



***Component Software***

## **Financial Report – Q2 2007**

## Second quarter highlights

- Revenues of MNOK 95.9 (45.8% increase from Q2 2006). YTD revenues of MNOK 188.3 (39.6 % increase from 1H 2006)
- EBITDA of MNOK 8.2 (4.3 in Q2 2006). YTD EBITDA MNOK 14.9
- Cash and cash equivalents of MNOK 38.3
- Affecto Plc announced an offer to acquire all outstanding shares in CSG.

### **Affecto Plc announced an offer to acquire all outstanding shares in Component Software Group (“CSG”)**

Affecto Plc announced an offer to acquire all outstanding shares in CSG 11 June. This offer was pre-accepted by shareholders owning 65% of the outstanding shares in CSG. The main terms in the offer were compensation of NOK 40.03 in cash and 0.81063 new Affecto shares per CSG share. Based on a value of the Affecto share of NOK 31.42 this equals approximately the value of NOK 65.50 per CSG share. Shareholders who did not pre-accept the offer prior to its announcement and who wished to have the consideration paid 100% in cash were entitled to instruct Affecto to enter into agreements on their behalf to sell their Affecto shares to a consortium of CSG shareholders. The offer period of Affecto Plc's public tender offer for all issued and outstanding shares of Component Software expired on 22 August 2007.

The final result of the tender offer has been established. As a consequence of the tender offer, the number of CSG shares transferred to Affecto at completion of the tender offer is 5,551,442 shares representing about 95.3% of all issued and outstanding shares and votes in CSG. Affecto holds no other shares or securities in CSG prior to completion of the tender offer.

As all conditions for the completion of the tender offer have been satisfied, the board of directors of Affecto has decided to complete the public tender offer.

As Affecto's ownership in CSG at the completion of the tender offer will exceed nine-tenths (9/10) of the shares and votes in CSG, Affecto is obliged to make a mandatory cash offer in accordance with the Norwegian Securities Trading Act. Upon having fulfilled its obligations thereunder, Affecto will make a compulsory acquisition in accordance with the Norwegian Companies Act concerning the remaining shares in CSG. Affecto will initiate the preparations for these offers and will inform separately about the proceedings later.

CSG will submit application for de-listing of its shares at the Oslo Stock Exchange.

With reference to the extraordinary shareholders meeting in CSG 13 August 2007, the new board of directors in CSG is, with effect from completion of the tender offer:

Pekka Eloholma, Chairman  
Hannu Nyman, Board member  
Satu Kankare, Board member  
Frank Kjærvoll, Board member  
(employee)

Lise Ringvold Kristoffersen, Board member (employee)

PricewaterhouseCoopers represented by Sjur Holsæther is the Company's new auditor.

Also with reference to the extraordinary shareholders meeting in CSG 13, August 2007, the new company name will be Affecto Norway ASA. CSG will at a later stage operate under the name Affecto Norway ASA and will revert to timing of making use of new company name.

### Key figures

(Million NOK)	2nd quarter		1st half year		2006FY audited
	2007	2006	2007	2006	
Revenue	95.9	65.7	188.3	134.9	303.8
EBITDA	8.2	4.3	14.9	9.8	29.3
EBITDA margin	8.5 %	6.5 %	7.9 %	7.3 %	9.6 %
EBIT	7.7	3.8	13.9	8.8	27.1
Profit before taxes	8.1	3.9	14.7	9.2	27.4

### Revenues

Revenues were MNOK 188.3 in the first half of 2007, compared to MNOK 134.9 in the same period last year. Revenues were MNOK 95.9 in Q2 2007, which was an increase of 45.8 % compared to the corresponding period last year.

The revenue rise stems from a strong demand for Business Intelligence and Purchase to Payment solutions in all our geographical markets.

Professional services and other revenues increased to MNOK 55.7, from MNOK 33.7 in the second quarter of 2006, and YTD from MNOK 66.9 in 2006 to MNOK 110.5 in 2007.

License sales represented MNOK 15.7, compared to MNOK 9.8 in the second quarter of 2006. YTD license sales increased from MNOK 23.3 in 2006 to MNOK 29.6 in 2007.

