

Strong growth during the first 6 months

The first 6 months 2006 in comparison with the first six months 2005:

- Net sales amounted to MSEK 531 (325), an increase of 63.4 percent.
- Operating profit reached MSEK 37 (21), representing an operating margin of 6.9 percent (6.6). Adjusted for one-off costs relating to the merger, the operating margin amounted to 8.4 percent.
- Profit after tax amounted to MSEK 37 (21).
- Earnings per share for the period amounted to SEK 0.52 (0.36).
- Cash flow from operations amounted to MSEK 9 (23).

The second quarter 2006 in comparison with the second quarter 2005:

- Net sales amounted to MSEK 298 (168), an increase of 77.4 percent.
- Operating profit reached MSEK 16 (11), representing an operating margin of 5.4 percent (6.6). Adjusted for lump costs relating to the merger, the operating margin amounted to 6.4 percent.
- Profit after tax amounted to MSEK 16 (11).
- A European consultancy company has been formed and a new international brand launched.

SUMMARY OF THE FIRST SIX MONTHS 2006

The growth rate in Group sales during the first six months amounted to 63 percent in comparison to the corresponding period the previous year. The growth in Sweden reached 36 percent. The organic growth for former AcandoFrontec in Sweden amounts to 25 percent.

The growth rate in sales for the recently added operations outside Sweden (not part of the Acando Group during first half year 2005) has been as follows for January-June 2006 in comparison to the corresponding period the previous year:

- Germany 44 percent.
- Finland 65 percent.
- The Baltic States and Eastern Europe (through the partly-owned Webmedia) 74 percent.

The work integrating Resco and Acando has required quite a lot of resources which has affected profitability. Further more, one-off lump costs related to the merger amounting to a total of MSEK 8 have been charged to the six-month result. All costs related to the merger have now been considered identified and recorded.

Since 1 April the companies work as an operational group. Through the merger of AcandoFrontec, e-motion and Resco, Acando has created a platform for growth in Northern Europe with increased profitability over the coming years. An international consultancy company has been formed and a new brand launched.

SALES AND PROFITS

Sales and profits for the first six months 2006

(MSEK)	Sweden ¹⁾	Germany	Finland	Webmedia	Total ²⁾
Net sales	439.4	58.5	8.5	25.1	531.5
Operating profit	29.9	3.9	1.4	1.6	36.8
Operating margin	6.8%	6.7%	16.5%	6.4%	6.9%

1) Including joint group costs (as in previous reports) and one-off costs of MSEK 8 related to the merger (whereof MSEK 3 during the second quarter). Adjusted for these lump costs, the operating margin in Sweden was 8.6%.

2) e-motion is included as of 1 March and Resco as of 15 March. Adjusted for the above-mentioned lump costs, the operating margin for the Group was 8.4 percent.

Consolidated net sales for the period amounted to MSEK 531 (325). Out of these, MSEK 9 are attributable to e-motion (consolidated as of 1 March) and MSEK 101 to Resco (consolidated as of 15 March).

The operating profit amounted to MSEK 37 compared to MSEK 21 for the same period the previous year, corresponding to an operating margin of 6.9 percent (6.6). MSEK

1.6 are attributable to Resco and a loss of MSEK 1.0 to e-motion. The operating profit for Sweden includes one-off costs related to the merger amounting to a total of MSEK 8, out of which MSEK 5.7 have been charged to Resco.

The net profit after tax for the period amounts to MSEK 37 (21).

Sales and profit for the second quarter 2006

(MSEK)	Sweden ¹⁾	Germany	Finland	Webmedia	Total ²⁾
Net sales	229.8	49.0	7.0	12.6	298.4
Operating profit	11.8	2.7	1.0	0.6	16.1
Operating margin	5.1%	5.5%	14.3%	4.8%	5.4%

1) Including group-wide costs (as in previous reports) and one-off costs of MSEK 3 related to the merger. Adjusted for these lump costs, the operating margin in Sweden was 6.4%.

2) Adjusted for the above mentioned lump costs, the operating margin in Sweden was 6.4%.

The Group's net sales during the second quarter amounted to MSEK 298 (168), representing an increase of 77 percent compared to the corresponding period 2005. MSEK 7 are attributable to e-motion and MSEK 84 to Resco.

The operating profit amounted to MSEK 16 compared to MSEK 11 for the corresponding period the previous year, representing an operating margin of 5.4 percent (6.6). MSEK 4.9 are attributable to Resco and a loss of MSEK 1.0 to e-motion. The operating profit attributable to Resco includes one-off costs related to the merger of MSEK 0.7.

The net profit after tax during the second quarter amounted to MSEK 16 (11).

