

2011

JANUARY – MARCH

January – March

- Sales reached SEK 382.1 million (410.1)
- Impairment loss of SEK 16 million for customer relationship
- EBITDA totalled SEK 29.8 million (21.6)
- EBITDA margin of 7.8% (5.3)
- EBIT totalled SEK 2.9 million (8.7)
- EBIT margin of 0.8% (2.1)
- EPS of SEK -0.02 (0.11)

Local presence – Global reach

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**CYBERCOM
GROUP** 

Improved profit on an improved market

First quarter sales amounted to SEK 382.1 million (410.1) with an improved operating EBITDA of SEK 29.8 million (21.6), giving a margin of 7.8% (5.3). We have strengthened our equity/assets ratio to 61.9% (54.6) and secured our financial position by renegotiate our loan agreement. We face an increasingly favourable market and are having interesting business discussions for major undertakings with many new customers. The business climate looks better in all our operations in Sweden, where in March we reached the same levels as before the recession.

The new organisation in Sweden, which has been operational since the beginning of the year, is delivering according to plan. We have integrated administrative systems, and the nationwide business areas have high ambitions. We are strengthening our position in the public sector as well as in media, energy and industry segments in the Finnish market. Our goal is to improve profitability and we will continue to optimise our structure and reduce our cost base.

We have strong core offerings that cover the entire ecosystem surrounding communication services and our ability to act as a catalyst from telecom to other industries. Together with our global delivery model, this is our primary competitive advantage. In some key areas, such as in the security field, we can grow advantageously. We should also be far bigger in certain geographic markets. In Sweden, our focus is on recruitment.

I am very pleased that the company can pay dividends for 2010, and I consider Cybercom's circumstances for 2011 to be good. We have consolidated our operations to create a more uniform focus and to clarify our offering. The Nordic market, where Cybercom has most of its operations, is good. We have the financial flexibility to simultaneously manage the challenges we face in Finland and our desire to grow. With a continued focus on profitability, we are building an international Cybercom for long-term business.



"We achieved an improved profit in a better market with good prospects for growth and increased profitability."

Stockholm, 28 April 2011

Patrik Boman
President and CEO

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The Cybercom Group is an IT consultancy that offers global sourcing for local and international deals. The Group is a recognised supplier in security, internet and mobile services, embedded systems, and telecom management. Thanks to its extensive industry and operations experience, Cybercom offers strategic and technical expertise in telecom, industry, media, the public sector, retail, and banking and finance. Cybercom's consultants operate around the world, and the company has 25 offices in 10 countries. Cybercom was launched in 1995, and its share has been quoted on the NASDAQ OMX Nordic Exchange since 1999.

KEY EVENTS DURING THE PERIOD

Dividend

The board has proposed a dividend of SEK 0.50 per share for fiscal year 2010 to the annual general meeting (AGM) on 28 April 2011, representing a total dividend of SEK 18 million. The proposed dividend constitutes 42% of consolidated earnings after tax and 1.9% of equity for fiscal year 2010.

Cybercom has grown substantially since 2006, primarily through two major acquisitions. By generating strong cash flows, the company has also paid off the bulk of the loans raised in connection with these acquisitions. The rate of repayment has continued, even throughout the recession that affected the market in 2009 and 2010. The company has now reduced its net debt to SEK 140 million.

The board considers the equity remaining after the proposed 2010 dividend to be in reasonable proportion to the scope of the company's operations and its related risks.

Cybercom refinances

In March, Cybercom signed a new financing agreement with Nordea Bank for SEK 220 million. This replaces the Group's previous agreement, which was planned to be repaid by spring 2012. The new agreement has a payback period of four years and aims to create more scope for Cybercom to grow, and to implement strategic initiatives in especially interesting areas of expertise and geographic areas.

Impairment of Nokia customer relationship

Operations in Finland are affected in part by Nokia's new strategy and its partnership with Microsoft. Current contracts will continue as agreed until the end of the contract period, which in most cases is in the second quarter of 2011. In 2010, Nokia accounted for just under four per cent of Cybercom's total sales. This is now expected to decline in 2011 with modest impact on earnings for the year. However, several assignments were extended during the quarter. The contract termination motivated an impairment test, since Nokia was valued as a customer relationship in connection with the acquisition of Plenware Oy. An impairment loss of SEK 16 million was taken for the customer relationship. The impairment does not affect cash flow.

