

BASWARE INTERIM REPORT JANUARY 1 - MARCH 31, 2007 (IFRS)**SUMMARY**

- Net sales EUR 17 038 thousand (EUR 15 432 thousand) – growth 10 percent
- Operating profit EUR 1 409 thousand (EUR 2 529 thousand) – decrease 44 percent. Compared with the same period last year, a formal bad debt reservation of EUR 1.3 million has been realized in sales receivables. This is expected to dissolve during the financial year and have a positive effect on profitability
- Operating profit 8.3 percent of net sales (16.4%)
- Share of international operations 45 percent of net sales (41%) – growth 23 percent
- Earnings per share EUR 0.08 (EUR 0.19)
- Outlook for 2007: BasWare expects the growth of net sales for the financial year to be from 15 to 20 percent compared with the Group's net sales in the previous year. Operating profit (EBIT) is expected to be from 10 to 15 percent of net sales.

The 2006 figures have been restated to comply with the adjusted accounting principles regarding license sales recognition. The Financial Statements have been prepared according to International Financial Reporting Standards (IFRS).

GROUP KEY FIGURES

EUR thousand	1–3/2007	1–3/2006	Change, %	1–12/2006
Net sales	17 038	15 432	10.4%	59 954
Operating profit	1 409	2 529	-44.3%	8 078
% of net sales	8.3%	16.4%		13.5%
Profit before tax	1 459	2 606	-44.0%	8 287
Profit for the period	884	1 994	-55.7%	4 986
Return on equity, %	8.0%	26.0%		15.1%
Return on investment, %	13.1%	33.5%		24.7%
Cash and cash equivalents *)	12 713	11 153	14.0%	8 975
Gearing, %	-27.5%	-25.1%		-18.4%
Equity ratio, %	68.8%	68.8%		77.5%
Earnings per share, EUR	0.08	0.19	-59.7%	0.45
Earnings per share (diluted), EUR	0.08	0.19	-59.3%	0.44
Equity per share, EUR	3.83	3.53	8.5%	3.88

*) Includes cash, cash equivalents and financial assets at fair value through profit or loss

BasWare's CEO **Iikka Sihvo** comments in conjunction with the Interim Report:

"As a whole, BasWare succeeded fairly well in the first quarter of 2007. The units developed mainly favorably with the growth of international operations being 23 percent in the period. Compared with the same period last year, a formal bad debt reservation of EUR 1.3 million has been realized in sales receivables. As a result of more efficient debt collection of receivables, the reserve is expected to partly dissolve during the year. This will have a positive effect on profitability."

“BasWare’s product sales grew strongly in the financial period, by 24 percent. 45 percent of the quarter’s net sales came from outside of Finland. BasWare’s partner network extended with 6 new partners in the period. A partner agreement was signed for example with Kofax in the United States. A new significant application, BasWare Mobile Client, was launched during the period. It is the first application in the market for invoice and purchase requisition approval with a mobile device. BasWare has applied for a patent for the innovation.”

REPORTING

BasWare Group has adjusted the revenue recognition principles regarding license sales as well as the valuation principles regarding accounts receivables. The company has published the restated figures for 2005 and 2006 on February 1, 2007. The audited Financial Statements prepared according to the adjusted accounting principles were published on February 8, 2007. BasWare assesses that the adjusted accounting principles have no effect on the Group’s financial performance in the future.

Compared with the same period last year, a formal bad debt reservation of EUR 1.3 million has been realized in sales receivables. This is expected to dissolve during the financial year and have a positive effect on profitability.

NET SALES

BasWare Group’s net sales grew during the first quarter of the year by 10 percent and were EUR 17 038 thousand (EUR 15 432 thousand).

The Company’s product sales grew by 24 percent in the period and were 39 percent (35%) of net sales. Maintenance revenue grew by 11 percent and represented 29 percent (29%) of net sales. Consulting and services revenue decreased by 3 percent and represented 32 percent (36%) of net sales.

Value added resellers provided a net share of 17 percent (23%) or EUR 1 114 thousand of product sales in January–March. In BasWare’s international operations, value added resellers’ net share of the product sales was 14 percent (20%).

The international share of BasWare’s net sales was 45 percent (41%) in the period. International operations grew by 23 percent (85%).

