

IXONOS PLC INTERIM REPORT 1 JANUARY – 30 JUNE 2007**IXONOS TURNOVER CONTINUED STRONG GROWTH**

- Turnover for the review period was EUR 27.3 million (2006: EUR 18.2 million), turnover growth was 50.4 percent. Organic turnover growth was 37.4 percent.
- Operating profit was EUR 2.3 million (2006: EUR 1.7 million), 8.5 percent of turnover, operating profit growth was 39.3 percent.
- Operating profit without one-off expenses was EUR 2.9 million (2006: EUR 1.8 million), 10.5 percent of turnover, operating profit growth without one-off expenses was 57.0 percent.
- Net profit was EUR 1.6 million (2006: EUR 1.2 million), 5.9 per cent of turnover, net profit growth was 33.6 percent.
- Net profit without one-off expenses was EUR 2.0 million (2006: EUR 1.4 million), 7.4 percent of turnover, net profit growth without one-off expenses was 52.1 percent.
- Earnings per share were EUR 0.20 (2006: EUR 0.17).
- Earnings per share without one-off expenses were EUR 0.27 (2006: EUR 0.19).
- Diluted earnings per share were EUR 0.20 (2006: EUR 0.16).
- Diluted earnings per share without one-off expenses were EUR 0.27 (2006: EUR 0.19).
- Turnover of the Systems Services Business Unit for the review period was EUR 10.5 million (2006: EUR 6.4 million), turnover increase was 63.8 percent. Operating profit of the Business Unit was EUR 1.2 million (2006: EUR 0.8 million), 11.1 percent of turnover, operating profit growth was 53.2 percent.
- Turnover of the Telecommunications Business Unit for the review period was EUR 17.1 million (2006: EUR 11.9 million), an increase of 43.2 percent. Operating profit of the Business Unit was EUR 2.7 million (2006: EUR 1.6 million), 15.9 percent of turnover, operating profit growth was 71.7 percent.
- The turnover for the third quarter is expected to be significantly higher than in the previous year, and the company's twelve-month turnover is estimated to exceed EUR 55 million.
- Due to the holiday season and upfront recruitment, the Group's operating profit percentage in the third quarter is expected to fall slightly below that of the first half of the year. The operating profit percentage for the fiscal year (without the one-off expenses of the first quarter) is expected to be on the same level as in 2006, and the operating profit is expected to clearly exceed that of fiscal 2006.

President and CEO, Kari Happonen:

The company's turnover continued strong growth throughout the review period and exceeded, as expected, the turnover of the first 6 months of the previous year by 50 percent. In addition to successful corporate acquisitions, the Group's turnover for the period was boosted by strong pro forma organic growth, over 37 percent compared to 2006.

Like in the first quarter, both Business Units grew significantly faster than market in second quarter. Thus, we have continued to win market share from our competitors.

Due to the EUR 0.55 million one-off expenses in the first quarter, related to the change of the company name and the revamping of the corporate image, our operating profit percentage fell slightly short of the level of the same period in 2006. However, without the one-off expenses our relative profitability was on the same level as in the previous year and operating profit grew strongly, 57 percent.

We believe that both of our Business Units will continue to grow strongly in the latter half of the year. Despite fast growth, the expected wage increases in autumn and fierce price competition, we expect that we can keep our business operations on a very good profitability level.

To support our new strategy, we acquired Mermit Business Applications Oy in May. Founded in 1999, Mermit is a widely valued specialist company producing business critical information system solutions and services. The acquisition significantly strengthens our capability to deliver systems services projects and enhances our delivery capacity of demanding specification, design, architecture and integration services.

The personnel of Mermit Business Applications Oy comprises 65 highly educated specialists in Espoo, Tampere and Turku. All employees moved to the Ixonos Group with existing status and benefits. The services of Mermit cover systems and technology consulting, architecture consulting as well as systems design and specification.

Our annual customer satisfaction survey, which was published in June, once again gave very positive feedback on our operations and the development work we have done. Our customers value Ixonos' reliability and capability to take on agreed responsibilities, business segment competence, as well as customer-specific flexibility. The overall satisfaction with the services we offer is on a high level and exceeds the maximum value of the reference data of Market-Visio, the research company that carried out the survey. Our customers also expressed stronger interest in more extensive cooperation with Ixonos. Since the free replies indicated that our customers are especially pleased with the skills, responsible attitude and service mindedness of the Ixonos professionals, I want to congratulate our entire personnel for an excellent performance.

According to the survey, the customers have welcomed the change of the company name, which was carried out in February. Feedback that we have received from other sources shows that also other interest groups have appreciated the change. And now we see that the company's new name and new identity have had a positive impact on the corporate image, enhanced recruitment and strengthened the commitment of the personnel, which can be seen, for example, as a decrease of personnel turnover.

