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BASWARE INTERIM REPORT JANUARY 1 – JUNE 30, 2011 (IFRS)

SUMMARY

January-June H1/2011: **Growth in transaction volumes and SaaS deals accelerate Automation services**

- Net sales EUR 53 338 thousand (EUR 49 743 thousand) – growth 7.2 percent
- Operating profit EUR 5 788 thousand (EUR 5 143 thousand) – growth 12.6 percent
- Operating profit 10.9 percent of net sales (10.3%)
- Growth of Automation Services (SaaS and e-invoicing) 43.4 percent
- Recurring revenue (including Maintenance and Automation Services) 47.9% (43.5%) of net sales
- Cash flow from operating activities EUR 15 800 thousand (EUR 12 423 thousand)
- Earnings per share (diluted) EUR 0.35 (0.32) – growth 9.5 percent

April-June Q2/2011

- Net sales EUR 27 280 thousand (EUR 26 612 thousand) – growth 2.5 percent
- Operating profit EUR 2 832 thousand (EUR 3 006 thousand) – decrease 5.8 percent
- Operating profit 10.4 percent of net sales (11.3%)
- Growth of Automation Services (SaaS and e-invoicing) 38.8 percent
- The estimated revenue to be recognized for current Automation Services agreements in production in the next twelve months is EUR 16.1 million, growth from previous quarter 1.4 percent
- Recurring revenue (including Maintenance and Automation Services) 47.6% (41.5%) of net sales
- Earnings per share (diluted) EUR 0.17 (0.19) – decrease 9.0 percent

Basware expects, as earlier estimated, its net sales for 2011 to grow over 10 percent from the previous year. Operating profit (EBIT) for 2011 is expected to be over 13 percent of net sales

The interim report is unaudited.

GROUP KEY FIGURES

EUR thousand	4-6/ 2011	4-6/ 2010	Change, %	1-6/ 2011	1-6/ 2010	Change, %	1-12/ 2010
Net sales	27 280	26 612	2.5	53 338	49 743	7.2	103 094
EBITDA	4 111	4 315	-4.7	8 305	7 688	8.0	18 604
Operating profit before IFRS3 amortization	3 333	3 566	-6.5	6 791	6 258	8.5	15 691
Operating profit	2 832	3 006	-5.8	5 788	5 143	12.6	13 487
% of net sales	10.4%	11.3%		10.9%	10.3%		13.1%
Profit before tax	2 904	2 953	-1.7	5 834	5 095	14.5	13 325
Profit for the period	2 162	2 142	0.9	4 430	3 724	19.0	10 331
Return on equity, %	9.3%	14.7%		11.0%	12.8%		16.7%
Return on investment, %	12.5%	18.9%		14.3%	16.0%		20.1%
Liquid assets *)	47 661	18 554	156.9	47 661	18 554	156.9	13 822
Gearing, %	-48.1%	-21.8%		-48.1%	-21.8%		-15.3%
Equity ratio, %	75.1%	62.3%		75.1%	62.3%		73.3%
Earnings per share, EUR	0.17	0.19	-9.7	0.35	0.33	8.7	0.90
Earnings per share (diluted), EUR	0.17	0.19	-9.0	0.35	0.32	9.5	0.89
Equity per share, EUR	7.27	5.16	40.9	7.27	5.16	40.9	5.78

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

REPORTING

Basware's reporting segment is based upon geography as follows: Finland, Scandinavia, Europe and Other. The Finland segment includes the Finnish, Russian, Asia-Pacific (excluding Australia) business operations and corporate services. The Other segment includes North America and Australia.

In addition, the company reports revenue from products and services as follows: License Sales, Professional Services, Maintenance and Automation Services. License Sales consist of the Purchase to Pay (P2P) product suite and financial management and payment automation solutions that are only marketed in Finland. Automation Services include paper invoice scanning services, exchange of purchase catalogues and purchase messages, e-invoicing, activation service, and Software as a Service (SaaS) services.

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

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

"The transaction volume delivered by the Automation Services business and start-up fees for services continued to develop favorably, increasing by 80.5 percent during the second quarter. In addition, sales of SaaS services reached a record high number, although this will have a positive impact on the development of Automation Services net sales only in the future. On the whole, Automation Services grew 38.8 percent during the second quarter.

During the second quarter, our net sales increased by 2.5 percent to EUR 27.3 million, and our operating profit decreased by 5.8 percent to EUR 2.8 million. Automation Services, Professional Services, and Maintenance developed as expected during the quarter. License sales fell short of the previous year, with some of the deals transferred to the SaaS order book and updates of SEPA payment software decreasing sharply.

The shift in the demand from license sales to Software as a Service (SaaS) solutions has grown stronger during 2011. This will support the long-term growth target of 50% in Automation Services. SaaS agreements typically span several years, and they are reported as recurring revenue in Automation Services. The cumulative net sales generated by SaaS solutions exceed the net sales of conventional software sales, Maintenance and Professional Services typically as early as the end of the second year after installation, and therefore are positive in the long term.

The net sales for the first two quarters rose to EUR 53.3 million, up 7.2 percent. The operating profit for the first half of the year increased by 12.6 percent to EUR 5.8 million. During the first two quarters, recurring revenue (including Maintenance and Automation Services) already accounted for 47.9 percent of the company's total net sales.

Basware's M&A function, strengthened as from the beginning of 2011, has actively analyzed targets for acquisitions, especially in the European e-invoicing market.

The company has the prerequisites for meeting its full-year growth and profitability objectives. Basware software still offer a competitive edge, thanks to the integrated offering consisting of new added value products, services and products. Typically, the latter half of the year generates a higher share of the company's net sales, while the costs for the second half of the year are expected to grow only at a moderate rate from the current level."

Market outlook and operating environment

Market forecasts updated between September 2010 and June 2011 expect software purchases to increase by 9.0 percent globally and 8.6 percent in the U.S. in 2011. The entire IT services market is expected to grow by 7.3 percent globally and by 7.4 percent in the U.S. in 2011.

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The number of acquisitions and partnerships has increased in the market. Companies active in the market are trying to strengthen their supplier networks and expand geographically. Consolidation is expected to continue in the business environment, with the role of services growing in companies' portfolios.

Basware software still offer a competitive edge, thanks to the integrated offering consisting of new added value products, services and products. The next generation of solutions will improve the company's competitiveness in the long term. Automation Services will have a positive impact on the competitiveness, improving the predictability and transparency of the company's net sales and profitability in the long term.

Basware aims to become a leading company in e-invoicing worldwide. E-invoicing and the 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 penetration rate of e-invoicing is low, which creates a solid foundation for the future growth of Basware Automation Services.

