



Cybercom Group
Interim report
January – March 2007

Sales +24% to
SEK 163.1 million (131.7)

EBIT +100% to SEK 20.8 million (10.4)

Profit +85 to SEK 13.3 million (7.2)

Profit per share SEK 1.07 (0.59)

12.8% operating margin, EBIT (7.9%)

Successful integration of Varchar

Good order volume and
new customers

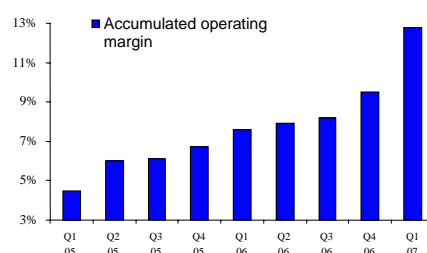
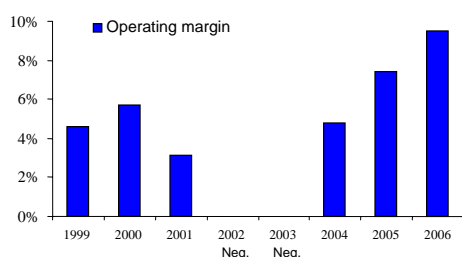
After period's end

Acquisition of auSystems
in Sweden, Denmark, and Poland

Cybercom is a consulting company that offers business-critical IT solutions and consulting within telecom and selected technologies. With its extensive experience of the industry and business know-how, the company offers technological expertise in telecom for development of networks and terminals. Cybercom specialises in portals and mobile solutions, e-commerce and billing, embedded systems, and telecom management and networks. Cybercom was founded in Sweden in 1995; it has been quoted on the OMX Nordic Exchange since 1999. The Group has projects world-wide and offices in Denmark, India, Singapore, Sweden, and the UK. Find out more at www.cybercomgroup.com.

A strong start to 2007

“Cybercom is on a fantastic, event-rich journey – while maintaining good growth and increasing profitability in all operations,” says Peter Keller-Andreasen, Cybercom’s acting president and CEO. “I’m very impressed by the firm commitment our employees demonstrate in their daily work – commitment that enables success. Acquisition of auSystems in Sweden, Denmark, and Poland is the biggest step in Cybercom’s history – a crucial step that lifts operations to a new level and strengthens our brand on the labour market, among customers, and on the capital market. Several customers already stated that this makes us a more attractive supplier. And we now qualify for frame agreement procurements with customers that previously regarded us as too small. We’re broadening our operations to more segments besides telecom and are reducing our dependency on just one sector. Together, we form a new leading consulting company in telecom, Internet, and media – offering onshore, nearshore, and offshore deliveries. I’m really looking forward to welcoming auSystems onboard in May; we’ve just started an exciting journey together.”



KEY EVENT AFTER PERIOD’S END

Cybercom acquires auSystems in Denmark, Poland, and Sweden

Cybercom acquires auSystems’s subsidiaries in Denmark, Poland, and Sweden from Teleca. The companies will thus form a new leading consulting company in telecom, Internet, and media. After the acquisition, the new Group will comprise more than 1,200 employees in Denmark, India, Poland, Singapore, Sweden, and the UK. In Sweden, Cybercom will gain denser geographical coverage. Annual sales for the new Group are estimated at about SEK 1.3 billion. Cybercom is paying SEK 730 million in cash for debt-free companies.

This deal is part of Cybercom’s growth strategy, and the delivery capacity of the new Group will be attractive for large assignments. The new company can offer services onshore, nearshore (Poland), and offshore (India). Several major existing customers confirmed that they are very positive to the merger. The acquisition expands Cybercom, enabling the company to participate in new procurements for frame agreements (master contracts). Cybercom is broadening its customer base to include new key markets such as the automotive/vehicle industry and public sector.

Cybercom’s and Teleca’s shareholders approved the deal at EGMs on 18 April. The acquired companies will be consolidated as of 1 May 2007.

The acquisition will be financed through loans raised and through a share issue. Cybercom’s board will propose a share issue, with pre-emptive rights for shareholders, to the AGM on 8 May. The JCE Group, which holds about 42% of the shares in Cybercom, intends to subscribe for its proportion of the share issue. The share issue is planned for Q3 2007; a detailed schedule and conditions will be published later.

