

*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 JANUARY–SEPTEMBER 2010

- Net sales and operating results continue to grow
- This year's acquisitions, Endero and Reaktor, contribute positively
- Steadily improved demand

INTERIM PERIOD (JANUARY–SEPTEMBER)

- Net sales rose to SEK 1,206.9 (999.3) million
- The operating profit (EBITA) rose to SEK 120.8 (105.1) million
- Results after taxes were SEK 68.4 (62.3) million, taxes totaled SEK -28.9 (-25.3) million
- Earnings per share were SEK 3.97 (4.33)
- Cash flow from operating activities reached SEK 4.1 (30.9) million
- The operating margin was 10.0 (10.5) percent

REPORTING PERIOD (JULY–SEPTEMBER)

- Net sales rose to SEK 370.7 (287.4) million
- The operating profit (EBITA) rose to SEK 40.6 (31.0) million
- Results after taxes were SEK 21.3 (18.7) million, taxes totaled SEK -10.2 (-7.2) million
- Earnings per share were SEK 1.17 (1.26)
- Cash flow from operating activities reached SEK 13.1 (11.3) million
- The operating margin was 11.0 (10.8) percent

Know IT AB (publ) is an IT-consultancy firm which contributes to the success of companies and organizations by developing and taking long-term responsibility for value-adding processes, functions and IT-solutions. Operations include services within strategic consultancy, systems development and application management. Know IT was founded in 1990 and currently has around 1,500 employees in 23 locations around Sweden, five locations in Norway, and one each in Estonia, Finland, Russia and USA. Know IT AB (publ) is quoted on the Nordic Exchange in Stockholm. For further information about Know IT, please visit www.knowit.se.

INTERIM REPORT JANUARY–SEPTEMBER 2010

COMMENTS FROM THE CEO

The demand on Know IT's markets has increased slightly during the third quarter as compared to the previous quarter.

The results in Finland and Norway have developed very well. In Skåne the competition remains difficult and the demand in the telecommunications industry remains low.

During the last quarter, we have strengthened our Systems Development venture on the Microsoft platform as well as our venture in Testing and Quality assurance. We have also developed our operations in IT Management by creating a new specialist unit which will primarily help our clients with IT strategies, IT governance, follow-up and streamlining.

In a long-term perspective, IT support will become more important in companies, organizations and the public sector. By acting locally, close to our clients, Know IT will remain an important supplier of specialized consultancy services, client-tailored systems development and total solutions regarding application management.

Know IT's operations in game-based learning won the Swedish Design award 2010 for the computer game Equalize, which teaches diabetic children about their disease in a fun and simple way.

Demand in different industries is changing which requires fast adjustment. Our results show that we have the capability to manage that. The diversified sales spread is, together with our geographical coverage, an important part of Know IT's base strength.

Anders Nilsson
CEO and President

MARKET

Demand has been high in many locations and the situation is approaching that of 2008. During the quarter, demand has risen in Finland, but remained low in the Öresund region. Know IT has a good dispersion of risks in IT's business activities, thanks to IT's geographic dispersion, with offices in 30 locations, combined with having clients in many different fields.

Know IT has a large proportion, around 60 percent, of net sales arising from deals springing from the approximately 130 frame agreements the company has with IT-consultancy buying companies, organizations and public sector operations. These agreements, which are signed with a select group of suppliers, set the general terms for allocation of contracts during the agreement period.

During the quarter, Know IT has signed new or extended existing frame agreements with the Swedish Legal, Financial and Administrative Services Agency, the municipality of Karlskrona, the Swedish Arts Council, Outokumpu Stainless, Posten Logistikk Norge, the Swedish National Board of Health and Welfare, Swedbank and Umeå University.

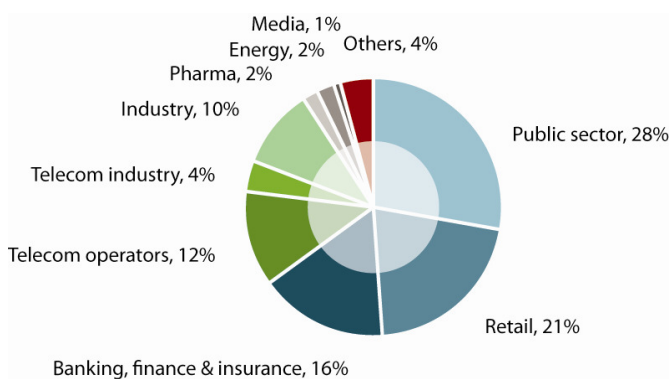
During the quarter Know IT has received assignments, among others, regarding

