

BTS Group AB (publ)

Interim Report January 1 – September 30, 2008

Growth despite negative development in APG

- Net turnover increased by 1 percent during the nine-month period and amounted to MSEK 393.0 (387.3). Adjusted for changes in exchange rates, growth was 10 percent.
- Operating profit before amortization on intangible assets (EBITA) decreased by 12 percent to MSEK 56.1 (63.7).
- Profit after tax decreased by 3 percent to MSEK 31.3 (32.3).
- Earnings per share amounted to SEK 1.74 (1.79).

Third quarter 2008

- Net turnover for the third quarter increased by 0.5 percent and amounted to MSEK 122.5 (121.9). Adjusted for changes in exchange rates, growth was 6 percent.
- Operating profit before amortization on intangible assets (EBITA) decreased by 7 percent to MSEK 15.0 (16.1).
- Profit after tax decreased by 1 percent to MSEK 7.7 (7.8).
- Earnings per share amounted to SEK 0.43 (0.43).

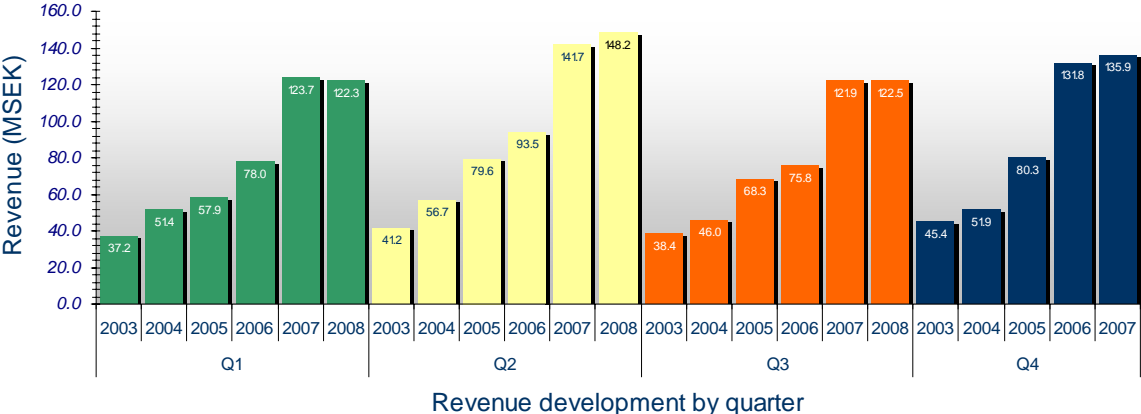
Summary of BTS' and the market's development during the third quarter

- Demand for BTS' services continued to be positive on all markets, apart from APG which developed negatively and experienced considerably weaker demand during the third quarter.
- The negative change in BTS' earnings is mainly due to significantly lower sales in APG as well as a weakening of the USD and GBP, currencies of importance for BTS.
- BTS' other operations have developed positively.
- New clients secured during the nine-month period included Alcoa, ConocoPhillips, Deutsche Bank, National Foods Limited, Dell, Ogilvy & Mather, SAB Miller, Logica and PTT Thailand, among others.

BTS Group AB is an international consultancy and training company active in the field of business acumen. BTS uses tailor-made simulation models to support company managers in implementing change and improving profitability. BTS solutions and services train the entire organization to analyze and to take decisions centered on the factors that promote growth and profitability. This generates increased emphasis on profitability and market focus, and supports day-to-day decision-making, which in turn leads to tangible, sustainable improvements in profits. BTS customers are often leading major companies

Turnover

BTS net turnover increased by 1 percent during the nine-month period and amounted to MSEK 393.0 (387.3) Adjusted for changes in exchange rates, growth was 10 percent. Growth was strong in local currency terms in all units apart from APG. BTS North America grew by 23 percent, BTS Europe grew by 20 percent, BTS Other Markets grew by 34 percent while APG decreased by 20 percent.



