



Cybercom Group
interim report
January – June 2007

Sales +72% to
SEK 460.5 million (268.4)

EBIT +100% to SEK 43.7 million (21.8)

Profit +65% to SEK 24.2 million (14.7)

Profit per share SEK 1.96 (1.19)

9.5% operating margin, EBIT (8.1%)

10.6% operating margin from
operating activities, EBIT (8.1%)

April – June 2007

Sales +118% to
SEK 297.4 million (136.7)

EBIT +101% to SEK 22.9 million (11.4)

Profit +45% to SEK 10.9 million (7.5)

Profit per share SEK 0.89 (0.61)

7.7% operating margin, EBIT (8.3%)

9.4% operating margin from
operating activities, EBIT (8.3%)

Synergy effects from the auSystems
acquisition are expected to positively
affect the bottom line starting in Q3

Cybercom is a high-tech consultancy that offers global sourcing for end-to-end solutions. The Group is a world-class supplier in these segments: portals, mobile solutions, embedded systems, e-commerce, and business support systems. Thanks to its extensive industry and operations experience, Cybercom can offer strategic and technological expertise to these markets: telecom, Internet, and media (TIM); banking and financial services; automotive; national defence; and the public sector. The Group has 1,289 employees, projects worldwide, and offices in Denmark, India, Poland, Singapore, the UK, and Sweden. Cybercom has been quoted on the OMX Nordic Exchange since 1999. Find out more at www.cybercomgroup.com.

Intensive integration, further growth, and widened margin

The auSystems acquisition is a success. It made Cybercom an attractive size, thus enabling the company to compete for very large projects. The market continues to grow. Demand is high in all segments, and customers request more and more IT solutions and services. Right now, Cybercom does business with leading companies on most of its markets.

We work assertively – as demonstrated by the two acquisitions in H1 2007. After initial integration (proceeding as planned), we can now shift focus to more hard-hitting measures that will enhance Cybercom's position and lead to new market shares. In a short time, Cybercom doubled in size. The auSystems and Varchar acquisitions strengthened Cybercom's offering and broadened its customer base. Sales initiatives and administration are now co-ordinated, and during H2, the companies in Stockholm, Malmö, and Linköping will be merged in each of these cities.

Growth for the period reached 72%; the new acquisitions accounted for 54% and organic growth, for 18%. The operating margin from operating activities widened to 10.6% for H1.

Since I became Cybercom's president and CEO in early May, I've met many skilled employees in our companies. I see enormous potential in the new Cybercom. I'm convinced that it has a strong customer proposition and can become a leading provider of telecom, internet, and media services.

Patrik Boman
Cybercom's president and CEO

NEW, LEADING, IT CONSULTANCY FORMED

The auSystems consultancy acquisition and creation of the "new" Cybercom were the main highlights of H1 2007. The deal is part of Cybercom's growth strategy, and the delivery capacity of the new Group is attractive to customers with large projects. During Q2, a new management team took over the reins and established objectives and strategies with the board.

Objectives

Cybercom's long-term operational objectives are to (1) be well-established with customers, employees, and labour market participants and (2) broaden its customer base so that no individual customer represents more than 15% of Group sales. Cybercom will continue to expand in the Nordics and farther along, in continental Europe and Asia. Going forward, offshore and nearshore services will comprise a large part of sales.

- A long term 15% operating margin (EBIT)
- An average 15% organic growth over a business cycle

Strategy

Cybercom's strategy focuses on profitability and growth and on building a strong brand that has a good reputation among customers and employees. Cybercom will expand its operation to cover more market segments and geographic markets through organic growth and strategic, qualitative acquisitions. Its decentralised, flexible organisation gives it short decision routes and power to act locally.

The operation will mainly expand in three focus areas: (1) portals and mobile solutions; (2) e-commerce and business support systems; and (3) embedded systems. Cybercom will target customers for whom IT has strategic importance in their operations. The range of services will benefit from global delivery capacity.

AUSYSTEMS ACQUISITION

In Q2, Cybercom signed an agreement with Teleca for acquisition of auSystems' operations in Denmark, Poland, and Sweden. The shareholders approved the deal at an EGM on 18 April. Cybercom paid SEK 730 million in cash for debt-free companies.

The acquisition is partly financed through loans raised and partly through a new share issue of about SEK 365 million, with preferential rights for existing shareholders. The JCE Group, which owns about 41% of Cybercom's shares, intends to subscribe for its allotment of shares. The issue is scheduled to occur in September 2007.

The acquired companies were consolidated as of 1 May 2007. The new Group is a leading telecom, Internet, and media consultancy with 1,289 employees in Denmark, India, Poland, Singapore, Sweden, and the UK. Cybercom can now offer services onshore, nearshore (Poland), and offshore (India). Several major customers confirmed that they are very positive to the acquisition. Through the deal, Cybercom also broadens its customer base to encompass new key markets.