The geographical division of net sales by the location of assets (primary segment):

Net sales (EUR thousand)	1–3/2007	1–3/2006	Change, %	1–12/2006
Finland	12 057	11 003	9.6	41 028
Scandinavia	4 030	3 279	22.9	14 698
Europe	2 799	2 284	22.6	8 985
Other	752	573	31.2	3 512
Sales between segments	-2 600	-1 705		-8 269
Group total	17 038	15 432	10.4	59 954

The geographical division of net sales by the location of customers:

Net sales (EUR thousand)	1-3/2007	1-3/2006	Change, %	1-12/2006
Finland	9 360	9 175	2.0	32 557
Scandinavia	3 929	3 201	22.7	14 129
Europe	2 831	2 561	10.6	9 421
Other areas	918	496	85.1	3 848
Group total	17 038	15 433	10.4	59 954

FINANCIAL PERFORMANCE

BasWare's operating profit decreased in the first quarter by 44 percent and totaled EUR 1 409 thousand (EUR 2 529 thousand). Compared with the same period last year, a formal bad debt reservation of EUR 1.3 million has been realized in sales receivables. Operating profit represented 8 percent (16%) of net sales.

The division of operating profit geographically by the location of assets (primary segment):

Operating profit (EUR thousand)	1-3/2007	1-3/2006	Change, %	1-12/2006
Finland	3 315	3 487	-4.9	12 314
Scandinavia	-229	-159	-43.8	-45
Europe	-1 179	-494	-138.6	-2 831
Other areas	-482	-289	-66.9	-1 297
Operating profit between segments	-15	-16	6.3	-62
Group total	1 409	2 529	-44.3	8 078

The Company's fixed costs were EUR 14 253 thousand (EUR 11 713 thousand) and have grown by 22 percent compared with the same period last year and by 5 percent compared with the previous quarter. Fixed costs include the bad debt reservation of EUR 1.3 million realized in sales receivables.

The research and development costs were EUR 3 091 thousand (EUR 2 639 thousand) of which EUR 440 thousand (EUR 572 thousand) or 14 percent (22%) were capitalized during the financial period. Amortization of capitalized research and development costs totaled EUR 208 thousand (EUR 80 thousand).

The Company's finance income and finance expenses were EUR 50 thousand. The Company's profit before tax was EUR 1 459 thousand (EUR 2 606 thousand) and profit for the period was EUR 884 thousand (EUR 1 994 thousand). Undiluted earnings per share were EUR 0.08 (EUR 0.19).

FINANCE AND INVESTMENTS

BasWare Group's total assets on the balance sheet at the end of the financial period were EUR 63 679 thousand (EUR 58 237 thousand). The Company's cash and liquid assets were EUR 12 713 thousand (EUR 11 153 thousand), of which cash and cash equivalents were EUR 5 898 thousand (EUR 5 318 thousand) and financial assets at fair value through profit or loss were EUR 6 815 thousand (EUR 5 835 thousand).

Equity ratio was 68.8 percent (68.8%) and gearing was -27.5% (-25.1%). The Company had a total of EUR 658 thousand (EUR 1 113 thousand) interest-bearing liabilities, of which current liabilities

accounted for EUR 426 thousand (EUR 459 thousand). Return on investment was 13.1 percent and return on equity 8.0 percent in the quarter.

Cash flows from operating activities were EUR 6 054 thousand (EUR 6 294 thousand) in the period. Cash flows from investments were EUR -753 thousand (EUR -3 984 thousand).

The Company's capital expenditure, resulting from regular, additional and replacement, investments resulting from growth, was EUR 169 thousand (EUR 158 thousand). Gross investments which include, in addition to the previously mentioned, the capitalized research and development costs totaled EUR 767 thousand (EUR 21 695 thousand, includes the acquisition of Analyste).

Amortizations of intangible assets were EUR 232 thousand (EUR 325 thousand). There are no indications of impairments of assets.

RESEARCH, DEVELOPMENT AND NEW PRODUCTS

BasWare's research and development costs were EUR 3 091 thousand (EUR 2 639 thousand) in the financial period and made up 18 percent (17%) of net sales. Research and development costs grew by 17 percent (100%) compared with the same period last year.

Research and development is centralized in the Software Production business unit. Altogether 136 people (141) worked in the unit at the end of March 2007.

BasWare's entire product portfolio was further developed in the first quarter. During the quarter, new versions of *BasWare Travel & Expense Management* and *BasWare Contract Matching* as well as of the *BasWare eOffice*, *BasWare Banking*, *BasWare iBanking*, *BasWare Finance* and *BasWare Cashier Desk* were launched. Additionally, the *BasWare anyERP Adapter* and *BasWare Gateway* were upgraded to a new version during the quarter.

During the quarter, *BasWare Invoice Processing* and *BasWare Purchase Management* solutions were developed to support the Unicode encoding system. This enables extending the sales of *BasWare Enterprise Purchase to Pay* solutions to the Asian market as well as to Russia. *BasWare Mobile Client* and *BasWare Portal* applications were also developed during the quarter. Procurement solutions, including *BasWare Purchase Management* and *BasWare Contract Lifecycle Management* and *BasWare RFX Management*, both to be launched later in the year, were developed strongly in the quarter.

