

April 15, 2008

BASWARE INTERIM REPORT JANUARY 1 – MARCH 31, 2008 (IFRS)

SUMMARY

January–March

- Net sales EUR 18 233 thousand (EUR 17 038 thousand) – growth 7.0 percent
- Operating profit EUR -254 thousand (EUR 1 409 thousand) – decrease 118.1 percent
- Operating profit -1.4 percent of net sales (8.3%)
- Share of international operations 51.8 percent of net sales (45.3%) – growth 22.6 percent
- Backlog of SaaS orders not recognized as income EUR 11 076 thousand at the end of the period
- Earnings per share EUR -0.05 (EUR 0.08)

Outlook for 2008: Basware expects the growth of net sales for the financial year to be from 15 to 25 percent compared with the Group's net sales in the previous year. The first quarter of the year is milder in growth resulting from the high level of the restated comparative figures for the first quarter of 2007. Operating profit (EBIT) is expected to be from 10 to 15 percent of net sales.

GROUP KEY FIGURES

EUR thousand	1–3/2008	1–3/2007	Change, %	1–12/2007
Net sales	18 233	17 038	7.0%	73 270
Operating profit	-254	1 409	-118.1%	7 512
% of net sales	-1.4%	8.3%		10.3%
Profit before tax	-250	1 459	-117.1%	7 704
Profit for the period	-550	884	-162.2%	4 112
Return on equity, %	-4.8%	8.0%		8.9%
Return on investment, %	-1.8%	13.1%		16.2%
Cash and cash equivalents*)	7 254	12 713	-42.9%	7 041
Gearing, %	-15.7%	-27.5%		-5.7%
Equity ratio, %	66.4%	68.8%		70.0%
Earnings per share, EUR	-0.05	0.08	-162.2%	0.36
Earnings per share (diluted), EUR	-0.05	0.08	-162.2%	0.36
Equity per share, EUR	3.89	3.82	1.6%	4.12

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

Basware's business operations consist of product sales, maintenance and support, consulting and services, Software as a Service (SaaS) sales and other operations. The core of Basware's product sales consists of Basware Enterprise Purchase to Pay product suite and Basware Basware Financial Management suite. The Group's reported market areas are Finland, Scandinavia, Europe and North America.

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

"The first quarter succeeded nearly according to plan. The first quarter of the year was milder in growth compared to the full year estimate due to the comparative figures of the first quarter of 2007. Consulting and maintenance operations grew especially well during the period. Due to the adjusted revenue recognition principles for product sales, some of the agreements signed at the end of 2006 were recognized in the first quarter of 2007. The value of

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these agreements amounts to over EUR 3 million. The growth of product sales without these components would have been 27.0 percent.

Geographical development was also steady and especially positive in Scandinavia, Europe and in the Finnish Enterprise Purchase to Pay unit.

The Group's profitability was according to planned in the first quarter. Fixed costs will grow moderately during the rest of the year. Profitability will develop positively during the rest of the year as growth continues."

REPORTING

Basware's primary reporting segment is based upon geography as follows: Finland, Scandinavia, Europe and North America.

Basware reports its Software as a Service (SaaS) revenue separately in the second segment. Software as a Service revenue includes license, maintenance and services revenue that are invoiced monthly based on an agreement. Software as a Service agreements typically span several years. The Group also reports the backlog of orders not recognized as income. The Company's SaaS sales are growing and this dilutes net sales growth in short term.

As of January 1, 2008, the capital structure of Basware Oyj's foreign subsidiaries has been changed to the extent that majority of the long-outstanding intercompany trade receivables in the parent company have been converted to a long-term net investment in a foreign operation. Purpose of the loan arrangement is to fund a long-term strategic investment. Foreign currency gains and losses from a net investment in a foreign operation are recorded in a separate component of equity in the consolidated financial statements.

NET SALES

Basware Group's net sales grew during the financial period by 7.0 percent and were EUR 18 233 thousand (EUR 17 038 thousand).

The Company's product sales decreased by 38.8 percent in the period and were 22.6 percent (39.4%) of net sales. Due to the adjusted revenue recognition principles for product sales, some of the agreements signed at the end of 2006 were recognized in the first quarter of 2007. The value of these agreements amounts to over EUR 3 million. The growth of product sales without these components would have been 27.0 percent.

Maintenance revenue and support services related to maintenance grew by 16.5 percent and represented 31.5 percent (29.1%) of net sales. Consulting and services revenue grew by 55.2 percent and represented 43.6 percent (30.0%) of net sales. In the financial period SaaS sales represented 2.3 percent (1.5%) of net sales. The backlog of SaaS orders not recognized as income was EUR 11 076 thousand at the end of the period.

