

*We deliver the IT expertise of a big company
with the soul of a small company
and the commitment of the individual consultant*

KNOW IT AB – INTERIM REPORT

- Net sales increased by 13 percent.
- Effects of the recession limited through client dispersion in many industry fields and geographical spread
- Continued success with frame agreements. Know IT signs new agreements and the volume of assignment based on frame agreements increases.

JANUARY – MARCH 2009

- Net sales rose to SEK 353.4 (311.8) million.
- Operating profit before amortization of intangible assets (EBITA) was SEK 40.2 (38.9) million.
- Net profit after tax was SEK 23.5 (25.4) million, with taxes totaling SEK -9.8 (-10.5) million.
- Earnings per share was SEK 1.68 (2.00)
- Cash flow from operating activities was SEK -13.6 (17.0) million
- The operating margin was 11.4 (12.5) percent

INTERIM REPORT JANUARY – MARCH 2009

MARKET

Overall, the IT-consultancy market has been characterized by fairly high demand during the reporting period, January – March 2009. A weakening has been seen in two fields: vehicle manufacturing and telecommunications, which totaled to about twelve percent of total sales 2008. There is a tendency for shorter advance planning of project orders, as well as for projects being postponed. The competition for assignments has increased and large buyers are attempting to lower prices. There is, however, some geographic variations. Demand in the Oresund region has weakened, causing increased price pressure. The market in Gothenburg has developed well, despite lowered demand from some large buyers. Demand has remained high in Norway, as well as in Northern Sweden.

In the current economic situation, long-term agreements are an important part of a consultancy firm's structural capital. Know IT is successful in its strategy of signing frame agreements and currently has 90 frame agreements with authorities and companies. Larger buyers still choose to hire a smaller number of suppliers. For consultancy buyers this is a way of quality assuring supplier and rationalize the purchasing process. Consultancy firms which have achieved positions as preferred suppliers or have succeeded in signing frame agreements have an edge. Those who have not been successful are forced into sub-consultancy, leading to lowered margins. During the reporting period, Know IT has extended or signed new frame agreements with the Norwegian municipality of med Baerum, CSN (Swedish student aid), The Swedish National Financial Management Authority, Ericsson, The Swedish Social Security Office IT, the County Council of Norrbotten, NRK (Norway), The Norwegian Postal Services, SAS AB, SCA Packaging Obbola AB, the National Government Employee Pensions Board, Statistics Norway, Stora Enso, the Swedish Nuclear Fuel and Waste Management Company, the County Council of Västernorrland and Västra Götalandsregionen.

The new web publishing solution of the National Police Board, which was developed by Know IT, was launched during the reporting period. The assignment has consisted of providing a total solution, including both the external web site, www.polisen.se, and the intranet, Intrapolis. Following the official launch, the assignment transforms into application management to be renewed on an annual basis. This is an example of the growth area Enterprise Content Management.

Know IT Information Management in Linköping has received the assignment of migrating one of OKQ8's own-developed business systems to a modern IT environment.

Other deals signed during the reporting period are mainly extensions of assignments for existing clients. Among other things, Know IT has received assignments regarding:

- Technology Management for TAT and Volvo Personvagnar,
- investigation and development in the field of Information Management/Business Intelligence for AstraZeneca, ICA, KLP, Netcom, Saab Security, SSB and TeliaSonera,
- delivery of Content Management solutions to Apoteket, ICA, the municipal housing company of Lund, Parkeringsbolaget Göteborg, TetraPak and Västra Götalandsregionen.
- application management for TeliaSonera and E.ON.
- systems development for FMV, the municipality of Oslo, Outokumpu, the Research Council of Norway, Pågen, SCA, Uppsala University and Visma.
- testing for Svensk Kraftnat.
- game-based learning for Eli Lilly, Gunnebo and Volvo Construction Equipment.

ORGANIZATION AND NEW ESTABLISHMENTS

The three subsidiaries Know IT A-kraft, Know IT Compliance & Governance and Know IT HRM are joining to form the new company Know IT Business Consulting. The aim of the new organization is to achieve synergy, increase supply capacity and create a holistic offering of specialist competence in strategic consultancy. Know IT Business Consulting has more than 40 employees.

In Gothenburg Know IT has established a unit in the field of game-based learning. The operation combines competence in interactivity, storytelling, design and pedagogy to offer application for training and marketing. The company Know IT HT supplies total solutions, including conceptualization, design, production and technical development of applications in game-based educations.

