



## Cybercom Group Year-end financial report

January – December 2007

Sales +117% to  
SEK 1,165 million (535.8)

EBIT +123% to SEK 113.7 million (50.9)

Profit +90% to SEK 67.0 million (35.3)

Profit per share SEK 4.46 (2.86)

9.8% operating margin, EBIT (9.5%)

10.1% operating margin, EBITA (9.6%)

The year's profits were affected by one-off  
costs of SEK 9.0 million

October – December 2007

Sales +161% to  
SEK 390 million (149.5)

EBIT +145% to SEK 43.9 million (17.9)

Profit +189% to SEK 30.3 million (10.5)

Profit per share SEK 1.56 (0.85)

11.3% operating margin, EBIT (12.0%)

11.7% operating margin, EBITA (12.1%)

Plenware Oy acquisition

*The Cybercom Group is a high-tech consultancy that offers global sourcing for end-to-end solutions. The Group established itself as 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 employs about 1,850 persons and runs projects worldwide. Cybercom has 27 offices in 11 countries. Since 1999, Cybercom's share has been quoted on the OMX Nordic Exchange. Find out more at: [www.cybercomgroup.com](http://www.cybercomgroup.com).*

## **Robust expansion in 2007 – 117% growth and strengthened margin**

“An excellent year that concluded with acquisition of Plenware, a Finnish company, helped achieve a year of robust expansion – more than tripling the number of Group employees to 1,850 persons in early 2008. Cybercom is expanding geographically and gradually broadening its market, while retaining its focus on telecom. The Group now has 27 offices in 11 countries. The past year was one in which Cybercom implemented key strategic initiatives, through the Varchar, auSystems, and Plenware acquisitions, and through continued concentration on international delivery potential and management assignments – to address the ongoing globalisation trend.

In 2007, 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 that combines clear local presence and cost-effective global delivery capacity. Several offshore-related discussions are under way with customers, and Cybercom won new assignments from Swedish and international companies.

We see continued high demand for IT consulting services 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 gradually moved our focus onto more aggressive marketing. The effects of joint sales activities became clearly visible in Q4, and organic growth totalled 12% for 2007. The final phase to integrate and co-localise the companies in Stockholm, Malmö, and Linköping was completed in Q4. In 2008, Cybercom will fully benefit from synergy effects of the auSystems acquisition.

Despite tough market competition, Cybercom continues to gain market shares and confirm its position as a leading international supplier in these segments: portals, mobile solutions, embedded systems, e-commerce, and business support systems (BSS). We have good potential to meet greater market requirements for cost-effective deliveries and become a leading global supplier of telecom, Internet, and media services.

I'm convinced that Cybercom is well-positioned for further growth in 2008.”

Stockholm, 5 February 2008

Patrik Boman  
President and CEO of Cybercom

## **THE NEW CYBERCOM IS EMERGING**

A new Cybercom is emerging – a bigger, stronger Cybercom that is more international and follows its customers around the globe.

The Cybercom Group is now 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 (BSS). Thanks to its extensive operations knowledge and industry 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 1,850 employees, projects worldwide, and offices in Denmark, Dubai, Estonia, Finland, India, China, Poland, Romania, Singapore, the UK, and Sweden. Cybercom was established in 1995 and is quoted on the OMX Nordic Exchange.

## **INTEGRATION**

Integration of auSystems was completed in Q4. Much was implemented in a short time, including the organisation, formulation of strategies and objectives, administrative procedures, joint procurements, and co-ordination of sales and recruitment. In Q4, operations in Stockholm, Malmö, and Linköping were merged in each city, creating a streamlined organisation and sizeable cost cuts. Total integration costs recorded in 2007 were SEK 9 million.

After successfully and rapidly integrating auSystems, Cybercom will now gradually integrate Plenware. The company is expected to boost Group profits right from Q1 2008. During 2008, the company will continue to operate under the Plenware brand.

## KEY DATA, SUMMARY

| Cybercom Group                      | Jan-Dec<br>2007 | Jan-Dec<br>2006 | Increase | Q4 -07 | Q4 -06 | 2006  |
|-------------------------------------|-----------------|-----------------|----------|--------|--------|-------|
| Sales, SEK million                  | 1 165.0         | 535.8           | 117%     | 390.0  | 149.5  | 535.8 |
| Operating profit, EBIT, SEK million | 113.7           | 50.9            | 123%     | 43.9   | 17.9   | 50.9  |
| Operating margin, %                 | 9.8             | 9.5             | 3%       | 11.3   | 12.0   | 9.5   |
| Profit for the period, SEK million  | 67.0            | 35.3            | 90%      | 30.3   | 10.5   | 35.3  |
| No. of employees at period's end    | 1 290           | 481             | 168%     | 1 290  | 481    | 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 Sweden and internationally.

