

Cybercom Group  
Year-end financial report  
8 February 2007

January – December 2006

Sales +15% to  
SEK 535.8 million (466.4)

EBIT +47% to SEK 50.9 million (34.7)

Profit SEK 35.3 million (24.5)

Profit per share SEK 2.86 (2.08)

10% operating margin  
from operating activities

October – December 2006

Sales +14% to  
SEK 149.5 million (131.0)

EBIT +52% to SEK 17.9 million (11.8)

Profit SEK 10.5 million (8.9)

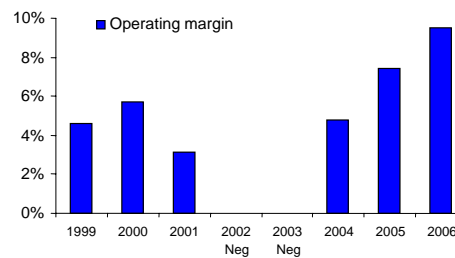
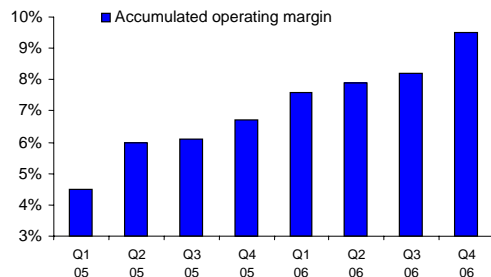
Profit per share SEK 0.85 (0.75)

14,5% operating margin  
from operating activities

Cybercom is a consulting company that offers business-critical IT solutions and consulting within telecom and selected technologies. With its extensive experience of the industry and business know-how, the company offers technological expertise in telecom for development of networks and terminals. Cybercom specialises in portals and mobile solutions, e-commerce and billing, embedded systems, and telecom management and networks. Cybercom was founded in Sweden in 1995; it has been quoted on the Nordic Exchange since 1999. The group has projects worldwide and offices in Denmark, India, Singapore, the UK, and Sweden. Cybercom currently employs 481 people. Find out more at [www.cybercomgroup.com](http://www.cybercomgroup.com).

## STRONGEST OPERATING PROFIT EVER

*“In 2006 we successfully managed Cybercom’s operations – producing growth and profitability and making a major international investment in our offshore operation in India. We finished the year with a very robust quarter and surpassed our forecast. We’re now setting a new financial goal with a 15% long-term margin. We will continue to supplement our organic growth with qualitative acquisitions. Our strategic choices of direction and goal-oriented work, focusing on telecom and selected technologies, have gradually produced results and reinforced the company. The strong rise in profit confirms that our strategy is right. We are an emerging niche consultancy with unique expertise that is in demand, and we will continue to grow in telecom. Also, demand enables us to expand toward other attractive markets. I am very positive about 2007; we have an excellent position for further growth, strong operational management and positive drive among our employees,” says Peter Keller-Andreasen, Cybercom’s acting president and CEO.*



### KEY EVENTS IN 2006

- Cybercom launched a joint venture in India to offer competitive offshore services.
- Cybercom received its first offshore project when entrusted by Sony Ericsson to work with application management, development, and testing of Sony Ericsson’s external web sites and related functions. An agreement, valid until 31 December 2008, was signed.
- Cybercom recruited Patrik Boman as new president and CEO; he will start in June 2007. His current position is president of HiQ’s Stockholm operations. Peter Keller-Andreasen, Cybercom’s Danish CEO, will be the acting CEO and Group president until Patrik starts. Cybercom also appointed Per Jonsson as new CFO; he has an international management profile, extensive experience with company acquisitions, and a background in telecom – with various positions in accounting and finance, including positions in the Kinnevik group. After nearly nine years with Cybercom, Mats Alders, former CEO and Group president, left the company to work in another sector. Deputy CEO Bengt Levin also left the company in conjunction with Mats’ departure.
- Cybercom continued its expansion in the Öresund region with the strategic acquisition of Varchar, an IT consultancy that specialises in .Net technologies. The acquisition brings new key customers and markets. Through this acquisition, which applies from January 2007, and including subcontractors, Cybercom utilize 250 consultants in the Öresund region.
- Cybercom’s operations in Norway were phased out after weak performance and too small critical mass.
- During the autumn, Cybercom’s main owner, the JCE Group, made a public offer to Cybercom’s shareholders to acquire shares in the company at a cash price of SEK 38 per share. Cybercom’s board advised shareholders against the bid after a financial fairness opinion. 4.1% of Cybercom’s shareholders – outside the JCE Group and companies owned by members of J Christer Ericson’s family, J Christer Ericson, and Per Edlund – accepted JCE’s offer.
- The UK operation reported a very strong performance trend, and the Singapore operation grew 100% since its acquisition.

