



INTERIM REPORT
1 January–31 March 2007

Strong growth and profitability in Q1

Period 1 January – 31 March 2007 compared with same period 2006:

- Net sales: SEK 343m (233), an increase of 47 percent.
- Operating profit: SEK 32m (21), an increase of 52 percent.
- Profit after tax: SEK 32m (21), an increase of 52 percent.
- Earnings per share: SEK 0.38 (0.32), an increase of 19 percent.
- Cash flow from operating activities: SEK 21m (-1).
- Acquisition of IQ Consulting Ltd in Manchester, thus creating local presence in the UK and strengthening Acando within Content Management.
- Acquisition of Deva Management Consulting in Stockholm strengthens Acando's position within Management Consulting and Business Intelligence.
- Formation of the subsidiary Acando Denmark A/S in Copenhagen strengthens our offering in the Öresund region.

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SALES AND PROFIT/LOSS FOR FIRST QUARTER 2007

<i>(SEK 000s)</i>	Sweden 2)	Germany	Webmedia	Other countries 3)	Group elim.	Total
Net sales	253.9	63.5	19.6	8.0	- 1.8	343.2
Operating profit/loss 1)	26.9	2.5	2.8	- 0.1	- 0.3	31.8
Operating margin	10.6%	4.0%	14.3%	- 1.0%	-	9.3%

- 1) Including total joint Group costs of SEK 10.4m that have been allocated to Sweden in the amount of SEK 7.6m, Germany SEK 2.6m, other countries SEK 0.2m, and Webmedia SEK 0.
- 2) Deva Management is included as of 1 February.
- 3) Acando Denmark and Acando UK (IQ Consultancy Ltd) are included as of 1 March. Acando Finland, which has previously been reported separately, is included in "Other Countries" as of 1 January.

Consolidated net sales for the Group amounted to SEK 343m (233), representing an increase of 47 percent compared with the same period last year. The operating profit was SEK 32m (21), equivalent to an operating margin of 9.3 percent (9.0).

Good demand in both Sweden and for the partly owned company Webmedia (Baltic Region and Eastern Europe) have contributed to a rise in profits in these regions. The net profit in Germany includes a loss from the Düsseldorf unit.

Corporation tax reported in the income statement in the quarter is zero and is composed of the net of reversed and capitalised tax recoverable.

Profit after tax for the first quarter amounted to SEK 32m (21).

NET SALES AND OPERATING PROFIT PER QUARTER

<i>(SEK 000s)</i>	Q1 2007	Q4 2006	Q3 2006	Q2 2006	Q1 2006	Q4 2005	Q3 2005	Q2 2005
Net sales	343	339	246	299	233	200	121	168
Operating profit	32	43	3	16	21	24	3	11
Operating margin	9.3%	12.8%	1.1%	5.4%	9.0%	12.0%	2.5%	6.5%

MARKET TRENDS

Sweden

Comparative figures are affected by the acquired companies Resco AB and e-motion Technology Consulting AB being consolidated as of 16 March and 1 March 2006 respectively.

Growth in Sweden was 21 percent with sales of SEK 253.9m (209.1), of which organic growth for former AcandoFrontec was 13 percent. The operating profit simultaneously increased by 49 percent to SEK 26.9m.

The year has started with good capacity utilisation. This level was maintained during the entire quarter with stable prices, at the same time as demand for Acando's services was good during the quarter and volumes with existing customers are increasing. This implies that Acando continues to need considerable recruitment of consultants within many fields of expertise.

Germany

Pro forma sales grew in Germany by 22 percent to SEK 63.5m. The office in Bremen – whose results include the effect of recruitment costs – has got off to a good start for the year and profitability is in line with expectations. The office in Düsseldorf reported a loss for the quarter but is expected to reverse this trend in the beginning of Q2. The significantly largest unit, Hamburg, continued to develop well during the period, as did the office in Frankfurt.

New customers include HSB Nordbank, Germanischer Lloyd AG (safety inspections of ships) and ODS Optical Disc Service GmbH (optical media). Major assignments have been obtained from Airbus Spares for the A405 model, as well as BMW.

