

# FORMPIPE

## Interim report January-March 2011

### PERIOD 1 JANUARY - 31 MARCH 2011

- Net sales SEK 29.4 million (31.4 million)
- System income SEK 27.6 million (26.3 million)
- Operating profit before depreciation SEK 8.7 million (8.7 million)
- Operating profit SEK 6.6 million (6.4 million)
- Operating margin 22.4 % (20.4 %)
- Net profit/loss for the year after tax SEK 4.9 million (5.1 million)
- Earnings per share before dilution SEK 0.41 (0.44)
- Cash flow from operating activities SEK 12.6 million (2.7 million)
- Exchange rate effects have had a negative impact on revenue and earnings of SEK 0.9 million and SEK 0.3 million respectively

### INCOME STATEMENT SUMMARY

(SEK million)	Jan-Mar		Rolling 12 month period	Full year 2010
	2011	2010		
Operating income	29.4	31.4	110.1	112.0
Operating income	-22.8	-25.0	-94.0	-96.2
<b>Operating profit/loss before items affecting comparability</b>	<b>6.6</b>	<b>6.4</b>	<b>16.1</b>	<b>15.9</b>
Items of a one-off nature affecting comparability	-	-	-5.0	-5.0
<b>Operating profit/loss</b>	<b>6.6</b>	<b>6.4</b>	<b>11.1</b>	<b>10.9</b>

### COMMENTS FROM THE GROUP CEO

Positive signals during the first quarter confirm our view that 2011 will be a good year.

Sales during the first quarter have been good and it is worth emphasising that we have now fully completed our transition to being a pure production company. We have succeeded in replacing income from our previous consultancy activity with system income. System income now constitutes 94 % of total income. The effects of our business model with its high degree of leverage are evident and we are again generating a strong operating margin of 22.4 %.

In addition to the strong licence sales, we have also sold our products as cloud services<sup>1</sup> equivalent to a traditional licence value of in excess of SEK 2 million. As the revenues for these contracts are taken over the term of the contract, this income is not yet shown in the income statement, but we believe that these business deals, which are 100 % repetitive, are more profitable than traditional licence sales.

We are experiencing great interest from the market for our new FormPipe Long-Term Archive product, and we have signed contracts with a further three customers during the quarter.

On the cost side, it is worth noting that the effects of the restructuring we have carried out have now achieved their full impact. Personnel costs have been reduced significantly, which have been partly replaced as planned by the costs of our offshore activity in the Ukraine.

As I have touched on before, many of the uncertainty factors that characterised the market, the Swedish public sector, in previous years have now been eliminated. The last uncertainty factor concerned the framework agreement that expired in March this year. The Swedish Legal, Financial and Administrative Services Agency has now announced its allocation decision for the replacement Licence Supply<sup>2</sup> framework agreement. In the new agreement, our products are represented by five (of a total of seven) suppliers and thus the last uncertainty factor in respect to framework sales to the Swedish public sector is now eliminated for a number of years going forward.

1 Also known as SaaS, OnDemand, Cloud computing etc.

2 for further information see the section below: Significant events after the end of the period.

## **SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD JANUARY - MARCH 2011**

### **AGM**

The following decisions were taken at the Annual General Meeting held on 15 March:

- Adoption of the income statement and balance sheet for the 2010 financial year.
- Dividend of SEK 0.50 per share.
- Re-election of directors  
Hans Möller, Bo Nordlander, Jon Pettersson, Lennart Pihl and Staffan Torstensson. Hans Möller was re-elected as chairman of the board.
- Increase of the fees paid to board members.
- Authorisation for the board to take a decision in respect to the issue of shares and convertibles.
- Authorisation for the board to acquire and transfer the company's own shares.
- Issue of share warrants to personnel.
- Authorisation for the board to repurchase share warrants from the 2010/2012 series.
- Guidelines for compensation to officers of the company.

### **ORDER FROM THE SWEDISH NATIONAL TAX BOARD**

The Swedish National Tax Board has signed a contract in regard to an increased number of licences for the ECM product FormPipe Platina. The value of the order for FormPipe Software is SEK 3.6 million and FormPipe Software's partner, Artwise, is the service supplier.