- **Business & IT Management** for Maquet, Olivia Holding and Outokumpu
- **ECM/Web services/games** for Clifton, Fortum, Hunter Douglas Europe, Kulturrådet, Läkemiddelsverket, Peak Performance, Skövde kommun, Statens pensionsverk, Swerock, Tillväxtverket, Tullverket and Östhammarshem
- **Information Management/Business Intelligence** for Biovitrum, EnterCard, Försäkringskassan, ICA, IF, JBF, Landstinget i Värmland, Rusta, SSAB, SpareBank 1, TeliaSonera, Uppsala Universitet and Volvo logistik

- **System Development** for Dala Kraft, Försäkringskassan, Iggesund Paper Board, Jönköping Energi, Konsumentverket, Korsnäs, Lantmäteriet, Outokumpu, PatraFee, Politidirektoratet, Sandvik, Toll og Avgiftsdirektoratet, Transportstyrelsen, SLU, The Absolut Company, Synskadades riksförbund, Telenor UMC and Umeå Energi
- **Test & Quality Management** for Handelsbanken, ICA-kort, Keybrooker, Sirius Försäkring and SPV
- **Technology Management** for Volvo Cars, ICA, Ericsson, AB Volvo, Schenker, VGR-SÅS and Icomera

SALES PER INDUSTRY FIELD JANUARY–SEPTEMBER

The equal distribution of net sales per industry field affects Know IT's risk profile positively. During 2010 the part of sales within Retail and Bank & Finance is increasing while Telecom industry is decreasing.



EMPLOYEES

The number of employees, in full-time equivalents, was 1,459 (1,108) on September 30, 2010. In all, 1,526 people were employed by the Group.

The number of employees has increased by 342 people during the first nine months of the year. Of these, 249 are attributable to the acquisitions of Endero and Reaktor, while 93 are attributable to organic growth. The average number of employees during the same period was 1,352 (1,108).

NET SALES

Net sales for the interim period January–September were SEK 1,206.9 (999.3) million, an increase by 20.8 percent as compared to the previous financial year. Of the total increase of SEK 207.6 million, this year's acquisitions contribute with SEK 134.6 million from their respective dates of consolidation.

For the current reporting period, July–September, net sales totaled SEK 370.7 (287.4) million, an increase by 29.0 percent.

RESULTS

The operating profit before amortization of intangible assets (EBITA) amounted to SEK 120.8 (105.1) million for the interim period. This year's acquisitions provide SEK 21.7 million of the increase from their respective dates of consolidation.

For the current reporting period, July–September, the operating profit before amortization of intangible assets (EBITA) was SEK 40.6 (31.0) million.

For the period January–September, amortization of intangible assets amounted to SEK -18.7 (-11.4) million. The net financial income was SEK -4.8 (-6.1) million. The operating profit after financial items for the interim period was SEK 97.3 (87.6) million.

Results after taxes for the same period were SEK 68.4 (62.3) million. Taxes on results for the period totaled SEK -28.9 (-25.3) million.

Earnings per share for the interim period were SEK 3.97 (4.33). This year's acquisitions contributes with SEK 0,55 per share. New issuance of shares connected to the acquisitions affects the result per share with SEK -0,40.

SEGMENTS

Net sales during the period January–September were: In Sweden SEK 940.0 (891.5) million and in the other Nordic countries SEK 267.0 (107.9) million. The increase in the Nordic region is due mainly to the acquisitions of Endero Oy and Reaktor AS while the increase in Sweden is due to organic growth.

In Sweden, the operating profit before amortization of intangible assets (EBITA) for the period January–September totaled SEK 95.2 (107.9) million, in the other Nordic countries SEK 40.9 (15.3) million.

FINANCIAL POSITION

Cash and cash equivalents, including short-term investments, were SEK 82.0 (32.2) million on September 30.

Interest-bearing liabilities totaled SEK 231.8 (232.6) on September 30, including financial leases of SEK 18.2 (21.3) million. Of the total, 66.4 (66.4) million are in Norwegian kroner, to limit exchange rate risks. Of interest-bearing liabilities, SEK 142.8 (167.8) were long-term. The Group had used SEK 27.2 (4.1) million of a granted overdraft facility totaling SEK 75.0 (55.0) million on September 30.

