

October 14, 2010

BASWARE INTERIM REPORT JANUARY 1 – SEPTEMBER 30, 2010 (IFRS)

SUMMARY

January–September

- Net sales EUR 72 946 thousand (EUR 66 054 thousand) – growth 10.4 percent
- Operating profit EUR 8 550 thousand (EUR 7 767 thousand) – growth 10.1 percent
- Operating profit 11.7 percent of net sales (11.8%)
- International operations accounted for 54.0 percent of net sales (54.3%) – growth 9.9 percent
- Automation Services grew by 52.8 percent
- Cash flows from operating activities were EUR 11 368 thousand (EUR 8 540 thousand).
- Earnings per share EUR 0.56 (EUR 0.45)

July–September Q3

- Net sales EUR 23 202 thousand (EUR 21 609 thousand) – growth 7.4 percent
- Operating profit EUR 3 408 thousand (EUR 4 028 thousand) – decrease 15.4 percent
- Operating profit 14.7 percent of net sales (18.6%)
- International operations accounted for 55.1 percent of net sales (58.0%) – growth 2.0 percent
- Automation Services grew by 56.7 percent
- Earnings per share EUR 0.23 (EUR 0.27)

Basware expects its net sales for 2010 to develop positively on the level of 2009. Operating profit (EBIT) for 2010 is expected to be from 10 to 15 percent of net sales.

The figures are unaudited.

GROUP KEY FIGURES

| EUR thousand | 7-9/ 2010 | 7-9/ 2009 | Change, % | 1-9/ 2010 | 1-9/ 2009 | Change, % | 1-12/ 2009 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| Net sales | 23 202 | 21 609 | 7.4% | 72 946 | 66 054 | 10.4% | 92 654 |
| EBITDA | 4 702 | 5 134 | -8.4% | 12 389 | 10 943 | 13.2% | 16 280 |
| Operating profit before IFRS-3 amortization | 3 956 | 4 596 | -13.9% | 10 214 | 9 188 | 11.2% | 13 788 |
| Operating profit | 3 408 | 4 028 | -15.4% | 8 550 | 7 767 | 10.1% | 11 824 |
| % of net sales | 14.7% | 18.6% | | 11.7 % | 11.8% | | 12.8% |
| Profit before tax | 3 391 | 3 946 | -14.1% | 8 486 | 7 553 | 12.4% | 11 590 |
| Profit for the period | 2 694 | 3 005 | -10.3% | 6 418 | 5 066 | 26.7% | 9 074 |
| Return on equity. % | 17.6% | 23.7% | | 14.4% | 13.3% | | 17.2% |
| Return on investment. % | 20.4% | 24.5% | | 17.4% | 16.4% | | 18.8% |
| Liquid assets* | 13 719 | 7 567 | 81.3% | 13 719 | 7 567 | 81.3% | 12 210 |
| Gearing. % | -16.2% | 3.2% | | -16.2% | 3.2% | | -5.3% |
| Equity ratio. % | 71.6% | 61.9% | | 71.6% | 61.9% | | 64.8% |
| Earnings per share. EUR | 0.23 | 0.27 | -12.5% | 0.56 | 0.45 | 26.2% | 0.80 |
| Earnings per share (diluted). EUR | 0.23 | 0.27 | -13.2% | 0.56 | 0.45 | 25.2% | 0.80 |
| Equity per share. EUR | 5.34 | 4.58 | 16.5% | 5.34 | 4.58 | 16.5% | 4.93 |

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

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Basware's business operations consist of License Sales. Maintenance. Professional Services and Automation Services. The core of Basware's license sales consists of the Basware Enterprise Purchase to Pay product suite and local, only in Finland marketed financial management products. The Group's reported market areas are Finland, Scandinavia, Europe and Other areas.

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

"Basware's most significant growth area, Automation Services, grew by as much as 56.7% in the third quarter. During Q3, we succeeded in closing several significant deals in the Automation Services business, which proves our global competitiveness in the e-invoice business. Automation Services agreements typically span several years, and they provide a good foundation for growth in 2011. Geographically, the best growth was seen in North America and Europe.

Our operating profit for the third quarter was excellent, representing 14.7% of net sales. Our net sales increased by 7.4% to EUR 23 202 thousand.

At this stage, our situation seems favorable with regard to reaching the full-year target. We believe that the solid growth of our business will also continue during the last quarter," says Ilkka Sihvo, Basware's CEO.

REPORTING

Basware's reporting segment is based upon geography as follows: Finland, Scandinavia, Europe and Other. Following the acquisition of former reseller TAG Services on July 1, 2009. Basware has assets in Australia. Taking into account the nature and extent of the business operations in North America and Australia, these areas were merged into the Other segment as of Q3/2009. The Finland segment includes the Finnish, Russian, and Asia-Pacific (excluding Australia) business operations and corporate services.

In addition, the company reports revenue from products and services as follows: License Sales, Professional Services, Maintenance and Automation Services. Automation Services include Software as a Service (SaaS), e-invoicing and Scan and Capture services.

The company also reports an estimate of revenue to be recognized for current Automation Services agreements in production in the next twelve months. Automation Services agreements are typically in force for a fixed period of several years or until further notice.

NET SALES

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

| Net sales (EUR thousand) | 7-9/ 2010 | 7-9/ 2009 | Change, % | 1-9/ 2010 | 1-9/ 2009 | Change, % | 1-12/ 2009 |
|-------------------------------|---------------|---------------|--------------|---------------|---------------|--------------|---------------|
| Finland | 11 641 | 11 478 | 1.4 | 37 595 | 35 215 | 6.8 | 50 486 |
| Scandinavia | 4 994 | 4 505 | 10.9 | 16 480 | 16 100 | 2.4 | 22 236 |
| Europe | 4 782 | 4 104 | 16.5 | 15 388 | 13 087 | 17.6 | 18 717 |
| Other | 3 111 | 3 980 | -21.9 | 8 203 | 6 303 | 30.1 | 9 201 |
| Sales between segments | -1 326 | -2 459 | 46.1 | -4 720 | -4 652 | -1.5 | -7 985 |
| Group total | 23 202 | 21 609 | 7.4 | 72 946 | 66 054 | 10.4 | 92 654 |

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

| Net sales (EUR thousand) | 7-9/ 2010 | 7-9/ 2009 | Change, % | 1-9/ 2010 | 1-9/ 2009 | Change, % | 1-12/ 2009 |
|-----------------------------|---------------|---------------|--------------|---------------|---------------|--------------|---------------|
| Finland | 10 420 | 9 084 | 14.7 | 33 535 | 30 181 | 11.1 | 42 449 |
| Scandinavia | 4 857 | 4 893 | -0.7 | 15 859 | 15 716 | 0.9 | 21 719 |
| Europe | 4 629 | 3 921 | 18.1 | 14 864 | 12 994 | 14.4 | 18 065 |
| Other | 3 295 | 3 711 | -11.2 | 8 688 | 7 163 | 21.3 | 10 421 |
| Group total | 23 202 | 21 609 | 7.4 | 72 946 | 66 054 | 10.4 | 92 654 |

Basware Group's net sales grew by 10.4 percent in July–September and were EUR 72 946 thousand (EUR 66 054 thousand).