MARKET AND BUSINESS CLIMATE

Cybercom has a strong Nordic base and operates internationally by following its customers around the world. In addition to the Nordics, the company currently has operations in Poland, Romania, Singapore, India, and China and established sales offices in Dubai and the US. Its presence in Asia is important in an increasingly global market where India and China are emerging markets for many of Cybercom's customers. The company's operations in Romania, Poland, India, and China reinforce the Group by providing resources and contributing to the business of fellow subsidiaries. A total of 22% of Cybercom's consultants work outside the Nordics and 45% work outside Sweden.

New segment reporting

Since there is now increasingly tight operational integration between a number of onshore and offshore operations, Cybercom's board approved a change in segment reporting that better reflects the current business model. The new segments are:

- **Sweden**, including operations in Cybercom's joint venture in India
- **Finland**, including the operations in Romania and Beijing, China
- **International**, which includes the operations in Denmark, Singapore, Poland, the US and Chengdu, China

The entities in India, Romania, and Beijing work almost exclusively with deliveries to Cybercom's onshore entities, while entities in the International segment primarily engage in activities with local customers.

Sweden

Cybercom's joint venture in India is included in the Sweden segment. This operation is linked to Cybercom's deliveries to Swedish customers, constituting an integral part of the Swedish organisation, even on matters of operational and financial control and monitoring.

The segment had 996 employees and sales of SEK 274.9 million during the quarter with an EBITDA of SEK 25.8 million. The Swedish business evolved according to plan, where three subsidiaries were merged into one company with operational start-up in the first quarter. Capacity utilisation in the Swedish organisation has increased month by month and is now very good. The Sweden organisation has worked hard to integrate the new structure with nationwide business areas and joint support systems.

The Swedish market for IT services is favourable overall. Demand for staffing has increased, and in 2011 interest in major projects has improved. Interesting business discussions regarding new contracts with a global delivery model have taken place during the quarter, and Cybercom has submitted several major tenders. There is a pent-up need for IT investments that is now being realized as the economy stabilises at a higher level. Industry know-how is very important in customer dialogues, and cloud-based services are gaining more and more ground. There are opportunities to adjust prices upward in new agreements, as has been done in most cases.

Finland

The Finland segment also includes Cybercom's entities in Romania and Beijing, China. These operations are closely linked to Cybercom's deliveries to Finnish customers, constituting an integral part of the Finnish organisation, even on matters of operational and financial control and monitoring.

The segment has 463 employees and sales of SEK 68.7 million during the quarter with an EBITDA of SEK 7.1 million, but with some impact from adverse currency effects. The market in Finland continues to be unpredictable. Operations in Finland are affected in part by Nokia's new strategy and its partnership with Microsoft. Current contracts will continue as agreed until the end of the contract period, which in most cases is in the second quarter. This is expected to have a moderate impact on earnings for the year, although the operation faces challenges, since Nokia and Nokia Siemens Networks reduced their collaborations with Cybercom considerably in a short period. Cybercom continues with its set strategy of shifting its position and expanding it into industries other than telecom. Growth is also occurring in industry, energy, and media. Cybercom has also begun to more actively pursue the Finnish public sector. A transfer of skills and a shift to greater future growth in Helsinki than in Tampere follows with these changing market plans. Cybercom is actively investing time and money to accelerate this transfer.

International

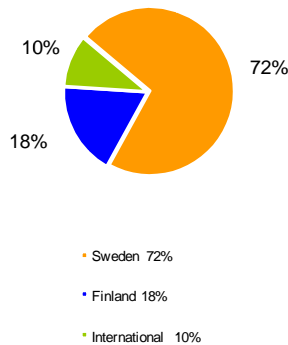
The International operating segment includes Cybercom's operations in Singapore, Denmark, Poland, the US, and Chengdu, China. These businesses work primarily with local customers. All of Cybercom's entities have an increasing amount of common business, though, in which resources from multiple countries and locations win and deliver deals together. This also applies to the entities within Cybercom International.

The segment has 246 employees and sales of SEK 38.6 million during the quarter with an EBITDA of SEK 2.6 million. The general market is good for telecom management services in Asia, the Middle East, and Africa. The operation in Singapore is delivering satisfactory results and continues to broaden its customer base. Most assignments are in Africa. South America is a new market for Cybercom's services, where there are several operators that are investing in their mobile networks. The company has a large network of subcontractors that bolster the business when needed.

