

Stock Exchange Announcement no. 15/2008  
Copenhagen, 21 August 2008

# Interim report for the first half of 2008

## Continued growth despite economic downturn

*Maconomy realised revenue of DKK 114.3 million in the first half of 2008, resulting in 8% growth compared to the same period last year. The software licence growth improved by 13% compared to the first half of 2007 while consulting revenue rose by 6%. The operating profit in the operations units grew by DKK 3.5 million during this period. Earnings before depreciation (EBITDA) totalled a negative DKK 7.6 million, affected by non-recurring costs of DKK 4.0 million. For 2008, revenue of DKK 240 million, including licence revenue of DKK 75 million, and earnings before depreciation (EBITDA) of DKK 10 million are now expected.*

### Abstract

Maconomy's Board of Directors has reviewed and approved the Group interim report for the first half of 2008 with the following highlights:

- Maconomy achieved revenue of DKK 114.3 million in the first half of 2008, an improvement of 8% compared to the first half of 2007. Software licence revenue grew 13% in the first half while consulting revenue rose by 6%.
- Total revenue and licence revenue have grown in every single quarter since the deployment of the strategy plan "Roadmap to Growth 2006-08".
- The total operating profit from the operations units grew by DKK 3.5 million compared to the same period last year. All countries except the UK have performed satisfactorily. In particular, Norway has performed well with licence growth of 58% and the investment in the Benelux paid off in the form of a nearly tenfold licence revenue increase.
- The UK experienced a revenue decline of DKK 6.3 million compared to last year due to a general downturn in the Marcom segment as well as waning sales to other PSO segments. The UK Country Manager was replaced in the first quarter and a reconstruction plan will be implemented.
- Other external expenses comprised DKK 31.7 million in the first half of 2008, unchanged from the first half of 2007. Employee expenses grew in accordance with the 6% increase in the average number of employees. Hence, the development in expenses is under control.
- Maconomy's capacity and resource management solution People Planner was released in a new main version 1.1 in May. On 7 July 2008 Maconomy announced that a preliminary agreement had been signed with Marstrand Innovation A/S regarding the purchase of the intellectual property rights to the solution.
- Based on the development in the UK and the continuation of the economic downturn, the expectations for the full year will be adjusted downward. We now expect revenue of DKK 240 million for 2008, an improvement of 8% compared to 2007. Licence revenue is expected to comprise DKK 75 million. Earnings before depreciation (EBITDA) are expected to reach DKK 10 million, up DKK 3 million from 2007.

### Further information:

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*This announcement has been prepared in Danish and English. The Danish version is to be considered the original version for official purposes and in case of any discrepancies between the two versions, the Danish version shall prevail.*

## Financial highlights and ratios for Maconomy

(DKK '000)	Q2 2008	Q2 2007	YTD 2008	YTD 2007	Total 2007
<b>INCOME STATEMENT</b>					
Revenue	60,294	55,579	114,342	105,676	223,249
Earnings before depreciation (EBITDA)	(2,361)	(4,099)	(7,620)	(7,385)	7,072
Operating profit/(loss) (EBIT)	(3,856)	(5,129)	(10,513)	(9,294)	2,441
Financial income, net	571	133	(8)	124	(619)
Profit/(loss) before income tax	(3,285)	(4,996)	(10,521)	(9,170)	1,822
Profit/(loss) for the period	(2,032)	(9,615)	(9,453)	(14,881)	1,075
<b>REVENUE</b>					
Software licences	19,889	18,203	34,793	30,662	69,035
Support and maintenance subscriptions	17,936	16,665	35,447	33,017	68,291
Consulting	21,436	19,378	41,946	39,471	81,410
Other	1,033	1,333	2,156	2,526	4,513
Total revenue	60,294	55,579	114,342	105,676	223,249
<b>CASH FLOW</b>					
Cash flows from operating activities	(4,715)	(6,191)	1,635	(2,729)	907
Cash flows from investing activities	(3,640)	4,933	(5,308)	2,532	8,586
Cash flows from financing activities	(919)	-	(919)	306	9,765
Change in cash	(9,226)	(1,095)	(5,111)	263	19,115
<b>INVESTMENTS</b>					
Investments in property, plant and equipment	(1,910)	(824)	(2,310)	(1,969)	(4,040)
<b>BALANCE SHEET</b>					
Share capital	39,574	39,574	39,574	39,574	39,574
Equity	51,428	46,584	51,428	46,584	62,232
Deferred income tax assets	6,751	-	6,751	-	5,138
Receivables	72,282	61,695	72,282	61,695	87,524
Cash	39,357	45,964	39,357	45,964	44,744
Total assets	135,378	120,203	135,378	120,203	151,706
<b>FINANCIAL RATIOS IN %</b>					
Revenue growth	8%	20%	8%	23%	24%
EBITDA margin	(4)%	(7)%	(7)%	(7)%	3%
EBIT margin	(6)%	(9)%	(9)%	(9)%	1%
Return on equity (ROE)	(4)%	(19)%	(19)%	(28)%	2%
Equity ratio	38%	39%	38%	39%	41%
<b>SHARE-RELATED FINANCIAL RATIOS</b>					
No. of shares, end-of-period ('000)	19,787	19,787	19,787	19,787	19,787
Earnings per share (DKK)	(0.10)	(0.49)	(0.48)	(0.75)	0.05
Book value per share (DKK)	2.60	2.35	2.60	2.35	3.15
Cash flow per share (DKK)	(0.24)	(0.31)	0.08	(0.14)	0.04
Share price, end-of-period (DKK)	15.00	17.00	15.00	17.00	25.40
Market value, end-of-period (DKKm)	297	336	297	336	503
<b>OTHER</b>					
Number of employees (average)	228	215	224	212	216
Revenue per employee (DKK '000)	264	259	510	498	1,034

Earnings per share and diluted earnings per share are calculated in accordance with IAS 33 "Earnings per share". Other financial ratios are calculated in accordance with the 2005 recommendation of the Danish Society of Financial Analysts. The interim report has not been audited or reviewed by the Company's auditor.

