

Cybercom Group
interim report
January – September 2007

Sales +101% to
SEK 775.0 million (386.3)

EBIT +118% to SEK 72.1 million (33.0)

Profit +54% to SEK 38.2 million (24.8)

Profit per share SEK 3.04 (2.01)

9.3% operating margin, EBIT (8.5%)

10.3% operating margin from operating
activities, EBIT (8.5%)

July – September 2007

Sales +167% to
SEK 314.5 million (117.9)

EBIT +154% to SEK 28.4 million (11.2)

Profit +39% to SEK 14.0 million (10.1)

Profit per share SEK 1.08 (0.82)

9.0% operating margin, EBIT (9.5%)

10.0% operating margin from operating
activities, EBIT (9.5%)

Organic growth +28%

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 1,284 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.

Cybercom — robust development: 28% organic growth and widened Q3 margin

The new Cybercom holds a strong position as a leading international supplier in portals, mobile solutions, embedded systems, e-commerce, and BSS. I can say with pride that Cybercom grew very dynamically during Q3 2007, gaining new market shares in several sectors.

Market growth for IT services is ongoing, demand is high in all segments, and customers increasingly request IT products, services, and support. New sub-segments are emerging, in which multimedia has gained significance. The trend of Internet, telecom, and media convergence was further reinforced.

After comprehensive integration efforts, we now focus on more aggressive marketing. Joint sales activities got well under way during Q3, and organic growth totalled 28% for the period. The final phase to integrate and co-localise the companies in Stockholm, Malmö, and Linköping occur in Q4.

Recently, external events were further confirmation of Cybercom's strategy and showed that customers increasingly request better service and 24/7 availability – at competitive prices. I see major potential in Cybercom – thanks to our attractive global sourcing proposition, combining clear local presence and cost-effective global delivery capacity. We made further investments in our offshore operation, which is in line with the company's strategy to address the continued globalisation trend. Several offshore-related discussions are occurring with customers, and Cybercom operations in Sweden and the UK received new assignments.

I'm convinced that Cybercom has good potential to meet the market's higher demands for cost-effective services and can become a leading global provider of telecom, Internet, and media services.

25 October 2007

Patrik Boman
President and CEO of Cybercom

THE NEW CYBERCOM

The Cybercom Group is high-tech consultancy that offers global sourcing for end-to-end-solutions. The Group is a world-class supplier in 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 1,284 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.

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. The company strives for:

- A long-term 15% operating margin (EBIT)
- Average 15% organic growth per year over a business cycle

Strategy

Cybercom's strategy focuses on profitability and growth – by 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 paths 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.

INTEGRATION

Cybercom is maintaining a fast pace in its integration of auSystems. Many elements are complete: the organisation, strategies and objectives, administrative procedures, joint procurements, and co-ordination of sales and recruitment. In Q4, operations in Stockholm, Malmö, and Linköping will be merged in each city, creating a streamlined organisation and sizeable cost cuts.

KEY DATA, SUMMARY

	Jan-Sep 2007	Jan-Sep 2006	Increase	Q3 -07	Q3 -06	2006
Cybercom group						
Sales, SEK million	775.0	386.3	101%	314.5	117.9	535.8
Operating profit, EBIT, SEK million	72.1	33.0	118%	28.4	11.2	50.9
Operating margin, %	9.3	8.5	9%	9.0	9.5	9.5
Profit, SEK million	38.2	24.8	54%	14.0	10.1	35.3
No. of employees at period's end	1 284	450	185%	1 284	450	481

MARKET & BUSINESS CLIMATE

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

Demand for consulting services is increasing within customers' operations. IT and telecom consulting-service pricing is stable and continues to swing upward. The greatest price negotiation opportunities are within specialised services, and the current market climate benefits Cybercom. Greater leeway in service pricing within some segments offset price squeezing in other segments.