Support and maintenance revenues totaled MNOK 24.5 in the second quarter of 2007, compared to MNOK 22.3 in the second quarter of 2006, and YTD MNOK 44.7 in 2006 compared to MNOK 48.1 YTD 2007.

### Results

EBITDA in the second quarter was MNOK 8.2 (8.5% margin), compared to MNOK 4.3 (6.6%) in the corresponding period last year.

YTD EBITDA 2007 is MNOK 14.9, compared to MNOK 9.8 in 1H 2006. For 1H 2007 is included one time cost of MNOK 1.5 related to the listing process of the Company.

Personnel expenses (IFRS and social security tax) related to stock options were MNOK 0.4 in Q2 2007, compared to MNOK 0.0 in Q2 2006, and YTD MNOK 0.9 in 2007 compared to 0.0 in 2006.

The Company has capitalized MNOK 0.9 of its development costs in Q2 2007, compared to MNOK 0.6 in Q2 2006, and YTD MNOK 1.5 in 2007 compared to 1.3 in 2006.

Net financial items were MNOK 0.4 in the second quarter compared to MNOK 0.1 in the same period last year, and YTD MNOK 0.8 in 2007 compared to 0.4 in 2006.

Profit before tax in the second quarter was MNOK 8.1, compared to a profit

before tax of MNOK 3.9 in the same period last year, and YTD MNOK 14.7 in 2007 compared to 9.2 in 2006.

### Cash flow and liquidity

The financial position of Component Software Group is still strong.

The liquidity balance at the end of Q2 2007 is MNOK 38.3 and relates to bank deposits.

As of 30 June 2007 the Company has no interest bearing debt.

Short term liabilities relates mainly to prepaid maintenance, accrued expenses, value added tax and accrued taxes payable.

### Employees

The Company had 217 employees at the end of June 2007. The number of employees increased by 4 during the last 3 months and 38 during the last 6 months including 19 from the take over of Business Logic.

The geographical distribution of employees is shown below:

Number of employees	2nd quarter		2006FY
	2007	2006	
Norway	119	94	99
Sweden	57	49	49
Denmark	41	29	31
<b>Total</b>	<b>217</b>	<b>172</b>	<b>179</b>

### Shares

CSG had issued 5,823,409 shares per 30 June 2007, compared to 5,546,039 shares per 31 March 2007. The Company issued 277,370 through a merger with the 94.9% owned subsidiary

Component Software ASA. This merger was completed in April 2007.

The share price increased from NOK 57.5 at the beginning of the quarter to NOK 64.0 at 30 June.

As of 28 August 2007 CSG was owned 95.3% by Affecto Plc. The largest other registered shareholders as of this date are listed in the following table:

Shareholders	Shares	%
BUSINESS OBJECTS NED	109 460	1.88
TINFOS A/S	55 588	0.95
COMMERZBANK AG KUNDENDEPOT	23 250	0.40
GLITNIR SECURITIES	7 900	0.14
LOFTHUS OLE JOHAN	5 000	0.09
OLSEN DØDSBO KARL MARKUS	4 526	0.08
VALØ FRANK	3 823	0.07
PAULSEN BJARNE HENRY	3 005	0.05
LARGE BJØRN EINAR	3 000	0.05
DANSKE BANK A/S 3887 OPERATIONS SEC.	2 858	0.05
NORDEA BANK DENMARK	2 600	0.04
RØED DØDSBO HANS JACOB	2 500	0.04
MP PENSJON	2 250	0.04
BARCLAYS BANK PLC RE BARCLAYS CAPITAL	2 200	0.04
SIGVAL BERGESEN D Y	2 085	0.04
NORDEA BANK DENMARK	2 000	0.03
CIS CONSULTING AS	1 800	0.03
DEUTSCHE BANK AG LON	1 600	0.03
ØYE VEGARD	1 400	0.02
Other 20 largest shareholders	236 845	4.07
Other shareholders	34 483	0.59
Total shares not owned by Affecto	271 328	4.66

### Market conditions and outlook

The general market conditions in Scandinavia are good at the moment.

The Company expects that the positive trend for IT companies will continue the coming quarters. The markets for Business Intelligence and Purchase to Payment solutions are growing.

