

Interim Report
January – June 2003



Jeeves positive development continues

- * Net turnover amounted to SEK 24.7 million and increased 56 %
- * Net result amounted to SEK 1.5 million and net margin was 6 %
- * Earnings per share was SEK 0.5
- * Positive cash flow at SEK 5.4 million and liquid assets amounted to SEK 16.9 million

Press releases since April 1st, 2003 - summary

- * Increasingly more companies choose Jeeves, among these are Hijum Group BV, SRB Group, Proton Group, Hydrauto, Skövde Slakteri and Ridderheims
- * Jeeves Annual General meeting gave Jeeves Board the right to decide on issuing shares in connection with acquisitions

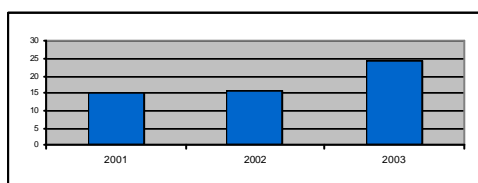
Market

Market development has been weak. The Nordic markets have however experienced a slight improvement compared to last year. Many companies are evaluating new ERP systems and the list of prospective clients looks good, especially in Sweden.

Sales and Result

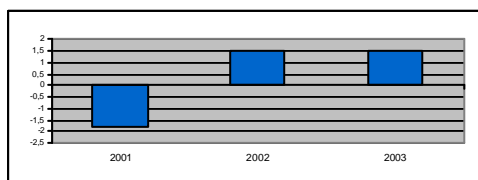
Net turnover for the period was SEK 24.7 million (15.9) of which 67 percent (91) comprised of license and maintenance revenues. Reveny System AB, which was acquired July 1st, 2002, has lifted net turnover for the period SEK 7.5 million primarily through consulting revenues.

The development of net turnover between 2001 and 2003 is presented below.



Graph 1. Net turnover January-June

The result after tax amounted to SEK 1.5 million (1.5) producing a result per share of SEK 0.5 (0.5). The development of operating income between 2001 and 2003 is presented below.



Graph 1. Operating income January-June

Forecast

Based on the present market development, the Board forecast that we will be able to achieve our objectives of 10 percent net margin and 25 percent increase in net turnover.

Cash flow is expected to be positive for the full year.

Investments

Investments in intangible fixed assets amounted to SEK 0.4 million (0.3), fully accounted for by SEK 0.4 million (0.3) of balanced development costs. Investments in machinery and equipment totaling SEK 0.2 million (0.3) have been made during the period.

Financial Status

Cash flow during the period was positive at SEK 5.4 million (7.7). Liquid assets at period end amounted to SEK 16.9 million (10.5). Current ratio was 123 percent (120) and debt-equity ratio 34 percent (32).

Product Development

Product development has continued with the same intensity, with a substantial focus on our web interface and e-commerce.

Employees

The number of employees during the period averaged 43 (26) of whom 10 (6) were women.

Details of payments made to parties related to the company

During the period, the company paid consultancy fees totaling SEK 60 thousand to companies related to individuals in the company's management and companies related to individuals on the company's Board of Directors. These fees have been distributed as follows.

- to companies related to the board chairman: SEK 60 thousand

The Board of Directors is of the opinion that these fees were paid at market prices and for well-defined projects that were not part of the normal board and management work.

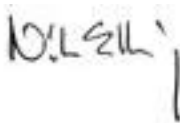
Financial Information

Jeeves Board of Directors decided in May to improve the liquidity in the Jeeves share. Jeeves has signed an agreement with Remium, where Remium guarantees to set the difference between sell and buy stock price at maximum 3 percent.

Interim report for Q3 23 October 2003

The report has been briefly examined by the Company's auditors.