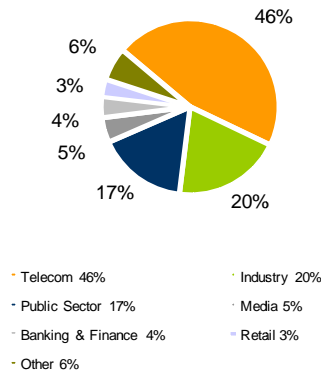
Cybercom's operation in Chengdu is developing well with additional assignments in the local market in Asia, especially with telecom customers and existing Nordic customers established there, which underlines the strategic importance of our presence in China. This principally applies to application development for various devices. It can also be noted that Cybercom made a breakthrough in an initial interesting assignment from a German supplier in the automotive industry.

The market has been hesitant in Denmark, and Cybercom has had challenges with capacity utilisation for some time, which however improved toward the end of the quarter. The same applies to operations in Poland, which were affected by two customers postponing assignments won by Cybercom.

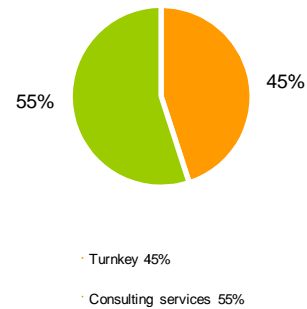
Q1 sales by segment



Q1 sales by sector



Q1 sales by assignment



Business climate

Cybercom holds a strong position with telecom companies, which represent 46% (56) of total revenues for the quarter. The telecom sector is highly dependent on technology and vital to its development. Cybercom's areas of expertise cover the entire ecosystem of communication services:

- Telecom management
- Internet services
- Mobile services
- Embedded systems
- Security

Through its expertise in these areas, Cybercom acts as a catalyst between telecom and other sectors, providing solutions and reusing knowledge. Cybercom is actively working to expand its business outside telecom. Cybercom's initiatives toward the public sector showed results during the quarter, making up 17% (14) of the company's total revenues. The major purchasers of consulting services in telecom have applied price pressure, which necessitates development of business models. This creates potential for outsourcing assignments and global sourcing deliveries, which Cybercom offers. It is also in the telecom sector that Cybercom has had the most global sourcing assignments during the year. Turnkey projects like outsourcing and service management amounted to 45% (52) of total sales in the first quarter. The market for machine-to-machine communication (M2M) is growing, which has helped the industry segment, including the energy and automotive industries, grow most compared with last year, now amounting to 20% (14) of Cybercom's total sales.

Examples of important agreements signed by Cybercom in the first quarter:

- Telenor enlisted Cybercom to optimise its parts of the Swedish 4G network. The assignment involves about ten Cybercom consultants in Singapore and Sweden.
- Cybercom's business in China was chosen by Germany's biggest subcontractor to the automotive industry to develop information modules designed for vehicles to visualise various data.
- Cybercom's APG 43 project for a large telecom provider was expanded. The assignment involves 12 consultants in Östersund and Poland working on porting the system from Windows to Linux and transforming to open protocols.
- Cybercom and ST Ericsson extended their collaboration on the outsourcing of testing with delivery from Bangalore. The assignment involves about 20 employees throughout 2011.
- Cybercom's collaboration with Teleste in Finland expanded during the period, involving about 15 consultants.
- Cybercom completed an initial telecom management assignment for GETESA, an operator in Equatorial Guinea.
- Cybercom will develop advanced image processing applications for mobile phones for Scalado. The project will be placed in Chengdu.

- Cybercom developed mobile services for SF Bio that allow moviegoers to watch trailers and read more about SF Bio's selection of films via their mobile phones. Together with SF Bio, Cybercom will continue to develop and manage these mobile services.
- Cybercom developed the first virtual guidebook app for the iPhone for Gyldendal Norsk Forlag, Norway's largest publisher.

Customers

Cybercom's ten largest customers account for 45% (56) of the company's total sales. Dependence on the single largest customer lessened during the year, now accounting for 13% (19) of total sales. Framework agreement customers account for 61% (64) of Cybercom's sales. New customers include Nynäs Petroleum, Gant, Sollentuna Municipality, Insta Defsec, the Danish tax agency, and GETESA.

Cybercom's list of major customers includes Alma Media Group in Finland, China Mobile, Ericsson, H&M, IKEA, Millicom, Sony Ericsson, ST-Ericsson, TeliaSonera, and Volvo.