Component Software is well positioned for further growth and improved results in all markets

The Company's revenue and earnings may fluctuate through the quarters.

The Board of Directors of Component Software Group ASA  
Oslo, 30 August 2007

*This report has not been audited.*

*Questions concerning this report will be answered by*

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Consolidated interim income statement, unaudited

(Figures in NOK 000)	2nd quarter		1st half year		2006FY <i>audited</i>
	2007	2006	2007	2006	
<b>Revenue</b>	<b>95 872</b>	<b>65 741</b>	<b>188 280</b>	<b>134 887</b>	<b>303 807</b>
<b><u>Operating expenses</u></b>					
Cost of goods sold	26 782	18 296	50 837	39 229	94 394
Employee benefits expense	47 283	34 186	94 834	66 010	139 460
Other operating expenses	13 620	8 959	27 692	19 835	40 653
<b>EBITDA</b>	<b>8 187</b>	<b>4 300</b>	<b>14 917</b>	<b>9 813</b>	<b>29 300</b>
<i>EBITDA margin</i>	8,5 %	6,5 %	7,9 %	7,3 %	9,6 %
Depreciation of tangible assets	503	537	1 037	1 051	2 220
<b>EBITA</b>	<b>7 684</b>	<b>3 763</b>	<b>13 880</b>	<b>8 762</b>	<b>27 080</b>
Amortization of goodwill	-	-	-	-	-
<b>EBIT</b>	<b>7 684</b>	<b>3 763</b>	<b>13 880</b>	<b>8 762</b>	<b>27 080</b>
<b><u>Financial items</u></b>					
Finance income	597	507	1 459	1 013	1 892
Finance cost	(185)	(379)	(649)	(597)	(1 577)
<b>Net finance</b>	<b>412</b>	<b>128</b>	<b>810</b>	<b>416</b>	<b>315</b>
<b>Profit before taxes</b>	<b>8 096</b>	<b>3 891</b>	<b>14 690</b>	<b>9 178</b>	<b>27 396</b>
<b>Taxes (28%)</b>	1 606	1 089	3 805	2 570	4 922
<b>Profit after taxes</b>	<b>6 490</b>	<b>2 802</b>	<b>10 885</b>	<b>6 608</b>	<b>22 474</b>
Earning per share - basic			<b>2,00</b>	<b>0,74</b>	<b>2,51</b>
Earning per share - diluted			<b>1,88</b>	<b>0,74</b>	<b>2,46</b>
No. of outstanding shares			5 436 388	5 196 080	5 196 080
Weighted average shares outstanding diluted			5 792 816	5 196 080	5 302 441
End of period number of shares outstanding			5 823 409	5 196 080	5 196 080
End of period number of shares outstanding diluted			6 179 837	5 196 080	5 552 505

Consolidated interim balance sheet, unaudited

(Figures in NOK 000)	1st half year		2006FY <i>audited</i>
	2007	2006	
<b>ASSETS</b>			
<b><u>Non-current assets</u></b>			
Intangible assets	42 276	7 672	8 626
Equipment	2 579	3 375	3 198
Deferred tax assets	16 273	19 968	16 044
Other non-current assets	-	32	-
<b>Total non-current assets</b>	<b>61 128</b>	<b>31 047</b>	<b>27 868</b>
<b><u>Current assets</u></b>			
Accounts receivable	81 987	51 716	80 499
Other current assets	10 902	3 012	6 430
Cash and cash equivalents	38 250	25 709	50 863
<b>Total current assets</b>	<b>131 139</b>	<b>80 437</b>	<b>137 792</b>
<b>TOTAL ASSETS</b>	<b>192 267</b>	<b>111 483</b>	<b>165 660</b>
<b><u>Equity</u></b>			
<b>Paid in capital</b>			
Issued capital	17 470	8 951	8 951
Share premium	30 339	8 036	8 036
Other paid-in capital	1 528	-	580
<b>Total paid in capital</b>	<b>49 337</b>	<b>16 987</b>	<b>17 567</b>
<b>Other equity</b>			
Other equity	27 847	4 107	17 769
<b>Total other equity</b>	<b>27 847</b>	<b>4 107</b>	<b>17 769</b>
<b>Total equity</b>	<b>77 184</b>	<b>21 094</b>	<b>35 336</b>
<b><u>Current liabilities</u></b>			
Accounts payable	23 649	19 966	38 759
Income tax payable	2 510	-	1 002
Public duties payable	18 481	10 566	22 723
Other current liabilities	70 443	59 857	67 840
<b>Total current liabilities</b>	<b>115 083</b>	<b>90 389</b>	<b>130 324</b>
<b>Total liabilities</b>	<b>115 083</b>	<b>90 389</b>	<b>130 324</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>192 267</b>	<b>111 483</b>	<b>165 660</b>

