

*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

- Know IT's operating profit before amortization of intangible assets (EBITA) increased 32 percent . Net sales climbed 29 percent compared to current period 2007
- Operating margin improved to 12.5 (12.3) percent in spite of less number of working days compared to current period 2007
- Know IT has continued success within Business Intelligence. Know IT has signed a contract with The Swedish Social Insurance Agency valued to SEK 55 m

January - March 2008

- Net sales increased to SEK 311.8m (240.8).
- Operating profit before amortization of intangible assets (EBITA) rose to SEK 38.9m (29.5)
- Net profit after tax increased to SEK 25.4m (21.1); taxes were SEK -10.5m (-7.7).
- Earnings per share was SEK 2.00 (1.61)
- Cash flow from operating activities was SEK 17.0m (22.2)
- Operating margin was 12.5 (12.3) percent

INTERIM REPORT JANUARY – MARCH 2008

MARKET

During the period January - March 2008 the IT consulting sector continued to be characterized by strong demand in all of Know IT's business units. During the current reporting period (January - March 2008), Know IT's revenue growth was 29 percent compared with the corresponding period in 2007.

The Swedish National Land Survey (LMV) signed a frame agreement with Know IT for IT consultancy services. The agreement includes services in the fields of usability, operational development and strategy, management and governance, system development and system administration, information security and consulting project services.

Know IT also signed or extended general agreements during the period with Jämtland County Council, the County Council in Värmland, the County Council in Västernorrland, the National Service Administration, Sigtuna Municipality, Sveaskog, and the Norwegian Ministry of Justice and the Police.

Know IT was also commissioned to develop, manage, and maintain a data warehouse for the Swedish Social Insurance Agency. The project is a total solution with a term of three years and the option for a two-year and a one-year extension. The value of the order is estimated at about SEK 55 million. The Swedish Social Insurance Agency has chosen to engage Know IT to provide maintenance, management, and development services.

Other deals concluded during the period involve extensions of agreements with existing customers. For example, Know IT received assignments for:

- system development for ABB, FMV, Forsmarks Kärnkraftverk, Gavlegårdarna, the Swedish Rescue Services Agency, Stora Enso, and Westinghouse
- research and development in the field of Business Intelligence for SEB, Kommunal Lans Pensionskasse, Sandnes Sparebank, Posten Norge, Hjemmet Mortenssen, Entercard, AstraZeneca, Tele2, ICA, Volvo Finance, and Sparebank 1
- delivery of content management solutions to the Swedish Consumer Agency, Outokumpu, the Swedish National Land Survey, Sigtuna Municipality, and Sveaskog
- system development and testing for IKEA, Ikano Finance, UIQ, Telenor, and Nokia
- testing for IKEA, IKANO Finance, UIQ, Telenor, and Nokia
- business development for Radi Medical, Recipharm, and V&S
- project management in business development projects for Saab, Siemens, and GM Autosar
- procurement advisory services for Sollentuna Municipality, Nacka Municipality, Värmdö Municipality, Swedish ESF Council, Nacka Energi, Jämtkraft, and Solna Vatten
- technology information for TetraPak, TAC, and Gambro.

ACQUISITIONS AND NEW ESTABLISHMENTS

In January Know IT AB acquired the minority shares in the three jointly owned companies Know IT A-Kraft AB, Know IT HRM AB, and Know IT Technowledge AB, which are therefore now wholly owned. The total cash consideration for the three acquisitions was about SEK 11.2 million and performance-based earnouts could be paid in the future.

In February Know IT acquired an additional eleven percent of the shares in Know IT Objectnet AS for NOK 13.9 million, after which Know IT owns 92 percent of the company. Objectnet AS subsequently acquired 47 percent of Unified Consulting, a company in which Objectnet owned a 53 percent stake at the time that Know IT took over in September 2007. As a result of the acquisition Unified Consulting is now a wholly owned subsidiary of Objectnet. Objectnet paid NOK 15.3 million in cash and the equivalent of NOK 13.9 million in newly issued shares of Know IT AB, pending approval by Know IT's annual general meeting of shareholders.

With over 80 consultants in Norway, Objectnet focuses on developing business-critical solutions for large customers, primarily in the public sector. Services include system development mainly based on Java platforms and Open Source, as well as customized mobile solutions.

NET SALES

Net sales for the current reporting period were SEK 311.8m (240.8), an increase of 29.5 percent compared with the corresponding period in the previous financial year.