### **ORDER FROM STAFFANSTORP LOCAL AUTHORITY**

Staffantorp local authority has signed a contract in regard to licences for the ECM product FormPipe Platina for document and commission management, and for e-services. The value of the order for FormPipe Software is SEK 2.5 million.

### **ORDER FROM VAGGERYD LOCAL AUTHORITY**

Vaggeryd local authority has signed a contract in regard to licences for the ECM product FormPipe Platina for document and task management, and for e-services. The value of the order for FormPipe Software is SEK 1.5 million and Visma Sirius is the service supplier.

### **ORDER FOR FORMPIPE LONG-TERM ARCHIVE**

A major Swedish public authority has signed a contract in regard to licences for the ECM product for digital long-term archiving, FormPipe Long-Term Archive. The authority has ordered according to the rental model with a monthly rent for licensing and maintenance. The value of this deal is estimated to exceed SEK 2 million.

### **ORDER FOR FORMPIPE ONDEMAND**

Mälardalen University is signing a contract with FormPipe Software for FormPipe OnDemand for document and task management, and for e-services. The order is worth SEK 1.1 million.

### **INCREASE IN NUMBER OF SHARES**

As a result of the redemption of the 2009/2011 share warrant programme, the number of shares and voting rights has increased by 229 143 during March 2011. The number of shares and voting rights in FormPipe Software totals 12 233 647 after this increase.

### **OVERSUBSCRIBED INCENTIVE PROGRAMME**

It was decided at the AGM held on 15 March to issue 350 000 share warrants aimed at all employees within the FormPipe Software group, where one option gives the right to subscribe for one new share. The programme was heavily oversubscribed.

## **SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD.**

### **ALLOCATION DECISION FROM THE SWEDISH LEGAL, FINANCIAL AND ADMINISTRATIVE SERVICES AGENCY**

The Swedish Legal, Financial and Administrative Services Agency as per 8 April 2011 has taken the allocation decision in regard to the "Licence Supply 2010" framework agreement which replaces the "Software and Services 2007" agreement that expired on 31 March 2011. In accordance with current routines, the allocation decision is followed by a ten-day period in which a legal review of the decision may be requested. Therefore the allocation decision cannot be considered to be a signed agreement yet. In the event of a legal review, the allocation decision could thus be set aside by a court of law. The framework agreement will first become valid when both parties have signed the framework agreement (the Swedish Legal, Financial and Administrative Services Agency and the respective supplier).

According to the allocation decision, five of a total of seven suppliers represent FormPipe Software's products.

## **THE MARKET**

According to the Radar Group, ECM is the highest priority change-focused IT investment in 2011 for companies and organisations. The market is very attractive and offers growth figures that exceed the general growth rate within the IT sector. Greater regulatory requirements and effective information management as a means of competition are important driving forces that have a tendency to be continually strengthened in connection with the increased

flow of information. According to the Radar Group, the trend is that IT investments are becoming increasingly business-driven and that IT support to the business will gradually be allocated a larger part of the budget compared with IT production/support in coming years. This supports the company's hypothesis that the market for ECM software will continue to grow faster than the general rate of growth for IT in society. The Radar Group presents a general IT budget growth rate of 3.4 % in its "IT Radar 2011" report. The total Swedish market for ECM is estimated to be approx. SEK 1.35 billion according to the Radar Group.

The Swedish public sector, which is FormPipe Software's main market, has in the company's view come far in its use of ECM products in order to comply with regulatory requirements and to increase organisational efficiency. The company believes, as do external analysis companies, that the need for more efficient management will lead to the Swedish public sector further utilising the potential in its IT support systems in the future. 2010 was characterised by uncertainty concerning ongoing framework agreement procurement processes, the parliamentary election and reduced budgets as a result of the economic downturn. The new "E-management Support Services 2010" and "Licence Supply 2010" framework agreements are now in place and it is assumed will accelerate the business deals within the ECM area for the public sector. This provides us with good conditions for a successful 2011.

