Start Slide

intentia

Intentia Group Development January–December 2002

Intentia International AB (publ)

Market Development

- December characterized by substantially lower activity in the market, thus affecting the critical fourth quarter negatively
- Full year market growth is judged to be negative
- No visible change in the short-term perspective

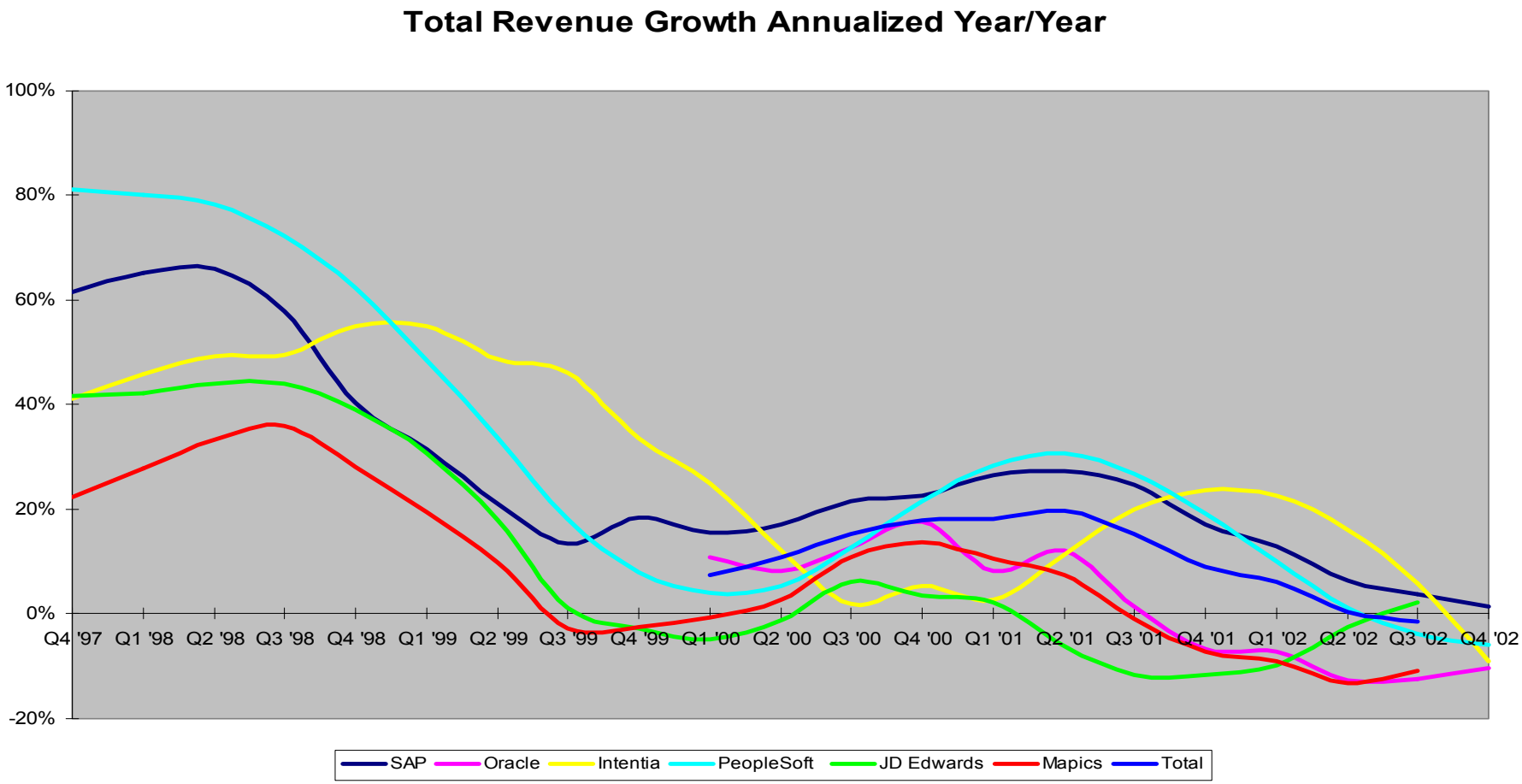
Intentia Development

- In relation to full year outcome, the fourth quarter of 2002 was the weakest since 1999
- Both license and consulting revenue suffered
- Of the shortfall in net revenue for the year Q4 accounted for 77 percent
- 37 percent of license revenue was related to new customers during the year
- Costs and expenses Q4 2002 were 11 percent lower than Q4 2001
- Number of employees was reduced by 60 in the fourth quarter and by 86 during the second half of the year
- Cash flow from operations was positive, despite higher accounts receivable at the end of the year