The acquired operations in Sweden, Denmark, and Poland presented for the period January to March

- SEK 236 million in sales
- SEK 32 million EBIT
- 13.6% operating margin.

KEY DATA

Cybercom Group	Q1 -07	Q1 -06	Increase	2006	2005
Sales, SEK million	163.1	131.7	24%	535.8	466.4
Operating profit, EBIT, SEK million	20.8	10.4	100%	50.9	34.7
Operating margin, %	12.8	7.9	61%	9.5	7.4
Profit for the period, SEK million	13.3	7.2	85%	35.3	24.5
No. of employees at period's end	508	423	20%	481	414

MARKET & BUSINESS CLIMATE

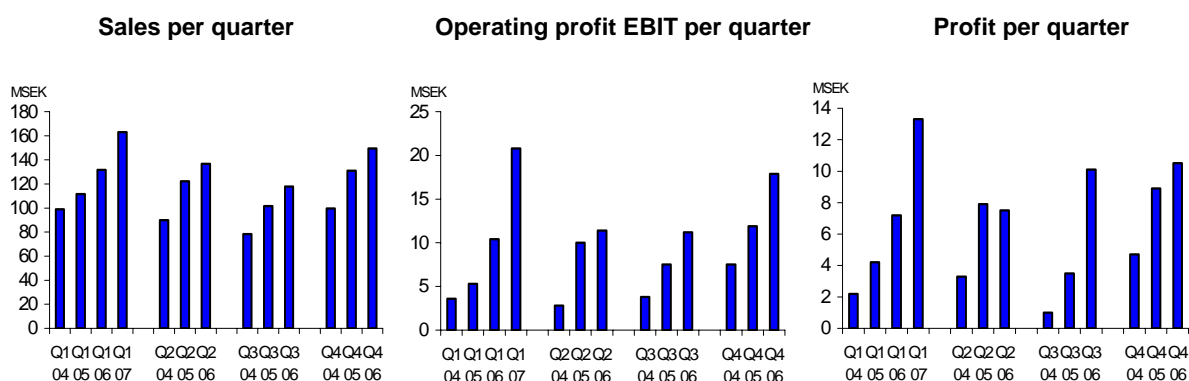
The IT and telecom consultancies market is very good in the Nordics and UK. Customers in all segments demonstrate investment appetite. But competition regarding assignments and recruitment characterise this market. Emerging lack of resources makes it easier for international and offshore suppliers to become established. But Cybercom holds a favourable position in the customer and labour market. Cybercom's substantial specialist skills are in demand, and its assignments attract high-level consultants.

Cybercom's proposition for offshore delivery capacity is a key factor in contract negotiations. Outsourcing discussions regarding offshore or nearshore are increasingly common with many customers. This principally applies to development, testing, and support projects. Global players are used to global deliveries and have been using offshore deliveries to cut costs for a long time. Cost cutting was the main reason for requesting offshore options; a new one is insufficient resources. Apart from in the public sector, the trend is increasingly discernible in most segments, especially in local and global financial service.

Open source is another way for companies and organisations to be more cost-effective. Many public-sector operations now use open source. Cybercom has several major open source assignments. The open source market is expected to further expand and will account for significant market share in the next few years.

The general price level for consulting services in IT and telecom rose slightly in 2006. This was confirmed in Cybercom's introductory contract negotiations in early 2007. The higher price levels had not yet made full impact on ongoing assignments during Q1 2007. Greater price scope primarily remains in specialised services, which benefits Cybercom's business. The price pressure that may be perceived in some parts of the telecom market is balanced against greater price scope for services in other market segments.

