



Year-end financial report

October – December 2013

- Sales amounted to SEK 313.4 million (353.7)
- EBIT was SEK 22.2 million (-10.4)
- EBIT margin was 7.1% (-2.9)
- Net profit after tax for the period was SEK 16.3 million (-36.7)
- Earnings per share were SEK 0.09 (-0.24)

January – December 2013

- Sales amounted to SEK 1,195.1 million (1,339.2)
- EBIT was SEK 60.2 million (-11.4)
- EBIT margin was 5.0% (-0.9)
- Net profit after tax for the period was SEK 41.5 million (-53.1)
- Earnings per share were SEK 0.23 (-0.67)

Key events during the year

- Stronger profitability in a cautious market
- Strong growth in Nordic public sector
- Decline in sales due to lower exposure in telecom
- Positive net recruitment in fourth quarter
- Board proposes no dividend

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Comments from the CEO

In 2013, we turned to profitability in all parts of our business, built a stable financial platform, and, in the last quarter, also turned to positive net recruitment. The programme of change that we are implementing is yielding results.

With our attractive position in Connectivity we are faced with a growing market, with increasing interest shown by both existing and new clients. In the fourth quarter, for example, Copenhagen Airports signed a framework agreement with Cybercom, Smart Axiata, which is Cambodia's second-largest provider of mobile services, engaged us for network optimisation, Stockholm County Council chose Cybercom's compliance portal for security governance, Husqvarna Group chose Cybercom for innovative product development, and Finish Kauppalehti chose Cybercom's new Cloud solution.

Market trends in the Nordic countries during the fourth quarter were similar to those in the third quarter, with a quiet but nevertheless stable business period. 2013 was a year of mixed market signals. There has been growing interest in Connectivity, while many business dialogues have been characterised by cautious investment interest, long decision-making processes and an increasingly competitive environment.

We have deliberately shifted our position to achieve a better balance in our client portfolio. We have gradually strengthened our position in the public sector, and in the fourth quarter sales in this area amounted to 31% (23).

Cybercom's sales in the fourth quarter amounted to SEK 313.4 million (353.7). The decrease of 11% was partly due to the restructuring carried out at the end of 2012, as well as the impact of a cautious market environment. Our focus has been on profitability, and we have significantly enhanced our EBIT compared to the same period in the previous year, to SEK 22.2 million (-10.4), and the operating margin thus improved to 7.1% (-2.9). Net profit after tax for the period increased to SEK 16.3 million (-36.7).

For full-year 2013, EBIT improved to SEK 60.2 million (-11.4), resulting in an operating margin of 5.0% (-0.9). Even adjusted for non-recurring costs incurred during 2012, we have therefore doubled our profitability, which demonstrates that our changes are developing the company in a positive direction.



The three Swedish regions now account for over 70% of our sales. The large Stockholm market has been challenging, but we have nevertheless improved our profitability in the region and are now seeing a more positive market. The market in southern Sweden has remained mixed, while our Mid region has performed very well in a market that has again picked up.

A strong improvement has taken place in our Finnish operations, which despite a difficult market managed to increase sales and turn losses into profits. The Finnish business is growing in the public sector and industry. We have also begun to grow again in Poland, we have improved our results in Denmark, and internationally we now have a stronger Connectivity Management business. We still have some way to go on our journey of change. We are now seeing a brightening of the market situation, which will open up the potential for more opportunities and a higher tempo.

Our strategy and our targets remain the same. We are now gathering our strength to grow our business, while continuing our work with ongoing efficiency improvements to benefit existing and new clients that wish to gain from the opportunities of the connected world.

