

## **Preliminary 2000 year-end report for Cyber Com Consulting Group Scandinavia AB (publ) org.nr 556544-6522**

### **Summary of the main points of the year**

- Net sales rose 86% compared with the previous year, soaring from SEK 191.9 million to SEK 357.6 million
- The operating profit prior to goodwill totalled SEK 26.7 million, an increase of 181%, and the operating margin was 7.5% (SEK 9.5 m and 5.0% respectively)
- The average number of employees over the period under review was 310 (185), an increase of 68%
- Increased focus on the core business areas of e-Business and Telecoms, acquisition of Intra-X
- The educational and business systems companies were sold and the Market Communication business unit was phased out.

### **Net sales and results**

#### **The year 2000 as a whole**

Cyber Com's net sales totalled SEK 357.6 million for 2000, an increase of 86% on the previous year (SEK 191.9 m). The operating profit prior to goodwill depreciation increased to SEK 26.7 million (SEK 9.5 m), an increase of 181%, which is equivalent to an operating margin of 7.5% (5.0%).

An amount of SEK 6.4 million (SEK 0.7 m) has been charged to the operating profit for goodwill depreciation. The operating profit was thus SEK 20.3 million, which is equivalent to an operating margin of 5.7%. The corresponding figures for 1999 were SEK 8.8 million and 4.6% respectively.

The profit after net financial items totalled SEK 23.4 million (SEK 14.5 m), leading to a net margin of 6.6% (7.6%).

The operating profit for 2000 includes a reported loss prior to goodwill depreciation in the amount of SEK 17.9 million for the Market Communication

business unit that was phased out. The operating profit prior to goodwill depreciation for Cyber Com's operations excluding Market Communication totalled SEK 44.5 million and net sales totalled SEK 347.8 million, which is equivalent to a margin of 12.8%.

The table below shows the trend in the operating profit for the year 2000 as a whole:

<b>Amount in SEK million</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q 4</b>	<b>Full-year 2000</b>
Net sales	86,1	90,1	80,2	101,2	357,6
Operating expenses excluding goodwill depreciation	-77,3	-83,8	-77,2	-88,5	-326,8
<b>Operating profit prior to goodwill and items affecting comparability</b>	<b>8,8</b>	<b>6,3</b>	<b>3,0</b>	<b>12,7</b>	<b>30,8</b>
<b>Gross margin%</b>	<b>10,2 %</b>	<b>7,0 %</b>	<b>3,7 %</b>	<b>12,5 %</b>	<b>8,6 %</b>
Items affecting comparability	3,1	-0,1	0,2	-7,3	-4,1
<b>Operating profit prior to goodwill depreciation</b>	<b>11,9</b>	<b>6,2</b>	<b>3,2</b>	<b>5,4</b>	<b>26,7</b>
<b>Margin %</b>	<b>13,8 %</b>	<b>6,9 %</b>	<b>4,0 %</b>	<b>5,3 %</b>	<b>7,5 %</b>
Goodwill depreciation	-1,7	-1,7	-1,7	-1,3	-6,4
<b>Operating profit after goodwill depreciation</b>	<b>10,2</b>	<b>4,5</b>	<b>1,5</b>	<b>4,1</b>	<b>20,3</b>
<b>Operating margin%</b>	<b>11,8 %</b>	<b>5,0 %</b>	<b>1,9 %</b>	<b>4,1 %</b>	<b>5,7 %</b>

#### **Q4 2000**

Net sales in Q4 totalled SEK 101.2 million (SEK 59.6 m), an increase of 70% on the same period the previous year. The operating profit prior to goodwill depreciation came to SEK 5.4 million for the period under review, which is equivalent to a margin of 5.3% (SEK 1.1 m and 1.8% respectively).

The operating profit was SEK 4.1 million, as compared with SEK 0.7 million for the corresponding period the previous year.

The reported profit for Q4 2000 includes a close-down cost of SEK 7.9 million for the Market Communication business unit. This has been reported under items affecting comparability in Q4. Cyber Com's operations excluding Market Communication reported net sales of SEK 101.2 million and an operating profit

prior to goodwill depreciation of SEK 13.3 million for the period under review, which is equivalent to a margin of 13.2%.

## The operations

Cyber Com's operations focus on two core areas, Telecoms and e-Business.