In order to consolidate international growth further, Basware is increasing the focus on acquisitions in its strategy and organization. The company has been active in mergers and acquisitions and is now further strengthening the activity by establishing a new executive team-level M&A function.

The role of offshoring operations will continue to grow in the company's strategy. R&D and Automation Services operations at Basware's Indian office have already succeeded in gaining a significant role. The company is surveying the development of offshoring in order to improve profitability also with regard to new service business operations and internal support functions. The company is also investigating the possibility of new geographical regions in expanding offshoring.

NET SALES

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

Net sales (EUR thousand)	4-6/ 2011	4-6/ 2010	Change, %	1-6/ 2011	1-6/ 2010	Change, %	1-12/ 2010
Finland	14 924	13 763	8.4	28 580	25 953	10.1	53 606
Scandinavia	6 241	6 232	0.1	12 337	11 486	7.4	24 188
Europe	5 097	5 538	-8.0	10 615	10 606	0.1	21 347
Other	3 235	2 719	19.0	5 846	5 092	14.8	12 101
Sales between segments	-2 217	-1 640	35.2	-4 040	-3 394	19.0	-8 149
Group total	27 280	26 612	2.5	53 338	49 743	7.2	103 094

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

Net sales (EUR thousand)	4-6/ 2011	4-6/ 2010	Change, %	1-6/ 2011	1-6/ 2010	Change, %	1-12/ 2010
Finland	12 975	12 419	4.5	24 831	23 114	7.4	46 550
Scandinavia	6 048	6 007	0.7	12 132	11 001	10.3	23 346
Europe	4 862	5 320	-8.6	10 118	10 235	-1.1	20 249
Other	3 395	2 866	18.5	6 257	5 393	16.0	12 949
Group total	27 280	26 612	2.5	53 338	49 743	7.2	103 094

Basware Group's net sales for the first two quarters increased by 7.2 percent to EUR 53 338 thousand (EUR 49 743 thousand). The growth in comparable currencies was 6.4 percent. During the second quarter, net sales increased by 2.5 percent to EUR 27 280 (EUR 26 612). The growth in comparable currencies was 2.7 percent.

The Company's license sales decreased by 11.6 percent during the period, accounting for 19.3 percent (23.4%) of net sales. Maintenance revenue increased by 9.7 percent and accounted for 33.4 percent (32.7%) of net sales. Professional Services revenue increased by 6.3 percent and accounted for 32.8 percent (33.1%) of net sales.

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Basware's Purchase-to-Pay (P2P) license sales remained on a par with the corresponding time the previous year in spite of the gradual shift of demand to SaaS solutions. With regard to license sales, sales of payment solutions related to SEPA updates decreased by 59.3 percent, with a majority of the customers having already implemented their SEPA updates earlier. Sales of third-party scanning software decreased by 50.1 percent as outsourced Scan and Capture service, reported as recurring revenue in Automation Services, was sold to the customers in accordance with the strategy.

During the period, Automation Services increased by 43.4 percent and accounted for 14.5 percent (10.9%) of net sales. The transaction volume processed by the Automation Services business was EUR 9.4 million during the reporting period (growth of 53.9 percent). The estimated revenue to be recognized for current Automation Services agreements in production in the next twelve months is EUR 16.1 million (growth of 1.4 percent from the estimate made at the end of last quarter).

In April-June, License sales accounted for 20.1 percent (26.3%) of net sales, down 21.8 percent. Sales of payment solutions related to SEPA updates decreased by 64.5 percent, with a majority of customers having implemented the SEPA update already earlier. Sales of third-party scanning software decreased by 75.2 percent.

Sales of Automation Services for the second quarter accounted for 14.8 percent (10.9%) of net sales, up 38.8 percent. The transaction volumes processed by the Automation Services business and service start-up fees continued their favorable development, growing 80.5 percent during the second quarter. Maintenance revenue accounted for 32.8 percent (30.6%) of net sales in the second quarter, up 10.0 percent. Professional Services revenue accounted for 32.4 percent (32.2%) of net sales, up 2.9 percent.

The international share of Basware's net sales was 53.4 percent (53.5 %) in the period. International operations grew by 7.0 percent.

FINANCIAL PERFORMANCE

Basware's operating profit for the period increased by 12.6 percent to EUR 5 788 thousand (EUR 5 143 thousand). Operating profit represented 10.9 percent (10.3%) of net sales.

Operating profit for the second quarter decreased by 5.8 percent to EUR 2 832 thousand (EUR 3 006 thousand). Operating profit represented 10.4 percent (11.3%) of net sales.

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

Operating profit (EUR thousand)	4-6/ 2011	4-6/ 2010	Change, %	1-6/ 2011	1-6/ 2010	Change, %	1-12/ 2010
Finland	1 752	1 616	8.4	3 533	2 709	30.4	7 703
Scandinavia	1 073	926	15.8	2 194	1 688	30.0	4 136
Europe	285	683	-58.2	805	1 191	-32.4	2 354
Other	136	191	-29.1	81	370	-78.0	924
Operating profit between segments	-413	-410	0.7	-826	-816	1.2	-1 629
Group total	2 832	3 006	-5.8	5 788	5 143	12.6	13 487

The Company's fixed costs were EUR 41 440 thousand (EUR 39 118 thousand) in the period, up 5.9 percent on the corresponding period the previous year. Personnel costs made up 74.2 percent (73.8%) or EUR 30 742 thousand (EUR 28 887 thousand) of the fixed costs. Bad debt and bad debt reservations are included in fixed

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costs. Bad debt reservations at the end of the period amounted to EUR 970 thousand (EUR 728 thousand) on the balance sheet.

The research and development expenses amounted to EUR 7 970 thousand (EUR 7 836 thousand), or 14.9 percent (15.8%) of net sales. Research and development expenses increased by 1.7 percent compared with the same period last year. Research and development expenses capitalized during the period amounted to EUR 1 819 thousand (EUR 641 thousand). Basware's research and development costs for the period totaled EUR 6 151 thousand (EUR 7 195 thousand), or 11.5 percent (14.5%) of net sales.

The Company's finance income and finance expenses were 45 thousand (EUR -48 thousand). Profit before tax was EUR 5 834 thousand (EUR 5 095 thousand) and profit for the period was EUR 4 430 thousand (EUR 3 724 thousand) or 8.3 percent (7.5%) of net sales. Taxes for the period amounted to EUR 1 404 thousand (EUR 1 371 thousand). Undiluted earnings per share were EUR 0.35 (EUR 0.33).