Marketing activities

To keep pace with the improved market situation, Cybercom is investing much time and energy in marketing activities. Cybercom strengthens its brand by participating in trade shows, conferences, and seminars in the company's focus areas. More information about the various seminars can be found at www.cybercom.se/Om-Cybercom/Evenemang/. Examples of Cybercom arrangements in the first quarter:

- Lift Your Business with Digital Strategy, Gothenburg
- Industry Forum Machinery, Vanajalinna Hämeelinna
- Cloud Computing: Security and Swedish Hackers, Stockholm
- Business-Driven IT, Stockholm
- The Digisocial Brain, Stockholm
- Cybercom also participated in Web Days in Stockholm

Corporate Social Responsibility (CSR)

Cybercom's aim is to act responsibly in all countries and contexts in which the Group operates. Cybercom released its initial sustainability report as per The Global Reporting Initiative (GRI), which is voluntary guidelines for reporting sustainability information and the most established guidelines among the companies that do sustainability reporting on the OMX Nordic Exchange in Stockholm. The report measures Cybercom's environmental impact, including energy consumption and carbon emissions. It also describes the social responsibility Cybercom takes for its employees, customers, and surroundings and Cybercom's efforts with SOS Children's Villages in Rwanda and the Children's Cancer Foundation in Sweden (see www.cybercom.com/gri2011en). The report shows that Cybercom is a company with relatively little impact on the environment and that the company has good working conditions for its employees around the world.

SALES AND EARNINGS

Cybercom Group, SEK million	Q1	Q1	2010	RTM
	2011	2010		
Sales	382.1	410.1	1,528.9	1,500.9
Operating profit EBITDA	29.8	21.6	112.2	120.4
EBITDA margin, %	7.8	5.3	7.3	8.0
Operating profit EBIT	2.9	8.7	61.5	55.7
EBIT margin, %	0.8	2.1	4.0	3.7
No. of employees at period's end	1,731	1,803	1,727	1,731

January-March

Sales reached SEK 382.1 million (410.1). Cybercom has about 70 fewer employees than last year, which is mostly a consequence of cutbacks made in 2009 and 2010.

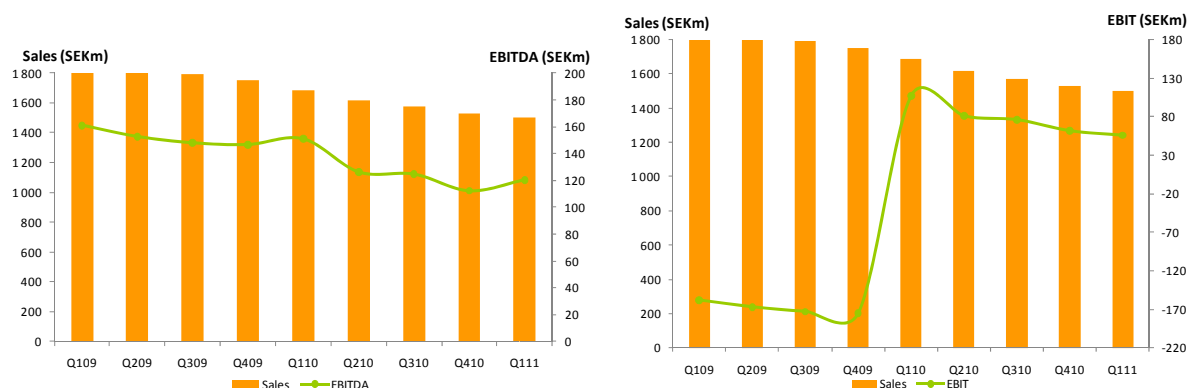
EBITDA was SEK 29.8 million (21.6), resulting in a margin of 7.8% (5.3). Amortisation of SEK 2.5 million per quarter on the Plenware brand and SEK 0.7 million on Teleste customer relationships began in Q1 2010. The amortisation periods are 3 years and 15 months, respectively. EBIT reached SEK 2.9 million (8.7). This corresponds to an operating margin of 0.8% (2.1). Negative currency effects, chiefly attributable to the weakening of the euro against the Swedish krona, had a negative effect on sales of SEK 12.7 million and on EBITDA of SEK 1.4 million.

Compared with last year, the underlying EBITDA was affected negatively by the reorganisations in Sweden and Finland, which resulted in temporarily higher costs in relation to sales.

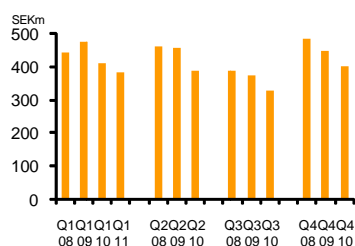
Net income was charged with SEK 16 million for impairment of customer relationships in Finland related to Nokia, since Nokia as a client was part of the consolidated surplus value attributable to customer relationships associated with the acquisition of Plenware Oy. In 2010, Nokia accounted for just under four per cent of Cybercom's total sales. This is now expected to decline in 2011 with modest impact on earnings for the year. However, several assignments were extended during the quarter.

