

# Interim Report

JANUARY – SEPTEMBER 2011

## Continued improved result and strong license sales

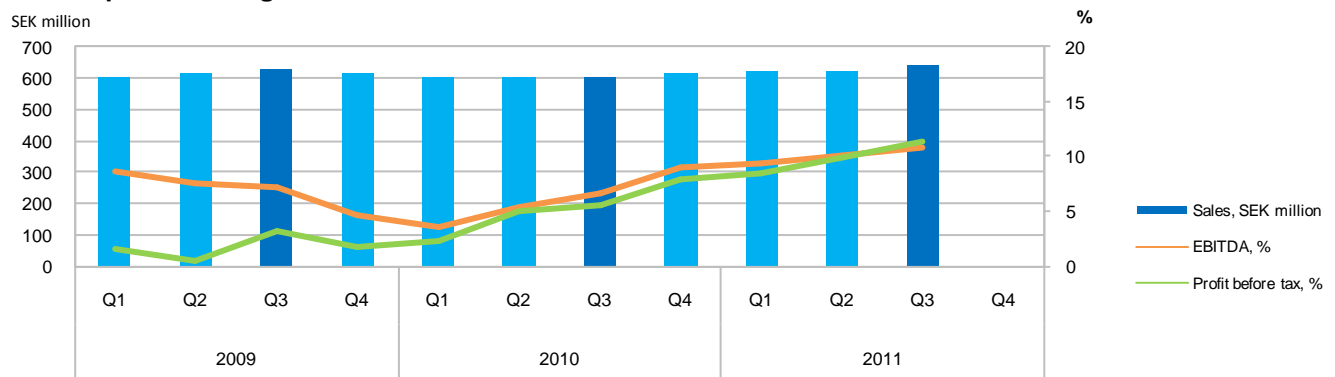
- Sales for January-September increased with 6 percent to SEK 463.2 (438.7) million
- Operating profit EBITDA for the period was SEK 33.2 (19.0) million
- Earnings per share after tax for the period were SEK 0.89 (0.24)
- Sales for the third quarter amounted to SEK 159.4 (143.2) million
- Operating profit EBITDA for the third quarter was SEK 16.8 (10.1) million
- Earnings per share after tax for the third quarter were SEK 0.43 (0.10)
- Cash-flow from operating activities for the first nine months was SEK 80.0 (50.8) million

24 percent license growth in local currencies for the quarter

Key data	2011	2010	2011	2010	Rolling 12 months	Full year 2010
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep		
Net sales, SEK million	159,4	143,2	463,2	438,7	642,7	618,2
Profit/loss EBITDA*, SEK million	16,8	10,1	33,2	19,0	69,4	56,5
Profit/loss before tax, SEK million	16,1	5,6	36,4	12,7	73,2	49,5
Net profit/loss, SEK million	12,7	2,9	26,5	7,3	56,1	36,8
Operating margin EBITDA*, %	10,5	7,1	7,2	4,3	10,8	9,1
Profit margin before tax, %	10,1	3,9	7,9	2,9	11,4	8,0
Profit margin after tax, %	8,0	2,0	5,7	1,7	8,7	6,0
Net earnings per share, SEK	0,43	0,10	0,89	0,24	1,89	1,24
Cash flow, operating activities	22,1	1,4	80,0	50,8	102,4	73,1

\* Operating profit/loss before capitalization of costs for proprietary software development, depreciation, amortization, interest and tax.

### Development rolling 12 months



**READSOFT®**

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This report was published October 24, 2011

## President and CEO

The third quarter turned out well with a strong sales growth and with a strong result. We have now improved our margins for seven consecutive quarters on a rolling 12 months basis – a clear sign of the positive trend we have sustained despite facing a currency headwind of 7 percent for the first nine months of the year.

Compared to last year, ReadSoft’s total sales grew by 15 percent in local currencies for the third quarter, and by 13 percent for the first nine months. Our license sales, adjusted for currency effects, grew by 24 percent for the third quarter and by 19 percent for the first nine months. The EBITDA result is 66 percent better than last year for the quarter and 75 percent better than last year for the first nine months. The EBITDA-margin, on a rolling 12 months basis, has continued to increase and is now close to 11 percent. The cash-flow from operating activities has been strengthened further and amounts to SEK 80 million for the first nine months.

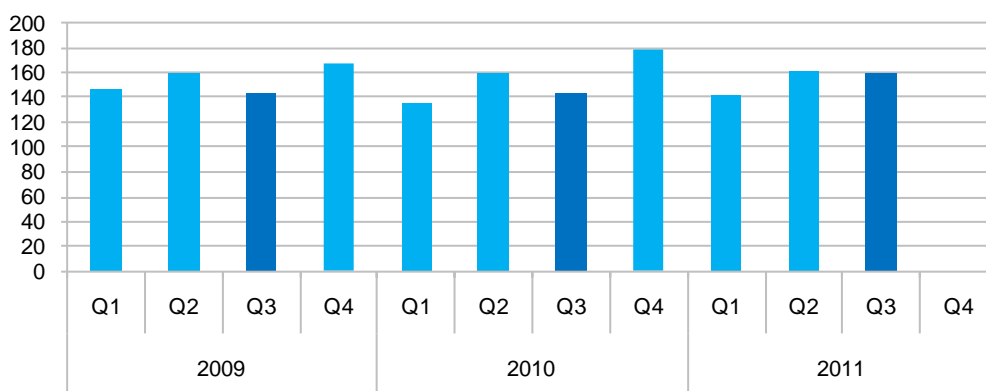
At this time, we can’t see that ReadSoft has been affected by the financial concerns in the world. With few exceptions, we have performed well in our different markets. The best-performing market area is “USA and the rest of the world”, but also the Nordic markets have developed well and so has Benelux.

