

Interim report January – September 2007

Sales increased by 26% during the third quarter

- The turnover for the first nine months increased by 14 percent to SEK 362.7 (317.8) million
- Results after tax for the first nine months was SEK -3.9 (13.8) million
- Results per share for the first nine months were SEK -0.12 (0.44)
- The turnover for the third quarter increased by 26 percent to SEK 125.9 (100.2) million
- Results after tax for the third quarter was SEK -4.6 (1.6) million
- Results per share for the third quarter was SEK -0.14 (0.05)
- Cash-flow from the current business for the first nine months was SEK 19.6 (29.7) million

KEY DEVELOPMENTS DURING THE THIRD QUARTER

Sales increased by 26% during the third quarter. The development has been especially good within the SAP segment in the US but also in Europe the trend has been positive. The encouraging development within this segment is a direct result of ReadSoft acquiring the SAP expert Ebydos in October 2006.

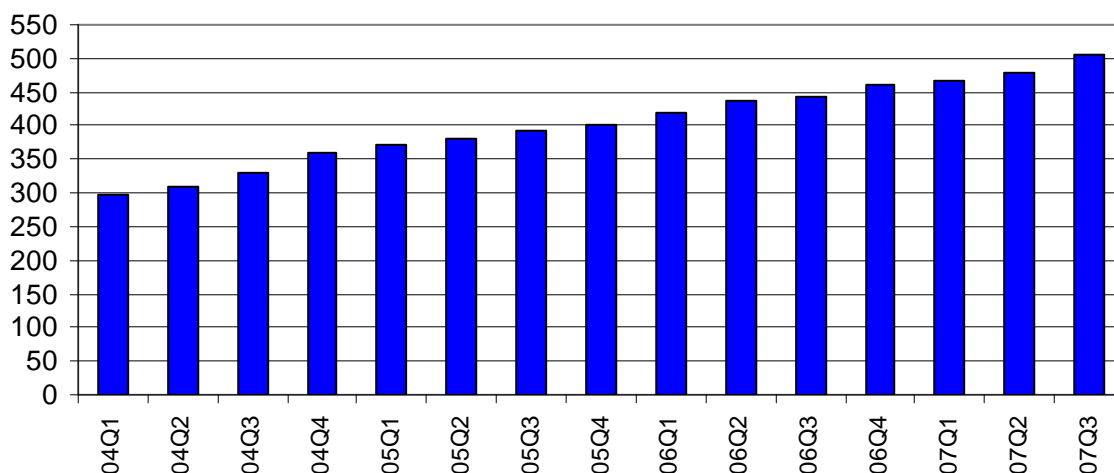
In September ReadSoft established a subsidiary in Benelux with headquarters in Amsterdam, Holland. With a growing number of partners as well as large, international customers in the area, ReadSoft want to take a more active role by the establishment of a subsidiary. With this addition ReadSoft now has operations 15 countries on four continents.

ReadSoft has signed a number of important agreements during the quarter. One of them where with the electric utility company **Green Mountain Power**. The company has implemented ReadSoft's solution for Oracle E-Business Suite. Green Mountain Power is committed to continuously improve its environmental performance, and so was attracted to a business solution that will reduce paper.

GMAC-RFC, the 10th largest mortgage lender in the UK, has invested over £350,000 in ReadSoft DOCUMENTS for Mailrooms software to automate the processing of over 2.5 million documents per annum. The investment will enable GMAC-RFC to provide more efficient service to its intermediaries and customers and support future business growth. The American biopharmaceutical company **CV Therapeutics** has chosen ReadSoft's SAP-certified solution to automate their purchase-to-pay process.

ReadSoft has worked with its North American partner **Imaging Office Systems**, to close over \$300,000 in new business during the first 60 days of the quarter. The partnership between the two companies has resulted in increased efforts to market ReadSoft business solutions to the installed base and prospect base of Imaging Office Systems.

Sales rolling 12 months SEK million



TURNOVER AND RESULTS DURING THE FIRST NINE MONTHS OF 2007

During the first nine months, the revenue amounted to SEK 362.7 (317.8) million. Results after interest income for the period was SEK 2.2 (18.6) million. The operating margin for the first nine months was 0.6 (5.9) percent. Results after tax were SEK -3.9 (13.8) million.

