

Stock Exchange Announcement no. 11/2007  
Copenhagen, April 27, 2007

# Interim Report for the 1st Quarter of 2007

## High level of activities continues – 2007 forecast maintained

*Maconomy achieved revenue of DKK 50.1 million in the 1<sup>st</sup> Quarter 2007 which means an increase of 25% compared to the same period last year. Income before taxes was at the level expected by the Company, a loss of DKK 4.2 million (1<sup>st</sup> Quarter 2006 showed a loss of DKK 5.7 million). License revenue was DKK 12.5 million, an increase of 32% compared to the 1<sup>st</sup> Quarter 2006. Management maintains its expectations for 2007 – total revenue of approximately DKK 225 million and pre-tax earnings at zero.*

### Highlights of 1<sup>st</sup> Quarter 2007

Maconomy's Board of Directors has discussed and approved the Group's Interim Report for the 1<sup>st</sup> Quarter of 2007 and the highlights of the period are:

- Maconomy's revenue for the 1<sup>st</sup> Quarter of 2007, which corresponds to the 5th Quarter in Maconomy's Growth Plan for 2006-2008, met with the Company's expectations. Maconomy achieved in the 1st Quarter of 2007 total revenue of DKK 50.1 million corresponding to an increase of 25% or DKK 10.1 million compared to the same period last year.
- License revenue was at DKK 12.5 million – an increase of 32% compared to the 1<sup>st</sup> Quarter of 2006.
- Staff expenses reached the same level as total revenue, which amounted to DKK 37.7 million corresponding to an increase of 27% compared to the same period last year. The average number of employees rose from 182 in the 1<sup>st</sup> Quarter of 2006 to 212 in the 1<sup>st</sup> Quarter of 2007.
- In accordance with the Company's expectations, the pre-tax earnings for the 1<sup>st</sup> Quarter of this year showed a loss of DKK 4.2 million.
- On April 13, 2007, Maconomy and Dutch KPMG Meijburg & Co B.V. reached an out of court settlement. Both parties have agreed to withdraw all claims and the mutual bank guarantees of EUR 1.3 million (DKK 9.8 million) will be cancelled. Maconomy will consequently pay an amount of EUR 50.000 and KPMG Meijburg & Co B.V. will return its software licenses and corresponding materials.
- A new product version Maconomy X+ is launched at the beginning of May 2007 under the title "Plan with a clear view". Apart from a number of improvements and extensions of the existing functionalities, the launch includes three new additional solutions: People Planner, AnalytiX and Mobile Speed Sheet.
- Claus Thorsgaard Larsen joins Maconomy A/S as new VP Sales, June 1, 2007.
- The level of activities for the 1<sup>st</sup> Quarter of 2007 has turned out as expected and Management maintains accordingly its expectations for 2007; total revenue of approximately DKK 225 million and pre-tax earnings at zero.

### Further information:

Hugo Dorph, CEO

Telephone: +45 35 27 24 24

E-mail: [ir@maconomy.com](mailto:ir@maconomy.com)

Ulrik Christensen, CFO

Telephone: +45 35 27 23 67

E-mail: [ir@maconomy.com](mailto:ir@maconomy.com)

*This announcement has been prepared in Danish and English. The Danish version is to be considered the original version for official purposes and in case of any discrepancies between the two versions, the Danish version shall prevail.*

