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READSOFT®

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- Results after tax for 2003 was 14,5 (-40,8) MSEK
- Results per share after tax for 2003 was 0,48 (-1,34) kr
- Cash-flow for 2003 was 1,9 (-2,4) MSEK
- The turnover for the fourth quarter was 88,0 (86,0) MSEK
- Results after tax for the fourth quarter was 13,9 (-1,6) MSEK
- Results per share after tax for the fourth quarter was 0,47 (-0,05) kr
- Cash-flow for the fourth quarter was 9,0 (7,3) MSEK

Financial year-end communiqué 2003

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IMPORTANT EVENTS DURING 2003

ReadSoft made important progress towards improved earnings due to cost savings and growth during 2003.

The international success of INVOICES continued and the growth was vigorous in several markets. Customers investing in electronic invoice capture during 2003 were companies like SAS, Thyssen Krupp, Bosch, BASF, Daimler Chrysler, United Biscuits, Ericsson and Amcor. Integration of INVOICES with business systems from SAP and other leading suppliers continues to be successful and among ReadSoft's 700 INVOICES customers, approximately 100 are SAP-users.

Over 3000 companies use ReadSoft's other core product, FORMS. New users of the software include ING, Options Employment Group, State Super Financial Service and Nordea.

During 2003 ReadSoft's sales channels were strengthened by partner agreements with several international suppliers of financial and business system solutions, including TietoEnator, PRG Schultz, Esker, NMS Imaging, Altos Technologies and R5.

On the product side ReadSoft obtained a European patent for parts of the INVOICES-technology that covers 13 countries. EZ-OUT and INVOICES received attention in connection with their nomination to "IT Product of the Year" in the *Guldmusen* (Golden Mouse) competition.

TURNOVER AND RESULTS DURING THE FOURTH QUARTER OF 2003

During the quarter, the revenue amounted to 88,0 (86,0) MSEK. Variances of the exchange rate has affected the revenue negatively with approximately 5 percent (4 MSEK). Results after interest income for the period was 12,8 (2,6) MSEK. The operating margin for the quarter was 14,5 (3,0) percent. Results after tax was 13,9 (-1,6) MSEK.

In Scandinavia the sales totaled 29,8 (23,0) MSEK. The company's sales in the remaining part of Europe amounted to 45,5 (47,1) MSEK. In the U.S. and the rest of the world the sales amounted to 12,7 (15,9) MSEK.

The license revenue, consisting of one-time payments for the right to use our software, amounted to 28,9 (34,7) MSEK during the fourth quarter, which is 33 (40) percent of the total revenue. Out of the total license revenue for the fourth quarter, FORMS represented 36 (49) percent and INVOICES 64 (51) percent.

Service fees amounted to 25,7 (22,6) MSEK. In addition, revenues for training and customer-specific development were 15,0 (14,9) MSEK. Hardware sales (scanners) amounted to 11,8 (9,9) MSEK. Other revenues 6,6 (4,0) MSEK.

TURNOVER AND RESULTS FOR 2003

During the year 2003, the revenue amounted to 294,7 (282,9) MSEK, a 4 percent increase. Variances of the exchange rate has affected the revenue negatively with approximately 5 percent (15 MSEK). Results after interest income for the period was 14,1 (-36,5) MSEK. The operating margin was 4,8 (-12,9) percent. Results after tax was 14,5 (-40,8) MSEK.

In Scandinavia the sales totaled 91,9 (83,1) MSEK. The company's sales in the remaining part of Europe amounted to 152,7 (142,1) MSEK and in the U.S. and the rest of the world the sales amounted to 50,1 (57,7) MSEK.

The license revenue, consisting of one-time payments for the right to use our software, amounted to 110,1 (109,5) MSEK during the year 2003, which is 37 (39) percent of the total revenue. Out of the total license revenue, FORMS represented 46 (58) percent and INVOICES 54 (42) percent.

Service fees (annual proceeds from service agreements) amounted to 81,8 (73,8) MSEK. In addition, revenues for training and customer-specific development were 55,4 (48,0) MSEK. Hardware sales (scanners) amounted to 31,5 (40,5) MSEK. Other revenues totaled 15,9 (11,1) MSEK.

