-leading storage hardware supplier EMC's partner program EMC Select is ample proof of the company's international success. The effects of the past few years' investments, expansion of the sales organization and wider product offering became visible in the past year when Northern delivered growth of 55 percent with healthy profitability. Northern continues to offer enormous potential and is benefiting from a market characterized by greater cost-awareness.

In the past year Intoi also supported Deltaco in its expansion. Deltaco, which is active as a distributor and supplier of computer accessories, has been part of the Group since the beginning of 2005. With a strong focus on operations, the Executive Management has assisted the company with its expansion and financing. Since the acquisition, Deltaco's net sales have nearly doubled. The powerful sales growth, emphasis on own-branded products

and rising share of bulkier retail-packaged products, as well as dramatically increased delivery times from Asia, have placed rigorous demands on increased storage space and more efficient logistics.

Deltaco eventually grew out of its original offices in Bredäng and in 2007 the need for increased warehouse capacity was met by leasing temporary warehouse facilities. This was a costly solution that also resulted in inefficient handling and limited scope for coordination.

Efforts to find a more effective long-term solution were started in 2007 and a property in Huddinge was acquired with the transfer of ownership in June 2008. The new facilities are not only larger than the old ones but are also significantly more modern and designed for professional handling of large volumes of goods. With all warehouse space under the same roof, inventory management can be optimized and valuable synergy gains realized, which will also provide lower costs in a longer perspective. Furthermore, the new facilities offer ample opportunities for future expansion.

### ACQUISITIONS AND DIVESTITURES – WE CARRY OUT CORPORATE TRANSACTIONS

Intoi's business mission also includes corporate transactions – the acquisition and divestment of IT companies. The goal of corporate transactions is to increase the potential and/or reduce risks in the Group as a whole. Corporate transactions in recent years have been aimed mainly at streamlining the Group, a process that was completed with the formation of Intoi. Intoi has five clearly defined criteria for acquisition of companies.

- **Product focus** – software, primarily standard products that have already been introduced on the market.
- **Market potential** – established customers and significant scope for expansion.
- **International opportunities** – opportunities for rapid introduction of a new offering in several geographical markets, if possible in collaboration with other of Intoi's holdings.
- **Majority ownership** – Intoi's involvement in and development of acquired companies demands a controlling influence over their operations. The ambition is to attain 100 percent ownership, either immediately or over time.
- **Competent management** – a committed management with the ambition and capacity to drive and develop operations in close cooperation with Intoi's Executive Management.

The strategy for divestitures is also well defined. The timing of divestitures is optimized through ongoing and overall assessment of value growth, market conditions and other external factors.

The level of activity in corporate transactions was intensive during 2008, when Intoi's new and clearly defined focus opened more doors and gave rise to more spontaneous contacts than before. Evaluation of possible transactions has been an important task that has demanded the time and attention of both the Executive Management and the Board during the year.

## The goal of corporate transactions is to increase the potential and/or reduce risks in the Group as a whole.

In 2008 this part of the Group's operations were impacted by financial turbulence in the global market, particularly in the second half of the year. The climate of financial unrest has led to a sense of uncertainty and greater caution among companies, investors and lenders. Many are choosing to wait and postpone transactions into the future, even processes in the advance stages, which has also affected Intoi's work during the year.

In 2008 Intoi sold the operating and hosting services company Nocom Drift, which was the Group's first acquisition in 1999 and at the time of the sale accounted for only 2 percent of total net sales. Nocom Drift was developed under the Group's management, among other things through a move to professional facilities in Huvudsta and through enhancement of the company's offering. The company works in a highly competitive market where price and scale economies are decisive for success. After having fostered and invested in Nocom Drift for several years, Intoi made the assessment that the potential to develop the business at the rate required to defend or advance its market position was not adequate. The overall assessment of Nocom Drift's market potential, value growth and external factors led to a sale to QD System AB on October 1, 2008. Under its new management, Nocom Drift will have better scope for synergies and development. At the same time, the sale has reduced risk exposure in the Group.

The sale of Nocom Drift is consistent with the ambition behind Intoi's corporate transactions – to increase the potential and/or reduce risks in the Group as a whole. Long-term profitability, which is the Group's foremost objective, is founded on active ownership.

### NET SALES AND PROFIT

Total net sales for the Group reached SEK 579.3m (693.8). Net sales in continuing operations rose by 10 percent to SEK 570.5m (518.9) during the year. Total operating profit for year amounted to SEK 31.7m (40.5) and operating margin was 5 percent. All subsidiaries are profitable and profit in the holdings was stable compared to the previous year, at SEK 54.7m (57.5). The sale of Nocom Drift had no effect on profit for the year.

	2008	2007
Net sales, total, SEK M	579.3	693.8
Profit in holdings, SEK M	54.7	57.5
Operating profit, total, SEK M	31.7	40.5
Profit before tax, SEK M	29.5	41.4
Operating margin, %	5	6
Earnings per share, SEK	2.85	5.10
Equity per share, SEK	53.98	52.90
Equity per share excluding intangible assets, SEK	23.46	21.30
Cash flow from operating activities, SEK M	22.5	17.2

### STRONG FINANCIAL POSITION

Intoi has a strong financial position. The Group's holdings reported stable overall earnings and the year's cash flow from operating activities improved to SEK 22.5m (17.2).

The sale of Nocom Drift in the autumn of 2008 provided cash proceeds of approximately SEK 6m and the possibility for an additional performance-based payment. More than SEK 45m has been invested in a new operating property for Deltaco, most of which has been financed through newly raised loans.

The strong financial position has provided scope for both distributions to the stockholders and continued share buybacks. Stockholder dividends were paid for the second consecutive year, in a total amount of SEK 22.1m. The repurchase of 155,100 shares was carried out in the first four months of the year and was charged to cash flow in an amount of SEK 6.3m. Ongoing negotiations and transactions and access to price-sensitive information have hindered additional buybacks during the year.

The Group's disposable cash and cash equivalents, including unutilized bank overdraft facilities, at year-end 2008 amounted to over SEK 68m (74). Equity per share on the same date was SEK 53.98 (52.90) and the equity/assets ratio remained high at 79 percent (83).

# Active ownership – Intoi's subsidiaries at December 31, 2008



**IAR Systems** is a leading global supplier of proprietary development tools for embedded systems. The products are marketed under brand names such as IAR Embedded Workbench and visualSTATE, effective development tools that are well known for their high quality and accelerated design capabilities.

## IAR Systems AB

Founded in 1983, part of Intoi since 2005.

**Offering:** Development tools and software (compilers) that are used for programming of microprocessors in embedded systems.

**Business mission:** IAR Systems is a supplier of quality tools that enable customers to quickly and effectively develop reliable products.

**Net sales in 2008:** SEK 160.5m (147.0)

**Operating profit in 2008:** SEK 13.0m (23.1)

**Operating margin in 2008:** 8.1 percent (15.7)

**Number of employees:** 125

**President:** Olle Eriksson

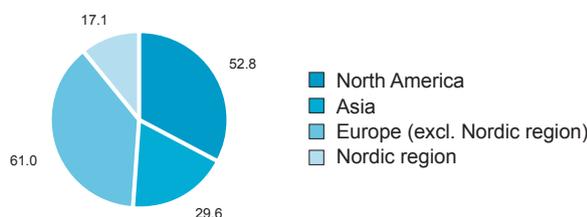
**Offices:** Headquarters in Uppsala. Sales offices in the USA, China, Japan, the UK, Germany and Brazil.

**Market:** Primarily the USA, Germany and Japan. The customer companies are found in a number of industries, including industrial automation, medical devices, automotive products and consumer electronics such as cell phones.

## KEY EVENTS OF 2008

In 2008 IAR Systems invested in its development resources, marketing and international sales organization. In April the company opened its third sales office in the USA, in Plano, Texas.

Net sales in 2008 by geographical area (SEK M)



**NORTHERN**

**Northern** offers proprietary software solutions for storage resource management. Its international flagship product Northern Storage Suite is the leader in its area and enables flexible, effective and automated storage of electronic information.

## Northern Parklife AB

Founded in 1995, part of Intoi since April 2006.

**Offering:** Proprietary software for Storage Resource Management.

**Business mission:** Northern helps its customers to save time and money in their store resource management through innovative and effective management of enterprise storage resources.

**Net sales in 2008:** SEK 33.1m (20.9)

**Operating profit in 2008:** SEK 6.8m (0.6)

**Operating margin in 2008:** 20.5 percent (2.9)

**Number of employees:** 34

**President:** Thomas Vernersson

**Offices:** Headquarters in Stockholm, subsidiaries in the USA and France. Sales offices in the UK, Germany, BeNeLux and Italy.

**Market:** Primarily the USA, Germany, the UK and France. Strong in banking and finance, the manufacturing industry and the public sector.

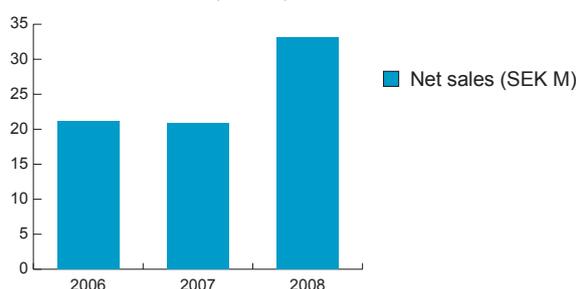
## KEY EVENTS OF 2008

Powerful sales growth and ongoing expansion in Europe, with the opening of an office in the BeNeLux region.

