



Orc Software AB – Interim Report January 1 - June 30, 2002

- Revenue for January-June 2002 increased by 41 percent to SEK 134 (95) million.
- Operating income for January-June 2002 increased by 61 percent to SEK 61 (38) million, resulting in an operating margin of 45.7 (40.0) percent.
- Revenue for April-June 2002 increased by 38 percent to SEK 69 (50) million with an operating income of SEK 32 (21) million, giving an operating margin of 46.4 (41.5) percent.
- Earnings per share for January-June 2002 amounted to SEK 3.25 (1.99).
- Orc Software has signed a global distribution agreement with Reuters.
- Orc Software's financial objectives for 2002-2004 remain. However, it is the Board's opinion that revenue growth will fall short of the objective for the current year and that the operating margin for 2002 will significantly exceed the objective.

Markets and Financial Objectives

The negative trends for financial markets continued with undiminished intensity during the second quarter of 2002. This resulted in lower trade volumes in the stock markets, which in turn led to many companies with their main source of income in stock markets and derivatives markets being hit by profitability problems and financial difficulties. Software investment growth in general, and particularly in the financial sector, is at its lowest for many years. Many companies have been forced to take cost-reducing measures, especially with regard to IT investments.

Orc Software is of the opinion that the climate for IT investments in the European and North American markets in general and in the financial sector, particularly stock markets and derivatives trading, will continue to be harsh at least for the remainder of 2002. However, continued high demand has been noted in the increasingly important Asian markets.

Orc Software develops and markets standardized and turnkey software systems for pricing, trading and risk management in real time in international financial, commodities and energy markets. The company is a leading international software vendor with clients in 19 countries. The Orc Software share is listed on Stockholmsbörsen's O-list.

There are a number of important reasons why Orc Software is being less affected by the present economic climate than many others. It is Orc Software's belief that these difficult times are actually enabling Orc Software to forge a stronger market position for the future:

- Orc Software has its strongest position in the segments less sensitive to economic fluctuations, Market Making and Proprietary Trading on stock markets and derivatives markets.
- As trends differ among countries and geographical regions, Orc Software can take advantage of its global coverage to discover growth areas. The business opportunities that have opened up in South Korea and Hong Kong are a typical example of this.
- The majority of Orc Software's income is from the licensing of systems, where the clients pay a running license fee. The license model means that income remains relatively stable throughout a business cycle.
- Consistent focus on broadening the distribution of Orc technology has now started to yield results, mainly in the form of the announced cooperation with Reuters. This cooperation broadens Orc Software's distribution to a large number of new countries. In addition, distribution in the area of dedicated brokerage activities is broadened, an area in which Orc Software has yet to match its strong position in Market Making and Proprietary Trading.
- Many of Orc Software's competitors currently have a weak financial position. This offers Orc Software great scope to gain market shares in more mature markets, in Europe for example.

The most perceptible short-term effect of the negative development in the surrounding world is a lower revenue growth for Orc Software, particularly in the more mature markets. It is worth noting that growth in operating income is considerably less affected in this context. This is partly due to the fact that the main sales area that is slowing down is the sale of low margin products and services, such as hardware sales and installation and integration work. In addition, some of the new highly advanced products launched during the first and second quarters have a somewhat different business model, which means clients pay a larger amount initially, besides the traditional model with quarterly license payments in advance. This is to compensate for the extra work these products initially involve in terms of training, performance settings and various types of testing. In short, this change makes a positive contribution to operating margin development.

All in all, this means that Orc Software's objectives of an annual growth of more than 50 percent and an operating margin of at least 30 percent during 2002-2004 remain in place. However, reduced investment activity in the IT area, particularly in the stock markets, has led the Board and management team to believe that revenue growth will fall short of the objective for the current year. At the same time, it is also their opinion that the operating margin for 2002 will significantly exceed the defined objective of at least 30 percent.

Significant Events During the Period

International Expansion

Orc Software has continued its expansion, opening a sales and support office in Austria during the second quarter of 2002. Orc Software also intends to open sales and support offices in Japan during the third quarter of 2002 and in South Korea during the second half of 2002, which was announced earlier in the period. The new offices will give Orc Software a total of 16 offices in 14 countries.

