

FORMPIPE

Interim report January-March 2012

PERIOD 1 JANUARY - 31 MARCH 2012

- Net sales SEK 28.1 million (29.4 million)
- System income SEK 25.7 million (27.6 million)
- Operating profit before depreciation/amortisation SEK 6.0 million (8.7 million)
- Operating profit SEK 3.0 million (6.6 million)
- Operating margin 10.7 % (22.4 %)
- Net profit after tax SEK 2.2 million (4.9 million)
- Earnings per share before dilution SEK 0.18 (0.41)
- Cash flow from operating activities SEK 9.1 million (12.6 million)

INCOME STATEMENT SUMMARY

(SEK million)	Jan-Mar		Rolling 12	Full year
	2012	2011	month period	2011
Net sales	28.1	29.4	111.2	112.5
Operating expenses	-25.1	-22.8	-94.6	-92.3
Operating profit/loss	3.0	6.6	16.6	20.2

COMMENTS FROM THE GROUP CEO

After a strong end to the year, Q1 results are at an acceptable level. The framework agreement with the Swedish public sector now in place is naturally a positive factor and we believe that it is creating increased activity in our market. However the new framework agreement requires though renewed exposure to competition. Renewed exposure to competition can be compared with a public procurement process in miniature. This means that more customers will opt to carry out a full public procurement process instead of utilising the framework agreement, which in turn leads to longer lead times in sales.

That profitability is lower than in the previous year is a result of our intensified focus on the Life Science sector where costs so far are higher than income.

Our prospect list is still growing and therefore we have every reason to view the future very positively.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD JANUARY - MARCH 2012

AGM

The following decisions were taken at the Annual General Meeting held on 27 March:

- Adoption of the income statement and balance sheet for the 2011 financial year.
- Dividend of SEK 0.60 per share.
- Re-election of directors Hans Möller, Bo Nordlander, Jon Petterson, Lennart Pihl and Staffan Torstensson and the election of new director Jack Spira. Hans Möller was re-elected as chairman of the board.
- Re-election of PricewaterhouseCoopers as the company's auditors and with Niklas Renström as the principal auditor,
- Principles for appointment of the nomination committee.
- 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 2011/2013 series.
- Guidelines for compensation to officers of the company.

ORDER FROM ÖREBRO CITY AUTHORITY

FormPipe Software received a supplementary order from Örebro City Authority for the ECM product FormPipe W3D3. The total value of the order for FormPipe Software is SEK 1.5 million and Cybercom is the service supplier.

THE MARKET

According to the Radar Group, ECM continues to be a high priority investment area in 2012 for companies and organisations. The market is attractive although growth figures are falling as a result of the general trend 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 amount of information. According to the Radar Group, the Swedish ECM market will be worth approx. SEK 1.35 billion in 2012, which is the same size as the previous year. All the signs indicate that ECM will continue to be a priority investment area beyond 2012 as well.

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.

Within the private sector, the company's efforts are focused on becoming a leading supplier within the Life Science sector, which like the public sector, has strict regulatory requirements. The market for Life Science is strictly regulated by the regulations of the FDA (U.S. 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.

FUTURE

The board considers that the company is well-positioned to be able to develop and strengthen its leading position in its main market 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. In addition to the Swedish public sector, FormPipe Software also focuses on the Life Science sector, which is a segment that is undergoing significant development and is strictly regulated by regulatory requirements. Both of the company's primary segments are considered to be relatively insensitive to fluctuations in the economic situation. The board believes that FormPipe Software is well-positioned with a stable customer base, a high share of

repetitive income and a focus on customer segments with a high need for ECM solutions. At the same time, 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.

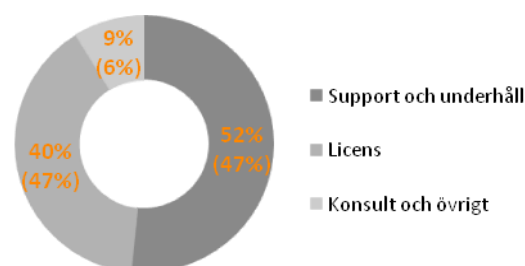
FINANCIAL INFORMATION

INCOME

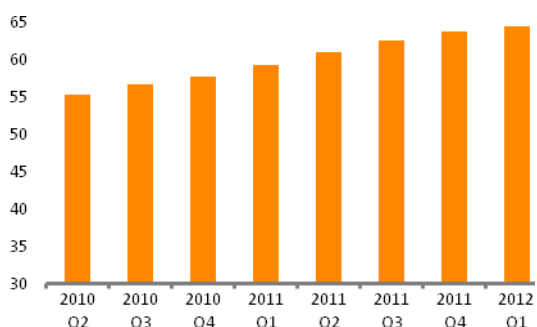
JANUARY - MARCH 2012

Net sales for the period totalled SEK 28.1 million (29.4 million). System income increased by 7 % from the previous year and totalled SEK 25.7 million (27.6 million). Total repetitive income for the period increased by 5 % from the previous year and totalled SEK 16.3 million (15.6 million), which is equivalent to 58 % of net sales. Exchange rate effects in respect to the previous year have not had any significant impact.