Net sales and operating profit by quarter

(MSEK)	Q2 2006	Q1 2006	Q4 2005	Q3 2005	Q2 2005	Q1 2005
Net sales	299	233	200	121	168	157
Operating profit	16	21	24	3	11	10
Operating margin	5.4%	9.0%	12.0%	2.5%	6.5%	6.4%

The second quarter of 2006, primarily since Easter fell during this quarter, had four working days less compared to the second quarter the previous year. The first six months of 2006 had the same number of working days as the corresponding period the previous year. The profit for the quarter has also been affected by one-off costs related to the merger of about MSEK 3.

MARKET AND DEVELOPMENT

Sweden

The Swedish consultancy market has been continuously strong with slightly raised price levels. Sales have grown by 36 percent during the first six months 2006 compared to the first six months 2005. Out of these 25 percent relate to organic growth in AcandoFrontec and 11 percent relate to Resco Sweden and e-motion.

During the second quarter, Volvo IT renewed the general agreement with Acando. The agreement comprises qualified consultancy services within various areas and runs until the first quarter of 2008.

The number of new clients has increased during first the half year. A large number of new clients have signed agreements with Acando including Tarkett, IKEA and Fortum. During the second quarter SKF has opted to sign a new general agreement with Acando and work has begun on a major assignment for Volvo Car Corporation.

The recent partnership agreement with AstraZeneca has meant a substantially increased inflow of orders and a number of new assignments. During the spring, Stora Enso has chosen Acando for a Business Intelligence project.

S A S Bijouterier has chosen Acando to integrate 170 shops in the Nordic Countries and to start applying a system for Business Intelligence.

IBM has renewed the general agreement with Acando in respect of SAP solutions for Ericsson. Acando has in less than two months implemented an SAP solution for the finance and procurements at Tradimus and been selected by Calderys as a partner for SAP Implementation and SAP Master Packaging. The list of clients also includes Volvo Buss and SSAB Tunnpått.

Germany

In Germany, optimism has returned and the economic growth improved as demonstrated in gradually increased expectations within the business sector. Acando's operations in Germany have progressed well during the first six months, surpassing expectations both in terms of sales and profit. The growth in sales during the first six months reached 44 percent compared to the corresponding period the previous year. One of the bases for the success is the fruitful collaboration with Microsoft within the area Microsoft Dynamics. The rate of new clients constitutes about 25 percent of the business volume and the list includes: European Centralbank, Porsche Informatik, Siemens ITO, Messe München, IKEA, IKB Leasing and DaimlerChrysler Leasing. The assignments for the important client Airbus have been continuously successful during the second quarter and are estimated to follow plans during the second half of 2006. The recently opened office in Frankfurt enjoys a healthy growth and is working to high capacity. During the second quarter, additional operations have been set up in Düsseldorf. A team of four employees has been

recruited to act on the local market with a focus on CRM (Customer Relationship Management).

Finland

In Finland the economy has been booming with strong demand and in many sectors the utilisation of capacity is approaching the ceiling. Acando's operations in Finland are entirely dedicated to the SAP market, which is stable with a very high level of demand. In order to quickly meet demand, Acando Finland has during the first quarter of 2006 engaged sub-consultants while continuing the recruitment efforts. The assignment for WSOY on upgrading the existing system has continued. The assignment for Nokia Financial Services Platform which started in February has been extended until the second half of 2006 including all the Acando consultants working within Nokia.

The Baltic States and Eastern Europe

Sales during the second quarter within Webmedia Group rose by 17 percent compared to the first quarter and more than doubled compared to the second quarter of 2005. Webmedia signed new agreements with existing clients as well as new additions, such as SEB Lithuania, Estonian Police Board, Estonian Central Criminal police, Estonian Ministry of Economy & Communication and Lithuanian Registry Centre. Webmedia has furthermore signed an agreement to implement some of the first Microsoft CRM installations in the Baltic States. Webmedia Group has continued the work on developing internal processes and the infrastructure during the second quarter. During the second quarter of 2006, Acando has strengthened the Swedish sales organisation to market Webmedia's offering on the Swedish market. A couple of Acando's major clients have initiated pilot projects where Webmedia is included in the delivery organisation.

FINANCIAL POSITION AND CASH FLOW

The Group's liquid assets, including short-term investments, amounted to MSEK 71 as of 30 June 2006 (88). In addition, the Group has bank overdraft facilities available of MSEK 50.

The equity/assets ratio (shareholders' equity divided by total assets) was 69.6 percent (61.7 percent).

