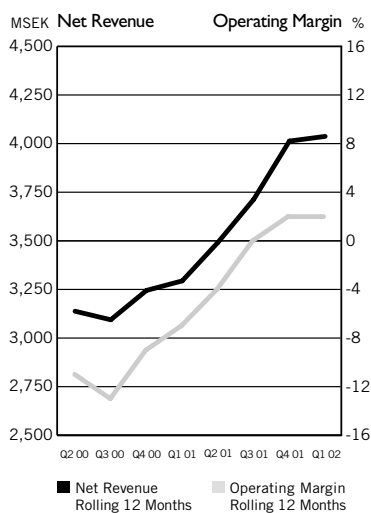




## January–March 2002 Interim Report

### The cautious and uncertain market influenced license revenue during the quarter—outlook for the full year remains unchanged

- Operating earnings for the period were SEK –33 million (–16), while earnings after financial items were SEK –34 million (–50).
- Net revenue for the quarter increased by 3 percent to SEK 903 million (879).
- License revenue declined by 11 percent to SEK 211 million (238). License orders received totaled SEK 148 million, down by SEK 146 million from the brisk first quarter of 2001. The backlog of license orders amounted to SEK 534 million (616) at the end of the quarter.
- Utilization of consulting capacity remained satisfactory. Consulting revenue for the quarter was SEK 673 million (625), while the consulting margin was 18 percent (16).
- Cash flow from operating activities of SEK –126 million (39) for the quarter was impacted by tax and employee bonus payments.
- The market is likely to remain cautious and difficult to predict. Given that the volume of Intentia's ongoing procurement projects has increased and given its competitiveness in the market, the company stands by its previous forecast of an earnings improvement in 2002 through a combination of sales growth and greater cost-effectiveness.



### Group Progress

#### Customers' Decision-Making Processes Lead to a Cautious and Uncertain Market

Based on the growing need among companies for more efficient business processes, Intentia foresees steady, long-term growth in the demand for enterprise applications. In the current difficult economic climate companies are exercising more restraint in their purchasing decisions. The market will remain cautious and difficult to assess in the short term. Companies are tending to defer their decisions, require more preliminary studies and split up contracts.

#### License and Consulting Revenue during the Period

Net revenue for the quarter increased by 3 percent to SEK 903 million (879). License revenue was down by 11 percent to SEK 211 million (238). License orders received were SEK 148 million, as opposed to SEK 294 million during the strong first quarter of 2001 when several larger orders came in. Deferment in sales pushed contract dates and had a significant impact during the period.

As a result, the backlog of license orders declined by SEK 82 million to SEK 534 million (616) by the end of the quarter. Consulting revenue was up by 8 percent to SEK 673 million (625) despite the lower number of billable days during the quarter.

### License and Consulting Revenue Trends by Region

Net revenue for the Northern Europe region fell by 14 percent to SEK 355 million (412). License revenue declined by 29 percent, and consulting revenue increased by 1 percent, from the same period of the previous year. The poorer license volumes reflected the absence of larger license orders during the period. The fewer number of billable days during the quarter contributed to keeping consulting revenue down in the region. Earnings for the region suffered accordingly.

Net revenue in Central Europe totaled SEK 124 million (118). The continued increase in consulting revenue offset the lower license revenue in most of the business units. Consulting revenue improved in all business units and was particularly pronounced in some of the units. Earnings outpaced the first quarter of 2001 for the region as a whole.

In Northwest Europe, higher consulting revenue offset lower license revenue. Net revenue was down by 7 percent to SEK 115 million (124). The increase in consulting revenue was attributable to greater capacity utilization during the quarter. The region posted poorer earnings.

Southern Europe enjoyed higher license and consulting revenue during the quarter compared to the same period last year. Net revenue was up by 26 percent to SEK 187 million (149). Most of the region's business units reported greater license revenue. Since consulting revenue also improved, earnings for the region showed considerable growth.

Net revenue in the Americas rose by 4 percent to SEK 55 million (53). License revenue was unchanged and consulting revenue rose by 20 percent, along with a continuing increase in the consulting margin. The region's earnings were higher than the corresponding period of 2001.

