

# Interim report

April-June 2002

- The second quarter operating result was SEK -60m (-48m). The last twelve-month result was SEK -26m, which is lower than forecast.
- The deviation from forecast is mainly due to lower professional services utilisation, increased bad debts and costs for excess capacity reduction, overall lowering the result by approximately SEK 30m.
- The IBS software market share has grown in an otherwise shrinking market. Second quarter software revenue grew by 4% to SEK 110m.
- To safeguard Group results, steps have been taken to further reduce Group costs, especially in countries with poor profitability.
- Cash flow from operating activities improved and amounted to SEK 95m (16m) for the first six months.
- Magnus Wastenson has been appointed new CEO, as from 1 October, 2002.
- The budgeted full-year 1-2% operating margin is not expected to be met. On condition that the market is not further weakened, the new full-year forecast is to reach an operating margin within a +/-1% interval.

17 July, 2002



INTERNATIONAL BUSINESS SYSTEMS

# Software revenue grew despite a weakening market

## The market

The global market has shown unexpectedly slow development since the first quarter. Due to the uncertain market, many companies have chosen to postpone investment decisions, and in some cases, to delay IT projects that have already been contracted. These conditions have been particularly evident in June, which is normally a strong month for the IBS Group.

IBS continues to increase its market share in a slow market. During the first quarter, the five largest software companies in IBS' market segment showed an average 12% decrease in software licence revenue, whereas IBS' software revenue grew by 6%.

## Resources and efficiency

It is at present difficult to judge when the business climate is going to improve. To ensure Group results, a further reduction of staff and costs in IBS units showing poor profitability has therefore been initiated. The target for these measures is to reduce total costs by approximately 5%, or SEK 100m on a full-year basis. One-time charges to achieve the target have in part already been booked during the second quarter.

The average number of full-time employees was reduced by 87 persons, or by 4% compared to the second quarter 2001. Revenue per employee grew by 5%.

## Exchange rates

In relation to the revenue distribution of IBS' subsidiaries, the value of the Swedish krona has remained unchanged both during the second quarter and the first half year.

## Accounting principles

IBS adheres to the recommendations made by the Swedish Financial Accounting Standards Council. New accounting recommendations valid from 1 January 2002 have not had any impact on second-quarter accounting. As from 2002, two calculation methods have been modified to improve analysis of the development of operations and to achieve comparability with other software suppliers. One modification is that depreciation costs for capitalised product development, approximately SEK 12m per quarter, have been moved from cost of revenue for software licences to product development costs. The other change is that the depreciation period for product development capitalised as from 2002, is extended from three to five years, which has resulted in booked costs decreasing by approximately SEK 1.5m during the second quarter, and by approximately SEK 2.0m during the first half year.

## The second quarter 2002

During the second quarter, revenue grew slightly to reach SEK 622m (616m), or by 1% compared to the equivalent period last year. The different revenue streams were distributed as follows:

- Software: SEK 110m (106m), +4%
- Professional services: SEK 344m (352m), -2%
- Hardware etc.: SEK 168m (158m), +6%.

Professional services revenue for the quarter was SEK 15m, or 4%, lower than forecast.

The software margin grew from 82% to 85%. The growth is attributable to the change in accounting methods as presented in "Accounting principles", and there is an equivalent increase in product development costs. Gross margins for professional services as well as for hardware decreased, due to both competitive pressure within the industry and to internal excess capacity. The gross profit totalled SEK 195m, i.e. a decrease of approximately SEK 2m.

A major launch and training event for the Group's new software version was held, and the corresponding costs of some SEK 6m have been booked during the period. Costs relating to product development and marketing decreased. One-time operating costs amounting to approximately SEK 15m have been booked during the period, in the form of costs for depreciation of accounts receivable and for capacity reduction.

Regarding accounts receivable, IBS applies a conservative accounting policy, whereby receivables older than six months are always fully depreciated, whatever the extent of uncertainty. We do, however, expect to recover parts of these amounts.