Cybercom is maintaining a fast pace in its integration work. Many elements are complete: the organisation, strategies and objectives, administrative procedures, joint procurements, and co-ordination of sales and recruitment. Operations in Stockholm, Malmö, and Linköping will be merged in each city during the autumn.

KEY DATA, SUMMARY

	Jan-Jun	Jan-Jun		Q2 -07	Q2 -06	2006
Cybercom Group	2007	2006	Increase			
Sales, SEK million	460.5	268.4	72%	297.4	136.7	535.8
Operating profit, EBIT, SEK million	43.7	21.8	100%	22.9	11.4	50.9
Operating margin, %	9.5	8.1	17%	7.7	8.3	9.5
Profit for the period, SEK million	24.2	14.7	65%	10.9	7.5	35.3
No. of employees at period's end	1 289	426	203%	1 289	426	481

MARKET & BUSINESS CLIMATE

Cybercom is now a key player in the Nordic IT market. Breadth characterises its operations – when it comes to number of customers *and* presence in various market segments, albeit mainly in telecom. The IT and telecom consulting market remains very strong, with heavy demand in the Nordics and the UK.

Customers' demand is substantial in all segments; they increasingly request IT solutions/services. Many IT projects evolve into part of regular operations. The general price level for consulting services in IT and telecom is stable and still rising, although more slowly than before. This is partly because many clinched deals are extensions of ongoing assignments or deals based on frame agreements/master contracts. Price scope mainly remains in specialised services, which benefits Cybercom's operations. Pricing pressure felt in some telecom market segments is balanced against greater pricing scope for services in other market segments.

More and more customers request global capacity and 24/7 availability. They need better service and efficiency, at competitive prices. The trend shows that companies mainly choose outsourcing for mature, standardised processes in development and management. The traditional consultancy role is changing. Consultancies now find it difficult to offer standard services at a competitive price. Instead, they focus on specialist and turnkey assignments, which involve higher profitability.

Cybercom's option of offshore delivery capacity is a critical success factor in contract negotiations. Outsourcing discussions are common among most customers – regarding offshore and nearshore. This principally applies to assignments for development, testing, and support. Global players are accustomed to global deliveries, and for quite some time, they have used offshore deliveries to cut costs. Cost cutting was the main reason for requesting offshore options; a new one is insufficient resources.

The telecom, Internet, and media market is quickly changing; telephony, broadband, and TV are converging and being filled with new types of services and content. A recent example is rapid growth on the market for music in mobile phones. The market for TV in mobile phones also demonstrates fast expansion.

Cybercom Sweden

Most segments heavily demand IT expertise; market conditions are very favourable – and there's no sign of downswing. The general price level for consulting services is stable and continues to rise, although more slowly than before. The auSystems acquisition added around 600 consultants to Cybercom Sweden and further broadened its customer base. Much of management's time was spent on integration – to put everything into place. In the autumn, operations in Stockholm, Malmö, and Linköping will be merged in each city. This will cut costs.

Cybercom won several exciting projects during the quarter – mainly portal projects and security projects for payment solutions in mobile phones. The number of invitations to tend is rising, e.g., for development of software for telecom equipment. Public-sector assignments are also increasing. These include customers such as Örebro and Kumla municipalities, which signed a joint agreement with Cybercom – valid until 2010 – to boost administrative efficiency and services provided to citizens and other government agencies.

The local market in western Sweden is very robust, with intensive demand for consulting services. Cybercom runs several projects that deal with development of Bluetooth® applications for automotive and mobile phone manufacturers. Cybercom works on communications solutions for automotive-industry customers throughout the value chain, from technology suppliers to OEMs. For example, the company developed Bluetooth-based applications for about 20 national and international automotive-industry customers. In Q2, Cybercom won a new contract for mobile phone accessories development. Cybercom participates actively in the Bluetooth SIG, in which it works with standardising new profiles and protocols for other application areas.

The market in the Öresund region displays good ongoing growth, and the auSystems and Varchar acquisitions gave Cybercom important expertise in .Net technology – widening its customer base with, e.g., Telenor, the Danish Labour Market Board, and Swisscom. Cybercom's testing centre in Lund – which tests system development, design, and operation – gained the renewed confidence of an existing customer.

Cybercom Sweden's major customers include Ericsson, Nokia, Sony Ericsson, Tele2, TeliaSonera, ASSA ABLOY, the OMX Group, the Swedish National Labour Market Board, SEB, Telenor, Volvo, SAAB, BAE Systems, and the Swedish National Tax Board. Cybercom Sweden employs 1,056 people.