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. Roles of consultancies are changing, and they 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 increasingly important in contract negotiations. Outsourcing discussions are common among most customers – regarding offshore and nearshore. This principally applies to assignments for development, testing, and support. Most 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 reason is insufficient resources.

New market segments for Cybercom's services are gradually emerging. 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. 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; in particular, content providers that own the formats are creating new opportunities and driving this trend.

The excellent market climate and many enquires accelerate recruitment to fulfil delivery requirements. Cybercom intensified recruitment to meet customers' increasing demands.

Cybercom Sweden

Most segments heavily demand IT expertise; market conditions are very favourable – and there's no sign of a slowdown. The price level for consulting services is stable and continues to rise. Integration efforts progressed rapidly during Q3. Most but not all of the work is complete. In Q4, operations in Stockholm, Malmö, and Linköping will be merged in each city, which will cut costs.

The Swedish company won several exciting projects during the quarter. Above all, Cybercom's testing and verification centre in Lund gained the renewed confidence of a world-leading telecom supplier. The assignment is extensive and strategically important to Cybercom, which also won a frame agreement/master contract with the OMX Group and extension of its frame agreement with Ericsson. Enquires are rising, such as for development of software for telecom equipment. Cybercom won new public-sector assignments for AMS (the National Labour Market Board) and SL (Stockholm Transport).

Cybercom runs Bluetooth® application development projects for automotive, medical device, and mobile phone manufacturers. Cybercom is now one of the world's leading Bluetooth players and actively participates in the Bluetooth SIG, which is now developing standards for new profiles and protocols within medical technology.

Cybercom has developed Bluetooth-based applications for about 20 national and international automotive customers.

Cybercom Sweden's major customers include: Ericsson, Sony Ericsson, Nokia, Tele2, TeliaSonera, Telenor, OMX Group, SEB, ASSA ABLOY, Volvo, SAAB, BAE Systems, the National Labour Market Board, and the Swedish National Tax Board. Cybercom Sweden employs 1,045 people.

Cybercom Denmark

The Danish market is highly robust with great demand for IT skills. Cybercom's operation continued to display sound profitability. This market strength results in lower recruitment than desired; so the number of subcontractors remains high. The market situation also accounts for the continued rise in prices for consulting services. The company won several new assignments – mainly in banking, financial services, and the public sector. PFA Pension, Nordea, and TeliaSonera are among its most key customers. Cybercom Denmark employs 44 persons.

Cybercom India (JV)

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. During Q3, the company won several new small assignments, including work from Tomy in the UK. At period's end, the company had 83 employees, of whom 42 (i.e., about half) add to Cybercom's number of employees.

Cybercom Poland

The operation focuses on local assignments in Poland and delivery of nearshore assignments. During Q3, it started to further broaden its customer base on the Polish market. The company works in selected technologies, and its major customers include Nokia Siemens, Telenor, and Ericsson. Cybercom Poland employs 93 people.