FINANCE AND INVESTMENTS

Basware Group's total assets on the balance sheet at the end of the period were EUR 125 200 thousand (EUR 96 171 thousand). The Company's cash and liquid assets were EUR 47 661 thousand (EUR 18 554 thousand), of which cash and cash equivalents were EUR 32 569 thousand (EUR 18 520 thousand) and financial assets at fair value through profit or loss were EUR 15 093 thousand (EUR 34 thousand). Excess cash assets have been invested in a short-term money market fund and fixed-term deposits in the short term.

Equity ratio was 75.1 percent (62.3%) and gearing was -48.1 percent (-21.8%). The Company's interest-bearing liabilities totaled EUR 2 462 thousand (EUR 5 507 thousand), of which current liabilities accounted for EUR 1 862 thousand (EUR 3 551 thousand). Return on investment was 14.3 percent (16.0%) and return on equity 11.0 percent (12.8%).

Cash flows from operating activities were EUR 15 800 thousand (EUR 12 423 thousand). Cash flows from investments were EUR -2 585 thousand (EUR -970 thousand).

The Company's capital expenditure, resulting from regular additional and replacement investments required for growth, was EUR 1 297 thousand (341 thousand) in the period. Gross investments which include - in addition to those mentioned above - capitalized research and development expenses totaled EUR 3 116 thousand (EUR 1 264 thousand).

Amortization of intangible assets totaled EUR 2 217 thousand (EUR 2 267 thousand). There are no indications of impairments of assets.

The amount of invested non-restricted equity increased by EUR 27.3 million as the result of a share issue when Basware issued 1 170 000 new shares in the company to selected Finnish and international institutional investors. The new 1 170 000 shares were registered with the Finnish Trade Register on February 16, 2011. Following the registration the number of issued and outstanding shares of the Company is 12 890 829. Public trading in the shares on NASDAQ OMX Helsinki Ltd. commenced on February 17, 2011 together with existing shares. Basware Board of Directors approved in its meeting on April 12, 2011 the subscription of a total of 40 400 shares subscribed for with Basware Warrant Programs. After the subscriptions the total amount of shares is 12 931 229.

RESEARCH, DEVELOPMENT AND NEW PRODUCTS

The research and development expenses amounted to EUR 7 970 thousand (EUR 7 836 thousand), or 14.9 percent (15.8%) of net sales. Research and development expenses increased by 1.7 percent compared with the same period last year. Research and development expenses capitalized during the period amounted to EUR 1 819 thousand (EUR 641 thousand). Basware's research and development costs for the period totaled EUR 6 151 thousand (EUR 7 195 thousand), or 11.5 percent (14.5%) of net sales.

The development of the next generation software had an effect on the amount of capitalized research and development costs.

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Basware is launching a new e-invoice service for invoices to consumers in the Finnish market, enabling organizations to send their sales invoices to consumer customers as e-invoices. The invoicing party can submit all sales invoices to Basware electronically. Basware routes the invoices to the recipients in the format of their choice, either as an e-invoice in a corporate customer's purchase invoice processing system, e-invoice to a consumer customer's online bank or traditional paper invoice. The service has been developed in cooperation with Nordea.

Basware is launching InvoiceOut™, an outsourced service for the accounts payable process. With the service, companies are able to outsource their daily invoice processing routines, minimize the costs of processing invoices while also improving the efficiency and quality of their invoice processing processes.

The InvoiceOut™ service package integrates purchase invoice processing, software maintenance, outsourced scan and capture service, e-invoices and invoice data content validation. InvoiceOut™ includes the maintenance of invoice automation software in an SaaS service environment, ensuring a scalable and cost-efficient operating environment that meets the company's needs.

Basware has launched new Catalog Management services. The integrated solution offers comprehensive electronic product catalog services via Basware's open network, making the cooperation between purchasing and suppliers more efficient. Basware Catalog Management services include a tool for creating and managing catalogs, targeting both buyers and suppliers, supplier activation services for connecting strategic suppliers, and the benefits of an open network. The solutions are used worldwide, and also suppliers from outside of Finland can be integrated into them.

A total of 292 (200) people worked in Products at the end of June 2011. Number of R&D personnel is not expected to grow significantly from current level during the present fiscal year.

PERSONNEL

Basware employed 1 005 (812) people on average during the second quarter and 1 064 (833) at the end of the period. The number of personnel increased by 231 persons and by 27.7 percent compared with the same period the previous year. The increase in the number of personnel is mainly due to an increase in the number of employees in the Indian unit. The staff in India are included in the reporting for the Finland segment as part of the head office functions.

The share of personnel working in foreign units has increased compared with the previous year. At the end of the period, 56.8 percent (51.1%) of Basware personnel worked outside of Finland and 43.2 percent (48.9%) in Finland. 12.2 percent of the personnel work in sales and marketing, 52.4 percent in consulting and services, 27.4 percent in Products, and 8.0 percent in administration.

The average age of employees is 34.5 (35.8) years. Of the employees, 31.3 percent have a Master's degree and 33.7 percent have a Bachelor's degree. Women account for 33.3 percent of employees, men for 66.7 percent. For incentive purposes, the company has a bonus program that covers all employees.

The short-term remuneration of the top management consists of salary, fringe benefits and a possible annual bonus based on performance. Long-term remuneration of the top management consists of a share-based incentive scheme. The bonus based on performance is no more than 50 percent of annual basic salary. The bonus is determined on the basis of the attainment of goals supporting to the company's growth and profitability according to its strategy, and personal objectives. The Board of Directors monitors the fulfillment of the performance and result criteria of the incentive scheme twice a year and approves the bonus to be paid.

The possible reward of the share-based incentive scheme for the vesting period 2009–2011 is based on Basware Corporation's earnings per share (EPS). The bonus of the share-based incentive scheme is paid two years after the end of the vesting period, and therefore no other restrictions are associated with the ownership of the shares received.

Geographical distribution of personnel:

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Personnel (employed, on average)	4–6/ 2011	4–6/ 2010	Change, %	1–6/ 2011	1–6/ 2010	Change, %	1–12/ 2010
Finland	727	526	38.2	683	514	33.1	539
Scandinavia	119	123	-3.5	119	125	-4.4	124
Europe	142	124	14.2	139	123	12.9	126
Other	63	54	16.8	63	51	24.0	55
Group total	1 050	827	27.0	1 005	812	23.7	845

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 period increased by 10.1 percent to EUR 28 580 thousand (EUR 25 953 thousand). The profitability of the segment increased by 30.4 percent and its operating profit was EUR 3 533 thousand (EUR 2 709 thousand). During the period net sales of the Finnish and Russian operations increased by 8.1 percent to EUR 25 234 thousand (EUR 23 341 thousand).