Northern was selected as one of nine companies worldwide to be included in the world-leading storage hardware supplier EMC's partner program EMC Select.

In the third quarter of 2008, the company signed its largest contract of all time.

Net sales, 2006–2008 (SEK M)





Deltaco is the Nordic region's leading supplier and distributor of computer accessories. Since the start 18 years ago, the company has shown an unbroken record of growth and rising profitability.

**SweDeltaco AB**

Founded in 1991, part of Intoi since 2005.

**Offering:** Supplier and distributor of computer accessories such as cables, network products and multimedia products, both under its own brand name and well known international brands like D-Link, Sennheiser, Logitech, Maxell, Terratec and Verbatim.

**Business mission:** To offer a wide and attractive range of computer-related products to the Nordic IT market, with short delivery times and competitive prices.

**Net sales in 2008:** SEK 335.0m (301.0)

**Operating profit in 2008:** SEK 26.3m (29.6)

**Operating margin in 2008:** 7.9 percent (9.8)

**Number of employees:** 72

**President:** Siamak Alian

**Offices:** Headquarters in Stockholm, subsidiaries in Finland and Denmark.

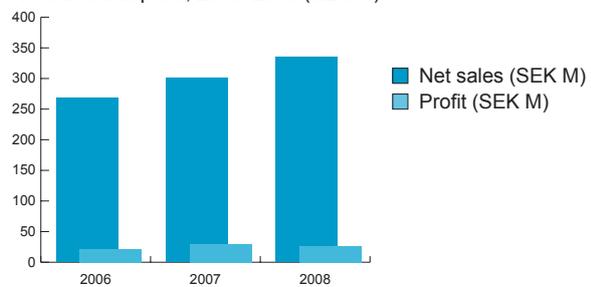
**Market:** Sweden, Finland and Denmark. The customers consist mainly of traditional resellers, independent computer retailers, industrial customers and PC builders, as well as the grocery retail trade, the home electronics industry and mail order companies.

**KEY EVENTS OF 2008**

In 2008 Deltaco continued its efforts to boost sales of own-branded products, a total of around 1,500 articles. Marketing was carried out among other things through TV commercials, and some 3.8 million Deltaco products were sold during the year. The offering was also expanded with new products from leading vendors like Verbatim and Deltaco increased its focus on the server and storage market.

In June the company moved into new, larger and more suitable facilities in Huddinge that provide scope for increased volumes and more cost-effective logistics.

Net sales and profit, 2006–2008 (SEK M)



Nocom Software is a leading Nordic supplier of software for systems integration and development. Nocom Software conducts the activities that were Nocom's core business at the start in 1985, with a sustained strong market position and healthy profitability.

**Nocom Software AB**

Founded in 1985.

**Offering:** IT distributor in integration, development tools, databases and systems management. The company's suppliers include AttachmateWRQ, Hummingbird, Unify/GUPTA, RealNetworks and Netop. The offering also includes peripheral services in support, maintenance and training.

**Business mission:** Through good customer relations and in-depth product expertise, Nocom Software helps its customers to gain control over their IT infrastructure.

**Net sales in 2008:** SEK 41.9m (50.0)

**Operating profit in 2008:** SEK 9.2m (11.6)

**Operating margin in 2008:** 22.0 percent (23.2)

**Number of employees:** 8

**President:** Martin Forslund

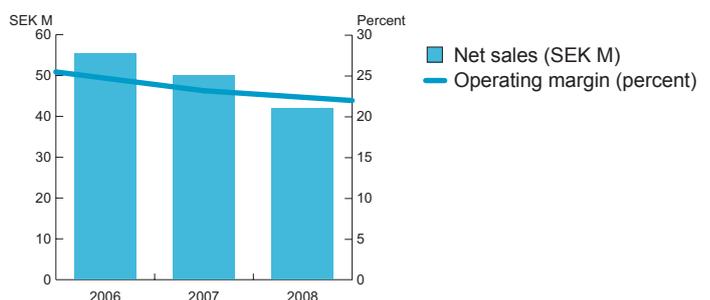
**Offices:** Headquarters in Uppsala, subsidiaries in Norway and, as of 2009, in Finland.

**Market:** Nordic region

**KEY EVENTS OF 2008**

In 2008 the company widened its offering with products from one Swedish and one American software vendor. Swedish Edde-2 delivers software for Instant Recovery, rapid recovery from system damage following computer crashes and software errors. US-based HitSoftware is a software provider of secure middleware data access and data replication products.

Net sales and operating margin, 2006–2008 (percent)



# The Intoi share and ownership structure

Intoi's class B share is quoted on the Small Cap list of the NASDAQ OMX Nordic Exchange Stockholm. The share price at December 31, 2008, was SEK 13.35 (38.20) and Intoi's market capitalization was SEK 148m (428).

## SHARE DATA

Intoi's class B share (INTO B) is traded on the Small Cap list of the NASDAQ OMX Nordic Exchange. A round lot consists of 1 (one) share. In 2008 the share price (last price paid) varied from a low of SEK 12.95 (38.20) to a high of SEK 41.70 (85.00). The share price at December 31, 2008, was SEK 13.35 (38.20) and Intoi's market capitalization on the same date was SEK 148m (428). In calculation of market capitalization and other share data, Intoi's holdings of treasury shares have not been included.

The number of stockholders in Intoi at December 31, 2008, was 12,151 (13,706), of whom 697 (750) held more than 1,000 shares each. Foreign stockholders held around 24 percent (20) of the share capital and 30 percent (24) of the votes.

Intoi's share capital at December 31, 2008, amounted to SEK 11,688,561, divided between 11,688,561 shares of which 100,000 are of class A and 11,588,561 are of class B. All shares have a quota value of SEK 10 and grant equal rights to the company's assets and profits. Of the above-mentioned shares, a total of 634,600 class B shares are held in treasury by Intoi following buybacks in 2007 and 2008. This means that the number of class B shares on the market at December 31, 2008, was 10,953,961.

## SHARE BUYBACKS

During the year, Intoi repurchased a total of 155,100 class B shares for a combined value of SEK 6.3m. A total of 634,600 shares, for a combined value of SEK 30.1m, have thus been repurchased since 2007. These shares, which are now held in treasury by Intoi, are not included in the share data at December 31, 2008.

## DIVIDEND

For the 2008 fiscal year, the Board proposes a dividend of SEK 0.60 per share (2.00). The record date for dividends is May 8, 2009.

## DIVIDEND POLICY

The Board of Directors intends to propose an annual dividend, or other similar transfer of value, corresponding to 30–50 percent of profit after tax. In addition, the Board may recommend a further transfer of capital to the stockholders, provided that the Board considers this action to be justified in view of the anticipated future cash flow and the company's investment plans.

## REVERSE SPLIT

In accordance with the Board's proposal, the AGM resolved in favor of a 1-for-10 reverse share split (consolidation of shares), in which each 10 shares of the same class will be consolidated into a single share of the same class. The record date for the consolidation with Euroclear AB (formerly VPC) was Friday, May 16, 2008.

## AUTHORIZATIONS

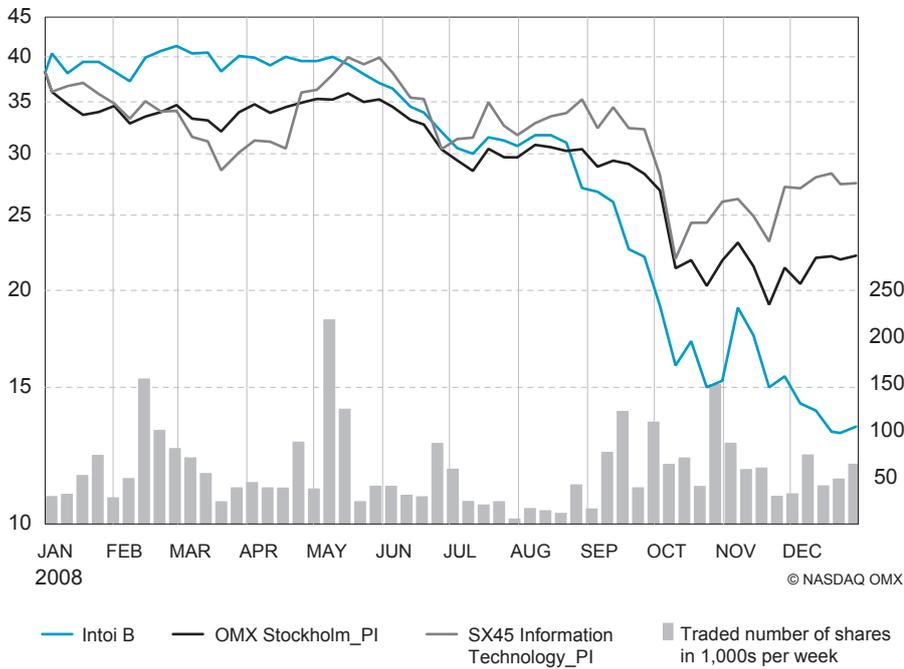
The 2008 AGM authorized the Board, on one or several occasions during the period until the 2009 AGM, to repurchase a maximum number of class B shares whereby the holding of treasury shares at no time exceeds 10 percent of all registered shares in the company. The shares shall be repurchased on the NASDAQ OMX Nordic Exchange Stockholm. The motive for the authorization is to give the Board greater freedom of action in optimizing the company's capital structure.