The company's license sales increased by 3.8 percent during the reporting period to 22.7 percent (24.2%) of net sales. License sales of Basware's own products increased by 10.6 percent, and sales of third-party scanning software decreased considerably while sales of outsourced scan and capture services grew.

Maintenance revenue increased by 12.3 percent in the reporting period and accounted for 33.6 percent (33.1%) of net sales. Professional Services revenue increased by 3.2 percent and accounted for percent (34.5%) of net sales.

During the period. Automation Services (SaaS, e-invoicing, Scan and Capture) grew 52.8 percent and accounted for 11.5 percent (8.3%) of net sales. The estimated revenue to be recognized for current Automation Services agreements in production in the next twelve months is EUR 12.1 million (growth of 7.1 percent compared to the estimate made at the end of the previous quarter). The transaction volume processed by the Automation Services business was 9.3 million during the reporting period.

In July-September, 21.2 percent (26.9%) of net sales consisted of own product sales with license sales decreasing by 15.3 percent. License sales in Q3 decreased because the Q3 comparison figure included revenue of EUR 1.9 million, which is a part of one of Basware's largest license deals closed in Q3/2009. License sales of Basware's own products decreased by 5.9%, and sales of third-party scanning software decreased considerably while sales of outsourced scan and capture services grew.

Automation Services sales accounted for 12.7 percent (8.7%) of net sales in the third quarter, up 56.7 percent. Maintenance revenue accounted for 35.7 percent (34.3%) of net sales during the third quarter and grew by 11.8 percent. Consulting revenue represented 30.4 percent (30.2%) of net sales and grew by 8.3 percent.

The international share of Basware's net sales was 54.0 percent (54.3%) in the period. International operations grew by 9.9 percent. The international share of Basware's net sales in third quarter was 55.1 percent (58.0%), up 2.0 percent.

FINANCIAL PERFORMANCE

Basware's operating profit increased by 10.1 percent in the period and totaled EUR 8 550 thousand (EUR 7 767 thousand). Operating profit represented 11.7 percent (11.8%) of net sales. Operating profit decreased by 15.4% in the third quarter and totaled EUR 3 408 thousand (EUR 4 028 thousand). Operating profit in Q3 decreased because the Q3 comparison figure included revenue of EUR 1.9 million, which is a part of one of Basware's largest license deals closed in Q3/2009. In the third quarter, operating profit represented 14.7 percent of net sales.

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The division of operating profit geographically by the location of assets:

| Operating profit (EUR thousand) | 7-9/ 2010 | 7-9/ 2009 | Change, % | 1-9/ 2010 | 1-9/ 2009 | Change, % | 1-12/ 2009 |
|--------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| Finland | 2 238 | 2 546 | -12.1 | 4 946 | 4 690 | 5.5 | 7 714 |
| Scandinavia | 890 | 212 | 319.3 | 2 578 | 2 128 | 21.2 | 3 169 |
| Europe | 419 | 465 | -9.9 | 1 611 | 664 | 142.5 | 1 566 |
| Other | 269 | 1 223 | -78.0 | 640 | 1 258 | -49.1 | 741 |
| Operating profit between segments | -408 | -417 | 2.2 | -1 224 | -972 | -26.0 | -1 365 |
| Group total | 3 408 | 4 028 | -15.4 | 8 550 | 7 767 | 10.1 | 11 824 |

The Company's fixed costs were EUR 56 068 thousand (EUR 50 683 thousand) in the period and have grown by 10.6 percent compared with the same period last year. Personnel costs made up 72.9 percent (73.9%) or EUR 40 846 thousand (EUR 37 453 thousand) of the fixed costs.

Research and development costs totaled EUR 10 797 thousand (EUR 10 934 thousand), of which EUR 1 038 thousand (EUR 1 094 thousand) or 9.6 percent (10.0%) were capitalized during the period. Amortization of capitalized research and development costs totaled EUR 1 399 thousand (EUR 1 195 thousand).

The Company's finance income and finance expenses were EUR -65 thousand (EUR -214 thousand). The Company's profit before tax was EUR 8 486 thousand (EUR 7 553 thousand) and profit for the period was EUR 6 418 thousand (EUR 5 066 thousand). Undiluted earnings per share were EUR 0.56 (EUR 0.45).

FINANCE AND INVESTMENTS

Basware Group's total assets on the balance sheet at the end of the financial period were EUR 87 132 thousand (EUR 84 942 thousand). The Company's cash and liquid assets were EUR 13 719 thousand (EUR 7 567 thousand), of which cash and cash equivalents were EUR 13 685 thousand (EUR 7 535 thousand) and financial assets at fair value through profit or loss were EUR 34 thousand (EUR 32 thousand).

Equity ratio was 71.6 percent (61.9%) and gearing was -16.2 percent (3.2%). The Company had a total of EUR 3 584 thousand (EUR 9 235 thousand) interest-bearing liabilities, of which current liabilities accounted for EUR 3 551 thousand (EUR 5 563 thousand). Return on investment was 17.4 percent (16.4%) and return on equity 14.4 percent (13.3%).

Cash flows from operating activities were EUR 11 368 thousand (EUR 8 540 thousand). Cash flows from investments were EUR -3 098 thousand (EUR -3 550 thousand).

The company's gross capital expenditure, comprising of ordinary additional and replacement investments required by growth, totaled EUR 686 thousand (EUR 334 thousand) during the period. Gross investments, including capitalized R&D expenses and business acquisitions in addition to the above, totaled EUR 3 426 thousand (EUR 7 084 thousand).

Basware Corporation acquired the entire share capital of TAG Services Pty Ltd in Australia on July 1, 2009. The acquisition price was 2.1 million Australian dollars (approximately EUR 1.2 million) and was paid in cash in two parts in July and August 2009. In addition the deal includes an additional acquisition price element that is based on the company's net sales of the period from July 1, 2009 to June 30, 2010. The additional acquisition price 2.0 million Australian dollars (approximately EUR 1.4 million) was paid in August 2010.

Amortizations of intangible assets were EUR 3 413 thousand (EUR 2 772 thousand). There are no indications of impairments of assets.

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RESEARCH, DEVELOPMENT AND NEW PRODUCTS

Basware's research and development costs were 10 797 thousand (EUR 10 934 thousand) in the period and made up 14.8 percent (16.6%) of net sales. Research and development costs decreased by 1.3 percent (1.8%) compared with the same period last year. Of the research and development costs, EUR 1 038 thousand (EUR 1 094 thousand) or 9.6 percent (10.0%) has been capitalized. Amortization of capitalized research and development costs totaled EUR 1 399 thousand (EUR 1 195 thousand).