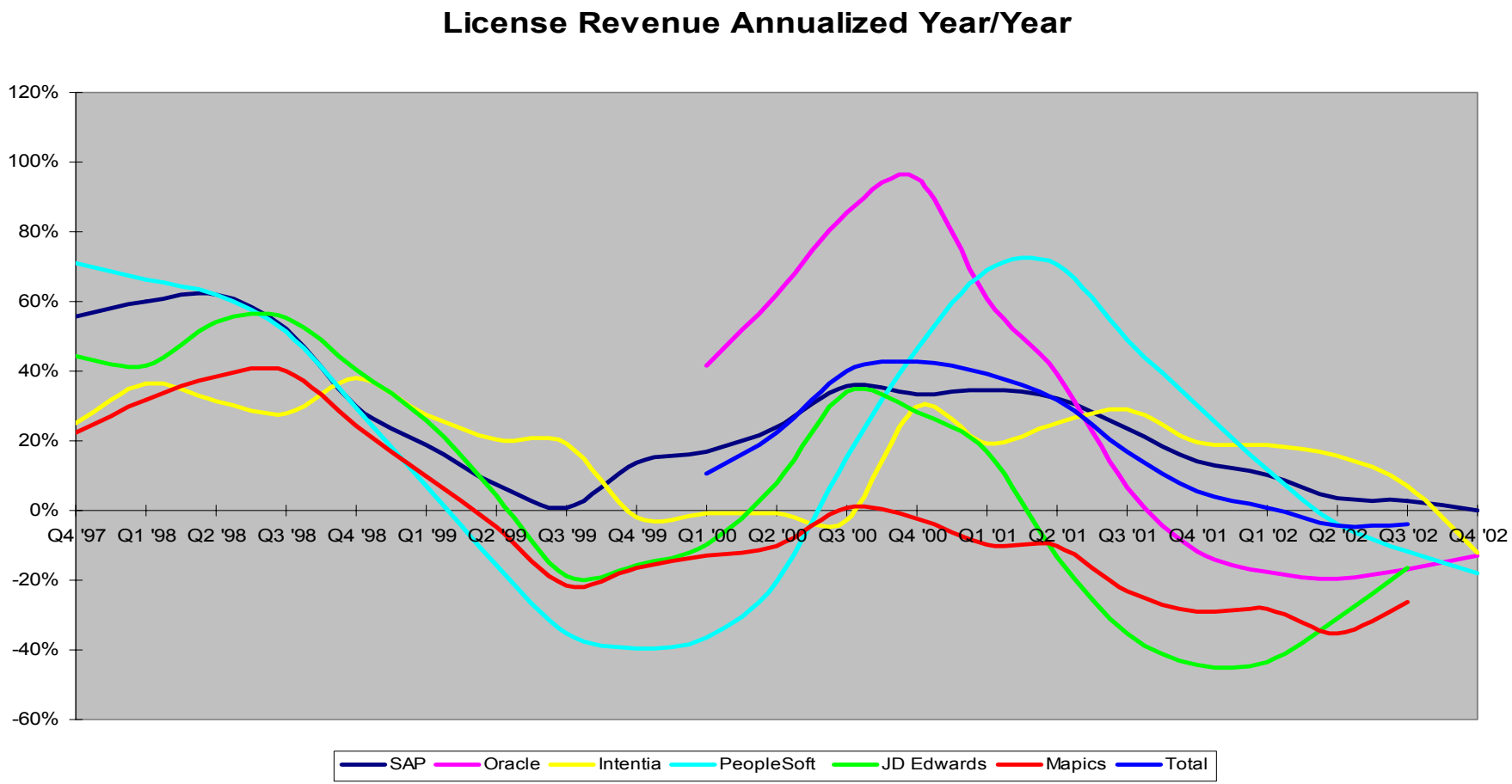
January–December	2002	2001
Revenue		
License	1,057	1,201
Consulting	2,539	2,756
Operating earnings	-107	100
Cash flow from operations	86	322
Closing number of employees	3,319	3,325

October–December	2002	2001
Revenue		
License	316	443
Consulting	677	834
Operating earnings	-3	106
Cash flow from operations	-3	371

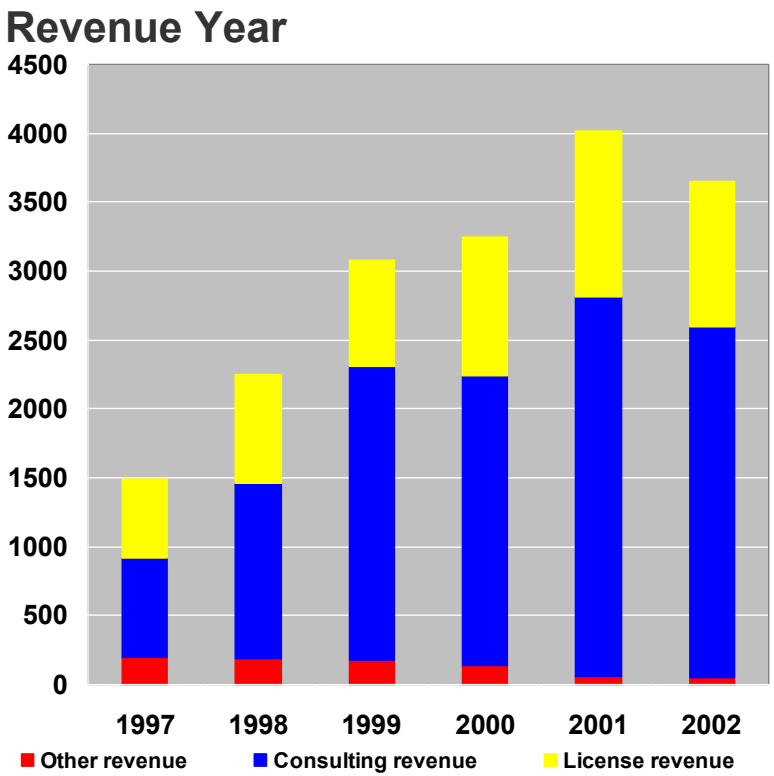
Competition



Competition



Net Revenue Development



License Share	*39%*	*35%*	*25%*	*31%*	*30%*	*29%*

October–December

	2002	2001
License revenue	316	443
Consulting revenue	677	834
Net revenue	997	1,277