The license revenue amounted to SEK 137.4 (119.0) million during the first nine months 2007, which is 38 (37) percent of the total revenue. Out of the total license revenue for the first nine months, ReadSoft DOCUMENTS for Invoices represented SEK 106.0 (88.3) million while SEK 31.4 (30.7) million were from ReadSoft DOCUMENTS for Forms. Service fees amounted to SEK 104.1 (93.9) million. In addition, revenues for training and customer-specific development were SEK 90.5 (73.4) million. Hardware sales (scanners) amounted to SEK 23.2 (24.1) million. Other revenues amounted to SEK 7.5 (7.4) million.

In Scandinavia the sales totaled SEK 99.3 (83.8) million. The company's sales in the remaining part of Europe amounted to SEK 185.5 (166.5) million. In the U.S. and the rest of the world the sales amounted to SEK 77.9 (67.5) million.

TURNOVER AND RESULTS DURING THE THIRD QUARTER OF 2007

During the first nine months, the revenue amounted to SEK 125.9 (100.2) million. Results after interest income for the period was SEK -4.4 (3.2) million. The operating margin for the third quarter was -3.5 (3.2) percent. Results after tax were SEK -4.6 (1.6) million.

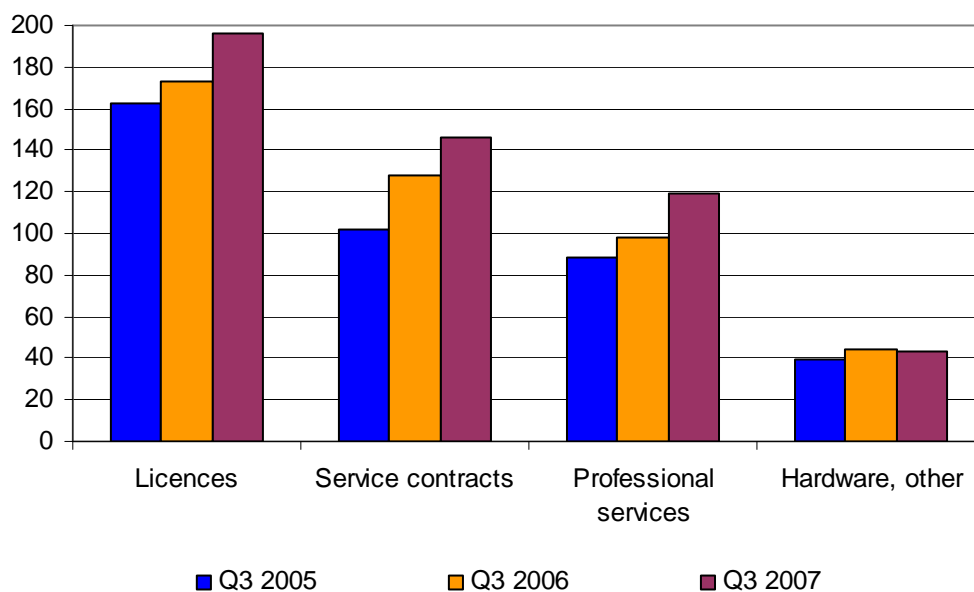
The license revenue amounted to SEK 51.0 (39.0) million during the third quarter 2007, which is 41 (39) percent of the total revenue. Out of the total license revenue for the second quarter, ReadSoft DOCUMENTS for Invoices represented SEK 41.0 (26.4) million while SEK 10.1 (12.6) million were from ReadSoft DOCUMENTS for Forms. Service fees amounted to SEK 35.4 (31.5) million. In addition, revenues for training and customer-specific development were SEK 29.8 (22.6) million. Hardware sales (scanners) amounted to SEK 7.5 (5.3) million. Other revenues amounted to SEK 2.2 (1.8) million.

In Scandinavia the sales totaled SEK 32.0 (22.6) million. The company's sales in the remaining part of Europe amounted to SEK 65.1 (54.3) million. In the U.S. and the rest of the world the sales amounted to SEK 28.9 (23.3) million.

