

*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 – JUNE 2007

- Operating profit (EBITA) for the current reporting period increased 73 percent compared with the corresponding period in 2006
- Know IT continues to grow – net sales for the current reporting period climbed 28 percent compared with the corresponding period in 2006
- Know IT strengthened its leading position in testing through the acquisition of Solution Point

INTERIM PERIOD (JANUARY-JUNE)

- Net sales increased to SEK 474.9m (370.4)
- Operating profit (EBITA) rose to SEK 52.2m (30.9)
- Profit after taxes increased to SEK 38.0m (22.0), taxes were SEK -13.4m (-8.4)
- Earnings per share rose to SEK 2.91 (1.74)
- Cash flow from operating activities was SEK 27.8m (10.8)
- Operating margin increased to 11.0 (8.3) per cent

REPORTING PERIOD (APRIL-JUNE)

- Net sales increased to SEK 234.1m (186.6)
- Operating profit (EBITA) rose to SEK 22.7m (13.1)
- Profit after taxes increased to SEK 16.9m (9.5), taxes were SEK -5.7m (-3.3)
- Earnings per share rose to SEK 1.28 (0.76)
- Cash flow from operating activities was SEK 5.6m (19.0)
- Operating margin increased to 9.7 (7.0) per cent

INTERIM REPORT JANUARY – JUNE 2007

MARKET

The IT consulting sector during the period January to June 2007 continued to be characterized by strong demand. Nevertheless, fees are still rising slowly despite this demand because many of deals reached are extensions of ongoing assignments or framework agreement-based deals.

Know IT's revenue growth continues. Net sales were 28.2 per cent higher compared with the equivalent period last year. During the current reporting period, April to June 2007, Know IT's revenue increased with 25.5 percent compared with the equivalent reporting period in 2006.

Frame agreements continued to be significant for Know IT and are an important element of its structural capital. Know IT has more than 60 frame agreements, which serve as a stable base for a steady inflow of project requests. About 60 percent of Know IT's sales consist of frame agreement deals. During the current reporting period Know IT signed new or extended existing frame agreements with clients such as Apoteket, Swedish Companies Registration Office, Holmen Paper, the Swedish National Land Survey, Norrbotten County Council, SJ, Sveriges Utbildningsradio, and Swedish Customs.

Most deals concluded during the period involve extensions of commitments to existing customers. For example, Know IT signed agreements or received assignments for

- Systems development for Sandvik Coromant, SCA Packaging, Swedish Customs, Ovako, SACO, the Swedish National Rail Administration, and Swedish Rescue Services Agency.
- Content management solutions for MittMedia Förvaltningservice, Swedish National Road Administration, municipality of Karlskrona, and the Swedish Consumer Agency.
- Information technology solutions and documentation of methods and procedures for the National Heritage Board and Saab.
- Business intelligence development and analysis for Intrum Justitia, SBAB, SEB and OMX, and in Norway for Sparebank 1 and Posten Logistikk.
- System administration of integration solutions for Luvata and functional administration for TeliaSonera.
- Strategic consulting services for Saab Aerosystems, Nokia Siemens Network, Toyota Industries, SATS Sportclub Sweden AB, Försäkringskassan, SEB, and Sveaskog.
- Testing and quality assurance for Teleca, TAC, and ScanCoin
- Project management for business and systems development projects for Swedish Civil Aviation Authority, Trafikregistret, and Alstom Power Sverige.
- Mobile solutions for Tågkompaniet, Stockholmståg, Anticimex, and K-rauta.
- Architecture and development in embedded systems for Volvo Cars, Saab Avitronics, Scania, and Stoneridge.
- Prestudy for development of simulation model for Forsmarks Kraftgrupp's internal power system.
- Training, support, and implementation of solutions for electronic invoice processing and case and document management for Ålands Landskapsregering.

STRATEGIC ORIENTATION, STRUCTURAL MEASURES, ETC.

