

# Q1

## Interim Report

### January – March 2015

- Sales amounted to SEK 333.9 million (309.1)
- EBIT was SEK 14.8 million (15.8)
- EBIT operating margin was 4.4% (5.1)
- Net profit after tax for the period was SEK 11.0 million (11.4)
- Earnings per share were SEK 0.06 (0.06)

### Key events

- Cybercom was awarded major framework agreements with the Swedish Legal, Financial and Administrative Services Agency (Kammarkollegiet).
- Cybercom was awarded a major framework agreement with Hansel, Finland.
- Ericsson announced major cutbacks. The current assessment is that this will not have a material impact on the company in the long term since Cybercom is a key partner.
- Sony Mobile announced major cutbacks. Cybercom's assignments continue as planned.

### Key events after the end of the period

- Cybercom won a turnkey contract with multi-site delivery in testing and simulation for a major telecom client.

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**You are welcome to listen to a presentation of the report at 09.00 today by calling +46 8 465 013 85 and using conference ID: 933450**

Cybercom is an IT consulting company that assists leading companies and organisations to benefit from the opportunities of the connected world. The company's areas of expertise span the entire ecosystem of communications services. Cybercom's domestic market is the Nordic region, and in addition the company offers global delivery capacity for local and international business. Cybercom was founded in 1995 and has been quoted on the NASDAQ Stockholm exchange since 1999.

## Comments from the CEO

We have started the year at a good pace of growth. With SEK 333.9 million (309.1) in sales, we grew by 8% compared to the same period last year, adjusted for currency effects, sales growth was 5.5%. Our framework agreement with the Swedish Tax Agency has developed very well, and we have also been awarded new assignments, including some with Karlstad Municipality, the City of Gothenburg, the Swedish Board of Agriculture, Västra Götaland County Council and Jönköping County Council. We continued to grow, with a larger proportion of subcontractors acting as a complement where we have required additional skills or geographical presence. We noted higher demand during the quarter from the Swedish automotive industry in Gothenburg and also in Linköping, with Autoliv and Actia as our key clients. Our operations in Karlskrona have performed favourably with several clients in telecoms and industry. We are being awarded with more business by our clients as they strive to enhance their efficiency, including a recent multi-site delivery in testing and simulation for a major telecom client.

We experienced increased sales in all segments, to some extent influenced by currency effects. We are further strengthening our position through winning contracts under the Swedish Legal, Financial and Administrative Services Agency's new multi-year framework agreements in Sweden, and we expect a greater impact here in the second half of the year. We have also won a contract from the Agency's Finnish counterpart, Hansel. We expect some effect already this year. This is positive for our business in Finland, which is otherwise facing a tougher climate, especially in the industrial sector.

EBIT profitability strengthened in our Swedish operations to SEK 13.8 million (11.3), but decreased overall in the



group to SEK 14.8 million (15.8). This resulted in a margin of 5.8% (5.1) in Sweden and 4.4% (5.1) for the group. Net profit after tax for the period is in line with last year, amounting to SEK 11.0 million (11.4). We are not satisfied with this; we can do better and we have our sights set on step-by-step improvement in order to achieve our financial targets. We have been affected by a tougher market climate, with increasing competition in general and with widespread pressure on prices. We have initiated measures to enhance efficiency given the continued weakness of the Finnish economy. Our international operations were impacted during the quarter by delayed project starts. In Sweden, Sony Mobile's cutbacks mean that we are reducing our business with them. Ericsson's announced cutbacks will probably not affect us materially since we see good potential to be able to assist them with, for example, cost-effective deliveries from Poland.

During the quarter we made a number of investments in our business and in our brand. We have participated in several key marketing activities, most recently the Vitalis eHealth conference in Gothenburg. We have invested in our capital structure with packaged solutions, in our Cybercom Cloud service, and in new premises. This is important for our long-term competitiveness.

We are now focusing on assuring continued growth and on adapting the structure of the organisation and its costs.

At Cybercom we assist our clients to implement business transformation, deliver competitive differentiation and improve their customer experience. We are involved in developing public services for the connected citizen and secure accessibility for the connected consumer. There is fundamental demand and great market potential in this.

We look ahead well aware that we have to manage our own journey of change as well as the opportunities and challenges in the market. Our goal is to constantly improve ourselves to create profitable growth and increased value for our shareholders during 2015.