TURNOVER AND RESULTS ROLLING 12 MONTHS, OCTOBER 2006 – SEPTEMBER 2007

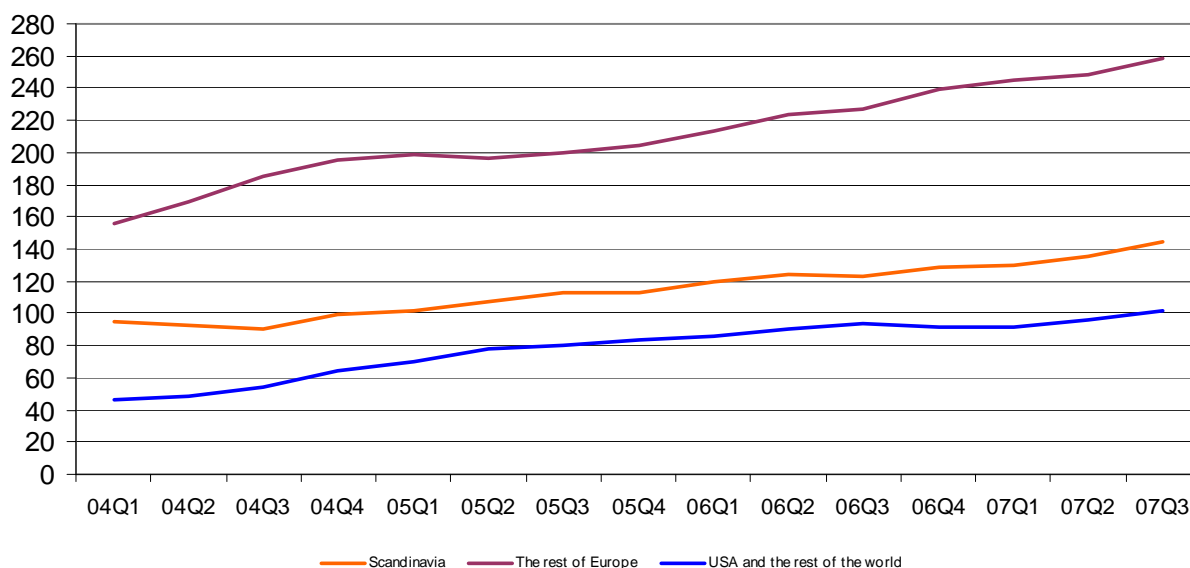
During the period October 2006 until September 2007, the revenue amounted to SEK 504.7 (443.6) million. Results after interest income was SEK 31.3 (47.6) million. The operating margin was 6.2 (10.7) percent. Results after tax were SEK 21.1 (43.5) million. Total revenue increased by 14 percent and license revenue by 13 percent.

Revenue distribution 12 months rolling SEK million



The license revenue amounted to SEK 196.2 (173.5) during the period, which is 39 (39) percent of the total revenue. Out of the total license revenue, ReadSoft DOCUMENTS for Invoices represented SEK 151.6 (132.1) million while SEK 44.7 (43.4) million were from ReadSoft DOCUMENTS for Forms. Service fees amounted to SEK 146.0 (127.6) million. In addition, revenues for training and customer-specific development were SEK 119.1 (97.9) million. Hardware sales (scanners) amounted to SEK 34.5 (35.0) million. Other revenues amounted to SEK 8.9 (9.6) million.

Sales rolling 12 months per geographic market, SEK million



In Scandinavia the sales totaled SEK 144.3 (123.0) million. The company's sales in the remaining part of Europe amounted to SEK 258.8 (227.3) million. In the U.S. and the rest of the world the sales amounted to SEK 101.6 (93.3) million.

STAFF

As of September 30, 2007, the ReadSoft staff amounted to 440 (321). Of the increase 54 came from acquisitions.

INVESTMENTS

Investments in fixed assets during the first nine months 2007 amounted to SEK 6.2 (3.8) million and consisted of the acquisition of computer and office related equipment. Investments during the third quarter amounted to SEK 1.2 (0.7) million. Depreciations of tangible assets amounts to SEK 4.7 (3.3) million during the first nine months and to SEK 1.9 (1.1) million during the third quarter.

Of the research and development costs during the first nine months SEK 25.5 (19.6) million was capitalized. During the third quarter SEK 6.6 (5.7) million was capitalized. Depreciations of product development expenses carried forward amounts to SEK 19.2 (6.1) million for the first nine months and to SEK 11.0 (3.0) million during the third quarter. Depreciations of intangible assets amounts to SEK 4.2 (0) million for the first nine months and to SEK 1.4 (0) million during the third quarter.