Value added resellers provided a net share of 22.9 percent (16.6%) or EUR 941 thousand of product sales in January–March.

The international share of Basware's net sales was 51.8 percent (45.3%) in the period. International operations grew by 22.6 percent.

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

Net sales (EUR thousand)	1–3/2008	1–3/2007	Change, %	1–12/2007
Finland	10 493	12 057	-13.0	48 849
Scandinavia	4 198	4 030	4.2	16 797
Europe	4 293	2 799	53.3	15 081
North America	680	752	-9.6	3 460
Net sales between segments	-1 430	-2 600	45.0	-10 917
Group total	18 233	17 038	7.0	73 270

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

Net sales (tuhatta euroa)	1–3/2008	1–3/2007	Change, %	1–12/2007
Finland	8 779	9 360	-6.2	37 969
Scandinavia	4 127	3 929	5.0	15 911
Europe	4 347	2 831	53.6	14 785
North America	979	918	6.6	4 604
Group total	18 233	17 038	7.0	73 270

FINANCIAL PERFORMANCE

Basware's operating profit decreased by 118.1 percent in the quarter and totaled EUR -254 thousand (EUR 1 409 thousand). Operating profit represented -1,4 percent (8.3%) of net sales.

Due to the adjusted revenue recognition principles for product sales, some of the agreements signed at the end of 2006 were recognized in the first quarter of 2007. The value of these agreements amounts to over EUR 3 million. The growth of product sales without these components would have been 27.0 percent.

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

Operating profit (EUR thousand)	1–3/2008	1–3/2007	Change, %	1–12/2007
Finland	-93	3 315	-102.8	12 706
Scandinavia	321	-229	239.9	333
Europe	-277	-1 179	76.5	-3 662
North America	-158	-482	67.2	-1 751
Operating profit between segments	-47	-15	-204.9	-114
Group total	-254	1 409	-118.1	7 512

The Company's fixed costs were EUR 16 674 thousand (EUR 14 253 thousand) in the quarter and have grown by 17.0 percent compared with the same period last year. Personnel costs made up 70.6 percent (64.8%) or EUR 11 765 thousand (EUR 9 243 thousand) of the fixed costs.

Research and development costs totaled EUR 3 793 thousand (EUR 3 091 thousand) in the first quarter of which EUR 627 thousand (EUR 440 thousand) or 16.5 percent (14.2%) were capitalized during the period. Amortization of capitalized research and development costs totaled EUR 271 thousand (EUR 208 thousand).

The Company's finance income and finance expenses were EUR 4 thousand (EUR 50 thousand). The Company's profit before tax was EUR -250 thousand (EUR 1 459 thousand) and profit for the period was EUR -550 thousand (EUR 884 thousand). Undiluted earnings per share were EUR -0.05 (EUR 0.08).

FINANCE AND INVESTMENTS

Basware Group's total assets on the balance sheet at the end of the financial period were EUR 67 496 thousand (EUR 63 679 thousand). The Company's cash and liquid assets were EUR 7 254 thousand (EUR 12 713 thousand), of which cash and cash equivalents were EUR 7 223 thousand (EUR 5 898 thousand) and financial assets at fair value through profit or loss were EUR 31 thousand (EUR 6 815 thousand).

Equity ratio was 66.4 percent (68.8%) and gearing was -15.7% (-27.5%). The Company had a total of EUR 231 thousand (EUR 658 thousand) interest-bearing liabilities, of which current liabilities accounted for EUR 214 thousand (EUR 426 thousand). Return on investment was -1.8 percent and return on equity -4.8 percent.

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Cash flows from operating activities were EUR 6 885 thousand (EUR 6 054 thousand). Cash flows from investments were EUR -737 thousand (EUR -753 thousand).

Basware Group acquired Digital Vision Technologies Ltd. in September 2007. The short-term loan of EUR 4 million that was withdrawn to in part fund the acquisition was paid off on February 11, 2008.

The Company's capital expenditure, resulting from regular, additional and replacement, investments resulting from growth, was EUR 193 thousand (EUR 169 thousand) in the period. Gross investments which include, in addition to the previously mentioned, the capitalized research and development costs totaled EUR 822 thousand (EUR 767 thousand).

Amortizations of intangible assets were EUR 525 thousand (EUR 442 thousand). There are no indications of impairments of assets.