Our ambition to open new sub-sectors within the private sector continues with efforts focused on the Life Science sector, which like the public sector has strict regulatory requirements. The Life Science market is governed strictly by the regulations of the FDA (the US Food and Drug Administration) which apply across the globe. This makes the segment country-independent, which opens up an export market that is far larger than the company's existing primary market. In other sub-sectors within the private sector, the interest and demand for ECM products continues to grow and it is believed that FormPipe Software holds a very strong competitive position. The company believes that the private sector is at least a couple of years behind the public sector in terms of the degree of technical and organisational maturity in using ECM systems for making administrative and information-centric processes more efficient.

## FUTURE

The board considers that the company is well-positioned to be able to maintain its strong market position while retaining good profitability levels. The company sees significant opportunities to utilise its experience from its success within the public sector in Sweden in relation to

new markets and customer segments. Other customer segments and countries are therefore being cultivated in tandem with a continued focus on the public sector. The board considers that the ECM market is a sector undergoing consolidation and views acquisitions as a good complement to organic growth.

The trend that customers are demanding software as a service is, in the view of the board, an advantage to the company. FormPipe Software's products are particularly suitable to be sold as a service. The business model gives a lower entry threshold to new customers and FormPipe Software's experience is that customers who invested in ECM products increase their investment over time. Revenue is of a 100 % repetitive nature and the business model is considered by the company to be more profitable in the long-term than traditional licence sales.

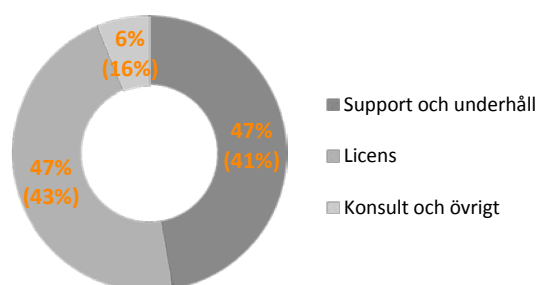
## FINANCIAL INFORMATION

### INCOME

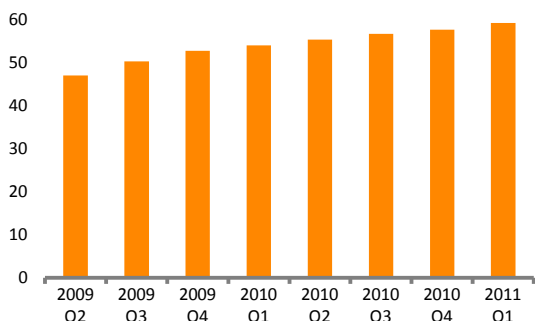
#### JANUARY - MARCH 2011

Income for the period amounted to SEK 29.4 million (31.4 million), a fall of 6.3 %. System income increased by 5 % from the previous year and totalled SEK 27.6 million (26.3 million). Total repetitive income for the period increased by 11 % from the previous year and totalled SEK 15.6 million (14.0 million), which is equivalent to 53 % of net sales. Exchange rate effects have had a negative impact of SEK 0.9 in comparison with the previous year.