THE CYBERCOM GROUP



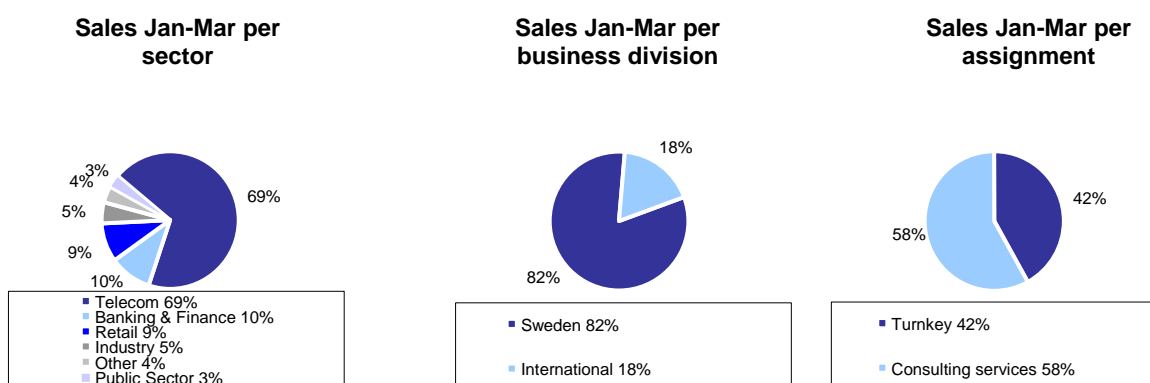
CUSTOMERS AND ASSIGNMENTS

Cybercom has a stable customer base – thanks to solid customer relationships built over many years. These customers mainly account for the increase in project volumes and new assignments. However, favourable market conditions and a focused strategy to broaden the customer base led to several new customers and attractive new assignments in Q1. These include Anoto, Argos, Region Skåne, Palm & Partners AB, Broadband Access, the Swedish Association of Local Authorities and Regions, BEC (Bankernas Edb Central in Denmark), Holte, Banverket (the Swedish National Rail Administration), Carpetright, and St. Jude.

Cybercom's major customers include Sony Ericsson, Ericsson, Tele2, TeliaSonera, Reuters, Millicom, ASSA ABLOY, Pentland Brands, PFA Pension, and SEB.

Cybercom's 10 largest customers accounted for 79% of total sales in Q1 2007. Cybercom continues to thrive in other segments besides telecom; sales in these segments rose 20% compared to Q1 2006. Telecom accounted for 69% of Cybercom's sales during Q1 2007.

Much of Cybercom's operations are turnkey projects: solutions and projects such as offshore assignments and application management (AM). These projects create robust customer relationships and stability in Cybercom's business. During Q1 2007, turnkey projects accounted for 42% of sales. Many of Cybercom's consultants carry out assignments in leading technology projects or strategic advisory assignments; these are included in consulting services in the next chart.



SALES AND PROFIT ¹

GROUP

SEK million	Q1 2007	Q1 2006	Q2 2006	Q3 2006	Q4 2006	Jan-Dec 2006	Apr -06 - Mar -07
Sales	163.1	131.7	136.7	117.9	149.5	535.8	567.2
Operating profit, EBIT	20.8	10.4	11.4	11.2	17.9	50.9	61.3
Operating margin %	12.8	7.9	8.3	9.5	12.0	9.5	10.8
No. of employees at period's end	508	423	426	451	481	481	508

Sales for the period amounted to SEK 163.1 million (131.7), a 24% rise in revenue compared to the same period last year. Varchar, the recently acquired company, accounted for 3% of sales. Cybercom's organic growth totalled 21%. The revenue rise was due to the larger number of employees and very strong growth in Danish and UK operations. The proportion of subcontractors increased during the period, because Cybercom's recruitment could not keep pace with business growth. But a sufficient margin in relation to subcontractors is crucial.

Operating profit rose 100% compared to Q1 2006 and reached SEK 20.8 million (10.4). This corresponds to a better operating margin of 12.8% (7.9%). The very high degree of capacity usage in the entire Group and offshore played a major part in the profit increase compared to the same period last year. Cybercom's operating margin was also wider than in Q4 2006. Cybercom thus continued its trend of improving the margin – for the ninth consecutive quarter.

Net financial items stood at SEK -0.3 million (0.3). Profit after net financial items was SEK 20.5 million (10.7) – a net margin of 12.6% (8.1%).

Investments were made in the offshore operation. The offshore business is in line with the company's strategy and widens our operating margin. Several discussions about offshore operations are taking place with customers in Cybercom's two divisions. The discussions concern major assignments that require long sales cycles.

The Group currently has 508 employees.

¹ Data for the divested Norwegian operation are reported on a separate income-statement row, as per IFRS 5. All comparative figures were translated.

