

# Interim report

## July-September 2002

- During the first nine months of the year, IBS' software revenue grew by 4%, in a weak market.
- The comparable operating result for the third quarter 2002 was SEK -58m (-39m).
- The comparable operating result for the first nine months of the year was SEK -104m (-107m).
- The quarterly result has been charged with one-time costs for staff reduction, restructuring and write-down of accounts receivable, to an amount of SEK -97m.
- During the first nine months, cash flow from operating activities amounted to SEK 54m (9m).
- The full-year forecast for the operating result, before one-time costs, is adjusted from +/-1% to -2%, i.e. from SEK +/-25m to approximately SEK -50m. The IBS Group's extensive cost reductions, combined with its competitive solutions, are expected to generate a positive result for 2003.

17 October 2002



INTERNATIONAL BUSINESS SYSTEMS

# Strengthened market position

## Cost reductions for profitability 2003

### The market

The global economy has further deteriorated during the third quarter. In consequence, the global market for investment in new business software has continued to be weak. However, there are considerable variations between different industry sectors and countries. For example, market demand in Sweden has been reasonably good, whereas demand in other countries has been weaker. IBS forecasts that the global market will continue to be weak through the last quarter 2002 and during 2003, due to deteriorating economic prospects as a whole. IBS does not expect the market to grow until 2004.

IBS holds a strong market position, with competitive software and services for its chosen target market, primarily mid-sized and larger companies in selected industry sectors. IBS has a large share of successful projects and high customer satisfaction ratings compared to many competitors. Combining these factors with a continued specialisation on selected industry sectors and an enhanced sales concept, IBS expects to continue to grow software sales.

### New management

Magnus Wastenson, previously Vice President Sales and Marketing, is new Group CEO as of 1 October, 2002. He succeeds the company's founder, Staffan Ahlberg, who continues as member of the Board of Directors of the company. Per-Arne Sendrén has been appointed new Vice President and CFO, and Gustaf Lindgren is new Vice President Sales and Marketing.

### Strengthened cost reduction program

IBS operations and overall result comprise the Parent Company and subsidiaries in 22 countries. The latter include both companies showing satisfactory profitability and those with a less satisfactory result. A series of measures targeting subsidiaries with less satisfactory profitability are under way, in order to improve results. These measures include staff reduction, restructuring, replacing operative managers and improved sales efficiency. At the same time, measures have been taken to further improve results in the already profitable subsidiaries.

Today, large parts of the IT sector have an excess capacity and cost levels that are too high, and so does IBS. The Group management's analysis of current business conditions shows that in the short term, further strong measures are necessary to reduce total costs and put a stop to losses in non-profitable subsidiaries.

In conjunction with the quarterly closing, the result has been charged with SEK -97m for one-time costs for staff reduction, restructuring and write-off of accounts receivable.

During the fourth quarter, the result is expected to be charged by further one-time costs for staff reduction, restructuring and write-off of accounts receivable, to an amount of approximately SEK -20m.

An increased co-ordination of product development within the various parts of the Group will be implemented.

### Exchange rates

During the third quarter, the value of the Swedish krona has risen by approximately 2%. For the first nine months, the value of the

Swedish krona has remained unchanged, in relation to the revenue distribution of IBS' subsidiaries.

### 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 third-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 third quarter, and by approximately SEK 3.5m during the first nine months.

### The third quarter 2002

As a rule, the third quarter is the weakest for IBS, mainly due to the holiday season.

During the third quarter, revenue decreased by 11%, compared to the equivalent period last year. The different revenue streams were distributed as follows:

- Software: SEK 95m (96m), 0%
- Professional services: SEK 278m (315m), -12%
- Hardware etc.: SEK 130m (156m), -17%.

### January-September 2002

During the first nine months, revenue remained unchanged at SEK 1,782m (1,782m). The different revenue streams were distributed as follows:

- Software: SEK 351m (338m), +4%
- Professional services: SEK 990m (1,030m), -4%
- Hardware etc.: SEK 441m (414m), +6%

The comparable operating result for the first nine months of the year amounts to SEK -104m (-107m). In addition, there are one-time costs amounting to SEK -113m (0).