New Clients

During April-June 2002 Orc Software won a number of new clients in Hong Kong and Australia. The new clients in Hong Kong include Fortis Clearing (Options) Hong Kong. Orc Software also secured its first client in Austria, Raiffeisen Centro Bank, RCB.

Reuters

Orc Software has during the period signed a distribution agreement with Reuters, the financial information, news and technology group with operations in 97 countries, whereby Reuters will market and distribute Orc Software products globally. Reuters will sell Orc Software's technology either as an integrated package with Reuters' own product Reuters 3000 Xtra or as a stand-alone solution. Reuters will also be able to offer ASP solutions, i.e., offer services where the client can rent software, server hardware and system operation. This means a package solution that may represent an attractive alternative for small and medium-sized clients.

The launch will take place in Europe during the second half of 2002 and the products will also be developed to cover Asia and North America.

Hagströmer & Qviberg

Hagströmer & Qviberg, a Swedish investment bank, and Orc Software have signed an agreement regarding licensing advanced technology for automated equity and derivatives trading. The agreement is the first large order in this area for Orc Software and is based on Orc TradeBot technology developed by Tradelab in cooperation with Orc Software. Hagströmer & Qviberg expects the system to be operational in the fourth quarter of 2002.

Orc ExNet

Orc Software's subsidiary Orc ExNet increased its Asian offering during the second quarter of 2002 and can now offer trading on the large Asian exchanges via Indosuez WI Carr, a subsidiary of Crédit Agricole Indosuez. Orc ExNet will be able to offer trading possibilities on over 25 exchanges and marketplaces worldwide.

E2E Infotech

During the period Orc Software invested GBP 100,000 in the UK company E2E Infotech, giving Orc Software a 33 percent holding in the company. The remaining shares are owned by the founders and the Italian company TradingLab, one of Orc Software's major clients. E2E offers consulting services to Orc Software's clients. By offering add-ons and client adaptations to the Orc System, E2E plans to develop a portfolio of components for the Orc System, which may effectively replace many of the adaptations that currently have to be made by the clients themselves. Orc Software will also be represented on the E2E Board. The investment did not have any effect on net income during the period.

Product Development

Orc Software invests an ever-increasing amount of resources in improving existing and developing new products. During April-June 2002 a new version of the Orc System was launched. The new version includes new market connections, functions for automatic trading for portfolio hedging and improved functionality for basket trading.

Orc Software's new product for dedicated brokerage activities, Orc Razor, was also launched during the period. Orc Razor has been specially developed for the Windows environment and covers the specific needs of today's modern brokerage houses. With Orc Razor, a user can handle multiple markets, instrument types and currencies from the same workplace.

Market Connections

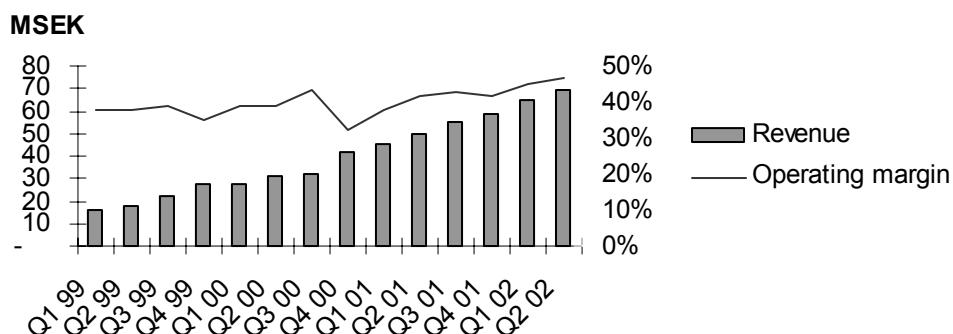
As of June 30, 2002, the Orc System was connected to 38 exchanges. During April-June 2002 a market connection to The Stock Exchange of Hong Kong was established.