#### Breakdown of sales revenue, Jan - Mar 2011



#### Repetitive income for rolling 12-month period, SEK million



## COSTS

### JANUARY - MARCH 2011

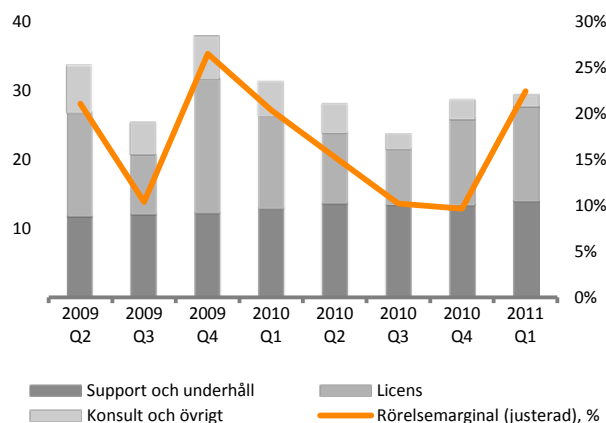
Costs for the period fell 9 % and totalled SEK 22.8 million (25.0 million). Personnel costs fell 18 % and totalled SEK 12.7 million (15.4 million). Selling expenses amounted to SEK 4.5 million (3.9 million), of which the costs for secondary consultants and commission payments to partners totalled SEK 4.2 million (3.7 million). Other costs totalled SEK 7.2 million (5.6 million). The reason for the increase is greater testing, quality and development resources at our technology partners in the Ukraine where parts of these costs are capitalised as work for own account.

## EARNINGS

### JANUARY - MARCH 2011

Operating profit totalled SEK 6.6 million (6.4 million) with an operating margin of 22.4 % (20.4 %). Exchange rate effects have had a negative impact of SEK 0.3 in comparison with the previous year. Net profit/loss for the year after tax SEK 4.9 million (5.1 million). Earnings per share before dilution were SEK 0.41 (0.44) for the period.

### Sales and operating margin (quarter). SEK million



## FINANCIAL POSITION AND LIQUIDITY

### CASH EQUIVALENTS

Cash equivalents at the end of the period amounted to SEK 11.1 million (4.9 million). The company has no interest-bearing liabilities at the end of the period (0.0 million). The company's net cash equivalents thus totalled SEK 11.1 million (4.9 million).

The company has bank overdraft facilities for a total of SEK 20.0 million which was not utilised at the end of the period (0.0).

### EQUITY

Equity at the end of the period amounted to SEK 119.8 million (119.4 million), which was equivalent to SEK 9.80 (9.94) per outstanding share at the end of the period. The strengthening of the Swedish krona has reduced the value of the group's assets in foreign currencies by SEK -0.4 million (-4.3 million) from the end of the year.

### EQUITY RATIO

The equity ratio at the end of the period was 66 % (69 %).

## CASH FLOW

### CASH FLOW FROM OPERATING ACTIVITIES

Cash flow from operating activities for the period January - March was SEK 12.6 million (2.7 million).

### INVESTMENTS AND ACQUISITIONS

Total investments for the period January - March amounted to SEK 3.7 million (7.7 million), of which investments affecting cash flow totalled SEK 2.9 million (6.3 million).

Investments in intangible assets totalled SEK 3.7 million (2.1 million) and relate to capitalised product development costs.

Investments in tangible assets totalled SEK 0.0 million (0.2 million).

### FINANCING

The company had no interest-bearing loans at the end of the period (0.0 million).

During the period January - March, dividends of SEK 6.1 million have been paid to the company's shareholders, equivalent to SEK 0.50 per share.

During the period January - March, the share warrant programme from 2009 has been redeemed, which resulted in the issue of 229 143 new shares for a value of SEK 3.2 million and which meant an increase in the share capital of SEK 22 914.30. The company has also bought

back 115 710 share warrants from the same series for the sum of SEK 0.1 million.

## **OTHER**

### **EMPLOYEES**

The number of employees at the end of the reporting period was 64 persons (78 persons).

### **RISKS AND UNCERTAINTY FACTORS**

The significant risk and uncertainty factors for the group and the parent company, which include business and financial risks, are described in the annual report for the 2010 financial year.

### **TRANSACTIONS WITH RELATED PARTIES**

No transactions with related parties have occurred during the period.