Change Q4 2002 vs Q4 2001

License revenue	-29%
Consulting revenue	-19%
Net revenue	-22%

License Development

SEK million

January–December

	2002	2001
Orders received	980	1,238
Backlog closing	519	596
License revenue	1,057	1,201

License revenue

	2002	2001
New licenses	675	851
Upgrades	382	350

October–December

	2002	2001
Orders received	343	498
License revenue	519	596

License Revenue Development

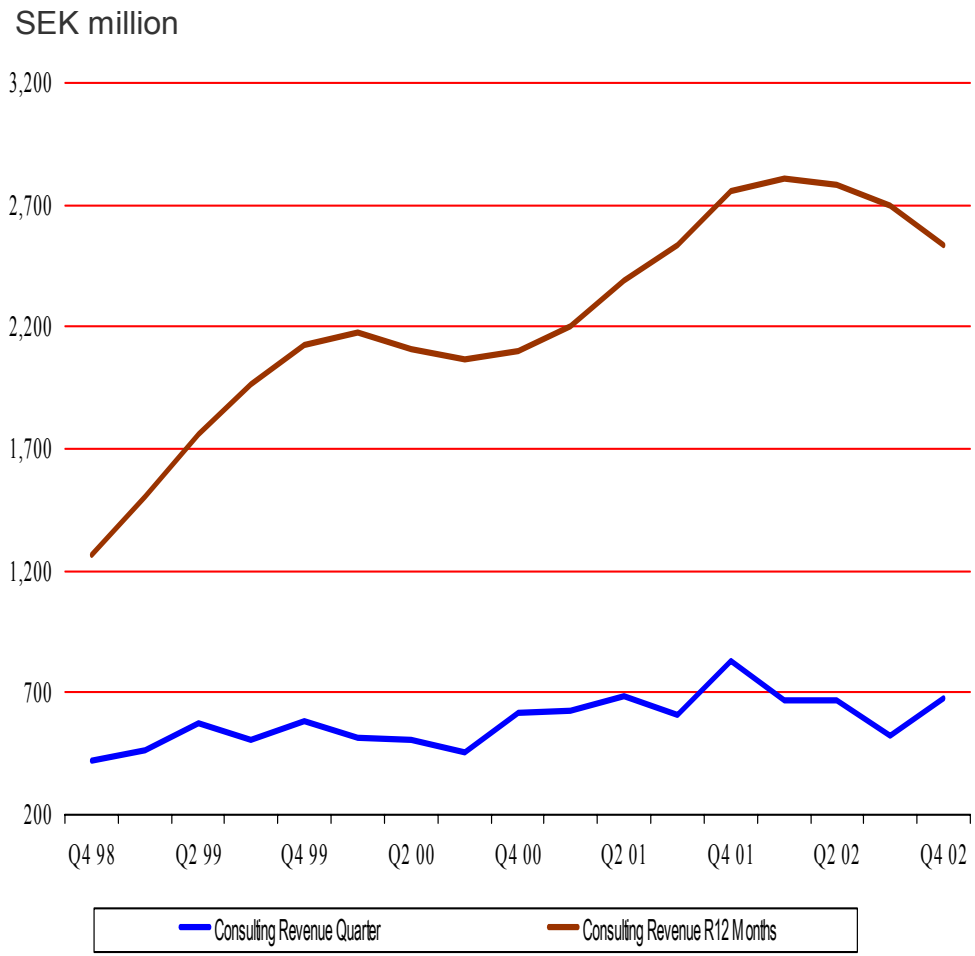
Quarter-to-Date			January–December	
2002	2001		2002	2001
		License revenue		
221	336	License	675	851
95	107	Upgrades	382	350
316	443	Total	1057	1201
		Revenue change year-over-year		
-34%	31%	License	-21%	21%
-11%	20%	Upgrades	9%	17%
-29%	28%	Total	-12%	20%
		License break down		
		New customers	37%	
		Existing customers	63%	

all figures in SEK million

Consulting Development

Consulting Revenue

	2002	2001
October–Dec.	677	834
January–Dec.	2,539	2,756



intentia

Consulting Development

More than 70 Percent of the Shortfall in Consulting Revenue, Compared to 2001, Stems from Q4