Of the Financial Management products, new versions of *BasWare Group Consolidation* and the related *BasWare IFRS Package* were launched. New versions of *BasWare Cash Flow*, *BasWare Business Planning* and *BasWare Transparent Reporting* solutions were also launched during the period.

PERSONNEL

BasWare employed 532 (511) people in average and 533 (513) people at the end of the period. The number of personnel grew by 4 percent compared with the first quarter of 2006 and by one percent compared with the previous quarter.

The share of personnel working in foreign units grew slightly compared with the same period in 2006. 34 percent (31%) of personnel work outside of Finland and 66 percent (69%) in Finland.

The average age of the employees is 35.4 (34.8) years. 34 percent of them hold a Master's degree and 41 percent a Bachelor's degree. 29 percent of personnel are women and 71 percent men.

For incentive purposes, the Company has a bonus program that covers the whole personnel. Additionally, a warrant program directed to the key personnel of the company was in effect during the period as well as a long-term share-based incentive program for the top management.

Geographical distribution of personnel:

Personnel (employed, in average)	1-3/2007	1-3/ 2006	Change, %	1-12/ 2006
Finland	353	353	0	346
Scandinavia	93	87	6.9	89
Europe	65	57	14.1	62
Other areas	22	14	57.1	17
Group total	532	511	4.1	513

BUSINESS OPERATIONS

General economic situation in the main market areas of BasWare remains relatively good. Research institutions predict that the annual growth of the IT market will be approximately 5–7 percent in the Nordic countries, Western Europe and United States. The competitiveness of the BasWare software is estimated to have slightly improved.

BasWare Enterprise Purchase to Pay operations grew by 9 percent in the first quarter and represents 87 percent (88%) of total net sales. The Company estimates that the demand for procurement solutions continues to increase. The demand for automated invoice processing solutions and travel and expense management solutions has remained steady.

In Enterprise Purchase to Pay units, new customers include Sato Oyj, YH Suomi Oy, BNP Paribas SA, Continental AG, C. Steinweg Handelsveem and Peverel OM Ltd.

The Financial Management operations grew by 20 percent in the period and represented 13 percent (12%) of net sales. The demand for Financial Management software has been moderate especially for the planning and analyzing solutions. The unit's new customers include Incap Oyj and Lemminkäinen Oyj.

Reseller Channel and Partners

Reseller operations through business partners are an important part of international operations. The focus of partner operations in the first quarter was on signing new customer agreements, recruiting new partners and on the development of partner marketing. BasWare has initiated the development of the indirect channel in Russia and Asia.

The partner operations organization was re-organized during the first quarter. This was done in order to make the execution of global sales and partner programs more efficient in the country units.

During the first quarter, 6 new reseller agreements were signed with Arcplace AG, Kartula, Scantech, Yanistra in Europe, SpectrumIT in South Africa and Kofax in the United States. Cooperation was terminated with one partner in the United States.

In Central Europe and in the United States, BasWare takes part in the Microsoft Open Borders program. The aim is to increase the awareness of BasWare and to recruit new, suitable resellers. BasWare has also been accepted to the Forum Nokia PRO Enterprise Zone program, directed at solution developers.

In total, BasWare had 59 international resellers in the end of the quarter, operating in 31 countries. Outside of the Nordic countries, BasWare has 37 partners in Europe. BasWare also has a vast reseller network in Finland.

A net share of 14 percent (20%) of international product sales has been achieved through the partner network.

Nordic

BasWare's Nordic organization includes the Enterprise Purchase to Pay and Financial Management units in Finland, as part of the parent company, as well as the Scandinavian (Sweden, Denmark and Norway) unit. All the BasWare Enterprise Purchase to Pay and Financial Management products are sold in the Nordic countries, apart from the payment solutions which are currently sold only in Finland.

Sales and other business operations are mainly handled by the own organization. There are altogether 28 resellers and 17 application service providers selling payment solutions in Finland. There are two Enterprise Purchase to Pay business partners in Sweden and one Enterprise Purchase to Pay partner in Iceland.

As a whole, BasWare's Nordic operations achieved its objectives for the quarter and the Scandinavian unit exceeded its objective. The Financial Management unit fell slightly behind its objective.

BasWare eInvoices Oy signed 68 new customer agreements during the quarter with mainly foreign customers. A total of 1.5 million invoices were transmitted through the eInvoicing service in the first quarter and the invoice volume grew by 45 percent compared with the same period last year.

Europe

Outside of Scandinavia, BasWare has European subsidiaries in the Netherlands, Germany, the United Kingdom and France. There are a total of 37 resellers in the area selling BasWare's products. Additionally, BasWare has three partners in Southern Europe. All BasWare Enterprise Purchase to Pay products are sold in the area.