Cybercom Denmark

The Danish operation, which has expanded steadily for several years, continued to show sound profitability in existing activities. The demand for Cybercom's services was high, and the number of subcontractors increased. The acquisition of auSystems' Danish operation added 7 consultants to the company and further broadened its customer base. The company won several new assignments – mainly in banking, financial services, and the public sector. In Q2, hourly rates increased markedly for work in this operation. PFA Pension, Nordea, and TeliaSonera are among its most key customers. Cybercom Denmark employs 45 people.

Cybercom India (joint venture)

This operation fortifies delivery capacity for other Cybercom operations. The offshore business has an adverse impact on sales per employee but contributes good profitability. The business has expanded considerably since start-up and many investments were made in its development. The company's delivery capacity is strengthened through close co-operation with Datamatics, which enables the operation to quickly undertake large assignments with high delivery capacity. The company works on assignments from other companies within the Cybercom Group, important end customers are Nordnet, Pentland Brands and Sony Ericsson. At the end of Q2, the company had 78 employees, of whom 39 (i.e., 50%) add to Cybercom's number of employees.

Cybercom Poland

The operation grew through local assignments in Poland and delivery of nearshore assignments. The company works in selected technologies, and its major customers include Nokia Siemens, Telenor, and Ericsson. Cybercom Poland employs 95 people.

Cybercom UK

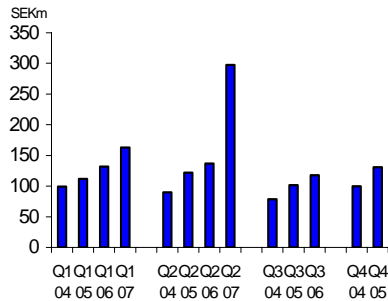
The UK operation continued to record healthy growth with increases in orders, price levels, and employees. Several subcontractors were also used. Many assignments focus on e-commerce. The operation enjoys beneficial co-operation with IBM for solutions that involve the latter's e-commerce suite. Cybercom UK has several customers in retail and won an assignment in Q2 to develop an e-commerce solution for Pentland Brands, a brand developer. Its key customers include Pentland Brands, Reuters, and John Lewis. The operation has 22 employees.

Cybercom Singapore

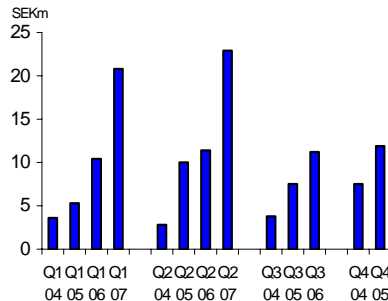
This operation continued to demonstrate good potential during H1 2007. The strong market creates opportunities for further expansion of the operation. The company primarily works in telecom, and Millicom is its most important customer. Cybercom Singapore employs 12 persons.

CYBERCOM GROUP

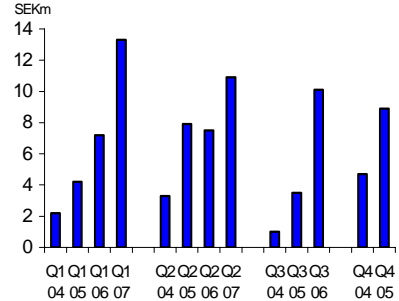
Sales per quarter



Operating profit EBIT per quarter



Profit per quarter



CUSTOMERS AND ASSIGNMENTS

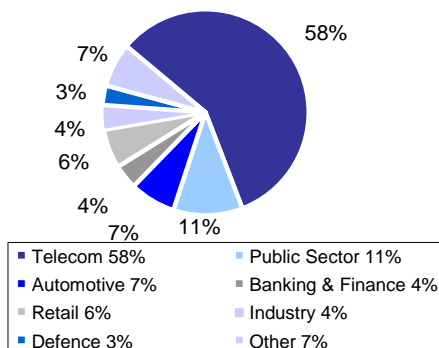
Cybercom has a stable customer base – thanks to solid customer relationships built over many years. The auSystems acquisition broadened the customer base during Q2, opening the doors to several new customers and attractive assignments. The good market climate and this acquisition led to various new projects and customers, such as Sambruk (Örebro and Kumla municipalities), Telenor Sverige (Sweden), the Swedish National Tax Board, and Volvo Cars.

Cybercom's major customers include Sony Ericsson, Ericsson, Tele2, TeliaSonera, Reuters, Millicom, ASSA ABLOY, Pentland Brands, PFA Pension, and SEB.

