

LAWSON™



Simply Focused

2008 **Annual Review**

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Lawson is Simply Focused

In fiscal 2008, we continued our transformation into a leading provider of enterprise software. In the past year, we crystallized our Mission, Vision, Strategy and Values to focus the full power of our worldwide organization on our global opportunities.

We know what we are here to do.

Our Mission is to make our Customers stronger.

We know where we're going.

Our Vision is to be the global leader in each of our target markets.

We know how to get there.

Our Strategy to achieve our Vision is to:

- Focus our product development and go-to-market efforts in our target markets
- Offer our Customers a superior experience
- Attain world-class performance in each of our functional disciplines

We know who we are and what we stand for.

Our Values are:

- Passion and commitment
- Integrity and honesty in all our relationships
- Teamwork
- Personal responsibility for results
- A conviction that Simpler is Better

Customers

More than 4,500 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 more than 35 languages

Architecture

Flexible, web-based architecture that supports multiple hardware platforms

Products

The Lawson product vision is to satisfy the complex needs of our customers in the simplest possible manner. The Lawson product stack consists of technology and applications:

User Productivity Platform

(includes Microsoft-centric productivity tools)

- Lawson Smart Office
- Lawson Enterprise Performance Management

Applications

- Lawson S3 – for service-oriented companies and organizations that “staff, source and serve”
- Lawson M3 – for companies that “make, move and maintain” goods or equipment
- Strategic Human Capital Management

Business Process Platform

(includes IBM-centric business process tools)

- System Foundation
- Business Process Management

Employees

Approximately 4,200 worldwide

Founded

1975

Fiscal Year-End

May 31

Headquarters

Saint Paul, Minnesota

Ticker Symbol

LWSN

Exchanges

The NASDAQ Global Select
The Nordic Exchange

Shares Outstanding

162,797,494 (as of August 18, 2008)

Reflecting the greater value we are delivering to our customers, each of our target verticals achieved double-digit growth in software license contracting over fiscal 2007. Moreover, the amount of our software contracts sold in these industries in aggregate increased to 64 percent of total contracting in fiscal 2008, up from 41 percent in fiscal 2007.

Simply Focused

Dear Stockholders,

Last year, I wrote to you about the vision we have set for our company – to become the world leader in each of our target markets. The strategic imperatives I identified to achieve this vision were:

- Aligning our entire company around our target markets
- Delivering a superior experience to our customers
- Achieving world-class performance in each of our functional areas

In addition, we defined Lawson's financial strategy as one of profitable growth – not just growth and not just profits but *profitable* growth. In order to achieve this objective, we needed greater market focus. That meant a greater focus on selected target industries and markets so that our investments would have a greater impact.

Focusing on Our Target Markets

Today, we are focusing on specific markets where we can become the world leader. These include Distribution, Equipment Service Management and Rental, Fashion, Food, Healthcare, Public Sector (United States), and Strategic Human Capital Management, which is our one "horizontal" market.

Our vertical market focus guides our strategy and our investment decisions – what products we develop, how we sell, how we install and how we support our customers. We released 38 new or enhanced products in fiscal 2008 – all targeted at these markets.

Examples include Lawson Contract Management for the Healthcare and Public Sector markets; Lawson QuickStep Government for city and county governments; Lawson Trace Engine for the Food industry; Lawson eSales for the Distribution industry and Lawson ProcessFlow Integrator for Manufacturing and Distribution. One of our major products released was Lawson Talent Management within the Lawson Strategic Human Capital Management System. Lawson



Harry Debes
President and Chief Executive Officer

Talent Management helps organizations manage, develop and retain employees and identify and develop top talent and emerging leaders.

Our enhanced vertical market focus has already started to pay off. Reflecting the greater value we are delivering to our customers, each of our target verticals achieved double-digit growth in software license contracting over fiscal 2007. Moreover, the amount of our software contracts sold in these industries in aggregate increased to 64 percent of total contracting in fiscal 2008, up from 41 percent in fiscal 2007.

Focusing on a Superior Customer Experience

Our goal is to improve the business performance of our customers by delivering to them comprehensive solutions that make them stronger. To do so we must positively differentiate not only what we sell but also how we sell, install and support our solutions. We call this providing our customers with a superior experience.