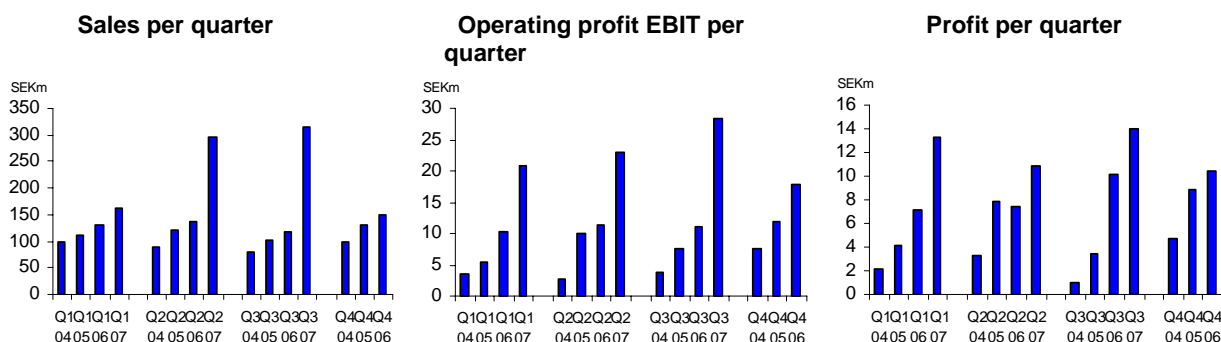
Cybercom UK

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 finance and its new assignments in Q3 included work in New York for Tullett Prebon, a UK brokerage business. Cybercom UK's other key customers include Pentland Brands, Reuters, and John Lewis. The operation has 26 employees.

Cybercom Singapore

This operation continued to demonstrate good potential during 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 16 persons.

CYBERCOM GROUP



CUSTOMERS AND ASSIGNMENTS

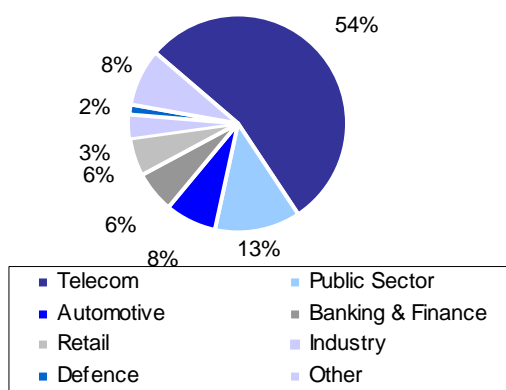
Cybercom broadened its customer base through acquisition of auSystems, and Cybercom's new size enables it to compete for the largest assignments. The company now clinches deals with leading companies in several of its markets and won several new customers and attractive assignments during Q3. These included new frame agreements/master contracts with the OMX Group and Ericsson, and projects for Telenor Sverige, the National Labour Market Board, Swisscom, and Volvo.

Cybercom's key customers include Sony Ericsson, Ericsson, Tele2, TeliaSonera, Telenor, Reuters, Millicom, ASSA ABLOY, Volvo, SAAB, Pentland Brands, PFA Pension, SEB, SL (Stockholm Transport), and the National Labour Market Board.

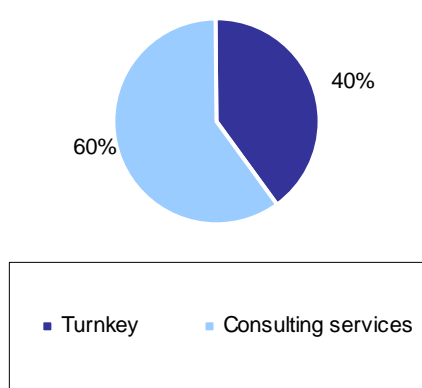
The 10 largest customers accounted for 64% of total sales in the first nine months of 2007. Cybercom continues to thrive in other segments besides telecom; sales in these segments rose 215% compared to 2006. Telecom accounted for 54% of Cybercom's sales during Q3 2007.

Many of Cybercom's operations are turnkey assignments: solutions and projects such as offshore assignments and application management. These assignments (often purely administration) create strong customer relationships and stability in Cybercom's business. During Q3 2007, turnkey projects accounted for 40% of sales. 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 July – September per sector



Sales July – September per assignment



SALES AND PROFIT ¹

SEK million	Jan-Sep 2007	Jan-Sep 2006	Q3 2007	Q3 2006	Q2 2007	Q1 2007	Jan-Dec 2006	Oct -06 -Sep -07
Sales	775.0	386.3	314.5	117.9	297.4	163.1	535.8	924.5
Operating profit, EBIT	72.1	33.0	28.4	11.2	22.9	20.8	50.9	90.0
Operating margin %	9.3	8.5	9.0	9.5	7.7	12.8	9.5	9.7
No. of employees at period's end	1 284	450	1 284	450	1 289	508	481	1 284

January – September

Sales for the first nine months were SEK 775.0 million (386.3), a 101% rise in revenue compared to the same period in 2006. Newly acquired companies accounted for 82%, and Cybercom's organic growth comprised 19%. The revenue increase is due to the higher number of employees. The percentage of subcontractors continued to be high during the period, because recruitment could not keep up with demand.