Altogether 213 (184) people worked in Products at the end of September 2010. The Products unit employs 72 persons in India at the moment.

PERSONNEL

Basware employed 826 (743) people on average in the third quarter and 866 (755) people at the end of the period. The number of personnel grew by 111 persons and by 14.7 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, 52.9 percent (47.0%) of Basware personnel worked outside of Finland and 47.1 percent (53.0%) in Finland.

14.8 percent of the personnel work in sales and marketing, 52.4 in consulting and services, 24.6 percent in Products, and 8.2 percent in administration.

The average age of the employees is 36.0 (36.5) years. Of the employees, 32.8 percent have a Master's degree and 35.1 percent have a Bachelor's degree. Women account for 28.2 percent of employees, men for 71.8 percent.

Geographical distribution of personnel:

| Personnel (employed. on average) | 7-9/ 2010 | 7-9/ 2009 | Change, % | 1-9/ 2010 | 1-9/ 2009 | Change, % | 1-12/ 2009 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| Finland | 547 | 458 | 19.3 | 525 | 452 | 16.1 | 454 |
| Scandinavia | 124 | 135 | -8.4 | 124 | 137 | -8.9 | 135 |
| Europe | 126 | 116 | 8.6 | 124 | 119 | 4.2 | 119 |
| Other | 57 | 46 | 25.5 | 53 | 36 | 48.3 | 39 |
| Group total | 854 | 755 | 13.1 | 826 | 743 | 11.1 | 747 |

BUSINESS OPERATIONS

Finland

The Finland segment includes the business operations in Finland, Russia, Asia-Pacific (excluding Australia) and the head office functions. Net sales for the third quarter increased by 1.4 percent to EUR 11 641 thousand (EUR 11 478 thousand).

Net sales of the Finnish and Russian business operations increased by 14.7 percent during the third quarter to EUR 10 493 thousand (EUR 9 146 thousand).

There are currently 8 resellers in all in the area and the number of personnel averaged 547 (458) during the third quarter.

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Scandinavia

Basware's Nordic organization consists of a centrally directed Scandinavian (Sweden, Denmark and Norway) unit.

Net sales of the Scandinavian business operations increased by 10.9 percent to EUR 4 994 thousand (EUR 4 505 thousand). The profitability of the operations increased by 319.3 percent and operating profit was EUR 890 thousand (EUR 212 thousand).

Business operations are mainly handled by the own organization and there were 124 (135) employees on average in the area.

Europe

Basware's European business operations consist of the units in Germany, France, the Netherlands and the United Kingdom. Additionally, the reseller network covers the eastern part of Central Europe.

Net sales in the Europe segment increased by 16.5 percent in the third quarter and totaled EUR 4 782 thousand (EUR 4 101 thousand). The profitability of the operations improved by 9.9 percent and operating profit was EUR 419 thousand (EUR 465 thousand).

There are 35 resellers in Europe, and Basware personnel averaged 126 (116) during the third quarter.

Other

Business operations in North America and Australia are reported in this segment.

Net sales of the area decreased by -21.9 percent in the third quarter to EUR 3 111 thousand (EUR 3 980 thousand). The profitability of the operations grew by 78.0 percent and operating profit was EUR 269 thousand (EUR 1 223 thousand). Net sales and operating profit in Q3 decreased because the Q3 comparison figure included revenue of EUR 1.9 million, which is a part of one of Basware's largest license deals closed in Q3/2009.

At the end of the period, there were 9 resellers in the segment. On average, there were 57 (46) employees in the area.

OTHER EVENTS OF THE FINANCIAL PERIOD

Basware Board of Directors approved in its meeting on July 8, 2010 the subscription of total of 79 200 shares subscribed for with Basware Warrant Programs. The share subscriptions were based on the Warrant Program 2006 series C warrants (39 000 shares) and Warrant Program 2007 series E warrants (40 200 shares).

Basware announced two notices of changes in ownership when the total number of shares held by Nordea Rahastoyhtiö Suomi was below 5% of Basware Corporation's share capital on July 26, 2010 and above 5% on July 30, 2010.

Strategy

Basware continued to develop its strategy within the Basware Responsive Strategy framework. The company's Board of Directors reviewed the current strategic guidelines during the third quarter. The company's long-term targets remained unchanged. The target is to grow annually more than 10% in License Sales, Maintenance, and Professional Services, and more than 50% in Automation Services. The company's long-term target for operating profit margin is 10%-20%.

Basware has successfully implemented its strategy in all areas despite the challenging market conditions. The strategic changes made in 2009 to develop Automation Services have turned out to be the right ones, and we have

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achieved global delivery capability in Automation Services.

The company will continue and increase its investments in Automation Services, particularly with regard to sales and marketing, targeting the European and North American markets. In addition, new service packages will be developed in Automation Services, and particular attention will be paid to securing and managing global customer accounts. Basware aims to become the world's leading company in e-invoicing.

The geographical strategy remained unchanged. North America is the company's most significant growth market. Basware has succeeded in increasing its net sales in the North American market, and additional investments will be made to continue rapid growth. The most significant strategic European target countries are the United Kingdom, France, and Germany.

The development of the office in India has been one of the most significant internal strategic investments in expanding the operations of the R&D unit and in the e-invoicing validation service. The Indian office will be expanded further by moving also new functions there, which will enable cost-efficient expansion of operations.

The company will continue the regular review and development of its strategy, based on which the company's strategy will be adapted to changing market conditions as required.

SHARE AND SHAREHOLDERS

Basware Corporation's share capital totaled EUR 3 506 677.20 at the end of the period and the number of shares was 11 688 924.

Share price and trade

In the third quarter, the highest price of the share was EUR 20.10 (EUR 11.49), lowest price was EUR 15.00 (EUR 6.60) and closing price was EUR 19.40 (EUR 10.72). The average price of the share was EUR 17.81 (EUR 9.29).

A total of 1 565 754 (1 297 031) shares were traded during the financial period which is the equivalent of 13.7 percent (11.4%) of the average number of shares. Market capitalization with the period's closing price on September 30, 2010 was EUR 225 013 306 (EUR 121 970 273).

Shareholders

Basware had 16 041 (16 668) shareholders on September 30, 2010 including nominee-registered holdings (8). Nominee-registered holdings accounted for 10.4 percent of the total number of shares.

The company holds 90 300 Basware Corporation shares, corresponding to approximately 0.78% of all shares in the company.

Basware Board of Directors approved in its meeting on July 8, 2010 the subscription of total of 79 200 shares subscribed for with Basware Warrant Programs. The share subscriptions were based on the Warrant Program 2006 series C warrants (39 000 shares) and Warrant Program 2007 series E warrants (40 200 shares).