Via its cooperation partners Indosuez WI Carr, Lexit Capital, NeoNet and Samsung, Orc ExNet has 19 market connections in place. The following ExNet connections were developed during the period:

- Korea Stock Exchange, South Korea (Samsung and Indosuez WI Carr)
- Hong Kong Futures Exchange, China (Indosuez WI Carr)
- Osaka Securities Exchange, Japan (Indosuez WI Carr)
- Tokyo International Financial Futures Exchange, Japan (Indosuez WI Carr)
- Tokyo Stock Exchange, Japan (Indosuez WI Carr)

Revenue¹

Quarterly Revenue and Operating Margin



January-June 2002

Revenue for January-June 2002 increased by 41 percent to SEK 134 (95 during the same period the previous year) million. Systems revenue accounted for 97 (96) percent of the revenue.

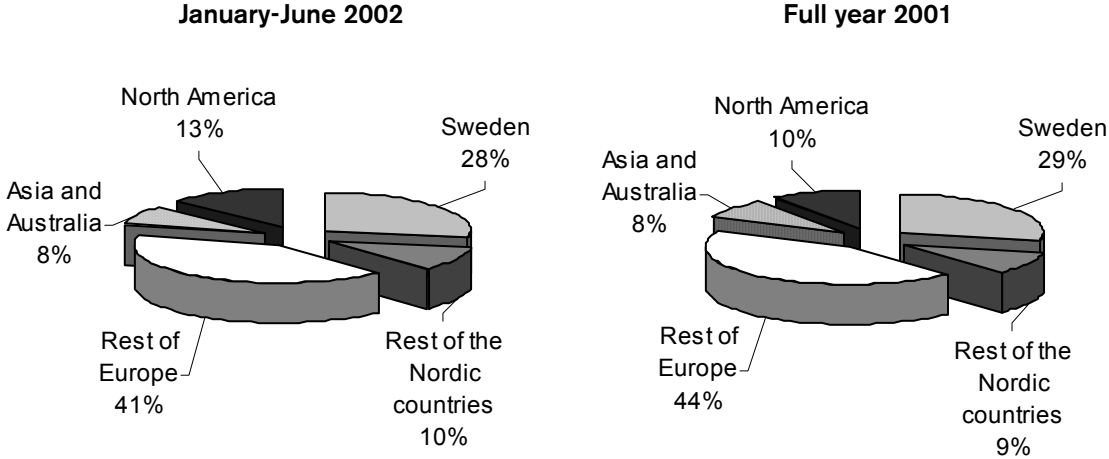
¹ Revenue and operating margin for 2002 are reported after taking into account an increase in revenue of SEK 6.2 million subsequent to the capitalization of development expenses, in accordance with the Swedish Financial Accounting Standards Council's recommendation no. 15 (RR15).

The Internet related revenue during the period amounted to SEK 6,7 (4,8) million, which means a drop of 10 percent compared with the previous quarter. Internet brokers and other companies that offer their clients, mainly retail, trading over the Internet have for a long time seen diminished volumes in the stock market, which has presently also meant a somewhat reduced interest in investments in this area.

Other operating income increased somewhat to SEK 4.1 (3.6) million and was mainly made up of an increased demand for qualified development work from some of the major investment banks. The company's sales of hardware and revenue from large installations have been reduced considerably during the present year compared with previous periods as a result of the worsening economic situation that has made clients less inclined to invest in infrastructure.

During the period January-June 2002, revenue from clients located outside Sweden represented 72 (69) percent of total revenue. At the end of June 2002, the company had clients in a total of 19 (18) countries.

Revenue per Geographic Market



The number of client sites amounted at the end of June 2002 to 147 (133), of which 11 (13) use iOrc technology. The number of client sites fell by 1 compared with the previous quarter. This is an effect of the number of new client sites not being able to fully compensate for terminations and because certain clients are concentrating their operations on fewer geographical places. Average revenue per client site² amounted during the period to SEK 1.7 (1.5) million.

April-June 2002

During April-June 2002 the group's revenue increased by 38 percent to SEK 69 (50) million. Compared with the previous quarter the revenue increased by 6 percent.