Toward this end, we have:

- delivered Lawson QuickStep pre-configured industry-specific solutions that speed up implementations, reduce costs, and deliver a faster return on investment;
- increased the choices our customers have on how their Lawson projects are managed, delivered, and supported. Our willingness and ability to act as the prime systems integrator remains a key differentiator in the market;
- established a workforce of nearly 800 professionals in Manila, thereby giving us more development, services and support capacity at competitive global rates;
- built up our global partner ecosystem to ensure that our customers have abundant access to trained Lawson resources;
- expanded our managed and hosted application services to give our customers the option to outsource the running and ongoing support of their applications directly to Lawson or to one of our certified partners;
- introduced a new customer relationship management tool – MyLawson – which brings all customer-specific information (contracts, projects, invoices, issues, product news, etc.) into one online portal. MyLawson gives each customer access to everything Lawson and, in turn, allows Lawson to treat each customer as an individual;
- increased the capacity and competency of our personnel through new, stronger training and development initiatives;
- significantly reduced the backlog and resolution time of outstanding product issues.

There are many additional initiatives underway designed to provide our customers with a superior experience, and we will report on these in the coming year.

Focusing on World-Class Performance

Our mission is to make our customers stronger. To achieve our mission, Lawson itself must remain strong, healthy and highly competitive in our own business practices. To do so, we have challenged each functional department within Lawson to benchmark itself to world-class standards and to outline a plan of achieving that level of performance over a three-year period.

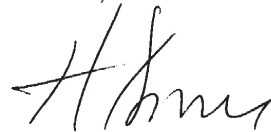
In support of our world-class performance goals, we are making key investments to upgrade our internal systems and give our employees the tools they need. This involves projects like implementing Lawson 9 worldwide and establishing shared services centers in Europe and our Asia-Pacific region. It also includes increasing utilization of our team in Manila, using Landmark Application Designer as our product development environment, deploying the MyLawson customer portal and enhancing our employee training and development programs. These are investments we are undertaking now that will deliver significant benefits to our business – and make us stronger for our customers – for many years to come.

In Summary

In the past two fiscal years, we have transformed our company strategically, operationally and financially. In fiscal 2008 we delivered record revenue and operating profits but we realize that there is still more work to do to achieve world-class performance. Given the investments we have already made and the support we are receiving from our customers and prospects, I am confident we will get there within the next three years.

In closing, I would like to thank our customers, employees, partners and you – our stockholders – for your continued support.

Sincerely,



Harry Debes
President and Chief Executive Officer
August 29, 2008

Company Profile

Lawson is a global provider of enterprise business software. We provide business application software, services and maintenance to customers in the services sector, trade industries, and manufacturing/distribution sectors. Within these broad sectors, we focus on vertical markets including Distribution, Equipment Service Management and Rental, Fashion, Food, Healthcare, and Public Sector (United States). We also focus on one horizontal market with our new Strategic Human Capital Management product line.

Our robust, scalable solutions support customers with complex business needs that are often industry-specific. Our customers range from mid-size to large, global organizations. We provide our software in 35 languages to more than 4,500 customers in 40 countries.

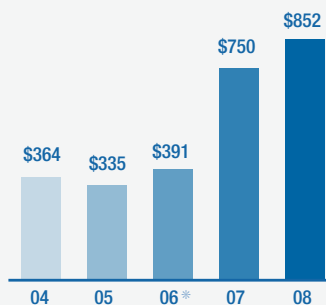
Fiscal 2008 Highlights

- Achieved record total revenues and operating profit
- Grew total revenues by 14% to \$852 million
 - License fee revenues increased 25% to \$132 million
 - Maintenance revenues rose 15% to \$337 million
 - Consulting revenues grew 9% to \$383 million
- Improved operating profit to \$51 million
- Introduced 38 new products and enhancements
- Launched Strategic Human Capital Management solution combining a world-class Human Resource Management suite with integrated Talent Management and Workforce Management suites
- Maintained healthy balance sheet with \$486 million in cash, cash equivalents and marketable securities
- Repurchased 11.6 million shares for \$105.6 million

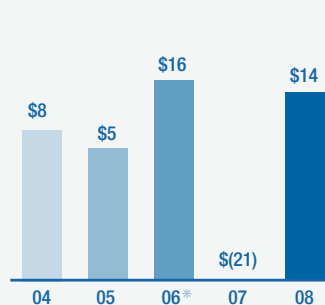


Key Financial Trends

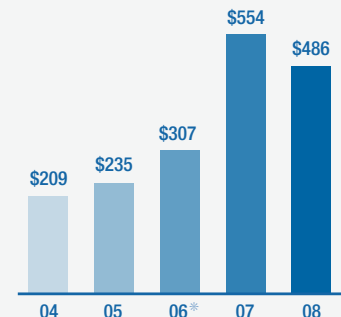
Annual Revenue
(in Millions)