Operating profit rose 118% compared to the same period last year and reached SEK 72.1 million (33.0). This corresponds to a wide 9.3% operating margin (8.5%).

Profit from operating activities was SEK 80.1 million (33.0), which yields a 10.3% operating margin. Restructuring expenses were recognised during Q2 and Q3 and exceed synergy effects by SEK 8.0 million.

Net financial items stood at SEK -17.4 million (0.3); this figure includes SEK -15.6 million in interest expenses for the loan used for the auSystems acquisition. Profit after net financial items was SEK 54.6 million (33.3) – yielding a 7.1% profit margin (8.6%).

¹ As per IFRS 5, results from the discontinued operation in Norway are recognised separately in the income statement; all comparable figures are translated.

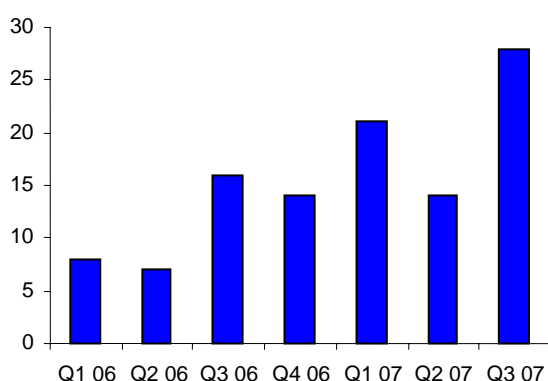
July – September

In Q3, sales rose to SEK 314.5 million (117.9), a 167% revenue rise compared to 2006. Organic growth was 28%. EBIT reached SEK 28.4 million (11.2) – yielding a 9.0% operating margin (9.5).

Profit from operating activities was SEK 31.4 million (11.2), which gives a 10.0% operating margin for Q3. Restructuring expenses in Q3 exceeded synergy effects by SEK 3.0 million.

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 Cybercom's Swedish and UK companies won new, small-scale projects.

% organic growth



EMPLOYEES

In January-September, the average number of FTEs in the Group was 889 (403). At period's end, the Group had 1,284 employees (450); 232 are women. Cybercom recruited about 200 consultants during the year. The company must accelerate recruitment to comply with prevailing good market conditions; labour market competition is tough in all countries in which Cybercom operates. The auSystems acquisition brought about 700 employees into the operation as of 1 May 2007.

Increasingly, recruitment has become a critical success factor. In 2007, Cybercom intensified recruitment to meet customers' needs.

INVESTMENTS

At 30 September 2007, net investments in property, plant, and equipment reached SEK 5.2 million (3.0). During the period, net investments in intangible non-current assets totalled SEK 0.6 million (1.4).