Earnings

Operating profit before amortization of intangible assets (EBITA) decreased by 12 percent during the nine-month period and amounted to MSEK 56.1 (63.7) Operating profit during the nine-month period was affected by MSEK 6.6 (7.7) for amortization of intangible assets attributable to acquisitions. Operating profit (EBIT) decreased by 12 percent to MSEK 49.5 (56.0).

The operating margin before amortization on intangible assets (EBITA margin) was 14 (16) percent. The operating margin (EBIT margin) was 13 (14) percent.

Profit before tax for the nine-month period decreased by 9 percent to MSEK 46.9 (51.5).

The negative change in earnings and margin is mainly due to lower sales in the acquired APG unit as well as a weakening of the USD and GBP, currencies of importance for BTS. During the first two quarters of the year, earnings have also been negatively impacted by investments for growth, including, in a larger organization and marketing. Earnings have also been negatively impacted by lower cost efficiency in BTS USA. Measures undertaken to improve cost efficiency in BTS USA have impacted earnings positively during the third quarter.

An action program for APG was initiated earlier in the year in order to make sales more efficient. However, the deterioration in US' market conditions has had a significant adverse effect on APG, which has resulted in an accelerated revenue decrease during the third quarter. This trend is expected to persist during the fourth quarter. Marketing and sales efforts have been strengthened with the aim of achieving a better development in 2009.

Third quarter

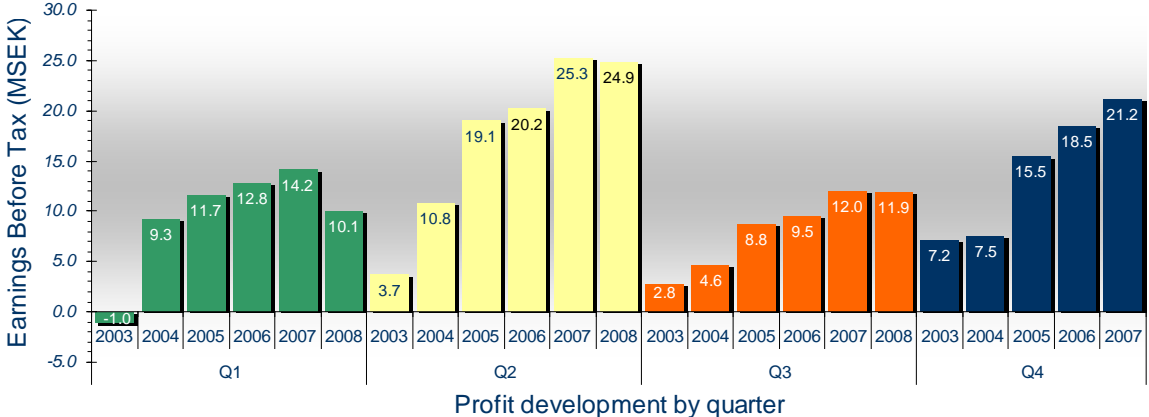
BTS' net turnover increased by 0.5 percent during the third quarter and amounted to MSEK 122.5 (121.9). Adjusted for changes in exchange rates, growth was 6 percent.

Growth was strong in local currency terms in all units apart from APG. BTS North America grew by 25 percent, BTS Europe grew by 20 percent, BTS Other Markets grew by 36 percent while APG decreased by 34 percent.

Operating profit before amortization on intangible assets (EBITA) decreased by 7 percent during the third quarter and amounted to MSEK 15.0 (16.1). Operating profit during the third quarter was affected by MSEK 2.3 (2.5) for amortization of intangible assets attributable to acquisitions. Operating profit (EBIT) decreased by 7 percent to MSEK 12.7 (13.6).

The operating margin before amortization on intangible assets (EBITA margin) was 12 (13) percent. The operating margin (EBIT margin) was 10 (11) percent.

Profit before tax for the third quarter decreased by 1 percent and amounted to MSEK 11.9 (12.0).



