

Tomorrow's Solutions Today

Annual General Meeting

The Group's Annual General Meeting will be held at 2:00 PM on Friday, March 23, 2001 at Intentia's headquarters, Vendevägen 89, Danderyd, Sweden.

Notification

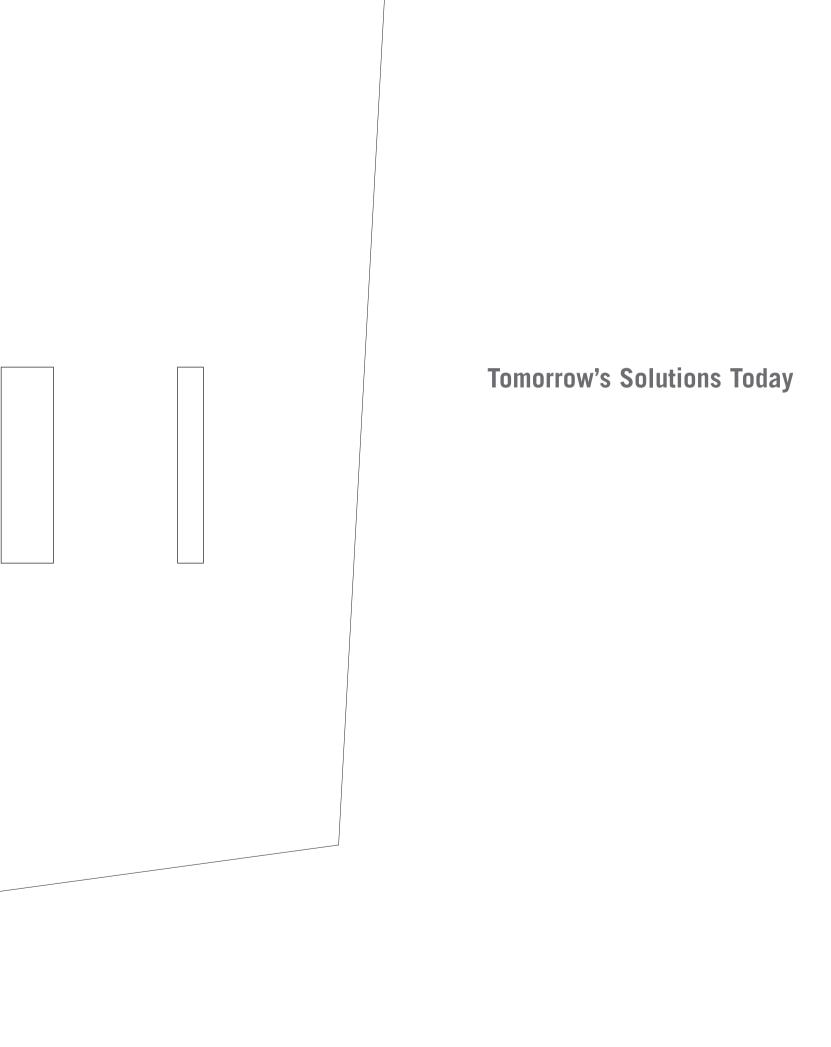
Stockholders who wish to participate in the Annual General Meeting must notify Intentia International AB (publ). no later than March 12, 2001. Mail the enclosed reply card or send a fax to +46 8 5552 5999.

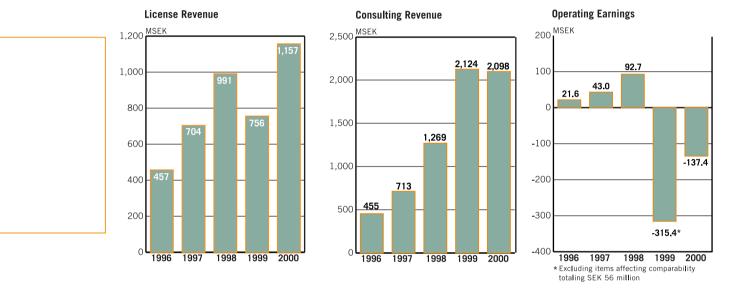
Right to Attend

Stockholders entered in the register maintained by VPC AB (Swedish Securities Register Center) on March 6, 2001 are entitled to participate in the Annual General Meeting. Any stockholder with stock registered in the name of a trustee must have the trustee temporarily register the stock in the stockholder's own name to be entitled to participate in the meeting. Such stockholders should request the transfer of registration well in advance of March 6, 2001.

2001 Financial Information

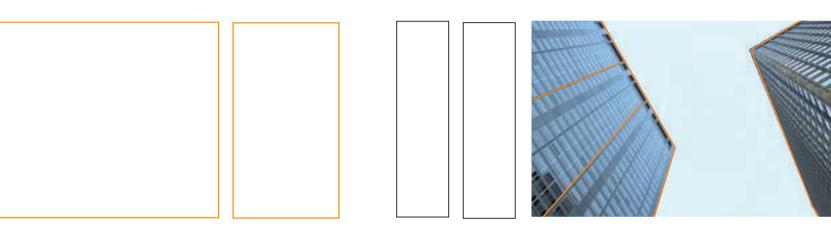
Information on the Group's development during 2001 will be provided as follows:
Interim report for the first quarter:
April 25, 2001
Interim report for the second quarter:
August 15, 2001
Interim report for the third quarter:
October 25, 2001
Announcement of Final Accounts for 2001: January, 2002.





Business Highlights

- Intentia consolidated its position as a leading global vendor of e-collaboration solutions.
- More than 20 contracts in excess of EUR I million each confirm our strong competitive position.
- License revenue grew 53 percent, reaching SEK 1,157 million compared to SEK 756 million in 1999. During the fourth quarter, license revenue grew by 112 percent.
- The fourth-quarter consulting margin rose to 13 percent, reversing the downward trend earlier in the year. Consulting revenue for the year reached SEK 2,098 million, 1 percent lower than the 1999 level.
- Strategic alliance with Sun Microsystems reinforces our Java advantage and extends the platforms for which Movex is fully optimized.
- Growth was achieved without an increase in costs, and within the present organizational structure, resulting in a substantial increase in efficiency. Year over year costs and expenses rose only three percent.
- Operating earnings improved by SEK 123 million to SEK –137 million in 2000 from SEK –260 million in 1999. This improvement translated into SEK 178 million before items affecting comparability in 1999.





Statement

Intentia's "Our mission is to be the catalyst for our customers' transformation to collaborative business models. What makes us different from the Mission competition is simply that we do it better."

Björn AlgkvistPresident and Chief Executive Officer



Our aim is to become the The Intentia Vision leading global e-collaboration solutions vendor by supplying our customers with tomorrow's solutions today.

Intentia offers a one-stop shop for all e-collaboration needs. We service customers in the manufacturing, maintenance and distribution industries, through a global network spanning some 40 countries.

We develop, implement, and maintain our own solutions to produce the highest possible level of customer satisfaction.

We have four keys to success:

Our technology, as embodied in our software solution. Intentia offers the unique combination of Java and XML, using the Web as the universal medium.

Our industry focus, and our genuine expertise in the select industries where our customers operate.

Our global professional services organization, with 2,500 consultants and offices in some 40 countries, that can provide complete customer satisfaction with a one-stop shop formula.

Our business culture that promotes partnerships, with other technology providers and with our customers.

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The Intentia e-Collaboration Solution

WE PROVIDE THE FOUNDATION FOR COLLABORATIVE SUCCESS A manufacturer needs continuing, real-time performance indicators ... A service technician in the field needs instant access to information about equipment and customers ... A purchaser wants to buy goods while passing through an airport before dawn in a foreign country ... A product manager wants to continually optimize the capabilities in the supply chain based on sudden changes in customers' demands ... A sales representative wants to centralize all client information to enhance customer satisfaction.

This can all be done with Movex. Our solution is based on open standards that cover all processes and data relevant to a company, inside the company as well as in the surrounding network of customers, suppliers and partners. Movex eliminates the artificial dichotomy between front office and back office that slows transactions and dramatically reduces the total efficiency of the IT infrastructure.





Need to improve relationships with customers? Intentia's solution can help with marketing support, online sales and customer behavior analysis. Want to create a Web shop? Companies can exhibit advanced online catalogs and run online advertising campaigns, customize catalogs or track orders. Business partners can compare suppliers' prices, create requisition forms and do cost and sales forecasts. Firms can connect to e-marketplaces or seek countryspecific information on taxes and exchange rates.

Want to improve distribution system planning? Intentia's Movex application allows firms to optimize sourcing, production and distribution across an entire supply chain network, taking into account delivery capability, cost, production, and transport options.

Intentia offers a world-leading supply chain management solution that addresses a major problem facing many trading partners doing business-to-business via the Web. Currently, information channels on Web-based supply chain infrastructures are rigid. For instance, because parties along the chain can communicate only with a limited number of others, it would be difficult to add more raw material manufacturers rapidly to adapt to a sudden increase in demand - or change to other transporters if more trucks were suddenly needed. Under such applications, it is extremely costly and time-consuming to plug in new trading partners.

But Movex supply chain planning (SCP) tools can easily track raw materials suppliers, transportation, production, stock, demand, and product-related constraints. The tools address such issues as the effect on the supply chain of running promotions, introducing new products, or adjusting product and customer or market priorities. Movex SCP tells the customer when to start stock builds to meet seasonal peaks in demand and whether it is cost-effective to buy packing in bulk and hold it in stock. Movex SCP also supports decisions in relation to outsourcing, the cost and service implications of centralizing distribution, or the installation of new processing equipment.

The Intentia Solution comprises the complete set of software and implementation tools that can optimize a company's operations and empower it to succeed in increasingly competitive and collaborative business environments.











molex

Movex includes functionality for:

- Customer Relationship Management (CRM)
- Partner Relationship Management (PRM)
- Enterprise Resource Planning (ERP)
- Supply Chain Planning and Execution (SCP/E)
- Business Performance Measurement (BPM)
- e-business

The Enterprise Process Manager

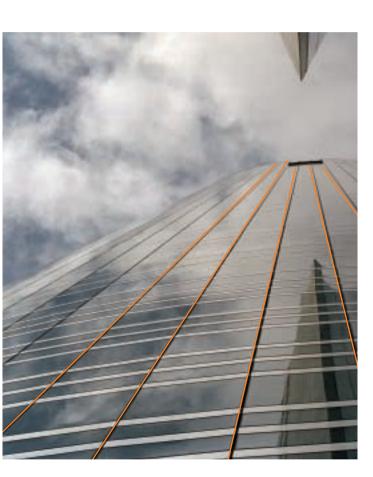
The Enterprise Process Manager helps us configure and reconfigure business processes as our customers' businesses grow, to offer them the optimal solution. Because configuration is done automatically, implementation time is reduced substantially. Our recommendations are based on thousands of successful Movex implementations worldwide.

Implex - Implementation Methodology

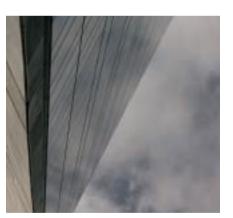
Implex is our unique method of putting Movex into effect. With our approach, customers work with the same team of dedicated professionals who develop and implement the software. We do it all ourselves for a very good reason: It provides our customers with better results.

Global Professional Services

Enabling e-collaboration systems is not simply a matter of loading software on the computer, getting it to run smoothly, and training personnel to use it. It's also about developing business strategies globally. Intentia offers an ultimate package of professional skills such as project management, application and system engineering, and business consulting.











A Letter from Intentia's CEO



The explosive rise and equally spectacular fall of new economy companies over the past 18 months carries many important lessons. Is the basic proposition that "the Internet changes everything" correct? The answer, I believe, is an emphatic "Yes." But events of the past year have demonstrated that many of the popular premises for business success in the new economy were naïve. The keys to success are there, but they need to be understood more deeply in order to be useful.

These events have demonstrated that the foundation of Intentia's business is sound. As a company, we are uniquely positioned to prosper in what might be called "the new collaborative economy." Our target customers are and always have been companies that deliver products and services, that have a strong customer base, that have business models that will enable them to make money, and that can exploit the tools of the IT revolution and the Internet to work in new ways to reinforce and extend their competitive advantages.

These new, collaborative business models will also benefit the new entrants in many industries, provided they master the keys to success of traditional business: Customer relationship management, supply chain management, and enterprise resource planning. The e-collaboration solutions that Intentia provides are designed to strengthen companies' ability to use these keys for success.

During the second half of 2000, our software license revenues grew at a 93 percent rate, as IT spending began to recover from the pause created by fear of the millennium bug. We sold our Intentia Solution to more than 400 new customers during the past year, bringing our total number of customers close to 3,400 worldwide. Year 2000 was also a year of growing transaction size. Intentia signed over 20 license contracts worth a minimum of one million euro each during the year, a record for us.

Among the clients with whom we closed these large contracts are such prominent international companies as Autodistribution, Harvey Norman, Seco, Cummins, Sara Lee, and Hagemeyer. Our agreement with the latter was one of the largest e-collaboration agreements concluded by any company in our industry during 2000.

Intentia's partnerships with these customers typify the Intentia Solution. By implementing Movex, our customers expect to revolutionize their businesses by better harnessing the immense amount of information that flows through their organizations and their trading networks. By transforming this information into usable knowledge that will increase customer satisfaction, our customers can broaden their product range, lower costs, and reduce inventory levels throughout the supply chain.

Why do our customers choose the Intentia Solution? Why do we believe that we have the best solution for companies spanning a range of industries and company sizes? There are four main reasons: Our technology, our industry focus, our global professional services, and our partnerships, both with other technology leaders and with our customers.

First, we have a software solution that outshines those of our competitors. Movex is the only e-collaboration application that has been implemented 100% in Java, with state-of-the-art functionality for Customer Relationship Management, Partner Relationship Management, Enterprise Resource Planning, Supply Chain Planning and Execution, Business Performance Measurement, and e-business.

We began the development of next generation solutions that are tailored for the e-collaboration marketplace in 1996. Movex is now fully elaborated, tested, and successfully installed in companies across a broad range of industries. In contrast, many other application vendors have slapped a Web interface on top of an old software architecture without concern for integrating the software and proclaimed their 'e-solution.' Unfortunately for their customers, one of the lessons of the past year is that a fancy Web site does not by itself transform a traditional company into an e-business enterprise.

We are confident that our software is 'future proven.' All current Movex solutions will be updated in a manner that keeps them fresh and avoids the traditional problems of managing layers of legacy software with increasingly inefficient patches to coordinate the old and the new and of upgrading software to exploit the power of continuing increases in IT hardware power.

The second reason is our decision to focus on a set of industries. We have built expertise and solutions for ten industry groups (fashion, distribution, food and beverage, and seven other industries) to ensure that we are abreast of the latest developments in these sectors and that our enterprise software is completely functional for the real needs of our customers in these industries. We believe that this allows our Solution not only to meet our customers' current requirements, but also to anticipate industry developments.

Third, we have developed a global organization that can provide complete customer satisfaction with a one-stop shop formula. Our consultants work closely with our customers, custom configuring and installing a solution that meets customer goals, and making sure that it works as expected. Our own dedicated experts possess extensive knowledge of the industries they serve. And, of course, they know our software and implementation solutions with the complete confidence that a third-party systems integrator would be unlikely to have. Furthermore, our close link to our customers gives us an excellent base for our product development priorities going forward. We match our development priorities to anticipated developments in each of our customers' specific industry.

Our market position in Europe is very strong, not only in the Nordic countries but also throughout the region. We have also reached critical mass in much of the Far East, as well as in the Australian market. In the U.S. we have built on the strong base we have in the fashion industry and increased our share in other industry segments. As elsewhere, this U.S. expansion is focusing on our core industry sectors, with emphasis on widening our customer base. During 2000 the American operation developed positively, and I am confident



that we will continue to see strong momentum in the U.S. market in 2001 and thereafter.

However, we do not view our geographical expansion as a series of largely autonomous business units, meeting the needs of customers in individual markets. This is contrary to the realities of the collaborative business landscape. We see Intentia as an integrated, entrepreneurial organization where resources and competence can be used globally, regardless of where they are located physically. Our global network is important for us also in meeting the needs of our customers who operate globally and who have global partners.

The fourth reason is our business culture, with its strong emphasis on building partnerships with our customers and with technology leaders. These partnerships - some formal, others informal - strengthen our product and service offerings and enable us to increase satisfaction among our customers.

Our strategic alliances with Sun Microsystems – another one of our milestones during 2000 – and with IBM have allowed us to extend the platforms for which Movex is fully optimized to include Sun Solaris, IBM AS/400, and Windows NT.

Finally, let me say that we begin 2001 with an excellent outlook. We set a goal for 2000 to increase efficiency by growing within our existing structure, and thereby to secure our long-term path to sustainable profitability. We have more than achieved our goal. We managed the Company with strict regard to cost control and financial stability, and we established a firm path to operating profitability. The 3rd and 4th quarter 2000 results clearly indicate a renewed dynamism in the market and the prospect for much better operating results for the Company.

Intentia has a clear, consistent strategy to establish the Company as the leading global supplier of e-collaboration solutions in selected industries. Our geographical expansion and our substantial investment in product development were essential for this strategy. Now, with the market returning to its long-term growth path, Intentia is in the position to reap the rewards of our global capabilities and our superior product in order to grow profitably with balanced cash flows.

I believe that our path is clear toward achieving our target objectives for growth, operating margins, and cash flows. We can now continue to grow and to harvest the benefits of the industry leading developments we have made. For 2001, we foresee strong growth in a healthy market, combined with positive results and substantially improved cash flows.

Björn Algkvist
President and
Chief Executive Officer

Technology Leadership

INTENTIA IMPLEMENTS TOMORROW'S SOLUTIONS TODAY

Throughout its history, Intentia has had a track record of winning bets in its technology choices and Research & Development focus. The most striking example was our decision to convert to a purely Java-based platform in 1996. We made history by launching the first enterprise application written entirely in Java.