RESULTS

Operating profit before amortization of intangible assets for the current reporting period was SEK 38.9m (29.5), an increase of 31.9 percent, equivalent to an operating margin of 12.5 (12.3) percent. Amortization of intangible fixed assets totaled SEK -1.5m (-0.8). Income after financial items for the same period was SEK 35.9m (28.8m).

FINANCIAL POSITION

Cash and cash equivalents, including short-term investments, were SEK 84.1m (101.2) on March 31, 2008.

Cash flow for the current reporting period was SEK 17.0m (22.3).

The equity ratio increased to 41.2 percent compared to December 31, 2007.

Intangible assets, consisting mainly of goodwill, amounted to SEK 446.5m (213.1) as at March 31, 2008.

Interest-bearing liabilities totaled SEK 142.5m (18.5), including SEK 110.4m (3.5) in long-term liabilities. This figure includes NOK 83.0 (0) million borrowed for the purpose of reducing currency exposure resulting from the acquisition in Norway.

TAXES

Tax on profit for the current reporting period is SEK -10.5m (-7.7), calculated at a tax rate of 28 percent.

EMPLOYEES

The number of employees during the current reporting period increased by 40 (11). On March 31, 2008 Know IT had 994 (713) employees. The number of contracted consultants who had not yet begun employment on March 31, 2008, was 30 (22). The average number of employees between January and March 2008 was 981 (706).

PARENT COMPANY

The result after financial items for the current reporting period amounted to SEK -6.1m (-3.9m). At the end of the current reporting period, shareholder's equity was SEK 194.2m (167.1) and cash and cash equivalents were SEK 49.3m (2.2). Know IT has a bank overdraft facility in the amount of SEK 40.0m, of which it has used SEK 0.0 (0.0) as of March 31, 2008.

ESSENTIAL RISKS AND UNCERTAINTY FACTORS

Know IT's essential business risks consist of economic fluctuations that entail 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.

The likelihood of a drastic reduction in demand for consultancy services over the next six months 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 low. Despite the intense competition for highly qualified personnel the Group still expects to be able to increase the number of consultants over the next six months. Combined with the limited supply of skilled personnel, the risk of a decline in prices is deemed to be low. Since Know IT's clients are mainly large companies and organizations with a good financial position, credit risk is considered to be low. Know IT's foreign operations only account for a limited part of the Group's sales and therefore currency risk is low. In addition the acquisition of Objectnet was mainly financed with loans in Norwegian kronor in order to limit currency risk.

ACCOUNTING PRINCIPLES

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 2007 annual report.

The following new recommendations published by IASB valid from January 1, 2008 had no effect on the financial reports of the Group.

- IFRIC 11:IFRS 2 – Transactions with own shares
- IFRIC 12 – Arrangement regarding service concession

- IFRIC 14:IAS 19 – Limitation of beneficial determined assets

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.

FORECAST

Know IT expects continued strong demand over the next six months. Market demand for skilled personnel will continue to be strong and will result in considerable competition. Know IT will continue to grow and its operating margin will continue to improve compared to the current period 2007.

In the Full Year Report for 2007 Know IT made the following forecast:

Know IT expects strong demand for consultancy services to continue over the next six months. Competition for skilled employees will continue to be strong. Growth will continue and the operating margin will improve.

FINANCIAL CALENDAR

July 16, 2008	Interim Report January-June 2008
October 22, 2008	Interim Report January-September 2008

Stockholm on April 17, 2008

Anders Nilsson
Chief Executive Officer

Know IT'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 950 employees working in 21 locations in Sweden, in Oslo and Arendal, Norway, and Tallinn, Estonia. Know IT AB (publ) is listed on the Nordic Exchange in Stockholm. For more information about Know IT, please visit www.knowit.se

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CONSOLIDATED INCOME STATEMENT, (SEK M)

	jan-mar 2008	jan-mar 2007	helår 2007
Net sales	311.8	240.8	982.1
Operating costs	-272.1	-210.2	-873.5
Depreciation of tangible fixed assets	-0.8	-1.1	-7.1
Operating result before goodwill amortization	38.9	29.5	101.5
Goodwill amortization	-1.5	-0.8	-3.0
Operating result after goodwill amortization	37.4	28.7	98.5
Financial items	-1.5	0.1	1.4
Result after financial items	35.9	28.8	99.9
Income taxes	-10.5	-7.7	-27.9
Result for the period	25.4	21.1	72.0
Result for the period assignable to shareholders in Parent Company	24.7	19.1	63.3
Result for the period assignable to minority interests	0.7	2.0	8.7

CONSOLIDATED BALANCE SHEET (SEK M)