In all, the professional services revenue and gross margin for the period were approximately SEK 15m lower than budgeted, while operating costs were approximately SEK 15m higher. The operating result amounted to SEK -60m (-48m). The last twelve-month result was SEK -26m, which is lower than the break-even result forecast in the first-quarter report. Financial costs grew by approximately SEK 5m, mainly due to translation differences caused by fluctuating exchange rates.

## The first half 2002

During the first half, revenue grew by 5% to SEK 1,278m (1,215m). The different revenue streams were distributed as follows:

- Software: SEK 255m (243m), +5%
- Professional services: SEK 712m (715m), 0%
- Hardware etc.: SEK 311m (258m), +21%

The pre-tax result for the first six months amounted to SEK -70m (-67m). The European IBS units generally continued to show positive development, with a profit increase from SEK 14m to SEK 29m. The Parent Company result, including consolidation adjustments, fell, mainly due to increased central reserves and one-time costs. The period's result per share amounted to SEK -0.63 (-0.58).

## Software

IBS' new release of the Virtual Enterprise and ASW software was launched at a major customer event in May, with participants from more than 20 countries. The release includes a large number of new and improved functions, e.g. built-in profitability follow-up of IT investments made, extended profitability and management information, systems for customer analysis, customer relations and customer service, portals, new systems for inventory control, optimisation of collaborative supply chain

management, integration of different ERP systems and processes, as well as extensive new functionality for financial and business control, aimed at mid-sized companies and international groups.

The new product version has been well received by both current and potential customers, as well as by IBS' business partners. The co-operation with IBM Global Services regarding IBS' Virtual Enterprise software has developed well. As a consequence of this co-operation, IBS can now offer its customers parts of i2 Technologies' planning software, at prices suited to mid-sized companies.

IBS' software for pharmaceutical distribution, IBS Pharma, has also developed well, with several new international sales.

### Investment

Group investment in equipment has been restrained, and amounted to SEK 26m (35m). During the quarter, capitalised product development costs for products to be launched within twelve months, have exceeded depreciation by SEK 8m (-2m).

### Liquidity and financial position

During the first six months, cash flow from operating activities amounted to SEK 95m (16m), mainly due to the decrease in accounts receivable being larger than last year.

Tax for the period amounting to SEK 16m (21m) as shown in the income statement consists of SEK 0 (-5m) in current tax and SEK 16m (26m) in deferred tax. Tax paid during the period amounts to SEK 2m (16m).

Compared to 30 June, 2001, cash and liquid assets including short-term investment grew to SEK 190m (177m). In addition, there are unused credit facilities amounting to SEK 62m (115m). Current assets represented 123% (137%) of current liabilities. Group equity amounted to SEK 664m (731m) and the equity to total assets ratio was 43% (47%).

### The Parent Company

The Parent company provides centrally developed software and Group services. Parent Company net revenue amounted to SEK 82m (74m) and the pre-tax result was SEK -26m (-30m).

In accordance with a decision made by the Annual General Meeting, previous years' balanced losses have been covered by using SEK 29m from the share premium reserve.

### Organisation

As previously announced, Staffan Ahlberg has informed the IBS Board of his desire to step down this autumn, after 25 years as CEO. Magnus Wastenson, the Group's Vice President Global Marketing, has been appointed new CEO as from 1 October, 2002. The Global Sales and Marketing Departments at IBS Headquarters have been merged, and Gustaf Lindgren has been externally recruited as new Vice President Global Marketing and Sales. He will take office as from 1 September, 2002.

### The IBS share

The share price per 30 June was SEK 12.10 per share, which represents a 29% decrease since the end of last year.

The total number of shares per 30 June was 79.6 million. In

addition, IBS has two warrants programs; 98/02 with 5 million warrants at a strike price of SEK 40.60 per share, and 00/04 with 5 million warrants at a strike price of SEK 65 per share. After full dilution, the number of shares would be 89.6 million.

### The future

As discussed above, the market has weakened once more, instead of gradually recovering as expected. For the industry, this means that several software deals and implementation projects will be postponed. Steps have therefore been taken to further increase the Group's efficiency and reduce deficits in non-profitable units. The aim is to both reduce costs and increase competitiveness. The measures taken will, however, incur one-time costs.

