

TIETO-X ADJUSTS SECOND QUARTER FORECAST

Tieto-X's turnover continues strong growth as expected. The turnover of the second quarter of 2006 will climb to approximately EUR 9 million (2005: EUR 6.6 million). Thus, the turnover for the first six months of the year will be approximately EUR 18 million (2005: EUR 12.6 million).

Due to strong growth and the costs related to the integration of Vega Technologies Oy, the company's operating profit percentage for the second quarter will fall short of predictions. The company's operating profit for the second quarter will be approximately EUR 0.7 million (2005: EUR 0.7 million). The operating profit for the first six months of the year will be approximately EUR 1.7 million (2005: EUR 1.2 million).

"The market for software development services is in a very rapid cycle at the moment. Even very large projects are being put out for competition and order timetables are short, which means that a company like Tieto-X, which grows strongly and wins market share, has to recruit heavily in advance. This has caused a momentary drop in profitability, but we believe we'll climb back to the profitability level of the beginning of the year and maybe go beyond that level during autumn," says Kari Happonen, President and CEO.

"Second quarter profitability was also weakened by the one-off costs related to the integration of Vega Technologies Oy, which were almost EUR 200,000."

Based on the realized sales of the first five months of the year and the company's order backlogs and tender prospects, the company's 12-month turnover is forecasted to significantly exceed that of the previous year and operating profit is expected to be higher than in 2005.

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