The wisdom of that decision has become obvious as the business environment has evolved. The decision pays enormous benefits to Intentia's customers because it opens the door to completely flexible, platform-independent collaboration between a company and its suppliers, partners, and customers. We have built a solid foundation, which we continue to develop, that our competitors are still striving to achieve.

One of our more recent innovations was to adopt XML, or eXtensible Markup Language, as the preferred standard for data interchange along all points of the e-collaboration spectrum.

Today, Intentia offers the full range of integrated e-collaboration tools. As individual products, they rival any of the so-called "best of breed solutions;" as an integrated suite, they are second to none. Intentia's mission is to be the catalyst for companies as they transform their operations into truly collaborative business models. New collaborative business models emerging around these pioneering firms are changing the rules for the operation of supply chains and customer relations in industry after industry.

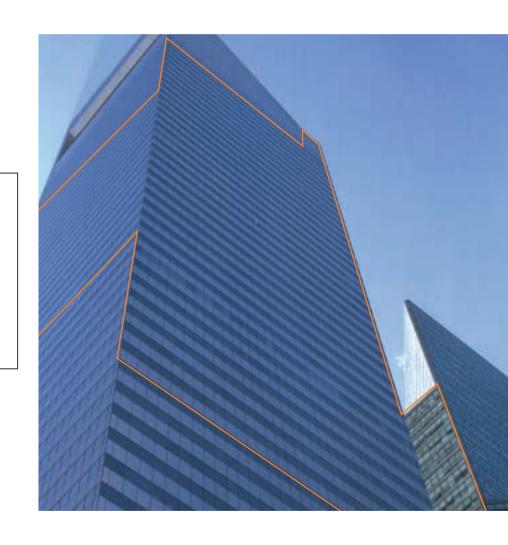
Dynamic collaboration between trading partners is all about an efficient transfer of information, using the Web as a medium. Current supply chain infrastructures are not optimized for exchanging information over the Web, since the information flow follows very much the same linear path of tangible goods and services. On the other hand, "hardwired" supply chains are superior for handling the actual fulfillment of goods and services.

Intentia's simple but ingenious solution is to bring these two worlds together. Our customers can actually gain a dramatic competitive advantage by leveraging the huge advantages of their current supply chain infrastructure and building a collaborative environment on top of that.

"By basing our e-collaboration application on the perfect match of Java, XML and the Web, we've put our customers into the driver's seat for a smooth ride into the future."

Mikael Berg Director Technology Requirements Center Intentia Research & Development





Movex technology provides the highest degree of:

- Extended configurability
- Full portability
- Continuous availability
- Superior scalability
- Forward compatibility
- Traditional security

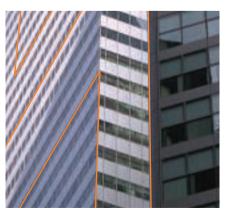
The technological tripod underlying our e-collaboration software solutions—Java, XML, and the Web—gives us the power to help customers achieve their goals and increase profitability.

- Java is a platform-independent programming language. Java is the only technology that has the true potential to reside on every tier—cellular phones, personal digital assistants, Web browsers, application servers, and database servers—while offering the possibility of truly collaborative deployment. All serious application development vendors, with the exception of those with single-platform strategies, will eventually have to change their code-base to Java.
- XML is the new, flexible lingua franca for automated application integration. It
 will provide the standard interface for information exchange over the Web
 among different applications. Java will be the dominant platform used to
 process server-side XML documents.
- The Web is the ubiquitous medium that can link all personnel inside a company as well as a firm with its suppliers, partners, and customers.

The combination of Java, XML and the Web opens up the possibilities for collaboration among all members of the supply chain, in a non-linear manner, without forcing parties into a rigid set of hardware, software, or interface solutions. Customer relationship management also profits from open standards that encompass all processes and data concerning customers throughout the





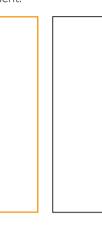






enterprise. In this way, a company can for the first time have a 360-degree view of any individual customer. It does so in a way that can also integrate with customers' legacy systems, such as a variety of call center solutions.

Intentia's technology leadership is not just about creating the most elegant or state-of-the art solution. It is about contributing to our customers' bottom lines. Choosing Java and XML means that customers' investments in IT are safe and will survive generations of hardware changes to come. It also means that Intentia can streamline its R&D organization and professional services network around one single programming language while remaining totally neutral to hardware and infrastructure platforms. Thus, Intentia provides a considerably better price/performance ratio than competitors who have to support disparate technologies or restrict their focus to a single operating platform environment.





"Succeeding in a highly competitive business is largely about making the right decisions at the right time, that is making winning bets. Intentia has demonstrated a history of making winning bets in its technology choices."

Johan Berg President Intentia Research & Development "Intentia's industry focus and our ongoing interaction with our customers make it possible for us to be proactive in developing new functionality. We can offer our customers the next level of functionality in sync with market trends by leveraging our industry knowledge. Our customers can thereby adapt new technology and functionality early, enabling them to stay ahead of their competitors."

Henrik Billgren Vice President for Industry Applications Intentia Research & Development

Industry Focus

WE CUSTOM CONFIGURE TO YOUR SECTOR'S SPECIAL NEEDS

Industry Specializations

- Automotive
 - Aviation
- Fashion
- Food & Beverage
 - Furniture
- Maintenance Repair & Overhaul
 - Paper
 - Retail and Distribution
 - Service & Rental
 - Steel

The starting point for the Intentia approach is exemplified by the obvious fact that the manufacturing process of an automobile maker differs entirely from that of a meat processor. Automakers take a broad range of components and build a finished product. Slaughterhouses do the reverse; they start with a whole product and cut it up into components. Thus, companies in the two sectors have completely different dynamics, which extend to their relationships with their suppliers, customers, and partners, and that cannot be met with a generic software solution, such as provided by many of our competitors.

Our Movex addresses this problem with an ingenious and unique approach. It employs a flexible core solution that we pre-configure to meet the specialized requirements of different industries. We offer the best of two worlds—an integrated product that can also be adapted to provide the functionality required by a number of manufacturing sectors.

By concentrating on 10 industries we have established extensive databases and models for each that allow our solution to be pre-configured automatically. Our customer satisfaction comes in large part from the fact that Movex accommodates our customers' specific requirements and the specific realities of the industries in which they operate.

Moreover, by maintaining one core system instead of several we can dramatically cut costs—the costs to maintain, to upgrade, and to build additional functionality.

An example that illustrates our groundbreaking method is the solution Intentia developed for food and beverage companies that deal with short shelf life products. Movex gives these firms the flexibility to produce whenever they want, as opposed to normal material requirements that create only one supply

"We especially appreciated the industry application approach from Intentia with specific functionality for dairies as well as the necessary competence for implementation of a mission-critical system in a dairy environment.

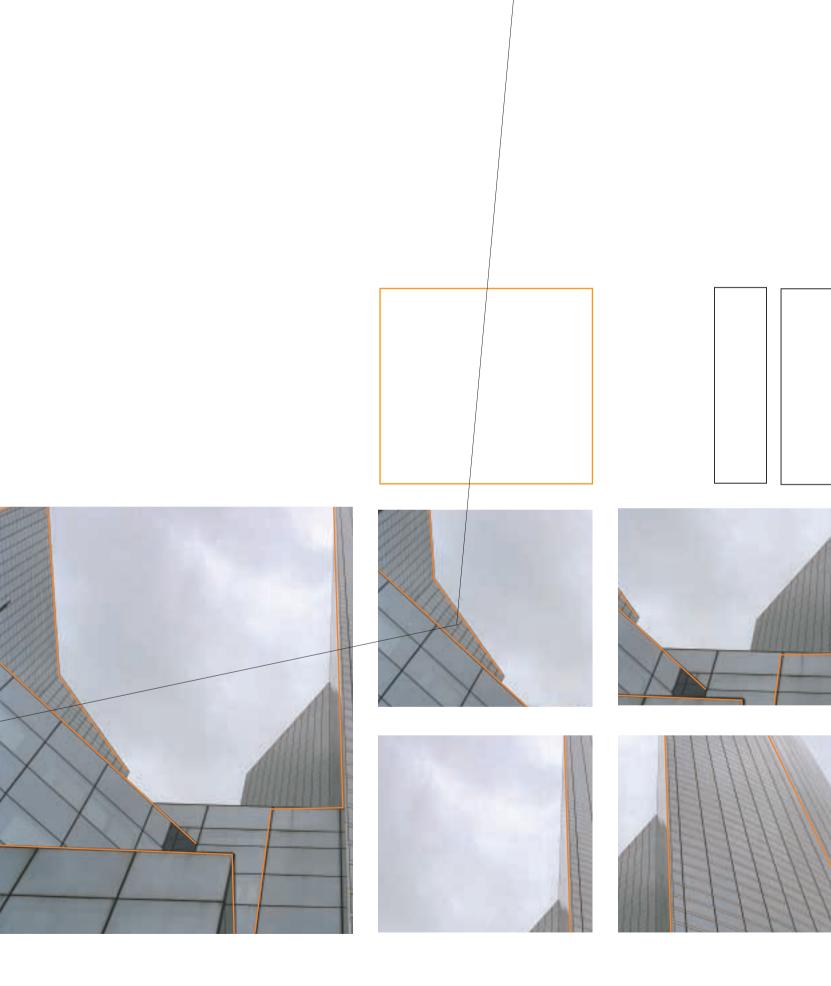
"Furthermore, we found that Intentia's Java technology is in the forefront of technology and looks to be an excellent way to protect our IT investments for the future."

Varda Polak
Chief Information Officer
Tnuva









"With our vertically integrated manufacturing model, it was critical that we select a fully integrated software solution with strong manufacturing production planning and supply chain planning capabilities. Movex Fashion will enable us to continue to reduce manufacturing cycle times and improve service to our customers."

Bruce FetterChief Operating Officer
St. John Knits





order per day. Thus, a company can plan more precisely and reduce waste caused by producing at the wrong times.

Being in such close contact with our customers, we can anticipate—and prepare for—new functionality requirements. We don't wait for clients to tell us what they need. We are already there to drive the process. Our solutions are designed to keep us, and our customers, ahead of industry trends.

We have global centers specializing in the core industries that we serve. These teams of dedicated experts, who stay in constant contact with our customers, also act as part of Intentia R&D, studying and prioritizing business requirements for each industry so that Intentia can develop industry-specific software. We give priority to all business requirements globally and configure Movex to best fit industry needs, including process elements, software components, and model database structures.

Intentia does not aspire to be all things to all people. However, no one knows the industries we serve better than we do. The result is that solutions built for new customers rest on a foundation of know-how that has been tried and tested over the years.

Global Professional Services

WE DO IT BETTER



We understood early on that Intentia had to have a global presence to best supply our customers in target industries. Today, Intentia and its implementation affiliates provide our services in some 40 countries, which enables us to become a long-term partner in the development of our customers' global businesses.

Our offices provide consulting resources on the ground that are sensitive to particular local needs, while at the same time working within a uniform global organization.

Our expansion during the 1990s transformed Intentia from a local Swedish ERP company to a major global e-collaboration player. There were significant costs associated with this strong extension, as surplus capacity was built into new markets. But we viewed this as a necessary investment for sustained growth and long-term success. We are now at the point where we can reap benefits from that strategy.

The Intentia consulting practice consists of 2,500 professionals who are deeply familiar with the industries in which Intentia concentrates. These professionals are specialized in the implementation of Movex and are thus dedicated to improving the business processes of our customers. The teams are further supported by knowledge centers for the focus industries. Through attending courses, product and technical competence within the consulting organization is continuously kept in the forefront.

Via its global presence, Intentia can utilize experts best suited for a project, irrespective of where in the world they are located. During 2000, all operations were consolidated within one management structure, Global Operations, to ensure that the Intentia consulting operation would be a global resource rather than a number of local service operations.

By fulfilling their diverse needs through one solutions provider, customers find Intentia's one-stop shop approach cost-effective, convenient, and highly

"Bigger is not necessarily better for customers. Knowledge of specific needs is. By focusing on target areas in which we can offer expertise, we beat our competition nearly every time."

Lars Prochéus
Chief Operating Officer
Intentia International

"I found Intentia's people an absolute delight to work with. They were very responsive to any problems we encountered, and identified our needs from day one. Their knowledge of the food and beverage industry was excellent, and any questions we had about how Movex would operate in a certain way were answered quickly because the consultants understood our business processes, even before they set foot in the premises."

David Whalley
Finance Director
RVP Foods Limited

"Intentia is delivering its promise to NewellRubbermaid. Intentia provides informed consultancy adding value to our thinking and its strong management team continues to successfully implement a complex, large-scale, pan-European IT solution, supporting both our existing businesses and those currently in the integration process as a result of our acquisition strategy."

John Avampato CIO NewellRubbermaid

efficient. Having one provider take the full responsibility for the project not only increases confidence in the project, but also makes implementation more cost-efficient compared to a situation where two or more suppliers are involved. Since the software vendor and the implementation consultant are the same, customers will not suffer costly problems with installations that commonly occur when outside consultants are used.

Our customers measure the return on investment from the Intentia Solution in increased revenue; more productive relationships with suppliers, customers, and partners; minimal time investment for installation and training; and increased internal efficiencies. Investing in Movex and the full range of the Intentia Solution is one of the highest-return investments that many companies can make.

Global customers know that their diverse requirements will be met by our integrated one-stop shop. They also know that the complex implementation of a collaborative business solution throughout a multi-national organization will be supported by an equally global service organization. Intentia implements and supports the solution in each locale, taking into account the specific financial, business practice and legal characteristics of business transactions in different markets. Our consultants are available in any region and time zone.

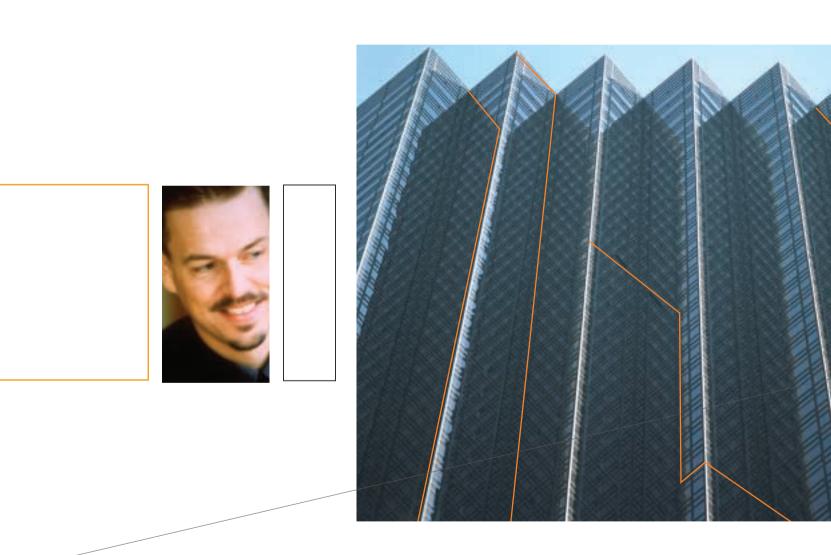
"Intentia's product suite remains impressive with quality, functionality, and technical innovation present throughout the product. . . .

"Intentia always has some new innovation. ... This time, it's a new product called the e-Collaborator, which supports application-to-application and business-to-business integration. ...

"Intentia remains the best kept secret in the enterprise and e-business markets for the completeness of its footprint, technical expertise, and strong vertical focus."

from AMR Alert on Enterprise Applications, November 21, 2000

Rod JohnsonService Director, Customer Management Strategies
AMR Research, Inc.



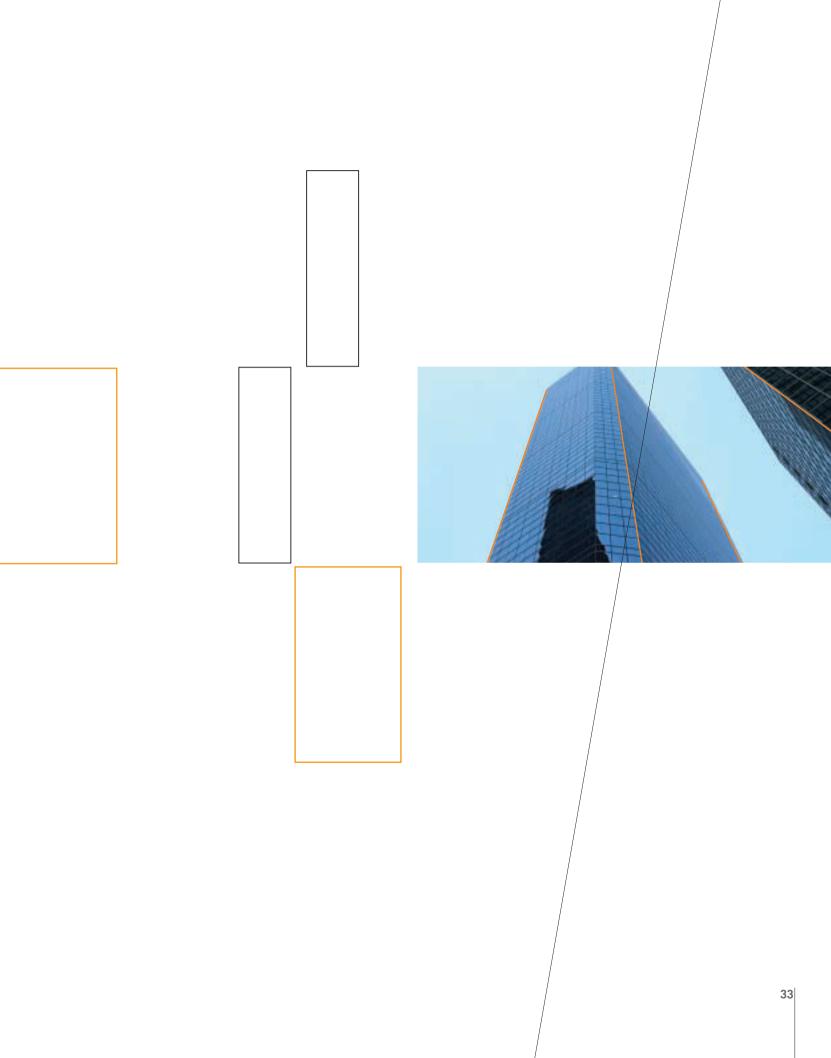
Partnership

The e-collaboration world implies close cooperation between a company and its suppliers, and leveraging customer information inside an organization to increase customer satisfaction.