Against this development, we expect that this year's budget, with a planned operating margin of 1-2%, will not be met. On condition that the market is not further weakened, the new full-year forecast is to reach an operating margin within a +/-1% interval. We do, however, estimate that in a longer perspective, the market will recover, as companies need to improve their business software to increase competitiveness. At that point, IBS will stand well equipped to meet the expected increase in demand.

### Information plan

- The next quarterly report will be published 17 October.
- The year-end report for 2002 will be published 23 January, 2003.

Solna, 17 July, 2002  
Staffan Ahlberg  
CEO

*This report has not been audited.*

*Questions concerning this report will be answered by*

**CEO Staffan Ahlberg**

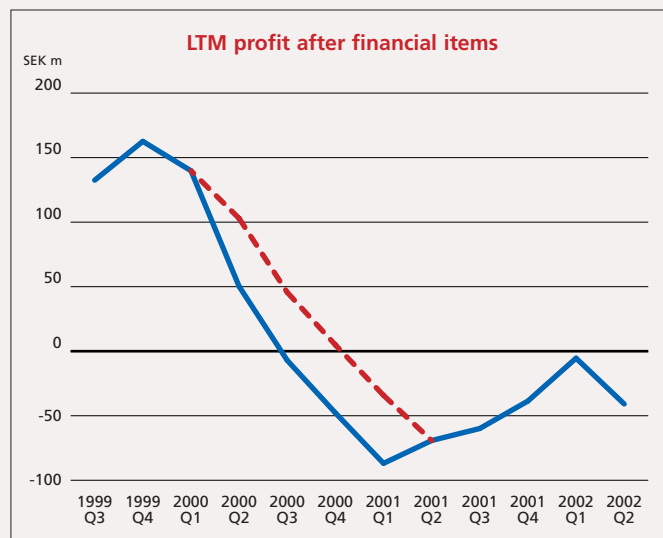
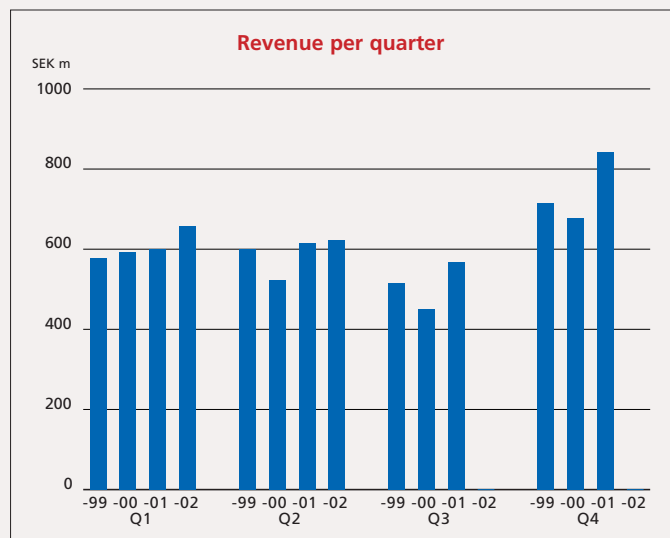
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# Consolidated income statement