Net revenue in Asia Pacific climbed by 11 percent to SEK 68 million (61). The improvement reflected higher consulting revenue at all business units as a result of solid license trends in 2001. The region's consulting revenue was up, while license revenue decreased in the region. The region's total earnings were lower than during the first quarter of 2001.

### Unflinching Emphasis on Greater Cost-Effectiveness

Intentia's focus remains on measures to further improve cost-effectiveness and to ensure that growth continues within the current organizational structure. Expansion is selective in the sense that it must be commensurate with the requirements of the company's existing business volume. The total number of employees rose by 67 to 3,392 (3,247) during the quarter, of which 27 were the result of new acquisitions. Due to the selective recruitment of consultants in 2001 and the completion of acquisitions, the average number of employees increased by 155 from the first quarter of 2001 to 3,390 (3,235).

Adjusted for capitalized product development, consulting expenses and indirect costs were up by 7 percent from the same period of the previous year. Personnel expenses accounted for approximately 5 percent of the total increase. Although personnel expenses per employee rose by 3 percent, the chief cause of the increase was the higher average number of employees. Some other employee-related expenses, such as costs for the rental of premises, surpassed the corresponding period of 2001.

Consulting costs totaled SEK 549 million (523). The consulting margin rose to 18 percent from 16 percent in the first quarter of 2001. Indirect costs amounted to SEK 374 million (338). Sales and marketing expenses were SEK 214 million (192), whereas administrative expenses were SEK 68 million (58). Of the SEK 92 million (88) in product development expenses for the quarter, a total of SEK 27 million (30) was capitalized and SEK 3 million (0) in previous capitalization was amortized.

Poorer license volumes hurt productivity. Net revenue per employee fell by 2 percent to SEK 266 thousand (272). The decline in productivity is related to sales efficiency. However, revenue per consultant improved by 5 percent.

### License Revenue Affected Earnings for the Quarter

Gross earnings of SEK 335 million (318) for the period generated a gross margin of 37 percent (36), while operating earnings before depreciation and amortization totaled SEK 8 million (16). A total of SEK 40 million (32) was depreciated and amortized during the period, including SEK 20 million (16) for tangible fixed assets, SEK 17 million (15) for goodwill and SEK 3 million (0) for capitalized product development.

Poorer license volumes reduced operating earnings by SEK 27 million. Operating earnings declined during the period by SEK 17 million to SEK –33 million (–16). Financial items were SEK –2 million. The appreciation of the Swedish krona had a positive translation effect of SEK 23 million on convertible notes. Translation losses on non-hedged financial assets in the euro partially offset that effect.

Earnings after financial items totaled SEK –34 million (–50), while earnings after tax were SEK –39 million (–42).

### Tax and Employee Bonus Payments During the Quarter Affected Cash Flow

Cash flow from operating activities amounted to SEK –126 million (39). Cash flow for the period was significantly affected by employee bonus payments that totaled SEK 220 million for 2001. The figure included SEK 86 million in non-recurring payments related to the Commitment to Success profit-sharing program. Accounts receivable declined during the quarter by SEK 270 million. Accounts receivable represented 27 percent (35) of net revenue over the past 12 months, as opposed to 34 percent at the end of 2001. Net working capital tied up totaled SEK 102 million (207) at the end of the quarter.

Cash flow from investment activities was SEK –109 million, of which SEK 60 million was related to the acquisition of subsidiaries. Besides Catalog in Denmark, the company acquired the outstanding 11.5 percent stake in Intenia Australia, increasing Intenia's stake in the company to 100 percent. The company also paid an additional purchase price for 49 percent of the shares in Intenia Switzerland.

Cash flow after investing activities was SEK –234 million. Acquisitions financed by means of issuing new shares during the quarter and thereby positively impacting financing activities totaled SEK 44 million. Net loan payoffs of SEK 160 million during the period also depressed cash flow from financing activities.