Stockholm, 19 August 2003



Nicolas Ehrling
Chief Executive Officer

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Group Profit and Loss Statement

(SEK thousand)	notes	Quarter		Period		
		2003-04-01	2002-04-01	2003-01-01	2002-01-01	2002-01-01
		2003-06-30	2003-06-30	2003-06-30	2002-06-30	2002-12-31
OPERATING REVENUE						
Net turnover	1	12 646	9 643	24 703	15 856	39 581
Capitalized work own use		291	317	383	317	877
Other revenues		15	0	15	0	0
Total revenue						
		12 952	9 960	25 101	16 173	40 458
OPERATING COSTS						
Merchandise		-242	0	-499	0	-1 091
General external costs		-4 274	-2 669	-7 850	-4 713	-11 160
Payroll expenses		-6 866	-4 371	-13 889	-8 481	-21 620
Depreciation, tangible and intangible assets		-675	-627	-1 409	-1 290	-2 834
Depreciation, goodwill		-73	0	-148	0	-149
Total costs		-12 130	-7 667	-23 795	-14 484	-36 854
Operating income		822	2 293	1 306	1 689	3 604
PROFIT FINANCIAL ON ITEMS						
Interest and similar revenues		126	78	251	87	281
Interest expenses and similar costs		-13	-203	-46	-241	-90
Total financial items		113	-125	205	-154	191
Resultat efter finansiella poster		935	2 168	1 511	1 535	3 795
TAXES		0	0	0	0	23
Earnings		935	2 168	1 511	1 535	3 818

Earnings per share, SEK					
Per average no. shares	0,3	0,8	0,5	0,5	1,3
After dilution	0,3	0,8	0,5	0,5	1,3
No. outstanding shares					
Average no. Shares during the period	2 905 364	2 802 800	2 905 364	2 802 800	2 854 082
No. Shares at period end	2 905 364	2 802 800	2 905 364	2 802 800	2 905 364
No. Shares after full dilution at period end	2 987 864	2 889 478	2 987 864	2 874 820	2 981 864

Group Balance Sheet

	notes	2003-06-30	2002-06-30	2002-12-31
ASSETS				
Goodwill		2 672	0	2 820
Other intangible fixed assets		4 511	3 617	5 353
Tangible fixed assets		599	729	587
Financial fixed assets		0	224	0
Total fixed assets		7 782	4 570	8 760
Current assets				
Inventory		77	1	30
Work in progress		70	0	215
Accounts receivable		7 771	7 356	17 750
Other receivables		2 702	1 136	1 064
Accrued license revenues		765	32	382
Deferred exp. and accrued revenue		753	764	1 633
Cash in hand and at the bank		16 892	10 462	11 456
Total current assets		29 030	19 751	32 530
Total assets		36 812	24 321	41 290
EQUITY AND LIABILITIES				
Restricted equity				
Share capital		5 811	5 606	5 811
Restricted reserves		5 057	27 098	27 937
Total restricted equity		10 868	32 704	33 748
Non-restricted equity				
Loss brought forward		67	-26 339	-26 602
Net loss for the period		1 511	1 535	3 818
Total non-restricted equity		1 578	-24 804	-22 784
Total equity	2	12 446	7 900	10 964
Provisions		0	0	250
Minority interests		0	0	0
LIABILITIES				
Long-term liabilities				
Loans against promissory notes		350	0	550
Checking account facility		0	0	798
Other liabilities		250	0	250
Total long-term liabilities		600	0	1 598
Accounts payable		1 828	1 055	2 905
Advance payments from customers		462	0	666
Other liabilities		1 945	1 299	3 408
Deferred maintenance revenues		13 917	10 436	15 717
Accrued costs and deferred revenues		5 615	3 631	5 782
Total short-term liabilities		23 766	16 421	28 478
Total equity and liabilities		36 812	24 321	41 290
Pledged assets		1 500	none	1 500
Contingent liabilities		40	100	100

Group Cash Flow Analysis

	2003-01-01 2003-06-30	2002-01-01 2002-06-30	2002-01-01 2002-12-31
Cash flow from current operations			
Earnings after net financial items	1 511	1 535	3 795
Adjustments for items not included in cash flow			
	0	0	
Depreciation	1 557	1 290	2 983
Losses on exchange	0	0	0
Change in interest debt	-42	222	-99
Translation difference	-250	0	273
	2 776	3 047	6 952
Income tax paid	0	0	0
Cash flow from current operations before changes in operating capital	2 776	3 047	6 952
Change in working capitals			
Increase/decrease in inventories	-47	18	-11
Increase/decrease in assets	8 983	6 470	-5 125
Increase/decrease in short term liabilities	-4 712	-1 366	10 695
Cash flow from current operations	7 000	8 169	12 511
Cash flow from investments			
Acquisition of subsidiary	0	0	-159
Acquisition of financial assets	0	0	0
Acquisition of intangible assets	-383	-317	-6 151
Acquisition of tangible assets	-195	-290	-406
Cash flow from investments	-578	-607	-6 716
Financing activities			
Issue of new shares	0	0	1 100
Stock option sales	12	146	149
Increase/decrease of long-term liabilities	-998	0	1 598
Cash flow from financing activities	-986	146	2 847
PERIOD CASH FLOW	5 436	7 709	8 642
Liquid assets at period start	11 456	2 753	2 753
Liquid assets assumed upon acquisition	0	0	61
Liquid assets at period end	16 892	10 462	11 456