DIVIDEND

The board of directors suggests no share dividend for 2003.

STAFF

As of December 31, 2003, the ReadSoft staff amounted to 265 (261). The average number of staff during the year has been 262 (286). 25 (25) percent were women and 75 (75) percent men.

INVESTMENTS

Investments during the year 2003 amounted to 2,3 (2,9) MSEK and consisted of the acquisition of computer-, office- and event related equipment. During the fourth quarter investments amounted to 0,6 (0,2) MSEK. Depreciations of tangible assets amounts to 6,8 (8,5) MSEK during the year 2003 and with 1,7 (2,5) MSEK during the fourth quarter.

Of the research and development costs during the year 19,6 (12,5) MSEK was capitalized in accordance with *Redovisningsrådet's* recommendation no. 15. During the fourth quarter the sum amounted to 5,3 (4,3) MSEK. Depreciations of product development expenses carries forward amounts to 3,5 (0,2) MSEK for the year and with 1,6 (0,2) MSEK for the fourth quarter.

FINANCIAL POSITION

The cash and bank balances for the group as of December 31 was 23,9 (22,0) MSEK. Bank overdraft facilities granted was 41,8 (34,9) MSEK, and used was 16,8 (14,2) MSEK. Cash-flow for the year after financial activities was 1,9 (-2,4) MSEK. Cash-flow for the fourth quarter was 9,0 (7,3) MSEK. The solidity was 36,8 (33,3) percent as of December 31.

SHAREHOLDER INFORMATION

At the end of the period, the number of shareholders amounted to 7,191 (6,750). Out of the company's total capital, 34 (43) percent were owned by Swedish and foreign institutions, 29 (29) percent by the company's founders, and 37 (28) percent by private persons, including staff. At the end of the period, Swedish shareholders held 86 (82) percent and foreign shareholders held 14 (18) percent of the total share value.

THE PARENT COMPANY

The parent company's net sales for the year 2003, including inter-company posts, amounted to 99,6 (95,0) MSEK. The result after financial items was -19,6 (-38,0) MSEK. Investments in the parent company amounted to 1,0 (0,3) MSEK. The parent company's cash and bank balances as of December 31 was 0,6 (0,8) MSEK. Bank overdraft facilities

granted was 35,0 (27,0) MSEK, and used was 16,8 (13,3) MSEK Equity was 57,6 (69,2) MSEK, resulting in a solidity of 61,4 (65,1) percent.

ACCOUNTING POLICY

In accordance with FAR's guidelines, if an annual report in a stock corporation has product development expenses set up as assets, these are reported as an income item in the profit and loss statement. However, this item is not included in the net turnover and therefore does not affect key figures related to turnover.

Figures for geographical segments are reported according to The Swedish Financial Accounting Standards Council's recommendation RR25, *Reporting for segments – business segments and geographic areas*. Included are income, expenses, assets and liabilities that directly pertain to the continuous operation of the segment. Also included are central income and expenses that pertain to sales to external customers and can reasonably and reliably be allocated to the segment.

FUTURE PROSPECTS

ReadSoft's progress during 2003 was positive, with increased sales and profit.

In the future international sales of INVOICES in particular has strong potential for growth, but FORMS sales could also increase in a better market. In 2004 ReadSoft will launch a brand new product concept that will broaden our market, since more kinds of documents can be processed automatically. This will have a limited impact on our 2004 revenue but is an important step to increasing the company's long-term potential.

Our goals for 2004 are to further increase profit and to create a foundation for future growth

COMING INFORMATION OCCASIONS

- Interim Report January – March 2004 on April 22nd 2004
- Annual shareholders' general meeting on April 22nd 2004 at 15.00 in Helsingborg
- The Annual Report 2003 will be presented around April 8th 2004
- Interim Report April – June 2004 on August 12th 2004
- Interim Report July – September on October 21st 2004

The Board of Directors ReadSoft AB

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Group's income statements in summary

