

October 13, 2011

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

SUMMARY

January-September 1-9/2011:

- Net sales EUR 77 523 thousand (EUR 72 946 thousand) – growth 6.3 percent
- Operating profit EUR 8 826 thousand (EUR 8 550 thousand) – growth 3.2 percent
- Operating profit 11.4 percent of net sales (11.7%)
- Growth of Automation Services (SaaS and e-invoicing) 39.4 percent
- Recurring revenue (including Maintenance and Automation Services) 49.7% (45.1%) of net sales
- Cash flow from operating activities EUR 15 941 thousand (EUR 11 368 thousand)
- Earnings per share (diluted) EUR 0.53 (0.56) – decrease 4.0 percent

July-September Q3/2011

- Net sales EUR 24 185 thousand (EUR 23 202 thousand) – growth 4.2 percent
- Operating profit EUR 3 038 thousand (EUR 3 408 thousand) – decrease 10.8 percent
- Operating profit 12.6 percent of net sales (14.7%)
- Growth of Automation Services (SaaS and e-invoicing) 32.0 percent
- The estimated revenue to be recognized for current Automation Services agreements in production in the next twelve months is EUR 17.2 million, growth from previous quarter 7.2 percent
- Recurring revenue (including Maintenance and Automation Services) 53.5% (48.4%) of net sales
- Earnings per share (diluted) EUR 0.18 (0.23) – decrease 22.7 percent

Basware expects its net sales for 2011 to grow 5-9 percent from the previous year. Operating profit (EBIT) for 2011 is expected to be 11.5-14.5 percent of net sales.

The interim report is unaudited.

GROUP KEY FIGURES

EUR thousand	7-9/ 2011	7-9/ 2010	Change, %	1-9/ 2011	1-9/ 2010	Change, %	1-12/ 2010
Net sales	24 185	23 202	4.2	77 523	72 946	6.3	103 094
EBITDA	4 308	4 702	-8.4	12 613	12 389	1.8	18 604
Operating profit before IFRS3 amortization	3 542	3 956	-10.5	10 333	10 214	1.2	15 691
Operating profit	3 038	3 408	-10.8	8 826	8 550	3.2	13 487
% of net sales	12.6%	14.7 %		11.4%	11.7 %		13.1%
Profit before tax	3 024	3 391	-10.8	8 858	8 486	4.4	13 325
Profit for the period	2 301	2 694	-14.6	6 731	6 418	4.9	10 331
Return on equity, %	9.7%	17.6%		11.0%	14.4 %		16.7%
Return on investment, %	13.0%	20.4%		14.5%	17.4 %		20.1%
Liquid assets *)	44 988	13 719	227.9	44 988	13 719	227.9	13 822
Gearing, %	-45.9%	-16.2%		-45.9%	-16.2 %		-15.3%
Equity ratio, %	79.7%	71.6%		79.7%	71.6 %		73.3%
Earnings per share, EUR	0.18	0.23	-22.9	0.53	0.56	-4.6	0.90
Earnings per share (diluted), EUR	0.18	0.23	-22.7	0.53	0.56	-4.0	0.89
Equity per share, EUR	7.46	5.34	-39.9	7.46	5.34	39.9	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, and 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 third-quarter market conditions were challenging, but our net sales increased nevertheless, while our profitability was at a moderately good level. Third-quarter net sales increased by 4.2 percent and operating profit was 12.6 percent. The estimated revenue to be recognized for current Automation Services agreements in production in the next twelve months increased by a solid 7.2 percent on the previous quarter. The share of recurring revenue (Maintenance and Automation Services) also increased strongly, rising to 53.5 percent of net sales.

During the period under review, the company's net sales increased by 6.3 percent. The company's license sales decreased, which was mainly due to a decrease in the sales of payment solutions related to SEPA updates and third-party scanning software, which is compensated for by the stable growth of Software as a Service (SaaS) sales. During the period, recurring revenue accounted for 49.7 percent of net sales, which was due to an increase in maintenance revenue and transaction and SaaS net sales. Start-up fees for services and transaction revenue increased by 64.4 percent during the period. The increase in the share of recurring revenue improves predictability in the long term.

The global economic situation and the markets have rapidly become increasingly unstable, but we believe that the company has the prerequisites for meeting the growth and profitability objectives for the remainder of the year. Typically, the fourth quarter is the company's best in terms of net sales and operating profit."

Market outlook and operating environment

Market forecasts updated between September 2010 and 2011 expect software purchases to increase by 9.0 percent globally and 6.6 percent in the U.S. in 2011. According to the previous estimate, the software market was expected to increase by 8.6 percent in the U.S. 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. Basware's view is that the market estimates for 2011 have been too optimistic.