### **ACCOUNTING POLICIES**

The group's financial reports are prepared in accordance with International Financial Reporting Standards (IFRS) in the way in which they have been adopted by the European Union, the Swedish Annual Accounts Act, RFR 1 and 2 Additional Accounting Regulations for Groups issued by the Swedish Financial Reporting Board, and in accordance with the regulations that the Stockholm Stock Exchange stipulates for companies listed on Nasdaq OMX Stockholm. Preparing financial reports in accordance with IFRS requires that the company management makes accounting evaluations and estimates and makes assumptions that affect the application of the accounting policies and the reported values of assets, liabilities, income and costs. The actual result can differ from these estimates and evaluations. This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The most important accounting policies according to IFRS, which constitute the accounting standard for the preparation of this interim report, are stated in the company's most recently published annual report. The financial reports of the parent company have been prepared in accordance with the Swedish Annual Accounts Act and RFR 2.3 Accounting for Legal Entities, issued by the Swedish Financial Reporting Board. The same accounting policies and methods of calculation have been applied in the interim report and in the most recent annual report.

### **ABOUT FORMPIPE SOFTWARE**

FormPipe Software AB (publ) is a software company in the field of ECM (Enterprise Content Management). We develop and deliver ECM products for structuring information in larger companies, the public sector and organisations. Our software helps organisations to capture and place information in context. Reduced costs, minimised risk exposure and structured information are the benefits to be gained from using our ECM products.

FormPipe Software was established in 2004 and has offices in Stockholm, Uppsala, Linköping and Copenhagen. FormPipe Software AB (publ) is listed on NASDAQ OMX Stockholm.

### **CALENDAR FOR FINANCIAL INFORMATION**

15 July 2011	Interim report January – June
25 October 2011	Interim report January – September
31 January 2012	Press release of unaudited figures for 2011

*This interim report has not been subject to review by the company's auditors.*

### **FINANCIAL INFORMATION**

Can be ordered from the head offices by using the contact details listed below. All financial information will be available at [www.formpipe.se](http://www.formpipe.se) immediately after being published.

### **CONTACT INFORMATION**

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Telephone: +46 70 567 73 85, +46 8 555 290 84  
E-mail: [christian.sundin@formpipe.com](mailto:christian.sundin@formpipe.com)

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Stockholm, 15 April 2011  
FormPipe Software AB  
The Board of Directors and the Managing Director

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**CONSOLIDATED INCOME STATEMENT SUMMARY**

<b>(SEK 000)</b>	<b>Jan-Mar</b>	
	<b>2011</b>	<b>2010</b>
<b>Net sales</b>	<b>29 416</b>	<b>31 397</b>
<u>Operating expenses</u>		
Selling expenses	-4 506	-3 893
Other costs	-7 243	-5 592
Personnel costs	-12 682	-15 406
Capitalised work for own account	3 698	2 156
Depreciation	-1 810	-1 563
Amortisation - Acquisition of intangible assets	-270	-700
Total operating expenses	-22 814	-24 998
<b>Operating profit/loss</b>	<b>6 603</b>	<b>6 399</b>
Net financial income/expense	-23	366 406
Tax	-1 704	-1 635
<b>Net profit for the period</b>	<b>4 876</b>	<b>5 129</b>
<u>Other comprehensive income</u>		
Translation gains/losses on consolidation*	-438	-4 301
Other comprehensive income for the period, net after tax	-438	-4 301
<b>Total comprehensive income for the period</b>	<b>4 438</b>	<b>828</b>
* Refers to change in value of the group's net assets in foreign currencies as a result of currency fluctuations.		
<i>Operating margin before depreciation and amortisation, %</i>	29.5 %	27.6 %
<i>Operating margin, %</i>	22.4 %	20.4 %
<i>Profit margin, %</i>	16.6 %	16.3 %
Earnings per share		
attributable to the parent company's shareholders during the period (SEK per share)		
- before dilution	0.41	0.44
- after dilution	0.40	0.43
Average no. of shares before dilution, in 000	12 030	11 760
Average no. of shares after dilution, in 000	12 066	12 042