The fourth quarter is normally our strongest period of the year, and provided that the markets aren’t affected too negatively due to the financial turmoil, we are very optimistic when it comes to our potential to keep developing the company’s strong growth and good results further.



Jan Andersson  
President and CEO

Sales per quarter, SEK million



*There are clear seasonal variations in ReadSoft’s sales as seen in the illustration above. A characteristic pattern is that the first and third quarters are the weaker ones – the first quarter usually being the weakest. The second and fourth quarters are usually stronger with the fourth quarter being the strongest.*

## THE GROUP

### Net sales and profit during the third quarter

During the third quarter, sales amounted to SEK 159.4 (143.2) million, which gives an increase of 15 percent in local currencies. Operating profit/loss EBITDA for the quarter was SEK 16.8 (10.1) million. The operating margin EBITDA was 10.5 (7.1) percent. Profit/loss after tax was SEK 12.7 (2.9) million. Operating profit (EBITDA) and profit after tax for the period were also affected by exchange rate differences of SEK 0.6 (1.0) million, which are included in the Income Statement under “Other operating expenses/income”.

License revenues increased with 24 percent in local currencies during the third quarter and amounted to SEK 51.1 (42.6) million, which is 32 (30) percent of the total revenue. Revenue from maintenance agreements amounted to SEK 54.8 (50.5) million for the quarter. In addition, revenues for product related consulting services were SEK 45.6 (41.8) million. Hardware sales (primarily scanners) amounted to SEK 5.7 (6.6) million during the quarter. Other revenues amounted to SEK 2.2 (1.7) million.

In the Nordic market, sales totaled SEK 38.5 (33.9) million. The company’s sales in other European markets amounted to SEK 68.0 (68.8) million. In the U.S. and the rest of the world, sales amounted to SEK 52.9 (40.4) million.



### Key developments during the third quarter

During the third quarter of 2011, ReadSoft closed a number of larger deals. Among them, a deal with a global manufacturer within the aerospace industry. The North American-based group chose ReadSoft’s SAP-certified solution for invoice automation to avoid the costly and labor-intensive manual invoice process. The agreement is worth SEK 2.7 million and includes ReadSoft’s end-to-end solution seamlessly integrated with the customer’s existing SAP system.

A British food manufacturer chose ReadSoft to deliver improved efficiencies within AP functions. The customer, headquartered in the UK and with sites across Europe, chose to immediately implement a wide selection of software tools from ReadSoft to automate invoice processing within their Oracle E-Business Suite environment. The agreement is worth SEK 5.0 million.

A global manufacturing company invested SEK 2.5 million in ReadSoft’s SAP-certified solution for invoice automation. With accounts payable processing divisions dispersed across North America, this leading manufacturing company strives to centralize processing and eliminate costly manual setbacks. With ReadSoft’s solution seamlessly integrated with the customer’s SAP system, the company gains visibility and control over its invoice process to yield faster and less expensive financial operations.

A major Malaysian conglomerate chose to invest SEK 4.8 million in ReadSoft’s solution for financial process automation. ReadSoft’s experience and solutions matched the customer’s needs and will help the company gain control over the information flow, detect errors at an early stage, and ultimately lower costs. ReadSoft PROCESS DIRECTOR will automate business processes at the customer’s Shared Service Center in Malaysia.

Having experienced the benefits of ReadSoft Accounts Payable Automation in SAP for years in parts of their operations, a multinational telecom company based in Europe extended their use of the solution to cover increased volumes of invoices. The agreement is worth SEK 2.8 million.

### Net sales and profit during the first nine months

During the year’s first nine months, sales amounted to SEK 463.2 (438.7) million, which is a growth of 13 percent in local currencies. Operating profit/loss EBITDA for the year’s first nine months was SEK 33.2 (19.0) million. The operating margin EBITDA was 7.2 (4.3) percent. Profit/loss after tax was SEK 26.5 (7.3) million. Operating profit (EBITDA) and profit after tax for the period were also affected by exchange rate differences of SEK -1.5 (3.3) million, which are included in the Income Statement under “Other operating expenses/income”.

License revenue grew by 19 percent in local currencies during the year’s first nine months and amounted to SEK 147.3 (131.8) million, which is 32 (30) percent of the total revenue. Revenue from maintenance agreements amounted to SEK 160.4 (152.5) million for the year’s first nine months. In addition, revenues for product related consulting services were SEK 129.8 (127.9) million. Hardware sales (primarily scanners) amounted to SEK 19.5 (18.9) million during the period. Other revenues amounted to SEK 6.2 (7.6) million.

In the Nordic market, sales totaled SEK 119.1 (109.5) million. The company’s sales in other European markets amounted to SEK 193.6 (203.9) million. In the U.S. and the rest of the world, sales amounted to SEK 150.5 (125.3) million.