FINANCIAL POSITION

The cash and bank balances for the group as of September 30 was SEK 51.9 (67.7) million. Bank overdraft facilities granted was SEK 47.1 (43.4) million, and used was SEK 3.2 (0) million. The cash-flow from the current business for the first nine months was SEK 19.6 (29.7) million. For the third quarter the cash-flow from the current business was SEK 3.5 (13.7) million.

The solidity was 46.5 (50.3) percent on September 30, 2007.

SHAREHOLDER INFORMATION

At the end of the period, the number of shareholders amounted to 5,922 (6,952). Out of the company's total capital, 47 (44) percent were owned by Swedish and foreign institutions, 25 (26) percent by the company's founders, and 28 (30) percent by private persons, including staff. At the end of the period, Swedish shareholders held 86 (88) percent and foreign shareholders held 14 (12) percent of the total share value.

IMPORTANT RISKS AND FACTORS OF UNCERTAINTIES

Important risks and factors of uncertainties are described in the Annual Report for 2006 under the item Risk Analysis, in the Administration Report and in the Notes 2 and 3.

THE PARENT COMPANY

The parent company's net sales for the first nine months 2007, including inter-company posts, amounted to SEK 131.1 (120.0) million. The result after financial items was SEK 2.5 (3.5) million.

Investments in fixed assets in the parent company amounted to SEK 2.9 (1.3) million. The parent company's cash and bank balances as of September 30, was SEK 8.4 (23.0) million. Bank overdraft facilities granted was SEK 35.0 (35.0) million, and used was SEK 0.2 (0) million. Equity was SEK 178.9 (125.7) million, resulting in a solidity of 62.8 (65.7) percent.

ACCOUNTING POLICY

This interim report is presented in accordance with International Financial Reporting Standards (IFRS), the IAS 34 Interim Reporting, with Redovisningsrådets recommendation RR31, Interim Reporting for Groups and RR32 concerning financial reporting by legal entities.

The same accounting policies that were used in the latest annual report have been used in this interim report.

GOING FORWARD

During 2007, ReadSoft has made investments in order to strengthen its market position and provide conditions for future growth in sales and profit, which will burden the results during 2007. We estimate that the market conditions for our solutions continue to be good. ReadSoft's long-term financial targets are 20-25% annual growth and an operating margin (EBITDA) of at least 15%

UPCOMING FINANCIAL REPORTS

- Year-end communiqué 2007 will be presented on February 12, 2008
- The Interim Report January – March 2008 will be presented on April 23, 2008
- General Meeting will be held April 23, 2008
- The 2007 Annual Report will be published on 7 April 2008 on ReadSoft's website and will be on hand at ReadSoft's head offices in Helsingborg. Printed versions will also be distributed by post to shareholders upon request.

This interim report has not been audited by the auditors of ReadSoft.

The Board of Directors ReadSoft AB

For more information contact President/CEO Jan Andersson +46-42-490 21 00, mobile +46-708-37 66 00 or VP Corporate Communication, Jonna Opitz at +46 42 490 21 08 or CEO Jan Bertilsson at +46 42 490 21 43. Please visit <http://www.readsoft.com/>

Group's income statements in summary

Amounts in SEK million	July-Sep 2007	July-Sep 2006	Jan-Sep 2007	Jan-Sep 2006	Rolling 12 months Oct 06- Sep 07	Full year 2006
Net sales	125.9	100.2	362.7	317.8	504.7	459.8
Capitalization of R&D expenditure	<u>6.6</u>	<u>5.7</u>	<u>25.6</u>	<u>19.6</u>	<u>34.3</u>	<u>28.3</u>
	132.5	105.9	388.3	337.4	539.0	488.1
Commodities	-14.2	-20.2	-38.6	-65.1	-54.1	-80.6
Personnel costs	-77.5	-59.2	-231.5	-173.7	-304.1	-246.3
Other external costs	-29.3	-19.5	-86.8	-67.3	-112.2	-92.7
Other operating income/expences	-1.9	0.6	-1.1	-2.4	-1.8	-3.1
Share of loss in associated companies	-	-0.5	-	-1.4	-0.7	-2.1
Depreciations on fixed assets	-1.6	-1.1	-4.7	-3.3	-6.2	-4.8