Net sales for the second quarter increased by 8.4 percent to EUR 14 924 thousand (EUR 13 763 thousand). The profitability of the segment increased by 8.4 percent and operating profit was EUR 1 752 thousand (EUR 1 616 thousand). In the second quarter net sales of the Finnish and Russian operations increased by 4.8 percent to EUR 13 083 thousand (EUR 12 489 thousand).

In particular, the growth of net sales was boosted by growth in Automation Services.

A decrease in the amount of research and development costs included in the result for the period contributed to the improvement of profitability, which was due to an increase in the share of capitalized product development projects. The development of the next generation of software had an effect on the amount of capitalized research and development costs.

The number of personnel averaged 638 (514) during the second quarter.

Scandinavia

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

During the period net sales in Scandinavia increased by 7.4 percent to EUR 12 337 thousand (EUR 11 486 thousand). In local currency terms, net sales in the area increased by 3.5 percent. The profitability of the operations has improved by 30.0 percent and operating profit was EUR 2 194 thousand (EUR 1 688 thousand).

In the second quarter net sales in Scandinavia increased by 0.1 percent to EUR 6 241 thousand (EUR 6 232 thousand). In local currency terms, net sales in the area decreased by 2.4 percent. The profitability of the operations has improved by 15.8 percent and operating profit was EUR 1 073 thousand (EUR 926 thousand).

Maintenance grew at the fastest rate during the second quarter.

There were 119 (125) 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.

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During the period net sales in the Europe segment increased by 0.1 percent to EUR 10 615 thousand (EUR 10 606 thousand). In local currency terms, net sales were at the same level as last year. The profitability of the operations decreased by 32.4 percent and operating profit was EUR 805 thousand (EUR 1 191 thousand).

In the second quarter net sales in the Europe segment decreased by 8.0 percent to EUR 5 097 thousand (EUR 5 538 thousand). In local currency terms, net sales in the area decreased by 7.0 percent. The profitability of the operations decreased by 58.2 percent and operating profit was EUR 285 thousand (EUR 683 thousand).

Automation Services showed strong growth during the second quarter.

Basware personnel averaged 139 (123) during the period.

Other

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

During the period net sales of the area increased by 14.8 percent to EUR 5 846 thousand (EUR 5 092 thousand). In local currency terms, the growth was 15.9 percent. The profitability of the operations has decreased by 78.0 percent and operating profit was EUR 81 thousand (EUR 370 thousand).

In the second quarter net sales of the area increased by 19.0 percent to EUR 3 235 thousand (EUR 2 719 thousand). In local currency terms, the growth was 26.0 percent. The profitability of the operations has decreased by 29.1 percent and operating profit was EUR 136 thousand (EUR 191 thousand).

In particular, the growth of Maintenance and Professional Services had an impact on the growth of net sales in the area.

On average, there were 63 (51) employees in the area.

OTHER EVENTS OF THE PERIOD

Strategy

Basware's Board of Directors and company management have adjusted the company's strategy and goals for the next 4-year period and the company focuses on strong international growth. In order to support international growth, Basware organized a directed share issue to institutional investors during the first quarter of the year. In order to consolidate international growth further, Basware is increasing the focus on acquisitions in its strategy and organization. The company has been active in mergers and acquisitions and strengthened the activity further by establishing a new executive team-level M&A function.

The company aims to be the leading e-invoice company worldwide. Acquisitions will support the growth of the e-invoicing service. Its annual volume in 2010 amounted to 13.6 million transactions. The e-invoicing market is growing strongly, and Basware aims to reach the 100 million invoice mark by 2014.

In order to support international growth, Basware is developing its organizational structure into stronger geographical regions. The country-specific organizations will be merged into regional structures. According to Basware's view, the significance of the service concept will continue its solid growth in the future as well, which is the reason for marketing the company's next-generation product concept strongly also as services. Basware has adjusted its pricing model to be very flexible according to customer needs. From now on, software solutions will be available to customers with one-time license fee, monthly subscription, and according to the SaaS model.

The role of offshoring operations will continue to grow in the company's strategy. R&D and Automation Services operations at Basware's Indian office have already succeeded in gaining a significant role. The company is surveying the development of offshoring in order to improve profitability also with regard to new service business

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operations and internal support functions. The company is also investigating the possibility of new geographical regions in expanding offshoring.

Basware's long-term objectives were specified further. The new strategic guidelines facilitate strong international growth and positive development of operating profit margin. The long-term target is to grow annually 15-30 percent in net sales and more than 50 percent in Automation Services. The company's long-term target for operating profit margin is 15-20 percent, improving towards the end of the period.

A separate stock exchange release about the strategy update has been issued on January 25, 2011.

SHARE AND SHAREHOLDERS

Basware Corporation's share capital totaled EUR 3 528 368.70 at the end of the period and the number of shares was 12 931 229.

A separate stock exchange release has been issued on the Board authorizations and other resolutions of the Annual General Meeting of Shareholders on February 17, 2011.

Share price and trade

During the reporting period, the highest price of the share was EUR 27.90 (EUR 19.60), the lowest was EUR 23.02 (EUR 15.00) and the closing price was EUR 27.85 (EUR 17.50). The average price of the share was EUR 25.76 (EUR 17.66) during the period.

A total of 3 326 886 (1 385 665) shares were traded during the period, equivalent to 26.6 percent (12.2%) of the average number of shares. Market capitalization with the period's closing price on June 30, 2011 was EUR 357 619 873 (EUR 201 589 920).

Shareholders

Basware had 15 332 (16 170) shareholders on June 30, 2011 including nominee-registered holdings (8). Nominee-registered holdings accounted for 11.7 (10.3) percent of the total number of shares.

The company holds 90 300 Basware Corporation shares, corresponding to approximately 0.70% of all shares in the company.

Basware Board of Directors approved in its meeting on April 12, 2011 the subscription of a total of 40 400 shares subscribed for with Basware Warrant Programs. The share subscriptions were based on the Warrant Program 2006 series C (19 400 shares) and on the Warrant Program 2007 series E (21 000 shares). The last subscription date for Basware Warrant Programs was March 31, 2011.

Basware announced notification of change in ownership when the total number of shares held by Nordea Rahastoyhtiö Suomi Oy fell below 5% of Basware Corporation's share capital on March 24, 2011. This notification was given to Basware Corporation's information on April 11, 2011.

Basware announced notification of change in ownership when the total number of shares held by Ilmarinen Mutual Pension Insurance Company's represented over 10% of Basware Corporation's share capital and voting rights on June 7, 2011.