As a whole, the European business area fell slightly behind its objective but developed favorably. The Dutch subsidiary achieved its objective for the period. The operations of subsidiaries in United Kingdom, Germany and France developed favorably but fell slightly behind the objective.

Other Areas

Outside of Europe, BasWare has a U.S. subsidiary which focuses on the sales of the Enterprise Purchase to Pay solutions in the United States and Canada. In addition, there are 8 resellers in the area, one of which started partner operations during the quarter.

The net sales of BasWare, Inc. fell behind the objective for the quarter. The volume of orders in the area has however developed favorably and part of the agreements will be entered as income during the second quarter.

The sales in other areas outside Europe, mainly in Australia, are handled through value added resellers. Their net sales, that are entered as a part of the Finnish parent company's sales in segment reporting, fell behind the objective for the period.

ANNUAL GENERAL MEETING OF SHAREHOLDERS AND GOVERNANCE

The Annual General Meeting (AGM) of BasWare Corporation on February 26, 2007 adopted the Financial Statements for 2006 and discharged the members of the Board and CEO from liability for the financial year. As proposed by the Board, the AGM resolved to distribute a dividend of EUR 0.15 per share for 2006, a total of EUR 1 720 218.60 with the number of shares on the date of the AGM.

Asko Ahonen, Tom Bangemann, Kirsi Eräkangas, Ossi Pohjola, Antti Pöllänen and Hannu Vaajoensuu continue as members of the Board of Directors. In its first meeting, the Board elected Hannu Vaajoensuu to continue as Chairman and Kirsi Eräkangas to continue as Vice Chairman. In addition, the Board resolved that separate committees were not to be formed since the extent of the Company's business and the size of the Board do not require preparation of matters in a smaller group of directors than the Board.

Deloitte & Touche Oy, Authorized Public Accountants, with APA Mikael Paul in charge was elected as the auditor. APA Teppo Rantanen acts as the deputy auditor.

The Company applies the Guidelines for Insiders issued by the Board of Directors of the Helsinki Stock Exchange as well as the Recommendation on Corporate Governance with the exceptions mentioned in the Company's Corporate Governance Statement. The statement can be found in the Investors section of the Company's website.

SHARE AND SHAREHOLDERS

BasWare Corporation's share capital totaled EUR 3 440 437.20 at the end of the period and the number of shares was 11 468 124. The book counter value of the shares is EUR 0.30 per share.

Board's Authorizations

Authorization to resolve on share issue

The Annual General Meeting authorized the Board to resolve on the issuance of a maximum of 2 293 624 shares and on the conveying of a maximum of 1 146 812 shares in possession of the Company in one or more installments, either against pay or free of charge.

The new shares can be issued and the Company's own shares conveyed either against payment or for free to the Company's shareholders in proportion to their holding or by means of a directed issue, deviating from the pre-emptive rights of the shareholders provided that from the Company's perspective there are important financial grounds for it, such as enabling business arrangements and company acquisitions, company's capital management, personnel incentive program or other reasons for developing the Company's business activities.

The authorization also includes the right to grant warrants and other special rights to receive new shares in the company or BasWare shares held by the company against payment such that either the share subscription price will be paid in cash or the subscriber's receivables will be offset against the subscription price.

The authorization also includes the right to resolve on a free issue to the Company itself. The amount of the shares issued to the Company can be a maximum of 1 146 812 shares, including shares acquired based on the authorization or the previously acquired own shares of the Company.

The subscription prices of new shares and the sum paid for the own shares will be recorded in the fund for invested non-restricted equity.

The authorization is valid until March 31, 2008.

Authorization to resolve on acquiring the Company's own shares

The Board is authorized to resolve on the acquisition of a maximum of 1 146 812 own shares. The new shares are acquired at the Helsinki Stock Exchange and can either be held by the Company, nullified or conveyed further. The authorization for acquisition is valid until March 31, 2008.

Authorization to resolve on an extraordinary dividend distribution

The Board is authorized to resolve on an extraordinary dividend distribution totaling a maximum of EUR 1 000 000, distributed from the Company's distributable funds.

The authorization is in effect until the start of the following Annual General Meeting.

Warrant Programs

Warrant Program 2006

Based on the Warrant Program 2006, a maximum of 300 000 warrants can be granted to the key personnel of BasWare Group, each warrant entitling to subscribe one BasWare share. The warrants of the Warrant Program 2006 are divided into three series, each having an own subscription period as follows: April 1, 2008–March, 31 2009, April 1, 2009–March 31, 2010 and April 1, 2010–March 31, 2011. The subscription prices of the shares correspond to the volume-weighted average share price of the Company in January–March of 2006, 2007 and 2008.

Warrant Program 2007

The warrants shall, by deviation from the shareholders' pre-emptive right to subscription, be issued to key personnel identified by the Board of Directors, employed by the group for the present and not part-time, to increase their commitment and work motivation. Part of the warrants shall be issued to the wholly owned subsidiary of BasWare Corporation to be issued later to persons employed by the Group or to persons who are recruited to the Group.