SWEDEN DIVISION²

SEK million	Q1 2007	Q1 2006	Q2 2006	Q3 2006	Q4 2006	Jan-Dec 2006	Apr -06 - Mar -07
Sales	136.8	117.2	123.4	101.8	127.1	469.5	489.1
Operating profit, EBIT	14.7	9.4	9.5	10.3	15.3	44.5	49.8
Operating margin %	10.7	8.0	7.7	10.1	12.0	9.5	10.2
No. of employees at period's end	391	351	359	360	377	377	391

Sales for Cybercom's Swedish operations climbed to SEK 136.8 million (117.2), which is 17% higher than in the same period in 2006. Varchar, the operation recently acquired in southern Sweden, accounts for SEK 3.7 million. The division's organic growth totals 14%. Operating profit for the division was SEK 14.7 million (9.4), which is a rise of 56% that widened the operating margin to 10.7% (8.0%).

Professional development programmes and two major conferences in Sweden incurred extra expenses during Q1. Salary adjustments for 2007 led to higher payroll expenses from 1 January, while price increases in frame agreements will not come into effect until later quarters.

Operations in southern Sweden continued to flourish. Varchar, which specialises in .Net, has been part of Cybercom since January. The acquisition added 24 new employees to Cybercom. During Q1, the acquisition accounted for 3% of the growth in the business division. Cybercom paid a fixed purchase price of SEK 12.5 million for Varchar. An additional purchase price (*earnout*) may be payable if certain performance levels are achieved over eight months. If so, the purchase price will be paid during Q4. No structural costs are expected. Integration is proceeding as planned, and already there are joint customer projects. Varchar brings Cybercom important customers in new market segments, such as the Swedish Institute for Infectious Disease Control, Wihlborgs Fastigheter, Cerdo Bankpartner, and Alfa Laval.

Cybercom's test centre in Lund, which tests system development, design, and execution, received a new customer. During the period, Cybercom concluded another major project, which resulted in a very smooth transition to new assignments. During the period, Cybercom was entrusted to run and staff a project office for procurement and follow-up of important systems solutions for one of its major customers in Stockholm. Cybercom is receiving more requests from financial players that invest in new services and product development – which is noteworthy.

The Singapore operation, for which data are reported in the Sweden division (because it is a subsidiary of Stockholm-based Netcom Consultants), recorded substantial growth in 2006 and continued to display good potential in Q1 2007. The Singapore operation contributed SEK 5.7 million to sales.

INTERNATIONAL DIVISION

SEK million	Q1 2007	Q1 2006	Q2 2006	Q3 2006	Q4 2006	Jan-Dec 2006	Apr -06 - Mar -07
Sales	30.1	17.3	16.4	19.6	23.1	76.4	89.2
Operating profit, EBIT	6.2	1.6	1.6	1.8	4.7	9.7	14.3
Operating margin %	20.6	9.2	9.8	9.2	20.3	12.7	16.0
No. of employees at period's end	95	50	46	69	84	84	95

Sales for Cybercom's business in Denmark, India, and the UK totalled SEK 30.1 million (17.3). This is 74% up on the same period last year, and organic growth accounts for this entire amount. Operating profit rose to SEK 6.2 million (1.6), which gives a more than doubled margin of 20.6% (9.2%). The number of employees in this division was 95 (50).

A positive trend in the UK operation contributed significantly to the improvement. The operation reported an increase in orders, rising price levels, and growing numbers of employees. Several subcontractors were also used. Many assignments focus on e-commerce, and the operation enjoys beneficial partnership with IBM for solutions that involve the latter's e-commerce suite. The healthy market climate in London enables many

² Data on operations in Cybercom Netcom Consultants are presented in full in the Sweden division section.

companies to grow and relocate to new office premises; this results in major IT investments. In several such relocation projects, Cybercom's assignments comprise leading IT design and procurement.

The Danish operation continued to show sound profitability in existing activities. Demand for Cybercom's services was high, and the number of subcontractors increased. Cybercom won several new assignments – mainly in banking, finance, and the public sector. Hourly rates increased markedly during Q1 for work performed by this operation.

Cybercom established a joint venture company in Mumbai, India in Q2 2006. Its figures are reported as per proportionate consolidation, that is, Cybercom's proportion of assets, liabilities, income, and expenses is reported with equivalent items in the Group's (consolidated) income statement and balance sheet. At the end of Q1, the company had 72 employees, of whom 36 (i.e., 50%) are added to Cybercom's number of employees. This operation boosts delivery capacity regarding 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 numerous investments were made for its development.