Goodwill and other intangible assets as per September 30 totaled SEK 916.4 (738.4) million, of which SEK 798.4 (666.9) million are goodwill and SEK 118.1 (71.5) million are other intangible assets.

Equity was SEK 694.0 (521.7) million on September 30. This year's new issuance of shares has contributed with SEK 136.1 (32.1) million.

The equity ratio was 48.9 (47.6) percent on September 30.

CASH FLOW

Cash flow from operating activities for the interim period, January–September, totaled SEK 4.1 (30.9) million, affected mainly by an increase of accounts receivable.

Investment activities, mainly acquisitions and payments of additional considerations, have during the period January–September affected total cash flow by SEK -14.7 (-47.9) million, while financing activities, mainly amortizations and dividends, have affected the cash flow by SEK -33.2 (-68.5) million.

For the current reporting period, cash flow from operating activities totaled SEK 13.1 (11.3) million.

PARENT COMPANY

The result after financial items for the interim period amounted to SEK -12.5 (-27.9) million. The net financial income was SEK 2.0 (-13.5) million.

As of September 30, equity was SEK 458.3 (280.3) million. This year's new issuance of shares has contributed with SEK 136.1 (32.1) million.

Cash and cash equivalents were SEK 0.0 (0.0) million. The parent company used SEK 27.2 (4.1) million of a granted overdraft facility of SEK 75.0 (55.0) million.

Interest-bearing liabilities on September 30 totaled SEK 208.7 (211.0) million, of which 66.4 (66.4) million are in Norwegian kroner, to limit exchange rate risks.

ESSENTIAL RISKS AND UNCERTAINTY FACTORS

Know IT's general essential business risks consist of reduced demand for consultancy services, problems attracting and retaining skilled personnel, price risks, financial risks related to credit and exchange rates and, to a lesser extent, risks related to fixed price projects. For a comprehensive description of the essential risks and uncertainty factors, see Know IT's annual report for 2009.

NOMINATION COMMITTEE

The AGM on April 22, 2010 determined that at the end of the third quarter, the Chairman of the Board should convene the three largest shareholders by number of votes, to choose one representative each for the nomination committee.

The Nomination Committee for the AGM 2011 consists of Mats Olsson, Chairman of the Board and convener, Frank Larsson, Handelsbankens fonder, Björn Franzon, Swedbank Roburs småbolagsfond and Ben Wrede, Atine Group Oy.

The task of the nomination committee is to propose, during the AGM 2011, the Chairman of the AGM, Board Members, the Chairman of the Board, Auditor, Directors' fees, auditors' fees and to make suggestions for the nomination committee's procedures.

Shareholders who wish to submit proposals to the Nomination Committee may do so by e-mail, valberedning@knowit.se.

ACCOUNTING PRINCIPLES

This report has been prepared in accordance with IAS 34, Interim Financial Reporting. The Group accounts have been prepared in accordance with the International Financial Reporting Standards, IFRS, as adopted by the European Union, 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 the recommendation RFR 2.3 Accounting for legal entities.

The Group uses the same accounting principles and calculation methods as were used for the annual report for 2009 with exception of that from January 1, 2010 applies the changes in IFRS 3 (Acquisitions) and IAS 27 (Group accounting) .

ACCOUNTING ESTIMATES AND ASSUMPTIONS

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

OUTLOOK

Know IT sees a continued improvement on the market, which will cause an increased demand over the next six months. The achieved improvement in Finland is expected to remain. Know IT's growth will continue.

In the interim report January–June 2010, the following outlook was made:
Know IT sees an improvement on the market, which will cause a slightly increased demand over the next six months. The possibilities for acquisitions and new establishments remain strong. Know IT's growth continues.

FINANCIAL CALENDAR

3 Feb	2011	08:30 AM	Year-end report 2010
20 April	2011	08:30 AM	Interim report Jan–March 2011
20 April	2011	03.00 PM	AGM 2011

Stockholm, October 21, 2010

Anders Nilsson
President and CEO

This interim report has been briefly reviewed by Know IT's auditors.

The information contained herein is such as shall be made public by Know IT, in accordance with the Securities Market Act and/or the Financial Instruments Trading Act. This report was made public on October 21, 2010 at 08:30 AM.

