# INTERIM REPORT

# JANUARY 1 –JUNE 30, 2011

**Second quarter - April 1 – June 30, 2011**

- Net sales SEK 385 m (375)
- Operating profit SEK 25 m (15)
- Operating margin 6.5% (4.0%)
- Profit after tax SEK 17 m (9)
- Earnings per share after dilution SEK 0.22 (0.11)

**January 1 – June 30, 2011**

- Net sales SEK 783 m (735)
- Operating profit SEK 59 m (34)
- Operating margin 7.5% (4.6%)
- Profit after tax SEK 40 m (24)
- Earnings per share after dilution SEK 0.53 (0.31)
- Cash and cash equivalents SEK 106 m (47)

## Statement by Carl-Magnus Månsson, CEO

Bolstered by strong overall demand in all geographic areas and fields of expertise, the operating margin improved 2.5 percentage points year-on-year. The Swedish operations remained the Group's source of momentum and delivered well in terms of margins, both in Gothenburg and in the Stockholm region, although there is room for further improvement. Operating margins in Germany and Norway also improved compared with the same period in 2010, but have yet to reach a satisfactory level given the favorable market scenario.

In a strong market, the competition for highly skilled consultants also increases. This has led to a higher personnel turnover than in 2010. Increased personnel turnover caused a lower utilization ratio due to more time spent phasing consultants in and out of projects, which in turn had an adverse impact on earnings. The healthy demand scenario has resulted in Acando continuing to recruit employees to all areas of expertise.

In early July, meaning after the close of the quarter, we divested our Danish consulting operation. Despite intense efforts to restructure the operation, it has not performed as planned, which resulted in continued operating losses. Denmark accounted for 1 percent of the Group's sales during the first half of 2011. Our focus remains on markets in which we have the ability to deliver our full set of offerings or where we foresee clear international customer projects or expertise synergies.

## Market development

The second quarter was marked by the same high demand in Sweden, Germany and Norway as in the first quarter. The willingness to invest in the private sector remains high, particularly in the manufacturing industry.

Prices experienced a slightly positive trend overall.

## Customers and offering

Business system and CRM-related implementations continue to trend well, both in the SAP and Microsoft area. A number of major ongoing procurements indicate continued strong demand.

The demand for Microsoft solutions based on Sharepoint is considerable, which has led to shortages in the market for Sharepoint skills.

In Germany, the partnership between Acando and ForgeRock is proceeding favorably. The companies jointly deliver solutions for identity and access management based on open source codes. As a ForgeRock partner, Acando delivers consulting services in the integration area and training services to the German market.

During the second quarter of 2011, Acando secured several major orders, including:

- In May 2011, the children's rights organization Plan Sverige selected Acando as its supplier of the Microsoft Dynamics business system.
- The Municipal Council Secretariat in Oslo has decided to introduce a new portal for publicly elected officials tasked with managing the electronic distribution of documents. Acando in Norway is to deliver the technical solution for this portal based on Liferay.
- In May 2011, The Norwegian Association of Authorized Accountants opted to use Acando to implement Microsoft Sharepoint for a new document management system to support the organization's quality control of member firms.

## Net sales and profit

### April – June 2011

Net sales and operating profit for the second quarter of 2011 are presented in the following table:

| | April-June | | | |
|---|---|---|---|---|
| **SEK m** | **2011** | **2010** | **Change** | **% Change** |
| Net sales | 385 | 375 | 10 | 3% |
| Operating profit | 25 | 15 | 10 | 67% |
| *Operating margin* | *6.5%* | *4.0%* | *2.5%* | |

Consolidated net sales for the second quarter of 2011 amounted to SEK 385 m (375), representing growth of about 3 percent. The strengthening of the SEK, mainly in relation to the EUR, had a negative impact on total growth by approximately 3 percentage points.

Operating profit totaled SEK 25 m (15), which represents an increase of 67 percent compared with the second quarter of 2010. The operating margin rose 2.5 percentage points to 6.5 percent (4.0). The improvement in the margin was primarily attributable to increased operating profit in Sweden. The second quarter of 2010 was charged with additional costs related to the completion of three major customer projects in Sweden and Norway.

Profit after tax amounted to SEK 17 m (9). Earnings per share after dilution doubled to SEK 0.22 (0.11).

### January – June 2011

Net sales and operating profit for the period January through June 2011 are shown in the following diagram:

| | January - June | | | |
|---|---|---|---|---|
| **SEK m** | **2011** | **2010** | **Change** | **% Change** |
| Net sales | 783 | 735 | 48 | 7% |
| Operating profit | 59 | 34 | 25 | 74% |
| *Operating margin* | *7.5%* | *4.6%* | *2.9%* | |

Consolidated net sales in the first half of 2011 amounted to SEK 783 m (735), up 7 percent. Organic growth in local currency was noted in all countries except Denmark.

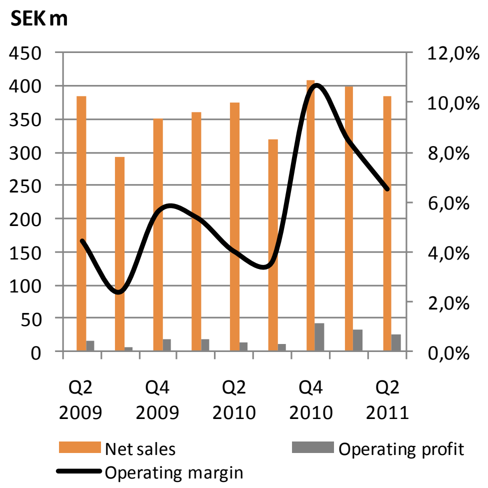
However, the strengthening of the SEK, primarily in relation to the EUR, had an adverse impact on growth of about 3 percentage points.

Operating profit was SEK 59 m (34), corresponding to an operating margin of 7.5 percent (4.6).

Profit after tax totaled SEK 40 m (24). Earnings per share after dilution were SEK 0.53 (0.31).