Breakdown of sales revenue, Jan - Mar 2012



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



COSTS

JANUARY - MARCH 2012

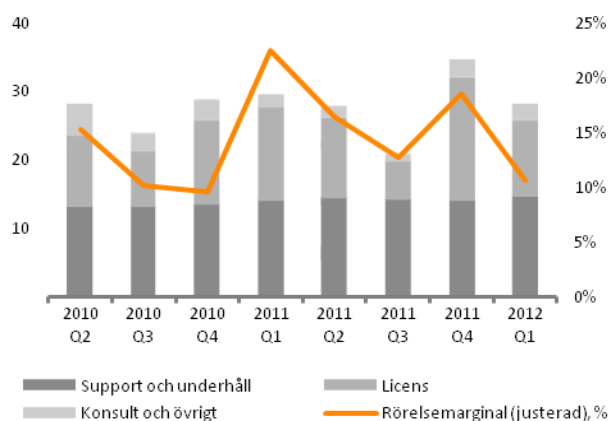
Costs for the period rose by 10 % and totalled SEK 25.1 million (22.8 million). Personnel costs rose by 10 % and totalled SEK 13.9 million (12.7 million). Selling expenses amounted to SEK 4.1 million (4.5 million), of which the costs for secondary consultants and commission payments to partners totalled SEK 3.6 million (4.2 million). Other costs totalled SEK 7.7 million (7.2 million).

EARNINGS

JANUARY - MARCH 2012

Operating profit totalled SEK 3.0 million (6.6 million) with an operating margin of 10.7 % (22.4 %). Exchange rate effects, (primarily exposure to DKK) have not had any significant impact on operating profit. Net profit after tax amounted to SEK 2.2 million (4.9 million). Earnings per share before dilution were SEK 0.18 (0.41) for the period.

Sales and operating margin (per quarter). SEK million



FINANCIAL POSITION AND LIQUIDITY

CASH EQUIVALENTS

Cash and cash equivalents at the end of the period amounted to SEK 18.6 million (11.1 million). The company had no interest-bearing liabilities at the end of the period (0.0 million). The company's net cash equivalents thus totalled SEK 18.6 million (11.1 million).

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

EQUITY

Equity at the end of the period amounted to SEK 131.9 million (119.8 million), which was equivalent to SEK 10.78 (9.80) per outstanding share at the end of the period. The strengthening of the Swedish krona has reduced the value of the group's net assets in foreign currencies by SEK 0.7 million (-0.4 million) from the end of the year.

EQUITY RATIO

The equity ratio at the end of the period was 68 % (66 %).

CASH FLOW

CASH FLOW FROM OPERATING ACTIVITIES

Cash flow from operating activities for the period January – December totalled SEK 9.1 million (12.6 million).

INVESTMENTS AND ACQUISITIONS

Total investments for the period January – March amounted to SEK 3.6 million (3.7 million), of which investments affecting cash flow totalled SEK 3.3 million (2.9 million).

Investments in intangible assets totalled SEK 3.5 million (3.7 million) and refer to capitalized product development costs.

Investments in tangible assets totalled SEK 0.1 million (0.0 million).

FINANCING

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

OTHER

EMPLOYEES

The number of employees at the end of the reporting period was 72 persons (64 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 2011 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 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 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 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

13 July 2012	Interim report January – June
23 October 2012	Interim report January – September
31 January 2013	Press release of unaudited figures for 2012

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

FINANCIAL INFORMATION

Can be ordered from the head office by using the contact details listed below. All financial information will be available at www.formpipe.se immediately after being published.

CONTACT INFORMATION

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Stockholm, 19 April 2012
FormPipe Software AB
The Board of Directors and the Managing Director

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CONSOLIDATED INCOME STATEMENT SUMMARY

(SEK 000)	Jan-Mar	
	2012	2011
Net sales	28 129	29 416
<u>Operating expenses</u>		
Selling expenses	-4 065	-4 506
Other costs	-7 693	-7 243
Personnel costs	-13 884	-12 682
Capitalized work for own account	3 473	3 698
Depreciation/amortisation	-2 954	-2 080
Total operating expenses	-25 124	-22 813
Operating profit/loss	3 005	6 603
Net financial income/expense	-11	-23
Tax	-771	-1 704
Net profit for the period	2 223	4 876
<u>Other comprehensive income</u>		
Translation gains/losses on consolidation*	-673	-438
Other comprehensive income for the period, net after tax	-673	-438
Total comprehensive income for the period	1 550	4 438
* Refers to change in value of the group's net assets in foreign currencies as a result of currency fluctuations.		
Operating margin before depreciation and amortisation, %	21.2 %	29.5 %
Operating margin, %	10.7 %	22.4 %
Profit margin, %	7.9 %	16.6 %
Earnings per share attributable to the parent company's shareholders during the period (SEK per share)		
- before dilution	0.18	0.41
- after dilution	0.18	0.40
Average no. of shares before dilution, in 000	12 234	12 030
Average no. of shares after dilution, in 000	12 234	12 066