Net Income (Loss)
(in Millions)



**Cash, Cash Equivalents,
and Marketable Securities**
(in Millions)



* Intenia International AB acquired in April 2006

A Superior Customer Experience

Oldcastle

With over 2,200 users in 230 locations across the United States and Canada, Architectural Products Group (APG) – a division of Oldcastle, Inc. – recently licensed Lawson M3 Manufacturing Operations, Finance Management, and Supply Chain Management suites. This array of Lawson applications creates an industry-specific system and allows for increased visibility into their many product lines. Having the ability to see their product from beginning to end, the Lawson system enables APG to react to the needs of their customers and suppliers when they appear throughout the manufacturing and distribution chain.

“Lawson applications help us make better-informed decisions for our company through improved efficiency and accuracy in our business processes. As we continue to grow and expand our business, Lawson can both facilitate and adapt with that growth.”

*Frank Murtagh, Chief Information Officer,
Oldcastle APG*

Spectrum Health

Recognizing the need for an integrated solution to help manage hiring and overall talent management activities more efficiently, Spectrum Health chose the Lawson Talent Management Suite – part of the new Lawson Strategic Human Capital Management System. This suite also helps to tie individual benchmarks and performance to organizational objectives and help HR make informed decisions to support business strategies. The Lawson Talent Management Suite allows Spectrum Health to link its people to real organizational results.

“We selected Lawson Talent Management because its industry-specific and focused functional capabilities, plus its user friendliness, really met our needs as a healthcare organization.”

*Crystal January-Craft, Director,
Center for Talent and Organizational Development,
Spectrum Health*

Mercury Companies

Deciding to handle their own migration, Mercury Companies made their own move from Lawson 8.0.3 environment to Lawson System Foundation 9.0. After completing the Lawson System Foundation Customer Certification Program, their staff was well prepared to take on their migration task. The certification program is designed to ensure companies, like Mercury, have the training, skills, and support necessary to migrate using their own technical resources. The Lawson System Foundation Certification Program empowered Mercury Companies to make deployment decisions that were right for their specific business needs.

“We have a more complex technology environment than a typical Windows client setting and we felt confident and well-positioned to handle this migration on our own under the Lawson certification program.”

*Bevan Bryan, IS Manager,
Mercury Companies*

Innovation, Focus, and Simplicity

Lawson enterprise applications deliver rich functionality using innovative technologies combined with deep industry knowledge. Our applications help customers build their business at a lower cost and with a higher return on investment than other alternatives. Our customers can see their operations more clearly so they can increase productivity while controlling costs. Improving our customers' vision also helps them see the future more clearly to manage it more effectively.

Our three product lines – Lawson S3, Lawson M3, and Lawson Strategic Human Capital Management – fit together in many different ways to meet the differing needs of customers in the industries we choose to focus on. Overall, Lawson solutions enable our customers to simplify their organizational operations by streamlining processes and reducing costs, resulting in enhanced business or operational performance.

Meeting of Stockholders

The Lawson annual stockholder meeting will be held at 10 a.m. Central time Thursday, October 16, 2008, at Lawson corporate headquarters located at 380 Saint Peter Street, Saint Paul, Minnesota.

Financial and Other Investor Information

Electronic copies of the Annual Report on Form 10-K filed with the Securities and Exchange Commission and other financial documents are available on our website at www.lawson.com/investor.

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Foreign Shareholders: 201-680-6578
TDD for Foreign Shareholders: 201-680-6610
Web Site Address: www.bnymellon.com/shareholder/isd

Forward-looking Statements

This annual review 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. The company is not obligated to update forward-looking statements based on circumstances or events that occur in the future. Risks and uncertainties that may cause such differences are listed in Item 1A "Risk Factors" in the company's most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission. The Company undertakes no obligations to revise or publicly release the results of any revision to these forward-looking statements.

Executive Officers

Harry Debes

President and Chief Executive Officer, Director

Robert A. Schriesheim

Executive Vice President and Chief Financial Officer, Director

Eduardo S. Sanchez

Executive Vice President, Sales

Colin M. Balmforth

Senior Vice President, Global Support

Craig A. Bickel

Senior Vice President, Chief Information Officer

Dean J. Hager

Senior Vice President, Product Management

Bruce B. McPheeters

Senior Vice President, Secretary and General Counsel

Stefan B. Schulz

Senior Vice President, Finance

Guenter 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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**For more information about Lawson business solutions, visit
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