During the period Orc Software noted a continued increase in sales to many of the major investment banks. Sales increased during the period particularly in North America, mainly due to the new products relating to development environments for in-house development, which were introduced during the first quarter of 2002. As the client initially pays a larger amount for these products besides the quarterly license payments, this revenue may vary

² Calculated as total systems revenue divided by the average number of client sites during the period, expressed as an annualized figure.

between quarters and on the whole gives a somewhat lower predictability in terms of revenue development. The recent cooperation with Hagströmer & Qviberg has also contributed to the increase in revenue.

As in the previous quarter, Orc Software had a small number of cancelled contracts during April-June 2002 because of mergers or the fact that clients have ceased trading activities. The terminations will have a financial effect from the third and fourth quarters 2002.

As Orc ExNet's revenue is entirely volume-dependent, Orc ExNet is affected by low trade volumes on the stock markets and derivatives markets and has not shown any growth during the period. However, the clients have shown keen interest in trading on the Asian markets via Indosuez WI Carr and Samsung and connections to these markets have recently become developed.

Earnings³

January-June 2002

Operating income increased during January-June 2002 by 61 percent to SEK 61 (38) million, representing an operating margin of 45.7 (40.0) percent. If there had been no capitalization of development expenses, the operating income would have amounted to SEK 55 million, with an operating margin of 43.3 percent.

The effect of foreign exchange fluctuations, calculated as a change in the respective average exchange rates between the first half of 2001 and the first half of 2002, amounted to SEK +0.2 (+3.7) million. Foreign exchange hedging resulted in an effect on operating level of SEK +5.9 (-2.6) million.

As of June 30, 2002, future flows equivalent to SEK 125 (103) million had been hedged, comprised entirely of USD 12 (10) million having been hedged against Swedish kronor with an average remaining duration of approximately 5 (8) months, and at an average rate of 10.41 (10.34).

April-June 2002

Operating income increased during April-June 2002 by 52 percent to SEK 32 (21) million, representing an operating margin of 46.4 (41.5) percent. If there had been no capitalization of development expenses, the operating income would have amounted to SEK 30 million, with an operating margin of 44.5 percent.

The higher operating margin can be attributed firstly to a considerable reduction in hardware revenue and revenue from larger installations, which generally have a lower margin than systems revenue and secondly to higher initial payments for some of the new products.

³ Revenue and operating margin for 2002 are reported after taking into account an increase in revenue of SEK 6.2 million subsequent to the capitalization of development expenses, in accordance with the Swedish Financial Accounting Standards Council's recommendation no. 15 (RR15).

Operating Expenses⁴

Operating expenses increased during the period January-June 2002 by 28 percent to SEK 73 (57) million. During April-June 2002 operating expenses increased by 28 percent to SEK 37 (29) million, implying an increase of 3 percent compared with January-March 2002.

The largest increase in absolute terms during January-June 2002 occurred in personnel costs, which increased by 28 percent to SEK 41 (32) million. The average number of employees increased by 31 percent during the same period. These expenses decreased by 8 percent in relation to the previous quarter, which is mainly an effect of reduced costs for sales commission and bonuses.

Cost of premises increased by 63 percent to SEK 6.5 (4.0) million during January-June 2002 compared with last year as a consequence of new offices in St Petersburg, Hong Kong, Zurich, Toronto, Montreal and Vienna, as well as an increase in costs for the office in Stockholm. The increase when compared with the previous quarter was largely unchanged.

Telecommunication expenses increased by 29 percent compared with the same period last year and by 21 percent compared with the previous quarter, a consequence of growing operations.

In spite of the acceleration in the development of market connections, consulting fees continued to fall compared with the same period the previous year as a result of the increase in in-house development resources, particularly in Russia, thus reducing the need for external development resources. These expenses rose somewhat compared with the the previous quarter.

Other external expenses increased by 44 percent to SEK 13 (9) million, and by 24 percent compared with last quarter, primarily as a result of growth in operations. To a large extent this item consists of costs for travel, amounting to SEK 4 (4) million. The remaining part pertains essentially to consumable equipment, software, and expenses related to the company's external information.

