



Ixonos Plc Stock Exchange Release 13 August 2008

## Ixonos Plc Interim Report 1 January – 30 June 2008

### Continued turnover growth; profitability challenging as foreseen

- Turnover for the review period was EUR 38.0 million (2007: EUR 27.3 million); turnover growth was 38.9 per cent. Organic turnover growth was 20.3 per cent.
- Operating profit was EUR 2.2 million (2007: EUR 2.3 million), 5.9 per cent of turnover, operating profit fell 3.5 per cent.
- Net profit was EUR 1.3 million (2007: EUR 1.6 million), 3.4 per cent of turnover, net profit decreased 9.7 per cent.
- Earnings per share were EUR 0.15 (2007: EUR 0.20).
- Diluted earnings per share were EUR 0.14 (2007: EUR 0.20).
- Turnover of Consulting Services for the review period was EUR 16.2 million (2007: EUR 11.1 million), an increase of 45.9 per cent. Consulting Services' operating profit was EUR 1.1 million (2007: EUR 1.2 million), 7.1 per cent of turnover; operating profit fell 10.9 per cent.
- Turnover of Software Production Services for the review period was EUR 22.6 million (2007: EUR 16.5 million), an increase of 37.5 per cent. Software Production Services' operating profit was EUR 2.6 million (2007: EUR 2.6 million), 11.7 per cent of turnover; operating profit fell 0.8 per cent.
- The Group's turnover for the third quarter, as well as for the entire financial period, is anticipated to significantly exceed the corresponding turnover for the previous year.
- The Group's operating profit for the third quarter is expected to be at the previous year's level.
- As the operating profit percentage for the entire year is expected to be at the previous year's level, the operating profit is anticipated to exceed that of the previous year.

### Kari Happonen, President and CEO:

Ixonos succeeded in reaching its growth target in the first half of the year and continued to win market share. Following the rationalizing actions started in the second quarter also profitability was again turned into growth.

Our turnover continued to grow by close to 40 per cent in the second quarter, and during the entire first half of the year. Growth was strong in both of our business operations.

The internationalizing of our business was advanced according our plans. We won as new clients two significant international companies operating in the telecommunications sector in the second quarter of the year. We also continued to increase our lower-cost service capacity in Tallinn and Kosice, where altogether more than 130 specialists were working in software development and quality assurance by the end of the review period.

In order to restore the profitability to the customary good level and to make our operations more efficient after a strong growth period and several acquisitions, we launched a rationalization program during the second quarter. The program is aimed at rationalizing the Group's administration and support functions, boosting the proportion of chargeable work performed by the company's specialist staff, and increasing the contribution of international offices in proportion to the service output of the entire Group. The cooperation negotiations associated with the rationalizing program were held during May in collaboration with the personnel representatives.

The program seeks to achieve some EUR 3.0 million in yearly savings from the third quarter of the current financial period. Following the rationalizing actions the profitability was somewhat higher than expected already in the second quarter.

The market situation in the ICT industry remained reasonably good during the first half of the year, in spite of pessimistic expectations. As the global economy and the general economic prospects are currently uncertain, overall demand in the industry is now expected to slow down somewhat during the second half of this year, or, at the latest, during the first half of next year. However, in our selected customer sectors we expect to continue strong growth and to advance our profitability according to our plans.

## FUTURE PROSPECTS

Research institute estimates regarding the growth of Finland's ICT service market in the current year remain more pessimistic than before. As the economic outlook darkens, a number of institutes expect corporate customers to limit their IT investments at least temporarily.

The demand for Ixonos' consulting services and software production services is nevertheless anticipated to grow significantly faster than the market, both during the third quarter of this year and for the entire financial period. Thus the company expects to continue gaining market share.

The Ixonos Group's turnover for the third quarter, as well as for the entire financial period, is anticipated to significantly exceed the corresponding turnover for the previous year.

The Group's operating profit for the third quarter is expected to remain at the level of the previous year.

As the operating profit percentage for the entire year is expected to be at the previous year's level, the operating profit is anticipated to exceed that of the previous year.

## BUSINESS OPERATIONS

Ixonos operates in the ICT service market, offering its customers flexible technology consulting, project management, software development and software maintenance solutions that support their competitiveness and risk management.

The Group's clientele on the international market comprises leading mobile and smartphone manufacturers, mobile network suppliers and telecom carriers. Finnish customers include finance, industry and service sector companies, as well as public administration organizations.