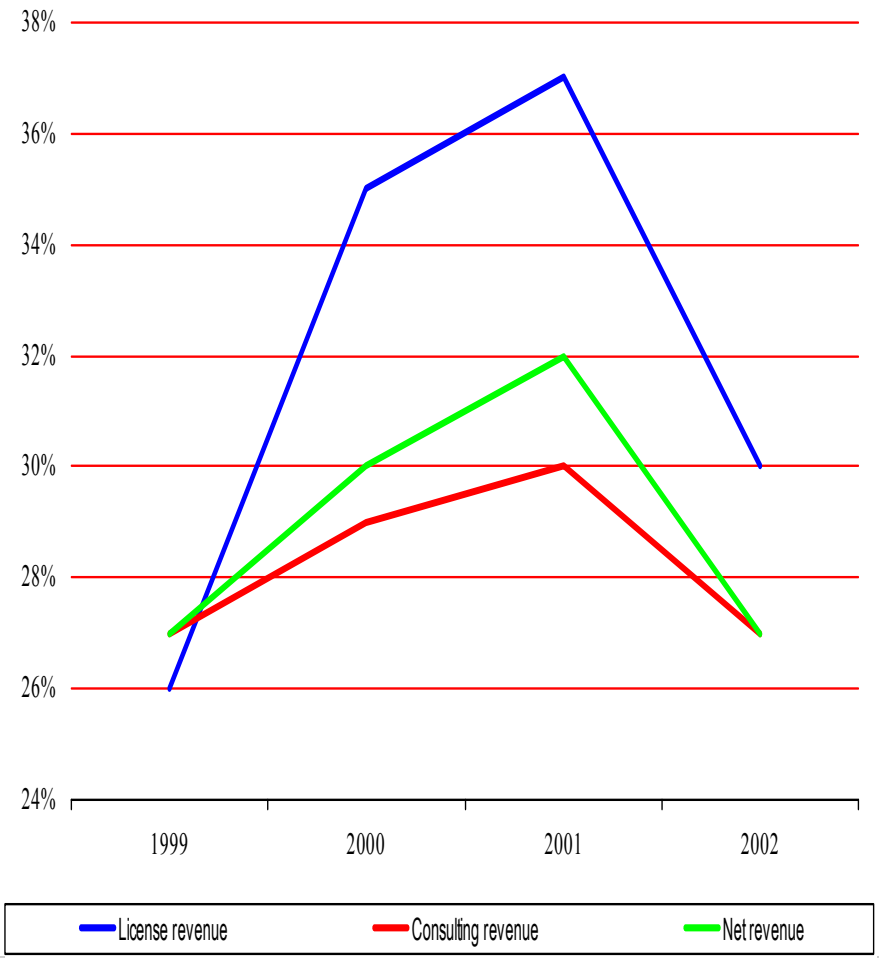
October–December 2002	October–December 2001		January–December 2002	January–December 2001
677	834	Consulting revenue	2,539	2,756
548	681	Consulting cost	2,099	2,298
129	153	Consulting contribution	440	458
19%	18%	Consulting margin	17%	17%

all figures in SEK million

Development revenue Q4

As Share of Full Year, Q4 2002 Was the Weakest Since 1999

Quarter as % of full year



Fourth Quarter as Share of Year

	2002	2001
License revenue	30%	37%
Service revenue	27%	30%
Net revenue	27%	32%

Income Statement Outcome

October-December 2002	October-December 2001		January–December 2002	January–December 2001
316	443	License revenue	1,057	1,201
-236	-261	Sales and marketing	-913	-888
-113	-87	Product development	-388	-327
-36	-53	Cost of license	-84	-122
-69	**42**	**License contribution**	**-328**	**-136**
677	834	Consulting revenue	2,539	2,756
-548	-681	Consulting cost	-2,099	-2,298
129	**153**	**Consulting contribution**	**440**	**458**
60	**195**	**Subtotal license and consulting**	**112**	**322**
-80	-71	Administration	-273	-244
17	-18	Other revenue/cost net	54	22
-3	**106**	**Operating earnings**	**-107**	**100**
-9	30	Financial net	-44	-125
-12	**136**	**Earnings after financial net**	**-151**	**-25**
6	-49	Tax and minority	7	-32
-6	**87**	**Earnings after tax**	**-144**	**-57**
-22%	9%	License margin	-31%	-11%
19%	18%	Consulting margin	17%	17%

all figures in SEK million

Development Per Region

	N Europe	C Europe	NW Europe	S Europe	Americas	Asia
License revenue	347	133	129	242	58	151
Change %	*-16%*	*-6%*	*-17%*	*1%*	*-25%*	*-12%*
Consulting revenue	1,204	339	388	492	162	226
Change %	*-7%*	*-9%*	*-14%*	*-2%*	*-19%*	*35%*
Net revenue	1,564	479	523	733	221	378
Change %	*-10%*	*-10%*	*-14%*	*-1%*	*-20%*	*11%*
EBITDA	64	1	58	86	-65	-12
Change SEK million	*-143*	*-46*	*-8*	*-62*	*37*	*-9*
Number of employees	*1,224*	*392*	*290*	*460*	*127*	*305*
Change	*13*	*-36*	*-31*	*8*	*-28*	*26*