### Quarterly earnings performance

Net sales and operating profit per quarter for the period April 2009 through June 2011 are shown in the following graph:




Net sales in the second quarter of the year were slightly lower than in the first quarter of 2011, which was primarily attributable to fewer working days. Prices experienced a slightly positive trend overall as a result of a favorable mix of assignments and some price increases in new projects and agreements.

## Development of operations by geographic market

### Introduction

Net sales and operating profit distributed by geographic market are presented in the following table:

| | April-June | | | | | |
|---|---|---|---|---|---|---|
| SEK m | 2011 Net sales | 2010 Net sales | 2011 Operating profit | 2010 Operating profit | 2011 Operating margin | 2010 Operating margin |
| Sweden | 221 | 219 | 20 | 12 | 8,9% | 5,4% |
| Germany | 78 | 77 | 3 | 1 | 4,5% | 1,0% |
| Norway | 46 | 41 | 2 | 1 | 4,3% | 3,5% |
| Other countries | 44 | 44 | -1 | 1 | -1,3% | 3,3% |
| Group adjustments | -4 | -6 | 1 | 0 | - | - |
| **Total** | **385** | **375** | **25** | **15** | **6,5%** | **4,0%** |

| | January-June | | | | | |
|---|---|---|---|---|---|---|
| SEK m | 2011 Net sales | 2010 Net sales | 2011 Operating profit | 2010 Operating profit | 2011 Operating margin | 2010 Operating margin |
| Sweden | 444 | 427 | 43 | 29 | 9,6% | 6,8% |
| Germany | 156 | 156 | 7 | 3 | 4,8% | 2,0% |
| Norway | 98 | 80 | 7 | 2 | 6,9% | 2,0% |
| Other countries | 92 | 79 | 1 | 1 | 1,6% | 1,3% |
| Group adjustments | -7 | -7 | 1 | -1 | - | - |
| **Total** | **783** | **735** | **59** | **34** | **7,5%** | **4,6%** |

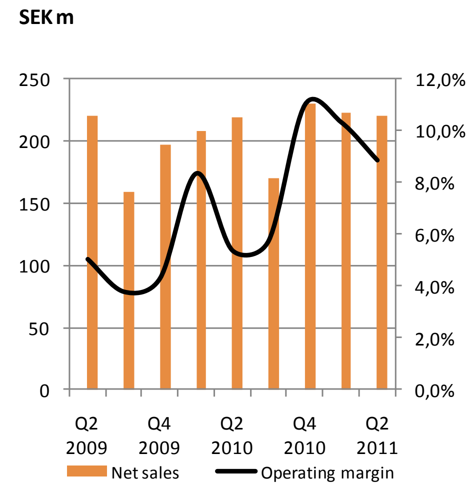
### Sweden

The Swedish market was characterized by continued strong demand during the second quarter of the year. A weak positive trend was noted in terms of average prices. An increased inflow of inquiries concerning the implementation of business systems based on SAP and Microsoft has resulted in a favorable utilization scenario ahead of the rest of 2011.

The Strategic IT competence area continued to perform well, with high utilization and increasing prices. Volume growth was strong, fuelled by many assignments on a short-term basis.

In the major metropolitan areas, the competition for qualified employees continued to intensify, resulting in high personnel turnover. Recruiting activities remain prioritized and subcontractor volumes increased to meet demand. However, this resulted in somewhat lower operating margins relative to staffing using in-house personnel.

The graph below shows the trend in net sales and the operating margin per quarter for Swedish operations during the period April 2009 through June 2011:




Net sales for the second quarter of 2011 amounted to SEK 221 m (219), corresponding to growth of 1 percent.

Operating profit for the quarter, including Group costs, amounted to SEK 20 m (12), up 67 percent. The operating margin rose 3.5 percentage points to 8.9 percent (5.4). The increase in profit was primarily attributable to the improved market conditions, higher demand and improved project profitability.

Overall, operations in Sweden generated 57 percent (58) of the Group's net sales during the second quarter of 2011.

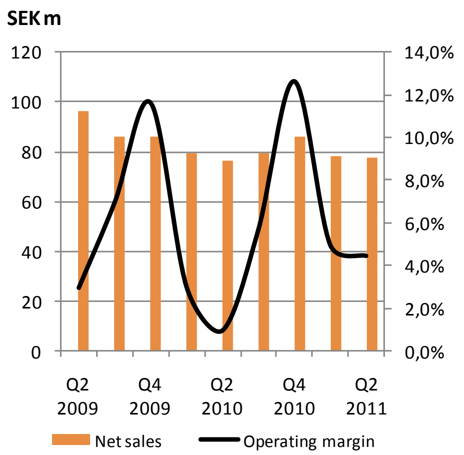
Examples of major customers in the period were AstraZeneca, Ericsson, Volvo and Stockholm County Council.

### Germany

During the second quarter, a certain weakening in the pace of demand increases was noted in the German market. Demand varies between the areas of expertise. Microsoft and Java skills remain in demand, while the demand for SAP expertise is lower.

The exposure to a few major customers was reduced in 2011 as a number of new customer relationships were established and advanced.

The following graph shows the trend of net sales and the operating margin per quarter for operations in Germany during the period April 2009 through June 2011:




Net sales in Germany remained at the same level year-on-year at SEK 78 m (77). However, the SEK strengthened on the EUR and in local currency, the operation reported growth of about 8 percent.

Operating profit for the quarter, including Group costs, strengthened to SEK 3 m (1), with an operating margin of 4.5 percent (1.0).

Examples of major customers during the quarter were EADS/Airbus, Vattenfall, HSH Nordbank and comdirect bank AG.

