

Q1 INTOI AB (PUBL)

INTERIM REPORT JANUARY - MARCH 2010

Key ratios	3 mths Jan-Mar		Full year
	2010	2009	2009
Net sales, SEK M	158.9	168.5	603.0
Profit from holdings, SEK M	14.8	19.2	52.0
Operating profit, SEK M	10.1	14.4	5.5
Operating margin, %	6	9	1
Profit after tax, SEK M	9.3	13.8	1.9
Earnings per share, SEK	0.84	1.25	0.17
Equity per share, SEK	54.42	55.28	53.57
Cash flow from operating activities, SEK M	-5.5	4.7	51.7

Intoi owns, and drives development in, technology companies. In the first quarter, operating profit increased in the Group's two largest holdings (which account for 89% of net sales) but decreased in the third and smallest holding. A stronger Swedish krona had a negative impact of SEK 5m on sales and SEK 2.7m on operating profit. Intoi's financial position remains strong with an equity/assets ratio of 81% (79) and cash and cash equivalents of SEK 52m.

Through the realignment of IAR Systems, operating margin has strengthened to 11% (8) and profit has improved by 31%. Net sales rose steadily during the quarter and license sales reached a new record level in March. This has been achieved thanks to Intoi's successful efforts to shift IAR Systems' offering toward the most advanced embedded systems (32 bit architecture, primarily ARM) and a revised sales strategy. In April, a new technology was presented that will provide greater precision in energy-efficient programming of embedded systems.

Deltaco continued its stable development, increasing its sales by 8% and operating profit by 5% compared to the year-earlier quarter. As part of the strategy to widen Deltaco's product offering and boost delivery capacity, we have increased inventories during the period.

In the first quarter Northern integrated its operations with those of Nocom Software. This process has demanded considerable time and resources during the quarter, but will expand Northern's long-term sales reach. We have high hopes that this will lead to growth for the company.

Given the Group's stable financial position and the strong market positions of our holdings, we previously set a target to increase our consolidated operating profit for 2010 over the level of 2008 (SEK 32.3m). In the first few months of the year we have taken decisive steps towards fulfilling this goal.

Intoi is a driver for development of technology companies. Our three holdings have innovative technology, large potential and scalable business models. To create value, we actively develop product and sales strategy and ensure effective corporate governance. We call it Propelling Technology!

Stefan Skarin

Summary income statements	3 mths Jan-Mar		Full year
SEK M	2010	2009	2009
Net sales, total	158.9	168.5	603.0
Operating expenses	-143.1	-148.0	-546.2
Depreciation of tangible assets	-1.0	-1.3	-4.8
Profit from holdings	14.8	19.2	52.0
Central costs, net	-3.5	-3.4	-22.3
Amortization of intangible assets	-1.2	-1.4	-5.5
Impairment loss on intangible assets	-	-	-18.7
Operating profit	10.1	14.4	5.5
Net financial items	-0.8	-0.6	-3.6
Profit before tax	9.3	13.8	1.9
Income tax	0.0	0.0	0.0
Profit for the period	9.3	13.8	1.9
Operating margin, %	6	9	1
Earnings per share, SEK	0.84	1.25	0.17

Income statements

- Net sales fell by 6% from SEK 168.5m to SEK 158.9m.
- A stronger Swedish krona has negatively affected net sales in IAR Systems by SEK 4.5m and net sales in Northern by SEK 0.5m.
- Profit from the Group's holdings amounted to SEK 14.8m (19.2).
- Profit in IAR Systems was impacted by a stronger Swedish krona in an amount of SEK 2.7M. The effect on profit in Northern is estimated to be smaller.
- Net financial items totaled SEK -0.8m (-0.6).
- No tax is expected to be payable as a result of the Group's cumulative loss carryforwards.
- Earnings per share amounted to SEK 0.84 (1.25).