### Telecoms and Services

The Telecoms and Services business area offers the telecoms sector expertise in the fields of modern systems development and project control. Our offering includes both highly qualified consultants and packaged solutions.

The consulting services for the telecoms industry account for around 25% of these operations. Cyber Com focuses mainly on software solutions for products used in mobile and broadband networks. Our main customers include Ericsson, as well as Microsoft Mobile Internet.

Half the telecoms operations involve business and customer support systems, primarily for telecoms operators. Cyber Com focuses chiefly on new development in fields that enhance the ability of operators to offer new services. Customers include several of the major Swedish operators such as Telia and Tele2. In the field of customer support systems, customers also include a number of service producers from outside the telecoms segment.

The development of services for mobile and broadband networks is a third focus area, although the market is still at the build-up stage.

The Telecoms and Services business area reported net sales of SEK 196.4 million (SEK 56.2 m) in 2000 and an operating profit prior to goodwill depreciation of SEK 35.3 million, or 18% (SEK 7.0 m and 12.5%). Goodwill depreciation totalled SEK 5.2 million, which means that the operating profit came to SEK 30.1 million and the margin to 15.3% (SEK 7.0 m and 12.5% respectively). At the end of the period, the business area employed 114 (69) people.

<b>Amount in SEK million</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Full year 2000</b>
Net sales	44.1	48.3	45.5	58.5	196.4
Operating profit prior to goodwill depreciation	10.2	9.7	4.6	10.8	35.3
Margin, %	23.1 %	20.1 %	10.1 %	18.5 %	18.0 %
Average number of employees	101	108	113	115	110

Demand has been strong during the 2000 financial year, and this has led to a high level utilization and a high margin for the Telecoms business area. Because of the strong demand, the business area employs the services of around 40 external sub-consultants in addition to its own staff.

## **e-Business**

In our e-Business core area, Cyber Com offers advanced consulting services and complete solutions based on in-house development and/or standard products. e-Business primarily targets the trade and banking/financial sectors. Cyber Com creates new systems solutions by developing special components for its customers and integrating them with investments already made. We have a close and longstanding collaboration with leading hardware and software suppliers and we use their products whenever they can serve as efficient components of new systems. The goal is to offer efficient, accessible and scalable solutions.

Cyber Com can undertake turnkey or partial contracting, or act as a resources consultant within the following areas:

- Financial services
- Payment services
- Logistic services
- Security solutions

Examples of competitive solutions that we have delivered to our customers include e-commerce sites, e-business platforms, stock trading over the Internet, billing systems, payment and ticket management systems, CRM systems and broker solutions.

At the end of 2000, Cyber Com strengthened its initiatives in the banking and financial market by recruiting highly experienced business developers specialising in this field. Customers include Ericsson, ASSA, Nordiska Fondkommission and the Swedish National Tax Board (RSV).

The e-Business area reported net sales of SEK 166.8 million (SEK 119.4 m) in 2000 and an operating profit of SEK 15.6 million, which is equivalent to an operating margin of 9.4% (SEK 19.6 m and 16.4% respectively). At the end of the period, the business area employed 138 (126) people.

<b>Amount in SEK million</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Full year 2000</b>
Net sales	39.6	42.8	37.0	47.4	166.8
Operating profit prior to goodwill depreciation	4.0	3.9	1.5	6.2	15.6
Margin, %	10.1 %	9.1 %	4.1 %	13.1 %	9.4 %

Average number of employees	136	152	149	142	143
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2000 has seen the emergence and shaping of the e-Business area involving planned restructuring and closures.

### **The phase out of the Market Communication operations**

As part of the increasing focus on e-Business and Telecoms, the Market Communication business unit has been phased out.

Parts of the operations conducted within the company known as Pir have been transferred to a newly started company with ties to the advertising and design industry. Cyber Com now has a 15% stake in this company in exchange for the transferred resources.

The remaining operations conducted within Pir have been phased out during the autumn. The close-down cost came to a total of SEK 7.9 million and has been charged to the operating profit for Q4 and reported under items affecting comparability.

During 2000, the Market Communication business unit reported net sales of SEK 9.8 million (SEK 6.0 m), and an operating loss of - SEK 19.0 million (- SEK 3.2 m).