Share holdings of the Executive Team and Board of Directors members

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According to the share register maintained by Euroclear Finland Ltd, CEO Ilkka Sihvo held 877 300 shares in Basware Corporation, Matti Copeland 2 771 shares, Esa Tihilä 500 shares and Olli Hyppänen 8 490 shares on June 30, 2011. Other members of the Executive Team did not hold shares in Basware Corporation.

According to the share register maintained by Euroclear Finland Ltd, Hannu Vaajoensuu held 673 800, Pentti Heikkinen 2 049, Ilkka Toivola 2 790, Sakari Perttunen 665 900 and Eeva Sipilä 1 033 shares in Basware Corporation on March 31, 2011.

GOVERNANCE

The Annual General Meeting of Shareholders on February 17, 2011, confirmed the number of Board members as five. The Annual General Meeting resolved to agree on the proposal to elect 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 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 Annual General Meeting decided to authorize the Board of Directors to decide on the repurchase of the company's own shares and issuing new shares as well as granting warrants and other special rights authorizing to subscribe for shares.

A separate stock exchange release has been issued on the Board authorizations and other resolutions of the Annual General Meeting of Shareholders on February 17, 2011.

Basware issued a Corporate Governance Statement in accordance with Recommendation 51 of the new Corporate Governance Code and Chapter 2, Section 6 of the Finnish Securities Market Act. The Corporate Governance Statement was issued separately from the company's annual report.

The Corporate Governance Statement can be read at:

http://www.basware.com/Investors/corporate_governance/Pages/default.aspx

Members of the Executive Team as of January 1, 2011 are Ilkka Sihvo (CEO), Matti Copeland (Senior Vice President, M&A, IR), Mika Harjuaho (CFO), Mari Heusala (Vice President, HR&Dev), Olli Hyppänen (Senior Vice President, Strategy and Global Operations), Jorma Kemppainen (Senior Vice President, Products), Pekka Lindfors, (Senior Vice President, NorthEast), Steve Muddiman (Senior Vice President, Global Marketing), Matti Rusi (Senior Vice President, Europe), Ari Salonen (General Manager, North America), Esa Tihilä (Senior Vice President, Automation Services), and Jukka Virkkunen (Senior Vice President, Scandinavia).

SHORT-TERM RISKS AND UNCERTAINTY FACTORS

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 updated between September 2010 and June 2011 expect the software market to grow by 9.0 percent globally and 8.6 percent in the U.S. in 2011. The entire IT services market is expected to grow by 7.3 percent globally and by 7.4 percent in the U.S. in 2011. The penetration rate of e-invoicing outside Scandinavia is low, which creates a solid foundation for the future growth of Basware.

Basware software still offer a competitive edge, thanks to the integrated offering consisting of new added value products, services and products. The conversion of demand from license sales to SaaS solutions strengthened during the second quarter of 2011. If this trend continues in a similar way, this might have a negative effect on the

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growth of net sales during the current fiscal year. The shift of demand from license sales to SaaS solutions provided as a service will support the long-term growth objective of 50% in the Automation Services business. SaaS agreements typically span several years, and they are reported as recurring revenue under Automation Services.

In other respects, no changes have taken place in the company's short-term risks and uncertainties.

EVENTS AFTER THE REPORTING PERIOD

There are no events after the reporting period to report.

FUTURE OUTLOOK

Operating environment and market outlook

Market forecasts updated between September 2010 and June 2011 expect software purchases to increase by 9.0 percent globally and 8.6 percent in the U.S. in 2011. The entire IT services market is expected to grow by 7.3 percent globally and by 7.4 percent in the U.S. in 2011. The penetration rate of e-invoicing outside Scandinavia is low which creates a solid foundation for the future growth of Basware.

The number of acquisitions and partnerships has increased on the markets. Companies active on the markets are trying to strengthen the supplier network and expand geographically through acquisitions and partnerships. Consolidation is expected to continue in the business environment, with the role of services growing in companies' portfolios.

Basware's direct competitors are primarily locally operating and often smaller companies. In North America in particular, the company has also larger competitors, especially in the field of procurement management. Developers of document management, scanning and recycling 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.

Basware software still offer a competitive edge, thanks to the integrated offering consisting of new added value products and the products. Next generation solutions will improve the company's competitiveness in the long run. Automation services will have a positive effect on competitiveness and bring more predictability and transparency over Basware's revenue stream and profitability development. Recurring revenue (maintenance and Automation services) accounted for close to 50 percent of the company's total net sales in the first quarter of 2011. Basware estimates that the profit generated by Automation Services will increase significantly during the next strategy period.

Basware aims to become a leading company in e-invoicing worldwide. E-invoicing and the 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 penetration rate of e-invoicing is low which creates a solid foundation for the future growth of Basware. The company's long-term target is to grow annually more than 50% in Automation Services. SaaS, Connectivity Services and e-invoicing are scalable business models with a high business potential.

The company's international growth is based on efforts of its own sales and marketing activity as well as the reseller channel. In North America, the focus will be on developing the company's own sales channel and strategic partnerships. Development of own sales channel and profitable growth continues in Europe. 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.

In order to consolidate international growth further, Basware increased the focus on acquisitions in its strategy and organization. The company has been active in mergers and acquisitions and is now further strengthening the

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activity by establishing a new executive team-level M&A function. In particular, possible acquisitions will aim at supporting Automation Services and expanding the Company's distribution channel in international markets.

The role of off-shoring operations will continue to grow in the company's strategy. R&D and Automation Services operations at Basware's Indian office have already succeeded in gaining a significant role. The company is surveying the development of off-shoring in order to improve profitability also with regard to new service business operations and internal support functions. The company is also investigating the possibility of new geographical regions in expanding off-shoring.

The Group's number of personnel will increase the most in Automation Services. Number of R&D personnel is not expected to grow significantly from current level during the current fiscal year. The number of personnel will increase the most in India, which facilitates growth with a more moderate increase in costs.

The conversion of demand from license sales to SaaS solutions strengthened during the second quarter of 2011. If this trend continues in a similar way, this might have a negative effect on the growth of net sales during the current fiscal year. The shift of demand from license sales to SaaS solutions provided as a service will support the long-term growth objective of 50% in the Automation Services business. The cumulative net sales generated by SaaS solutions typically exceed the net sales from traditional software sales, Maintenance and Professional Services as early as the end of the second year after installation, and therefore the long-term effect is positive.