Balance sheets, SEK M	Mar 31, 2010	Mar 31, 2009	Dec 31, 2009
Intangible assets	318.6	336.4	319.0
Tangible assets	54.4	81.4	54.3
Financial assets	107.5	115.1	107.3
Other current assets	207.5	214.7	197.2
Cash and cash equivalents	52.1	26.1	60.6
Equity	601.3	610.8	591.9
Interest-bearing liabilities	31.3	60.1	32.4
Interest-free liabilities	107.5	102.8	114.1
Total assets	740.1	773.7	738.4
Equity per share, SEK	54.42	55.28	53.57

Balance sheets

- Goodwill is reported at SEK 288.5m (304.5).
- Cumulative loss carryforwards amounted to approximately SEK 374m. The capitalized value in the balance sheet was SEK 89.9m.
- The operating property in Deltaco has been financed with an interest-bearing liability of SEK 30.1m.
- Net cash has risen by SEK 55m compared to the previous year and amounted to SEK 20.8m (-34.0).
- The equity/assets ratio was 81% (79).
- Equity per share was SEK 54.42(55.28).

Cash flows	3 mths Jan-Mar		Full year
SEK M	2010	2009	2009
Operating activities	-5.5	4.7	51.7
Investing activities	-1.9	-0.4	21.5
Financing activities	-1.1	-10.5	-44.9
Cash flow for the period	-8.5	-6.2	28.3

Cash flows

- Cash flow from operating activities for the first quarter was burdened by increased inventories to improve delivery capacity in Deltaco.
- The bulk of investments made during the quarter refer to investments in IAR Systems.
- Cash flow from financing activities refers to amortization of interest-bearing liabilities of SEK 1.1m.

Overview of holdings

January – March 2010

HOLDINGS SEK M	Net sales			Operating profit		
	Q1	Q1	Full year	Q1	Q1	Full year
	2010	2009	2009	2010	2009	2009
Deltaco	97.2	90.5	351.7	8.5	8.1	31.9
IAR Systems	43.6	44.6	168.6	5.0	3.8	17.9
Northern	18.1	33.4	82.7	1.3	7.3	2.2
Total holdings	158.9	168.5	603.0	14.8	19.2	52.0

Deltaco – Supplier and distributor of computer accessories

- Net sales rose by 8% compared to the year-earlier period.
- Operating profit improved by 5% to SEK 8.5m.
- Inventories have been increased in order to improve delivery capacity.

Intoi's strategy for Deltaco is to achieve greater efficiency in purchasing and logistics, widen the offering of products under the Deltaco brand and widen the scope of sales, for example outside the traditional IT sector.

IAR Systems – Software and development tools for programming of microprocessors in embedded systems

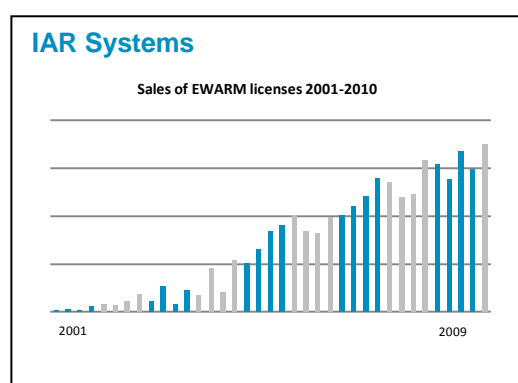
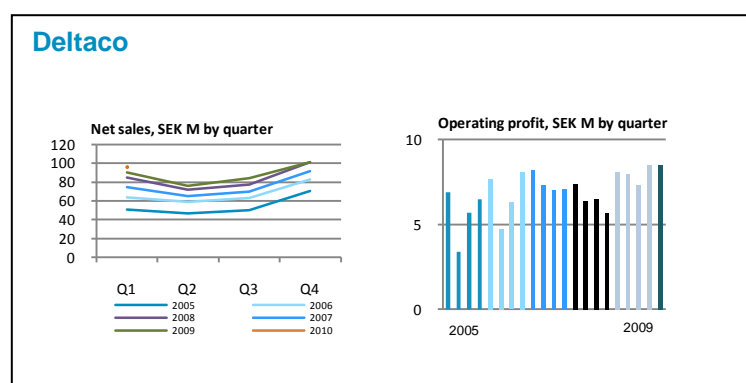
- Net sales in local currency increased by 8% in the USA, 24% in Europe and 45% in Japan.
- Operating profit improved by 31% for the quarter.
- Operating margin rose to 11% (8) compared to the previous year.
- License and maintenance revenue (SUA) accounted for 81% of total revenue. The share of license and maintenance revenue (SUA) will rise in pace with a stronger focus on license revenue and decreased revenue from development contracts and third-party products.
- A weaker US dollar compared to the previous year had a negative impact of SEK 4.5m on net sales and SEK 2.7m on operating profit.