all figures in SEK million

Development Cost and Expenses

Consulting and Indirect Expenses Reduced During Second Half of 2002

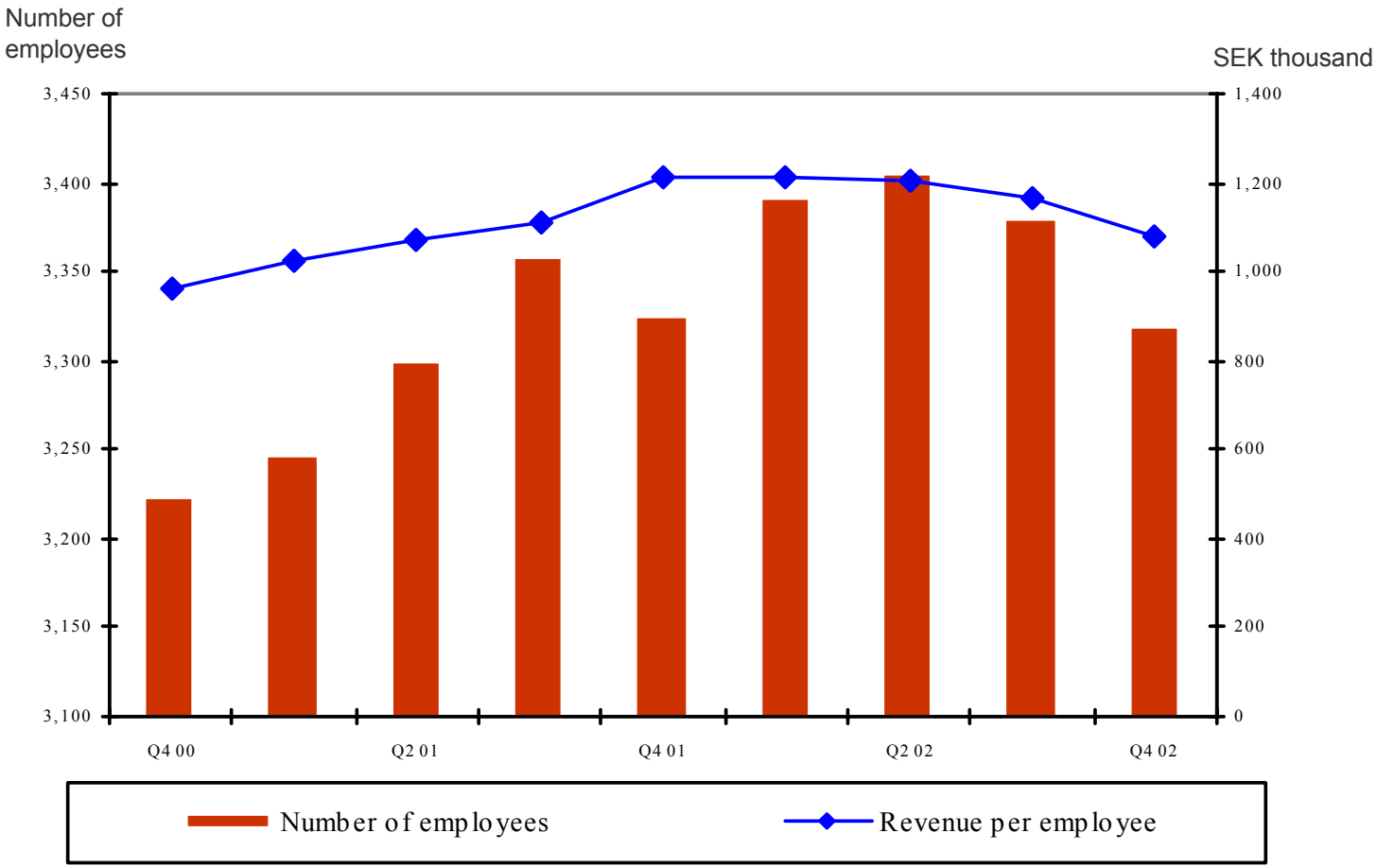
Development per Quarter

	2002	2001	Change %
Quarter 1	923	860	7
Quarter 2	972	952	2
Quarter 3	801	846	-5
Quarter 4	977	1,101	-11
Total 2002	3,673	3,758	-2

all figures in SEK million

Development Personnel Numbers

Personnel Numbers Decreased During Second Half of 2002

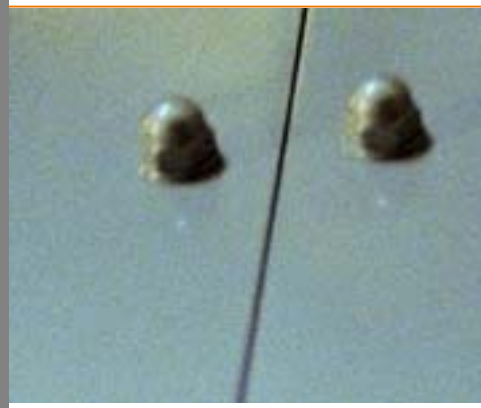


Note: Revenue per employee based on annualized revenue and average 12 months employees

Efficiency

Key Efficiency Ratios Year-to-Date

	2002	2001	Change
Revenue/employee	1,083	1,211	-11%
Value added/employee	723	797	-9%
Value added/ personnel expenses	1.0	1.1	
Consulting margin	17%	17%	
Share of license revenue:			
Product development	37%	27%	
Sales and marketing	86%	74%	
Personnel numbers			
Total closing	3,319	3,325	
Total average	3,370	3,314	