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**CONSOLIDATED INCOME STATEMENT
(SEK M)**

	Jul-Sep 2010	Jul-Sep 2009	Jan-Sep 2010	Jan-Sep 2009	Full Year 2009
Net sales	370.7	287.4	1,206.9	999.3	1,385.3
Operating costs	-327.5	-254.1	-1,078.2	-886.9	-1,221.5
Depreciation of tangible fixed assets	-2.6	-2.3	-7.9	-7.3	-9.6
Result (EBITA)	40.6	31.0	120.8	105.1	154.2
Depreciation of intangible assets	-7.5	-3.8	-18.7	-11.4	-15.2
Operating result (EBIT)	33.1	27.2	102.1	93.7	139.0
Financial income	-0.1	0.0	0.1	1.1	1.9
Financial cost	-1.5	-1.3	-4.9	-7.2	-9.1
Result after financial items	31.5	25.9	97.3	87.6	131.8
Income taxes	-10.2	-7.2	-28.9	-25.3	-37.7
Result for the period	21.3	18.7	68.4	62.3	94.1
Result for the period assignable to shareholders in Parent Company	20.0	18.7	65.9	62.3	94.1
Result for the period assignable to minority interests	1.3	0.0	2.5	0.0	0.0
Earnings per share					
Earnings per share before dilution (SEK)	1.17	1.26	3.97	4.33	6.48
Earnings per share after dilution (SEK)	1.17	1.26	3.95	4.33	6.48
Other total result					
Result for the period	21.3	18.7	68.4	62.3	94.1
Hedging of netinvestment	3.3	0.1	6.0	-6.0	-8.4
Tax effect hedging of netinvestment	-0.9	0.0	-1.6	1.6	2.2
Exchange rates differences	-22.8	-0.6	-33.8	13.3	19.5
Other total result for the period, net after tax	0.9	18.2	39.0	71.2	107.4
Total result for the period					
Total result assignable to shareholders in Parent Company	-0.4	18.2	36.5	71.2	107.4
Total result assignable to minority interests	1.3	0.0	2.5	0.0	0.0

**CONSOLIDATED BALANCE SHEET
(SEK M)**

	Sep 30 2010	Sep 30 2009	Dec 31 2009
ASSETS			
Intangible fixed assets	916.4	738.4	746.0
Tangible fixed assets	32.4	29.5	27.6
Financial fixed assets	7.9	0.4	0.4
Deferred tax assets	5.3	0.0	2.1
Current assets	374.9	296.4	277.8
Liquid funds including short-term investments	82.0	32.2	130.9
Total assets	1,418.9	1,096.9	1,184.8
EQUITY AND LIABILITIES			
Share capital	17.1	14.9	14.9
Other paid-up capital and other provisions	387.8	283.0	287.4
Recognized profits including result for the period	285.1	223.8	255.7
Equity attributable to shareholders of Parent Company	690.0	521.7	558.0
Minority interest	4.0	0.0	0.0
Total equity	694.0	521.7	558.0
Interest-bearing long-term liabilities	142.8	167.8	154.9
Other long-term liabilities incl deferred tax liability	120.8	78.3	55.5
Interest bearing short-term liabilities	89.0	64.8	61.5
Other short-term liabilities	372.3	264.3	354.9
Total equity and liabilities	1,418.9	1,096.9	1,184.8