Requirements for consulting services are increasing within customers' day-to-day operations. IT and telecom consulting-service pricing is gradually rising, especially in new agreements. The greatest price negotiation opportunities are within specialised services, which benefits Cybercom in the current market climate. Greater leeway in service pricing within some segments offsets 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 in the market for music in mobile phones. The market for TV in mobile phones is also expanding rapidly. The telecom, Internet, and media (TIM) market is quickly changing as 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.

Growing numbers of commercially sound services are being created in the mobile solutions segment. End users rapidly adopt new services for business and pleasure. Mobile services are increasingly important to enable companies to reach and communicate with customers, 24/7, worldwide. Cybercom is a leading mobile solutions player, with many years' experience of developing and operating new mobile services and offers.

The excellent market climate and many enquires that Cybercom receives mean that Cybercom has intensified recruitment to meet customers' increasing demands.

### **Cybercom Sweden**

Demand for IT expertise is skyrocketing in most segments; market conditions are very favourable – and there's no sign of a slowdown. Price levels for consulting services are gradually rising, especially in new agreements. The auSystems integration was completed in Q4. Operations in Stockholm, Malmö, and Linköping were merged in each city, which significantly cuts costs.

Cybercom's Swedish companies won several exciting projects during the quarter. In particular, Cybercom entered into a partnership agreement for mobile services development with a world-leading mobile phone manufacturer. Orders are worth about SEK 80 million, and the agreement is of strategic importance to Cybercom. During Q4, the company also won a three-year frame agreement (master contract) with a leading global automotive manufacturer and a new frame agreement with Stockholm County Council. Enquires are increasing, such as for development of software for telecom equipment. Public-sector assignments are also rising, including new assignments for AMS (the National Labour Market Board) and the Swedish National Defence College.

Cybercom runs several Bluetooth® application development projects for automotive, medical device, and mobile phone manufacturers. One project comprises quality assurance of Bluetooth solutions for the model programme at Volvo Cars. It is a global project, taking place in Europe, the US, and Asia. Cybercom also received an order from IVECO, a truck manufacturer, for a Bluetooth solution aiming to simplify and speed up service in repair garages.

Cybercom Sweden's major customers include: ASSA ABLOY, BAE Systems, Ericsson, the National Labour Market Board, Nokia, OMX Group, SAAB, SEB, Sony Ericsson, the Swedish National Tax Board, Tele2, Telenor, TeliaSonera, and Volvo. Cybercom Sweden employs 1,051 persons.

### **Cybercom Denmark**

The Danish market is very 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 consulting service rates. The company won several new assignments – mainly in the public sector, banking, and financial services. PFA Pension, BEC, Nordea, and TeliaSonera are among its key customers. Cybercom Denmark employs 45 persons.

### **Cybercom India (JV)**

This joint venture (JV) 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 various investments were made in its development. The JV's delivery capacity is strengthened through close co-operation with Datamatics, which enables the JV operation to quickly undertake large assignments with high delivery capacity. During Q4, the JV won several new small assignments, including work from Pentland Brands in the UK. At period's end, the JV had 86 employees, of whom 43 (i.e., 50%) add to Cybercom's number of employees.

### **Cybercom Poland**

The operation focuses on local assignments in Poland and delivery of customer orders for sister companies within the Group. It is now broadening its customer base on the Polish market – expansion that led to new assignments, mainly in banking and financial services. The company works in selected technologies, and its major customers include Nokia Siemens, Telenor, and Ericsson. Cybercom Poland has 91 employees.