The shareholders' pre-emptive right to subscription is being deviated from, since the warrants are intended to form a part of the Group's incentive program and, thus, from the Company's perspective, there are considerable financial grounds for it.

The warrants are granted free of charge. The Board of Directors shall decide upon the procedure and schedule of the approval of warrants. The warrants will be granted to the Group's personnel and management according to the resolution of the Board.

BasWare Corporation shall issue a maximum of 200 000 warrants, whereof 100 000 shall be marked with the letter D and 100 000 with the letter E. The warrants will be issued in the book-entry system. Each warrant entitles its holder to subscribe one (1) share in BasWare Corporation.

The subscription price of the share will be recorded to EUR 0.30 in the share capital of Company and for the remainder in the fund for invested non-restricted equity. BasWare's share capital can increase by a maximum of 200.000 new shares or EUR 60 000 based on the subscriptions.

The subscription period is

- warrant D April 1, 2009 - March 31, 2010,
- warrant E April 1, 2010 - March 31, 2011

The subscription prices correspond to

- for warrant D, the volume-weighted average share price of the Company in January-March of 2007
- for warrant E, the volume-weighted average share price of the Company in January-March of 2008

The portion of shares subscribed based on the now issued warrants totals a maximum of 1.71% of the Company's shares and votes after the possible increase in share capital.

Share price and trade

In the first quarter, the highest price of the share was EUR 14.00 (EUR 14.40), lowest price was EUR 10.48 (EUR 11.85) and closing price was EUR 11.30 (EUR 13.55). The average price of the share was EUR 12.19 (EUR 13.35).

A total of 1 114 729 (2 554 816) shares were traded during the financial period which is the equivalent of 10 percent (24%) of the average number of shares. Market capitalization with the period's closing price on March 31, 2007 was EUR 129 589 801 (EUR 153 667 488).

Shareholders

BasWare had 18 951 (21 058) shareholders at the end of the financial period, including nominee-registered holdings (9). Nominee-registered holdings accounted for 13.5 percent of the total number of shares. The Company received no notices of change in ownership during the financial period.

EVENTS AFTER THE FINANCIAL PERIOD

The Board of Directors, in its meeting on April 13, 2007, supplemented the conditions of the 2007 option program as follows:

The Company has the right, before a stock subscription, to acquire warrants for the Company from the holders of the warrants. Acquiring the rights enacted in chapter 10 of the Companies Act and other rights does not cause changes to the conditions for warrants.

The board of directors has the right to decide whether the subscription price of a share to be subscribed with warrants should be lowered after the start of the determination period and before the share subscription by an amount that (i) has been distributed to shareholders as a special dividend, deviating from the usual distribution of dividends, (ii) has been distributed to shareholders as a distribution of other free capital on the basis of share ownership, (iii) has been distributed to share holders on the basis of acquisition of the Company's own shares at a price above the current price, or (iv) has been distributed

to shareholders on the basis of share ownership in consequence of a reduction of share capital, the share premium account, the reserve fund, or something similar. Other fund-distribution situations do not cause changes in the conditions for warrants.

If the Company is removed from the register before share subscription, an owner of a warrant has the same or equivalent right as a shareholder.

FUTURE OUTLOOK

According to research institutions, the global enterprise software market will grow by approximately 5–7 percent annually. However, regional growth may outstrip this; for example in Asia Pacific annual growth is estimated at over 12 percent. BasWare operates in the electronic procurement and purchase invoice area, which is expected to grow more rapidly than the average for enterprise software.

Western Europe and the United States represent approximately three quarters of overall demand for enterprise software. Since invoice processing and purchase management software remain at the beginning of their lifecycles in these regions, demand is estimated to be high.

The purchase management and invoice processing software markets are relatively heterogeneous with regards to the competitive situation. However, strong growth may attract more competitors to the market. The industry is consolidating rapidly and this development is expected to continue in the future. BasWare is a medium sized software company on a global scale, in terms of sales and number of personnel.

BasWare's direct competitors are mainly smaller companies that operate locally. Document management, scanning and workflow solution developers compete with BasWare especially in invoice processing. Competing solutions also include tailored software solutions that complement Enterprise Resource Planning (ERP) systems and require extensive client-specific project work.

The competitiveness of the software is still good due to new value added products and the integrated concept that the products form. A leading research company names the leading provider of invoice automation solutions. In procurement, BasWare is estimated to be one of the top five vendors in the world.

The Company's international growth is based on the Company's own sales and marketing efforts as well as on reseller operations. The development of the indirect channel continues especially in Europe and North America, in Russia and in Asia. In Scandinavia, the focus is on profitability, supported by the extending product portfolio. In Finland, the focus is on profitability and the moderate growth is enabled by the success in the purchase management area.