## KEY DATA, SUMMARY

Cybercom Group	Jan-Dec 2006 1)	Jan-Dec 2006 2)	Jan-Dec 2005	Increase	Q4-06 1)	Q4-06 2)	Q4-05
Sales, SEK million	544.8	535.8	466.4	15%	151.3	149.5	131
Operating profit, EBIT, SEK million	54.3	50.9	34.7	47%	21.9	17.9	11.8
Operating margin, %	10.0	9.5	7.4	28%	14.5	12.0	9.0
Profit for the period, SEK million	35.3	35.3	24.5	44%	10.5	10.5	8.9
No. of employees at period's end	489	481	414	16%	489	481	414

1) Profit from operating activities excluding extraordinary expenses and the phase-out in Norway.

2) Profit including extraordinary expenses and the phase-out in Norway.

## MARKET & BUSINESS CLIMATE

Throughout 2006, the market for consultancies in IT and telecom has been very good. A flurry of activities and strong growth characterise this market. These events triggered great demand for Cybercom's services, and the company developed in a positive direction: Cybercom ended 2006 with the strongest operating profit ever. The IT sector has changed dramatically in recent decades; several technical paradigm shifts drove the changes, and new technologies created growth. The IT sector is now expected to enter a more mature phase. Therefore, going forward, it will be economy-driven fluctuations that affect the service sector. The economy was very healthy in 2006 and is expected to remain good in 2007.

### Telephony, the Internet, and media converge – an expanding market

Cybercom is a specialised player in a growing international market. It does business with many leading, global technological companies. Its largest customers are mobile phone manufacturers, system suppliers, and operators of mobile phone and fixed networks. The trend is that services traditionally supplied to telecom are in demand in other market segments. Companies in all segments now use functions and opportunities that mobile solutions offer. This makes Cybercom's experience and skills attractive to customers outside the traditional telecom market. This applies in both industry and the retail trade, for example, in which Cybercom has gained several new customers over the past year.

The trend that telephony, the Internet, and media are converging is becoming increasingly clear, because the same types of services are in demand and offered in the various areas. This creates major opportunities for Cybercom's recognised offering in portals, billing, and telecom management. The development led to the creation of new market segments. Many new players are noticeable in the operator segment. Content suppliers or other service suppliers are broadening their business to encompass and offer network services to their existing and new customers. Here, Cybercom's experience is also very attractive, so its customer base has continued to broaden.

Telecom players are continuing to develop and invest – focusing on expansion and increasing market share. Major investments are being made in product development. International operators continue to invest at the same pace in network expansion worldwide and in development within new areas and services. In 2006, consolidation characterised the Nordic market; here, operators made investments in support systems for broadband services and mobile services, such as mobile TV and other solutions for the entertainment segment.

### Offshore and nearshore

Globalisation that characterised development in recent years is leading to heightened dynamism. Offshore or nearshore is a key part of consulting companies' offerings and will become increasingly significant in the future. All major procurements and most framework agreements now include requirements for offshore capacity – even if it is not relevant to a particular procurement. At the same time, many companies more frequently choose total outsourcing, which encompasses service, efficiency, and competitive prices.

In 2006, Cybercom established a joint venture in India: Cybercom Datamatics Information Solutions Pvt Ltd and can now meet customers' requirements for global supplier assignments. The establishment in India is in line with Cybercom's strategy to grow internationally and to develop a strong offering in offshore operations. By providing offshore capacity, Cybercom can continue to own the business in the local market. In December, Cybercom had 12% of its delivery capacity in India.

### Toward standards and open source code

Standardisations and products typify a mature market. Strategic partnerships are increasingly crucial for IT consultancies. Many business projects can also be generated through such co-operation. During the autumn, Cybercom signed a valuable partner agreement with BEA, with which Cybercom's Danish company has particularly close co-operation. Cybercom also has partnerships with major players such as IBM, Microsoft,

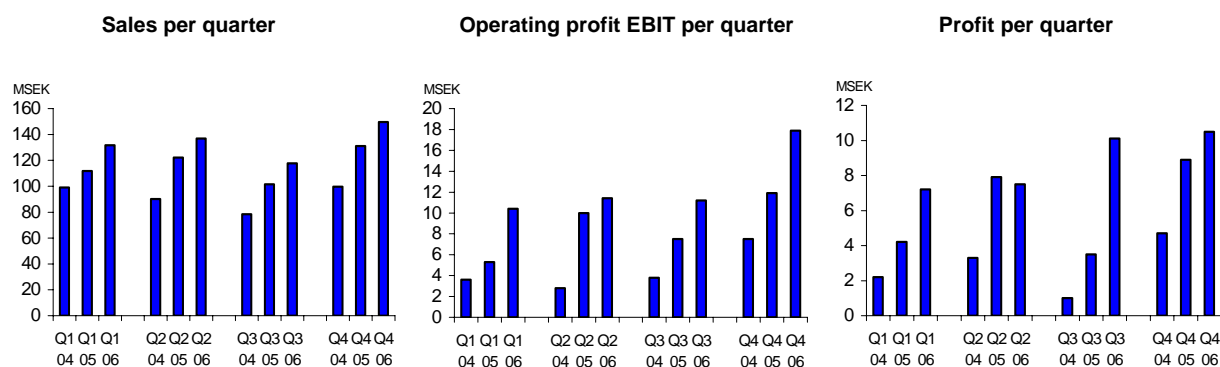
Oracle, and Akamai as well as with Quest, iCore, and Polopoly. Varchar, which Cybercom has acquired, was awarded the coveted status of Microsoft Gold Certified Partner.

