

January – June 2007

- Sales: SEK 284 (246) million
- Operating profit: SEK 10 (9) million
- Operating margin: 4% (4%)
- Profit after tax: SEK 10 (9) million
- Earnings per share: SEK 0.06 (0.05)
- Cash flow: SEK 18 (-30) million

Second quarter 2007

- Sales: SEK 141 (118) million
- Operating profit: SEK 3 (-5) million
- Operating margin: 2% (-4%)
- Profit after tax: SEK 3 (-5) million
- Cash flow: SEK 14 (-15) million

Comments from CEO Katarina Mellström

Mandator continues to win new business and grow. Net recruitments for the first half of the year brought in forty new employees, providing organic growth of 15%. Cash flow was strong at SEK 18 million.

Mandator's three prioritised sectors, the manufacturing industry, the telecom industry and the public sector, now generate three quarters of our sales. Most growth was seen in telecom and industry, which on a rolling 12-month basis increased by 25% compared with the second quarter of last year. Our merged operations in Southern Sweden and Denmark show good development. Thanks to our strong position in telecom in Southern Sweden, we recently won a new contract in Denmark that will initially require at least ten consultants from three countries. Moreover, the three-year partnership with Sandvik, has developed well with a 40% increase in volume during the year. We have also signed a preferred supplier agreement with OMX for services in project management, systems development and testing. Post Danmark, the Danish state postal service, has also joined our customer ranks. During the quarter, we delivered Duka's new website and received new orders from Tallinn Technical University and the Estonian police and tax authorities.

Despite the good influx of business and promising growth, our earnings are not satisfactory. Most business units are performing well, but a couple have not achieved their goals. We have initiated targeted measures to turn these units around. The costs for these measures burdened the quarterly result by some SEK 4 million, and we expect further costs of the same magnitude during the third quarter. Among other things, we implemented measures that entailed about ten non-billable staff leaving the company. We have wound up unprofitable service areas in favour of additional investments in offerings important to Mandator's future, such as project management and testing/verification.

On the positive side, future business prospects are good. Mandator's strong position in industry and telecom provides room for larger and more specialised business deals in the future, with increased levels of nearshore deliveries from our strong unit in Estonia, which has some 100 employees. Good demand for IT services also facilitates more proactive work to refine our pricing models and develop new service offerings.

The market for IT services is prosperous and the good business flow, together with the measures taken to increase profits, lead me to expect a considerably improved latter half of the year.

This is Mandator

Mandator is an IT consultancy that increases customers' efficiency and competitive edge with new ideas and new technology based on a combination of IT expertise and business know-how.

Service areas

Professional services that combine IT and business know-how

Project
management

Business
development

Systems
development

Systems
integration

Testing and
validation

Solutions and concepts

We create and integrate complete applications and products

Business and operations
systems

E-learning

Communications
and portals

Product
configuration

Project management
systems

Mobility

Administration and
operation

Quality and
security

Mandator's stock was listed on 3 January 1997 and is traded under Small Cap on the OMX Nordic Exchange. The company has 552 employees. The company's employees have an average of ten years' experience from the IT industry. More than ninety percent of our consultants have a university education.

Our vision is to be "the natural choice in the Nordic region and Baltic States where IT can make for better business". The company has offices in Sweden, Denmark, England, Estonia and Finland and runs projects in as many other countries.