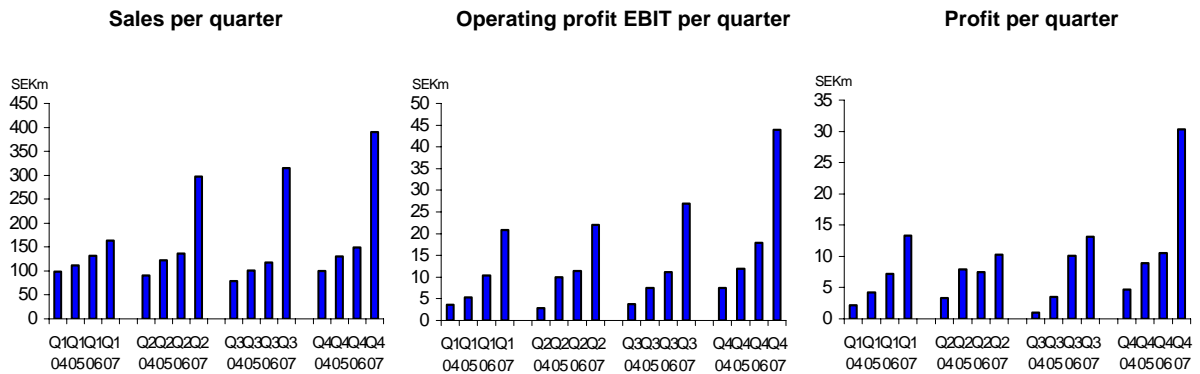
### **Cybercom UK**

The UK operation continued to record healthy growth with increases in orders, price levels, and staff. 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 Q4 included work for JD Sports. Cybercom UK's key customers include Pentland Brands, Reuters, and John Lewis. The operation has 28 employees.

### **Cybercom Singapore**

This operation continued to demonstrate good potential during 2007. The strong market creates opportunities for its further expansion. During Q4, Cybercom decided to establish an office in Dubai in early 2008. The company already has various assignments in the region, and the natural next step is to open an office there to provide optimal customer service and recruit new employees. The company primarily works in telecom, and Millicom is its most important customer. Cybercom Singapore employs 19 persons.

## CYBERCOM GROUP



## CUSTOMERS AND ASSIGNMENTS

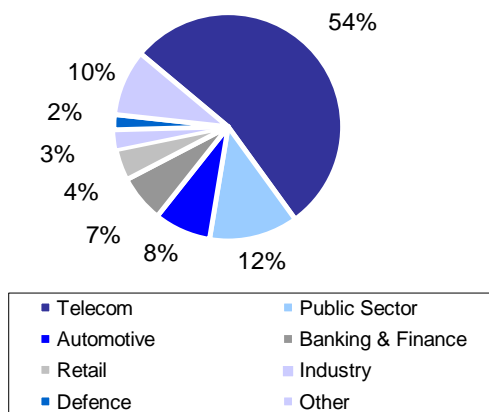
Cybercom broadened its customer base through acquisition of auSystems, and Cybercom's new size enables it to compete for the largest assignments. The company now clinches deals with leading companies in several of its markets and won several new customers and attractive assignments during Q4. These include a three-year frame agreement (master contract) with a leading global automotive manufacturer, a new frame agreement with Stockholm County Council, and assignments for Volvo Cars, IVECO, Reuters, and the Swedish National Defence College.

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

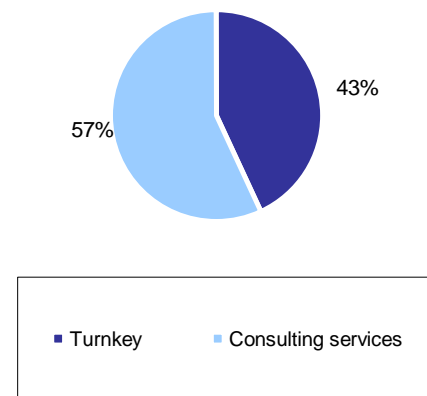
The 10 largest customers accounted for 64% of total sales in 2007. Cybercom continues to thrive in other segments besides telecom; sales in these segments rose 242% compared to 2006. Telecom accounted for 54% of Cybercom's sales during Q4 2007.

Many of Cybercom's operations are turnkey assignments: solutions and projects such as offshore assignments and application management. These assignments (often purely administration/management) create strong customer relationships and stability in Cybercom's business. During Q4 2007, turnkey projects accounted for 43% 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.

October - December sales per sector



October - December sales per assignment





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

| SEK million                      | Jan-Dec<br>2007 | Jan-Dec<br>2006 | Q4<br>2007 | Q4<br>2006 | Q3<br>2007 | Q2<br>2007 | Q1<br>2007 |
|----------------------------------|-----------------|-----------------|------------|------------|------------|------------|------------|
| Sales                            | 1,165.0         | 535.8           | 390.0      | 149.5      | 314.5      | 297.4      | 163.1      |
| Operating profit, EBIT           | 113.7           | 50.9            | 43.9       | 17.9       | 27.0       | 22.0       | 20.8       |
| Operating margin %               | 9.8             | 9.5             | 11.3       | 12.0       | 8.6        | 7.4        | 12.8       |
| No. of employees at period's end | 1,290           | 481             | 1,290      | 481        | 1,284      | 1,289      | 508        |

### January – December

Sales for 2007 were SEK 1,165.0 million (535.8), a 117% rise in revenue compared to 2006. Newly acquired companies accounted for 105% and Cybercom's organic growth for 12%. 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 123% compared to the same period last year and reached SEK 113.7 million (50.9). This corresponds to a strengthened operating margin of 9.8% (9.5%).