Substantially improved sales in the “U.S. and the rest of the world”

## Net sales and profit rolling 12 months

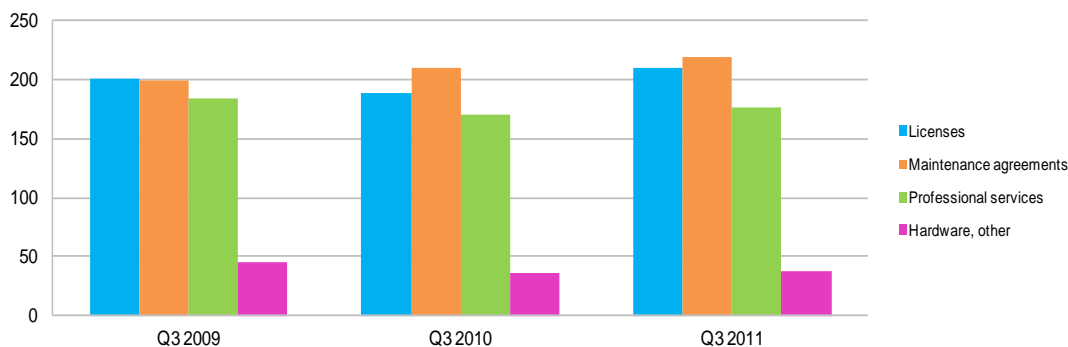
During the period October 2010 until September 2011 sales amounted to SEK 642.7 (606.1) million. Operating profit/loss EBITDA for the period amounted to SEK 69.4 (40.0) million. The operating margin EBITDA was 10.8 (6.6) percent. Profit/loss after tax was SEK 56.1 (29.4) million. Operating profit (EBITDA) and profit after tax for the period were affected by exchange rate differences of SEK -3.4 (5.6) million, which are included in the Income Statement under “Other operating expenses/income”.

Licensing revenue amounted to SEK 210.2 (188.6) million during the period, which constituted 33 (31) percent of the total revenue. Revenue from maintenance agreements amounted to SEK 218.7 (210.2) million for the period. In addition, revenues for product related consulting services were SEK 176.2 (170.5) million. Hardware sales (primarily scanners) amounted to SEK 28.6 (26.6) million during the period. Other revenues amounted to SEK 9.0 (10.2) million.

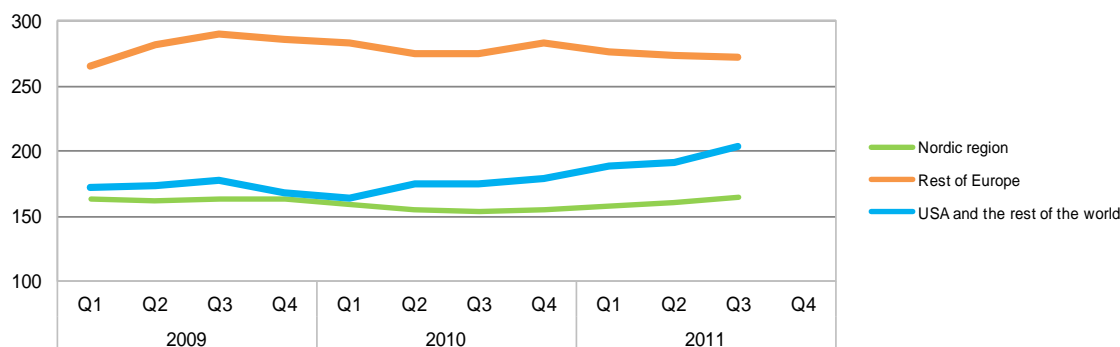
Considerably improved EBITDA-result and EBITDA-margin

In the Nordic market, sales totaled SEK 165.2 (154.4) million. The company’s sales in other European markets amounted to SEK 273.0 (276.0) million. In the U.S. and the rest of the world, sales amounted to SEK 204.5 (175.8) million.

Revenue distribution rolling 12 months, SEK million



Sales rolling 12 months per geographic market, SEK million



## Consolidated balance sheet, financial position and investments

Cash and cash equivalents for the group as of September 30, 2011 amounted to SEK 110.9 (79.3) million. Bank overdraft facilities granted were SEK 55.8 (56.0) million, of which SEK 0.0 (18.5) million was utilized. Cash-flow from operating activities for the year's first nine months was SEK 80.0 (50.8) million and for the third quarter SEK 22.1 (1.4) million.

The equity/assets ratio was 48.0 (42.8) percent on September 30, 2011.

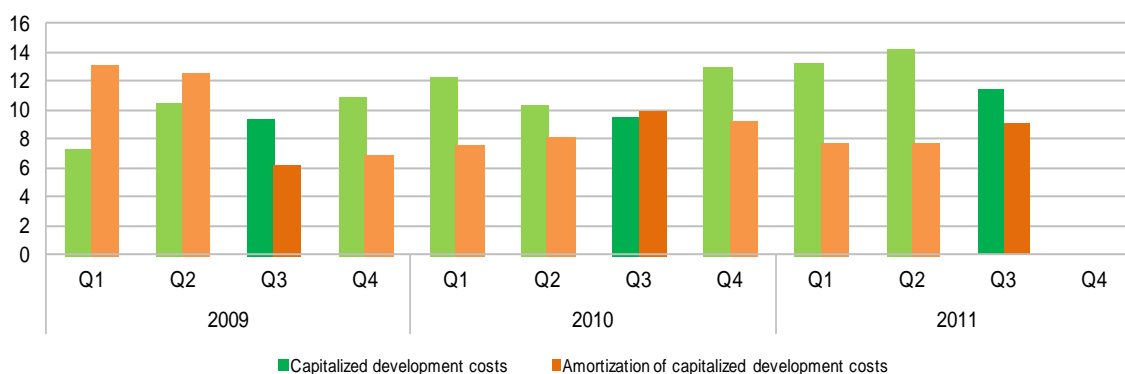
Investments in tangible and intangible fixed assets for the year's first nine months amounted to SEK 7.4 (6.4) million and consisted of the acquisition of computer and office equipment as well as ERP and EPM systems. Investments during the third quarter amounted to SEK 3.9 (2.5) million.