The AGM also authorized the Board to decide on the issue of not more than 9 class B shares, which was necessary in order for the number of shares in the Company to become evenly divisible by 10 for implementation of the reverse share split. However, no new share issue according to this authorization was carried out.

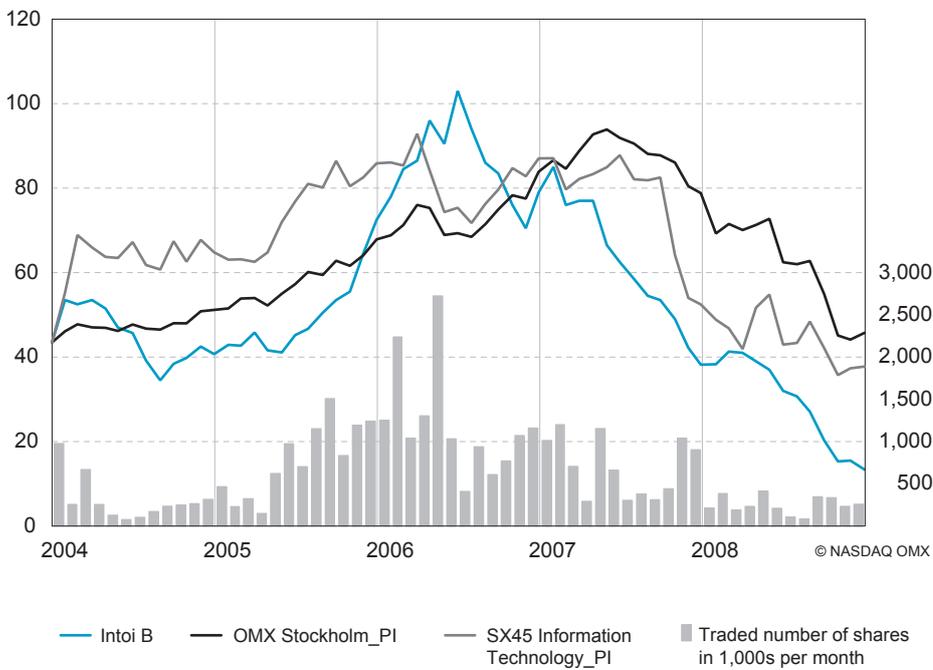
## WARRANT SERIES TO3B

The 2006 Annual General Meeting authorized the implementation of a share-based incentive scheme directed to all employees in Intoi (at that time the Nocom Group). A total of 1,750,000 warrants were subscribed for. Each warrant of series TO3B granted the right to subscribe for one new class B share in Intoi for a price of SEK 116.60 during May 2008. The incentive scheme expired without any exercise of warrants.

## Intoi's share price development January 1 – December 31, 2008



## Intoi's share price development 2004–2008



## Largest stockholders at December 31, 2008<sup>1)</sup>

	No. of class A shares	No. of class B shares	Total no. of shares	% of capital	% of votes
Pictet & Cie	0	1,150,525	1,150,525	10.4	9.6
Catella Case	0	918,164	918,164	8.3	7.7
Lannebo Micro Cap	0	757,150	757,150	6.8	6.3
Länsförsäkringar Småbolagsfond	0	501,140	501,140	4.5	4.2
Bliwa Livförsäkring	0	388,358	388,358	3.5	3.2
Boda Invest AS (Stefan Skarin)	100,000	250,000	350,000	3.2	10.5
Tedde Jeansson Sr	0	343,947	343,947	3.1	2.9
Purpose AB	0	280,191	280,191	2.5	2.3
Avanza Pension försäkringsaktiebolag	0	240,339	240,339	2.2	2.0
Ribbskottet AB	0	215,000	215,000	1.9	1.8
Marianne Rapp	0	152,000	152,000	1.4	1.3
Handelsbankens Småbolagsfond	0	146,800	146,800	1.3	1.2
Manticore	0	137,500	137,500	1.2	1.2
Kaupthing Time	0	126,400	126,400	1.1	1.1
Barclays Cap Sec Cayman Client	0	117,922	117,922	1.1	1.0
<b>Total 15 largest stockholders</b>	<b>100,000</b>	<b>5,725,436</b>	<b>5,825,436</b>	<b>52.7</b>	<b>56.3</b>
Others	0	5,228,525	5,228,525	47.3	43.7
<b>Total</b>	<b>100,000</b>	<b>10,953,961</b>	<b>11,053,961</b>	<b>100.0</b>	<b>100.0</b>

1) Shares held directly and through trustees. Added to this are 634,600 class B shares held in treasury by Intoi following buybacks.

## Distribution of stockholdings at December 31, 2008<sup>1)</sup>

Holdings	Stockholders	No. of class A shares	No. of class B shares	% of capital	% of votes
1–100	8,280	0	248,807	2.3	2.1
101–1,000	3,174	0	1,141,541	10.3	9.5
1,001–5,000	528	0	1,226,502	11.1	10.3
5,001–10,000	86	0	649,647	5.9	5.4
10,001–	83	100,000	7,687,464	70.4	72.7
	<b>12,151</b>	<b>100,000</b>	<b>10,953,961</b>	<b>100.0</b>	<b>100.0</b>

1) Excluding the 634,600 class B shares held in treasury by Intoi following buybacks.

## Changes in the share capital<sup>1)</sup>

Year	Transaction	Quota value	Increase in no. of shares	Total no. of shares	Change in share capital	Total share capital
1990	Company formed	100	500	500	50,000	50,000
1993	100-for-1 split	1	49,500	50,000	–	50,000
1994	Stock dividend, 9-for-1	1	450,000	500,000	450,000	500,000
1996	Stock dividend, 5-for-1	1	2,500,000	3,000,000	2,500,000	3,000,000
	New stock issue	1	129,600	3,129,600	129,600	3,129,600
1997	New stock issue	1	220,920	3,350,520	220,920	3,350,520
1998	New stock issue	1	940,000	4,290,520	940,000	4,290,520
1999	New stock issue/conversion	1	31,200	4,321,720	31,200	4,321,720
	New stock issue	1	271,456	4,593,176	271,456	4,593,176
2000	New stock issue	1	540,000	5,133,176	540,000	5,133,176
	New stock issue	1	300	5,133,476	300	5,133,476
	New stock issue	1	195,700	5,329,176	195,700	5,329,176
	Stock dividend, 4-for-1	1	21,316,704	26,645,880	21,316,704	26,645,880
	New stock issue	1	5,500	26,651,380	5,500	26,651,380
2001	New stock issue	1	27,500	26,678,880	27,500	26,678,880
	New stock issue	1	609,624	27,288,504	609,624	27,288,504
	New stock issue	1	1,000,000	28,288,504	1,000,000	28,288,504
2004	New stock issue	1	3,757,000	32,045,504	3,757,000	32,045,504
2005	New stock issue	1	53,702,961	85,748,465	53,702,961	85,748,465
	New stock issue	1	941,182	86,689,647	941,182	86,689,647
	New stock issue	1	12,404,214	99,093,861	12,404,214	99,093,861
	New stock issue	1	5,998	99,099,859	5,998	99,099,859
	New stock issue	1	211,070	99,310,929	211,070	99,310,929
	New stock issue	1	468,744	99,779,673	468,744	99,779,673
2006	New stock issue	1	54,154	99,833,827	54,154	99,833,827
	New stock issue	1	546,125	100,379,952	546,125	100,379,952
	New stock issue	1	31,086	100,411,038	31,086	100,411,038
	New stock issue	1	5,835,172	106,246,210	5,835,172	106,246,210
	New stock issue	1	259,874	106,506,084	259,874	106,506,084
	New stock issue	1	6,566	106,512,650	6,566	106,512,650
	New stock issue	1	442,477	106,955,127	442,477	106,955,127
2007	New stock issue	1	9,930,487	116,885,614	9,930,487	116,885,614
2008	1-for-10 reverse split	10	–105,197,053	11,688,561	–	116,885,614

1) Operations started in 1985 and were organized within Nocom Nordic Communication AB until February 1998. The current operating company was established in 1990. In May 2008 the company changed name to Intoi AB (publ).

# Business risks

Changes in the IT industry are often rapid, and future development forecasts are therefore associated with a higher degree of uncertainty for a corporate group like Intoi. The risks Intoi is exposed to are mainly dependent on the Group's composition of holdings. Intoi strives for a good spread of risk in its portfolio, which is clearly reflected in the Group's work with acquisitions and divestitures. Risks in the Group also differ with respect to the activities of the respective subsidiaries, and are dependent on companies, industries and countries to varying degrees.

## OPERATING RISKS

### Customers

The subsidiaries strive to build long-term relationships with their customers. In general, there is a relatively good spread across customer categories in terms both of industrial sectors and markets, which reduces risk to a certain degree. Despite this spread over customer categories, the loss of one or more major customers may have a negative impact on the operations and results of individual subsidiaries.

### Employees

The employees' longstanding experience of the products and good customer relationships are also valuable competitive advantages. Employee expertise is continuously maintained and nurtured through training and knowledge-sharing. At present, employee turnover is low.

### Technology

For any IT business, it is vital to be able to offer products and services in the latest technologies as well as knowledge and experience of established products. Subsidiaries with proprietary software are technologically advanced. In the computer accessories market, much of the product range consists of basic products with a considerably longer technological and commercial life. However, it cannot be ruled out that individual subsidiaries may be negatively affected by future technology shifts.

### Competitors

Intoi's subsidiaries compete with companies in several different sub-segments of the IT industry. The competitors include major international and domestic companies.