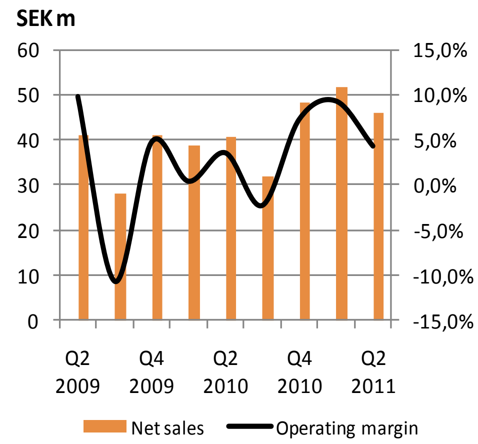
## Norway

Despite a strong demand scenario, the price level in Norway remained unchanged. Acando's customer base is primarily found in the public sector where prices are governed by competitive framework-agreement procurement processes.

High demand also entailed increased personnel turnover, which in turn resulted in a slight decline in the utilization ratio caused by set-up times in project transfers.

The partnership between Sweden and Norway, aimed at building a strong position as a supplier of Microsoft-based solutions, is progressing well and includes the possibility of cross-border deliveries.

The graph below shows the trend in net sales and the operating margin per quarter in Norwegian operations during the period from April 2009 through June 2011:




Net sales in the second quarter of 2011 totaled SEK 46 m (41), corresponding to growth of approximately 13 percent. In local currency, growth amounted to approximately 19 percent.

Operating profit for the quarter, including Group costs, improved to SEK 2 m (1) and the margin rose to 4.3 percent (3.5), which was attributable to a higher degree of utilization and improved project profitability.

Examples of major customers during the period were Norway's National Police Computing and Material Service (PDMT), NAV and DnB Nor Bank (Vital).

## Other countries

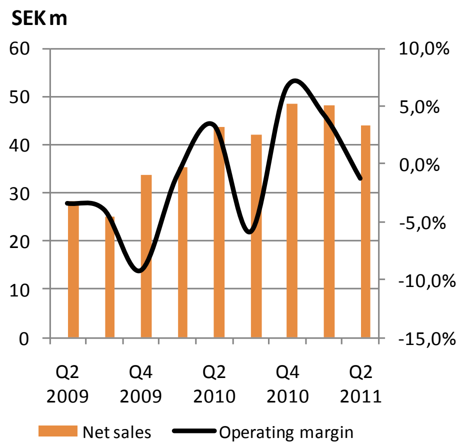
*Finland:* Finland once again reported a strong quarter. The order scenario was favorable and included assignments from both established and new customers.

Examples of major customers during the quarter were Altia, Cargotech and Veho.

*Denmark:* The Danish operation continued to report operating losses despite the restructuring actions taken. The operation was divested in early July 2011. Also refer to the description in the Events after the close of the reporting period segment.

*UK:* The UK demonstrated continued robust growth. Operational focus remains on deliveries of advanced program management services to AstraZeneca in the UK and abroad. In 2011, a number of new customer relationships have also been established based on the existing service offering.

The graph below shows the trend for net sales and the operating margin per quarter in Other countries during the period April 2009 through June 2011:




Net sales by operations in Other countries during the second quarter of 2011 remained unchanged at SEK 44 m (44). In local currency, growth totaled about SEK 3 m, meaning that negative currency effects were approximately SEK 3 m. Growth in local currency in Finland was slightly more than 25 percent and nearly 50 percent in the UK. Denmark reported a negative sales trend.

The operating loss amounted to SEK 1 m (profit: 1), exasperated by the profitability problems in Denmark.

## Financial position, cash flow and investments

### Financial position

| SEK m | 30 Jun 2011 | 30 Jun 2010 | Change | 31 Dec 2010 | Change |
|---|---|---|---|---|---|
| Cash & cash equivalents | 106 | 47 | 59 | 116 | -10 |
| Interest-bearing debt | -18 | -20 | 2 | -16 | -2 |
| Net cash | 88 | 27 | 61 | 100 | -12 |
| Unutilized overdraft facility | 65 | 66 | -1 | 66 | -1 |
| Equity/asset ratio | 70% | 70% | - | 71% | -1% |

Acando has a strong financial position with an equity/assets ratio of 70 percent (70). Consolidated cash and cash equivalents amounted to SEK 106 m at June 30, 2011, down 8 percent from December 31, 2010. Interest-bearing debt is primarily related to pension liabilities.

In addition, the Group had an unutilized overdraft facility of SEK 65 m.

### Cash flow

| SEK m | Jan-Jun 2011 | Jan-Jun 2010 | Change | Jan-Dec 2010 |
|---|---|---|---|---|
| **Cash flow from:** | | | | |
| Operating activities | 62 | -9 | 71 | 80 |
| Investment activities | -6 | -9 | 3 | -15 |
| Financing activities | -68 | -37 | -31 | -45 |
| **Total cash flow** | **-12** | **-55** | **43** | **20** |
| Cash & cash equivalents at the beginning of the period | 116 | 105 | | 105 |
| Translation difference in cash & cash equivalents | 2 | -3 | | -9 |
| Cash & cash equivalents at the end of the period | 106 | 47 | | 116 |

Total cash flow in the first six months of the year was negative in an amount of SEK 12 m (neg: 55).

Cash flow from operating activities of SEK 62 m (neg: 9) comprised the net effect of positive cash flow from operations of SEK 57 m (28) and a positive change in working capital of SEK 5 m (neg: 37).

Cash flow from investment activities amounted to a negative SEK 6 m (neg: 9) and pertained mainly to investments in customary IT and office equipment.

Cash flow from financing activities in the first six months of the year amounted to a negative SEK 68 m (neg: 37), of which SEK 38 m (38) pertained to dividends to shareholders and SEK 30 m (0) to the buy-back of shares.

The Group had unutilized loss carry-forwards totaling approximately SEK 336 m. It is expected that it will be possible to utilize most of these in the next few years and thus impact the cash flow positively. The Group recognized deferred tax of SEK 81 m attributable to loss carry-forwards, which was recognized as a financial asset in the balance sheet. This asset will decrease in pace with the utilization of loss carry-forwards.

### Investments

The Group's net investments in assets in the first half of 2011 amounted to SEK 6 m (10).