Depreciation and amortization increased by 63 percent to SEK 4.9 (3.0) million and by 6 percent compared with the last quarter. The increase is a consequence of the additional number of offices and employees, the upgrading of the server environment in Stockholm, as well as the amortization of intangible fixed assets.

The purchase cost of goods sold was considerably lower than in the same period the previous year as a result of a significant fall in hardware sales. A certain increase can be registered in relation to the previous quarter when there were no hardware sales.

⁴ As a consequence of Orc Software's working methods, where there exists considerable overlapping between sales and development work, Orc Software reports its results in accordance with the principle for an income statement presented by type of cost.

Equity/Assets Ratio and Earning Capacity

The equity/assets ratio amounted at the end of June 2002 to 65 (66) percent compared with 66 percent at the end of March 2002. During January-June 2002 return on capital employed amounted to 66 (54) percent, and return on equity amounted to 48 (39) percent.

Cash Flow and Investments

The group's cash flow before changes in working capital and investments amounted in January-June 2002 to SEK 54 (33) million.

The change in working capital amounted to SEK -10 (-15) million. Operating capital amounted to SEK -36 (-26) million.

The group's investments amounted during the first half of 2002 to SEK 13 (4) million, consisting of computer and office equipment, which amounted to SEK 4.6 million and capitalized development work expenditure of SEK 6.1 million. Financial assets in the form of the investment in E2E Infotech and a dormant company in Japan amounted to SEK 2.3 million.

During January-June 2002 the group's cash flow after investments increased to SEK 51 (44) million.

The group did not have any interest-bearing liabilities during the period.

The ratio between cash flow before financial items and tax, and the operating income before depreciation and amortization, amounted to 0.9 (1.3) for January-June 2002.

Taxation

The tax rate during January-June 2002 amounted to 26 (27) percent. Tax expenses are calculated after estimated tax for parent company and respective subsidiaries.

Employees

At the end of June 2002, Orc Software had 125 (91) employees. The average number of employees during January-June 2002 was 114 (87). During the period April-June 2002, new employees were recruited primarily within product development in Russia but also in a number of sales and support offices. The number of women amounted at the end of June to 22 (19), and the number of men 103 (72).

Shareholders

The number of shareholders of Orc Software amounted at June 30, 2002 to 1 789 (1 519).

Orc Software's ten largest known shareholders	No. of Shares	% of Shares
OM	4 488 075	30.2
Fidelity funds	1 092 475	7.4
Ulrika Hagdahl*	962 000	6.5
Nils Nilsson*	956 000	6.4
Goldman Sachs International	313 750	2.1
First Swedish National Pension Fund	305 600	2.1
SEB Sweden Small Cap Fund	277 140	1.9
Third Swedish National Pension Fund	259 300	1.7
Nordea Bank Finland	255 990	1.7
Morgan Stanley & Co	233 600	1.6
Other Shareholders	5 706 070	38.4
Total	14 850 000	100.0

Source: VPC AB, direct and nominee shareholders June 30, 2002.

*Ulrika Hagdahl and Nils Nilsson own 1 832 000 shares in Orc Software through Cancale Förvaltnings AB, a company jointly owned in equal shares by the two parties.

The Parent Company

The parent company's revenue increased during January-June 2002 by 25 percent to SEK 94 (75) million. Income after financial items increased to SEK 57 (37) million. Liquid funds amounted at the end of the period to SEK 228 (178) million, of which SEK 195 (145)⁵ million consisted of short-term investments.

Accounting Principles

This interim report has been prepared in accordance with the Swedish Accounting Standards Council's recommendation on interim reporting (RR 20). The same accounting principles have been used as in the last annual accounts, with the following additions:

In 2002 new recommendations on consolidated accounting (RR 1:00), intangible fixed assets (RR 15), provisions (RR 16), write-downs (RR 17), loan expenses (RR 21) and closely-related parties (RR 23) came into force.

Of the new recommendations, only RR 15 has involved any considerable change to previously applied accounting principles. The effects of RR 15 are shown in this report.