During the period sales of Basware Purchase to Pay (P2P) solutions stayed at the same level as during the corresponding period in the previous year despite the gradual shift in the demand from license sales to Software as a Service (SaaS) solutions. This trend is expected to continue also during the second half of the year. Sales of SEPA updates and third party scanning software will also decrease during the second half of the year but the impact is weaker than during the first half of the year. During the second half the year license sales are expected to be slightly lower compared with the corresponding period in the previous year.

Basware will renew its distribution channel and segmentation structure during the third quarter with the aim of significantly accelerating sales of Automation Services subscriptions in order to increase the transaction volume and sales of software and services, particularly in the medium-sized customer market.

Typically, the latter half of the year generates a higher share of the company's net sales, while the costs of the second half of the year will increase at a moderate rate from the current level. Investments required by the growth in business will be made during the year considering profitability.

Outlook for 2011

Basware expects, as earlier estimated, its net sales to grow over 10 percent in 2011. Operating profit (EBIT) for 2011 is expected to be over 13 percent of net sales.

Espoo, Finland, July 8, 2011

BASWARE CORPORATION
Board of Directors

For more information, please contact

CEO Ilkka Sihvo, Basware Corp.,
Tel. +358 40 501 8251

Analyst and Press Briefing

Basware arranges today, July 8, 2011 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 on the events and financial performance of the quarter. Welcome. A conference call for analysts who

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are not able to attend the briefing will take place on July 8 at 2 p.m. EEST. Please register through IR@basware.com for appropriate information.

Distribution:

NASDAQ OMX Helsinki Ltd

Key media

www.basware.com

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SUMMARY OF FINANCIAL STATEMENTS AND NOTES JANUARY 1 – JUNE 30, 2011

Basis of preparation

The Interim Report has been prepared in accordance with the IAS 34 Interim Reports standard. The company has adopted certain new or revised IFRS standards and IFRIC interpretations at the beginning of the financial period as described in the Financial Statements for 2010. However, the adoption of these new and amended standards has 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 2010. Key indicator calculations remain unchanged and have been presented in the 2010 Financial Statements.

Preparation of financial statements in accordance with the IFRS standards requires Basware's management to make estimates and assumptions that have an effect on the amount of assets and liabilities on the balance sheet at the closing date as well as the amounts of income and expenses for the financial period. In addition, the management must exercise its judgment regarding the application of accounting policies. Since the estimates and assumptions are based on the views at the date of the Interim Report, they include risks and uncertainties. The actual results may differ from the estimates and assumptions.

The amounts presented in the income statement and balance sheet are Group figures.

The amounts presented in the release are rounded, so the sum of individual figures may differ from the sum reported. The Interim Report is unaudited.

GROUP INCOME STATEMENT

EUR thousand	1.4.- 30.6. 2011	1.4.- 30.6. 2010	Change, %	1.1.- 30.6. 2011	1.1.- 30.6. 2010	Change, %	1.1.- 31.12. 2010
NET SALES	27 280	26 612	2.5	53 338	49 743	7.2	103 094
Other operating income	41	55	-24.8	83	104	-19.9	189
Materials and services	-1 727	-1 754	-1.5	-3 676	-3 042	20.9	-6 395
Employee benefit expenses	-16 004	-15 184	5.4	-30 742	-28 887	6.4	-57 337
Depreciation and amortization	-1 279	-1 309	-2.2	-2 517	-2 545	-1.1	-5 117
Other operating expenses	-5 478	-5 414	1.2	-10 698	-10 231	4.6	-20 947
Operating profit	2 832	3 006	-5.8	5 788	5 143	12.6	13 487
Finance income	125	4	2 928.6	175	120	45.9	202
Finance expenses	-53	-58	-8.6	-130	-168	-22.9	-365
Profit before tax	2 904	2 953	-1.7	5 834	5 095	14.5	13 325
Income tax expense	-742	-811	-8.5	-1 404	-1 371	2.4	-2 994
PROFIT FOR THE PERIOD	2 162	2 142	0.9	4 430	3 724	19.0	10 331
Other comprehensive income							
Exchange differences on translating foreign operations	57	330	-82.7	-282	694	-140.6	1 981
Income tax relating							

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to components of other comprehensive income	35	266	-87.0	204	467	-56.3	-454
Other comprehensive income, net of tax	92	596	-84.6	-78	1 161	-106.7	1 527
TOTAL COMPREHENSIVE INCOME	2 254	2 738	-17.7	4 352	4 885	-10.9	11 857
Profit attributable to: Owners of the parent	2 162	2 142	0.9	4 430	3 724	19.0	10 331
	2 162	2 142	0.9	4 430	3 724	19.0	10 331
Total comprehensive income attributable to: Owners of the parent	2 254	2 738	-17.7	4 352	4 885	-10.9	11 857
	2 254	2 738	-17.7	4 352	4 885	-10.9	11 857
Earnings per share (undiluted), EUR	0.17	0.19	-9.7	0.35	0.33	8.7	0.90
Earnings per share (diluted), EUR	0.17	0.19	-9.0	0.35	0.32	9.5	0.89

GROUP BALANCE SHEET

EUR thousand	30.6.2011	30.6.2010	Change, %	31.12.2010
ASSETS				
NON-CURRENT ASSETS				
Intangible assets	18 543	18 949	-2.1	18 085
Goodwill	32 148	31 898	0.8	32 184
Tangible assets	1 175	945	24.4	1 079
Available-for-sale investments	38	38	0.0	38
Long-term trade and other receivables	0	115	-100.0	23
Deferred tax assets	2 091	1 904	9.8	2 074
Non-current assets	53 995	53 849	0.3	53 483
CURRENT ASSETS				
Inventories	166	48	248.1	56
Trade and other receivables	23 156	23 086	0.3	24 066
Income tax receivables	222	635	-65.1	43
Financial assets at fair value through profit or loss	15 093	34	44 387.4	35
Cash and cash equivalents	32 569	18 520	75.9	13 787
Current assets	71 205	42 323	68.2	37 987

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TOTAL ASSETS	125 200	96 171	30.2	91 470
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EQUITY AND LIABILITIES

SHAREHOLDERS' EQUITY

Share capital	3 528	3 483	1.3	3 507
Issue of shares	0	655	-100.0	255
Share premium account	1 187	876	35.5	1 187
Own shares	-629	-629	0.0	-629
Fair value reserve and other reserves	62 716	34 474	78.5	34 803
Translation differences	-1 766	-2 053	14.0	-1 688
Retained earnings	28 988	23 098	25.5	29 644
Shareholders' equity	94 025	59 905	57.0	67 079

NON-CURRENT LIABILITIES

Deferred tax liability	2 424	3 746	-35.3	2 751
Interest-bearing liabilities	599	1 956	-69.4	32
Non-interest-bearing liabilities	1 142	345	231.0	631
Non-current liabilities	4 165	6 048	-31.1	3 414