### **Consulting Services**

Ixonos' consulting services encompass technology consulting, user interface and usability design, and project management services.

During the review period, the demand for technology consulting and project management services grew in comparison with the previous year.

### **Software Production Services**

Ixonos' software production services include software project deliveries with total responsibility, as well as software maintenance, testing, and quality assurance services.

During the review period, turnover, as compared to the previous year, was boosted particularly by project deliveries and software maintenance.

The business activities in software projects and in testing are successfully utilizing the offerings of the Group's cost-effective offices in Tallinn and Kosice.

## RISK MANAGEMENT AND NEAR-FUTURE UNCERTAINTY FACTORS

The aim of Ixonos Plc's risk management is to ensure undisturbed continuity and development of the company's business operations, to back up the attainment of operational targets, and to support increasing the company's value. Information on the risk management organization and process, as well as on identified risks, is presented on the company's website, at [www.ixonos.com/en/investors/risk\\_management](http://www.ixonos.com/en/investors/risk_management).

Today's biggest uncertainty factors relate to increasing costs in Finland, and to simultaneously growing international competition. Any downswing in the global economy would be likely to also affect the European

and Finnish economies, and might lead to companies reducing their investments in information systems development. Nevertheless, such a weakening is not considered likely to significantly affect Ixonos' mobile terminal and mobile software product-development operations.

Should international—especially Indian and Chinese—competition proliferate faster than anticipated, price competition could escalate further, thereby cutting profit margins of Finnish companies. Ixonos has prepared for growing price competition by establishing offices in lower-cost regions.

The rapid growth of the company and of its project operations has increased the company's need for working capital. This increase is being managed through creating adequate buffers in order to ensure sufficient funds together with the financiers, and also by facilitating the circulation of working capital.

During the second quarter, the company launched a rationalization program seeking to achieve some EUR 3 million in yearly savings. Should the savings effects of the rationalization program be delayed, the operating profit for the year 2008 would be affected. This, in turn, could prejudice the attainment of the company's operating profit targets.

## TURNOVER

Consolidated turnover was EUR 38.0 million (2007: EUR 27.3 million), which is 38.9 per cent more than in the previous year. Of the turnover, 40 per cent was accrued by Consulting Services, and 60 per cent by Software Production Services.

### Turnover by segment

EUR 1,000	1-6 2008	1-6 2007	1-12 2007
Consulting Services	16,199	11,102	23,879
Software Production Services	22,639	16,461	35,686
Eliminations	- 850	- 213	- 337
Group total	37,988	27,349	59,228

## FINANCIAL RESULT

Consolidated operating profit was EUR 2.2 million (2007: EUR 2.3 million); profit before taxes was EUR 1.7 million (2007: EUR 2.2 million). Profit for the review period was EUR 1.3 million (2007: EUR 1.6 million), which is 3.4 per cent of turnover. Diluted earnings per share were EUR 0.14 (2007: EUR 0.20). Diluted Cash flow from business operations was EUR 0.20 per share (2007: EUR 0.14).

### Operating profit by segment

EUR 1,000	1-6 2008	1-6 2007	1-12 2007
Consulting Services	1,104	1,239	2,136
Software Production Services	2,591	2,635	5,030
Administration*	- 1,458	- 1,555	- 2,487
Group total	2,237	2,319	4,679

\* The administrative costs under 1–6 2007 include EUR 0.55 million in non-recurring expenses for the review period.

## RETURN ON CAPITAL INVESTMENT

Consolidated return on equity (ROE) was 12.0 per cent (2007: 25.8). Return on investment (ROI) was 10.0 per cent (2007: 25.9).

## BALANCE SHEET AND FINANCING

The balance sheet total amounted to EUR 54.0 million (2007: EUR 30.5 million). Shareholders' equity was EUR 22.0 million (2007: EUR 14.4 million). The equity ratio was 40.7 per cent (2007: 47.1). The Group's liquid assets stood at EUR 2.9 million at the end of the review period (2007: EUR 1.7 million).

## CASH FLOW

Consolidated cash flow from business operations for the review period was EUR 1.8 million (2007: EUR 1.0 million). The increase in cash flow from business operations was mainly due to the Group's increased earnings before interest, taxes, depreciation and amortization (EBITDA).