KEY FIGURES	Jul-Sep 2010	Jul-Sep 2009	Jan-Sep 2010	Jan-sep 2009	Full Year 2009
Number of employees at period-end	1,459	1,108	1,459	1,108	1,117
Average number of employees	1,313	1,095	1,352	1,108	1,123
Sales per employee (000)	282	263	893	902	1,234
Result/employee after financial income/expense (000)	24	24	72	79	117
Return on total capital %	2.3	2.5	7.9	8.4	12.0
Return on equity %	3.1	3.7	10.9	12.7	18.5
Return on capital employed %	3.6	3.6	12.0	12.8	18.9
Operating margin %	11.0	10.8	10.0	10.5	11.1
Equity ratio %	48.9	47.6	48.9	47.6	47.1
DATA PER SHARE	Jul-Sep 2010	Jul-Sep 2009	Jan-Sep 2010	Jan-sep 2009	Full Year 2009
Earnings per share (SEK)					
Before dilution	1.17	1.26	3.97	4.33	6.48
After dilution	1.17	1.26	3.95	4.33	6.48
Equity per share (SEK)					
Before dilution	40.41	35.07	40.41	35.07	37.52
After dilution	40.68	35.07	40.68	35.07	37.92
Average number of shareas (000)					
Before dilution	17,075	14,874	16,596	14,399	14,519
After dilution	17,158	14,874	16,710	14,399	14,519
No. of shares on balance sheet day (000)					
Before dilution	17,075	14,874	17,075	14,874	14,874
After dilution	17,593	14,874	17,593	14,874	15,392
CHANGE IN EQUITY (SEK M)	Jul-Sep 2010	Jul-Sep 2009	Jan-Sep 2010	Jan-sep 2009	Full Year 2009
Opening balance	692.8	503.4	558.0	456.7	456.7
Result of change in accounting principles (IFRS 3)	0.0	0.0	-4.2	0.0	0.0
Acquired minority interests	0.3	0.0	1.6	-9.5	-9.4
Exchange rates differences	-22.8	-0.6	-33.8	13.3	19.5
Hedging of net investment	3.3	0.1	6.0	-6.0	-8.4
Tax effect hedging of net investment	-0.9	0.0	-1.6	1.6	2.2
Result for the period	21.3	18.7	68.4	62.3	94.1
Total result for the period	0.9	18.2	39.0	71.2	107.4
Total before transactions with Parent Company shareholders	694.0	521.6	594.4	518.4	554.7
Dividend	0.0	0.0	-36.5	-31.5	-31.5
New share issue, options	0.0	0.1	0.0	2.7	2.7
New share issue, acquisitions	0.0	0.0	136.1	32.1	32.1
Closing balance	694.0	521.7	694.0	521.7	558.0
CONSOLIDATED CASH FLOW ANALYSIS (SEK M)	Jul-Sep 2010	Jul-Sep 2009	Jan-Sep 2010	Jan-sep 2009	Full Year 2009
Cash flow current operations before changes in working capital	33.2	28.6	96.9	80.5	118.6
Change in working capital incl. short-term investments	-20.1	-17.3	-92.8	-49.6	25.0
Cash flow from current operations	13.1	11.3	4.1	30.9	143.6
Cash flow from investing activities	-11.7	-9.7	-14.7	-47.9	-46.0
Cash flow from financing activities	-7.3	-23.5	-33.2	-68.5	-85.6
Cash flow for the period	-5.9	-21.9	-43.9	-85.5	12.0
Opening balance	90.4	53.5	130.6	114.8	114.8
Exchange rates differences	-2.9	0.3	-5.2	2.6	3.8
Closing balance	81.7	31.9	81.6	31.9	130.6

INCOME STATEMENT - PARENT COMPANY					
(SEK M)	Jul-Sep	Jul-Sep	Jan-Sep	Jan-sep	Full Year
	2010	2009	2010	2009	2009
Net sales	13.1	14.6	40.7	53.7	67.7
Operating costs	-16.3	-18.1	-54.2	-67.3	-87.3
Depreciation of tangible fixed assets	-0.4	-0.2	-1.0	-0.8	-1.1
Operating result	-3.6	-3.7	-14.5	-14.4	-20.7
Financial items	1.8	-1.0	2.0	-13.5	23.6
Result after financial items	-1.8	-4.7	-12.5	-27.9	2.9
Appropriations	0.0	0.0	0.0	0.0	-11.0
Income taxes	0.0	0.0	0.0	0.0	12.3
Result for the period	-1.8	-4.7	-12.5	-27.9	4.2
BALANCE SHEET - PARENT COMPANY					
(SEK M)			Sep 30	Sep 30	Dec 31
			2010	2009	2009
ASSETS					
Tangible fixed assets			2.7	3.2	3.4
Financial fixed assets			972.8	721.0	722.2
Current assets			44.6	51.8	61.8
Liquid funds including short-term investments			0.0	0.0	73.4
Total assets			1020.1	776.0	860.8
EQUITY AND LIABILITIES					
Share capital			17.1	14.9	14.9
Statutory reserve			68.0	68.0	68.0
Unrestricted share capital including result for the period			373.2	197.4	288.2
Total equity			458.3	280.3	371.1
Untaxed reserves			24.8	13.9	24.8
Interest-bearing long-term liabilities			129.3	155.2	144.1
Other long-term liabilities			63.7	31.4	11.6
Interest bearing short-term liabilities			79.4	55.8	52.3
Other short-term liabilities			264.6	239.4	256.9
Total equity and liabilities			1020.1	776.0	860.8