EMPLOYEES

In January-March, the average number of FTEs in the Group was 482 (393). At period's end, the Group had 508 (423) employees; 102 are women. Cybercom must step up its recruitment rate to suit prevailing market conditions. Labour market competition is tough in all countries in which Cybercom operates. Acquisition of auSystems will bring 700 new employees to Cybercom on 1 May 2007, which is crucial to Cybercom's future.

INVESTMENTS

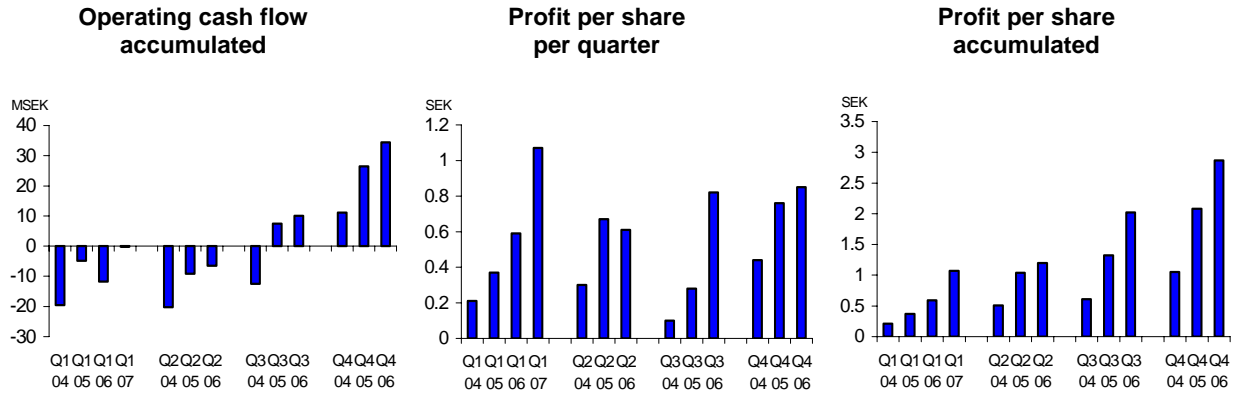
Net investments in property, plant, and equipment amounted to SEK 0.6 million (1.0) on 31 March 2007. During the period, net investments in intangible assets totalled SEK 0.3 million (1.4).

LIQUIDITY

The Group's cash and cash equivalents stood at SEK 79.1 million on 31 March 2007, compared to SEK 40.8 million on 31 March 2006. During Q1, cash flow before changes in working capital amounted to SEK 19.8 million. Working capital fell by SEK 20.0 million during the period. Cash flow from operating activities thus stood at SEK -0.2 million (-11.7).

FINANCIAL POSITION

Equity on 31 March 2007 was SEK 290.6 million (244.7), which yielded an equity/assets ratio of 64.5% (67.9%). Equity per share amounted to SEK 23.37 (19.86).



TAXES

In Q1 2007, the tax rate was 29.6% (29.7%). Tax expense was calculated using the relevant tax rate for the parent company and each subsidiary. Temporary differences and existing loss carry forwards were taken into account.

PARENT COMPANY

The parent company's operations largely comprise managing Group-wide functions such as accounting, communications and market communication, administration, and internal systems. At the period's end, 22 (21) people were employed in the parent company. The average number of FTEs for the period was 20 (19).

Sales reached SEK 12.1 million (11.5). Operating loss totalled SEK 0.5 million (an operating profit of SEK 0.8 million was recorded in Q1 last year). Profit after net financial items amounted to SEK 19.2 million (1.1), which is attributable to dividend from subsidiaries. The parent company's liquidity was SEK 75.4 million (41.8) on 31 March. Investments in property, plant, and equipment and intangible assets amounted to SEK 0.4 million (0.6).

OUTLOOK

The market outlook for 2007 is positive. In line with its expressed growth strategy, Cybercom took a key step in becoming a bigger player in the market through its acquisition of auSystems. Cybercom expanded its range of services to encompass additional market segments and geographic areas. Cybercom and auSystems will form a new leading consulting company in telecom, Internet, and media – a company that can offer onshore, nearshore and offshore services. The new company gains a stronger brand and delivery capacity that is attractive in large assignments for local and global players.

Cybercom will continue focusing on growth in more market segments and geographic areas. Its financial goal remains: achieve a long-term operating margin of 15%.