According to research companies, the software market is estimated to grow at a rate of 7.0 percent in 2012 (previous estimate 8.8 percent), IT services by 6.0 percent (previous estimate 7.0 percent) and the overall market by 5.5 percent (previous estimate 8.3 percent) globally. In 2012, the North American software market is estimated to increase by 8.0 percent (previous estimate 10.0 percent), IT services by 6.0 percent (previous estimate 7.5 percent) and the overall IT market by 6.4 percent (previous estimate 8.9 percent).

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.

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Basware software still offer a competitive edge, thanks to new added value products and the integrated offering consisting of 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 has strengthened the activity further 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)	7-9/ 2011	7-9/ 2010	Change, %	1-9/ 2011	1-9/ 2010	Change, %	1-12/ 2010
Finland	12 608	11 641	8.3	41 188	37 595	9.6	53 606
Scandinavia	5 379	4 994	7.7	17 716	16 480	7.5	24 188
Europe	5 088	4 782	6.4	15 703	15 388	2.0	21 347
Other	3 074	3 111	-1.2	8 921	8 203	8.8	12 101
Sales between segments	-1 965	-1 326	48.2	-6 005	-4 720	27.2	-8 149
Group total	24 185	23 202	4.2	77 523	72 946	6.3	103 094

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

Net sales (EUR thousand)	7-9/ 2011	7-9/ 2010	Change, %	1-9/ 2011	1-9/ 2010	Change, %	1-12/ 2010
Finland	10 787	10 420	3.5	35 618	33 535	6.2	46 550
Scandinavia	5 262	4 857	8.3	17 394	15 859	9.7	23 346
Europe	4 954	4 629	7.0	15 072	14 864	1.4	20 249
Other	3 181	3 295	-3.5	9 439	8 688	8.6	12 949
Group total	24 185	23 202	4.2	77 523	72 946	6.3	103 094

Basware Group's net sales for the period (January–September) increased by 6.3 percent to EUR 77 523 thousand (EUR 72 946 thousand). The growth in local currency terms was 5.9 percent. During the third quarter, net sales increased by 4.2 percent to EUR 24 185 (EUR 23 202). The growth in comparable currencies was 4.7 percent.

During the period, the Company's license sales decreased by 15.0 percent, accounting for 18.1 percent (22.7%) of net sales. SaaS sales increased by 13.8 percent during the period. Maintenance revenue increased by 9.6 percent and accounted for 34.7 percent (33.6%) of net sales. Professional Services revenue increased by 6.1 percent and accounted for 32.2 percent (32.2%) of net sales.

With regard to license sales, sales of payment solutions related to SEPA updates decreased by 58.2 percent, with the majority of customers having already implemented their SEPA updates earlier. Sales of third-party scanning

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software decreased by 47.8 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 39.4 percent and accounted for 15.0 percent (11.5%) of net sales. The transaction volume processed by the Automation Services business continued its favorable development, amounting to 14.6 million transactions during the reporting period (growth of 53.6 percent). Start-up fees for services and transaction revenue increased by 64.4 percent during the reporting period, of which transaction revenue grew by 66.3 percent. The estimated revenue to be recognized for current Automation Services agreements in production in the next twelve months is EUR 17.2 million (growth of 7.2 percent from the estimate made at the end of last quarter).

In July-September, license sales accounted for 15.6 percent (21.2%) of net sales, down 23.1 percent. Sales of payment solutions related to SEPA updates decreased by 59.9 percent. Sales of third-party scanning software decreased by 40.5 percent. SaaS sales increased by 25.0 percent during the third quarter.

Sales of Automation Services for the third quarter accounted for 16.1 percent (12.7%) of net sales, up 32.0 percent. The transaction-based net sales of the Automation Services business and service start-up fees continued their favorable development, growing 37.5 percent during the third quarter. Transaction-based net sales increased by 62.3 percent. Maintenance revenue accounted for 37.4 percent (35.7%) of net sales in the third quarter, up 9.3 percent. Professional Services revenue accounted for 30.8 percent (30.4%) of net sales, up 5.7 percent.

The international share of Basware's net sales was 54.1 percent (54.0 %) in the period. International operations grew 6.3 percent.

FINANCIAL PERFORMANCE

Basware's operating profit for the period increased by 3.2 percent to EUR 8 826 thousand (EUR 8 550 thousand). Operating profit represented 11.4 percent (11.7%) of net sales.

Operating profit for the third quarter decreased by 10.8 percent to EUR 3 038 thousand (EUR 3 408 thousand). Operating profit represented 12.6 percent (14.7%) of net sales.