Awareness of and demand for open systems and programs among companies and government agencies have increased. Software offered with open source code, known as open source software, has been a success in recent years because it is very cost effective. Open source products free up resources for other purposes. So the customer can invest more in tailoring products to its own specific needs. In the autumn, Cybercom entered into a partner agreement with JBoss for leading products in open source middleware – one of Cybercom’s focus areas.

The general price level for consulting services within IT and telecom was somewhat strengthened in 2006, and framework agreements were signed with higher hourly rates. Greater price scope mainly exists in specialised services, which benefits Cybercom’s operations. Price pressure that may be perceived in some parts of the telecom market is balanced against somewhat greater price scope for services in other market segments.

The strongest growth in 2006 was seen in the expansive Öresund region. Here, Cybercom has offices in Malmö, Lund, and Copenhagen. Similarly, the market continued to develop well in Singapore and the UK. Cybercom is also doing well in Stockholm, where competition is very tough.

## THE CYBERCOM GROUP



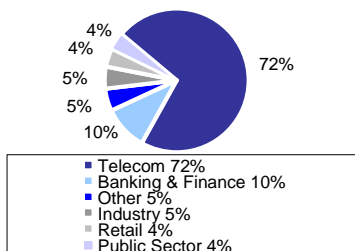
## CUSTOMERS AND ASSIGNMENTS

Cybercom’s major customers include Sony Ericsson, Ericsson, Tele2, Nokia, Reuters, Millicom, ASSA ABLOY, TeliaSonera, Pentland Brands, IBM, Nordea, PFA Pension, and SEB. Cybercom’s 10 largest customers accounted for 78% of the company’s total sales in 2006. Cybercom continues to grow in telecom, with an 8% sales increase from 2005 to SEK 389 million in 2006. In total, telecom accounted for 72% of Cybercom’s sales in 2006.

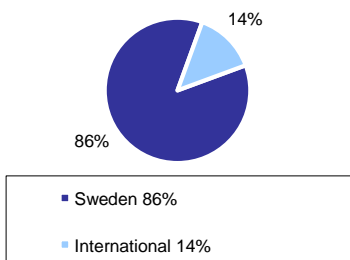
In keeping with Cybercom’s strategy, the customer base was broadened to other market segments; this proportion of sales rose 30% in 2006. Of these, banking, finance, and industry are increasing the most. Cybercom gained new customers during the period, e.g., E.ON, Northern Bank, TDC Song and Spring Mobil.

Much of Cybercom’s operations manage turnkey projects: solutions and projects such as offshore assignments and application management (AM). This creates stability in Cybercom’s operations and strong customer relationships. Turnkey projects accounted for 46% of sales in 2006. Due to Cybercom’s recognised business expertise, its consultants are increasingly in demand for advisory assignments. These assignments are included in consulting services in the next chart.

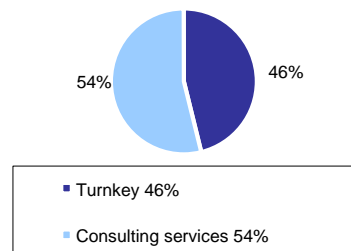
**Sales Jan-Dec per sector**



**Sales Jan-Dec per business division**



**Sales Jan-Dec per assignment**



## Cybercom's areas of operation

### Portals and mobile solutions

Cybercom runs and develops portals and mobile solutions for several international companies such as Sony Ericsson, PFA Pension, ASSA ABLOY, and Reuters. In 2006, Cybercom delivered a business-critical portal solution for processing complaints submitted to Assa in Sweden, Ruko in Denmark, and TrioVing in Norway. The solution was developed in .Net, and the architecture is service based. Because .Net technology is growing, the market is displaying substantial interest in using its possibilities – even in business-critical applications. Cybercom also develops portal solutions for industrial customers based on Java technology. Several customers seek Cybercom's skills in building complex systems, for example, with Polopoly, the Java-based portal product. In 2006, Cybercom won a major assignment for implementation of a new content management system to handle content and publications within a major international portal.

### E-commerce and billing

Cybercom is an IBM partner and has sought-after knowledge of IBM's e-commerce suite. This co-operation led to new, interesting customers. Cybercom performs e-commerce assignments for companies in industry and telecom. In 2006, Cybercom delivered several turnkey e-commerce solutions to new customers in the UK retail trade, in which demand for such solutions is rising.

