

IXONOS PLC INTERIM REPORT 1 JANUARY – 31 March 2007**IXONOS' TURNOVER GREW STRONGLY, OPERATING PROFIT MEETS FORECASTS**

- Turnover for the review period was EUR 13.2 million (2006: EUR 9,0 million), an increase of 46.7 percent.
- Operating profit was EUR 1.0 million (2006: 1,0 MEUR), 7.3 percent of turnover, a –1.4 increase in operating profit.
- Operating profit excluding one-off expenses was EUR 1.5 million (2006: EUR 1.0 million), 11.5 percent of turnover, operating profit growth excluding one-off expenses was 55.2 percent.
- Net profit was EUR 0.7 million (2006: EUR 0.7 million), 5.1 per cent of turnover, net profit growth was –5.0 percent.
- Net profit excluding one-off expenses was EUR 1.2 million (2006: EUR 0.7 million), 9.2 percent of turnover, net profit growth excluding one-off expenses was 73.4 percent.
- Earnings per share were EUR 0.09 (2006: EUR 0.10).
- Earnings per share excluding one-off expenses were EUR 0.16 (2006: EUR 0.10).
- Diluted earnings per share were EUR 0.09 (2006: EUR 0.09).
- Diluted earnings per share excluding one-off expenses were EUR 0.16 (2006: EUR 0.09).
- Turnover of the Systems Services Business Unit for the review period was EUR 5.0 million (2006: EUR 3,3 million), an increase of 53.2 percent.
- The operating profit of the Business Unit was EUR 0.5 million (2006: EUR 0.5 million), 10.3 percent of turnover, operating profit growth was –0.8 percent.
- Turnover of the Telecommunications Business Unit for the review period was EUR 8.4 million (2006: EUR 5,8 million), an increase of 44.6 percent.
- The operating profit of the Business Unit was EUR 1.4 million (2006: EUR 0.9 million), 16.7 percent of turnover, operating profit growth was 63.2 percent.
- The company's turnover in the second quarter of 2007 is expected to significantly exceed the second-quarter turnover of 2006, amounting to approximately EUR 13.5 million, and the turnover for the whole year is expected to grow to EUR 48-50 million.
- The company's operating profit percentage in the second quarter is expected to be on the same level as in the first quarter (excluding one-off expenses), and the operating profit is thus expected to clearly exceed the operating profit of the previous year. The operating profit percentage for the whole year is expected to be on the same level as in 2006, at least, and the operating profit is expected to clearly exceed that of the previous year.

President and CEO, Kari Happonen:

Our turnover continued to grow strongly in the first quarter of 2007, and it exceeded the turnover of the first quarter of the previous year by almost 50 percent. Compared to the year 2006, the Group's pro forma organic growth in the review period was as high as 35.8 percent.

Both of our Business Units performed strongly, and their growth significantly outpaced market growth. Thus, we have continued to win market share from our competitors.

Due to the EUR 0.55 million one-off expenses related to the change of the company name and the revamping of the corporate image, our operating profit remained on the level of the same period in 2006. However, excluding the one-off expenses, operating profit grew strongly, approximately 55 percent.

The ongoing year has started out in an excellent way, and we believe that both of our Business Units will continue to grow strongly. Despite strong growth, we have been able to maintain high business profitability, and we expect that our operating profit percentage will return to normal level after the one-off expenses in the first quarter.

FUTURE PROSPECTS

Market analysts estimate that the growth of the Finnish ICT service market will be 4-6 percent in 2007. If private companies and public administration organizations even moderately increase 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, the Unit's turnover is expected to continue to grow in the second quarter and throughout the financial period. The profitability of the Unit is expected to improve in the second quarter.

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 turnover of the Telecommunications Unit is expected to continue to grow strongly in the second quarter and throughout the financial year. The profitability of the Unit is expected to stay almost on the same level as in the first quarter.

Judging from the Business Units' order backlogs and tender prospects, the turnover of Ixonos Group in the second quarter is expected to clearly exceed the turnover of the same period in 2006, amounting to approximately EUR 13.5 million, and the 12-month turnover is expected to amount to EUR 48-50 million.

The company's operating profit percentage in the second quarter is expected to be on the same level as in the first quarter (excluding one-off expenses), and the operating profit is thus expected to clearly exceed the operating profit of the previous year. The operating profit percentage for the whole year is expected to be on the same level as in 2006, at least, and the operating profit is expected to clearly exceed that of the previous year.

BUSINESS OPERATIONS

Ixonos operates in the ICT service markets, offering its customers flexible software development, maintenance and project management solutions that support their competitiveness and risk management. Ixonos' services range from expert work and consultation to software project deliveries and software 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 Telecommunication 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 global markets, as well as mobile network suppliers and telecom carriers.