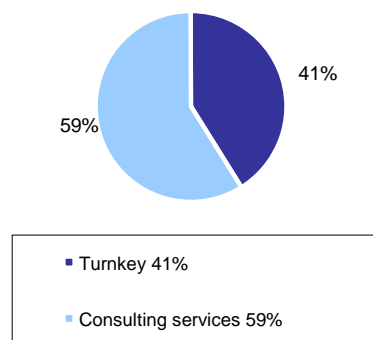
The 10 largest customers accounted for 67% of total sales in H1 2007. Cybercom continues to thrive in other segments besides telecom; sales in these segments rose 143% compared to 2006. Telecom accounted for 58% of Cybercom's sales during Q2 2007.

Many of Cybercom's operations are turnkey assignments: solutions and projects such as offshore assignments and application management. These assignments create robust customer relationships and stability in Cybercom's business. During Q2 2007, turnkey projects accounted for 41% of sales. During the quarter, some major projects were completed, resulting in lower capacity utilisation. Many of Cybercom's consultants carry out assignments in leading technology projects or strategic advisory assignments; these are included in consulting services in the next chart.

Sales Apr-Jun per sector



Sales Apr-Jun per assignment



SALES AND PROFIT¹

SEK million	Jan-Jun 2007	Jan-Jun 2006	Q2 2007	Q2 2006	Q3 2006	Q4 2006	Q1 2007	Jan-Dec 2006	Jul -06 -Jun -07
Sales	460.5	268.4	297.4	136.7	117.9	149.5	163.1	535.8	727.9
Operating profit, EBIT	43.7	21.8	22.9	11.4	11.2	17.9	20.8	50.9	72.8
Operating margin, %	9.5	8.1	7.7	8.3	9.5	12.0	12.8	9.5	10.0
No. of employees at period's end	1 289	426	1 289	426	451	481	508	481	1 289

H1 2007

Sales for H1 were SEK 460.5 million (268.4), a 72% rise in revenue compared to H1 2006. Newly acquired operations accounted for 54% and organic growth, for 18%. The revenue increase is due to an increased number of staff members. The percentage of subcontractors continued to be high during H1 because recruitment could not keep up with business development.

Operating profit rose 100% compared to H1 2006 and reached SEK 43.7 million (21.8). This corresponds to a wide 9.5% operating margin (8.1%). Restructuring expenses of SEK 5.0 million were recognised during Q2 2007. Salary revisions for 2007 resulted in increased labour costs as of 1 January, while price increases in frame agreements/master contracts have not had their full effect.

Profit from operating activities was SEK 48.7 million (21.8); excluding restructuring expenses, this is comparable to a 10.6% operating margin for H1 2007.

Net financial items stood at SEK -7.2 million (-0.5); this figure includes SEK 6.5 million in interest expenses for the loan used for the auSystems acquisition. Profit after net financial items was SEK 36.5 million (21.2) – yielding a 7.9% profit margin (7.9%).

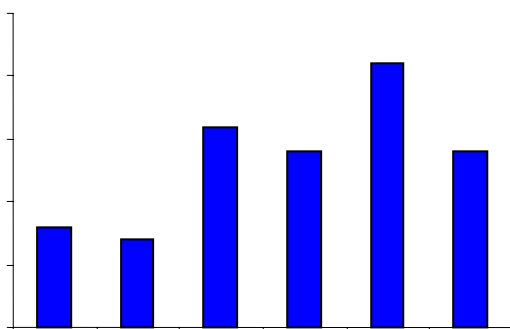
Q2 2007

In Q2 2007, sales rose to SEK 297.4 million (136.7), a 118% revenue rise compared to Q2 2006. Organic growth was 14%. EBIT reached SEK 22.9 million (11.4) – yielding a 7.7% operating margin (8.3).

Profit from operating activities was SEK 27.9 million (11.4); excluding restructuring expenses, this is comparable to a 9.4% operating margin for Q2.

Additional investments were made in the offshore operation; this is aligned with Cybercom's strategy to address globalisation trends. Several offshore-related discussions are occurring with customers, and the Swedish and UK companies won new, small-scale projects.

Synergy effects from the auSystems acquisition were marginal in Q2; starting in Q3, these effects are expected to positively affect the bottom line.



¹ As per IFRS, results from the discontinued operation in Norway are recognised separately in the income statement; all comparable figures are translated.

EMPLOYEES

In January-June 2007, the average number of FTEs in the Group was 691 (397). At period's end, the Group had 1,289 employees (426); 219 are women. Cybercom recruited about 160 consultants during the period. The company must accelerate recruitment to comply with prevailing market conditions; labour market competition is tough in all countries in which it operates. The auSystems acquisition brought about 700 employees into the operation as of 1 May 2007.

Recruitment has become a critical success factor. In 2007, Cybercom intensified recruitment to meet customers' requirements, and this affected the Q2 2007 figures.