Intoi's strategy for IAR Systems is to strengthen the offering in the most advanced systems, expand the product portfolio and increase the share of license and maintenance revenue.

Northern – Software for Storage Resource Management

- Net sales declined compared to the previous year due to two major contracts in the first quarter of last year.
- Activities during the period were focused on integrating Northern's operations with Nocom Software.

Intoi's strategy for Northern to expand the scope of sales based on the company's technical edge. One step in this direction is the transfer of resources from Nocom Software in February 2010. The integration process is underway to strengthen Northern's position, primarily in northern Europe.



Financial information

Cash flow, cash and cash equivalents

Cash flow from operating activities for the period was SEK –5.5m (4.7). Cash flow from investing activities for the period totaled SEK -1.9m (-0.3). The period's cash flow from financing activities was SEK -1.1m (-10.6).

At March 31, 2010, Intoi had net cash of SEK 20.8m (-34.0) in addition to its holding of 634,600 treasury shares.

Cash and cash equivalents at March 31, 2010, totaled SEK 52.1m (26.1) and unutilized bank overdraft facilities amounted to SEK 60.0m (46.0). The Group's total available cash and cash equivalents thus amounted to SEK 112.1m (72.1).

Goodwill

Goodwill represents the excess of the cost of acquisition over the fair value of the Group's share in identifiable net assets of the acquired subsidiary on the acquisition date. Goodwill is tested for impairment yearly and is measured at cost less accumulated impairment.

Goodwill at March 31, 2010, amounted to SEK 288.5m.

Deferred tax asset

The deferred tax asset attributable to loss carryforwards is recognized only to the extent that it is probable that the loss carryforwards can be utilized against future taxable profits. At March 31, 2010, the Group had cumulative loss carryforwards of around SEK 374m. In the balance sheet, the current estimated value of these losses is reported at SEK 89.9m (87.2).

Investments and financing

Net expenditure on property, plant and equipment for the period amounted to SEK -1.1m (-0.3). The equity/assets ratio at March 31, 2010, was 81% (79). Pledged assets decreased by SEK 0.2m during the period and amounted to SEK 103.0m (120.9) at March 31, 2010. No changes in the reported contingent liabilities took place.

Employees

The number of employees in continuing operations at the end of the period was 239 (245). The average number of employees during the period was 238 (242), of which IAR Systems accounted for 126 (127), Northern for 41 (44), Deltaco for 68 (67) and Central for 3 (4).

Parent Company

The operations of the Parent Company consist of group management and PR/IR functions. The Parent Company's net sales, all of which are intra-group, amounted to SEK 3.2m for the period (3.5). Profit after financial items was SEK -0.3m (-2.8). Central reported an operating profit of SEK -3.5m (-3.4). Net expenditure on property, plant and equipment totaled SEK -0.0m (-0.2). Cash and cash equivalents at March 31, 2010, amounted to SEK 5.0m (0.0) and unutilized overdraft facilities totaled SEK 50.0m (36.0). The Parent Company's total available cash and cash equivalents thus amounted to SEK 55.0m (36.0). The number of employees in the Parent Company at the end of the period was 3 (4).