LIQUIDITY

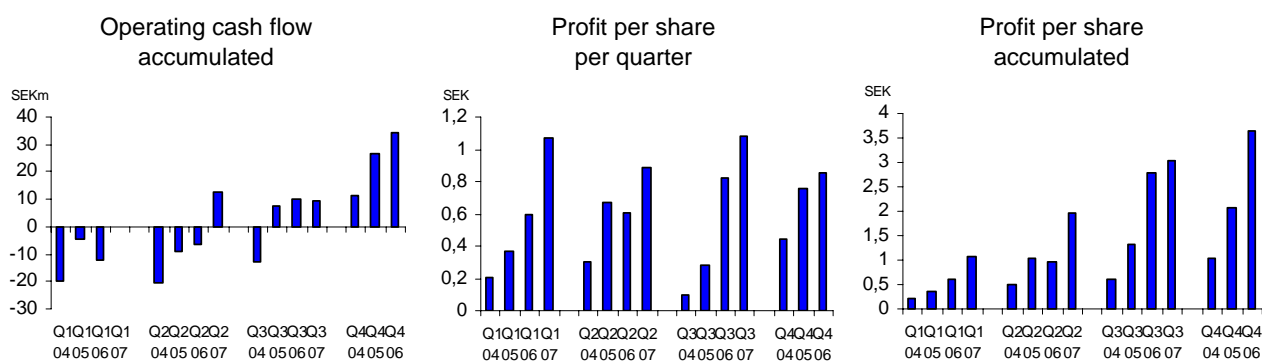
At 30 September 2007, the Group's cash and cash equivalents stood at SEK 62.9 million, compared to SEK 60.6 million at 30 September 2006. During the period, cash flow before changes in working capital amounted to SEK 54.3 million. Working capital fell by SEK 44.9 million during the period; so cash flow from operating activities stood at SEK 9.4 million (11.0).

FINANCIAL POSITION

Equity on 30 September 2007 was SEK 679.8 million (262.7), which yielded a 48.3% equity/assets ratio (68.3%). Equity per share amounted to SEK 30.48 (21.32).

A new share issue was implemented during Q3 with preferential rights for the company's shareholders, which injected about SEK 368 million into the company before issue expenses. About 99.2% of the shares offered in the issue were subscribed for with preferential rights, and some 14.0% were subscribed for without such rights. So the issue was oversubscribed.

After period's end, the board decided to allocate 80,635 shares, equivalent to about 0.8% of the new share issue, which were subscribed for without preferential rights, as per the allocation principles stated in the prospectus. The number of shares in Cybercom increased by 9,948,605, and the company's share capital totalled SEK 22,384,362 distributed over 22,384,362 shares after implementation of the issue was complete.



TAXES

During the period, the tax rate was 28.5% (28.3%). Tax expense was calculated using the relevant tax rate for the parent company and each subsidiary. Temporary differences and existing loss carry-forwards were accounted for.

OUTLOOK

The market outlook for 2007 is positive. Cybercom and auSystems 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

Forthcoming reports

Year-end report	5 February 2008, 7.30 AM
Q1 interim report	22 April 2008, 7.30 AM
AGM	22 April 2008, 3 PM
Q2 interim report	22 July 2008, 7.30 AM
Q3 interim report	21 October 2008, 7.30 AM

Nomination committee

Shareholders at the AGM appointed Per Edlund and Magnus S Eriksson as representative of Cybercom's two largest shareholders (JCE Group and Skandia), and John Örtengren, representative for minority shareholders via the Swedish Shareholders' Association. Unless members agree otherwise, the nomination committee chairman must be the committee member who represents the shareholder with the most votes. In instances when the owner's representative no longer represents the current owner or leaves the committee before his or her work is finished, then the shareholder decides if it will temporarily appoint a new nomination committee member.

Capital market day

On 5 December 2007, the Cybercom Group will hold a capital market day. Patrik Boman, president and CEO, will present Cybercom's current status and talk about the future. He will also paint a more detailed picture of the acquisitions that gave Cybercom an additional 700 qualified employees this year. Company representatives will talk about several of Cybercom's areas of expertise. Patrik Boman and Peter Keller-Andreasen, COO, will round off the day by presenting Cybercom's strategy and choices of direction.

Date: Wednesday, 5 December 2007

Time: 1 PM – 5.30 PM (lunch buffet available from midday)

Venue: Hasselbacken, Djurgården, Stockholm

More information about the capital market day will be published in the Investors & Press section of www.cybercomgroup.com.

Please send notifications of attendance to patrik.anshelm@cybercomgroup.com.

RISK MANAGEMENT

Cybercom's operational and financial risks and uncertainties match those in 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. Acquisition auSystems and Varchar (consultancy companies) 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 5 October 2007, Cybercom announced that it had signed a new agreement with a world-leading telecom supplier for testing and verification of mobile platforms.