## PERSONNEL

The number of personnel averaged 930 (2007: 640) during the review period, and was 937 (2007: 753) at the end of the period. Cooperation negotiations were launched in the Group's units in Finland on 6 May 2008. The negotiations were completed on 3 June 2008. As a result of the negotiations, 32 Group employees were terminated, and 7 were laid off temporarily.

## SHARES AND SHARE CAPITAL

### Share turnover and price

During the review period, the highest price of the company's share was EUR 6.15 (2007: EUR 8.08), and the lowest EUR 3.55 (2007: EUR 4.55). The closing price on 30 June 2008 was EUR 3.80 (2007: EUR 7.05). The average price over the review period was EUR 4.38 (2007: EUR 5.64). The number of shares traded during the review period was 2,110,324 (2007: 3,914,081), which corresponds to 23 per cent (2007: 49 per cent) of the total number of shares at the end of the review period. The market value of the company's shares, according to the closing price on 30 June 2008, was EUR 34,332,563 (2007: EUR 56,658,242).

### Share capital

At the beginning of the year 2008, the company's registered share capital was EUR 355,485.20; the number of shares was 8,887,130. During the year 2008, 13,000 shares have been subscribed with option rights of the 2002 stock options plan DII, and 8,500 shares with option rights of the 2006 options plan AI. During the review period, a directed share issue of 126,255 new Ixonos Plc shares was made as part of the additional acquisition price for the share capital of Service 4 Mobile Oy (presently Ixonos Project Management Ltd). The issue of shares was announced in a stock exchange release on 9 June 2008. The subscription price was EUR 4.83 per share. At the end of the review period, Ixonos' share capital was EUR 361,395.40; the total number of shares was 9,034,885.

### Stock Options Plan II (2002) and III (2006)

Under the 2002 stock options plan, 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 2002 options plan, 45,000 shares have been subscribed with BI options; 5,000 shares with BII options; 23,500 shares with CI options; 25,500 shares with CII options; 64,500 shares with DI options; and 15,500 shares with DII options. At the end of the review period, the maximum number of shares that can be subscribed with outstanding options under options plan 2002 is 321,000, which is equivalent to 3.5 per cent of the company's total shares. The subscription price is EUR 1.88 for AI and AII options; EUR 1.56 for BI and BII options; EUR 3.32 for CI and CII options; and EUR 3.22 for DI and DII options. The subscription period for the options of 2002 will end on 31 December 2008.

Under the 2006 stock options plan, 140,000 options have been released under AI; 140,000 options have been released under AII; and 60,000 options have been released under BI. Of the series A options, 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 series B options in accordance with the option terms, and they have been redistributed. The maximum number of shares that can be subscribed with outstanding options under options plan 2006 is 391,500, which is equivalent to 4.3 per cent of the company's total shares. The share subscription period for AI options of 2006 began on 1 October 2007. The subscription period for options AII

and BI will begin on 1 October 2008, and for BII options on 1 October 2009. The subscription price is EUR 4.13 for AI and AII options, and EUR 5.10 for BI and BII options. The subscription period for the options of 2006 will end on 31 December 2011.

### **Shareholders**

There were 2,938 shareholders on 30 June 2008. Private persons owned 58 per cent of the company's shares, while institutions owned 42 per cent. Foreign ownership was 3 per cent of the total number of shares.

### **Board authorizations**

On 3 April 2008, the Annual General Meeting authorized the Board of Directors to decide on issuing up to 890,000 shares in one or more issues. The Board may decide to issue either new shares, or existing shares possibly held by the company. The maximum of the authorization is equivalent to approximately 10 per cent of all company shares. The authorization may be used for financing or executing corporate acquisitions or other arrangements, or for other purposes decided by the Board. The authorization entitles the Board to decide on all terms and conditions of the share issue, including the recipients of shares as well as the compensation to be paid. Thus, the authorization also includes the right to directed share issues, i.e. to deviate from the shareholders' pre-emptive right, under conditions defined by law. The authorization is effective until the next Annual General Meeting, although not beyond 30 June 2009.

The Board has used the above authorization in the issue of 126,255 shares. Hence, an authorization of 763,745 shares remains.

### **ANNUAL GENERAL MEETING DECISIONS**

The Annual General Meeting of Ixonos Plc, held on 3 April 2008, adopted the company's financial statements, including the consolidated financial statements, for the financial period 1 January – 31 December 2007, and also granted discharge from liability to the Members of the Board of Directors and to the CEO.