Stockholm, February 13, 2014

Niklas Flyborg
President and CEO

Sales and operating profit

	Q4	Q4	Jan - Dec	Jan - Dec
	2013	2012	2013	2012
Cybercom Group, SEK million				
Sales	313.4	353.7	1,195.1	1,339.2
Operating profit/loss, EBIT	22.2	-10.4	60.2	-11.4
EBIT margin, %	7.1	-2.9	5.0	-0.9
Adjustment restructuring costs	-	28.4	-	33.4
Adjustment capital loss	-	-	-	11.8
EBIT operating activities	22.2	18.0	60.2	33.8
EBIT margin operating activities, %	7.1	5.1	5.0	2.5
Number of employees at period's end	1,267	1,335	1,267	1,335
	Q4	Q4	Jan - Dec	Jan - Dec
	2013	2012	2013	2012
Segment Sweden, SEK million				
Sales	229.8	279.2	885.5	1,034.1
Operating profit/loss, EBIT	18.5	7.6	45.8	43.4
EBIT margin, %	8.1	2.7	5.2	4.2
Adjustment restructuring costs	-	18.2	-	18.2
EBIT operating activities	18.5	25.8	45.8	61.6
EBIT margin operating activities, %	8.1	9.2	5.2	6.0
Number of employees at period's end	776	833	776	833
	Q4	Q4	Jan - Dec	Jan - Dec
	2013	2012	2013	2012
Segment Finland, SEK million				
Sales	58.5	50.1	208.1	203.1
Operating profit/loss, EBIT	2.8	-8.6	7.7	-14.9
EBIT margin, %	4.7	-17.2	3.7	-7.3
Adjustment restructuring costs	-	6.0	-	11.0
EBIT operating activities	2.8	-2.6	7.7	-3.9
EBIT margin operating activities, %	4.7	-5.2	3.7	-1.9
Number of employees at period's end	244	261	244	261
	Q4	Q4	Jan - Dec	Jan - Dec
	2013	2012	2013	2012
Segment International, SEK million				
Sales	35.0	36.2	142.3	149.6
Operating profit/loss, EBIT	2.7	-4.1	10.7	-10.1
EBIT margin, %	7.6	-11.3	7.5	-6.8
Adjustment restructuring costs	-	2.7	-	2.7
EBIT operating activities	2.7	-1.4	10.7	-7.4
EBIT margin operating activities, %	7.6	-3.8	7.5	-4.9
Number of employees at period's end	229	217	229	217

Changes to segmentation

The Sweden segment refers to the operations in Sweden, which in 2012 also included the Indian operations. The Finland segment refers to the operations in Finland and the discontinued operations in Romania. The International segment refers to the operations in Denmark, India, Poland and Singapore/Dubai as well as the divested operations in China. Operations in India were previously integrated with the Swedish operations, but now also deliver to other parts of Cybercom and are reported in the International segment. The comparative periods have been restated according to the new segmentation.

Sales and operating profit, continued

October – December

Sales amounted to SEK 313.4 million (353.7). The Sweden segment experienced lower sales than in the previous year, mainly related to changes among our larger clients in the telecom sector, but also among some major industrial clients. Compared with the previous quarter the Swedish operations demonstrated growth in the numbers of both its own consultants and contractors, primarily related to the continued growth in the public sector.

The Finland segment showed growth again this quarter, primarily related to increased volumes in the public sector.

In the International segment, the Polish operations are growing in their local market. Efficiency in Denmark has been positively impacted by previously won framework business, and the operations are showing better profitability than in the previous year, despite slightly lower volumes. This also applies to the international Connectivity Management business, as a result of efficiency improvements implemented during the previous year.

EBIT amounted to SEK 22.2 million (-10.4). This corresponds to an operating margin of 7.1% (-2.9). Currency effects impacted sales by SEK 1.1 million and operating profit by SEK -0.1 million. The previous year's earnings included charges of approximately SEK 28.4 million for the restructuring programme.

The earnings trend continues in a positive direction, with the impact of restructuring actions taken during the previous year. Overheads decreased during the quarter by SEK 6 million compared to the corresponding period in the previous year, and there are 13% fewer administrative staff. Good sales in the autumn strengthened the utilisation rate in the final months, but at the same time the volume decrease in the Swedish operations negatively impacted profitability compared to the previous year.

January – December

Sales amounted to SEK 1,195.1 million (1,339.2). The decrease in sales is primarily a consequence of a number of large projects reaching completion, changes over the period among our major telecom clients and the structural changes implemented in the previous year. The year started strongly, with good utilisation during the early months related to extensions of ongoing deliveries, but slowed somewhat in the second quarter. The third quarter started slightly weaker than expected, related to the late start in the Nordic countries after the summer. The fourth quarter showed growth in the number of consultants and contractors compared with the previous quarter, primarily related to growth in the public sector. Sales in the International segment were negatively impacted by the divestment of China during the previous year. Meanwhile, the Connectivity Management business and the Polish business in the segment developed positively.

EBIT amounted to SEK 60.2 million (-11.4). This corresponds to an operating margin of 5.0% (-0.9). Currency effects impacted sales by SEK -4.6 million and operating profit by SEK -0.8 million. The previous year's earnings were charged with non-recurring expenses for the divestment of the Chinese operations, the closure of Romania and the restructuring programme, totalling SEK 45.2 million.

Other income/expense items, January – December

Net financial items amounted to SEK -6.9 million (-16.4). This includes interest expense for bank loans of SEK -5.0 million (-7.8). Net financial items continue to develop according to plan and are positively influenced by the financial restructuring implemented in the previous autumn, when capital was provided in the form of a rights issue, and when a factoring solution in the form of invoice sales in the Swedish operations was terminated. Pre-tax profit improved to SEK 53.3 million (-27.8), which means an improvement in the net margin to 4.5% (-2.1). Net profit for the period improved to SEK 41.5 million (-53.1). Earnings per share amounted to SEK 0.23 (-0.67).