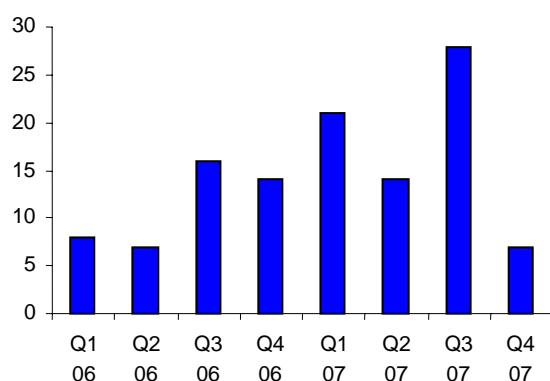
In the preliminary analysis of the auSystems acquisition, the entire surplus value was allocated to goodwill. As per IFRS, a final acquisition analysis was drawn up, in which SEK 56.1 million was reallocated to amortisable customer relationships. So operating profit (EBIT) comprises amortisation totalling SEK 3.7 million (0.4) of acquired intangible assets (customer relationships), of which SEK 0.9 million and SEK 1.4 million have a retroactive impact on Q2 and Q3, respectively, and SEK 1.4 million on Q4.

Net financial items stood at SEK -21.6 million (-0.8); this figure includes SEK -20.4 million in interest expenses for the loan used for the auSystems acquisition. Profit after net financial items was SEK 92.1 million (50.1) – yielding a 7.9% profit margin (9.4%).

### October – December

In Q4, sales rose to SEK 390.0 million (149.5), a 161% revenue rise compared to 2006. Organic growth was 7%. EBIT reached SEK 43.9 million (17.9) – yielding an 11.3% operating margin (12.0).

### Organic growth, %



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

## EMPLOYEES

In January – December the average number of FTEs in the Group was 932 (414). At period's end, the Group had 1,290 employees (481); 241 are women. Cybercom recruited about 300 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 Varchar and auSystems acquisitions brought about 25 and 700 employees into the Group as of 1 January 2007 and 1 May 2007, respectively.

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

## INVESTMENTS

Net investments in property, plant, and equipment reached SEK 7.2 million (4.4). Net investments in intangible non-current assets totalled SEK 0.6 million (1.5).

## LIQUIDITY

On 31 December 2007, the Group's cash and cash equivalents stood at SEK 82.0 million, compared to SEK 88.9 million on 31 December 2006. During the period, cash flow before changes in working capital amounted to SEK 104.8 million. Working capital fell by SEK 41.6 million during the period; so cash flow from operating activities totalled SEK 63.2 million (34.4).

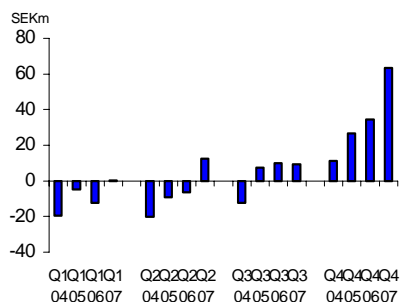
## FINANCIAL POSITION

Equity on 31 December 2007 was SEK 708.4 million (272.4), which correspond to a 51.0% equity/assets ratio (66.3%). Equity per share amounted to SEK 31.65 (22.11).

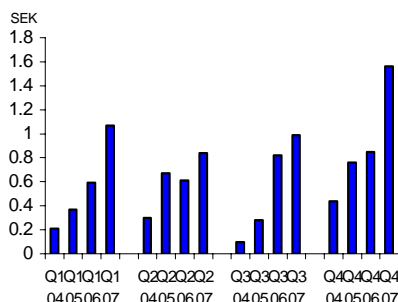
A new share issue was completed during Q4 with rights for the company's shareholders; the issue injected about SEK 368 million into the company before issue expenses. About 99.2% of the shares offered in the issue were subscribed for with shareholders' rights; about 14.0% were subscribed for without such rights, so the issue was oversubscribed.

In Q4, the board decided to allocate 80,635 shares, equivalent to about 0.8% of the new share issue, which were subscribed for without shareholders' rights, as per the allocation principles stated in the prospectus. As a result of the new share issue, the number of shares in Cybercom rose by 9,948,605. The company's share capital totalled SEK 22,384,362 distributed over 22,384,362 shares after implementation of the issue.