GOVERNANCE

The Annual General Meeting of Shareholders on February 18, 2010, confirmed the number of Board members as six. The Annual General Meeting resolved to agree on the proposal and elected Matti Copeland, Sakari Perttunen, Pentti Heikkinen, Eeva Sipilä, Ilkka Toivola and Hannu Vaajoensuu members of the Board of Directors. In its first meeting held after the Annual General Meeting, the Board of Directors elected Hannu Vaajoensuu as chairman and Sakari Perttunen as vice chairman of the Board.

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.

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The Board was authorized to resolve on share issue and share repurchase.

A separate stock exchange release has been issued on the Board authorizations and other resolutions of the Annual General Meeting of Shareholders on February 18, 2010.

THE COMPANY'S NEAR FUTURE RISKS AND BUSINESS UNCERTAINTIES

In accordance with Basware's risk management policy, 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 its strategy and objectives. These risks are managed and decreased in various ways. Short-term risks are considered to be risks in the current reporting year.

Market forecasts released in March-September 2010 expect the software purchases to increase by 7.5 percent globally and 8.3 percent in the US in 2010.

The IT services market growth is expected to be slightly lower than Q2 estimate, approximately 5 percent globally and 3.5 percent in the US in 2010, turning to 7 percent growth in 2011. However, services market growth in Purchase to Pay business is estimated to grow substantially, 7 percent in 2010 and over 10 percent in 2011.

The global economic uncertainty continues, which might decrease companies' willingness to invest also in the future. This might have an unfavorable impact on the development of the company's net sales and profitability.

Previously in times of economic uncertainty, the demand for the company's products and services has remained more positive than the general market, as the company's software solutions generate cost savings.

Typically, in uncertain economic times companies may also prolong the times of payments in order to free up working capital. Basware has intensified its management of sales receivables, and business management regularly monitors the payment of sales receivables as part of the management of customer accounts.

The Group's main currency is the euro, accounting for approximately 61 percent of net sales in 2009 (approximately 67% in 2008). The significance of exchange rate fluctuations between the euro and other currencies will increase hand in hand with the share of international operations. The company did not realize hedging for exchange rate fluctuations during the financial period as the foreign-currency-denominated cash flow in the subsidiaries did not exceed the set annual foreign-currency-specific limit for hedging measures.

Basware's objective is to become the world's leading company in e-invoicing. E-invoicing and the supporting Scan and Capture services, included in Automation Services, also target suppliers and buyers outside Basware's existing customer base, which increases the customer potential. The company's long-term objective is an annual growth of more than 50 percent in Automation Services. SaaS and e-invoicing are scalable business models with a high business potential. The realization of this growth potential requires a new operating model as well as active and continuous development of competencies because of the strong growth of the number of customers and transaction volumes. These include sales and commissioning as well as customer support and product development.

No significant changes have taken place in Basware's short-term risks and uncertainties during the financial period.

EVENTS AFTER THE FINANCIAL PERIOD

Basware acquired TNT Post's Connectivity operations, which is a part of TNT Post's electronic invoicing operations in the Netherlands. TNT Post's Connectivity operations has over 100 e-invoice customers and the estimated amount of annual transactions is close to 1 million.

The Connectivity e-invoice services of TNT Post's customers will be gradually transferred to Basware's e-invoice service. The transfer is estimated to be completed by the end of 2010. Additionally 2 employees will join Basware in connection with the acquisition.

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FUTURE OUTLOOK

Market forecasts released in March-September 2010 expect the software purchases to increase by 7.5 percent globally and 8.3 percent in the US in 2010.

The IT services market growth is expected to be slightly lower than Q2 estimate, approximately 5 percent globally and 3.5 percent in the US in 2010, turning to 7 percent growth in 2011. However, services market growth in Purchase to Pay business is estimated to grow substantially, 7 percent in 2010 and over 10 percent in 2011.

Basware's direct competitors are primarily locally operating and often smaller companies. In North America in particular, the company also has larger competitors, especially in the field of procurement management. Developers of document management, scanning and workflow systems compete with Basware, particularly with regard to purchase invoice management solutions. Competing solutions also include customized solutions integrated into ERP (*Enterprise Resource Planning*) systems.

The software still offers a competitive edge, thanks to the integrated offering consisting of new added value products and the products. Automation Services will have a positive impact on the competitiveness.

Automation Services increase the long-term predictability and transparency of a company's net sales and profitability. In 2009, revenue from continuous services (including maintenance) accounted for more than 40 percent of the company's total revenue. In order to support the sales of invoice automation solutions, Basware launched a mid-market SaaS (Software as a Service) solution. The solution was launched during the second quarter in North America and will be launched in the Central European market during the last two quarters.

Basware aims to become a leading company in e-invoicing worldwide. E-invoicing and supporting Connectivity Services are targeted to connect suppliers and buyers also outside of Basware's existing software customer base, leading into a higher potential.

The company's long-term target is to grow annually more than 50% in Automation Services. SaaS and e-invoicing are scalable models with a high business potential. A growth investment program of Basware Automation Services (SaaS, Scan and Capture and e-invoicing) has been launched at the beginning of 2010, and it is expected to promote the positive development of operations and order backlog.

The Company's international growth is based on efforts of its own sales and marketing activity as well as the reseller channel. Development of the indirect distribution channel continues in Europe, Russia and Asia. In North America, the focus will be on developing the Company's own sales channel. In Scandinavia, the focus is on profitability, and moderate growth is supported by the Company's expanded product portfolio and the development of the service business. In Finland, the focus is on profitability, and moderate growth will primarily be achieved from the fields of procurement management and services.

Basware has complemented its organic growth with acquisitions. The Company will continue to review possible acquisition targets during 2010. In particular, possible acquisitions will aim at supporting Automation Services.

The Group's number of personnel will increase the most in Automation Services and product development during the year. The number of personnel will increase the most in India, which facilitates growth with a more moderate increase in costs.

Due to the strong first half of the year, additional growth-related investments will be made during the latter half of 2010. The growth investments will particularly focus on the Automation Services business and research and development activities.

Basware expects its net sales for 2010 to develop positively on the level of 2009. Operating profit (EBIT) for 2010 is expected to be from 10 to 15 percent of net sales.

In Espoo, Finland, October 14, 2010

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BASWARE CORPORATION
Board of Directors

For more information, please contact

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Analyst and Press Briefing

Basware arranges today, October 14, 2010 a briefing on the Interim Report for the press and analysts at 11:00 a.m. in Hotel Kämp, Pohjoisesplanadi 29, Helsinki, Finland. During this briefing CEO Ilkka Sihvo and CFO Mika Harjuaho will comment the events and financial performance of the quarter. Welcome.

A conference call for analysts who are not able to attend the briefing will take place on October 14 at 15:00 EET. Please register through IR@basware.com for appropriate information.

Distribution

Helsinki Stock Exchange, Key media
www.basware.com

The Interim Report has been prepared in accordance with the International Financial Reporting Standards (IFRS). As from the beginning of the financial period, the company has adopted certain new or amended IFRS standards and IFRIC interpretations as described in the Financial Statements for 2009. However, the adoption of these new and amended norms have not yet had an effect on the reported figures in practice. In other respects, the same accounting policies have been followed as in the Financial Statements for 2009.