RESEARCH, DEVELOPMENT AND NEW PRODUCTS

Basware's research and development costs were EUR 3 793 thousand (EUR 3 091 thousand) in the period and made up 20.8 percent (18.1%) of net sales. Research and development costs grew by 22.7 percent (17.1%) compared with the same period last year.

Research and development is centralized in the Software Production business unit. Altogether 160 people (136) worked in the unit at the end of March 2008. The Software Production unit expands to India where there are currently 12 employees and 9 persons are attending a training program for new employees.

Basware's product portfolio was developed according to plan in the first quarter. In addition to developing the Invoice Automation solution, special focus was put on the Procurement solution suite which was complemented with new versions of Basware Purchase Management, Basware Contract Lifecycle Management and Basware RFx Management applications. With Basware Contract Lifecycle Management, users can maintain and leverage all business agreements. With the Basware RFx Management sourcing solution, tenders can be managed and prepared electronically. A new version of Basware Travel & Expense Management was launched during the quarter.

The Basware Enterprise Purchase to Pay suite received a Works with Windows Vista approval during the first quarter.

The Finnish Information Processing Association (FIPA) recognized the Basware Invoice Processing application and its successful internationalization as the 2007 ICT deed in Finland. FIPA is an independent association of Finnish ICT professionals and companies that provide ICT products and services or use them. The Board of FIPA does the selection, taking into account e.g. the work done to promote and develop the ICT industry in Finland.

PERSONNEL

Basware employed 666 (532) people in average in the first quarter and 665 (533) people at the end of the period. The number of personnel grew by 132 persons and by 24.8 percent compared with the same period last year.

The share of personnel working in foreign units has increased compared with the same period last year. At the end of the period, 41.1 percent (34.0%) of the Basware personnel worked outside of Finland and 58.9 percent (66.0%) in Finland. 20.1 percent of the personnel work in sales and marketing, 46.9 in consulting and services, 24.1 percent in Software Production, and 8.9 percent in administration.

The average age of the employees is 35.8 (35.4) years. 31.9 percent of them hold a Master's degree and 44.7 percent a Bachelor's degree. 28.3 percent of the personnel are women and 71.7 percent men.

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Geographical distribution of personnel (primary segment):

Personnel (employed, in average)	1–3/2008	1–3/ 2007	Change, %	1–12/ 2007
Finland	416	353	17.9	367
Scandinavia	99	93	7.2	96
Europe	127	65	95.9	93
North America	24	22	7.6	25
Group total	666	532	25.1	580

BUSINESS OPERATIONS

Finland

The Finland segment includes the business operations of Finland, Russia, Asia and Australia as well as the Financial Management and Einvoices business units. Net sales decreased by 13.0 percent and totaled EUR 10 493 thousand (EUR 12 057 thousand) in the period. Due to the adjusted revenue recognition principles for product sales, some of the agreements signed at the end of 2006 were recognized in the first quarter of 2007. The value of these agreements amounts to over EUR 2 million for the Finland segment. Net sales growth of the Finland segment would have been 10.3 percent without these components.

Net sales of the Finnish Enterprise Purchase to Pay unit grew by 2.1%. Due to the adjusted revenue recognition principles for product sales, some of the agreements signed at the end of 2006 were recognized in the first quarter of 2007. The value of these agreements amounts to over EUR 1 million for the Finnish Enterprise Purchase to Pay Unit. Net sales growth of the Finnish Enterprise Purchase to Pay unit would have been 21.3 percent without these components.

Net sales of the Financial Management operations (Basware FIMA Oy) decreased by 27.5% and represented 8.9% (13.1%) of the Basware Group's business operations. Due to the adjusted revenue recognition principles for product sales, some of the agreements signed at the end of 2006 were recognized in the first quarter of 2007. The value of these agreements amounts to over EUR 0.7 million for the Financial Management (FIMA) operations. Net sales growth of the Financial Management operations would have been 6.7 percent without these components.

During the period, a total of 2 million invoices were transmitted through the eInvoicing service of *Basware Einvoices Oy* operating in the Nordic countries. The invoice volume grew by 23.4 percent (45.1%) compared with the same quarter last year. Basware Einvoices Oy signed one new e-Invoice operator agreement with a Nordic operator. The company internationalizes through Basware's other subsidiaries.

The Enterprise Purchase to Pay and Financial Management solutions are sold in Russia. Currently there are 5 resellers in the area. New customers include Tschelkovskiy Vitami and Stockmann ZAO.