Baltic Region and Eastern Europe (Webmedia)

Webmedia has experienced good demand in the Baltic Region with an increase in sales to SEK 19.6m (12.5), implying growth of 57 percent. The operating profit was SEK 2.8m (1.0) representing a rise of 180 percent.

The majority of Webmedia's assignments come from the local market, although sales of projects to Swedish customers (near-shoring) are increasing. Assignments in the first quarter include the development of a new logistics system for the Estonian post office and a solution for e-declarations for the Estonian tax authorities.

Other countries

Demand for Acando's SAP-oriented company in *Finland* is good. Acando Oy has signed a contract with Altia Corporation (a multi-beverage producer) in Finland for a review of how the SAP ERP 2005 system shall be adapted to Altia's processes in six countries. A new customer is Würth Oy (a wholesale company) that has ordered systems maintenance and programming related to the customer's SAP system.

Acando has operations in *Denmark* and the *United Kingdom* as of March 2007. Demand in these markets is good. The newly formed company in Denmark is still in a start-up phase with focus on recruiting consultants – for which the related costs have been charged to the quarter's operating results. The UK operations contributed positively to the Group's consolidated profit for the quarter.

FINANCIAL POSITION AND CASH FLOW

The Group's liquid assets including current investments amounted to SEK 139m (85) as at 31 March 2007. In addition, the Group has an unutilised bank overdraft facility of SEK 50m. The equity/assets ratio was 68.7 percent (65.9).

Cash flow from current activities for the quarter was SEK 21m (-1). The negative change in working capital of SEK 14m is of a temporary nature.

EMPLOYEES

The average number of employees for the period was 1,130 (866) and the number of employees at the end of the period was 1,212 (1,048). Of these, 746 are in Sweden, 249 with Webmedia, 193 in Germany and 24 in other countries.

In conjunction with changes to Acando's Group management team, the Executive Vice President has left the Company at his own request, further to which a non-recurring cost of SEK 3m has been charged to the operating results.

INVESTMENTS

The Group's net investments in property, plant and equipment amounted for the period to SEK 3m (1).

Compulsory redemption of remaining outstanding shares in former Resco AB (publ.)

Acando AB holds 95.3 percent of the share capital and 97.0 percent of the voting rights in Acando Europe AB (formerly Resco AB). The compulsory redemption of remaining shares in Acando Europe AB was settled by an arbitration board in March. The decision implies that Acando AB will redeem the shares at a price of SEK 6.33 per share plus interest, which is in accordance with the Company's expectations. Provided the decision is not appealed, it will enter into force at the end of May, after which the redemption amount will be paid.

PARENT COMPANY

External net sales in the Parent Company were SEK 0 (0) for the quarter.

The operating loss for the same period was SEK -2m (-1).

The Parent Company's net investments for the period amounted to SEK 3m (1).

The Parent Company's liquid assets were SEK 37m (34) at the end of the period.

COMPULSORY REDEMPTION OF SHARES

The Board of Directors proposes to the Annual General Meeting of Shareholders (AGM) to be held on 26 April to adopt a bonus issue and share split of 2:1 combined with a compulsory redemption procedure. The procedure will imply, provided the AGM gives its approval, that each share be split into one ordinary share and one redemption share with the expected record date for the split to be 18 May and payment of the redemption amount on or about 12 June. The last day for trading of the Acando share and at the same time the right to redemption shares will be 14 May. The share will be listed as of 15 May without right to redemption shares.

The redemption share will be redeemed for SEK 1.30 per share, representing the transfer of SEK 101m to the Company's shareholders.

SIGNIFICANT EVENTS FURTHER TO THE END OF THE PERIOD

No significant events have occurred since the end of the period.

OUTLOOK

The Board of Directors continues to believe that the market for consultancy services within Management and IT will remain good in 2007. The Company will continue to prioritise organic growth with focus on improved profitability.

Acando does not provide any profit or sales forecasts.

Stockholm, 26 April 2007

Acando AB (publ)

The Board of Directors

AUDIT REPORT

This interim report has not been examined by the Company's auditors.

FORTHCOMING FINANCIAL INFORMATION AND EVENTS

Interim report January-June 2007	16 August 2007
Interim report January-September 2007	26 October 2007
Year-end report for 2007	February 2008

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Acando is a consultancy company that together with its customers identifies and carries out business improvements with the help of information technology. Acando offers a balance between high customer satisfaction, short project times and low overall cost.