GROUP INCOME STATEMENT

| EUR thousand | 1.7.- 30.9. 2010 | 1.7.- 30.9. 2009 | Change, % | 1.1.- 30.9. 2010 | 1.1.- 30.9. 2009 | Change, % | 1.1.- 31.12. 2009 |
|-------------------------------|------------------------|------------------------|--------------|------------------------|------------------------|--------------|-------------------------|
| NET SALES | 23 202 | 21 609 | 7.4 | 72 946 | 66 054 | 10.4 | 92 654 |
| Other operating income | 43 | 47 | -9.9 | 147 | 129 | 14.2 | 162 |
| Materials and services | -1 593 | -1 395 | 14.2 | -4 635 | -4 557 | 1.7 | -6 193 |
| Employee benefit expenses | -11 959 | -11 113 | 7.6 | -40 846 | -37 453 | 9.1 | -52 294 |
| Depreciation and amortization | -1 294 | -1 106 | 17.0 | -3 839 | -3 176 | 20.9 | -4 456 |
| Other operating expenses | -4 991 | -4 014 | 24.3 | -15 222 | -13 230 | 15.1 | -18 048 |
| Operating profit | 3 408 | 4 028 | -15.4 | 8 550 | 7 767 | 10.1 | 11 824 |
| Finance income | -59 | 32 | -282.2 | 61 | 187 | -67.2 | 172 |
| Finance expenses | 42 | -115 | -136.9 | -126 | -401 | -68.6 | -406 |
| Profit before tax | 3 391 | 3 946 | -14.1 | 8 486 | 7 553 | 12.4 | 11 590 |
| Income tax expense | -697 | -941 | -25.9 | -2 068 | -2 486 | -16.8 | -2 517 |
| PROFIT FOR THE PERIOD | 2 694 | 3 005 | -10.3 | 6 418 | 5 066 | 26.7 | 9 074 |

Other

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comprehensive
income

Exchange
differences

on translating foreign

operations

Income tax relating

to components of
other comprehensive

income

Other
comprehensive

income, net of tax

| | | | | | | |
|------|-----|--------|-----|-------|-------|-------|
| -43 | 620 | -106.9 | 651 | 2 017 | -67.7 | 1 326 |
| -143 | 89 | -259.4 | 324 | 45 | 620.9 | -549 |
| -185 | 709 | -126.2 | 976 | 2 062 | -52.7 | 777 |

**TOTAL
COMPREHENSIVE
INCOME**

| | | | | | | |
|-------|-------|-------|-------|-------|-----|-------|
| 2 509 | 3 714 | -32.4 | 7 394 | 7 128 | 3.7 | 9 850 |
|-------|-------|-------|-------|-------|-----|-------|

Profit attributable

to:

Owners of the

parent

Minority interest

| | | | | | | |
|-------|-------|--------|-------|-------|------|-------|
| 2 694 | 3 055 | -11.8 | 6 418 | 5 066 | 26.7 | 9 074 |
| 0 | -50 | -100.0 | 0 | 0 | 0 | 0 |
| 2 694 | 3 005 | -10.3 | 6 418 | 5 066 | 26.7 | 9 074 |

Total comprehensive
income attributable

to:

Owners of the

parent

Minority interest

| | | | | | | |
|-------|-------|--------|-------|-------|-----|-------|
| 2 509 | 3 763 | -33.3 | 7 394 | 7 128 | 3.7 | 9 850 |
| 0 | -50 | -100.0 | 0 | 0 | 0 | 0 |
| 2 509 | 3 714 | -32.4 | 7 394 | 7 128 | 3.7 | 9 850 |

Earnings per share

(undiluted). EUR

Earnings per share

(diluted). EUR

| | | | | | | |
|------|------|-------|------|------|------|------|
| 0.23 | 0.27 | -12.5 | 0.56 | 0.45 | 26.2 | 0.80 |
| 0.23 | 0.27 | -13.2 | 0.56 | 0.45 | 25.2 | 0.80 |

GROUP BALANCE SHEET

| EUR thousand | 30.9.2010 | 30.9.2009 | Change, % | 31.12.2009 |
|--------------|-----------|-----------|-----------|------------|
|--------------|-----------|-----------|-----------|------------|

ASSETS
NON-CURRENT ASSETS

| | | | | |
|---------------------------------------|---------------|---------------|-------------|---------------|
| Intangible assets | 18 180 | 19 636 | -7.4 | 20 291 |
| Goodwill | 31 977 | 31 283 | 2.2 | 31 119 |
| Tangible assets | 1 048 | 879 | 19.3 | 823 |
| Available-for-sale investments | 38 | 38 | | 38 |
| Long-term trade and other receivables | 23 | 132 | -82.4 | 124 |
| Deferred tax assets | 1 819 | 1 962 | -7.2 | 2 199 |
| Non-current assets | 53 085 | 53 928 | -1.6 | 54 593 |

CURRENT ASSETS

| | | | | |
|-------------|----|----|-------|----|
| Inventories | 15 | 40 | -62.1 | 33 |
|-------------|----|----|-------|----|

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| | | | | |
|---|---------------|---------------|------------|---------------|
| Trade and other receivables | 19 679 | 20 275 | -2.9 | 19 684 |
| Income tax receivables | 634 | 3 132 | -79.8 | 767 |
| Financial assets at fair value through profit or loss | 34 | 32 | 4.4 | 34 |
| Cash and cash equivalents | 13 685 | 7 535 | 81.6 | 12 176 |
| Current assets | 34 047 | 31 014 | 9.8 | 32 694 |
| TOTAL ASSETS | 87 132 | 84 942 | 2.6 | 87 287 |

EQUITY AND LIABILITIES

SHAREHOLDERS' EQUITY

| | | | | |
|---------------------------------------|---------------|---------------|-------------|---------------|
| Share capital | 3 507 | 3 440 | 1.9 | 3 440 |
| Issue of shares | 9 | | 100.0 | 140 |
| Share premium account | 1 187 | 69 | 1 623.1 | 69 |
| Own shares | -629 | -629 | | -629 |
| Fair value reserve and other reserves | 34 795 | 33 598 | 3.6 | 33 598 |
| Translation differences | -2 239 | -3 542 | 36.8 | -3 214 |
| Retained earnings | 25 760 | 19 622 | 31.3 | 23 176 |
| Minority interest | | | | 0 |
| Shareholders' equity | 62 390 | 52 559 | 18.7 | 56 580 |

NON-CURRENT LIABILITIES

| | | | | |
|----------------------------------|--------------|--------------|--------------|--------------|
| Deferred tax liability | 3 806 | 3 852 | -1.2 | 3 997 |
| Interest-bearing liabilities | 33 | 3 672 | -99.1 | 3 674 |
| Non-interest-bearing liabilities | 457 | 242 | 89.0 | 110 |
| Non-current liabilities | 4 296 | 7 766 | -44.7 | 7 782 |