FUTURE PROSPECTS

Market analysts estimate that the growth of the Finnish ICT service market will be 4-6 per cent in 2007. If private companies and public administration organizations increase, even moderately, their investments to upgrade and develop their information systems and software, Ixonos Systems Services unit has potential to boost its business. Accelerated by the new large-scale services with extensive responsibility as well as the project management services, the Unit's turnover is expected to continue to grow in the third quarter and throughout the financial period. The profitability of the Unit in the latter half of the year is forecasted to slightly improve compared to the first half of the year.

The growth expectations for the Telecommunications Unit are based on the increasing demand for comprehensive-responsibility software development, integration and testing services across a wider customer base, as well as the growing smartphone markets. The third quarter business volume of the Telecommunications Unit is predicted to be on the same level as in the second quarter, considering the holiday season, and increase in the last quarter. The profitability of the Unit is expected to stay on a good level throughout the fiscal year.

Judging from the Business Units' order backlogs and tender prospects, the turnover of Ixonos Group in the third quarter is expected to significantly exceed the turnover of the same period in 2006, and the 12-month turnover is expected to exceed EUR 55 million.

Due to the holiday season and upfront recruitment, the Group's operating profit percentage in the third quarter is expected to fall slightly below that of the first half of the year. The operating profit percentage for the fiscal year (without the one-off expenses of the first quarter) is expected to be on the same level as in 2006, and the operating profit is expected to clearly exceed that of fiscal 2006.

BUSINESS OPERATIONS

Ixonos operates in the ICT service markets, offering its customers flexible technology consulting, software development, maintenance and project management solutions that support their competitiveness and risk management. Ixonos' services cover consulting and expert services related to project management, as well as software project deliveries and maintenance services with comprehensive responsibility.

Ixonos' operational business is organized into two Business Units, Systems Services and Telecommunications. The Systems Services Unit develops and maintains software that is part of the customer companies' information systems, and it also produces project management services. The Unit's most significant customers operate in the telecommunications, finance and public administration sectors.

The Telecommunications Unit produces software development, integration and testing services for the telecommunications sector. The Unit's clientele comprises leading mobile and smartphone manufacturers operating on the international markets, as well as mobile network suppliers and telecom carriers.

The Ixonos Group comprises Ixonos Project Management Services, a company producing project management expert services, Mermit Business Applications Oy, a company producing technology consulting services, and Ixonos Slovakia s.r.o. that supports both Business Units. Ixonos Testhouse Oy is a Slovakia-based subsidiary producing smartphone software testing and quality assurance services in Kosice. The company has a subsidiary on Tallinn, Estonia, Ixonos Testhouse Estonia OÜ.

Systems Services

During the period under review, the turnover of the Ixonos Systems Services Unit turnover grew by 63.8 percent, amounting to EUR 10.5 million (2006: EUR 6.4 million). During the review period the Unit's turnover was boosted by the launch of new customer projects, the strong growth of Service 4 Mobile Oy (now Ixonos Project Management Services Ltd.), a company acquired in June 2006 producing project management services, as well as the turnover of Mermit Business Applications Oy, which was merged with Unit's turnover from 1 June.

Upfront recruitment, which is a prerequisite for strong organic growth, was continued in the second quarter. Despite this the Unit managed to improve relative profitability, and the operating profit for the review period grew 53.2 percent to EUR 1.2 million (2006: EUR 0.8 million). The Unit's profitability is forecasted to continue to improve in the latter half of the year.

During the review period, strong efforts were made in the Unit to develop project delivery capabilities, open architecture solutions, data security services for Open Source applications, as well as streamlined delivery methods. The acquisition of Mermit Business Applications Oy further strengthens the Unit's skills and delivery capabilities, especially in data system specification, design and architecture services, which sharpens Ixonos' competitive edge in e.g. future projects to renew public administration information systems.

The integration of the software production capacity of the Slovakian subsidiary into the Unit's software production services with comprehensive responsibility, which was launched in the first quarter, was continued in the second quarter. The resources of the Slovakian subsidiary were utilized also in the Unit's internal software and methods development.

Competition remained fierce on the markets of the Systems Services Unit throughout the review period.

Telecommunications

During the period under review, the turnover of the Ixonos Telecommunications Unit grew by 43.2 percent, amounting to EUR 17.1 million (2006: EUR 11.9 million). The Unit managed to maintain, and in some cases to increase, its market share with its key customers. The Unit continued the design work of several extensive customer projects as deliveries with comprehensive responsibility, and it launched a new big project with comprehensive responsibility where an entire wireless telecommunication device is designed for a key customer.

During the review period, relative profitability of the Telecommunications Unit improved compared to the previous year, and operating profit grew 71.7 percent to EUR 2.7 million (2006: EUR 1.6 million).

The Unit's strong smartphone competence as well as the lower-cost services in Estonia and Slovakia support the Unit's competitiveness when competing for large-scale customer projects with comprehensive responsibility and when aspiring to expand to new customerships on the international smartphone markets.