Cybercom enjoys a strong position as a turnkey supplier of BSS services for operators; its many years of experience have given it in-depth business knowledge and development skills regarding IT for services in billing solutions and their integration. Open source is increasingly a natural part of products chosen, and Cybercom has cost-effectively integrated solutions based on Mule, the open source integration platform. In 2006, Cybercom won an interesting assignment to integrate billing solutions for e-invoice systems. TeliaSonera, Tele2, and Suntel on Sri Lanka are key customers in this area.

### Embedded systems

The terminal manufacturing market is extremely development-intensive, with very short lead times. New, better models create conditions for more sophisticated functions for content in, for example, mobile phones. Cybercom creates technical solutions and develops software with a series of new functions. The company carries out major assignments mainly for Nokia, Sony Ericsson, and Ericsson. Cybercom has significant projects in Ericsson's Multimedia business division, e.g., through Ericsson Mobile Platforms (EMP) in Lund. Here, Cybercom conducts important tests on mobile software platforms. The assignment involves about 50 employees in a turnkey project due for completion in the autumn of 2007. Cybercom also develops applications and communications software for other units outside telecom: transaction cards, electronic locks or systems for emergency services, and monitoring work for customers such as SaabTech and ASSA ABLOY.

Device management – solutions for managing software in mobile phones – is an area of vigorous growth in which Cybercom gained several new assignments during the year.

### Telecom management and networks

Cybercom offers expertise, consulting, and services in telecom management and networks. There is strong demand in these fields, especially in markets outside Europe. Cybercom performs assignments for operators worldwide, such as Hutchison in India and Telenor in Pakistan. The company also does work for Millicom in its operations in various Asian and African countries. Cybercom's consultants provide advice for planning network expansion projects, and they audit existing systems that will undergo quality and efficiency improvements. In Sweden, Tele2 and Teracom are key customers. The ongoing convergence of fixed and mobile networks (fixed mobile convergence) has led to increased demand for consulting services. Operators want to offer the same or similar services through one service platform, irrespective of the user's type of access technology; this drives requirements for new architecture and solutions.

In mobile systems, work is ongoing to develop architecture that supports implementation of pure IP-based services. Cybercom's undertakings during the year included running courses in IP multimedia subsystems (IMS) at several customers' sites.

## SALES AND PROFIT <sup>1</sup>

### GROUP

SEK million	Jan-Dec 2006	Jan-Dec 2005	Q4 2006	Q4 2005	Q3 2006	Q2 2006	Q1 2006
Sales	535.8	466.4	149.5	131.0	117.9	136.7	131.7
Operating profit EBIT	50.9	34.7	17.9	11.8	11.2	11.4	10.4
Operating margin, %	9.5	7.4	12.0	9.0	9.5	8.3	7.9
No. of employees at year-end	481	414	481	414	451	426	423

#### January – December 2006

In 2006, Cybercom simultaneously displayed growth and strong profitability. Sales for the entire year amounted to SEK 535.8 million (466.4), a 15% rise in revenue compared to 2005. Cybercom's organic growth totalled 10%. Operating profit rose 47%, compared to 2005 and reached SEK 50.9 million (34.7). This corresponds to a strong 9.5% operating margin (7.4%). Net financial items stood at SEK -0.8 million (4.4). Profit after net financial items amounted to SEK 50.1 million (39.0) – a 9.4% net margin (8.4%).

The stable and healthy profit trend was mainly due to strong deals concluded during the year and efficiency improvements in the organisation, such as merger of subsidiaries in the Stockholm region. Cybercom also successfully made proactive growth investments through its establishment in Asia and recruitment – particularly in the Öresund region.

As expected, sales per employee were down somewhat compared to 2005 – due to offshore operations. The offshore business is in line with the company's strategy. These offshore operations reinforced Cybercom's operating margin.

The group now employs 481 people.

**Note:** operating profit includes extraordinary expenses that were incurred in conjunction with the buyout bid from the main owner and expenses of changes within management. These expenses totalled SEK 5.8 million.

The Norwegian operation had a negative effect on the Group's operating profit earlier in the year, and relevant data are now reported separately due to the phase-out. The year's sales, operating profit, and all comparative figures are stated – excluding the Norwegian operation. This had a positive effect of SEK 2.4 million on operating profit but reduced sales by SEK 9.0 million.

Operating profit for operating activities (i.e., excluding extraordinary expenses that had an impact on 2006 and the phase-out of Norwegian operations) totalled SEK 54.3 million, a 71% increase from 2005 that gives a strong 10% margin.

SEK million	Jan-Dec 2006	Extraordinary expenses	Phase-out in Norway	Jan-Dec 2006
Sales	544.8	-	-9.0	535.8
Operating profit EBIT	54.3	-5.8	+2.4	50.9
Operating margin%	10.0			9.5

#### Fourth quarter

Group sales for Q4 amounted to SEK 149.5 million (131.0), up 14% compared to the same period in 2005. Organic growth totalled 14%. The Group's operating profit rose 52% to SEK 17.9 million (11.8), which gives a wider operating margin of 12% (9%). Operating margin from operating activities widens to 14.5%

Net financial items were SEK -1.1 million (1.4). Profit after net financial items amounted to SEK 16.8 million (13.2) – an 11.2% net margin (10.1%).