The Annual General Meeting decided to distribute as dividend EUR 0.18 per share. The dividend was paid on 16 April 2008 on the shares that were, on the balance date 8 April 2008, registered on the shareholder list maintained by the Finnish Central Securities Depository Ltd.

The Annual General Meeting confirmed the number of Board members to be six. Members of the Board Eero Hurme, Matti Järvinen, Tero Laaksonen, Matti Makkonen and Esko Siik were re-elected; Markku Toivanen was elected as new member. At its meeting following 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 Paul Ehrnrooth and Staffan Sevon as shareholders' representatives on the Nomination Committee.

According to the decision of the Annual General Meeting, KHT firm PricewaterhouseCoopers Oy will continue as auditor, with Heikki Lassila, KHT auditor, as principal auditor.

The Annual General Meeting decided to reduce the premium fund, according to the balance sheet of 31 December 2007, with EUR 4,511,774.54. The reduction will be transferred to the invested non-restricted equity fund. Before the premium fund is reduced, a public notice will be issued in accordance with the Limited Liability Companies Act.

The Annual General Meeting authorized the Board of Directors to decide on issuing up to 890,000 shares in one or more issues. The Board may decide to issue either new shares, or existing shares possibly held by the company. The maximum of the authorization is equivalent to approximately 10 per cent of all company shares. The authorization may be used for financing or executing corporate acquisitions or other arrangements, or for other purposes decided by the Board. The authorization entitles the Board to decide on all terms and conditions of the share issue, including the recipients of shares as well as the compensation to be paid. Thus, the authorization also includes the right to directed share issues, i.e. to deviate from the shareholders' pre-emptive right, under conditions defined by law. The authorization is effective until the next Annual General Meeting, although not beyond 30 June 2009.

## SUMMARY OF STOCK EXCHANGE RELEASES UNDER CHAPTER 2, SECTION 7 OF THE SECURITIES MARKETS ACT

On 29 January 2008, the company published a release stating that Timo Leinonen, Master of Administrative Sciences, age 37, had been appointed Chief Financial Officer and Vice President of Ixonos.

On 7 February 2008, Ixonos announced that from the first Interim Report in 2008, the company would report its consolidated business operations as two segments: Consulting Services, and Software Production Services. The new segments, which are based on the company's service products, illustrate more accurately the character of the company's business operations and the efforts to develop them. The rearrangement of segment reporting was related to the development of the company's organization.

The financial statement bulletin released on 13 February 2008 stated that judging from Ixonos' order backlogs and tender prospects, the company's turnover, both in the first quarter of 2008 and during the entire financial period, will be significantly higher than for the corresponding periods in 2007. Due to heavy upfront recruitment, the Group's first-quarter operating profit percentage, excluding depreciation of intangible rights of corporate acquisitions, was expected to fall short of the previous year. However, for the entire fiscal year, the operating profit percentage, excluding depreciation of intangible rights of corporate acquisitions, was expected to be on the level of the previous year. The operating profit was thus expected to increase clearly from that of the previous year.

The company's Interim Report for the period 1 January – 31 March 2008, published on 29 April 2008, anticipated the Group's turnover for the second quarter, as well as for the entire financial period, to significantly exceed the corresponding turnover for the previous year. The Group's operating profit for the second quarter was foreseen to fall short of the previous year. The operating profit percentage for the entire year is expected to be at the previous year's level and the operating profit is anticipated to exceed that of the previous year. Ixonos announced that a rationalization program would be launched in order to strengthen the company's operations after a period of strong growth and several acquisitions, and to prepare for potentially decreasing growth. The program seeks to achieve some EUR 3 million in yearly savings from the fourth quarter of the current financial period. In this connection, the company published a stock exchange release on 29 April 2008, announcing the launch of cooperation negotiations that would apply to employees working in the Group's administration and support functions, as well as to those working in the Finnish offices.

On 3 June 2008, the company announced that the cooperation negotiations had been completed on an accelerated schedule. The negotiations, which applied to the Group's administration and support functions and Finnish offices, had begun on 6 May 2008. On a Group level, the negotiations will result in the termination of 32 employees, and in 7 temporary lay-offs. In addition, 13 employees have given their notice during the process. The realized savings will amount to approximately EUR 2.5 million from the third quarter of this year. In order to increase productivity, the company continues to develop and rationalize its operations.