BasWare has complemented its organic growth with acquisitions. The Company continues to review possible acquisition targets during 2007. With the acquisitions, the Company can extend the sales channel and the product portfolio. They may also strengthen the Company's position in the electronic invoicing market.

In 2007, BasWare expects the growth of net sales for the financial year to be from 15 to 20 percent compared with the Group's net sales in the previous year. Operating profit (EBIT) is expected to be from 10 to 15 percent of net sales.

In Espoo, Finland, April 17, 2007

BASWARE CORPORATION
Board of Directors

For more information, please contact

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Analyst and Press Briefing

BasWare arranges today, April 17, 2007 a briefing on the Interim Report for the press and analysts at 10:30 in Hotel Kämp, Paavo Nurmi conference room in Helsinki, Finland. During this briefing CEO Ilkka Sihvo will comment the operations and financial performance of the quarter. Welcome.

Distribution

Helsinki Stock Exchange
Key media
www.basware.com

GROUP INCOME STATEMENT

EUR thousand	1.1.–31.3.2007	1.1.–31.3.2006	Change, %	1.1.–31.12.2006
NET SALES	17 038	15 432	10.4	59 954
Other operating income	15	41	-62.5	177
Materials and services	-819	-778	5.3	-2 593
Employee benefits expenses	-9 243	-8 259	11.9	-32 953
Depreciation and amortization	-571	-453	26.1	-2 033
Other operating expenses	-5 010	-3 454	45.1	-14 474
Operating profit	1 409	2 529	-44.3	8 078
Finance Income and Expenses	50	78	-35.9	209
Profit before tax	1 459	2 606	-44.0	8 287
Income tax expense	-575	-613	-6.1	-3 301
PROFIT FOR THE PERIOD	884	1 994	-55.7	4 986
EPS (undiluted), EUR	0.08	0.19	-59.3	0.45
EPS (diluted), EUR	0.08	0.19	-59.0	0.44
Average share number:				
- undiluted	11 468 124	10 432 080	9.9%	11 172 612
- diluted	11 468 124	10 529 954	8.9%	11 221 052

GROUP BALANCE SHEET

EUR thousand	31.3.2007	31.3.2006	Change, %	31.12.2006
ASSETS				
NON-CURRENT ASSETS				
Intangible assets	10 150	9 103	11.5	9 980
Goodwill	18 489	17 763	4.1	18 477
Tangible assets	821	1 013	-19.0	784
Investments in associates		3	-100.0	
Available-for-sale investments	2 612	2 606	0.2	2 612
Trade and other receivables	12	12	-0.5	
Deferred tax assets	3 102	4 056	-23.5	3 501
Non-current assets	35 188	34 557	1.8	35 354
CURRENT ASSETS				
Inventories	18	21	-11.6	20
Trade and other receivables	15 547	12 434	25.0	13 018
Income tax receivables	213	72	196.3	192
Financial assets at fair value through profit or loss	6 815	5 835	16.8	5 963
Cash and cash equivalents	5 898	5 318	10.9	3 012
Current assets	28 491	23 680	20.3	22 204
TOTAL ASSETS	63 679	58 237	9.3	57 558
EQUITY AND LIABILITIES				
SHAREHOLDERS' EQUITY				
Share capital	3 440	3 402	1.1	3 440
Share premium account	33 127	32 213	2.8	33 127
Fair value reserve and other reserves	540			540
Translation differences	283	163	73.5	235
Retained earnings	6 370	4 282	53.6	7 176
Minority interest	81			88
Shareholders' equity	43 841	40 061	10.0	44 606
NON-CURRENT LIABILITIES				
Deferred tax liability	1 437	1 541	-6.8	1 462
Interest-bearing liabilities	232	653	-64.5	329
Non-current liabilities	1 669	2 195	-24.0	1 791
CURRENT LIABILITIES				
Interest-bearing liabilities	426	459	-7.3	428
Trade payables and other liabilities	17 324	14 575	17.4	9 957
Tax liability from income tax	419	947	-55.7	775
Current liabilities	18 169	15 982	12.4	11 160
TOTAL EQUITY AND LIABILITIES	63 679	58 237	9.3	57 558