During the review period, Ixonos Testhouse Ltd, the subsidiary producing smartphone software testing services, and its Tallinn-based subsidiary Ixonos Testhouse Estonia OÜ grew into an entity employing more than 50 people.

The operations of the Telecommunications Unit's subsidiary in Kosice were launched according to plan during the review period. The unit in Kosice produces software development services for all stages of software project production, and it implements part-projects in software ventures for the Telecommunications Unit's key customers. At the end of the review period, the staff of the unit in Kosice comprised approximately 30 telecommunications software experts.

During the review period, the Telecommunications Unit launched a large internal development project aiming to expand and deepen the Unit's Linux skills, as well as to develop software and components for Linux-based mobile communication.

The global competition for the software ventures of the leading international mobile and smartphone manufacturers remained fierce.

NEAR-FUTURE UNCERTAINTY FACTORS

The aim of Ixonos Plc's risk management is to ensure undisturbed and continuous business operations and development, and to support the implementation of the company's operational targets and to increase the company's value. The risk management organization, process and recognized risks are explained on the company's website.

Presently the biggest uncertainty factors relate to the wage increases expected in the autumn, growing international competition, as well as the reorganization of a significant customer. The potential wage increases may have a negative effect on the company's profitability, because the wage increases cannot be transferred as such to customer contracts presently in force. In the company's forecast for the latter half of the year, the wage increases have been estimated to amount to 4 percent on average. Proliferating international competition, especially Indian, may tighten the price competition of the business and thus cut the profit margins of Finnish companies. Ixonos has prepared itself for the tightening price competition by establishing offices in lower-price areas. The reorganization of a significant customer may temporarily postpone the launch of new projects at the turn of the year and move some of the forecasted turnover for 2007 over to 2008.

TURNOVER

Consolidated turnover was EUR 27.3 million (2006: EUR 18.2 million), up 50.4 percent from the previous year. Of turnover total, 62 percent was accrued by the Telecommunications Unit and percent 38 percent by the Systems Services Unit.

Turnover by segment

K EURO	1-6 2007	1-6 2006	1-12 2006
Telecommunications	17,051	11,910	24,879
Systems Services	10,488	6,402	14,604
Eliminations	-190	-131	-299
Group total	27,349	18,181	39,184

FINANCIAL RESULT

Consolidated operating profit was EUR 2.3 million (2006: EUR 1.7 million), and profit before taxes was EUR 2,2 million (2006: EUR 1.6 million). Profit for the review period was EUR 1.6 million (2006: EUR 1.2 million), which is 5.9 per cent of turnover. Diluted earnings per share were EUR 0.20 (2006: EUR 0.16). Diluted cash flow from business operations was EUR 0.14 per share (2006: EUR 0.31).

The Group's result was burdened by a EUR 0.55 million one-off expense related to the change of the company name and the revamping of the corporate image. Without the above one-off expenses, the Group's operating profit was EUR 2.9 million (10.5 percent of turnover) and profit before taxes was EUR 2.8 million (10.1 percent of turnover). The profit for the review period excluding one-off items was EUR 2.0 million (7.4 percent of turnover). Diluted earnings per share, excluding one-off items, were EUR 0.27 (2006: 0.19), and diluted operating cash flow per share was EUR 0,20 (2006: 0.33).

Operating profit by segment

K EURO	1-6 2007	1-6 2006	1-12 2006
Telecommunications	2,713	1,580	3,583
Systems Services	1,161	757	1,629
Administration*	- 1,555	- 672	- 1,271
Group total	2,319	1,665	3,941

* The administrative costs include one-off expenses of EUR 0.55 million.

RETURN ON CAPITAL INVESTMENT

Consolidated return on equity (ROE) was 25.8 per cent (2006: 27.7) and return on investment (ROI) was 25,9 per cent (2006: 25,2).

BALANCE SHEET AND FINANCING

The balance sheet total was EUR 30.5 million (2006: EUR 23.3 million). Shareholders' equity was EUR 14.4 million (2006: EUR 9.0 million). Equity ratio was 47.1 percent (2006: 38.5 percent). The Group's liquid assets stood at EUR 1.7 million at the end of the review period (2006: EUR 3.7 million). The Group's liquidity remained good.

CASH FLOW

Consolidated cash flow from business operations was EUR 1.1 million (2006: EUR 2.3 million).

PERSONNEL

The number of personnel averaged 640 (2006: 465) during the period under review and was 753 (2006: 498) at the end of the period.