Know IT followed its acquisition strategy of strengthening its expertise in markets where it is already active by acquiring the testing and quality assurance company Solution Point AB in Stockholm with 21 employees during the current reporting period. Solution Point's clients include Siemens, Microsoft, AstraZeneca, TeliaSonera, the Swedish Space Corporation, OMX, and Svenska Spel. The operation will be integrated with Know IT's existing testing and quality assurance operations. Know IT is one of the leading providers in the Swedish market in this field, with about 125 specialists.

Solution Point is being acquired for SEK 7 million in cash. An additional amount will be paid if certain result levels are achieved. The business was consolidated in Know IT's accounts as of June 1, 2007.

The way of payment used when acquiring Solution Point is in line with Know IT's ambition to finance future acquisitions with cash.

One of Know IT's basic strategies is to remain supplier-independent by striving to achieve a balance with several different partners. Know IT has access to new technology through partnerships with providers of developmental tools. By maintaining a balance with several different partners the company retains its independent position, which benefits clients who can be offered the solution that is best for them. During the current reporting period Know IT signed partnership agreements with Netoptions and Streamserve.

A major challenge for Know IT and other IT consulting companies is to attract and recruit new employees while retaining existing personnel. As a complement to traditional recruiting activities, over the past year Know IT has chosen to focus on younger, well educated people, and to seek greater diversity with respect to the ethnic and cultural background of new employees. Know IT also strives to achieve a more even gender distribution. For the second consecutive year, Know IT is offering recent university graduates trainee positions, which will begin in September.

In April the Annual General Meeting re-elected the board of directors consisting of Mats Olsson, chairman, Carl-Olof By, Pekka Seitola, Ulrika Simons and Kerstin Stenberg. Directly after the annual general meeting the staff appointed a personnel representative to the board of directors for a two-year term. Erika Stadling Holm was reelected, which means that Know IT, is one of few listed companies that continues to have a Board consisting of three women and three men.

NET SALES

Net sales for the current reporting period were SEK 234.1m (186.6), an increase of 25.5 percent compared with the corresponding period in the previous financial year. The percentage of fixed price projects has decreased to about 7 percent of net sales.

RESULTS

Operating profit (EBITA) for the current reporting period was SEK 22.7m (13.1), giving an operating margin of 9.7 (7.0) percent. Operating income after financial items for the same period amounted to SEK 22.6m (12.8).

FINANCIAL POSITION

The equity ratio increased during the current reporting period from 51.0 percent to 52.2 percent.

Cash and cash equivalents, including short-term investments, were SEK 78.4m (68.6) on June 30, 2007, Short-term investments totaled SEK 0.1m (1.1). Intangible assets, consisting primarily of goodwill, amounted to SEK 220.7m (161.9) as at June 30, 2007.

Investments in equipment during the current reporting period totaled SEK 0.5m (0.5).

Cash flow for the current reporting period, which was affected by dividend payment, purchase considerations, and new share issue, was SEK -22.8m (-4.3).

The 2007 Annual General Meeting approved share issue directed to the sellers of Create, Real M and Innograte as payment for part of the additional purchase consideration for these acquisitions. Total subscription amounted to a total of 164,501 shares at a price of SEK 64.36 per share and as a result Know IT's equity increased with SEK 10.6m.

The option program for employees approved at the 2005 Annual General Meeting closed in June 2007. Employees subscribed for 504,500 new shares, based on the subscription options. The price per share was SEK 40.60 and dilution of share capital was 4.3 percent. Know IT's shareholder's equity and cash therefore increased by SEK 20.5m, of which about SEK 8m was received as at June 30.

TAXES

Tax expense for earnings during the current period amounts to SEK -13.4m (-8.4), including deferred tax of SEK 0.2 (-6.6).