**CONSOLIDATED BALANCE SHEET SUMMARY**

<b>(SEK 000)</b>	<b>31 Mar</b>		<b>31 Dec</b>
	<b>2011</b>	<b>2010</b>	<b>2010</b>
Intangible assets	139 999	138 918	138 651
Tangible assets	860	1 377	1 012
Financial assets	26	-	26
Deferred tax asset	6 826	5 884	7 939
Current assets	22 583	22 505	33 923
Cash equivalents	11 060	4 894	4 410
<b>TOTAL ASSETS</b>	<b>181 353</b>	<b>173 578</b>	<b>185 960</b>
Equity	119 847	119 379	118 439
Deferred tax	5 715	2 497	5 104
Interest-bearing liabilities	-	-	-
Provisions	1 881	-	-
Other non-interest bearing liabilities	53 909	51 703	62 417
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>181 353</b>	<b>173 578</b>	<b>185 960</b>
Pledged assets	105 928	114 525	99 762
Contingent liabilities	7	18	7

**CASH FLOW STATEMENT SUMMARY**

<b>(SEK 000)</b>	<b>Jan-Mar</b>	
	<b>2011</b>	<b>2010</b>
Cash flow from operating activities before working capital changes	11 041	3 320
Cash flow from working capital changes	1 560	-668
<b>Cash flow from operating activities</b>	<b>12 601</b>	<b>2 652</b>
Cash flow from investing activities <i>Of which acquisition of business activities</i>	-2 880 -	-6 305 -5 380
Cash flow from financing activities <i>Of which dividend paid</i>	-3 063 -6 117	-3 118 -6 002
<b>Cash flow for the period</b>	<b>6 658</b>	<b>-6 771</b>
<b>Change in cash and cash equivalent</b>		
Cash and cash equivalent at the beginning of the period	4 410	11 843
Translation gains/losses on consolidation	-8	-178
Cash flow for the period	6 658	-6 771
<b>Cash and cash equivalent at the end of the period</b>	<b>11 060</b>	<b>4 894</b>
Free cash flow	9 721	1 727

**CHANGES IN CONSOLIDATED EQUITY**

(SEK 000)	Equity attributable to the parent company's shareholders				
	Share capital	Other contributed capital	Translation reserves	Profit brought forward	Total equity
<b>Opening balance per 1 January 2010</b>	<b>1 174</b>	<b>63 232</b>	<b>6 113</b>	<b>51 150</b>	<b>121 669</b>
Total profit for the period	-	-	-4 301	5 129	828
Dividend	-	-	-	-6 002	-6 002
New share issue	27	4 129	-	-	4 156
Buy-back of share warrants	-	-1 272	-	-	-1 272
<b>Closing balance per 31 March 2010</b>	<b>1 200</b>	<b>66 090</b>	<b>1 812</b>	<b>50 277</b>	<b>119 379</b>
<b>Opening balance per 1 January 2011</b>	<b>1 200</b>	<b>66 706</b>	<b>-3 199</b>	<b>53 732</b>	<b>118 439</b>
Total profit for the period	-	-	-438	4 876	4 438
Dividend	-	-	-	-6 117	-6 117
New share issue	23	3 151	-	-	3 174
Buy-back of share warrants	-	-87	-	-	-87
<b>Closing balance per 31 December 2011</b>	<b>1 223</b>	<b>69 770</b>	<b>-3 637</b>	<b>52 491</b>	<b>119 847</b>

**NUMBER OF SHARES**

	2007-01-01	2008-01-01	2009-01-01	2010-01-01	2011-01-01
	2007-31-12	2008-31-12	2009-31-12	2010-31-12	2011-31-03
Opening number of shares	8 787 424	9 798 660	11 736 181	11 736 181	12 004 504
New share issue	1 011 236	1 937 521	-	268 323	229 143
<b>Closing number of shares</b>	<b>9 798 660</b>	<b>11 736 181</b>	<b>11 736 181</b>	<b>12 004 504</b>	<b>12 233 647</b>