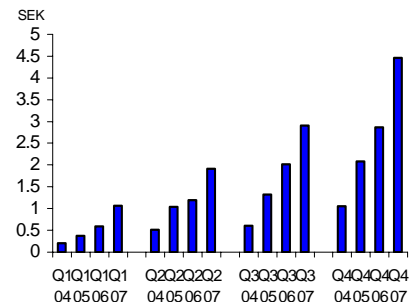
**Operating cash flow accumulated**



**Profit per share quarter**



**Profit per share accumulated**



## TAX

During the period, the tax rate was 26.2% (28.7%). 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 2008 is good. With the auSystems and Plenware acquisitions, Cybercom forms a leading consultancy within the telecom, Internet, and media (TIM) sector. The 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

|                        |                          |
|------------------------|--------------------------|
| Q1 interim report      | 22 April 2008, 7.30 AM   |
| Annual general meeting | 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 on 8 May 2007 appointed Per Edlund and Magnus S Eriksson to be representatives of Cybercom's two largest shareholders (JCE Group and Skandia), and John Örtengren to represent minority shareholders. Unless members agree otherwise, the nomination committee chairperson must be the committee member who represents the shareholder with the most votes. In instances when the owner's representative no longer represents this owner or leaves the committee before its work is finished, it was decided that the shareholder will receive the opportunity to appoint a new representative to become a nomination committee member.

### RISK ASSESSMENT

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 the acquisitions in 2007, because quick, efficient integration is required. The auSystems, Plenware, and Varchar acquisitions (all 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 YEAR-END

On 4 January 2008, the company announced that Per Norén is resigning of his own volition from the board.

On 23 January, Cybercom held an extraordinary general meeting, which approved the Plenware Oy acquisition. After the extraordinary general meeting the amount of 1,923,347 new shares were issued.

On 29 January, the company announced that it had signed a new frame agreement/master contract with a leading telecom company – as a global supplier for IT consulting services in 2008 and 2009. The agreement meets the customer's needs for services in development and management of applications and IT solutions.

## 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-Dec<br>2007 | Jan-Dec<br>2006 | Q4<br>2007   | Q4<br>2006   | Q3<br>2007   | Q2<br>2007   | Q1<br>2007   |
|--|-----------------|-----------------|--------------|--------------|--------------|--------------|--------------|
| <b>Sales</b>                               | <b>1 165.0</b>  | <b>535.8</b>    | <b>390.0</b> | <b>149.5</b> | <b>314.5</b> | <b>297.4</b> | <b>163.1</b> |
| Operating expenses                         |                 |                 |              |              |              |              |              |
| Other external expenses                    | -367.8          | -159.3          | -116.9       | -42.4        | -110.2       | -94.7        | -46.0        |
| Staff costs                                | -666.6          | -319.4          | -221.3       | -87.6        | -173.2       | -177.3       | -94.8        |
| Depreciation, amortisation, and impairment | -16.9           | -6.2            | -7.9         | -1.6         | -4.1         | -3.4         | -1.5         |
| <b>Operating profit, EBIT</b>              | <b>113.7</b>    | <b>50.9</b>     | <b>43.9</b>  | <b>17.9</b>  | <b>27.0</b>  | <b>22.0</b>  | <b>20.8</b>  |
| Financial revenue                          | 6.5             | 4.4             | 2.3          | 1.1          | 1.7          | 1.3          | 1.2          |
| Financial expenses                         | -28.1           | -5.1            | -6.6         | -2.2         | -11.8        | -8.2         | -1.5         |
| <b>Profit after financial items</b>        | <b>92.1</b>     | <b>50.1</b>     | <b>39.6</b>  | <b>16.8</b>  | <b>16.9</b>  | <b>15.1</b>  | <b>20.5</b>  |
| Current tax                                | -16.4           | -13.0           | -4.7         | -3.0         | 0.7          | -6.5         | -5.9         |
| Deferred tax                               | -7.8            | -1.4            | -4.6         | -2.0         | -4.7         | 1.6          | -0.1         |
| <b>Net income from remaining operation</b> | <b>67.9</b>     | <b>35.7</b>     | <b>30.3</b>  | <b>11.8</b>  | <b>12.9</b>  | <b>10.2</b>  | <b>14.5</b>  |
| Discontinued operation                     | -0.9            | -0.4            | -            | -1.3         | 0.2          | 0.1          | -1.2         |
| <b>Profit for the year</b>                 | <b>67.0</b>     | <b>35.3</b>     | <b>30.3</b>  | <b>10.5</b>  | <b>13.1</b>  | <b>10.3</b>  | <b>13.3</b>  |
| Earnings per share before dilution, SEK    | 4.46            | 2.86            | 1.56         | 0.85         | 0.99         | <b>0.84</b>  | 1.07         |
| Earnings per share after dilution, SEK     | 4.46            | 2.83            | 1.56         | 0.85         | <b>1.00</b>  | <b>0.83</b>  | 1.07         |