Market development

Demand for BTS' services continued to be positive on all markets, apart from APG which developed negatively and experienced considerably weaker demand during the third quarter.

In the US, weakness has been evident in the housing, automotive, construction and financial sectors and also in the retail segment. However, BTS has a limited exposure to these sectors. BTS experienced two years of zero growth in connection with the economic downturn during the period 2001–2003. However, during this period, over 80 percent of BTS' revenue came from the three hardest hit sectors (IT, telecommunications and manufacturing industry). Today, BTS' operations are significantly more diversified and only a limited share of revenue comes from the sectors that are currently experiencing weakness.

Companies in BTS' target group, large international companies and organizations, tend to have to deal with a faster rate of change, new technologies and new competition. As a result they tend to invest more in business development and training. For many years, BTS has been the leading player on the market for training conducted

through tailor-made business simulations and currently has commissions from 26 of the 100 largest companies in the world.

BTS is currently seeing increased global demand for its services. BTS expects that the market segment for training based on simulation technology will grow more rapidly than the market in general.

BTS' growth

During the four-year period, 2004-2007, BTS has increased revenue by 3.5 times, adjusted for changes in exchange rates, while at the same time; operating profit has increased more than eight-fold. The revenue increase was approximately 40 percent organic and about 60 percent acquired.

The average organic growth has been 19% (currency adjusted) per year during this four-year period. The growth rate has been 10% during the first nine months of 2008.

The factors behind BTS' growth are as follows:

- we operate on an expanding market
- our offering enjoys strong competitive advantages
- we carry out excellent acquisitions on a fragmented market
- we have the sector's best organization and employees.

BTS drives this growth through:

- growth in existing offices
- geographical expansion through new offices
- cross-selling between BTS business units as well as continued development of new products and solutions.

BTS' offering has broadened considerably through product development and completed acquisitions and apart from world-leading business simulations also includes leading solutions within strategically important areas such as e.g. sales and management development and internet-based training solutions.

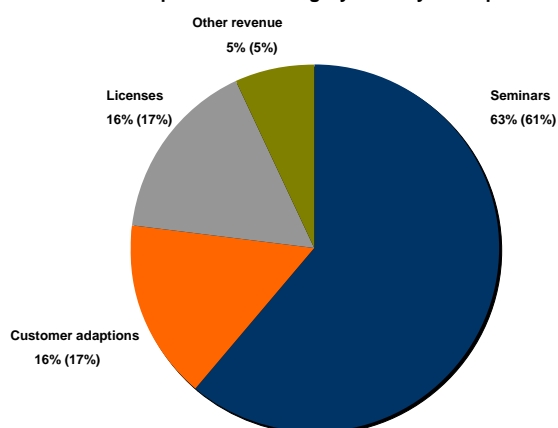
BTS offers the most comprehensive range of tailored simulation solutions on the market today and at the same time, is the only company in the world that can serve large international companies on a global basis. BTS' sales organization is being developed and is growing rapidly. This means that BTS to a greater extent, can satisfy existing clients' needs for additional solutions, which generates significant growth opportunities both in the near-term and long-term.

Assignments and new clients

New clients secured during the nine-month period included Alcoa, ConocoPhillips, Deutsche Bank, National Foods Limited, Dell, Ogilvy & Mather, SAB Miller, Logica and PTT Thailand, among others.