The period's result per share amounted to SEK -2.83 (-1.30).

### Software

IBS has a competitive range of software and services for its target market, which mainly comprises mid-sized and larger companies in selected industry sectors. The company's latest version (Release 5) of the ASW business software has been very well-received by current and potential customers. IBS Pharma, which is the specialised version of ASW that targets the broadening market for pharmaceutical distribution, has also been met with interest, resulting in many new prospects.

The new Virtual Enterprise software, which integrates and co-ordinates different ERP systems, has received considerable attention, and the co-operation with IBM Global Services has been further strengthened.

In a weak market, IBS grew software sales by 4% during the first nine months of the year, while the total market volume appears to have decreased considerably. IBS currently has a large number of ongoing sales projects, but due to the reigning economic conditions, the time-span for evaluation and selection of new business software has in many cases been seen to increase.

Today, top management are to a much greater extent involved in the procurement of new business software, a fact that is expected to be to IBS' advantage, as our software covers powerful functionality for management information.

The Group is introducing a new and strengthened concept to support management in customer companies in identifying and measuring achieved value and earning capacity regarding IT investment. IBS will also continue to focus on chosen market sectors, among others pharmaceutical distribution, electronics, consumer durables, the automotive and parts industry, food and industrial supplies.

### Investment

Group investment in equipment has been restrained, and for the first nine months amounted to SEK 26m (33m). During the quarter, capitalised product development costs for products to be launched within twelve months, have fallen short of depreciation by SEK -6m (12m).

### Liquidity and financial position

During the first nine months, cash flow from operating activities amounted to SEK 54m (9m), mainly due to a decrease in accounts receivable.

Tax for the period amounting to SEK -4m (6m) as shown in the income statement consists of SEK -3m (-4m) in current tax and SEK -1m (10m) in deferred tax. Tax paid during the period amounts to SEK 14m (23m).

Per 30 September, cash and liquid assets including short-term investment amounted to SEK 173m (184m). In addition, there were unused credit facilities amounting to SEK 66m (57m). Current assets represented 109% (132%) of current liabilities.

Group equity amounted to SEK 487m (697m) and the equity to total assets ratio was 35% (45%).

### The Parent Company

The Parent Company provides centrally developed software and group services. Parent Company net revenue during the first nine months of the year amounted to SEK 131m (112m), and the pre-tax result was SEK -13m (-11m).

### Staff

The number of employees per 30 September was 2,141, a decrease during the quarter by 66. During the third quarter, the average number of employees was 2,199 (2,295), a reduction by 96.

### The IBS share

The share price per 30 September was SEK 3.80 per share, which represents a 78% decrease since the end of last year.

The total number of shares per 30 September 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

Despite the weakness of the market, mid-sized and larger companies are investing major funds in improving their information systems. Management in many companies are dissatisfied with their current IT systems' lack of support for business targets and possibilities for measuring the profitability and return on investment of IT investments. IBS foresees major opportunities in this market. We have competitive software and services that can help companies increase profitability.

In the second-quarter report, the full-year forecast was for an operating margin within a +/- 1% interval, on condition that the market was not further weakened. The full-year forecast for operating margin before one-time costs, is now adjusted from +/-1% to -2%, i.e. from SEK +/-25m to approximately SEK -50m.

On condition that the already weak market is not subject to serious deterioration, the IBS Group's extensive cost reductions, combined with its competitive solutions, are expected to generate a positive result for 2003.

### Information plan

The year-end report for 2002 will be published 23 January, 2003.