### Business cycle

The business cycle and related customer IT investments are difficult to predict and have a considerable impact on the Group's sales and earnings. Recent years' divestitures of unprofitable operations and the diversification between products, markets and industrial sectors represented by the remaining holdings have reduced the Group's sensitivity to the business cycle. The management closely monitors the potential effects on the Group's subsidiaries arising from trends in the business cycle.

## FINANCIAL RISKS

Through its operations, the Group is exposed to various types of financial risk. These financial risks arise from fluctuations in the company's earnings and cash flow due to movements in exchange and interest rates, as well as refinancing and credit risks.

### Currency risk

Currency risk consists of the risk for variations in the value of financial instruments due to exchange rate fluctuations. The Group's procedures for management of transaction-related currency risk are established in the Group's finance policy. The objective is to minimize the short-term earnings impact of an exchange rate movement while at the same time creating long-term freedom of action.

Currency risk arises in the translation of trade receivables and payables in foreign currency, predominantly USD and EUR. The Group's sales in foreign currency, mainly USD and EUR, make up around 37 percent of total sales. Of the cost of goods sold in the Group, approximately 70 percent of purchases are denominated

in foreign currencies, also primarily USD and EUR. The Group's translation exposure, consisting of the risk for changes in the Group's value of net assets of foreign subsidiaries due to exchange rate fluctuations, is limited and no measures are currently taken to hedge translation exposure in foreign currencies.

#### **Financing and liquidity risk**

The Group's financial position is strong. In 2008 the stockholders received dividends of SEK 22.1m (35.1) and shares were repurchased in an amount of SEK 6.3m (23.8). The equity/assets ratio decreased somewhat and amounted to 79 percent (83) at year-end 2008.

Cash and cash equivalents at December 31, 2008, amounted to SEK 32.3m (39.2) and unutilized bank overdraft facilities totaled SEK 35.9m (34.8). Interest-bearing liabilities on the same date

amounted to SEK 70.7m (18.8), where the increase is mainly attributable to financing of operating properties.

#### **Credit risk**

The Group's credit risk is mainly associated with the solvency of its customers. Intoi carries out routine credit assessment of customers according to established procedures. A few of the subsidiaries use credit insurance to minimize credit risk. Credit risk has been historically low.

#### **Interest rate risk**

Interest rate risk consists of the risk for variations in the value of financial instruments due to movements in market interest rates. The Group's loans carry variable interest rates. At present, Intoi has no investments in equity instruments.

## Additional information

#### **ORGANIZATION**

Intoi has a flat organization with few employees in the Parent Company. Business is conducted in subsidiaries operating under their own business concepts and brands. Each subsidiary reports directly to the Executive Management and has a strong management that controls and develops its organization.

The operations of the Parent Company consist of group management, financial management and PR/IR functions. The Parent Company supports the Group's subsidiaries with expertise in strategic analysis, marketing, sales, leadership, accounting, finance and corporate acquisitions.

#### **SOCIAL ACCOUNTABILITY**

Intoi's policy for social accountability is to conduct business in accordance with the applicable laws and regulations. Integrity, sincerity, frankness and honesty are of the utmost importance in all business and community relations. The Group expects all of its employees to be honest in their dealings with customers, suppliers and competitors and to perform their duties in a manner that safeguards the company's good name and reputation.

Intoi encourages its subsidiaries to analyze their operations from a social accountability perspective and to create guidelines for the company to conduct itself in a responsible and ethically sound manner. In order to do this, the subsidiaries must obtain information about, and comply with, the relevant laws, regulations and international conventions.

In addition, the Parent Company strives to continuously reduce the subsidiaries' environmental impact and improve their actions in the social area and with regard to human rights. The Group also encourages all suppliers to work with similar goals for social accountability.

#### **EMPLOYEES**

Intoi's competitiveness depends on the ability of the subsidiaries to recruit, retain, and develop qualified staff. The success of the Group's companies is determined by how well they develop their leadership resources and inspire the commitment of their personnel. The diverse types of business conducted by the different subsidiaries require different corporate cultures to deliver success. All corporate cultures are characterized by openness, social accountability and professionalism.

The Group strives for a personnel policy and a work environment that inspire the employees to develop in their professional roles.

The required experience, training, and type of expertise differ from one subsidiary to another. As a result, every subsidiary is individually responsible for its own personnel policy. A high level of technical expertise and long industry experience are typical qualities among Intoi's personnel. However, educational levels vary among the subsidiaries. In particular, the subsidiaries that develop software have a high proportion of employees with advanced academic degrees. In the companies that are suppliers and distributors, long industry and sales experience, as well as broadly based technological expertise, are important qualities.

In Intoi as a whole, more than 70 percent of the employees have a higher post-secondary education and 27 percent have a secondary education. The average age of the Group's employees is 39 years. Like many other companies in the IT sector, the Group has an uneven gender balance, with 24 percent women and 76 percent men at the end of 2008.

In 2008 the number of employees rose by just under 10 percent, from 219 to 242 in continuing operations. The increase is partly due to recruitment of sales and marketing staff in IAR Systems and Northern and partly to recruitment of warehouse staff in Deltaco, which previously relied partly on contract personnel. The average number of employees was 233 (211). In addition, at the beginning of the year there were 8 employees in Nocom Drift, which was sold during 2008.

## INVESTMENTS AND FINANCING

Net expenditure on property, plant and equipment for the year reached SEK 53.7m (4.4). The equity/assets ratio has decreased somewhat and amounted to 79 percent (83) at year-end 2008.

Pledged assets increased by SEK 58.4m during the year and amounted to SEK 121.3m (62.9) at December 31, 2008. No changes in reported contingent liabilities took place.

## CASH FLOW, CASH AND CASH EQUIVALENTS

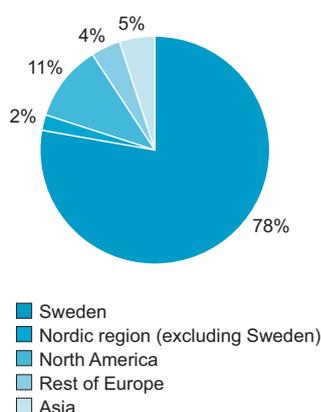
At December 31, 2008, Intoi had net cash of SEK -38.4m (17.4) in addition to the holding of 634,600 treasury shares.

The year's cash flow from operating activities was SEK 22.5m (17.2).

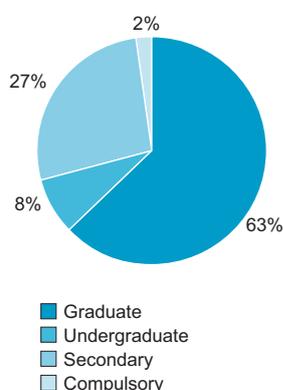
Cash flow from investing activities for the year amounted to SEK -52.9m (-28.4). In 2008 Deltaco invested SEK 45.5m in a new operating property.

The year's cash flow from financing activities in continuing operations was SEK 23.5m (-57.7). Intoi paid a stockholder dividend of SEK 2.00 per share (3.00), for a total of SEK 22.1m (35.1). During the year Intoi acquired a total of 155,100 treasury shares at an average price of SEK 40.62 each. Cash flow was positively affected by new net borrowings of SEK 51.9m.

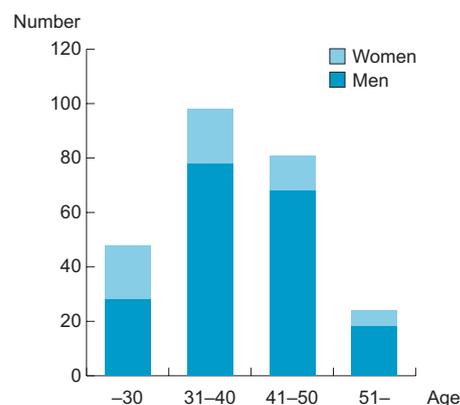
**Number of employees by geographical area**



**Educational level**



**Age and gender distribution**



Cash and cash equivalents at the end of the year totaled SEK 32.3m (39.2) and unutilized bank overdraft facilities amounted to SEK 35.9m (34.8). The Group's total available cash and cash equivalents thus amounted to SEK 68.2m (74.0).

#### **GOODWILL**

The value of goodwill is attributable to profitability in the acquired operations. These acquisitions include TurnIT and IAR Systems in 2005, Northern in 2006 and Copernet in 2007. The purchase price allocations (PPA) are based on estimates and assumptions made on the respective acquisition dates.

Goodwill at December 31, 2008, amounted to SEK 304.5m (313.7).

#### **DEFERRED TAX ASSET**

The deferred tax asset attributable to loss carryforwards is recognized only to the extent that it is probable that these loss carryforwards can be offset against future taxable profits. At December 31, 2008, the Group had cumulative loss carryforwards of approximately SEK 408m. In the balance sheet, the current estimated value of these losses is reported at SEK 87.2m (88.6). This item consists mainly of the assessed value of capitalized loss carryforwards.

#### **DIVIDEND POLICY**

The Board of Directors intends to propose an annual dividend, or other similar transfer of value, corresponding to 30–50 percent of profit after tax. In addition, the Board may recommend a further transfer of capital refund the stockholders, provided that the Board considers this action to be justified in view of the anticipated future cash flow and the Company's investment plans.

The Board proposes a dividend of SEK 0.60 per share (2.00). In 2008 the company paid a dividend of SEK 2.00 per share. The year's proposed dividend corresponds to 22 percent of profit after tax.