Depreciation of tangible fixed assets amounted to SEK 5.6 (5.5) million during the first nine months and to SEK 1.9 (1.8) million during the third quarter.

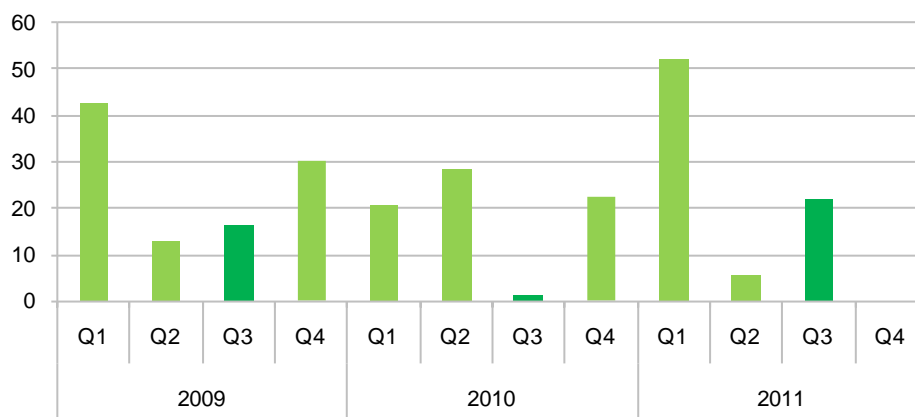
Of expenditure for proprietary software during the first nine months, SEK 38.9 (31.9) million was capitalized, during the third quarter capitalization amounted to SEK 11.4 (9.5) million. Depreciation of capitalized expenditure for proprietary software has been carried out in an amount of SEK 24.5 (25.6) million for the first nine months, for the third quarter this amounted to SEK 9.1 (9.9) million.

Depreciations of other intangible fixed assets amounted to SEK 6.5 (6.4) million for the first nine months and to SEK 2.2 (2.1) million for the third quarter.

Quarterly capitalized development costs, SEK million



Cashflow from operating activities, SEK million



## Accounting principles

This interim report was prepared for the Group in accordance with the IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. For the Parent Company, the report was prepared in accordance with the Swedish Annual Accounts and The Swedish Financial Reporting Board's recommendation RFR 2.

Accounting principles applied for the Group and the Parent Company complies with the accounting principles applied in the preparation of the Annual Report for 2010.

New or revised IFRS and interpretation statements from IFRIC described in the Annual Report 2010, note 1.21, had no effect on the Group's or the Parent company's income statement or balance sheet.

## Staff

As of September 30, 2011, the ReadSoft staff amounted to 493 (461).

## Risk management

Important risks and uncertainties are described in the Annual Report for 2010 under the item Risk and Risk Management, in the Administration Report and in Notes 2 and 3.

## Shareholder information

At the end of the period, the number of shareholders amounted to 4,330 (4,410). Out of the company's total share capital, 55 (53) percent was owned by Swedish and foreign institutions, 25 (25) percent by the company's founders, and 11 (13) percent by private persons, including staff, and 9 (9) percent by ReadSoft AB through repurchased shares. At the end of the period, Swedish shareholders held 90 (91) percent and foreign shareholders held 10 (9) percent of the total share capital.

The total number of shares as of September 30, 2011, was 32,487,940 (32,487,940). The total number of shares, excluding repurchased shares, as of September 30, 2011, was 29,630,780 (29,630,780). The share price at the end of the period was SEK 14.95 (12.30).

## Going forward

We assess that the underlying demand for our solutions is good and that the conditions for continued growth and improved results are considered good.

ReadSoft's long-term financial objectives are a yearly growth of at least 20 percent and a business margin of at least 15 percent (EBITDA).

## Financial report

<b>Consolidated income statement in summary, SEK million</b>	<b>Jul-Sep 2011</b>	<b>Jul-Sep 2010</b>	<b>Jan-Sep 2011</b>	<b>Jan-Sep 2010</b>	<b>Rolling 12 months</b>	<b>Full year 2010</b>
<b>Net sales</b>	<b>159,4</b>	<b>143,2</b>	<b>463,2</b>	<b>438,7</b>	<b>642,7</b>	<b>618,2</b>
Capitalized expenditure for proprietary software	11,4	9,5	38,9	31,9	51,8	44,9
	<b>170,8</b>	<b>152,7</b>	<b>502,1</b>	<b>470,6</b>	<b>694,5</b>	<b>663,1</b>
Costs of goods and services sold	-9,0	-9,3	-29,8	-32,0	-43,2	-45,4
Personnel costs	-102,5	-93,7	-300,5	-293,9	-394,4	-387,8
Other external costs	-32,4	-30,8	-100,0	-96,8	-134,0	-130,8
Other operating expenses/income	0,6	1,0	-1,5	3,3	-3,4	1,3
Share of profit/loss in associated companies	0,7	-0,3	1,8	-0,3	1,8	-0,3
Depreciation of tangible fixed assets	-1,9	-1,8	-5,6	-5,5	-7,7	-7,6
Amortization of capitalized expenditure for proprietary software	-9,1	-9,9	-24,5	-25,6	-33,6	-34,7
Amortization of intangible fixed assets	-2,2	-2,1	-6,5	-6,4	-8,9	-8,8
<b>Operating profit/loss (EBIT)</b>	<b>15,0</b>	<b>5,8</b>	<b>35,5</b>	<b>13,4</b>	<b>71,1</b>	<b>49,0</b>
<b>Financial income and expenses</b>						
Financial items	1,1	-0,2	0,9	-0,7	2,1	0,5
<b>Net profit/loss before tax</b>	<b>16,1</b>	<b>5,6</b>	<b>36,4</b>	<b>12,7</b>	<b>73,2</b>	<b>49,5</b>
Tax	-3,4	-2,7	-9,9	-5,4	-17,1	-12,7
<b>Profit/Loss after tax</b>	<b>12,7</b>	<b>2,9</b>	<b>26,5</b>	<b>7,3</b>	<b>56,1</b>	<b>36,8</b>