GROUP STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

EUR thousand	Share-holders' equity	Share premium account	Other reserves	Translation differences	Retained earnings	Minority interest	Share-holders' equity
SHAREHOLDERS' EQUITY 1.1.2006	2 963	15 010		-203	3 527		21 296
Change in translation difference				366	-263		103
Granted warrants					95		95
Net profit/loss recognized directly in shareholders' equity				366	-168		198
Profit for the period					1 994		1 994
Total profits and losses				366	1 825		2 191
Dividend distribution					-1 070		-1 070
Rights issue	439						439
Share premium		17 211					17 211
Transaction costs for equity		-8					-8
SHAREHOLDERS' EQUITY 31.3.2006	3 402	32 213		163	4 282		40 061
EUR thousand	Share-holders' equity	Share premium account	Other reserves	Translation differences	Retained earnings	Minority interest	Share-holders' equity
SHAREHOLDERS' EQUITY 1.1.2007	3 440	33 127	540	235	7 176	88	44 606
Change in translation difference				48			48
Granted warrants					22		22
Other changes					1		1
Net profit/loss recognized directly in shareholders' equity				48	23		71
Profit for the period					891	-7	884
Total profits and losses				48	914	-7	955
Dividend distribution					-1 720		-1 720
SHAREHOLDERS' EQUITY 31.3.2007	3 440	33 127	540	283	6 370	81	43 841

GROUP CASH FLOW STATEMENT

EUR thousand	1.1.–31.3.2007	1.1.–31.3.2006	1.1.–31.12.2006
Cash flows from operating activities			
Profit for the period	884	1994	4 986
Adjustments for profit	1 118	775	5 235
Working capital changes	4 658	4 107	-902
Interest paid	-7	-13	-41
Interest received	8	28	70
Other financial items in operating activities	-1	44	57
Income taxes paid	-607	-640	-3 750
Net cash from operating activities	6 054	6 294	5 657
Cash flows from investing activities			
Purchase of tangible and intangible assets	-757	-811	-3 021
Proceeds from sale of tangible and intangible assets	1	35	64
Acquired subsidiaries		-3 660	-3 660
Disposal of associated companies			23
Proceeds from other investments		452	457
Granted loans			-1
Repayments of loan receivables	3		24
Net cash used in investing activities	-753	-3 984	-6 114
Cash flows from financing activities			
Proceeds from issuance of share capital		41	760
Repayments of long-term borrowings	-100	-100	-400
Repayments of financial lease liabilities	-7	-18	-75
Dividends paid	-1 510	-1 070	-1 070
Net cash used in financing activities	- 1 617	-1 146	-689
Net change in cash and cash equivalents according to cash flow statement			
	3 683	1 164	-1 146
Cash and cash equivalents at beginning of period	8 975	9 987	9 987
Effects of exchange rate changes on cash and cash equivalents	3	2	-19
Effects of fair value implementation	52		152
Cash and cash equivalents at end of period	12 713	11 153	8 975

GROUP QUARTERLY INCOME STATEMENT

EUR thousand	1-3/2007	1-3/2006	4-6/2006	7-9/2006	10-12/2006
NET SALES	17 038	15 432	14 651	13 363	16 508
Other operating income	15	41	61	25	50
Materials and services	-819	-778	-689	-468	-658
Employee benefits expenses	-9 243	-8 259	-8 710	-6 942	-9 042
Depreciation and amortization	-571	-453	-488	-520	-572
Other operating expenses	-5 010	-3 454	-3 578	-2 963	-4 479
Operating profit	1 409	2 529	1 247	2 495	1 807
%	8.3%	16.4%	8.5%	18.7%	10.9%
Finance income and expenses	50	78	40	68	23
Profit before tax	1 459	2 606	1 287	2 563	1 831
%	8.6%	16.9%	8.8%	19.2%	11.1%
Tax on income from operations	-575	-613	-486	-898	-1 304
PROFIT FOR THE PERIOD	884	1 994	801	1 665	526
%	5.2%	12.9%	5.5%	12.5%	3.2%

COMMITMENTS AND CONTINGENT LIABILITIES

EUR thousand	31.3.2007	31.3.2006	31.12.2006
Guarantees on behalf of subsidiaries, total	986	740	986
Own contingent liabilities			
Lease liabilities			
Current lease liabilities	554	524	544
Lease liabilities maturing in 1-5 years	485	496	567
Total	1 039	1 021	1 111
Rental liabilities			
Current rental liabilities	1 414	1 273	1 334
Rental liabilities maturing in 1-5 years	2 763	1 405	3 193
Total	4 176	2 678	4 527
Own contingent liabilities, total	5 215	3 698	5 638

SEGMENT REPORTING**Geographical segments (primary segment)**

Net sales (EUR thousand)	1-3/2007	1-3/2006	Change, %	1-12/2006
Finland	12 057	11 003	9.6	41 028
Scandinavia	4 030	3 279	22.9	14 698
Europe	2 799	2 284	22.6	8 985
Other areas	752	573	31.2	3 512
Sales between segments	-2 600	-1 705		-8 269
Group total	12 057	11 003	9.6	41 028