Group Segment Analysis

	Sweden		Other Nordics		Others		Total	
	2003	2002	2003	2002	2003	2002	2003	2002
REVENUES								
License and maintenance	14 005	9 371	1 212	812	1 219	4 175	16 436	14 358
Hardware	460	0	0	0	0	0	460	0
Consultancy and training	6 344	1 353	113	73	1 350	72	7 807	1 498
Total Revenue	20 809	10 724	1 325	885	2 569	4 247	24 703	15 856
EARNINGS								
Income per area	9 327	5 580	833	532	-511	1 645	9 649	7 757
Non allocated costs							-8 343	-6 068
OPERATING INCOME							1 306	1 689
Financial items							205	-154
EARNINGS							1 511	1 535

Jeeves primary segment is geographical area. Jeeves has only one product, the ERP system, which involves no additional reporting in secondary segments. Jeeves is mainly a software development company, where a large part of the cost is not allocable to the geographical areas.

Accounting principles and notes

The interim report has been drawn up in accordance with the Swedish Annual Accounts Act and the recommendation RR 20 (interim reports) of the Swedish Financial Accounting Standards Council. The same accounting principles as for the annual accounts for 2002 have been applied, including the observance of the new recommendations of the Swedish Financial Accounting Standards Council that came into force January 1st 2003, and which bear on the Company's accounts.

The following new recommendations that are now adopted are RR 22 – Presentation of Financial Statement, RR 25 – Segment reporting, RR 26 – Events After the Balance Sheet and RR27 – Financial instruments. In this interim report, these recommendations do not have a monetary effect on the Company's result and financial position. After reviewing the other new recommendations that will be adopted as of 1 January 2003, the Company has come to the conclusions that these will not appreciably affect this report.

Note 1 Net turnover	2003-04-01	2002-04-01	2003-01-01	2002-01-01	2002-01-01
Comprises from the following:	2003-06-30	2002-06-30	2003-06-30	2002-06-30	2002-12-31
License and maintenance revenues	8 719	8 525	16 436	14 358	33 984
Hardware revenues	275		460		1 158
Consultancy and training revenues	3 652	1 118	7 807	1 498	4 439
	12 646	9 643	24 703	15 856	39 581
Note 2 Changes in equity			2003-06-30	2002-06-30	2002-12-31
Equity at period start			10 964	5 994	5 994
Net profit for the period			1 511	1 535	3 818
Acquisition			0	0	1 100
Options			12	146	149
Differences on conversion			-42	225	-97
Equity at period end			12 446	7 900	10 964

About Jeeves

Jeeves Information Systems AB (JIS) develops business systems for medium -sized companies in the manufacturing, commercial, and service sectors. The company, which has a staff of 45, focuses on product development while sales are dealt with by 300 committed and expert employees and consultants with special and sector-specific skills within various business processes. JIS collaborates with 15 partners throughout the world, with partners being represented at 20 locations in Sweden alone. The company's main product is Jeeves Enterprise, which is installed at more than 900 companies and has over 13,000 users. The present operation started in 1992 and the company has been listed on the Stockholm Stock Exchange O-list since 1999.

About Jeeves Enterprise

The Jeeves Enterprise business system is a complete business system in a Windows environment, which thanks to its openness is an unbeatable platform for web applications and e-commerce. Thanks to our unique design, customer adaptations are preserved upon update to a later version. The software contains a comprehensive range of routines from Accounting, Logistics, Service, Time & Project to CRM (Customer Relationship Management) and SCM (Supply Chain Management). Jeeves Enterprise has a flexible and customizable user interface that also contains a powerful macrolanguage that is used for customer adaptations. The flexibility and adaptability available in Jeeves Enterprise also makes it a suitable solution for large-scale enterprises wanting a common business system for their medium-sized and smaller subsidiaries.

For more information: www.jeeves.se



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