For Intentia, e-collaboration also implies developing strong technology partnerships that extend our products' reach and functionality, as well as partnership with our customers. We view all our customer relationships as partnerships where we work together to implement a solution that maximizes the success of our customers' organizations and to increase our knowledge of the real issues affecting their industries.

"It was critical from day one that we could provide a high level of functionality. Intentia delivered just that and strengthened its position as a trusted technology partner that understands our business processes and our market needs."

Mats Karsten President tribon.com



Customer Partnership

In terms of customer relationships, the agreement we signed with Hagemeyer this past year exemplifies productive customer partnership.

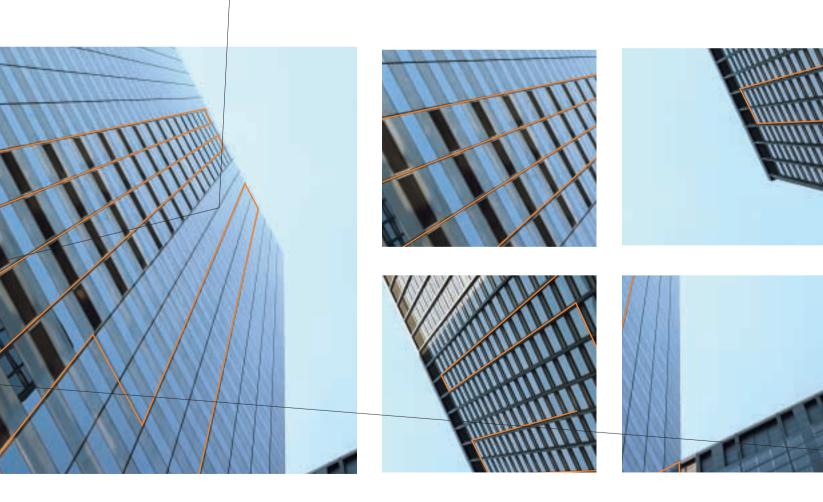
Headquartered in the Netherlands, Hagemeyer N.V. is one of the world's leading business-to-business companies focused on the distribution of electrical materials, safety products and other MRO product supplies. Hagemeyer has annual revenues of more than EUR 8.0 billion and 20,000 employees operating in 40 countries worldwide.

Business Objective

The aim is to convert Hagemeyer from a traditional "bricks and mortar" company into one of the most technologically advanced business-to-business firms in the world.

Hagemeyer currently executes more than 20 million customer orders, delivering 1.5 million products to more than 150,000 customers from more than 9,000 suppliers in 25 countries. The company is the unquestioned market leader with 16 companies in Europe. Recent acquisitions in the United States and Australia make Hagemeyer a major competitor in these markets as well.

Hagemeyer's competitive advantage is its unparalleled network of relationships among suppliers, logistics companies and end-users. It is a pioneer in the development of total outsourced procurement and logistical solutions for



some of the world's largest automotive and industrial companies. The firm's management understands that it must radically modernize to remain competitive in an increasingly electronic world.

The Intentia Solution

At the core of Intentia's collaboration with Hagemeyer is the creation of a global supply chain solution that will enable the company to integrate its currently rather fragmented core processes. The agreement comprises installation of Movex throughout Hagemeyer's worldwide network to fully utilize the Internet and replace more than 25 different legacy systems with one unified system. This means that customers will plug into a uniform catalog listing products and prices around the world. Additionally, this more centralized system will greatly improve Hagemeyer's ability to track inventory and delivery around the world. The solution also implies an integrated supply solution for international industrial customers, called MRO4all.

Why Intentia?

Hagemeyer selected Intentia over strong competition because we could offer leading technology paired with industry knowledge and a geographical fit.

"The partnership with Intentia is important to the success of our business. We are now very much focused on integrating our international portfolio of companies into a single dedicated service organization," says Peter Hagedoorn, Hagemeyer's CIO. "Hagemeyer and Intentia have created a long-term partnership where we collectively will use the latest technology to support Hagemeyer's objective to become the leading B2B distribution company in the world using an Internet based e-collaboration strategy."

Intentia has unparalleled knowledge of the international wholesale distribution business and extensive models that are applicable to Hagemeyer. Movex's foundation on Java, XML and the Web provides the ideal flexibility for interacting both within the organization and with outside suppliers and customers.

Implementation

We have already launched the MRO4all.com Internet site for a number of international industrial customers. The next stage comprises installation of the Movex platform within Hagemeyer's worldwide distribution network, including all of its operations in Asia-Pacific, Europe and the United States.

Initially, the project will involve some 200 people from both companies. Already underway is the modeling and design of Hagemeyer's core business processes. The next phase is to test the configuration in pilot projects in the UK, the Netherlands, and New Zealand. Once the solution is proven, it will be rolled out for more than 10,000 users worldwide.

We will help Hagemeyer create supply chains that are flexible and adaptable enough to respond instantly to changes in the market. Everything we deliver from sales and customer relationship management, to procurement and supply chain planning, has to be aligned toward achieving one central business goal—making Hagemeyer the most successful company in its market.

"Our business environment is changing rapidly.
The reality is we must adopt the new
technologies or be absorbed by others.

"E-at or be e-aten: it's e-war."

Peter Hagedoorn Chief Information Officer Hagemeyer

Technology Partnerships

During 2000, Intentia and Sun Microsystems signed a strategic alliance to intensify the joint product development, marketing, and sales of the Movex solution on the Sun Solaris platform, the leading platform in the Unix market.

To further bolster its technology leadership, Intentia has also deepened its collaboration with IBM to develop new products. The two companies are working together on e-business applications based on IBM's WebSphere technology.

With these partnerships, Intentia's solutions are now available and fully optimized for the three leading server and operating systems platforms: IBM iSeries Servers with OS/400 4.5, Sun Enterprise Servers with Sun Solaris 8, and IBM xSeries Servers with Microsoft Windows 2000.

Our partnerships with these two companies broaden our marketing capabilities and increase the resources that we have to make new software developments that are optimized for these platforms. This opens new doors for rapid penetration of the Unix market while also ensuring our domination in the large and growing AS/400 market.

Strategic Alliances

Citrix Systems, Inc.

Cognos, Inc.

Dash

Docassist AB

Gerber Technology

Harbinger Corporation

IBM

Kaba Benzing GmbH

Manhattan Associates

StreamServe (Movex Output Management)

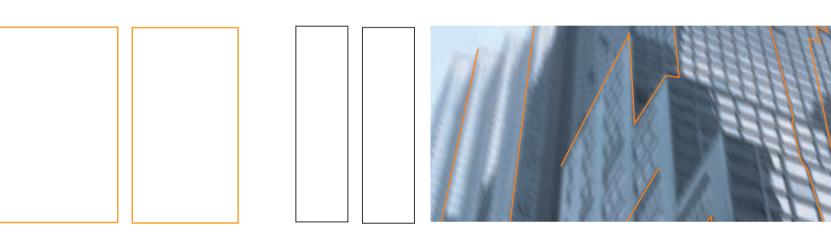
Sun Microsystems

"We coined the phrase 'e-business.'

"With Intentia's early insights into the advantages of the Internet and their initiative in developing applications quickly, we at IBM reaped competitive advantages. For example, we could early on offer complete e-business solutions on our platforms. Throughout our fruitful 15-year partnership with Intentia there are many additional examples of how our cooperative efforts have resulted in solutions that are commercially successful and technologically superior.

"IBM and Intentia's alliance is built on a common business philosophy. It's all about making the solutions of tomorrow available today, thanks to the continued partnership between two of the world's leading IT development companies, Intentia and IBM."

Michel Boussard
Vice President Mid Market Business EMEA
IRM

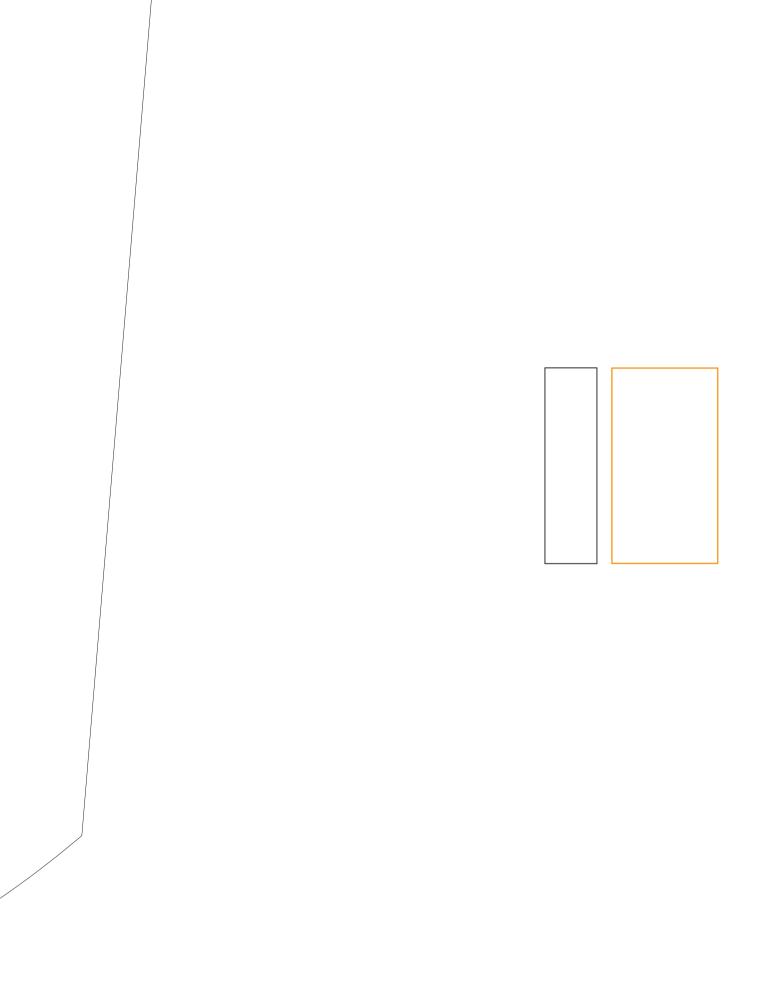


"One of the JavaTM platform's key value propositions is enabling access to business information by anyone, anywhere, anytime, from any device. Intentia has been a forerunner in implementing a vision based upon this value proposition: As far back as 1996, Intentia chose to base all application development on the Java platform. Today, this product transformation is complete and Intentia's customers can benefit from the powerful competitive advantages provided by a solution that is designed from the ground up for exploiting the opportunities that the new digital business landscape affords.

"Applications built with open, community-based standards - such as the Java platform and XML - are the only long-term solutions that can enable companies to adapt to the continuous changes in their e-environments. Intentia understands this and is delivering upon this requirement today."

George Paolini

Vice President of Technology Evangelism and Marketing Sun Microsystems



Intentia Stock

Capital Stock

At year-end 2000, Intentia International AB's capital stock amounted to SEK 243.1 million, distributed among 1,822,200 Series A and 22,488,800 Series B shares, or a total of 24,311,000 shares. Each share has a par value of SEK 10. Each Series A share represents ten votes, while each Series B share represents one vote.

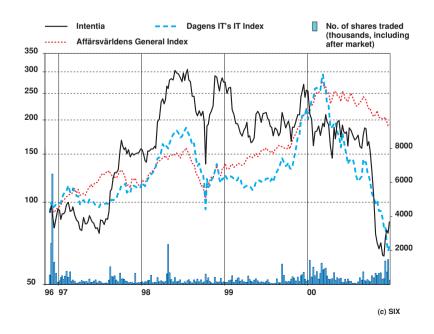
Intentia's Series B shares are traded on the Stockholm Stock Exchange's Attract40 list. Fifty shares constituted one trading lot in 2000.

Changes in Capital Stock

Year	Increase in number of shares	Increase in capital stock SEK million	Total capital stock SEK million	Total no. of shares	Share's par value
1990 Intentia founde	d 500	0.05	0.05	500	100
1992 New issue	1,166	0.1	0.2	1,666	100
1995 New issue	1,282	0.1	0.3	2,948	100
1996 New issue I	136,000	13,600.0	13.9	138,948	100
1996 New issue II	945	0.1	14.0	139,893	100
1996 10:1 split	1,259,037	_	14.0	1,398,930	10
1996 Bonus issue	12,590,370	125.9	139.9	13,989,300	10
1996 New issue III	6,010,700	60.1	200.0	20,000,000	10
1998 New issue	4,000,000	40.0	240.0	24,000,000	10
1999 New issue	121,000	1.2	241.2	24,121,000	10
2000 New issue	190,000	1.9	242.1	24,311,000	10

New Stock Issued in 2000

Intentia issued 190,000 shares in 2000 to finance acquisitions as authorized by the annual general meeting.



At year-end, there were 9,453 stockholders, 6 percent more than at year-end 1999. Institutional investors held 49 percent of the capital stock. The amount of stock owned at year-end by investors domiciled outside Sweden was 17 percent, 2 percentage points more than at year-end 1999.

Intentia's Stockholders at December 31, 2000

	Number of shares			Pero	entage of:
	Series A	Series B	Total	Capital stock	Votes
Intentia profit-sharing fund ¹⁾	127,300	6,578,000	6,705,300	27.6	19.3
SEB funds		1,782,800	1,782,800	7.3	4.4
Kjell Spångberg & companies	696,300	787,446	1,483,746	6.1	19.0
Björn Algkvist	954,900	330,545	1,285,445	5.3	24.3
Länsförsäkringar		1,113,770	1,113,770	4.6	2.7
AFA försäkring		1,045,750	1,045,750	4.3	2.6
Skandia	43,700	972,040	1,015,740	4.2	3.5
SHB funds		951,838	951,838	3.9	2.3
Fidelity funds		660,410	660,410	2.7	1.6
Länsförsäkringar funds		596,555	596,555	2.5	1.5
Other stockholders		7,669,646	7,669,646	31.5	18.8
Total	1,822,200	22,488,800	24,311,000	100.0	100.0

¹⁾ Intentia founded the Intentia profit-sharing fund for its employees in Sweden. The fund has a total of 136 participants. There have been no new transfers since 1996.

Upon full dilution, outstanding options and convertible notes correspond to 6,041,435 shares.

Breakdown of Shareholders - Holdings

Percenta	age of:
no. of	capital
stockholders	stock
82.0	2.8
9.8	3.1
6.3	5.2
0.7	2.2
0.7	5.3
0.2	6.3
0.3	75.1
100.0	100.0
	no. of stockholders 82.0 9.8 6.3 0.7 0.7 0.2 0.3

Breakdown of Shareholders - Concentration

	Percentage of	
	capital	Change
10 biggest shareholders	70.0	3.7
25 biggest shareholders	79.0	4.7
100 biggest shareholders	82.7	4.4

Breakdown of Shareholders by Country

	Percentage of	
	capital	Change
Sweden	85.1	3.6
Switzerland	7.0	0.0
United States	5.0	-1.6
Luxembourg	2.3	0.0
Other countries	0.6	-2.0

Trading Volumes and Price

A total of 25.0 million Intentia shares, valued at SEK 3.9 billion, were traded in 2000. Shares traded in 2000 equaled 111 percent of all shares outstanding. The average daily volume was 99,679 shares, or SEK 15 million.

The price of Intentia shares declined 66.9 percent, compared to Affärsvärlden's IT Index, which fell 58.1 percent and Affärsvärlden's General Index, which declined 12.2 percent

The Intentia share reached its highest price of SEK 295 on January 3, while the low for the year of SEK 56.5 was reached on December 4. The last settlement price in 2000 was SEK 85, corresponding to a market capitalization of SEK 2.1 billion. The average stock price in 2000, SEK 159, was 21.2 percent less than the average stock price in 1999.

Trading Volume and Beta

Based on data for the 250 trading days of 2000, Intentia's share had a beta of 1.098 compared with Affärsvärlden's General Index. The beta indicates the volatility of Intentia's stock price, that is, how closely variations in the price of Intentia shares corresponded to variations in the overall market index.

A share price that perfectly tracks the market index will have a beta of 1.0. A beta less than 1.0 means that the stock's price varies less than the market as a whole; if its beta is greater than 1.0, the stock price varies more than the market as a whole.

Dividend

To date, Intentia International has paid no dividends. Taking into consideration the company's ongoing strong expansion, the Board of Directors believes that the dividend policy is likely to remain restrictive for the next few years.

Convertible Notes

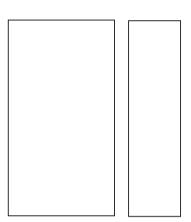
During 1999, Intentia issued a convertible notes in the euro market. The loan totals EUR 100 million and carries 5 percent interest. The conversion rate is SEK 252.96, for 3.4 million shares, and the loan runs for five years.

