The Copenhagen Stock Exchange and the Press

Maconomy Stock Exchange Announcement No. 8/2002

Announcement of Interim Report for Q1 2002

Summary

- Total revenue for Q1 2002 was DKK 50 million compared to DKK 55 million in Q1 2001. Total operating costs for Q1 2002 were DKK 67 million compared to DKK 92 million for Q1 2001. Total operating result before tax for Q1 2002 was a loss of DKK (16) million compared to a loss of DKK (34) million for Q1 2001.

- The implementation of our high-end strategy progresses as planned. It is our goal to reach a strong international position by winning international customer references, referred to as "Lighthouse customers", and to accelerate our long-term growth in software revenues through alliances with the leading international consulting organizations.

- We are continuously expanding our pipeline of "Lighthouse" customer prospects. In Q1 2002 we announced that we signed a contract with Edelman Europe. We expect that we will announce a number of important international customer wins during the coming quarters.

- We have seen the first positive signs towards building alliances with the world's leading consulting organizations. In Q1 2002 we announced an alliance with PwC Consulting in the Netherlands and an alliance with Deloitte & Touche Management Solutions in Sweden. We expect to announce further such alliances during the coming quarters.

- The shift towards a high-end focus results in longer sales cycles and often revenue recognition over a longer period of time. Revenue for fiscal year 2002 will therefore mainly be recognized in the second half of the year. Costs are under control. As stated earlier, we expect to see quarterly operating costs of DKK 65-70 million. Based on the current customer prospect outlook, we maintain our revenue growth expectations for the year 2002 of 20-30%. Furthermore, we maintain our expectation of a positive result before tax for 2002, estimated to up to DKK 5 million before tax for the year.

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

Financial Highlights and Key Ratios

(DKK '000)	Q1 2002	Q1 2001
Net revenue	50.212	55.230
Gross profit	26.515	29.130
Income (loss) from operations	(17.158)	(36.858)
Interest income (expense), net	1.568	2.780
Income (loss) before income taxes	(15.590)	(34.078)
Net income (loss)	(15.629)	(31.427)
Fixed assets	14.571	20.484
Receivables, etc.	99.001	93.275
Cash and cash equivalents	93.880	187.520
Total assets	207.452	301.279
Common stock	38.597	38.596
Reserves	116.335	192.234
Total stockholders' equity	154.932	230.830
Provisions and long-term debt	231	1.567
Short-term debt	52.289	68.882
Total liabilities and stockholders' equity	207.452	301.279
Revenue growth (%)	-9%	16%
Revenue per employee (DKK '000)	186	169
Gross margin (%)	53%	53%
Operating margin (%)	-34%	-67%
Earnings per share (DKK)	(0,81)	(1,63)
Cash flow per share (DKK)	(0,22)	(1,39)
Solvency ratio (%)	75%	77%
Number of employees (average)	270	328

Definitions of key ratios:

Revenue growth	=	(Revenue in period in current year - Revenue in period last year) x 100 / Revenue in period last year
Revenue per employee	=	Revenue / Average number of employees
Gross margin	=	(Revenue - cost of revenue) x 100 / Revenue
Operating margin	=	Income (loss) from operations x 100 / Net revenue
Earnings per share	=	Net income (loss) / Average number of shares
Cash flow per share	=	Cash flow from operations / Average number of shares
Dividend per share	=	Dividend / Number of shares at year-end
Solvency ratio	=	Stockholders' equity at year-end x 100 / Total assets at year-end

The key ratios have been calculated in accordance with the 1997 guidelines of the Danish Society of Financial Analysts.

Report on Financial Results in Q1 2002

Total revenue for Q1 2002 was DKK 50 million compared to DKK 55 million in Q1 2001, showing a 9% decline year over year. The main reasons for this are firstly that our high-end strategy results in longer sales cycles and often revenue recognition over a longer period of time. Secondly, revenue in Q1 2001 was primarily based on revenue from many smaller orders. Since we are now directing our sales activities towards high-end customers, Q1 2002 shows only limited revenue from small and mid-size market activities.