### Share-savings program

The 2008/2011 share-savings program concluded in May 2011. The total allocation of shares to employees amounted to 292,300 Series B shares. Treasury shares were used for allocation.

The 2011 Annual General Meeting resolved to introduce a new share-saving program for approximately 40 senior executives and other key personnel in the Acando Group. The 2011/2014 share-savings program has a similar structure as the share-savings program that was adopted by the 2009 and 2010 Annual General Meetings. Participants will, following a qualification period of three years, have the opportunity to obtain additional Acando shares, free of charge. The number of shares will be based partly on the number of own investment in Acando shares and partly on the achievement of specific performance requirements.

### Buy-back of shares

| Treasury shares | Number of Series B shares | Quotient value, SEK m | Acquisition cost, SEK m | Percentage of total shares outstanding |
|---|---|---|---|---|
| At January 1, 2011 | 3 331 131 | 4 | 32 | 4,2% |
| Shares bought back in Q1 2011 | 870 700 | 1 | 12 | 1,1% |
| **At March 31, 2011** | **4 201 831** | **5** | **44** | **5,3%** |
| Shares transferred in Q2 2100 | -292 300 | 0 | - | -0,4% |
| Shares bought back in Q2 2011 | 1 125 800 | 1 | 18 | 1,4% |
| **At June 30, 2011** | **5 035 331** | **6** | **62** | **6,3%** |

The 2011 Annual General Meeting of Acando resolved to once again authorize the Board of Directors to purchase shares to the extent that the company's total holding does not exceed 10 percent of all shares in the company, for the purpose of adjusting the capital structure to suit the company's capital requirements and to create the opportunity for the company to pay for acquisitions of companies and businesses, wholly or partly, with these shares. This authorization applies until the 2012 Annual General Meeting.

During 2011, a total of 1,996,500 shares were bought back for a total cost of about SEK 30 m, which corresponds to 2.5 percent of the total shares outstanding. In addition, 292,300 shares were also allocated during the second quarter in connection with the conclusion of the 2008/2011 share-savings program.

The total holding of treasury shares on June 30, 2011, amounted to 6.3 percent of the total number of shares outstanding.

### Share capital and shares

The number of Acando shares totaled 79,644,260 on June 30, 2011, of which 5,035,331 shares were Series B treasury shares.

Of these treasury shares, an estimated 2,210,000 shares will be utilized for future allotment in existing share-savings programs. See Note 9 in the 2010 Annual Report.

## Employees

The average number of employees during the second quarter of 2011 was 1,045 (1,080). The number of employees at the end of the period was 1,032 (1,076). Of these, 586 (617) were in Sweden, 276 (270) in Germany, 96 (93) in Norway and 74 (96) in Other countries.

## Parent Company

The Parent Company provides certain joint functions to other companies in the Group. The risks faced by the Parent Company mainly consist of operations conducted in the subsidiaries (see the description below for the Group).

External net sales in the Parent Company totaled SEK 0 m (0) in the second quarter of 2011. Operating profit for the corresponding period was SEK 1 m (3).

The Parent Company's net investments in the second quarter of 2011 amounted to SEK 1 m (4). The Parent Company's cash and cash equivalents totaled SEK 47 m (4).

## Risks and uncertainties

Acando's business risks include price levels, customer undertakings, changed customer requirements, weaker demand for consulting services, customer concentration and changes in the behavior of competitors, as well as currency, credit and interest-rate risks. Continued growth will depend on Acando's ability to recruit and develop new, qualified employees, retain existing employees and maintain personnel costs at a reasonable level in relation to prices offered to customers. A strong economy entails intensified competition for qualified employees. Acando's general view of business risks has not changed, compared with the detailed statement contained in the "Risks and Opportunities" section in the 2010 Annual Report.

## Events after the close of the reporting period

Acando has signed an agreement with Q2con ApS, pertaining to the takeover of Acando's consulting operations in Denmark. Accordingly, all 12 consultants will leave Acando for Q2con.

A number of measures were implemented during the past year to restructure Acando's Danish consulting operations with the aim of achieving satisfactory profitability. Despite this, the operations did not perform as planned, resulting in continued operating losses.

Acando's strategy is to focus on the geographic markets, where there is potential to deliver all of Acando's offerings.

In addition, Acando is represented in markets where international customer projects can be conducted.

Non-recurring costs in connection with the divestment are anticipated to amount to approximately SEK 7 m, which will be charged against results in the third quarter. Non-recurring costs are primarily attributable to remaining commitment for premises and personnel. The divestment will also result in a goodwill impairment loss of approximately SEK 12 m.

Additional information about the divestment will be provided in the interim report for the third quarter of 2011.

## Acando's financial objectives

Acando's principal financial objective is to increase earnings per share (EPS) by at least 15 percent per year. In addition, certain restrictions apply with respect to the maximum debt/equity ratio and minimum available cash and cash equivalents.

## Outlook

Acando will continue to develop as a company in pace with its customers and their demands. With Acando's strong financial position and differentiated offering, the company can continue to deliver services to a broad spectrum of customers. It is Acando's assessment that demand in the markets in which Acando operates is favorable.

Acando does not provide earnings or sales forecasts.

## Accounting policies

### Group

The Group's interim report was prepared in accordance with IAS 34 Interim Reporting and the Swedish Annual Accounts Act. Application of IFRS complies with the accounting policies set out in Acando's 2010 Annual Report except for what is stated below.

As of January 1, 2011, the company applies the following new and amended IFRS:

- Improvements to IFRS 2010 (decided by the IASB in May 2010)
- IFRIC 14 (amendment), "The limit on a defined benefit asset, minimum funding requirements and their interaction." (November 26, 2009)
- IFRIC 19, "Extinguishing financial liabilities with equity instruments" (November 26, 2009)
- IAS 24 (revised 2009), "Related-Party disclosures" (November 4, 2009)
- IAS 32 (amendment), "Classification of rights issues" (October 8, 2009)

None of the new or amended standards and interpretations has had any significant impact on the financial result or position of the Group.