Revenue development

Net turnover per revenue category January 1 – September 30, 2008



Operative units

Net turnover per operative unit

| | Jul-Sep | Jul-Sep | Jan-Sep | Jan-Sep | rolling 12 month | Full-year |
|----------------|--------------|--------------|--------------|--------------|---------------------|--------------|
| MSEK | 2008 | 2007 | 2008 | 2007 | 2008/2007 | 2007 |
| North America* | 83.4 | 89.6 | 267.1 | 282.6 | 352.9 | 368.4 |
| Europe | 25.4 | 21.7 | 92.6 | 79.0 | 130.6 | 117.0 |
| Other markets | 13.7 | 10.6 | 33.3 | 25.7 | 45.4 | 37.8 |
| Total | 122.5 | 121.9 | 393.0 | 387.3 | 528.9 | 523.2 |

*North America

| | | | | | | |
|--------------|-------------|-------------|--------------|--------------|--------------|--------------|
| BTS | 59.6 | 51.1 | 181.4 | 164.2 | 236.6 | 219.4 |
| APG | 23.8 | 38.5 | 85.7 | 118.4 | 116.3 | 149.0 |
| Total | 83.4 | 89.6 | 267.1 | 282.6 | 352.9 | 368.4 |

Operating profit before amortization of intangible assets (EBITA) per operative unit

| | Jul-Sep | Jul-Sep | Jan-Sep | Jan-Sep | rolling 12 month | Full-year |
|----------------|-------------|-------------|-------------|-------------|---------------------|-------------|
| MSEK | 2008 | 2007 | 2008 | 2007 | 2008/2007 | 2007 |
| North America* | 10.0 | 12.7 | 35.1 | 49.2 | 47.1 | 61.2 |
| Europe | 1.8 | 1.0 | 16.0 | 10.7 | 26.4 | 21.1 |
| Other markets | 3.2 | 2.4 | 5.0 | 3.8 | 7.2 | 6.0 |
| Total | 15.0 | 16.1 | 56.1 | 63.7 | 80.7 | 88.3 |

*North America

| | | | | | | |
|--------------|-------------|-------------|-------------|-------------|-------------|-------------|
| BTS | 10.3 | 7.9 | 32.6 | 38.0 | 42.4 | 47.8 |
| APG | -0.3 | 4.8 | 2.5 | 11.2 | 4.7 | 13.4 |
| Total | 10.0 | 12.7 | 35.1 | 49.2 | 47.1 | 61.2 |

North America

The operations - APG and RLC, which were acquired during the fall of 2006, are reported geographically within North America. Apart from APG, other units have been combined in an organizational and legal entity and are reported as BTS from the beginning of 2008. Comparative figures in respect of the previous year have been adjusted to the new operating structure.

BTS

Net turnover for BTS' North American operations amounted to MSEK 181.4 (164.2) during the nine-month period. Adjusted for currency effects, revenue increased by 23 percent. Operating profit before amortization on intangible assets (EBITA) amounted to MSEK 32.6 (38.0) during the nine-month period. The operating margin before amortization on intangible assets (EBITA margin) was 18 (23) percent.

Net turnover amounted to MSEK 59.6 (51.1) during the third quarter. Adjusted for currency effects, revenue increased by 25 percent. Operating profit before amortization on intangible assets (EBITA) amounted to MSEK 10.3 (7.9) during the third quarter. The operating margin before amortization on intangible assets (EBITA margin) was 17 (15) percent.

Growth was positive during the nine-month period. However, BTS' sales via APG declined considerably resulting in a deterioration in earnings and a lower margin. During the first two quarters of the year, earnings were also affected by investments for growth purposes, including, in a larger organization and marketing. Earnings have also been negatively impacted by lower cost efficiency in BTS USA. Measures undertaken to improve cost efficiency in BTS USA have impacted earnings positively during the third quarter.

APG

Net turnover for APG amounted to MSEK 85.7 (118.4) during the nine-month period. Adjusted for currency effects, revenue decreased by 20 percent. Operating profit before amortization on intangible assets (EBITA) amounted to MSEK 2.5 (11.2) during the nine-month period. Operating margin before amortization on intangible assets (EBITA margin) was 3 (9) percent.

Net turnover amounted to MSEK 23.8 (38.5) during the third quarter. Adjusted for currency effects, revenue decreased by 34 percent. Operating profit before amortization on intangible assets (EBITA) amounted to MSEK -0.3 (4.8) during the third quarter. The operating margin before amortization on intangible assets (EBITA margin) was -1 (13) percent.