## Consolidated interim statement of cash flows, unaudited

(Figures in NOK 000)	1st half year		FY 2006
	2007	2006	audited
Profit/ (loss) before income taxes	14 690	9 178	27 396
Taxes paid during the period	(625)		
Depreciation and amortisation expenses	1 037	1 051	2 219
Share options granted to directors and employees	948		580
Changes in accounts receivables	3 442	17 587	(13 356)
Changes in accounts payables	(15 285)	(14 484)	4 308
Agio/disagio			179
Changes in other accruals	(13 055)	(10 674)	7 993
<b>Net cash flow from operating activities</b>	<b>(8 848)</b>	<b>2 657</b>	<b>29 319</b>
<b>Cash flow from investing activities</b>			
Purchase of tangible non current assets	(2 065)	(2 130)	(4 038)
Proceeds from disposal of tangible non current assets			400
Net purchase and proceeds from other investments	(2 927)		
<b>Net cash flow from investing activities</b>	<b>(4 991)</b>	<b>(2 130)</b>	<b>(3 638)</b>
<b>Cash flow from financing activities</b>			
Issues of shares to employees	1 661		
Dividends		(24 615)	(24 615)
<b>Net cash flow from financing activities</b>	<b>1 661</b>	<b>(24 615)</b>	<b>(24 615)</b>
Foreign exchange difference	(434)		
Net change in cash and cash equivalents	(12 178)	(24 088)	1 066
Cash and cash equivalents at 01.01	50 863	49 797	49 797
<b>Cash and cash equivalents at 30.06</b>	<b>38 250</b>	<b>25 709</b>	<b>50 863</b>

## Consolidated interim statement of changes in equity, unaudited

(Figures in NOK 000)	Share capital	Share premium	Other paid-in capital	Reserves	Other equity	Total
<b>Equity as at 1.1.2007</b>	<b>8 951</b>	<b>8 036</b>	<b>580</b>		<b>17 769</b>	<b>35 336</b>
Options granted to employees			948			<b>948</b>
Translation differences					25	<b>25</b>
Profit for the period					10 885	<b>10 885</b>
Purchase of company	507	14 493				<b>15 000</b>
Reverse take-over CSG/NVF	7 082	6 247				<b>13 329</b>
Merger CSG/NVF	832				(832)	<b>-</b>
Issues of shares til employees	98	1 563				<b>1 661</b>
<b>Equity as at 30.06.2007</b>	<b>17 470</b>	<b>30 339</b>	<b>1 528</b>	<b>-</b>	<b>27 847</b>	<b>77 184</b>



## Notes to the consolidated interim financial statements

### Note 1: Corporate information

Component Software Group ASA (the “Company”) is incorporated and domiciled in Oslo, Norway. The Group Financial Report for the second quarter of 2007, finalised on June 30 2007, includes CSG ASA and its subsidiaries together referred to as ”the group”.

The consolidated financial statements of the Group as at and for the year ended 31 December 2006 are available upon request from the Company’s registered office at Grev Wedels plass 5, Oslo, or at [www.componentsoftware.no](http://www.componentsoftware.no).

### Note 2: Basis for preparation and accounting principles

This quarterly report has been prepared in accordance with rules and regulations from Oslo Stock Exchange and International Financial Reporting Standard (IFRS) IAS 34, Interim Financial Reporting. The report does not include all of the information required for full annual financial statements, and should be read in conjunction with the financial statements of the Company for the year ended 31 December 2006. The same accounting principles as in the annual report for 2006 are used in the quarterly report.