Unlike previous years, support revenue is not included in Consulting revenue, but in Support and maintenance subscriptions. The effect hereof is DKK 7.4 million in the first half of 2007 and DKK 7.7 million in the first half of 2008.

# Management Review

## **CEO Introduction**

*"The global economic downturn became a fact during the second quarter, also for Maconomy and our customers. We saw this primarily within the Marcom sector and in the UK market with a slowdown in investment decisions. This meant a decline in what amounts to 20% of our total business, and therefore also lower overall growth.*

*As a consequence we adjust our expectations for the full year, both on the top and bottom line. Nonetheless we expect a significantly better result in 2008 than in 2007 and continued growth.*

*In light of the economy we had several satisfactory elements in the second quarter. We continue to grow the business and in several countries we are able to maintain the high growth rates from 2006 and 2007. In particular we are positive on the fact that most of our growth derives from sales to entirely new customers while customer churn remains low.*

*As long as we continue to improve our operating margin and are able to secure adequate financing, a period of relatively lower economic growth will in fact facilitate our strategic efforts towards "European Leadership in 2011", e.g. through more reasonable multiples on acquisitions.*

*The strategy thus remains very much intact, and we have even decided to strengthen the executive team on the disciplines crucial to our strategy. Therefore a new CFO will start on September 1st.*

*We even initiated our first acquisition in July by signing a preliminary agreement with Marstrand Innovation A/S to acquire the rights to the technology behind our joint People Planner offering.*

*At the start of the year we branded 2008 as "transitional" - both due to uncertainties in the economy and a need to prepare our next strategy phase. Uncertainty has now become certainty, in part because the downturn has manifested itself but also because we have completed our first important steps in the strategic direction. Together this provides us with a much better framework in which to operate."*



Hugo Dorph, CEO Maconomy

## Market News

### **10,000 new users in the first half of 2008 yielded total revenue growth of 8%**

Maconomy continues its licence growth and in the first half of 2008 alone, 10,000 new Maconomy users were added. This boosted the total number of Maconomy users to 113,000 at the end of June 2008, a 16% increase from June 2007 when the number of users was 97,000. This is partially due to the growth strategy that has been realised during the last few years, but another important reason is that Maconomy has lost very few existing customers to competitors. A large part of Maconomy's revenue comes from existing customers and the significant expansion of the customer base is a solid foundation for continued growth.

The growth in the number of users in the first half of 2008 has to a great extent been driven by sales to new customers as a total of 30 new customers (including 11 small partner customers) have added 6,200 new users. Sales to more than 100 existing customers have added 3,800 new users.

Large new sales in the second quarter of 2008 include:

- Semcon AB (April 2008). The deal includes a Maconomy Consulting Solution for 2,500 users in Sweden as well as a number of add-on modules. Semcon is a global technology development company with offices in 40 cities on three continents; Asia, Europe and South America. The Group is active in product development and technical information and is organised into three business areas: Automotive R&D, Design & Development and Informatic.
- Cossette Communication Group. In collaboration with the Canadian partner 360 Visibility, Maconomy landed a deal with Cossette in Canada for the implementation of a Maconomy Agency Solution for 1,350 users. Cossette is an international communications firm with offices in Canada, USA and England. The Group is listed on the Toronto Stock Exchange.

Large new sales in the first quarter of 2008 include:

- Deltares. A Dutch engineering consulting firm that provides consulting services and research on water engineering and sub-surface water engineering to customers worldwide. The deal includes the delivery of a Maconomy Consulting Solution for 800 users.
- Opera Software ASA, Norwegian listed software company, purchased 460 user licences. Opera Software focuses on Open Source programming standards and develops the Opera web browser for a wide range of platforms, operating systems and embedded internet products.

### **Acquisition of People Planner**

Growth through acquisitions is a key element in Maconomy's strategy plan for 2009-11. At 7 July 2008 Maconomy signed a preliminary deal with Marstrand Innovation A/S for takeover and purchase of the intellectual property (IP) rights to Maconomy People Planner, an advanced resource and planning tool that enables efficient resource management and follow-up. The first large customers are now up and running on People Planner and their experiences have led to a number of minor improvements included in the new version 1.1 that was released in May 2008.

The deal only involves the purchase of IP, but Maconomy has also started looking for other relevant acquisition candidates.