Depreciations on product dev expenses carried forward	-11.0	-3.0	-19.2	-6.1	-23.2	-10.1
Depreciations of intangible assets	-1.4	-	-4.2	-	-5.5	-1.3
Operating income	-4.4	3.0	2.2	18.1	31.2	47.1
Financial income and expenses						
Interest income	0	0.2	0	0.5	0.1	0.6
Income after financial items	-4.4	3.2	2.2	18.6	31.3	47.7
Tax	-0.2	-1.6	-6.1	-4.8	-10.2	-8.9
Net profit/loss after taxes	-4.6	1.6	-3.9	13.8	21.1	38.8

Group's balance sheet in summary

	2007 Sep 30	2006 Sep 30	2006 Dec 31
Assets			
Fixed assets			
Software developed in house	93.8	76.8	87.4
Goodwill	49.5	-	49.5
Other fixed assets	70.4	27.2	73.8
Total fixed assets	213.7	104.0	210.7
Current assets			
Accounts receivables	141.3	109.4	164.0
Current assets	51.9	67.7	54.7
Other current assets	109.9	81.4	87.7
Total current assets	303.1	258.5	306.4
Total assets	516.8	362.5	517.2
Equity and liabilities			
Equity	240.3	182.2	238.6
Long-term liabilities	60.2	9.2	46.1
Accounts payable	18.3	25.5	20.0
Other short-term liabilities	198.0	145.6	212.5
Total equity and liabilities	516.8	362.5	517.2

Change in equity

	Jan-Sep 2007	Jan-Sep 2006	Full Year 2006
Opening balance	238.6	169.2	169.2
New issue	-	-	33.7
Translation difference	5.6	-0.8	-3.1
Result for the period	-3.9	13.8	38.8
Closing balance	240.3	182.2	238.6

Cash-flow statements in summary

	July-Sep 2007	July-Sep 2006	Jan-Sep 2007	Jan-Sep 2006	Full Year 2006
Cash-flow before changes in working capital	9.5	8.2	24.2	26.3	60.9
Changes in working capital	-6.0	5.5	-4.6	3.4	-16.1
Cash-flow from the current business	3.5	13.7	19.6	29.7	44.8
Cash-flow from investment activities	-6.7	-6.4	-31.0	-22.8	-50.6

Cash-flow from financial activities	-0.3	-0.1	8.6	8.8	8.6
Change in liquid assets	-3.5	7.2	-2.8	15.7	2.8

Three-year summary and key data Group

	Jan-Sep 2007	Jan-Sep 2006	Jan-Sep 2005	Full Year 2006
Revenue	362.7	317.8	275.1	459.8
Revenue growth %	14.1	15.5	14.0	14.7
Operating income	2.2	18.1	23.4	47.1
Income after financial items	2.2	18.6	23.5	47.7
Net result after tax	-3.9	13.8	22.3	38.8
Operating margin %	0.6	5.7	8.5	10.2
Profit margin financial items %	0.6	5.9	8.5	10.4
Profit margin after tax %	-1.1	4.3	8.1	8.4
Solidity %	46.5	50.3	45.3	46.1
Capital employed	261.1	191.4	158.3	252.3
Return on equity, %	-1.8	8.5	20.3	19.0
Return on total capital, %	0.5	5.5	8.9	10.9
Net dept/equity ratio	-0.13	-0.33	-0.18	-0.17
Net interest bearing liabilities	-31.1	-59.5	-26.1	-41.1
Number of employees at end of period	440	321	295	381
Number of shares at close of period, thousands	32,488	31,259	31,259	32,488
Equity per share, (SEK)	7.40	5.83	4.52	7.49
Earnings after financial items per share (SEK)	0.07	0.60	0.78	1.50
Earnings after tax per share (SEK)	-0.12	0.44	0.71	1.22
Share price at close of period (SEK)	19.90	27.10	29.00	27.40