Operating profit (EUR thousand)	1-3/2007	1-3/2006	Change, %	1-12/2006
Finland	3 315	3 487	-4.9	12 314
Scandinavia	-229	-159	-43.8	-45
Europe	-1 179	-494	-138.6	-2 831
Other areas	-482	-289	-66.9	-1 297
Operating profit between segments	-15	-16		-62
Group total	1 409	2 529	-44.3	8 078

Personnel (employed, in average)	1-3/2007	1-3/2006	Change, %	1-12/2006
Finland	353	353	0	346
Scandinavia	93	87	6.9	89
Europe	65	57	14.1	62
Other areas	22	14	57.1	17
Group total	532	511	4.1	513

Business segments (secondary segment)

Net sales (EUR thousand)	1-3/2007	1-3/2006	Change, %	1-12/2006
Product sales	6 716	5 440	23.5	6 716
Consulting and services	4 958	4 470	10.9	4 958
Maintenance and support	5 021	5 181	-3.1	5 021
Other operations	343	341	0.3	343
Group total	17 038	15 432	10.4	17 038

Geographical division of net sales by the location of customer

Net sales (EUR thousand)	1-3/2007	1-3/2006	Change, %	1-12/2006
Finland	9 360	9 175	2.0	32 557
Scandinavia	3 929	3 201	22.7	14 129
Europe	2 831	2 561	10.6	9 421
Other areas	918	495	85.1	3 848
Group total	17 038	15 432	10.4	59 954

GROUP KEY INDICATORS

EUR thousand	1-3/2007	1-3/2006	1-12/2006
Net sales	17 038	15 432	59 954
Growth of net sales, %	10.4%	89.7%	43.9%
Operating profit	1 409	2 529	8 078
Growth of operating profit, %	-44.3%	1665.6%	123.7%
% of net sales	8.3%	16.4%	13.5%
Profit before tax	1 459	2 606	8 287
% of net sales	8.6%	16.9%	13.8%
Profit for the period	884	1 994	4 986
% of net sales	5.2%	12.9%	8.3%
Return on equity, %	8.0%	26.0%	15.1%
Return on investment, %	13.1%	33.5%	24.7%
Interest bearing liabilities	658	1 113	758
Cash and liquid assets *)	12 713	11 153	8 975
Gearing, %	-27.5%	-25.1%	-18.4%
Equity ratio, %	68.8%	68.8%	77.5%
Total assets	63 679	58 237	57 558
Gross investments **)	767	21 695	25 315
% of net sales	4.5%	140.6%	42.2%
Capital expenditure	169	158	597
% of net sales	1.0%	1.0%	1.0%
Research and development costs	3 091	2 639	10 925
% of net sales	18.1%	17.1%	18.2%
R&D personnel at end of period	136	141	138
Personnel average for period	532	511	514
Personnel at end of period	533	513	528
Growth of personnel, %	3.9%	60.8%	33.7%
Earnings per share, EUR	0.08	0.19	0.45
Earnings per share, EUR (diluted)	0.08	0.19	0.44
Equity per share, EUR	3.83	3.53	3.88
Average share number:			
- undiluted	11 468 124	10 432 080	11 172 612
- diluted	11 468 124	10 529 780	11 221 052

*) Includes cash, cash equivalents and financial assets at fair value through profit or loss

**) Includes capitalized R&D costs and acquisitions

MAJOR SHAREHOLDERS

March 30, 2007

	Shares and votes	
	Number	%
1. Sihvo, Ilkka	1 065 800	9.3
2. Vaajoensuu, Hannu (incl. a controlled company and children under guardianship)	1 045 800	9.2
3. Eräkangas, Kirsi (incl. children under guardianship)	1 031 800	9.0
4. Perttunen, Sakari	830 400	7.2
5. Pöllänen, Antti (incl. children under guardianship)	800 900	7.0
6. Nordea Small cap Fund	465 997	4.1
7. Ahonen, Asko	333 822	2.9
8. Veritas Pension Insurance Company	216 000	1.9
9. Perttunen, Meimi	215 400	1.9
10. Royal Skandia Life Assurance	210 000	1.8
11. Fondita Nordic Small Cap Fund	190 000	1.7
12. Henki-Sampo Insurance Company	155 000	1.4
13. Fides Finland Focus Investment Fund	111 627	1.0
14. OP Finland Small Firm Fund	106 000	0.9
15. Sarvala, Vesa	102 741	0.9
16. Veritas Life Insurance Company Ltd	100 000	0.9
17. Luoto, Matti	99 450	0.9
18. Kaleva Mutual Insurance Company	93 800	0.8
19. Nordea Fennia Plus Fund	86 000	0.7
20. Fondita Nordic Micro Cap Placeringsfond	60 000	0.5
20 largest shareholders total	7 320 537	63.8
Nominee-registered shares total	1 549 808	13.5
Others	2 597 779	2.7
Total	11 468 124	100.0