SEK million	2002 Apr-June	2001 Apr-June	02/01 %	2002 Jan-June	2001 Jan-June	02/01 %	Last 12 months	2001 Full year
<i>Revenue</i>								
Software licences	109.9	106.0	4%	255.3	242.7	5%	535.1	522.5
Professional services	344.1	352.0	-2%	712.0	714.7	0%	1 434.0	1 436.7
Hardware and other revenue	167.5	158.3	6%	311.0	258.0	21%	717.5	664.5
<b>Total revenue</b>	<b>621.5</b>	<b>616.3</b>	<b>1%</b>	<b>1 278.3</b>	<b>1 215.4</b>	<b>5%</b>	<b>2 686.6</b>	<b>2 623.7</b>
<i>Cost of revenue</i>								
Software licences	-16.3	-19.0	-14%	-30.5	-37.1	-18%	-75.7	-82.3
Professional services	-278.2	-281.5	-1%	-566.0	-565.3	0%	-1 102.2	-1 101.5
Hardware and other costs	-131.9	-119.1	11%	-251.9	-200.1	26%	-581.3	-529.5
<b>Total cost of revenue</b>	<b>-426.4</b>	<b>-419.6</b>	<b>2%</b>	<b>-848.4</b>	<b>-802.5</b>	<b>6%</b>	<b>-1 759.2</b>	<b>-1 713.3</b>
<b>Gross profit</b>	<b>195.1</b>	<b>196.7</b>	<b>-1%</b>	<b>429.9</b>	<b>412.9</b>	<b>4%</b>	<b>927.4</b>	<b>910.4</b>
Product development costs	-65.0	-53.8	21%	-131.7	-110.9	19%	-231.6	-210.8
Sales and marketing costs	-96.5	-104.8	-8%	-179.1	-196.4	-9%	-369.9	-387.2
General and administrative costs	-93.1	-86.2	8%	-180.6	-172.9	4%	-352.1	-344.4
<b>Total operating costs</b>	<b>-254.6</b>	<b>-244.8</b>	<b>4%</b>	<b>-491.4</b>	<b>-480.2</b>	<b>2%</b>	<b>-953.6</b>	<b>-942.4</b>
<b>Operating profit</b>	<b>-59.5</b>	<b>-48.1</b>		<b>-61.5</b>	<b>-67.3</b>		<b>-26.2</b>	<b>-32.0</b>
<i>Financial items</i>								
Interest income	1.4	1.6		2.9	3.1		6.0	6.2
Interest expenses	-3.5	-3.4		-6.5	-7.5		-14.2	-15.2
Other financial items	-2.6	1.6		-4.5	4.4		-6.5	2.4
<b>Profit after financial items</b>	<b>-64.2</b>	<b>-48.3</b>		<b>-69.6</b>	<b>-67.3</b>		<b>-40.9</b>	<b>-38.6</b>
Tax	14.1	10.2		15.7	20.5		-31.1	-26.3
Minority holdings, net	2.4	1.1		3.7	1.2		2.3	-0.2
<b>Net profit for the period</b>	<b>-47.7</b>	<b>-37.0</b>		<b>-50.2</b>	<b>-45.6</b>		<b>-69.7</b>	<b>-65.1</b>
Net profit per share	-0.60	-0.47		-0.63	-0.58		-0.88	-0.82
Net profit per share after full dilution	-0.48	-0.36		-0.45	-0.40		-0.57	-0.52
Average number of shares (k)	79 608	79 358		79 608	79 233		79 608	79 421
Average number of shares after full dilution (k)	89 608	89 358		89 608	89 233		89 608	89 421
Pro forma interest after tax (SEK million)	4.8	4.8		9.5	9.5		19.0	19.0



--- Including pension premium refund from Alecta (formerly SPP)