Solna, 17 October, 2002  
Magnus Wastenson  
CEO

*This report has not been audited.*

*Questions concerning this report will be answered by*

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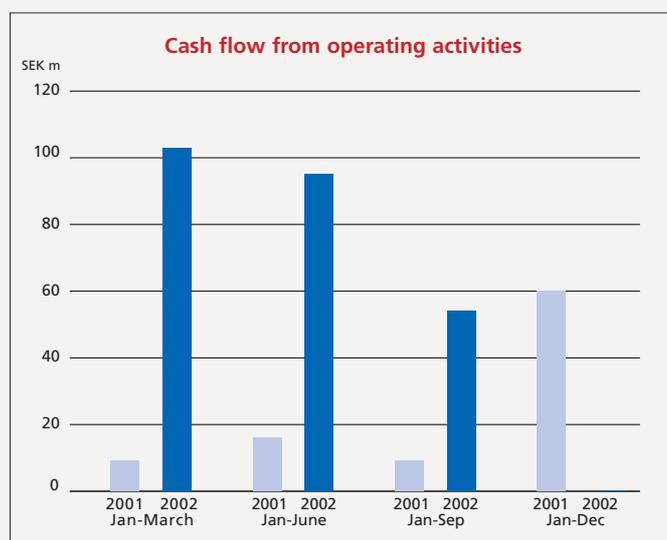
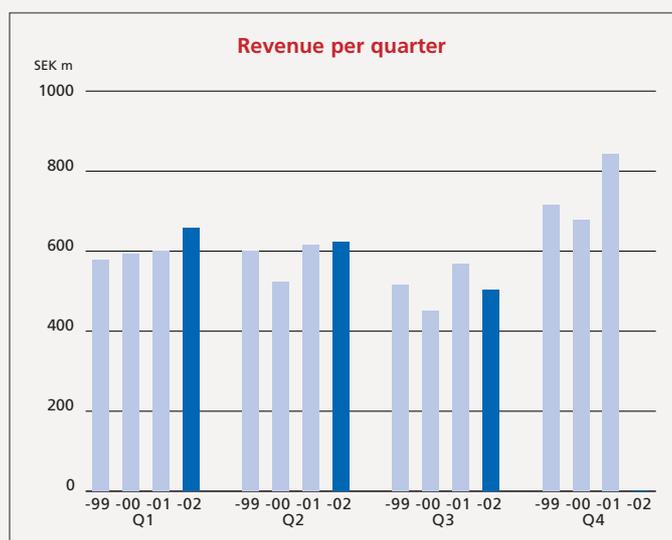
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# Consolidated income statement

SEK million	2002 July-Sep	2001 July-Sep	02/01 %	2002 Jan-Sep	2001 Jan-Sep	02/01 %	Last 12 months	2001 Full year
<i>Revenue</i>								
Software licences	95.2	95.6	0%	350.5	338.3	4%	534.7	522.5
Professional services	278.1	314.8	-12%	990.1	1 029.5	-4%	1 397.3	1 436.7
Hardware and other revenue	130.1	156.3	-17%	441.1	414.3	6%	691.3	664.5
<b>Total revenue</b>	<b>503.4</b>	<b>566.7</b>	<b>-11%</b>	<b>1 781.7</b>	<b>1 782.1</b>	<b>0%</b>	<b>2 623.3</b>	<b>2 623.7</b>
<i>Cost of revenue</i>								
Software licences	-11.0	-19.7	-44%	-41.5	-56.8	-27%	-67.0	-82.3
Professional services	-237.5	-242.7	-2%	-798.6	-808.0	-1%	-1 092.1	-1 101.5
Hardware and other costs	-102.9	-128.8	-20%	-354.8	-328.9	8%	-555.4	-529.5
<b>Total cost of revenue</b>	<b>-351.4</b>	<b>-391.2</b>	<b>-10%</b>	<b>-1 194.9</b>	<b>-1 193.7</b>	<b>0%</b>	<b>-1 714.5</b>	<b>-1 713.3</b>
<b>Gross profit</b>	<b>152.0</b>	<b>175.5</b>	<b>-13%</b>	<b>586.8</b>	<b>588.4</b>	<b>0%</b>	<b>908.8</b>	<b>910.4</b>
<i>Operating costs</i>								
Product development costs	-56.9	-44.3	28%	-187.6	-155.2	21%	-243.2	-210.8
Sales and marketing costs	-87.5	-86.9	1%	-264.1	-283.3	-7%	-368.0	-387.2
General and administrative costs	-65.6	-83.7	-22%	-239.2	-256.6	-7%	-327.0	-344.4
Non-recurrent items	-97.2	-	-	-112.6	-	-	-112.6	-
<b>Total operating costs</b>	<b>-307.2</b>	<b>-214.9</b>	<b>43%</b>	<b>-803.5</b>	<b>-695.1</b>	<b>16%</b>	<b>-1 050.8</b>	<b>-942.4</b>
<b>Operating profit</b>	<b>-155.2</b>	<b>-39.4</b>		<b>-216.7</b>	<b>-106.7</b>		<b>-142.0</b>	<b>-32.0</b>
<i>Financial items</i>								
Interest income	1.4	1.0		4.3	4.1		6.4	6.2
Interest expenses	-4.0	-4.3		-10.5	-11.8		-13.9	-15.2
Other financial items	0.5	0.5		-4.0	4.9		-6.5	2.4
<b>Profit after financial items</b>	<b>-157.3</b>	<b>-42.2</b>		<b>-226.9</b>	<b>-109.5</b>		<b>-156.0</b>	<b>-38.6</b>
<i>Tax and minority holdings</i>								
Tax	-19.8	-15.0		-4.1	5.5		-35.9	-26.3
Minority holdings, net	1.8	0.0		5.5	1.2		4.1	-0.2
<b>Net profit for the period</b>	<b>-175.3</b>	<b>-57.2</b>		<b>-225.5</b>	<b>-102.8</b>		<b>-187.8</b>	<b>-65.1</b>
<i>Net profit per share</i>								
Net profit per share	-2.20	-0.72		-2.83	-1.30		-2.36	-0.82
Net profit per share after full dilution*	-2.20	-0.72		-2.83	-1.30		-2.36	-0.82
<i>Average number of shares (k)</i>								
Average number of shares (k)	79 608	79 608		79 608	79 358		79 608	79 421
Average number of shares after full dilution (k)	89 608	89 608		89 608	89 358		89 608	89 421