On 23 October 2007, Cybercom announced that it signed a new frame agreement/master contract with a leading global vehicle manufacturer. The contract covers these services: hardware and software development consulting, system development, simulation, testing, and project management. The contract is for three years, with an extension option.

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.

Cybercom Datamatics Information Solutions Ltd, Cybercom's joint venture company in India, uses the proportion accounting method, so Cybercom accounts for its share of assets, liabilities, income, and expenses with equivalent items in the Group's income statement and balance sheet.

CONDENSED INCOME STATEMENT

SEK million	Jan-Sep 2007	Jan-Sep 2006	Q3 2007	Q3 2006	Q2 2007	Q1 2007	Jan-Dec 2006	Oct 06 -Sep 07
Sales	775.0	386.3	314.5	117.9	297.4	163.1	535.8	924.5
Operating expenses								
Other external expenses	-250.9	-116.0	-110.2	-35.6	-94.7	-46.0	-159.3	-294.2
Staff costs	-445.3	-232.6	-173.2	-69.6	-177.3	-94.8	-319.4	-532.1
Depreciation and impairment loss	-6.7	-4.7	-2.7	-1.5	-2.5	-1.5	-6.2	-8.2
Operating profit, EBIT	72.1	33.0	28.4	11.2	22.9	20.8	50.9	90.0
Financial revenue	4.2	3.2	1.7	0.9	1.3	1.2	4.4	4.5
Financial expenses	-21.5	-2.9	-11.8	-	-8.2	-1.5	-5.1	-22.9
Profit after financial items	54.7	33.3	18.2	12.1	16.0	20.5	50.1	71.6
Current tax	-11.7	-8.7	0.7	-3.5	-6.5	-5.9	-13.0	-16.0
Deferred tax	-3.9	-0.7	-5.1	0.3	1.3	-0.1	-1.4	-4.6
Net income from remaining operation	39.1	23.9	13.8	8.9	10.8	14.5	35.7	51.0
Discontinued operation	-0.9	0.9	0.2	1.2	0.1	-1.2	-0.4	-2.2
Profit for the year	38.2	24.8	14.0	10.1	10.9	13.3	35.3	48.8
Earnings per share before dilution, SEK	3.04	2.01	1.08	0.82	0.89	1.07	2.86	3.89
Earnings per share after dilution, SEK	3.04	1.98	1.09	0.80	0.88	1.07	2.83	3.89

EFFECTS OF DISCONTINUED OPERATION

SEK million	Jan-Sep 2007	Jan-Sep 2006	Q3 2007	Q3 2006	Q2 2007	Q1 2007	Jan-Dec 2006	Oct 06 -Sep 07
Sales	0.8	7.2	-	1.6	-	0.8	9.0	2.6
Operating costs	-1.6	-7.7	0.1	-2.0	-0.1	-1.6	-10.9	-4.8
Depreciation and impairment loss	-	-0.1	-	-0.0	-	-	-0.5	-0.4
Operating profit/loss, EBIT	-0.8	-0.6	0.1	-0.4	-0.1	-0.8	-2.4	-2.6
Financial items	0.2	-0.4	0.1	-0.3	0.2	-0.1	-0.3	0.3
Current tax	-	-	-	-	-	-	4.9	4.9
Deferred tax	-0.3	1.9	-	1.9	-	-0.3	-2.6	-4.8
Net profit/loss from discontinued operation	-0.9	0.9	0.2	1.2	0.1	-1.2	-0.4	-2.2