#### **GUIDELINES FOR REMUNERATION AND OTHER TERMS EMPLOYMENT OF SENIOR EXECUTIVES**

The Board of Directors proposes to the 2009 AGM that the guidelines for remuneration to senior executives that were adopted by the 2008 AGM 2008 continue to apply.

The 2008 AGM approved the Board's proposed guidelines for remuneration to the company's senior executives according to the following. The Board's proposal corresponds to the previ-

ously applied guidelines for remuneration to the company's senior executives in all essential respects. The principles apply to employment contracts entered into after the decision of the AGM and in cases where changes are made in existing terms of employment after this date. Senior executives refer to the Chief Executive Office and the Chief Operating Officer. In these guidelines, the Board has also chosen to include the presidents of the four subsidiaries. The Board of Directors has appointed a remuneration committee for preparation of matters related to remuneration and other terms of employment for the Executive Management.

No changes are proposed for 2009.

#### **Motive**

Intoi strives for a rewards system for the Chief Executive Officer, senior executives and other employees that is market-based and competitive. Remuneration to the Executive Management shall consist of fixed salary, variable salary, a long-term incentive scheme, pension and other customary benefits.

#### **Fixed salary**

Fixed salary shall be market-based and individually differentiated on the basis of the individual's role, performance, results and responsibilities. As a rule, fixed salary is adjusted once a year. That portion salary consisting of health and fitness, company and lunch benefits, etc., is assigned a value in SEK and comprises part of fixed salary.

No changes are proposed for 2009.

#### **Variable salary**

Variable salary shall be proportionate to the responsibilities and powers of the individual in question. Variable salary is based on the attainment of predetermined performance targets in the areas of profit, sales and soft individual goals. The amount of variable salary is based on the number of established targets that are met by the individual and on actual outcomes in relation to these targets. The maximum amount of variable salary may not exceed 50 percent of fixed salary for the Chief Executive Officer and Chief Operating Officer, and 30 percent of fixed salary for the subsidiary presidents. The Board Chairman receives no variable salary. In addition, the Board shall have be authorized to award variable salary on a discretionary basis to senior executives or subsidiary presidents in excess of that described above when deemed appropriate. Such remuneration may not exceed 50 percent of fixed salary.

No changes are proposed for 2009.

### Warrant program

In June 2006 Intoi implemented a share-based incentive scheme directed to the Group's employees in order to promote a long-term interest in the company. The incentive scheme consisted of subscription warrants that were acquired by senior executives and other employees on market-based terms. This incentive scheme expired in May 2008, and at the end of the year there was no incentive scheme in progress.

On a yearly basis, the Board of Directors shall evaluate whether additional long-term share-based or share price-based incentive schemes should be proposed to the Annual General Meeting. The Board proposed no such scheme in connection with the 2008 AGM and does not intend to propose and any such scheme ahead of the 2009 AGM.

### Pension

The Chief Executive Officer and Chief Operating Officer are covered by a pension plan corresponding to the cost of the ITP plan, but with a retirement age of 60 years that makes the premium higher than that for a retirement age of 65 years. Other employees are covered by a pension plan corresponding to the cost of the ITP plan.

No changes are proposed for 2009.

### Other terms of employment

Employment contracts can be terminated with a notice period of between three and six months. Monthly salary is payable throughout the entire notice period. If employment is terminated by the company, the Chief Executive Officer and Chief Operating Officer are entitled to a 12-month notice period and termination benefits corresponding to a maximum of six monthly salaries. If employment is terminated by the Chief Executive Officer or Chief Operating Officer, the notice period is six months.

Aside from the above, there are no agreements for additional termination benefits for senior executives.

No changes are proposed for 2009.

### Consulting fees for members of the Board

In cases where Board members perform services in addition to customary Board duties, the Board of Directors can in special circumstances decide on additional remuneration in the form of consulting fees.

No such remuneration was paid in 2008.

### Deviations from the guidelines

The Board of Directors shall have the right to deviate from the above guidelines in individual cases where the Board finds special reason to do so. In 2008 there were no deviations from the guidelines approved by the Annual General Meeting.

### PROPOSED APPROPRIATION OF PROFITS

The funds at the disposal of the Annual General Meeting are as follows

Retained profit	SEK 113,826,410
Loss for the year	SEK -863,695
<b>Total</b>	<b>SEK 112,962,715</b>

The Board of Directors and the Chief Executive Officer propose that these profits be allocated as follows:

A stockholder dividend of SEK 0.60 per share	SEK 7,013,137
Carried forward to new account	SEK 105,949,578
<b>Total</b>	<b>SEK 112,962,715</b>

The proposed dividend to the stockholders will reduce the equity/assets ratio to 94 percent in the Parent Company and 78 percent in the Group. The equity/assets ratio is deemed adequate and is expected to be maintained at a high level.

The Board of Directors' assessment is that the proposed dividend will not hinder the company, or other companies in the Group, from fulfilling their short- or long-term obligations or from making the requisite investments. The proposed dividend can therefore be justified with respect to the provisions in the Swedish Companies Act, Chapter 17, Section 3, Paragraphs 2-3 (the cautionary rule).

The proposed record date for payment of dividends is Friday, May 8, 2009.

### SUBSEQUENT EVENTS

Northern has signed a contract for increased uptake of its flagship product from a customer in the USA. Revenue from the final implementation will be recognized in the first half of 2009, while support and development revenue is recognized continuously.

In March 2009 Northern signed its largest contract ever in Europe. In cooperation with IBM, an agreement was signed with the largest engineering consultancy in the United Kingdom.

In March 2009 Nocom Software signed a contract with one of its key Swedish customers covering products and services for host computer access. The contract, which runs for three years, includes support and maintenance and is an extension of a long-standing cooperation between the companies. The contract is worth SEK 8m.

# Consolidated income statement

SEK M	Note	2008	2007
<b>Continuing operations</b>			
Net sales	1, 2, 3, 4 5	570.5	518.9
<b>Total operating income from continuing operations</b>		<b>570.5</b>	<b>518.9</b>
Goods for resale	6	-283.5	-256.8
Other external expenses	7, 8, 9	-77.0	-59.2
Personnel costs	10, 11	-168.4	-144.9
Depreciation of tangible assets	20, 21, 22	-4.2	-3.9
Amortization of intangible assets	16, 17, 18, 19	-5.1	-4.4
<b>Operating profit from continuing operations</b>		<b>32.3</b>	<b>49.7</b>
<b>Financial investments in continuing operations</b>			
Financial income	12	1.4	1.9
Financial expenses	12	-3.6	-1.0
<b>Result from financial investments in continuing operations</b>		<b>-2.2</b>	<b>0.9</b>
<b>Profit after financial items from continuing operations</b>		<b>30.1</b>	<b>50.6</b>
<b>Discontinued operations</b>			
Net sales	1, 2, 3, 4	8.8	174.9
<b>Total operating income from discontinued operations</b>		<b>8.8</b>	<b>174.9</b>
Goods for resale		-2.9	-138.7
Other external expenses		-1.7	-11.8
Personnel costs		-3.9	-31.6
Depreciation of tangible assets	21	-0.9	-2.0
<b>Operating profit from discontinued operations</b>		<b>-0.6</b>	<b>-9.2</b>
<b>Financial investments in discontinued operations</b>			
Financial income		0.0	0.0
Financial expenses		0.0	0.0
<b>Result from financial investments in discontinued operations</b>		<b>0.0</b>	<b>0.0</b>
<b>Profit after financial items from discontinued operations</b>	13	<b>-0.6</b>	<b>-9.2</b>
<b>Total profit after financial items</b>		<b>29.5</b>	<b>41.4</b>
Income tax expense (continuing operations)	14, 24	2.1	17.9
<b>Profit for the year</b>		<b>31.6</b>	<b>59.3</b>
<i>Profit for the year attributable to:</i>			
Equity holders in the Parent Company		31.6	59.3
<i>Earnings per share based on profit in continuing operations attributable to equity holders in the Parent Company during the period, (basic and diluted), SEK</i>	15	2.90	5.89
<i>Earnings per share based on profit in discontinued operations attributable to equity holders in the Parent Company during the period, (basic and diluted), SEK</i>	15	-0.05	-0.79
<i>Earnings per share based on total profit attributable to equity holders in the Parent Company during the period, (basic and diluted), SEK</i>	15	2.85	5.10