Niklas Flyborg  
President and CEO

## Sales and operating profit

	Q1 2015	Q1 2014	2014	RTM
<b>Cybercom Group, SEK million</b>				
<b>Sales</b>	<b>333.9</b>	<b>309.1</b>	<b>1,262.9</b>	<b>1,287.7</b>
<b>Operating profit/loss, EBIT</b>	<b>14.8</b>	<b>15.8</b>	<b>65.8</b>	<b>64.8</b>
<b>EBIT margin, %</b>	<b>4.4</b>	<b>5.1</b>	<b>5.2</b>	<b>5.0</b>
<b>Average number of employees</b>	<b>1,202</b>	<b>1,214</b>	<b>1,222</b>	<b>1,219</b>
	Q1 2015	Q1 2014	2014	RTM
<b>Segment Sweden, SEK million</b>				
<b>Sales</b>	<b>239.7</b>	<b>222.7</b>	<b>890.0</b>	<b>907.0</b>
<b>Operating profit/loss, EBIT</b>	<b>13.8</b>	<b>11.3</b>	<b>45.4</b>	<b>47.9</b>
<b>EBIT margin, %</b>	<b>5.8</b>	<b>5.1</b>	<b>5.1</b>	<b>5.3</b>
<b>Average number of employees</b>	<b>730</b>	<b>723</b>	<b>734</b>	<b>735</b>
	Q1 2015	Q1 2014	2014	RTM
<b>Segment Finland, SEK million</b>				
<b>Sales</b>	<b>64.4</b>	<b>59.8</b>	<b>251.3</b>	<b>255.9</b>
<b>Operating profit/loss, EBIT</b>	<b>2.3</b>	<b>3.8</b>	<b>18.3</b>	<b>16.8</b>
<b>EBIT margin, %</b>	<b>3.6</b>	<b>6.4</b>	<b>7.3</b>	<b>6.6</b>
<b>Average number of employees</b>	<b>224</b>	<b>243</b>	<b>241</b>	<b>237</b>
	Q1 2015	Q1 2014	2014	RTM
<b>Segment International, SEK million</b>				
<b>Sales</b>	<b>43.5</b>	<b>35.7</b>	<b>164.5</b>	<b>172.3</b>
<b>Operating profit/loss, EBIT</b>	<b>0.4</b>	<b>2.0</b>	<b>9.3</b>	<b>7.7</b>
<b>EBIT margin, %</b>	<b>1.0</b>	<b>5.7</b>	<b>5.7</b>	<b>4.5</b>
<b>Average number of employees</b>	<b>230</b>	<b>231</b>	<b>230</b>	<b>230</b>

### January – March

Sales amounted to SEK 333.9 million (309.1), which corresponds to growth of 8.0%. EBIT amounted to SEK 14.8 million (15.8). This corresponds to an operating margin of 4.4% (5.1). Currency effects impacted sales by SEK +7.9 million and operating profit by SEK +0.0 million. Adjusted for currency effects, sales growth amounted to 5.5%.

Assignment-specific external expenses increased by SEK 17.6 million compared to a year earlier, attributable to the increased use of subcontractors in the public sector in Sweden and Finland and in the Danish operations. Other external expenses increased by SEK 3.7 million, related to increased office expenses and foreign exchange losses of SEK 2.0 million (0.0). Depreciation increased, related to the construction of Cybercom Cloud, one of the group's Connectivity assets, and office investments. Continued caution with spending and reduced overhead partly offset the above cost increases.

The Swedish operations showed 7.6% growth for the quarter, driven primarily by growth among the majority of existing and new clients in manufacturing industry and framework agreements in the public sector. Continued focus on the price level among several large clients plus increased use of subcontractors had a negative impact on the gross margin, which was offset by improved utilisation rates. The effect of the measures implemented during the fourth quarter is marginal in the first quarter, and is expected to generate greater impact in the second quarter. The segment has also been charged with SEK 1.6 million in unrealised foreign exchange losses this quarter.

The Finland segment showed growth of 7.7%, which amounts to only 1.7% growth in local currency. The business has been adversely affected by the slack Finnish economy, which has led several existing industrial clients to reduce purchases, and thus resulted in an unsatisfactory utilisation rate in this area. Price pressures within industry have

also intensified. At the same time, business is developing well within the public sector, media and retail, while profitability has been hampered somewhat by a greater proportion of deliveries using subcontractors.