Statement of accounts in geographical areas

	Scandinavia			The rest of Europe			U.S. and the rest of the world		
	Jan-Sep 2007	Jan-Sep 2006	Full Year 2006	Jan-Sep 2007	Jan-Sep 2006	Full Year 2006	Jan-Sep 2007	Jan-Sep 2006	Full Year 2006
Revenue	99.3	83.8	128.8	185.5	166.5	239.8	77.9	67.5	91.2
Result before financial items	32.1	29.1	49.2	40.6	39.7	65.4	10.6	8.9	12.7
Profit margin %	32.3	34.7	38.2	21.9	23.9	27.3	13.6	13.1	13.9
Assets	79.2	57.9	95.8	150.8	122.8	159.7	60.0	57.0	49.9
Liabilities	53.2	39.3	60.5	72.6	58.6	64.3	28.1	23.6	24.3
Investments	0.4	0.4	1.1	1.7	1.3	1.7	1.2	0.8	1.0
Depreciation	0.5	0.5	0.8	1.3	0.8	1.2	0.8	0.6	0.9
				Parent Company incl. Group adjustments			Total		
				Jan-Sep 2007	Jan-Sep 2006	Full Year 2006	Jan-Sep 2007	Jan-Sep 2006	Full Year 2006
Revenue				-	-	-	362.7	317.8	459.8
Result before financial items				-81.1	-59.6	-80.2	2.2	18.1	47.1
Profit margin %				-	-	-	0.6	5.7	10.2
Assets				226.8	124.8	211.8	516.8	362.5	517.2
Liabilities				122.6	58.8	129.5	276.5	180.3	278.6
Investments				28.5	20.9	31.8	31.8	23.4	35.6
Depreciation				25.5	7.5	13.3	28.1	9.4	16.2

Parent company's income statements in summary

Amounts in SEK million

	Jan-Sep 2007	Jan-Sep 2006	Helår 2006
Net sales	131.1	120.0	175.1
Commodities	-20.0	-19.6	-24.8
Personnel costs	-81.7	-73.1	-98.5
Other external costs	-27.3	-24.2	-32.4
Other operating income/expences	0.1	-1.4	1.1
Depreciations on fixed assets	-2.1	-1.4	-2.0
Operating income	0.1	0.3	18.5
Financial income and expenses			
Interest income	2.4	3.2	5.1
Income after financial items	2.5	3.5	23.6
Tax	-0.7	0	-0.2
Net profit/loss after taxes	1.8	3.5	23.4

Parent company's balance sheet in summary

	2007 Sep 30	2006 Sep 30	2006 Dec 31
Assets			
Fixed assets			
Intangible and tangible assets	5.3	2.9	4.4
Shares in Group companies	84.8	5.4	84.6
Shares in associated company	-	11.2	-
Receivables from Group companies	115.7	96.8	107.2
Other fixed assets	0.4	2.5	0.4
Total fixed assets	206.2	118.8	196.6
Current assets			
Accounts receivables - trade	10.2	7.3	9.4
Receivables from Group companies	50.4	35.0	43.7
Cash and cash equivalents	8.4	23.0	6.8
Other current assets	9.5	7.2	5.4
Total current assets	78.5	72.5	65.3
Total assets	284.7	191.3	261.9
Equity and liabilities			
Equity	178.9	125.7	177.5
Long-term liabilities	19.2	10.2	9.4
Long-term liabilities to Group companies	6.5	2.4	2.2
Accounts payable - trade	7.4	10.4	5.2
Short-term liabilities to Group companies	24.3	3.0	5.3
Other short-term liabilities	48.4	39.6	62.3
Total Equity and Liabilities	284.7	191.3	517.2

Learn more about ReadSoft on www.readsoft.com

ReadSoft is the world's leading supplier of software for Document Automation. The company develops and markets a complete software platform for Document Automation named ReadSoft DOCUMENTS. The vision is to free businesses everywhere from manual document handling. Since its founding in 1991, ReadSoft has developed into a global group with offices in 14 countries in Europe, North and South America and Australia, and a large number of local and global partners. ReadSoft is headquartered in Helsingborg, Sweden, and its primary R&D facility is in Stockholm. ReadSoft has been listed on the Stockholm stock exchange since 1999. ReadSoft AB. Södra Kyrkogatan 4, 252 23 Helsingborg. Sweden. Phone: +46-(0)42 - 490 21 00, Registration number: 556398-1066