Cash and bank balances and current investments were SEK 310 million (622). Liquidity continued to exceed borrowings. Excluding convertible notes, net borrowings totaled SEK 24 million (144). The proportion of shareholders' funds was 48 percent (51), while the equity/assets ratio was 26 percent (14).

### Progress from April 2001 through March 2002

Net revenue from April 2001 through March 2002 was SEK 4,037 million (3,294), an increase of 23 percent from the corresponding 12-month period a year before. License orders received for the period were SEK 1,092 million (1,206), whereas license revenue was SEK 1,174 million (987). The consulting revenue of SEK 2,804 million (2,206) generated a consulting margin of 17 percent (12). Operating earnings climbed to SEK 83 million (–227). Earnings after financial items totaled SEK –10 million (–385), while earnings after tax rose to SEK –53 million (–336).

Cash flow after investment increased by SEK 284 million to SEK –170 million (–454).

### Product

In the autumn of 2001, Intenia launched Movex version 12, the first wholly integrated enterprise application that supports collaborative business processes. The incorporation of additional functional improvements in the first quarter of 2002 reinforces Intenia's leadership in terms of technology and functionality. As the company's competitors increasingly turn to Java as the development environment of the future, that vanguard position solidifies further.

Intenia acquired all rights to the source code and software of Catalog International AS in Denmark during the quarter. The integration of Catalog's expertise in the field of Internet-based e-procurement and sales products with Movex will considerably strengthen Intenia's product offering.

Intenia's development effort shifted during the quarter from technology and architecture toward a greater focus on future functionality. That will further increase the company's present leadership in such top-priority areas as supply chain management, e-business and customer relationship management.

## Parent Company

The Parent Company's net revenue was SEK 11 million (8), while earnings after financial items was SEK -11 million (-54). Translation differences of SEK 23 million (-30) related to convertible notes had a positive impact on financial items. The Parent Company's investments totaled SEK 0 million (0). Liquidity at the end of the quarter amounted to SEK 213 million (495), while borrowings excluding convertible notes were SEK 287 million (402).

## Outlook for 2002

The market is likely to remain cautious and difficult to assess. Given that the volume of Intentia's ongoing procurement projects has increased and given its competitiveness in the market, the company stands by its previous forecast of an earnings improvement in 2002 through a combination of sales growth and greater cost-effectiveness.

Stockholm, April 24, 2002

Björn Algkvist  
President and Chief Executive Officer

## Accounting Principles

This interim report was prepared in accordance with recommendation number 20 (Interim Reporting) of the Swedish Financial Accounting Standards Council. The report has been prepared in accordance with the accounting principles applied in the annual report for 2001.

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## Financial Information

Information on the Group's development during 2002 will be provided as follows:

Interim report for the second quarter:  
July 24, 2002

Interim report for the third quarter:  
October 24, 2002

Announcement of 2002 accounts:  
January/February 2003

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**FINANCIAL INFORMATION**

	Jan–Mar		Full Year	Full Year
	2002	2001	Apr '01–Mar '02	Jan–Dec 2001
<b>ORDER DATA (SEK million)</b>				
Orders received	148.4	294.0	1,091.9	1,237.5
Order backlog basic, end of period	533.9	616.0	533.9	596.1
<b>INCOME STATEMENT GROUP (SEK million)</b>				
License revenue	210.6	238.0	1,173.9	1,201.3
Consulting revenue	673.1	625.0	2,804.2	2,756.1
Other revenue	19.2	16.3	58.6	55.7
<b>Net revenue</b>	<b>902.9</b>	<b>879.3</b>	<b>4,036.7</b>	<b>4,013.1</b>
Consulting cost	-549.1	-522.5	-2,324.7	-2,298.1
Cost for license	-5.4	-27.3	-99.7	-121.6
Cost for other revenues	-13.0	-11.1	-66.7	-64.8
<b>Gross earnings</b>	<b>335.4</b>	<b>318.4</b>	<b>1,545.6</b>	<b>1,528.6</b>
<b>Other operating items net</b>	<b>6.0</b>	<b>3.5</b>	<b>33.6</b>	<b>31.1</b>
Product development expenses	-91.7	-88.4	-330.3	-327.0
Sales and marketing expenses	-214.4	-191.8	-911.0	-888.4
Administration expenses	-68.1	-57.6	-254.8	-244.3
<b>Operating earnings</b>	<b>-32.8</b>	<b>-15.9</b>	<b>83.1</b>	<b>100.0</b>
Financial income and expenses	-1.4	-34.4	-92.5	-125.5
Participation in associated companies' earnings	-0.3	0.2	-0.1	0.4
<b>Earnings after financial items</b>	<b>-34.5</b>	<b>-50.1</b>	<b>-9.5</b>	<b>-25.1</b>
<b>Earnings before tax</b>	<b>-34.5</b>	<b>-50.1</b>	<b>-9.5</b>	<b>-25.1</b>
Tax on profit/loss for the period	-4.8	9.4	-40.3	-26.1
Minority interest in profit/loss for the period	0.1	-1.7	-3.5	-5.3
<b>Profit/loss for the period</b>	<b>-39.2</b>	<b>-42.4</b>	<b>-53.3</b>	<b>-56.5</b>
<b>Earnings per share (SEK)</b>				
Basic, average for period	-1.1	-1.6	-1.7	-1.9
Diluted, average for period	-1.3	-0.4	-1.2	-0.1
<b>Number of outstanding shares (thousand)</b>				
Basic, end of period	36,573	29,173	36,573	36,073
Basic, average for period	36,240	25,852	31,723	29,126
Diluted, average for period	40,426	33,158	35,783	33,281

**BALANCE SHEET GROUP (SEK million)**

	31 March		31 December
	2002	2001	2001
Capitalized product development expenses	165.3	42.3	134.7
Goodwill	417.9	339.0	382.8
Tangible fixed assets	254.2	251.8	257.0
Financial fixed assets	525.9	423.9	519.2
<b>Total fixed assets</b>	<b>1,363.3</b>	<b>1,057.0</b>	<b>1,293.7</b>
Accounts receivable	1,105.7	1,148.9	1,376.1
Other current assets	553.2	559.5	552.4
Liquid funds	310.4	622.2	644.4
<b>Total current assets</b>	<b>1,969.3</b>	<b>2,330.6</b>	<b>2,572.9</b>
<b>Total assets</b>	<b>3,332.6</b>	<b>3,387.6</b>	<b>3,866.6</b>
Stockholders' equity	849.3	467.9	850.3
Minority interests	19.6	15.6	19.9
Provisions	42.5	1.3	43.9
Convertible notes	541.7	915.5	565.1
Interest bearing long-term liabilities	61.2	61.9	59.6
Other long-term liabilities	35.6	7.4	29.9
Interest bearing current liabilities	225.6	416.1	369.1
Other current liabilities	1,557.1	1,501.9	1,928.8
<b>Total stockholders' equity, provisions and liabilities</b>	<b>3,332.6</b>	<b>3,387.6</b>	<b>3,866.6</b>

**CHANGE IN STOCKHOLDERS' EQUITY (SEK million)**

	31 March		31 December
	2002	2001	2001
Stockholders' equity at beginning of period	850.3	355.2	355.2
Effect of changed accounting principles	-	-222.2	-222.2
<b>Stockholders' equity after changes in accounting principles</b>	<b>850.3</b>	<b>133.0</b>	<b>133.0</b>
New stock issue	44.3	389.7	433.5
Conversion of convertible notes	-	-	342.1
Profit/loss for the period	-39.2	-42.4	-56.5
Translation differences for the period	-6.1	-12.4	-1.8
<b>Stockholders' equity at end of period</b>	<b>849.3</b>	<b>467.9</b>	<b>850.3</b>