⁵ The amount SEK 145 million for 2001 refers to a short-term deposit with OM, which is classified as cash and bank balances in the balance sheet.

Income Statement

SEK thousands	Jan-Jun 2002	Jan-Jun 2001	Apr-Jun 2002	Apr-Jun 2001	Jan-Dec 2001
Operating revenue					
Systems revenue	124 016	91 317	63 849	49 156	196 037
Work performed by the company for its own use and capitalized	6 205	404	2 783	404	1 700
Other operating revenue	4 093	3 570	2 455	577	11 980
Total revenue	134 314	95 291	69 087	50 137	209 717
Operating expenses					
Purchase cost of goods sold	-1 215	-2 147	-970	-308	-5 729
External expenses					
Cost of premises	-6 478	-4 002	-3 175	-1 908	-9 366
Telecommunication expenses	-3 750	-2 902	-2 055	-1 010	-6 620
Consulting fees	-2 311	-3 958	-1 349	-2 244	-7 162
Other external expenses	-13 113	-9 065	-7 261	-5 393	-17 746
Personnel costs	-41 236	-32 268	-19 715	-16 895	-69 936
Depreciation and amortization	-4 853	-2 972	-2 492	-1 572	-6 900
Total expenses	-72 956	-57 315	-37 017	-29 330	-123 459
Operating income	61 358	37 977	32 070	20 807	86 258
Financial items					
Profit/loss from participation in associated companies	-405	-	-252	-	-133
Financial income	4 262	2 761	2 314	1 463	7 273
Financial expenses	-70	-21	-42	-6	-58
Financial items	3 787	2 740	2 020	1 457	7 082
Income after financial items	65 145	40 717	34 090	22 264	93 340
Tax on net income for the period	-17 155	-11 170	-8 578	-6 497	-28 400
Minority's part of the income for the period	199	-	100	-	123
Net income for the period	48 189	29 547	25 612	15 767	65 063
Earnings per share ⁶ , SEK	3.25	1.99	1.72	1.06	4.38
Number of shares, end of period, thousands	14 850	14 850	14 850	14 850	14 850
Average number of shares, thousands	14 850	14 850	14 850	14 850	14 850

⁶ Orc Software does not have any convertible loans or warrants.

Balance Sheet

SEK thousands	June 30, 2002	June 30, 2001	Dec 31, 2001
ASSETS			
Fixed assets			
Intangible assets			
Capitalized development expenditure	7 568	404	1 700
Goodwill	428	-	478
Other intangible fixed assets ⁷	3 277	-	3 648
Tangible assets			
Equipment	16 906	14 922	16 478
Financial assets			
Shares in associated companies	1 987	2 745	902
Total fixed assets	30 166	18 071	23 206
Current assets			
Current receivables			
Accounts receivable	33 946	28 268	38 938
Other receivables	4 484	4 640	3 776
Prepaid expenses and accrued income	6 581	2 510	2 864
Short-term investments	195 316	145 000	172 984
Cash and bank balances	46 441	37 183	51 305
Total current assets	286 768	217 601	269 867
TOTAL ASSETS	316 934	235 672	293 073
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	1 485	1 485	1 485
Restricted reserves	119 402	105 257	119 615
Non-restricted equity			
Non-restricted reserves	37 176	19 942	5 644
Net income for the period	48 189	29 547	65 063
Total equity	206 252	156 231	191 807
Minority interest	426	-	625
Provisions			
Deferred tax liability	12 415	6 922	12 415
Total provisions	12 415	6 922	12 415
Current liabilities			
Accounts payable	6 880	4 143	3 051
Tax liabilities	15 590	9 236	14 232
Other liabilities	6 529	5 054	7 109
Accrued expenses and prepaid income	68 842	54 086	63 834
Total current liabilities	97 841	72 519	88 226
TOTAL EQUITY AND LIABILITIES	316 934	235 672	293 073
Pledged assets	None	None	None
Contingent liabilities	None	None	None

⁷ This item pertains to Orc ExNet.