The negative change in earnings and margin was principally attributable to decreased sales in comparison with the previous year.

An action program for APG was initiated earlier in the year in order to make sales more efficient. The deterioration in US' market conditions has had a significant adverse effect on APG, which has resulted in an accelerated revenue decrease during the third quarter. This trend is expected to persist during the fourth quarter. Marketing and sales efforts have been strengthened with the aim of achieving a better development in the fourth quarter.

Europe

Net turnover for Europe amounted to MSEK 92.6 (79.0) during the nine-month period. Adjusted for currency effects, revenue increased by 20 percent. Operating profit before amortization on intangible assets (EBITA) amounted to MSEK 16.0 (10.7) during the nine-month period. The operating margin before amortization on intangible assets (EBITA margin) was 17 (14) percent.

Net turnover amounted to MSEK 25.4 (21.7) during the third quarter. Adjusted for currency effects, revenue increased by 20 percent. Operating profit before amortization on intangible assets (EBITA) amounted to MSEK 1.8 (1.0) during the third quarter. The operating margin before amortization on intangible assets (EBITA margin) was 7 (5) percent.

Other markets

Net turnover for Other markets amounted to MSEK 33.3 (25.7) during the nine-month period. Adjusted for currency effects, revenue increased by 34 percent. Operating profit before amortization on intangible assets (EBITA) amounted to MSEK 5.0 (3.8) during the nine-month period. The operating margin before amortization on intangible assets (EBITA margin) was 15 (15) percent.

Net turnover amounted to MSEK 13.7 (10.6) during the third quarter. Adjusted for currency effects, revenue increased by 36 percent. Operating profit before amortization on intangible assets (EBITA) amounted to MSEK 3.2 (2.4) during the third quarter. The operating margin before amortization on intangible assets (EBITA margin) was 23 (23) percent.

Financial position

BTS' cash flow from operating activities amounted to MSEK 17.7 (13.4) during the nine-month period.

Cash and cash equivalents amounted to MSEK 61.5 (37.8) at the end of the period. The Company's interest-bearing loans, which relate to previously completed acquisitions, amounted to MSEK 84.1 (64.1) at the end of the period.

BTS solidity was 53 (52) percent at the end of the period.

The Company had no outstanding conversion loans at the balance sheet date.

Employees

The number of employees in BTS Group AB as of September 30 was 255 (216). The average number of employees during the period was 243 (201).

The Parent Company

The Company's net turnover amounted to MSEK 0.5 (1.1) and the profit after net financial items amounted to MSEK 3.4 (2.0). Cash and cash equivalents amounted to MSEK 0 (0).

Outlook for 2008

Based on predominantly strong market conditions for BTS, the profit before tax is expected to be in line with the previous year.

In the 2008 second quarter interim report the outlook was defined as "Based on continued strong market conditions for BTS, the profit before tax is expected to be in line with the previous year"

Accounting principles

This interim report has been prepared in accordance with IAS 34 Interim Reporting and the Swedish Annual Accounts Act. The accounting principles and calculation methods applied are in line with the accounting principles used in the preparation of the most recent financial statements. Future IFRS that have been approved by IASB but have not yet come into effect are currently evaluated as having no material effect on the Group's income statement and balance sheet.

Nominating committee

As announced previously, a nominating committee has been appointed. BTS' three largest shareholders, in consultation with the Chairman of the Board, Dag Sehlin, have appointed the following persons to serve on the Nominating Committee: Anders Dahl (Master of Business Administration), Dag Sehlin (Chairman of the Board, BTS Group AB) and Stefan af Petersens (BTS Group AB).

Anders Dahl has been appointed Chairman of the Nominating Committee.

The Nominating Committee is tasked with making recommendations on candidates for the board of directors and auditors, as well as submitting proposals concerning remuneration to board members and auditors.