CONSOLIDATED BALANCE SHEET SUMMARY

(SEK 000)	31 Mar		31 Dec
	2012	2011	2011
Intangible assets	146 647	139 999	146 682
Tangible assets	824	860	858
Financial assets	31	26	31
Deferred tax asset	5 641	6 826	6 414
Current assets (excl. cash equivalents)	21 793	22 583	33 979
Cash equivalents	18 603	11 060	12 794
TOTAL ASSETS	193 538	181 353	200 758
Equity	131 936	119 847	130 386
Long-term liabilities	8 856	5 715	8 463
Current liabilities	52 746	55 790	61 908
TOTAL EQUITY AND LIABILITIES	193 538	181 353	200 758
Interest-bearing net liabilities (-) / cash (+)	18 603	11 060	12 794
Pledged assets			
Shares in subsidiary companies	101 703	105 928	96 416
Contingent liabilities	-	7	-

CASH FLOW STATEMENT SUMMARY

(SEK 000)	Jan-Mar	
	2012	2011
Cash flow from operating activities before working capital changes	4 956	11 041
Cash flow from working capital changes	4 170	1 560
Cash flow from operating activities	9 126	12 601
Cash flow from investing activities	-3 308	-2 880
Of which acquisition of business activities	-	-
Cash flow from financing activities	-	-3 063
Of which dividend paid	-	-6 117
Cash flow for the period	5 818	6 658
Change in cash and cash equivalents		
Cash and cash equivalents at the beginning of the period	12 794	4 410
Translation gains/losses on consolidation	-9	-8
Cash flow for the period	5 818	6 658
Cash and cash equivalents at the end of the period	18 603	11 060
Free cash flow	5 818	9 721

CHANGES IN CONSOLIDATED EQUITY

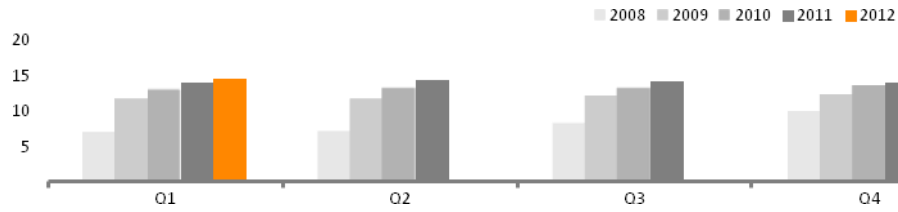
(SEK 000)	Equity attributable to the parent company's shareholders				
	Share capital	Other contributed capital	Translation reserves	Profit brought forward	Total equity
Opening balance per 1 January 2011	1 200	66 706	-3 199	53 732	118 439
Net profit for the period	-	-	-	4 876	4 876
Other comprehensive income items	-	-	-438	-	-438
Dividend	-	-	-	-6 117	-6 117
New share issue	23	3 151	-	-	3 174
Buy-back of share warrants	-	-87	-	-	-87
Closing balance per 31 March 2011	1 223	69 770	-3 637	52 491	119 847
Opening balance per 1 January 2012	1 223	70 152	-3 305	62 317	130 386
Net profit for the period	-	-	-	2 223	2 223
Other comprehensive income items	-	-	-673	-	-673
Closing balance per 31 March 2012	1 223	70 152	-3 978	64 540	131 936