Net financial items amounted to SEK -3.6 million (-5.4). This includes SEK 1.6 million (3.0) in interest expense for loans raised in conjunction with the auSystems and Plenware acquisitions in 2007 and 2008, respectively. Earnings before tax amounted to SEK -0.7 million (3.3), denoting a net margin of -0.2% (0.8).

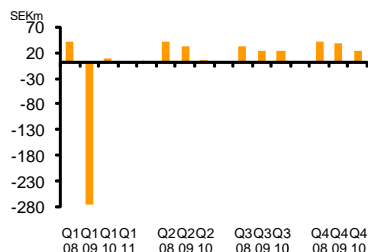
Sales and earnings, rolling 12 months



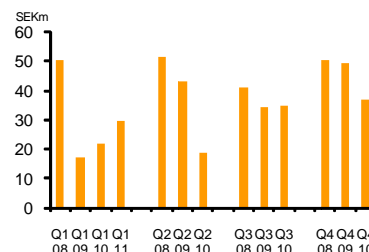
Sales per quarter



EBIT per quarter



EBITDA per quarter



EMPLOYEES

For January-March, the average number of FTEs in the Group was 1,636 (1,679). At the end of the period, the Group had 1,731 employees (1,803); 19% (18) are women. Cybercom primarily recruits in the metropolitan regions of the Nordics. There was net positive growth during the first quarter 2011.

INVESTMENTS

Net investments in property, plant, and equipment and intangible assets amounted to SEK 9.6 million (6.9).

CASH FLOW AND FINANCIAL POSITION

Cash flow before changes in working capital during the year amounted to SEK 19.4 million (21.0). Changes in working capital totalled SEK -19.2 million (-7.9), so cash flow from operating activities was SEK 0.2 million (13.1).

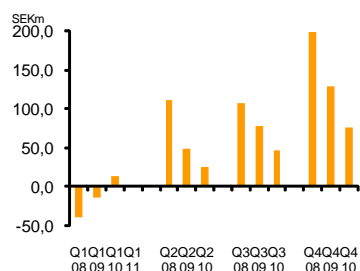
Group cash and cash equivalents stood at SEK 69.6 million (158.4) on 31 March 2011. Interest-bearing liabilities amounted to SEK 211.0 million (330.4).

Equity on 31 March 2011 was SEK 925.9 million (903.0), corresponding to a strengthened equity/assets ratio of 61.9% (54.6). Equity per share was SEK 25.66 (25.02).

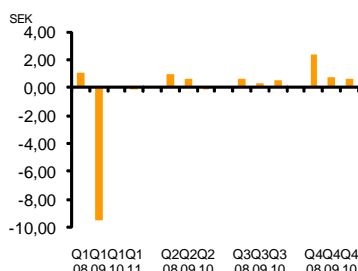
TAXES

During the period, the Group's effective tax rate is 0% (10.4%). The tax expense was calculated using the current tax rate for the parent company and each subsidiary. Temporary differences and existing fiscal loss carry-forwards were taken into account.

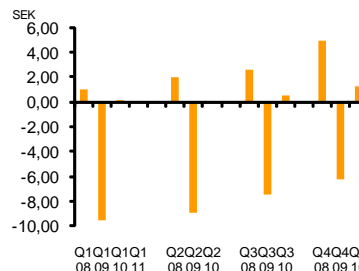
Cash flow from operating activities, accumulated



Earnings per share per quarter



Earnings per share accumulated



RISK ASSESSMENT

Cybercom's operations are affected both by the demand for Cybercom's services and the supply of suitable competence. Valuation of Cybercom's assets are dependent upon assumptions regarding future cash flow, among others. Both operating activities and valuation of assets may therefore be negatively affected by economic decline or decisions by major customers regarding strategic direction, investments in development, and such. The financial risk situation, that is currency, interest, financing, and credit risks, may also be negatively affected. Cybercom continually assesses how various external factors affect risk levels and takes necessary action. For more information, see Cybercom's 2010 annual report.

OUTLOOK

Cybercom has a strong platform in the Nordics, where the company is a leading player. Established operations in eastern Europe, India, Singapore, and China position the company as an attractive partner for existing and new customers.

Inquiries about new types of business models are increasing. Cybercom's strategy is to offer its customers cross-sector expertise with delivery from several geographic regions. Together with an improved market, this provides opportunities for future growth and higher earnings.

Cybercom makes no forecasts.