During the period the group's effective tax rate was 22.2% (-90.9). The tax expense has been calculated using the current tax rates for the parent company and each subsidiary.



Business and market trends

Cybercom's principal market is the Nordic region, with operations in Sweden, Finland and Denmark. The company also has operations in Poland, Dubai and Singapore, as well as in India through a joint venture. As of December 31, 2013, 84% (86) of Cybercom's employees were employed in the Nordic countries and 63% (64) in Sweden.

Cybercom provides services in the entire ecosystem around communications – Connectivity. Cybercom's expertise focuses on four areas:

- Connected Engineering
- Connectivity Management
- Digital Solutions
- Secure Connectivity

Cybercom's consulting services include strategy and advice, testing and quality assurance, security solutions, system development, systems integration, system management, cloud services and hosting. The company's ability to deliver is both local and global.

With more connected devices, mobile phones, machines and people, demand for secure technical solutions continues to increase. Business is being digitised, and the expectations of what technology can achieve are expanding. This global market is developing rapidly and is expected to show good growth in the next decade. In January 2014, Cybercom attended the Consumer Electronics Show in Las Vegas with its blueGo product, which attracted plenty of interest. In February, Cybercom will attend the Mobile World Congress in Barcelona with its own stand, and will present its Customer Experience Management service for operators, its bluGO Bluetooth software, and its Infotainment-On-A-Stick concept for the automotive industry.

Connected Engineering

Connected Engineering is the operation most associated with R&D, and the area includes many of Cybercom's industrial clients. In 2013, market development was cautiously positive and sales grew to 45% for the full-year. Cybercom established its Connected Engineering offering on the market in Stockholm, which was well received by industrial clients in the region. However, the largest proportion of sales in this area still comes from the Mid and South regions of Sweden, and from Finland.

In the Finnish operations, Outotec, Kone and Sandvik Mining are major clients. The partnership with Outotec evolved very positively during the year, with Cybercom developing a simulated environment for training of difficult process elements within mineral processing. One example of a project in Poland was new design and development on the principal product of Autoguard Innovations, which is a fleet-management system. Cybercom also won a contract from TomTom for its core platform for mapping data.

In the Swedish operations, Cybercom has started a broadened collaboration with Husqvarna Group through an assignment in innovative product development. The Connected Engineering business has performed well in the automotive industry, most recently with CEVT, China Euro Vehicle Technology, as a new client with great potential. Cybercom is also engaged in assignments to connect vehicles to the internet, for which Volvo Cars is an important client, and the company also has assignments for blueGO. This is Cybercom's proprietary Bluetooth software, and the company's clients are primarily outside Sweden, such as Johnson Controls in the USA and Germany's Bosch. Ericsson's partnership with Cybercom in the areas of the connected society and the automotive industry has also been strengthened during the year. Cybercom's assignments with industrial clients often involve helping them to become connected, and Ericsson's portfolio of services can play an important role.

The testing business with Ericsson Modems (ST-Ericsson) has gradually decreased throughout 2013.

Connectivity Management

Approximately 8% of Cybercom's sales in 2013 were generated from Connectivity Management. These assignments mostly take place internationally, through the offices in Dubai. Millicom is the largest client in Connectivity Management, and Cybercom's work in Africa continues. The market is expected to be good and Cybercom's objective is to broaden the client portfolio and to gradually increase business in Europe. There has been a breakthrough in Poland with a new client Emitel, which is a leading Polish terrestrial radio and TV broadcast infrastructure operator. During the fourth quarter, the company was engaged by Smart Axiata in Cambodia for major network optimisation work. Cybercom launched a new service for quality and customer experience of networks, Customer Experience Management (CEM). This was well received and the company has won three new contracts. The CEM business model is based on subscription and volumes.

Digital Solutions

During 2013, Digital Solutions accounted for 42% of Cybercom's sales. The largest share is in the Swedish Northeast region and in Finland. The market is large, but also highly competitive. The sector distribution is mixed, but an increasing proportion of Cybercom's assignments are in the public sector. During the fourth quarter, Cybercom won

business with, among others, the Swedish Tax Agency. Cybercom also won a contract from a major Swedish administrative authority to develop a new large intranet. The National Board of Health and Welfare assigned Cybercom to develop a web-based project platform, a service that shall enable a safe and effective way to share information and documents both internally and externally. The Finnish National Board of Education is also a major client, and its business with Cybercom is growing.

During 2013, Cybercom Cloud was launched in Finland and the company won cloud business in the fourth quarter with Kauppalehti and Leanware. Cybercom Cloud offers “Platform as a Service”, which means that capacity ordering is automated and thus provides a level of flexibility that appeals to clients. Associated services such as support and development generate greater business.