# Consolidated balance sheet

SEK million	2002 30 June	2001 30 June	2001 31 Dec		2002 30 June	2001 30 June	2001 31 Dec
<b>ASSETS</b>				<b>EQUITY AND LIABILITIES</b>			
<b>Fixed assets</b>				<b>Equity</b>			
<i>Intangible assets</i>				<i>Restricted equity</i>			
Capitalised product development costs	98.2	62.4	87.0	Share capital	15.9	15.9	15.9
Goodwill	270.0	261.8	280.7	Restricted reserves	609.7	628.1	633.0
	<b>368.2</b>	<b>324.2</b>	<b>367.7</b>		<b>625.6</b>	<b>644.0</b>	<b>648.9</b>
<i>Tangible assets</i>				<i>Non-restricted equity</i>			
Equipment	98.5	118.1	107.8	Non-restricted reserves	89.0	132.7	139.9
Financial leasing contracts	43.7	47.1	45.6	Net profit for the period	-50.2	-45.6	-65.1
	<b>142.2</b>	<b>165.2</b>	<b>153.4</b>		<b>38.8</b>	<b>87.1</b>	<b>74.8</b>
<i>Financial assets</i>				<b>Total equity</b>	<b>664.4</b>	<b>731.1</b>	<b>723.7</b>
Participations in associated companies	0.4	1.9	0.4	<b>Minority holdings</b>	<b>9.1</b>	<b>12.2</b>	<b>16.2</b>
Other long-term receivables	14.0	14.0	14.4	<b>Provisions</b>			
Deferred tax receivables	52.6	65.5	37.6	Deferred tax	13.5	12.0	14.4
	<b>67.0</b>	<b>81.4</b>	<b>52.4</b>	Reserve for project and guarantee costs	12.0	21.2	18.6
<b>Total fixed assets</b>	<b>577.4</b>	<b>570.8</b>	<b>573.5</b>		<b>25.5</b>	<b>33.2</b>	<b>33.0</b>
<b>Current assets</b>				<b>Liabilities</b>			
<i>Inventories</i>				<i>Long-term liabilities</i>			
	<b>6.6</b>	<b>12.2</b>	<b>11.8</b>	Liabilities to credit institutions	55.4	71.1	58.3
<i>Current receivables</i>				Other long-term liabilities	14.8	9.3	16.6
Accounts receivable	557.6	580.1	771.5		<b>70.2</b>	<b>80.4</b>	<b>74.9</b>
Tax receivables	37.9	31.9	42.3	<i>Current liabilities</i>			
Other receivables	43.5	60.1	37.2	Liabilities to credit institutions	198.2	168.9	191.5
Prepaid expenses and accrued income	171.5	164.5	109.7	Accounts payable	158.0	161.8	213.6
	<b>810.5</b>	<b>836.6</b>	<b>960.7</b>	Income tax liability	15.5	5.7	22.4
<i>Short-term investments</i>	39.0	60.4	18.7	Other current liabilities	83.9	84.1	107.5
<i>Cash and bank balances</i>	151.0	116.1	141.4	Accrued expenses and deferred income	359.7	318.7	323.3
	<b>190.0</b>	<b>176.5</b>	<b>160.1</b>		<b>815.3</b>	<b>739.2</b>	<b>858.3</b>
<b>Total current assets</b>	<b>1 007.1</b>	<b>1 025.3</b>	<b>1 132.6</b>	<b>Total liabilities</b>	<b>885.5</b>	<b>819.6</b>	<b>933.2</b>
<b>TOTAL ASSETS</b>	<b>1 584.5</b>	<b>1 596.1</b>	<b>1 706.1</b>	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1 584.5</b>	<b>1 596.1</b>	<b>1 706.1</b>

## Change in Group equity

SEK million	2002 30 June	2001 30 June	2001 31 Dec
<b>Opening balance</b>	<b>723.7</b>	<b>757.2</b>	<b>757.2</b>
External dividends	-	-	-1.3
New share issue, warrants and non-cash issue	-	10.5	10.5
Net profit for the period	-50.2	-45.6	-65.1
Translation differences for the period	-9.1	9.0	22.4
<b>Closing balance</b>	<b>664.4</b>	<b>731.1</b>	<b>723.7</b>

## Changes in pledged assets and contingent liabilities

SEK million	2002 30 June	2002 31 Mar	Change
<i>Pledged assets</i>			
Accounts receivable	73.8	73.8	0.0
<i>Contingent liabilities</i>			
Other guarantees	69.5	69.5	0.0

Other pledged assets and contingent liabilities are the same as in December 2001.