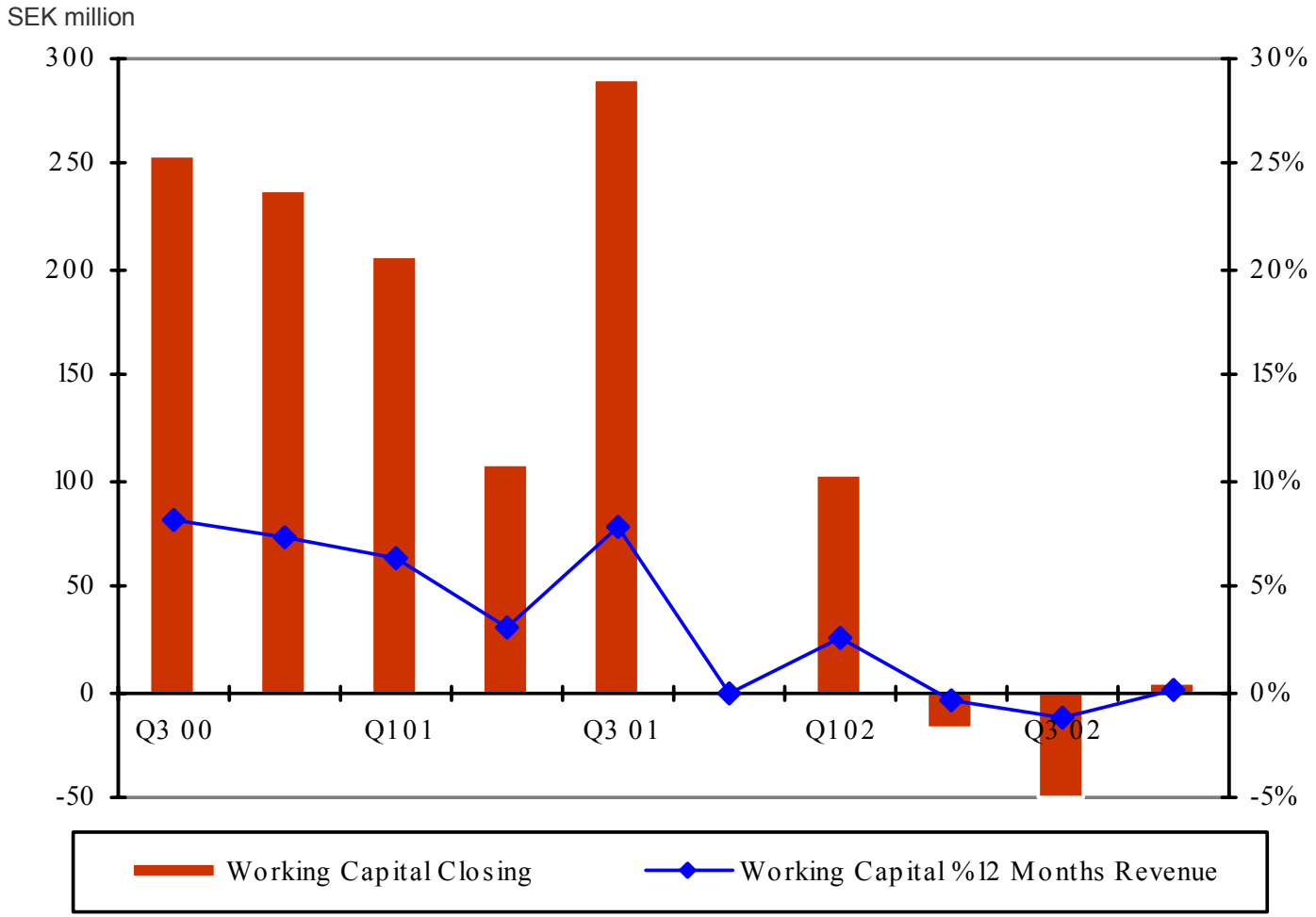


Balance Sheet December 31

SEK million	2002 Actual	2001 Actual
Fixed assets	1,380	1,294
Accounts receivable	1,117	1376
Other current assets	515	553
Cash and bank	403	644
Total assets	**3,415**	**3,867**
Stockholders' equity	779	850
Minority share	20	20
Convertible notes	552	565
Long-term interest bearing liabilities	64	60
Other long-term liabilities, incl. provisions	59	74
Short-term interest bearing liabilities	310	369
Other short-term liabilities	1,631	1,929
Total stockholders' equity and liabilities	**3,415**	**3,867**
Specification of fixed assets		
Capitalized product development	250	135
Goodwill	349	383
Tangible fixed assets	222	257
Financial fixed assets	559	519
Total fixed assets	**1,380**	**1,294**