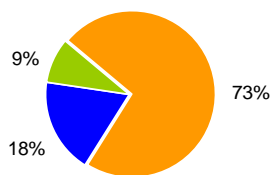
Secure Connectivity

Secure Connectivity is a growth area for Cybercom. This business accounted for 5% in 2013. Security is in many cases crucial for businesses and government agencies that invest in digital services. Cybercom’s offering of the Compliance Portal, a GRC tool for security governance, continues to develop well. For example, Stockholm County Council signed a contract for Cybercom’s Compliance Portal for all of its operations. The assignment from the Eldentification Board for Swedish e-identification is another example of a Secure Connectivity assignment that continued during the period. In Poland, Cybercom has conducted several minor safety audits for companies in retail and private healthcare.

Clients

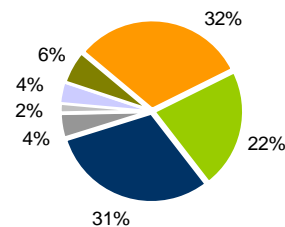
Cybercom works with leading companies and organisations, such as Alma Media, Ericsson, The Finnish National Board of Education, Millicom, MTV Media, Outotec, SAAB, Sony Mobile, TeliaSonera, the Swedish Transport Administration, Volvo Cars and AB Volvo. The ten largest clients accounted for 42% (48) of total sales during the quarter. The single largest client accounted for 13% (10) of sales. Cybercom is striving to broaden its client base, with the goal of the ten largest clients accounting for 35% of sales, and with no individual client accounting for more than 15% of sales.

Q4 sales by segment



- Sweden 73% (78)
- Finland 18% (14)
- International 9% (8)

Q4 sales by sector



- Telecom 32% (38)
- Public Sector 31% (23)
- Industry 22% (22)
- Other 6% (7)
- Media 4% (4)
- Banking & Finance 2% (3)
- Retail 4% (3)

Q4 sales by assignment type



- Turnkey 38% (39)
- Consulting services 62% (61)

Cybercom’s sales are distributed primarily in telecom 32% (38), the public sector 31% (23) and industry 22% (22). The goal is to have a balanced client portfolio with approximately 30% of sales each from telecom, the public sector and manufacturing industry. The company has a large number of framework agreements, and sales from these increased during the quarter to 65% (61). A new framework agreement was signed with Copenhagen Airports. Turnkey assignments made up 38% (39) of sales during the quarter.

Employees

The average number of employees (full-time equivalents) in the group during January – December was 1,180 (1,368). At the end of the period, the number of group employees was 1,267 (1,335), of which 16% (17) women. Compared to the previous year, Cybercom has 68 fewer employees, partly as a consequence of redundancies that took place in conjunction with the restructuring programme in December 2012. During the fourth quarter of 2013 the company returned to positive net recruitment, with 24 more employees than in the third quarter.

Investments

Net investments in intangible assets and property, plant and equipment during the quarter amounted to SEK 7.3 million (0.1) and during the year to SEK 14.3 million (15.2). Investments consist primarily of computers and equipment for group data centres.

Liquidity and financial position

Cash flow from operating activities during the quarter amounted to SEK 13.4 million (-24.5) and during the year to SEK 83.2 million (-100.7). Cash flow before changes in working capital during the quarter was SEK 24.1 million (21.1) and during the year SEK 33.6 million (16.8). Payments related to the restructuring programme in December of the previous year, for which a total of SEK 28.4 million was allocated, were made during the quarter in the amount of SEK 1.8 million and during the year SEK 28.4 million. Changes in working capital during the quarter were SEK -10.7 million (-45.6) and during the year SEK 49.6 million (-117.5). In the previous year, working capital was negatively affected in conjunction with changes in funding, when invoice sales were terminated and replaced by an overdraft facility.

Group cash and cash equivalents amounted to SEK 23.7 million (20.3) on December 31, 2013. Interest-bearing liabilities amounted to SEK 111.7 million (176.5). Net debt (interest-bearing liabilities less cash and cash equivalents) amounted to SEK 88.0 million (156.2), which gave debt to equity of 10% (19). The unutilised overdraft facility amounts to SEK 75 million.

Equity on December 31, 2013 was SEK 856.0 million (810.8), which corresponds to a 69.7 % (59.9) equity/assets ratio. Equity per share amounted to SEK 4.74 SEK (4.49).

Taxes

During the year the group's effective tax rate was 22.2% (-90.9). The tax expense has been calculated using the current tax rates for the parent company and each subsidiary. Tax for the previous year was impacted by non-recurring effects totalling SEK -25.6 million related to the revaluation of deferred tax assets and liabilities due to changes in corporation tax rates in Sweden and correction of deferred tax assets from previous years.

The share

During 2013, an average of 421,000 shares were traded on each trading day. The average turnover has increased to SEK 814,000 (642,000) per trading day. The highest listing was SEK 2.70, which was recorded on October 17, 2013, and the lowest listing was SEK 1.37, on February 11, 2013. Cybercom's share price rose by 57.2 % during the year, while the NASDAQ OMX small cap index increased by 32.5% in the same period.