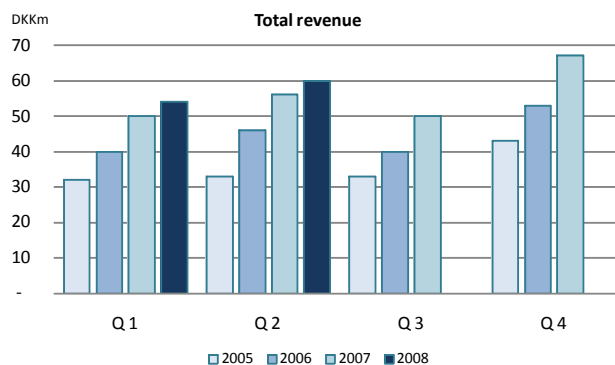
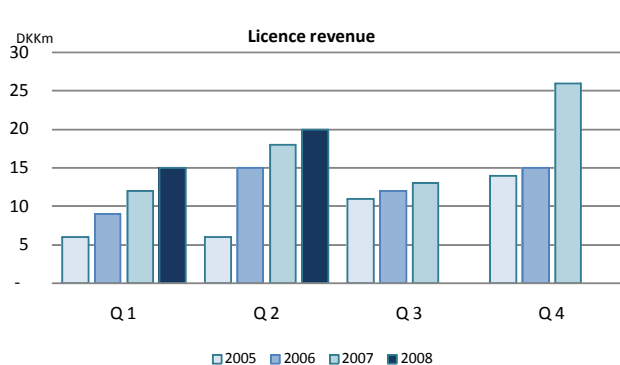
# Financial review

## Licence revenue growth continues

With a solid second quarter of 2008 Maconomy continued the unbroken trend of quarters with growth compared to the same quarter the previous year as licence revenue grew 9% to nearly DKK 20 million. The growth in the first half of 2008 constituted 13% compared to the first half of 2007, resulting in total licence revenue of DKK 34.8 million. Total revenue reached DKK 114.3 million, up 8%.

### Revenue by product

DKKm	Q2 2008	Q2 2007	Change %	YTD 2008	YTD 2007	Change %
Software licences	19.9	18.2	9%	34.8	30.7	13%
Support and maintenance subscriptions	17.9	16.7	7%	35.4	33.0	7%
Consulting	21.5	19.4	11%	41.9	39.5	6%
Other	1.0	1.3	(23)%	2.2	2.5	(12)%
<b>Total</b>	<b>60.3</b>	<b>55.6</b>	<b>8%</b>	<b>114.3</b>	<b>105.7</b>	<b>8%</b>



Maconomy thus continued its revenue growth although the growth has slowed down to a level under the expectations for 2008, which were licence growth of 30% and a total revenue increase of 15%.

**Benelux** showed the greatest progress as they more than doubled their revenue from DKK 5.1 million in the first half of 2007 to DKK 10.9 million in the first half of 2008, primarily due to the large Deltares deal for 800 users.

Furthermore, **Norway** continued its impressive progress with an excellent second quarter and a total revenue increase for the first half of 2008 of 43%. This means that for the first time ever, Norway surpassed Denmark as the largest individual market in the first half.

The development in the **UK** has not been satisfactory for the past year, which led to the appointment of a new UK Country Manager in February 2008. Additionally, an adjustment of the staff of consultants was made to accommodate the lower activity level. UK is considered a growth market in Maconomy's strategy plan and the UK budget for 2008 demands a considerable revenue increase compared to 2007. Following the management shift, the budget outlook was re-assessed and the 2008 target lowered. Revenue of DKK 16.5 million was realised in the first half of 2008, a decline of DKK 6.3 million – or 28% – compared to the first half of 2007.

The total operating profit from operations units rose by DKK 3.5 million compared to the same period the previous year. All countries except the UK performed satisfactorily and particularly Norway and the Benelux showed impressive licence growth of 58% and nearly tenfold growth, respectively. Operating profit is an

internal definition that covers profit before amortisation, depreciation, interest and tax from Maconomy's sales/country offices upon reversal of royalty payments to HQ for licences and maintenance.

#### Revenue by geographic segments \*

DKK m	<u>Q2 2008</u>	<u>Q2 2007</u>	<u>Change %</u>	<u>YTD 2008</u>	<u>YTD 2007</u>	<u>Change %</u>
Denmark	13.1	10.1	30%	24.1	21.7	11%
Sweden	11.6	10.7	8%	20.1	20.9	(4)%
Norway	13.1	7.8	68%	25.8	18.0	43%
UK	8.2	13.9	(41)%	16.5	22.8	(28)%
Benelux	5.0	2.2	127%	10.9	5.1	114%
US	7.9	9.6	(18)%	13.9	14.6	(5)%
Group activities and development	1.4	1.3	8%	3.0	2.6	15%
<b>Total</b>	<b>60.3</b>	<b>55.6</b>	<b>8%</b>	<b>114.3</b>	<b>105.7</b>	<b>8%</b>

\*see note 6 for further segment information

Historically, and particularly in the UK, Maconomy has had a strong position in the Marcom customer segment. The licence revenue decline in the UK is due to a decline in Marcom segment, which dropped 44% in the first half of 2008 compared to the first half of 2007. In recent years, licence revenue in the Market Communications segment has comprised more than one-third of the total licence revenue, but it dropped to around 20% of the total licence revenue in the first half of 2008.

The Market Communications segment is very sensitive to economic trends. Part of the decline can be attributed to reduced demand as Maconomy experienced the first signs of economic hardship among customers in this segment during the second quarter of 2008. This has appeared both in the form of longer sales cycles in which investment approvals have been elevated to higher executive levels and, in some cases, even discontinuation of all investment activities.

#### License revenue by industries

DKK m	<u>Q2 2008</u>	<u>Q2 2007</u>	<u>Change %</u>	<u>YTD 2008</u>	<u>YTD 2007</u>	<u>Change %</u>
Marketing communication	4.1	9.1	(55)%	7.1	12.7	(44)%
Consulting	11.4	6.2	84%	17.9	12.6	42%
Research	1.3	0.4	225%	4.5	0.2	2150%
Audit & Tax	2.1	1.2	75%	2.1	1.7	24%
Other	1.0	1.3	(23)%	3.2	3.5	(9)%
<b>Total</b>	<b>19.9</b>	<b>18.2</b>	<b>9%</b>	<b>34.8</b>	<b>30.7</b>	<b>13%</b>

License revenue in the Consulting customer segment rose by 42% in the first half of 2008 and comprises more than half of the total licence revenue at DKK 17.9 million. The distribution of total revenue on customer segments shows a similar – though not quite as remarkable – trend as total revenue also includes support and maintenance revenue, which depends on previous licence sales.