OTHER INFORMATION

Key dates

2011 AGM	28 April 2011, 3:00 PM
H1 interim report, January-June 2011	15 July 2011, 7:30 AM
Q3 interim report, January-September 2011	27 October 2011, 7:30 AM
2011 year-end report	8 February 2012, 7:30 AM

AGM

Cybercom will hold its regular AGM at 3 PM on 28 April 2011 at its offices at Lindhagensgatan 126, Stockholm, Sweden.

Annual report

The annual report was published on Cybercom's website on 1 April.

Note:

Cybercom is required to make this information public as per the Swedish Securities Market Act. The information was submitted for publication on 28 April at 7:30 AM.

The company's auditor did not review this report.

Stockholm, 28 April 2011

Wigon Thuresson
Board chairman

Margareta Alestig Johnson
Board member

Roger Bergqvist
Board member

Hampus Ericsson
Board member

Ulf Körner
Board member

Thomas Landberg
Board member

Robin Hammarstedt
Board member, employee representative

Henrik P Larsson
Board member, employee representative

Patrik Boman
President and CEO

CONDENSED INCOME STATEMENT

SEK million	Note	Q1 2011	Q1 2010	2010	RTM
Sales		382.1	410.1	1,528.9	1,500.9
Operating expenses					
Other external expenses		-101.9	-122.5	-427.1	-406.5
Employee benefits		-250.4	-266.0	-989.6	-974.0
Depreciation and amortisation		-10.9	-12.9	-50.7	-48.7
Goodwill impairment loss		-16.0	-	-	-16.0
Operating profit/loss, EBIT		2.9	8.7	61.5	55.7
Financial income		0.9	2.0	9.0	7.9
Financial costs		-4.5	-7.4	-30.1	-27.2
Profit/loss before tax		-0.7	3.3	40.4	36.4
Current tax		-3.3	-1.7	-8.9	-10.5
Deferred tax		3.3	1.4	11.2	13.1
Period's profit/loss from continuing operations		-0.7	3.0	42.7	39.0
Discontinued operation	2	-	0.9	0.9	-
Period's profit/loss		-0.7	3.9	43.6	39.0

EARNINGS PER SHARE

SEK	Q1 2011	Q1 2010	2010	RTM
Entire operation				
Basic earnings per share	-0.02	0.11	1.21	1.08
Diluted earnings per share	-0.02	0.11	1.21	1.08
Continuing operation				
Basic earnings per share	-0.02	0.08	1.18	1.08
Diluted earnings per share	-0.02	0.08	1.18	1.08

STATEMENT OF COMPREHENSIVE INCOME

SEK million	Q1 2011	Q1 2010	2010	RTM
Profit/loss	-0.7	3.9	43.6	39.0
Change in translation difference foreign operations	-4.4	-14.1	-32.7	-23.0
Currency risk hedging in foreign operations	0.6	8.8	17.6	9.4
Tax effect items in other comprehensive income	-0.2	-2.3	-4.6	-2.5
Other comprehensive income	-4.0	-7.6	-19.7	-16.1
Total comprehensive income	-4.7	-3.7	23.9	22.9

CONDENSED CHANGES IN EQUITY

SEK million	Share capital	Other capital contributions	Translation reserve	Retained earnings	Total equity
Opening balance, 1 January 2010	36.1	855.6	36.7	-21.5	906.9
Period's comprehensive income	-	-	-7.6	3.9	-3.7
New share issue	-	-0.2	-	-	-0.2
Closing balance, 31 December 2010	36.1	855.4	29.1	-17.6	903.0
Opening balance, 1 January 2011	36.1	855.4	17.0	22.1	930.6
Period's comprehensive income	-	-	-4.0	-0.7	-4.7
Closing balance, 31 March 2011	36.1	855.4	13.0	21.4	925.9

CONDENSED BALANCE SHEET

SEK million	Note	31/03/2011	31/03/2010	31/12/2010
<u>Assets</u>				
Goodwill		922.5	934.7	923.8
Customer value		54.1	83.4	73.1
Other intangible assets		30.8	39.9	31.4
Property, plant, and equipment		40.0	47.0	39.7
Financial assets		1.0	1.4	1.1
Deferred tax assets		50.0	52.4	52.2
<i>Total non-current assets</i>		<i>1,098.4</i>	<i>1,158.8</i>	<i>1,121.3</i>
Current assets excl. cash and cash equivalents		328.5	336.9	292.8
Cash and cash equivalents		69.6	158.4	98.6
<i>Total current assets</i>		<i>398.1</i>	<i>495.3</i>	<i>391.4</i>
Total assets		1,496.5	1,654.1	1,512.7
<u>Equity and liabilities</u>				
Equity		925.9	903.0	930.6
Non-current liabilities, interest-bearing		33.1	215.5	64.0
Non-current liabilities, non-interest-bearing		40.4	84.5	43.1
<i>Total non-current liabilities</i>		<i>73.5</i>	<i>300.0</i>	<i>107.1</i>
Current liabilities, interest-bearing		177.9	114.9	164.5
Current liabilities, non-interest-bearing		319.2	336.2	310.5
<i>Total current liabilities</i>		<i>497.1</i>	<i>451.1</i>	<i>475.0</i>
Total equity and liabilities		1,496.5	1,654.1	1,512.7
Pledged assets	3	See note	See note	See note
Contingent liabilities	3	See note	None	See note