Stock-Option Program

Intentia has set up three stock-option programs to make it easier for key personnel, including senior executives, eventually to become stockholders in the company. In 1996, a stock-option program was approved comprising 1,390,000 options that entitle the holders to subscribe for an equal number of Series B shares from August 31, 2001 through August 31, 2002 at an exercise price of SEK 82.60 each.

In 1998, stockholders approved an employee stock-option program in which options will be issued free of charge at an exercise price equal to the price of Intentia stock on the issue date. This program consists of 200,000 options and is aimed at Intentia personnel in countries where capital gains on this type of option are not taxed as income from employment, which entails payroll taxes for the company.

In 2000, Intentia set up a stock-option program consisting of 1,750,000 options. Of these options, 1,004,250 have been issued. The options entitle the owners to subscribe for an equal number of Series B shares from June 1,2002 through June 30, 2002. The subscription price is SEK 285.



Financial Data per Share

	2000	1999	1998	1997
Earnings per share	-12.4	-14.2	1.0	0.5
Earnings per share with full dilution	-9.0	-11.6	1.0	0.4
Stockholders' equity per share	14.6	26.6	42.5	23.3
Cash flow per average number of shares ¹⁾	-24.I	-18.1	-14.4	_
Number of shares (thousands)	24,311	24,121	24,000	20,000
Number of outstanding options and				
convertibles (thousands)	6,041	5,037	2,390	1,390
Share Price				
High	295	301	324	182
Low	56.5	153	130	69
Settlement price Dec. 31	85	257	275	157

¹⁾ Cash flow from operating activities and investing activities

2000 in Brief

- Net revenue totaled SEK 3,398 million (3,062), 11 percent higher than in 1999.
- License revenue was SEK 1,157 million (756), 53 percent higher than in 1999.
- Consulting revenue totaled SEK 2,098 million (2,124), down 1 percent.
- The operating loss was SEK –137 million (–260). After adjustment for items affecting comparability, earnings increased by SEK 178 million.
- Earnings after financial items were adversely affected by foreign exchange effects of SEK –29 million (20) attributable to the convertible notes. The loss after financial items was SEK –247 million (–277).
- The number of employees at year-end was 3,224 (3,360), a decrease of 136 for the year.

Five-Year Summary

	2000	1999	1998	1997	1996
Net revenue	3,398	3,062	2,452	1,617	1,050
Growth from preceding year	11%	25%	52%	54%	23%
License revenue	1,157	756	991	704	457
Growth from preceding year	53%	-24%	41%	54%	40%
Operating earnings	-137	-2601)	92	43	22
Operating margin	-4.0%	-8.5%	3.7%	2.7%	2.1%
Earnings after financial items	-247	$-277^{1)}$	83	32	10
Profits for the year	-300	$-343^{1)}$	22.4	9	-9
Average number of employees	3,380	3,212	2,305	1,576	998

 $^{^{1)}}$ 1999 included items affecting comparability totaling SEK 56 million

Management's Discussion and Analysis 2000

Market Trends

After growing rapidly in the latter part of the 1990s, the market for enterprise systems shrank considerably in 1999 as a result of the upcoming millennium shift. Expectations were that this dip in the market would make way for a recovery of demand in the first half of 2000. This sense of anticipation was based on the great underlying need among manufacturers and distributors to make their internal processes more efficient.

However, the market did not begin to grow again until the third quarter, at which time the majority of suppliers in the sector posted solid growth figures. As a result of the delayed recovery, license revenue in the first half of 2000 was lower than many had expected. The lower volume of license sales in 1999 and early 2000 adversely affected the demand for consulting services, and the related utilization of consulting capacity suffered accordingly.

Before 1999, demand was fuelled by the need of companies to make their business processes more effective. However, that dynamic changed in 2000, and demand is now being fuelled instead by the need to develop business models. The new financial models entail a shift in focus from efficiency measures to the generation of revenue. The shift is further reflected by the fact that traditional enterprise systems now serve as one component in a complete offering that also includes Supply Chain, Customer Relationship Management and e-business solutions. As a result of the increasingly decisive role that these solutions play for Intentia's customers, the procurement process grew longer in 2000.

In the wake of difficult market conditions in 1999 and 2000, a number of restructuring moves have occurred. Of the big suppliers, JBA, Baan and SSA all ceased functioning as independent entities during the year. Due not only to market conditions but also to the high costs associated with developing and maintaining a competitive product, a series of small suppliers were eliminated as well.

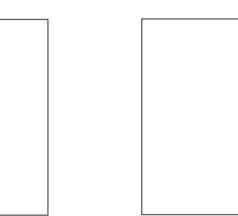
Although competition remains stiff, its nature changed somewhat during the year. Whereas price had a greater significance when procurement involved more similar ERP solutions, functionality is now becoming an increasingly central competitive issue.

Intentia's Market Position

In 2000, Intentia further bolstered its position in the market. The company's heavy investments during the year in product development and new ventures for the purpose of establishing a leading position for its products in the global market contributed substantially to this trend. Intentia has now become one of the leading suppliers to international manufacturers and distributors. SAP, Oracle and JD Edwards represent Intentia's chief competitors in major international procurement projects.

Intentia has largely completed its geographic expansion. Meanwhile, the company has upgraded Movex from a traditional ERP system for AS/400 to a broad platform-independent solution for e-collaboration, including powerful industry-specific solutions based on Java technology. Intentia's ability to sell and deliver in all major markets around the world offers the big advantage of being able to serve international customers. Even if these customers do not initially implement Movex in every country where they operate, Intentia's international presence provides them with the crucial guarantee of future global expansion potential. The strength of Intentia's position is underscored by the many big international contracts, covering delivery to a large number of countries, that it has signed. Intentia's distribution strategy, which calls for the company to assume total responsibility

2000 Annual Report for Intentia International AB (publ). Corporate identity no. 556387-8148 **Directors' Report**



for both product and implementation, represents a growing competitive advantage. More and more customers are seeking a supplier that can take on the entire responsibility and relieve them of the need to carry out a project in collaboration with several different suppliers.

The number of ongoing procurement projects in which Intentia is engaged increased steadily in 2000. As a result of the lengthier procurement process, the increase did not substantially impact license revenue until the second half of the year. The increase involved not only the number of projects, but also average revenue per project.

Customers

A growing number of procurement projects led to contracts in the second half of the year. The proportion of big contracts increased substantially in 2000. There were more than 20 projects for which license revenue exceeded EUR I million, a considerably higher number of such projects than in any previous year. A project entailing EUR I million in license revenue normally generates approximately EUR 2 million in consulting revenue. The more Intentia establishes itself as a global supplier, the more widely these big contracts are spread among Intentia's operations around the world. In earlier years, the contracts were largely limited to European operations, particularly the Nordic countries. In the cases of Autodistribution, Cummins, Hagemeyer, Harvey Norman, SAPA, Sara Lee and Seco, license revenue was considerably above the EUR I million mark. Intentia is highly competitive when it comes to big procurement projects and loses very few of them. The company obtained upwards of 400 new customers during the year.

2000 in Relation to Intentia's Business Model

Intentia's business model provides the basis for fashioning a revenue and cost structure that will generate a 15 percent operating margin. The model consists of two components. In the first place, Intentia will take advantage of economies of scale in license sales to generate a positive margin after financing the costs of product development, marketing and sales. In the second place, Intentia will continually improve its methods and use its resources more effectively in order to boost the efficiency of its implementation organization and thus increase its consulting margin. The target is for the license and consulting margins to reach 20 percent, while the sum of administrative expenses and other operating items is allowed to account for 5 percent of total revenue.



 $^{^{}m 1)}$ Before items affecting comparability totaling SEK 56 million



In order to achieve a 20 percent license margin in the long term, marketing and sales expenses are to account for approximately 42 percent of license sales, while product development expenses account for 30 percent and commissions to independent partners for 8 percent. Following a favorable trend through 1998, Intentia's license margin was adversely affected in 1999 and 2000 by the sluggish market for license sales. A steady improvement occurred in the second half of 2000 as license sales took off again. On a rolling full-year basis, the license margin reached its low point for 2000 of -51 percent at the end of the first quarter. Due to strong volume growth in the third and fourth quarters, the license margin rose to -13 percent for the entire year.

The consulting margin increased from 9 percent in 1997 to 11 percent in 1998 to 12 percent in 1999. Utilization of Intentia's consulting capacity decreased in the fourth quarter of 1999 owing to the decline in license sales during the year. The consulting margin continued to be adversely affected in 2000, particularly the first half of the year, by excess capacity stemming from the small number of implementation projects. Based on the gradual increase in license sales and resulting start-up of new implementation projects, Intentia's capacity utilization improved steadily in the second half of the year and thereby boosted the consulting margin. The consulting margin rose from 5 percent in the first half of the year to 9 percent in the third quarter to 13 percent in the fourth quarter. The consulting margin for the entire year was 9 percent.

Intentia intends to ensure further improvement in the consulting margin by balancing its consulting organization in relation to the volume of implementation projects the company enters into and by continuing to develop methods that will allow for even more efficiently run implementation projects.

License and Consulting Margin 1998-2000

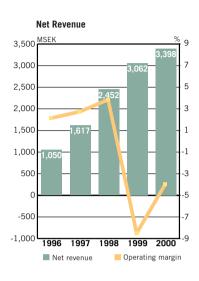
	Target	2000	1999	1998	
License margin	20%	-13%	-58%	7%	
Consulting margin	20%	9%	12%	11%	
Operating margin	15%	-4%	-9%	4%	

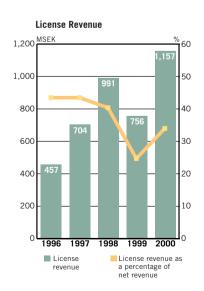
Net Revenue

Intentia's net revenue rose in 2000 by 11 percent, to SEK 3,398 million (3,062). License revenue's proportion of net revenue increased to 34 percent (25), while consulting revenue's proportion was 62 percent (69). The growth of license revenue during the year magnified seasonal variations in net revenue as compared with 1999. The trend was particularly noticeable in the fourth quarter, which accounted for 34 percent (29) of net revenue for the year. Growth during the year was unaffected by acquisitions. Currency changes upon consolidation reduced revenue growth by less than 1 percent.

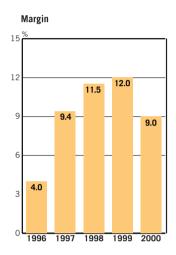
License Revenue

License revenue for the year increased by 53 percent (-24), to 1,157 million (756). Despite the more sluggish market in the first part of the year, the majority of operations posted solid increases in license revenue. There were substantial season fluctuations. License revenue, which rose in the first half of the year by 17 percent to SEK 468 million (399), increased in the second half by 93 percent to SEK 689 million (357). Australia, France, Germany, Sweden, the United Kingdom and the United States were Intentia's biggest license markets in 2000. Australian, Danish, Dutch, Japanese, and Swiss operations enjoyed license growth in excess of 100 percent.





CONSULTING Revenue 2,500 MSEK 2,000 1,500 1,269 1,000 455



1998

1999

License Revenue Per Quarter 2000/1999 (SEK million)						
	2000	Growth %	1999	Growth %		
QI	245	33	184	-7		
Q2	223	4	215	-17		
Q3	151	46	104	-31		
Q4	537	112	253	-34		
Full year	1,157	53	756	-24		

Consulting Revenue

Consulting revenue in 2000 decreased by I percent (67), to SEK 2,098 million (2,124). Consulting revenue stems wholly from the implementation of Intentia's e-collaboration solution. The implementation of a project normally generates consulting revenue for 6-12 months after license sales have affected revenue. Given this time lag, an upturn or downturn in license sales has a delayed impact on consulting revenue. Thus, the decline in license revenue during 1999 had a major impact on consulting revenue in 2000. Growing license sales did not show up in improved consulting revenue until the latter part of the year. As a result, the majority of operations posted lower consulting revenue than in 1999. However, Swedish and British operations, which have the highest consulting revenue in the Group, enjoyed an increase in consulting revenue from 1999.

Expenses and Efficiency

Intentia has maintained a long-term vision of establishing itself as a leading contender in the market. For a number of years, that vision has meant a steady increase in expenses for the establishment of a global organization and the implementation of a determined product development effort, including the technology shift that has now been completed.

In terms of both organization and product development, Intentia has reached the point that it can concentrate on balanced growth, encompassing both profitability and stable cash flows.

In order to achieve greater efficiency and thereby set the stage for a continuation of profitable growth, the company adopted a strategy in 2000 of expanding within the framework of its existing cost structure until such time as a satisfactory foundation of profitability has been laid. Intentia's cost base remained stable during the year. However, even within the framework of a stable organization, changes in the level of activity affect costs from quarter to quarter. The number of Intentia employees declined during the year by I 36. The decline stemmed essentially from normal departures, while the level of capacity utilization allowed for a postponement in the search for replacements. In addition, the company intentionally reduced its staff at selected operations in which excess capacity did not appear amenable to being eliminated within a reasonable period of time by means of increased activity. For instance, the company trimmed back its U.S. consulting organization by around 60 in the early part of the year.

Intentia's target is that the existing consulting organization reach a capacity utilization that generates a 15 percent consulting margin before further expansion is called for. By the same token, the current product development organization should not require expansion until license revenue totals SEK 1.2 billion on a yearly basis. Once that target has been reached, growth will occur with a focus on continued efficiency enhancements.

Revenue per Employee

	2000	1999	Change	
Net revenue per employee	1,005	953	5%	
License revenue per salesperson	3,093	2,131	45%	
Consulting revenue per consultant	991	1,020	-3%	
Value-added per employee	606	566	7%	
Personnel expenses per employee	607	609	0%	

Intentia's productivity improved considerably in 2000. With the exception of consulting operations, all productivity ratios increased. The consulting organization's capacity utilization, which fuels the consulting margin, improved steadily in the second half of the year and led to a 13 percent consulting margin in the fourth quarter.

Consulting expenses and indirect costs increased in 2000 by a total of 3 percent, as opposed to 11 percent growth for net revenue.

Expenses and Net Revenue

Change in license revenue	53%
Change in sales and marketing expenses	8%
Change in product development expenses	2%
Change in consulting revenue	-1%
Change in consulting expenses	3%
Change in net revenue	11%
Change in administrative costs	-10%

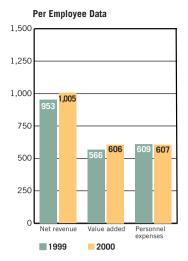
In order to create a more effective and sustainable organization, Intentia pursued a number of projects during the year aimed at establishing long-term structures within which the company can continue to grow while maintaining a high level of efficiency and profitability. For instance, Intentia launched Shared Service Centers in order to more fully exploit economies of scale in the Group's administrative processes.

Earnings and Profitability

Earnings trends in 2000 exhibited an imbalance between license and consulting revenue. Since the costs – primarily product development, marketing and sales expenses – associated with license sales are fixed, high gross margins are generated. As a result, new license revenue has an almost direct impact on earnings. License revenue in 1999 was SEK 235 million lower than in 1998, which had a substantially adverse affect on earnings in 1999. The steady improvement in the market during 2000 led to considerably higher license revenue in the second half and a full-year figure that was higher than ever before.

Owing to the small number of ongoing projects at the beginning of the year, excess capacity and thereby lower consulting margins arose during 2000, most heavily impacting the first half.

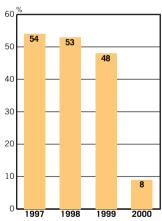
Despite excess capacity at the beginning of the year, Intentia decided not to reduce its consulting organization. The company's reasoning was that license revenue was expected to begin growing again and the need for consultants would increase once more. From the standpoint of both efficiency and profitability, a temporary cutback in the consulting organization appeared to be the least attractive solution. Thus, Intentia decided to accept temporary excess capacity in order to establish a firmer foundation for long-term prof-



SALES AND MARKETING

Expenses 800 MSEK 700 690 400 300 304 100 198

Rate of Increase



itability in its consulting organization. Consulting expenses increased during the year by 3 percent, to SEK 1,918 million (1,864).

Gross earnings for the year amounted to SEK 1,253 million (981), representing a gross margin of 37 percent (32). Of the SEK 272 million improvement in gross earnings, the gross contribution from license sales accounted for SEK 352 million and the contribution from consulting sales for SEK –80 million. Other net operating revenue and expenses, consisting of a net contribution related to sales of AS/400, totaled SEK 29 million (82). The decline from the previous year reflected lower hardware volumes stemming from lower license sales in 1999 and early 2000.

Indirect costs rose 3 percent, to SEK 1,420 million (1,379). Of indirect costs, sales and marketing expenses accounted for SEK 745 million (690), product development expenses for SEK 444 million (434), and administrative expenses for SEK 231 million (255). Operating earnings were up by SEK 123 million for the year, to SEK –137 million (–260). Items affecting comparability boosted 1999 earnings by SEK 56 million. Excluding those items, earnings increased by SEK 178 million in 2000. Operating earnings improved by virtue of the fact that higher license volumes more than offset lower utilization of consulting capacity for most operations. British, French, Norwegian and Swedish operations posted the Group's highest profitability in 2000.

Generally speaking, earnings were more evenly distributed throughout the Group, as operations that posted major losses in 1999 performed better in 2000. For instance, the operating loss was reduced by USD 9 million in the United States and by SEK 29 million in Japan. Despite continued losses at both operations, the tide turned during 2000 in the wake of heavier license sales and the resulting improvement in capacity utilization.

Intentia's loss after financial items was SEK –247 million (–277). Net financial income declined by SEK 92 million, to SEK –110 million (–18). The Group's interest expense increased considerably owing to the convertible notes, for which interest was charged to only half of 1999 accounts, as well as higher borrowings in conjunction with the negative cash flow in 2000. Moreover, translation differences related to the convertible notes reduced net financial income by SEK 29 million, while boosting 1999 income by SEK 20 million.