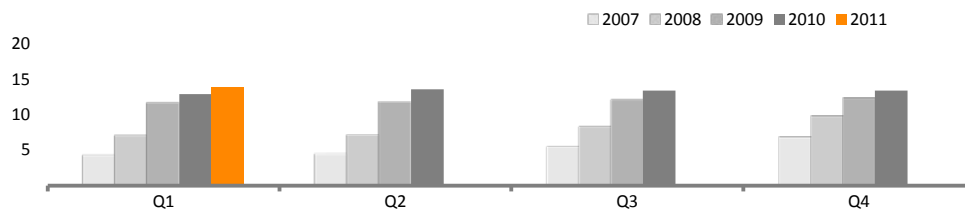
**8 QUARTERS IN SUMMARY**

(SEK 000)	2009 Q2	2009 Q3	2009 Q4	2010 Q1	2010 Q2	2010 Q3	2010 Q4	2011 Q1
Support and maintenance	11 713	12 005	12 263	12 900	13 590	13 411	13 397	13 920
Licences	15 068	8 730	19 360	13 392	10 337	8 089	12 363	13 693
Total system income	26 780	20 735	31 622	26 292	23 927	21 500	25 760	27 613
Consultancy and other	6 892	4 652	6 351	5 105	4 163	2 358	2 930	1 803
<b>Net sales</b>	<b>33 672</b>	<b>25 387</b>	<b>37 974</b>	<b>31 397</b>	<b>28 091</b>	<b>23 858</b>	<b>28 690</b>	<b>29 416</b>
Operating expenses								
Selling expenses	-4 779	-1 779	-1 603	-3 893	-4 067	-3 184	-5 472	-4 506
Other costs	-5 329	-5 293	-8 274	-5 592	-5 823	-6 178	-9 966	-7 243
Personnel costs	-15 723	-14 335	-18 012	-15 406	-14 876	-13 112	-17 425	-12 682
Capitalisation	1 376	846	2 233	2 156	3 215	3 251	4 287	3 698
Depreciation/amortisation	-2 121	-2 191	-2 248	-2 263	-2 257	-2 204	-2 341	-2 080
Total operating expenses	-26 576	-22 752	-27 903	-24 998	-23 808	-21 426	-30 918	-22 814
Adjustment for one-off items	-	-	-	-	-	-	4 993	-
<b>Operating profit/loss (ad-justed)</b>	<b>7 097</b>	<b>2 635</b>	<b>10 070</b>	<b>6 399</b>	<b>4 283</b>	<b>2 432</b>	<b>2 765</b>	<b>6 603</b>
%	21.1 %	10.4 %	26.5 %	20.4 %	15.2 %	10.2 %	9.6 %	22.4 %

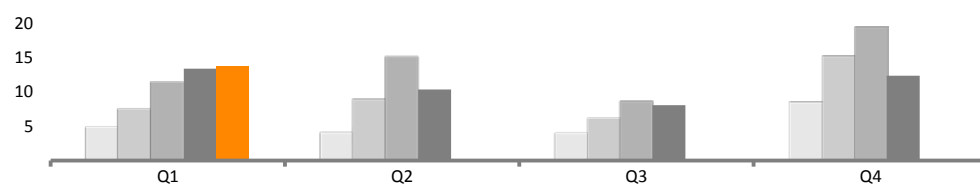


**QUARTERLY SALES ANALYSIS**

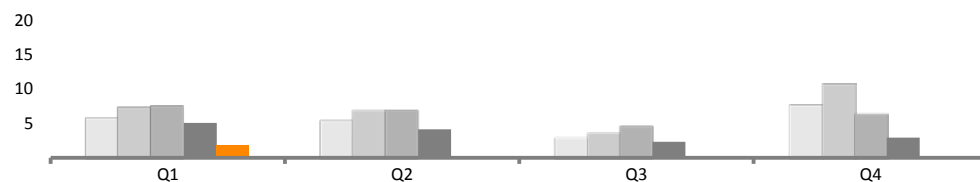
**Support  
&  
Underhåll**



**Licens**



**Konsult  
&  
Övrigt**



**KEY RATIOS FOR THE GROUP**

	Jan-Mar	
	2011	2010
Net sales, SEK 000	29 416	31 397
Operating profit before depreciation, SEK 000	8 683	8 662
Operating profit, SEK 000	6 603	6 399
Net profit for the period, SEK 000	4 852	5 495
Operating margin before depreciation and amortisation, %	29.5 %	27.6 %
Operating margin, %	22.4 %	20.4 %
Profit margin, %	16.6 %	16.3 %
Return on equity, %*	7.2 %	15.0 %
Return on working capital, %*	10.0 %	23.4 %
Equity ratio, %	66.1 %	68.8 %
Equity per outstanding share at the end of the period, SEK	9.80	9.94
Earnings per share - before dilution, SEK	0.41	0.44
Earnings per share - after dilution, SEK	0.40	0.43
Share price at the end of the period, SEK	15.10	22.00