SHARES AND SHARE CAPITAL

Exchange and quotations

The highest share price quoted during the first half was EUR 8.08 (2006: EUR 5.07), the lowest EUR 4.55 (2006: EUR 3.75) and the last share price quoted on 30 June 2007 was EUR 7.05 (2006: EUR 4.10). The average quotation during the review period was EUR 5.64 (2006: EUR 4.45). The number of shares traded during the review period was 3,914,081 (2006: 2,460,839), which corresponds to 49 percent (2006: 34 percent) of the total number of shares. The market value of the share capital at the final quotation on 30 June 2007 was EUR 56,658,242 (2006: EUR 30,027,170).

Share capital

At the beginning of the year 2007 the company's registered share capital was EUR 296,948.00, and the number of shares was 7,423,700. During 2007, 6,000 shares were subscribed with option rights of the 2003 stock options plan BI, 11,000 shares with option rights of CI, 18,000 shares with option rights of CII, 54,500 with option rights of DI, and 15,500 shares with option rights of DII. With the authorization granted by the Annual General Meeting on 22 March 2007, the Board of Directors of Ixonos Plc decided on 7 May 2007 on a share issue where the ex-owner and present Chief Executive Officer of Ixonos Project Management Services Ltd was offered, as an additional acquisition price for the share capital of Ixonos Project Management Services Ltd, 112,300 new Ixonos Plc shares. With the authorization granted by the Annual General Meeting on 22 March 2007, the Board of Directors of Ixonos Plc decided on 20 June 2007 on a share issue where the owners of Mermit Business Applications Oy were offered, as acquisition price for the share capital of Mermit Business Applications Oy, 391,630 new Ixonos Plc shares. At the end of the review period the share capital of Ixonos' is EUR 321,465.20 and the total number of shares is 8,036,630.

Stock options plans 2003 and 2006

Of the stock options plan of 2003, 10,000 options have been released under AI, 10,000 options under AII, 82,500 options under BI, 22,500 options under BII, 100,000 options under CI, 35,000 options under CII, 127,500 options under DI, and 112,500 options under DII. Under the 2003 options plan, 45,000 shares have been subscribed with options BI, 5,000 shares with options BII, 23,500 shares with options CI, 25,500 shares with options CII, 64,500 shares with options DI, and 15,500 shares with options DII. The maximum number of shares that can be subscribed with outstanding options of options plan 2003 is 321,000, which is equivalent to 4.0 % of the company's shares. The subscription price is EUR 1.88 with AI and AII options, EUR 1.56 with BI and BII options, EUR 3.32 with CI and CII options, and EUR 3.22 with DI and DII options. The subscription period for options of 2003 ends on 31 December 2008.

Of the stock options plan of 2005, 140,000 options have been released under AI, 140,000 options have been released under AII, 75,000 options have been released under BI, and 75,000 options have been released under BII. Of the options of series A, 15,000 AI options and 15,000 AII options have been returned to the company based on the terms of the options. These options have been converted to options of series B in accordance with the terms of options, and they have been redistributed. The share subscription period of 2005 options AI starts on 1 October 2007, options AII and BI on 1 October 2008, and options BII on 1 October 2009. The subscription price is EUR 4.13 with options AI and AII, EUR 5.10 with options BI and BII. The subscription period for options of 2005 ends on 31 December 2008.

Shareholders

There were 2,961 shareholders on 30 June 2007. Private persons owned 58 percent and institutions 42 per cent of the company's shares. Foreign ownership was 6 per cent.

Board authorizations

The General Meeting authorized the Board to decide on the issue of no more than 1,500,000 shares through a share issue on one or more occasions. The Board may decide to issue new shares or own shares held by the company. The maximum number of shares included in the authorization accounts for approximately 20.2 per cent of the company's registered shares. The authorization can be used to finance or implement any corporate acquisitions or other arrangements, or for other purposes decided by the Board. The authorization includes the right of the Board to decide on all terms and conditions on the share issue, including the recipients of shares and the compensation to be paid. Thus, the authorization includes the right to issue shares through private offering, i.e. to deviate from the shareholders' pre-emptive right as determined by the law. The authorization is effective until the next Annual General Meeting, expiring on 30 June 2008 at the latest.

The Board of Directors has used the above authorization and decided, by two different decisions, on a share issue of 503,930 shares to finance corporate acquisitions.

The Annual General Meeting authorized the Board to decide on the acquisition of no more than 742,370 of the company's own shares, provided that the company and its subsidiaries at no time hold more than 10 per cent of the company's registered shares. Own shares can be acquired to develop the company's capital structure, to finance acquisition or other corporate structuring or to be conveyed or cancelled.

The minimum purchasing price of the shares to be acquired is the lowest market price noted in the public trading during the authorization period, and the maximum purchasing price is the highest price noted in the public trading during the authorization period. The Board of Directors will decide on the means of acquisition and other terms and conditions. The acquisition may deviate from the shareholders' pre-emptive rights to acquire the Company's shares (directed acquisition), provided that weighty financial grounds exist. Under this authorization, own shares may only be acquired using non-tied equity. Thus, the share acquisition reduces the company's distributable non-tied equity. The authorization is effective until the next Annual General Meeting, expiring on 30 June 2008 at the latest.