No new IFRS standards or interpretations have been issued since the completion of the Group Annual Report for 2006.

### Note 3: Estimates

The preparation and financial risk of the interim report imply the use of evaluations, estimates and presuppositions that affect the application of reporting standards and recorded figures for assets and liabilities, revenue and costs. Actual results may deviate from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2006. In the second quarter of 2007 it has not been deemed necessary to make any changes to the estimates drawn up in the annual report for 2006.

### Note 4: Segment information

The Group’s primary segment is determined to be business segments. Component Software has activities within Business Intelligence and Document Management.

#### *Business Intelligence*

Organisations today usually have several operational systems to support their critical processes. Among the most common are systems for finance, ERP and sales/CRM. In addition some organisations still have in house developed legacy systems. Business Intelligence is about collecting information from all of these systems, storing it in a uniform manner and providing this information to decision makers in an appropriate form

when they need it. Traditionally the focus was on providing management with the information needed for strategic decisions. Today the area is much broader and targets information users on all levels in the organisation: from top management, to sales people, business analysts and even customers or the general public.

*Enterprise purchase to payment*

The Company market and sell self developed products and services under the brand name Contempus. The product Contempus.invoice is a market leading solution for invoice management. This solution is sold through own sales force in Scandinavia and through partners in Belgium, Holland, UK and USA.

The Groups secondary segment is geographical. The following tables present revenue and profit and certain asset and liability information regarding the Group's business segments.

Business segments

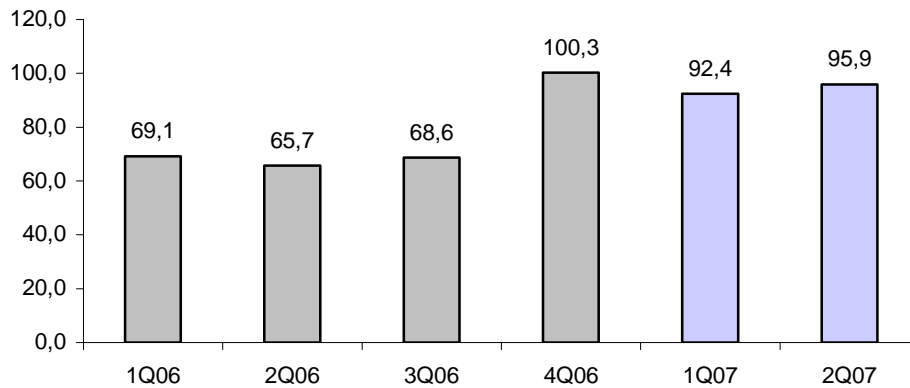
2nd quarter	Business Int		Document mgt		Parent comp. incl Group adj		Consolidated	
	2007	2006	2007	2006	2007	2006	2007	2006
(Figures in 000 NOK)								
Software license	12 387	6 640	3 520	3 150	(170)	-	15 737	9 790
Maintenance	19 720	18 284	5 025	4 039	(276)	(24)	24 468	22 300
Consulting/training & other	52 982	30 733	7 333	7 854	(4 649)	(4 936)	55 666	33 651
Total revenues	85 089	55 658	15 878	15 043	(5 095)	(4 960)	95 872	65 741
EBITDA	9 204	4 921	1 631	1 386	(2 647)	(2 006)	8 187	4 300
Depreciation	406	386	47	57	50	93	503	537
EBIT	8 797	4 534	1 584	1 328	(2 697)	(2 100)	7 684	3 763

1st half year	Business Int		Document mgt		Parent comp. incl Group adj		Consolidated	
	2007	2006	2007	2006	2007	2006	2007	2006
(Figures in 000 NOK)								
Software license	20 329	15 988	9 437	7 303	(170)	-	29 595	23 291
Maintenance	38 903	36 791	9 798	8 146	(552)	(249)	48 149	44 688
Consulting/training & other	105 126	62 547	14 549	15 073	(9 141)	(10 713)	110 535	66 908
Total revenues	164 358	115 326	33 785	30 522	(9 864)	(10 962)	188 280	134 887
EBITDA before one-time costs	18 576	10 583	3 285	3 134	(5 487)	(3 904)	16 374	9 813
One-time costs					1 457		1 457	-
EBITDA after one-time costs	18 576	10 583	3 285	3 134	(6 944)	(3 904)	14 917	9 813
Depreciation	838	755	99	110	100	187	1 037	1 051
EBIT	17 738	9 829	3 186	3 024	(7 044)	(4 091)	13 880	8 762
Assets	136 982	108 208	42 483	35 897	12 802	(32 622)	192 267	111 483
Liabilities	94 613	79 135	22 439	19 088	(1 969)	(7 834)	115 083	90 389
Capital expenditure	530	717	1 535	1 413			2 065	2 130