The Acando Group has annual sales of more than SEK 1 billion, and employs over 1,200 people in nine countries in Europe. The Company is listed on the OMX Nordic Exchange.

ACCOUNTING PRINCIPLES

Acando is preparing its consolidated accounts for 2007 in accordance with the International Accounting Standards (IAS/IFRS) in the form adopted by the EU Commission.

This report has been prepared in accordance with IAS 34 Interim Financial Reporting, which corresponds to the Swedish Financial Accounting Standards Council's recommendation RR 31 Interim Reporting for Groups, as well as the Swedish Annual Accounts Act.

The Parent Company's accounts are prepared in accordance with the Swedish Annual Accounts Act.

The application of IFRS corresponds to the accounting principles described in the Annual Report 2006 for Acando. The accounts have not been affected by new standards adopted during the period.

Reporting by segment: In view of that the Company's primary segment is consultancy activities, sales and operating results for this segment are reported directly in the income statement.

Income statement for the Acando group

(SEK million)	3 mths Jan-Mar 2007	3 mths Jan-Mar 2006	12 mths Apr 2006- Mar 2007	12 mths Jan-Dec 2006
Net sales	343	233	1 226	1 116
Other operating income	2	0	0	-2
Total sales	345	233	1 226	1 114
Operating expenses				
Personnel costs	-211	-143	-755	-687
Other external costs	-100	-67	-371	-338
Depreciation and write-down of tangible and intangible assets	-2	-2	-6	-6
Operating profit, EBIT	32	21	94	83
Financial items				
Interest income and similar profit/loss items	1	0	3	2
Interest expenses and similar profit/loss items	-1	0	-2	-1
Profit after net financial items	32	21	95	84
Taxes*		0		
Net profit for the period	32	21	95	84
Attributable to:				
Parent company's shareholders	30	20	87	77
Minority interest	2	1	8	7
Earnings per share attributable to parent company's shareholders				
Before dilution, SEK	0,39	0,35	1,24	1,07
After dilution, SEK	0,38	0,32	1,19	1,01
Average number of shares before dilution	77 472 658	59 006 341	75 712 404	71 199 327
Average number of shares after dilution	79 708 071	64 083 018	79 348 903	75 538 881
Number of shares at end of period before dilution	77 564 768	58 398 810	77 564 768	76 643 668
Number of shares at end of period after dilution	79 835 849	63 475 487	79 835 849	79 678 579

The dilution consists of 1,526,000 (1,275,517) warrants and 745,081 (3,801,160) options.

Comparative figures are affected by the acquired companies Resco AB and e-motion Technology Consulting AB being consolidated as of 16 March and 1 March 2006.

* Taxes for the period are calculated as a share of total tax costs for the year.

** Earnings per share are calculated as net profit for the year, less minority interest, divided by the average number of shares.

Minority interest pertains to the partly owned subsidiary Webmedia

Balance sheet for the Acando group

(SEK million)	March 31 2007	March 31 2006	March 31 2007
Assets			
Fixed assets			
Goodwill	396	348	358
Other intangible assets	13	17	13
Tangible fixed assets	16	13	15
Deferred tax assets	56	47	55
Other financial assets	10	12	10
Total fixed assets	491	437	451
Current assets			
Accounts receivable	210	190	227
Other receivables	18	5	1
Current tax assets	12	17	13
Prepaid expenses and accrued income	123	106	97
Liquid assets incl current investments	139	85	136
Total current assets	502	403	474
Total assets	993	840	925
Shareholders' equity and liabilities			
Shareholders' equity			
Share Capital	97	91	96
Other contributed capital	363	335	357
Reserves	-1	-1	-2
Retained earnings	203	115	172
Minority interest	20	13	18
Long-term liabilities, interest-bearing	36	19	35
Other long-term liabilities	20	0	0
Current liabilities	255	268	249
Total shareholders' equity and liabilities	993	840	925