SEGMENT REPORTING
SEK, 000s

				Mother	
2010 Jan- Sep	Sweden	Nordic	Other	Company/Adj	Total
External net sales	940.0	267.0	0.0	0.0	1,206.9
Net sales	940.0	267.0	0.0	0.0	1,206.9
Operating result before depreciations of intangible assets	95.2	40.9	-0.8	-14.5	120.8
Result after financial items	69.7	40.8	-0.8	-12.5	97.3
Result attributable to Parent Company shareholders	49.4	29.0	0.0	-12.5	65.9
Tangible fixed assets	3.3	39.3	0.3	919.1	962.0
Current assets, excluding cash	247.5	81.3	1.9	44.6	375.3
Liquid funds including short-term investments	0.4	79.0	2.3	0.0	81.6
Total assets	251.1	199.6	4.5	963.7	1,418.9
Equity	166.5	103.2	4.1	420.2	693.9
Deferred tax liability	50.6	0.0	0.0	6.5	57.1
Other long-term liabilities	9.1	4.4	0.0	193.0	206.5
Other short-term liabilities	24.9	92.0	0.4	344.0	461.3
Total equity and liabilities	251.1	199.6	4.5	963.7	1,418.9
Investments in tangible fixed assets incl leasing	0.2	3.5	0.0	0.4	4.1
Depreciation of tangible fixed assets	-5.7	-1.3	0.0	-1.0	-7.9
2009 Jan - Sep	Sweden	Nordic	Other	Mother	Total
External net sales	891.5	107.9	0.0	0.0	999.3
Net sales	891.5	107.9	0.0	0.0	999.3
Operating result before depreciations of intangible assets	107.9	15.3	-3.7	-14.4	105.1
Result after financial items	103.9	15.3	-3.8	-27.9	87.6
Result attributable to Parent Company shareholders	82.1	11.9	-3.7	-27.9	62.3
Tangible fixed assets	16.9	27.0	0.2	724.2	768.3
Current assets, excluding cash	202.6	38.2	4.1	51.8	296.7
Liquid funds including short-term investments	1.9	29.4	0.6	0.0	31.9
Total assets	221.4	94.5	4.9	776.0	1,096.9
Equity	166.0	61.5	3.7	290.5	521.7
Deferred tax liability	39.1	0.0	0.0	3.6	42.7
Other long-term liabilities	12.8	0.0	0.0	190.6	203.4
Other short-term liabilities	3.6	33.0	1.3	291.2	329.1
Total equity and liabilities	221.4	94.5	4.9	776.0	1,096.9
Investments in tangible fixed assets incl leasing	1.0	0.1	0.0	0.9	2.0
Depreciation of tangible fixed assets	-6.1	-0.3	0.0	-0.8	-7.3