	31 mar 2008	31 mar 2007	31 dec 2007
ASSETS			
Intangible fixed assets	446.5	213.1	412.3
Tangible fixed assets	29.5	21.7	27.7
Financial fixed assets	1.6	0.4	1.7
Current assets	253.3	193.3	264.7
Liquid funds including short-term investments	84.1	101.2	109.0
Total assets	815.0	529.7	815.4
EQUITY AND LIABILITIES			
Share capital	12.4	11.7	12.4
Other paid-up capital and other provisions	155.9	128.0	157.9
Recognized profits including result for the year	159.5	120.7	134.9
Total	327.8	260.4	305.2
Minority interest	9.2	9.5	28.0
Total equity	337.0	269.9	333.2
Interest-bearing long-term liabilities	110.4	3.5	110.7
Other long-term liabilities	61.9	53.1	61.6
Interest bearing short-term liabilities	32.1	15.0	31.9
Other short-term liabilities	273.6	188.2	278.0
Total equity and liabilities	815.0	529.7	815.4

KEY FIGURES

	jan-mar 2008	jan-mar 2007	helår 2007
Number of employees at period-end	994	713	954
Average number of employees	981	706	775
Sales per employee (000)	318	341	1 267
Result/employee after financial income/expense (000)	37	41	129
Return on total capital %	5.6	5.6	15.4
Return on equity %	7.6	8.1	24.7
Return on capital employed %	10.1	10.6	27.8
Operating margin %	12.5	12.3	10.3
Equity ratio %	41.3	51.0	40.9

DATA PER SHARE

	jan-mar 2008	jan-mar 2007	helår 2007
Earnings per share (SEK)			
Before dilution	2.00	1.61	5.22
After dilution	2.00	1.58	5.21
Equity per share (SEK)			
Before dilution	26.59	22.25	24.75
After dilution	27.68	24.22	25.90
Average number of shares (000)			
Before dilution	12 326	11 892	12 120
After dilution	12 326	12 080	12 147
No. of shares on balance sheet day (000)			
Before dilution	12 326	11 705	12 326
After dilution	12 744	12 628	12 744

CHANGE IN EQUITY (SEK M)	jan-mar 2008	jan-mar 2007	helår 2007
Opening balance, Jan 1	333.1	250.2	250.2
Dividend	0	0	-27.5
Profit for the year	25.4	21.1	72.0
New issue of shares	0	0	31.1
Other changes in minority interests	-19.5	-1.4	10.4
Repurchased own shares	0	0	-3.8
Exchange rates differences	-2.0	0	-0.6
Market value security paper	0	0	1.3
Equity, Dec 31	337.0	269.9	333.1
CONSOLIDATED CASH FLOW ANALYSIS (SEK M)	jan-mar 2008	jan-mar 2007	helår 2007
Cash flow current operations before changes in working capital	26.1	21.1	88.7
Change in working capital incl. short-term investments	-9.1	1.1	13.5
Cash flow from current operations	17.0	22.2	102.2
Cash flow from investing activities	-40.8	-2.6	-177.2
Cash flow from financing activities	0.0	2.7	104.4
Cash flow for the period	-23.8	22.3	29.4
Liquid funds at Jan 1	108.9	78.8	78.8
Exchange rates differences	-1.0	0	0.7
Liquid funds at Dec 31	84.1	101.1	108.9
INCOME STATEMENT - PARENT COMPANY (SEK M)	jan-mar 2008	jan-mar 2007	helår 2007
Net sales	20.1	13.9	60.3
Operating costs	-25.6	-17.9	-75.6
Depreciation of tangible fixed assets	-0.2	-0.2	-0.8
Operating result	-5.7	-4.2	-16.1
Financial items	-0.4	0.3	9.3
Result after financial items	-6.1	-3.9	-6.8
Appropriations	-	-	-8.2
Income taxes	-	-	8.3
Result for the period	-6.1	-3.9	-6.7
BALANCE SHEET - PARENT COMPANY (SEK M)	31 mar 2008	31 mar 2007	31 dec 2007
ASSETS			
Tangible fixed assets	3.3	2.9	3.1
Financial fixed assets	396.0	159.1	372.8
Current assets	119.2	86.5	57.8
Liquid funds including short-term investments	49.3	2.2	50.4
Total assets	567.8	250.7	484.1
EQUITY AND LIABILITIES			
Share capital	12.4	11.7	12.4
Other paid-up capital and other provisions	68.0	68.0	68.0
Recognized profits including result for the year	113.8	87.4	119.8
Total equity	194.2	167.1	200.2
Untaxed reserves	8.6	0.5	8.7
Interest-bearing long-term liabilities	110.4	0.0	98.8
Other long-term liabilities	15.2	30.6	28.3
Interest bearing short-term liabilities	32.1	4.2	24.7
Other short-term liabilities	207.3	48.3	123.4
Total equity and liabilities	567.8	250.7	484.1