<sup>1</sup> Data for the phased-out operation in Norway are reported on a separate row in the income statement to comply with IFRS 5. All comparative figures were translated.

Utilization for the whole Group was very good during the period, and the proportion of subcontractors increased because Cybercom's recruitment couldn't keep up with high customer demand. But a sufficient margin in relation to subcontractors is crucial.

#### SWEDEN DIVISION<sup>2</sup>

SEK million	Jan-Dec 2006	Jan-Dec 2005	Q4 2006	Q4 2005	Q3 2006	Q2 2006	Q1 2006
Sales	469.5	422.2	127.1	114.2	101.8	123.4	117.2
Operating profit EBIT	44.5	27.6	15.3	7.5	10.3	9.5	9.4
Operating margin, %	9.5	6.5	12.0	6.6	10.1	7.7	8.0
No. of employees at year-end	377	348	377	348	360	359	351

Sales for January-December in Cybercom's Swedish operations rose to SEK 469.5 million (422.2), which is 11% higher than in 2005. The division's organic growth totalled 5%. The operation in Singapore is a subsidiary of Stockholm-based Netcom Consultants (acquired in 2005) and is thus reported in this business division. During the year, the Singapore business grew very robustly, generating sales of SEK 25.6 million to add to the business division.

Operating profit was SEK 44.5 million (27.6), which is a strong 61% rise that widened the operating margin to 9.5% (6.5%). The business division had 377 employees at year-end (348).

During Q4, sales totalled SEK 127.1 million (114.2), a comparative improvement of 11%. Operating profit totalled SEK 15.3 million (7.5), which boosted operating margin by 82% to 12.0% (6.6%).

Operations in southern Sweden showed strongest growth. The region remained an area of dramatic growth, and Cybercom opened another office there during the year (in Lund). Before year-end, Cybercom acquired Varchar, which specialises in .Net. The acquisition adds 24 employees and SEK 20 million in annual sales to Cybercom's business. Cybercom paid a fixed purchase price of SEK 12.5 million for the company. An additional purchase price (*earnout*) may be payable if certain performance levels are achieved over eight months. Ownership commenced in January 2007, and the entire integration is planned to be completed during H1 2007. No structural costs are expected. Varchar brings Cybercom important customers in new market segments, such as the Swedish Institute for Infectious Disease Control, Wihlborgs Fastigheter, Cerdo Bankpartner, Alfa Laval, and Lunds Energi.

Cybercom's assignment for Sony Ericsson – work on Sony Ericsson's external web sites – is Cybercom's first offshore assignment. The agreement covers application management, development, and testing of Sony Ericsson's external web sites and related functions. This is an extended assignment compared to previous AM work performed for Sony Ericsson. The assignment is reported under the Sweden division, because business contact occurs within the Swedish operation.

New framework agreements were signed with Ericsson, SMHI, LFV, and others.

#### INTERNATIONAL DIVISION

SEK million	Jan-Dec 2006	Jan-Dec 2005	Q4 2006	Q4 2005	Q3 2006	Q2 2006	Q1 2006
Sales	76.4	63.2	23.1	18.7	19.6	16.4	17.3
Operating profit EBIT	9.7	8.0	4.7	2.2	1.8	1.6	1.6
Operating margin%	12.7	12.7	20.3	11.8	9.2	9.8	9.2
No. of employees at year-end	84	44	84	44	69	46	50

In Q4, Cybercom decided to phase out its Norwegian operation. All figures reported in the business division and in comparisons exclude the Norwegian business. Exclusion of all the Norwegian operation's losses from the business division increased operating profit by SEK 2.4 million.

Sales for Cybercom's business in Denmark, India, and the UK were SEK 76.4 million (63.2) in 2006, which is 21% up on the previous year. Operating profit rose to SEK 9.7 million (8.0), resulting in a 12.7% operating margin (12.7%). The number of employees in these operations was 84 (44).

<sup>2</sup> Data on operations in Cybercom Netcom Consultants are presented in full in the Sweden division section.

During Q4, sales reached SEK 23.1 million (18.7). Operating profit amounted to SEK 4.7 million (2.2), which yields a 20.3% operating margin (11.8%).

The UK operations were very successful in 2006, displaying considerable growth and a healthy profit increase. The focus is on financial information data services, and Reuters is the principal customer. The business also offers e-commerce solutions and advice on IT infrastructure for start-ups and relocations, which is a growing market – especially in London. Cybercom's focus on e-commerce in 2006 gave the company several new customers in the retail trade. These include Pentland Brands, John Lewis, and Tomy.

Cybercom's Danish business ended the year with a very strong quarter. A large part of the business serves banking, finance, and pension insurance companies. PFA Pension, BRF Kredit, and Nordea are important customers. In 2006, the Danish business successfully recruited employees in .Net technologies. There is now great demand in Denmark for consultants in specialist services, which enables price increases. The company signed a partner agreement with BEA for products in J2EE and Weblogic, which led to new assignments.

