

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 profitability continues to improve, with a pronounced improvement of its operating margin. The improved result is explained mainly by excellent business situation in all subsidiaries.
- Organic growth continues despite harder competition for employees.
- Know IT's FRAS integration solution for the Swedish dairies won the Microsoft Supply Chain Solution Award in competition with other systems from Europe, the Middle East, and Africa.

JANUARY - MARCH 2007

- Net sales jumped to SEK 240.8m (183.8).
- Operating profit before amortization of intangible assets climbed to SEK 29.5m (17.8)
- Profit after taxes was SEK 21.1m (12.5); taxes were SEK -7.7m (-5.1)
- Earnings per share rose to SEK 1.63 (0.98)
- Cash flow from operating activities was SEK 22.2m (-8.2)
- Operating margin increased to 12.3 (9.7) percent

INTERIM REPORT JANUARY – MARCH 2007

MARKET

The IT consulting sector during the relevant reporting period, January – March 2007, continued to be outstanding. All Know IT companies are experiencing robust demand for all of the Group's services. Despite increasing demand, however, fees are rising slowly.

Transactions during the period are largely extensions and new assignments for existing customers, often based on existing frame agreements. With respect to new customers, Know IT signed agreements and accepted assignments involving systems development and project management for Hogia Ferry Systems and AMF Pension, analysis and systems development in the Business Intelligence area for the Mittmedia Group and Truls Sparebank, strategic consulting services for BT Europé and SAS Airlines, as well as testing and quality control for BWIN Games and Bravida.

During the current reporting period Know IT signed or extended frame agreements with clients such as the Swedish Companies Registration Office in Sundsvall, Ericsson, and Göteborg Energi.

Know IT's developed an integration solution for a common logistics flow and distribution system for dairy products that won the Supply Chain Solution Award at the international competition for IT solutions in the Retail Developer Application Awards for Europe, the Middle East and Africa. Know IT's solution won in competition with contributions nominated from Belgium, Finland, France, Germany, India, Israel, Italy, Jordan, the Netherlands, Turkey, and England.

STRATEGIC ORIENTATION AND STRUCTURAL MEASURES

Know IT Candeo AB acquired the remaining 35.5 percent of shares in Know IT Candeo Gävle AB, which is now a wholly owned subsidiary. Know IT Candeo AB paid a fixed purchase consideration of SEK 3 million.

The acquisitions made during 2006 have all performed well and have met expectations. During the current reporting period Know IT received several offers to acquire firms both in Sweden and abroad, but the purchase prices involved are beginning to reach such heights that sound acquisitions becomes harder to fulfill.

Competition for skilled labor remains high. Know IT carried out several recruitment activities during the period and the pace of recruitment is higher than during the corresponding period last year.

With its focus on entrepreneur-controlled units, Know IT has a natural culture of cost control and focus on efficiency, in which each activity leads to invoicing. In this way Know IT works every day at becoming more efficient and achieving a good margin, despite cautiously rising prices in the market and expected salary increases in the labor market.

NET SALES

Net sales for the current reporting period, January - March, were SEK 240.8m (183.8), an increase of 31 percent compared with the corresponding period in the previous financial year.

RESULTS

Operating profit before amortization of intangible assets for the current reporting period January - March amounted to SEK 29.5m (17.8), corresponding with an operating margin of 12.3 (9.7) percent. Income after financial items was SEK 28.8m (17.6).

The improvement of the result is explained mainly by the high demand for all subsidiaries services.

FINANCIAL POSITION

The equity ratio increased from 48.4 percent on December 31, 2006, to 51 percent on March 31, 2007.

Cash and cash equivalents, including short-term investments, were SEK 101.2m (71.9) on March 31, 2007. Intangible assets, consisting mainly of goodwill, amounted to SEK 213.1m (162.1) as at March 31, 2007.

Investments in equipment totaled SEK 0.5m (1.6) during the current reporting period.

Cash flow for the current reporting period totaled SEK 22.3m (-12.4).

TAXES

Tax expense for earnings during the current reporting period is SEK -7.7m (-5.1), including deferred tax liabilities of SEK 0.1 (-4.0).