The International segment grew by 22% over the previous year, representing 8.5% growth in local currency. Profitability was adversely affected by lower volumes in the international Connectivity Management operations, partially offset by favourable development in Poland, and the completed transition to a higher proportion of subcontractors in Denmark.

No calendar effect influenced the comparison.

## Other income/expense items, January – March

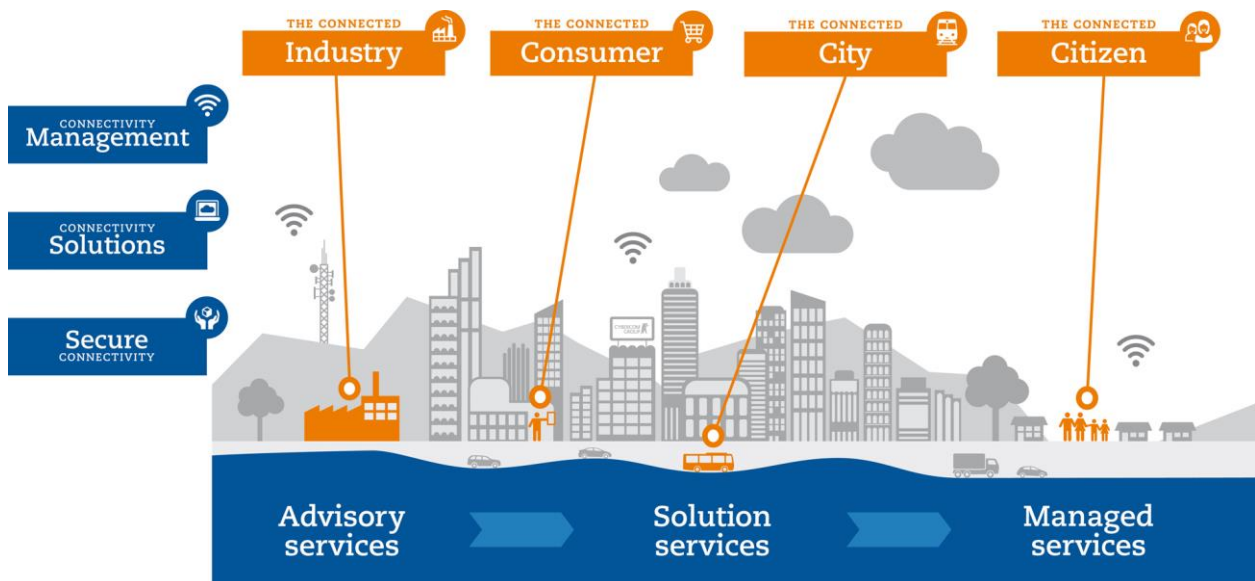
Net financial items amounted to SEK -0.5 million (-1.3). This includes interest expense for bank loans of SEK -0.3 million (-0.9). Net financial items were improved by the reduction in loans, improved liquidity and improved interest rates linked to the company's strong financial position. Pre-tax profit amounted to SEK 14.3 million (14.5), which means a net margin of 4.3% (4.7). Net profit for the period amounted to SEK 11.0 million (11.4) and earnings per share to SEK 0.06 (0.06).

During the period the group's effective tax rate was 22.7% (21.2). The tax expense has been calculated using the current tax rates for the parent company and each subsidiary.

## Business and market

Cybercom is an innovative IT consulting company with 20 years of experience in IT and communications technology. The amazing technological advancements of recent years have brought the emergence of entirely new ways to consume goods and services. These in turn are creating new markets and the need for entirely new business models. Cloud services, personal privacy, mobility, security and sustainability are cornerstones on which future operations must be based. Our business within Secure Connectivity is a clear example, with a good profitability trend and where we have grown about 20% compared to the same period last year. Cybercom's expertise spans the entire ecosystem of this communication – Connectivity. It is a facilitator for both enhanced production and resource efficiency, not least through energy savings. The different perspectives of the connected world are driven by various forces and business logic. Realising this creates solutions for a more sustainable future.

With more connected devices (mobile phones, displays, machines and people) in the world, there is constantly increasing demand for secure technical solutions. This generates a large potential market. Our consulting services include strategy and advice, testing and quality assurance, security solutions, system development, systems integration, system administration and operation. Our consultants operate both locally and globally. During the period, Cybercom completed several major marketing activities, such as through presentations at the Mobile World Congress in Barcelona, Consumer Electronics in Las Vegas, Customer Experience Management in Telecom Middle East in Dubai and the Vitalis eHealth conference in Gothenburg.