Specification of the Group's goodwill

The goodwill arose in conjunction with the establishment of Orc ExNet and is being amortized over a period of 60 months.

SEK thousands	
Acquisition value less accumulated amortization at the beginning of the period	478
Goodwill arisen during the period	-
Amortization for the period	-50
Acquisition value less accumulated amortization at the end of the period	428

Specification of Equity

Jan-June 2002	Share Capital	Restricted Reserves	Non-restricted Equity	Total
Opening balance January 1, 2002	1 485	119 615	70 707	191 807
Dividend for 2001	-	-	-32 670	-32 670
Translation difference	-	-	-1 130	-1 130
Transfer to statutory reserve in accordance with distribution of earnings	-	20	-20	0
Other adjustments	-	-233	233	0
Net income for the period	-	-	48 189	48 189
Closing balance June 30, 2002	1 485	119 402	85 365	206 252

Jan-Jun 2001	Share Capital	Restricted Reserves	Non-restricted Equity	Total
Opening balance January 1, 2001	1 485	105 237	40 587	147 309
Dividend for 2000	-	-	-20 790	-20 790
Translation difference	-	-	165	165
Transfer to statutory reserve in accordance with distribution of earnings	-	20	-20	0
Net income for the period	-	-	29 547	29 547
Closing balance June 30, 2001	1 485	105 257	49 489	156 231

Apr-Jun 2002	Share Capital	Restricted Reserves	Non-restricted Equity	Total
Opening balance April 1, 2002	1 485	119 402	92 787	213 674
Dividend for 2001	-	-	-32 670	-32 670
Translation difference	-	-	-364	-364
Net income for the period	-	-	25 612	25 612
Closing balance June 30, 2002	1 485	119 402	85 365	206 252

Apr-Jun 2001	Share Capital	Restricted Reserves	Non-restricted Equity	Total
Opening balance April 1, 2001	1 485	105 257	33 542	140 284
Translation difference	-	-	180	180
Net income for the period	-	-	15 767	15 767
Closing balance June 30, 2001	1 485	105 257	49 489	156 231

Cash Flow Statement

SEK thousands	Jan-Jun 2002	Jan-Jun 2001	2001
Operating activities			
Operating income	61 358	37 977	86 258
Adjustment for items not included in cash flow	1 039	267	1 358
Depreciation and amortization	4 853	2 972	6 900
Financial items	4 192	2 579	6 784
Income tax paid	-17 155	-11 170	-22 884
Cash flow from operating activities before changes in working capital	54 287	32 625	78 416
Changes in working capital			
Changes in operating assets	565	-5 600	-15 786
Changes in operating liabilities	9 617	20 771	36 477
Total change in working capital	10 182	15 171	20 691
Cash flow from operating activities	64 469	47 796	99 107
Investment activities			
Investments in intangible fixed assets	-6 078	-404	-1 664
Investments in tangible fixed assets	-4 627	-3 824	-9 363
Investments in financial fixed assets	-2 335	-35	-3 594
Sale of tangible fixed assets	-	-	520
Cash flow from investment activities	-13 040	-4 263	-14 101
Financing activities			
Dividends	-32 670	-20 790	-20 790
Cash flow from financing activities	-32 670	-20 790	-20 790
Change in liquid funds	18 759	22 743	64 216
Opening liquid funds	224 289	159 116	159 116
Exchange differences in liquid funds	-1 291	324	957
Closing liquid funds	241 757	182 183	224 289

Key Ratios

	Jan-Jun 2002	Jan-Jun 2001	Apr-Jun 2002	Apr-Jun 2001	2001
Operating margin, %	45.7	40.0	46.4	41.5	41.1
Return on equity, %	48	39	49	43	38
Return on capital employed, %	66	54	65	60	55
Asset turnover ratio	1.4	1.3	1.3	1.3	1.2
Equity/assets ratio, %	65	66	65	66	65
Average number of employees	114	87	118	89	94
Earnings per share, SEK	3.25	1.99	1.72	1.06	4.38
Equity per share, SEK	13.89	10.52	13.89	10.52	12.92
Share price at end of the period, SEK	155	150	155	150	147
Number of shares at end of period, thousands	14 850	14 850	14 850	14 850	14 850

