

# Press release



To the editor

November 26, 2012

## Cost savings and continued efficiency improvements at Cybercom

Cybercom is adapting its operations in Sweden, Singapore and Finland to improve the efficiency. Actions include cuts of the group overhead costs and reductions in the number of employees. The measures are expected to provide annual cost savings of approximately SEK 45 million.

"We must improve our operational excellence, and during the year we have implemented a number of measures to reduce the cost structure throughout the group. This is a further step in that direction, but it is also a proactive action for meeting an expected weaker market 2013," says Niklas Flyborg, President and CEO Cybercom Group.

- Up to 70 employees will be given notice of redundancy in Sweden.
- Efficiency actions in the Finnish operations are planned aiming for approximately SEK 7 million in annual cost savings.
- The management and administration of the international operations is being reduced and relocated from Singapore to Dubai, which is more cost effective and closer to the present client projects in Connectivity Management.
- In line with strategy Cybercom is also establishing Connectivity Management in the Northern European market through Sweden and Poland.
- Group over-head staff will be reduced by 15%.

"We have experienced unsatisfactory utilisation rates in some parts of the business for a number of quarters. The current market situation requires us to take decisive action and mobilise our strengths to improve our competitiveness and implement our plan for better profitability," says Niklas Flyborg.

Cybercom has initiated local negotiations with trade unions, which are planned to be completed around year end. The planned staffing reductions affect all categories of employment, including administration, consultants and managers. In addition to the cutbacks, the process of transition continues within the company. This was started earlier this year in order to make the company's cost structure more efficient.

"The measures that we are now implementing are intended to ensure that we can continue to apply our strategy to build our company in the long term," says Niklas Flyborg.

The measures are expected to provide annual cost savings of approximately SEK 45 million, with full effect from 2013. A non-recurring expense of approximately SEK 30 million will be charged to the fourth quarter of 2012.

**For additional information, please contact:**

Niklas Flyborg, President and CEO

+46 70 594 96 78

Camilla Öberg, CFO

+46 73 398 50 01

Kristina Cato, Communications Director and IR Manager

+46 70 864 47 02

**About Cybercom**

Cybercom is an IT consulting company that assists leading companies and organisations to benefit from the opportunities of the connected world. The company's areas of expertise span the entire ecosystem of communications services. Cybercom's domestic market is the Nordic region, and in addition the company offers global delivery capacity for local and international business. Cybercom was founded in 1995 and has been quoted on the NASDAQ OMX Stockholm exchange since 1999.