Margins and Interest Coverage Rate

	2000	1999	1998	1997	1996
Operating margin	-4.0%	-8.5%	3.7%	2.7%	2.1%
Net profit margin	-8.8%	-11.2%	0.9%	0.6%	-0.8%
Interest coverage rate	-0.7	-4.7	4.7	3.1	1.3

Owing to the unequal breakdown of earnings ability among its various units, the Group's tax load remained high in 2000. As profitability increases, the tax load will ease and accumulated loss carry-forwards will be utilized. The tax impact of non-utilized deficit deductions, which Intentia believes it can charge against surpluses for future tax purposes, total SEK 145.7 million.

Tax Breakdown

	Earnings before tax	Tax	Earnings after tax	Percentage tax rate	
Sweden	-42	-5	-47	_	
Foreign – profit making	148	-48	100	33	
Foreign – entailing a loss	-285	-1	-286	_	
Total before goodwill	-179	-54	-233	_	
Goodwill and Group adjust	ments –65	0	-65	_	
Total before minority interest	ests –244	-54	-298	_	
Minority interests	_	-2	-2	_	
Total	-244	-56	-300	_	

Human Resources

The number of employees had decreased at the end of the year by 136, to 3,224 (3,360). The average number of employees rose by 168, to 3,380 (3,212). The higher staff turnover during the year stemmed not only from ordinary departures, but also from reductions intended to regulate total costs while ensuring a high level of expertise. The divestment of Informatikk-nett in Norway reduced the number of employees by 95.

The employees at the end of the year consisted of 2,043 in the consulting organization, 474 in product development, 448 in marketing/sales and 259 in administration and management positions.

Wage and wage-related personnel expenses in 2000 amounted to SEK 2,047 million (1,968), corresponding to 60 percent (64) of net revenue. Average personnel expenses per employee declined by 1 percent (6).

Product Development

Intentia R&D is the company that is chiefly responsible for the Group's product development effort. The business operates chiefly in Sweden and Denmark. In countries where the market or level of expertise provides a solid base for a specific kind of development effort, the company has opened local centers.

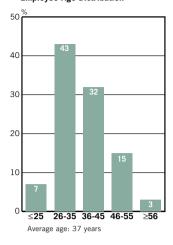
The focus of Intentia's development effort during the year was on continuing to construct a complete offering of integrated e-business components. As a result of this effort, Intentia's product offering is stronger than ever and the company has become the leading supplier of enterprise systems with integrated e-business components (known as e-collaboration applications).

Intentia launched a number of products during the year. For instance, Enterprise Business Portal enables big internationals to have either an external or in-house portal. Another new product in 2000 was e-Collaborator, which efficiently and uniformly handles all types of business data transmission between companies over the Internet.

Strategic Alliances

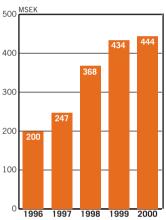
Intentia entered into a strategic alliance with Sun Microsystems during the year. The partnership provides Intentia with access to a market that is almost 10 times the size of that for AS/400 and in which Sun is the leading contender.

Employee Age Distribution

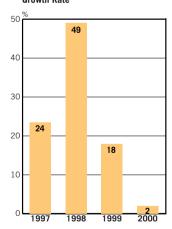


PRODUCT DEVELOPMENT

Expenses



Growth Rate



Acquisitions and Group Structure

The company acquired outstanding stock in Intentia Switzerland, Intentia Spain and Intentia Ireland during the year. In accordance with authorization granted by the annual meeting, the company utilized Intentia shares to finance the acquisitions. The company divested Informatikk-nett AS, an Intentia Norway subsidiary, in 2000. The divestment had no impact on Group earnings.

The company established Intentia Finance SA in Switzerland during the year in order to ensure more efficient financial flows.

Cash Flow, Capital and Financial Position

The cash flow from operating activities, including investments, amounted to SEK -585 million (-419). Of the cash flow, SEK -148 million (-198) was attributable to operating activities before change in working capital, SEK -378 million (-91) to change in working capital and SEK -59 million (-130) to investments.

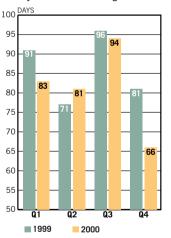
The increase in license revenue during the year, particularly in the fourth quarter, led to a substantial increase in working capital. Of the increase in working capital, SEK 367 million stemmed from license-related receivables, while SEK –25 million was attributable to consulting operations. Working capital fluctuated considerably during the year as a result of major seasonal differences. Working capital tied up was greatest at the end of the fourth quarter. Working capital at the end of the year totaled SEK 798 million (449), corresponding to 23 percent (15) of net revenue for the year. Working capital tied up at the end of each quarter averaged 18 percent (18) of net revenue, while working capital tied up at the end of each month averaged 15 percent (17) of net revenue. Accounts receivable accounted for SEK 1,263 million (1,098) of working capital, an increase of SEK 165 million.

Investments totaled SEK 59 million (130) for the year. Investments in subsidiaries amounted to SEK 19 million (23), while investments in tangible fixed assets amounted to SEK 41 million (103). The lower investments in tangible fixed assets reflected a decline in infrastructure investments, such as computers and new office facilities.

The negative cash flow increased Group borrowings during the year. Net borrowings at year-end were SEK –216 million, up SEK 591 million, of which increased borrowing accounted for SEK 265 million and decreased liquid funds for SEK 326 million. The Group's liquid funds amounted to SEK 401 million at the end of the year. During the year, Intentia arranged a syndicated loan to finance working capital. The loan runs for two years and totals SEK 400 million. The loan replaced a previous syndicated loan (for which Intentia had utilized SEK 250 million out of a possible SEK 320 million) to finance acquisitions.

Working Capital 1,000 MSEK 25 800 20 798 600 15 515 400 10 200 Closing Average for year Average value as percentage of net revenue & other **1999** 2000 operating revenue

Accounts Receivable-Days of Sales Outstanding



Financial Ratios

	2000	1999	1998	1997	1996
Proportion shareholders' funds	49.4%	69.7%	48.6%	36.3%	52.4%
Equity/assets ratio	12.5%	22.6%	45.3%	36.1%	51.8%
Net indebtedness ¹⁾	-216	375	-9 I	-244	59
Debt/equity ratio ¹⁾	0.6	-0.6	0.1	0.5	-0. I
Return on capital employed	neg.	neg.	10.4%	8.0%	10.5%
Return on stockholders' equity	neg.	neg.	2.9%	2.5%	-8.7%

¹⁾ Excluding convertible notes

Parent Company

The Parent Company's net revenue totaled SEK 82 million (59). The loss after tax was SEK –295 million (–317). Intentia North America Inc. was liquidated during the year. Intentia Americas Inc. continues to run U.S. operations. The liquidation gave rise to a SEK 244 million expense for the Parent Company.

The Parent Company's investments totaled SEK I million (I). Excluding the convertible notes of SEK 886 million, the Parent Company's borrowings amounted to SEK 538 million (262). SEK 502 million (250) of the borrowings was attributable to external borrowing and SEK 36 million (I2) to borrowing from Group companies. Liquidity was SEK 243 million (464).

Of the Parent Company's total purchases and sales, 32 percent (2) of purchases and 11 percent (3) of sales were attributable to other companies in the Group.

The Parent Company had 87 (75) employees at year-end, while the number of employees averaged 96 (63) during the year.

Activities of the Board of Directors

The Board of Directors had seven members in 2000:

Olof Ljunggren, Chairman. Member of the Board since 1996.

Jan Carlzon. Member of the Board since 1996.

Peter Lorange. Member of the Board since 1999.

Morgan Olsson. Member of the Board since 1992.

Kjell Spångberg. Member of the Board since 1996.

Ulf Tangen. Member of the Board since 1992.

Björn Algkvist, President and CEO. Member of the Board since 1992.

The Board of Directors has adopted a program for its own tasks and instructions for the distribution of work between the Board and CEO, as well as instructions regarding ongoing financial reporting. The program also includes a meeting schedule and specifies the issues that are to be taken up at each Board meeting. In addition to the statutory meeting, the Board shall hold at least five ordinary meetings per calendar year. At each of these meetings, the minutes of the previous meeting shall be reviewed and approved. Furthermore, the CEO shall submit a report on the company's business outlook, as well as its economic and financial position. The report shall be of such a nature that the Board is able to make a well-considered assessment. Issues to be taken up in accordance with the program include: authorization of final accounts; reviews, decisions and other matters at the January meeting in preparation for the annual meeting of stockholders; follow-up of investments and approval of a strategic plan at the August meeting; and review and finalization of the following year's budget at the December meeting. At the Board meeting that takes up Intentia's annual accounts, the company's auditors offer observations based on their audit.

In accordance with the program, the Board held five ordinary meetings during the year in addition to the statutory meeting. The Board also held two special meetings. One of the special meetings approved the cost-effectiveness plan presented by the CEO following weaker earnings trends in 1999. As authorized by the annual meeting of stockholders on April 27, 2000, the other special Board meeting carried out an issue of 120,000 new Series B shares to finance acquisitions.

Outlook for the Future

Intentia takes a distinctly long-term view of its business. The investments of recent years have had the intention of establishing a strong position and critical mass for the company. Starting from that foundation, Intentia will achieve growth combined with profitability and balanced cash flows. Intentia has reached the point at which its major investments, in both products and geographic expansion, are complete. As a result, growth will now proceed in a more balanced manner. For 2001, Intentia anticipates continued growth in an expanding market, combined with profitability and a considerably improved cash flow.

Disposition of Loss

According to the consolidated balance sheet, the Group's total loss at December 31, 2000 was SEK 457 million. The Board proposes no transfers to restricted reserves.

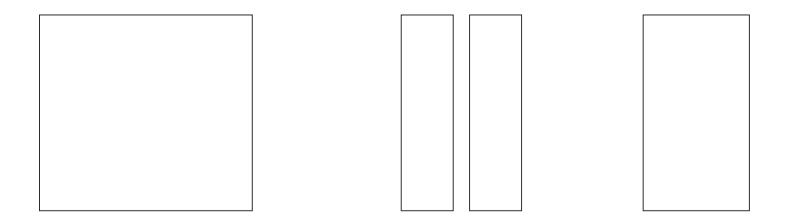
The Parent Company's total loss was:

Loss for the year -294,826

-294,826

294.826

The Board of Directors and President propose that the loss be covered by transferring funds from additional paid-in capital in the amount of



Income Statement Group

Amounts in SEK million	Note	2000	1999	1998	2000 accts at 1999 cchange rates
License revenue		1,156.8	756.3	990.9	1,161.9
Consultancy revenue		2,098.0	2,124.2	1,269.4	2,116.0
Other revenue		143.0	181.8	191.9	146.2
Net revenue		3,397.8	3,062.3	2,452.2	3,424.1
Consultancy costs		-1,917.6	-1,864.3	-1,123.6	-1,924.9
Costs for other revenues		-227.1	-217.1	-292.0	-232.4
Gross earnings		1,253.1	980.9	1,036.6	1,266.8
Other operating revenues		210.1	392.7	445.1	214.4
Other operating expenses		-180.9	-310.3	-337.1	-185.0
Total other operating items		29.2	82.4	108.0	29.4
Product development expenses		-444.1	-433.7	-368.3	-446.8
Sales and marketing expenses		-744.7	-689.6	-466.5	-738.9
Administration expenses		-230.9	-255.4	-218.3	-228.3
Items affecting comparability	3	-	55.9	_	_
Operating earnings	1,2	-137.4	-259.5	91.5	-117.8
Financial items					
Financial income	4	33.9	32.1	14.0	33.6
Financial expenses	5	-144.2	-48.3	-22.4	-140.5
Participation in associated comp	anies' earni	ngs 0.3	-1.4	-0.1	0.3
Earnings after financial items		-247.4	-277.1	83.0	-224.4
Earnings in Group companies du	uring the pa	arts of			
the year they did not belong to	the Group	3.7	0.3	-1.5	3.6
Earnings before tax		-243.7	-276.8	81.5	-220.8
Tax on profit/loss for the year	6	-54.2	-57.2	-62.7	-55.2
Minority interests in profit/loss for	or the year	-2.4	-9.2	3.6	-2.4
Profit/loss for the year		-300.3	-343.2	22.4	-278.4

Balance Sheet Group

Amounts in SEK million	Note	12-31-00	12-31-99	12-31-98
Assets				
Fixed assets				
Intangible fixed assets				
Capitalized product development expenses	7	14.3	19.8	6.2
Goodwill	7	337.8	354.5	380.6
		352.1	374.3	386.8
Tangible fixed assets				
Buildings and land	8	10.9	11.1	19.6
Capitalized leasehold improvements	8	55.1	54.3	_
Equipment	8	179.4	180.5	170.8
		245.4	245.9	190.4
Financial assets				
Participations in associated companies	10	2.1	6.8	9.8
Other long-term holdings of securities	11	5.0	4.4	4.0
Other long-term receivables	12	77.1	64.0	53.6
		84.2	75.2	67.4
Total fixed assets		681.7	695.4	644.6
Current assets				
Inventories etc.				
Goods for resale		0.8	5.1	7.5
Work in progress		5.7	5.9	1.9
Advances to suppliers		0.3	0.3	0.3
		6.8	11.3	9.7
Current receivables				
Accounts receivable		1,263.4	1,097.5	1,084.8
Receivable from associated companies		3.1	3.1	14.9
Other receivables		119.4	50.7	79.8
Prepaid expenses and accrued income		471.1	311.6	298.7
		1,857.0	1,462.9	1,478.2
Cash and bank balances		245.0	334.8	137.6
Short-term investments		156.0	391.8	_
Short-term investments Total current assets		156.0 2,264.8	391.8 2,200.8	1,625.5

Balance Sheet Group

Amounts in SEK million	Note	12-31-00	12-31-99	12-31-98
STOCKHOLDERS' EQUITY AND LIABILITIES				
Stockholders' equity	14			
Restricted stockholders' equity				
Capital stock		243.1	241.2	240.0
Restricted reserves		568.8	775.1	751.6
		811.9	1,016.3	991.6
Non-restricted stockholders' equity				
Non-restricted reserves/Retained losses		-156.4	-31.2	5.0
Profit/loss for the year		-300.3	-343.2	22.4
		-456.7	-374.4	27.4
Total stockholders' equity		355.2	641.9	1,019.0
Minority interests		14.3	13.7	9.3
Provisions		20	1017	3.0
Provisions for deferred tax		1.1	1.3	7.6
		1.1	1.3	7.6
Long-term liabilities				
Convertible notes	15	885.7	856.4	-
Liabilities to credit institutions	15	58.6	300.3	43.2
Other liabilities		6.8	6.1	5.9
Total long-term liabilities		951.1	1,162.8	49.1
Current liabilities				
Liabilities to credit institutions	15	553.1	46.6	66.5
Overdraft facilities	16	5.5	4.9	118.4
Advances from customers		31.0	20.4	24.9
Accounts payable		139.5	194.0	298.5
Payable to associated companies		0.2	_	2.9
Tax liabilities		36.5	75.8	54.8
Other liabilities		256.0	242.2	345.5
Accrued expenses and prepaid income		603.0	492.6	273.6
Total current liabilities		1,624.8	1,076.5	1,185.1
TOTAL STOCKHOLDERS' EQUITY AND LIABIL	ITIES	2,946.5	2,896.2	2,270.1
Assets pledged	17			
For Group liabilities				
Property mortgages		3.6	4.2	4.8
Chattel mortgages		_	_	15.7
Shares		1,046.3	101.6	155.0
Receivables		_	7.9	7.9
Total assets pledged		1,049.9	113.7	183.4
Contingent lightlities				
Contingent liabilities			0.1	0.6
Guarantees on behalf of employees		40.1	0.1	0.6
Bank guarantees		42.1	37.6	5.0
Total contingent liabilities		42.1	37.7	5.6

Cash Flow Group

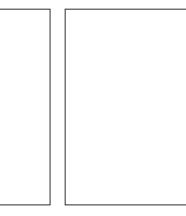
Amounts in SEK million	Note	2000	1999	1998
Operating activities				
Operating earnings		-137.5	-259.5	91.5
Interest received		37.9	24.2	14.0
Interest paid		-75.5	-23.7	-18.4
Dividends received		0.2	0.7	_
Adjustment for items not affecting cash flow	18	128.3	91.3	52.8
Tax paid		-101.9	-30.7	-33.5
Cash flow from operating activities				
before change in working capital		-148.5	-197.7	106.4
Inventories etc.		3.8	-1.8	9.3
Current receivables		-362.5	-11.4	-475.0
Current liabilities		-19.2	-78.0	374.5
Cash flow from operating activities		-526.4	-288.9	15.2
Investing activities				
Acquisition of subsidiaries	19	-20.5	-23.3	-229.2
Divesting of subsidiaries		1.5	-	=
Acquisition of tangible fixed assets		-41.4	-103.1	-93.4
Acquisition of intangible fixed assets		_	-4.0	-9.3
Acquisition of financial assets		1.6	_	-8.7
Cash flow from investing activities		-58.8	-130.4	-340.6
Financing activities				
Convertible notes		_	850.9	_
New stock issued		48.1	29.3	506.9
Funds borrowed		560.1	256.7	177.8
Funds repaid		-345.4	-136.4	-325.3
Cash flow from financing activities		262.8	1,000.5	359.4
Cash flow for the year		-322.4	581.2	34.0
Liquid funds, opening balance		726.6	137.6	96.7
Exchange rate differences in liquid funds		-3.2	7.8	6.9
Liquid funds, closing balance	20	401.0	726.6	137.6