\* Dilution does not permit a reduction of loss per share



# Consolidated balance sheet

SEK million	2002 30 Sep	2001 30 Sep	2001 31 Dec	2002 30 Sep	2001 30 Sep	2001 31 Dec
<b>ASSETS</b>						
<b>Fixed assets</b>						
<i>Intangible assets</i>						
Capitalised product development costs	91.7	74.3	87.0			
Goodwill	256.8	259.2	280.7			
	<b>348.5</b>	<b>333.5</b>	<b>367.7</b>			
<i>Tangible assets</i>						
Equipment	95.3	114.1	107.8			
Financial leasing contracts	43.0	49.0	45.6			
	<b>138.3</b>	<b>163.1</b>	<b>153.4</b>			
<i>Financial assets</i>						
Participations in associated companies	0.4	2.4	0.4			
Other long-term receivables	12.3	12.5	14.4			
Deferred tax receivables	32.4	57.3	37.6			
	<b>45.1</b>	<b>72.2</b>	<b>52.4</b>			
<b>Total fixed assets</b>	<b>531.9</b>	<b>568.8</b>	<b>573.5</b>			
<b>Current assets</b>						
<i>Inventories</i>	<b>3.2</b>	<b>14.4</b>	<b>11.8</b>			
<i>Current receivables</i>						
Accounts receivable	469.9	542.3	771.5			
Tax receivables	37.3	39.4	42.3			
Other receivables	46.5	58.1	37.2			
Prepaid expenses and accrued income	163.4	166.6	109.7			
	<b>717.1</b>	<b>806.4</b>	<b>960.7</b>			
<i>Short-term investments</i>	48.7	53.2	18.7			
<i>Cash and bank balances</i>	124.5	130.6	141.4			
	<b>173.2</b>	<b>183.8</b>	<b>160.1</b>			
<b>Total current assets</b>	<b>893.5</b>	<b>1 004.6</b>	<b>1 132.6</b>			
<b>TOTAL ASSETS</b>	<b>1 425.4</b>	<b>1 573.4</b>	<b>1 706.1</b>			
<b>EQUITY AND LIABILITIES</b>						
<b>Equity</b>						
<i>Restricted equity</i>						
Share capital	15.9	15.9	15.9			
Restricted reserves	607.7	630.4	633.0			
	<b>623.6</b>	<b>646.3</b>	<b>648.9</b>			
<i>Non-restricted equity</i>						
Non-restricted reserves	88.9	153.7	139.9			
Net profit for the period	-225.5	-102.8	-65.1			
	<b>-136.6</b>	<b>50.9</b>	<b>74.8</b>			
<b>Total equity</b>	<b>487.0</b>	<b>697.2</b>	<b>723.7</b>			
<b>Minority holdings</b>	<b>7.3</b>	<b>12.3</b>	<b>16.2</b>			
<b>Provisions</b>						
Deferred tax	13.6	15.9	14.4			
Reserve for project and guarantee costs	30.9	18.5	18.6			
	<b>44.5</b>	<b>34.4</b>	<b>33.0</b>			
<b>Liabilities</b>						
<i>Long-term liabilities</i>						
Liabilities to credit institutions	54.3	68.6	58.3			
Other long-term liabilities	15.9	9.7	16.6			
	<b>70.2</b>	<b>78.3</b>	<b>74.9</b>			
<i>Current liabilities</i>						
Liabilities to credit institutions	233.5	177.1	191.5			
Accounts payable	117.8	151.2	213.6			
Income tax liability	7.4	1.7	22.4			
Other current liabilities	74.0	89.8	107.5			
Accrued expenses and deferred income	383.7	331.4	323.3			
	<b>816.4</b>	<b>751.2</b>	<b>858.3</b>			
<b>Total liabilities</b>	<b>886.6</b>	<b>829.5</b>	<b>933.2</b>			
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1 425.4</b>	<b>1 573.4</b>	<b>1 706.1</b>			