Know IT has, as of January 1, acquired the minority shares in Know IT IM Linköping, Know IT IM Oslo and Know IT IM Göteborg.

Due partly to the economic situation, overview and reduction of costs is taking place in all parts of the Group. Increases in salary are under heavy restraint. The organization is modified continuously through active measures. This has among other things lead to around ten employees leaving Know IT.

NET SALES

Net sales for the reporting period was SEK 353.4 (311.8) million, an increase of 13.3 percent compared to the corresponding period in the previous financial year.

RESULTS

The operating profit before amortization of intangible assets was SEK 40.2 (38.9) million for the reporting period, an increase of 3.3 percent, corresponding to an operating margin of 11.4 (12.5) percent. The combination of weakened demand in some industry fields and price pressure from larger clients has affected the operating margin.

Amortization of intangible assets totaled SEK -3.8 (-1.5) million. The result after financial items for the reporting period was SEK 33.3 (35.9) million.

Net financial items for the reporting period amounted to SEK -3.1 (-1.5) million. All of the groups' loans taken to finance acquisitions bear floating interest rate, which has lead to that the finance costs for the acquisitions has gradually lowered.

FINANCIAL POSITION

Cash and cash equivalents, including short-term investments, totaled SEK 85.0 (84.1) million, as of March 31, 2009.

Cash flow from operating activities for the reporting period was SEK -13.6 (17.0) million. Cash flow before changes in working capital was SEK 27.7 (26.1) million. Changes in working capital totaled SEK -41.3 (-9.1) million, primarily affected by decrease in short-term liabilities.

The equity ratio increased to 41.5 (38.9) percent compared to December 31, 2008.

Intangible assets, consisting mainly of goodwill, totaled SEK 754.4 million on March 31, 2009, compared to SEK 742.7 million on Dec 31, 2008. The increase is due primarily to effects of exchange rates.

Interest-bearing liabilities were SEK 267.2 (142.5) million, of which SEK 209.0 (142.5) million were long-term. Of this, NOK 66.4 (83.0) pertains to the loan taken to decrease currency exposure following from the acquisition in Norway.

Minority interest has decreased to SEK 0.0 (9.2) million due to the acquisition of minority shares in Know IT IM Linköping, Know IT IM Oslo and Know IT IM Göteborg.

TAXES

Tax on profit for the reporting period was SEK -9.8 (-10.5) million, calculated at a tax rate of 26.3 (28.0) percent.

EMPLOYEES

The number of employees has increased by 1 (40) during the reporting period. On March 31, 2009, the number of employees was 1,122 (994). The average number of employees during January-March 2009 was 1,125 (981).

PARENT COMPANY

The result after financial items for the reporting period amounted to SEK -16.7 (-6.1) million. At the end of the reporting period, equity was SEK 287.9 (194.2) million, cash and cash equivalents amounted to SEK 46.2 (49.3) million. Know IT has unutilized overdraft facility of SEK 55.0 million as of March 31, 2009.

ACCOUNTING PRINCIPLES

This report has been prepared in accordance with IAS 34, Interim Financial Reporting. The group accounting has been prepared in accordance with International Financial Reporting Standards, IFRS, as approved by EU, and the Swedish Annual Accounts Act. The interim report for the Parent company has been prepared in accordance with the Swedish Annual Accounts Act and recommendation RFR 2.2 Accounting for legal entities.

As of 2009, the revised IFRS 8 Segment Accounting, replacing IAS 14 and the revised version of IAS 1 Presentation of Financial Statement, are applied. IAS 23 Borrowing Costs are at present not relevant for the group.

In the new version of IAS 1 a split between changes in equity due to transaction with shareholders and other changes shall be made. The presentation of changes in equity shall only include transaction with the shareholders, when other changes in the equity shall be presented either in one statement (report over total result) or two statements (separate profit and loss statement and statement over total result). The group has chosen to present separate profit and loss statement and statement over total result.

No other changes have been made to accounting principles used in the 2008 annual report.

ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of financial reports in accordance with IFRS requires the Board of Directors and Management to make estimates and assumptions that affect the application of accounting principles and the carrying amounts of assets, liabilities, revenue and expenses.