Figures for Cybercom's joint venture company in Mumbai, India are reported according to proportionate consolidation, i.e., Cybercom's proportion of assets, liabilities, income, and expenses is reported with equivalent items in the Group's (consolidated) income statement and balance sheet. At year-end the company had 56 employees, of whom 50% add to Cybercom's number of employees.

## EMPLOYEES

The average number of FTEs in the Group was 414 (352) in January-December. At the end of the period, the Group had 481 (414) employees, of whom 99 were women. Cybercom continues to recruit. In 2006, 168 new employees joined the Group. Activity on the labour market increased gradually during the year as a natural result of the improved economic climate in the sector. Staff turnover in the Group was high. Cybercom's long-term goal is a staff turnover of about 10%. Recruitment is one of its most business-critical focus areas for 2007.

In 2006, the average age of Cybercom employees fell to 35. The company's focus on selected technologies created the opportunity for a selected group of new graduate engineers and systems scientists to enter the labour market via attractive projects – a successful, door opener for them. Going forward, Cybercom will also prepare opportunities that will enable new graduates to start careers with the company. These initiatives are aligned with Cybercom's recruitment strategy that is intended to enable breadth and depth in selected technologies and other areas.

## INVESTMENTS

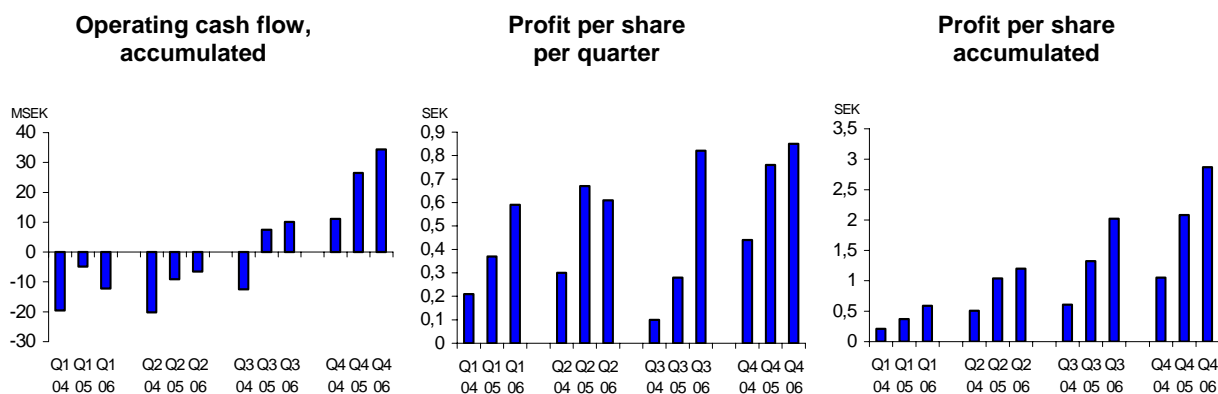
Net investments in property, plant, and equipment amounted to SEK 4.4 million (6.2) on 31 December 2006. During the period, net investments in intangible assets totalled SEK 1.5 million (4.2).

## LIQUIDITY

The Group's cash and cash equivalents stood at SEK 88.9 million on 31 December 2006, compared to SEK 55.5 million on 31 December 2005. In 2006, cash flow before changes in working capital amounted to SEK 55.0 million. Working capital fell by SEK 20.6 million during the same period. In total, cash flow from operating activities stood at SEK 34.4 million (26.5).

## FINANCIAL POSITION

Equity on 31 December 2006 was SEK 272.4 million (238.2), which yields an equity/assets ratio of 66.3% (67.7%). Equity per share amounts to SEK 22.11 (19.33).





## **TAXES**

In 2006, the tax rate was 28.7% (30.2%). Tax expense was calculated using the relevant tax rate for the parent company and each subsidiary. Temporary differences and existing loss carry-forwards were taken into account.

## **PROPOSED DIVIDEND**

It is the intent of Cybercom's board to ensure Cybercom's growth. Taking ongoing acquisition discussions into account, the board intends to come up with a proposal regarding allocation of the company's unrestricted equity in connection with the AGM notice.

## **PARENT COMPANY**

The parent company's operations largely comprise managing Group-wide functions such as accounting, communications and market communication, administration, and internal systems. At year-end, 20 (21) persons were employed in the parent company. The average for the period was 18 (19).

Sales for 2006 totalled SEK 52.0 million (34.8). Operating profit was SEK -3.7 million (-3.4). Profit/loss after net financial items amounted to SEK -3.7 million (2.9). The parent company's liquidity was SEK 68.2 million (37.0) on 31 December. Investments in property, plant, and equipment, and intangible assets amounted to SEK 1.1 million (3.5). The parent company's intangible assets increased by a further SEK 4.9 million in conjunction with the merger of subsidiaries, but this did not affect cash flow.

