

LAWSON™



2007 Annual Review

Simply Stronger.

FY07 Transition Year Completed Successfully

Focusing on Growth

Following the April 2006 acquisition of Intertia International AB, we acted quickly to establish a solid foundation for growth. We started with a clear, coherent product strategy that delivered a strong set of new products to our Lawson M3 and Lawson S3 customers. Beyond software, we expanded our services and support offerings with products like Lawson QuickStep and Lawson Total Care. We promoted our new products with targeted, lead-generating marketing campaigns that built a substantial pipeline. And to capitalize on this pipeline, we expanded our global sales force by 30 percent.

Building an Efficient, Effective Global Structure

From an operations standpoint, we focused on building the structure that could support our growth, lower our costs, and improve our performance. We began the process of consolidating where needed and establishing shared service centers to reduce redundancy. We launched our service and support center in the Philippines, which has improved our ability to provide customers around-the-clock global support while managing our delivery costs.

Delivering a Superior Customer Experience

We are the alternative choice. Our customers have told us they don't always need or want what the bigger enterprise software vendors offer. They want a better experience and closer relationship. During the year, we focused on delivering innovation, value, and simplicity.

- Innovation – Built into products like Lawson System Foundation, Lawson 9 applications, and Lawson M3 7.1 technology and applications, including Smart Client.
- Value – Designed into Lawson solutions and validated again by the latest industry analyst research that places Lawson at the top for delivering the most business benefit per customer dollar invested.
- Simplicity – Featured in an improved user experience with Smart Client and Lawson Learning Accelerator; faster implementations with Lawson QuickStep, expanded support with Lawson Total Care, and enhanced technology featuring Lawson Landmark and IBM.



Simply Smarter.



“We selected the Lawson business intelligence solution because of its rich functionality, ease of use, and reputation for helping its customers achieve measurable results.”

— Andy Anderson, IT Director,
Red Wing Shoes

“We opted for the Lawson M3 solution because it meets our IT strategy objectives, it has a broad range of industry specific functionalities, is user-friendly, easy to handle, and helps us to standardize and simplify our work. This allows us to organize our business processes in a lean and efficient manner which will assist Zeppelin in meeting a cost reduction objective.”

— Manfred Schmaderer,
CIO of Zeppelin

“Lawson will help us reduce administrative costs by driving better-informed decision-making and business process improvements throughout our university hospital and colleges on our campus.”

— Bert Robles, chief information officer,
SUNY Downstate

Company Profile

Lawson is a global provider of enterprise business software. We provide application software, services and maintenance to customers primarily in the services sector, trade industries, and manufacturing/distribution sectors. Within these broad sectors, we specialize in specific markets including healthcare, public services, retail, financial services, fashion, food and beverage, manufacturing and wholesale distribution. Robust, scalable Lawson solutions support customers with complex business needs that are often industry-specific. We serve mid-market customers as well as large, global organizations. We provide our software in 20 languages to more than 4,000 total customers in 40 countries.

Customers

In fiscal 2007, Lawson signed 125 new customers around the world. Here is a sampling taken from Lawson fiscal 2007 news releases:

Red Wing Shoes

In 2006, Red Wing Shoes, an international shoemaker headquartered in Red Wing, Minn., selected Lawson Business Intelligence. The suite enabled the company to streamline the collection, analysis, and dissemination of key performance indicators to the management team regardless of location. Red Wing is also using Lawson M3 Portal applications to improve business over time.

Zeppelin Baumaschinen

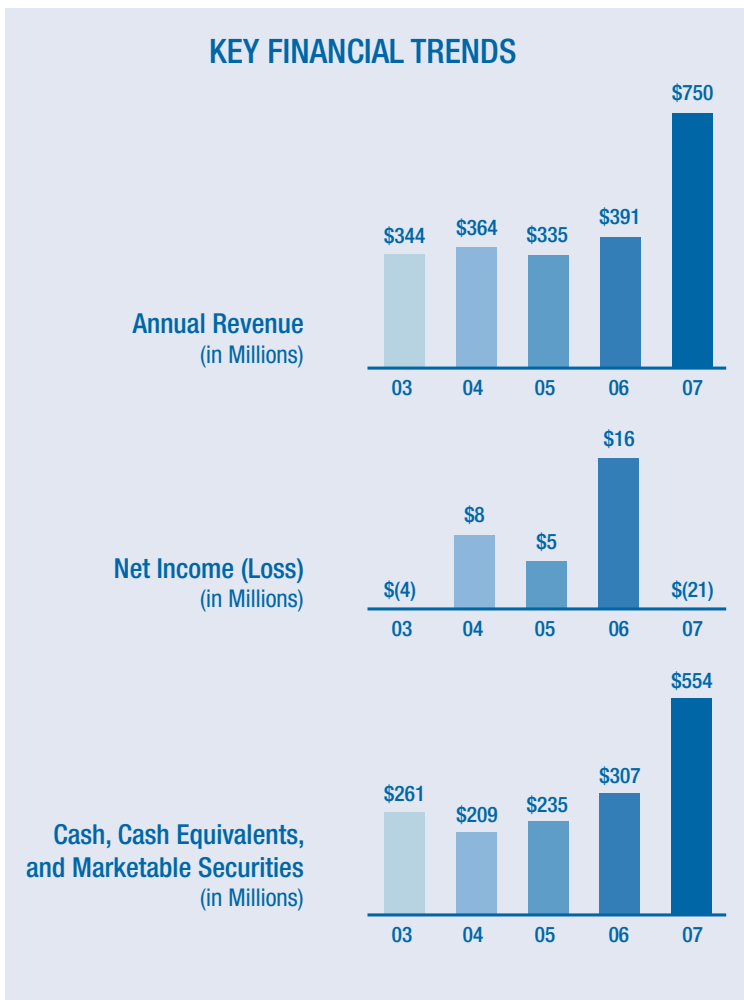
Zeppelin Baumaschinen, Germany's largest rental and service organization in the construction machinery sector, is replacing its legacy software with the Lawson M3 product suite. The implementation is aimed at supporting the company's growth plans and helping further build on its leading market position. The industry-specific equipment service and rental management solution from Lawson will help Zeppelin improve its performance and strengthen its ability to compete.