### Parent Company

The interim report for the Parent Company was prepared in accordance with the Swedish Annual Accounts Act and RFR 2 Reporting of Legal Entities issued by the Swedish Financial Reporting Board. The application of RFR 2 means that the Parent Company, in the interim report for legal entity, applies all IFRS standards and statements approved by the EU as far as possible within the framework of the Annual Accounts Act and the Pension Obligations Vesting Act, with consideration taken to the relationship between accounting and taxation. As for the Group, the new and amended standards that took effect on January 1, 2011 had no significant effect on the Parent Company's income statement, balance sheet, cash flow and shareholders' equity. The same accounting and calculation policies were applied as in the 2010 Annual Report.

## Estimates and assessments

In preparing the financial statements, the Board of Directors and company management make estimates and assessments that affect the company's earnings and financial position, as well as other published information.

Estimates and assessments are continuously evaluated and are based on historical experience and other factors, including expectations regarding future events deemed reasonable under prevailing conditions. Actual outcomes may differ from the assessments made.

The areas in which estimates and assessments could involve significant risk of adjustments of recognized amounts for earnings and financial position in future reporting periods are primarily assessments of market conditions, assessment of the useful lives of the Group's intangible and tangible fixed assets, impairment testing of goodwill, measurement of deferred tax assets, measurement of accounts receivable and revenue recognition for fixed-price projects.

For a complete account of the important estimates and assessments affecting the Group, refer to the 2010 Annual Report.

## Review report

This interim report was not audited.

## Forthcoming financial information and events

### Reporting dates 2011

| | |
|---|---|
| Interim report January - September 2011 | October 26, 2011 |
| Year-end report 2011 | February 3, 2012 |

### Assurance by the Board of Directors

The Board of Directors and the President provide their assurance that the interim report for January – June 2011 gives a fair and accurate view of the Parent Company's and the Group's operations, financial position and earnings, and describes the risks and uncertainties facing the Parent Company and other companies in the Group.

Stockholm, July 29, 2011

Acando AB (publ.)

Ulf J Johansson
*Chairman of the Board*

Carl-Magnus Månsson
*President and CEO*

Magnus Groth
*Board member*

Birgitta Klasén
*Board member*

Susanne Lithander
*Board member*

Anders Skarin
*Board member*

Alf Svedulf
*Board member*

Mija Jelonek
*Employee representative*

Lennart Karlsson
*Employee representative*

## Further information

For further information, please contact:

Carl-Magnus Månsson, President and CEO
+46 8 699 73 77

Lotta Jarleryd, CFO
+46 8 699 74 14

## Note

This is information that Acando AB (publ.) is obligated to disclose according to the Securities Market Act and/or the Financial Instruments Trading Act. This information was submitted for publication on July 29, 2011.

www.acando.com Ticker: ACAN

Acando is a consulting company that in partnership with its customers identifies and implements sustainable business improvements through information technology. Acando provides a balance between high customer value, short project times and low total cost. Acando has annual sales of about EUR 170 million and approximately 1,000 employees in five countries in Europe. The company is listed on the NASDAQ OMX Nordic exchange. Its company culture is based on the core values of team spirit, results and passion.

Acando AB (publ.)
Klarabergsviadukten 63
Box 199
SE-101 23 STOCKHOLM
Sweden
Tel: +46 (0)8 699 70 00
Fax: +46 (0)8 699 79 99
Corp. Reg. No: 556272-5092
www.acando.com

**Consolidated income statement**

| (SEK m) | Note | Apr - Jun 2011 | Apr - Jun 2010 | Jan - Jun 2011 | Jan - Jun 2010 | Jul 2010 - Jun 2011 | Jan - Dec 2010 |
|---|---|---|---|---|---|---|---|
| Net sales | | 385 | 375 | 783 | 735 | 1 510 | 1 462 |
| Other operating income | | 0 | 1 | 0 | 1 | 1 | 2 |
| **Total income** | | **385** | **376** | **783** | **736** | **1 511** | **1 464** |
| **Operating expenses** | | | | | | | |
| Other external expenses | | -121 | -115 | -238 | -212 | -460 | -434 |
| Personnel expenses | | -235 | -243 | -479 | -484 | -923 | -928 |
| Amortization of intangible assets and depreciation of tangible assets | | -4 | -3 | -7 | -6 | -14 | -13 |
| **Operating profit** | | **25** | **15** | **59** | **34** | **114** | **89** |
| **Profit from financial items** | | | | | | | |
| Financial income and similar items | | 1 | 0 | 2 | 0 | 4 | 2 |
| Financial expenses and similar items | | 0 | -1 | -1 | -2 | -2 | -3 |
| **Profit after financial items** | | **26** | **14** | **60** | **32** | **116** | **88** |
| Taxes | | -9 | -5 | -20 | -8 | -38 | -26 |
| **Profit for the period** | | **17** | **9** | **40** | **24** | **78** | **62** |
| **Attributable to:** | | | | | | | |
| Parent Company's shareholders | | 17 | 9 | 40 | 24 | 78 | 62 |
| **Earnings per share** | | | | | | | |
| Before dilution, SEK | | 0,22 | 0,12 | 0,53 | 0,32 | 1,03 | 0,81 |
| After dilution, SEK | | 0,22 | 0,11 | 0,53 | 0,31 | 1,02 | 0,80 |
| Average number of shares before dilution | | 75 017 410 | 76 400 228 | 75 455 218 | 76 196 760 | 75 569 100 | 76 310 642 |
| Average number of shares after dilution | | 75 107 623 | 77 273 460 | 75 588 942 | 77 031 817 | 75 473 140 | 76 916 015 |
| Number of outstanding shares at end of period before dilution | | 74 608 929 | 76 673 129 | 74 608 929 | 76 673 129 | 74 608 929 | 76 313 129 |
| Number of outstanding shares at end of period after dilution | | 74 699 142 | 77 539 485 | 74 807 422 | 77 539 485 | 74 604 646 | 77 336 709 |

Treasury shares are not included in the number of shares above. At June 30, 2011, 5,035,331 shares are owned by Acando.