# Consolidated balance sheet

SEK M	Note	Dec. 31, 2008	Dec. 31, 2007
	1, 2, 3, 4		
<b>ASSETS</b>			
<b>Non-current assets</b>			
<i>Intangible assets</i>			
Goodwill	16	304.5	313.7
Brands	17	24.4	26.7
Software	18	6.2	5.8
Customer contracts	19	2.3	3.7
<b>Total intangible assets</b>		<b>337.4</b>	<b>349.9</b>
<i>Tangible assets</i>			
Leasehold improvements	20	0.2	1.4
Equipment	21	12.5	10.0
Buildings	22	70.3	25.4
<b>Total tangible assets</b>		<b>83.0</b>	<b>36.8</b>
<i>Financial assets</i>			
Other non-current securities		0.1	0.1
Other non-current receivables	23, 30	27.8	22.9
Deferred tax asset	24	87.2	88.6
<b>Total financial assets</b>		<b>115.1</b>	<b>111.6</b>
<b>Total non-current assets</b>		<b>535.5</b>	<b>498.3</b>
<b>Current assets</b>			
Inventories	25	66.5	76.5
<i>Current receivables</i>			
Trade receivables	26	83.4	76.1
Tax assets	26, 30	0.7	1.1
Other current receivables	27	10.5	15.8
Prepaid expenses and accrued income	28	28.6	9.8
<b>Total current receivables</b>		<b>189.7</b>	<b>179.3</b>
Cash and cash equivalents	29	32.3	39.2
<b>Total current assets</b>		<b>222.0</b>	<b>218.5</b>
<b>TOTAL ASSETS</b>		<b>757.5</b>	<b>716.8</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	31	116.9	116.9
Other contributed capital		289.2	289.2
Translation gains/losses		0.2	-0.6
Retained profit including profit for the year		190.4	187.2
<b>Total equity</b>		<b>596.7</b>	<b>592.7</b>
<b>Non-current liabilities</b>			
Interest-bearing liabilities	32	41.2	12.5
Provisions	33	-	1.0
Deferred tax liabilities	24	8.6	9.5
<b>Total non-current liabilities</b>		<b>49.8</b>	<b>23.0</b>
<b>Current liabilities</b>			
Trade payables		17.0	36.8
Interest-bearing liabilities	32	29.5	6.3
Provisions	33	1.0	3.8
Other liabilities	34	16.4	14.7
Accrued expenses and deferred income	35	47.1	39.5
<b>Total current liabilities</b>		<b>111.0</b>	<b>101.1</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>757.5</b>	<b>716.8</b>

# Consolidated statement of changes in equity

SEK M	Note	Share capital	Non-registered share capital	Other contributed capital	Translation gains/losses	Retained profit	Total attributable to equity holders in the Parent Company	Minority interests	Total equity
	31								
Equity, January 1, 2007		107.0	9.9	289.2	-0.6	186.7	592.2	0.1	592.3
Profit for the year						59.3	59.3		59.3
<b>Total recognized income and expense</b>						<b>59.3</b>	<b>59.3</b>	<b>0.0</b>	<b>59.3</b>
New stock issues		9.9	-9.9			0.1	0.1	-0.1	0.0
Share buybacks						-23.8	-23.8		-23.8
Dividends						-35.1	-35.1		-35.1
<b>Closing balance, December 31, 2007</b>		<b>116.9</b>	<b>0.0</b>	<b>289.2</b>	<b>-0.6</b>	<b>187.2</b>	<b>592.7</b>	<b>0.0</b>	<b>592.7</b>
Profit for the year						31.6	31.6		31.6
<b>Total recognized income and expense</b>						<b>31.6</b>	<b>31.6</b>	<b>0.0</b>	<b>31.6</b>
Translation gains/losses					0.8		0.8		0.8
Share buybacks						-6.3	-6.3		-6.3
Dividends						-22.1	-22.1		-22.1
<b>Closing balance, December 31, 2008</b>		<b>116.9</b>	<b>0.0</b>	<b>289.2</b>	<b>0.2</b>	<b>190.4</b>	<b>596.7</b>	<b>0.0</b>	<b>596.7</b>

# Consolidated cash flow statement

SEK M	Note	2008	2007
<b>Operating activities</b>			
Incoming payments from customers		576.0	754.8
Outgoing payments to suppliers and employees		-553.6	-731.6
<b>Cash flow from operating activities before interest and income taxes paid</b>		<b>22.4</b>	<b>23.2</b>
Interest received		1.2	1.8
Interest paid		-3.5	-0.5
Income tax paid		2.4	-7.3
<b>Cash flow from operating activities</b>		<b>22.5</b>	<b>17.2</b>
<b>Investing activities</b>			
Investments in tangible assets	20, 21	-54.8	-5.4
Investments in intangible assets	16, 17, 18, 19	-1.2	-2.2
Acquisition of subsidiaries	41	-	-2.0
Payment of additional purchase price		-1.5	-
Sales of subsidiaries		0.5	-
Sale of (+) other financial assets		4.1	-14.7
Investments in (-) other financial assets		-	-4.1
<b>Cash flow from investing activities</b>		<b>-52.9</b>	<b>-28.4</b>
<b>Financing activities</b>			
New stock issue		-	-
Share buybacks		-6.3	-23.8
Dividends paid		-22.1	-35.1
Amortization of financial liabilities		-7.1	-
Newly raised financial liabilities		59.0	1.2
<b>Cash flow from financing activities</b>		<b>23.5</b>	<b>-57.7</b>
<b>Cash flow for the year</b>		<b>-6.9</b>	<b>-68.9</b>
Cash and cash equivalents at beginning of year		39.2	108.1
<b>Cash and cash equivalents at end of year</b>	29	<b>32.3</b>	<b>39.2</b>

# Five-year overview

## INCOME STATEMENTS

SEK M	2008	2007	2006	2005	2004
Net sales, total	579.3	693.8	788.3	635.6	214.2
Operating expenses	-519.5	-630.4	-715.6	-587.3	-189.0
Depreciation of tangible assets	-5.1	-5.9	-7.5	-7.6	-4.2
<b>Profit from holdings</b>	<b>54.7</b>	<b>57.5</b>	<b>65.2</b>	<b>40.7</b>	<b>21.0</b>
Central costs, net	-17.9	-12.6	-12.7	-10.8	-6.9
Other revenue	-	-	3.0	8.4	-
Amortization of intangible assets	-5.1	-4.4	-4.4	-2.8	-0.2
<b>Operating profit, total</b>	<b>31.7</b>	<b>40.5</b>	<b>51.1</b>	<b>35.5</b>	<b>13.9</b>
Result from financial investments	-2.2	0.9	-1.1	-0.8	-0.4
<b>Profit before tax</b>	<b>29.5</b>	<b>41.4</b>	<b>50.0</b>	<b>34.7</b>	<b>13.5</b>
Income tax expense	2.1	17.9	3.4	22.3	12.4
<b>Profit for the year</b>	<b>31.6</b>	<b>59.3</b>	<b>53.4</b>	<b>57.0</b>	<b>25.9</b>

## BALANCE SHEETS

SEK M	2008	2007	2006	2005	2004
<b>ASSETS</b>					
<b>Non-current assets</b>					
Goodwill	304.5	313.7	302.8	227.6	22.6
Other intangible assets	32.9	36.2	37.9	38.3	2.8
Tangible assets	83.0	36.8	43.6	46.3	9.8
Financial assets	115.1	111.6	74.3	63.3	19.3
<b>Total non-current assets</b>	<b>535.5</b>	<b>498.3</b>	<b>458.6</b>	<b>375.5</b>	<b>54.5</b>
<b>Current assets</b>					
Inventories	66.5	76.5	72.2	66.7	4.8
Other current assets	39.8	26.7	31.7	27.3	6.1
Trade receivables	83.4	76.1	137.1	150.4	57.2
Cash and cash equivalents	32.3	39.2	108.1	89.5	13.7
<b>Total current assets</b>	<b>222.0</b>	<b>218.5</b>	<b>349.1</b>	<b>333.9</b>	<b>81.8</b>
<b>TOTAL ASSETS</b>	<b>757.5</b>	<b>716.8</b>	<b>807.7</b>	<b>709.4</b>	<b>136.3</b>
<b>EQUITY, PROVISIONS AND LIABILITIES</b>					
<b>TOTAL EQUITY</b>	<b>596.7</b>	<b>592.7</b>	<b>592.3</b>	<b>448.9</b>	<b>65.7</b>
Non-current liabilities					
Interest-bearing liabilities	41.2	12.5	16.8	32.2	2.8
Provisions	8.6	10.5	12.6	16.6	-
<b>Total non-current liabilities</b>	<b>49.8</b>	<b>23.0</b>	<b>29.4</b>	<b>48.8</b>	<b>2.8</b>
<b>Current liabilities</b>					
Trade payables	17.0	36.8	84.9	81.1	27.6
Interest-bearing liabilities	29.5	6.3	2.1	17.4	0.8
Provisions	1.0	3.8	5.4	2.4	-
Other current liabilities	63.5	54.2	93.6	110.8	39.4
<b>Total current liabilities</b>	<b>111.0</b>	<b>101.1</b>	<b>186.0</b>	<b>211.7</b>	<b>67.8</b>
<b>TOTAL EQUITY, PROVISIONS AND LIABILITIES</b>	<b>757.5</b>	<b>716.8</b>	<b>807.7</b>	<b>709.4</b>	<b>136.3</b>

## CASH FLOWS

SEK M	2008	2007	2006	2005	2004
Incoming payments from customers	576.0	754.8	808.5	639.2	198.5
Outgoing payments to suppliers and employees	-553.6	-731.6	-767.4	-631.0	-205.4
Interest received	1.2	1.8	1.8	0.9	0.5
Interest paid	-3.5	-0.5	-2.5	-1.8	-0.8
Income tax paid	2.4	-7.3	4.0	0.1	-0.3
<b>Cash flow from operating activities</b>	<b>22.5</b>	<b>17.2</b>	<b>44.4</b>	<b>7.4</b>	<b>-7.5</b>
<b>Cash flow from investing activities</b>	<b>-52.9</b>	<b>-28.4</b>	<b>-26.9</b>	<b>32.9</b>	<b>-13.5</b>
<b>Cash flow from financing activities</b>	<b>23.5</b>	<b>-57.7</b>	<b>1.1</b>	<b>35.5</b>	<b>16.8</b>
<b>Cash flow for the year</b>	<b>-6.9</b>	<b>-68.9</b>	<b>18.6</b>	<b>75.8</b>	<b>-4.2</b>