Quarterly Figures

Income Statement

SEK thousands	Q1 2001	Q2 2001	Q3 2001	Q4 2001	Q1 2002	Q2 2002
Operating revenue						
Systems revenue	42 161	49 156	51 100	53 620	60 167	63 849
Work performed by the company for own use and capitalized	-	404	639	658	3 422	2 783
Other operating revenue	2 993	577	3 556	4 854	1 638	2 455
Total revenue	45 154	50 137	55 295	59 132	65 227	69 087
Operating expenses						
External expenses	-11 211	-10 863	-12 225	-12 323	-12 057	-14 810
Personnel costs	-15 373	-16 895	-17 674	-19 995	-21 521	-19 715
Depreciation and amortization	-1 400	-1 572	-1 799	-2 129	-2 361	-2 492
Total expenses	-27 984	-29 330	-31 698	-34 447	-35 939	-37 017
Operating income	17 170	20 807	23 596	24 685	29 288	32 070
Net financial items	1 283	1 457	1 931	2 410	1 766	2 020
Tax on income for the period	-4 673	-6 497	-6 659	-10 571	-8 576	-8 578
Minority's part of the income for the period	-	-	-	123	99	100
Net income for the period	13 780	15 767	18 869	16 647	22 577	25 612

Balance Sheet

SEK thousands	Mar 2001	June 2001	Sept 2001	Dec 2001	Mar 2002	June 2002
Fixed assets	17 201	18 071	21 612	23 206	26 468	30 166
Current assets						
Accounts receivable	51 181	28 268	27 107	38 938	34 973	33 946
Other receivables	6 747	7 150	6 879	6 640	10 627	11 065
Cash and bank balances and short-term investments	150 224	182 183	206 941	224 289	251 758	241 757
Total current assets	208 152	217 601	240 927	269 867	297 358	286 768
TOTAL ASSETS	225 353	235 672	262 539	293 073	323 826	316 934
Equity	140 284	156 231	175 355	191 807	213 674	206 252
Minority interest	-	-	-	625	526	426
Provisions for deferred tax liability	6 922	6 922	6 922	12 415	12 415	12 415
Current non interest-bearing liabilities	78 147	72 519	80 262	88 226	97 211	97 841
TOTAL EQUITY AND LIABILITIES	225 353	235 672	262 539	293 073	323 826	316 934

Upcoming Financial Events

October 10, 2002 Interim Report for the third quarter
January 2003 Year-end Report for 2002

Stockholm, July 11, 2002

The Board of Directors

I have performed a review of this interim report and in accordance with the recommendations set out by the Swedish Institute of Authorized Public Accountants, FAR. A review is significantly limited in scope compared to an audit. I have found nothing to suggest that this interim report does not comply with the requirements set out in the Securities and Clearing Operations Act and the Annual Accounts Act.

Stockholm July 11, 2002

*Björn Fernström
Authorized Public Accountant*

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Definitions

Operating margin

Operating income as a percentage of revenue.

Return on capital employed

Operating income plus financial income as a percentage of average capital employed.

Return on equity

Net income for the period as a percentage of average shareholders' equity.

Equity/assets ratio

Shareholders' equity as a percentage of total assets.

Capital employed

Total assets minus non-interest bearing debt, including deferred tax liability in untaxed reserves.

Shareholders' equity

Shareholders' equity at the end of the period.

Operating capital

Total assets minus non-interest bearing debt, including deferred tax liability in untaxed reserves, as well as cash and bank balances and short-term investments.

Working Capital

Operating assets less operating liabilities.

Asset turnover ratio

Revenue divided by average capital employed.

Investments in fixed assets

Investments in fixed assets, after any disposals.

Average number of employees

Average number of employees for the period, based on headcounts at the beginning of the period and at the end of each quarter.

Earnings per share

Net income for the period divided by the average number of shares.

Equity per share

Shareholders' equity at the end of the period divided by the number of shares at the end of the period.