CONDENSED CASH FLOW STATEMENT

SEK million	Note	Q1 2011	Q1 2010	2010	RTM
Cash flow before changes in working capital		19.4	21.0	71.4	69.8
Changes in working capital		-19.2	-7.9	5.4	-5.9
Cash flow from operating activities		0.2	13.1	76.8	63.9
Investments in tangible and non-tangible fixed assets		-9.6	-6.9	-20.7	-23.4
Acquisition in subsidiaries/Net assets	4	-	-0.3	-13.9	-13.6
Other items		-	-0.5	-0.1	0.4
Cash flow from investing activities		-9.6	-7.7	-34.7	-36.6
New share issue		-	-0.1	-0.2	-0.1
Borrowings		10.0	-	40.0	50.0
Amortisation of debt		-26.6	-28.6	-160.8	-158.8
Cash flow from financing activities		-16.6	-28.7	-121.0	-108.9
Cash flow from continuing operations		-26.0	-23.3	-78.9	-81.6
Cash flow from discontinued operations		-	0.9	0.9	-
Year's cash flow		-26.0	-22.4	-78.0	-81.6
Cash and cash equivalents at year's start		98.6	183.5	183.5	158.4
Exchange differences in cash and cash equivalents		-3.0	-2.7	-6.9	-7.2
Cash and cash equivalents at year's end		69.6	158.4	98.6	69.6

OTHER INFORMATION

SEK million	Q1 2011	Q1 2010	2010	RTM
Share information				
Profit/loss per share basic, SEK	-0.02	0.11	1.21	1.08
Profit/loss per share diluted, SEK*	-0.02	0.11	1.21	1.08
Number of shares at period's end, basic	36,087,899	36,087,899	36,087,899	36,087,899
Number of shares at period's end, diluted*	36,087,899	36,087,899	36,087,899	36,087,899
Average number of shares, basic	36,087,899	36,087,899	36,087,899	36,087,899
Average number of shares, diluted*	36,087,899	36,087,899	36,087,899	36,087,899
Number of outstanding warrants at period's end	0	122,466	0	0
Financial position				
Equity	925.9	903.0	930.6	925.9
Equity/assets ratio, %	61.9	54.6	61.5	61.9
Equity/share, SEK	25.66	25.02	25.79	25.66
Net investments in tangible and non-tangible fixed assets	9.6	6.9	20.7	23.4
Cash and cash equivalents	69.6	158.4	98.6	69.6
Employees				
Number of employees at period's end	1,731	1,803	1,727	1,731
Of which are women at period's end, %	19	18	19	19
Average number of employees	1,636	1,679	1,642	1,632
Revenue per employee, kSEK	234	244	931	920
Key figures				
Operating margin (EBIT), %	0.8	2.1	4.0	3.7
Operating margin (EBITDA), %	7.8	5.3	7.3	8.0
Net margin, %	-0.2	0.8	2.6	2.4

* The dilution effect is not calculated if the subscription rate's 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.

** Part of a warrant programme matured during 2010, no warrants was used.

OPERATING SEGMENTS

An operating segment is a Group entity that engages in activities that may earn 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.

Q1 2011

SEK million	Sweden	Finland	International	Group functions and eliminations	Cybercom Group
Sales to external customers	274.9	68.7	38.6	-0.1	382.1
Sales to other segments	3.1	2.4	6.0	-11.5	-
Operating profit, EBITDA	25.8	7.1	2.6	-5.7	29.8
Depreciation, amortisation and impairment loss					-26.9
Financial items					-3.6
Loss before tax and discontinued operations					-0.7
Number of employees	996	463	246	26	1,731

Group functions include parent company costs of SEK 5.1 million.