# Financial Highlights and Key Ratios for Maconomy

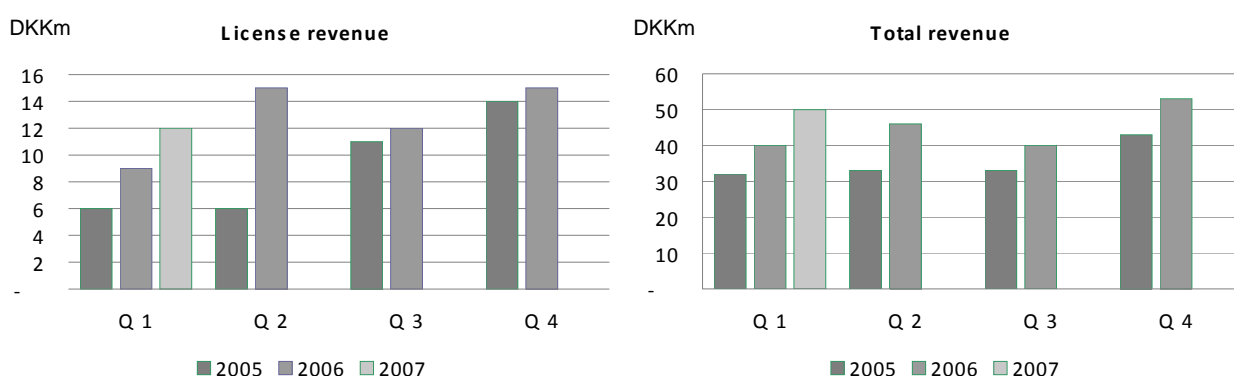
(DKK 1,000)	Q1 2007	Q1 2006	Total 2006
<b>Income Statement</b>			
Revenue	50,097	40,022	179,523
Earnings before depreciations (EBITDA)	(3,286)	(5,223)	(9,824)
Earnings before interest (EBIT)	(4,165)	(5,783)	(12,451)
Financial income, net	(9)	64	1,497
Income (loss) before income taxes	(4,174)	(5,719)	(10,954)
Net income (loss)	(5,266)	(6,402)	(15,652)
<b>Cash flow</b>			
Cash flow from operating activities	3,462	5,282	(11,428)
Cash flow from investing activities	(2,401)	(394)	10,599
Cash flow from financing activities	306	10	1,663
Total cash flow	1,358	4,764	842
<b>Investments</b>			
Investments in tangible non-current assets	(1,145)	(218)	(2,019)
<b>Balance Sheet</b>			
Share capital	39,574	38,813	39,461
Equity	56,025	68,358	60,900
Deferred income tax assets	4,333	9,082	5,165
Accounts receivables etc.	59,345	46,837	75,418
Cash and cash equivalents	53,717	71,588	52,671
Total assets	129,176	135,289	143,215
<b>Key Ratios</b>			
Revenue growth	25%	25%	27%
EBITDA margin	(7)%	(13)%	(5)%
EBIT margin	(8)%	(14)%	(7)%
Return on equity (ROE)	(9)%	(9)%	(23)%
Solvency ratio	43%	51%	43%
<b>Share-Related Key Ratios</b>			
No. of shares, end period ('000)	19,787	19,407	19,730
Earnings per share (DKK)	(0.27)	(0.33)	(0.80)
Net value per share (DKK)	2.83	3.52	3.09
Cash flow per share (DKK)	0.18	0.27	(0.58)
Share price, period-end (DKK)	16.60	10.01	14.90
Market value, period-end (DKKm)	328	194	294
<b>Other</b>			
Number of employees (average)	212	182	191
Revenue per employee (DKK 1,000)	236	220	940

The Financial Highlights and Key Ratios are calculated in accordance with the 2005 guidelines of the Danish Society of Financial Analysts.

# Management's Report

## Income Statement

Maconomy's net revenue for the 1<sup>st</sup> Quarter 2007 amounted at DKK 50.1 million constituting a growth of 25% compared to the 1<sup>st</sup> Quarter 2006. Total revenue of software licenses increased by 32% from DKK 9.5 million in the 1<sup>st</sup> Quarter 2006 compared to DKK 12.5 million in 1<sup>st</sup> Quarter 2007. Accordingly, Maconomy continues its significant growth, which was initiated by the "Growth Plan 2006-2008".



Maconomy's overall target for 2007 is to achieve a total revenue growth of 25% with as much as a 45% growth in the revenue of software licenses. The revenue growth for the 1<sup>st</sup> Quarter stays this way in accordance with the expectations for the entire year, though the revenue of services has a comparatively larger growth contribution than the one of software licenses. The revenue of services showed an increase of 34% and with DKK 23.8 million it was close to half of total revenue of the 1<sup>st</sup> Quarter 2007. In this period software subscriptions were at DKK 12.6 million and rose with 7% compared to the same period last year, indicating that the size of the customer base is increasing continuously.