## **OUTLOOK**

The market outlook for 2007 is good. Cybercom has an established strong position as a consultancy in telecom and selected technologies, with an attractive offering for technology-intensive sectors and global players. Cybercom will continue to focus on growth within selected technologies and telecom. Through organic growth and qualitative acquisitions, the company will expand its service offerings in more market segments and geographic areas. The financial goal is to achieve a 15% long-term operating margin.

### **The company's previously published forecast for 2006**

*For the entire year, the board estimates sales of about SEK 540 million and operating profit of about SEK 50 million, which yields an operating margin of around 9.5% for all of 2006. These figures exclude extraordinary expenses that might be incurred due to the company's work with the public bid that the JCE Group issued to Cybercom's shareholders.*

### **The company's previously published future outlook**

*The market outlook for Cybercom's services within telecom and selected technologies is favourable. Cybercom will continue to focus on growth within technology and telecom. Through organic growth and acquisitions, the company will expand its service offerings in more market segments and geographic areas. The company's financial goals are to achieve an operating margin of at least 10% by the close of 2006. The company expects organic growth of 10% for 2006. In addition, Cybercom's objective is to continue its acquisition strategy to achieve its previously stated goal of SEK 750 million in sales.*

## ACCOUNTING POLICIES

This year-end report complies with IAS 34 (Interim financial reporting) and the Swedish Financial Accounting Standards Council's recommendation RR 31 (group interim reporting). Accounting policies and calculation methods remain unchanged from the 2005 annual report. As per IFRS 5, all periods were restated, and results from the phased-out operation in Norway are reported separately in the income statement and cash flow statement.

Data on Cybercom Datamatics Information Solutions Pvt Ltd in India (the joint venture company) are reported as per proportionate consolidation, i.e., Cybercom's proportion of assets, liabilities, income, and expenses is reported with equivalent items in the Group's (consolidated) income statement and balance sheet.

## CONDENSED INCOME STATEMENT

SEK million	Jan-Dec 2006	Jan-Dec 2005	Q4 2006	Q4 2005	Q3 2006	Q2 2006	Q1 2006
Sales	535.8	466.4	149.5	131.0	117.9	136.7	131.7
Operating expenses							
Other external expenses	-158.5	-141.2	-42.4	-36.3	-35.6	-41.9	-38.5
Staff costs	-320.2	-284.4	-87.6	-81.2	-69.6	-81.8	-81.2
Depreciation and impairment loss	-6.3	-6.1	-1.6	-1.7	-1.5	-1.6	-1.6
<b>Operating profit, EBIT</b>	<b>50.9</b>	<b>34.7</b>	<b>17.9</b>	<b>11.8</b>	<b>11.2</b>	<b>11.4</b>	<b>10.4</b>
Finance income	4.4	6.5	1.1	2.3	0.9	2.6	0.6
Finance expenses	-5.1	-2.1	-2.2	-0.9	-	-3.4	-0.3
<b>Profit before tax</b>	<b>50.1</b>	<b>39.0</b>	<b>16.8</b>	<b>13.2</b>	<b>12.1</b>	<b>10.5</b>	<b>10.7</b>
Current tax	-11.7	-4.0	-3.0	0.2	-3.5	-2.8	-2.4
Deferred tax	-2.7	-7.7	-2.0	-3.6	0.3	-0.2	-0.8
<b>Net income from remaining operations</b>	<b>35.7</b>	<b>27.3</b>	<b>11.8</b>	<b>9.8</b>	<b>8.9</b>	<b>7.5</b>	<b>7.5</b>
Discontinued operation	-0.4	-2.8	-1.3	-0.9	1.2	-0.0	-0.3
<b>Profit for the period</b>	<b>35.3</b>	<b>24.5</b>	<b>10.5</b>	<b>8.9</b>	<b>10.1</b>	<b>7.5</b>	<b>7.2</b>
Profit per share (SEK) before dilution	2.86	2.08	0.85	0.75	0.82	0.61	0.59
Profit per share (SEK) after dilution	2.83	2.07	0.85	0.75	0.80	0.60	0.58

## EFFECTS OF DISCONTINUED OPERATIONS

SEK million	Jan-Dec 2006	Jan-Dec 2005	Q4 2006	Q4 2005	Q3 2006	Q2 2006	Q1 2006
Sales	9.0	9.9	1.8	2.7	1.6	3.0	2.6
Operating costs	-10.9	-12.6	-3.2	-2.6	-2.0	-3.0	-2.7
Depreciation and impairment loss	-0.5	-0.1	-0.4	-0.0	-0.0	-0.0	-0.1
<b>Operating loss, EBIT</b>	<b>-2.4</b>	<b>-2.9</b>	<b>-1.8</b>	<b>-0.8</b>	<b>-0.4</b>	<b>-0.0</b>	<b>-0.2</b>
Financial items	-0.3	0.1	-	-0.1	-0.3	0.0	-0.1
Deferred tax	2.3	-	0.5	-	1.9	-	-
<b>Net profit/loss from discontinued operations</b>	<b>-0.4</b>	<b>-2.8</b>	<b>-1.3</b>	<b>-0.9</b>	<b>1.2</b>	<b>-0.0</b>	<b>-0.3</b>