The Board of Directors has not utilized the authorization to acquire own shares.

EXTRAORDINARY GENERAL MEETING

The extraordinary General Meeting of Tieto-X Plc on 25 January 2007 approved the proposal by the Board of Directors to change the company name and the company's Articles of Association. The decision to change the company name to Ixonos Plc was made upon conditions and provided that the Trade Register registers the change of name. The Trade Register registered the change of name on 9 February 2007.

THE DECISIONS OF THE GENERAL MEETING

The Annual General Meeting of Ixonos Plc held on 22 March 2007 adopted the company's and Ixonos Group's financial statement for the financial period 1 January-31 December 2006 and granted discharge from liability to the Members of the Board of Directors and the CEO.

The General Meeting decided to distribute as dividend EUR 0.27 per share. The dividend was paid on 4 April 2007 to the shares that were registered on the balance day 27 March 2007 on the company's shareholders list maintained by Finnish Central Securities Depository Ltd.

The Annual General Meeting confirmed the number of Board members to be 6. The Annual General Meeting re-elected Eero Hurme, Seppo Jaatinen, Matti Järvinen, Tero Laaksonen, Matti Makkonen and Esko Siik as members of the Board.

At its meeting right after the Annual General Meeting, the Board of Directors elected Tero Laaksonen Chairman of the Board and Eero Hurme Deputy Chairman of the Board.

The Annual General Meeting elected Peter Ramsey and Jari Kiviluhta as the shareholders' members of the Nomination Committee.

The General Meeting authorized the Board to decide on the issue of no more than 1,500,000 shares through a share issue on one or more occasions. The Board may decide to issue new shares or own shares held by the company. The maximum number of shares included in the authorization accounts for approximately 20.2 per cent of the company's registered shares. The authorization can be used to finance or implement any corporate acquisitions or other arrangements, or for other purposes decided by the Board. The authorization includes the right of the Board to decide on all terms and conditions on the share issue, including the recipients of shares and the compensation to be paid. Thus, the authorization includes the right to issue shares through private offering, i.e. to deviate from the shareholders' preemptive right as determined by the law. The authorization is effective until the next Annual General Meeting, expiring on 30 June 2008 at the latest.

The Annual General Meeting authorized the Board to decide on the acquisition of no more than 742.370 of the company's own shares, provided that the company and its subsidiaries at no time hold more than 10 per cent of the company's registered shares. Own shares can be acquired to develop the company's capital structure, to finance acquisition or other corporate structuring or to be conveyed or cancelled.

The minimum purchasing price of the shares to be acquired is the lowest market price noted in the public trading during the authorization period, and the maximum purchasing price is the highest price noted in the public trading during the authorization period. The Board of Directors will decide on the means of acquisition and other terms and conditions. The acquisition may deviate from the shareholders' preemptive rights to acquire the Company's shares (directed acquisition), provided that weighty financial grounds exist.

Under this authorization, own shares may only be acquired using non-tied equity. Thus, the share acquisition reduces the company's distributable non-tied equity. The authorization is effective until the next Annual General Meeting, expiring on 30 June 2008 at the latest.

A SUMMARY OF STOCK EXCHANGE RELEASES UNDER 2:7 OF THE SECURITIES MARKETS ACT

On 6 March 2007 the company published a release stating the company has founded a subsidiary in Slovakia and opened an office for the new company in Kosice. The Slovakia-based subsidiary will produce testing services and software development and maintenance services for customer projects run by the Group's two business units and for the company's internal software development. With the establishment of a new office, the group aims at securing the availability of skilled software development and testing personnel to meet the needs of strong expansion and ever-larger individual customer projects. At the same time the idea is to boost the volume of lower-price services in the Group's overall service offering.

On 12 March 2007 the company published a release stating that the company's turnover for the first-quarter exceeds the turnover for the same period in 2006 by approximately 40 percent, amounting to approximately EUR 13.5 million. Discluding the approximately EUR 0.55 million one-off costs related to the change of the company name and the revamping of the corporate image, the first quarter operating profit percentage was expected to be about 11.5 percent. Including the one-off costs, the operating profit percentage was forecasted to be approximately 7.5 percent. The turnover for the fiscal year was expected to increase by approximately 25 percent compared to 2006 and reach EUR 48-50 million. The operating profit percentage was forecasted to be on the level of 2006, at least.

On 9 May 2007 the company published a release stating that the company has acquired the entire share capital of Mermit Business Applications Oy, a company producing business critical information systems solutions and services. The acquisition significantly strengthens Ixonos' capability to deliver systems services projects and enhances the company's delivery capacity of demanding specification, design, architecture and integration services.

NEXT REPORTS

The Interim Report for the period 1 January - 30 September 2007 will be published on 24 October 2007.