Q1 2010

SEK million	Sweden	Finland	International	Group functions and eliminations	Cybercom Group
Sales to external customers	288.7	76.1	45.6	-0.3	410.1
Sales to other segments	3.3	5.4	1.4	-10.1	-
Operating profit, EBITDA	15.7	10.4	-0.7	-3.8	21.6
Depreciation, amortisation and impairment loss					-12.9
Financial items					-5.4
Profit before tax and discontinued operations					3.3
Number of employees	1,075	464	247	17	1,803

Group functions include parent company costs of SEK 2.6 million.

2010

SEK million	Sweden	Finland	International	Group functions and eliminations	Cybercom Group
Sales to external customers	1,069.0	287.7	172.1	0.1	1,528.9
Sales to other segments	13.0	6.6	27.8	-47.4	-
Operating profit, EBITDA	87.2	28.1	19.0	-22.1	112.2
Depreciation, amortisation and impairment loss					-50.7
Financial items					-21.1
Profit before tax and discontinued operations					40.4
Number of employees	1,001	461	241	24	1,727

Group functions include parent company costs of SEK 18.2 million.

RTM

SEK million	Sweden	Finland	International	Group functions and eliminations	Cybercom Group
Sales to external customers	1,055.2	280.3	165.1	0.2	1,500.8
Sales to other segments	12.8	3.6	32.4	-48.8	-
Operating profit, EBITDA	97.3	24.8	22.3	-24.0	120.4
Depreciation, amortisation and impairment loss					-64.7
Financial items					-19.3
Profit before tax and discontinued operations					36.4
Number of employees	996	463	246	26	1,731

Group functions include parent company costs of SEK 20.7 million.

Note 1 – Accounting and valuation policies

The Group interim report complies with IAS 34 (interim financial reporting). The parent company interim report complies with Chapter 9 of the Swedish Annual Accounts Act on interim reports. Accounting and calculation methods remain unchanged from the 2010 annual report.

Note 2 – Discontinued operation

Cybercom Group UK Ltd., a subsidiary, was sold in 2008. An additional purchase price of SEK 0.9 million was received in 2010. This item is recognised as income from discontinued operation.

Note 3 – Pledged assets and contingent liabilities

In conjunction with loan procurement for the auSystems and Plenware acquisitions, the shares in the acquired companies were pledged. Consolidated value of the pledged assets on 31 March 2011 amounted to SEK 1,232.2 million. Floating charges of SEK 83.3 million (35.0) were also pledged for the same purpose. In October 2010, the parent company entered into a guarantee commitment equivalent to EUR 1.4 million. The commitment supersedes a previous pledge in the Finnish operation.

A claim of about SEK 7 million has been made against Cybercom Sweden West AB. The claim alleges fundamental breach of contract, among other things. However, no contract exists. The claims are vague and management's assessment is that they are baseless as they now stand. A claim has been made against Cybercom Finland from the previous management of the company, but Group management believes that the claim is unfounded.

Note 4 – Purchase of net assets

In Q1 2010, Cybercom Sweden East AB acquired assets and liabilities from SunGard, including two employees. The agreement also entails Cybercom's assumption of administrative responsibility for some of SunGard's customers. The purchase price was SEK 0.5 million, of which SEK 0.5 million constitutes customer relationships.

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. SEK 13.6 million was paid in Q3 2010 as part of the remaining consideration.

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, 18 (17) persons were employed in the parent company. The average number of FTEs for the period was 16 (15).

Condensed income statement – parent company

SEK million	Jan - Mar 2011	Jan - Mar 2010	Jan - Dec 2010
Operating revenue	7.0	7.3	31.0
Operating costs	-14.0	-17.0	-58.7
Operating loss	-7.0	-9.7	-27.7
Financial items	1.5	7.4	9.3
Loss after financial items	-5.5	-2.3	-18.4
Appropriations	-	-	0.8
Tax on year's loss	1.6	0.4	3.6
Year's loss	-3.9	-1.9	-14.0

Condensed balance sheet – parent company

SEK million	31/03/2011	31/03/2010	31/12/2010
<u>Assets</u>			
Non-current assets	719.6	672.0	707.2
Current assets	647.9	651.3	414.4
Total assets	1,367.5	1,323.3	1,121.6
<u>Equity and liabilities</u>			
Equity	876.9	883.0	880.8
Untaxed reserves	16.9	17.7	16.9
Non-current liabilities	28.6	97.8	59.5
Current liabilities	445.1	324.8	164.4
Total equity and liabilities	1,367.5	1,323.3	1,121.6
Pledged assets	592.7	550.1	592.7
Contingent liabilities	-	-	-