## Change in Group equity

SEK million	2002 30 Sep	2001 30 Sep	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	-225.5	-102.8	-65.1
Translation differences for the period	-11.2	32.3	22.4
<b>Closing balance</b>	<b>487.0</b>	<b>697.2</b>	<b>723.7</b>

## Changes in pledged assets and contingent liabilities

SEK million	2002 30 Sep	2002 30 June	Change
<i>Pledged assets</i>			
Assets charged with ownership reservation	65.5	64.0	1.5
Pledged shares in subsidiaries	109.8	0.0	109.8
<i>Contingent liabilities</i>			
Other guarantees	76.6	69.5	7.1

Other pledged assets and contingent liabilities are the same as in June 2002.

## Revenue per country

SEK million	2002 Jan-Sep	2001 Jan-Sep	02/01 %	2001 Full year
Sweden	487	460	6%	707
Belgium	261	245	7%	358
France	183	217	-16%	296
Netherlands	171	144	19%	212
UK	169	166	2%	224
Finland	132	130	2%	188
Denmark	108	104	4%	144
Portugal	80	89	-10%	148
USA	79	102	-23%	147
Switzerland	42	38	11%	59
Germany	33	28	18%	36
Norway	22	27	-19%	41
Australia	19	19	0%	34
Spain	18	21	-14%	29
Brazil	14	10	40%	14
Poland	12	17	-29%	23
Italy	9	10	-10%	16
Colombia/Mexico	6	10	-40%	16
Malaysia/Singapore/Singapore/Hong Kong	4	10	-60%	12
Eliminations incl. Parent Company	-67	-65	-	-80
<b>Total</b>	<b>1 782</b>	<b>1 782</b>	<b>0%</b>	<b>2 624</b>