## Revenue per country

SEK million	2002 Jan-June	2001 Jan-June	02/01 % Full year	2001 Full year
Sweden	352	334	5%	707
Belgium	180	162	11%	358
Netherlands	147	89	65%	212
France	130	153	-15%	296
UK	119	109	9%	224
Finland	98	84	17%	188
Denmark	71	70	1%	144
USA	54	67	-19%	147
Portugal	54	61	-11%	148
Switzerland	30	24	25%	59
Germany	22	21	5%	36
Norway	17	18	-6%	41
Australia	13	12	8%	34
Brazil	12	7	71%	14
Spain	12	16	-25%	29
Poland	6	5	20%	23
Italy	6	7	-14%	16
Colombia/Mexico	4	5	-20%	16
Malaysia/Singapore/Hong Kong	4	6	-33%	12
Eliminations incl. Parent Company	-53	-35	-	-80
<b>Total</b>	<b>1 278</b>	<b>1 215</b>	<b>5%</b>	<b>2 624</b>

## Employees per country

	2002 30 June	2001 30 June	02/01 % Full year	2001 31 Dec
Sweden	491	489	0%	501
Belgium	202	205	-1%	206
Netherlands	192	198	-3%	194
France	212	195	9%	204
UK	164	163	1%	160
Finland	192	184	4%	190
Denmark	121	141	-14%	127
USA	87	125	-30%	92
Portugal	137	143	-4%	143
Switzerland	40	40	0%	39
Germany	30	32	-6%	30
Norway	34	32	6%	34
Australia	30	34	-12%	32
Brazil	16	18	-11%	18
Spain	32	42	-24%	42
Poland	25	40	-38%	30
Italy	17	15	13%	17
Colombia/Mexico	19	23	-17%	18
Malaysia/Singapore/Hong Kong	13	18	-28%	9
Eliminations incl. Parent Company	153	151	1%	161
<b>Total</b>	<b>2 207</b>	<b>2 288</b>	<b>-4%</b>	<b>2 247</b>

# Consolidated cash flow analysis

SEK million	2002 Apr-June	2001 Apr-June	2002 Jan-June	2001 Jan-June	Last 12 months	2001 Full year
<i>Operating activities</i>						
Profit after financial items	-64.2	-48.3	-69.6	-67.3	-40.9	-38.6
Adjustments to reconcile profit after financial items to cash	50.7	26.4	76.1	53.7	163.9	141.5
Tax paid	2.7	-6.4	-2.3	-16.0	-19.1	-32.8
<b>Cash flow from operating activities before changes in working capital</b>	<b>-10.8</b>	<b>-28.3</b>	<b>4.2</b>	<b>-29.6</b>	<b>103.9</b>	<b>70.1</b>
<i>Changes in working capital</i>						
Inventories	1.0	-5.7	5.0	-9.0	5.4	-8.6
Operating assets	-26.4	-59.7	108.8	2.7	10.6	-95.5
Operating liabilities	28.4	100.9	-23.0	52.3	18.6	93.9
<b>Cash flow from operating activities</b>	<b>-7.8</b>	<b>7.2</b>	<b>95.0</b>	<b>16.4</b>	<b>138.5</b>	<b>59.9</b>
<i>Investing activities</i>						
Acquisition of subsidiaries	-	-0.3	-6.9	-13.4	-8.5	-15.0
Change, intangible assets	-23.1	-7.5	-35.9	-43.3	-114.5	-121.9
Change, tangible assets	-14.0	-21.7	-26.4	-34.6	-46.7	-54.9
Change, financial assets	0.9	10.8	-4.5	19.1	-4.0	19.6
<b>Cash flow from investing activities</b>	<b>-36.2</b>	<b>-18.7</b>	<b>-73.7</b>	<b>-72.2</b>	<b>-173.7</b>	<b>-172.2</b>
<i>Financing activities</i>						
Net change, loans	43.5	15.1	15.2	44.0	53.9	82.7
Dividends paid to minority	-	-	-	-	-1.3	-1.3
<b>Cash flow from financing activities</b>	<b>43.5</b>	<b>15.1</b>	<b>15.2</b>	<b>44.0</b>	<b>52.6</b>	<b>81.4</b>
<b>Cash flow for the period</b>	<b>-0.5</b>	<b>3.6</b>	<b>36.5</b>	<b>-11.8</b>	<b>17.4</b>	<b>-30.9</b>
<b>Liquid assets, beginning of period</b>	<b>194.8</b>	<b>173.0</b>	<b>160.1</b>	<b>182.6</b>	<b>176.5</b>	<b>182.6</b>
<i>Translation differences in liquid assets</i>	-4.3	-0.1	-6.6	5.7	-3.9	8.4
<b>Liquid assets, end of period</b>	<b>190.0</b>	<b>176.5</b>	<b>190.0</b>	<b>176.5</b>	<b>190.0</b>	<b>160.1</b>