### EVENTS AFTER THE REVIEW PERIOD

On 23 July 2008, the company published a stock exchange release containing advance information on the second quarter. The company announced that turnover in the second quarter had increased to EUR 19.7 million (2007: EUR 14.1 million), and that operating profit (EBIT) in the second quarter would exceed that of the previous year. According to preliminary information, EBIT would amount to EUR 1.6 million (2007: EUR 1.4 million). In its Interim Report published on 29 April 2008, the company had estimated its second-quarter operating profit to fall short of the previous year's figure. The company reported that it would publish new guidance in its Interim Report on 13 August 2008.

On 23 July 2008, the company published a stock exchange release stating that 5,000 new shares had been subscribed with Ixonos Plc stock options plan II subtype II/C1 warrants, 7,000 new shares with subtype II/D1 warrants, and 2,000 new shares with II subtype II/D2 warrants. The corresponding share capital increase of EUR 560 had been entered into the Finnish Trade Register on 23 July 2008. After the increase, the share capital of Ixonos Plc is EUR 361,955.40; the number of shares is 9,048,885. The new shares carry full shareholder rights, including the right to dividend for the financial period of 2008.

## NEXT REPORTS

The Interim Report for the period 1 January – 30 September 2008 will be published on Wednesday, 29 October 2008.

IXONOS PLC  
Board of Directors

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## IXONOS GROUP

### ABBREVIATED FINANCIAL STATEMENTS 1 JANUARY – 30 JUNE 2008

#### Accounting principles

This Interim Report has been prepared in accordance with the standard IAS 34, Interim Financial Reporting, in compliance with the accounting principles for the 31 December 2007 financial reports, and in accordance with IFRS standards and interpretations as adopted by the European Union. Forthcoming changes are presented among the accounting principles in the Annual Report for 2007. Income tax expense is based on the performance-based taxes corresponding to the result for the review period.

Preparing the financial statements in accordance with IFRS standards requires Ixonos management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the time of preparing the balance sheet, as well as the amounts of income and expense for the financial period. In addition, the principles for preparing financial statements must be applied with consideration. The actual results may differ 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 Interim Report in English is a translation.

### CONSOLIDATED PROFIT AND LOSS ACCOUNT, K EURO

	1.1.- 30.6.2008	1.1.- 30.6.2007	Change, per cent	1.4.- 30.6.08	1.4.- 30.6.07	1.1.- 31.12.07
Turnover	37,988	27,349	38.9	19,721	14,125	59,229
Operating costs	- 35,751	- 25,030	42.8	- 18,145	- 12,770	- 54,550
OPERATING PROFIT	2,237	2,319	- 3.5	1,576	1,356	4,679
Financial income and expenses	- 517	- 102	405.9	- 355	- 50	- 303
Profit before taxes	1,720	2,217	- 22.4	1,221	1,305	4,376
Income taxes	- 412	- 590	- 36.7	- 282	- 348	- 1,229
NET PROFIT FOR THE PERIOD	1,307	1,627	- 19.7	938	957	3,147

**CONSOLIDATED BALANCE SHEET, K EURO**

ASSETS	30.6.2008	30.6.2007	31.12.2007
<b>FIXED ASSETS</b>			
Goodwill	25,196	13,906	21,067
Intangible assets	6,317	1,009	6,282
Property, plant and equipment	1,532	593	1,332
Deferred tax claims	102	41	43
Other assets	110	110	110
Receivables	0	4	12
<b>FIXED ASSETS TOTAL</b>	<b>33,258</b>	<b>15,663</b>	<b>28,846</b>
<b>CURRENT ASSETS</b>			
Accounts receivable and other receivables	17,832	13,161	15,411
Financial assets	152	148	151
Liquid assets	2,761	1,504	2,331
<b>CURRENT ASSETS TOTAL</b>	<b>20,745</b>	<b>14,814</b>	<b>17,893</b>
<b>TOTAL ASSETS</b>	<b>54,003</b>	<b>30,477</b>	<b>46,740</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	361	321	355
Premium fund	76	4,510	4,512
Share issue	46	0	77
Invested non-restricted equity fund	13,985	3,392	8,869
Retained earnings	6,198	4,505	8,909
Net profit for the period	1,307	1,627	3,147
<b>SHAREHOLDERS' EQUITY TOTAL</b>	<b>21,973</b>	<b>14,355</b>	<b>21,548</b>
<b>LIABILITIES</b>			
Long-term liabilities	7,808	4,421	8,681
Current liabilities	24,221	11,701	16,511
<b>TOTAL LIABILITIES</b>	<b>32,029</b>	<b>16,122</b>	<b>25,192</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES TOTAL</b>	<b>54,003</b>	<b>30,477</b>	<b>46,740</b>