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

Operating profit (EUR thousand)	7-9/ 2011	7-9/ 2010	Change, %	1-9/ 2011	1-9/ 2010	Change, %	1-12/ 2010
Finland	1 632	2 238	-27.1	5 165	4 946	4.4	7 703
Scandinavia	990	890	11.3	3 185	2 578	23.5	4 136
Europe	424	419	1.2	1 230	1 611	-23.6	2 354
Other	408	269	51.4	489	640	-23.5	924
Operating profit between segments	-415	-408	1.7	-1 242	-1 224	1.5	-1 629
Group total	3 038	3 408	-10.8	8 826	8 550	3.2	13 487

The Company's fixed costs were EUR 59 428 thousand (EUR 56 068 thousand) in the period, up 6.0 percent on the corresponding period the previous year. Personnel costs made up 74.1 percent (72.9%) or EUR 44 036 thousand (EUR 40 846 thousand) of the fixed costs. Bad debt and bad debt reservations are included in fixed costs. Bad debt reservations at the end of third quarter amounted to EUR 1 080 thousand (EUR 1 026 thousand) on the balance sheet.

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The research and development expenses in the period amounted to EUR 12 008 thousand (EUR 10 797 thousand), or 15.5 percent (14.8%) of net sales. The expenses increased by 11.2 percent compared with the same period last year. Research and development costs capitalized during the period amounted to EUR 2 774 thousand (EUR 1 038 thousand). Basware's research and development costs for the period totaled EUR 9 234 thousand (EUR 9 759 thousand), or 11.9 percent (13.4%) of net sales. The development of next-generation software has an effect on the amount of capitalized research and development costs.

The Company's finance income and finance expenses were 32 thousand (EUR -65 thousand). Profit before tax was EUR 8 858 thousand (EUR 8 486 thousand) and profit for the period was EUR 6 731 thousand (EUR 6 418 thousand) or 8.7 percent (8.8%) of net sales. Taxes for the period amounted to EUR 2 127 thousand (EUR 2 068 thousand). Undiluted earnings per share were EUR 0.53 (EUR 0.56).

FINANCE AND INVESTMENTS

Basware Group's total assets on the balance sheet at the end of the period were EUR 121 167 thousand (EUR 87 132 thousand). The Company's cash and liquid assets were EUR 44 988 thousand (EUR 13 719 thousand), of which cash and cash equivalents were EUR 29 972 thousand (EUR 13 685 thousand) and financial assets at fair value through profit or loss were EUR 15 016 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 79.7 percent (71.6%) and gearing was -45.9 percent (-16.2%). The Company's interest-bearing liabilities totaled EUR 678 thousand (EUR 3 584 thousand), of which current liabilities accounted for EUR 114 thousand (EUR 3 551 thousand). Return on investment was 14.5 percent (17.4%) and return on equity 11.0 percent (14.4%).

Cash flows from operating activities were EUR 15 941 thousand (EUR 11 368 thousand). Cash flows from investments were EUR -3 687 thousand (EUR -3 098 thousand).

The Company's capital expenditure, resulting from regular additional and replacement investments required for growth, was EUR 1 639 thousand (686 thousand) in the period. Gross investments which include - in addition to those mentioned above - capitalized research and development expenses totaled EUR 4 411 thousand (EUR 3 426 thousand).

Amortization of intangible assets totaled EUR 3 329 thousand (EUR 3 413 thousand). There are no indications of impairment 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 12 008 thousand (EUR 10 797 thousand), or 15.5 percent (14.8%) of net sales. Research and development expenses increased by 11.2 percent compared with the same period last year (-1.3%). Research and development expenses capitalized during the period amounted to EUR 2 774 thousand (EUR 1 038 thousand). Basware's research and development costs for the period totaled EUR 9 234 thousand (EUR 9 759 thousand), or 11.9 percent (13.4%) of net sales.

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

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Basware is launching its next generation of software during the first quarter of 2012. The company's next-generation portfolio will also be strongly offered as a service. The next-generation solutions will improve the company's competitiveness in the long term.

A total of 304 (213) people worked in Products at the end of September 2011. The number of R&D personnel is expected to grow at a moderate rate.

PERSONNEL

Basware employed 1 075 (854) people on average during the third quarter and 1 079 (866) at the end of the period. The number of personnel increased by 213 persons and by 24.6 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, 57.2 percent (52.9%) of Basware personnel worked outside of Finland and 42.8 percent (47.1%) in Finland. 11.9 percent of the personnel work in sales and marketing, 52.4 percent in consulting and services, 28.2 percent in Products, and 7.6 percent in administration.