PARENT COMPANY

The result after financial items for the current reporting period amounted to SEK -3.4m (-3.8). Shareholder's equity as at March 31, 2007, was SEK 167.7m (154.4) and cash and cash equivalents totaled SEK 0.0m (7.7). The Parent Company has an unused overdraft facility for SEK 7.5m (0.0).

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 annual report for 2006.

The preparation of financial reports in accordance with IFRS includes 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.

EMPLOYEES

The number of employees during the current reporting period increased by 11 (4). On March 31, 2007 Know IT had 713 (597) employees. 22 people were on contract but had not yet started their employment on March 31, 2007. The average number of employees between January and March 2007 was 706 (586).

OUTLOOK

Know IT anticipates that the favorable market situation will continue over the next six months. Strong demand is expected to continue. The second quarter has fewer working days compared to the first quarter which will have impact on net sales and earnings. 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.

The following forecast was reported in the January - December 2006 year-end report: Know IT expects strong demand to continue over the next six months. Prices are expected to climb slowly and Know IT will continue to grow. The percentage of transactions involving management and continuing education is expected to increase slightly. Competition for skilled employees, especially in the urban regions, will remain strong.

FUTURE REPORTING DATES

July 13, 2007 Interim Report January-June 2007
October 22, 2007 Interim Report January-September 2007

Stockholm April 25, 2007

Anders Nilsson
President and CEO

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 700 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.

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CONSOLIDATED STATEMENT OF INCOME, SEK M

| | Jan. - Mar. 2007 | Jan. - Mar. 2006 | Full year 2006 |
|--|---------------------|---------------------|-------------------|
| Net sales | 240.8 | 183.8 | 760.8 |
| Operating expenses | -210.2 | -165.0 | -685.8 |
| Depreciation of property, plant and equipment | -1.1 | -1.0 | -6.1 |
| Operating income before amortization of intangible assets | 29.5 | 17.8 | 68.9 |
| Amortization of intangible assets | -0.8 | -0.3 | -1.0 |
| Operating income | 28.7 | 17.5 | 67.9 |
| Financial items | 0.1 | 0.1 | 7.5 |
| Profit after financial items | 28.8 | 17.6 | 75.4 |
| Tax on profit for the period | -7.7 | -5.1 | -22.0 |
| Profit for the period | 21.1 | 12.5 | 53.4 |
| Profit for the period attributable to shareholders of the parent company | 19.1 | 11.3 | 48.7 |
| Profit for the period attributable to minority interests | 2.0 | 1.2 | 4.7 |

CONSOLIDATED BALANCE SHEET, SEK M

| | 31-mar 2007 | 31-mar 2006 | 31-dec 2006 |
|--|----------------|----------------|----------------|
| ASSETS | | | |
| Intangible assets | 213.1 | 162.1 | 213.9 |
| Plant, property, and equipment | 21.7 | 15.6 | 19.2 |
| Financial assets | 0.4 | 5.4 | 0.3 |
| Current assets | 193.3 | 157.1 | 204.7 |
| Cash and cash equivalents including short-term investments | 101.2 | 71.9 | 78.9 |
| Total assets | 529.7 | 412.1 | 517.0 |
| EQUITY & LIABILITIES | | | |
| Share capital | 11.7 | 11.5 | 11.7 |
| Other reserves | 86.3 | 72.6 | 85.0 |
| Accrued profit incl. profit for the year | 162.4 | 129.3 | 144.6 |
| Total | 260.4 | 213.4 | 241.3 |
| Minority interest | 9.5 | 6.4 | 8.9 |
| Total shareholders' equity | 269.9 | 219.8 | 250.2 |
| Long-term liabilities | 56.6 | 30.9 | 51.2 |
| Current liabilities | 203.2 | 161.4 | 215.6 |
| Total equity and liabilities | 529.7 | 412.1 | 517.0 |