<b>Group - Statement of comprehensive income for the period, SEK million</b>	<b>Jul-Sep 2011</b>	<b>Jul-Sep 2010</b>	<b>Jan-Sep 2011</b>	<b>Jan-Sep 2010</b>	<b>Rolling 12 months</b>	<b>Full year 2010</b>
<b>Profit/loss after tax for the period</b>	<b>12,7</b>	<b>2,9</b>	<b>26,5</b>	<b>7,3</b>	<b>56,1</b>	<b>36,8</b>
<b>Other comprehensive income:</b>						
Exchange differences	3,5	-8,3	0,6	-8,1	1,0	-9,7
Cash flow hedges, net after tax	0,0	-1,6	0,1	-1,6	-0,8	-2,5
<b>Other comprehensive income for the period, net of tax</b>	<b>3,5</b>	<b>-9,9</b>	<b>0,7</b>	<b>-9,7</b>	<b>0,2</b>	<b>-12,2</b>
<b>Total comprehensive income for the period</b>	<b>16,2</b>	<b>-7,0</b>	<b>27,2</b>	<b>-2,4</b>	<b>56,3</b>	<b>24,6</b>

**Consolidated balance sheet in summary, SEK million**

	Sep 30, 2011	Sep 30, 2010	Dec 31, 2010
<b>Assets</b>			
<b>Fixed assets</b>			
Proprietary software development	95,4	77,3	81,1
Goodwill	66,2	66,2	66,2
Other non-fixed assets	10,8	16,9	15,0
Fixed assets	17,7	17,8	18,4
Financial assets	55,7	59,7	59,1
<b>Total fixed assets</b>	<b>245,8</b>	<b>237,9</b>	<b>239,8</b>
<b>Current assets</b>			
Accounts receivable - trade	168,9	164,4	214,9
Cash and cash equivalents	110,9	79,3	83,1
Other current assets	73,9	80,3	72,1
<b>Total current assets</b>	<b>353,7</b>	<b>324,0</b>	<b>370,1</b>
<b>Total assets</b>	<b>599,5</b>	<b>561,9</b>	<b>609,9</b>
<b>Equity and liabilities</b>			
Equity	287,5	240,5	267,5
Long-term liabilities	42,3	35,9	37,1
Accounts payable - trade	18,0	16,0	19,3
Other current liabilities	251,7	269,5	286,0
<b>Total equity and liabilities</b>	<b>599,5</b>	<b>561,9</b>	<b>609,9</b>

**Change in equity, SEK million**

	Jan-Sep 2011	Jan-Sep 2010	Full year 2010
Opening balance	267,5	249,5	249,5
Profit/loss for the period	27,2	-2,4	24,6
Dividend	-7,4	-4,4	-4,4
Repurchased shares	-	-2,3	-2,3
Equity part of convertible loan	0,2	0,1	0,1
<b>Equity at the end of the period</b>	<b>287,5</b>	<b>240,5</b>	<b>267,5</b>

**Cash-flow statement in summary, SEK million**

	Jul-Sep 2011	Jul-Sep 2010	Jan-Sep 2011	Jan-Sep 2010	Full year 2010
Cash flow before working capital changes	22,9	14,7	65,5	40,9	87,6
Working capital changes	-0,8	-13,3	14,5	9,9	-14,5
<b>Cash flow from operating activities</b>	<b>22,1</b>	<b>1,4</b>	<b>80,0</b>	<b>50,8</b>	<b>73,1</b>
Cash flow from investing activities	-14,0	-11,5	-45,6	-45,1	-63,2
Cash flow from financing activities	-0,1	0,0	-6,6	-11,8	-12,1
<b>Change in cash and cash equivalents</b>	<b>8,0</b>	<b>-10,1</b>	<b>27,8</b>	<b>-6,1</b>	<b>-2,2</b>