The average age of employees is 34.8 (36.0) years. Of the employees, 30.5 percent have a Master's degree and 35.1 percent have a Bachelor's degree. Women account for 26.0 percent of employees, men for 74.0 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:

Personnel (employed, on average)	7-9/ 2011	7-9/ 2010	Change, %	1-9/ 2011	1-9/ 2010	Change, %	1-12/ 2010
Finland	760	547	38.9	709	525	35.1	539
Scandinavia	116	124	-5.9	118	124	-4.9	124
Europe	135	126	6.9	138	124	10.8	126
Other	64	57	12.2	63	53	19.7	55
Group total	1 075	854	25.9	1 028	826	24.5	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 9.6 percent to EUR 41 188 thousand (EUR 37 595 thousand). The profitability of the segment increased by 4.4 percent and its operating profit was EUR 5 165 thousand (EUR 4 946 thousand). During the period, net sales of the Finnish and Russian operations increased by 7.1 percent to EUR 36 228 thousand (EUR 33 834 thousand).

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Net sales for the third quarter increased by 8.3 percent to EUR 12 608 thousand (EUR 11 641 thousand). The growth in net sales was particularly boosted by growth in Automation Services. The profitability of the segment decreased by 27.1 percent and operating profit was EUR 1 632 thousand (EUR 2 238 thousand). The allocation of accrued performance bonuses to the third quarter contributed to the decrease in profitability. Net sales of the Finnish and Russian operations increased by 4.8 percent to EUR 10 994 thousand (EUR 10 493 thousand).

The number of personnel averaged 709 (525) during the period under review.

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 7.5 percent to EUR 17 716 thousand (EUR 16 480 thousand). In local currency terms, net sales in the area increased by 4.4 percent. The profitability of the operations has improved by 23.5 percent and operating profit was EUR 3 185 thousand (EUR 2 578 thousand).

In the third quarter net sales in Scandinavia increased by 7.7 percent to EUR 5 379 thousand (EUR 4 994 thousand). In local currency terms, net sales in the area increased by 6.4 percent. The profitability of the operations has improved by 11.3 percent and operating profit was EUR 990 thousand (EUR 890 thousand). License sales grew at the fastest rate during the third quarter.

There were 118 (124) 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.

During the period, net sales in the Europe segment increased by 2.0 percent to EUR 15 703 thousand (EUR 15 388 thousand). In local currency terms, net sales increased by 2.5 percent. The profitability of the operations decreased by 23.6 percent and operating profit was EUR 1 230 thousand (EUR 1 611 thousand).

In the third quarter, net sales in the Europe segment increased by 6.4 percent to EUR 5 088 thousand (EUR 4 782 thousand). In local currency terms, net sales in the area increased by 8.4 percent. The profitability of the operations increased by 1.2 percent and operating profit was EUR 424 thousand (EUR 419 thousand). Automation Services showed strong growth during the third quarter.

Basware personnel in the area averaged 138 (124) during the period.

Other

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

During the period, net sales in the area increased by 8.8 percent to EUR 8 921 thousand (EUR 8 203 thousand). In local currency terms, the growth was 10.6 percent. The profitability of the operations has decreased by 23.5 percent and operating profit was EUR 489 thousand (EUR 640 thousand).

In the third quarter, net sales in the area decreased by 1.2 percent to EUR 3 074 thousand (EUR 3 111 thousand). In local currency terms, the growth was 1.7 percent. The profitability of the operations has increased by 51.4 percent and operating profit was EUR 408 thousand (EUR 269 thousand).

On average, there were 63 (53) employees in the area.

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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 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.

Audit of the environmental management system

Bureau Veritas Certification has audited Basware Corporation's offices in Espoo, Oulu, Pori, and Tampere, and granted them the ISO 14001:2004 certificate on August 8, 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 28.10 (EUR 20.10), the lowest was EUR 17.00 (EUR 15.00) and the closing price was EUR 17.70 (EUR 19.40). The average price of the share was EUR 24.55 (EUR 17.81) during the period.

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A total of 3 944 905 (1 565 754) shares were traded during the period, equivalent to 31.3 percent (13.7%) of the average number of shares. Market capitalization with the period's closing price on September 30, 2011 was EUR 227 284 443 (EUR 225 013 306).

Shareholders

Basware had 15 123 (16 041) shareholders on September 30, 2011 including nominee-registered holdings (8). Nominee-registered holdings accounted for 12.0 (10.4) 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.

Share holdings of the Executive Team and Board of Directors members

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 September 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 September 30, 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 for 2010, prepared in accordance with Recommendation 51 of the new Finnish 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.

Basware's corporate governance principles can be read in full 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).