IXONOS PLC
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IXONOS GROUP

ABBREVIATED FINANCIAL STATEMENTS 1 JANUARY – 30 JUNE 2007

Accounting principles

This interim report has been prepared in accordance with the Interim Report standard of IAS 34, following the accounting principles for the financial reports for 31 December 2006. The interim report has been prepared in accordance with the IFRS standards and interpretations in force on 30 June 2007. The new IFRIC interpretations (7-10) that became effective in 2007 have not had any effect on the consolidated financial statements. IFRS 7 (effective from 1 January 2007) does not have any effect on the data of this interim report, because this is an abbreviated financial statement. The entered tax is based on the estimated average income tax rate that is expected to be realized for the entire financial period.

The consolidated financial statements include the information of Mermit Business Applications (acquired on 20 June 2007) starting from 1 June 2007.

The preparation of the financial statements in accordance with the IFRS standards compels that the Ixonos management, when the balance sheet is prepared, utilizes such estimates and assumptions that influence the amount of assets and liabilities as well as income and expenses of the financial period. In addition, when preparing the financial statements, the financial reporting principles have to be applied with consideration. The actual figures may deviate from the estimates and assumptions.

The interim report is unaudited.

The figures in the income statement and balance sheet have been consolidated. All group companies are included in the consolidated balance sheet. The original Interim Report is in Finnish. The English version is a translation.

CONSOLIDATED PROFIT AND LOSS ACCOUNT, K EURO

	1.1.- 30.6.2007	1.1.- 30.6.2006	Change	1.1.-31.12.2006
Turnover	27,349	18,181	50.4 %	39,184
Operating costs	- 25,030	- 16,515	51.6 %	- 35,243
OPERATING PROFIT	2,319	1,665	39.3 %	3,941
Financial income and expenses	- 102	- 81	26.1 %	- 174
Profit before extraordinary items	2,217	1,584	39.9 %	3,766
Extraordinary income and expenses	0	0		0
Profit before provisions and taxes	2,217	1,584	39.9 %	3,766
Taxes	- 590	- 367	60.9 %	- 855
NET PROFIT FOR THE PERIOD	1,627	1,217	33.6 %	2,911

CONSOLIDATED BALANCE SHEET, K EURO

ASSETS	30.6.2007	30.6.2006	31.12.2006
FIXED ASSETS			
Property, plant and equipment	683	336	399
Goodwill	13,906	10,674	11,190
Intangible assets	1,009	708	450
Deferred tax claim	41	28	49
Long-term receivables	4	19	12
Other financial assets	19	19	19
FIXED ASSETS TOTAL	15,663	11,785	12,120
CURRENT ASSETS			
Accounts receivable and other receivables	13,161	7,813	9,945
Financial assets	149	38	695
Liquid assets	1,504	3,625	2,689
CURRENT ASSETS TOTAL	14,814	11,477	13,330
TOTAL ASSETS	30,477	23,262	25,449
SHAREHOLDERS' EQUITY AND LIABILITIES	30.6.2007	30.6.2006	31.12.2006
SHAREHOLDERS' EQUITY			
Share capital	321	293	297
Premium fund	4,510	3,781	4,176
Share issue	0	317	0
Fair value and other reserves	418	163	315
Reserves of invested untied shareholders' equity	3,392	0	0
Retained earnings	4,086	3,180	3,180
Net profit for the period	1,627	1,217	2,911
SHAREHOLDERS' EQUITY TOTAL	14,355	8,951	10,879
LIABILITIES			
Long-term liabilities	4,421	6,112	4,733
Current liabilities	11,701	8,199	9,837
TOTAL LIABILITIES	16,122	14,311	14,570
SHAREHOLDERS' EQUITY AND LIABILITIES TOTAL	30,477	23,262	25,449

CHANGES IN EQUITY, K EURO

	Share capital	Premium fund	Share issue	Fair value and other reserves	Invested untied share holders equity reserve	Retained earnings	Total
Shareholders' equity 1.1.2006	292	3,746	0	108	0	4,496	8,643
Transfer to reserves				55			55
Share issue	1	35	317				352
Dividend						- 1,316	- 1,316
Profit for the period						1,217	1,217
Shareholders' equity 30.6.2006	293	3,781	317	163	0	4,397	8,951
Shareholders' equity 1.1.2007	297	4,176	0	315	0	6,091	10,879
Transfer to reserves				103			103
Share issue	25	334			3,392		3,751
Dividend						- 2,004	- 2,004
Profit for the period						1,627	1,627
Shareholders' equity 30.6.2007	321	4,510	0	418	3,392	5,713	14,355