Dividend

Cybercom's dividend policy is to pay a dividend to its shareholders of at least 30% of net profit, provided that no special considerations exist with regard to the company's financial position or plans.

Given the company's ongoing process of change, the board will propose to the annual general meeting of May 7, 2014, that no dividend be paid for financial year 2013.

Financial targets

The board's long-term financial targets remain unchanged. The priorities during 2013 have been the profitability target and the debt policy.

Profitability

Cybercom shall be one of the more profitable companies among its closest comparable competitors and achieve an EBIT margin of 10 percent.

Growth

Cybercom shall strive to achieve growth of 10 percent annually over the business cycle.

Acquisition policy

Organic growth and profitability are the key objectives for Cybercom, but selective acquisitions that create value and contribute to growth will be assessed against this strategy.

Debt policy

Cybercom shall have net debt that does not exceed 30 percent of equity over time.

Dividend policy

Cybercom shall pay a dividend to its shareholders of at least 30 percent of net profit, provided that no special considerations exist with regard to the company's financial position or plans.

Outlook

Cybercom does not publish forecasts.

Risk assessment

Cybercom is, like other companies, exposed to various kinds of risk in its operations. Among the most notable are risks related to the general financial climate and economy, client contracts and clients' ability to pay, staff recruitment and retention, and various financial risks such as currency risks, credit risks and refinancing risks. Risk management is an integral part of Cybercom's management and the financial risks are described in greater detail in the 2012 annual report, note 26. The risks described for the group can also have an indirect effect on the parent company.

In the short and medium terms, the overall global uncertainty and the uncertainty this in turn creates for the business climate are among the more significant risks.

Annual general meeting

Cybercom's annual general meeting 2014 will be held on May 7 in Stockholm. Shareholders wishing to have matters considered at the meeting must submit these to Cybercom by March 19 to be included in the notice. Requests should be addressed to the board and be posted to The General Counsel Helena Borglund, Cybercom Group AB (publ) at: Box 7574, 103 93 Stockholm, Sweden.

Nomination committee

Cybercom's nomination committee consists of

- Ulf Gillberg, JCE Group AB (committee chairman)
- Evert Carlsson, Swedbank Robur Fonder
- Henrik Didner, Didner & Gerge Fonder
- John Örtengren, representative for minority shareholders
- Hampus Ericsson, JCE Group AB, is chairman of Cybercom and participates in the nomination committee without voting rights.

Shareholders wishing to submit proposals to Cybercom's nomination committee can contact the chairman of the nomination committee, Ulf Gillberg, by e-mail: ulf.gillberg@jcegroup.se. Please note that proposals must be received by the nomination committee by March 19, 2014.

Forthcoming reporting dates

Annual Report 2013 published on www.cybercom.com
Interim Report, January – March 2014
Annual General Meeting 2014
Interim Report, January – June 2014
Interim Report, January – September 2014
Year-end Report, January – December 2014

Week commencing April 07, 2014
May 5, 2014
May 7, 2014
July 15, 2014
October 24, 2014
February 13, 2015



Forward-looking statements

This report contains statements concerning, among other things, Cybercom's financial position and performance as well as statements on market conditions that may be forward-looking. Cybercom believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions. However, forward-looking statements involve inherent risks and uncertainties and actual results or outcomes may differ materially from those expressed. Forward-looking statements relate only to the date they were made and, other than as required by applicable law, Cybercom undertakes no obligation to update any of them in light of new information or future events.

Note: Cybercom Group AB (publ) is required to make the information in this interim report public in compliance with the Swedish Securities Market Act. The information was submitted for publication on February 13, 2014 at 07.30. This report has not been reviewed by the company's independent auditor.

Cybercom's annual reports, year-end reports and interim reports are published in Swedish and English. In the event of differences between the English translation and the Swedish original, the Swedish text shall prevail.

Assurance

The board of directors and CEO assure that the interim report provides a fair view of the company's and group's business, position, and earnings and describes significant risks and uncertainties faced by the company and group companies.

Stockholm, February 13, 2014

Hampus Ericsson
Chairman

Robin Hammarstedt

Nicolas Hassbjer

Jan-Erik Karlsson

Thomas Landberg

Henrik Lundin

Dag Sundman

Niklas Flyborg
President and CEO

Condensed income statement

Cybercom Group, SEK million	Note	Q4 2013	Q4 2012	Jan-Dec 2013	Jan-Dec 2012
Sales		313.4	353.7	1,195.1	1,339.2
Operating expenses					
Other external expenses		-78.9	-96.1	-314.8	-383.2
Restructuring costs		-	-28.4	-	-33.4
Employee benefits expenses		-205.9	-232.4	-793.9	-892.4
Depreciation and amortisation		-6.4	-7.2	-26.2	-29.8
Capital loss from disposal of subsidiaries	4	-	-	-	-11.8
Operating profit/loss, EBIT		22.2	-10.4	60.2	-11.4
Finance income		0.3	0.4	1.9	2.2
Finance costs		-1.4	-4.6	-8.8	-18.6
Profit/loss before tax		21.1	-14.6	53.3	-27.8
Current tax		-6.4	-8.0	-13.2	-10.2
Deferred tax		1.6	-14.1	1.4	-15.1
Period's profit/loss		16.3	-36.7	41.5	-53.1