EMPLOYEES

Know it added 29 employees during the current reporting period. On June 30, 2007 Know It had 742 employees (607). The number of contracted consultants who had not yet begun employment on June 30, 2007 was 41 (34). The average number of employees between April and June 2007 was 723 (592).

PARENT COMPANY

The result after financial items for the current reporting period amounted to SEK -1.8m (-3.2). At the end of the current reporting period, shareholder's equity was SEK 170.4m (129.9) and cash and cash equivalents were SEK 0.0m (4.2). The Parent Company has an unused overdraft facility for SEK 5.8m (0.0). The Parent Company's net sales for the current reporting period 14.1m (10.6) and expenses -18.3m (-13.7) were affected by increased invoiced sales with connection to frame agreements.

ESSENTIAL RISKS AND UNCERTAINTY FACTORS

In general, Know IT's essential business risks consist of reduced demand for consultancy services, difficulties attracting and retaining skilled personnel, credit risks, and to a lesser extent, risks related to fixed price projects.

The likelihood of a drastic reduction in demand for consultancy services over the next six months is considered to be low. Even though staff turnover was somewhat higher during the interim period compared with the same period in 2006, the Group still believes it will be able to increase the number of consultants through the end of the year. Since Know IT's clients are mainly large companies and organizations with a strong financial position, the credit risk is considered to be low. Fixed price projects account for a decreasing percentage of sales and considering the fact that Know IT has extensive experience of such projects, the risk of expensive misjudgments is considered to be very low.

ACCOUNTING POLICIES

This report has been prepared in accordance with IAS 34, Interim Financial Reporting, which is in compliance with RR 31, Interim Reporting for Groups.

The Group applies the same accounting principles and uses the same basis for calculation as in the annual report for 2006.

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. Actual outcomes may deviate from these estimates.

OUTLOOK

Since nothing new has occurred that would give reason to reassess the forecast of the preceding interim report, Know IT chooses to repeat it:

Know IT anticipates that the favorable market situation will continue over the next six months. Strong demand is expected to continue. Fees are rising, especially for new business. Competition for skilled employees, especially in the urban regions, will remain strong and Know IT will continue to grow.

In the January - March 2007 Interim Report Know IT made the following forecast:

Know IT anticipates that the favorable market situation will continue over the next six months. Strong demand is expected to continue. However, the second quarter has fewer working days than the first quarter, which affects net sales and earnings. Fees are rising, especially for new business. Competition for skilled employees, especially in the urban regions, will remain strong. Know IT will continue to grow.

FUTURE REPORTING DATES

Oct. 22, 2007	Interim Report January-September 2007
Feb. 4, 2008	Year End Report 2007
April 17, 2008	Interim Report January-March 2008
April 17, 2008	Annual General Meeting 2008

CERTIFICATION

The Board of Directors and President hereby ensure that the six-month report presents a fair overview of the operations, financial position, and performance of the Company and the Group and describes the essential risks and uncertainty factors faced by the Company and the companies that belong to the Group.

Stockholm, July 13, 2007

Mats Olsson
Chairman of the Board

Anders Nilsson
Chief Executive Officer

Carl-Olof By

Pekka Seitola

Ulrika Simons

Erika Stadling-Holm

Kerstin Stenberg

The company's auditor has not examined this report.

ADDRESS AND CONTACT INFORMATION

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Know IT AB (publ) is an IT consulting company that contributes to its clients' success by developing and taking long-term responsibility for its clients' value-generating processes, functions, and IT solutions. The operations comprise strategic consultation, system development and application administration -- from assessment and the establishment of systems in complex environments to communication and interface solutions that integrate different channels and information. Established in 1990, Know IT currently has over 750 employees working in 17 locations in Sweden and in Oslo, Norway. Know IT AB (publ) is listed on the Nordic Exchange in Stockholm. For more information about Know IT, please visit www.knowit.se