The cash flow from operating activities during the first six months amounted to MSEK 9 (23). The total cash flow amounted to MSEK -14 (19). The factors having a negative impact on the cash flow include the Company's decision to close the operating credit of MSEK 21 previously utilised by Resco in Sweden, the purchase of Group shares amounting to MSEK 6, a cash payment relating to the acquisition of Resco shares of MSEK 3 and an increase of accounts receivable of MSEK 15.

EMPLOYEES

The average number of employees during the first six months was 887 (532). The number of employees at the end of the period was 1091 (532). Out of these, 703 are employed in Sweden, 155 in Germany, 16 in Finland and 217 in the Baltic States and Eastern Europe.

The incentive plan decided by the Annual General Meeting has been implemented during the second quarter whereby all employees of Acando Sweden have been invited to participate. 289 employees have subscribed for the convertibles to a nominal amount of MSEK 25, representing 1 526 000 shares after conversion whereas 54 directors and other key personnel have purchased in total 405 000 shares with accompanying options. The dilution arising in terms of the convertibles will not exceed about 2.0 percent, and in the case of the options a maximum of circa 2.1 percent. During the month of June, the Company has acquired 420 000 Company shares, which were in the possession of the Company at the end of the quarter.

INVESTMENTS

The Group's net investments in tangible assets during the first six months amounted to MSEK 3 (2).

Acando has requested compulsory purchase of the outstanding shares of Resco AB (publ), which as of 18 April was delisted from OMX Stockholm Stock Exchange.

THE PARENT COMPANY

The Parent Company's external net sales for the first six months amounted to MSEK 0 (0). The operating deficit for the period was MSEK -2 (-2). The Parent Company's net investments amounted to MSEK 0 during the two quarters. The Parent Company's liquid assets as of 30 June 2006 amounted to MSEK 21 (58).

EVENTS AFTER THE EXPIRY OF THE SIX-MONTH PERIOD

Through the incentive plan decided in April 2006, the company has been provided with MSEK 30 in liquid assets during the month of July, out of which 5 MSEK for shares with accompanying options.

OUTLOOK

It is the opinion of Acando that the market for management and IT consulting services will remain strong during 2006, in Sweden as well as in Germany and Finland. Acando's organic growth is expected to continue with a focus on increasing profitability.

In the interim report for the period January-March 2006 the following comments on the future were delivered:

"The market for management and IT consulting services is expected to remain good in 2006. Seasonally, however, the second quarter is weaker on a relative basis than the first quarter.

The focus during the year is to grow AcandoFrontec with increased profitability. Growth will be achieved organically and through acquisitions. Thanks to a well-functioning organisation and internal processes, growth is expected without adding any major fixed costs. In other words, the combination of growth and increased profitability is realistic."

ACCOUNTING PRINCIPLES

AcandoFrontec prepares its consolidated accounts for 2006 according to the International Accounting Standards (IAS/IFRS) approved by the EU Commission. This interim report is prepared in accordance with IAS 34, Interim Financial Reporting, which agrees with the Swedish Financial Accounting Standards Council's recommendation RR 31, Interim reporting for groups.

The accounting of the parent company is prepared in accordance with the Swedish Annual Accounts Act.

As a result of the acquisition of Resco, the following accounting principles will be applied within the Group:

- IAS 19 Employee benefits – pensions. This means that the value of future pensions is reported as a liability on the balance sheet. The calculation and payment of pensions is handled by PRI Pensionstjänst AB, and they are insured with Pensionsgaranti/FPG. The pensions are guaranteed by chattel mortgages. Resco no longer uses the FPG/PRI method for newly vested ITP and instead pays ITP premiums directly to Alecta. However, a pension liability from previously vested ITP remains on the balance sheet.
- IAS 28 Investments in associated companies are reported in accordance with the equity method. The equity method means that the Group's share of after-tax profit in the associated companies is reported in the income statement. In such cases where the investment in associated companies is considered short term and lies outside the core business of the group or where the group has no influence on the business and its financial position, then the investment is reported at the acquisition cost.

Reporting by segment: Since the primary segment of the Group is consultancy services, the sales and profits for this segment are stated directly in the income statement

The application of IFRS otherwise agrees with the principles described in AcandoFrontec's 2005 annual report.

The accounting has not been affected by new standards adopted during the period.

UPCOMING FINANCIAL INFORMATION

Interim report January–September 2006	27 October 2006
Press release unaudited earnings 2006	February 2007

Stockholm on 15 August 2006

Acando AB (publ)
The Board of Directors

This interim report has been translated from Swedish into English. In the case of discrepancies between the versions, the Swedish version will prevail.

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Acando is a consultancy company, which in partnership with its clients identifies and implements business improvements through information technology. Acando provides an optimal balance of high business value, short project time and low total cost - time to value.