Earnings per share

Cybercom Group, SEK	Q4 2013	Q4 2012	Jan-Dec 2013	Jan-Dec 2012
Total operation				
Earnings per share, basic and diluted	0.09	-0.24	0.23	-0.67
Average number of shares, basic and diluted	180,439,495	149,984,363	180,439,495	79,383,831

As of October 1, 2012, a rights issue was approved which resulted in Cybercom's share capital increasing with 9,021,974.75 SEK from 36,087,899 SEK to 45,109,873.75 SEK. The number of shares increased with 144,351,596 from 36,087,899 to a total of 180,439,495 shares.

Statement of comprehensive income

Cybercom Group, SEK million	Q4 2013	Q4 2012	Jan-Dec 2013	Jan-Dec 2012
Period's profit/loss	16.3	-36.7	41.5	-53.1
Items that can or has been reclassified to profit or loss				
Translation differences in translating data in foreign operations	5.3	2.8	5.4	-8.2
Translation differences included in profit and loss	-	-	-1.6	-
Currency risk hedging in foreign operations	-	-1.5	-	2.4
Tax effect on items in other comprehensive income	-	0.4	-	-0.6
Other comprehensive income	5.3	1.7	3.8	-6.4
Total comprehensive income	21.6	-35.0	45.3	-59.5

Condensed statement of changes in equity

Cybercom Group, SEK million	Share capital	Other capital contributions	Translation reserve	Retained earnings	Total equity
Opening balance January 1, 2012	36.1	855.4	0.5	-140.1	751.9
Period's comprehensive income	-	-	-6.4	-53.1	-59.5
New share issue	9.0	109.4	-	-	118.4
Closing balance December 31, 2012	45.1	964.8	-5.9	-193.2	810.8
Opening balance January 1, 2013	45.1	964.8	-5.9	-193.2	810.8
Period's comprehensive income	-	-	3.8	41.5	45.3
New share issue	-	-0.1	-	-	-0.1
Closing balance December 31, 2013	45.1	964.7	-2.1	-151.7	856.0

Condensed balance sheet

Cybercom Group, SEK million	Note	2013-12-31	2012-12-31
<u>Assets</u>			
Goodwill		788,8	785,2
Customer value		28,7	36,4
Other intangible assets		16,6	20,2
Property, plant, and equipment		26,6	26,4
Financial assets		0,1	1,0
Deferred tax assets		19,5	24,8
<i>Total non-current assets</i>		<i>880,3</i>	<i>894,0</i>
Current assets excl. cash and cash equivalents		324,7	439,9
Cash and cash equivalents		23,7	20,3
<i>Total current assets</i>		<i>348,4</i>	<i>460,2</i>
Total assets		1 228,7	1 354,2
<u>Equity and liabilities</u>			
Equity		856,0	810,8
Non-current liabilities, interest-bearing		70,4	109,1
Non-current liabilities, non-interest-bearing		9,3	17,7
<i>Total non-current liabilities</i>		<i>79,7</i>	<i>126,8</i>
Current liabilities, interest-bearing		41,3	67,4
Current liabilities, non-interest-bearing		251,7	349,2
<i>Total current liabilities</i>		<i>293,0</i>	<i>416,6</i>
Total equity and liabilities		1 228,7	1 354,2
Pledged assets and contingent liabilities	2	See note	See note

The carrying amount is believed to represent a realistic estimate of fair value of all financial assets and financial liabilities. The financial assets and liabilities are attributable to measurement categories 2 and 3. For information on measurement methods, please refer to Note 25 in the 2012 annual report.