### Revenue by product

DKKm	Q1 2007	Q1 2006	Change %
Software licenses	12.5	9.5	32%
Software subscriptions	12.6	11.8	7%
Services	23.8	17.7	34%
Other	1.2	1.0	20%
<b>Total Net revenue</b>	<b>50.1</b>	<b>40.0</b>	<b>25%</b>

Maconomy's main customer segments Market Communication and Consulting have contributed with 75% of the license revenue and both segments have experienced a significant growth of 32% and 45% respectively compared to the 1<sup>st</sup> Quarter 2006.

### License revenue by segments

DKKm	<u>Q1 2007</u>	<u>Q1 2006</u>	<u>Change %</u>
Marcom	3.3	2.5	32%
Consulting	6.1	4.2	45%
Research	-	0.6	(100)%
Audit & Tax	1.1	1.1	0%
Other	2.0	1.1	82%
<b>Total</b>	<b>12.5</b>	<b>9.5</b>	<b>32%</b>

The distribution of total revenue by segments shows a slightly different picture as the largest part of the growth comes from Consulting. The segments of Market Communication and Consulting constitute nevertheless more than two thirds of the total revenue.

### Total revenue by segments

DKKm	<u>Q1 2007</u>	<u>Q1 2006</u>	<u>Change %</u>
Marcom	14.3	13.5	6%
Consulting	20.0	13.4	49%
Research	2.6	2.6	0%
Audit & Tax	3.3	2.9	14%
Other	9.9	7.6	30%
<b>Total</b>	<b>50.1</b>	<b>40.0</b>	<b>25%</b>

The revenue distributed by geographical segments is presented in the table mentioned below. Apart from UK, every other area has progressed substantially compared to the 1<sup>st</sup> Quarter 2006. UK's decline in revenue is primarily to be explained by the fact that license revenue reached a lower level than estimated for the 1<sup>st</sup> Quarter 2007. On a yearly basis UK is however expected to contribute considerably to Maconomy's total growth.

### Revenue distributed by geographic segments

DKKm	<u>Q1 2007</u>	<u>Q1 2006</u>	<u>Change %</u>
Denmark	13.0	10.4	25%
Sweden	10.2	7.4	38%
Norway	10.2	6.9	48%
UK	8.9	10.5	(15)%
Other Europe	2.8	1.9	47%
US	5.0	2.9	72%
<b>Total Net revenue</b>	<b>50.1</b>	<b>40.0</b>	<b>25%</b>

**Income before income taxes** showed as expected for the 1<sup>st</sup> Quarter 2007 a loss of DKK 4.2 million, which is a small improvement compared to a pre-tax loss of DKK 5.7 million during the same period last year.

Software development on its own account which figures in the Income Statement with earnings of DKK 1.4 million covers activated development expenses in connection with new products as AnalytiX and People Planner. Additional solutions should be considered as important elements in Maconomy's future product launch at the beginning of May 2007, please see the following paragraph "Customer and Market Relations".

**Other external costs** consisting of permanent costs for offices, marketing and administration together with employee related costs and external assistance reached a total of DKK 13.9 million, which is a minor increase of 9% compared to the 1<sup>st</sup> Quarter 2006 in which other external costs amounted to DKK 12.8 million.

**Staff expenses** increase actually concurrently with the revenue to DKK 37.7 million and compared to the same period last year this means a progress of 27%. The average number of employees rises accordingly from 182 employees in the 1<sup>st</sup> Quarter 2006 to 212 in the same period of 2007. The average staff expenses per employee have increased by 9% from the 1<sup>st</sup> Quarter 2006 to the corresponding period of 2007. This can partly be explained by a certain push of wages and partly by the fact that Maconomy consciously recruited a number of employees with heavy experience and competence which also contributed to a rise in the average staff expenses. The number of employees rose from 209 at the beginning of 2007 to 214 in March same year. A net intake of 5 employees covered 16 new assignments and 11 resignments during this period.