Working Capital Development

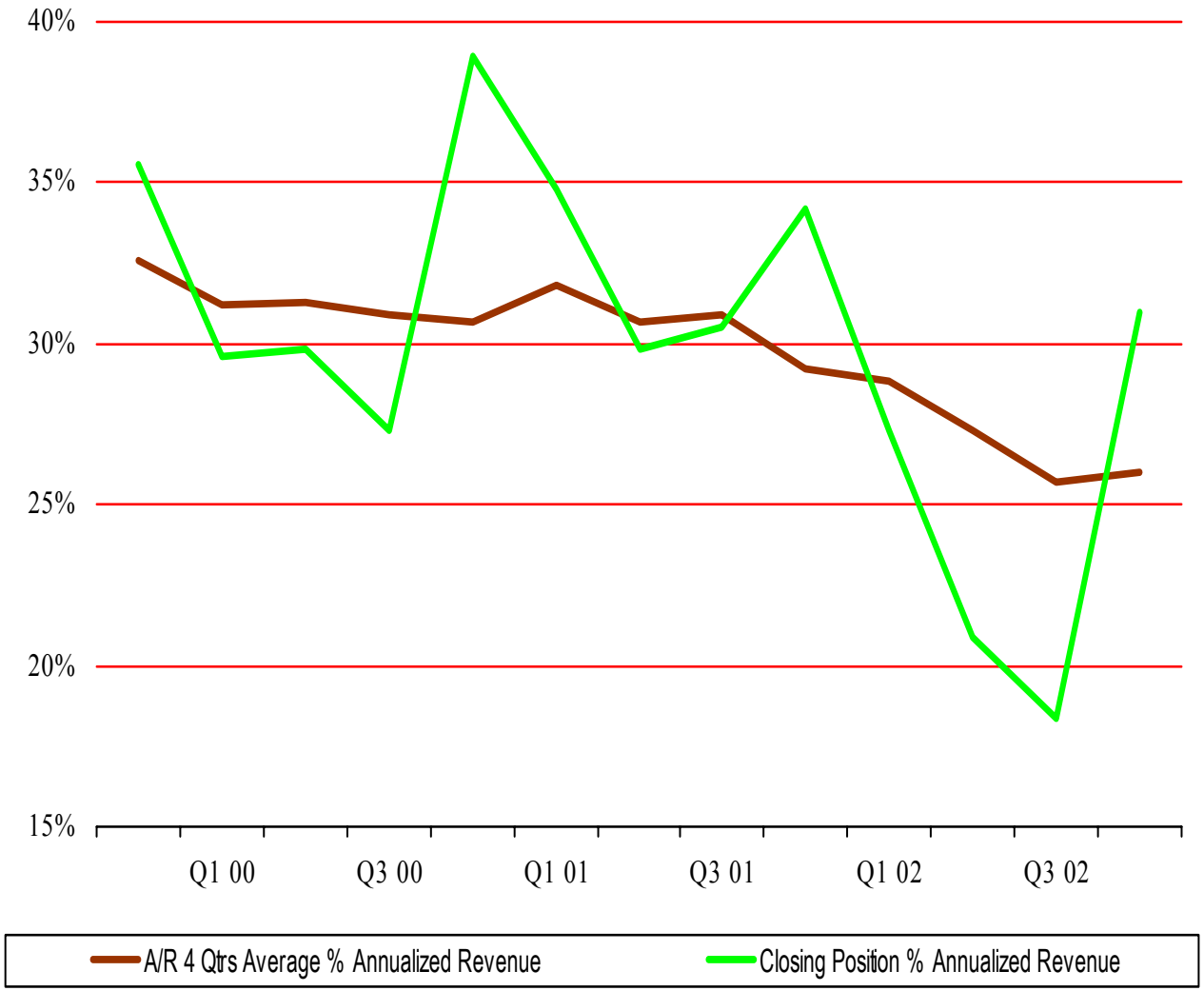
Continued Low Working Capital Position



Continued Reduction of Accounts Receivable

Accounts Receivable Development

	SEK Million	% R12m Revenue
Q4 '00	1,267	39%
Q1 '01	1,149	35%
Q2 '01	1,043	30%
Q3 '01	1,135	31%
Q4 '01	1,376	34%
Q1 '02	1,106	27%
Q2 '02	847	21%
Q3 '02	722	18%
Q4 '02	1,117	31%



Development AR Q4

Accounts Receivable Increased During December

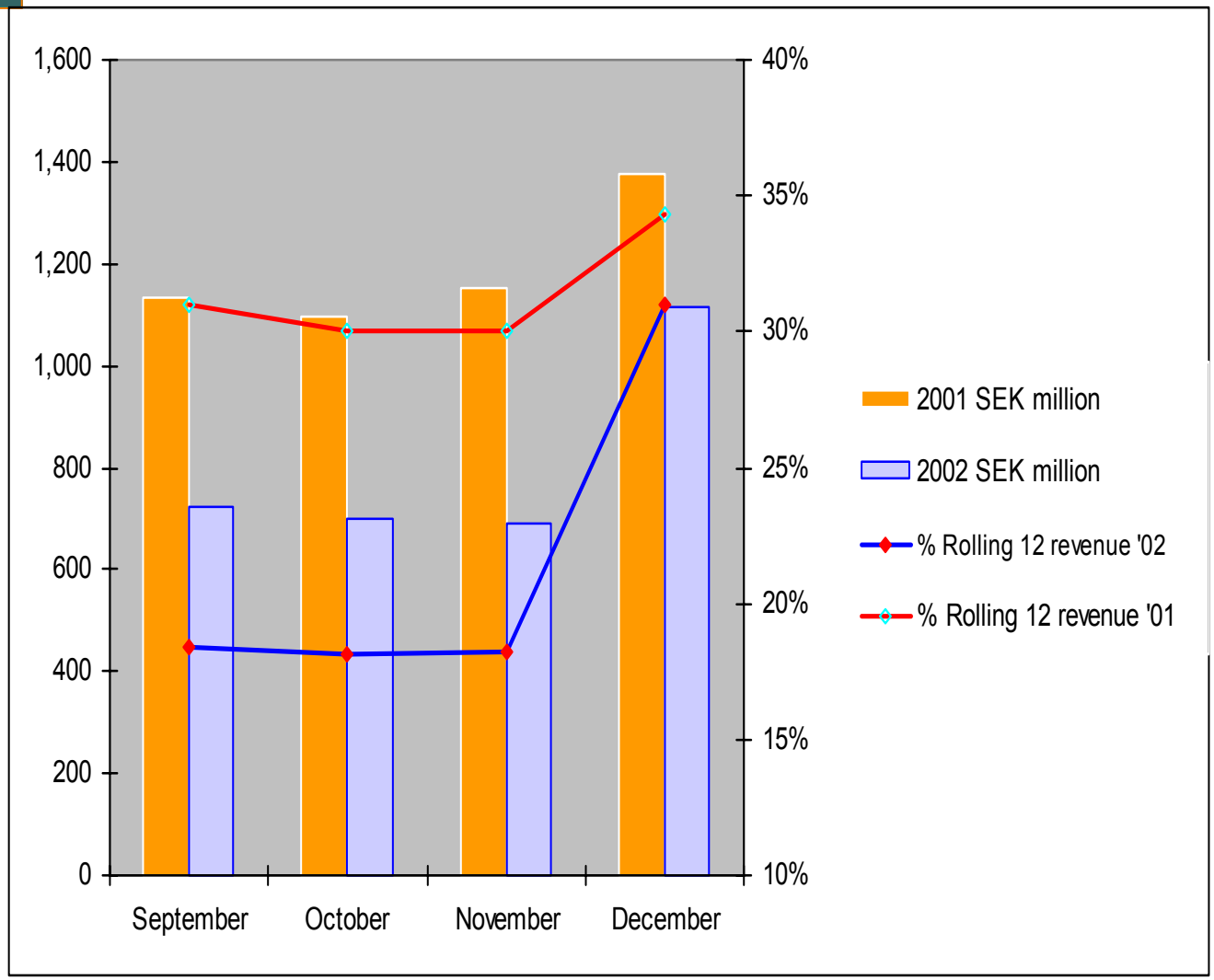
Accounts Receivable Development

2002

	SEK Million	% R12m Revenue
Sept '02	722	18%
Oct '02	700	18%
Nov '02	692	18%
Dec '02	1,117	31%