**Consolidated statement of comprehensive income**

| (SEK m) | Apr - Jun 2011 | Apr - Jun 2010 | Jan - Jun 2011 | Jan - Jun 2010 | Jul 2010 - Jun 2011 | Jan - Dec 2010 |
|---|---|---|---|---|---|---|
| **Net profit for the period** | **17** | **9** | **40** | **24** | **78** | **62** |
| | | | | | | |
| **Other comprehensive income** | | | | | | |
| Exchange difference on translation of foreign operations | 6 | -3 | 2 | -11 | -10 | -23 |
| **Other comprehensive income for the period** | **6** | **-3** | **2** | **-11** | **-10** | **-23** |
| | | | | | | |
| **Total comprehensive income for the period** | **23** | **6** | **42** | **13** | **68** | **39** |
| | | | | | | |
| **Total comprehensive income attributable to:** | | | | | | |
| Parent Company's shareholders | 23 | 6 | 42 | 13 | 68 | 39 |

**Consolidated statement of financial position**

| (SEK m) | Note | 30 Jun 2011 | 30 Jun 2010 | 31 Dec 2010 |
|---|---|---|---|---|
| **Assets** | | | | |
| **Non-current assets** | | | | |
| Goodwill | 1 | 471 | 495 | 469 |
| Other intangible assets | | 12 | 16 | 14 |
| Tangible assets | | 20 | 20 | 20 |
| Deferred tax assets | | 84 | 105 | 95 |
| Other financial assets | | 5 | 5 | 6 |
| **Total non-current assets** | | **592** | **641** | **604** |
| | | | | |
| **Current assets** | | | | |
| Trade receivables | | 338 | 340 | 343 |
| Other receivables | | 2 | 5 | 5 |
| Current tax assets | | 7 | 6 | 4 |
| Prepaid expenses and accrued income | | 38 | 40 | 28 |
| Cash and cash equivalents | | 106 | 47 | 116 |
| **Total current assets** | | **492** | **438** | **496** |
| | | | | |
| **Total assets** | | **1 084** | **1 079** | **1 100** |
| | | | | |
| **Equity** | 2 | | | |
| Share capital | | 99 | 99 | 99 |
| Other contributed capital | | 368 | 368 | 368 |
| Reserves | | -18 | -8 | -20 |
| Retained earnings | | 310 | 302 | 337 |
| **Total equity** | | **759** | **761** | **784** |
| | | | | |
| **Liabilities** | | | | |
| Non-current liabilities | 3 | 31 | 43 | 27 |
| Current liabilities | | 295 | 275 | 289 |
| **Total liabilites** | | **325** | **318** | **316** |
| | | | | |
| **Total equity and liabilities** | | **1 084** | **1 079** | **1 100** |

**Consolidated statement of changes in equity**

| (SEK m) | Note | Share capital | Other capital contr. | Reserves | Retained earnings | Total |
|---|---|---|---|---|---|---|
| | | Attributable to Parent company shareholders | | | | |
| **Equity, January 1, 2010** | | **99** | **367** | **3** | **314** | **783** |
| Total comprehensive income | | | | -11 | 24 | 13 |
| New share issue | | 0 | 1 | | | 1 |
| Dividend to shareholders | | | | | -38 | -38 |
| Incentive programs | | | | | 2 | 2 |
| **Equity, June 30, 2010** | | **99** | **368** | **-8** | **302** | **761** |
| Total comprehensive income | | | | -12 | 38 | 26 |
| Incentive programs | | | | | 1 | 1 |
| Purchase of treasury shares | | | | | -4 | -4 |
| **Equity, December 31, 2010** | | **99** | **368** | **-20** | **337** | **784** |
| Total comprehensive income | | | | 2 | 40 | 42 |
| Dividend to shareholders | | | | | -38 | -38 |
| Incentive programs | | | | | 1 | 1 |
| Purchase of treasury shares | 2 | | | | -30 | -30 |
| **Equity, June 30, 2011** | | **99** | **368** | **-18** | **310** | **759** |

**Consolidated statement of cash flows**

| (SEK m) | Note | Jan - Jun 2011 | Jan - Jun 2010 | Jan - Dec 2010 |
|---|---|---|---|---|
| **Operating activities** | | | | |
| Profit after financial items | | 60 | 32 | 88 |
| Income tax paid | | -11 | -12 | -22 |
| Adjustment for items not included in the cash flow | | 8 | 8 | 17 |
| **Cash flow from operating activities before changes in working capital** | | **57** | **28** | **83** |
| Net change in working capital | | 5 | -37 | -3 |
| **Cash flow from operating activities** | | **62** | **-9** | **80** |
| **Cash flow from investment activities** | | **-6** | **-9** | **-15** |
| **Cash flow from financing activities** | | **-68** | **-37** | **-45** |
| **Cash flow for the period** | | **-12** | **-55** | **20** |
| Cash and cash equivalents at the beginning of the period | | 116 | 105 | 105 |
| Translation difference in cash and cash equivalents | | 2 | -3 | -9 |
| **Cash and cash equivalents at the end of the period** | | **106** | **47** | **116** |