\* The value for the income measure included in the calculation is based on the most recent 12-month period

**PARENT COMPANY INCOME STATEMENT SUMMARY**

<b>(SEK 000)</b>	<b>Jan-Mar</b>	
	<b>2011</b>	<b>2010</b>
<b>Net sales</b>	<b>2 958</b>	<b>2 668</b>
Operating expenses		
Selling expenses	-404	-203
Other costs	-3 373	-3 059
Personnel costs	-5 470	-5 714
Depreciation/amortisation	-152	-176
Goodwill amortisation	-100	-100
<b>Total operating expenses</b>	<b>-9 499</b>	<b>-9 252</b>
<b>Operating profit/loss</b>	<b>-6 540</b>	<b>-6 584</b>
Result from participations in group companies	-	-
Other financial items	-77	297
Tax	-	-
<b>Net profit for the period</b>	<b>-6 617</b>	<b>-6 287</b>

**PARENT COMPANY BALANCE SHEET SUMMARY**

<b>(SEK 000)</b>	<b>31 Mar</b>		<b>31 Dec</b>
	<b>2011</b>	<b>2010</b>	<b>2010</b>
Intangible assets	1 191	1 978	1 314
Tangible assets	655	865	775
Financial assets	124 599	125 418	124 599
Deferred tax asset	1 952	-	1 952
Current assets	1 963	22 156	16 996
Cash and bank balances	10 228	581	3 343
<b>TOTAL ASSETS</b>	<b>140 588</b>	<b>150 998</b>	<b>148 980</b>
Restricted equity	18 914	18 864	18 891
Non-restricted equity	70 541	59 665	80 211
<b>Total equity</b>	<b>89 455</b>	<b>78 529</b>	<b>99 102</b>
Interest-bearing inter-company liabilities	5 429	1 788	5 429
Interest-bearing external liabilities	-	2 698	-
Non-interest bearing current liabilities	45 703	67 983	44 449
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>140 588</b>	<b>150 998</b>	<b>148 980</b>
Pledged assets	105 928	114 525	99 762
Contingent liabilities	7	18	7

## KEY RATIO DEFINITIONS

### **SYSTEM INCOME**

The total of licence income and income from support and maintenance.

### **REPETITIVE INCOME**

Income of an annually recurring nature such as support and maintenance income and income from rental agreements in respect to licences.

### **FREE CASH FLOW**

Cash flow from operating activities minus cash flow from investing activities excluding acquisitions.

### **EQUITY PER SHARE**

Equity at the end of the period divided by the number of shares at the end of the period.

### **RETURN ON EQUITY**

Profit/loss after tax as a percentage of average equity.

### **RETURN ON WORKING CAPITAL**

Operating profit/loss as a percentage of average working capital (balance sheet total less non-interest bearing liabilities and cash and bank balances).

### **OPERATING MARGIN BEFORE DEPRECIATION AND AMORTISATION**

Operating profit before depreciation/amortisation as a percentage of sales.

### **OPERATING MARGIN**

Operating profit/loss after depreciation/amortisation as a percentage of sales.

### **PROFIT MARGIN**

Operating profit/loss after tax as a percentage of sales at the end of the period.

### **EQUITY RATIO**

Equity as a percentage of the balance sheet total.

### **EARNINGS PER SHARE - BEFORE DILUTION**

Net profit/loss after tax divided by the average number of shares during the period.

### **EARNINGS PER SHARE - AFTER DILUTION**

Net profit/loss after tax adjusted for dilution effects divided by the average number of shares after dilution during the period.