Condensed statements of cash flow

Cybercom Group, SEK million	Note	Q4 2013	Q4 2012	Jan - Dec 2013	Jan - Dec 2012
Cash flow before changes in working capital		24.1	21.1	33.6	16.8
Changes in working capital		-10.7	-45.6	49.6	-117.5
Cash flow from operating activities		13.4	-24.5	83.2	-100.7
Investments in tangible and intangible fixed assets		-7.3	-0.1	-14.3	-15.2
Acquisition in subsidiaries/net assets	3	-	-	-0.7	-4.5
Divestment of subsidiaries	4	-	-0.3	-	-7.4
Other items		0.0	-0.1	0.1	0.1
Cash flow from investing activities		-7.3	-0.5	-14.9	-27.0
New share issue		-	115.9	-0.1	115.8
Change in factoring and overdraft facilities		-	-50.6	-43.4	43.4
Change in other financial liabilities		-10.6	-49.4	-21.7	-70.4
Cash flow from financing activities		-10.6	15.9	-65.2	88.8
Period's cash flow		-4.4	-9.1	3.1	-38.9
Cash and cash equivalents at period's start		26.6	29.1	20.3	62.4
Exchange differences in cash and cash equivalents		1.5	0.3	0.3	-3.2
Cash and cash equivalents at period's end		23.7	20.3	23.7	20.3

Other information

Cybercom Group, SEK million	Q4 2013	Q4 2012	Jan - Dec 2013	Jan - Dec 2012
Share information				
Earnings per share, SEK*	0.09	-0.24	0.23	-0.67
Number of shares at period's end, basic and diluted	180,439,495	180,439,495	180,439,495	180,439,495
Average number of shares, basic and diluted*	180,439,495	149,984,363	180,439,495	79,383,831
Financial position				
Equity	856.0	810.8	856.0	810.8
Equity/assets ratio, %	69.7	59.9	69.7	59.9
Equity/share, SEK	4.74	4.49	4.74	4.49
Net investments in tangible and intangible fixed assets	7.3	0.1	14.3	15.2
Cash and cash equivalents	23.7	20.3	23.7	20.3
Net debt	88.0	156.2	88.0	156.2
Employees				
Number of employees at period's end	1,267	1,335	1,267	1,335
Of which women at period's end, %	16	17	16	17
Average number of FTEs	1,204	1,305	1,180	1,368
Revenue per FTE, SEKk	260	271	1,013	979
Key figures				
Operating margin (EBITDA), %	9.1	-0.9	7.2	2.3
Operating margin (EBIT), %	7.1	-2.9	5.0	-0.9
Net margin (profit/loss before tax), %	6.7	-4.1	4.5	-2.1

* Historical information on average number of shares and earnings per share was recalculated as a consequence of the rights issue as per IAS 33. The recalculation effect arises when the issue price is below the market price on the allocation date of the warrants.

Operating segments

An operating segment is a part of the group that engages in activities that may generate revenue and incur expenses and for which separate financial information is available. Operating segment results are regularly reviewed by the company's CEO to assess performance and allocate resources to the segment.

Q4 2013 SEK million	Sweden	Finland	International	Group functions and eliminations	Cybercom Group
Sales to external customers	228.3	57.9	27.5	-0.3	313.4
Sales to other segments	1.5	0.6	7.5	-9.6	-
Operating profit/loss, EBITDA	20.8	5.2	3.3	-0.7	28.6
Depreciation and amortisation	-2.3	-2.4	-0.6	-1.1	-6.4
Operating profit/loss, EBIT	18.5	2.8	2.7	-1.8	22.2
Financial items					-1.1
Profit/loss before tax					21.1
Number of employees	776	244	229	18	1,267

Group functions include parent company EBIT of SEK -3.2 million.

Q4 2012 SEK million	Sweden	Finland	International	Group functions and eliminations	Cybercom Group
Sales to external customers	276.9	49.7	27.9	-0.9	353.7
Sales to other segments	2.2	0.4	8.3	-10.9	-
Operating profit/loss, EBITDA	10.6	-5.6	-3.6	-4.6	-3.2
Depreciation and amortisation	-3.0	-3.0	-0.5	-0.8	-7.2
Capital loss from disposal of subsidiaries	-	-	-	-0.1	0.0
Operating profit/loss, EBIT	7.6	-8.6	-4.1	-5.3	-10.4
Financial items					-4.2
Profit/loss before tax					-14.6
Number of employees	833	261	217	24	1,335

Group functions include parent company EBIT of SEK -3.1 million.

Jan - Dec 2013 SEK million	Sweden	Finland	International	Group functions and eliminations	Cybercom Group
Sales to external customers	877.8	206.1	112.5	-1.2	1,195.1
Sales to other segments	7.7	2.0	29.8	-39.5	-
Operating profit/loss, EBITDA	55.7	18.3	12.1	0.4	86.4
Depreciation and amortisation	-9.9	-10.6	-1.4	-4.4	-26.2
Operating profit/loss, EBIT	45.8	7.7	10.7	-4.0	60.2
Financial items					-6.9
Profit/loss before tax					53.3
Number of employees	776	244	229	18	1,267

Group functions include parent company EBIT of SEK -5.6 million.