**Operating segments**

| (SEK m) | Note | Sweden | Germany | Norway | Other countries | Total | Group adjustment | Group total |
|---|---|---|---|---|---|---|---|---|
| **Apr - Jun 2011** | | | | | | | | |
| Revenues from external customers | | 220 | 78 | 46 | 41 | 385 | 0 | 385 |
| Income from other segments | | 1 | 0 | 0 | 3 | 4 | -4 | - |
| **Total net sales** | | **221** | **78** | **46** | **44** | **389** | **-4** | **385** |
| **Operating profit** | | 20 | 3 | 2 | -1 | **24** | **1** | **25** |
| Financial income and similar items | | | | | | | | 1 |
| Financial expenses and similar items | | | | | | | | 0 |
| **Profit after financial items** | | | | | | | | **26** |
| Taxes | | | | | | | | -9 |
| **Net profit for the period** | | | | | | | | **17** |
| **Apr - Jun 2010** | | | | | | | | |
| Revenues from external customers | | 218 | 76 | 41 | 40 | 375 | 0 | 375 |
| Income from other segments | | 1 | 1 | 0 | 4 | 6 | -6 | - |
| **Total net sales** | | **219** | **77** | **41** | **44** | **381** | **-6** | **375** |
| **Operating profit** | | **12** | **1** | **1** | **1** | **15** | **0** | **15** |
| Financial income and similar items | | | | | | | | 0 |
| Financial expenses and similar items | | | | | | | | -1 |
| **Profit after financial items** | | | | | | | | **14** |
| Taxes | | | | | | | | -5 |
| **Net profit for the period** | | | | | | | | **9** |
| **Jan - Jun 2011** | | | | | | | | |
| Revenues from external customers | | 442 | 156 | 98 | 87 | 783 | 0 | 783 |
| Income from other segments | | 2 | 0 | 0 | 5 | 7 | -7 | - |
| **Total net sales** | | **444** | **156** | **98** | **92** | **790** | **-7** | **783** |
| **Operating profit** | | 43 | 7 | 7 | 1 | **58** | **1** | **59** |
| Financial income and similar items | | | | | | | | 2 |
| Financial expenses and similar items | | | | | | | | -1 |
| **Profit after financial items** | | | | | | | | **60** |
| Taxes | | | | | | | | -20 |
| **Net profit for the period** | | | | | | | | **40** |
| **Jan - Jun 2010** | | | | | | | | |
| Revenues from external customers | | 426 | 155 | 80 | 76 | 737 | -2 | 735 |
| Income from other segments | | 1 | 1 | 0 | 3 | 5 | -5 | 0 |
| **Total net sales** | | **427** | **156** | **80** | **79** | **742** | **-7** | **735** |
| **Operating profit** | | **29** | **3** | **2** | **1** | **35** | **-1** | **34** |
| Financial income and similar items | | | | | | | | 0 |
| Financial expenses and similar items | | | | | | | | -2 |
| **Profit after financial items** | | | | | | | | **32** |
| Taxes | | | | | | | | -8 |
| **Net profit for the period** | | | | | | | | **24** |
| **Jul 2010 - Jun 2011** | | | | | | | | |
| Revenues from external customers | | 841 | 321 | 178 | 169 | 1 509 | 1 | 1 510 |
| Income from other segments | | 5 | 0 | 0 | 13 | 18 | -18 | - |
| **Total net sales** | | **846** | **321** | **178** | **182** | **1 527** | **-17** | **1 510** |
| **Operating profit** | | **78** | **23** | **9** | **2** | **112** | **2** | **114** |
| Financial income and similar items | | | | | | | | 4 |
| Financial expenses and similar items | | | | | | | | -2 |
| **Profit after financial items** | | | | | | | | **116** |
| Taxes | | | | | | | | -38 |
| **Net profit for the period** | | | | | | | | **78** |
| **Jan - Dec 2010** | | | | | | | | |
| Revenues from external customers | | 825 | 320 | 160 | 158 | 1 463 | -1 | 1 462 |
| Income from other segments | | 4 | 1 | 0 | 11 | 16 | -16 | - |
| **Total net sales** | | **829** | **321** | **160** | **169** | **1 479** | **-17** | **1 462** |
| **Operating profit** | | **64** | **19** | **4** | **2** | **89** | **0** | **89** |
| Financial income and similar items | | | | | | | | 2 |
| Financial expenses and similar items | | | | | | | | -3 |
| **Profit after financial items** | | | | | | | | **88** |
| Taxes | | | | | | | | -26 |
| **Net profit for the period** | | | | | | | | **62** |

**Key ratios**

| (SEK m) | Note | Apr - Jun 2011 | Apr - Jun 2010 | Jan - Jun 2011 | Jan - Jun 2010 | Jul 2010 - Jun 2011 | Jan - Dec 2010 |
|---|---|---|---|---|---|---|---|
| **Result** | | | | | | | |
| Net sales | | 385 | 375 | 783 | 735 | 1 510 | 1 462 |
| Operating profit (EBIT) | | 25 | 15 | 59 | 34 | 114 | 89 |
| Net profit for the period | | 17 | 9 | 40 | 24 | 78 | 62 |
| **Margins** | | | | | | | |
| Operating margin (EBIT), % | | 6,5 | 4,0 | 7,5 | 4,6 | 7,5 | 6,1 |
| Profit margin, % | | 6,7 | 4,0 | 7,6 | 4,4 | 7,6 | 6,0 |
| **Profitability** | | | | | | | |
| Return on capital employed, % | | 3 | 2 | 8 | 4 | 15 | 11 |
| Return on equity, % | | 2 | 1 | 5 | 3 | 10 | 8 |
| **Financial position** | | | | | | | |
| Equity/assets ratio, % | | 70 | 70 | 70 | 70 | 70 | 71 |
| Interest coverage ratio, multiple | | 54 | 37 | 57 | 18 | 72 | 46 |
| **Per share** | | | | | | | |
| Equity per share, SEK | | 10,15 | 9,81 | 10,15 | 9,81 | 10,15 | 10,14 |
| Cash flow per share, SEK | | -0,45 | -0,92 | -0,16 | -0,70 | 0,84 | 0,26 |
| Earnings per share after dilution, SEK | | 0,22 | 0,11 | 0,53 | 0,31 | 1,02 | 0,80 |
| **Employees** | | | | | | | |
| Number of employees at end of the period | | 1 032 | 1 076 | 1 032 | 1 076 | 1 032 | 1 060 |
| Average number of employees | | 1 045 | 1 080 | 1 052 | 1 085 | 1 059 | 1 075 |
| Net sales per employee, SEK thousands | | 368 | 347 | 744 | 677 | 1 426 | 1 360 |
| **Net investments** | | 3 | 6 | 6 | 10 | 12 | 16 |