## CONDENSED BALANCE SHEET

SEK million	31 Dec 2006	31 Dec 2005
<u>Assets</u>		
Goodwill	130.1	129.8
Other intangible assets	5.6	6.0
Property, plant, and equipment	10.9	12.2
Financial assets	0.7	0.4
Deferred tax assets	6.4	5.2
Current assets excl. cash and cash equivalents	168.3	142.6
Cash and cash equivalents	88.9	55.5
<b>Total assets</b>	<b>410.9</b>	<b>351.7</b>
<u>Equity and liabilities</u>		
Equity	272.4	238.2
Non-current liabilities, interest-bearing	6.7	5.3
Non-current liabilities, non-interest-bearing	2.8	5.3
Current liabilities, non-interest-bearing	129.0	102.9
<b>Total equity and liabilities</b>	<b>410.9</b>	<b>351.7</b>
Pledged assets	None	None
Contingent liabilities	None	None

## CHANGES IN EQUITY

SEK million	Jan-Dec 2006	Jan-Dec 2005
Opening equity	238.2	180.1
Effect from changed accounting policy	-	-0.6
New issue of shares	-	32.5
Translation differences	-1.1	1.7
Profit for the period	35.3	24.5
<b>Closing equity</b>	<b>272.4</b>	<b>238.2</b>

## CONDENSED CASH-FLOW STATEMENT

SEK million	Jan-Dec 2006	Jan-Dec 2005
Cash flow from operating activities		
Cash flow before changes in working capital	55.0	41.7
Changes in working capital	-20.6	-15.2
Cash flow from operating activities	34.4	26.5
Cash flow from investing activities *)	0.5	-16.9
Cash flow from financing activities	-	-
Cash flow from remaining operations	34.8	9.6
Cash flow from discontinued operations **)	-0.7	-3.0
Cash flow at period's end	33.9	6.6
Cash and cash equivalents at period's start	55.5	47.7
Translation difference	-0.5	1.2
Cash and cash equivalents at period's end	88.9	55.5
*) Effect of acquisition of subsidiary on the Group's cash and cash equivalents:		
	-	-18.7
**) Cash and cash equivalents from discontinued operations		
	0.5	-0.3
Change in intercompany transactions	-1.2	-2.7
Cash flow from discontinued operations	-0.7	-3.0

## KEY FIGURES

	Jan-Dec 2006	Jan-Dec 2005
Operating margin (EBIT), %	9.5	7.4
Net margin, %	9.4	8.4
Number of employees at period's end	481	414
Average number of employees	414	352
Sales per employee, SEK thousand	1 294	1 325
Equity/assets ratio, %	66.3	67.7
Return on equity, %	13.8	11.7

## SHARE INFORMATION

	Jan-Dec 2006	Jan-Dec 2005
<b>Before dilution</b>		
Profit per share, SEK	2.86	2.08
Equity per share, SEK	22.11	19.33
Number of shares at period's start	12 321 757	11 196 355
New issue of shares	-	1 125 402
Number of shares at period's end	12 321 757	12 321 757
Average number of shares	12 321 757	11 759 056
<b>After dilution</b>		
Profit per share, SEK	2.83	2.07
Equity per share, SEK	21.90	19.02
Number of shares at period's end	12 435 757	12 521 757
Average number of shares	12 478 757	11 859 056

Dilution effect isn't calculated if the subscription rate's present value is higher than the ordinary share's fair value. Dilution effects are only considered when they have an adverse effect on profit per share or equity per share.

Warrants	Jan-Dec 2006	Jan-Dec 2005
Number of outstanding warrants at year's start	30 000	162 483
Warrants, custodial	170 000	200 000
Non-exercised warrants	-	- 162 483
Deducted warrants, custodial	-85 000	-170 000
<b>Number of outstanding warrants at period's end</b>	<b>115 000</b>	<b>30 000</b>

After the end of the financial year, 114,000 warrants has been exercised to subscribe for shares. The remaining 86,000 warrants expired 16 January 2007.

The company's auditor did not review this report.

The board and CEO of Cybercom Group Europe AB (publ)

Stockholm, 8 February 2007

### For more information, please contact:

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### Forthcoming financial reports

26 April Q1 report  
24 August Q2 report  
25 October Q3 report  
February 2008 Year-end financial report for 2007

### 2007 annual general meeting (AGM)

Cybercom's 2007 AGM will be held in Stockholm on Tuesday, 8 May at 2 PM. The meeting will be announced via press release, publication in *Post och Inrikes Tidningar*, *Dagens Industri*, *Svenska Dagbladet*, and on Cybercom's web site, where the annual report will be available in early April. Shareholders who wish to submit proposals to the nomination committee should contact Cybercom's corporate communications manager or the nominations committee via [valberedningen@cybercomgroup.com](mailto:valberedningen@cybercomgroup.com).