ESSENTIAL RISKS AND UNCERTAINTY FACTORS

Know IT's essential business risks consist of economic fluctuations that cause reduced demand for consultancy services, delivery-related risk such as fixed price projects, operational risk such as problems attracting and retaining skilled personnel, price pressures, and competition, as well as financial risks related to loans and exchange rates.

Risk for decreased demand for consultancy services during the upcoming sixth months exists. Fixed price projects account for around 15 percent of net sales and considering that Know IT has extensive experience of such projects, the risk of costly misjudgments is considered low. The competition for skilled personnel has decreased due to the economic conditions. Price pressures come primarily from large buyers. As Know IT's clients are primarily larger companies and organizations, the credit risk is deemed to be low. Know IT's foreign operations are a small part of the Group's net sales, limiting currency risk. The acquisition in Norway was financed mainly through loans in Norwegian Kroner, to further limit the currency risk.

OUTLOOK

The decline of the general economic situation is not expected to cause essential weakening of demand of Know IT's services during the second quarter of 2009. Development for the third quarter is more difficult to assess. Know IT's many frame agreements and dispersion, both geographically and in different business fields, provides good conditions for meeting a weakened demand.

In the Year-End Report for 2008 Know IT made the following forecast:

The decline of the general economic situation will not have a substantial negative effect on Know IT's business during the first quarter 2009. An increased competitiveness in pricing is expected in some business areas. The market's development during the second quarter 2009 is difficult to evaluate but Know IT's many frame agreements and dispersion, both geographically and in different business fields, provides the company with good conditions for meeting a possible weakening in demand. Know IT's growth is expected to continue.

FINANCIAL CALENDAR

17 July 2009	Interim Report January-June 2009
22 October 2009	Interim Report January-September 2009

Stockholm on April 23, 2009
Anders Nilsson
President and CEO

Know IT's auditor has not examined this report.

ADDRESS AND CONTACT INFORMATION

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CONSOLIDATED INCOME STATEMENT, (SEK M)	Jan-Mar 2009	Jan-Mar 2008	Full year 2008
Net sales	353.4	311.8	1308.3
Operating costs	-310.6	-272.1	-1147.6
Depreciation of tangible fixed assets	-2.6	-0.8	-9.2
Operating result before goodwill amortization	40.2	38.9	151.5
Goodwill amortization	-3.8	-1.5	-9.2
Operating result after goodwill amortization	36.4	37.4	142.3
Financial items	-3.1	-1.5	-8.4
Result after financial items	33.3	35.9	133.9
Income taxes	-9.8	-10.5	-37.1
Result for the period	23.5	25.4	96.8
Other totalresult			
Financial assets which can be sold	-	-	-1.3
Hedging of netinvestment	-7.8	1.8	5.4
Tax effect hedging of netinvestment	2.0	-	-
Exchange rates differences	18.3	-3.8	-12.9
Other totalresult for the period, net after tax	12.5	-2.0	-8.8
Sum totalresult for the period	36.0	23.4	88.0
Result for the period assign nable to shareholders in Parent Company	23.5	24.7	93.4
Result for the period assign nable to minority interests	0.0	0.7	3.4
Sum totalresult assignable to shareholders in Parent Company	36.0	22.7	84.9
Sum totalresult assignable to minority interests	0.0	0.7	3.1
CONSOLIDATED BALANCE SHEET (SEK M)	Mar 31 2009	Mar 31 2008	Dec 31 2008
ASSETS			
Intangible fixed assets	754.4	446.5	742.7
Tangible fixed assets	31.0	29.5	31.8
Financial fixed assets	0.3	1.6	0.3
Current assets	292.9	253.3	283.6
Liquid funds including short-term investments	85.0	84.1	115.1
Total assets	1163.6	815.0	1173.5
EQUITY AND LIABILITIES			
Share capital	14.0	12.4	14.0
Other paid-up capital and other provisions	252.6	155.9	240.1
Recognized profits including result for the year	216.6	159.5	193.1
Total	483.2	327.8	447.2
Minority interest	0.0	9.2	9.5
Total equity	483.2	337.0	456.7
Interest-bearing long-term liabilities	209.0	110.4	205.2
Other long-term liabilities	77.9	61.9	78.8
Interest bearing short-term liabilities	58.2	32.1	64.7
Other short-term liabilities	335.3	273.6	368.1
Total equity and liabilities	1163.6	815.0	1173.5