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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.

The global economic situation and the markets have rapidly become increasingly unstable, which may impair the demand for license sales and services during the remainder of the year. In addition, the conversion of demand from license sales to SaaS solutions may 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 percent in the Automation Services business. SaaS agreements typically span several years, and they are reported as recurring revenue under Automation Services. The penetration rate of e-invoicing is low, which creates a solid foundation for the future growth of Basware Automation Services.

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

EVENTS AFTER THE REPORTING PERIOD

The Board of Directors of Basware Corporation has appointed Esa Tihilä as new CEO of Basware Corporation as of October 17, 2011. Mr. Tihilä currently serves as Senior Vice President, Automation Services, at Basware Corporation.

A separate stock exchange release has been issued on October 13, 2011.

FUTURE OUTLOOK

Operating environment and market outlook

Market forecasts updated between September 2010 and 2011 expect software purchases to increase by 9.0 percent globally and 6.6 percent in the U.S. in 2011. According to the previous estimate, the software market was expected to increase by 8.6 percent in the U.S. 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. Basware's view is that the market estimates for 2011 have been too optimistic.

According to research companies, the software market is estimated to grow at a rate of 7.0 percent in 2012 (previous estimate 8.8 percent), IT services by 6.0 percent (previous estimate 7.0 percent) and the overall market by 5.5 percent (previous estimate 8.3 percent) globally. In 2012, the North American software market is estimated to increase by 8.0 percent (previous estimate 10.0 percent), IT services by 6.0 percent (previous estimate 7.5 percent) and the overall IT market by 6.4 percent (previous estimate 8.9 percent).

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'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. There are numerous small competitors in the e-invoicing market, and also larger competitors, such as ERP providers, are attempting to enter the market.

Basware software still offer a competitive edge, thanks to new added value products and the integrated offering consisting of products and services. 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

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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 and e-invoicing are scalable business models with a high business potential.

The company's international growth is based on its own sales and marketing efforts. In North America, the focus is, for the time being, 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 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 during the latter half of the year. The number of R&D personnel is not expected to grow significantly from the 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 global economic situation and the markets have rapidly become increasingly unstable, which may impair the demand for license sales and services during the remainder of the year. In addition, the conversion of demand from license sales to SaaS solutions may 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 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.

Basware initiated the reform of 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.

The company has the prerequisites for reaching its growth and profitability objectives for the remainder of the year. Typically, the fourth quarter is the company's best in terms of net sales and operating profit.

Outlook for 2011

Basware expects its net sales for 2011 to grow 5-9 percent from the previous year. Operating profit (EBIT) for 2011 is expected to be 11.5-14.5 percent of net sales.

Espoo, Finland, October 13, 2011

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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, October 13, 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 are not able to attend the briefing will take place on October 13 at 3:30 p.m. EEST. Please register through IR@basware.com.

Distribution:

NASDAQ OMX Helsinki Ltd

Key media

www.basware.com

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SUMMARY OF FINANCIAL STATEMENTS AND NOTES JANUARY 1 – SEPTEMBER 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	1.7.- 30.6. 2011	1.7.- 30.6. 2010	Change, %	1.1.- 30.9. 2011	1.1.- 30.9. 2010	Change, %	1.1.- 31.12. 2010
NET SALES	24 185	23 202	4.2	77 523	72 946	6.3	103 094
Other operating income	43	43	1.0	127	147	-13.8	189
Materials and services	-1 933	-1 593	21.3	-5 609	-4 635	21.0	-6 395
Employee benefit expenses	-13 293	-11 959	11.2	-44 036	-40 846	7.8	-57 337
Depreciation and amortization	-1 270	-1 294	-1.9	-3 787	-3 839	-1.4	-5 117
Other operating expenses	-4 694	-4 991	-5.9	-15 392	-15 222	1.1	-20 947
Operating profit	3 038	3 408	-10.8	8 826	8 550	3.2	13 487
Finance income	102	-59	273.1	277	61	352.6	202
Finance expenses	-115	42	372.9	-245	-126	94.6	-365
Profit before tax	3 024	3 391	-10.8	8 858	8 486	4.4	13 325
Income tax expense	-723	-697	3.8	-2 127	-2 068	2.9	-2 994
PROFIT FOR THE PERIOD	2 301	2 694	-14.6	6 731	6 418	4.9	10 331
Other comprehensive income							
Exchange differences on translating foreign operations	207	-43	583.4	-75	651	-111.5	1 981
Income tax relating							