SOURCES AND APPLICATION OF FUNDS, K EURO

	1.1.- 30.6.2007	1.1.- 30.6.2006	1.1.- 31.12.2006
Business operations			
Profit before extraordinary items	2,217	1,584	3,766
Total adjustments	333	244	593
Change in net working capital	- 1,218	517	- 785
Interest yields	- 28	- 27	- 61
Interest charges	125	109	235
Taxes	- 307	- 110	- 1,049
Cash flow from business operations	1,122	2,316	2,700
Investments			
Investments in tangible and intangible assets	- 378	- 187	- 315
Change in financial assets	546	1,955	1,298
Transfer income from fixed assets	0	11	248
Acquisition of subsidiaries	- 294	- 4,861	- 5,186
Total cash flow from investments	- 125	- 3,083	- 3,954
Cash flow before financing	997	- 767	- 1,254
Financing			
Dividend paid	- 2,004	- 1,316	- 1,316
Increase of long-term loans	0	3 000	3 000
Repayment of long-term loans	- 429	- 216	- 658
Share issue	338	35	117
Interest yields	28	27	61
Interest charges	- 125	- 109	- 235
Short-term loan receivables decrease	10	2	7
Financing total	- 2,182	1,424	976
Change in liquid assets	- 1,185	657	- 279
Liquid assets at the beginning of the period	2,689	2,968	2,968
Liquid assets at the end of the period	1,503	3,625	2,689

CONSOLIDATED PROFIT AND LOSS ACCOUNT, QUARTERLY, K EURO

	Q2/2007 1.4.07- 30.6.07	Q1/2007 1.1.07- 31.3.07	Q4/2006 1.10.06- 31.12.06	Q3/2006 1.7.06- 30.9.06	Q2/2006 1.4.06- 30.6.06
Turnover	14,125	13,224	12,141	8,862	9,166
Operating costs	- 12,770	- 12,260	- 10,964	- 7,764	- 8,477
OPERATING PROFIT	1,356	963	1,178	1,098	689
Financial income and -expenses	- 50	- 52	0	- 94	- 32
Profit before provisions and taxes	1,305	911	1,178	1,004	656
Extraordinary income and expenses	0	0	0	0	0
Profit before provisions and taxes	1,305	911	1,178	1,004	656
Taxes	-348	- 242	- 179	- 310	- 144
PROFIT FOR THE PERIOD	957	669	999	695	513

SEGMENT REPORTING

	1.1.- 30.6.2007	1.1.- 30.6.2006	1.1.- 31.12.2006
Turnover by segment			
Telecommunications	17,051	11,910	24,879
Systems Services	10,488	6,402	14,604
Eliminations	- 190	- 131	-299
Turnover total	<u>27,349</u>	<u>18,181</u>	<u>39,184</u>
Operating profit by segment			
Telecommunications	2,713	1,580	3,583
Systems Services	1,161	757	1,629
Administration	- 1,555	- 672	- 1,271
Total operating profit	<u>2,319</u>	<u>1,665</u>	<u>3,941</u>
Operating profit of turnover %	8.5	9.2	10.1
Interest and financial income	- 102	- 81	- 174
Profit before taxes	2,217	1,584	3,766
Taxes	- 590	- 367	- 855
PROFIT FOR THE PERIOD	<u>1,627</u>	<u>1,217</u>	<u>2,911</u>
Assets by segment			
Telecommunications	16,296	13,292	18,094
Systems Services	11,013	5,562	6,984
Other	3,167	4,407	371
Total assets	30,477	22,262	25,449
Liabilities by segment			
Telecommunications	9,177	9,061	8,592
Systems Services	5,009	3,023	3,822
Other	1,936	2,228	2,156
Total liabilities	16,122	14,311	14,570
Depreciation by segment			
Telecommunications	74	145	211
Systems Services	128	3	97
Other	59	53	109
Total depreciation	261	201	416
Investments by segment			
Telecommunications	143	66	130
Systems Services	2,988	3,280	3,707
Administration	187	115	210
Total investments	3,317	3,462	4,048

CHANGES IN FIXED ASSETS, K EURO

	Intangible assets	Good will	Real-estate	Machinery and equipment	Other tangible assets	Total
Carrying amount 1.1.2006	473	8,621	91	149	5	9,339
Additions	75	2,053	0	100	7	2,234
Additions from corporate acquisitions	6	0	0	12	0	18
Through corporate acquisitions	328	0	0	0	0	328
Disposals	0	0	0	0	0	0
Depreciation during the financial period	- 174	0	0	- 27	0	- 201
Carrying amount 30.6.2006	708	10,674	91	234	11	11,718
Carrying amount 1.1.2007	450	11,190	91	297	11	12,039
Additions	134	2,717	0	243	0	3,095
Additions from corporate acquisitions	14	0	0	94	0	109
Through corporate acquisitions	617	0	0	0	0	617
Disposals	0	0	0	0	0	0
Depreciation during the financial period	- 207	0	0	- 54	0	- 261
Carrying amount 30.6.2007	1,009	13,906	91	581	11	15,599

ACQUIRED BUSINESS OPERATIONS

When business operations are merged the tangible assets are valued at their fair value based on the market price of equivalent assets, taking their age, wear and other similar factors into account. Tangible assets are depreciated based on the management's estimation of their economic lifespan, taking the Groups' depreciation principles into account.