Acando's turnover exceeds EUR one hundred million and the group employs more than 1,000 persons in seven European countries. Acando is quoted on the 'O-list' of Stockholm Stock Exchange.

REVIEW REPORT

We have reviewed the interim report for the period January-June 2006 for Acando AB. Management is responsible for the preparation and presentation of this interim financial information in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim financial information based on our review.

We conducted our review in accordance with the Standard on Review Engagements SÖG 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by FAR. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing in Sweden RS and other generally accepted auditing practices in Sweden. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not, in all material respects, prepared in accordance with IAS 34 and the Annual Accounts Act.

Stockholm on 15 August 2006

PricewaterhouseCoopers AB

Bodil Björk
Authorised Public Accountant
Partner in charge

Income statement for the Acando group

	3 mths April-June 2006	3 mths April-June 2005	6 mths Jan-June 2006	6 mths Jan-Jun 2005	12 mths Jan-Dec 2005
(SEK million)					
Net sales	298	168	531	325	646
Other operating income	1	2	1	3	10
Total sales	299	170	532	328	656
Operating expenses					
Personnel costs	-194	-116	-337	-225	-432
Other external costs	-88	-42	-155	-79	-171
Depreciation and write-down of tangible fixed assets	-1	-1	-3	-3	-5
Operating profit	16	11	37	21	48
Result from financial items					
Interest income and similar profit/loss items	0	0	0	0	1
Interest expenses and similar profit/loss items	0	0	0	0	-1
Profit after net financial items	16	11	37	21	48
Taxes*	0	0	0	0	6
Net profit for the year	16	11	37	21	54
Attributable to:					
Parent company's shareholders	16	11	36	21	53
Minority interest	0	0	1	0	1
Earnings per share attributable to parent company's shareholder					
Before dilution	0,26	0,20	0,55	0,39	0,96
After dilution	0,24	0,19	0,52	0,36	0,88
Average number of shares	63 042 066	55 658 810	67 077 792	55 658 810	55 658 810
Average number of shares after dilution	67 583 715	60 188 427	71 084 413	60 188 427	60 463 707
Number of shares at the end of period before dilution	75 033 869	55 658 810	75 033 869	55 658 810	55 658 810
Number of shares at the end of period after dilution	77 512 329	60 184 927	77 512 329	60 184 927	60 735 487

The dilution consists of 0 (1 275 517) warrants and 2 478 460 (3 250 600) options.

* Tax for the period is calculated as a share of total tax costs for the year.

Balance sheet for the Acando group

(SEK million)	30 June 2006	30 June 2005	31 Dec 2005
Assets			
Fixed assets			
Goodwill	354	89	100
Other intangible fixed assets	10	-	1
Tangible fixed assets	14	7	8
Deferred tax assets	50	42	49
Other financial fixed assets	12	2	6
Total fixed assets	440	140	164
Current assets			
Current receivable	316	161	188
Liquid assets	71	88	85
Total current assets	387	249	273
Total assets	827	389	437
Shareholders' equity and liabilities			
Shareholders' equity and liabilities			
Share Capital	94	69	69
Other reserves	347	106	106
Retained earnings	121	65	96
Minority interest	13	-	12
Long-term liabilities	13	7	7
Current liabilities	239	142	147
Total shareholders' equity and liabilities	827	389	437

Statement of cash flow for the Acando group

(SEK million)	3 mths April-June 2006	3 mths April-June 2005	6 mths Jan-June 2006	6 mths Jan-Jun 2005	12 mths Jan-Dec 2005
Operating activities					
Net profit for the year	16	11	37	21	54
Deferred tax	-	-	-	-	-6
Tax paid	-	-	-	-	-
Adjustment for non-cash items	-	-	3	-	-
Depreciation/amortization	1	1	3	3	5
Cash flow from operating activities	0	0	0	0	0
before changes in working capital	17	12	43	24	53
Cash flow from changes in working capital	-8	2	-34	-1	-22
Cash flow from operating activities	9	14	9	23	31
Cash flow from investing activities	-7	-3	-6	-4	-16
Cash flow from financing activities	-16	-	-17	-	1
Cash flow for the period	-14	11	-14	19	16
Liquid assets at the beginning of the period	85	77	85	69	69
Liquid assets at the end of the period	71	88	71	88	85