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to components of other comprehensive income	-102	-143	-28.5	102	324	-68.5	-454
Other comprehensive income, net of tax	105	-185	156.6	27	976	-97.2	1 527
TOTAL COMPREHENSIVE INCOME	2 406	2 509	-4.1	6 758	7 394	-8.6	11 857
Profit attributable to: Owners of the parent	2 301	2 694	-14.6	6 731	6 418	4.9	10 331
	2 301	2 694	-14.6	6 731	6 418	4.9	10 331
Total comprehensive income attributable to: Owners of the parent	2 406	2 509	-4.1	6 758	7 394	-8.6	11 857
	2 406	2 509	-4.1	6 758	7 394	-8.6	11 857
Earnings per share (undiluted), EUR	0.18	0.23	-22.9	0.53	0.56	-4.6	0.90
Earnings per share (diluted), EUR	0.18	0.23	-22.7	0.53	0.56	-4.0	0.89

GROUP BALANCE SHEET

EUR thousand	30.9.2011	30.9.2010	Change, %	31.12.2010
ASSETS				
NON-CURRENT ASSETS				
Intangible assets	18 600	18 180	2.3	18 085
Goodwill	32 146	31 977	0.5	32 184
Tangible assets	1 142	1 048	9.0	1 079
Available-for-sale investments	38	38	0.0	38
Long-term trade and other receivables	0	23	-100.0	23
Deferred tax assets	1 891	1 819	3.9	2 074
Non-current assets	53 818	53 085	1.4	53 483
CURRENT ASSETS				
Inventories	111	15	640.5	56
Trade and other receivables	21 946	19 679	11.5	24 066
Income tax receivables	304	634	-52.0	43
Financial assets at fair value through profit or loss	15 016	34	44 162.0	35
Cash and cash equivalents	29 972	13 685	119.0	13 787
Current assets	67 349	34 047	97.8	37 987

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TOTAL ASSETS	121 167	87 132	39.1	91 470
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EQUITY AND LIABILITIES

SHAREHOLDERS' EQUITY

Share capital	3 528	3 507	0.6	3 507
Issue of shares		9	-100.0	255
Share premium account	1 187	1 187		1 187
Own shares	-629	-629		-629
Fair value reserve and other reserves	62 716	34 795	80.2	34 803
Translation differences	- 1 661	-2 239	25.8	-1 688
Retained earnings	31 386	25 760	21.8	29 644
Shareholders' equity	96 527	62 390	54.7	67 079

NON-CURRENT LIABILITIES

Deferred tax liability	2 920	3 806	-23.3	2 751
Interest-bearing liabilities	564	33	1 615.2	32
Non-interest-bearing liabilities	871	457	90.7	631
Non-current liabilities	4 355	4 296	1.4	3 414

CURRENT LIABILITIES

Interest-bearing liabilities	114	3 551	-96.8	3 550
Trade payables and other liabilities	20 171	16 736	20.5	16 201
Tax liability from income tax		160	-100.0	1 226
Current liabilities	20 285	20 447	-0.8	20 977

TOTAL EQUITY AND LIABILITIES	121 167	87 132	39.1	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
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	62 390

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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							27	6 731	6 758
Dividend distribution								-5 120	-5 120
Share issue					27 345				27 345
Granted warrants								351	351
Changes in reporting period	21	-255			568			-220	114
SHARE- HOLDERS' EQUITY									
30.9.11	3 528	0	1 187	-629	62 176	540	-1 661	31 386	96 527

GROUP CASH FLOW STATEMENT

EUR thousand	1.1.– 30.9.2011	1.1.– 30.9.2010	1.1.– 31.12.2010
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Net cash from operating activities

Profit for the period	6 731	6 418	10 331
Adjustments for profit	5 922	5 971	8 508
Working capital changes	6 431	1 150	-3 158
Interest paid	-123	-47	-43
Interest received	262	40	66
Other financial items in operating activities	-93	-50	-98
Income taxes paid	-3 191	-2 115	-3 084
Net cash from operating activities	15 941	11 368	12 523

Cash flows from investing activities

Purchase of tangible and intangible assets	-3 687	-1 668	-2 722
Acquired subsidiaries	0	-1 430	-1 732
Net cash used in investing activities	-3 687	-3 098	-4 454

Cash flows from financing activities

Share issue	27 679	2 381	2 505
Repayments of short-term loans	0	-2 000	-2 001
Repayments of long-term borrowings	-3 550	-3 550	-3 550
Dividends paid	-5 120	-4 100	-4 100
Net cash used in financing activities	19 009	-7 269	-7 147