## Revenue by industries

DKKm	Q2 2008	Q2 2007	Change %	YTD 2008	YTD 2007	Change %
Marketing communication	15.8	22.2	(29)%	30.8	37.1	(17)%
Consulting	21.4	19.2	43%	48.9	38.8	26%
Research	3.7	2.8	32%	8.7	5.0	74%
Audit & Tax	5.9	3.7	59%	9.7	6.1	59%
Other	7.4	7.7	(4)%	16.2	18.7	(13)%
<b>Total</b>	<b>60.3</b>	<b>55.6</b>	<b>8%</b>	<b>114.3</b>	<b>105.7</b>	<b>8%</b>

## Other income statement

**Software development performed for own account.** At the end of 2007 Maconomy commenced new development activities for the next generation of Maconomy solutions. The work on the plans for this development was started in the second half of 2007 but accelerated in early February 2008. The cornerstone in this process is the development of a brand new user interface that is expected to be ready for release at the end of 2009. Capitalised development expenses related to this work will be included in the income statement for the first half of 2008 with income of DKK 3.5 million. Completed software development costs relate to the AnalytiX, Mobile SpeedSheet and People Planner software solutions, all of which are amortised over a period of two years from completion. Amortisations hereof have been recognised at DKK 1.3 million.

**Other external expenses**, consisting of fixed expenses such as office rent, marketing, administrative and employee-related expenses as well as external assistance, totalled DKK 31.7 million in the first half of 2008, which is roughly at level with the first half of 2007.

**Employee expenses** constituted DKK 83.0 million in the first half of 2008 relative to DKK 76.1 million for the first half of 2007. Adjusted for non-recurring costs of DKK 4.0 million pertaining to management changes in the UK and in headquarters in Denmark, the increase was 4%. The average number of employees rose by 6% from 212 to 224 employees.

**Financial items** were primarily impacted by currency translation adjustments on internal Group loans from the parent company to the UK subsidiary due to an 8% drop in GBP/DKK during this period. This entails a net expense of DKK 0.6 million in the first half of 2008. Interest income from bank deposits totalled DKK 0.6 million in the first half of 2008.

**Profit/(loss) before income tax** for the first half of 2008 was a loss of DKK 10.5 million.

**Income tax expenses** for the first half of 2008 constituted DKK 1.1 million, which includes a tax liability in Norway and regulation of deferred income tax assets in Sweden and Denmark.

**Loss for the period** for the first half of 2008 was DKK 9.5 million compared to a loss of DKK 14.9 million in the first half of 2007.

## Balance sheet and cash flow statement

As of 30 June 2008, the total balance sheet constituted DKK 135.4 million, which is a minor increase compared to 30 June 2007 when the balance sheet total amounted to DKK 120.2 million. The increase is due to general growth in the activity level.

**Non-current assets** constitute a total of DKK 23.7 million, of which DKK 6.8 million is from intangible assets, primarily software development costs in progress and completed software development costs intended for resale.

**Deferred income tax assets** constitute DKK 6.8 million, primarily pertaining to the parent company.



**Trade receivables** constitute DKK 58.9 million, representing an increase of 21% compared to 30 June 2007, when trade receivables constituted DKK 48.8 million. The increase is partially due to the greater activity level and partially due to the relatively high number of large sales invoiced in the second quarter of 2008.

**Equity** constitutes a total of DKK 51.4 million on 30 June 2008 against DKK 62.2 million at the beginning of 2008 and DKK 46.6 million at 30 June 2007. Total equity was negatively influenced by DKK 0.8 million from currency translation adjustments on equity financing of the UK and US subsidiaries. Furthermore, equity is reduced by DKK 0.9 million following the purchase of treasury shares in custody account for the employee incentive program (see section below). The equity ratio was 38% on 30 June 2008.

**Cash flows from operating activities** were DKK 1.6 million in the first half of 2008 against negative cash flows of DKK 2.7 million in the first half of 2007. The improvement is primarily due to reductions in working capital (receivables, trade payables etc.).

**Cash and cash equivalents** constituted DKK 39.4 million on 30 June 2008 relative to DKK 46.0 million (including securities) last year, a decrease of DKK 6.6 million since 30 June 2007.

Maconomy has no interest-bearing liabilities.

## **Board decisions and executive changes**

### **Klaus Juhl Wulff appointed new CFO**

Klaus Juhl Wulff will join Maconomy A/S as Chief Financial Officer on 1 September. Klaus Juhl Wulff has extensive international finance experience, most recently from a position as Nordic Finance Director in ACNielsen – The Nielsen Company. Klaus Juhl Wulff was previously Nordic Finance Director at StepStone A/S where he headed M&A activities as well. Klaus Juhl Wulff is 35 years old and holds a Master degree in Economics from the University of Aarhus.

### **John Andersen appointed new Deputy Chairman of the Board**

Effective 21 August 2008, the Board has appointed John Andersen as new Deputy Chairman. John Andersen has been a member of the Board in Maconomy since 2003.

### **Grant of warrants and share options for employees**

At 28 May 2008 Maconomy's Board of Directors decided to grant a total of 447,500 warrants and 52,500 share options to 55 employees in the Maconomy Group, of which 10,000 warrants were granted to employee-elected board member Jan Jensen.