**Income tax of the period's revenue** aggregated costs for DKK 1.1 million, which is mainly caused by a change in Sweden's and Norway's deferred tax assets and the current tax of this period amounting to DKK 0.3 million.

**Revenue after income taxes** showed a loss of DKK 5.3 million in the 1<sup>st</sup> Quarter 2007.

## **Balance Sheet and Statement of Cash Flow etc.**

The balance sheet total by March 31 2007 was DKK 129.2 million and this is at level of the same period last year in which the balance sheet total was DKK 135.3 million.

**Long-term assets** showed a total of DKK 16.1 million of which DKK 4.5 million consisted of intangible non-current assets, mainly software developed with a view to resale.

**Deferred tax assets** have been included with DDK 4.3 million.

**Equity** by March 31, 2007 had a total of DKK 56 million compared to DKK 60.9 million at the beginning of 2007 and DKK 68.4 million by March 31, 2006. Total equity of the 1<sup>st</sup> Quarter 2007 was influenced positively with DKK 0.3 million concerning capital increases in relation to the exercise of former employees' share options.

**Cash flows from operating activities** were DKK 3.5 million in 1<sup>st</sup> Quarter 2007 compared to DKK 5.3 million in the same period last year. Cash flows from operating activities are positive despite an accounting loss which was caused by the fact that large parts of the support and maintenance subscriptions follow the calendar year and are invoiced in advance in December. This explains also a major fall in accounts receivable from sales from DKK 63.7 million in 1<sup>st</sup> Quarter 2006 to DKK 44.7 million in the same period this year.

**Liquid assets**, including bonds, were DKK 53.7 million in 1<sup>st</sup> Quarter 2007 compared to last year's DKK 71.6 million meaning a decrease of DKK 17.9 million since March 31 2006. The decrease is mainly caused by the cash flow effect from the accounting losses realised in 2006 and in 1<sup>st</sup> Quarter 2007, but also by an increase of funds tied up in accounts receivable and in contract work in progress due to the higher level of activities. Accounts receivable from sales and contract work in progress increased with DKK 11.8 million from DKK 42.5 million in March 31, 2006 to DKK 54.3 million the same date this year.

Maconomy has no interest-bearing debts.

## **Customer and Market Relations**

### **Orders to sell**

Revenue of software licenses for the 1<sup>st</sup> Quarter 2007 was marked by a large number of additional sales to existing customers and a minor number of sales to new customers. This means that 45 - most of them existing - customers have bought software licenses for more than DKK 50,000 during the period.

Maconomy's level of activities was actually influenced positively by the favourable market cycles that Maconomy's main customer segments experienced.

Major orders to be mentioned:

- Contract (new sales) with Atkins Danmark A/S concerning the implementation of Maconomy's Consulting Solution for 300 users in Denmark and Sweden. In Scandinavia, 300 employees work at Atkins delivering innovative.
- Contract (new sales) with the Norwegian Church Aid (Kirkens Nødhjelp) concerning implementation of Maconomy's Consulting Solution for 265 users.
- A significant extension of the cooperation with the Norwegian ErgoGroup due to the fact that ErgoGroup merged with Allianse ASA as per January 1<sup>st</sup> 2007, and therefore wished to implement Maconomy's solution in the entire organisation. After the additional purchase of 440 users, the total number of Maconomy users in ErgoGroup reaches 2,240.

### **Maconomy X+ "Plan with a clear view"**

At the beginning of May 2007 Maconomy launches a new product version Maconomy X+ under the title "Plan with a clear view". Apart from a number of improvements and extensions of the existing functionalities, the launch includes three new additional solutions:

1. People Planner is an advanced solution for resource and capacity planning with effective graphical user interfaces making it possible to plan with an extensive use of drag and drop functionalities. People Planner was developed in cooperation with Marstrand Innovation A/S, and Maconomy entered an OEM agreement with Marstrand Innovation A/S as communicated in the Stock Exchange Announcement of April 13, 2007.
2. AnalytiX solutions are based on technology from Business Objects. The new AnalytiX solutions cover several products, from simple and effective tools for reporting including a number of industry-specific standard reports, to advanced solutions of Data Intelligence.
3. Mobile Speed Sheet, which makes it possible for the customers to give their users access to register time through mobile telephones.