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Net change in cash and cash equivalents according to cash flow statement	31 263	1 000	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	-97	508	690
Cash and cash equivalents at end of period	44 988	13 719	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/ 2011	7-9/ 2010	10-12/ 2010
NET SALES	26 058	23 132	27 280	26 612	24 185	23 202	30 149
Other operating income	42	50	41	55	43	43	42
Materials and services	- 1 948	-1 288	-1 727	-1 754	-1 933	-1 593	-1 760
Employee benefit expenses	-14 738	-13 703	-16 004	-15 184	-13 293	-11 959	-16 491
Depreciation and amortization	- 1 237	-1 236	-1 279	-1 309	-1 270	-1 294	-1 278
Other operating expenses	- 5 219	-4 818	-5 478	-5 414	-4 694	-4 991	-5 725
Operating profit	2 957	2 136	2 832	3 006	3 038	3 408	4 937
%	11.3%	9.2%	10.4%	11.3%	12.6%	14.7%	16.4%
Finance income	51	116	125	4	102	-59	141
Finance expenses	-77	-111	-53	-58	-115	42	-239
Profit before tax	2 930	2 142	2 904	2 953	3 024	3 391	4 839
%	11.2%	9.3%	10.6%	11.1%	12.5%	14.6%	16.1%
Income tax expense	-662	-560	-742	-811	-723	-697	-926
PROFIT FOR THE PERIOD	2 268	1 582	2 162	2 142	2 301	2 694	3 913
%	8.7%	6.8%	7.9 %	8.0%	9.5%	11.6%	13.0%

INNER CIRCLE BUSINESS TRANSACTIONS

During the period there were no inner circle transactions.

COMMITMENTS AND CONTINGENT LIABILITIES

EUR thousand	30.9.2011	30.9.2010	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	1 251	1 123	1 123
Other own guarantees			
Lease liabilities			
Current lease liabilities	776	859	848
Lease liabilities maturing in 1-5 years	853	823	796
Total	1 629	1 682	1 644
Other rental liabilities			
Current rental liabilities	3 544	2 415	4 054
Rental liabilities maturing in 1-5 years	6 715	7 862	9 913
Rental liabilities maturing later	0	0	0

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Total	10 259	10 277	13 967
Other own contingent liabilities, total	11 888	11 959	15 611

SEGMENT REPORTING

Geographical segments (by the location of assets)

Net sales (EUR thousand)	7-9/ 2011	7-9/ 2010	Change, %	1-9/ 2011	1-9/ 2010	Change, %	1-12/ 2010
Finland	12 608	11 641	8.3	41 188	37 595	9.6	53 606
Scandinavia	5 379	4 994	7.7	17 716	16 480	7.5	24 188
Europe	5 088	4 782	6.4	15 703	15 388	2.0	21 347
Other	3 074	3 111	-1.2	8 921	8 203	8.8	12 101
Sales between segments	-1 965	-1 326	48.2	-6 005	-4 720	27.2	-8 149
Group total	24 185	23 202	4.2	77 523	72 946	6.3	103 094

Operating profit (EUR thousand)	7-9/ 2011	7-9/ 2010	Change, %	1-9/ 2011	1-9/ 2010	Change, %	1-12/ 2010
Finland	1 632	2 238	-27.1	5 165	4 946	4.4	7 703
Scandinavia	990	890	11.3	3 185	2 578	23.5	4 136
Europe	424	419	1.2	1 230	1 611	-23.6	2 354
Other	408	269	51.4	489	640	-23.5	924
Operating profit between segments	-415	-408	1.7	-1 242	-1 224	1.5	-1 629
Group total	3 038	3 408	-10.8	8 826	8 550	3.2	13 487

Personnel (employed, on average)	7-9/ 2011	7-9/ 2010	Change, %	1-9/ 2011	1-9/ 2010	Change, %	1-12/ 2010
Finland	760	547	38.9	709	525	35.1	539
Scandinavia	116	124	-5.9	118	124	-4.9	124
Europe	135	126	6.9	138	124	10.8	126
Other	64	57	12.2	63	53	19.7	55
Group total	1 075	854	25.9	1 028	826	24.5	845

Net sales by business

Net sales (EUR thousand)	7-9/ 2011	7-9/ 2010	Change, %	1-9/ 2011	1-9/ 2010	Change, %	1-12/ 2010
License Sales	3 780	4 915	-23.1	14 068	16 558	-15.0	24 688
Maintenance	9 048	8 277	9.3	26 869	24 522	9.6	33 273
Professional Services	7 460	7 059	5.7	24 943	23 511	6.1	32 702
Automation Services	3 897	2 952	32.0	11 642	8 355	39.4	12 431
Group total	24 185	23 202	4.2	77 523	72 946	6.3	103 094

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Net sales by the location of customer