QUATERLY VALUES

CONSOLIDATED INCOME STATEMENT (SEK M)							
	Jul-Sep 2010	Apr-Jun 2010	Jan-Mar 2010	Oct-Dec 2009	Jul-Sep 2009	Apr-Jun 2009	Jan-Mar 2009
Net sales	370.7	428.0	408.2	38.6	287.4	358.5	353.4
Operating costs	-327.5	-388.0	-362.8	-334.6	-254.1	-322.2	-310.6
Depreciation of tangible fixed assets	-2.6	-2.8	-2.5	-2.3	-2.3	-2.4	-2.6
Result (EBITA)	40.6	37.3	42.9	49.1	31.0	33.9	40.2
Goodwill amortization	-7.5	-6.0	-5.1	-3.8	-3.8	-3.8	-3.8
Operating result (EBIT)	33.1	31.3	37.7	45.3	27.2	30.1	36.4
Financial income	-0.1	-0.2	0.4	0.8	0.0	0.4	0.7
Financial cost	-1.5	-1.3	-2.1	-1.9	-1.3	-2.1	-3.8
Result after financial items	31.5	29.7	36.0	44.2	25.9	28.4	33.3
Income taxes	-10.2	-8.5	-10.2	-12.4	-7.2	-8.3	-9.8
Result for the period	21.3	21.2	25.9	31.8	18.7	20.1	23.5
Result for the period assignable to shareholders in Parent Company	20.0	20.0	25.9	31.8	18.7	20.1	23.5
Result for the period assignable to minority interests	1.3	1.2	0.0	0.0	0.0	0.0	0.0
Earnings per share							
Earnings per share before dilution (SEK)	1.17	1.21	1.60	2.14	1.26	1.40	1.68
Earnings per share after dilution (SEK)	1.17	1.21	1.58	2.13	1.26	1.40	1.68
Other totalresult							
Result for the period	21.3	21.2	25.9	31.8	18.7	20.1	23.5
Hedging of netinvestment	3.3	1.1	1.6	-2.4	0.1	1.7	-7.8
Tax effect hedging of netinvestment	-0.9	-0.3	-0.4	0.6	0.0	-0.4	2.0
Exchange rates differences	-22.8	-4.5	-6.5	6.2	-0.6	-4.4	18.3
Other totalresult for the period, net after tax	0.9	17.5	20.6	36.2	18.2	17.0	36.0
Sum totalresult for the period							
Sum totalresult assignable to shareholders in Parent Company	-0.4	16.3	20.6	36.2	18.2	17.0	36.0
Sum totalresult assignable to minority interests	1.3	1.2	0.0	0.0	0.0	0.0	0.0
CONSOLIDATED BALANCE SHEET (SEK M)							
	Sept 30 2010	Jun 30 2010	Mar 31 2010	Dec 31 2009	Sep 30 2009	Jun 30 2009	Mar 31 2009
ASSETS							
Intangible fixed assets	916.4	941.8	816.3	746.0	738.4	741.9	754.4
Tangible fixed assets	32.4	35.1	28.5	27.6	29.5	29.7	31.0
Financial fixed assets	7.9	8.3	0.6	0.4	0.4	0.3	0.3
Deferred tax recoverable	5.3	7.4	7.5	2.1	0.0	0.0	0.0
Current assets	374.9	386.6	336.5	277.8	296.4	299.3	292.9
Liquid funds including short-term investments	82.0	90.4	61.6	130.9	32.2	53.9	85.0
Total assets	1418.9	1469.7	1251.0	1184.8	1096.9	1125.1	1163.6
EQUITY AND LIABILITIES							
Share capital	17.1	17.1	16.3	14.9	14.9	14.9	14.0
Other paid-up capital and other provisions	387.8	407.7	360.1	287.4	283.0	283.5	252.6
Recognized profits including result for the year	285.1	265.2	281.6	255.7	223.8	205.1	216.6
Total	690.0	690.0	658.0	558.0	521.7	503.5	483.2
Minority interest	4.0	2.8	0.0	0.0	0.0	0.0	0.0
Total equity	694.0	692.8	658.0	558.0	521.7	503.5	483.2
Interest-bearing long-term liabilities	142.8	151.7	144.6	154.9	167.8	187.2	209.0
Other long-term liabilities incl deferred tax liability	120.8	152.8	60.2	55.5	78.3	73.3	77.9
Interest bearing short-term liabilities	89.0	77.1	62.9	61.5	64.8	69.3	58.2
Other short-term liabilities	372.3	395.3	325.3	354.9	264.3	291.8	335.3
Total equity and liabilities	1418.9	1469.7	1251.0	1184.8	1096.9	1125.1	1163.6