INVESTMENTS

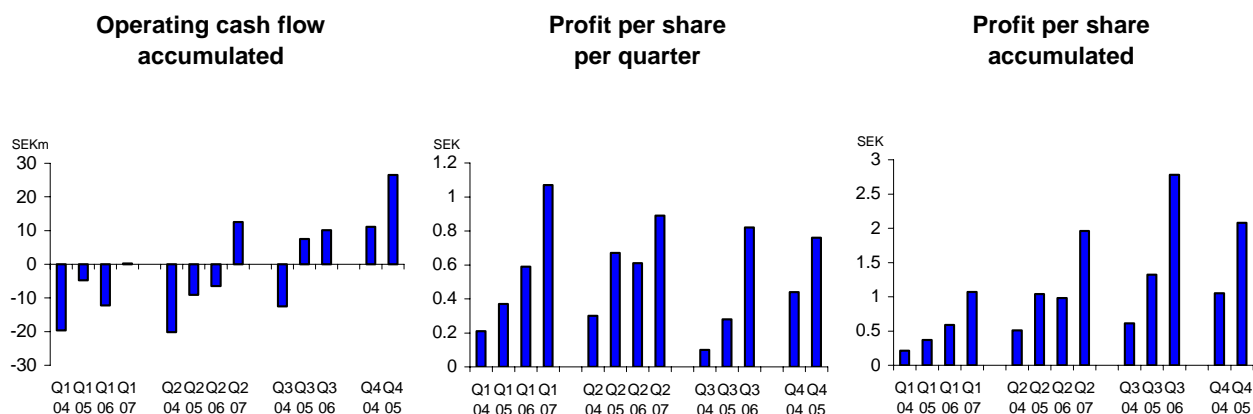
On 30 June 2007, net investments in property, plant, and equipment reached SEK 2.2 million (1.8). During the period, net investments in intangible assets totalled SEK 0.4 million (1.2).

LIQUIDITY

On 30 June 2007, the Group's cash and cash equivalents stood at SEK 71.4 million, compared to SEK 45.4 million on 30 June 2006. During the period, cash flow before changes in working capital amounted to SEK 37.4 million. Working capital fell by SEK 24.9 million during the period. Cash flow from operating activities thus stood at SEK 12.5 million (-5.8).

FINANCIAL POSITION

Equity on 30 June 2007 was SEK 301.8 million (251.8), which yielded an equity/assets ratio of 21.0% (68.4%). The large change is due to increased debt in connection with the auSystems acquisition. After the planned new share issue, the equity/assets ratio is expected to reach about 50%. Equity per share amounted to SEK 24.26 (20.44).



TAXES

During H1, the tax rate was 30.7% (29.2%). 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.

OUTLOOK

The market outlook for 2007 is positive. In line with its growth strategy, Cybercom took a key step in becoming a bigger player in the market through its acquisition of auSystems. Cybercom expanded its range of services to encompass additional market segments and geographic areas. Cybercom and auSystems will form a new leading consultancy within the telecom, Internet, and media (TIM) sector. The new company gains a stronger brand and delivery capacity that is attractive in large projects for local and global players.

Cybercom is making no forecasts.

ADDITIONAL INFORMATION

Management changes

During Q2, Patrik Boman assumed the position of president and CEO of the Cybercom Group. Boman is 42 years old and holds a B.S. in business administration and economics. Since 2000, he was MD of HiQ's Stockholm operation, which is the largest within that group. Before HiQ, Boman held prominent marketing and sales-oriented positions at international businesses such as Telia and AT&T Unisource.

Peter Keller-Andreasen was appointed Group vice president and COO; since December 2006, he was acting Group president and CEO. Keller-Andreasen joined Cybercom in 2001 and launched Cybercom's subsidiary in Denmark. He is 50 years old and an electronics engineer with extensive IT sector experience. He has held national and international management positions for companies such as Digital, TietoEnator, and Compaq.

Extraordinary general meeting

Acquisition of auSystems operations in Denmark, Poland, and Sweden was approved on 18 April 2007 by participants of the extraordinary general meeting.

Annual general meeting (AGM)

Board members Eva Gidlöf, Per Edlund, Lars Persson, Per Norén, and Ulf Körner were re-elected on 8 May 2007 at the AGM. Wigon Thuresson and Thomas Landberg were appointed new board members, effective 1 July 2007, and Thuresson was also elected board chairman. The AGM set remunerations of SEK 300,000 for the board chairman and SEK 150,000 each to the other board members.

New information

As per new Swedish presentation requirements for listed companies, effective 1 July 2007, two new sections were added to the interim report: *Risk management* and *Assurance of the board*. Board members must also sign the interim report.