Basware opened a branch office in Singapore in the end of 2007 to strengthen its Asian operations. There are five resellers in the area. New customers in the quarter include ABB in Japan and Malaysian Airlines.

In the Finland segment, new customers include Skanska Oy, Backman-Trummer Oy Ab, AS Paulig Baltic, Viking Line Abp, Sisu Diesel Oy, Oy HYY-Yhtiöt AB, Toyota Motor Finland Oy, Malaysian Airlines, ABB Japan, Tschelkovskiy Vitami and Stockmann ZAO.

There are currently 14 resellers in the area and the number of personnel was 416 (353) on average in the period.

Scandinavia

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

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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.

Scandinavia operations developed favorably as a whole and the net sales of the area grew by 4.2 percent and totaled EUR 4 198 thousand (EUR 4 030 thousand). The profitability of the operations has improved by 239.9 percent and operating profit was EUR 321 thousand (EUR -229 thousand). Due to the adjusted revenue recognition principles for product sales, some of the agreements signed at the end of 2006 were recognized in the first quarter of 2007. The value of these agreements amounts to approximately EUR 0.4 million for the Scandinavia segment. Net sales growth of the Financial Management operations would have been 16.7 percent without these components.

New customers include Ovako Steel, Rentokil Initial, Norsk Aller AS, Nor-Lines, Sector Alarm and AKVA Group. Det Norske Veritas has started implement Basware Invoice Automation solution globally to nearly a hundred countries as planned.

Business operations are mainly handled by the own organization and there were 99 (93) employees on average in the area.

Europe

Basware's European business operations consist of the units in Germany, France, The Netherlands, United Kingdom and Southern Europe. Additionally, the reseller network covers the eastern part of Central Europe. All Enterprise Purchase to Pay solutions are sold in Europe, apart from the payment and travel & expense management solutions.

Net sales of the Europe segment grew by 53.3 percent and totaled EUR 4 293 thousand (EUR 2 799 thousand). The profitability of the operations has improved by 76.5 percent and operating profit was EUR -277 thousand (EUR -1 179 thousand). Due to the adjusted revenue recognition principles for product sales, some of the agreements signed at the end of 2006 were recognized in the first quarter of 2007. The value of these agreements amounts to approximately EUR 0.7 million for the Europe segment. Net sales growth of the European operations would have been 108.1 percent without these components.

The UK data capture operations developed according to plan and were profitable.

New customers include NutriXo, Romande Energie and Societe de Figaro in France, PowerPacker in The Netherlands as well as Pension Regulator and Signet in the United Kingdom. Cooperation with Novartis was extended and the company will implement the Basware Enterprise Purchase to Pay portfolio globally in 60 countries.

At the end of the third quarter, there were 27 resellers and 127 (65) employees on average in Europe.

North America

Basware's North American unit sells the Enterprise Purchase to Pay solutions in the United States and Canada.

Net sales of the area decreased by 9.6 percent and totaled EUR 960 thousand. The profitability of the operations has improved by 67.2 percent and operating profit was EUR -158 thousand (EUR -482 thousand). Due to the adjusted revenue recognition principles for product sales, some of the agreements signed at the end of 2006 were recognized in the first quarter of 2007. The value of these agreements amounts to approximately EUR 0.2 million for the North America segment. Net sales growth of the North American operations would have been 39.3 percent without these components.

New customers in North America include ING Direct in Canada and Natixis and General Growth Properties in the United States. General Growth Properties will implement the Basware Invoice Automation solution in all its US locations.

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At the end of the third quarter, there were 10 resellers and 24 (22) employees on average in North America.

OTHER EVENTS OF THE FINANCIAL PERIOD

New branches

Basware opened a branch office in Moscow at the beginning of 2008.

Strategy

In its meeting on October 4, 2007, the Board of Directors of Basware Corp. discussed the Company's growth strategy and approved five strategic projects that facilitate reaching the set targets. The projects, to be realized in the strategy period from 2007 to 2010, are: Dominating the US, Conquer the base, Must-have brand and thought leadership, Five global giants per year and Joint forces.

There has been no change to the Company's vision, mission and financial targets, published on September 12, 2006.

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.

A separate stock exchange release has been issued February 14, 2008 on the Board authorizations and other resolutions of the Annual General Meeting of Shareholders.

Share price and trade

In the third quarter, the highest price of the share was EUR 10.45 (EUR 14.0), lowest price was EUR 7.50 (EUR 10.48) and closing price was EUR 7.90 (EUR 11.30). The average price of the share was EUR 8.27 (EUR 12.19).