Net sales (EUR thousand)	7-9 2011	7-9/ 2010	Change, %	1-9/ 2011	1-9/ 2010	Change, %	1-12/ 2010
Finland	10 787	10 420	3.5	35 618	33 535	6.2	46 550
Scandinavia	5 262	4 857	8.3	17 394	15 859	9.7	23 346
Europe	4 954	4 629	7.0	15 072	14 864	1.4	20 249
Other	3 181	3 295	-3.5	9 439	8 688	8.6	12 949
Group total	24 185	23 202	4.2	77 523	72 946	6.3	103 094

GROUP KEY INDICATORS

EUR thousand	1-9/11	1-9/10	1-9/09	1-12/10
Net sales	77 523	72 946	66 054	103 094
Growth of net sales, %	6.3%	10.4%	10.5%	11.3%
EBITDA	12 613	12 389	10 943	18 604
% of net sales	16.3%	17.0%	16.6%	18.0%
Operating profit before IFRS3 amortization	10 333	10 214	9 188	15 691
% of net sales	13.3%	14.0%	13.9%	15.2%
Operating profit	8 826	8 550	7 767	13 487
Growth of operating profit, %	3.2%	10.1%	70.4%	14.1%
% of net sales	11.4%	11.7%	11.8%	13.1%
Profit before tax	8 858	8 486	7 553	13 325
% of net sales	11.4%	11.6%	11.4%	12.9%
Profit for the period	6 731	6 418	5 066	10 331
% of net sales	8.7%	8.8%	7.7%	10.0%
Return on equity, %	11.0%	14.4%	13.3%	16.7%
Return on investment, %	14.5%	17.4%	16.4%	20.1%
Interest-bearing liabilities	678	3 584	9 235	3 582
Cash and liquid assets *)	44 988	13 719	7 567	13 822
Gearing, %	-45.9%	-16.2%	3.2%	-15.3%
Equity ratio, %	79.7%	71.6%	61.9%	73.3%
Total assets	121 167	87 132	84 942	91 470
Gross investments **)	4 411	3 426	7 084	4 567
% of net sales	5.7%	4.7%	10.7%	4.4%
Capital expenditure	1 639	686	334	970
% of net sales	2.1%	0.9%	0.5%	0.9%
Research and development costs	12 008	10 797	10 934	14 883
% of net sales	15.5%	14.8%	16.6%	14.4%
R&D personnel at end of period	304	213	184	239
Personnel on average during the period	1 028	826	743	845
Personnel at end of period	1 079	866	755	913
Increase in personnel, %	24.6%	14.7%	10.1%	20.0%
Earnings per share, EUR	0.53	0.56	0.45	0.90
Earnings per share (diluted), EUR	0.53	0.56	0.45	0.89
Equity per share, EUR	7.46	5.34	4.58	5.78
P/E ratio	33.19	34.53	24.09	27.58

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Share price performance

lowest share price	17.00	15.00	6.60	15.00
highest share price	28.10	20.10	11.49	24.80
average share price	24.55	17.81	9.29	19.27
closing share price	17.70	19.40	10.72	24.75

Market capitalization at end of period	227 284 443	225 013 306	121 970 273	287 093 169
Number of traded shares	3 944 905	1 565 754	1 297 031	2 131 071
% of average number of shares	31.3%	13.7%	11.4%	18.5%
Average number of shares				
- undiluted	12 621 995	11 422 987	11 383 265	11 513 690
- diluted	12 632 010	11 517 522	11 383 265	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, September 30, 2011

	Shares	Votes
1. Ilmarinen Mutual Pension Insurance Company	1 496 411	11.6
2. Sihvo, Ilkka	877 300	6.8
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.	505 000	3.9
8. Pöllänen, Antti	399 023	3.1
Launimo, Essi	97 408	0.8
Pöllänen, Antti	301 615	2.3
9. Veritas Pension Insurance Company	358 672	2.8
10. Fondita Nordic Micro Cap	350 000	2.7
11. Nordea Nordic Small Cap Fund	317 585	2.5
12. Op-Suomi Pienyhtiöt	284 588	2.2
13. Kaleva Mutual Insurance Company	268 790	2.1
14. Fim Fenno Fund	181 243	1.4
15. Fim Forte Fund	175 658	1.4
16. Perttunen, Meimi	175 400	1.4
17. Investment Fund Aktia Capital	172 313	1.3
18. OP-Delta Fund	170 000	1.3
19. Ahonen, Asko	168 736	1.3
20. Fondita Equity Spice Fund	95 631	0.7
20 largest shareholders total	8 693 350	67.2
Nominee registered shares	1 554 209	12.0
Others	2 683 670	20.8
Total	12 931 229	100.00