## EFFECTS OF DISCONTINUED OPERATION

| SEK million  | Jan-Dec<br>2007 | Jan-Dec<br>2006 | Q4<br>2007 | Q4<br>2006  | Q3<br>2007 | Q2<br>2007  | Q1<br>2007  |
|--|-----------------|-----------------|------------|-------------|------------|-------------|-------------|
| <b>Sales</b>                                       | <b>0.8</b>      | <b>9.0</b>      | <b>-</b>   | <b>1.8</b>  | <b>-</b>   | <b>-</b>    | <b>0.8</b>  |
| Operating costs                                    | -1.6            | -10.9           | -          | -3.2        | 0.1        | -0.1        | -1.6        |
| Depreciation, amortisation, and impairment         | -               | -0.5            | -          | -0.4        | -          | -           | -           |
| <b>Operating profit/loss, EBIT</b>                 | <b>-0.8</b>     | <b>-2.4</b>     | <b>-</b>   | <b>-1.8</b> | <b>0.1</b> | <b>-0.1</b> | <b>-0.8</b> |
| Financial items                                    | 0.2             | -0.3            | -          | 0.1         | 0.1        | 0.2         | -0.1        |
| Current tax  | -               | 4.9             | -          | 4.9         | -          | -           | -           |
| Deferred tax                                       | -0.3            | 2.6             | -          | 4.5         | -          | -           | -0.3        |
| <b>Net profit/loss from discontinued operation</b> | <b>-0.9</b>     | <b>-0.4</b>     | <b>-</b>   | <b>-1.3</b> | <b>0.2</b> | <b>0.1</b>  | <b>-1.2</b> |

## CONDENSED BALANCE SHEET

| SEK million                                    | Note | 31 Dec 2007    | 31 Dec 2006  |
|--|------|----------------|--------------|
| <b>Assets</b>                                  |      |                |              |
| Goodwill                                       |      | 758.0          | 130.1        |
| Customer relations                             |      | 52.3           | -            |
| Other intangible non-current assets            |      | 5.5            | 5.6          |
| Property, plant, and equipment                 |      | 20.7           | 10.9         |
| Financial assets                               |      | 0.7            | 0.7          |
| Deferred tax assets                            |      | 63.4           | 6.4          |
| Current assets excl. cash and cash equivalents |      | 405.8          | 168.3        |
| Cash and cash equivalents                      |      | 82.0           | 88.9         |
| <b>Total assets</b>                            |      | <b>1 388.4</b> | <b>410.9</b> |
| <b>Equity and liabilities</b>                  |      |                |              |
| Equity   |      | 708.4          | 272.4        |
| Non-current liabilities, interest-bearing      |      | 281.7          | 6.7          |
| Non-current liabilities, non-interest-bearing  |      | 42.2           | 2.8          |
| Current liabilities, interest-bearing          |      | 66.0           | -            |
| Current liabilities, non-interest-bearing      |      | 290.1          | 129.0        |
| <b>Total equity and liabilities</b>            |      | <b>1 388.4</b> | <b>410.9</b> |
| Pledged assets                                 | 1    | See note       | None         |
| Contingent liabilities                         |      | None           | None         |

## CHANGES IN EQUITY

| SEK million                    | Note | Jan-Dec 2007 | Jan-Dec 2006 |
|--------------------------------|------|--------------|--------------|
| Opening balance, equity        |      | 272.4        | 238.2        |
| Translation differences        |      | 4.5          | -1.1         |
| New share issue                |      | 364.5        | -            |
| Profit for period              |      | 67.0         | 35.3         |
| <b>Closing balance, equity</b> |      | <b>708.4</b> | <b>272.4</b> |