A total of 482 102 (1 114 729) shares were traded during the financial period which is the equivalent of 4.2 percent (9.7%) of the average number of shares. Market capitalization with the period's closing price on March 31, 2008 was EUR 90 598 180 thousand (EUR 129 589 801 thousand).

Shareholders

Basware had 17 923 (18 951) shareholders on March 31, 2008 including nominee-registered holdings (9). Nominee-registered holdings accounted for 13.5 percent of the total number of shares.

The Company received one notice of change in ownership during the financial period when the holdings of Nordea Investment Fund Company Finland Ltd, exceeded the five percent threshold defined in the Securities Markets Act.

GOVERNANCE

At the Annual General Meeting of Shareholders on February 14, 2008, the number of Board members was confirmed to be five. The Annual General Meeting resolved to agree on the proposal and elected Matti Copeland, Sakari Pertunen, Ossi Pohjola, Ilkka Toivola and Hannu Vaajoensuu to the Board of Directors.

The Annual General Meeting further resolved to elect Ernst & Young Oy, Authorized Public Accountants as the auditor, with APA Heikki Ilkka in charge and APA Terhi Mäkinen as the deputy auditor.

The Board was authorized to resolve on share issue and on a free issue to the Company itself.

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A separate stock exchange release has been issued February 14, 2008 on the Board authorizations and other resolutions of the Annual General Meeting of Shareholders.

THE COMPANY'S NEAR FUTURE RISKS AND BUSINESS UNCERTAINTIES

Risk Management

According to the Company's risk management model, the risks are divided into six categories: risks related to business operations, products, personnel as well as legal, financial and data security risks. Basware takes risks that are a natural part of the strategy and objectives. These risks are managed and diminished in various ways. Short risks are considered to be risks in current reporting year.

As part of Basware's risks and business uncertainties in the near future, Software as a Service (SaaS) based services instead of license agreements may affect the Company's short term net sales growth.

General economic uncertainty has increased. According to research institutions, the global enterprise software market continues to grow. The market growth in Asia Pacific and Europe is estimated to compensate the decline of the US market. The economic decline in the United States has not yet had a substantial impact on Basware's North American operations.

The company operates in several areas outside the Euro zone, the most significant of which being Sweden, Norway, United Kingdom and United States. The company is exposed to exchange rate risks in these countries through intra-company trade, exports and imports as well as through funding of foreign units and currency denominated equities.

As of January 1, 2008, the capital structure of Basware Oyj's foreign subsidiaries has been changed to the extent that majority of the long-outstanding intercompany trade receivables in the parent company have been converted to a long-term net investment in a foreign operation. Purpose of the loan arrangement is to fund a long-term strategic investment. Foreign currency gains and losses from a net investment in a foreign operation are recorded in a separate component of equity in the consolidated financial statements.

There have not been any other substantial changes to the Company's near future risks and business uncertainties.

EVENTS AFTER THE FINANCIAL PERIOD

The Company received notice of change in ownership from Baillie Gifford on April 3, 2008 when shares held by the mutual funds and separate accounts managed by Baillie Gifford fell under the 5% percent threshold defined in the Securities Markets Act.

FUTURE OUTLOOK

General economic uncertainty has increased. However, according to research institutions, the global enterprise software market continues to grow. The market growth in Asia Pacific and Europe is estimated to compensate the decline of the US market. Basware operates in the electronic procurement and purchase invoice area, which is expected to grow more rapidly than the average for enterprise software. Basware solutions generate cost savings and therefore the demand is not heavily dependent on the economic situation.

Western Europe and the United States represent approximately three quarters of overall demand for enterprise software. Invoice processing and procurement software remain at the beginning of their lifecycles in these regions. 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.

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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.

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 and in Russia and 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 comes mainly from the purchase management area.

The profitability of the regions outside the Nordic countries continues to be improved in all of the Group's country units which decreases the Group's tax rate in the long term.

As a result of the acquisition of Digital Vision, the Company gained a foothold in the Indian market. The Company extends its research and development unit to India which in the future results in a decrease of the research and development costs' share of the Company's net sales.

Of the Company's EUR 11 076 thousand backlog of SaaS orders, approximately EUR 500 thousand will be recognized as income in 2008.

Basware has complemented its organic growth with acquisitions. The Company continues to review possible acquisition targets especially in the United States and Europe during 2008. With the acquisitions, the Company can extend the sales channel in international markets.

Fixed costs will grow moderately during the rest of the year.