# Consolidated cash flow analysis

SEK million	2002 July-Sep	2001 July-Sep	2002 Jan-Sep	2001 Jan-Sep	Last 12 months	2001 Full year
<i>Operating activities</i>						
Profit after financial items	-157.3	-42.2	-226.9	-109.5	-156.0	-38.6
Adjustments to reconcile profit after financial items to cash	54.9	19.4	131.0	73.1	199.4	141.5
Tax paid	-11.6	-6.8	-13.9	-22.8	-23.9	-32.8
<b>Cash flow from operating activities before changes in working capital</b>	<b>-114.0</b>	<b>-29.6</b>	<b>-109.8</b>	<b>-59.2</b>	<b>19.5</b>	<b>70.1</b>
<i>Changes in working capital</i>						
Inventories	3.4	-1.9	8.4	-10.9	10.7	-8.6
Operating assets	97.6	63.7	206.4	66.4	44.5	-95.5
Operating liabilities	-28.2	-39.6	-51.2	12.7	30.0	93.9
<b>Cash flow from operating activities</b>	<b>-41.2</b>	<b>-7.4</b>	<b>53.8</b>	<b>9.0</b>	<b>104.7</b>	<b>59.9</b>
<i>Investing activities</i>						
Acquisition of subsidiaries	-0.5	-1.5	-7.4	-14.9	-7.5	-15.0
Change, intangible assets	0.2	-21.9	-35.7	-65.2	-92.4	-121.9
Change, tangible assets	-13.1	-10.9	-39.5	-45.5	-48.9	-54.9
Change, financial assets	4.6	9.9	0.1	29.0	-9.3	19.6
<b>Cash flow from investing activities</b>	<b>-8.8</b>	<b>-24.4</b>	<b>-82.5</b>	<b>-96.6</b>	<b>-158.1</b>	<b>-172.2</b>
<i>Financing activities</i>						
Net change, loans	32.3	33.0	47.5	77.0	53.2	82.7
Dividends paid to minority	-	-	-	-	-1.3	-1.3
<b>Cash flow from financing activities</b>	<b>32.3</b>	<b>33.0</b>	<b>47.5</b>	<b>77.0</b>	<b>51.9</b>	<b>81.4</b>
<b>Cash flow for the period</b>	<b>-17.7</b>	<b>1.2</b>	<b>18.8</b>	<b>-10.6</b>	<b>-1.5</b>	<b>-30.9</b>
<b>Liquid assets, beginning of period</b>	<b>190.0</b>	<b>176.5</b>	<b>160.1</b>	<b>182.6</b>	<b>183.8</b>	<b>182.6</b>
<i>Translation differences in liquid assets</i>	0.9	6.1	-5.7	11.8	-9.1	8.4
<b>Liquid assets, end of period</b>	<b>173.2</b>	<b>183.8</b>	<b>173.2</b>	<b>183.8</b>	<b>173.2</b>	<b>160.1</b>

## Key figures and data per share

Key figures	2002 July-Sep	2001 July-Sep	2002 Jan-Sep	2001 Jan-Sep	Last 12 months	2001 Full year
Average number of employees	2 159	2 247	2 199	2 295	2 211	2 283
Revenue per employee (SEK thousand)	233	252	810	777	1 186	1 149
Value added per employee (SEK thousand)	65	127	371	415	578	619
<i>Value added per employee excl. non-recurrent items</i>	110	127	422	415	629	619
Operating margin %	-31	-7	-12	-6	-5	-1
<i>Operating margin excl. non-recurrent items</i>	-12	-7	-6	-6	-1	-1
Capital turnover ratio	-	-	-	-	1.7	1.6
Return on total capital %	-10	-2	-14	-6	-9	-1
Return on capital employed %	-18	-4	-24	-10	-15	-2
Return on equity %	-30	-8	-37	-14	-29	-9
Ratio of risk capital %	36	46	36	46	36	44
Liquidity %	109	132	109	132	109	131
Equity to total assets ratio %	35	45	35	45	35	43
Interest cost cover ratio	-38	-9	-21	-8	-10	-2
DSO (Days of sales outstanding)	72	70	73	69	63	65
<b>Key figures per share</b>						
Net profit	-2.20	-0.72	-2.83	-1.30	-2.36	-0.82
Net profit after full dilution*	-2.20	-0.72	-2.83	-1.30	-2.36	-0.82
Adjusted equity	6.12	8.76	6.12	8.76	6.12	9.09
Adjusted equity after full dilution	11.33	13.76	11.33	13.76	11.33	13.97
Cash flow from operating activities	-0.52	-0.09	0.68	0.11	1.32	0.75
Cash flow from operating activities after full dilution	-0.46	-0.08	0.60	0.10	1.17	0.67
<b>Share data</b>						
Average number of shares (k)	79 608	79 608	79 608	79 358	79 608	79 421
Average number of shares after full dilution (k)	89 608	89 608	89 608	89 358	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