CURRENT LIABILITIES

| | | | | |
|--------------------------------------|---------------|---------------|--------------|---------------|
| Interest-bearing liabilities | 3 551 | 5 563 | -36.2 | 5 555 |
| Trade payables and other liabilities | 16 736 | 18 384 | -9.0 | 17 039 |
| Tax liability from income tax | 160 | 670 | -76.1 | 331 |
| Current liabilities | 20 447 | 24 617 | -16.9 | 22 926 |
| TOTAL EQUITY AND LIABILITIES | 87 132 | 84 942 | 2.6 | 87 287 |

GROUP STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

| EUR thousand | Shareholders' capital | Share issue | Share premium account | Own shares | Inv. non-restr. equity res. | Other res. | Transl diff. | Retained Earnings | Minority Interest | Total |
|----------------------|-----------------------|-------------|-----------------------|------------|-----------------------------|------------|--------------|-------------------|-------------------|--------|
| 1.1.09 | 3 440 | 0 | 69 | -271 | 33 058 | 540 | -3 991 | 15 648 | 224 | 48 717 |
| Comprehensive income | | | | | | | 450 | 6 678 | | 7 128 |
| Dividend distri- | | | | | | | | -2 623 | | -2 623 |

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tribution

| | | | | | | | | | | |
|------------------------------|--------------|----------|-----------|-------------|---------------|------------|---------------|---------------|----------|---------------|
| Granted warrants | | | | | | | | 447 | | 447 |
| Repurchase of own shares | | | | -358 | | | | | | -358 |
| Changes in reporting period | | | | | | | | -528 | -224 | -752 |
| SHARE-HOLDERS' EQUITY | | | | | | | | | | |
| 30.9.09 | 3 440 | 0 | 69 | -629 | 33 058 | 540 | -3 542 | 19 622 | 0 | 52 559 |

EUR thousand

| | | | | | | | | | | |
|------------------------------|--------------|------------|--------------|-------------|---------------|------------|---------------|---------------|----------|---------------|
| SHARE-HOLDERS' EQUITY | | | | | | | | | | |
| 1.1.10 | 3 440 | 140 | 69 | -629 | 33 058 | 540 | -3 214 | 23 176 | 0 | 56 580 |
| Comprehensive income | | | | | | | 976 | 6 418 | | 7 394 |
| Dividend distribution | | | | | | | | -4 100 | | -4 100 |
| Granted warrants | | | | | | | | 159 | | 159 |
| Changes in reporting period | 66 | -131 | 1 118 | | 1 197 | | | -107 | | 2 357 |
| SHARE-HOLDERS' EQUITY | | | | | | | | | | |
| 30.9.10 | 3 507 | 9 | 1 187 | -629 | 34 254 | 540 | -2 239 | 25 760 | 0 | 62 390 |

GROUP CASH FLOW STATEMENT

| EUR thousand | 1.1.– 30.9. 2010 | 1.1.– 30.9.2009 | 1.1.– 31.12.2009 |
|--------------|---------------------|--------------------|---------------------|
|--------------|---------------------|--------------------|---------------------|

Net cash from operating activities

| | | | |
|---|---------------|--------------|---------------|
| Profit for the period | 6 418 | 5 066 | 9 074 |
| Adjustments for profit | 5 971 | 5 877 | 7 832 |
| Working capital changes | 1 150 | 859 | -136 |
| Interest paid | -47 | -183 | -192 |
| Interest received | 40 | 57 | 104 |
| Other financial items in operating activities | -50 | -58 | -30 |
| Income taxes paid | -2 115 | -3 079 | -1 920 |
| Net cash from operating activities | 11 368 | 8 540 | 14 732 |

Cash flows from investing activities

| | | | |
|--|--------|--------|--------|
| Purchase of tangible and intangible assets | -1 668 | -1 447 | -3 135 |
| Proceeds from sale of tangible and intangible assets | | 0 | 1 |
| Acquired subsidiaries | -1 430 | -2 104 | -1 875 |

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| | | | |
|--|---------------|---------------|---------------|
| Net cash used in investing activities | -3 098 | -3 550 | -5 009 |
|--|---------------|---------------|---------------|

| | | | |
|--|---------------|---------------|---------------|
| Cash flows from financing activities | | | |
| Minority's capital investment | 2 381 | | 140 |
| Repayments of short-term loans | -2 000 | | -3 558 |
| Repayments of long-term borrowings | -3 550 | -3 558 | |
| Share repurchase | | -358 | -358 |
| Repayments of financial lease liabilities | | | 0 |
| Dividends paid | -4 100 | -2 623 | -2 623 |
| Net cash used in financing activities | -7 269 | -6 539 | -6 358 |

| | | | |
|---|--------------|---------------|--------------|
| Net change in cash and cash equivalents according to cash flow statement | 1 000 | -1 549 | 3 324 |
|---|--------------|---------------|--------------|

| | | | |
|---|--------|-------|--------|
| Cash and cash equivalents at beginning of period | 12 210 | 8 777 | 8 777 |
| Effects of exchange rate changes on cash and cash equivalents | 508 | 339 | 109 |
| Cash and cash equivalents at end of period | 13 719 | 7 567 | 12 210 |

GROUP QUARTERLY INCOME STATEMENT

| EUR thousand | 1-3/ 2010 | 1-3/ 2009 | 4-6/ 2010 | 4-6/ 2009 | 7-9/ 2010 | 7-9/ 2009 | 10-12/ 2009 |
|-------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| NET SALES | 23 132 | 21 717 | 26 612 | 22 729 | 23 202 | 21 609 | 26 600 |
| Other operating income | 50 | 30 | 55 | 52 | 43 | 47 | 34 |
| Materials and services | -1 288 | -1 552 | -1 754 | -1 611 | -1 593 | -1 395 | -1 636 |
| Employee benefit expenses | -13 703 | -12 896 | -15 184 | -13 444 | -11 959 | -11 113 | -14 841 |
| Depreciation and amortization | -1 236 | -1 004 | -1 309 | -1 067 | -1 294 | -1 106 | -1 280 |
| Other operating expenses | -4 818 | -4 703 | -5 414 | -4 513 | -4 991 | -4 014 | -4 819 |
| Operating profit | 2 136 | 1 592 | 3 006 | 2 146 | 3 408 | 4 028 | 4 058 |
| % | 9.2% | 7.3% | 11.3% | 9.4% | 14.7 % | 18.6% | 15,3 % |
| Finance income | 116 | 124 | 4 | 30 | -59 | 32 | -15 |
| Finance expenses | -111 | 232 | -58 | -54 | 42 | -115 | -5 |
| Profit before tax | 2 142 | 1 484 | 2 953 | 2 122 | 3 391 | 3 946 | 4 038 |
| % | 9.3% | 6.8% | 11.1% | 9.3% | 14.6 % | 18.3% | 15,2 % |
| Income tax expense | -560 | -818 | -811 | -727 | -697 | -941 | -30 |
| PROFIT FOR THE PERIOD | 1 582 | 666 | 2 142 | 1 396 | 2 694 | 3 005 | 4 007 |
| % | 6.8% | 3.1% | 8.0% | 6.1% | 11.6 % | 13.9% | 15,1% |

Changes of ownership

Basware increased its shareholding in Basware Einvoices Oy to 100 percent on January 30, 2009, by acquiring 12.55 percent of the company's shares and control from the company's management. The purchase price paid on the date of the transaction was approximately EUR 720 thousand, and EUR 293 was paid in February 2010 as an additional purchase price based on the business volume for 2009.