The implementation of our high-end strategy progresses as planned. It is our goal to reach a strong international position through winning international customer references, referred to as “Lighthouse customers”, and to accelerate our long-term growth in software revenues through alliances with the leading international consulting organizations.

We are continuously expanding our pipeline of “Lighthouse” customer prospects. In Q1 we announced that we signed a contract with Edelman Europe. We are currently negotiating contracts with several new customers and we expect that we will announce a number of important international customer wins during the coming quarters.

Of total revenue for Q1 2002, 20% (31% in Q1 2001) derives from software license fees, 21% from software subscriptions (17%), 56% from services (48%), and 3% (4%) from other revenue sources. As a result of our high-end focus we have changed our sales organization to work in global teams, delivering solutions for global customers. Our global customers will often implement our software in many countries so that a geographical split of revenue is no longer a key measurement for us. However, as a reporting formality we will continue to state the split of revenue between regions primarily based on our statutory revenue recognition. The geographical split of total revenue for Q1 2001 and Q1 2002 was as follows (DKK million):

	Q1 2002	**Q1 2001**
Denmark	16.9	17.9
Other Nordic	9.2	13.7
UK	9.9	10.9
Other Europe	1.5	2.9
US	12.7	9.8
Total	**50.2**	**55.2**

We have seen the first positive signs towards building alliances with the world’s leading consulting organizations. In Q1 we announced an alliance with PwC Consulting in the Netherlands and an alliance with Deloitte & Touche Management Solutions in Sweden. We expect to announce further such alliances during the coming quarters thereby building the foundation for future acceleration of our growth in software revenues and market penetration in the coming years.

Our costs are under tight control. As stated previously, we expect to see quarterly operating costs of DKK 65-70 million in year 2002. Total operating costs for Q1 2002 were DKK 67 million compared to DKK 92 million for Q1 2001, showing a very significant reduction. Total operating costs for Q4 2001 were DKK 70 million showing that during Q1 2002 we further reduced the cost base. As a result, the total operating result before tax for Q1 2002 was a loss of DKK (16) million compared to a loss of DKK (34) million for Q1 2001.

The decrease in costs derives primarily from the transformation and restructuring of the organization in line with our high-end strategy. By the end of Q1 2002, we had a total of 264 employees.

The gross margin for Q1 2002 was 53% compared to 53% for Q1 2001. The decrease in gross margin compared to Q4 2001 (61%) is due to a higher proportion of software revenue in Q4 2001.

R&D update: Release of Maconomy-7.

As announced on April 9th, 2002 Maconomy has released its 7th master release. This is an important product release for Maconomy.

Our key competitive strengths on the international market are our world-class technology and world-class product functionality combined with strong customer references. Maconomy-7 offers important product enhancements both with respect to technology and functionality.

We find that with the release of Maconomy-7 we have taken an important step to maintain and further increase our competitive advantage. We believe that the technology and functionality now offered through the release of Maconomy-7 will be an important element in the continued success of our high-end strategy.

Expectations for the Fiscal Year 2002

Since the shift towards a high-end focus results in longer sales cycles and often revenue recognition over a longer period of time, revenue for fiscal year 2002 will be mainly recognized in the second half of the year. Based on the current customer prospect outlook, we maintain our revenue growth expectations for fiscal year 2002 of 20-30%. Furthermore, we maintain our expectations of a positive result before tax for 2002, estimated to up to DKK 5 million for the year.