CONSOLIDATED INCOME STATEMENT, SEK M	Apr.-Jun. 2007	Apr.-Jun. 2006	Jan.-Jun. 2007	Jan.-Jun. 2006	Full year 2006
Net sales	234.1	186.6	474.9	370.4	760.8
Operating expenses	-210.8	-171.9	-421.0	-336.9	-685.8
Depreciation of property, plant and equipment	-0.6	-1.6	-1.7	-2.6	-6.1
Operating income before goodwill amortization	22.7	13.1	52.2	30.9	68.9
Goodwill amortization and impairment	-0.3	-0.3	-1.1	-0.6	-1.0
Operating income	22.4	12.8	51.1	30.3	67.9
Financial items	0.2	0.0	0.3	0.1	7.5
Profit after financial items	22.6	12.8	51.4	30.4	75.4
Tax on profit for the period	-5.7	-3.3	-13.4	-8.4	-22.0
Profit for the period	16.9	9.5	38.0	22.0	53.4
Profit for the period attributable to shareholders of the parent company	15.1	8.7	34.2	20.0	48.7
Profit for the period attributable to minority interests	1.8	0.8	3.8	2.0	4.7

CONSOLIDATED BALANCE SHEET, SEK M	30-jun 2007	30-jun 2006	31-dec 2006
ASSETS			
Intangible assets	220.7	161.9	213.9
Plant, property, and equipment	21.5	15.5	19.2
Financial assets	0.2	2.6	0.3
Current assets	233.7	159.5	204.7
Cash and bank balances incl short-term investments	78.4	68.6	78.9
Total assets	554.5	408.1	517.0
EQUITY & LIABILITIES			
Share capital	12.4	11.5	11.7
Other reserves	72.2	73.0	85.0
Retained earnings incl. profit for the year	194.5	115.6	144.6
Total	279.1	200.1	241.3
Minority interest	10.2	7.1	8.9
Total shareholders' equity	289.3	207.2	250.2
Long-term liabilities	59.3	32.5	51.2
Current liabilities	205.9	168.4	215.6
Total equity and liabilities	554.5	408.1	517.0

KEY FIGURES	Apr.-Jun. 2007	Apr.-Jun. 2006	Jan.-Jun. 2007	Jan.-Jun. 2006	Full year 2006
Number of employees at end of period	742	607	742	607	702
Average number of employees	723	592	714	589	624
Sales per employee, SEK 000s	324	315	665	629	1 219
Profit after net financial income/ expense per employee, SEK 000s	31	22	72	52	121
Return on total assets %	4.2	3.2	9.7	7.6	16.7
Return on equity %	5.4	4.1	12.7	9.4	23.3
Return on capital employed %	7.6	5.3	18.2	12.5	31.2
Operating margin %	9.7	7.0	11.0	8.3	9.1
Equity/assets ratio, %	52.2	50.8	52.2	50.8	48.4

