

IXONOS ACQUIRES MERMIT BUSINESS APPLICATIONS

Ixonos Plc has today signed a contract to acquire the entire share capital of Mermit Business Applications Oy, a company producing business critical information systems solutions and services. The acquisition significantly strengthens Ixonos' capability to deliver systems services projects and enhances the company's delivery capacity of demanding specification, design, architecture and integration services.

The personnel of Mermit Business Applications Oy, founded in 1999, comprise 65 highly educated experts in Espoo, Tampere and Turku. All employees move to the Ixonos Group with existing status and benefits. Mermit's services cover all phases and sub-areas of information system projects, starting from business process modeling and information architecture and reaching all the way to project deliveries and development of the information management. The company specializes in electronic network services, data security solutions as well as data warehousing and management systems.

The company's customers include Blyk, Finnair, Sampo Life Insurance, Nokia, Tieto-Tapiola, Stockmann, Finnish Customs, the Ministry of Agriculture and Forestry, the Ministry of Labour and the Finnish Prime Minister's Office.

The turnover of Mermit in 2006 was approximately EUR 2.4 million, and the result was positive. The company's turnover in 2007 is expected to amount to EUR 4.5 million, and the operating profit is expected to exceed EUR 0.2 million. In 2008 the company's turnover is expected to continue to grow, and profitability is expected to improve significantly.

The sellers are the founders of the company CEO Mika Helenius, Mika Kokkola, Jukka Loukkaanhuhta and Heikki Vesalainen, and a group of company employees. The base acquisition price is EUR 2 million which will be paid through a subscription offering of a total of 404,859 new Ixonos Plc shares. The subscription price is 4,94 per share. In addition, the sellers can be paid an additional acquisition price based on the turnover and net profit for the period 1 June 2007 – 31 May 2008.

Of the shares directed at the company's main owners, 40 percent will be subject to a transfer restriction so that half of the restricted shares are released after 12 months and the remaining shares after 24 months from the date the shares are registered on the sellers' book-entry accounts.

"The top-notch skills of Mermit's personnel excellently complements the expert skills and services of the Ixonos Systems Services Business Unit and Ixonos Project Management Services Ltd and promotes our strategic goal to offer our customers more efficient tools to improve their competitiveness," says Kari Happonen, President and CEO of Ixonos Plc.

"The companies' customerships splendidly complement each other and together offer us an opportunity to deepen and broaden several significant customer relationships", Happonen continues. "Together we are also able to take on more extensive and longer-lasting customer projects with more comprehensive responsibilities, and we're able to utilize the joint expert resources in a more efficient way, which we believe will soon show as improved profitability.

Mermit's customers are also likely to be interested in the services that our subsidiaries in Tallinn and Kosice provide", Happonen says.

The Ixonos Group offers Mermit an excellent setting to develop its business and to serve its customers with a wider offering and with more comprehensive responsibilities. By merging our skills and resources with the prowess of Ixonos' over 600 experts, we will be able to better help our customers to develop new products, systems and software," says Mika Helenius, Chief Executive Officer of Mermit. "For our personnel this merger brings new opportunities to develop their skills, to take on broader responsibilities in the most challenging projects of their field, and new career options in an internationalizing company," Helenius continues.

Operating in the ICT service markets, Ixonos offers its customers flexible software development, maintenance and project management solutions that support their competitiveness and risk management.

The company's services cover consulting, resourcing and expert services related to project management, as well as software project deliveries and maintenance services with comprehensive responsibility.

Ixonos's clientele comprises leading mobile and smartphone manufacturers operating on the global markets, mobile network suppliers and telecom operators as well as finance companies and public administration organisations.

In addition to Helsinki, Ixonos has operations in Haapajärvi, Jyväskylä, Kemi, Oulu, Rovaniemi, Salo and Tampere, as well as in Tallinn (Estonia) and Kosice (Slovakia). The company has a personnel of over 600.

The Ixonos Plc share is listed on the Helsinki Stock Exchange's Nordic List in the Small Cap segment, in sector Information Technology. The company's turnover in 2006 was EUR 39.2 million, and the operating profit was EUR 3.9 million.

ADDITIONAL INFORMATION:

Ixonos Plc
President and CEO, Kari Happonen
phone +358 424 2231, +358 400 700 761, kari.happonen@ixonos.com

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