The warrants may be exercised 2 years after the grant and will expire 4 years after the grant. The exercise price of 17.7 was based on the average trading price on the OMX Nordic Stock Exchange A/S five trading days before the grant decision with an increase of 5%. The value of granted warrants is valued in accordance with the Black & Scholes method, at a volatility rate of 35% and an interest rate of 4.2%, to DKK 4.50 per warrant, resulting in a total of DKK 2,014K. Similarly, the value of granted share options is valued in accordance with the Black & Scholes method to DKK 4.50 per share option, resulting in a total of DKK 236K.

Additionally, the Board of Directors have decided to hedge the grant of share options by purchasing a corresponding number of treasury shares. The shares were purchased on the OMX Nordic Exchange for a total of DKK 919K which have been recognised as an equity reduction.

## Expectations for 2008

*The following section contains information concerning Maconomy's plans, forecasts and future activities. Such activities involve risks and uncertainties and the Group's performance may differ substantially from the expectations expressed in such forward-looking statements.*

Software licence revenue and total revenue grew in the first half of 2008 with rates of 13% and 8%, respectively, relative to the first half of 2007. For 2008, licence revenue is expected to increase by 30% to approx. DKK 90 million and total revenue for 2008 is expected to reach DKK 260 million, equalling 17% growth. This means that the growth realised in the first half of 2008 is lower than the expectations for the growth in 2008 as a whole. The reduced growth can mainly be attributed to two factors:

- Declining revenue in the UK in which the penetration of the – for the UK office – new Consulting market has happened at a slower pace than expected.
- The effect of the downturn within the Marcom market segment – particularly in the UK.

A number of initiatives have already been carried out in the UK to align the capacity with the lower level of activity. These initiatives are expected to improve the result in the UK in the second half of 2008 while the initiatives to boost the activity are expected to have a noticeable effect in the longer term.

In the second half of 2008, Maconomy expects to maintain activity growth at the same level as the first half of 2008. This necessitates that Maconomy adjusts its expectations for 2008 downward to total revenue growth of 8%, equalling total revenue of DKK 240 million. Licence revenue is expected to comprise DKK 75 million. Earnings before depreciation (EBITDA) will be similarly affected and are expected to reach DKK 10 million, resulting in improved profits of DKK 3 million relative to 2007.

## **Financial calendar for the fiscal year of 2008**

6 November                      Interim report for the third quarter of 2008

## **Stock Exchange Announcements released in 2008**

16 July                              Michael Christiani Havemann leaves the Maconomy A/S Board of Directors

10 July                               Klaus Juhl Wulff appointed new CFO in Maconomy A/S

7 July                                 Maconomy A/S signs preliminary agreement with Marstrand Innovation A/S for People Planner acquisition

26 June                               ERP system for Canadian communications firm Cossette Communication Group

12 June                               Maconomy CFO Ulrik Christensen leaves the company

29 May                                Grant of warrants and share options for employees

1 May                                 Election of Chairman and Deputy Chairman

30 April                               Extract from Minutes of General Meeting

30 April                               Interim report for Q1 2008

29 April                               Maconomy closes Swedish deal for 2,500 licences

14 April                               Invitation to Annual General Meeting

28 March                              Maconomy signs substantial deal with Dutch engineering consulting firm

3 March                               Consolidated Financial Statements 2007 – profit before income tax realised

2 January                              Maconomy signs contract with marketing communications group

# Management Statement

Today the Board of Directors and Executive Management have reviewed and approved Maconomy's interim report for the first half year for the period 1 January to 30 June 2008.

The interim report for the first half of 2008, which has not been audited or reviewed by the Company's auditor, has been prepared in accordance with IAS 34 "Interim Financial Reporting" as approved by the EU and includes the additional Danish disclosure requirements for interim reports of companies listed on OMX Nordic Exchange Copenhagen A/S.

We consider the applied accounting policies appropriate. Accordingly, the interim report gives a fair and true view of the Group's assets, liabilities and financial position at 30 June 2008, and of the results of the activities and cash flows of the Group for the period 1 January to 30 June 2008.

Further, we consider that the Management review gives a fair and true view of the development in the Group's activities and financial position, the results in general and a description of the most significant risks and unreliability factors faced by the company.

Copenhagen, 21 August 2008

## **Executive Management:**

Hugo Dorph  
CEO

## **Board of Directors:**

Thomas Hartwig  
Chairman

John Andersen  
Deputy Chairman

Jens Christian Lorenzen

Claus H. Stenbæk

Carsten Elvers

Jan Jensen

Jens Wandler

## Income statement 1 January to 30 June

(DKK '000)	Note	Q2 2008	Q2 2007	YTD 2008	YTD 2007
Revenue		60,294	55,579	114,342	105,676
Software development performed for own account, income		1,881	789	3,485	2,205
External project costs		6,758	4,346	10,705	7,538
<b>Gross profit</b>		<b>55,417</b>	<b>52,022</b>	<b>107,122</b>	<b>100,343</b>
Other external expenses	2	17,598	17,742	31,735	31,629
Employee expenses		40,180	38,379	83,007	76,099
<b>Earnings before depreciation (EBITDA)</b>		<b>(2,361)</b>	<b>(4,099)</b>	<b>(7,620)</b>	<b>(7,385)</b>
Depreciation and amortisation		1,495	1,030	2,893	1,909
<b>Operating profit/(loss) (EBIT)</b>		<b>(3,856)</b>	<b>(5,129)</b>	<b>(10,513)</b>	<b>(9,294)</b>
Financial income	3	590	371	921	859
Financial expenses	4	19	238	929	735
<b>Profit/(loss) before income tax</b>		<b>(3,285)</b>	<b>(4,996)</b>	<b>(10,521)</b>	<b>(9,170)</b>
Income tax expense		1,253	(4,619)	1,068	(5,711)
<b>Profit/(loss) for the period</b>		<b>(2,032)</b>	<b>(9,615)</b>	<b>(9,453)</b>	<b>(14,881)</b>
<b>Earnings per share</b>					
Earnings per share basic (EPS)		(0.10)	(0.49)	(0.48)	(0.75)
Earnings per share diluted (EPS-D)		(0.10)	(0.49)	(0.48)	(0.75)