Income Statement Parent Company

Amounts in SEK million	Note	2000	1999	1998
License revenue		65.6	38.9	51.6
Consultancy revenue		7.8	19.0	1.9
Other revenue		9.0	0.6	2.4
Net revenue		82.4	58.5	55.9
Consultancy costs		-19.3	-25.9	_
Costs for other revenues		-23.6	-15.4	-18.3
Gross earnings		39.5	17.2	37.6
Other operating revenues		-	1.4	-
Other operating expenses			-1.4	_
Total other operating items		-	0.0	-
Product development expenses		-1.3	-2.2	-3.3
Sales and marketing expenses		-48.6	-94.1	-67.4
Administration expenses		-54.9	-44.4	-48.9
Operating earnings	1,2	-65.3	-123.5	-82.0
Financial items				
Income/loss from holdings in Group companies	21	-244.0	-293.5	-
Financial income	4	72.6	46.9	7.7
Financial expenses	5	-145.0	-33.9	-9.4
Group contributions received		86.9	85.8	112.7
Earnings before tax		-294.8	-318.2	29.0
Tax on profit/loss for the year		-	0.9	-0.8
Profit/loss for the year		-294.8	-317.3	28.2

Balance Sheet Parent Company

Amounts in SEK million	Note	12-31-00	12-31-99	12-31-98
Assets				
Fixed assets				
Tangible fixed assets				
Capitalized leasehold improvements	8	18.4	_	=
Equipment	8	2.8	2.6	2.3
		21.2	2.6	2.3
Financial assets				
Shares in Group companies	9	1,280.6	160.8	161.4
Receivable from Group companies	13	4.3	273.7	80.6
Participations in associated companies	10	0.3	0.3	0.4
		1,285.2	434.8	242.4
Total fixed assets		1,306.4	437.4	244.7
Current assets				
Current receivables				
Accounts receivable		18.4	34.4	8.1
Receivable from Group companies		360.0	943.7	992.2
Receivable from associated companies		2.7	1.4	1.1
Prepaid taxes		0.6	0.6	0.2
Other receivables		17.5	22.0	22.3
Prepaid expenses and accrued income		35.8	61.7	0.6
		435.0	1,063.8	1,024.5
Cash and bank balances		87.1	74.2	0.0
Short-term investments		156.0	389.6	0.0
Total current assets		678.1	1,527.6	1,024.5
TOTAL ASSETS		1,984.5	1,965.0	1,269.2



Balance Sheet Parent Company

Amounts in SEK million	Note	12-31-00	12-31-99	12-31-98
STOCKHOLDERS' EQUITY AND LIABILITIES				
Stockholders' equity	14			
Restricted stockholders' equity				
Capital stock		243.1	241.2	240.0
Additional paid-in capital		568.8	772.4	744.4
		811.9	1,013.6	984.4
Non-restricted stockholders' equity				
Profit brought forward/Retained losses		0.0	67.4	49.2
Profit/loss for the year		-294.8	-317.3	28.2
		-294.8	-249.9	77.4
Total stockholders' equity		517.1	763.7	1,061.8
Long-term liabilities				
Convertible notes	15	885.7	856.4	_
Liabilities to credit institutions	15	-	250.0	_
Total long-term liabilities		885.7	1,106.4	_
Current liabilities				
Liabilities to credit institutions	15	402.2	_	26.0
Overdraft facilities	16	-	-	97.0
Accounts payable		7.7	8.6	15.8
Payable to Group companies		34.7	11.5	39.1
Other liabilities		101.1	43.2	23.8
Accrued expenses and prepaid income		36.0	31.6	5.7
Total current liabilities		581.7	94.9	207.4
TOTAL STOCKHOLDERS' EQUITY AND LIABIL	LITIES	1,984.5	1,965.0	1,269.2
Assets pledged	17			
For Company liabilities				
Shares in subsidiaries		1,280.6	151.9	151.9
Total assets pledged		1,280.6	151.9	151.9
Contingent liabilities				
Guarantees		47.8	35.0	None
Total contingent liabilities		47.8	35.0	None

Cash Flow Parent Company

Amounts in SEK million	Note	2000	1999	1998
Operating activities				
Operating earnings		-65.3	-123.5	-82.0
Interest received		76.0	39.4	3.9
Interest paid		-64.7	-33.9	-10.2
Adjustment for items not affecting liquid funds	18	1.4	-27.1	-3.9
Tax paid		_	1.0	-1.0
Cash flow from operating activities				
before change in working capital		-52.6	-144.1	-93.2
Current receivables		-407.7	-365.8	-338.3
Current liabilities		-20.0	-38.0	70.3
Cash flow from operations		-480.3	-547.9	-361.2
Investing activities				
Acquisition of subsidiaries		-9.4	_	
Acquisition of tangible fixed assets		-22.4	-1.0	-1.0
Cash flow from investing activities		-31.8	-1.0	-1.0
Financing activities				
Convertible notes		-	850.9	=
New stock issued		48.1	29.3	516.9
Funds borrowed		547.0	255.5	26.0
Funds repaid		-303.7	-123.0	-181.2
Cash flow from financing activities		291.4	1,012.7	361.7
Cash flow for the year		-220.7	463.8	-0.5
Liquid funds, opening balance		463.8	0	0.5
Liquid funds, closing balance	20	243.1	463.8	0

Accounting Principles

The Annual Report was prepared according to the Annual Accounts Act and by applying the recommendations of the Swedish Financial Accounting Standards Council.

Consolidated Accounts

The consolidated accounts comprise all companies in which the Parent Company directly or indirectly controls shares representing more than 50 percent of the votes. The consolidated accounts were prepared in accordance with the recommendations of the Swedish Financial Accounting Standards Council on consolidated financial statements, using the acquisition method. Hence, subsidiaries' equity and equity components of untaxed reserves at the time of acquisition are wholly eliminated from the consolidated accounts.

For companies acquired, the proportion of each company's income earned from the time of acquisition is included in consolidated earnings. Stockholders' equity in companies acquired is determined based on the market value of the assets and liabilities in the company at the time of acquisition using an acquisition analysis. The difference between the acquisition value and the value of stockholders' equity estimated by the acquisition analysis is reported as goodwill. Goodwill is amortized on a straight-line basis over ten years.

The Group applies the equity method for reporting associated companies. An associated company is any company in which the Parent Company directly or indirectly controls more than 20 percent but no more than 50 percent of the number of votes. The Group income statement discloses participation in associated companies' earnings less amortization of goodwill and dividends among financial items, as Participation in associated companies' earnings. Participation in the taxes of associated companies is included in the Group's tax. The Group balance sheet reports holdings in associated companies as a financial asset, in Participations in associated companies. Associated companies are valued at acquisition cost, less goodwill amortization and adjusted for dividends and participation in profits or losses after the date of acquisition.

The accounts of foreign subsidiaries, all of which have been classified as independent, have been translated in accordance with RR 8, using the current method. The exchange rate on the balance date is used to translate assets and liabilities, while revenues and expenses are translated using an average rate for the year. Translation differences resulting from conversion by this method are charged directly to stockholders' equity in the consolidated balance sheet.

Inventory

Inventory is valued at the lower of cost or market value.

Receivables and Liabilities in Foreign Currencies

Receivables and liabilities denominated in currencies other than Swedish kronor are converted at the exchange rate on the balance date in accordance with RR 8. Exchange rate differences attributable to current receivables and liabilities are included in operating earnings, while differences from financial receivables and liabilities are reported as financial items. Gross earnings include the net exchange rate differences as Other revenue or Costs for other revenues. Receivables and liabilities in foreign currencies that have been hedged are translated at the rate in the forward contract.

Revenue Recognition for Software

Sales of software licenses are recognized as revenue when the sales agreement is signed, at which time the customer is also invoiced for all or part of the software.

Revenue Recognition for Services

Income from projects undertaken at a fixed price is recognized in pace with completion. If it is considered that a project involves risk of loss, continuous provisions are made for each element of risk on the basis of the assessed risk and the amount. Income from projects undertaken on a time and material basis is recognized in pace with completion.

Revenue Recognition for Sales of IBM Equipment

Revenue from the sale of IBM equipment is recognized upon delivery, when the customer is invoiced. If IBM invoices the customer directly, the commission received from IBM is recognized as revenue when the installation is approved by the customer.

Product Development Expenses

Product development expenses for Movex mainly consist of personnel, computer and premises expenses. All expenses related to product development are expensed as they arise. Hence, they are not capitalized in the balance sheet. Capitalized product development expenses in companies acquired are reported in the balance sheet as intangible assets and amortized over their estimated economic life, but no longer than five years.

Leasing

In the consolidated accounts, leases are classified as financial or operating leases. A financial lease entails the majority of economic risks and benefits related to ownership being transferred to the lessee; otherwise, the lease is considered an operating lease. In the case of a financial lease, the fixed asset is reported as an asset in the balance sheet, and a corresponding liability is entered on the liabilities side of the balance sheet. Items on the assets side are depreciated based on the same principle applied for other, similar assets. The financing charge is reported as an interest expense. Operational leases do not result in any asset or liability items being booked in the balance sheet. Rather, the leasing costs are entered in the income statement distributed over several years based on the use of the asset.

Fixed Assets

Equipment and buildings are reported after deductions for accumulated depreciation according to plan. Depreciation is based on the acquisition value of each asset. Depreciation rates are calculated based on the estimated economic life. The rates are as follows:

Acquired product development 20% Goodwill 10% Buildings 2% Leasehold improvements 10-33% Equipment 12%-33%

When Intentia acquires a company, it gains established access to that company's market and customer base. Enterprise applications have a long replacement cycle, so these acquisitions are considered to embody strategic value in their long-term potential for revenue. Hence, goodwill is amortized over ten years.

Appropriations

The consolidated income statement and balance sheet are reported excluding appropriations and untaxed reserves. For the current year, the tax effect attributable to appropriations is reported as deferred tax in the income statement. Appropriations are reported in the balance sheet as restricted reserves and deferred tax. Deferred tax is calculated based on a tax rate of 28 percent.

Deferred Tax

Deferred tax is reported in the consolidated income statement under tax on profit/loss for the year. Deferred tax liability is reported in Provisions.

Notes to the Financial Statements

NOTE 1
Employees and costs of personnel

Average number of employees, and salaries and remuneration by country

	No. of employees	Salaries and remuneration 2000		
	2000	Board and CEO	of which bonuses etc.	Other employees
Parent Company				
Sweden	69	2.1	_	25.8
Malaysia	10	_	_	3.6
China	17	_	_	3.2
Total in Parent Company	96	2.1	_	32.6
Subsidiaries				
Sweden	1,196	4.3	0.7	516.5
Norway	235	0.7	_	114.3
Finland	67	1.2	0.2	26.8
Denmark	226	1.4	0.3	108.9
Germany	166	1.2	_	85.4
France	233	8.8	7.0	120.0
Spain	152	1.1	0.1	38.1
Portugal	31	0.6	_	8.7
United Kingdom	203	3.3	1.9	123.7
Austria	84	1.6	_	35.3
Switzerland	89	3.3	_	51.2
Netherlands	49	2.1	1.0	19.9
Poland	53	0.7	_	13.6
Czech Republic	53	0.2	_	4.3
United States	142	5.5	_	135.3
Japan	32	2.9	0.2	18.5
Australia	198	1.9	_	106.0
Belgium	50	_	_	16.8
Ireland	25	3.1	0.3	8.8
Total in subsidiaries Group total	3,284 3,380	43.9 46.0	11.7 11.7	1,552.1 1,584.7

The average proportion of male employees was 76% (81) in Sweden and 74% (77) outside Sweden, for the Group. For the Parent Company, 59% (52) of all employees were men.

Salaries, other remuneration and social security expenses 2000

	Salaries and remuneration	Social security expenses
Parent Company	34.3	12.2
(of which pension costs)		(4.0)
Subsidiaries	1,596.1	404.4
(of which pension costs)		(94.3)
Group total	1,630.4	416.6
(of which pension costs)		(98.3)

Salaries, other remuneration and social security expenses 1999

	Salaries and remuneration	security expenses
Parent Company	27.4	10.5
(of which pension costs)		(3.0)
Subsidiaries	1,567.7	362.3
(of which pension costs)		(74.3)
Group total	1,595.1	372.8
(of which pension costs)		(77.2)

Salaries, other remuneration and social security expenses 1998

		Social
	Salaries and remuneration	security expenses
Parent Company	21.9	9.4
(of which pension costs)		(3.2)
Subsidiaries	1,031.5	264.0
(of which pension costs)		(60.8)
Group total	1,053.4	273.4
(of which pension costs)		(64.0)

Of the Parent Company's pension costs, 0.2 (0.2) was attributable to the Group's President. Of the Group's pension costs, 2.2 (2.2) was attributable to the Group's presidents.

During the year, the Board received remuneration totaling SEK 450 thousand (450), of which SEK 150 thousand (150) was paid to the Chairman. The President received a salary and other benefits totaling SEK 1,618 thousand (1,116).

President and other senior executives in the Group have a mutual 12-month notice of termination of employment. If the Company gives notice, additional severance pay corresponding to 6-12 months' salary must be paid. If the Company gives notice in conjunction with the sale of Intentia, the President and some senior executives also will receive severance pay corresponding to an additional 12 months' salary. The terms of pensions for presidents and senior executives are comparable to the terms of the SAF/PTK agreement (the Swedish Employers' Confederation/Federation of Salaried Employees in Industry and Services), or corresponding agreements for those employed abroad.

Stock option program

Intentia has set up three stock option programs to make it easy for key personnel, including senior executives, eventually to become stockholders in the Company. The number of options in the programs are 1,390,000, 200,000 and 1,004,250 respectively.

The first program comprises options that can be converted into an equal number of Series B shares from August 31, 2001 through August 31, 2002 at an exercise price of SEK 82.60. The second stock-option program comprises employee stock options issued free of charge. These options entitle holders to subscribe for a corresponding number of Series B shares at the price of Intentia's Series B share at the time the options were issued. The program is primarily intended for key employees in the United States. The third program comprises options that can be converted into an equal number of Series B shares from June 1, 2002 through June 30, 2002 at an exercise price of SEK 285.

 $\label{eq:Note 2} \mbox{ \begin{tabular}{ll} \textbf{Depreciation of tangible assets and amortization of intangible assets} \end{tabular}$

Group			
	2000	1999	1998
Depreciation/amortization according to pla	e of asset		
Capitalized product development expenses	-6.5	-2.4	-2.4
Goodwill	-59.7	-55.9	-39.0
Buildings and land	-0.3	-0.3	-0.3
Capitalized leasehold improvements	-8.7	-3.0	_
Equipment	-65.0	-59.6	-35.9
Total	-140.2	-121.2	-77.6
Depreciation/amortization according to pla	an by fund	ction	
Consulting expenses	-44.8	-31.4	-23.2
Product development expenses	-13.3	-7.9	-7.5
Sales and marketing expenses	-62.0	-62.5	-38.5
Administration expenses	-20.I	-19.4	-8.4

Amortization of capitalized expenses for product development refers to capitalized expenses consolidated in conjunction with company acquisitions.

-140.2

-121.2

-77.6

Parent Company			
	2000	1999	1998
Depreciation/amortization according to	plan by type	of asset	
Capitalized leasehold improvements	-2.8	-	-
Equipment	-1.0	-0.8	-0.5
Total	-3.8	-0.8	-0.5
Depreciation/amortization according to	plan by funct	tion	
Consulting costs	_	-	-
Product development expenses	_	-	-
Sales and marketing expenses	-0.2	-0.I	-0. I
Administration expenses	-3.6	-0.7	-0.4
Total	-3.8	-0.8	-0.5

NOTE 3

Items affecting comparability

Total

Group			
	2000	1999	1998
Translation of pension liabilities in			
Intentia Norge A/S	_	-9.4	_
Outsourcing of hardware			
operations	_	71.0	_
Restructuring expenses in the United States	_	-5.7	_
Total	_	55.9	_

The increase of pension liabilities in Norway is due to a new pension system and accounting act.

Note 4

Financial revenue

Group			
	2000	1999	1998
Interest income	33.7	31.4	14.0
Other financial income	0.2	0.7	0.0
Total	33.9	32.1	14.0
Parent Company			
	2000	1999	1998
Interest income from Group companies	54.4	20.6	2.8
Other interest income	18.2	18.8	1.0
Other financial income	-	7.5	3.9
Total	72.6	46.9	7.7

Note 5

Financial expenses

Group			
	2000	1999	1998
Interest expense	-79.6	-44.3	-17.7
Other financial expenses	-64.6	-4.0	-4.7
Total	-144.2	-48.3	-22.4

Parent Company					
	2000	1999	1998		
Interest expense to Group companies	-4.6	-1.6	-0.7		
Other interest expenses	-64.8	-32.3	-8.7		
Other financial expenses	-75.6	-	_		
Total	-145.0	-33.9	-9.4		

Note 6

Tax on profit/loss for the year

Group			
	2000	1999	1998
Current tax	-54.6	-65.3	-57.5
Deferred tax	0.4	8.1	-5.2
Total	-54.2	-57.2	-62.7

Note 7

Intan	oihle	fiver	lassets

12-31-00	12-31-99	12-31-98
	12-31-77	12-31-70
	101	10.1
		-
27.1	26.1	10.1
-6.3	-3.9	-1.5
-6.5	-2.4	-2.4
d -12.8	-6.3	-3.9
end 14.3	19.8	6.2
557.4	526.1	269.5
27.7	32.8	252.6
13.8	-1.5	4.0
598.9	557.4	526.1
ices 2.3	5.6	1.6
-202.9	-145.5	-106.5
-59.7	-55.9	-39.0
d -262.6	-201.4	-145.5
	-1.5	_
337.8	354.5	380.6
237.10		200.0
	-6.5 d -12.8 end 14.3 557.4 27.7 13.8 598.9 acces 2.3 -202.9	26.1 10.1 16.0 27.1 26.1 26.1 4.3 19.8 19.

