

## **Industri-Matematik International Announces Fourth Quarter 2002 Results**

STOCKHOLM, Sweden – June 11, 2002 – Industri-Matematik International Corp. (Nasdaq:IMIC) – the Order Company – today announced results for its fourth fiscal quarter and fiscal year ended April 30, 2002.

Revenues for the fourth quarter and fiscal year were \$12.6 million and \$55.3 million, respectively, as compared to \$18.5 million and \$69.4 million for the same period in 2001. License revenue for the fourth quarter was \$0.4 million as compared to \$3.5 million for the same period in 2001, and service and maintenance revenue was \$11.5 million as compared to \$14.1 million for the same period in 2001. License revenue for the fiscal year was \$4.5 million as compared to \$13.5 million for the same period in 2001, and service and maintenance revenue was \$48.2 million as compared to \$53.3 million for the same period in 2001.

The reported net loss for the fourth quarter and fiscal year was \$3.0 million and \$6.6 million, respectively, as compared to \$26.9 million and \$35.3 million for the same period in 2001.

Stig Durlow, President and Chief Executive Officer of Industri-Matematik, said, “While our pipeline continues to grow with new opportunities, we are seeing a reluctance by companies to commit their investment dollars. Deals are maturing through our pipeline but the closing process is often being postponed. We believe this is due to an underlying general uncertainty in the direction of the economy.”

“Industri-Matematik continues to make progress in creating expanded market visibility and sales activity in all our global markets, especially in the Americas. Pivotal to this progress is the Company’s strategy of focus and execution, where we have tailored our order and replenishment business process solutions to specific industries in the retail value chain across target geographic markets. Also important is our initiative to sell our expanded product line to existing customers.

“This strategy is reflected in our go-to-market branding of Industri-Matematik as the Order Company. We believe that the best way for companies to achieve supply chain and business success is to focus on actual demand – the order. Industry experts, customers and prospects have all responded favorably to our strategy and solutions that help companies optimize their order life cycles and replenishment processes, building our sales pipeline,” continued Mr. Durlow.

“On the customer front, the fourth quarter saw Warner/Electra/Atlantic Corp. go live with a collaborative order management application and Canadian Tire go live with a visibility and event management application to improve multi-channel distribution.

“Organizationally, the Company continues to tailor its organization to drive revenue and keep costs in alignment. As part of this process, we have reduced overheads and increased Sales and Marketing resources. In addition, we have pushed more marketing and sales decision making out to the regions where our teams are closer to customers and can react faster to new opportunities and changing market conditions. During the fourth quarter we have taken steps to make our product direction more market focused with substantial input coming from the local regions.

Other examples of our stepped up marketing include unveiling an exciting, new corporate web site, the launch of our retail initiative at an industry conference in Barcelona and a highly successfully forum which brought a number of leading U.S. customers together with industry analysts. We are well positioned to produce results from these and other marketing and sales initiatives,” said Mr. Durlow.

### **About Industri-Matematik**

Industri-Matematik International – The Order Company – is a provider of high-performance supply chain solutions for the retail value chain which turns supply chain friction into smooth order flows. Its software enables companies to manage order and replenishment business processes based on actual customer demand to enable best-in-class, pull-driven supply chain practices. The Company’s software includes collaborative order management, fulfillment, customer relationship management (CRM), distribution center and store replenishment, supply chain analytics, visibility and event management capabilities.

Industri-Matematik customers cover the entire retail value chain from manufacturers to logistics and business service providers to wholesalers and retailers. They include some of the world’s leading brands such as AstraZeneca, AT&T, British Airways, Campbell Soup, Canadian Tire, Foster’s, GE Plastics, Kellogg’s, Royal Ahold, Schenker-BTL, Starbucks, Telia, TNT Express and Warner/Elektra/Atlantic.

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The statements contained in this release that are not historical facts contain forward-looking information with respect to plans, projections or future performance of Industri-Matematik and further versions of its software products, the achievements of which involve certain risks and uncertainties, including, but not limited to, the success of its reorganization, product demand and market acceptance risks, the effect of economic conditions particularly in its target markets, the impact of competitive products and pricing, product development, commercialization and technological difficulties and other uncertainties detailed in Industri-Matematik’s filings with the Securities and Exchange Commission, particularly its Annual Report on Form 10-K filed in July 2001. All information in this release is as of June 11, 2002. Industri-Matematik undertakes no duty to update any forward-looking statement to conform the statement to actual results or changes in its expectations.