PREVIOUSLY PUBLISHED FUTURE OUTLOOK

The market outlook for 2007 is judged to be good. Cybercom has an established strong position as a consultancy in telecom and selected technologies, with an attractive customer proposition for technology-intensive sectors and global players. Cybercom will continue to focus on growth within selected technologies and telecom. Through organic growth and qualitative acquisitions, the company will expand its service proposition in more market segments and geographic areas. The financial goal is to achieve a 15% long-term operating margin.

ACCOUNTING POLICIES

This interim report complies with IAS 34 (Interim financial reporting) and the Swedish Financial Accounting Standards Council's RR 31 recommendation (Group interim reporting). 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 reported separately in the income statement and cash flow statement.

Data on Cybercom Datamatics Information Solutions Pvt Ltd in India (joint venture) are reported as per proportionate consolidation, i.e., Cybercom's proportion of assets, liabilities, income, and expenses is reported with equivalent items in the Group's (consolidated) income statement and balance sheet.

CONDENSED INCOME STATEMENT

SEK million	Q1 2007	Q1 2006	Q2 2006	Q3 2006	Q4 2006	Jan-Dec 2006	Apr 06 - Mar 07
Sales	163.1	131.7	136.7	117.9	149.5	535.8	567.2
Operating expenses							
Other external expenses	-46.0	-38.5	-41.9	-35.6	-43.3	-159.3	-166.8
Staff costs	-94.8	-81.2	-81.8	-69.6	-86.8	-319.4	-333.0
Depreciation	-1.5	-1.6	-1.6	-1.5	-1.5	-6.2	-6.1
Operating profit, EBIT	20.8	10.4	11.4	11.2	17.9	50.9	61.3
Financial revenue	1.2	0.6	2.6	0.9	0.3	4.4	5.0
Financial expenses	-1.5	-0.3	-3.4	-	-1.4	-5.1	-6.3
Profit after financial items	20.5	10.7	10.5	12.1	16.8	50.1	59.9
Current tax	-5.9	-2.4	-2.8	-3.5	-4.3	-13.0	-16.5
Deferred tax	-0.1	-0.8	-0.2	0.3	-0.7	-1.4	-0.7
Net income from remaining operations	14.5	7.5	7.5	8.9	11.8	35.7	42.7
Discontinued operations	-1.2	-0.3	-0.0	1.2	-1.3	-0.4	-1.3
Profit for the year	13.3	7.2	7.5	10.1	10.5	35.3	41.4
Profit per share (SEK) before dilution	1.07	0.59	0.61	0.82	0.85	2.86	3.35
Profit per share (SEK) after dilution	1.07	0.58	0.60	0.80	0.85	2.83	3.32

EFFECTS OF DISCONTINUED OPERATIONS

SEK million	Q1 2007	Q1 2006	Q2 2006	Q3 2006	Q4 2006	Jan-Dec 2006	Apr 06 - Mar 07
Sales	0.8	2.6	3.0	1.6	1.8	9.0	7.2
Operating costs	-1.6	-2.7	-3.0	-2.0	-3.2	-10.9	-9.8
Depreciation and impairment loss	-	-0.1	-0.0	-0.0	-0.4	-0.5	-0.4
Operating loss, EBIT	-0.8	-0.2	-0.0	-0.4	-1.8	-2.4	-3.0
Financial items	-0.1	-0.1	0.0	-0.3	0.1	-0.3	-0.3
Current tax	-	-	-	-	4.9	4.9	4.9
Deferred tax	-0.3	-	-	1.9	-4.5	-2.6	-2.9
Net profit/loss from discontinued operations	-1.2	-0.3	-0.0	1.2	-1.3	-0.4	-1.3

CONDENSED BALANCE SHEET

SEK million	2007-03-31	2006-03-31	2006-12-31
<u>Assets</u>			
Goodwill	141.2	130.4	130.1
Other intangible assets	5.6	6.2	5.6
Property, plant, and equipment	10.5	11.9	10.9
Financial assets	0.7	0.4	0.7
Deferred tax assets	1.3	4.4	1.8
Current assets excl. cash and cash equivalents	212.4	166.2	170.7
Cash and cash equivalents	79.1	40.8	88.9
Total assets	450.8	360.3	408.7
<u>Equity and liabilities</u>			
Equity	290.6	244.7	272.4
Non-current liabilities, interest-bearing	6.1	5.3	5.5
Non-current liabilities, non-interest-bearing	2.4	1.8	2.8
Current liabilities, non-interest-bearing	151.7	108.5	128.0
Total equity and liabilities	450.8	360.3	408.7
Pledged assets	None	None	None
Contingent liabilities	None	None	None