The Ixonos Group comprises Ixonos Project Management Services, a company specializing in expert services related to project management, Ixonos Slovakia s.r.o. based in Kosice, Slovakia, a company supporting both Business Units, and Ixonos Testhouse Oy (including Estonia-based subsidiary Testhouse Estonia OÜ) producing smartphone software testing services.

Systems Services

During the period under review, the turnover of the Ixonos Systems Services Unit turnover grew by 53.2 percent, amounting to EUR 5.0 million (2006: EUR 3.3 million). The Unit's strong growth during the review period was a result of new customer projects launched, as well as of the strong growth of Service 4 Mobile Oy (now Ixonos Project Management Services Ltd), a company producing project management services. Ixonos acquired Service 4 Mobile in June 2006.

Upfront recruitment, which is a prerequisite for strong growth, temporarily weakened the Unit's profitability in the first quarter, keeping the Unit's operating profit at EUR 0.5 million (2006: EUR 0.5 million). The Unit's operating profit is expected to improve in the second quarter.

The Unit is preparing to integrate the software production services of the Slovakian subsidiary to become a part of the Unit's software production services with comprehensive responsibility.

In the first quarter, market competition remained fierce in the Systems Services Unit's business segment.

Telecommunications

During the period under review, the turnover of Ixonos Telecommunications Unit grew by 44.6 percent, amounting to EUR 8.4 million (2006: EUR 5.8 million). Turnover increased as the number of software projects with comprehensive responsibility increased, and as the cooperation with all key customers deepened. The Unit succeeded in further increasing its markets share among its most significant customers.

Relative profitability of the Telecommunications Unit clearly improved compared to the previous year, and operating profit grew by 63.2 percent to EUR 1.4 million (2006: EUR 0.9 million).

The Unit's strong smartphone expertise as well as the lower-cost services support the Unit's competitiveness when competing for large-scale customer projects with comprehensive responsibility, and when expanding to new customerships on the international smartphone markets.

During the review period, Ixonos Testhouse Ltd, the subsidiary producing smartphone software testing services, and Tallinn-based 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 implements part-projects in software ventures for the Telecommunications Unit's key customers.

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

TURNOVER

Consolidated turnover was EUR 13.2 million (2006: EUR 9.0 million), up 46.7 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	1-3 2007	1-3 2006	1-12 2006
Telecommunications	8,411	5,815	24,879
Systems Services	5,000	3,265	14,604
Eliminations	- 187	- 65	-299
Group total	13,224	9,015	39,184

FINANCIAL RESULT

Consolidated operating profit was EUR 1.0 million (2006: EUR 1.0 million), and profit before taxes was EUR 0.9 million (2006: EUR 0.9 million). Profit for the review period was EUR 0.7 million (2006: EUR 0.7 million), which is 5.1 per cent of turnover. Diluted earnings per share were EUR 0.09 (2006: EUR 0.09). Cash flow from business operations was EUR 0.24 per share (2006: EUR 0.10).

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. Excluding the aforementioned one-off expenses, the Group's operating profit was EUR 1.5 million (11.5 percent of turnover) and profit before taxes was EUR 1.5 million (11.1 percent of turnover). The profit excluding one-off expenses was EUR 1.2 million (9,2 percent of turnover). Diluted earnings per share, excluding one-off items, were EUR 0.16 (2006: 0.09), and operating cash flow per share was EUR 0.31 (2006: 0.10).

OPERATING PROFIT BY SEGMENT

K EURO	1-3 2007	1-3 2006	1-12 2006
Telecommunications	1,404	860	3,583
Systems Services	515	519	1,629
Administration*	- 956	- 403	- 1,271
Group total	963	977	3,941

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

RETURN ON CAPITAL INVESTMENT

Consolidated return on equity (ROE) was 26.1 per cent (2006: 33.7) and return on investment (ROI) was 24.9 per cent (2006: 30.3).

BALANCE SHEET AND FINANCING

The balance sheet total was EUR 26,2 million (2006: EUR 20.0 million). Shareholders' equity was EUR 9.6 million (2006: EUR 8.1 million). Equity ratio was 36.7 percent (2006: 40.3 percent). The Group's liquid assets stood at EUR 4.5 million at the end of the review period (2006: EUR 3.3 million). The Group's liquidity remained good.

CASH FLOW

Consolidated cash flow from business operations was EUR 1.9 million (2006: EUR 0.8 million).