## Balance sheet at 30 June

### ASSETS

(DKK '000)	<b>30 June 2008</b>	<b>31 December 2007</b>	<b>30 June 2007</b>
<b>Intangible assets</b>			
Software for internal use	787	900	1,177
Software development costs - in progress	3,485	-	1,145
Software development costs - completed	2,495	3,792	2,557
	<b>6,767</b>	<b>4,692</b>	<b>4,879</b>
<b>Property, plant and equipment</b>			
Leasehold improvements	1,033	1,193	160
Hardware	2,559	2,008	2,454
Fixtures and operating equipment	2,065	1,388	1,365
	<b>5,657</b>	<b>4,589</b>	<b>3,979</b>
<b>Financial assets</b>			
Deposits	4,564	5,019	3,686
Deferred income tax assets	6,751	5,138	-
	<b>11,315</b>	<b>10,157</b>	<b>3,686</b>
<b>Total non-current assets</b>	<b>23,739</b>	<b>19,438</b>	<b>12,544</b>
<b>Receivables</b>			
Trade receivables	58,902	72,115	48,752
Contract work in progress	9,313	10,503	8,146
Other receivables	205	432	172
Prepaid expenses	3,862	4,474	4,625
	<b>72,282</b>	<b>87,524</b>	<b>61,695</b>
<b>Securities</b>	-	276	10,889
<b>Cash</b>	<b>39,357</b>	<b>44,468</b>	<b>35,075</b>
<b>Total current assets</b>	<b>111,639</b>	<b>132,268</b>	<b>107,659</b>
<b>Total assets</b>	<b>135,378</b>	<b>151,706</b>	<b>120,203</b>

## Balance sheet at 30 June

### EQUITY AND LIABILITIES

	30 June 2008	31 December 2007	30 June 2007
(DKK '000)			
<b>Equity</b>			
Share capital	39,574	39,574	39,574
Share premium	284,184	284,184	284,184
Reserve for currency translation adjustments	(5,441)	(4,616)	(3,999)
Retained earnings	(266,889)	(256,910)	(273,175)
<b>Total equity</b>	<b>51,428</b>	<b>62,232</b>	<b>46,584</b>
<b>Non-current liabilities</b>			
Non-current finance lease liabilities	742	832	-
Provisions	850	850	-
	<u>1,592</u>	<u>1,682</u>	<u>-</u>
<b>Current liabilities</b>			
Current finance lease liabilities	175	167	-
Prepayments from customers	4,944	2,151	4,290
Trade payables	10,942	10,334	11,614
Income tax liabilities	1,258	714	354
Other payables	31,566	36,264	28,707
Deferred income	33,473	38,162	28,654
	<u>82,358</u>	<u>87,792</u>	<u>73,619</u>
<b>Total liabilities</b>	<b>83,950</b>	<b>89,474</b>	<b>73,619</b>
<b>Total equity and liabilities</b>	<b>135,378</b>	<b>151,706</b>	<b>120,203</b>

## Statement of changes in equity 1 January – 30 June

(DKK '000)

	Share capital	Share premium	Reserve for currency translation adj.	Retained earnings	Total equity
Balance at 1 January 2007	39,461	283,991	(3,976)	(258,576)	60,900
Changes in equity Q1-Q2 2007:					
Currency translation adjustments	-	-	(23)	-	(23)
Net gain/(loss) recognised directly in equity	-	-	(23)	-	(23)
Profit/(loss) for the period	-	-	-	(14,881)	(14,881)
Total comprehensive income	-	-	(23)	(14,881)	(14,904)
Expensed warrants	-	-	-	282	282
Proceeds from issue of shares	113	193	-	-	306
<b>Balance at 30 June 2007</b>	<b>39,574</b>	<b>284,184</b>	<b>(3,999)</b>	<b>(273,175)</b>	<b>46,584</b>
Balance at 1 July 2007	39,574	284,184	(3,999)	(273,175)	46,584
Changes in equity Q3-Q4 2007:					
Currency translation adjustments	-	-	(617)	-	(617)
Net gain/(loss) recognised directly in equity	-	-	(617)	-	(617)
Profit/(loss) for the period	-	-	-	15,956	15,956
Total comprehensive income	-	-	(617)	15,956	15,339
Expensed warrants	-	-	-	309	309
Proceeds from issue of shares	-	-	-	-	-
<b>Balance at 31 December 2007</b>	<b>39,574</b>	<b>284,184</b>	<b>(4,616)</b>	<b>(256,910)</b>	<b>62,232</b>
Balance at 1 January 2008	39,574	284,184	(4,616)	(256,910)	62,232
Changes in equity Q1-Q2 2008:					
Currency translation adjustments	-	-	(825)	-	(825)
Net gain/(loss) recognised directly in equity	-	-	(825)	-	(825)
Profit/(loss) for the period	-	-	-	(9,453)	(9,453)
Total comprehensive income	-	-	(825)	(9,453)	(10,278)
Expensed warrants	-	-	-	393	393
Purchase of treasury shares	-	-	-	(919)	(919)
Proceeds from issue of shares	-	-	-	-	-
<b>Balance at 30 June 2008</b>	<b>39,574</b>	<b>284,184</b>	<b>(5,441)</b>	<b>(266,889)</b>	<b>51,428</b>