### **Settlement reached with KPMG Meijburg & Co. B.V.**

On April 13, 2007, Maconomy and KPMG Meijburg & Co. B.V. reached an out of court settlement concerning an agreement about delivery of a standard financial system which the parties entered in February 2003. Maconomy proceeded against KPMG Meijburg & Co. B.V. in Holland in 2004, and KPMG Meijburg Co. B.V. claimed damages from Maconomy, including a significant amount in return of its software licenses and services. The matter has been submitted to the Dutch Court since October 2004, and both parties have provided mutual bank guarantees of EUR 1.3 million corresponding to DKK 9.8 million as collateral for the claim of the other party.

The latest hearing was held at the Dutch Court on December 15, 2006, pronouncing that a final decision was expected in May 2007. A decision which nevertheless could be appealed to a higher court and leading to requests for further information or even new estimates from third party experts.

As previously mentioned, Maconomy and KPMG Meijburg & Co. B.V. reached an out of court settlement on April 13, 2007. Both parties have agreed to withdraw all claims and the mutual bank guarantees of EUR 1.3

million will be cancelled. Maconomy will consequently pay an amount of EUR 50.000 and KPMG Meijburg Co. B.V. will return its software licenses and corresponding materials.

With this settlement Management is satisfied with putting an end to a matter, which potentially could continue for a long time, so far has taken important resources from Management and have caused considerable legal expenses.

### **Claus Thorsgaard new VP Sales**

As per June 1, 2007 Claus Thorsgaard joins Maconomy A/S as VP Sales with responsibility of direct sales and sales organisation. Claus Thorsgaard has a solid experience from the Consulting and IT business. Latest his responsibility has been as Sales and Marketing director at Siemens Business Services. Before that he was CEO for Ementor Denmark.

## **Board decisions**

### **Capital increase**

As per January 16 and March 5, 2007 the Board decided to exercise parts of the authorisation in the Articles of Association, Article 18, in order to increase the Company's capital stock by 56,375 shares of DKK 2 each, nominally DKK 112,750. The decision was a response to requests by former Maconomy employees who wished to exercise previously issued warrants. The range of exercise prices varied between DKK 5.25 and DKK 7.00 per share, and the total increase of stockholders' equity was DKK 326,344. The capital increases were registered with the Danish Commerce and Companies Agency, and the stocks were included in the listing at OMX Copenhagen Stock Exchange.

## **Expectations for fiscal year 2007**

*The following paragraph contains information concerning Maconomy's plans, forecasts and future activities. Such activities may involve risks and uncertainties as well as the Group's performance may vary significantly from the expectations expressed herein.*

In the 1<sup>st</sup> Quarter 2007, Maconomy showed a growth in revenue and a level of activity in line with the expectations, and Management maintains its expectations for 2007 as expressed in the Consolidated Financial Statements 2006 with revenue at approximately DKK 225 millions and pre-tax earnings at zero.

# Statement of the Board of Directors and the Management

Today, the Board of Directors and the Management have presented and approved the Interim Report of Maconomy A/S for the 1<sup>st</sup> Quarter of 2007.

The Interim Report, which is a summarized Consolidated Financial Statement for Maconomy A/S, has been prepared in accordance with the International Financial Reporting Standards as approved by EU including IAS 34 regarding interim reporting and such additional requirements made by the Danish Stock Exchange for the financial reporting of listed companies.

We consider the applied accounting policies appropriate and the performed estimates reasonable. Furthermore, we consider the overall Interim Report presentation true and fair. Therefore, in our opinion, the Interim Report gives a true and fair view of the financial position of the Group and of the results of the Group operations and consolidated cash flows for the 1<sup>st</sup> Quarter 2007.

The Interim Report has not been audited or reviewed by the auditors of Maconomy A/S.