Note 8

Tangible fixed assets

Group			
	12-31-00	12-31-99	12-31-98
Buildings and land			
Acquisition value at beginning of year	13.2	21.3	14.7
Acquisitions	_	_	7.8
Reclassifications to capitalized			
leasehold improvements	_	-7.8	-0.2
Translation differences for the year	-	-0.3	-1.0
Acquisition value at year-end	13.2	13.2	21.3
Depreciation according to plan			
at beginning of year	-2.1	-1.7	-1.4
Translation differences for the year	0.1	-0.7	_
Depreciation for the year	-0.3	-0.3	-0.3
Depreciation according to plan at year-end	-2.3	-2.1	-1.7
Residual value according to plan at year-e	end 10.9	11.1	19.6
Capitalized leasehold improvements			
Acquisition value at beginning of year	57.6	_	_
Acquisitions	5.2	40.2	_
Reclassifications	-	16.1	_
Translation differences for the year	3.9	1.3	_
Acquisition value at year-end	66.7	57.6	_
Depreciation according to plan			
at beginning of year	-3.3	_	_
Reclassifications	-	-0.3	_
Depreciation for the year	-8.7	-3.0	_
Translation differences for the year	0.4	-	_
Depreciation according to plan at year-end	-11.6	-3.3	_
Residual value according to plan at year-e	end 55.1	54.3	_

Group			
	12-31-00	12-31-99	12-31-98
Equipment			
Acquisition value at beginning of year	297.2	243.9	139.2
Acquisitions	33.6	69.8	108.5
Financial leases	37.3	26.4	29.2
Acquisition of subsidiaries	1.3	-	-
Divestments	-29.0	-38.6	-31.8
Reclassifications to capitalized			
leasehold improvements	-	-8.3	-1.2
Translation differences for the year	3.4	4.0	_
Acquisition value at year-end	343.8	297.2	243.9
Depreciation according to plan			
at beginning of year	-116.7	-73.2	-54.5
Divestments	16.1	18.2	17.3
Reclassifications	_	0.3	0.5
Depreciation for the year	-65.0	-59.6	-35.9
Translation differences for the year	1.2	-2.4	-0.6
Depreciation according to plan at year-en	nd -164.4	-116.7	-73.2
Residual value according to plan at year-	end 179.4	180.5	170.7
Assets held through operating leases			
Leasing fees paid during the fiscal year	75.2	61.8	44.8
Contracted future leasing fees	644.8	653.0	107.0

At the balance date, the maturity dates are broken down as follows:

Within one year	102.3	95.3	62.6
More than one year but within five years	254.7	377.3	44.4
After five years	220.2	200.4	_

Assets held through operating leases includes leases for premises.

Parent Company			
	12-31-00	12-31-99	12-31-98
Capitalized leasehold improvements			
Acquisition value at beginning of year	-	_	_
Acquisitions	21.1	_	_
Acquisition value at year-end	21.1	_	_
Depreciation according to plan			
at beginning of year	_	_	_
Depreciation for the year	-2.7	_	_
Depreciation according to plan at year-end	-2.7	_	-
Residual value according to plan at year-er	nd 18.4	_	-
Equipment			
Acquisition value at beginning of year	4.1	3.1	2.1
Acquisitions	1.3	1.0	1.0
Acquisition value at year-end	5.4	4.1	3.1
Depreciation according to plan			
at beginning of year	-1.6	-0.8	-0.3
Depreciation for the year	-1.0	-0.8	-0.5
Depreciation according to plan at year-end	-2.6	-1.6	-0.8
Residual value according to plan at year-er	nd 2.8	2.6	2.3

Note 8 continued

Tangible fixed assets

12-31-00	12-31-99	12-31-98
29.4	_	_
458.9	450.7	-
broken do	own as follo	WS:
29.0	24.9	_
167.1	225.5	-
194.7	200.3	
	29.4 458.9 broken do	29.4 – 458.9 450.7 Ebroken down as follo 29.0 24.9

Assets held through operating leases includes leases for premises.

NOTE 9

Shares in Group companies

charce in areap companies	
Accumulated acquisition value	Parent Company
	12-31-00
At beginning of year	160.8
Acquisitions for the year	1,034.0
New stock issued	467.7
Write-down	-381.9
At year-end	1,280.6

Specification of Parent Company and Group shareholdings and interests in Group companies

Subsidiary/Co. reg. no./Reg'd. office N	o. of shares	Pctg. held	Book value
Parent Company's shares in subsidiaries			
Intentia Research & Development AB,			
556293-2326, Stockholm	1,000	100.0	0.1
Intentia Europe AB,			
556224-1348, Stockholm	103,000	100.0	151.0
Intentia Americas Inc., Illinois, USA	1,000	100.0	85,9
Voto Pty, Ltd, North Sydney, Australia	8,000	100.0	9.6
Intentia Finance SA, Neuchatel, Switzerlar	nd 6,500	100.0	1,034.0
Total, Parent Company's shares			
in subsidiaries			1,280.6

ubsidiary/Co. reg. no./Reg'd. office No	. of shares	Pctg. held
hares in second-tier subsidiaries		
ntentia Danmark A/S, Odense, Denmark	26	100.0
ntentia Norge A/S, Oslo, Norway	1,116,696	86.9
ntentia Oy, Espoo, Finland	100	100.0
ntentia (UK) Ltd, Elland, England	68,987	100.0
ntentia Austria EDV-Beratung Gesm. b. h.,		
Graz, Austria	5,000	100.0
ntentia Consulting S.A.,		
Osny Cedex, France	10,000	100.0
ntentia Deutschland GmbH,		
Hilden, Germany		100.0
ntentia Consulting AB, 556235-9702,		
Stockholm, Sweden	53,000	100.0
ntentia Netherlands BV, Eindhoven,		
Vetherlands	40	100.0
itentia Belux NV, Gent, Belgium	625	100.0
ntentia Switzerland, Zug, Switzerland	100	100.0
ällvex AB 556313-4633,		
Stockholm, Sweden	10,000	100.0
itentia Consulting S.A.,Barcelona, Spain	5,000	100.0
itentia Consulting-Informática SA,		
isbon, Portugal	5,000	100.0
ntentia Polska Sp. z o.o., Warsaw, Poland	750	75.0
ntentia CZ a.s., Prague, Czech Republic	1,900	100.0
itentia Ireland Ltd, Dublin, Ireland	43,480	100.0
ogicent Holding AB, 556566-5998,		
önköping, Sweden	141,800	100.0
tentia Japan K.K.,Tokyo, Japan	600	100.0
tentia Australia Pty Ltd, Sydney, Australia	104,000	51.0

NOTE 10 Participations in associated companies

Group			
	12-31-00	12-31-99	12-31-98
At beginning of year	6.8	9.8	7.0
Acquisitions for the year	_	2.6	2.9
Reclassifications to shares in			
second-tier subsidiaries	-5.0	-5.6	-0.I
Profit for the year	0.3	-	-
Book value at year-end	2.1	6.8	9.8
Parent Company			
	12-31-00	12-31-99	12-31-98
At beginning of year	0.3	0.3	0.3
Acquisitions for the year	_	_	_
Reclassifications to shares in			
second-tier subsidiaries	_	_	_
Book value at year-end	0.3	0.3	0.3

Note 10 continued

Participations in associated companies

Specification of Parent Company and Group shareholdings and interests in associated companies

	Adjusted stockholders'equity/ profit for the year	Participations/ number in %	Share of capital's value in Group
Directly owned			
Intentia Thailand	0.2/	15,000/	0.2
	_	30.0	-
Industrisystem i Karlskoga A	B, 1.8/	667/	1.8
Sweden	0.3	20.0	-
ASP Anwendungs System Pa	artner 0.1/	2/	0.1
GmbH. Germany	_	50.0	_
Total			2.1

The Parent Company's holdings are in Intentia Thailand only. Adjusted stockholders' equity refers to that part of the company's equity owned, including the equity component of untaxed reserves. Profit/loss for the year refers to the Group's participation in the company's earnings after tax including the equity component of the change in untaxed reserves for the year.

 $\label{eq:note_norm} \mbox{Note } 11 \\ \mbox{Other long-term holdings of securities}$

Group			
	12-31-00	12-31-99	12-31-98
At beginning of year	4.4	4.0	79.8
Additions	0.4	0.7	3.4
Reductions	_	_	−79.1
Translation differences	0.2	-0.3	-0.I
Book value at year-end	5.0	4.4	4.0

Note 12

Other long-term receivables

Group			
	12-31-00	12-31-99	12-31-98
At beginning of year	64.0	53.6	7.9
Additions	13.1	10.4	45.7
Reductions	_	_	_
Book value at year-end	77.1	64.0	53.6

NOTE 13

Receivable from Group companies

Parent Company			
	12-31-00	12-31-99	12-31-98
At beginning of year	273.7	80.6	78.8
Settled receivables	-269.4	_	_
Reclassification of current receivables	_	193.1	1.8
Book value at year-end	4.3	273.7	80.6

NOTE 14

Stockholders' equity

2000			Non-
	Capital stock	Restricted reserves	restricted capital
Group			
At beginning of year	241.2	775.1	-374.4
New stock issued	1.9	46.2	_
Transfers between non-restricted			
and restricted equity	_	-260.3	260.3
Profit/loss for the year	-	-	-300.3
Translation differences for the year	-	7.8	-42.3
At year-end	243.1	568.8	-4 56.7
Parent Company			
At beginning of year	241.2	772.4	-249.9
New stock issued	1.9	46.2	_
Profit/loss for the year	_	-249.9	249.9
At year-end	243.1	568.8	-294.8

At year-end, the capital stock consisted of 24,311,000 shares, of which 1,822,200 were Series A shares and 22,488,800 Series B, each with a par value of SEK 10.

Note 14 Continued

1999			Non-
	Capital stock	Restricted reserves	restricted capital
Group			
At beginning of year in accordance with			
approved balance sheet for previous year	240.0	744.5	27.4
Effect of changed accounting principle	_	7.1	_
At beginning of year	240.0	751.6	27.4
New stock issued	1.2	28.1	_
Re-transfer of options (Note 1)	_	-	-10.0
Transfers between non-restricted			
and restricted equity	_	4.0	-4.0
Loss for the year	_	_	-343.2
Translation differences for the year	_	-8.6	-44.6
At year-end	241.2	775.I	-374.4
Parent Company			
At beginning of year	240.0	744.4	77.4
New stock issued	1.2	28.0	-
Re-transfer of options	_	_	-10.0
Loss for the year	_	-	-317.3
At year-end	241.2	772.4	-249.9

At year-end, the capital stock consisted of 24,121,000 shares, of which 1,822,200 were Series A shares and 22,298,800 Series B, each with a par value of SEK 10.

1998			Non-
	Capital stock	Restricted reserves	restricted capital
Group			
At beginning of year in accordance with a	approved		
balance sheet for previous year	200.0	267.5	-0.9
Effect of change in accounting principle	_	5.9	_
At beginning of year	200.0	273.4	-0.9
New stock issued	40.0	477.0	_
Transfers between non-restricted			
and restricted equity	_	-3.9	3.9
Profit for the year	_	_	22.4
Translation differences for the year	_	5.1	2.0
At year-end	240.0	751.6	27.4
Parent Company			
At beginning of year	200.0	267.4	49.2
New stock issued	40.0	477.0	_
Profit for the year	_	-	28.2
At year-end	240.0	744.4	77.4

At year-end, the capital stock consisted of 24,000,000 shares, of which 1,822,200 were Series A shares and 22,177,800 Series B, each with a par value of SEK 10.

The company changed accounting principles in 1999 to comply with recommendation 8 of the Swedish Financial Accounting Standards Council. The change, which in accordance with the new principle converts goodwill at the price on the balance date instead of the date of acquisition, affected Group stockholders' equity by SEK 5.9 million in 1998 and SEK 7.1 million in 1999.

NOTE 15

Liahilities	to credit	institutions

Group			
	12-31-00	12-31-99	12-31-98
Liabilities to credit institutions	548.0	290.1	69.7
Financial leases	63.7	56.8	40.0
Other liabilities	-	_	351.4
Convertible notes	885.7	856.4	-
Total	1,497.4	1,203.3	461.1
Portion payable more than five years			
after the balance date	-	_	-
Parent Company			
	12-31-00	12-31-99	12-31-98
Liabilities to credit institutions	402.2	250.0	26.0
Financial leases	-	-	_
Other liabilities	-	_	23.8
Convertible notes	885.7	856.4	-
Total	1,287.9	1,106.4	49.8
Portion payable more than five years			
after the balance date	-	_	-
Financial leases refers to the long-term p	ortion of fut	ure leasing fe	ees, attribu

Financial leases refers to the long-term portion of future leasing fees, attributable to agreements classified as financial leases. Payments that fall due within one year have been treated as current liabilities. At the balance date, the maturity dates are broken down as follows:

	12-31-00	12-31-99	12-31-98
Within one year	15.3	12.1	9.3
More than one year but within five years	13.0	10.4	10.1
After five years	-	_	-
Total	28.3	22.5	19.4

NOTE 16

Overdraft facilities

Group			
	12-31-00	12-31-99	12-31-98
Credit limit granted	50.9	49.0	205.6
Unutilized portion	-45.4	-44 .1	-87.2
Credit utilized	5.5	4.9	118.4
Parent Company			
	12-31-00	12-31-99	12-31-98
Credit limit granted	25.0	25.0	175.0
Unutilized portion	-25.0	-25.0	-78.0
Credit utilized	0.0	0.0	97.0

NOTE 17

Assets pledged to credit institutions

Group			
	12-31-00	12-31-99	12-31-98
Property mortgages	3.6	4.2	4.8
Chattel mortgages	_	_	15.7
Shares	1,046.3	101.6	155.0
Receivables	_	7.9	7.9
Total	1,049.9	113.7	183.4
Parent Company			
	12-31-00	12-31-99	12-31-98
Property mortgages	-	_	_
Shares	1,280.6	151.9	151.9
Receivables	_	_	-
Total	1,280.6	151.9	151.9

Shares and receivables comprise collateral for long-term and short-term loans and overdraft facilities. Chattel mortgages comprise assets pledged for guarantees.

NOTE 18

Adjustment for items not included in cash flow

Group			
	2000	1999	1998
Depreciation and amortization	140.2	121.2	77.6
Leasing	_	-10.8	-6.9
Provisions for pensions	0.2	0.6	_
Unrealized exchange rate differences	-12.1	-19.7	-17.9
Total	128.3	91.3	52.8

Parent Company			
	2000	1999	1998
Depreciation and amortization	3.8	0.8	0.6
Unrealized exchange rate differences	-2.4	-27.9	-4.5
Total	1.4	–27. I	-3.9

NOTE 19

Acquisition of subsidiaries

According to the acquisition analysis, the value was as follows:	e of acquire	ed assets and	d liabilities
	2000	1999	1998
Intangible fixed assets	25.2	23.4	241.9
Tangible fixed assets	4.6	1.7	10.9
Financial assets	_	-	4.7
Inventory	0.1	-	_
Operating receivables	19.5	24.0	87.8
Cash and bank balances	5.0	1.3	28.9
	54.4	50.4	374.2
Long-term liabilities	-2.3	_	-17.6
Operating liabilities	-26.6	-24.4	-56.6
Tax liabilities	_	-3.0	-2.4
	-28.9	-27.4	-76.6
Minority interests	_	1.6	3.7
Financial claims on acquired companies	_	-	-43.3
Purchase sum paid	25.5	24.6	258.0
Cash and bank balances			
in the acquired company	-5.0	-1.3	-28.8
Effect on Group's cash and bank balances	20.5	23.3	229.2

NOTE 20

Liquid funds

Group			
	2000	1999	1998
Cash and bank balances	245.0	334.8	137.6
Short-term investments	156.0	391.8	_
Total cash and bank balances	401.0	726.6	137.6
Parent Company			
Tarent company	2000	1999	1998
Cash and bank balances	87.1	74.2	_
Short-term investments	156.0	389.6	-
Total cash and bank balances	243.1	463.8	_

Short-term investments in the balance sheet at year-end totaled SEK 156.0 million (391.8) for the Group and SEK 156.0 million (389.6) for the Parent Company, of which SEK 156.0 million in the Group and SEK 156.0 million in the Parent Company consisted of financial instruments with a duration of up to three months.

NOTE 21

Earnings from participations in Group companies

Intentia North America Inc. was liquidated during the year Intentia Americas Inc. continues to run U.S. operations. The liquidation gave rise to a SEK 244 million expense for the Parent Company.

NOTE 22

Auditors' remuneration and reimbursement for expenses

Group			
	2000	1999	
KPMG			
Auditing assignments	6.5	4.6	
Other assignments	2.9	2.9	
Parent Company			
	2000	1999	
KPMG			
Auditing assignments	0.6	0.5	
Other assignments	0.3	0.5	

Stockholm, January 30, 2001

Olof Ljunggren Chairman	Morgan Olsson
Jan Carlzon	Kjell Spångberg
Peter Lorange	Ulf Tangen

Björn Algkvist

President and Chief Executive Officer

Auditors' Report

To the Annual General Meeting of Intentia International AB (publ). Corporate identity number 556387-8148

We have audited the annual report, consolidated financial statements, accounts and the administration by the Board of Directors and President of Intentia International AB (publ.) for fiscal 2000. The Board of Directors and President are responsible for the accounting records and administration of the Company. Our responsibility is to express an opinion on the annual report, consolidated financial statements and administration based on our audit

Our audit was conducted in accordance with generally accepted auditing standards in Sweden. This means that we planned and performed our audit to obtain reasonable assurance that the annual report and consolidated financial statements do not contain any material misstatements. An audit includes examining a selection of the documents supporting the amounts and disclosures in the accounting records. An audit also includes assessing the accounting principles and their application by the Board of Directors and President as well as evaluating the overall information in the annual report and consolidated financial statements. To be able to provide an opinion on personal liability to the Company, we have examined material decisions, actions and conditions in the Company to determine whether or not any member of the Board or the President could be liable to pay compensation to the Company. We have also examined whether or not any member of the Board or the President has acted in some other way contrary to the Companies Act, Annual Accounts Act or the Company's articles of incorporation. We believe that our audit provides a reasonable basis for our opinion.