\* Dilution does not permit a reduction of loss per share

# Analysis

	3 <sup>rd</sup> quarter			Jan-Sep		
<b>Analysis of revenue growth between the years</b>						
	02/01	01/00	00/99	02/01	01/00	00/99
Volume increase (average no. of staff)	-4%	-7%	1%	-4%	-6%	13%
Acquisitions during the year	0%	4%	4%	0%	6%	3%
Price and efficiency change	-5%	18%	-18%	4%	6%	-22%
<b>Growth rate, internally influenced</b>	<b>-9%</b>	<b>15%</b>	<b>-13%</b>	<b>0%</b>	<b>6%</b>	<b>-6%</b>
Influence of exchange rate fluctuation	-2%	11%	0%	0%	8%	-2%
<b>Total growth rate</b>	<b>-11%</b>	<b>26%</b>	<b>-13%</b>	<b>0%</b>	<b>14%</b>	<b>-8%</b>
<b>Profit after financial items per region (SEK million)</b>						
	2002	2001	2000	2002	2001	2000
Sweden	-6	-17	-7	6	-7	1
Rest of Europe	-37	-5	-24	-20	-1	-18
Rest of the world	-11	-5	-8	-34	-31	-40
Parent Company incl. Group adjustments	-103	-15	-13	-179	-71	12
<b>Total</b>	<b>-157</b>	<b>-42</b>	<b>-52</b>	<b>-227</b>	<b>-110</b>	<b>-45</b>
<b>Gross profit per revenue stream (SEK million)</b>						
	2002	2001	2000	2002	2001	2000
Software licences	84	76	65	309	282	229
Professional services	41	72	51	192	222	194
Hardware and other revenue	27	28	26	86	84	89
<b>Total</b>	<b>152</b>	<b>176</b>	<b>142</b>	<b>587</b>	<b>588</b>	<b>512</b>
<b>Gross margin per revenue stream</b>						
	2002	2001	2000	2002	2001	2000
Software licences	88%	79%	81%	88%	83%	85%
Professional services	15%	23%	19%	19%	22%	20%
Hardware and other revenue	21%	18%	26%	20%	21%	26%
<b>Total</b>	<b>30%</b>	<b>31%</b>	<b>32%</b>	<b>33%</b>	<b>33%</b>	<b>33%</b>
<b>Type of revenue in % of total revenue</b>						
	2002	2001	2000	2002	2001	2000
Software licences	19%	17%	18%	20%	19%	17%
Professional services	55%	56%	60%	55%	58%	61%
Hardware and other revenue	26%	27%	22%	25%	23%	22%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Operating costs in % of revenue</b>						
	2002	2001	2000	2002	2001	2000
Product development costs	11%	8%	10%	11%	9%	9%
Sales and marketing costs	18%	15%	19%	15%	16%	16%
General and administrative costs	13%	15%	14%	13%	14%	14%
Non-recurrent items	19%	-	-	6%	-	-
<b>Total</b>	<b>61%</b>	<b>38%</b>	<b>43%</b>	<b>45%</b>	<b>39%</b>	<b>39%</b>
<b>Depreciation (SEK million)</b>						
	2002	2001	2000	2002	2001	2000
Goodwill	-8	-7	-6	-23	-20	-16
Capitalised product development costs	-12	-9	-6	-36	-25	-19
Equipment and financial leasing	-18	-17	-16	-50	-53	-46
<b>Total</b>	<b>-38</b>	<b>-33</b>	<b>-28</b>	<b>-109</b>	<b>-98</b>	<b>-81</b>

SEK million	Outcome per quarter											
	1999 Q4	2000 Q1	2000 Q2	2000 Q3	2000 Q4	2001 Q1	2001 Q2	2001 Q3	2001 Q4	2002 Q1	2002 Q2	2002 Q3
Software licences	136.9	103.1	86.9	80.1	164.6	136.7	106.0	95.6	184.2	145.4	109.9	95.2
Total revenue	714.0	592.3	522.1	449.6	678.6	599.1	616.3	566.7	841.6	656.8	621.5	503.4
Operating profit	80.5	22.5	-66.0	-51.8	47.8	-19.2	-48.1	-39.4	74.7	-2.0	-59.5	-155.2**
Profit after financial items	90.3	20.1	-13.3*	-51.5	49.6	-19.0	-48.3	-42.2	70.9	-5.4	-64.2	-157.3

\* Adjusted with items affecting comparability

\*\* Including non-recurrent items amounting SEK -97.2m

## 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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