Accounting policies

The consolidated financial statements are prepared in compliance with International Financial Reporting Standards (IFRS) and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) as endorsed by the European Commission for application in the EU. In addition, the Swedish Financial Reporting Board's recommendation RFR 1.3, Supplementary Accounting Rules for Groups, has been applied. This consolidated interim report has been prepared in accordance with the Swedish Annual Accounts Act (ÅRL) and IAS 34, Interim Financial Reporting. The accounts of the Parent Company are presented in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2.3, Accounting for Legal Entities.

The new or changed IFRSs effective January 1, 2010, have not had any impact on the consolidated financial statements during the period. The revised IFRS 3, Operating Segments, and IAS 27, Consolidated and Separate Financial Statements, are mandatory for accounting periods starting on or after July 1, 2009. With regard to IFRS 3, the changes will apply only to business combinations carried out on or after the effective date, i.e. January 1, 2010. No acquisitions or divestitures were carried out in the Group during the first quarter of 2010, but the new standards will be applied in the event of future acquisitions or divestitures. In all other respects, the Group's accounting policies are the same as those applied in the previous year.

The Intoi share

Intoi's class B share is quoted on the Small Cap list of the NASDAQ OMX Nordic Exchange Stockholm. During the period, the share price varied from a low of SEK 23.70 (14.40) to a high of SEK 28.70 (18.50). The share price at March 31, 2010, was SEK 28.70 (18.00). Intoi's market capitalization on the same date was SEK 317m (199).

The number of stockholders in Intoi at March 31, 2010, was 10,862 (11,998), of whom 635 (690) held more than 1,000 shares each. Foreign stockholders held approximately 20% (23) of the share capital and 26% (28) of the votes.

Intoi repurchased no shares during the period. However, a total of 634,600 class B shares for total value of SEK 30.1m had been repurchased at March 31, 2010. These shares are not included in the share data at March 31, 2010.

Intoi's share capital at March 31, 2010, amounted to SEK 116,885,614, divided between 11,688,561 shares of which 100,000 are of class A and 11,588,561 are of class B. Following the repurchase, 634,600 of these class B shares are held in treasury by Intoi. This means that the number of class B shares on the market at March 31, 2010, was 10,953,961.

Share price trend, January – March 2010



Proposed dividend

The Board of Directors proposes a dividend of SEK 1.25 (0.60). The proposed record date for dividends is May 7, 2010.

Significant risks and uncertainties

Changes in the IT industry are often rapid, and future forecasts are therefore associated with a higher degree of uncertainty for a corporate group like Intoi. The risks Intoi is exposed to vary with respect to the activities of the different subsidiaries. Intoi's significant risks and uncertainties are described in the administration report section of the 2009 annual report under the heading "Business risks" on pages 16-17 and in Note 2 on pages 33-35. No essential changes have arisen since that time.

Future outlook

Our assessment is that the market remains uncertain but will show greater stability than in 2009. Intoi's top priority in 2010 will be to continue developing our existing operations. In light of the market situation and the potential of our existing operations, we will focus on the possible acquisition of companies that can be integrated with our existing units. Given the Group's stable financial position and the strong market positions of its various operations, we expect the Group's operating profit to improve during 2010 with a goal to exceed the level in 2008 (SEK 32.3m).

Stockholm, Tuesday, May 4, 2010

Stefan Skarin
President and CEO

Review report

This interim report has not been subject to special examination by the company's independent auditor.

Financial calendar 2010

Annual General Meeting, May 4, 2010

Interim report January-June 2010, August 25, 2010

Interim report January-September 2010, October 20, 2010

Annual General Meeting

The Annual General Meeting will be held on May 4, 2010, 6:00 p.m., at IVA, Grev Turegatan 16, in Stockholm. Intoi's complete annual report is available on the company's website and at the company's office in Kista Science Tower, Kista, Sweden.