CURRENT LIABILITIES

Interest-bearing liabilities	1 862	3 551	-47.6	3 550
Trade payables and other liabilities	24 741	26 123	-5.3	16 201
Tax liability from income tax	406	545	-25.4	1 226
Current liabilities	27 010	30 219	-10.6	20 977

TOTAL EQUITY AND LIABILITIES	125 200	96 171	30.2	91 470
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GROUP STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share- Holders' capital	Share issue	Share premium account	Own Shares	Inv. non- restr. equity res.	Other res.	Transl. diff	Retained earnings	Total
EUR thousand									
SHARE- HOLDERS' EQUITY									
1.1.10	3 440	140	69	-629	33 058	540	-3 214	23 176	56 580
Compre- hensive income							1 161	3 724	4 885
Dividend distribution								-4 100	-4 100
Granted warrants								132	132
Changes in reporting period	42	515	807		876			167	2 408
SHARE- HOLDERS' EQUITY									
30.6.10	3 483	655	876	-629	33 934	540	-2 053	23 098	59 905

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	Share- Holders' capital	Share issue	Share premium account	Own Shares	Inv. non- restr. equity res.	Other res.	Transl. diff	Retained earnings	Total
EUR thousand									
SHARE- HOLDERS' EQUITY									
1.1.11	3 507	255	1 187	-629	34 263	540	-1 688	29 644	67 079
Compre- hensive income							-78	4 430	4 352
Dividend distribution								-5 120	-5 120
Share issue					27 345				27 345
Granted warrants								234	234
Changes in reporting period	21	-255			568			-199	135
SHARE- HOLDERS' EQUITY									
30.6.11	3 528	0	1 187	-629	62 176	540	-1 766	28 988	94 025

GROUP CASH FLOW STATEMENT

EUR thousand	1.1.– 30.6.2011	1.1.– 30.6.2010	1.1.– 31.12.2010
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Net cash from operating activities

Profit for the period	4 430	3 724	10 331
Adjustments for profit	3 916	3 964	8 508
Working capital changes	9 810	5 925	-3 158
Interest paid	-28	-28	-43
Interest received	166	32	66
Other financial items in operating activities	-94	-62	-98
Income taxes paid	-2 401	-1 131	-3 084
Net cash from operating activities	15 800	12 423	12 523

Cash flows from investing activities

Purchase of tangible and intangible assets	-2 585	-970	-2 722
Acquired subsidiaries			-1 732
Net cash used in investing activities	-2 585	-970	-4 454

Cash flows from financing activities

Share issue	27 679	2 241	2 505
Repayments of short-term loans	0	-2 000	-2 001
Repayments of long-term borrowings	-1 775	-1 775	-3 550
Dividends paid	-5 120	-4 100	-4 100
Net cash used in financing activities	20 784	-5 634	-7 147

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Net change in cash and cash equivalents according to cash flow statement	33 999	5 819	922
Cash and cash equivalents at beginning of period	13 822	12 210	12 210
Effects of exchange rate changes on cash and cash equivalents	-159	525	690
Cash and cash equivalents at end of period	47 661	18 554	13 822

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GROUP QUARTERLY INCOME STATEMENT

EUR thousand	1-3/ 2011	1-3/ 2010	4-6/ 2011	4-6/ 2010	7-9/ 2010	10-12/ 2010
NET SALES	26 058	23 132	27 280	26 612	23 202	30 149
Other operating income	42	50	41	55	43	42
Materials and services	- 1 948	-1 288	-1 727	-1 754	-1 593	-1 760
Employee benefit expenses	-14 738	-13 703	-16 004	-15 184	-11 959	-16 491
Depreciation and amortization	- 1 237	-1 236	-1 279	-1 309	-1 294	-1 278
Other operating expenses	- 5 219	-4 818	-5 478	-5 414	-4 991	-5 725
Operating profit	2 957	2 136	2 832	3 006	3 408	4 937
%	11.3 %	9.2%	10.4 %	11.3 %	14.7 %	16.4 %
Finance income	51	116	125	4	-59	141
Finance expenses	-77	-111	-53	-58	42	-239
Profit before tax	2 930	2 142	2 904	2 953	3 391	4 839
%	11.2 %	9.3%	10.6 %	11.1 %	14.6 %	16.1 %
Income tax expense	-662	-560	-742	-811	-697	-926
PROFIT FOR THE PERIOD	2 268	1 582	2 162	2 142	2 694	3 913
%	8.7%	6.8%	7.9 %	8.0%	11.6%	13.0%

INNER CIRCLE BUSINESS TRANSACTIONS

During the period there were no inner circle transactions.

COMMITMENTS AND CONTINGENT LIABILITIES

EUR thousand	30.6.2011	30.6.2010	31.12.2010
Own guarantees			
Business mortgages of own debts	1 200	1 200	1 200
Commitments on behalf of subsidiaries and group companies			
Guarantees	1 250	1 123	1 123
Other own guarantees			
Lease liabilities			
Current lease liabilities	838	861	848
Lease liabilities maturing in 1-5 years	899	728	796
Total	1 736	1 589	1 644
Other rental liabilities			
Current rental liabilities	3 863	2 471	4 054
Rental liabilities maturing in 1-5 years	7 424	8 461	9 913
Rental liabilities maturing later	0	0	0

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Total	11 287	10 933	13 967
Other own contingent liabilities, total	13 023	12 522	15 611

SEGMENT REPORTING

Geographical segments (by the location of assets)

Net sales (EUR thousand)	4-6/ 2011	4-6/ 2010	Change, %	1-6/ 2011	1-6/ 2010	Change, %	1-12/ 2010
Finland	14 924	13 763	8.4	28 580	25 953	10.1	53 606
Scandinavia	6 241	6 232	0.1	12 337	11 486	7.4	24 188
Europe	5 097	5 538	-8.0	10 615	10 606	0.1	21 347
Other	3 235	2 719	19.0	5 846	5 092	14.8	12 101
Sales between segments	-2 217	-1 640	35.2	-4 040	-3 394	19.0	-8 149
Group total	27 280	26 612	2.5	53 338	49 743	7.2	103 094

Operating profit (EUR thousand)	4-6/ 2011	4-6/ 2010	Change, %	1-6/ 2011	1-6/ 2010	Change, %	1-12/ 2010
Finland	1 752	1 616	8.4	3 533	2 709	30.4	7 703
Scandinavia	1 073	926	15.8	2 194	1 688	30.0	4 136
Europe	285	683	-58.2	805	1 191	-32.4	2 354
Other	136	191	-29.1	81	370	-78.0	924
Operating profit between segments	-413	-410	0.7	-826	-816	1.2	-1 629
Group total	2 832	3 006	-5.8	5 788	5 143	12.6	13 487