## Key figures and data per share

Key figures	2002 Apr-June	2001 Apr-June	2002 Jan-June	2001 Jan-June	Last 12 months	2001 Full year
Average number of employees	2 212	2 300	2 220	2 319	2 233	2 283
Revenue per employee (SEK thousand)	281	268	576	524	1 203	1 149
Value added per employee (SEK thousand)	141	140	305	288	637	619
Operating margin %	-9.6	-7.8	-4.8	-5.5	-1.0	-1.2
Capital turnover ratio	-	-	-	-	1.7	1.6
Return on total capital %	-4	-3	-4	-4	-2	-1
Return on capital employed %	-6	-5	-6	-6	-3	-2
Return on equity %	-7	-5	-7	-6	-10	-9
Ratio of risk capital %	43	47	43	47	43	44
Liquidity %	123	137	123	137	123	131
Equity to total assets ratio %	43	47	43	47	43	43
Interest cost cover ratio	-17	-13	-10	-8	-2	-2
DSO (Days of sales outstanding)	63	64	73	69	64	65
<b>Key figures per share</b>						
Net profit	-0.60	-0.47	-0.63	-0.58	-0.88	-0.82
Net profit after full dilution	-0.48	-0.36	-0.45	-0.40	-0.57	-0.52
Adjusted equity	8.35	9.18	8.35	9.18	8.35	9.09
Adjusted equity after full dilution	13.31	14.05	13.31	14.05	13.31	13.97
Cash flow from operating activities	-0.10	0.09	1.19	0.21	1.74	0.75
Cash flow from operating activities after full dilution	-0.09	0.08	1.06	0.18	1.55	0.67
<b>Share data</b>						
Average number of shares (k)	79 608	79 358	79 608	79 233	79 608	79 421
Average number of shares after full dilution (k)	89 608	89 358	89 608	89 233	89 608	89 421
Total no. of shares (k)	79 608	79 608	79 608	79 608	79 608	79 608
Total no. of warrants (k)	10 000	10 000	10 000	10 000	10 000	10 000
Proforma interest after tax (SEK million)	4.8	4.8	9.5	9.5	19.0	19.0