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INCOME STATEMENTS, GROUP		3 mths Jan-Mar		Full year
SEK M	2010	2009	2009	
Continuing operations				
Net sales	158.9	168.5	603.0	
Operating expenses	-146.6	-151.4	-563.3	
Depreciation of tangible assets	-1.0	-1.3	-4.8	
Amortization of intangible assets	-1.2	-1.4	-5.5	
Impairment losses on intangible assets	-	-	-18.7	
Other operating expenses	-	-	-5.2	
Operating profit from continuing operations	10.1	14.4	5.5	
Result from financial investments in continuing operations	-0.8	-0.6	-3.0	
Profit after financial items from continuing operations	9.3	13.8	2.5	
Discontinued operations				
Net sales	-	-	-	
Operating expenses	-	-	-	
Depreciation of tangible assets	-	-	-	
Amortization of intangible assets	-	-	-	
Operating profit from discontinued operations	-	-	-	
Result from financial investments in discontinued operations	-	-	-0.6	
Profit after financial items from discontinued operations	-	-	-0.6	
Profit after financial items	9.3	13.8	1.9	
Income tax	0.0	0.0	0.0	
Profit for the period	9.3	13.8	1.9	
<i>Earnings per share for the period, basic and diluted, SEK</i>	<i>0.84</i>	<i>1.25</i>	<i>0.17</i>	

STATEMENT OF COMPREHENSIVE INCOME		3 mths Jan-Mar		Full year
SEK M	2010	2009	2009	
Profit for the period	9.3	13.8	1.9	
Other comprehensive income				
Foreign exchange gains/losses	0.1	0.3	-0.1	
Total other comprehensive income	0.1	0.3	-0.1	
Comprehensive income for the period	9.4	14.1	1.8	
<i>Comprehensive income for the period attributable to owners of the Parent Company</i>	<i>9.4</i>	<i>14.1</i>	<i>1.8</i>	

CASH FLOWS, GROUP		3 mths Jan-Mar		Full year
SEK M	2010	2009	2009	
Incoming payments from customers	166.3	148.8	593.8	
Outgoing payments to suppliers and employees	-170.6	-142.9	-536.4	
Interest received	0.0	0.1	0.2	
Interest paid	-0.8	-0.7	-3.8	
Income tax paid	-0.4	-0.6	-2.1	
Cash flow from operating activities	-5.5	4.7	51.7	
Investments in property, plant and equipment	-1.0	-0.3	12.7	
Other	-0.9	0.0	8.8	
Cash flow from investing activities	-1.9	-0.3	21.5	
Repurchase of shares	-	-	-	
Dividends	-	-	-6.6	
Change in financial liabilities	-1.1	-10.6	-38.3	
Cash flow from financing activities	-1.1	-10.6	-44.9	
Cash flow for the period	-8.5	-6.2	28.3	
Cash and cash equivalents at beginning of period	60.6	32.3	32.3	
Cash and cash equivalents at end of period	52.1	26.1	60.6	
Unutilized overdraft facilities	60.0	46.0	60.0	
Total available cash and cash equivalents	112.1	72.1	120.6	

BALANCE SHEETS, GROUP			
SEK M	Mar 31, 2010	Mar 31, 2009	Dec 31, 2009
ASSETS			
Non-current assets			
Goodwill	288.5	304.5	288.7
Other intangible assets	30.1	31.9	30.3
Tangible assets	54.4	81.4	54.3
Financial assets	107.5	115.1	107.3
Total non-current assets	480.5	532.9	480.6
Current assets			
Inventories	79.7	74.9	73.5
Other current assets	40.3	35.5	33.2
Trade receivables	87.5	104.3	90.5
Cash and cash equivalents	52.1	26.1	60.6
Total current assets	259.6	240.8	257.8
TOTAL ASSETS	740.1	773.7	738.4
EQUITY AND LIABILITIES			
Total equity	601.3	610.8	591.9
Non-current liabilities			
Interest-bearing liabilities	26.5	40.8	27.4
Provisions	7.7	8.6	7.6
Total non-current liabilities	34.2	49.4	35.0
Current liabilities			
Trade payables	34.5	16.4	35.9
Interest-bearing liabilities	4.8	19.3	5.0
Provisions	-	1.0	-
Other current liabilities	65.3	76.8	70.6
Total current liabilities	104.6	113.5	111.5
TOTAL EQUITY AND LIABILITIES	740.1	773.7	738.4
Pledged assets	103.0	120.9	103.2
Contingent liabilities	-	-	-