KEY FIGURES	Jan-Mar 2009	Jan-Mar 2008	Full year 2008
Number of employees at period-end	1 122	994	1 121
Average number of employees	1 125	981	1 041
Sales per employee (000)	314	318	1 257
Result/employee after financial income/expense (000)	30	37	1 29
Return on total capital %	3.2	4.6	14.9
Return on equity %	5.0	7.6	24.5
Return on capital employed %	5.0	7.9	24.6
Operating margin %	11.4	12.5	11.6
Equity ratio %	41.5	41.3	38.9

DATA PER SHARE	Jan-Mar 2009	Jan-Mar 2008	Full year 2008
Earnings per share (SEK)			
Before dilution	1.68	2.00	7.20
After dilution	1.68	2.00	7.20
Equity per share (SEK)			
Before dilution	34.57	26.59	31.99
After dilution	34.57	27.68	31.99
Average number of shares (000)			
Before dilution	13,978	12,326	12,978
After dilution	13,978	12,326	12,978
No. of shares on balance sheet day (000)			
Before dilution	13,978	12,326	13,978
After dilution	13,978	12,744	13,978

CHANGE IN EQUITY (SEK M)	Jan-Mar 2009	Jan-Mar 2008	Full year 2008
Opening balance, Jan 1	456.7	333.1	333.1
Dividend	-	-	-33.9
Option program	-	-	4.9
Total result for the period	36.0	23.4	88.0
New issue of shares	-	-	86.2
Other changes in minority interests	-9.5	-19.5	-21.6
Equity, Dec 31	483.2	337.0	456.7

CONSOLIDATED CASH FLOW ANALYSIS (SEK M)	Jan-Mar 2009	Jan-Mar 2008	Full year 2008
Cash flow current operations before changes in working capital	27.7	26.1	107.1
Change in working capital incl. short-term investments	-41.3	-9.1	20.0
Cash flow from current operations	-13.6	17.0	127.1
Cash flow from investing activities	-11.2	-40.8	-216.5
Cash flow from financing activities	-8.2	0.0	97.6
Cash flow for the period	-33.0	-23.8	8.2
Opening balance	114.8	108.9	108.9
Exchange rates differences	2.9	-1.0	-2.3
Closing balance	84.7	84.1	114.8

INCOME STATEMENT - PARENT COMPANY (SEK M)

	Jan-Mar 2009	Jan-Mar 2008	Full year 2008
Net sales	19.3	20.1	83.8
Operating costs	-25.0	-25.6	-104.3
Depreciation of tangible fixed assets	-0.3	-0.2	-1.0
Operating result	-6.0	-5.7	-21.5
Financial items	-10.7	-0.4	30.0
Result after financial items	-16.7	-6.1	8.5
Appropriations	-	-	-5.2
Income taxes	-	-	9.5
Result for the period	-16.7	-6.1	12.8

BALANCE SHEET - PARENT COMPANY (SEK M)

	Mar 31 2009	Mar 31 2008	Dec 31 2008
ASSETS			
Tangible fixed assets	3.4	3.3	3.2
Financial fixed assets	726.2	396.0	725.0
Current assets	52.7	119.2	77.8
Liquid funds including short-term investments	46.2	49.3	79.1
Total assets	828.5	567.8	885.1
EQUITY AND LIABILITIES			
Share capital	14.0	12.4	14.0
Statutory reserve	68.0	68.0	68.0
Unrestricted share capital including result for the year	205.9	113.8	222.7
Total equity	287.9	194.2	304.7
Untaxed reserves	13.9	8.6	13.9
Interest-bearing long-term liabilities	195.4	110.4	189.6
Other long-term liabilities	35.6	15.2	35.6
Interest bearing short-term liabilities	49.2	32.1	55.2
Other short-term liabilities	246.5	207.3	286.1
Total equity and liabilities	828.5	567.8	885.1