CHANGES IN EQUITY

SEK million	Jan-Mar 2007	Jan-Mar 2006	Jan-Dec 2006
Opening equity	272.4	238.2	238.2
Translation differences	1.1	-0.7	-1.1
New share issue	3.8	-	-
Profit for the period	13.3	7.2	35.3
Closing equity	290.6	244.7	272.4

CONDENSED CASH FLOW STATEMENT

SEK million	Jan-Mar 2007	Jan-Mar 2006	Jan-Dec 2006
Cash flow from operating activities			
Cash flow before changes in working capital	19.8	11.2	55.0
Changes in working capital	-20.0	-22.9	-20.7
Cash flow from operating activities	-0.2	-11.7	34.3
Cash flow from investing activities *)	-12.9	-2.4	0.5
Cash flow from financing activities	3.7	-	-
Cash flow from remaining operations	-9.4	-14.1	34.8
Cash flow from discontinued operations **)	-0.7	-0.5	-0.7
Cash flow at period's end	-10.1	-14.6	34.1
Cash and cash equivalents at period's start	88.9	55.5	55.5
Translation difference	0.3	-0.1	-0.7
Cash and cash equivalents at period's end	79.1	40.8	88.9
*) Effect of acquisition of subsidiary on the Group's cash and cash equivalents:			
	-12.0	-	-
**) Change in cash and cash equivalents			
from discontinued operations	-0.5	-0.2	0.5
Change in intercompany transactions	-0.2	-0.3	-1.2
Cash flow from discontinued operations	-0.7	-0.5	-0.7

KEY FIGURES

	Jan-Mar 2007	Jan-Mar 2006	Jan-Dec 2006
Operating margin (EBIT), %	12.8	7.9	9.5
Net margin, %	12.6	8.1	9.4
No. of employees at period's end	508	423	481
Average number of employees	482	393	414
Sales per employee, SEK thousand	338	335	1 294
Equity/assets ratio, %	64.5	67.9	66.6

SHARE INFORMATION

	Jan-Mar 2007	Jan-Mar 2006	Jan-Dec 2006
Before dilution			
Profit per share, SEK	1.07	0.59	2.86
Equity per share, SEK	23.37	19.86	22.11
Number of shares at period's start	12 321 757	12 321 757	12 321 757
Number of shares at period's end	12 435 757	12 321 757	12 321 757
Average number of shares	12 378 757	12 321 757	12 321 757
After dilution			
Profit per share, SEK	1.07	0.58	2.83
Equity per share, SEK	23.37	19.54	21.90
Number of shares at period's end	12 435 757	12 521 757	12 435 757
Average number of shares	12 435 757	12 521 757	12 478 757

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 considered when they have an adverse effect on profit per share or equity per share.

Warrants	Jan-Mar 2007	Jan-Mar 2006	Jan-Dec 2006
Number of outstanding warrants at year's start	115 000	30 000	30 000
Warrants, custodial	-	170 000	170 000
Non-exercised warrants	- 1 000	-	-
Deducted warrants, custodial	-	-170 000	-85 000
Number of outstanding warrants at period's end	0	30 000	115 000

The company's auditor did not review this report.

Stockholm, 26 April 2007

The board and CEO of Cybercom Group Europe AB (publ)

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Forthcoming financial reports

24 August 2007	Q2 report
25 October 2007	Q3 report
February 2008	Year-end financial report for 2007

2007 annual general meeting (AGM)

Cybercom's 2007 AGM will be held at Cybercom's HQ on Fleminggatan 20 in Stockholm on Tuesday, 8 May at 2 PM. The meeting has been announced via press release, publication in *Post och Inrikes Tidningar*, *Dagens Industri*, *Svenska Dagbladet*, and on Cybercom's web site, where documents for the AGM and the annual report are also available. Shareholders who wish to submit proposals to the nomination committee should contact Cybercom's corporate communications manager or the nomination committee via valberedningen@cybercomgroup.com.