PERSONNEL

The number of personnel averaged 596 (2006: 458) during the period under review and was 613 (2006: 460) at the end of the period.

SHARES AND SHARE CAPITAL

The highest share price quoted during the first quarter was EUR 5.70 (2006: EUR 4.54), the lowest EUR 4.55 (2006: EUR 3.75) and the last share price quoted on 31 March 2007 was EUR 5.26 (2006: EUR 4.25). The average quotation for the review period was EUR 5.06 (2006: EUR 4.39).

The number of shares traded during the review period was 1,855,792 (2006: 1,187,331), which corresponds to 25 percent (2006: 16 percent) of the total number of shares. The market value of the share capital at the final quotation on 31 March 2007 was EUR 39,048,622 (2006: EUR 31,074,725).

Ixonos' share capital is EUR 296,948.00, and the total number of shares is 7,423,700. The accounting countervalue of the share is EUR 0.04.

SHAREHOLDERS

There were 2,556 shareholders on 31 March 2007. Private persons owned 65 percent and institutions 35 per cent of the company's shares. Foreign ownership was 5 per cent.

TIETO-X PLC 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 Oyj 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.

ANNUAL GENERAL MEETING OF IXONOS PLC

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.

Payment of dividend

The Annual 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 composition of the Board of Directors

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.

Representatives of the shareholders in the Nomination Committee

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

The Annual General Meeting unanimously approved the following proposals by the Board of Directors:

- The authorization of the Board of Directors to decide on a share issue

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 authorization of the Board of Directors to acquire the company's own shares

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.

NEXT REPORTS

The Interim Report for the period 1 January - 30 June 2007 will be published on 1 August 2007.

IXONOS PLC

The Board of Directors

ADDITIONAL INFORMATION:

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Helsinki Stock Exchange

Main media

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IXONOS GROUP

The Interim Report has been prepared in accordance with the recognition and valuation principles of the International Financial Reporting Standards (IFRS).

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. The figures are unaudited.

CONSOLIDATED PROFIT AND LOSS ACCOUNT, K EURO	1.1.- 31.3.2007	1.1.- 31.3.2006	Change	1.1.-31.12.2006
Turnover	13,224	9,015	46.7 %	39,184
Operating costs	- 12,260	- 8,038	52.5 %	- 35,243
OPERATING PROFIT	963	977	- 1.4 %	3,941
Financial income and expenses	- 52	- 49	6.4 %	- 174
Profit before extraordinary items	911	928	- 1.8 %	3,766
Extraordinary income and expenses	0	0		0
Profit before provisions and taxes	911	928	- 1,8 %	3,766
Taxes	- 242	- 223	8.4 %	- 855
NET PROFIT FOR THE PERIOD	669	705	- 5,0 %	2,911

CONSOLIDATED BALANCE SHEET, K EURO

ASSETS	31.3.2007	31.3.2006	31.12.2006
FIXED ASSETS			
Property, plant and equipment	512	315	399
Goodwill	11,190	8,621	11,190
Intangible assets	388	399	450
Deferred tax claim	49	14	49
Long-term receivables	8	24	12
Other financial assets	19	30	19
FIXED ASSETS TOTAL	<u>12,166</u>	<u>9,404</u>	<u>12,120</u>
CURRENT ASSETS			
Accounts receivable and other receivables	9,507	7,335	9,945
Financial assets	1,317	932	695
Liquid assets	3,181	2,321	2,689
CURRENT ASSETS TOTAL	<u>14,004</u>	<u>10,588</u>	<u>13,330</u>
TOTAL ASSETS	<u>26,170</u>	<u>19,992</u>	<u>25,449</u>

SHAREHOLDERS' EQUITY AND LIABILITIES	31.3.2007	31.3.2006	31.12.2006
SHAREHOLDERS' EQUITY			
Share capital	297	292	297
Premium fund	4,176	3,746	4,176
Share issue	16	0	0
Fair value and other reserves	359	135	315
Retained earnings	4,086	3,180	3,180
Net profit for the period	669	705	2,911
SHAREHOLDERS' EQUITY TOTAL	9,604	8,058	10,879
LIABILITIES			
Long-term liabilities	4,504	5,613	4,733
Current liabilities	12,062	6,320	9,837
TOTAL LIABILITIES	16,566	11,933	14,570
SHAREHOLDERS' EQUITY AND LIABILITIES TOTAL	26,170	19,992	25,449

CHANGE IN EQUITY K EURO	Share capital	Premium fund	Share issue	Fair value and other reserves	Retained earnings	Total
Shareholders' equity on 1 January 2006	292	3,746	0	108	4,496	8,643
Transfer to reserves				27		27
Share issue						
Dividend					- 1,316	- 1,316
Profit for the period					705	705
Shareholders' equity 31.3.2006	292	3,746	0	135	3,884	8,058
Shareholders' equity on 1 January 2007	297	4,176	0	315	6,091	10,879
Transfer to reserves				44		44
Share issue			16			16
Dividend*					- 2,004	- 2,004
Profit for the period					669	669

Shareholders' equity on 31 March 2007	297	4,176	16	359	4,756	9,604
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* The dividend was paid on 4 April 2007.