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Basware AS purchased the Norwegian invoice automation solution business of Itella Information AS. The purchase price was NOK 6.38 million (approximately EUR 0.72 million) and it was paid in cash on the day the acquisition was completed, April 1, 2009. In addition, in February 2010 Basware paid an additional purchase price of NOK 4 434 thousand (approximately EUR 559 thousand) determined on the basis of the volume of the purchased operations' service sales in 2009.

Basware FIMA Oy was merged to the parent company during the second quarter of 2010.

Basware Corporation acquired the entire share capital of TAG Services Pty Ltd in Australia on July 1, 2009. The acquisition price was 2.1 million Australian dollars (approximately EUR 1.2 million) and was paid in cash in two parts in July and August 2009. In addition the deal includes an additional acquisition price element that is based on the company's net sales of the period from July 1, 2009 to June 30, 2010. The additional acquisition price 2.0 million Australian dollars (approximately EUR 1.4 million) was paid in August 2010.

COMMITMENTS AND CONTINGENT LIABILITIES

| EUR thousand | 30.9.2010 | 30.9.2009 | 31.12.2009 |
|--|---------------|--------------|--------------|
| Own guarantees | | | |
| Business mortgages of own debts | 1 200 | 1 200 | 1 200 |
| Commitments on behalf of subsidiaries and group companies | | | |
| Guarantees | 1 123 | 1 122 | 1 075 |
| Other own guarantees | | | |
| Lease liabilities | | | |
| Current lease liabilities | 859 | 880 | 970 |
| Lease liabilities maturing in 1–5 years | 823 | 800 | 895 |
| Total | 1 682 | 1 680 | 1 865 |
| Other rental liabilities | | | |
| Current rental liabilities | 2 415 | 2 419 | 2 333 |
| Rental liabilities maturing in 1–5 years | 7 862 | 3 309 | 2 924 |
| Rental liabilities maturing later | 0 | 1 140 | 1 071 |
| Total | 10 277 | 6 869 | 6 328 |
| Other own contingent liabilities. total | 11 959 | 8 549 | 8 193 |

SEGMENT REPORTING

Net sales by market area

| Net sales (EUR thousand) | 7–9/ 2010 | 7–9/ 2009 | Change, % | 1–9/ 2010 | 1–9/ 2009 | Change, % | 1–12/ 2009 |
|-----------------------------|---------------|---------------|--------------|---------------|---------------|--------------|---------------|
| Finland | 11 641 | 11 478 | 1.4 | 37 595 | 35 215 | 6.8 | 50 486 |
| Scandinavia | 4 994 | 4 505 | 10.9 | 16 480 | 16 100 | 2.4 | 22 236 |
| Europe | 4 782 | 4 104 | 16.5 | 15 388 | 13 087 | 17.6 | 18 717 |
| Other | 3 111 | 3 980 | -21.9 | 8 203 | 6 303 | 30.1 | 9 201 |
| Sales between segments | -1 326 | -2 459 | 46.1 | -4 720 | -4 652 | -1.5 | -7 985 |
| Group total | 23 202 | 21 609 | 7.4 | 72 946 | 66 054 | 10.4 | 92 654 |

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| Operating profit (EUR thousand) | 7-9/ 2010 | 7-9/ 2009 | Change, % | 1-9/ 2010 | 1-9/ 2009 | Change, % | 1-12/ 2009 |
|--------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| Finland | 2 238 | 2 546 | -12.1 | 4 946 | 4 690 | 5.5 | 7 714 |
| Scandinavia | 890 | 212 | 319.3 | 2 578 | 2 128 | 21.2 | 3 169 |
| Europe | 419 | 465 | -9.9 | 1 611 | 664 | 142.5 | 1 566 |
| Other | 269 | 1 223 | -78.0 | 640 | 1 258 | -49.1 | 741 |
| Operating profit between segments | -408 | -417 | 2.2 | -1 224 | -972 | -26.0 | -1 365 |
| Group total | 3 408 | 4 028 | -15.4 | 8 550 | 7 767 | 10.1 | 11 824 |

| Personnel (employed. On average) | 7-9/ 2010 | 7-9/ 2009 | Change, % | 1-9/ 2010 | 1-9/ 2009 | Change, % | 1-12/ 2009 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| Finland | 547 | 458 | 19.3 | 525 | 452 | 16.1 | 454 |
| Scandinavia | 124 | 135 | -8.4 | 124 | 137 | -8.9 | 135 |
| Europe | 126 | 116 | 8.6 | 124 | 119 | 4.2 | 119 |
| Other | 57 | 46 | 25.5 | 53 | 36 | 48.3 | 39 |
| Group total | 854 | 755 | 13.1 | 826 | 743 | 11.1 | 747 |

Net sales by business

| Net sales (EUR thousand) | 7-9/ 2010 | 7-9/ 2009 | Change, % | 1-9/ 2010 | 1-9/ 2009 | Change, % | 1-12/ 2009 |
|-----------------------------|---------------|---------------|--------------|---------------|---------------|--------------|---------------|
| License Sales | 4 915 | 5 803 | -15.3 | 16 558 | 15 955 | 3.8 | 23 755 |
| Maintenance | 8 277 | 7 405 | 11.8 | 24 522 | 21 843 | 12.3 | 29 757 |
| Professional Services | 7 059 | 6 517 | 8.3 | 23 511 | 22 786 | 3.2 | 31 174 |
| Automation Services | 2 952 | 1 884 | 56.7 | 8 355 | 5 469 | 52.8 | 7 967 |
| Group total | 23 202 | 21 609 | 7.4 | 72 946 | 66 054 | 10.4 | 92 654 |

Net sales by the location of customer:

| Net sales (EUR thousand) | 7-9/ 2010 | 7-9/ 2009 | Change, % | 1-9/ 2010 | 1-9/ 2009 | Change, % | 1-12/ 2009 |
|-----------------------------|---------------|---------------|--------------|---------------|---------------|--------------|---------------|
| Finland | 10 420 | 9 084 | 14.7 | 33 535 | 30 181 | 11.1 | 42 449 |
| Scandinavia | 4 857 | 4 893 | -0.7 | 15 859 | 15 716 | 0.9 | 21 719 |
| Europe | 4 629 | 3 921 | 18.1 | 14 864 | 12 994 | 14.4 | 18 065 |
| Other | 3 295 | 3 711 | -11.2 | 8 688 | 7 163 | 21.3 | 10 421 |
| Group total | 23 202 | 21 609 | 7.4 | 72 946 | 66 054 | 10.4 | 92 654 |