RISK MANAGEMENT

Cybercom's operational and financial risks and uncertainties have not changed significantly from the description presented in the 2006 annual report under the *Risk management* heading. Current risks are associated with these 2007 acquisitions because quick, efficient integration is required. The acquisition of consultancy companies auSystems and Varchar could lead to loss of employees or assignments. For a more detailed description of the risks and uncertainties Cybercom faces, refer to Cybercom's 2006 annual report.

EVENTS AFTER PERIOD'S END

On 2 August 2007, Cybercom signed a frame agreement/master contract as one of five preferred suppliers to OMX. The two-year contract covers consulting services for project management, system development, and testing.

ACCOUNTING POLICIES

This interim report complies with IAS 34 (Interim financial reporting), the Swedish Financial Accounting Standards Council's RR 31 recommendation (Group interim reporting), and the Swedish Annual Accounts Act. The Group accounts are now presented in their entirety with no separate recognition of the Sweden and International segments. The reason for this is that management of the business changed with the auSystems acquisition in such a way that the segments lost their significance. Apart from the segment presentation change, the accounting policies and calculation methods remain unchanged from the 2006 annual report.

As per IFRS 5, all periods were restated, and results from the discontinued operation in Norway are recognised separately in the income statement and cash flow statement.

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

CONDENSED INCOME STATEMENT

SEK million	Jan-Jun 2007	Jan-Jun 2006	Q2 2007	Q2 2006	Q3 2006	Q4 2006	Q1 2007	Jan-Dec 2006	Jul 06 - Jun 07
Sales	460.5	268.4	297.4	136.7	117.9	149.5	163.1	535.8	727.9
Operating expenses									
Other external expenses	-140.7	-80.4	-94.7	-41.9	-35.6	-43.3	-46.0	-159.3	-219.6
Staff costs	-272.1	-163.0	-177.3	-81.8	-69.6	-86.8	-94.8	-319.4	-428.5
Depreciation and impairment loss	-4.0	-3.2	-2.5	-1.6	-1.5	-1.5	-1.5	-6.2	-7.0
Operating profit, EBIT	43.7	21.8	22.9	11.4	11.2	17.9	20.8	50.9	72.8
Financial revenue	2.5	3.2	1.3	2.6	0.9	0.3	1.2	4.4	3.7
Financial expenses	-9.7	-3.7	-8.2	-3.4	-	-1.4	-1.5	-5.1	-11.1
Profit after financial items	36.5	21.2	16.0	10.5	12.1	16.8	20.5	50.1	65.4
Current tax	-12.4	-5.2	-6.5	-2.8	-3.5	-4.3	-5.9	-13.0	-20.2
Deferred tax	1.2	-1.0	1.3	-0.2	0.3	-0.7	-0.1	-1.4	0.8
Net income from remaining operations	25.3	15.0	10.8	7.5	8.9	11.8	14.5	35.7	46.0
Discontinued operations	-1.1	-0.3	0.1	-0.0	1.2	-1.3	-1.2	-0.4	-1.2
Profit for the year	24.2	14.7	10.9	7.5	10.1	10.5	13.3	35.3	44.8
Profit per share (SEK) before dilution	1.96	1.19	0.89	0.61	0.82	0.85	1.07	2.86	3.63
Profit per share (SEK) after dilution	1.95	1.18	0.88	0.60	0.80	0.85	1.07	2.83	3.60

EFFECTS OF DISCONTINUED OPERATIONS

SEK million	Jan-Jun 2007	Jan-Jun 2006	Q2 2007	Q2 2006	Q3 2006	Q4 2006	Q1 2007	Jan-Dec 2006	Jul 06 - Jun 07
Sales	0.8	5.6	-	3.0	1.6	1.8	0.8	9.0	4.2
Operating costs	-1.7	-5.4	-0.1	-3.0	-2.0	-3.2	-1.6	-10.9	-6.9
Depreciation and impairment loss	-	-0.0	-	-0.0	-0.0	-0.4	-	-0.5	-0.4
Operating loss, EBIT	-0.9	-0.2	-0.1	-0.0	-0.4	-1.8	-0.8	-2.4	-3.1
Financial items	0.1	-0.1	0.2	0.0	-0.3	0.1	-0.1	-0.3	-0.1
Current tax	-	-	-	-	-	4.9	-	4.9	4.9
Deferred tax	-0.3	-	-	-	1.9	-4.5	-0.3	-2.6	-2.9
Net profit/loss from discontinued operations	-1.1	-0.3	0.1	-0.0	1.2	-1.3	-1.2	-0.4	-1.2