<b>Five-year summary and key data for the Group</b>	<b>Jan-Sep 2011</b>	<b>Jan-Sep 2010</b>	<b>Jan-Sep 2009</b>	<b>Jan-Sep 2008</b>	<b>Jan-Sep 2007</b>	<b>Full year 2010</b>
Net sales, SEK million	463,2	438,7	450,3	401,8	362,7	618,2
Sales growth, %	5,6	-2,6	12,1	10,8	14,1	0,1
Operating profit EBITDA, SEK million	33,2	19,0	7,4	7,6	4,7	56,5
Operating profit EBIT, SEK million	35,5	13,4	-9,0	-22,5	2,2	49,0
Profit/loss after financial items, SEK million	36,4	12,7	-10,1	-23,6	2,2	49,5
Profit/loss after tax, SEK million	26,5	7,3	-14,9	-20,8	-3,9	36,8
Operating margin EBITDA, %	7,2	4,3	1,7	1,9	1,3	9,1
Operating margin EBIT, %	7,6	3,1	-2,0	-5,6	0,6	7,9
Profit margin after financial items, %	7,9	2,9	-2,2	-5,9	0,6	8,0
Profit margin after tax, %	5,7	1,7	-3,3	-5,2	-1,1	6,0
Equity/assets ratio, %	48,0	42,8	45,5	44,2	46,5	43,9
Capital employed, SEK million	301,1	271,8	274,6	286,4	261,1	283,0
Return on equity, %	10,0	3,0	-6,1	-8,6	-1,8	14,2
Return on total capital, %	6,4	2,4	-1,7	-4,0	0,5	8,6
Net debt/equity ratio, times	-0,34	-0,20	-0,23	-0,07	-0,13	-0,25
Net interest-bearing liabilities, SEK million	-97,3	-47,9	-57,0	-17,1	-31,1	-67,6
Number of employees at end of period	493	461	452	466	440	465
Number of shares at end of period, 000s	32 488	32 488	32 488	32 488	32 488	32 488
Equity per share, SEK	9,70	7,94	7,67	7,47	7,40	9,00
Earnings after financial items per share, SEK	1,23	0,42	-0,32	-0,73	0,07	1,66
Earnings after tax per share, SEK	0,89	0,24	-0,47	-0,64	-0,12	1,24
Share price at end of period, SEK	14,95	12,30	11,55	9,60	19,90	12,50

*All measurements per share is calculated on the average number of shares net of share repurchases.*

Quarterly overview of the Group	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
	2011	2011	2011	2010	2010	2010	2009	2009	2009
Net sales, SEK million	159,4	162,0	141,8	179,5	143,2	159,6	135,9	167,4	143,3
Sales growth, % 1)	11,3	1,5	4,3	7,2	-0,1	-0,6	-7,2	-8,2	12,0
Operating profit EBITDA, SEK million	16,8	18,9	-2,6	37,6	10,1	14,0	-5,1	21,6	3,0
Operating profit EBIT, SEK million	15,0	21,4	-0,9	35,6	5,8	11,8	-4,2	21,8	2,3
Profit/loss after financial items, SEK million	16,1	21,4	-1,1	36,8	5,6	11,5	-4,5	21,4	2,0
Profit/loss after tax, SEK million	12,7	15,1	-1,3	29,6	2,9	10,0	-5,7	22,0	1,1
Operating margin EBITDA, %	10,5	11,7	-1,8	20,9	7,1	8,8	-3,8	12,9	2,1
Operating margin EBIT, %	9,4	13,2	-0,7	19,8	4,1	7,4	-3,1	13,0	1,6
Profit margin after financial items, %	10,1	13,2	-0,8	20,5	3,9	7,2	-3,3	12,8	1,4
Operating margin after tax, %	8,0	9,3	-0,9	16,5	2,0	6,3	-4,2	13,1	0,8
Equity/assets ratio, %	48,0	45,8	44,9	43,9	42,8	42,6	43,5	42,9	45,5
Capital employed, SEK million	301,1	283,9	278,9	283,0	271,8	278,5	278,7	273,7	274,6
Return on equity, % 2)	21,4	18,2	16,3	14,2	12,2	10,8	4,0	2,7	5,3
Return on total capital, % 2)	12,6	10,7	9,2	8,6	6,4	5,4	2,6	2,2	4,2
Net debt/equity ratio, times	-0,34	-0,33	-0,40	-0,25	-0,20	-0,24	-0,22	-0,25	-0,23
Net interest-bearing liabilities, SEK million	-97,3	-89,8	-105,4	-67,6	-47,9	-58,4	-54,2	-61,2	-57,0
Equity per share, SEK	9,70	9,16	8,88	9,00	7,94	7,98	7,84	8,01	7,67
Cash flow, operat. Activities per share, SEK	0,75	0,19	1,76	0,75	0,05	0,92	0,67	0,97	0,52
Earnings after financial items per share, SEK	0,54	0,72	-0,04	1,24	0,18	0,37	-0,14	0,69	0,06
Earnings after tax per share, SEK	0,43	0,51	-0,04	1,00	0,10	0,32	-0,18	0,70	0,03
Number of shares at end of period, 000s	32 488	32 488	32 488	32 488	32 488	32 488	32 488	32 488	32 488
Number of shares at end of period (excluding repurchased shares), 000s	29 631	29 631	29 631	29 631	29 631	29 631	29 631	29 809	30 931
Share price at end of period, SEK	14,95	15,10	17,10	12,50	12,30	9,45	12,40	14,30	11,55
Number of employees at end of period	493	478	467	465	461	463	463	461	452

1) Sales growth compared to corresponding quarter previous year

2) Calculated on rolling 12 months result

All measurements per share is calculated on the average number of shares excluding own repurchased shares.