## KEY RATIOS

	2008	2007	2006	2005	2004
Gross margin, total, %	7.2	7.3	8.0	7.2	8.5
Operating margin, total, %	5.5	5.8	6.5	5.6	6.5
Profit margin, total, %	5.1	6.0	6.3	5.5	6.3
Cash flow, total, %	3.9	2.5	5.6	1.2	-3.5
Equity/assets ratio, %	78.8	82.7	73.3	63.3	48.2
Return on equity, %	5.3	10.0	10.3	22.2	58.4
Return on capital employed, %	5.2	7.0	9.5	12.6	29.9
Interest coverage ratio, times	9.4	38.0	21.0	20.0	18.5
Capital employed, SEK M	667.4	611.5	611.2	498.5	69.3
Net interest-bearing liabilities, SEK M	38.4	-20.4	-89.2	-39.9	-10.1
Net debt/equity ratio, times	0.06	-0.03	-0.15	-0.09	-0.15
Number of employees at end of period	242	219	261	250	91
Average number of employees	233	256	273	212	86
Net sales per employee, SEK M	2.5	2.7	2.9	3.0	2.5

## SHARE DATA

	2008	2007	2006	2005	2004
Equity per share, SEK	53.98	52.90	50.70	45.00	20.5
Number of shares at end of period, millions	11.05	11.21	11.69	9.98	3.2
Average number of shares, millions	11.08	11.60	10.34	8.06	3.08
Cash flow from operating activities per share, SEK	2.03	1.50	3.80	0.92	-2.44
Earnings per share, SEK	2.85	5.10	5.16	7.07	8.41
Dividend per share, SEK	2.00	3.00	-	-	-
Closing share price on December 31 or similar, SEK	13.35	38.20	79.00	72.50	40.70

## DEFINITIONS

### Basic earnings per share

Profit for the year after tax divided by the average number of shares during the period.

### Capital employed

Balance sheet total less interest-free liabilities.

### Cash flow

Cash flow from operating activities as a percentage of sales.

### Diluted earnings per share

Earnings per share after dilution are calculated on profit attributable to equity holders in the Parent Company divided by the weighted average number of shares outstanding during the period.

### Equity/assets ratio

Equity as a percentage of the balance sheet total.

### Equity per share

Equity divided by the number of shares at the end of the period.

### Gross margin

Operating profit before depreciation/amortization as a percentage of sales.

### Interest coverage ratio

Profit after financial items plus financial expenses divided by financial expenses.

### Net debt-equity ratio

Net interest-bearing liabilities divided by equity.

### Net interest-bearing liabilities

Interest-bearing liabilities less interest-bearing assets.

### Operating margin

Operating profit after depreciation/amortization as a percentage of sales.

### Profit margin

Profit after financial items as a percentage of sales.

### Return on capital employed

Profit after financial items plus financial expenses as a percentage of average capital employed.

### Return on equity

Profit after financial items less full tax as a percentage of average adjusted equity.

# Corporate governance

Intoi is a Swedish public limited company domiciled in Stockholm, Sweden. In 2008 the Group conducted operations in Norway, Denmark, Finland, Germany, England, France, USA, Japan and China. The Intoi share is quoted on the Small Cap list of the NASDAQ OMX Nordic Exchange Stockholm. Corporate governance in the company and the Group is regulated among other things by the Articles of Association, the Swedish Companies Act and the rules of the Stockholm Stock Exchange, which for Intoi include application of the Swedish Code of Corporate Governance as of July 1, 2008.

Intoi complies with the Swedish Code of Corporate Governance, but deviates from the rule below with the following motivation:

Deviation from section 10:1: The board of directors shall set up an audit committee. In companies with boards of smaller size, the entire board of directors can perform the duties of the audit committee.

Explanation: Intoi's Board of Directors consists of four members, and the company has therefore chosen to allow the entire Board to perform the duties of the audit committee. However, the Board member who holds of the post of CEO of the Group does not take part in these duties.

The corporate governance report for 2008 has not been examined by the company's auditors.

## CORPORATE GOVERNANCE BODIES

Responsibility for management and control of Intoi is divided between the General Meeting of Stockholders, the Board of Directors, the CEO in accordance with the Swedish Companies Act and Articles of Association.

### Annual General Meeting

The Annual General Meeting is the highest decision-making body through which the stockholders exercise their influence over Intoi.

The responsibilities of the Annual General Meeting include adoption of the income statements and balance sheets of the Parent Company and the Group, approval of dividends and principles for remuneration to the company senior executives and discharge from liability for the Board of Directors and the CEO.

### Nominating committee

The Annual General Meeting appoints a nominating committee whose tasks are to propose candidates for election of Board members by the Annual General Meeting and recommend the amount of fees to these, as well as election of auditors and recommendation of auditing fees.

### Board of Directors

#### RESPONSIBILITIES OF THE BOARD

The Board of Intoi has adopted rules of procedure that contain instructions for the division of responsibilities between the Board and CEO and the framework for financial reporting. The Board is also responsible for ensuring that Intoi's organization is suitably structured so that the company's accounting, cash management and other financial circumstances can be controlled satisfactorily. The Board continuously monitors the Group's financial situation.

Before calling a meeting of the Board, the Board Chairman, in consultation with the CEO, prepares an agenda and determines the necessary decision data and documentation for the business at hand. The Board is called to attend a statutory meeting following the AGM and at least five scheduled meetings per year. Four of the scheduled meetings coincide with the dates for publication of external financial reports. The fifth scheduled meeting is held in December and is devoted primarily to a review of the budget and business plan. At the Board meeting where the annual accounts are presented, the auditors participate in order report their observations from the audit. Aside from scheduled meetings, the Board is called to additional meetings as needed.

The Board supervises the work of the CEO and ensures that the organization is suitably structured. The Board adopts the budgets and annual financial statements of the company and the Group, and continuously monitors their development during the year.

### CHAIRMAN

The Chairman oversees the work of the Board and is responsible for ensuring that its members are continuously provided with the information required to carry out their duties with consistently high quality and in accordance with the Swedish Companies Act. The Chairman represents the company in matters related to the stockholders.

## MEMBERS OF THE BOARD

Name	Elected in	Dependency status	Remuneration committee	Shareholdings
Trygve Angell, Chairman	2005	No	Chairman	26,700 B shares (via company)
Björn Abild	2008	No		0 shares
Lisbeth Gustafsson	2006	No	Member	0 shares
Stefan Skarin	2002	Yes		100,000 A shares and 250,000 B shares (via company)

## COMPOSITION

In 2008, the number of Board members elected by the Annual General Meeting was four. Board member Stefan Skarin has a dependent status in relation to the company, while Board Chairman Trygve Angell and the two regular Board members Lisbeth Gustafsson and Björn Abild have an independent status. For more information about the individual Board members, see page 31.

## REMUNERATION AND AUDIT COMMITTEES

The tasks of the remuneration committee are to handle and decide on matters related to salary, other terms of employment, pension benefits and incentive schemes for the CEO. The committee also decides on the corresponding terms for other senior executives and is responsible for preparing general principles for remuneration.

The Board has determined that there is no need for a separate audit committee. The Board Chairman compiles and prepares a basis for decision ahead of the AGM.

## CEO

The CEO supervises operations according to the instructions adopted by the Board. He is responsible for ensuring that the Board members are supplied with the necessary information and data ahead of Board meetings, presenting reports and submitting well founded proposals for decision. Every month, the CEO provides the members of the Board with the information needed to monitor the financial position, business and development of the company and the Group, and to keep the Board Chairman continuously informed about operations. The CEO takes the necessary measures to ensure that the company's financial accounting and reporting are carried out in compliance with law and that financial management is handled in a satisfactory manner. A more detailed description of the division of responsibilities between the Board and the CEO is provided in written instructions to the CEO, which are regularly updated.

## AUDITORS

The independent auditors are appointed by the Annual General Meeting. Öhrlings PricewaterhouseCoopers AB, represented by Auditor-in-Chief Lars Kylberg, has been appointed to serve as the company's independent auditor until the end of the 2012 AGM.

## ACTIVITIES IN 2007

### 2008 Annual General Meeting

The Annual General Meeting of Intoi was held on May 6, 2008.

The AGM resolved, among other things:

- to pay a dividend of SEK 2.00 per share for the 2007 financial year
- to change the company's name to Intoi AB
- to carry out a 1-for-10 reverse share split (consolidation of shares)
- to elect Trygve Angell as the new Board Chairman
- to elect Lisbeth Gustafsson (re-election), Björn Abild (new election) and Stefan Skarin (re-election) as Board members

### Nominating committee

The AGM on May 6, 2008, decided to set up a nominating committee according to the following principles. By September 30, 2008, at the latest, the Board Chairman shall convene the three largest stockholders in the company in terms of voting power, each of which shall then appoint a member to the nominating committee. In addition, the Board Chairman can be appointed as a member of the nominating committee. The composition of the nominating committee shall be made public not later than six months prior to the 2009 AGM.

In accordance with this decision, the company's largest stockholders have appointed a nominating committee consisting of Göran Espelund (newly elected), Ulf Strömsten (re-elected) and Alexander Oker-Blom (re-elected). In his simultaneous role as stockholder and CEO, Stefan Skarin has been co-opted to participate in meetings of the nominating committee.

In 2008 the nominating committee held two minuted meetings.