## CONDENSED CASH FLOW STATEMENT

| SEK million   | Note | Jan-Dec 2007 | Jan-Dec 2006 |
|---|------|--------------|--------------|
| <b>Cash flow from operating activities</b>                                      |      |              |              |
| Cash flow before changes in working capital                                     |      | 104.8        | 55.0         |
| Changes in working capital  |      | -41.6        | -20.6        |
| <b>Cash flow from operating activities</b>                                      |      | <b>63.2</b>  | <b>34.4</b>  |
| Cash flow from investing activities *)  | 2    | -600.0       | 0.5          |
| Cash flow from financing activities   |      | 531.7        | -            |
| Cash flow from remaining operation  |      | -5.1         | 34.8         |
| Cash flow from discontinued operation **)                                       |      | -1.3         | -0.7         |
| Cash flow for the year  |      | -6.4         | 34.1         |
| Cash and cash equivalents at year's start                                       |      | 88.9         | 55.5         |
| Translation difference  |      | -0.5         | -0.7         |
| Cash and cash equivalents at period's end                                       |      | 82.0         | 88.9         |
| *) Effect of acquisition of subsidiary on the Group's cash and cash equivalents |      |              |              |
|   |      | -592.9       | -            |
| **) Change in cash and cash equivalents   |      |              |              |
| from discontinued operation   |      | -1.0         | 0.5          |
| Change in inter-company transactions  |      | -0.3         | -1.2         |
| Cash flow from discontinued operation   |      | -1.3         | -0.7         |

## KEY FIGURES

|                                  | Jan-Dec 2007 | Jan-Dec 2006 |
|----------------------------------|--------------|--------------|
| Operating margin (EBIT), %       | 9.8          | 9.5          |
| Profit margin, %                 | 7.9          | 9.4          |
| No. of employees at period's end | 1 290        | 481          |
| Average number of employees      | 932          | 414          |
| Sales per employee, SEK thousand | 1 250        | 1 294        |
| Equity/assets ratio, %           | 51.0         | 66.3         |
| Return on equity, %              | 13.7         | 13.8         |

### 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 31 December 2007 amounted to SEK 619.7 million. Floating charges of SEK 40.6 million were also pledged.

### Note 2 – Acquisition of subsidiaries

In the preliminary analysis of the auSystems acquisition, the entire surplus value was allocated to goodwill. As per IFRS, a final acquisition analysis was drawn up, in which SEK 56.1 million was reallocated to amortisable customer relationships.

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

| SEK million                         | Book value<br>auSystems | Fair value<br>auSystems | Book value<br>Varchar | Fair value<br>Varchar |
|-------------------------------------|-------------------------|-------------------------|-----------------------|-----------------------|
| Goodwill from transfer of assets    | 168.5                   | 141.9                   | -                     | -                     |
| Customer relationships              | -                       | 56.1                    | -                     | -                     |
| 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 asset                  | 0.2                     | 68.7                    | -                     | -                     |
| Other current assets                | 281.4                   | 281.4                   | 4.6                   | 4.6                   |
| Deferred tax liability              | -1.4                    | -16.7                   | -0.1                  | -0.1                  |
| Non-current liabilities             | -                       | -                       | -                     | -                     |
| Current liabilities                 | -415.9                  | -422.2                  | -3.0                  | -3.0                  |
| <b>Acquired net assets</b>          | <b>48.1</b>             | <b>124.5</b>            | <b>1.7</b>            | <b>1.7</b>            |

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

| SEK million  | auSystems    | Varchar     |
|--|--------------|-------------|
| <b>Purchase price</b>  |              |             |
| Cash payment   | 730.0        | 12.5        |
| Payment of subsidiary's loan to Teleca                             | -172.8       | -           |
| Expenses directly linked to acquisitions                           | 14.0         | 0.4         |
| Additional purchase price  | 23.4         | 4.7         |
| <b>Total purchase price</b>  | <b>594.6</b> | <b>17.6</b> |
| Acquired net assets  | -124.5       | -1.7        |
| <b>Goodwill</b>  | <b>470.1</b> | <b>15.9</b> |
| <b>Investing activities</b>  |              |             |
| Cash settled purchase price  | 571.2        | 17.6        |
| Cash and cash equivalents in acquired companies                    | 4.7          | -0.6        |
| <b>Effect on Group cash and cash equivalents from acquisitions</b> | <b>575.9</b> | <b>17.0</b> |

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     | -       | 1 165.0  | <b>1 459.7</b> |
| Year's profit, SEK million | 28.7      | -       | 67.0     | <b>95.7</b>    |
| Earnings per share, SEK    | 1.91      | -       | 4.46     | <b>6.37</b>    |

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

| SEK million   | auSystems | Varchar |
|---------------|-----------|---------|
| Sales         | 542.2     | 23.8    |
| Year's profit | 25.1      | 3.0     |

auSystems' profit includes deductions of SEK 3.7 million for amortisation of customer relationships and SEK 5.6 million for interest expenses.

## 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, 13 (20) people were employed in the parent company. The average number of FTEs for the period was 17 (18).

Sales reached SEK 68.6 million (52.0). Operating loss totalled SEK 17.5 million (3.7). Loss after net financial items stands at SEK 4.4 million (3.7).