Cybercom's principal market is the Nordic region, with established operations in Sweden, Finland and Denmark. Poland, India, Dubai and Singapore are international centres of expertise that partly support the Nordic business and partly represent their own specialised business.

The Nordic IT market is growing. The value growth in 2014 was estimated to be 1.8%, and 2015 growth is predicted to be 1.6 %, according to Radar Group. The Nordic IT market is valued at over EUR 40 billion, with the greatest value growth in the services sector, at 2.9%. This also confirms that volume growth for consultants is higher than the growth in value because the market is under price pressure and there is an increased proportion of offshore. Cloud services are becoming more broadly established, with rapid growth of 20%.

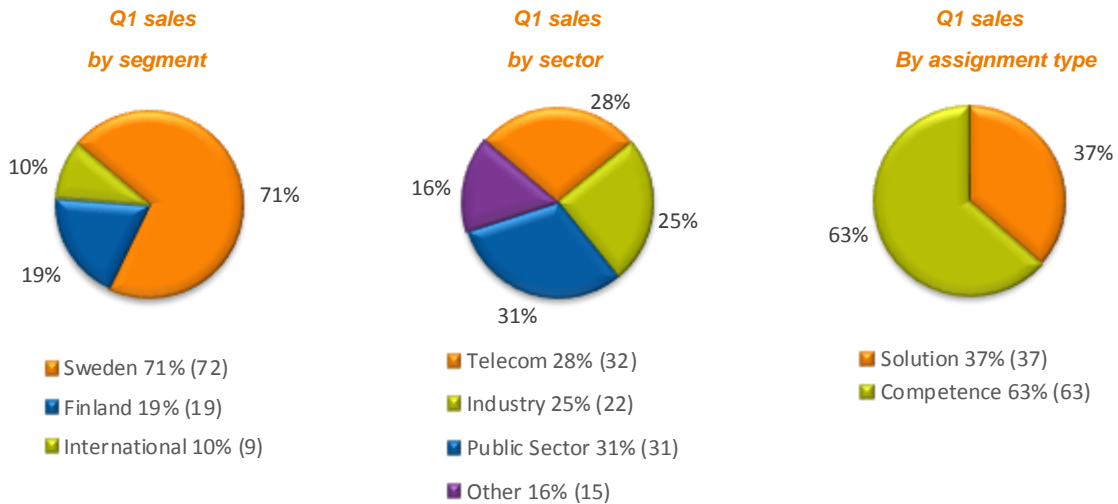
The market trend in Stockholm and Gothenburg was upward, with increasing demand in the public sector, and the Gothenburg market also began the year with an increase in demand in the automotive sector. The Swedish consulting industry, however, is highly exposed to competition from brokers and from the major international offshore companies. The market in Skåne remained under pressure from changes in telecommunications in Lund. The market is generally good in the industrial sector in Linköping and Huskvarna.

Market sentiment remained tough in Finland. The industrial segment was more restrained and with regard to investment, and consultant purchases are decreasing and are under downward price pressure. There is a good trend of enquiries from the public sector, but competition is also intense.

The market for our international Connectivity Management business is stable, but is exposed to greater competition from telecom manufacturers and is also dependent on the performance of individual clients since the business is relatively small. The local Polish market continued to show good demand, and the proportion of nearshore was also in greater demand from international clients. In Denmark, the market remains diverse but with a high level of demand in the supply of skills, which favoured Cybercom's growth with subcontractors during the quarter.

### Clients

Cybercom's vision is to be our clients' foremost business partner in the connected world. Our sales process makes use of key account management to create valuable and growing partnerships with selected clients. Our largest clients include Alma Media Group, Ericsson, the Finnish National Board of Education, MTV, the Swedish National Police Board, Saab, the Swedish Tax Agency, Sony Mobile, Volvo AB and Volvo Cars. Our ten largest clients accounted for 41% (42) of total sales. The single largest client accounted for 15% (14) of sales. Cybercom's target is to broaden its client base so that the ten largest clients account for no more than 35% of sales, and with no individual client accounting for more than 15% of sales.