Copenhagen, April 27, 2007

## **Management:**

Hugo Dorph (CEO)

## **Board of Directors:**

Thomas Hartwig (Chairman of the Board)

John Andersen (Deputy Chairman)

Søren Hougaard

Juliane Meulengracht Bang

Christian Mossin

Jens Wandler

## **Accounting policies**

The Interim Report which is a summarised Consolidated Financial Statement for Maconomy A/S, has been prepared in accordance with the International Financial Reporting Standards, as approved by the European Union, including IAS 34 about "Presentation of Interim Reports" and further Danish requirements that the Danish Stock Exchange makes for the financial reporting of listed companies.

The Interim Report has been submitted according to the same accounting policies as the Consolidated Financial Statements for 2006, which we refer to for a more detailed description.

## Income Statement January 1 – March 31

(DKK '000)	<u>Q1 2007</u>	<u>Q1 2006</u>
Revenue	50,097	40,022
Capitalised development costs, income	1,416	-
External project costs	3,192	2,786
<b>Gross profit</b>	<b><u>48,321</u></b>	<b><u>37,236</u></b>
Other external costs	13,887	12,771
Staff costs	37,720	29,688
<b>Profit (loss) before depreciation - EBITDA</b>	<b><u>(3,286)</u></b>	<b><u>(5,223)</u></b>
Depreciation	879	560
<b>Profit (loss) before interest - EBIT</b>	<b><u>(4,165)</u></b>	<b><u>(5,783)</u></b>
Interest income and other financial income	488	667
Interest expenses and other financial expenses	497	603
<b>Profit (loss) before income tax</b>	<b><u>(4,174)</u></b>	<b><u>(5,719)</u></b>
Income tax, net	(1,092)	(683)
<b>Net profit (loss)</b>	<b><u>(5,266)</u></b>	<b><u>(6,402)</u></b>
<b>Earnings per share</b>		
Earnings per share (EPS)	(0.27)	(0.33)
Diluted earnings per share (EPS-D)	(0.27)	(0.33)

# Balance Sheet

## ASSETS

(DKK '000)	Mar. 31 2007	Dec. 31 2006	Mar. 31 2006
<b>Intangible non-current assets</b>			
Software for internal use	1,289	1,309	123
Software development costs - in progress	2,082	1,261	-
Software development costs - finalised	1,120	686	321
	<u>4,491</u>	<u>3,256</u>	<u>444</u>
<b>Tangible non-current assets</b>			
Leasehold improvements	182	189	116
Hardware	2,127	2,138	1,139
Fixtures and equipment	3,710	3,234	2,567
	<u>3,710</u>	<u>5,561</u>	<u>3,822</u>
<b>Investments</b>			
Deposits	3,580	3,471	3,516
Deferred income tax assets	4,333	5,165	9,082
	<u>7,913</u>	<u>8,636</u>	<u>12,598</u>
<b>Total non-current assets</b>	<b><u>16,114</u></b>	<b><u>15,126</u></b>	<b><u>16,864</u></b>
<b>Receivables</b>			
Trade accounts receivable	44,720	63,683	37,704
Contracted work in progress	9,613	7,814	4,785
Other receivables	273	619	1,001
Prepaid expenses	4,739	3,302	3,347
	<u>59,345</u>	<u>75,418</u>	<u>46,837</u>
<b>Bonds</b>	<u>17,547</u>	<u>17,859</u>	<u>32,854</u>
<b>Cash and cash equivalents</b>	<u>36,170</u>	<u>34,812</u>	<u>38,734</u>
<b>Total current assets</b>	<b><u>113,062</u></b>	<b><u>128,089</u></b>	<b><u>118,425</u></b>
<b>Total assets</b>	<b><u>129,176</u></b>	<b><u>143,215</u></b>	<b><u>135,289</u></b>