## Cash flow statement 1 January – 30 June

(DKK '000)	Q2 2008	Q2 2007	YTD 2008	YTD 2007
Earnings before depreciation (EBITDA)	(2,361)	(4,099)	(7,620)	(7,385)
Adjustments:				
Change in provisions for bad debts and gain/loss from sale of property, plant and equipment	882	34	777	(65)
Expensed warrants	193	149	350	281
Change in working capital:				
Trade receivables etc.	(230)	(2,341)	25,827	13,597
Trade payables etc.	(3,362)	(159)	(17,273)	(9,469)
<b>Cash flows from operations before net financials and tax</b>	<b>(4,878)</b>	<b>(6,416)</b>	<b>2,061</b>	<b>(3,041)</b>
Financial income received	182	463	503	1,050
Financial expenses paid	(19)	(238)	(929)	(735)
Corporate income tax paid	-	-	-	(3)
<b>Cash flows from operating activities</b>	<b>(4,715)</b>	<b>(6,191)</b>	<b>1,635</b>	<b>(2,729)</b>
Capitalised development costs	(1,882)	(789)	(3,486)	(2,205)
Purchases of intangible assets	-	(68)	(251)	(205)
Purchases of property, plant and equipment	(1,910)	(824)	(2,310)	(1,969)
Proceeds from sale of property, plant and equipment	171	57	25	149
Purchases of securities	-	(940)	-	(1,529)
Proceeds from sale of securities	-	7,598	276	8,499
Changes in other investments	(19)	(101)	438	(208)
<b>Cash flows from investing activities</b>	<b>(3,640)</b>	<b>4,933</b>	<b>(5,308)</b>	<b>2,532</b>
Purchase of treasury shares	(919)	-	(919)	-
Net proceeds from issue of share capital	-	-	-	306
<b>Cash flows from financing activities</b>	<b>(919)</b>	<b>-</b>	<b>(919)</b>	<b>306</b>
Currency translation adjustment on cash and cash equivalents	48	163	(519)	154
<b>Change in cash</b>	<b>(9,226)</b>	<b>(1,095)</b>	<b>(5,111)</b>	<b>263</b>
Cash and cash equivalents at the beginning of period	48,583	36,170	44,468	34,812
<b>Cash and cash equivalents at the end of period</b>	<b>39,357</b>	<b>35,075</b>	<b>39,357</b>	<b>35,075</b>
<b>Cash are composed as follows:</b>				
Cash	38,320	34,134	38,320	34,134
Deposit of cash	1,037	941	1,037	941
<b>Total cash and cash equivalents</b>	<b>39,357</b>	<b>35,075</b>	<b>39,357</b>	<b>35,075</b>

# Notes

## 1 Accounting policies

The interim report for the first half year of 2008 is prepared in accordance with IAS 34 "Interim Financial Reporting", as approved by the EU and additional Danish disclosure requirements for interim reports for listed companies.

Treasury shares acquired by the parent company or subsidiaries are recognised at cost directly in equity under retained earnings. Upon sales of treasury shares, sales proceeds are added directly to the equity.

With the exception of principles added for the purchase of treasury shares, the applied accounting policies are consistent with those used in the Consolidated Financial Statements of 2007 in which a full description of the applied accounting policies for recognition and measurement is included in note 1.

The interim report for the first half of 2008 includes the condensed Consolidated Financial Statements of Maconomy A/S.

(DKK '000)

	Q2 2008	Q2 2007	YTD 2008	YTD 2007
<b>2 Other external expenses</b>				
Office rent etc.	3,339	2,989	6,626	5,733
Sales and Marketing	4,326	4,778	6,448	7,065
Employee-related expenses and external assistance	6,046	6,841	11,806	12,309
Administration, IT and infrastructure etc.	3,887	3,134	6,855	6,522
	<b>17,598</b>	<b>17,742</b>	<b>31,735</b>	<b>31,629</b>
<b>3 Financial income</b>				
Interest income, securities	-	208	1	473
Currency translation adjustments	239	-	239	-
Interest income, bank	327	161	646	384
Other financial income	24	2	35	2
	<b>590</b>	<b>371</b>	<b>921</b>	<b>859</b>
<b>4 Financial expenses</b>				
Fair value adjustments of securities	-	126	-	169
Currency translation adjustments	-	70	886	455
Other financial expenses	19	42	43	111
	<b>19</b>	<b>238</b>	<b>929</b>	<b>735</b>

## 5 Treasury shares

In accordance with the decree from the general election, the company can acquire treasury shares up to 10% of the share capital at a maximum cost of the current share price plus 10%. In the second quarter of 2008 the company has acquired shares at a nominal value of DKK 52,500 at an average price of 17.51, totalling DKK 919,000. Treasury shares comprise 0.27% of the total share capital.