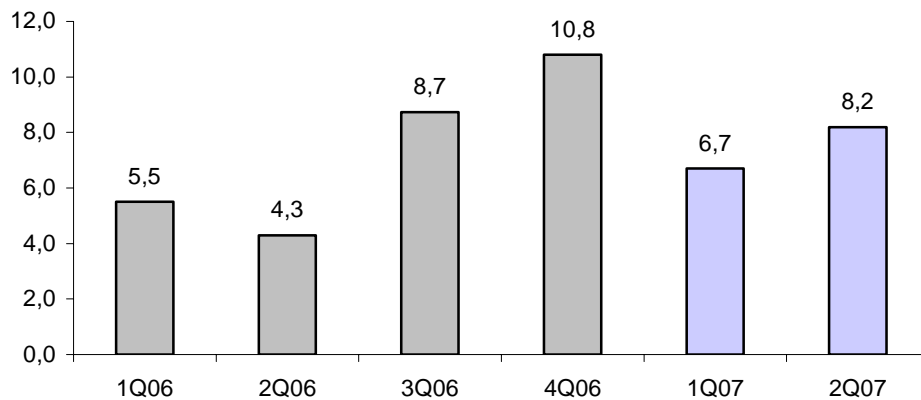
## Geographical markets

(Figures in 000 NOK)	Revenue				1st half year			
	2nd quarter		1st half year		Assets		Capital expenditure	
	2007	2006	2007	2006	2007	2006	2007	2006
Norway	49 197	37 360	100 193	83 523	107 955	101 496	1 825	1 662
Sweden	29 747	20 126	55 375	36 251	32 929	19 960	23	286
Denmark	18 712	10 912	36 114	23 386	38 580	22 650	217	182
Other	3 312	2 303	6 462	2 689				
Eliminations	(5 095)	(4 960)	(9 864)	(10 962)	12 802	(32 622)	-	-
<b>Total</b>	<b>95 872</b>	<b>65 741</b>	<b>188 280</b>	<b>134 887</b>	<b>192 267</b>	<b>111 483</b>	<b>2 065</b>	<b>2 130</b>

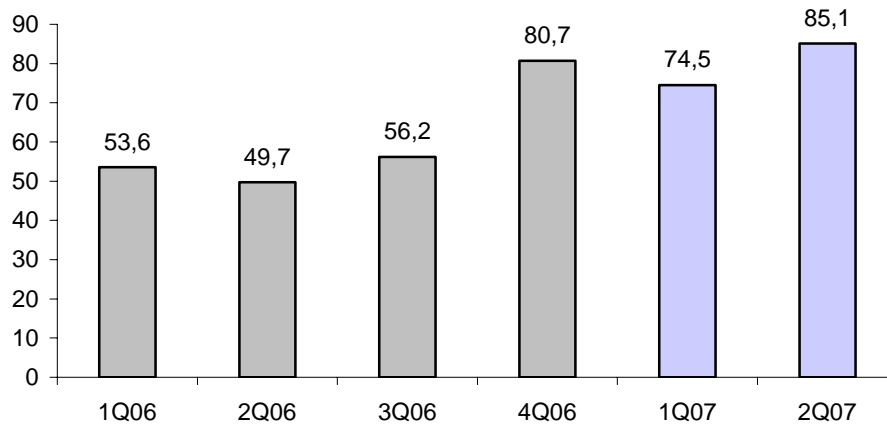
### Revenues (MNOK)



### EBITDA (MNOK)



### BI revenues (MNOK)



### Purchase to payment revenues (MNOK)