# Balance Sheet

## LIABILITIES AND SHAREHOLDERS' EQUITY

(DKK '000)	<u>Mar. 31 2007</u>	<u>Dec. 31 2006</u>	<u>Mar. 31 2006</u>
<b>Shareholders' equity</b>			
Share capital	39,574	39,461	38,813
Additional paid-in capital	284,184	283,991	282,995
Reserve for currency translation adjustments	(4,023)	(3,976)	(3,678)
Retained earnings (deficit)	<u>(263,710)</u>	<u>(258,576)</u>	<u>(249,772)</u>
<b>Total shareholders' equity</b>	<b><u>56,025</u></b>	<b><u>60,900</u></b>	<b><u>68,358</u></b>
<b>Current liabilities</b>			
Prepayments from customers	4,258	3,885	2,655
Trade accounts payable	8,228	7,607	8,006
Corporate income taxes payable	310	-	-
Other accounts payable	24,875	35,027	24,076
Deferred revenue	<u>35,480</u>	<u>35,796</u>	<u>32,194</u>
	<u>73,151</u>	<u>82,315</u>	<u>66,931</u>
<b>Total current liabilities</b>	<b><u>73,151</u></b>	<b><u>82,315</u></b>	<b><u>66,931</u></b>
<b>Total liabilities &amp; shareholders' equity</b>	<b><u>129,176</u></b>	<b><u>143,215</u></b>	<b><u>135,289</u></b>

## Statement of Shareholders' Equity

(DKK '000)

	Share capital	Additional paid-in capital	Reserve for curr. transl. Adj.	Retained earnings	Total Shareholders' equity
Balance January 1, 2006 according to Annual Report	38,810	282,988	(3,738)	(243,486)	74,574
Movements in equity capital Q1 2006:					
Currency translation adjustments	-	-	60	-	60
Proceeds recognised directly on equity capital	-	-	60	-	60
Net earnings (deficit)	-	-	-	(6,402)	(6,402)
Total income	-	-	60	(6,402)	(6,342)
Cost related to warrants	-	-	-	116	116
Proceeds from issue	3	7	-	-	10
<b>Balance on March 31, 2006</b>	<b>38,813</b>	<b>282,995</b>	<b>(3,678)</b>	<b>(249,772)</b>	<b>68,358</b>
Balance on April 1, 2006	38,813	282,995	(3,678)	(249,772)	68,358
Movements in equity capital Q2-Q4 2006:					
Currency translation adjustments	-	-	(298)	-	(298)
Proceeds recognised directly on equity capital	-	-	(298)	-	(298)
Net earnings (deficit)	-	-	-	(9,250)	(9,250)
Total income	-	-	(298)	(9,250)	(9,548)
Cost related to warrants	-	-	-	446	446
Proceeds from issue	648	996	-	-	1,644
<b>Balance on December 31, 2006</b>	<b>39,461</b>	<b>283,991</b>	<b>(3,976)</b>	<b>(258,576)</b>	<b>60,900</b>
Balance on January 1, 2007	39,461	283,991	(3,976)	(258,576)	60,900
Movements in equity capital Q1 2007:					
Currency translation adjustments	-	-	(47)	-	(47)
Proceeds recognised directly on equity capital	-	-	(47)	-	(47)
Net earnings (deficit)	-	-	-	(5,266)	(5,266)
Total income	-	-	(47)	(5,266)	(5,313)
Cost related to warrants	-	-	-	132	132
Proceeds from issue	113	193	-	-	306
<b>Balance on March 31, 2007</b>	<b>39,574</b>	<b>284,184</b>	<b>(4,023)</b>	<b>(263,710)</b>	<b>56,025</b>