Shareholders in BTS Group AB are welcome to submit proposals to the Chairman of the Nominating Committee at the following address: BTS Group AB, Grevgatan 34, 114 53 Stockholm.

It is intended to announce nomination of board members in the notice convening the next Annual General Meeting.

Future reporting dates

Year-end Report

February 20, 2009

Stockholm, November 4, 2008

Henrik Ekelund

Chief Executive Officer

This report has not been the subject of separate examination by BTS' auditor

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INCOME STATEMENT, Summary
KSEK

| | 3 months ended | | 9 months ended | | 12 months ended | |
|--|----------------|---------------|----------------|---------------|-----------------|---------------|
| | Sep 30 | Sep 30 | Sep 30 | Sep 30 | Sep 30 | Dec 31 |
| | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 |
| Revenue | 122,458 | 121,906 | 392,988 | 387,359 | 528,790 | 523,161 |
| Operating expenses | -106,785 | -105,337 | -335,147 | -322,042 | -445,798 | -432,693 |
| Depreciation tangible assets | -686 | -507 | -1,730 | -1,626 | -2,278 | -2,174 |
| Amortization intangible assets | -2,264 | -2,511 | -6,625 | -7,687 | -9,045 | -10,107 |
| Operating result | 12,723 | 13,551 | 49,486 | 56,004 | 71,669 | 78,187 |
| Financial income and expenses | -837 | -1,503 | -2,539 | -4,458 | -3,502 | -5,421 |
| Result before tax | 11,886 | 12,048 | 46,947 | 51,546 | 68,167 | 72,766 |
| Taxes | -4,141 | -4,210 | -15,624 | -19,256 | -20,305 | -23,937 |
| Result for the period | 7,745 | 7,838 | 31,323 | 32,290 | 47,862 | 48,829 |
| attributable to equity holders of the parent | 7,745 | 7,838 | 31,323 | 32,290 | 47,862 | 48,829 |
| Earnings per share, before dilution of shares, SEK | 0.43 | 0.43 | 1.74 | 1.79 | 2.65 | 2.71 |
| Number of shares at end of the period | 18,048,300 | 18,048,300 | 18,048,300 | 18,048,300 | 18,048,300 | 18,048,300 |
| Average number of shares before dilution of shares | 18,048,300 | 18,048,300 | 18,048,300 | 18,048,300 | 18,048,300 | 18,048,300 |
| Earnings per share, after dilution of shares, SEK | 0.43 | 0.43 | 1.74 | 1.78 | 2.65 | 2.70 |
| Average number of shares after dilution of shares | 18,048,300 | 18,097,146 | 18,048,300 | 18,097,146 | 18,048,300 | 18,074,696 |
| Dividend per share | | | | | | 1.20 |

BALANCE SHEET, Summary
KSEK

| | 09/30/08 | 09/30/07 | 12/31/07 |
|--|----------------|----------------|----------------|
| Assets | | | |
| Goodwill | 142,558 | 145,318 | 145,093 |
| Other intangible assets | 27,448 | 35,567 | 33,048 |
| Tangible assets | 7,164 | 4,957 | 5,317 |
| Other fixed assets | 4,368 | 3,717 | 4,343 |
| Accounts receivable | 122,716 | 93,848 | 115,955 |
| Other current assets | 42,161 | 29,233 | 25,187 |
| Cash and bank | 61,536 | 37,842 | 67,473 |
| Total assets | 407,951 | 350,482 | 396,416 |
| Equity and liabilities | | | |
| Equity | 216,517 | 181,698 | 198,603 |
| Non interest bearing - non current liabilities | 88 | 29 | 120 |
| Interest bearing - current liabilities | 84,218 | 64,089 | 62,856 |
| Non interest bearing - current liabilities | 107,128 | 104,666 | 134,837 |
| Total equity and liabilities | 407,951 | 350,482 | 396,416 |