**CASH FLOW ANALYSIS GROUP (SEK million)**

	Jan-Mar		Full Year	Full Year
	2002	2001	Apr '01-Mar '02	Jan-Dec 2001
Cash flow from operations				
before change in working capital	-22.4	-30.5	57.7	49.6
Change in working capital	-103.1	69.9	99.2	272.2
<b>Cash flow from operations</b>	<b>-125.5</b>	<b>39.4</b>	<b>156.9</b>	<b>321.8</b>
Cash flow from investments	-108.6	-51.0	-327.1	-269.5
<b>Cash flow after investing activities</b>	<b>-234.1</b>	<b>-11.6</b>	<b>-170.2</b>	<b>52.3</b>
Cash flow from financing	-118.8	228.3	-171.4	175.7
<b>Cash flow for the period</b>	<b>-352.9</b>	<b>216.7</b>	<b>-341.6</b>	<b>228.0</b>
<b>Liquid funds, beginning of period</b>	<b>644.4</b>	<b>401.0</b>	<b>622.2</b>	<b>401.0</b>
Exchange rate difference on liquid funds	18.9	4.5	29.8	15.4
<b>Liquid funds, end of period</b>	<b>310.4</b>	<b>622.2</b>	<b>310.4</b>	<b>644.4</b>

**DEVELOPMENT PER QUARTER**

		Net revenue	License revenue	Operating earnings before depreciation	Operating earnings	Earnings after financial items	Number of employees*
2000	Q2	780.2	216.9	-58.3	-90.1	-128.3	3,366
	Q3	657.8	185.3	-82.9	-111.8	-150.6	3,243
	Q4	977.2	346.6	36.9	-9.4	-56.1	3,224
2001	Q1	879.3	238.0	16.4	-15.9	-50.1	3,247
	Q2	977.9	274.0	44.2	7.1	-33.7	3,299
	Q3	878.6	246.2	37.9	2.4	-77.1	3,358
	Q4	1,277.4	443.1	152.7	106.4	135.7	3,325
2002	Q1	902.9	210.6	7.5	-32.8	-34.5	3,392

\*basic, end of period

**FINANCIAL RATIOS**

	Jan-Mar		Full Year	Full Year
	2002	2001	Apr '01-Mar '02	Jan-Dec 2001
<b>OPERATIONAL</b>				
<b>Growth over previous period</b>				
License revenue	-11%	-7%	19%	20%
Consulting revenue	8%	21%	27%	31%
Net revenue	3%	6%	23%	24%
Orders received license	-50%	20%	-9%	7%
Order backlog license	-13%	55%	-13%	6%
<b>Margins</b>				
Consulting margin	18%	16%	17%	17%
Gross margin	37%	36%	38%	38%
Operating margin	-4%	-2%	2%	2%
Net profit margin	-4%	-5%	-1%	-1%
<b>Expenses and efficiency</b>				
Product development/license revenue	44%	37%	28%	27%
Sales and marketing/license revenue	102%	81%	78%	74%
Administration/net revenue	7%	7%	6%	6%
Average number of employees for period	3,390	3,235	3,335	3,314
Revenue per employee	266	272	1,210	1,211
Added value per employee	182	180	802	797
Personnel expenses per employee	180	175	729	721
<b>FINANCIAL POSITION</b>				
Working capital 4 quarters/net revenue 12 months	3%	7%	3%	0%
Debt/equity ratio (excluding convertible notes)	0.0	-0.3	0.0	-0.2
Average capital employed	1,661	1,472	1,685	1,638
Share of riskbearing capital	48%	51%	48%	46%
Equity/assets ratio	26%	14%	26%	23%
Cash flow/net revenue	-14%	-1%	4%	1%
<b>RETURN</b>				
On average capital employed	-1%	-1%	6%	8%
On average stockholders' equity	-5%	-9%	-10%	-18%
<b>NET INDEBTEDNESS (excluding convertible notes)</b>				
At beginning of period	215.7	-216.3	144.1	-216.3
At end of period	23.6	144.1	23.6	215.7
Cash flow for the period	-352.9	216.7	-341.6	228.0
Funds borrowed	205.8	0.0	395.8	190.0
Amortization of loans	-365.6	-155.7	-657.7	-447.8
<b>SHARE DATA</b>				
Riskbearing capital per share at end of period	39.7	48.0	39.7	41.0
Stockholders' equity per share at end of period	23.2	16.0	23.2	23.6
Cash flow per average number of shares, basic	-3.5	-0.4	4.9	1.8