CONDENSED BALANCE SHEET

SEK million	Note	30 Sep 2007	30 Sep 2006	31 Dec 2006
Assets				
Goodwill		816.3	130.4	130.1
Other intangible assets		5.6	5.7	5.6
Property, plant, and equipment		24.7	11.2	10.9
Financial assets		1.1	0.7	0.7
Deferred tax assets		27.1	6.3	1.8
Current assets excl. cash and cash equivalents		469.3	169.7	170.7
Cash and cash equivalents		62.9	60.6	88.9
Total assets		1 407.0	384.6	408.7
Equity and liabilities				
Equity		679.8	262.7	272.4
Non-current liabilities, interest-bearing		240.6	5.3	5.5
Non-current liabilities, non-interest-bearing		9.2	4.5	2.8
Current liabilities, interest-bearing		130.0	-	-
Current liabilities, non-interest-bearing		347.4	112.1	128.0
Total equity and liabilities		1 407.0	384.6	408.7
Pledged assets	1	See note	None	None
Contingent liabilities		None	None	None

CHANGES IN EQUITY

SEK million	Note	Jan-Sep 2007	Jan-Sep 2006	Jan-Dec 2006
Opening balance, shareholders' equity		272.4	238.2	238.2
Translation differences		1.0	-0.3	-1.1
New share issue		368.2	-	-
Profit for period		38.2	24.8	35.3
Closing balance, shareholders' equity		679.8	262.7	272.4

CONDENSED CASH FLOW STATEMENT

SEK million	Note	Jan-Sep 2007	Jan-Sep 2006	Jan-Dec 2006
Cash flow from operating activities				
Cash flow before changes in working capital		54.3	41.4	55.0
Changes in working capital		-44.9	-30.4	-20.6
Cash flow from operating activities		9.4	11.0	34.4
Cash flow from investing activities *)	2	-593.5	-4.7	0.5
Cash flow from financing activities		560.4	-	-
Cash flow from remaining operation		-23.7	6.3	34.8
Cash flow from discontinued operation **)		-1.3	-0.9	-0.7
Cash flow at period's end		-25.0	5.4	34.1
Cash and cash equivalents at period's start		88.9	55.5	55.5
Translation difference		-1.0	-0.3	-0.8
Cash and cash equivalents at end of period		62.9	60.6	88.9
*) Effect of acquisition of subsidiary on the Group's cash and cash equivalents				
		-588.0	-	-
**) Change in cash and cash equivalents				
from discontinued operation		-0.7	-0.3	0.5
Change in inter-company transactions		-0.6	-0.6	-1.2
Cash flow from discontinued operation		-1.3	-0.9	-0.7

KEY FIGURES

	Jan-Sep 2007	Jan-Sep 2006	Jan-Dec 2006
Operating margin (EBIT), %	9.3	8.5	9.5
Profit margin, %	7.1	8.6	9.4
No. of employees at period's end	1 284	450	481
Average number of employees	889	403	414
Sales per employee, SEK thousand	872	959	1 294
Equity/assets ratio, %	48.3	68.3	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 September 2007) amounted to SEK 588.9 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		
Purchase price	auSystems	Varchar
Cash payment	733.3	12.5
Payment of subsidiary's loan to Teleca	-172.8	-
Expenses directly linked to acquisitions	10.7	0.2
Total purchase price	571.2	12.7
Acquired net assets	-64.6	-1.7
Goodwill	506.6	11.0
Investing activities		
Cash settled purchase price	571.2	12.7
Cash and cash equivalents in acquired companies	4.7	-0.6
Effect on Group cash and cash equivalents from acquisitions	575.9	12.1

This table shows sales, profit, and earnings 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	-	775.0	1 069.7
Year's profit, SEK million	30.1	-	38.2	68.3
Earnings per share, SEK	2.40	-	3.04	5.44

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

SEK million	auSystems	Varchar
Sales	308.2	17.1
Profit for the year	17.7	3.7

PARENT COMPANY

The parent company primarily manages Group-wide staff functions, such as finance, PR and marketing communications, administration, and internal systems. At period's end, 18 (21) people were employed in the parent company. The average number of FTEs for the January – September period was 19 (18).

