



IFS APPLICATIONS™ FOR

DEFENSE MANUFACTURERS



OUR SOLUTION'S DNA

When we first set out to create IFS Applications over 25 years ago, our goal was to make the most usable business solution on the market. And to help us achieve that ambition, we put simplicity at the forefront of everything we did.

We still do.

We decided that we would make only one product, which can be easily configured to match the specific requirements of a broad range of industries.

We still do.

We decided that we would build IFS Applications on standards so our customers would not be locked into any particular technology.

We still do.

We decided to design IFS Applications as a component-based structure so it can be easily extended and updated.

We still do.

We decided that each software component must be totally compatible with every other, yet capable of running independently.

We still do.

We decided to build a product that could handle change and long-term evolution.

We still do.

And, that we would make the most user-friendly business software on the market.

We still do that, too.



PROVEN TRACK RECORD

IFS Applications is the business solution of choice for a number of Fortune 500 companies and mid-sized organizations. Defense customers worldwide are getting great returns on their investment and quicker payback from their IFS solutions. Component-based and agile, IFS Applications makes your business ready for change and helps your company to increased efficiency and greater profitability.

YOUR FIRST LINE OF DEFENSE BEGINS HERE

If you're asking yourself how is it possible to streamline your operations and run like a lean manufacturer while staying compliant, IFS Applications™ can provide the answer. With IFS' commercial off-the-shelf (COTS) software solution, companies are able to reduce costs more quickly, take advantage of new business opportunities, deliver products on time and on budget and comply with complex federal regulations.

TAKE ADVANTAGE OF NEW BUSINESS OPPORTUNITIES

Because defense products often span years and even decades, customer retention and finding new business opportunities can be difficult. That's why IFS Applications' lifecycle approach extends beyond product lifecycle management to include customers, products, and assets. With this total lifecycle management, customers know more quickly which markets to serve, when to enter them, and

which products to develop. IFS' lifecycle management includes as-designed, as-planned, as-built, and as-maintained configuration management.

From the original concept through engineering, manufacturing, service and after-sales support, IFS Applications ensures that product information is available to people who need it, as they need it. And, as a result, companies find that their product costs decrease and development time becomes shorter.

STREAMLINED OPERATIONS AND REDUCED COSTS

A defense manufacturer may often need to handle both project-driven engineer-to-order (ETO) processes and make-to-order business processes, both commercial and project driven.

IFS Applications provides the ways and means to reduce lead time and increase manufacturing efficiency via a unique project-oriented solution that integrates project planning, PDM data, and



KEY VALUE-ADDING FUNCTIONAL ASPECTS OF IFS APPLICATIONS INCLUDE:

- Complete product lifecycle management
- Mixed-mode manufacturing
- Project pegging
- Corporate performance management
- After sales and customer services
- Component-based

actual cost project-based manufacturing and purchasing, including non-MRP based material planning.

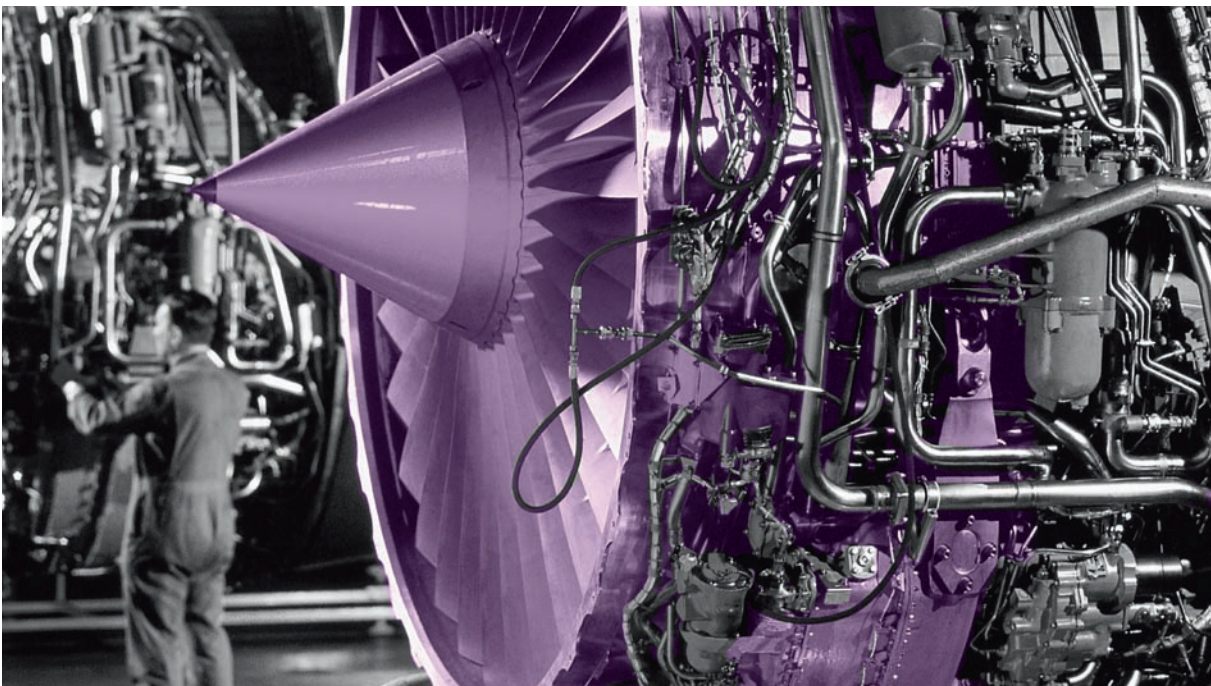
BETTER SUPPLIER MANAGEMENT MEANS BIGGER PROFITS

Along with to-order functionality, IFS Applications offers better supplier management and traceability with project inventory that includes full project pegging and borrow or payback features specifically developed for the defense manufacturing industry. This includes the ability to plan material require-

ments for the project and have all the pegging occur as well as the visibility of Project ID and Activity ID at the shop and purchase order levels.