In 2008, Basware expects the growth of net sales for the financial year to be from 15 to 25 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 15, 2008.

BASWARE CORPORATION
Board of Directors

For more information, please contact

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Analyst and Press Briefing

Basware arranges today, April 15, 2008 a briefing on the Interim Report for the press and analysts at 11:00 in Restaurant Palace Gourmet, Eteläranta 10, 10th floor, cabinet 4-5 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

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The Interim Report has been prepared according to the International Financial Reporting Standards (IFRS). Same Accounting Principles have been applied as in the 2007 Financial Statements. Key indicator calculations remain unchanged and have been presented in the 2007 Financial Statements.

GROUP INCOME STATEMENT

EUR thousand	1.1.–31.3.2008	1.1.–31.3.2007	Change, %	1.1.–31.12.2007
NET SALES	18 233	17 038	7.0	73 270
Other operating income	69	15	348.2	834
Materials and services	-1 211	-819	47.9	-4 459
Employee benefits expenses	-11 765	-9 243	27.3	-40 600
Depreciation and amortization	-671	-571	17.5	-2 590
Other operating expenses	-4 910	-5 010	-2.0	-18 943
Operating profit	-254	1 409	-118.1	7 512
Finance Income	39	61	-35.1	344
Finance Expenses	-35	-11	215.8	-152
Profit before tax	-250	1 459	-117.1	7 704
Income tax expense	-300	-575	-47.9	-3 591
PROFIT FOR THE PERIOD	-550	884	-162.2	4 112
EPS (undiluted), EUR	-0.05	0.08	-163.2	0.36
EPS (diluted), EUR	-0.05	0.08	-163.2	0.36
Average share number:				
- undiluted	11 468 124	11 468 124		11 468 124
- diluted	11 468 124	11 468 124		11 468 124

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GROUP BALANCE SHEET

EUR thousand	31.3.2008	31.3.2007	Change, %	31.12.2007
ASSETS				
NON-CURRENT ASSETS				
Intangible assets	12 321	10 150	21,4	12 210
Goodwill	25 693	18 489	39.0	25 702
Tangible assets	1 033	821	25.8	1 009
Available-for-sale investments	38	2 612	-98.6	38
Long-term trade and other receivables	12	12		12
Deferred tax assets	2 303	3 102	-25.8	2 489
Non-current assets	41 401	35 188	17.7	41 460
CURRENT ASSETS				
Inventories	35	18	88.5	42
Trade and other receivables	17 817	15 547	14.6	18 704
Income tax receivables	990	213	365.7	476
Financial assets at fair value through profit or loss	31	6 815	-99.5	31
Cash and cash equivalents	7 223	5 898	22.5	7 010
Current assets	26 095	28 491	-8.4	26 263
TOTAL ASSETS	67 496	63 679	6.0	67 722
EQUITY AND LIABILITIES				
SHAREHOLDERS' EQUITY				
Share capital	3 440	3 440		3 440
Share premium account	33 127	33 127		33 127
Fair value reserve and other reserves	540	540		540
Translation differences	208	283	-26.5	392
Retained earnings	7 352	6 370	15.4	9 765
Minority interest	161	81	99.2	148
Shareholders' equity	44 828	43 841	2.3	47 413
NON-CURRENT LIABILITIES				
Deferred tax liability	1 644	1 437	14.4	1 643
Interest-bearing liabilities	18	232	-92.2	20
Non-current liabilities	1 662	1 669	-0.4	1 663
CURRENT LIABILITIES				
Interest-bearing liabilities	214	426	-49.9	4 314
Trade payables and other liabilities	20 498	17 324	18.3	14 000
Tax liability from income tax	295	419	-29.7	333
Current liabilities	21 006	18 169	15.6	18 647
TOTAL EQUITY AND LIABILITIES	67 496	63 679	6.0	67 722

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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 1.1.2007	3 440	33 127	540	235	7 176	88	44 606
Change in translation difference				48	23		71
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
Share premium					-1 720		-1 720
SHAREHOLDERS' EQUITY 31.3.2007	3 440	33 127	540	283	6 370	81	43 841

EUR thousand	Share- holders' equity	Share premium account	Other reserves	Translation differences	Retained earnings	Minority interest	Share- holders' equity
SHAREHOLDERS' EQUITY 1.1.2008	3 440	33 127	540	392	9 765	148	47 413
Change in translation difference				-184	-161		-345
Granted warrants					31		31
Net profit/loss recognized directly in shareholders' equity				-184	-130		-314
Profit for the period					-563	13	-550
Total profits and losses				-184	-693	13	-864
Dividend distribution					-1 720		-1 720
SHAREHOLDERS' EQUITY 31.3.2008	3 440	33 127	540	208	7 352	161	44 828