The annual report and consolidated financial statements were prepared in accordance with the Annual Accounts Act and thus provide a true and fair view of the earnings and financial position of the Company and the Group in accordance with accounting principles generally accepted in Sweden.

We recommend that the Annual General Meeting adopt the income statements and balance sheets for the Parent Company and Group, appropriate the loss of the Parent Company as proposed in the Directors' Report and discharge the President and the members of the Board from liability for fiscal 2000.

Stockholm, January 30, 2001

Lars Gattberg Authorized Public Accountant KPMG Hans Karlsson Authorized Public Accountant KPMG

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Definitions of Financial Ratios

Profitability

Gross margin

Gross earnings expressed as a percentage of net revenue.

Operating margin

Operating earnings expressed as a percentage of net revenue.

Net profit margin

Profit for the year expressed as a percentage of net revenue.

Interest coverage rate

Earnings after financial items plus interest expenses, divided by interest expenses.

Capital

Capital employed

Total assets less current non-interest-bearing operating liabilities including deferred tax. The average for the year is calculated using monthly figures.

Equity/assets ratio

Stockholders' equity plus minority interest, as a percentage of total assets.

Share of risk-bearing capital

Stockholders' equity, minority interests, convertible notes and deferred tax expressed as a percentage of total assets less cash and bank balances and less short-term investments.

Net indebtedness

Interest-bearing liabilities less liquid funds.

Debt/equity ratio

Net indebtedness as a percentage of stockholders' equity including minority interests

Measures of Return

Return on capital employed

Operating earnings plus financial income, as a percentage of average capital employed, calculated using monthly figures.

Return on stockholders' equity

Profit for the year as a percentage of average stockholders' equity, calculated using monthly figures.

Value added per employee

Operating earnings before depreciation plus personnel expenses divided by the average number of employees for the period.

Cash flow/net revenue

Cash flow for the period before financing activities divided by net revenue for the period.

Working capital 4 quarters/net revenue 12 months

Current assets less short-term liabilities less short-term loans as a percent of net revenue for the past 12 months. Average for the year is calculated using quarterly figures.

Financial Data per Share

Earnings per share

Profit for the year divided by the average number of shares during the year. Average for the year is calculated using monthly figures.

Earnings per share with full dilution

Profit for the year, excluding the interest expense of the convertible notes adjusted by the applicable tax, divided by the average number of shares, options, and convertible notes during the year. Average for the year is calculated using monthly figures.

Stockholders' equity per share

Stockholders' equity as of the closing date divided by the number of shares outstanding at year-end.

Riskbearing capital per share

Stockholders' equity, minority interests, convertible notes and deferred tax divided by the number of shares outstanding at year-end.

Olof Ljunggren, born 1933, Director and Chairman of the Board. Member of the Board since 1996. Chairman of the Board of AMF Pension, AMF Försäkring and Addum AB. Vice Chairman of the Board of Liber AB. Member of the Boards of Försäkringsbolaget Pensionsgaranti (FPG) and Catella Kapitalförvaltning AB. Holding in Intentia International: 1,500 Series B shares and 50,000 options.

Board of Directors

Jan Carlzon, born 1941, Director. Member of the Board since 1996. Chairman of the Boards of Ledstiernan AB, Involve Learning A.S. and Karl Stockman AB. Member of the Boards of Travis.com A/S, Merkantildata A.S. and E.Öhman J:or AB. Holding in Intentia International: 5,400 Series B shares and 50,000 options.

Peter Lorange, born 1943, Director. Member of the Board since 1999. Member of the Boards of ISS - International Service Systems, Christiania Eiendomsselskap, S. Ugelstad Shipowners, StreamServe, Pharmasoft, and Preferred Global Health.

Morgan Olsson, born 1950, Director. Member of the Board since 1992. Partner in Nordic Capital Svenska AB. Member of the Boards of Elmo-Calf AB, Gislaved Folio AB, Hilding Anders AB, Mölnlycke Health Care AB, Nopco Paper Technology A/S and Sound Holding A/S. Holding in Intentia International: 654 Series B shares.

Kjell Spångberg, born 1953, Director: Member of the Board since 1996. Holding in Intentia International, privately and through companies: 696,300 Series A and 787,446 Series B shares. Holding of convertible notes equivalent to EUR 11.9 million.

Ulf Tangen, born 1945, Director. Member of the Board since 1992. Holding in Intentia International: 120,545 Series B shares.

Björn Algkvist, born 1959, President and Chief Executive Officer. Member of the Board since 1992. Holding in Intentia International: 954,900 Series A and 330,545 Series B shares and 16,000 options. Holding of convertible notes equivalent to EUR 7.0 million.

Olof Ljunggren
Chairman of the Board

Member of the Board

Kjell Spångberg
Member of the Board

Member of the Board

Member of the Board

Morgan Olsson
Member of the Board

Member of the Board

Member of the Board

Morgan Olsson
Member of the Board

Member of the Board

Member of the Board

Morgan Olsson
Member of the Board

Group Management

Björn Algkvist, born 1959, President and Chief Executive Officer. Employed by the Company since 1984. Holding in Intentia International: 954,900 Series A and 330,545 Series B shares and 16,000 options. Holding of convertible notes equivalent to EUR 7.0 million.

Johan Berg, born 1959, President of Intentia Research & Development AB. Employed by the Company since 1992. Holding: 20,000 options.

Håkan Gyrulf, born 1950, Vice President, Chief Financial Officer. Employed by the Company since 1996. Holding in Intentia International: 654 Series B shares and 21,000 options.

Lars Prochéus, born 1950, Chief Operating Officer. Employed by the Company since 1999. Holding in Intentia International: 25,000 Series B shares and 25,000 options.



Björn Algkvist President and Chief Executive Officer



Johan BergPresident of Intentia
Research & Development



Håkan Gyrulf Vice president and Chief Financial Officer



Lars Prochéus Chief Operating Officer

Auditors

Auditors

Hans Karlsson, born in 1940, Authorized Public Accountant KPMG. Auditor for the Company since 1996. Lars Gattberg, born in 1944, Authorized Public Accountant KPMG. Auditor for the Company since 1990.

Deputy Auditors

Kari Falk Simonsson, born in 1952, Authorized Public Accountant KPMG. Auditor for the Company since 1996. Stefan Älgne, born in 1955, Authorized Public Accountant KPMG. Auditor for the Company since 1990.

YEARLY SUMMARY

Income Statement Group

Amount in SEK million	2000	1999	1998	
License revenue	1,156.8	756.3	990.9	
Consultancy revenue Other revenue	2,098.0 143.0	2,124.2 181.8	1,269.4 191.9	
Net revenue	3,397.8	3,062.3	2,452.2	
Consultancy cost Cost for other revenues	−1,917.6 −227.1	-1,864.3 -217.1	-1,123.6 -292.0	
Gross earnings	1,253.1	980.9	1,036.6	
	·			
Other operating items net	29.2	82.4	108.0	
Product development expenses	–444.1 –744.7	-433.7 -689.6	-368.3 -466.5	
Sales and marketing expenses Administration expenses	-/44./ -230.9	-667.6 -255.4	- 1 66.3	
Items affecting comparability	_	55.9	-	
Operating earnings	-137.4	-259.5	91.5	
Financial income and expenses	-110.3	-16.2	-8.4	
Participation in associated companies' earnings	0.3	-1.4	-0. I	
Earnings after financial items	-247.4	-277.1	83.0	
Earnings in Group companies the part of the				
year they did not belong to the Group	3.7	0.3	-1.5	
Earnings before tax	-243.7	-276.8	81.5	
Tax on profit/loss for the period	-54.2	-57.2	-62.7	
Minority interest in year's earnings	-2.4	-9.2	3.6	
Profit/loss for the period	-300.3	-343.2	22.4	
Palance Chart Croup				
Balance Sheet Group				
Amount in SEK million	12-31-00	12-31-99	12-31-98	
Intangible fixed assets	352.1	374.3	386.8	
Tangible fixed assets Financial fixed assets	245.4 84.2	245.9 75.2	190.4 67.4	
Total fixed assets	681.7	695.4	644.6	
Accounts receivable Other current assets	1,266.5 597.3	1,100.6 373.6	1,099.7 388.2	
Cash and bank balances	401.0	726.6	137.6	
Total current assets	2,264.8	2,200.8	1,625.5	
Total assets	2,946.5	2,896.2	2,270.1	
Stockholders' equity	355.2	641.9	1,019.0	
Minority interests	14.3	13.7	9.3	
Convertible notes	885.7	856.4	-	
Provisions	1.1	1.3	7.6	
Interest bearing long-term liabilities Other long term liabilities	58.6 6.8	300.3 6.1	43.2 5.9	
Other long-term liabilities Interest bearing current liabilities	558.6	51.5	184.9	
Other current liabilities	1,066.2	1,025.0	1,000.2	
Total stockholders' equity, provisions and liabilities	2,946.5	2,896.2	2,270.1	
Cook Flow Analysis Crown				
Cash Flow Analysis Group				
Amount in SEK million	2000	1999	1998	
Cash flow before change in working capital	-148.5	-197.7	106.4	
Change in working capital Cash flow from operations	−377.9 −526.4	-91.2 -288.9	-91.2 15.2	
Cash flow from investments	-58.8	-130.4	-340.6	
		1,000.5	359.4	
Cash flow from financing	262.8			
Cash flow for the period	-322.4	581.2	34.0	
Liquid funds, opening balance	726.6	137.6	96.7	
Exchange rate difference on liquid funds	2.2	7.0	/ 0	
Liquid funds, closing balance	-3.2 401.0	7.8 726.6	6.9 137.6	

YEARLY SUMMARY BY QUARTER

Income Statement Group

Amount in SEK million	Q4 00	Q3 00	Q2 00	Q1 00	Q4 99	Q3 99	Q2 99	Q1 99	Q4 –98	Q3 98	Q2 98	Q1 98
License revenue	537.1	151.4	223.0	245.3	253.0	104.0	215.0	184.3	383.9	150.7	258.5	197.8
Consultancy revenue	616.1	459.I	505.5	517.3	582. I	503.4	572.6	466.1	419.2	303.6	312.1	234.5
Other revenue	14.6	13.3	57.8	57.3	45.5	35.5	64.5	36.3	56.8	42.2	43.0	49.9
Net revenue	1,167.8	623.8	786.3	819.9	880.6	642.9	852.1	686.7	859.9	496.5	613.6	482.2
Consultancy cost	-532.9	-416.3	-4 80.2	-488.2	-536.2	-420.3	-504.5	-403.3	-363.3	-268.6	-273.9	-217.8
Cost for other revenues	-64.8	-21.5	-62.7	-78.I	-56. I	-46.7	-71.7	-42.6	-102.8	-55.I	-64.3	-69.8
Gross earnings	570.1	186.0	243.4	253.6	288.3	175.9	275.9	240.8	393.8	172.8	275.4	194.6
Other operating items net	14.1	3.1	6.2	5.8	25.6	10.1	21.1	25.6	60.7	14.5	25.0	7.8
Product development expenses	-122.0	-97.7	-114.4	-110.0	-100.8	-110.3	-111.7	-110.9	-118.5	-83.7	-92.3	-73.8
Sales and marketing expenses	-219.8	-182.5	-166.5	-175.9	-199.5	-161.6	-176.1	-152.4	-149.9	-117.4	-107.6	-91.6
Administration expenses	-61.2	-54.6	-52.8	-62.3	-69.8	-44.0	-73.3	-68.3	-59.5	-53.5	-55.4	-49.9
Items affecting comparability	_	-	_	-	55.9	_	-	-	_	_	_	_
Operating earnings	181.2	-145.7	-84.1	-88.8	-0.3	-129.9	-64.1	-65.2	126.6	-67.3	45.1	-12.9
Financial income and expenses	-46.4	-38.9	-38.6	13.6	-7.6	-0.1	-10.3	1.9	2.2	-0.5	-3.6	-6.5
Participation in												
associated companies' earnings	-0.3	0.1	0.4	0.1	-1.8	-0.I	0.3	0.2	-0.3	0.3	-0.4	0.3
Earnings after financial items	134.5	-184.5	-122.3	-75.1	-9.7	-130.1	-74.2	-63.1	128.5	-67.5	41.1	-19.1
Earnings in Group companies the par												
year they did not belong to the Gro	up –	2.6	0.1	1.0	_	_	0.3	_	_	-1.5	_	_
Earnings before tax	134.5	-181.9	-122.2	-74.1	-9.7	-130.1	-73.9	-63.1	128.5	-69.0	41.1	-19.1
Tax on profit/loss for the period	-40.3	-0.3	-7.9	-5.7	-21.5	-1.6	-18.6	-15.5	-37.3	-4.6	-14.8	-6.0
Minority interest in year's earnings	-1.1	-0.8	0.2	-0.7	-2.2	0.1	-13.4	6.3	-4.6	5.1	0.5	2.6
Profit/loss for the period	93.1	-183.0	-129.9	-80.5	-33.4	-131.6	-105.9	-72.3	86.6	-68.5	26.8	-22.5
Balance Sheet Group												
Amount in SEK million	12-31-00	9-30-00	6-30-00	3-31-00	12-31-99	9-30-99	6-30-99	3-31-99	12-31-98	9-30-98	6-30-98	3-31-98
Intangible fixed assets	352.1	364.6	362.5	371.3	374.3	368.7	386.1	390.0	386.8	308.4	236.1	156.9
Tangible fixed assets	245.4	253.7	250.9	242.0	245.9	232.8	231.5	231.2	190.4	137.6	124.2	105.4
Financial fixed assets	84.2	77.3	72.2	70.4	75.2	77.8	78.4	64.8	67.4	102.2	102.0	98.4
-												
Total fixed assets	681.7	695.6	685.6	683.7	695.4	679.3	696.0	686.0	644.6	548.2	462.3	360.7
Accounts receivable	1266.5	846.4	935.7	950.8	1,100.6	947.7	1,006.0	969.6	1099.7	770.5	864.2	644.6
Other current assets	597.3	603.I	480.3	430.5	373.6	449.8	455.6	375.5	388.2	346.9	294.5	241.4
Cash and bank balances	401.0	277.5	439.5	591.1	726.6	673.9	103.8	130.1	137.6	134.3	100.5	92.8
Total current assets	2,264.8	1,727.0	1,855.5	1,972.4	2,200.8	2,071.4	1,565.4	1,475.2	1,625.5	1,251.7	1,259.2	978.8
Total assets	2,946.5	2,422.6	2,541.1	2,656.1	2,896.2	2,750.7	2,261.4	2,161.2	2,270.1	1,799.9	1,721.5	1,339.5
Stockholders' equity	355.2	247.2	449.7	565.2	641.9	706.5	842.4	948.7	1,019.0	928.2	988.0	441.0
Minority interests	14.3	13.1	13.7	13.7	13.7	11.5	11.3	0.1	9.3	5.3	11.7	12.2
Convertible notes	885.7	852.0	841.3	829.7	856.4	870.3	-	_	-	_	_	_
Provisions	1.1	3.4	4.1	4.8	1.3	6.2	6.9	7.8	7.6	1.7	5.0	8.5
Interest bearing long-term liabilities	58.6	61.1	260.9	301.8	300.3	302.0	299.4	292.6	43.2	42.1	40.2	30.8
Other long-term liabilities	6.8	11.0	9.0	7.7	6.1	3.5	2.7	4.2	5.9	5.7	3.8	11.3
Interest bearing current liabilities	558.6	405.I	106.4	53.1	51.5	44.8	205.0	137.9	184.9	182.3	21.1	350.8
Other current liabilities	1,066.2	829.7	856.0	880.I	1,025.0	805.9	893.7	769.9	1,000.2	634.6	651.7	484.9
Total stockholders' equity, provisions												
and liabilities	2,946.5	2,422.6	2,541.1	2,656.1	2,896.2	2,750.7	2,261.4	2,161.2	2,270.1	1,799.9	1,721.5	1,339.5

Cash Flow Analysis Group

Amount in SEK million	Q4 00	Q3 00	Q2 00	Q1 00	Q4 99	Q3 99	Q2 99	Q1 99
Cash flow before change in working capit	al 188.8	-175.8	-78.2	-83.3	-10.5	-64.6	-72.0	-50.6
Current receivables	-204.2	-62.2	-78.6	-32.9	79.3	-62.6	-6.3	-101.6
Cash flow from operations	-15.4	-238.0	-156.8	-116.2	68.8	-127.2	-78.3	-152.2
Cash flow from investments	-5.9	-7.4	-19.1	-26.4	-41.5	-16.9	-12.9	-59.I
Cash flow from financing	143.8	79.8	23.9	15.3	11.9	712.9	63.9	211.8
Cash flow for the period	122.5	-165.6	-152.0	-127.3	39.2	568.8	-27.3	0.5
Liquid funds, opening balance	277.5	439.5	591.1	726.6	673.9	103.8	130.0	137.6
Exchange rate difference on liquid funds	1.0	3.6	0.4	-8.2	13.5	1.3	1.1	-8.I
Liquid funds, closing balance	401.0	277.5	439.5	591.1	726.6	673.9	103.8	130.0

Colophon

Architecture photographs by Kalle Åkesson & Alexander Fredés Portrait photographs by Johan Ljungström & Åsa Andersson

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