Amount in MSEK

	Oct-Dec 2003	Oct-Dec 2002	Full year 2003	Full year 2002
Net sales	88,0	86,0	294,7	282,9
Capitalization of R&D expenditure	<u>5,3</u>	<u>4,3</u>	<u>19,6</u>	<u>12,5</u>
	93,3	90,3	314,3	295,4
Commodities	-15,1	-12,8	-47,0	-48,5
Other external costs	-17,4	-28,1	-75,0	-98,0
Personnel costs	-44,6	-44,2	-167,4	-176,8
Depreciations on fixed assets	-1,7	-2,5	-6,8	-8,5
Depreciations on product dev expenses carried forward	-1,6	-0,2	-3,5	-0,2
Operating income	12,9	2,5	14,6	-36,6
Financial income and expenses				
Interest income	-0,1	0,1	-0,5	0,1
Income after financial items	12,8	2,6	14,1	-36,5
Tax	1,1	-4,2	0,4	-4,3
Net profit/loss after taxes	13,9	-1,6	14,5	-40,8

Group's balance sheet in summary

	2003-12-31	2002-12-31
Assets		
Fixed assets	37,3	25,7

Current assets	174,2	166,6
Total assets	211,5	192,3
Equity and liabilities		
Equity	77,9	64,1
Long-term liabilities	17,6	15,0
Short-term liabilities	116,0	113,2
Total equity and liabilities	211,5	192,3

Change in equity

	2003	2002
Opening balance	64,1	101,9
Additional costs for issue	-	-0,1
Translation difference	-0,7	3,1
Result for the period	14,5	-40,8
Closing balance	77,9	64,1

Cash-flow statements in summary

	2003	2002
Cash-flow before changes in working capital	24,8	-24,4
Changes in working capital	-2,9	23,8
Cash-flow from the current business	21,9	-0,6
Cash-flow from investment activities	-22,6	-15,2
Cash-flow from financial activities	2,6	13,4
Change in liquid assets	1,9	-2,4

Three-year summary and key data, group

	2003	2002	2001
Revenue	294,7	282,9	295,8
Revenue growth %	4,2	-4,4	1,4
Operating income	14,6	-36,6	-90,2
Income after financial items	14,1	-36,5	-89,3
Net result after tax	14,5	-40,8	-84,1
Operating margin %	4,9	-12,9	-30,5
Profit margin financial items %	4,8	-12,9	-30,2
Profit margin after tax %	4,9	-14,4	-28,4
Solidity %	36,8	33,3	47,1
Capital employed	95,5	79,1	103,4
Return on equity, %	20,4	-44,8	-65,4
Return on total capital, %	7,4	-17,9	-35,8
Net dept/equity ratio	-0,08	-0,11	-0,22
Net interest bearing liabilities	-6,3	-7,0	-22,8
Number of employees at end of period	265	261	285
Number of shares at close of period, thousands	30467	30467	30467
Equity per share, (SEK)	2,56	2,10	3,34
Earnings after financial items per share (SEK)	0,46	-1,20	-2,93
Earnings after tax per share (SEK)	0,48	-1,34	-2,76
Share price at close of period (SEK)	12,00	5,15	16,00

Statement of accounts in geographical areas

Scandinavia

	2003	2002
Revenue	91,9	83,1
Result before financial items	28,9	18,8

Profit margin %	31,5	22,6
Assets	50,8	41,7
Liabilities	35,0	31,6
Investments	0,2	1,2
Depreciation	0,8	1,4

The rest of Europe

	2003	2002
Revenue	152,7	142,1
Result before financial items	41,2	24,9
Profit margin %	26,9	17,6
Assets	96,2	94,4
Liabilities	49,9	46,5
Investments	0,5	0,8
Depreciation	1,4	1,7

U.S. and the rest of the world

	2003	2002
Revenue	50,1	57,7
Result before financial items	1,1	-6,5
Profit margin %	2,2	-11,3
Assets	28,4	32,0
Liabilities	13,1	12,9
Investments	0,6	0,6
Depreciation	1,0	1,2

About ReadSoft

ReadSoft, is the world's leading supplier of software for document automation and associated information processing. The company develops and markets a broad range of products based on our own products FORMS, INVOICES and EZ-OUT, and supplementary systems developed for them. Since its founding in 1991, ReadSoft has developed into a global group with 11 subsidiaries 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.

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