Sales reached SEK 56.8 million (36.0). Operating loss totalled SEK 10.1 million (1.3). Profit after net financial items amounted to SEK 14.0 million (1.4), which is attributable to dividend from subsidiaries.

The parent company's liquidity was SEK 61.0 million (40.2) on 30 September 2007. Investments in property, plant, and equipment and intangible assets amounted to SEK 0.7 million (1.1).

Condensed income statement – parent company

SEK million	Jan-Sep 2007	Jan-Sep 2006	Jan-Dec 2006
Net sales	56.7	34.5	46.1
Other operating revenue	0.1	1.5	5.9
Operating revenue	56.8	36.0	52.0
Other external expenses	-47.0	-20.0	-29.4
Staff costs	-18.6	-13.3	-24.4
Depreciation	-1.3	-1.4	-1.8
Other operating expenses	-	-0.0	-0.1
Operating expenses	-66.9	-34.7	-55.7
Operating profit/loss	-10.1	1.3	-3.7
Profit from shares in Group companies	23.0	-	-
Financial revenue	1.8	2.2	3.0
Financial expenses	-0.7	-2.1	-3.0
Profit/loss from financial items	24.1	0.1	-0.0
Profit/loss after financial items	14.0	1.4	-3.7
Allocations	-	-	-2.0
Tax on year's profit/loss	2.4	-0.6	1.4
Profit for the year	16.4	0.8	-4.3

Condensed balance sheet – parent company

SEK million	30 Sep 2007	30 Sep 2006	31 Dec 2006
<u>Assets</u>			
Intangible non-current assets	4.6	5.0	4.7
Property, plant, and equipment	2.0	2.7	2.5
Financial assets	153.9	155.7	153.9
Deferred tax assets	0.9	4.5	1.2
Total non-current assets	161.4	167.9	162.3
Current assets excl. cash and cash equivalents	409.1	44.6	63.3
Cash and cash equivalents	61.0	40.2	68.2
Total assets	631.5	252.7	293.8
<u>Equity and liabilities</u>			
Equity	594.8	200.3	210.2
Untaxed reserves	19.2	17.2	19.2
Other non-current liabilities	0.5	0.4	0.5
Current liabilities	17.0	34.8	63.9
Total equity and liabilities	631.5	252.7	293.8
Pledged assets	None	None	None
Contingent liabilities	None	None	None

SHARE INFORMATION

	Jan-Sep 2007	Jan-Sep 2006	Jan-Dec 2006
<u>Before dilution</u>			
Profit per share, SEK	3.04	2.01	2.86
Equity per share, SEK	30.48	21.32	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	22 303 727	12 321 757	12 321 757
Average number of shares	12 562 520	12 321 757	12 321 757
<u>After dilution</u>			
Profit per share, SEK	3.04	1.98	2.83
Equity per share, SEK	30.37	20.98	21.90
Number of shares at period's end	22 384 362	12 521 757	12 435 757
Average number of shares	12 568 215	12 521 757	12 478 757

After period's end, all 80,635 outstanding warrants were exercised and fully paid. After that the number of shares became 22,284,362. The 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 accounted for when they have an adverse effect on earnings per share or equity.

Warrants	Jan-Sep 2007	Jan-Sep 2006	Jan-Dec 2006
Number of outstanding warrants at year's start	115 000	30 000	30 000
Exercised warrants	-114 000	-	-
Warrants, custodial	-	170 000	170 000
Non-exercised warrants	- 1 000	-	-
Deducted warrants, custodial	-	-120 000	-85 000
Number of outstanding warrants at period's end	0	80 000	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, 25 October 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

Sverker Forsberg
Board member, employee representative

Alexandra Trpkoska
Board member, employee representative

Patrik Boman
President and CEO

Note

Cybercom is required to make this information public as per the Securities and Clearing Operations Act and/or the Financial Instruments Trading Act. The information was submitted for publication on 25 October at 8 AM.

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