THE FLEXIBILITY TO MATCH COSTING PROCEDURE TO SPECIFIC CLIENTS

With the option of mixed-mode costing manufacturers can run their entire business on an Actual Cost basis, or they can elect to run their commercial business on a Standard Cost basis, and their Government business on an Actual Cost basis. The ability exists



to view details of cost build-ups throughout the system instead of just at the General Ledger. There is also the possibility to adjust overhead costs on a periodic basis so when the real overhead costs are determined, the previously recorded overhead costs can be adjusted to reflect the actually incurred costs. IFS' solution also provides greater financial capabilities which permit a company to not only progress bill their customer, but to also perform periodic revenue recognition on long term projects where periodic billing may not be occurring.

QUALITY WITHOUT COMPROMISE

The importance of quality assurance in the defense industry cannot be overstated. And it is no coincidence that IFS Applications makes quality control a top priority. The fully integrated Material Review Board (MRB) and Quality Control functionality round out IFS' defense manufacturing offering by

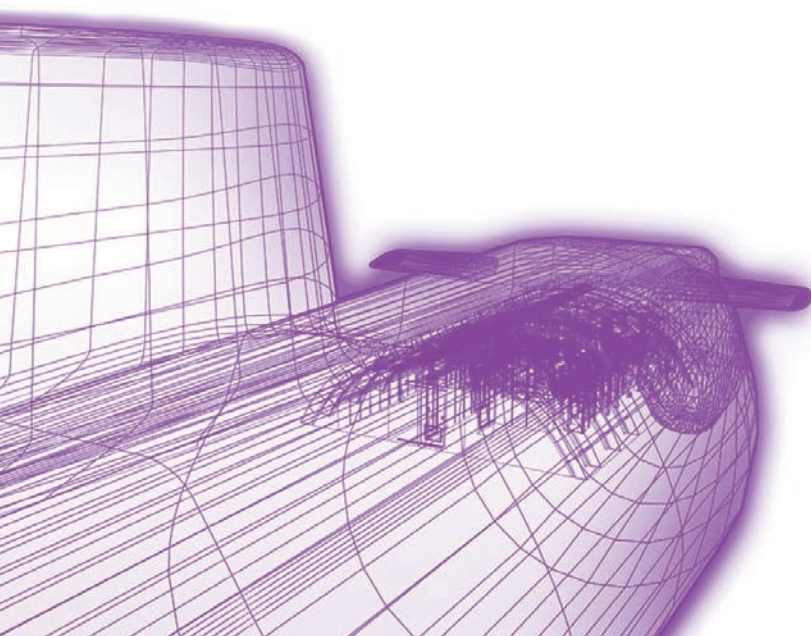
allowing for a closed loop quality system. This closed loop quality system allows manufacturers to perform periodic inspections and to identify non-conforming material for review as it occurs. The MRB permits disposition and control of all non-conforming material so it is rejected from the system and not used.

MANAGING CORPORATE PERFORMANCE

Aerospace and defense manufacturers need to stay on top of the performance of manufacturing processes, projects and programs and will benefit from IFS' flexible approach to business intelligence (BI). IFS builds BI directly into the user interface, and also offers a turnkey BI package built with Microsoft BI tools.

With the prepackaged integration between IFS Applications and Microsoft BI tools, you get a world-class BI solution tightly integrated with

**IFS APPLICATIONS FOR DEFENSE MANUFACTURING
—SIMPLE SOLUTIONS TO COMPLEX PROBLEMS**



IFS Applications, including two advanced project management dashboard views for tight control of engineering, fabrication and the program-centric manufacturing environment.

RAPID TIME TO VALUE, MAXIMUM AGILITY

The fact that IFS developed the industry's first component-based service-oriented architecture means our customers can implement, roll out and reconfigure IFS Applications with greater agility than their competitors running more rigid business software. With IFS, you can implement only the components you need to address immediate priorities and realize immediate value. Once you master those parts of the applications you can, with minimal business disruption, add more advanced functionality when you are ready. As your business processes or the needs and demands of your customer changes, as is often the case in a program-centric manufac-

turing environment, IFS Applications can change with you without massive expenditures with systems integrators and consultants.

INTEGRATED AFTERMARKET SERVICES SUPPORT

As a result of shrinking margins, the aftermarket has become one of the defense industry's largest areas of growth. Defense manufacturers are well positioned to provide the services end-customers demand, ranging from spare parts provisioning and repair to availability-based contracting.

IFS Applications provides defense manufacturers with solutions specifically tailored for service and repair (including warranties); maintenance, repair, and overhaul (MRO); and spare parts logistics. This totally integrated view offers companies the opportunity to extend their offering to their customers by providing comprehensive after-sales service.

ABOUT IFS AND IFS APPLICATIONS

IFS is a public company (OMX STO: IFS) founded in 1983 that develops, supplies, and implements IFS Applications™, a component-based extended ERP suite built on SOA technology. IFS focuses on agile businesses where any of four core processes are strategic: service & asset management, manufacturing, supply chain and projects. The company has 2,000 customers and is present in more than 50 countries with 2,700 employees in total. Net revenue in 2009 was SKr 2.6 billion.

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