Personnel (employed, on average)	4-6/ 2011	4-6/ 2010	Change, %	1-6/ 2011	1-6/ 2010	Change, %	1-12/ 2010
Finland	727	526	38.2	683	514	33.1	539
Scandinavia	119	123	-3.5	119	125	-4.4	124
Europe	142	124	14.2	139	123	12.9	126
Other	63	54	16.8	63	51	24.0	55
Group total	1 050	827	27.0	1 005	812	23.7	845

Net sales by business

Net sales (EUR thousand)	4-6/ 2011	4-6/ 2010	Change, %	1-6/ 2011	1-6/ 2010	Change, %	1-12/ 2010
License Sales	5 474	6 996	-21.8	10 288	11 644	-11.6	24 688
Maintenance	8 943	8 132	10.0	17 822	16 245	9.7	33 273
Professional Services	8 833	8 581	2.9	17 483	16 452	6.3	32 702
Automation Services	4 030	2 903	38.8	7 745	5 403	43.4	12 431
Group total	27 280	26 612	2.5	53 338	49 743	7.2	103 094

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Net sales by the location of customer

Net sales (EUR thousand)	4-6/ 2011	4-6/ 2010	Change, %	1-6/ 2011	1-6/ 2010	Change, %	1-12/ 2010
Finland	12 975	12 419	4.5	24 831	23 114	7.4	46 550
Scandinavia	6 048	6 007	0.7	12 132	11 001	10.3	23 346
Europe	4 862	5 320	-8.6	10 118	10 235	-1.1	20 249
Other	3 395	2 866	18.5	6 257	5 393	16.0	12 949
Group total	27 280	26 612	2.5	53 338	49 743	7.2	103 094

GROUP KEY INDICATORS

EUR thousand	1-6/11	1-6/10	1-6/09	1-12/10
Net sales	53 338	49 743	44 446	103 094
Growth of net sales, %	7.2%	11.9%	9.6%	11.3%
EBITDA	8 305	7 688	5 809	18 604
% of net sales	15.6%	15.5%	13.1%	18.0%
Operating profit before IFRS3 amortization	6 791	6 258	4 592	15 691
% of net sales	12.7%	12.6%	10.3%	15.2%
Operating profit	5 788	5 143	3 738	13 487
Growth of operating profit, %	12.6%	37.6%	71.8%	14.1%
% of net sales	10.9%	10.3%	8.4%	13.1%
Profit before tax	5 834	5 095	3 607	13 325
% of net sales	10.9%	10.2%	8.1%	12.9%
Profit for the period	4 430	3 724	2 062	10 331
% of net sales	8.3%	7.5%	4.6%	10.0%
Return on equity, %	11.0%	12.8%	8.4%	16.7%
Return on investment, %	14.3%	16.0%	12.8%	20.1%
Interest-bearing liabilities	2 462	5 507	11 115	3 582
Cash and liquid assets *)	47 661	18 554	9 516	13 822
Gearing, %	-48.1%	-21.8%	3.3%	-15.3%
Equity ratio, %	75.1%	62.3%	58.2%	73.3%
Total assets	125 200	96 171	84 060	91 470
Gross investments **)	3 116	1 264	2 598	4 567
% of net sales	5.8%	2.5%	5.8%	4.4%
Capital expenditure	1 297	341	230	970
% of net sales	2.4%	0.7%	0.5%	0.9%
Research and development costs	7 970	7 836	7 530	14 883
% of net sales	14.9%	15.8%	16.9%	14.4%
R&D personnel at end of period	292	200	187	239
Personnel on average during the period	1 005	812	738	845
Personnel at end of period	1 064	833	742	913
Increase in personnel, %	27.7%	12.3%	8.2%	20.0%
Earnings per share, EUR	0.35	0.33	0.18	0.90
Earnings per share (diluted), EUR	0.35	0.32	0.18	0.89
Equity per share, EUR	7.27	5.16	4.25	5.78

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P/E ratio	78.66	53.57	64.54	27.58
Share price performance				
lowest share price	23.02	15.00	6.60	15.00
highest share price	27.90	19.60	11.48	24.80
average share price	25.76	17.66	8.57	19.27
closing share price	27.85	17.50	11.40	24.75
Market capitalization at end of period	357 619 873	201 589 920	129 707 194	287 093 169
Number of traded shares	3 326 886	1 385 665	986 643	2 131 071
% of average number of shares	26.6%	12.2%	8.7%	18.5%
Average number of shares				
- undiluted	12 512 529	11 399 277	11 385 986	11 513 690
- diluted	12 527 550	11 498 619	11 385 986	11 585 155

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

**) Includes capitalized R&D costs and acquisitions

Major Shareholders, June 30, 2011

	Shares	Votes
1. Ilmarinen Mutual Pension Insurance Company	1 367 836	10.6
2. Sihvo, Ilkka	877 300	8.6
3. Eräkangas, Kirsi	827 300	6.4
Eräkangas, Kirsi	576 900	4.5
Eräkangas, Lotta	250 400	1.9
4. Vaajoensuu, Hannu	673 800	5.2
Havacment Oy	266 500	2.1
Vaajoensuu, Hannu	323 500	2.5
Vaajoensuu, Matias	83 800	0.6
5. Perttunen, Sakari	665 900	5.1
6. Varma Mutual Pension Insurance Company	530 000	4.1
7. Mandatum Life Insurance Company Ltd.	515 000	4.0
8. Pöllänen, Antti	399 023	3.1
Launimo, Essi	97 408	0.8
Pöllänen, Antti	301 615	2.3
9. Veritas Pension Insurance Company	356 236	2.8
10. Fondita Nordic Micro Cap	350 000	2.7
11. Nordea Nordic Small Cap Fund	317 585	2.5
12. Kaleva Mutual Insurance Company	268 790	2.1
13. Op-Suomi Pienyhtiöt	237 045	81
14. Perttunen, Meimi	175 400	1.4
15. Investment Fund Aktia Capital	172 313	1.3
16. Ahonen, Asko	168 736	1.3
17. Fim Forte Fund	160 658	1.2
18. Fim Fenno Fund	160 500	1.2
19. OP-Delta Fund	100 000	0.8
20. Fondita Equity Spice Fund	94 237	0.7
20 largest shareholders total	8 417 659	65.1
Nominee registered shares	1 509 720	11.7
Others	3 003 850	23.2
Total	12 931 229	100.00