**CHANGES IN EQUITY, K EURO**

	Share capital	Premium fund	Share issue	Inv. non-restr. equity fund	Retained earnings	Total
Shareholders' equity 1.1.2007	297	4,176	0	0	6,406	10,879
Options expense write-off					103	103
Share issue	25	334		3,392		3,750
Dividend					- 2,004	- 2,004
Profit for the period					1,627	1,627
Shareholders' equity 30.6.2007	321	4,510	0	3,392	6,028	14,355
Shareholders' equity 1.1.2008	355	4,512	77	8,869	7,734	21,548

Options expense write-off					65	65
Premium Fund transfer to Inv. non-restr. equity fund		- 4,512		4,512		0
Share issue	6	76	- 31	605		655
Dividend					- 1,604	- 1,604
Profit for the period					1,307	
Shareholders' equity 30.6.2008	361	76	46	13,985	7,504	21,973

### SOURCES AND APPLICATION OF FUNDS, GROUP, K EURO

	1.1.- 30.6.2008	1.1.- 30.6.2007	1.1.- 31.12.2007
<b>Cash flow from business operations</b>			
Net profit for the period	1,307	1,627	3,147
Adjustments to cash flow from business operations			
Taxes	413	590	1,229
Depreciation and impairment	1,009	261	1,226
Financial income and expenses	517	102	303
Other adjustments	- 24	0	186
Income financing before change in net working capital	<b>3,221</b>	<b>2,652</b>	<b>6,010</b>
Change in net working capital	- 456	- 1,214	- 1,077
Interest received	36	28	68
Interest paid	- 303	- 125	- 332
Transfer income from fixed assets	- 7	0	0
Taxes paid	- 642	- 307	- 1,297
<b>Net cash flow from business operations</b>	<b>1,849</b>	<b>1,034</b>	<b>3,371</b>
<b>Cash flow from investments</b>			
Investments in tangible and intangible assets	- 828	- 378	- 1,357
Change in financial assets	- 1	546	544
Transfer income from fixed assets	0	0	0
Acquisition of subsidiaries	- 331	- 294	- 4,136
<b>Net cash flow from investments</b>	<b>- 1,161</b>	<b>- 125</b>	<b>- 4,949</b>

Net cash flow before financing	<b>688</b>	<b>909</b>	<b>- 1,578</b>
<b>Cash flow from financing activities</b>			
Dividend paid	- 1,604	- 2,004	- 2,004
Increase in short-term loans	2,000	0	0
Increase in long-term loans	0	0	3,800
Repayment of long-term loans	- 700	- 429	- 993
Share issue	46	338	417
<b>Net cash flow from financing activities</b>	<b>- 258</b>	<b>- 2,095</b>	<b>1,220</b>
Change in funds	430	- 1,185	- 359
Liquid assets at start of period	2,331	2,689	2,689
Liquid assets at end of period	2,761	1,504	2,331

**CONSOLIDATED PROFIT AND LOSS ACCOUNT, QUARTERLY, K EURO**

	<b>Q2/2008</b>	<b>Q1/2008</b>	<b>Q4/2007</b>	<b>Q3/2007</b>	<b>Q2/2007</b>
	1.4.08- 30.6.08	1.1.08- 30.3.08	1.10.07- 31.12.07	1.7.07- 30.9.07	1.4.07- 30.6.07
Turnover	19,721	18,268	18,011	13,868	14,125
Operating costs	- 18,145	- 17,607	- 16,931	- 12,589	- 12,770
OPERATING PROFIT	1,576	661	1,080	1,280	1,356
Financing income and Expenses	- 355	- 162	- 173	- 28	- 50
Profit before taxes	1,221	499	908	1,252	1,305
Income taxes	- 282	- 130	- 294	- 345	-348
PROFIT FOR THE PERIOD	938	369	614	906	957