SOURCES AND APPLICATION OF
FUNDS,
K EURO

	1.1.- 31.3.2007	1.1.- 31.3.2006	1.1.- 31.12.2006
Business operations			
Profit before extraordinary items	911	928	3,766
Total adjustments	225	165	593
Change in net working capital	807	- 318	- 785
Interest income	- 18	- 12	- 61
Intererst charges	70	61	235
Taxes	- 144	- 62	- 1,049
Cash flow from business operations	1,851	763	2,700
Investments			
Investments in tangible and intangible assets	- 246	- 134	- 315
Change in financial assets	- 622	1,061	1,298
Transfer income from fixed assets	0	0	248
Acquisition of subsidiaries	-231	- 3,973	- 5,186
Total cash flow from investments	- 1,099	- 3,046	- 3,954
Cash flow before financing	751	- 2,283	- 1,254
Financing			
Dividend paid	0	- 1,316	- 1,316
Increase of long-term loans	0	3,000	3,000
Repayment of long-term loans	- 230	- 2	- 658
Share issue	16	0	117
Interest income	18	12	61
Interest charges	- 70	- 61	- 235
Short-term loan receivables decrease	5	3	7
Financing total	- 260	1,636	976
Change in liquid assets	491	- 647	- 279
Liquid assets at the beginning of the period	2,689	2,968	2,968
Liquid assets at the end of the period	3 181	2 321	2 689

CONSOLIDATED PROFIT AND LOSS ACCOUNT, QUARTERLY, K EURO

	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	Q1/2006 1.1.06- 31.3.06
Turnover	13,224	12,141	8,862	9,166	9,015
Operating costs	- 12,260	- 10,964	- 7,764	- 8,477	- 8,038
OPERATING PROFIT	963	1,178	1,098	689	977
Financial income and expenses	- 52	0	- 94	- 32	- 49
Profit before provisions and taxes	911	1,178	1,004	656	928
Extraordinary income and expenses	0	0	0	0	0
Profit before provisions and taxes	911	1,178	1,004	656	928
Taxes	- 242	- 179	- 310	- 144	- 223
PROFIT FOR THE PERIOD	669	999	695	513	705
SEGMENT REPORTING	1.1.-31.3.2007	1.1.-31.3.2006	1.1.-31.12.2006		
Turnover by segment					
Telecommunications		8,411	5,815		24,879
Systems Services		5,000	3,265		14,604
Eliminations		- 187	- 65		-299
Turnover total		<u>13,224</u>	<u>9,015</u>		<u>39,184</u>
Operating profit by segment					
Telecommunications		1,404	860		3,583
Systems Services		515	519		1,629
Administration		- 956	-403		- 1,271
Total operating profit		<u>963</u>	<u>977</u>		<u>3,941</u>
Operating profit of turnover %		7,3	10,8		10,1
		- 52	- 49		- 174
Interest and financial income					
Profit before taxes		<u>911</u>	<u>928</u>		<u>3,766</u>
Taxes		- 242	- 223		- 855
PROFIT FOR THE PERIOD		<u>669</u>	<u>705</u>		<u>2,911</u>

FINANCIAL RATIOS	1.1.-31.3.2007	1.1.-31.3.2006	1.1.-31.12.2006
Earnings per share, EUR	0.09	0.09	0.38
Equity per share, EUR	1.26	1.08	1.43
Operating cash flow per share, EUR	0.24	0.10	0.36
Return on investment, %	24.9	30.3	28.2
Return on equity, %	26.1	33.7	29.8
Operating profit/turnover, %	7.3	10.8	10.1
OTHER INFORMATION	1.1.-31.3.2007	1.1.-31.3.2006	1.1.-31.12.2006
Average number of personnel	596	458	503
Personnel at the end of the period	613	460	579
COMMITMENTS	31.3.2007	31.3.2006	31.12.2006
Commitments for group			
Rental security (bank deposits), k Euro	146	183	148
Amounts payable for leasing contracts, k Euro	1,277	703	1,398
Non cancellable leasing commitments, K Euro	1,544	1,359	1,369