## Glossary and definitions

<b>Acid-test ratio</b>	Current assets excluding inventories divided by current liabilities.
<b>Capital employed</b>	Total assets less noninterest-bearing liabilities.
<b>Capital turnover rate</b>	Net sales divided by average total assets.
<b>Current ratio</b>	Current assets divided by current liabilities.
<b>Debt/equity ratio</b>	Interest-bearing liabilities divided by equity.
<b>Earnings per employee</b>	Profit/loss after depreciation plus payroll expenses divided by the average number of employees.
<b>EBITDA</b>	Operating profit/loss before capitalization of costs for proprietary software development, depreciation, amortization, interest and tax.
<b>Equity</b>	Equity includes 73.7 percent of untaxed reserves.
<b>Equity/assets ratio</b>	Equity including untaxed reserves less tax as a percentage of total assets.
<b>Equity per share</b>	Equity divided by the average number of shares excluding shares repurchased.
<b>Interest-coverage ratio</b>	Profit/loss after financial items plus financial expenses divided by financial expenses.
<b>Net debt/equity ratio</b>	Net interest-bearing liabilities divided by equity.
<b>Net interest-bearing liabilities</b>	Interest-bearing liabilities minus interest-bearing assets.
<b>Operating margin</b>	Operating profit after depreciation as a percentage of net sales.
<b>P/E ratio</b>	Share price in relation to earnings per share.
<b>Percentage of risk-bearing capital</b>	The sum of equity and deferred tax (including minority participation) as a percentage of total assets.
<b>Product development expenses</b>	Personnel costs, other external costs and depreciation related to personnel involved with research and development.
<b>Profit margin</b>	Profit/loss after financial items as a percentage of net sales.
<b>Return on capital employed</b>	Profit/loss after financial items plus financial expenses as a percentage of average capital employed.
<b>Return on equity</b>	Profit/loss after financial items less current tax as a percentage of average adjusted equity.
<b>Return on total capital</b>	Profit/loss after financial items plus financial expenses as a percentage of total assets.
<b>Working capital</b>	Current assets less cash and cash equivalents and current liabilities.

## PARENT COMPANY

## Income statement, Parent company

The parent company's net sales for the first nine months 2011, including inter-company posts, amounted to SEK 158.4 (146.6) million. The result after financial items was SEK 21.7 (13.5) million.

## Balance sheet, financial position and investments, Parent company

Investments in fixed assets in the parent company amounted to SEK 2.4 (2.6) million during the first nine months 2011. The parent company's cash and cash equivalents as of September 30, 2011 amounted to SEK 40.9 (3.4) million. Bank overdraft facilities granted amounted to SEK 50.0 (50.0) million, and utilized amounted to SEK 0.0 (16.0) million. Equity (including the share of equity in untaxed reserves) was SEK 235,8 (210.7) million, resulting in an equity/assets ratio of 54.1 (54.3) percent.

<b>Parent Company income statement in summary, SEK million</b>	<b>Jan-Sep 2011</b>	<b>Jan-Sep 2010</b>	<b>Full year 2010</b>
<b>Net sales</b>	<b>158,4</b>	<b>146,6</b>	<b>209,7</b>
Cost of goods and services sold	-37,5	-32,4	-49,8
Personnel costs	-90,6	-88,6	-111,7
Other external costs	-34,0	-29,5	-40,7
Other operating income/expenses	-0,1	0,2	9,9
Depreciation of tangible fixed assets	-3,4	-3,4	-4,6
<b>Operating loss EBIT</b>	<b>-7,2</b>	<b>-7,1</b>	<b>12,8</b>
<b>Financial income and expenses</b>			
Share of profit/loss in associated company	23,8	18,9	11,5
Net financial items	5,1	1,7	4,1
<b>Net profit/loss before tax</b>	<b>21,7</b>	<b>13,5</b>	<b>28,4</b>
Appropriations	0,0	0,0	-1,9
Tax	0,0	0,0	-1,9
<b>Net profit/loss after tax</b>	<b>21,7</b>	<b>13,5</b>	<b>24,6</b>

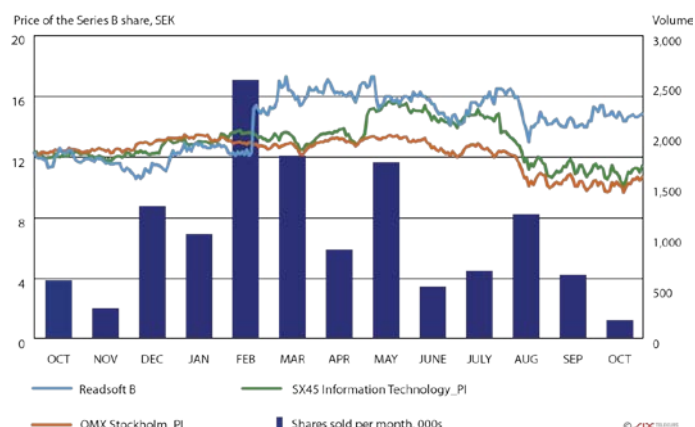
<b>Parent Company balance sheet in summary</b>	<b>Sep 30, 2011</b>	<b>Sep 30, 2010</b>	<b>Dec 31, 2010</b>
<b>Assets</b>			
<b>Fixed assets</b>			
Intangible assets	6,7	6,2	6,1
Tangible assets	6,0	6,5	6,1
Shares in Group companies	93,9	102,7	93,6
Receivables from Group companies	213,3	201,2	195,7
Other fixed assets	6,8	5,0	6,8
<b>Total fixed assets</b>	<b>326,7</b>	<b>321,6</b>	<b>308,3</b>
<b>Current assets</b>			
Accounts receivable - trade	5,7	9,9	8,8
Receivables from Group companies	44,8	40,1	41,5
Cash and cash equivalents	40,9	3,4	11,0
Other current assets	17,6	12,8	12,4
<b>Total current assets</b>	<b>109,0</b>	<b>66,2</b>	<b>73,7</b>
<b>Total assets</b>	<b>435,7</b>	<b>387,8</b>	<b>382,0</b>
<b>Equity and liabilities</b>			
Equity and liabilities	221,4	197,6	207,9
Untaxed reserves	19,6	17,8	19,6
Long-term liabilities	10,7	8,1	8,3
Long-term liabilities to Group companies	38,7	38,7	37,5
Accounts payable - trade	5,2	3,3	5,6
Current liabilities to Group companies	92,6	53,6	50,2
Other current liabilities	47,5	68,7	52,9
<b>Total equity and liabilities</b>	<b>435,7</b>	<b>387,8</b>	<b>382,0</b>