CASH FLOW STATEMENT, Summary
KSEK

| | Jan-Sep 2008 | Jan-Sep 2007 | Jan-Dec 2007 |
|---|-----------------|-----------------|-----------------|
| Cash flow from current operations | 17,656 | 13,430 | 45,219 |
| Cash flow from investment activities | -23,907 | -4,676 | -12,219 |
| Cash flow from financing operations | -3,428 | -38,367 | -32,802 |
| Change in liquid funds | -5,937 | -34,212 | -4,581 |
| Liquid funds, opening balance | 67,473 | 72,054 | 72,054 |
| Liquid funds, closing balance | 61,536 | 37,842 | 67,473 |
| Effect of exchange rate changes on cash | 3,742 | -4,599 | -4,779 |

**CHANGES IN EQUITY
KSEK**

| | Total Equity 09/30/08 | Total Equity 09/30/07 | Total Equity 12/31/07 |
|--------------------------|--------------------------|--------------------------|--------------------------|
| Opening balance | 198,603 | 175,171 | 175,171 |
| Dividend to shareholders | -21,658 | -18,048 | -18,048 |
| Conversion differences | 7,777 | -8,187 | -8,073 |
| Change minority interest | - | -508 | -508 |
| Miscellaneous | 472 | 980 | 1,232 |
| Result for the period | 31,323 | 32,290 | 48,829 |
| Closing balance | <u>216,517</u> | <u>181,698</u> | <u>198,603</u> |

KEY RATIOS

| | 3 months ended | | 9 months ended | | 12 months ended | |
|---|----------------|----------------|----------------|----------------|-----------------|----------------|
| | Sep 30 2008 | Sep 30 2007 | Sep 30 2008 | Sep 30 2007 | Sep 30 2008 | Dec 31 2007 |
| Revenues, KSEK | 122,458 | 121,906 | 392,988 | 387,359 | 528,790 | 523,161 |
| EBITA (Earnings before interest, tax and amortization), KSEK | 14,987 | 16,062 | 56,111 | 63,691 | 80,714 | 88,294 |
| EBIT (Operating result), KSEK | 12,723 | 13,551 | 49,486 | 56,004 | 71,669 | 78,187 |
| EBITA margin (Earnings before interest, tax and amortization margin), % | 12 | 13 | 14 | 16 | 15 | 17 |
| EBIT margin (Operating margin), % | 10 | 11 | 13 | 14 | 14 | 15 |
| Profit margin, % | 6 | 6 | 8 | 8 | 9 | 9 |
| Operational capital, KSEK | | | | | 239,199 | 193,896 |
| Return on equity, % | | | | | 23 | 26 |
| Return on operational capital, % | | | | | 33 | 41 |
| Solidity at end of the period, % | 53 | 52 | 53 | 52 | 53 | 50 |
| Cash flow, KSEK | 2,942 | 7,708 | -5,937 | -34,212 | 23,694 | -4,581 |
| Liquid funds at end of the period, KSEK | 61,536 | 37,842 | 61,536 | 37,842 | 61,536 | 67,473 |
| Average number of employees | 249 | 211 | 243 | 201 | 239 | 211 |
| Number of employees at end of the period | 255 | 216 | 255 | 216 | 255 | 230 |
| Revenues for the year per employee, KSEK | | | | | 2,215 | 2,479 |

DEFINITIONS

Earnings per share

Earnings attributable to the parent company's shareholders divided by number of shares

EBITA margin (Earnings before interest, tax and amortization margin)

Operating result before interest, tax and amortization as a percentage of revenues.

EBIT margin (Operating margin)

Operating result after depreciation as a percentage of revenues.

Profit margin

Result for the period as a percentage of revenues.

Operational capital

Total balance sheet reduced by liquid funds and other interest bearing assets and reduced by non-interest bearing liabilities.

Return on equity

Result for the period (converted into whole year) as a percentage of average equity.

Return on operational capital

Operating result as a percentage of average operational capital.

Solidity

Equity as a percentage of total balance sheet.

Organic growth

Growth excluding acquisition