KEY FIGURES

| | Jan. - Mar. 2007 | Jan. - Mar. 2006 | Full year 2006 |
|---|---------------------|---------------------|-------------------|
| Number of employees at end of period | 713 | 597 | 702 |
| Average number of employees | 706 | 586 | 624 |
| Sales per employee, SEK 000s | 341 | 314 | 1 219 |
| Profit after net financial income/ expense per employee, SEK 000s | 41 | 30 | 121 |
| Return on total assets % | 5.6 | 4.4 | 16.7 |
| Return on equity % | 7.3 | 5.3 | 23.3 |
| Return on capital employed % | 10.6 | 7.2 | 31.2 |
| Operating margin % | 12.3 | 9.7 | 9.1 |
| Equity/assets ratio, % | 51.0 | 53.3 | 48.4 |

| DATA PER SHARE | Jan. - Mar. 2007 | Jan. - Mar. 2006 | Full year 2006 |
|--|-----------------------------|-----------------------------|---------------------------|
| Earnings per share, SEK | | | |
| Basic | 1.63 | 0.98 | 4.23 |
| Diluted | 1.61 | 0.97 | 4.19 |
| Equity per share, SEK | | | |
| Basic | 22.25 | 18.60 | 20.62 |
| Diluted | 24.22 | 19.53 | 22.71 |
| Average number of shares, 000s | | | |
| Basic | 11 705 | 11 474 | 11 517 |
| Diluted | 11 893 | 11 619 | 11 620 |
| Average number of shares on balance sheet date, 000 | | | |
| Basic | 11 705 | 11 474 | 11 705 |
| Diluted | 12 628 | 11 979 | 12 628 |
| CHANGE IN EQUITY, SEK M | Jan. - Mar. 2007 | Jan. - Mar. 2006 | Full year 2006 |
| Opening equity | 250.2 | 207.5 | 207.5 |
| Dividend | 0.0 | 0.0 | -22.9 |
| Stock Option Program | 0.0 | 0.0 | 1.2 |
| Profit for the period | 21.1 | 12.5 | 53.4 |
| New issue | 0.0 | 0.0 | 12.4 |
| Other changes in minority interests | -1.4 | -0.2 | -1.4 |
| Closing equity | 269.9 | 219.8 | 250.2 |
| CONSOLIDATED CASH FLOW ANALYSIS, SEK M | Jan. - Mar. 2007 | Jan. - Mar. 2006 | Full year 2006 |
| Cash flow before changes in working capital | 21.1 | 17.8 | 58.4 |
| Change in working capital including short-term investments | 1.1 | -26.0 | -25.2 |
| Cash flow from operating activities | 22.2 | -8.2 | 33.2 |
| Cash flow from investments | -2.6 | -4.2 | -5.4 |
| Cash flow from financing activities | 2.7 | 0.0 | -33.2 |
| Cash flow for the period | 22.3 | -12.4 | -5.4 |
| Cash and cash equivalents, beginning of period | 78.8 | 84.2 | 84.2 |
| Cash and cash equivalents, end of the period | 101.1 | 71.8 | 78.8 |

QUARTERLY FIGURES

| CONSOLIDATED STATEMENT OF INCOME, SEK M | Jan.-Mar. 2007 | Oct.-Dec. 2006 | Jul.-Sep. 2006 | Apr.-Jun. 2006 | Jan.-Mar. 2006 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Net sales | 240,8 | 230,9 | 159,5 | 186,6 | 183,8 |
| Operating expenses | -210,2 | -204,2 | -144,7 | -171,9 | -165,0 |
| Depreciation of property, plant and equipment | -1,1 | -1,6 | -1,9 | -1,6 | -1,0 |
| Operating income before goodwill amortization | 29,5 | 25,1 | 12,9 | 13,1 | 17,8 |
| Goodwill amortization and impairment | -0,8 | -0,2 | -0,2 | -0,3 | -0,3 |
| Operating income | 28,7 | 24,9 | 12,7 | 12,8 | 17,5 |
| Financial items | 0,1 | 7,5 | -0,1 | 0,0 | 0,1 |
| Profit after financial items | 28,8 | 32,4 | 12,6 | 12,8 | 17,6 |
| Tax on profit for the period | -7,7 | -10,3 | -3,3 | -3,3 | -5,1 |
| Profit for the period | 21,1 | 22,1 | 9,3 | 9,5 | 12,5 |
| Profit for the period attributable to shareholders of the parent company | 19,1 | 20,2 | 8,5 | 8,7 | 11,3 |
| Profit for the period attributable to minority interests | 2,0 | 1,9 | 0,8 | 0,8 | 1,2 |