QUARTERLY VALUES

CONSOLIDATED INCOME STATEMENT (SEK M)	Jan-Mar 2009	Oct-Dec 2008	Jul-Sep 2008	Apr-Jun 2008	Jan-Mar 2008
Net sales	353.4	377.9	277.4	341.2	311.8
Operating costs	-310.6	-328.0	-248.3	-299.2	-272.1
Depreciation of tangible fixed assets	-2.6	-2.4	-5.1	-0.9	-0.8
Operating result before goodwill amortization	40.2	47.5	24.0	41.1	38.9
Goodwill amortization	-3.8	-3.8	-2.4	-1.5	-1.5
Operating result after goodwill amortization	36.4	43.7	21.6	39.6	37.4
Financial items	-3.1	-1.4	-4.5	-1.0	-1.5
Result after financial items	33.3	42.3	17.1	38.6	35.9
Income taxes	-9.8	-9.6	-6.1	-10.9	-10.5
Result for the period	23.5	32.7	11.0	27.7	25.4
Other totalresult					
Financial assets which can be sold	-	-1.3	-	-	-
Hedging of netinvestment	-7.8	4.3	0.7	-1.4	1.8
Tax effect hedging of netinvestment	2.0	-	-	-	-
Exchange rates differences	18.3	-13.0	-0.1	4.0	-3.8
Other totalresult for the period, net after tax	12.5	-10.0	0.6	2.6	-2.0
Sum totalresult for the period	36.0	22.7	11.6	30.3	23.4
Result for the period assignable to shareholders in Parent Company	23.5	31.9	10.7	26.2	24.7
Result for the period assignable to minority interests	0.0	0.8	0.3	1.5	0.7
Sum totalresult assignable to shareholders in Parent Company	36.0	22.0	11.3	28.9	22.7
Sum totalresult assignable to minority interests	0.0	0.7	0.3	1.4	0.7
CONSOLIDATED BALANCE SHEET (SEK M)	Mar 31 2009	Dec 31 2008	Sep 30 2008	Jun 30 2008	Mar 31 2008
ASSETS					
Intangible fixed assets	754.4	742.7	695.4	447.4	446.5
Tangible fixed assets	31.0	31.8	33.8	30.8	29.5
Financial fixed assets	0.3	0.3	0.3	0.3	1.6
Current assets	292.9	283.6	302.3	295.7	253.3
Liquid funds including short-term investments	85.0	115.1	78.7	61.2	84.1
Total assets	1,163.6	1,173.5	1,110.5	835.3	815.0
EQUITY AND LIABILITIES					
Share capital	14.0	14.0	13.8	12.8	12.4
Other paid-up capital and other provisions	252.6	240.1	210.0	156.2	155.9
Recognized profits including result for the year	216.6	193.1	189.0	177.7	159.5
Total	483.2	447.2	412.8	346.8	327.8
Minority interest	0.0	9.5	11.1	10.7	9.2
Total equity	483.2	456.7	423.9	357.5	337.0
Interest-bearing long-term liabilities	209.0	205.2	240.1	112.8	110.4
Other long-term liabilities	77.9	78.8	96.0	43.6	61.9
Interest bearing short-term liabilities	58.2	64.7	57.5	32.7	32.1
Other short-term liabilities	335.3	368.1	293.0	288.7	273.6
Total equity and liabilities	1,163.6	1,173.5	1,110.5	835.3	815.0

KEY FIGURES

	Jan-Mar 2009	Oct-Dec 2008	Jul-Sep 2008	Apr-Jun 2008	Jan-Mar 2008
Number of employees at period-end	1,122	1,121	1,143	988	994
Average number of employees	1,125	1,132	1,042	991	981
Sales per employee (000)	314	334	266	344	318
Result/employee after financial income/expense (000)	30	37	16	39	37
Return on total capital %	3.2	4.0	2.4	5.0	4.6
Return on equity %	5.0	7.4	2.8	8.0	7.6
Return on capital employed %	5.0	6.3	3.8	8.4	7.9
Operating margin %	11.4	12.6	8.6	12.1	12.5
Equity ratio %	41.5	38.9	38.2	42.8	41.3

DATA PER SHARE

	Jan-Mar 2009	Oct-Dec 2008	Jul-Sep 2008	Apr-Jun 2008	Jan-Mar 2008
Earnings per share (SEK)					
Before dilution	1.68	2.30	0.82	2.07	2.00
After dilution	1.68	2.30	0.82	2.07	2.00
Equity per share (SEK)					
Before dilution	34.57	31.99	30.10	27.09	26.59
After dilution	34.57	31.99	30.10	29.02	27.68
Average number of shares (000)					
Before dilution	13,978	13,843	13,098	12,642	12,326
After dilution	13,978	13,843	13,098	12,655	12,326
No. of shares on balance sheet day (000)					
Before dilution *) after 49 repurchased own shares	13,978	13,978	13,712	12,800	12,326
After dilution	13,978	13,978	13,712	12,813	12,744