CONDENSED BALANCE SHEET

SEK million	Note	30 Jun 2007	30 Jun 2006	31 Dec 2006
Assets				
Goodwill		815.7	130.4	130.1
Other intangible assets		5.8	6.1	5.6
Property, plant, and equipment		24.3	11.3	10.9
Financial assets		1.2	0.5	0.7
Deferred tax assets		29.6	4.6	1.8
Current assets excl. cash and cash equivalents		489.2	170.0	170.7
Cash and cash equivalents		71.4	45.4	88.9
Total assets		1 437.2	368.3	408.7
Equity and liabilities				
Equity		301.8	251.8	272.4
Non-current liabilities, interest-bearing		270.5	5.3	5.5
Non-current liabilities, non-interest-bearing		6.7	2.6	2.8
Current liabilities, interest-bearing		465.0	-	-
Current liabilities, non-interest-bearing		393.2	108.6	128.0
Total equity and liabilities		1 437.2	368.3	408.7
Pledged assets	1	See note	None	None
Contingent liabilities		None	None	None

CHANGES IN EQUITY

SEK million	Note	Jan-Jun 2007	Jan-Jun 2006	Jan-Dec 2006
Opening equity		272.4	238.2	238.2
Translation differences		1.4	-1.1	-1.1
New share issue		3.8	-	-
Profit for the period		24.2	14.7	35.3
Closing equity		301.8	251.8	272.4

CONDENSED CASH FLOW STATEMENT

SEK million	Note	Jan-Jun 2007	Jan-Jun 2006	Jan-Dec 2006
Cash flow from operating activities				
Cash flow before changes in working capital		37.4	23.1	55.0
Changes in working capital		-24.9	-28.9	-20.6
Cash flow from operating activities		12.5	-5.8	34.4
Cash flow from investment activities *)	2	-589.9	-3.2	0.5
Cash flow from financing activities		560.9	-	-
Cash flow from remaining operations		-16.4	-9.0	34.8
Cash flow from discontinued operations **)		-1.7	-0.6	-0.7
Cash flow at period's end		-18.1	-9.6	34.1
Cash and cash equivalents at period's start		88.9	55.5	55.5
Translation difference		0.6	-0.5	-0.8
Cash and cash equivalents at period's end		71.4	45.4	88.9
*) Effect of acquisition of subsidiary on the Group's cash and cash equivalents				
		-587.4	-	-
**) Change in cash and cash equivalents				
from discontinued operations		-0.8	0.0	0.5
Change in inter-company transactions		-0.9	-0.6	-1.2
Cash flow from discontinued operations		-1.7	-0.6	-0.7

KEY FIGURES

	Jan-Jun 2007	Jan-Jun 2006	Jan-Dec 2006
Operating margin (EBIT), %	9.5	8.1	9.5
Net margin, %	7.9	7.9	9.4
No. of employees at period's end	1 289	426	481
Average number of employees	691	397	414
Sales per employee, SEK thousand	666	676	1 294
Equity/assets ratio, %	21.0	68.4	66.6

Note 1 – Pledged assets

In conjunction with loan procurement for the auSystems acquisition, the shares in the acquired companies were pledged. The value of the pledged assets on consolidation (30 June 2007) amounted to SEK 580.1 million. Floating charges of SEK 40.6 million were also pledged.

Note 2 – Acquisition of subsidiaries

Total worth of acquired assets and liabilities concerning auSystems and Varchar was:

SEK million	Book value auSystems	Fair value auSystems	Book value Varchar	Fair value Varchar
Goodwill from transfer of assets	168.5	168.5	-	-
Other intangible non-current assets	0.4	0.4	-	-
Property, plant, and equipment	14.3	14.3	0.2	0.2
Financial assets	0.6	0.6	-	-
Deferred tax assets	0.4	24.5	-	-
Other current assets	274.3	274.3	4.6	4.6
Deferred tax liability	-1.4	-1.4	-0.1	-0.1
Non-current liabilities	-	-	-	-
Current liabilities	-416.6	-416.6	-3.0	-3.0
Acquired net assets	40.5	64.6	1.7	1.7

Purchase prices and the effect on Group cash and cash equivalents concerning auSystems and Varchar were:

SEK million	auSystems	Varchar
Purchase price		
Cash payment	730.0	12.5
Payment of subsidiary's loan to Teleca	-172.8	-
Expenses directly linked to acquisitions	13.4	0.2
Total purchase price	570.6	12.7
Acquired net assets	-64.6	-1.7
Goodwill	506.0	11.0
Investment activities		
Cash settled purchase price	570.6	12.7
Cash and cash equivalents in acquired companies	4.7	-0.6
Effect on Group cash and cash equivalents from acquisitions	575.3	12.1

This table shows sales, profit, and profit per share for 2007 as if the auSystems and Varchar acquisitions had occurred on 1 January 2007:

	auSystems	Varchar	Cybercom	Total
Sales, SEK million	294.7	-	460.5	755.2
Year's profit, SEK million	30.1	-	24.2	54.3
Profit per share, SEK	2.43	-	1.96	4.39

Acquired company's contribution to the Group's 2007 sales and profit:

SEK million	auSystems	Varchar
Sales	144.7	11.3
Year's profit	9.5	2.2

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 the period's end, 20 (21) people were employed in the parent company. The average number of FTEs for H1 was 20 (19).