The parent company's liquidity was SEK 65.2 million (68.2) on 31 December 2007. Investments in property, plant, and equipment and intangible assets amounted to SEK 0.9 million (1.1).

### Condensed income statement – parent company

| SEK million                                | Jan-Dec<br>2007 | Jan-Dec<br>2006 |
|--|-----------------|-----------------|
| Net sales                                  | 68.5            | 46.1            |
| Other operating income                     | 0.1             | 5.9             |
| <b>Operating revenue</b>                   | <b>68.6</b>     | <b>52.0</b>     |
| Other external expenses                    | -58.2           | -29.4           |
| Staff costs                                | -24.9           | -24.4           |
| Depreciation, amortisation, and impairment | -3.0            | -1.8            |
| Other operating expenses                   | -               | -0.1            |
| <b>Operating expenses</b>                  | <b>-86.1</b>    | <b>-55.7</b>    |
| <b>Operating loss</b>                      | <b>-17.5</b>    | <b>-3.7</b>     |
| Profit from shares in Group companies      | 12.0            | -               |
| Financial revenue                          | 2.8             | 3.0             |
| Financial expenses                         | -1.7            | -3.0            |
| <b>Profit/loss from financial items</b>    | <b>13.1</b>     | <b>-0.0</b>     |
| <b>Loss after financial items</b>          | <b>-4.4</b>     | <b>-3.7</b>     |
| Allocations                                | 3.9             | -2.0            |
| Tax on year's profit/loss                  | 5.3             | 1.4             |
| <b>Year's profit/loss</b>                  | <b>4.8</b>      | <b>-4.3</b>     |

### Condensed balance sheet – parent company

| SEK million                                    | 31 Dec 2007  | 31 Dec 2006  |
|--|--------------|--------------|
| <u>Assets</u>                                  |              |              |
| Intangible non-current assets                  | 4.4          | 4.7          |
| Property, plant, and equipment                 | 0.7          | 2.5          |
| Financial assets                               | 144.0        | 153.9        |
| Deferred tax assets                            | 0.8          | 1.2          |
| <b>Total non-current assets</b>                | <b>149.9</b> | <b>162.3</b> |
| Current assets excl. cash and cash equivalents | 535.4        | 63.3         |
| Cash and cash equivalents                      | 65.2         | 68.2         |
| <b>Total assets</b>                            | <b>750.5</b> | <b>293.8</b> |
| <u>Equity and liabilities</u>                  |              |              |
| Equity   | 606.5        | 210.2        |
| Untaxed reserves                               | 15.3         | 19.2         |
| Other non-current liabilities                  | 0.5          | 0.5          |
| Current liabilities                            | 128.2        | 63.9         |
| <b>Total equity and liabilities</b>            | <b>750.5</b> | <b>293.8</b> |
| Pledged assets                                 | None         | None         |
| Contingent liabilities                         | None         | None         |

## SHARE INFORMATION

|                                    | Jan-Dec 2007 | Jan-Dec 2006 |
|------------------------------------|--------------|--------------|
| <b>Before dilution</b>             |              |              |
| Profit per share, SEK              | 4.46         | 2.86         |
| Equity per share, SEK              | 31.65        | 22.11        |
| Number of shares at period's start | 12 321 757   | 12 321 757   |
| Number of shares at period's end   | 22 384 362   | 12 321 757   |
| Average number of shares           | 15 033 438   | 12 321 757   |
| <b>After dilution</b>              |              |              |
| Profit per share, SEK              | 4.46         | 2.83         |
| Equity per share, SEK              | 31.65        | 21.90        |
| Number of shares at period's end   | 22 384 362   | 12 435 757   |
| Average number of shares           | 15 038 164   | 12 478 757   |

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-Dec 2007 | Jan-Dec 2006   |
|---|--------------|----------------|
| Number of outstanding warrants at year's start        | 115 000      | 30 000         |
| Exercised warrants                                    | -114 000     | -              |
| Warrants, custodial                                   | -            | 170 000        |
| Non-exercised warrants                                | -1 000       | -              |
| Deducted warrants, custodial                          | -            | -85 000        |
| <b>Number of outstanding warrants at period's end</b> | <b>0</b>     | <b>115 000</b> |

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, 5 February 2008

Wigon Thuresson  
*Board chairman*

Per Edlund  
*Board member*

Eva Gidlöf  
*Board member*

Ulf Körner  
*Board member*

Thomas Landberg  
*Board member*

Lars Persson  
*Board member*

Robin Hammarstedt  
*Board member, employee representative*

Alexandra Trpkoska  
*Board member, employee representative*

Patrik Boman  
*President and CEO*

### Please 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 5 February at 7:30 AM.

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