# The ReadSoft share

## The ReadSoft share per September 30, 2011

Market capitalization	486 SEKm
Share price	14,95 SEK
Amount of shares	32 487 940
Average number of shares per day	37 549
Highest share price during the quarter	16,50 SEK
Low est share price during the quarter	13,00 SEK
Share price performance during the quarter	-1%

## Share price and trading volume October 1, 2010 – October 15, 2011



## Financial information

Interim reports, annual reports and ReadSoft's press releases can be ordered from ReadSoft AB, Södra Kyrkogatan 4, SE-252 23 Helsingborg, by phone +46 (0)42-490 21 00, e-mail: info@readsoft.com or at www.readsoft.com.

### Financial calendar

Year End Report January-December, 2011	February 16, 2012
Interim Report January-March, 2012	April 26, 2012
Annual General Meeting 2012	April 26, 2012

Helsingborg, Sweden, October 24, 2011

*The Board of Directors of ReadSoft AB (publ)*

## The auditors review report

We have reviewed this report for the period 1 January 2011 to 30 September 2011 for ReadSoft AB (publ). The board of directors and the CEO are responsible for the preparation and presentation of this financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

We conducted our review in accordance with the Swedish Standard on Review Engagements SÖG 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA) and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Malmö, October 24, 2011

Öhrlings PricewaterhouseCoopers AB

Mikael Eriksson  
Authorised Public Accountant,  
Auditor in charge

Eric Salander  
Authorised Public Accountant

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## About ReadSoft

ReadSoft is a leading global provider of software solutions for Document Automation. ReadSoft's software enables companies to automate document processes such as data entry, classification, ERP matching, workflows, e-invoicing etc. The results are faster and less expensive document processing, and increased control. ReadSoft is by far the world's number one choice for invoice automation solutions. Specialized solution labs for SAP, Oracle, Microsoft and Capture processes ensure cutting edge solutions with great customer value. Since the start in 1991, ReadSoft has grown to a worldwide group with operations in 16 countries on five continents and a network of local and global partners. The head office is located in Helsingborg, Sweden and the ReadSoft share is traded on the NASDAQ OMX Stockholm's Small Cap list. For more information about ReadSoft, please visit [www.readsoft.com](http://www.readsoft.com).

### Market

ReadSoft continues to be the one of the world's leading suppliers of document and transaction handling software. When it comes to automated invoice processing, ReadSoft is undisputedly the biggest player with more installations than the entire competition combined. The total market for automated data capture has an expected growth rate of about 13.5 percent per year and the total market is expected to reach 4.1 billion USD by 2015. ReadSoft operates within the largest section of the capture market which is expected to grow by 8.6 percent and turnover about 985 million USD. (Source: Harvey Spencer Associates)

ReadSoft has 16 subsidiaries on five continents. During the third quarter it is mainly "U.S. and the rest of the world" that shows a strong growth over the previous year. It is primarily the markets in the U.S. and Australia who are driving this growth.

### Business mission

ReadSoft's business mission is to develop, sell and rent out software which enables customers to automate document processing.

### Business model

ReadSoft's revenue comes from:

- *Selling and renting out software*  
Selling and renting out licenses have a high profit margin and are therefore desirable to increase. License sales account for about a third of ReadSoft's total revenue.
- *Service agreements*  
Entitles the customer to support and upgrades. Normally, more than 95% of all service agreements are renewed and these account for about a third of the revenue.
- *Service*  
This includes installation, training, and customized programming. Services also account for about a third of the company's revenue.
- *Hardware*  
Mainly scanners sold in connection with a software deal. Accounts for about five percent of ReadSoft's revenue.

### Reasons for choosing ReadSoft

- ReadSoft is in a leading position in a growing market and is one of the undisputed leaders when it comes to automating document processes and document transactions.
- ReadSoft has complete, in-house solutions for handling business documents inside ERP systems from SAP® and Oracle.
- ReadSoft has a global Sales and Professional Services organization with recognized abilities to understand customers' business processes.

- ReadSoft has efficient market coverage through partners who resell the software or offer complementary products in locations where ReadSoft has not market presence of its own. This enables ReadSoft to have presence in about 70 countries.
- ReadSoft has 16 subsidiaries on five continents.

### **Market opportunities**

- Companies will most likely invest in proven technology to increase efficiency.
- The need to enter information from incoming paper documents will increase. It will be important to quickly capture documents when they arrive.
- More rigid legislation will create a need for better document handling and control over document flows.
- As the technology for data capture evolves, there will be more areas where it can be used.
- By integrating data capture software with basic business processes like invoice and order handling, companies can completely automate their invoice handling. This reduces costs and improves cash management.