# Statement of Cash Flows January 1 – March 31

(DKK '000)	<u>Q1 2007</u>	<u>Q1 2006</u>
Earnings before depreciation (EBITDA)	(3,286)	(5,223)
<i>Adjustments:</i>		
Change in allowance for uncollectibles, gain/loss of tangible fixed assets	(99)	47
Costs related to warrants	132	116
Changes in working capital:		
Accounts receivable etc.	15,938	13,534
Accounts payable etc.	<u>(9,310)</u>	<u>(3,433)</u>
<b>Cash flows from operations before financial income and tax</b>	<b>3,375</b>	<b>5,041</b>
Financial income received	(407)	844
Financial expenses paid	497	(603)
Paid corporate taxes	<u>(3)</u>	<u>-</u>
<b>Cash flow from operating activities</b>	<b><u>3,462</u></b>	<b><u>5,282</u></b>
Capitalised development costs	(1,416)	-
Purchase of intangible non-current assets	(137)	(187)
Purchase of tangible non-current assets	(1,145)	(218)
Proceeds from sale of tangible non-current assets	92	171
Purchase of bonds	(589)	(4,589)
Proceeds from sale of bonds	901	4,484
Changes in other investments	<u>(107)</u>	<u>(55)</u>
<b>Cash flow from investing activities</b>	<b><u>(2,401)</u></b>	<b><u>(394)</u></b>
Net proceeds from issue of share capital	306	10
<b>Cash flow from financing activities</b>	<b><u>306</u></b>	<b><u>10</u></b>
Effect of currency translation adj. on cash and cash equivalents	<u>(9)</u>	<u>(134)</u>
<b>Net change in cash and cash equivalents</b>	<b><u>1,358</u></b>	<b><u>4,764</u></b>
Cash and cash equivalents, beginning of period	34,812	33,970
<b>Cash and cash equivalents, end of period</b>	<b><u>36,170</u></b>	<b><u>38,734</u></b>
<b>Cash and cash equivalents comprise:</b>		
Cash and cash equivalents	25,462	28,665
Cash placed in collateral	10,708	10,069
<b>Cash and cash equivalents</b>	<b><u>36,170</u></b>	<b><u>38,734</u></b>

## Segment Information

	Den- mark *)	Other Nordic	UK	Other Europe	US	Elimina- tions	Total
<b>1st Quarter 2007:</b>							
Revenue	20,137	20,432	8,912	2,841	4,962	(7,187)	50,097
Inter segment-sales	8,779	(5,554)	(1,173)	(757)	(1,295)	-	-
Revenue growth %	0%	43%	(15)%	45%	70%	0%	25%
Profit (loss), from operations	(4,299)	4,071	(2,217)	(849)	(871)	-	(4,165)
Non-current assets	39,879	1,319	5,392	253	302	(31,031)	16,114
Current assets	43,161	37,423	19,095	13,932	8,890	(9,439)	113,062
Total assets	83,040	38,742	24,487	14,185	9,192	(40,470)	129,176
Invest., intangible assets	-	27	-	110	-	-	137
Invest., tangible assets	229	270	647	42	86	-	1,274
Depreciations	602	143	84	23	27	-	879
Provisions and debt	13,940	23,843	43,032	40,725	17,432	(212,123)	(73,151)
Cash flows from operations	(1,102)	8,263	(1,659)	(173)	1,212	43	6,584
Operating margin (%)	(21)%	20%	(25)%	(30)%	(18)%	0%	(8)%
No. of employees (av.)	110	46	29	8	19	-	212
<b>1st Quarter 2006:</b>							
Revenue	20,092	14,294	10,497	1,965	2,913	(9,739)	40,022
Inter segment-sales	8,853	(4,681)	(2,921)	(1,641)	(728)	-	-
Revenue growth %	20%	88%	68%	(30)%	(15)%	0%	25%
Profit (loss) from operations	(5,771)	2,172	199	(1,703)	(680)	-	(5,783)
Non-current assets	24,085	3,723	376	298	395	(21,095)	7,782
Current assets	64,739	21,134	26,776	11,887	7,422	(13,533)	118,425
Total assets	88,824	24,857	27,152	12,185	7,817	(34,628)	126,207
Invest., intangible assets	-	-	-	-	-	-	-
Invest., tangible assets	212	150	36	10	-	-	408
Depreciations	332	69	51	20	22	-	494
Provisions and debt	(28,094)	(19,298)	(46,639)	(34,182)	(14,380)	209,524	66,931
Cash flows from operations	(6,024)	7,828	3,345	(33)	124	42	5,282
Operating margin (%)	(29)%	15%	2%	(87)%	(23)%	0%	(14)%
No. of employees (av.)	108	35	21	6	12	-	182

Translations with related parties are made on market conditions.

\*) Denmark includes Sales and Consulting activities, development, customer support, corporate general and admin functions and certain non-allocated non-current assets and related depreciation as well as sales and services.