### NOMINATING COMMITTEE AHEAD OF THE 2009 AGM

<b>Members</b>	<b>Co-opted</b>
Ulf Strömsten, Catella, Chairman	Stefan Skarin, Boda Invest AS
Göran Espelund, Lannebo Fonder	
Alexander Oker-Blom, Alted AB	

## Board of Directors

Stefan Skarin was Board Chairman until February 14, 2008. In connection with his appointment as President and CEO, Board member Trygve Angell took over as Chairman of the Board.

The statutory meeting of the Board of Directors on June 10, 2008, dealt with the customary decision on appointment of authorized signatories. Aside from the members of the Board – signatory authority is held by members of the Board, two jointly, or by one member of the Board jointly with the CEO or COO. In addition, the CEO is entitled to sign for the company in matters concerning day-to-day management.

In 2008 the Board held nine scheduled meetings and one statutory meeting in connection with a scheduled meeting, for a total of ten (six) meetings. The COO Stefan Ström also took part in all Board meetings during the year in order to present reports.

## ATTENDANCE AT BOARD MEETINGS IN 2008

Name	Board meetings	Remuneration committee meetings
Trygve Angell, Chairman	10/10	1/1
Björn Abild <sup>1)</sup>	6/7	
Lisbeth Gustafsson	8/10	1/1
Stefan Skarin	10/10	
Alexander Oker-Blom <sup>2)</sup>	3/3	

1) Elected by the AGM on May 6, 2008.

2) Board member until the AGM on May 6, 2008.

Aside from monitoring of performance against the budget and strategic plan and strengthening of the company's management and control, the Board has devoted its time to the Group's corporate transactions. Key items of business for the Board during the year included clarification of the Group's focus and analysis and evaluation of potential corporate transactions. Part of this work was concerned with the sale of the subsidiary Nocom Drift in October. In addition, the Board has been involved in the establishment of Deltaco in a new property and a review of this company's business processes, as a result of the expertise contributed through Björn Abild.

## REMUNERATION TO THE EXECUTIVE MANAGEMENT

SEK thousand		Fixed salary	Variable salary	Benefits	Pension costs	Total
Stefan Skarin, CEO	2008	2,399	–	116	734	3,249
	2007	1,717	–	110	689	2,516
Stefan Ström, COO	2008	1,818	–	100	667	2,585
	2007	1,917	600	79	1,369 <sup>1)</sup>	3,965

1) The reported pension cost in 2007 is higher due to an accrual error in 2006.

## Remuneration committee

The remuneration committee consists of Trygve Angell and Lisbeth Gustafsson. The committee has handled matters related to salary and other terms of employment of the CEO and other members of the Executive Management. In 2008 the remuneration committee held one minuted meeting to prepare recommendations for candidates for election of Board of Directors and auditors.

## CEO and Executive Management

Stefan Skarin was appointed as President and CEO on February 14, 2008, at which time he succeeded Stefan Ström, who then took up duties as Chief Operating Officer (COO).

In 2008 the Executive Management consisted of the Chief Executive Officer Stefan Skarin and the Chief Operating Officer Stefan Ström.

## REMUNERATION

### Remuneration to the Board

The Board Chairman and other members of the Board are paid fees according to the decision of the Annual General Meeting. No special fees are paid for work on the Board's committees. The members of the Board who receive salary from companies in the Intoi Group receive no Board fees. In 2008 this rule applied to Stefan Skarin.

### REMUNERATION TO THE BOARD

SEK thousand	2008	2007
Trygve Angell, Chairman <sup>1)</sup>	144	100
Björn Abild <sup>2)</sup>	58	–
Lisbeth Gustafsson	100	100
Alexander Oker-Blom <sup>3)</sup>	42	100
Stefan Skarin	–	–

1) Chairman since February 14, 2008. Board member prior to this date.

2) For the period May 7 – December 31, 2008.

3) For the period January 1 – May 6, 2008.

### Remuneration to the CEO and COO

Remuneration to the CEO and COO consists of basic fixed salary, variable salary, other benefits and pension. The maximum amount of variable salary for the CEO and COO may not exceed 50 percent of basic salary. Pension and other benefits are paid as part of the total remuneration package.

In the event of termination on the part of the company, the CEO and COO are entitled to a notice period of 12 months with full salary and additional termination benefits equal to six monthly salaries.

#### **Remuneration to the auditors**

In 2008 total fees of SEK 1.7m (2.2) were paid for auditing and consulting services.

#### **INTERNAL CONTROL**

The Swedish Companies Act and the Swedish Code of Corporate Governance state that the Board of Directors is responsible for ensuring that the company has satisfactory internal control, for staying informed about the company's internal control system and for evaluating the effectiveness of this system. This report has been prepared in accordance with Section 10.5 of the Swedish Code of Corporate Governance, and is thereby limited to internal control over financial reporting.

#### **Control environment**

The basis for internal control at Intoi is the control environment, which includes the organizational structure, decision-making paths, powers and responsibilities that have been documented and communicated in the form of normative documents such as internal policies, guidelines and instructions. These include instructions for the division of responsibilities between the Board of Directors and the CEO and instructions for signatory powers, accounting and reporting.

#### **Risk assessment**

The Board of Directors has ultimate responsibility for the company's risk management. Controlled risk-taking is achieved through a well defined organization and decision-making procedures that include a high level of risk awareness among the employees and the application of uniform definitions and principles within the established framework. The primary risk areas are the account closing process in connection with the financial reports, as well as operating and legal risks.

#### **Control activities**

The Group's business processes include financial controls that regulate approval and reporting of business transactions. The account closing and reporting process contains controls for aspects such as accounting, valuation and disclosure requirements and regarding the application of significant accounting policies and estimates both in the individual subsidiaries and at the Group level.

All subsidiaries in the Intoi Group have their own financial directors that take part in planning and evaluation of financial results in their units. Regular analysis of financial reporting in the respective units covers significant items such as assets, liabilities, revenue, expenses and cash flow. Together with the analysis performed at the Group level, this important aspect of internal control contributes to ensuring that the financial reports contain no material errors or deficiencies.

The quality of the external financial reports is safeguarded through a number of measures and routines. Aside from careful auditing of the annual accounts, the auditor also reviews the interim report for the second quarter. All reports and press releases are posted on Intoi's website in connection with publication.

#### **Information and communication**

The Group has information and communication channels that are aimed at promoting complete and accurate financial reporting. Internal instructions and guidelines for financial accounting and reporting, as well as regular updates and messages about changes in accounting policies, reporting and disclosure requirements are made available and known to the affected personnel. The subsidiaries regularly submit financial reports and reports on their business development to the Executive Management, including analyses and comments on financial results and risks.

The Board of Directors is provided with financial reports on a monthly basis.

#### **Monitoring**

The Group's financial results and position are discussed at each Board meeting. The Board examines all interim reports and the annual report prior to publication, and also receives regular reports from the auditors. The Board monitors all measures that are taken to improve or change the control routines.

The Group's process for financial reporting is reviewed yearly by the Executive Management and provides a basis for evaluation of the internal management system and internal control documents to ensure that these cover all areas of importance for the Group's financial reporting.

## BOARD OF DIRECTORS



**Trygve Angell**, Board member since 2005 and Board Chairman since February 2008.  
Born in 1960, M.B.A and M.Acc. Active in own business Pidell AS in Norway. Extensive experience in the IT and telecom industries, including eight years at Oracle.  
Shareholdings: 26,700 class B shares (via company)



**Björn Abild**, Board member since 2008  
Born in 1955, M.B.A.  
President of Expert Svenska AB since 2004 and member of the Executive Management of Expert A/S. Close to 20 years of experience in the retail trade through a series of senior positions in both the specialized retail and grocery retail trades, among other things as President

of TeamSportia during the period 2001–2004, President of Dagab Närlivs and Sales and Marketing Director of the listed company Sardus.

Shareholdings: 0 shares.



**Lisbeth Gustafsson**, Board member since 2006.  
Born in 1947, B.Sc. Social Work, Stockholm University. Management training at INSEAD, France.  
Former Sales Director at Posten Sverige AB. Extensive experience in the IT industry including 13 years at Digital Equipment AB, of which four years as President.

Board assignments: Board member of SYSTeam AB, Prevas AB, Entraction AB, Karolinska University Hospital, Kitron AS, the Swedish Retail Institute (HUI) and Orre & Nyberg Capital AB. Chairman of Trygga Hem Skandinavien AB and Aspecto AB.  
Shareholdings: 0 shares.



**Stefan Skarin**, Board member since 2002, President and CEO 2001–2006 and since February 2008.  
Born in 1962, IHM, programs on international sales, communication and leadership and courses in economics at Stockholm University. Former positions such as Sales Director at Adobe Norden, President of Interleaf Norden and several

senior international positions at Oracle Corporation.  
Shareholdings: 100,000 class A shares (via company) and 250,000 class B shares (via company).

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## EXECUTIVE MANAGEMENT

**Stefan Skarin**, President and CEO.

Employed since 1999. See Board of Directors above.



**Stefan Ström**, Chief Operating Officer (COO), President and CEO from May 2006 to February 2008.  
Employed since 1997.  
Born in 1958, M.B.A, Lund University  
Shareholdings: 10,355 class B shares and 10 class B shares (through family).

## AUDITORS

Öhrlings PricewaterhouseCoopers AB

**Lars Kylberg**, born in 1969, Authorized Public Accountant.  
Auditor for Intoi since 2004.



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