8 QUARTERS IN SUMMARY

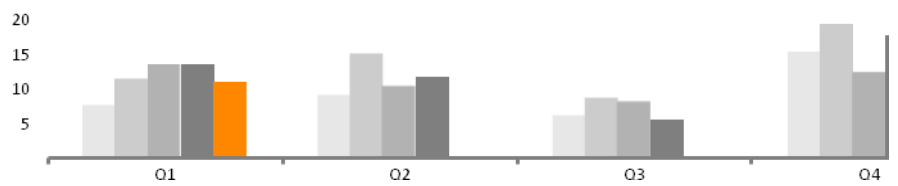
(SEK 000)	2010 Q2	2010 Q3	2010 Q4	2011 Q1	2011 Q2	2011 Q3	2011 Q4	2012 Q1
Support and maintenance	13 085	13 116	13 397	13 920	14 303	14 230	14 056	14 517
Licences	10 337	8 089	12 363	13 693	11 705	5 605	17 819	11 145
System income	23 422	21 205	25 760	27 613	26 008	19 835	31 875	25 662
Consultancy and other	4 669	2 653	2 930	1 803	1 689	1 096	2 599	2 467
Net sales	28 091	23 858	28 690	29 416	27 697	20 931	34 474	28 129
Operating expenses								
Selling expenses	-4 067	-3 184	-5 472	-4 506	-3 931	-2 269	-5 517	-4 065
Other costs	-5 823	-6 178	-9 966	-7 243	-8 463	-6 826	-10 998	-7 693
Personnel costs	-14 876	-13 112	-17 425	-12 682	-13 057	-10 403	-13 886	-13 884
Capitalized development costs	3 215	3 251	4 287	3 698	4 797	3 941	5 197	3 473
Depreciation/amortisation	-2 257	-2 204	-2 341	-2 080	-2 492	-2 703	-2 893	-2 954
Total operating expenses	-23 808	-21 426	-30 918	-22 814	-23 145	-18 260	-28 098	-25 124
Adjustment for one-off items	-	-	4 993	-	-	-	-	-
Operating profit/loss (adjusted)	4 283	2 432	2 765	6 603	4 552	2 671	6 376	3 005
%	15.2 %	10.2 %	9.6 %	22.4 %	16.4 %	12.8 %	18.5 %	10.7 %

QUARTERLY SALES ANALYSIS

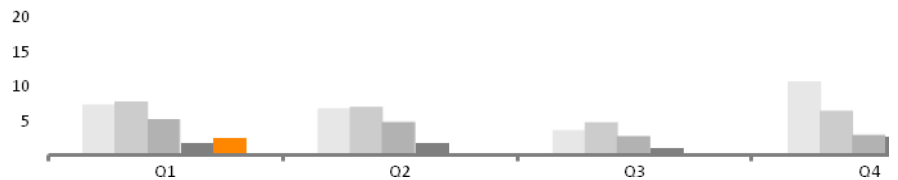
**Support
&
Underhåll**



Licens



**Konsult
&
Övrigt**



NUMBER OF SHARES

	2008-01-01 2008-31-12	2009-01-01 2009-31-12	2010-01-01 2010-31-12	2011-01-01 2011-31-12	2012-01-01 2012-31-03
Opening number of shares	9 798 660	11 736 181	11 736 181	12 004 504	12 233 647
New share issue	1 937 521	-	268 323	229 143	-
Closing number of shares	11 736 181	11 736 181	12 004 504	12 233 647	12 233 647

KEY RATIOS FOR THE GROUP

	Jan-Mar	
	2012	2011
Net sales, SEK 000	28 129	29 416
Operating profit before depreciation, SEK 000	5 959	8 683
Operating profit, SEK 000	3 005	6 603
Net profit for the period, SEK 000	2 223	4 876
Operating margin before depreciation and amortisation, %	21.2 %	29.5 %
Operating margin, %	10.7 %	22.4 %
Profit margin, %	7.9 %	16.6 %
Return on equity, %*	9.2 %	7.0 %
Return on working capital, %*	9.4 %	10.0 %
Equity ratio, %	68.2 %	66.1 %
Equity per outstanding share at the end of the period, SEK	10.78	9.80
Earnings per share - before dilution, SEK	0.18	0.41
Earnings per share - after dilution, SEK	0.18	0.40
Share price at the end of the period, SEK	16.60	15.10

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

period

PARENT COMPANY INCOME STATEMENT SUMMARY

(SEK 000)	Jan-Mar	
	2012	2011
Net sales	2 548	2 958
Operating expenses		
Selling expenses	-484	-404
Other costs	-3 012	-3 373
Personnel costs	-6 270	-5 470
Depreciation/amortisation	-262	-252
Total operating expenses	-10 027	-9 498
Operating profit/loss	-7 479	-6 540
Other financial items	3	-77
Net profit for the period	-7 476	-6 617

PARENT COMPANY BALANCE SHEET SUMMARY

(SEK 000)	31 Mar		31 Dec
	2012	2011	2011
Intangible assets	818	1 191	949
Tangible assets	617	655	627
Financial assets	124 604	124 599	124 604
Deferred tax asset	2 744	1 952	2 744
Current assets (excl. cash equivalents)	2 387	1 963	14 310
Cash and bank balances	15 779	10 228	12 035
TOTAL ASSETS	146 948	140 588	155 268
Restricted equity	18 914	18 914	18 914
Non-restricted equity	74 344	70 541	81 820
Total equity	93 258	89 455	100 734
Long-term liabilities	-	-	-
Current liabilities	53 691	51 133	54 535
TOTAL EQUITY AND LIABILITIES	146 948	140 588	155 268
Pledged assets			
Shares in subsidiary companies	101 703	105 928	96 416
Contingent liabilities	-	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.