CHANGES IN EQUITY, GROUP			
SEK M	2010	3 mths Jan-Mar 2009	Full year 2009
Equity at beginning of period	591.9	596.7	596.7
Repurchase of shares	-	-	-
Dividends	-	-	-6.6
Comprehensive income for the period	9.4	14.1	1.8
Equity at end of period	601.3	610.8	591.9

KEY RATIOS, GROUP			
	2010	3 mths Jan-Mar 2009	Full year 2009
Gross margin, %	7.7	10.1	5.7
Operating margin, %	6.4	8.5	0.9
Profit margin, %	5.9	8.1	0.3
Cash flow, %	-3.5	2.8	8.6
Equity/assets ratio, %	81.2	78.9	80.2
Return on equity, %	1.6	2.3	0.3
Return on capital employed, %	1.6	2.2	0.9
Interest coverage ratio, times	11.3	20.7	1.5
Capital employed, SEK M	632.6	670.9	624.3
Net interest-bearing liabilities, SEK M	-20.8	34.0	-28.2
Net debt/equity ratio, times	-0.03	0.06	-0.05
Number of employees at end of period	239	245	242
Average number of employees	238	242	242
Net sales per employee, SEK M	0.7	0.7	2.5

SHARE DATA	3 mths Jan-Mar		Full year
	2010	2009	
Equity per share, SEK	54.42	55.28	53.57
Number of shares at end of period, millions	11.05	11.05	11.05
Average number of shares, millions	11.05	11.05	11.05
Cash flow from operating activities per share, SEK	-0.50	0.43	4.68
Earnings per share, SEK	0.84	1.25	0.17

GROUP	Total sales by quarter					Total operating profit by quarter					
	SEK M	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
2008		149.1	128.9	132.5	168.8	579.3	14.4	4.8	10.6	1.9	31.7
2009		168.5	133.0	137.9	163.6	603.0	14.4	5.2	6.5	-20.6	5.5
2010		158.9					10.1				

INCOME STATEMENTS, PARENT COMPANY	3 mths Jan-Mar		Full year	
	SEK M	2010		2009
Net sales		3.2	3.5	12.8
Operating expenses		-3.4	-5.5	-18.9
Depreciation of tangible assets		-0.0	-0.7	-0.9
Operating profit/loss		-0.2	-2.7	-7.0
Result from financial investments		-0.1	-0.1	-1.8
Profit/loss after financial items		-0.3	-2.8	-8.8
Income tax		0.0	0.0	13.9
Profit/loss for the period		-0.3	-2.8	5.1

BALANCE SHEETS, PARENT COMPANY				
	SEK M	Mar 31, 2010	Mar 31, 2009	Dec 31, 2009
ASSETS				
Non-current assets				
Tangible assets		0.5	0.7	0.5
Shares in subsidiaries		414.3	414.3	414.3
Other financial assets		70.4	57.7	70.4
Total non-current assets		485.2	472.7	485.2
Current assets				
Receivables from subsidiaries		5.5	39.7	4.7
Other current assets		9.5	8.1	8.1
Cash and cash equivalents		5.0	0.0	5.2
Total current assets		20.0	47.8	18.0
TOTAL ASSETS		505.2	520.5	503.2
EQUITY AND LIABILITIES				
Total equity		500.0	497.2	500.3
Current liabilities				
Trade payables		0.8	1.0	1.0
Interest-bearing liabilities		-	19.3	-
Liabilities to subsidiaries		0.0	-	0.0
Provisions		-	1.0	-
Other current liabilities		4.4	2.0	1.9
Total current liabilities		5.2	23.3	2.9
TOTAL EQUITY AND LIABILITIES		505.2	520.5	503.2