DATA PER SHARE	Apr.-Jun. 2007	Apr.-Jun. 2006	Jan.-Jun. 2007	Jan.-Jun. 2006	Full year 2006
Earnings per share, SEK					
Basic	1.28	0.76	2.91	1.74	4.23
Diluted	1.28	0.75	2.90	1.73	4.19
Equity per share, SEK					
Basic	22.55	17.44	22.55	17.44	20.62
Diluted	23.77	18.42	23.77	18.42	22.71
Average number of shares, 000s					
Basic	11 795	11 474	11 751	11 474	11 517
Diluted	11 839	11 555	11 780	11 587	11 620
Average number of shares on balance sheet date, 000					
Basic	12 375	11 474	12 375	11 474	11 705
Diluted	12 793	11 979	12 793	11 979	12 628
CHANGE IN EQUITY, SEK M	Apr.-Jun. 2007	Apr.-Jun. 2006	Jan.-Jun. 2007	Jan.-Jun. 2006	Full year 2006
Opening balance	269.9	219.8	250.2	207.5	207.5
Dividend	-27.5	-22.9	-27.5	-22.9	-22.9
Stock Option Program	0.0	1.0	0.0	1.0	1.2
Profit for the period	16.9	9.5	38.0	22.0	53.4
New share issue	31.1	0.0	31.1	0.0	12.4
Other changes in minority interests	-1.1	-0.2	-2.5	-0.4	-1.4
Closing balance	289.3	207.2	289.3	207.2	250.2
CONSOLIDATED CASH FLOW ANALYSIS, SEK M	Apr.-Jun. 2007	Apr.-Jun. 2006	Jan.-Jun. 2007	Jan.-Jun. 2006	Full year 2006
Cash flow before changes in working capital	19.6	13.9	40.7	31.7	58.4
Change in working capital including short-term investments	-14.0	5.1	-12.9	-20.9	-25.2
Cash flow from operating activities	5.6	19.0	27.8	10.8	33.2
Cash flow from investments	-8.8	-2.7	-11.4	-6.9	-5.4
Cash flow from financing activities	-19.6	-20.6	-16.9	-20.6	-33.2
Cash flow for the period	-22.8	-4.3	-0.5	-16.7	-5.4
Cash and cash equivalents, beginning of period	101.1	71.8	78.8	84.2	84.2
Cash and cash equivalents, end of the period	78.3	67.5	78.3	67.5	78.8
INCOME STATEMENT - PARENT COMPANY, SEK M	Apr.-Jun. 2007	Apr.-Jun. 2006	Jan.-Jun. 2007	Jan.-Jun. 2006	Full year 2006
Net sales	14.1	10.6	28.0	19.2	40.4
Operating expenses	-18.3	-13.7	-36.2	-25.9	-54.2
Depreciation of property, plant and equipment	-0.2	-0.3	-0.4	-0.6	-1.1
Operating income	-4.4	-3.4	-8.6	-7.3	-14.9
Financial items	2.6	0.2	2.9	0.3	0.9
Profit after financial items	-1.8	-3.2	-5.7	-7.0	-14.0
Appropriations	0.0	0.0	0.0	0.0	-0.5
Tax on profit for the period	1.4	0.0	1.4	0.0	2.8
Loss for the period	-0.4	-3.2	-4.3	-7.0	-11.7
BALANCE SHEET - PARENT COMPANY, SEK M			30-jun 2007	30-jun 2006	31-dec 2006
ASSETS					
Plant, property, and equipment			2.9	1.2	2.7
Financial assets			167.2	128.9	159.1
Current assets			74.8	59.2	80.0
Cash and bank balances			0.0	4.2	0.6
Total assets			244.9	193.5	242.4
EQUITY & LIABILITIES					
Share capital			12.4	11.5	11.7
Other reserves			68.0	68.0	68.0
Retained earnings incl. loss for the year			90.0	50.4	91.3
Total shareholders' equity			170.4	129.9	171.0
Untaxed reserves			0.5	0.0	0.5
Long-term liabilities			33.6	12.8	28.1
Current liabilities			40.4	50.8	42.8
Total equity and liabilities			244.9	193.5	242.4

QUARTERLY FIGURES

CONSOLIDATED INCOME STATEMENT, SEK M	Apr.-Jun. 2007	Jan.-Mar. 2007	Oct.-Dec. 2006	Jul.-Sep. 2006	Apr.-Jun. 2006	Jan.-Mar. 2006
Net sales	234.1	240.8	230.9	159.5	186.6	183.8
Operating expenses	-210.8	-210.2	-204.2	-144.7	-171.9	-165.0
Depreciation of property, plant and equipment	-0.6	-1.1	-1.6	-1.9	-1.6	-1.0
Operating income before goodwill amortization	22.7	29.5	25.1	12.9	13.1	17.8
Goodwill amortization and impairment	-0.3	-0.8	-0.2	-0.2	-0.3	-0.3
Operating income	22.4	28.7	24.9	12.7	12.8	17.5
Financial items	0.2	0.1	7.5	-0.1	0.0	0.1
Profit after financial items	22.6	28.8	32.4	12.6	12.8	17.6
Tax on profit for the period	-5.7	-7.7	-10.3	-3.3	-3.3	-5.1
Profit for the period	16.9	21.1	22.1	9.3	9.5	12.5
Profit for the period attributable to shareholders of the parent company	15.1	19.1	20.2	8.5	8.7	11.3
Profit for the period attributable to minority interests	1.8	2.0	1.9	0.8	0.8	1.2