2001

	SEK Million	% R12m Revenue
Sept '01	1,135	31%
Oct '01	1,098	30%
Nov '01	1,153	30%
Dec '01	1,376	34%



intentia

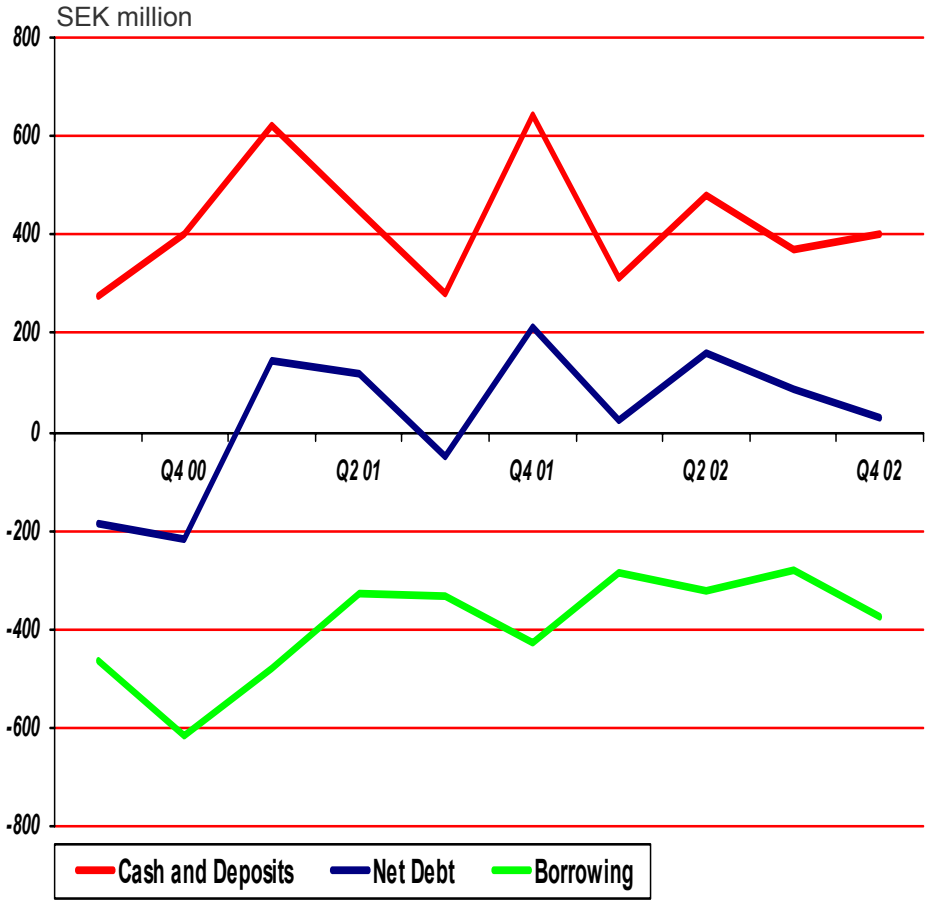
Net Debt

Net Debt Positive, Despite AR Position at Year-End

Positive net debt reflects cash in excess of borrowing

SEK million

	2002	2001
Q1	24	144
Q2	160	119
Q3	86	-52
Q4	27	215

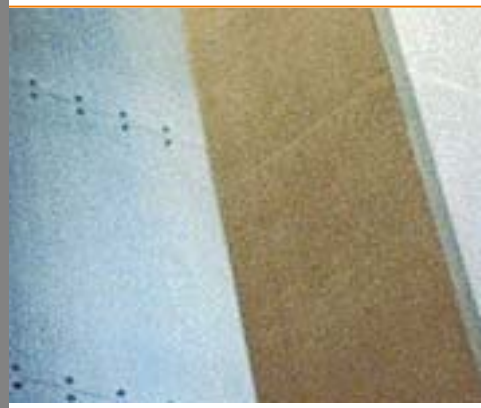


Cash Flow Outcome

October-December 2002	October-December 2001	SEK million	2002 Actual	2001 Actual
		Cash flow from operations before		
90	35	change in working capital	81	50
-93	336	Change in working capital	5	272
-3	**371**	**Cash flow from operations**	**86**	**322**
-47	-18	Capitalized product development	-154	-126
	-21	Investments in subsidiaries	-65	-72
	-30	Other investments	-46	-72
-47	**-69**	**Cash flow from investments**	**-265**	**-270**
-50	**302**	**Cash flow after investments**	**-179**	**52**
	3	Stock issue	44	434
84	63	Change in borrowing	-103	-258
84	**66**	**Cash flow from financing**	**-59**	**176**
34	**368**	**Cash flow for the period**	**-238**	**228**
		Liquid funds:		
369	280	Beginning of period	644	401
403	644	End of period	403	644

Key Financial Ratios

SEK million	2002	2001
Share riskbearing capital	47%	46%
Equity/total assets	23%	23%
Return on capital employed	-5%	8%
Return on equity	-19%	-18%
Net debt, excl. conv. notes[1)]	27	216



[1)] Positive net debt indicates cash and deposits in excess of borrowing

End Slide

intentia

"Intentia's mission is to pursue the perfect partnership—delivering real value, eliminating risk and sharing our customers' objectives for their long-term transformation to collaborative business models."

Björn Algkvist
President and CEO