Intangible assets that are acquired through business mergers are recognized separate from goodwill based on their fair value at the time of acquisition, provided that the fair value of the assets can be reliably defined. The business operations that the Groups has acquired primarily comprise customers, customer contracts, tender prospects and covenants in restraint of competition. The fair value of customer contracts and the accompanying customerships, tender prospects and covenants in restraint of competition have been defined using the MEEM model (Multi-Earning-Excess modell). Other intangible asset items are depreciated based on the management's evaluation of their economic lifespan.

In addition to the skills of the personnel, the goodwill that arised from mergers of business operations in 2007 comprises other intangible assets that cannot be identified in accordance with IAS 38. These items include the potential to acquire new customers, the development prospects of new services, as well as the strong geographic position of the acquired business operations. These items do not fulfill the criteria of IAS 38 in any respect: they are not identifiable, they are not based on a contract or a law, and it is not possible to reliably define a value for them. All business mergers create synergy advantages that primarily consist of cross-selling of existing services, as well as savings in fixed costs.

The goodwill/acquisition cost of the acquired business operations can change based on the contract terms related to the acquisition price. Part of the acquisition price is tied to near-future (less than 12 month) events. Changes in the acquisition price, including solicitor's and consultant's fees related to the merger, are recognized as goodwill within 12 months of the acquisition. The business operations acquired in 2006 may be subject to such changes. Apart from this, the allocation calculations are final

The Group's turnover for 1 January – 30 June 2007 would have been EUR 29.1 million and the profit for the period EUR 1.4 million if Mermit had been acquired on 1 January 2007. The Group's turnover include the realized turnover of the acquired company, and the Group's result include the realized loss of the acquired company based on the company's interim financial statement at the time of the acquisition. The intangible and tangible asset items of the merger have been valued at their fair value, and the depreciation of the items for the period has been deducted from the profit for the review period. The synergy advantages have not been taken into account.

EFFECT OF ACQUIRED BUSINESS OPERATIONS ON BALANCE SHEET ASSETS AND LIABILITIES, K EURO

	Carrying amount before merger	Change	Fair value
Intangible fixed assets	14	617	631
Tangible assets	94	0	94
Receivables	821	0	821
Liquid assets	45	0	45
Total assets	974	617	1,591
Interest-bearing liabilities	937	0	937
Deferred tax liabilities	0	160	160
Total liabilities	937	160	1,098
Acquired net assets	37	456	493
Total payments			3,094
Goodwill			2,600
Effect on cash flow:			
Cash payments			- 107
Funds of acquired company			45
Cash flow of acquisitions			- 62

FINANCIAL RATIOS

	1.1.- 30.6.2007	1.1.- 30.6.2006	1.1.- 31.12.2006
Earnings per share, EUR diluted	0.20	0.16	0.38
Equity per share, EUR diluted	1.75	1.21	1.43
Operating cash flow per share, EUR diluted	0.14	0.31	0.36
Return on investment, %	25.9	25.2	28.2
Return on equity, %	25.8	27.7	29.8
Operating profit/turnover, %	8.5	9.2	10.1

OTHER INFORMATION

	1.1.- 30.6.2007	1.1.- 30.6.2006	1.1.- 31.12.2006
PERSONNEL			
Average number of personnel	640	465	503
Personnel at the end of the period	753	498	579
COMMITMENTS	30.6.2007	30.6.2006	31.12.2006
Commitments for group			
Rental security	253	123	148
(bank deposits), k Euro			
Amounts payable for leasing contracts			
Amounts payable for leasing contracts, K EUR, less than 12 months	358	230	573
Amounts payable for leasing contracts, K EUR, 12-60 months	897	396	825
Amounts payable for leasing contracts, k Euro, total	1,255	626	1,398
Non cancellable leasing commitments, K Euro	1,544	1,275	1,369

CALCULATION OF FINANCIAL RATIOS

Return on equity (ROE) =	$100 \times \text{Net profit} / \text{Shareholders' equity(average)}$
Return on investment (ROI) =	$100 \times (\text{profit before taxes} + \text{interest} + \text{other financial expenses}) /$ $\text{Balance sheet total} - \text{non-interest bearing liabilities}$ (average)
Diluted result per share =	$\text{Net profit} / \text{Number of shares with adjustment for options dilution}$
Shareholders' equity per share =	$\text{Shareholders' equity} / \text{Number of shares with adjustment for options dilution}$
Dilution =	The number of shares adjusted with allocated options - Number of shares to be acquired with the option subscription price using the weighted average quotation for the financial period.