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GROUP CASH FLOW STATEMENT

EUR thousand	1.1.–31.3.2008	1.1.–31.3.2007	1.1.–31.12.2007
Cash flows from operating activities			
Profit for the period	-550	884	4 112
Adjustments for profit	966	1 118	5 732
Working capital changes	7 192	4 658	-1 812
Interest paid	-31	-7	-124
Dividends received	41	8	287
Interest received	-5	-1	-7
Other financial items in operating activities	-728	-607	-3 801
Net cash from operating activities	6 885	6 054	4 387
Cash flows from investing activities			
Purchase of tangible and intangible assets	-742	-757	-2 869
Proceeds from sale of tangible and intangible assets	4	1	48
Acquired subsidiaries	-1		-8 180
Proceeds from other investments			3 013
Repayments of loan receivables	3		20
Net cash used in investing activities	-737	-753	-7 969
Cash flows from financing activities			
Minority's capital investment			40
Proceeds from short-term loans			4 000
Repayments of short-term borrowings	-4 000		
Repayments of long-term borrowings	-100	-100	-562
Repayments of financial lease liabilities	-2	-7	-10
Dividends paid	-1 720	-1 510	-1 720
Net cash used in financing activities	-5 822	-1 617	1 749
Net change in cash and cash equivalents according to cash flow statement			
	325	3 683	-1 833
Cash and cash equivalents at beginning of period	7 041	8 975	8 975
Effects of exchange rate changes on cash and cash equivalents	-112	3	-101
Effects of fair value implementation		52	
Cash and cash equivalents at end of period	7 254	12 713	7 041

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GROUP QUARTERLY INCOME STATEMENT

EUR thousand	1–3/2008	1–3/2007	4–6/2007	7–9/2007	10–12/2007
NET SALES	18 233	17 038	17 776	15 268	23 187
Other operating income	69	15	752	23	44
Materials and services	-1 211	-819	-662	-981	-1 996
Employee benefits expenses	-11 765	-9 243	-9 961	-7 827	-13 569
Depreciation and amortization	-671	-571	-597	-657	-765
Other operating expenses	-4 910	-5 010	-4 536	-4 419	-4 977
Operating profit	-254	1 409	2 773	1 406	1 924
%	-1.4%	8.3%	15.6%	9.2%	8.3%
Finance income	39	61	79	130	73
Finance expenses	-35	-11	-12	-20	-109
Profit before tax	-250	1 459	2 840	1 516	1 888
%	-1.4%	8.6%	16.0%	9.9%	8.1%
Tax on income from operations	-300	-575	-1 256	-985	-775
PROFIT FOR THE PERIOD	-550	884	1 584	531	1 113
%	-3.0%	5.2%	8.9%	3.5%	4.8%

COMMITMENTS AND CONTINGENT LIABILITIES

Tuhatta euroa	31.3.2008	31.3.2007	31.12.2007
GUARANTEES ON BEHALF OF SUBSIDIARIES			
	1 075	986	1 103
Guarantees total	1 075	986	1 103
OTHER OWN CONTINGENT LIABILITIES			
Lease liabilities:			
Current lease liabilities	771	554	601
Lease liabilities maturing in 1–5 years	861	485	685
Total	1 631	1 039	1 286
Other rental liabilities:			
Current rental liabilities	2 014	1 414	1 827
Rental liabilities maturing in 1–5 years	3 892	2 763	3 957
Rental liabilities maturing later	99		172
Total	6 005	4 176	5 956
Other own contingent liabilities, total	7 636	5 215	7 242

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SEGMENT REPORTING

Geographical segments (primary segment)

Net sales (EUR thousand)	1–3/2008	1–3/2007	Change, %	1–12/2007
Finland	10 493	12 057	-13.0	48 849
Scandinavia	4 198	4 030	4.2	16 797
Europe	4 293	2 799	53.3	15 081
North America	680	752	-9.6	3 460
Sales between segments	-1 430	-2 600	45.0	-10 917
Group total	18 233	17 038	7.0	73 270

Operating profit (EUR thousand)	1–3/2008	1–3/2007	Change, %	1–12/2007
Finland	-93	3 315	-102.8	12 706
Scandinavia	321	-229	239.9	333
Europe	-277	-1 179	76.5	-3 662
North America	-158	-482	67.2	-1 751
Operating profit between segments	-47	-15	-204.9	-114
Group total	-254	1 409	-118.1	7 512