Sales reached SEK 35.3 million (22.6). Operating loss totalled SEK 5 million (0.5). Profit after net financial items amounted to SEK 18.5 million (-0.8), which is attributable to dividend from subsidiaries.

The parent company's liquidity was SEK 52.3 million (28.2) on 30 June 2007. Investments in property, plant, and equipment and intangible assets amounted to SEK 0.6 million (1.1).

Income statement – parent company

SEK million	Jan-Jun 2007	Jan-Jun 2006	Jan-Dec 2006
Net sales	35.2	21.1	46.1
Other operating revenue	0.1	1.5	5.9
Operating revenue	35.3	22.6	52.0
Other external expenses	-26.5	-11.1	-29.4
Staff costs	-12.9	-11.1	-24.4
Depreciation	-0.9	-0.9	-1.8
Other operating expenses	-	-0.0	-0.1
Operating expenses	-40.3	-23.1	-55.7
Operating loss	-5.0	-0.5	-3.7
Profit from shares in Group companies	23.0	-	-
Financial revenue	0.9	1.6	3.0
Financial expenses	-0.4	-1.9	-3.0
Profit/loss from financial items	23.5	-0.3	-0.0
Profit/loss after financial items	18.5	-0.8	-3.7
Allocations	-	-	-2.0
Tax on year's profit/loss	1.3	0.2	1.4
Year's profit/loss	19.8	-0.6	-4.3

Balance sheet – parent company

SEK million	2007-06-30	2006-06-30	2006-12-31
<u>Assets</u>			
Intangible non-current assets	4.6	5.3	4.7
Property, plant, and equipment	2.2	2.9	2.5
Financial assets	153.9	156.8	153.9
Deferred tax assets	2.5	1.4	1.2
Total non-current assets	163.2	166.4	162.3
Current assets excl. cash and cash equivalents	76.1	50.5	63.3
Cash and cash equivalents	52.3	28.2	68.2
Total assets	291.6	245.1	293.8
<u>Equity and liabilities</u>			
Equity	233.6	198.6	210.2
Untaxed reserves	19.2	14.1	19.2
Other non-current liabilities	0.5	0.5	0.5
Current liabilities	38.3	31.9	63.9
Total equity and liabilities	291.6	245.1	293.8
Pledged assets	None	None	None
Contingent liabilities	None	None	None

SHARE INFORMATION

	Jan-Jun 2007	Jan-Jun 2006	Jan-Dec 2006
Before dilution			
Profit per share, SEK	1.96	1.19	2.86
Equity per share, SEK	24.26	20.44	22.11
Number of shares at period's start	12 321 757	12 321 757	12 321 757
Number of shares at period's end	12 435 757	12 321 757	12 321 757
Average number of shares	12 378 757	12 321 757	12 321 757
After dilution			
Profit per share, SEK	1.95	1.18	2.83
Equity per share, SEK	24.26	20.11	21.90
Number of shares at period's end	12 435 757	12 521 757	12 435 757
Average number of shares	12 435 757	12 521 757	12 478 757

Dilution effect is not 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-Jun 2007	Jan-Jun 2006	Jan-Dec 2006
Number of outstanding warrants at year's start	115 000	30 000	30 000
Warrants, custodial	-	170 000	170 000
Non-exercised warrants	- 1 000	-	-
Deducted warrants, custodial	-	-170 000	-85 000
Number of outstanding warrants at period's end	0	30 000	115 000

The company's auditor did not review this report.

The board and CEO assure that this interim report (1) provides a fair review of the parent company's and Group's business, position, and earnings, and (2) describes significant risks and uncertainties faced by the parent company and Group companies.

Stockholm, 24 August 2007

Wigon Thuresson
Board chairman

Per Edlund
Board member

Eva Gidlöf
Board member

Ulf Körner
Board member

Thomas Landberg
Board member

Per Norén
Board member

Lars Persson
Board member

Patrik Boman
President and CEO

Note: This is information Cybercom is required to make public as per the Securities and Clearing Operations Act and/or the Financial Instruments Trading Act. The information was submitted for publication on 24 August at 8 AM.

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Forthcoming

25 October 2007	Q3 report	22 April 2008	Annual general meeting
5 February 2008	Year-end financial report for 2007	22 July 2008	Q2 report
22 April 2008	Q1 report	21 October 2008	Q3 report