Shareholder's equity for the Acando group

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(SEK thousand)	30 June 2006	30 June 2005	31 Dec 2005
Opening shareholders' equity balance	283 561	218 823	218 817
New/non-cash issues	265 267	0	551
Costs of raising capital	-3 111	0	-
Acquisition of own shares	-5 715	0	0
Exchange rate differences	-1 764	0	114
Acquisition of minority			10 790
Net profit for the period	36 796	21 471	53 289
Closing shareholders' equity balance	575 034	240 294	283 561
Minority interest	13 112	0	11 910
Closing shareholders' equity balance			0
attributable to parent company's shareholder	561 922	240 294	271 651

Specification of shareholders equity for the period

	Attributable to parent company's shareholder				Attributable to minority	
	Share capital	Other reserves	Retained earnings	Total	Retained earnings	Total
Opening shareholders' equity balance	69 573	106 428	95 650	271 651	11 910	11 910
Costs of raising capital			-3 111	-3 111		0
Acquisition of own shares		-5 715		-5 715		0
Non-cash issues	21 403	227 621		249 024		0
New share issues	2 816	13 427		16 243		0
Exchange rate differences		-1 724		-1 724	-40	-40
Net profit for the period			35 554	35 554	1 242	1 242
Closing shareholders' equity balance	93 792	340 037	128 093	561 922	13 112	13 112

During the period the convertibles have been transferred to shares.

Options according to the plan 2003/2006 can be transferred until 31 December 2006

During the period the parent company acquired 420 000 own shares as a step towards the long-term incentive plan that was decided at the Annual General Meeting in April.

Key ratios	3 mths	3 mths	6 mths	6 mths	12 mths
(SEK million)	April-June	April-June	Jan-June	Jan-Jun	Jan-Dec
	2006	2005	2006	2005	2005
Results					
Net sales	298	168	531	325	646
Operating result, EBITA	16	11	37	21	48
Operating result, EBIT	16	11	37	21	48
Result before taxes	16	11	37	21	48
Margins					
Operating margin, %, EBITA	5.4	6.6	6.9	6.6	7.4
Operating margin, %, EBIT	5.4	6.6	6.9	6.6	7.4
Profitability					
Return on capital employed, %	N/A	N/A	N/A	N/A	19.2
Return on equity, %	N/A	N/A	N/A	N/A	21.6
Financial position					
Equity/assets ratio, %	69.6	61.7	69.6	61.7	64.9
Interest coverage ratio	449	70	86	67	44
Per share					
Equity per share, SEK	8.51	3.99	8.09	3.99	4.7
Cash flow per share, SEK	-0.21	0.18	-0.20	0.32	0.26
Earnings per share, SEK	0.24	0.19	0.52	0.36	0.88
Employees					
Number of employees at the end of the period	1091	532	1091	532	683
Average number of employees	1070	531	887	532	608
Net sales per employee, SEK thousands	279	316	599	611	1063
Net investments, SEK, million	2	1	3	2	6

Note 1

The acquisition of e-motion technology consulting was made on 1 March 2006, and the acquisition of the Resco group was made on 15 March 2006.

On a group level, net sales of MSEK 9.1 is attributable to e-motion and 101.4 SEK, million is attributable to Resco.

On a group level, operating profit of MSEK -1,0 is attributable to e-motion and MSEK 1.6 is attributable to Resco.

Had the acquisitions taken place on 1 January 2006, the group's net sales had been MSEK 556.

Acquired net assets and goodwill, MSEK

	e-motion	Resco group
Purchase price including acquisition costs	42	220
Total value of acquired assets and liabilities	<u>-10</u>	<u>-45</u>
Goodwill	<u>32</u>	<u>175</u>

Goodwill is attributable to the capacity of high profitability in the future.

Assets and liabilities in the acquisition, SEK million

	e-motion	Resco group
	0	0
Intangible fixed assets	6	50
Tangible fixed assets	5	1
Financial fixed assets	0	5
Current receivables	6	92
Liquid assets	1	6
Current liabilities	-8	-88
Financial liabilities	0	-21
Acquired net assets	<u>10</u>	<u>45</u>
Total purchase price	42	223
Unpaid part of purchase price	0	-11
Payment with issued own shares	-42	-207
Costs of raising of capital	0	3
Liquid assets in acquired companies	-1	-6
	<u>-1</u>	<u>2</u>

Acquisition costs included in purchase price amount to MSEK 0.2

At this point approximately 5% of Resco shares remains to be acquired
 A compulsory purchase of the outstanding Resco shares is in progress.

	e-motion	Resco group
New share issue, number	2 740 000	14 382 015
Value of share issue, SEK	15,3	14,4
Value of non-cash issue, MSEK	42	207
Calculated amount for cash purchase after redemption of remaining shares, SEK, million	0	0
Calculated acquisition value, SEK, million	42	220

The value in kind of the new shares is decided by the market value on the day of the transaction