KEY FIGURES	Jul-Sep 2010	Apr-Jun 2010	Jan-Mar 2010	Oct-Dec 2009	Jul-Sep 2009	Apr-Jun 2009	Jan-Mar 2009
Number of employees at period-end	1,459	1,424	1,313	1,117	1,108	1,090	1,122
Average number of employees	1,313	1,301	1,291	1,114	1,095	1,102	1,125
Sales per employee (000)	282	329	316	346	263	325	314
Result/employee after financial income/expense (000)	24	23	28	40	24	26	30
Return on total capital %	2.3	2.3	3.1	4.0	2.5	2.7	3.2
Return on equity %	3.1	3.1	4.3	5.9	3.7	4.1	5.0
Return on capital employed %	3.6	3.5	4.7	6.0	3.6	4.0	5.0
Operating margin %	11.0	8.7	10.5	12.7	10.8	9.5	11.4
Equity ratio %	48.9	47.1	52.6	47.1	47.6	44.8	41.5
DATA PER SHARE	Jul-Sep 2010	Apr-Jun 2010	Jan-Mar 2010	Oct-Dec 2009	Jul-Sep 2009	Apr-Jun 2009	Jan-Mar 2009
Earnings per share (SEK)							
Before dilution	1.17	1.21	1.60	2.14	1.26	1.40	1.68
After dilution	1.17	1.21	1.58	2.13	1.26	1.40	1.68
Equity per share (SEK)							
Before dilution	40.41	40.41	40.57	37.52	35.07	33.85	34.57
After dilution	40.68	40.68	40.85	37.92	35.07	33.85	34.57
Average number of shares (000)							
Before dilution	17,075	16,483	16,219	14,874	14,874	14,336	13,978
After dilution	17,158	16,607	16,344	14,913	14,874	14,336	13,978
No. of shares on balance sheet day (000)							
Before dilution	17,075	17,075	16,219	14,874	14,874	14,874	13,978
After dilution	17,593	17,593	16,737	15,392	14,874	14,874	13,978
CONSOLIDATED CASH FLOW ANALYSIS (SEK M)	Jul-Sep 2010	Apr-Jun 2010	Jan-Mar 2010	Oct-Dec 2009	Jul-Sep 2009	Apr-Jun 2009	Jan-Mar 2009
Cash flow current operations before changes in working capital	33.2	28.2	35.5	38.1	28.6	24.2	27.7
Change in working capital incl. short-term investments	-20.1	5.8	-78.5	74.6	-17.3	9.0	-41.3
Cash flow from current operations	13.1	34.0	-43.0	112.7	11.3	33.2	-13.6
Cash flow from investing activities	-11.7	13.6	-16.6	1.8	-9.7	-27.0	-11.2
Cash flow from financing activities	-7.3	-18.0	-8.0	-17.1	-23.5	-36.8	-8.2
Cash flow for the period	-6.0	29.7	-67.6	97.4	-21.9	-30.6	-33.0
Opening balance	90.4	61.2	130.6	31.9	53.5	84.7	114.8
Exchange rates differences	-2.9	-0.5	-1.8	1.2	0.3	-0.6	2.9
Closing balance	81.6	90.4	61.2	130.5	31.9	53.5	84.7

Acquired Group companies 2010

As of January 1, 2010 Endero OY was acquired

As of June 1, 2010 Reaktor AS was acquired

Total value of all acquired assets, liabilities, purchase considerations and effects on Group's cash and cash equivalents of all business acquired during the year:

	Endero	Reaktor	Total
Considerations			
settled in cash	18,706	0	18,706
fair value new share issues	79,371	56,718	136,089
provisions for additional purchase consideration/deferred consideration	0	83,000	83,000
Total consideration	98,077	139,718	237,795
Acquired net assets at fair value	-15,862	-6,534	-22,396
Goodwill and other intangible assets	82,215	133,184	215,399

Goodwill is attributable to the profitability of the acquired companies and the expected synergies with other Know IT firms

Other intangible assets are attributable to the acquired companies' client relations

Fair value for issued shares is based on the quoted share price
The total number of issued shares was 1,345,050 and 856,149 respectively.

Assets and liabilities included in the acquisitions were as follows:

	Fair value			Acquired booked value		
	Endero	Reaktor	Total	Endero	Reaktor	Total
Goodwill and other intangible assets	0	0	0	82,212	133,187	215,399
Property, plant and equipment	1,191	7,850	9,041	1,191	7,850	9,041
Financial, non-current assets	209	5,654	5,863	209	5,654	5,863
Deferred tax receivable	6,498	360	6,858	6,498	360	6,858
Current assets	20,837	27,529	48,366	20,837	27,529	48,366
Cash and cash equivalents	10,883	29,237	40,120	10,883	29,237	40,120
Other liabilities	-23,756	-64,096	-87,852	-23,756	-64,096	-87,852
Net assets	15,862	6,534	22,396	98,077	139,718	237,795
Acquired net assets	15,862	6,534	22,396	98,077	139,718	237,795
Consideration settled in cash				-18,706	0	-18,706
Cash and cash equivalents in acquired companies				10,883	29,237	40,120
Effects of acquisitions on the Group's cash and cash equivalents				-7,823	29,237	21,414

In addition to the acquisitions described above, Know IT Technology Management has acquired the operation in Svenska ProjektSpecialisten AB

In connection with the adaption of the changed IFRS 3, SEK 4,2 M has been accounted for directly in equity and SEK 0,9 M has been accounted for as cost. SEK 4,2 M represents costs for the transactions during 2009 and the SEK 0,9 represents costs for the transactions during 2010



Review report

We have reviewed this report for the period 1 January 2010 to 30 September 2010 for Know IT AB (publ.). The board of directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

We conducted our review in accordance with the Swedish Standard on Review Engagements SÖG 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing in Sweden, RS, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, 21 October 2010

Öhrlings PricewaterhouseCoopers AB

Lars Wennberg
Authorised Public Accountant