

For immediate release

2 April 2007

Cybercom acquires auSystems in Sweden, Denmark and Poland

Cybercom and Teleca signed a contract for acquisition of auSystems' operations in Sweden, Denmark and Poland. Together, the companies build a new, leading consultancy within telecom, Internet, and media (TIM).

"With auSystems, we're building a leading Nordic consultancy specialised in telecom, Internet, and media," says Peter Keller-Andreasen, acting president and CEO of Cybercom. "We greatly respect auSystems competence and business. We selected the most suitable auSystems' operations for alignment with Cybercom's business and strategy. Now we strengthen our positions in Sweden and acquire a valuable nearshore operation in Poland, which many customers are asking for."

The deal is part of Cybercom's growth strategy. The new Group's delivery capacity becomes attractive for larger assignments and projects. After the acquisition, the Group will have more than 1200 employees in Denmark, India, Poland, Singapore, the UK and Sweden – with presence in these Swedish cities: Stockholm, Göteborg, Malmö, Lund, Karlskrona, Linköping, Huskvarna, Sundsvall, Örnsköldsvik, and Östersund. In 2006, the acquired operations reported sales of about SEK 700 million and EBIT of SEK 54 million (excluding restructuring costs and management fee). Based on a full year, the new Group's sales are estimated to be SEK 1.3 billion. Purchase price is SEK 730 million for the debt-free operations.

"Our companies' businesses are very similar," says Örjan Frid, managing director of auSystems. "And the respect is mutual: experts attract experts. Going forward and building a new company together with Cybercom will be very stimulating."

Cybercom's and Teleca's shareholders will approve the deal at extraordinary shareholders' meetings on 18 April. Both companies' boards support the deal. On 1 May 2007, the acquired operations are expected to be consolidated. The deal yields many synergy effects. Identified full-year cost synergies are expected to reach SEK 20 million. The deal is expected to incur SEK 10 million in structural costs that will all be recognised in 2007. In conjunction with the acquisition, Cybercom will receive a potentially tax-deductible loss of about SEK 100 million. The positive tax effect might be 28% of the tax-deductible loss amount, i.e., SEK 28 million. The parties agree that Teleca will receive 50% of the tax effect during possible recognition of this tax-deductible loss, so Cybercom's positive tax effect might reach SEK 14 million. However, it's uncertain if these tax deductible losses may be utilized.

Loans and a share issue will finance the acquisition. Cybercom's board is proposing a pre-emptive rights issue of about SEK 365 million. The JCE Group, which holds about 42% of the shares in Cybercom, will subscribe for its portion of the share issue. The plan is to conduct the issue in Q3 2007. A detailed schedule and terms and conditions will be announced later.

"Cybercom has a strong balance sheet," says Per Jonsson, CFO of the Cybercom Group. "We'll maintain a healthy equity/assets ratio of approximately 50%. This is a good deal. The operations that we're buying have historically demonstrated improved profitability that's currently in line with Cybercom's profitability."

Journalists and analysts are invited to a press and analysts' meeting today Monday 2 April at 10.30 AM (CET) at Nordic Sea Hotel (Skeppet conference room) Vasaplan 4, Stockholm. Peter Keller-Andreasen, acting president and CEO, Per Jonsson, CFO, and Örjan Frid, CEO, auSystems will attend. The presentation will be given in English Teleconferencing is possible:

Press release



1. To call into the meeting: +46 (0)8 503 163 00
2. Specify the meeting room: 62819
3. Specify PIN code: 5959

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The Cybercom Group is a high-tech consulting company that offers business-critical IT solutions and guidance within telecom and selected technologies. Thanks to its extensive industry and operations experience, the company can offer technology expertise within telecom - for network and terminal development. Cybercom specialises in portals and mobile solutions, e-commerce and billing, embedded systems plus telecom management consulting and networks. Cybercom was launched in 1995; since 1999, its share has been quoted on the OMX Nordic Exchange. The Group runs projects worldwide and has offices in Denmark, India, Singapore, Sweden, and the UK. Find out more at: www.cybercomgroup.com.