| CONSOLIDATED BALANCE SHEET, SEK M | 31-mar 2007 | 31-dec 2006 | 30-sep 2006 | 30-jun 2006 | 31-mar 2006 |
|--|----------------|----------------|----------------|----------------|----------------|
| ASSETS | | | | | |
| Intangible assets | 213,1 | 213,9 | 178,1 | 161,9 | 162,1 |
| Plant, property, and equipment | 21,7 | 19,2 | 19,2 | 15,5 | 15,6 |
| Financial assets | 0,4 | 0,3 | 0,5 | 2,6 | 5,4 |
| Current assets | 193,3 | 204,7 | 171,4 | 159,5 | 157,1 |
| Cash and cash equivalents including short-term investments | 101,2 | 78,9 | 50,8 | 68,6 | 71,9 |
| Total assets | 529,7 | 517,0 | 420,0 | 408,1 | 412,1 |
| EQUITY & LIABILITIES | | | | | |
| Share capital | 11,7 | 11,7 | 11,5 | 11,5 | 11,5 |
| Other reserves | 86,3 | 85,0 | 74,9 | 73,0 | 72,6 |
| Accrued profit incl. profit for the year | 162,4 | 144,6 | 125,2 | 115,6 | 129,3 |
| Total | 260,4 | 241,3 | 211,6 | 200,1 | 213,4 |
| Minority interest | 9,5 | 8,9 | 7,9 | 7,1 | 6,4 |
| Total shareholders' equity | 269,9 | 250,2 | 219,5 | 207,2 | 219,8 |
| Long-term liabilities | 56,6 | 51,2 | 39,6 | 32,5 | 30,9 |
| Current liabilities | 203,2 | 215,6 | 160,9 | 168,4 | 161,4 |
| Total equity and liabilities | 529,7 | 517,0 | 420,0 | 408,1 | 412,1 |

KEY FIGURES

| | Jan.-Mar. 2007 | Oct.-Dec. 2006 | Jul.-Sep. 2006 | Apr.-Jun. 2006 | Jan.-Mar. 2006 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| Number of employees at end of period | 713 | 702 | 673 | 607 | 597 |
| Average number of employees | 706 | 684 | 634 | 592 | 586 |
| Sales per employee, SEK 000s | 341 | 337 | 251 | 315 | 314 |
| Profit after net financial income/ expense per employee, SEK 000s | 41 | 47 | 20 | 22 | 30 |
| Return on total assets % | 5,6 | 7,0 | 3,1 | 3,2 | 4,4 |
| Return on equity % | 7,3 | 8,6 | 4,0 | 4,1 | 5,3 |
| Return on capital employed % | 10,6 | 13,2 | 5,4 | 5,3 | 7,2 |
| Operating margin % | 12,3 | 10,9 | 8,1 | 7,0 | 9,7 |
| Equity/assets ratio, % | 51,0 | 48,4 | 52,3 | 50,8 | 53,3 |

DATA PER SHARE

| | Jan.-Mar. 2007 | Oct.-Dec. 2006 | Jul.-Sep. 2006 | Apr.-Jun. 2006 | Jan.-Mar. 2006 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Earnings per share, SEK | | | | | |
| Basic | 1,63 | 1,74 | 0,74 | 0,76 | 0,98 |
| Diluted | 1,61 | 1,72 | 0,74 | 0,75 | 0,97 |
| Equity per share SEK | | | | | |
| Basic | 22,25 | 20,62 | 18,33 | 17,44 | 18,60 |
| Diluted | 24,22 | 22,71 | 19,26 | 18,42 | 19,53 |
| Average number of shares, 000s | | | | | |
| Basic | 11 705 | 11 598 | 11 521 | 11 474 | 11 474 |
| Diluted | 11 893 | 11 723 | 11 557 | 11 555 | 11 619 |
| Average number of shares on balance sheet date, 000s | | | | | |
| Basic | 11 705 | 11 705 | 11 544 | 11 474 | 11 474 |
| Diluted | 12 628 | 12 628 | 12 049 | 11 979 | 11 979 |