Cybercom's sales are distributed close to our goal of having a balanced client portfolio of 30/30/30, and were distributed in the quarter at 28% (32) telecoms, 31% (31) public sector, and 25% (22) industry. Sales to framework agreement clients amounted to 66% (63). The proportion of turnkey assignments amounted to 37% (37) of sales.

### Employees

The number of employees in the group has increased to 1,284 (1,257), of which 16% (16) women. During the first quarter, however, the number of employees decreased by 23 compared to the number at the end of 2014. The average number of employees (full-time equivalents) in the group decreased by 1% in the quarter to 1,202 (1,214). Of Cybercom's employees, 83% (83) operate in the Nordic countries and 62% (62) in Sweden.

## Investments

Net investments in intangible assets and property, plant and equipment during the quarter amounted to SEK 9.8 million (2.6). Investments in the quarter relate mainly to new client contracts in the operations activities in Finland and Sweden, as well as ongoing reinvestments in offices and computers.

## Liquidity and financial position

Cash flow from operating activities during the quarter amounted to SEK 14.2 million (14.0). Cash flow before changes in working capital was SEK 21.8 million (17.8). Changes in working capital during the quarter were SEK -7.6 million (-3.8). Group cash and cash equivalents amounted to SEK 8.2 million (24.8) on March 31, 2015. Interest-bearing liabilities amounted to SEK 59.0 million (101.3). Net debt (interest-bearing liabilities less cash and cash equivalents) amounted to SEK 50.8 million (76.5), which gave debt to equity of 5% (9). The unutilised overdraft facility amounts to SEK 100 million.

Equity on March 31, 2015 was SEK 934.3 million (868.0), which corresponds to a 73.2% (70.8) equity/assets ratio. Equity per share amounted to SEK 5.18 (4.81).

## Outlook

Cybercom does not publish forecasts.

## Risk assessment

Cybercom is, like other companies, exposed to various kinds of risk in its operations. Among the most notable are risks related to the general financial climate and economy, client contracts and clients' ability to pay, staff recruitment and retention, and various financial risks such as currency risks, credit risks and refinancing risks. Risk management is an integral part of Cybercom's management and the financial risks are described in greater detail in the 2014 annual report, note 26. The risks described for the group can also have an indirect effect on the parent company.

In the short and medium terms, the overall global uncertainty and the uncertainty this in turn creates for the business climate are among the more significant risks.

## Forthcoming reporting dates

Annual General Meeting 2015	May 7, 2015
Interim Report, January – June 2015	July 14, 2015
Interim Report, January – September 2015	October 23, 2015
Year-end Report, January – December 2015	February 11, 2016

### Forward-looking statements

This report contains statements concerning, among other things, Cybercom's financial position and performance as well as statements on market conditions that may be forward-looking. Cybercom believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions. However, forward-looking statements involve inherent risks and uncertainties and actual results or outcomes may differ materially from those expressed. Forward-looking statements relate only to the date they were made and, other than as required by applicable law, Cybercom undertakes no obligation to update any of them in light of new information or future events.

**Note:** Cybercom Group AB (publ) is required to make the information in this interim report public in compliance with the Swedish Securities Market Act. The information was submitted for publication on April 29, 2015 at 07.30. This report has not been reviewed by the company's independent auditor.

Cybercom's annual reports, year-end reports and interim reports are published in Swedish and English. In the event of differences between the English translation and the Swedish original, the Swedish text shall prevail.

Stockholm, April 29, 2015

Niklas Flyborg  
President and CEO



## Condensed income statement

Cybercom Group, SEK million	Note	Q1 2015	Q1 2014	2014	RTM
<b>Sales</b>		<b>333.9</b>	<b>309.1</b>	<b>1,262.9</b>	<b>1,287.7</b>
<i>Operating expenses</i>					
Assignment-specific external expenses <sup>1)</sup>		-66.3	-48.7	-232.0	-249.6
Other external expenses		-29.6	-25.9	-114.4	-118.1
Employee benefits expenses		-215.9	-212.4	-824.3	-827.8
Depreciation and amortisation		-7.3	-6.3	-26.4	-27.4
<b>Operating profit/loss, EBIT</b>		<b>14.8</b>	<b>15.8</b>	<b>65.8</b>	<b>64.8</b>
Finance income		0.5	0.4	3.3	3.4
Finance costs		-1.0	-1.7	-5.8	-5.1
<b>Profit/loss before tax</b>		<b>14.3</b>	<b>14.5</b>	<b>63.3</b>	<b>63.1</b>
Current tax	4	-1.4	-1.2	-13.3	-13.5
Deferred tax	4	-1.9	-1.9	-1.2	-1.2
<b>Period's profit/loss</b>		<b>11.0</b>	<b>11.4</b>	<b>48.8</b>	<b>48.4</b>

1) Relates to costs for subcontractors as well as recharged costs.