Copenhagen, April 30, 2002

Bent Larsen	**Per Tejs Knudsen**
Chairman	**CEO**

Consolidated Statement of Operations

(DKK '000)	Q1 2002	Q1 2001
Revenue	50.212	55.230
Cost of revenue	23.697	26.100
Gross profit	**26.515**	**29.130**
Sales and marketing expenses	25.525	42.487
Research and development expenses	8.932	9.115
General and administrative expenses	9.216	14.386
Income (loss) from operations	**(17.158)**	**(36.858)**
Interest income (expense), net	1.568	2.780
Income (loss) before income taxes	**(15.590)**	**(34.078)**
Income tax (expense) benefit	(39)	2.651
Net income (loss)	**(15.629)**	**(31.427)**

Statement of Stockholder's Equity

(DKK '000)	Common stock	Additional paid-in capital	Treasury stock	Acc. curren-cy translat. adjustm., net	Retained income (loss)	Total stockholders' equity
Balance at January 1, 2002	38.597	80.090	-	(2.608)	54.516	170.595
Net income (loss)	-	-	-	-	(15.629)	(15.629)
Currency translation adjustment	-	-	-	(34)	-	(34)
Profit from sales of common stock	-	-	-	-	-	0
Gain from sale of common stock	-	-	-	-	-	0
Repurchase of common stock	-	-	-	-	-	0
Balance at March 31, 2002	38.597	80.090	-	(2.642)	38.887	154.932

Consolidated Balance Sheet

(DKK '000)	Q1 2002	Q1 2001
Intangible fixed assets		
Leasehold improvements	999	1.233
Goodwill	-	531
	999	1.764
Tangible fixed assets		
Hardware	4.887	7.756
Internal use software	445	428
Fixtures and equipment	3.560	6.014
	8.892	14.198
Investments		
Deposits	4.680	4.522
	4.680	4.522
Total fixed assets	**14.571**	**20.484**
Receivables		
Trade accounts receivable	70.170	71.864
Contracted work in progress	6.295	-
Other receivables	428	1.537
Deferred income tax assets	18.456	16.548
Prepaid expenses	3.652	3.326
	99.001	93.275
Cash and cash equivalents	93.880	187.520
Total current assets	**192.881**	**280.795**
TOTAL ASSETS	**207.452**	**301.279**

Consolidated Balance Sheet

(DKK '000)	Q1 2002	Q1 2001
Stockholders' equity		
Common stock	38.597	38.596
Additional paid-in capital	80.090	229.891
Treasury stock	-	-
Accumulated currency translation adjustments, net	(2.642)	(2.297)
Retained income (loss)	38.887	(35.360)
Total stockholders' equity	**154.932**	**230.830**
Provisions		
Deferred income tax liabilities	**19**	**792**
Long-term debt		
Capital lease obligations	212	775
Short-term debt		
Current installments on long-term debt	563	972
Trade accounts payable	5.186	14.050
Corporate income taxes payable	-	1.456
Other accounts payable	23.419	33.923
Deferred revenue	23.121	18.481
	52.289	68.882
Total debt	**52.501**	**69.657**
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	**207.452**	**301.279**

Consolidated Statement of Cash Flows

(DKK '000)	Q1 2002	Q1 2001
Operating income (loss)	(17.158)	(36.858)
Adjustments:		
Depreciation and amortization and gain/loss on sale of intangible and tangible fixed assets	2.600	2.054
Change in allowance for uncollectibles	902	223
Change in working capital:		
Accounts receivable, etc.	247	1.349
Accounts payable, etc.	8.693	5.510
	(4.716)	(27.722)
Interest received (paid), net	770	2.402
Income taxes paid	(267)	(1.556)
Cash flows from operating activities	**(4.213)**	**(26.876)**
Purchase of intangible and tangible fixed assets	(36)	(3.343)
Proceeds from sale of intangible and tangible fixed assets	-	0
Change in other investments	114	0
Cash flows from investing activities	**78**	**(3.343)**
Change in lines of credit and bank overdrafts	-	-
Proceeds from long-term debt	-	0
Repayment of long-term debt	(136)	(512)
Proceeds from issuance and sale of common stock	0	179
Repurchases of common stock	-	(52)
Cash flows from financing activities	**(136)**	**(385)**
Effect of currency translation adjustments on cash and cash equivalents	328	1
Net change in cash and cash equivalents	**(3.943)**	**(30.603)**
Cash and cash equivalents, beginning of period	97.823	218.123
Cash and cash equivalents, end of period	**93.880**	**187.520**

These interim financial statements have been prepared under the same accounting policies as the annual report for 2001.