Jan - Dec 2012 SEK million	Sweden	Finland	International	Group functions and eliminations	Cybercom Group
Sales to external customers	1,022.8	200.4	117.9	-2.0	1,339.2
Sales to other segments	11.3	2.7	31.7	-45.7	-
Operating profit/loss, EBITDA	54.2	-2.6	-7.9	-13.4	30.2
Depreciation and amortisation	-10.8	-12.3	-2.2	-4.6	-29.8
Capital loss from disposal of subsidiaries	-	-	-	-11.8	-11.8
Operating profit/loss, EBIT	43.4	-14.9	-10.1	-29.8	-11.4
Financial items					-16.4
Profit/loss before tax					-27.8
Number of employees	833	261	217	24	1,335

Group functions include parent company EBIT of SEK -14.9 million.

Note 1 – Accounting policies

The interim report for the group has been prepared in accordance with IAS 34 Interim Reporting and applicable provisions of the Annual Accounts Act. The interim report for the parent company has been prepared in accordance with Chapter 9 of the Swedish Annual Accounts Act, Interim Reporting. In the segment reporting, the operations in India have been moved from the Sweden segment to the International segment from January 1, 2013. Comparative periods have been restated. The accounting policies and measurement methods are otherwise unchanged from those applied in the most recent annual report.

Note 2 – Pledged assets and contingent liabilities

The shares in Cybercom Sweden AB have been pledged as collateral for the obligations within existing loan agreements with Nordea. The group value of the pledged assets on December 31, 2013 amounted to SEK 824.8 million (536.5). In addition, floating charges in Cybercom Sweden AB of SEK 200.0 million (200.0) have been pledged as collateral for the loan agreement. For further information please refer to the annual report for 2012.

Note 3 – Purchase of net assets

Under the purchase agreement between Teleca and Cybercom for the acquisition of auSystems, Teleca will receive 50% of the tax effect Cybercom benefits from for tax depreciation on the goodwill from transfer of assets included in the acquisition. In the second quarter of 2013, SEK 0.7 million (4.5) was paid and the remaining consideration amounts to SEK 1.1 million.

Note 4 – Divestment of subsidiary

In June 2012, Cybercom divested the Chinese operations with 126 employees for a negative consideration of SEK 1.4 million, which resulted in a capital loss of SEK 11.8 million and impacted cash flow from investment activities by SEK -7.4 million. The transaction took place through a share transfer, whereby the purchaser took over all assets, client contracts, employment agreements and other obligations on June 6, 2012. The activities are included in the consolidated financial information until April 2012.

Note 5 – Tax

The difference between tax recognised in the income statement and tax based on the parent company's current tax rate 22% (26.3).

Cybercom Group, SEK million	Jan - Dec 2013	Jan - Dec 2012
Profit/loss before tax in income statement	53.3	-27.8
Tax as per applicable tax rate for parent company	-11.7	7.3
Tax attributable to prior years	-0.3	-21.5
Effect of changed tax rate	0.4	-4.1
Tax at source on foreign dividends	-0.3	-0.7
Tax effect of non-deductible costs	-0.8	-4.4
Tax effect of tax-exempt revenue	0.6	0.1
Tax on standard interest, tax allocation reserves	0.0	-0.1
Tax effect on unrecognised tax asset	-	-0.8
Effect of foreign tax rates	0.3	-1.1
Tax on period's profit/loss as per income statement	-11.8	-25.3
Effective tax rate	22.2%	-90.9%

Parent company

The operations of the parent company comprise primarily the management of group-wide functions, such as finance, PR and marketing communications, administration and internal systems. At the end of the period 10 (14) people were employed by the parent company. The average number of employees (full-time equivalents) during the period was 10 (11). The profit/loss from financial items includes dividends from subsidiaries of SEK 19.0 million (4.8). Through intra-group restructuring in conjunction with mergers the book value of shares in subsidiaries has increased by SEK 200 million with a corresponding liability to group companies.

Condensed income statement - parent company	Q4	Q4	Jan-Dec	Jan-Dec
SEK million	2013	2012	2013	2012
Operating revenue	6.4	15.9	36.0	39.5
Operating costs	-11.2	-12.3	-47.9	-52.4
Operating profit/loss	-4.8	3.6	-11.9	-12.9
Financial items	0.1	-0.2	18.8	1.2
Profit/loss after financial items	-4.7	3.4	6.9	-11.7
Appropriations	-27.4	-14.3	-27.4	-14.3
Tax on period's profit/loss	6.7	0.8	7.0	4.0
Period's profit/loss	-25.4	-10.1	-13.5	-22.0

Condensed balance sheet - parent company

SEK million	31/12/2013	31/12/2012
<u>Assets</u>		
Non-current assets	933.2	737.4
Current assets	45.2	78.0
Total assets	978.5	815.4
<u>Equity and liabilities</u>		
Equity	715.3	728.9
Untaxed reserves	5.0	11.2
Non-current liabilities	200.6	1.5
Current liabilities	57.6	73.8
Total equity and liabilities	978.5	815.4
Pledged assets and contingent liabilities	650.0	450.1