Cash flow statement for the Acando Group

(SEK million)	3 mths Jan-Mar 2007	3 mths Jan-Mar 2006	12 mths Jan-Dec 2006
Operating activities			
Net profit for the year	32	21	84
Deferred/paid tax	0	0	0
Adjustment for non-cash items	1	2	-4
Depreciation/amortisation	2	2	6
Cash flow from operating activities before changes in working capital	35	25	86
Cash flow from changes in working capital	-14	-26	-47
Cash flow from operating activities	21	-1	39
Cash flow from investing activities, Note 1	-26	1	-11
Cash flow from financing activities	8	0	23
Cash flow for the period	3	0	51
Liquid assets at beginning of the period	136	85	85
Liquid assets at end of the period	139	85	136

Shareholders' equity for the Acando group

(SEK thousand)	31 March 2007	31 March 2006	31 Dec 2006
Opening shareholder's equity balance	640 570	283 561	283 561
New/non-cash issues	7 553	249 024	277 650
Convertible loan	0	0	2 213
Costs of raising capital	0	-2 558	-3 111
Own shares	252	0	-734
Long-term incentive plan	0	0	1 042
Exchange rate differences	798	2 486	-3 436
Net profit for the period	32 305	20 701	83 385
Closing shareholder's equity balance	681 478	553 214	640 570
Minority interest	19 807	12 689	17 596
Closing shareholder's equity balance attributable to parent company's shareholders	661 671	540 525	622 974

Specification of shareholders' equity for the period

	Attributable to parent company's shareholders				Attributable to minority	Total
	Share capital	Other contrib. cap.	Reserves	Retained earnings	Retained earnings	
Opening shareholder's equity balance 1 Jan 2007	95 805	356 834	-2 063	172 398	17 596	640 570
Exchange rate differences			677		121	798
Sum of transactions directly accounted in shareholders equity			677		121	798
Net profit for the period				30 215	2 090	32 305
Total sum of income and costs			677	30 215	2 211	33 103
New share issues	1 151	6 402				7 553
Own shares				252		252
Closing shareholder's equity balance 31 March 2007	96 956	363 236	-1 386	202 865	19 807	681 478

During the period the parent company has sold off 15 000 of its own shares.

Key ratios	3 mths	3 mths	12 mths
(SEK million)	Jan-Mar	Jan-Mar	Jan-Dec
	2007	2006	2006
Results			
Net sales	343	233	1 116
Operating profit, EBIT	32	21	83
Result before taxes	32	21	84
Margins			
Operating margin, %, EBIT	9,3	9,0	7,4
Profitability			
Return on capital employed, %	N/A	N/A	17,8
Return on equity, %	N/A	N/A	16,6
Financial position			
Equity/assets ratio, %	68,7	65,9	69,2
Interest coverage ratio	40	53	57
Per share			
Equity per share, SEK	8,54	8,63	8,04
Cash flow per share, SEK	0,04	0,00	0,68
Earnings per share, SEK	0,38	0,32	1,01
Employees			
Number of employees at the end of the period	1 212	1 048	1 167
Average number of employees	1 130	866	925
Net sale per employee, SEK thousand	304	269	1 206
Net investment, SEK million	3	1	7

Note 1

100% of the shares in Deva Management Consulting AB were acquired on February 1, and 100% of the shares in Deva Business Intelligence AB were acquired on 1 February. 100% of the shares in IQ Consulting Ltd were acquired on 22 February.

The purchase price for the acquisitions was SEK 26m, plus an additional purchase price of SEK 20m.

Since the acquisitions, the acquired companies have contributed SEK 0.5m to the net profit and SEK 5.2m to sales. If the acquisitions had taken place on January 1 2007, the group net sales had been 9,7 MSEK and the group result 1,1 MSEK.

The total value of acquired assets, liabilities, purchase price and the acquisitions' impact on the Group's liquid assets were as follows: The reported amounts correspond to their fair value.

Intangible assets	41
Other current assets	11
Current receivables	-6
Total purchase price	46
Non-paid part of purchase price	-20
Liquid assets in acquired companies	-3
Total cash flow from investments in subsidiaries	-23

No intangible assets other than the acquired assets have been identified. Goodwill is attributable to the capacity of high profitability in the future. Acquisition costs included in the purchase price amount to SEK 0.8m.