Personnel (employed, in average)	1–3/2008	1–3/ 2007	Change, %	1–12/ 2007
Finland	416	353	17.9	367
Scandinavia	99	93	7.2	96
Europe	127	65	95.9	93
North America	24	22	7.6	25
Group total	666	532	25.1	580

Business segments (secondary segment)

Net sales (EUR thousand)	1–3/2008	1–3/2007	Change, %	1–12/2007
Product sales	4 074	6 466	-37.0	24 117
Maintenance and support	5 750	4 958	16.0	22 100
Consulting and services	7 256	5 021	44.5	23 342
SaaS	223	250	-10.7	1 250
Other operations	930	343	171.3	2 461
Group total	18 233	17 038	7.0	73 270

Geographical division of net sales by the location of customer

Net sales (EUR thousand)	1–3/2008	1–3/2007	Change, %	1–12/2007
Finland	8 779	9 360	-6.2	37 969
Scandinavia	4 127	3 929	5.0	15 911
Europe	4 347	2 831	53.6	14 785
North America	979	918	6.6	4 604
Group total	18 233	17 038	7.0	73 270

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GROUP KEY INDICATORS

EUR thousand	1-3/2008	1-3/2007	1-12/2007
Net sales	18 233	17 038	73 270
Growth of net sales, %	7.0%	10.4%	22.2%
Operating profit	-254	1 409	7 512
Growth of operating profit, %	-118.1%	-44.3%	-7.0%
% of net sales	-1.4%	8.3%	10.3%
Profit before tax	-250	1 459	7 704
% of net sales	-1.4%	8.6%	10.5%
Profit for the period	-550	884	4 112
% of net sales	-3.0%	5.2%	5.6%
Return on equity, %	-4.8%	8.0%	8.9%
Return on investment, %	-1.8%	13.1%	16.2%
Interest bearing liabilities	232	658	4 334
Cash and liquid assets *)	7 254	12 713	7 041
Gearing, %	-15.7%	-27.5%	-5.7%
Equity ratio, %	66.4%	68.8%	70.0%
Total assets	67 496	63 679	67 722
Gross investments **)	822	767	12 220
% of net sales	4.5%	4.5%	16.7%
Capital expenditure	193	169	817
% of net sales	1.1%	1.0%	1.1%
Research and development costs	3 793	3 091	13 172
% of net sales	20.8%	18.1%	18.0%
R&D personnel at end of period	160	136	152
Personnel average for period	666	532	580
Personnel at end of period	665	533	658
Growth of personnel, %	24.8%	3.9%	24.6%
Earnings per share, EUR	-0.05	0.08	0.36
Earnings per share, EUR (diluted)	-0.05	0.08	0.36
Equity per share, EUR	3.89	3.83	4.12
Average share number:			
- undiluted	11 468 124	11 468 124	11 468 124
- diluted	11 468 124	11 468 124	11 468 124

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

**) Includes capitalized R&D costs and acquisitions

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MAJOR SHAREHOLDERS, March 31, 2008

	Shares pcs	Votes %
1. Sihvo, Ilkka	1 065 800	9,3
2. Vaajoensuu, Hannu (incl. a controlled company and children under guardianship)	1 045 800	9,1
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)	760 900	6,6
6. Nordea Nordic Small Cap Fund	558 084	4,9
7. Ahonen, Asko	318 822	2,8
8. Henki Sampo Pension Insurance Company	300 000	2,6
9. Fondita Nordic Small Cap Placfond	261 000	2,3
10. Royal Skandia Life Assurance	250 000	2,2
11. Veritas Pension Insurance Company	216 000	1,9
12. Perttunen Meimi	215 400	1,9
13. Kaleva Mutual Insurance Company	130 000	1,1
14. Evli Pankki Oyj	118 297	1,0
15. Sr Eq Suomi Pienyhtiöt	103 703	0,9
16. Fondita Nordic Micro Cap Rahasto	95 000	0,8
17. Sr Eq Technology	86 823	0,8
18. Fondita Nordic Micro Cap Placeringsfond	71 500	0,6
19. Evli Nordic Tmt	68 424	0,6
20. Sarvala, Vesa	65 241	0,6
20 largest shareholders total	7 592 994	66,2
Nominee registered shares	1 543 762	13,5
Others	2 331 368	20,3
Total	11 468 124	100