# Analysis

	2 <sup>nd</sup> quarter				Jan-June		
Analysis of revenue growth between the years							
	02/01	01/00	00/99		02/01	01/00	00/99
Volume increase (average no. of staff)	-4%	-6%	6%		-4%	-5%	17%
Acquisitions during the year	0%	9%	1%		0%	6%	2%
Price and efficiency change	5%	6%	-10%		8%	2%	-21%
<b>Growth rate, internally influenced</b>	<b>1%</b>	<b>9%</b>	<b>-3%</b>		<b>4%</b>	<b>3%</b>	<b>-2%</b>
Influence of exchange rate fluctuation	0%	9%	-10%		1%	6%	-3%
<b>Total growth rate</b>	<b>1%</b>	<b>18%</b>	<b>-13%</b>		<b>5%</b>	<b>9%</b>	<b>-5%</b>
Profit after financial items per region (SEK million)							
	2002	2001	2000		2002	2001	2000
Sweden	2	2	-4		12	10	8
Rest of Europe	-1	-5	-24		17	4	6
Rest of the world	-12	-13	-16		-23	-26	-32
Parent Company incl. Group adjustments	-53	-32	31		-76	-55	25
<b>Total</b>	<b>-64</b>	<b>-48</b>	<b>-13</b>		<b>-70</b>	<b>-67</b>	<b>7</b>
Gross profit per revenue stream (SEK million)							
	2002	2001	2000		2002	2001	2000
Software licences	94	87	73		225	206	164
Professional services	66	71	45		146	149	143
Hardware and other revenue	35	39	30		59	58	63
<b>Total</b>	<b>195</b>	<b>197</b>	<b>148</b>		<b>430</b>	<b>413</b>	<b>370</b>
Gross margin per revenue stream							
	2002	2001	2000		2002	2001	2000
Software licences	85%	82%	84%		88%	85%	86%
Professional services	19%	20%	14%		21%	21%	21%
Hardware and other revenue	21%	25%	24%		19%	22%	26%
<b>Total</b>	<b>31%</b>	<b>32%</b>	<b>28%</b>		<b>34%</b>	<b>34%</b>	<b>33%</b>
Type of revenue in % of total revenue							
	2002	2001	2000		2002	2001	2000
Software licences	18%	17%	17%		20%	20%	17%
Professional services	55%	57%	59%		56%	59%	61%
Hardware and other revenue	27%	26%	24%		24%	21%	22%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>		<b>100%</b>	<b>100%</b>	<b>100%</b>
Operating costs in % of revenue							
	2002	2001	2000		2002	2001	2000
Product development costs	10%	9%	10%		10%	9%	9%
Sales and marketing costs	16%	17%	16%		14%	16%	14%
General and administrative costs	15%	14%	15%		14%	14%	14%
<b>Total</b>	<b>41%</b>	<b>40%</b>	<b>41%</b>		<b>38%</b>	<b>39%</b>	<b>37%</b>
Depreciation (SEK million)							
	2002	2001	2000		2002	2001	2000
Goodwill	-8	-7	-5		-15	-13	-10
Capitalised product development costs	-12	-8	-7		-24	-15	-13
Equipment and financial leasing	-13	-20	-13		-31	-37	-30
<b>Total</b>	<b>-33</b>	<b>-35</b>	<b>-25</b>		<b>-70</b>	<b>-65</b>	<b>-53</b>

Outcome per quarter												
SEK million	1999 Q3	1999 Q4	2000 Q1	2000 Q2	2000 Q3	2000 Q4	2001 Q1	2001 Q2	2001 Q3	2001 Q4	2002 Q1	2002 Q2
Software licences	75.8	136.9	103.1	86.9	80.1	164.6	136.7	106.0	95.6	184.2	145.4	109.9
Total revenue	516.3	714.0	592.3	522.1	449.6	678.6	599.1	616.3	566.7	841.6	656.8	621.5
Operating profit before items affecting comparability	7.7	80.5	22.5	-66.0	-51.8	47.8	-19.2	-48.1	-39.4	74.7	-2.0	-59.5
Profit after financial items	5.8	90.3	20.1	-13.3*	-51.5	49.6	-19.0	-48.3	-42.2	70.9	-5.4	-64.2

\*Adjusted with items affecting comparability

## IBS in brief

IBS is a world-leading supplier of distribution and supply chain execution software. We provide integrated IT solutions for distribution and supply chain-focused companies. Because our software is both scalable and flexible, it allows businesses to grow without limits. Some of our more well-known customers include ABB, Cartier, CIBA Vision, Galexis, General Electric, Honda, Maxell, Mitsubishi, Miele, Pioneer and Volvo. More than 5,000 large and mid-sized companies, in over 40 countries, have chosen software solutions from IBS.

Our fully web-enabled software covers customer relations management, collaborative sales and procurement, order fulfilment, supply chain management, demand-driven manufacturing, inventory control, warehousing and after-sales service. Integrated tools for business analysis and financials help our customers maximise profits and focus on ROI and critical success factors. Fast and efficient implementation enables our customers to reap a high return on investment.

Our next-generation Virtual Enterprise software offers new openings for multi-entity organisations to act as one single entity towards the market, regardless of legal structure, IT infrastructure and geographical boundaries.

For 25 years, our global network of subsidiaries and business partners has provided software, hardware and services for our customers. AMR Research rank IBS as the world-leading provider of supply chain execution solutions.



INTERNATIONAL BUSINESS SYSTEMS

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