For Industri-Matematik company and product information, and press releases, please access the Industri-Matematik site on the World Wide Web at <http://www.industri-matematik.com>

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**INDUSTRI-MATEMATIK INTERNATIONAL CORP. AND SUBSIDIARIES**  
**Condensed Consolidated Statements of Operations**  
**(Unaudited)**  
**(U.S. Dollars in thousands, except share and per share data)**

	Three Months Ended		Twelve Months Ended	
	<u>04/30/02</u>	<u>04/30/01</u>	<u>04/30/02</u>	<u>04/30/01</u>
Revenues:				
Licenses	\$ 410	\$ 3,471	\$ 4,479	\$ 13,478
Services and maintenance	11,489	14,139	48,239	53,313
Other	694	875	2,562	2,564
Total revenues	<u>12,593</u>	<u>18,485</u>	<u>55,280</u>	<u>69,355</u>
Cost of revenues:				
Licenses	30	647	307	1,336
Services and maintenance	7,387	9,909	31,870	37,375
Other	245	107	935	520
Total cost of revenues	<u>7,662</u>	<u>10,663</u>	<u>33,112</u>	<u>39,231</u>
Gross profit	<u>4,931</u>	<u>7,822</u>	<u>22,168</u>	<u>30,124</u>
Operating expenses:				
Product development	2,703	3,975	10,458	15,479
Sales and marketing	2,956	4,061	10,658	15,878
General and administrative	1,982	2,416	7,579	9,026
Amortization of goodwill and other intangible assets	185	3,383	741	4,506
Restructuring costs	0	5,391	0	5,391
Total operating expenses	<u>7,826</u>	<u>19,226</u>	<u>29,436</u>	<u>50,280</u>
Loss from operations	<u>(2,895)</u>	<u>(11,404)</u>	<u>(7,268)</u>	<u>(20,156)</u>
Other income (expense):				
Interest income	82	291	560	1,561
Interest expense	(1)	(1)	(3)	(13)
Miscellaneous income (expense)	(167)	(328)	109	(1,219)
Loss before income taxes	<u>(2,981)</u>	<u>(11,442)</u>	<u>(6,602)</u>	<u>(19,827)</u>
Provision from income taxes	0	(15,424)	0	(15,424)
Net loss	<u>\$ (2,981)</u>	<u>\$ (26,866)</u>	<u>\$ (6,602)</u>	<u>\$ (35,251)</u>
Net loss per share - assuming dilution	<u>(\$0.09)</u>	<u>(\$0.84)</u>	<u>(\$0.20)</u>	<u>(\$1.10)</u>
Weighted average number of shares outstanding - assuming dilution	<u>31 871 436</u>	<u>32 019 747</u>	<u>32 195 436</u>	<u>31 985 991</u>

**INDUSTRI-MATEMATIK INTERNATIONAL CORP. AND SUBSIDIARIES**  
**Condensed Consolidated Balance Sheets**  
**(U.S. Dollars in thousands)**

	04/30/02 <u>(unaudited)</u>	04/30/01 <u></u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 16,422	\$ 12,053
Short-term investments		12,866
Accounts receivable, less allowance for doubtful accounts	7,953	10,952
Accrued income	2,218	1,861
Prepaid expenses	1,688	1,726
Income taxes receivable	3	217
Other current assets	384	640
Total current assets	<u>28,668</u>	<u>40,315</u>
Non-current assets:		
Property and equipment, net	3,135	4,753
Goodwill and other intangible assets	2,989	3,739
Long-term cash deposit	2,728	2,794
Other non-current assets	889	909
Total non-current assets	<u>9,741</u>	<u>12,195</u>
<b>Total assets</b>	<u><u>\$ 38,409</u></u>	<u><u>\$ 52,510</u></u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 1,341	\$ 1,129
Accrued expenses and other current liabilities	6,136	8,071
Accrued payroll and employee benefits	4,562	7,595
Deferred revenue	5,148	7,045
Total current liabilities	<u>17,187</u>	<u>23,840</u>
Long-term liabilities:		
Accrued pension liability	2,093	2,880
Other long-term liabilities	153	0
Total long-term liabilities	<u>2,246</u>	<u>2,880</u>
Total liabilities	<u>19,433</u>	<u>26,720</u>
Stockholders' equity:		
Common Stock	319	323
Additional paid-in capital	120,849	125,206
Accumulated deficit	(94,623)	(88,022)
Accumulated other comprehensive loss	(6,214)	(5,835)
Note receivable from stockholders	(1,355)	(5,882)
Total stockholders' equity	<u>18,976</u>	<u>25,790</u>
<b>Total liabilities and stockholders' equity</b>	<u><u>\$ 38,409</u></u>	<u><u>\$ 52,510</u></u>