## Earnings per share

Cybercom Group, SEK	Q1 2015	Q1 2014	2014	RTM
Earnings per share, basic and diluted	0.06	0.06	0.27	0.27
Average number of shares, basic and diluted	180,439,495	180,439,495	180,439,495	180,439,495

## Statement of comprehensive income

Cybercom Group, SEK million	Q1 2015	Q1 2014	2014	RTM
Periods's profit/loss	11.0	11.4	48.8	48.4
<b>Other comprehensive income</b>				
<b>Items that can or has been reclassified to profit or loss</b>				
Translation differences in translating data in foreign operations	1.3	0.6	17.2	17.9
<b>Other comprehensive income</b>	<b>1.3</b>	<b>0.6</b>	<b>17.2</b>	<b>17.9</b>
<b>Total comprehensive income</b>	<b>12.3</b>	<b>12.0</b>	<b>66.0</b>	<b>66.3</b>

## Condensed statement of changes in equity

Cybercom Group, SEK million	Share capital	Other capital contributions	Translation reserve	Retained earnings	Total equity
Opening balance January 1, 2014	45.1	964.7	-2.1	-151.7	856.0
Period's comprehensive income	-	-	17.2	48.8	66.0
<b>Closing balance December 31, 2014</b>	<b>45.1</b>	<b>964.7</b>	<b>15.1</b>	<b>-102.9</b>	<b>922.0</b>
Opening balance January 1, 2015	45.1	964.7	15.1	-102.9	922.0
Period's comprehensive income	-	-	1.3	11.0	12.3
<b>Closing balance March 31, 2015</b>	<b>45.1</b>	<b>964.7</b>	<b>16.4</b>	<b>-91.9</b>	<b>934.3</b>

## Condensed balance sheet

Cybercom Group, SEK million	Note	31/03/2015	31/03/2014	31/12/2014
<b>Assets</b>				
Goodwill		792.5	788.8	795.0
Customer value		18.7	26.6	21.0
Other intangible assets		13.2	15.1	15.1
Property, plant, and equipment		42.5	26.6	35.8
Financial assets		0.1	0.1	0.0
Deferred tax assets		14.4	17.2	16.8
<i>Total non-current assets</i>		<i>881.4</i>	<i>874.4</i>	<i>883.7</i>
Current assets excl. cash and cash equivalents		387.0	327.5	368.4
Cash and cash equivalents		8.2	24.8	13.8
<i>Total current assets</i>		<i>395.2</i>	<i>352.3</i>	<i>382.2</i>
<b>Total assets</b>		<b>1,276.6</b>	<b>1,226.7</b>	<b>1,265.9</b>
<b>Equity and liabilities</b>				
Equity		934.3	868.0	922.0
Non-current liabilities, interest-bearing		16.8	59.0	26.8
Non-current liabilities, non-interest-bearing		6.5	8.9	7.1
<i>Total non-current liabilities</i>		<i>23.3</i>	<i>67.9</i>	<i>33.9</i>
Current liabilities, interest-bearing		42.2	42.3	42.5
Current liabilities, non-interest-bearing		276.8	248.5	267.5
<i>Total current liabilities</i>		<i>319.0</i>	<i>290.8</i>	<i>310.0</i>
<b>Total equity and liabilities</b>		<b>1,276.6</b>	<b>1,226.7</b>	<b>1,265.9</b>
Pledged assets and contingent liabilities	2	See note	See note	See note

The carrying amount is believed to represent a realistic estimate of fair value of all financial assets and financial liabilities. The financial assets and liabilities are attributable to measurement categories 2 and 3. For information on measurement methods, please refer to Note 25 in the 2014 annual report.