### **General agreements**

Several general agreements were signed during the year with Telia Mobile, Tele2, the Swedish Defence Material Administration (Försvarets Materielverk), SAS, the Swedish National Social Insurance Board (RFV), the Swedish Premium Pension Authority (PPM), the Swedish State Railways (SJ) and the Swedish National Police Board (Rikspolisstyrelsen), amongst others.

### **Acquisition of Intra-X**

At the beginning of the year, Cyber Com acquired the consulting company Intra-X, with 26 experienced consultants. The purchase sum comprised a fixed part and a supplementary purchase sum. The fixed purchase sum totalled SEK 60,2 million. The goodwill at the time for the acquisition come to a total of SEK 52.4 million and will be depreciated over a ten-year period.

At the end of the year a supplementary purchase sum of SEK 27,8 million has been recorded in the consolidated accounts which also increases the goodwill with the same amount. The supplementary purchase sum is based on Cyber Com's share price at the end of the year.

The final supplementary purchase sum will be established during the period 2001-2002 and will be based on Intra-X's profit and Cyber Com's actual share price at the end of each measurement period.

### **Sale of operations**

As part of the process of streamlining its operations, Cyber Com sold its business systems company, Cyber Com Consulting Enterprise Solutions AB, and its educational company, Cyber Com Education Group AB during Q1 2000. The effects of the sale have been reported as income affecting comparability in a total amount of SEK 3.8 million.

### **Staff**

The average number of yearly employees was 309, an increase of 67% on the corresponding period the previous year. The number of employees on 31 December was 285 (270). Cyber Com's work in 2000 has focused on streamlining and concentrating its operations to focus on priority market segments. This sharpening of the company's focus has, for example, entailed planned phase-outs and restructuring processes within the Group, which have led to higher staff turnover in 2000. Taking account of planned phase-outs, staff turnover was 13% in 2000, which is somewhat higher than the company's long-term goal of a maximum of 10%.

The strong demand and implemented restructuring processes led Cyber Com to initiate a recruitment campaign in December 2000 aimed at attracting another hundred consultants to meet the company's consulting requirements. Cyber Com's strategy is to continue to recruit the best consultants in the industry, thus enabling us to provide our customers with the kind of added value that our competitors find it hard to match. Cyber Com's consultants currently have an average of over ten years' consulting experience. In February 2001, the recruitment campaign had led to around 30 new consultants signing employment contracts to join Cyber Com.

### **Investments**

Investments in computers and equipment totalled SEK 10.1 million (SEK 10.5 m). Investments in corporate acquisitions totalled SEK 88.0 million.

### **Liquidity**

The Group's liquid assets including current investments totalled SEK 111.9 million on 31 December (SEK 107.3 m).

### **Financial status**

The shareholders' equity on 31 December 2000 totalled SEK 194,9 million (SEK 135.8 m), which is equivalent to an equity/assets ratio of 66.3% (76.7%)

and a figure for shareholders' equity per share of SEK 20.70 (SEK 15.92) on full dilution.

## **The Parent Company**

The Parent Company's operations largely consist of managing Group-wide functions such as finances, administration, information, internal systems, etc. The number of employees at the end of the period was 31 (23).

Net sales in 2000 totalled SEK 33.5 million (SEK 22.2 m). The operating loss was - SEK 5.1 million (- SEK 7.3 m) and the profit after net financial items was SEK 14.4 million (- SEK 7.9 m).

The Parent Company's liquidity totalled SEK 91.1 million on 31 December 2000. Compared with liquid assets of SEK 70.0 million the previous year.

Investments in computers and other equipment came to SEK 2.4 million (SEK 1.0 m).

## **Main events since the end of the period**

### **Establishment in Denmark**

During January 2001, Cyber Com has continued to expand in the Öresund region with the formation of Cyber Com Consulting A/S and the recruitment of experienced local management in Copenhagen. The new subsidiary expected to start operation spring 2001 with focus on the large and growing telecoms and financial markets.

### **Acquisition of StreamIT AB**

In February 2001, Cyber Com acquired the management company StreamIT AB. StreamIT has 17 employees and possesses longstanding experience and a high level of expertise in the fields of telecoms and IT, with an emphasis on telecoms management and operational development. StreamIT will be included in the Telecoms business area and will bring Cyber Com further telecoms management expertise.