## 6 Segment information

(DKK '000)

	Develop. and HQ	Denmark	Sweden	Norway	The UK	Benelux	The US	Elimina- tions	Total
<b>YTD 2008</b>									
Revenue	41,751	26,904	20,133	25,845	16,456	10,979	13,943	(41,669)	114,342
Intersegment sales	39,507	(10,814)	(7,682)	(8,928)	(4,625)	(3,571)	(3,887)	-	-
Revenue growth (%)	33%	13%	(4)%	44%	(28)%	117%	(4)%	-	8%
Earnings before depreciation	(6,705)	3,042	(32)	2,304	(6,740)	1,134	(623)	-	(7,620)
Non-current assets	40,431	-	1,366	2,662	734	134	266	(21,854)	23,739
Current assets	45,159	-	14,553	24,396	22,870	7,518	8,650	(11,507)	111,639
Total assets	85,590	-	15,919	27,058	23,604	7,652	8,916	(33,361)	135,378
Investments, intangible assets	71	-	118	-	62	-	-	-	251
Investments, property, plant and equipment	987	-	129	1,010	118	-	66	-	2,310
Depreciation and amortisation	2,149	-	166	222	274	49	33	-	2,893
Provisions and liabilities	32,814	-	13,811	19,422	53,266	35,925	15,657	(254,845)	(83,950)
Cash flows from operating activities	(2,905)	-	1,673	1,771	(216)	(45)	1,357	-	1,635
EBITDA margin (%)	(16)%	11%	(0)%	9%	(41)%	10%	(4)%	-	(7)%
No. of employees (av.)	93	22	27	23	30	10	19	-	224
<b>YTD 2007</b>									
Revenue	31,363	23,723	20,927	17,954	22,782	5,068	14,580	(30,721)	105,676
Intersegment sales	29,078	(7,552)	(6,381)	(4,509)	(4,452)	(1,250)	(4,934)	-	-
Revenue growth (%)	12%	19%	30%	4%	8%	16%	128%	-	23%
Earnings before depreciation	(5,427)	1,192	867	1,102	(2,778)	(2,948)	607	-	(7,385)
Non-current assets	22,362	-	598	934	1,071	231	336	(12,988)	12,544
Current assets	54,908	-	14,892	15,015	23,334	4,662	10,465	(15,617)	107,659
Total assets	77,270	-	15,490	15,949	24,405	4,893	10,801	(28,605)	120,203
Investments, intangible assets	15	-	14	66	-	110	-	-	205
Investments, property, plant and equipment	576	-	378	175	756	-	84	-	1,969
Depreciation and amortisation	1,335	-	172	105	205	48	44	-	1,909
Provisions and liabilities	29,053	-	11,374	10,951	47,868	33,024	17,844	(223,733)	(73,619)
Cash flows from operating activities	(5,092)	-	2,880	2,579	(661)	(2,977)	542	-	(2,729)
EBITDA margin (%)	(17)%	5%	4%	6%	(12)%	(58)%	4%	-	(7)%
No. of employees (av.)	91	19	28	17	29	10	18	-	212

Translations between segments are carried out on arm's length basis.

\* The reporting has been changed as Sales and Consulting are now specifically represented under Maconomy Danmark. Staff functions now only include Development as well as Corporate functions, etc.

## 7 Income statement by quarter for 2006-2008

(DKK '000)	2008	2007			2006			
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Software licences	19,889	14,904	25,347	13,026	18,203	12,459	14,999	11,590
Support and maintenance subscriptions	17,936	17,511	18,127	17,147	16,665	16,352	16,144	15,562
Consulting	21,436	20,510	23,019	18,920	19,378	20,093	19,342	12,510
Other	1,033	1,123	1,009	978	1,333	1,193	2,408	776
<b>Revenue</b>	<b>60,294</b>	<b>54,048</b>	<b>67,502</b>	<b>50,071</b>	<b>55,579</b>	<b>50,097</b>	<b>52,893</b>	<b>40,438</b>
Software development performed for own account, income	1,881	1,604	-	1,129	789	1,416	849	196
External project costs	6,758	3,947	4,939	3,463	4,346	3,192	5,011	2,552
<b>Gross profit</b>	<b>55,417</b>	<b>51,705</b>	<b>62,563</b>	<b>47,737</b>	<b>52,022</b>	<b>48,321</b>	<b>48,731</b>	<b>38,082</b>
Other external expenses	17,598	14,137	12,644	12,459	17,742	13,887	14,685	12,490
Employee expenses	40,180	42,827	37,627	33,113	38,379	37,720	36,198	27,518
<b>Earnings before depreciation (EBITDA)</b>	<b>(2,361)</b>	<b>(5,259)</b>	<b>12,292</b>	<b>2,165</b>	<b>(4,099)</b>	<b>(3,286)</b>	<b>(2,152)</b>	<b>(1,926)</b>
Depreciation and amortisation	1,495	1,398	1,539	1,183	1,030	879	743	747
<b>Operating profit/(loss) (EBIT)</b>	<b>(3,856)</b>	<b>(6,657)</b>	<b>10,753</b>	<b>982</b>	<b>(5,129)</b>	<b>(4,165)</b>	<b>(2,895)</b>	<b>(2,673)</b>
Financial income	590	331	799	417	371	488	(140)	1,356
Financial expenses	19	910	1,113	846	238	497	(639)	588
<b>Profit/(loss) before income tax</b>	<b>(3,285)</b>	<b>(7,236)</b>	<b>10,439</b>	<b>553</b>	<b>(4,996)</b>	<b>(4,174)</b>	<b>(2,396)</b>	<b>(1,905)</b>
Income tax expense	(1,253)	185	(5,780)	816	4,619	1,092	2,155	655
<b>Profit/(loss) for the period</b>	<b>(2,032)</b>	<b>(7,421)</b>	<b>16,219</b>	<b>(263)</b>	<b>(9,615)</b>	<b>(5,266)</b>	<b>(4,551)</b>	<b>(2,560)</b>