GROUP KEY INDICATORS

| EUR thousand | 1-9/ 2010 | 1-9/ 2009 | 1-9/ 2008 | 1-12/ 2009 |
|---|--------------|--------------|--------------|---------------|
| Net sales | 72 946 | 66 054 | 59 804 | 92 654 |
| Growth of net sales,% | 10.4 % | 10.5% | 19.4% | 7.6% |
| EBITDA | 12 389 | 10 943 | 6 611 | 16 280 |
| % of net sales | 17.0 % | 16.6% | 11.1% | 17.6% |
| Operating profit before IFRS3 amortization | 10 214 | 9 188 | 5 146 | 13 788 |
| % of net sales | 14.0 % | 13.9% | 8.6% | 14.9% |
| Operating profit | 8 550 | 7 767 | 4 557 | 11 824 |
| Growth of operating profit,% | 10.1 % | 70.4% | -18.4% | 36.2% |

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| | | | | |
|--|-------------|-------------|------------|-------------|
| % of net sales | 11.7 % | 11.8% | 7.6% | 12.8% |
| Profit before tax | 8 486 | 7 553 | 4 548 | 11 590 |
| % of net sales | 11.6% | 11.4% | 7.6% | 12.5% |
| Profit for the period | 6 418 | 5 066 | 3 290 | 9 074 |
| % of net sales | 8.8 % | 7.7% | 5.5% | 9.8% |
| Return on equity, % | 14.4 % | 13.3% | 9.2% | 17.2% |
| Return on investment, % | 17.4 % | 17.1% | 11.0% | 18.8% |
| Interest-bearing liabilities | 3 584 | 9 235 | 12 679 | 9 230 |
| Cash and liquid assets *) | 13 719 | 7 567 | 8 680 | 12 210 |
| Gearing, % | -16.2 % | 3.2% | 8.3% | -5.3% |
| Equity ratio, % | 71.6 % | 61.9% | 60.0% | 64.8% |
| Total assets | 87 132 | 84 942 | 80 537 | 87 287 |
| Gross investments **) | 3 426 | 7 084 | 11 262 | 7 448 |
| % of net sales | 4.7 % | 10.7% | 18.8% | 8.0% |
| Capital expenditure | 686 | 334 | 684 | 2 047 |
| % of net sales | 0.9 % | 0.5% | 1.1% | 2.2% |
| Research and development costs | 10 797 | 10 934 | 11 134 | 14 781 |
| % of net sales | 14.8 % | 16.6% | 18.6% | 16.0% |
| R&D personnel at end of period | 213 | 184 | 162 | 195 |
| Personnel on average during the period | 826 | 743 | 675 | 747 |
| Personnel at end of period | 866 | 755 | 686 | 761 |
| Increase in personnel, % | 14.7 % | 10.1% | 8.9% | 4.1% |
| Earnings per share, EUR | 0.56 | 0.45 | 0.28 | 0.80 |
| Earnings per share (diluted), EUR | 0.56 | 0.45 | 0.28 | 0.80 |
| Equity per share, EUR | 5.34 | 4.58 | 4.19 | 4.93 |
| P/E ratio | 34.53 | 24.09 | 24.97 | 18.21 |
| Share price performance | | | | |
| lowest share price | 15.00 | 6.60 | 6.14 | 6.60 |
| highest share price | 20.10 | 11.49 | 10.45 | 14.66 |
| average share price | 17.81 | 9.29 | 7.70 | 10.79 |
| closing share price | 19.40 | 10.72 | 7.00 | 14.52 |
| Market capitalization at end of period | 225 013 306 | 121 970 273 | 80 276 868 | 165 206 004 |
| Number of traded shares | 1 565 754 | 1 297 031 | 1 808 869 | 2 038 565 |
| % of average number of shares | 13.7% | 11.4% | 15.8% | 17.9% |
| Average number of shares | | | | |
| - undiluted | 11 422 987 | 11 383 265 | 11 468 124 | 11 381 905 |
| - diluted | 11 517 522 | 11 383 265 | 11 468 124 | 11 381 905 |

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

**) Includes capitalized R&D costs and acquisitions

Major shareholders, September 30, 2010

| | Shares, pcs | % |
|---------------------|-------------|-----|
| 1. Sihvo, Ilkka | 1 081 800 | 9.3 |
| 2. Eräkangas, Kirsi | 1 001 800 | 8.6 |
| Eräkangas, Kirsi | 691 400 | 5.9 |
| Eräkangas, Lotta | 310 400 | 2.7 |

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| | | | |
|--------------------------------------|--|-------------------|--------------|
| 3. | Ilmarinen Mutual Pension Insurance Company | 994 298 | 8.5 |
| 4. | Vaajoensuu, Hannu | 962 100 | 8.2 |
| | Havacment Oy | 266 500 | 2.3 |
| | Vaajoensuu, Hannu | 528 000 | 4.5 |
| | Vaajoensuu, Matias | 83 800 | 0.7 |
| | Vaajoensuu, Petra | 83 800 | 0.7 |
| 5. | Perttunen, Sakari | 830 400 | 7.1 |
| 6. | Pöllänen, Antti | 586 823 | 5.0 |
| | Launimo, Essi | 100 208 | 0.9 |
| | Pöllänen, Antti | 486 615 | 4.2 |
| 7. | Nordea Nordic Small Cap | 576 033 | 4.9 |
| 8. | Mandatum Life Insurance Company Ltd, | 550 000 | 4.7 |
| 9. | Fondita Nordic Micro Cap Sijoitusrahasto | 300 000 | 2.6 |
| 10. | Kaleva Mutual Insurance Company | 242 690 | 2.1 |
| 11. | Veritas Pension Insurance Company | 226 000 | 1.9 |
| 12. | Perttunen, Meimi | 215 400 | 1.8 |
| 13. | Investment Fund Aktia Capital | 210 863 | 1.8 |
| 14. | Ahonen, Asko | 188 736 | 1.6 |
| 15. | Basware Oyj | 90 300 | 0.8 |
| 16. | Vaajoensuu, Sara | 83 700 | 0.7 |
| 17. | Pavor Oy | 75 052 | 0.6 |
| 18. | Tietoklusteri Oy | 74 600 | 0.6 |
| 19. | Placeringsfonden Gyllenberg Small Firm | 71 968 | 0.6 |
| 20. | Sinkonen, Raija | 70 000 | 0.6 |
| 20 largest shareholders total | | 8 432 563 | 72.1 |
| Nominee registered shares | | 1 216 000 | 10.4 |
| Others | | 2 040 361 | 17.5 |
| Total | | 11 688 924 | 100.0 |