QUARTERLY VALUES

CONSOLIDATED INCOME STATEMENT (SEK M)

	jan-mar 2008	okt-dec 2007	jul-sep 2007	apr-jun 2007	jan-mars 2007
Net sales	311.8	305.5	201.7	234.1	240.8
Operating costs	-272.1	-266.9	-185.6	-210.8	-210.2
Depreciation of tangible fixed assets	-0.8	-4.8	-0.6	-0.6	-1.1
Operating result	38.9	33.8	15.5	22.7	29.5
Goodwill amortization	-1.5	-1.4	-0.5	-0.3	-0.8
Operating result after goodwill amortization	37.4	32.4	15.0	22.4	28.7
Net interest income/expense	-1.5	0.6	0.5	0.2	0.1
Result after net interest income/expense	35.9	33.0	15.5	22.6	28.8
Tax for the period	-10.5	-10.0	-4.5	-5.7	-7.7
Result for the period	25.4	23.0	11.0	16.9	21.1
Result for the period assignable to shareholders in Parent Company	24.7	19.2	9.9	15.1	19.1
Result for the period assignable to minority interests	0.7	3.8	1.1	1.8	2.0

CONSOLIDATED BALANCE SHEET, (SEK M)

	31 mar 2008	31 dec 2007	30 sep 2007	30 jun 2007	31 mar 2007
ASSETS					
Intangible fixed assets	446.5	412.3	324.5	220.7	213.1
Tangible fixed assets	29.5	27.7	22.0	21.5	21.7
Financial fixed assets	1.6	1.7	0.6	0.2	0.4
Current assets	253.3	264.7	248.8	233.7	193.3
Liquid funds including short-term investments	84.1	109.0	105.8	78.4	101.2
Total assets	815.0	815.4	701.7	554.5	529.7
EQUITY AND LIABILITIES					
Share capital	12.4	12.4	12.4	12.4	11.7
Other paid-up capital and other provisions	155.9	157.9	158.4	158.4	128.0
Recognized profits including result for the year	159.5	134.9	107.0	108.3	120.7
Total	327.8	305.2	277.8	279.1	260.4
Minority interest	9.2	28.0	24.6	10.2	9.5
Total equity	337.0	333.2	302.4	289.3	269.9
Interest-bearing long-term liabilities	110.4	110.7	126.0	5.2	3.5
Other long-term liabilities	61.9	61.6	54.7	54.1	53.1
Interest-bearing short-term liabilities	32.1	31.9	14.4	14.6	15.0
Other short-term liabilities	273.6	278.0	204.2	191.3	188.2
Total equity and liabilities	815.0	815.4	701.7	554.5	529.7

KEY FIGURERS

	jan-mar 2008	okt-dec 2007	jul-sep 2007	apr-jun 2007	jan-mars 2007
Number of employees at period-end	994	954	870	742	713
Average number of employees	981	894	756	723	706
Sales per employee (SEK K)	318	342	267	324	341
Result/employee after income/expense (SEK K)	37	37	21	31	41
Return on total capital %	5.6	4.7	2.5	4.2	5.6
Return on equity %	7.6	7.2	3.7	6.0	8.1
Return on capital employed %	10.1	7.7	4.1	7.6	10.6
Operating margin %	12.5	11.1	7.7	9.7	12.3
Equity ratio %	41.3	40.9	43.1	52.2	51.0

DATA PER SHARE

	jan-mar 2008	okt-dec 2007	jul-sep 2007	apr-jun 2007	jan-mars 2007
Earnings per share (SEK)					
Before dilution	2.00	1.57	0.80	1.26	1.61
After dilution	2.00	1.56	0.80	1.26	1.58
Equity per share (SEK)					
Before dilution	26.59	24.75	22.76	22.55	22.25
After dilution	27.68	25.90	23.99	23.77	24.22
Average number of shares (000)					
Before dilution	12 326	12 257	12 346	11 984	11 892
After dilution	12 326	12 272	12 387	12 028	12 080
No. of shares on balance sheet day (000)					
Before dilution	12 326	12 326	12 203	12 375	11 705
After dilution	12 744	12 744	12 621	12 793	12 628