## Condensed statements of cash flow

Cybercom Group, SEK million	Note	Q1 2015	Q1 2014	2014	RTM
Cash flow before changes in working capital		21.8	17.8	78.1	82.1
Changes in working capital		-7.6	-3.8	-25.9	-29.7
<b>Cash flow from operating activities</b>		<b>14.2</b>	<b>14.0</b>	<b>52.2</b>	<b>52.4</b>
Investments in tangible and intangible fixed assets		-9.8	-2.6	-23.2	-30.4
Acquisition in subsidiaries/net assets	3	-	-	-0.6	-0.6
Other items		-0.1	-	0.1	-
<b>Cash flow from investing activities</b>		<b>-9.9</b>	<b>-2.6</b>	<b>-23.7</b>	<b>-31.0</b>
Change in other financial liabilities		-10.3	-10.4	-42.6	-42.5
<b>Cash flow from financing activities</b>		<b>-10.3</b>	<b>-10.4</b>	<b>-42.6</b>	<b>-42.5</b>
<b>Period's cash flow</b>		<b>-6.0</b>	<b>1.0</b>	<b>-14.1</b>	<b>-21.1</b>
Cash and cash equivalents at period's start		13.8	23.7	23.7	24.8
Exchange differences in cash and cash equivalents		0.4	0.1	4.2	4.5
<b>Cash and cash equivalents at period's end</b>		<b>8.2</b>	<b>24.8</b>	<b>13.8</b>	<b>8.2</b>

## Other information

Cybercom Group, SEK million	Q1 2015	Q1 2014	2014	RTM
<b>Share information</b>				
Earnings per share, SEK	0.06	0.06	0.27	0.27
Number of shares at period's end, basic and diluted	180,439,495	180,439,495	180,439,495	180,439,495
Average number of shares, basic and diluted	180,439,495	180,439,495	180,439,495	180,439,495
<b>Financial position</b>				
Equity	934.3	868.0	922.0	934.3
Equity/assets ratio, %	73.2	70.8	72.8	73.2
Equity/share, SEK	5.18	4.81	5.11	5.18
Net investments in tangible and intangible fixed assets	9.8	2.6	23.2	30.4
Cash and cash equivalents	8.2	24.8	13.8	8.2
Net debt	50.8	76.5	55.5	50.8
<b>Employees</b>				
Number of employees at period's end	1,284	1,257	1,307	1,284
Of which women at period's end, %	16	16	17	16
Average number of FTEs	1,202	1,214	1,222	1,219
Revenue per FTE, SEKK	278	255	1,033	1,056
<b>Key figures</b>				
Operating margin (EBITDA), %	6.6	7.2	7.3	7.2
Operating margin (EBIT), %	4.4	5.1	5.2	5.0
Net margin (profit/loss before tax), %	4.3	4.7	5.0	4.9

## Operating segments

An operating segment is a part of the group that engages in activities that may generate revenue and incur expenses and for which separate financial information is available. Operating segment results are regularly reviewed by the company's CEO to assess performance and allocate resources to the segment.

Q1 2015 SEK million	Sweden	Finland	International	Group functions and eliminations	Cybercom Group
<b>Sales to external customers</b>	<b>237.6</b>	<b>63.9</b>	<b>33.4</b>	<b>-1.0</b>	<b>333.9</b>
Sales to other segments	2.1	0.5	10.1	-12.7	-
<b>Operating profit/loss, EBITDA</b>	<b>16.3</b>	<b>5.2</b>	<b>1.2</b>	<b>-0.6</b>	<b>22.1</b>
Depreciation and amortisation	-2.5	-2.9	-0.8	-1.1	-7.3
<b>Operating profit/loss, EBIT</b>	<b>13.8</b>	<b>2.3</b>	<b>0.4</b>	<b>-1.7</b>	<b>14.8</b>
Financial items					-0.5
<b>Profit/loss before tax</b>					<b>14.3</b>
Average number of employees	730	224	230	18	1,202

Group functions include parent company EBIT of SEK -1.7 million.

Q1 2014 SEK million	Sweden	Finland	International	Group functions and eliminations	Cybercom Group
<b>Sales to external customers</b>	<b>221.2</b>	<b>59.4</b>	<b>28.7</b>	<b>-0.2</b>	<b>309.1</b>
Sales to other segments	1.5	0.4	7.0	-8.9	-
<b>Operating profit/loss, EBITDA</b>	<b>13.5</b>	<b>6.2</b>	<b>2.7</b>	<b>-0.3</b>	<b>22.1</b>
Depreciation and amortisation	-2.2	-2.4	-0.6	-1.1	-6.3
<b>Operating profit/loss, EBIT</b>	<b>11.3</b>	<b>3.8</b>	<b>2.1</b>	<b>-1.4</b>	<b>15.8</b>
Financial items					-1.3
<b>Profit/loss before tax</b>					<b>14.5</b>
Average number of employees	723	243	231	17	1,214

Group functions include parent company EBIT of SEK -0.7 million.