StreamIT reported net sales of SEK 26 million in 2000 and an operating profit of SEK 4.8 million. The acquisition was partly financed by a new issue of Cyber Com shares. The purchase sum was divided into two parts, a fixed part and a supplementary purchase sum. The fixed purchase sum entails goodwill in an amount of SEK 24 million for 2001.

## Future outlook

Demand for the company's services in both our core business areas, i.e. e-Business and Telecoms, continues to be healthy and Cyber Com's qualified and experienced consultants are highly sought after.

Cyber Com's goal is a growth of 25-30% while maintaining an operating margin of at least 12%.

### Summary of the Income Statement

SEK Million	Jan- Dec 2000	Jan-Dec 1999
Operating income	357,6	191,9
Operating expenses	-320,6	-178,6
<b>Operating profit prior to depreciation, EBITDA</b>	<b>37,0</b>	<b>13,3</b>
Depreciation <sup>*)</sup>	-12,6	-4,5
Items affecting comparability	-4,1	-
<b>Operating profit, EBIT</b>	<b>20,3</b>	<b>8,8</b>
Financial items	3,1	5,7
<b>Profit after financial items</b>	<b>23,4</b>	<b>14,5</b>
Tax	-7,4	-1,5
Minority share	0,0	0,0
<b>Profit for the period</b>	<b>16,0</b>	<b>13,0</b>
<sup>*)</sup> Of which goodwill depreciation	-6,4	-0,7

### Summary of the Balance Sheet

SEK million	31 Dec 2000	31 Dec 1999
<b>ASSETS</b>		
Intangible fixed assets	75,9	9,3
Tangible fixed assets	11,3	10,3
Financial fixed assets	5,2	0,2
Current assets excluding liquid assets	89,9	50,1
Liquid assets	111,9	107,3
<b>TOTAL ASSETS</b>	<b>294,2</b>	<b>177,2</b>



## SHAREHOLDERS EQUITY AND LIABILITIES

Shareholders' equity	194,9	135,8
Minority interest	0,0	0,0
Provisions	20,1	0,9
Interest-bearing liabilities	-	-
Non interest-bearing liabilities	79,2	40,5
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>294,2</b>	<b>177,2</b>

## Summary of the Cash Flow Statement

SEK million	Jan-Dec 2000	Jan-Dec 1999
Cash flow from the current operations	27,6	7,0
Cash flow from the investment operations	-43,0	-13,2
Cash flow from financial operations	20,0	107,6
<b>Change in liquid assets</b>	<b>4,6</b>	<b>101,4</b>
<b>Opening liquid assets</b>	<b>107,3</b>	<b>5,9</b>
<b>Closing liquid assets</b>	<b>111,9</b>	<b>107,3</b>

## Key ratios

	Jan-Dec 2000	Jan-Dec 1999
Operating margin prior to goodwill depreciation (EBITA), %	7,5%	5,0%
Operating margin (EBIT), %	5,7%	4,6%
Net margin, %	6,6%	7,6%
Number of employees at the end of the period	285	270
Average number of employees	310	185
Net sales per employee, SEK thousand	1153	1037
Return on shareholders' equity, %	9,7%	17,5%
Return on capital employed, %	13,5%	19,7%
Shareholders' equity per share, SEK	23,10	17,23

Shareholders' equity per share, full dilution, SEK	20,70	15,92
Earnings per share, SEK	1,95	2,17
Earnings per share, full dilution, SEK	1,80	2,06
Equity/assets ratio, %	66,3%	76,7%
Number of shares at the end of the period	8 439 803	7 882 875
Number of shares at the end of the period, full dilution	9 417 032	8 532 875
Average number of shares	8 212 315	5 991 208
Average number of shares, full dilution	9 198 839	6 553 708

### **Accounting principles**

As of this year, The Swedish Financial Accounting Standards Council's recommendation RR1:00 (consolidated accounts), RR15 (intangible assets), RR16 (allocations, contingent liabilities and any assets) and RR17 (write-downs), will be applied.

In all other respects the same accounting principles that were applied the previous year will be implemented.

### **Upcoming financial information**

Annual General Meeting	26 April 2001
Interim Report, January – March 2001	26 April 2001
Interim Report, January – June 2001	22 August 2001
Interim Report, January – September 2001	25 October 2001

**Stockholm**  
21 February 2001

Mats Alders  
President/CEO