**Parent Company Income Statement**

| (SEK m) | Note | Apr - Jun 2011 | Apr - Jun 2010 | Jan - Jun 2011 | Jan - Jun 2010 | Jul 2010 - Jun 2011 | Jan - Dec 2010 |
|---|---|---|---|---|---|---|---|
| Net sales | | 15 | 17 | 32 | 29 | 62 | 59 |
| Other operating income | | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total income** | | **15** | **17** | **32** | **29** | **62** | **59** |
| **Operating expenses** | | | | | | | |
| Other external expenses | | -8 | -10 | -16 | -17 | -33 | -34 |
| Personnel expenses | | -4 | -3 | -8 | -5 | -12 | -9 |
| Depreciation of tangible non-current assets | | -2 | -1 | -4 | -3 | -9 | -8 |
| **Operating profit** | | **1** | **3** | **4** | **4** | **8** | **8** |
| **Profit from financial items** | | | | | | | |
| Financial income and similar items | 4 | 185 | 1 | 213 | 2 | 215 | 4 |
| Financial expenses and similar items | | -1 | -1 | -3 | -3 | -5 | -5 |
| **Profit after financial items** | | **185** | **3** | **214** | **3** | **218** | **7** |
| Taxes | | 0 | -1 | -1 | -1 | -3 | -3 |
| **Net profit for the period** | | **185** | **2** | **213** | **2** | **215** | **4** |

Net profit for the period corresponds to comprehensive income for the period.

**Parent Company Balance Sheet**

| (SEK m) | Note | 30 Jun 2011 | 30 Jun 2010 | 31 Dec 2010 |
|---|---|---|---|---|
| **Assets** | | | | |
| **Non-current assets** | | | | |
| Intangible assets | | 7 | 9 | 8 |
| Tangible assets | | 14 | 14 | 14 |
| Financial assets | | 934 | 962 | 964 |
| **Total non-current assets** | | **955** | **985** | **986** |
| **Current assets** | | | | |
| Receivables from Group companies | | 44 | 32 | 33 |
| Other receivables | | 1 | 2 | 0 |
| Prepaid expenses and accrued income | | 2 | 4 | 3 |
| Cash and cash equivalents | | 47 | 4 | 37 |
| **Total current assets** | | **94** | **42** | **73** |
| **Total assets** | | **1 049** | **1 027** | **1 059** |
| **Equity** | | | | |
| Share capital | 2 | 99 | 99 | 99 |
| Statutory reserve | | 110 | 110 | 110 |
| Share premium reserve | | 261 | 261 | 261 |
| Retained earnings | | 328 | 188 | 182 |
| **Total equity** | | **798** | **658** | **652** |
| **Libilities** | | | | |
| Long-term liabilities | | 1 | 1 | 1 |
| Liabilities to Group companies | | 230 | 354 | 393 |
| Current liabilities | | 20 | 14 | 13 |
| **Total liabilities** | | **251** | **369** | **407** |
| **Total equity and liabilities** | | **1 049** | **1 027** | **1 059** |

## Notes

### Note 1 Goodwill

Goodwill declined a total of SEK 24 m, compared with June 30, 2010. Of this amount, SEK 20 m pertained to the adjustment of goodwill in conjunction with the revaluation of the performance-based supplementary purchase consideration for the acquisition of March IT A/S, Denmark recorded as of December 31, 2010. See also Note 3.

The remaining SEK 4 m pertained to negative currency effects primarily attributable to the strengthening of the SEK against the NOK and DKK.

### Note 2 Shareholders' equity

Acando's share capital increased during 2010 from SEK 99,357,882 to SEK 99,555,326, corresponding to 157,955 new Series B shares. The total number of shares in the company as at June 30, 2011 amounted to 79,644,260, of which 76,004,270 were Series B shares and 3,639,990 were Series A shares.

During the first half of the year, Acando repurchased 1,996,500 Series B shares for a total of SEK 30 m. The total number of treasury shares thus amounted to 5,035,331 Series B shares as of June 30, 2011.

### Note 3 Long-term liabilities

Long-term liabilities primarily comprise deferred tax and pension liabilities in Sweden and Norway.

They also include the remaining liability in respect of the preliminary purchase consideration of SEK 3 m relating to the acquisition of March IT A/S in 2009. In conjunction with the year-end financial statement on December 31, 2010, a new assessment was made of the performance-based supplementary purchase consideration based on a discounted cash flow valuation. This resulted in impairment of goodwill and a corresponding reduction in the liability for the preliminary purchase consideration of approximately SEK 20 m.

### Note 4 Financial income

Financial income in the Parent Company primarily pertains to dividends from subsidiaries.

## Definitions

### Capital employed

Shareholders' equity plus interest-bearing liabilities. Average capital employed is calculated as the sum of capital employed on the opening and closing dates divided by two.

### Cash flow per share

Cash flow for the year divided by the weighted average number of shares during the period after dilution with outstanding warrants, share-savings programs and convertible rights. Treasury shares are excluded.

### Earnings per share

Net profit for the period for continuing operations divided by the weighted average number of shares during the period after dilution with outstanding warrants, share-savings programs and convertible rights. Treasury shares are excluded.

### Equity/assets ratio

Shareholders' equity on the closing date divided by total assets.

### Interest-coverage ratio

Profit after financial items, with reversal of interest expenses, divided by interest expenses.

### Operating margin

Operating profit divided by net sales.

### Profit margin

Profit before tax divided by net sales.

### Return on capital employed

Profit after financial items with reversal of interest expenses, divided by average capital employed.

### Return on shareholders' equity

Profit after tax divided by average shareholders' equity. Average shareholders' equity is calculated as the sum of shareholders' equity on the opening and closing dates, divided by two.

### Shareholders' equity per share

Shareholders' equity on the balance-sheet date divided by the number of shares at year-end after dilution with outstanding warrants, share-savings programs and convertible rights. Treasury shares are excluded.