## Note 1 – Accounting policies

The interim report for the group has been prepared in accordance with IAS 34 Interim Reporting and applicable provisions of the Annual Accounts Act. The interim report for the parent company has been prepared in accordance with Chapter 9 of the Swedish Annual Accounts Act, Interim Reporting. The accounting policies and measurement methods are otherwise unchanged from those applied in the most recent annual report.

## Note 2 – Pledged assets and contingent liabilities

The shares in Cybercom Sweden AB have been pledged as collateral for the obligations within existing loan agreements. The group value of the pledged assets on March 31, 2015 amounted to SEK 861.3 million (831.3). In addition, floating charges in Cybercom Sweden AB of SEK 200.0 million (200.0) have been pledged as collateral for the loan agreement.

## Note 3 – Purchase of net assets

Under the purchase agreement between Teleca and Cybercom for the acquisition of auSystems, Teleca will receive 50% of the tax effect Cybercom benefits from for tax depreciation on the goodwill from transfer of assets included in the acquisition. In the second quarter of 2014, SEK 0.6 million was paid and the remaining consideration amounts to SEK 0.5 million.

## Note 4 – Tax

The difference between tax recognised in the income statement and tax based on the parent company's current tax rate 22% (22).

Cybercom Group, SEK million	Jan - Mar 2015	Jan - Mar 2014	Jan - Dec 2014
<b>Profit/loss before tax in income statement</b>	<b>14.3</b>	<b>14.5</b>	<b>63.3</b>
Tax as per applicable tax rate for parent company	-3.2	-3.2	-13.9
Tax attributable to prior years	-0.2	0.1	-0.5
Tax at source on foreign dividends	-	-	-1.2
Tax effect of non-deductible costs	0.1	-0.1	-0.8
Tax effect of tax-exempt revenue	-	-	1.0
Tax on standard interest, tax allocation reserves	0.0	0.0	0.0
Effect of foreign tax rates	0.0	0.1	0.9
<b>Tax on period's profit/loss as per income statement</b>	<b>-3.3</b>	<b>-3.1</b>	<b>-14.5</b>
Effective tax rate	22.7%	21.2%	22.8%

## Parent company

The operations of the parent company comprise primarily the management of group-wide functions, such as finance, sales, PR and marketing communications, HR, administration and internal systems. At the end of the period 10 (10) people were employed by the parent company. The average number of employees (full-time equivalents) during the period was 10 (10). The profit/loss from financial items increased in conjunction with the parent company taking over the bank loan from Cybercom Sweden AB during June 2014.

<b>Condensed income statement - parent company</b>			
<b>SEK million</b>	<b>Q1 2015</b>	<b>Q1 2014</b>	<b>2014</b>
Operating revenue	9.3	10.6	36.7
Operating costs	-12.6	-12.9	-48.0
<b>Operating profit/loss</b>	<b>-3.3</b>	<b>-2.3</b>	<b>-11.3</b>
Financial items	-0.4	0.0	6.8
<b>Profit/loss after financial items</b>	<b>-3.7</b>	<b>-2.2</b>	<b>-4.5</b>
Appropriations	-	-	9.9
Tax on period's profit/loss	0.4	0.1	-1.2
<b>Period's profit/loss</b>	<b>-3.3</b>	<b>-2.1</b>	<b>4.2</b>

<b>Condensed balance sheet - parent company</b>			
<b>SEK million</b>	<b>31/03/2015</b>	<b>31/03/2014</b>	<b>31/12/2014</b>
<u>Assets</u>			
Non-current assets	919.8	930.8	921.9
Current assets	16.0	41.0	32.4
<b>Total assets</b>	<b>935.8</b>	<b>971.7</b>	<b>954.3</b>
<u>Equity and liabilities</u>			
Equity	716.2	713.2	719.5
Untaxed reserves	4.7	5.0	4.7
Non-current liabilities	160.6	200.6	170.6
Current liabilities	54.3	53.0	59.5
<b>Total equity and liabilities</b>	<b>935.8</b>	<b>971.7</b>	<b>954.3</b>
Pledged assets and contingent liabilities	650.0	650.0	650.0