**SEGMENT REPORT, K EURO**

	<b>1.1.- 30.6.2008</b>	<b>1.1.- 30.6.2007</b>	<b>1.1.- 31.12.2007</b>
Turnover by segment			
Consulting Services	16,199	11,102	23,879
Software Production Services	22,639	16,461	35,686
Eliminations	-850	-213	-337
Turnover total	<u>37,988</u>	<u>27,349</u>	<u>59,228</u>
Operating profit by segment			
Consulting Services	1,104	1,239	2,136
Software Production Services	2,591	2,635	5,030
Administration	-1,458	-1,555	-2,487
Total operating profit	<u>2,237</u>	<u>2,319</u>	<u>4,679</u>
Operating profit, per cent of turnover	5,9	8,5	7,9
Interest and financial income	-517	-102	-303
Profit before taxes	<u>1,720</u>	<u>2,217</u>	<u>4,376</u>
Taxes	-413	-590	-1,229
PROFIT FOR THE PERIOD	<u>1,306</u>	<u>1,627</u>	<u>3,147</u>

Assets by segment			
Consulting Services	19,706	13,638	15,381
Software Production Services	32,679	16,453	29,683
Other	1,618	386	1,675
Total assets	<u>54,003</u>	<u>30,477</u>	<u>46,740</u>
Liabilities by segment			
Consulting Services	7,857	3,983	5,486
Software Production Services	17,181	9,317	15,899
Other	6,952	2,822	3,807
Total liabilities	<u>31,990</u>	<u>16,122</u>	<u>25,192</u>
Depreciation by segment			
Consulting Services	215	166	394
Software Production Services	780	93	696
Other	14	1	135
Total depreciation	<u>1,009</u>	<u>261</u>	<u>1,226</u>
Investments per segment			
Consulting Services	1,791	3,141	4,807
Software Production Services	3,883	174	10,758
Administration	16	2	201
Investments total	<u>5,690</u>	<u>3,317</u>	<u>15,766</u>

#### CHANGES IN FIXED ASSETS, K EURO

	Goodwill	Intangible fixed assets	Property, plant and equipment	Other tangible assets	Total
Carrying amount 1.1.2007	11,190	450	309	110	12,059
Additions	2,717	134	243		3,095
Additions from corporate acquisitions		631	94		725
Disposals					
Depreciation during the financial period		- 207	- 54		- 261
Carrying amount 30.6.2008	13,906	1,009	593	110	15,618
Carrying amount 1.1.2008	<u>21,067</u>	<u>6,282</u>	<u>1,332</u>	<u>110</u>	<u>28,791</u>
Additions	4,130	978	779		5,887
Additions from corporate acquisitions					
Disposals		- 106	- 407		- 513
Depreciation during the financial period		- 837	- 172		- 1,009
Carrying amount 31.3.2008	25,196	6,317	1,532	110	33,156

**FINANCIAL RATIOS**

	1.1.- 30.6.2008	1.1.- 30.6.2007	1.1.- 31.12.2007
Earnings per share, EUR diluted	0.14	0.20	0.40
Earnings per share, EUR	0.15	0.20	0.41
Equity per share, EUR	2.43	1.75	2.42
Operating cash flow per share, EUR diluted	0.20	0.14	0.43
Return on investment, per cent	10.0	25.9	19.4
Return on equity, per cent	12.0	25.8	19.4
Operating profit/turnover, per cent	5.9	8.5	7.9
Net gearing	58.4	22.8	33.8

**OTHER INFORMATION**

	1.1.- 30.6.2008	1.1.- 30.6.2007	1.1.- 31.12.2007
<b>PERSONNEL</b>			
Average number of personnel	930	640	726
Personnel at the end of the period	937	753	874
<b>COMMITMENTS, K EUR</b>			
<b>Collateral for own commitments</b>			
Corporate mortgages	9,800	9,800	9,800
Other collateral	369	253	273
<b>Leasing and other rental commitments</b>			
Falling due within 1 year	3,383	667	3,559
Falling due within 1–5 years	7,484	2,132	7,623
Falling due after 5 years	0	0	616
Total	10,867	2,799	11,798
<b>Nominal value of interest rate swap agreement</b>			
Falling due within 1 year	1,400	857	1,400
Falling due within 1–5 years	1,750	1,928	2,450
Falling due after 5 years	0	0	0
Total	3,150	2,785	3,850
Fair value			26

**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 =  $\text{net profit} / \text{diluted number of shares}$

Shareholders' equity per share =  $\text{shareholders' equity} / \text{share-issue adjusted number of shares}$