SUNY Downstate

SUNY Downstate, one of the leading urban academic medical centers in the United States, selected Lawson to replace several older business systems and help improve operational efficiencies. Lawson solutions provide the flexibility and scalability SUNY requires to support the academic medical center's long-term growth. Our applications are helping the organization centralize and automate the medical center's materials management processes and enhance financial and human resources reporting capabilities. The net effect will be less time spent on administrative tasks, reducing costs and improving efficiencies.

Fiscal 2007 Highlights

- Completed merger with Intenia International AB that doubled the size of the company, added industry-leading products to our portfolio, and provided enhanced global sales and support capabilities for our customers
- Introduced a strong line-up of new products, services, and support offerings to increase the value and benefit delivered to our customers
- Increased sales force by 30 percent to address new business opportunities
- Increased total revenue by 69 percent; organic revenue grew 13 percent
- Increased cash flow from operations 29 percent to \$98.5 million
- Raised \$240 million of low-cost capital through convertible notes offering
- Repurchased 6.4 million shares of common stock for \$54.9 million at an average price of \$8.61 per share



Overview

Customers

More than 4,000 total customers in 40 countries

Geographic Markets Served

The Americas; Europe, Middle East, and Africa (EMEA); and the Asia-Pacific region including Australia and New Zealand (APAC)

Solutions

Scalable business software applications tailored to specific vertical industries, provided in 20 languages

Architecture

Flexible, web-based architecture that supports multiple hardware platforms

Product Lines

"Lawson S3" and "Lawson M3," with many solutions in each product line having broad, cross-industry application. The S3 product line helps customers "staff, source and serve" in their respective markets. The M3 product line provides solutions for customers who "make, move and maintain" goods or equipment in their markets.

Employees

Approximately 3,800 worldwide

Founded

1975

Fiscal Year-End

May 31

Headquarters

St. Paul, Minnesota

Ticker Symbol

LWSN

Exchanges

The NASDAQ Global Select
The Nordic Exchange

Shares Outstanding

178,064,258 (as of August 15, 2007)

Stockholder Information

Meeting of Stockholders

The Lawson annual stockholder meeting will be held at 10 a.m. Central time Thursday, Oct. 18, 2007, at Lawson corporate headquarters located at 380 Saint Peter Street, Saint Paul, Minn.

Form 10-K and Other Investor Information

Copies of the Form 10-K (Annual Report) filed with the Securities and Exchange Commission and other financial documents are available by calling 651-767-4890 or sending a written request to:

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Saint Paul, MN 55102, United States

Independent Registered Accounting Firm

PricewaterhouseCoopers LLP

Stock Registrar and Transfer Agent

Mellon Investor Services, LLC
480 Washington Boulevard
Jersey City, NJ 07310-1900, United States
1-888-213-0972

TDD for Hearing Impaired: 800-231-5469
Foreign Shareholders: 201-680-6578
TDD for Foreign Shareholders: 201-680-6610
Web Site Address: www.melloninvestor.com/isd

Corporate Offices

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Financial Information on the Internet

This corporate report is also available on www.lawson.com, where you will find other information about Lawson. For investor information, go to www.lawson.com/investor

Forward-looking Statements

This corporate report contains forward-looking statements that contain risks and uncertainties. These forward-looking statements contain statements of intent, belief or current expectations of Lawson Software, Inc. and its management. Such forward-looking statements are not guarantees of future results and involve risks and uncertainties that may cause actual results to differ materially from the potential results discussed in the forward-looking statements. Risks and uncertainties that may cause such differences include but are not limited to those discussed in Item 1A "Risk Factors." Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management's opinions only as of the date hereof. The Company undertakes no obligation to revise or publicly release the results of any revision to these forward-looking statements. Readers should carefully review the risk factors described in this Annual Report on Form 10-K and in other documents the Company files from time to time with the Securities and Exchange Commission.

Executive Officers

Harry Debes

President and Chief Executive Officer, Director

Robert A. Schriesheim

Executive Vice President and Chief Financial Officer, Director

James D. Anderson

Executive Vice President, Professional Services

Dean J. Hager

Senior Vice President, Product Management

Bruce B. McPheeters

Senior Vice President, Secretary and General Counsel

Guenther Tolkmitt

Senior Vice President, Product Development

Kristin E. Trecker

Senior Vice President, Human Resources

Board of Directors

H. Richard Lawson

Co-Chairman of the Board, Co-Founder and Former Chief Executive Officer, Lawson Software, Inc.

Romesh Wadhvani

Co-Chairman of the Board, Founder and Managing Partner, Symphony Technology Group

Steven C. Chang

Partner and Co-Founder, Clearlake Capital Group

Harry Debes

President and Chief Executive Officer, Lawson Software, Inc.

Peter Gyenes

Former Chairman and Chief Executive Officer, Ascential Software

David R. Hubers

Former Chairman and Chief Executive Officer, American Express Financial Advisors Inc.

Michael A. Rocca

Former Senior Vice President and Chief Financial Officer, Mallinckrodt Inc.

Robert A. Schriesheim

Executive Vice President and Chief Financial Officer, Lawson Software, Inc.

Paul Wahl

Former Chief Executive Officer of SAP America



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