CONSOLIDATED BALANCE SHEET, SEK M	30-jun 2007	31-mar 2007	31-dec 2006	30-sep 2006	30-jun 2006	31-mar 2006
ASSETS						
Intangible assets	220.7	213.1	213.9	178.1	161.9	162.1
Plant, property, and equipment	21.5	21.7	19.2	19.2	15.5	15.6
Financial assets	0.2	0.4	0.3	0.5	2.6	5.4
Current assets	233.7	193.3	204.7	171.4	159.5	157.1
Cash and bank balances incl. short-term investments	78.4	101.2	78.9	50.8	68.6	71.9
Total assets	554.5	529.7	517.0	420.0	408.1	412.1
EQUITY & LIABILITIES						
Share capital	12.4	11.7	11.7	11.5	11.5	11.5
Other reserves	72.2	86.3	85.0	74.9	73.0	72.6
Retained earnings incl. profit for the year	194.5	162.4	144.6	125.2	115.6	129.3
Total	279.1	260.4	241.3	211.6	200.1	213.4
Minority interest	10.2	9.5	8.9	7.9	7.1	6.4
Total shareholders' equity	289.3	269.9	250.2	219.5	207.2	219.8
Long-term liabilities	59.3	56.6	51.2	39.6	32.5	30.9
Current liabilities	205.9	203.2	215.6	160.9	168.4	161.4
Total equity and liabilities	554.5	529.7	517.0	420.0	408.1	412.1

KEY FIGURES

	Apr.-Jun. 2007	Jan.-Mar. 2007	Oct.-Dec. 2006	Jul.-Sep. 2006	Apr.-Jun. 2006	Jan.-Mar. 2006
Number of employees at end of period	742	713	702	673	607	597
Average number of employees	723	706	684	634	592	586
Sales per employee, SEK 000s	324	341	337	251	315	314
Profit after net financial income/ expense per employee, SEK 000s	31	41	47	20	22	30
Return on total assets %	4.2	5.6	7.0	3.1	3.2	4.4
Return on equity %	5.4	7.3	8.6	4.0	4.1	5.3
Return on capital employed %	7.6	10.6	13.2	5.4	5.3	7.2
Operating margin %	9.7	12.3	10.9	8.1	7.0	9.7
Equity/assets ratio, %	52.2	51.0	48.4	52.3	50.8	53.3

DATA PER SHARE

	Apr.-Jun. 2007	Jan.-Mar. 2007	Oct.-Dec. 2006	Jul.-Sep. 2006	Apr.-Jun. 2006	Jan.-Mar. 2006
Earnings per share, SEK						
Basic	1.28	1.63	1.74	0.74	0.76	0.98
Diluted	1.28	1.61	1.72	0.74	0.75	0.97
Equity per share SEK						
Basic	22.55	22.25	20.62	18.33	17.44	18.60
Diluted	23.77	24.22	22.71	19.26	18.42	19.53
Average number of shares, 000s						
Basic	11 795	11 705	11 598	11 521	11 474	11 474
Diluted	11 839	11 893	11 723	11 557	11 555	11 619
Average number of shares on balance sheet date, 000s						
Basic	12 375	11 705	11 705	11 544	11 474	11 474
Diluted	12 793	12 628	12 628	12 049	11 979	11 979