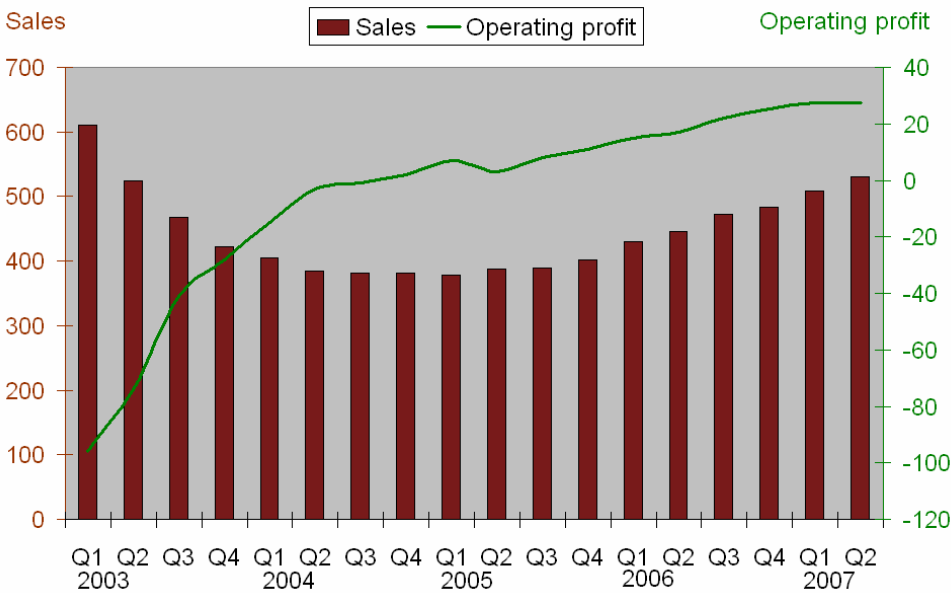
Interim Report January – June 2007

Mandator AB (publ), corporate ID number 556216-0357

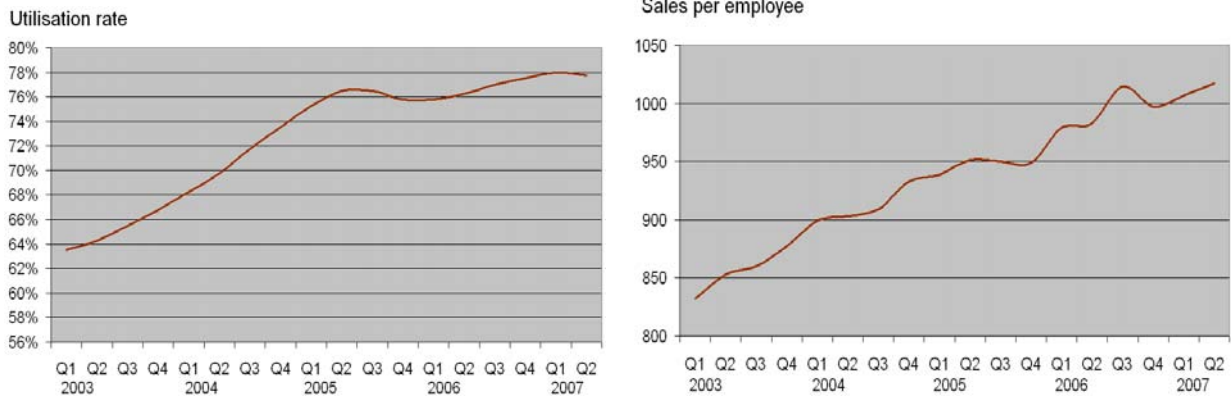
Quarterly development

Mandator has reported a positive earnings trend four years running. The company has reported increased sales for the last nine consecutive quarters.

Annual sales and operating profit excluding non-recurring items calculated on a rolling 12-month basis, SEK millions



Utilisation rate and sales per employee and year, SEK thousands, rolling 12-month basis



Long-term customer relations

At a time when customers are keen to work with a smaller number of consulting firms, Mandator strengthened its market position during the year through renewed agreements and/or new involvement with its ten largest clients. More than three-quarters of sales are to existing customers.

Examples of the company's important clients include Ericsson, Estonian Ministry of Economic Affairs, Estonian Ministry of External Affairs, FMV (*Swedish Defence Materiel Administration*), General Electric, IBM, Lantmäteriet (*Swedish National Land Survey*), NCC, Swedish municipalities, Sandvik, SJ/Linkon, Sony Ericsson, Symbian, Tekniska Verken i Linköping (municipal utilities company), Telenor, Tele2, UiQ, Volvo Car, Volvo Group and Vägverket (*Swedish National Road Administration*).

Distribution between sectors

Mandator's three prioritised sectors accounted for 74 percent of sales for the last twelve months. Most growth was seen within telecom, which on a rolling 12-month basis increased by 42% compared with the first quarter of last year.

Distribution of sales between prioritised sectors, rolling 12 months

Sector	2007 Q2		2006 Q2	
	%	SEK mln	%	SEK mln
Industry	31%	155	30%	137
Telecom	28%	143	22%	101
Public sector	15%	79	17%	77
Total	74%	377	69%	315

Goals

Mandator shall grow with good profitability. Growth in the company's prioritised markets will exceed market growth. The company is to generate an operating margin in excess of 10 percent over a full business cycle.

Second quarter 2007

Sales amounted to SEK 141 million, to be compared with sales of SEK 118 million the previous year. This represents organic growth of 19%.

This growth was achieved by the company recruiting additional billable consultants. The utilisation rate has been on a par with last year.

Operating profit amounted to SEK 3 million, to be compared with a loss of SEK 5 million the previous year. Costs for the targeted measures to increase the profitability of low-performance business units burdened the quarterly result by some SEK 4 million. The result for the same quarter last year included a non-recurring item of SEK -8 million.

Our merged operations in Southern Sweden and Denmark exhibited good development during the quarter. Since the previous interim report, Mandator has also signed a preferred supplier agreement with OMX for services in project management, systems development and testing. Post Danmark, the Danish state postal service, has joined our customer ranks. During the quarter, the company delivered Duka's new website and received new orders from Tallinn Technical University and the Estonian police and tax authorities.

Market prospects

The market situation for IT consultancies is good. The European economy is doing well, especially within the manufacturing and telecom industries. Investments are increasing and activity is high, in IT in particular. Prices for IT services are generally on the increase, even if not at the same rate as demand. Good demand for IT services, however, facilitates more proactive work to refine our pricing models and develop new service offerings. The market for Mandator Estonia's nearshore offering in the outsourcing of systems development, validation and testing is growing.

Employees

Mandator is in a growth phase. The number of employees at the end of the quarter was 552. During the year the company recruited a net total of some 40 employees. Recruitment rejuvenates the company's consultant team, increases business efficiency and enables us to meet increasing demand from our customers.

Intangible fixed assets

Intangible fixed assets, comprised of goodwill, amounted to SEK 63 (63) million.

Financial fixed assets

Financial fixed assets, consisting of deferred tax claims, amounted to SEK 86 (44) million.

Financial position

Liquid funds totalled SEK 66 (47) million at the end of the second quarter. Cash flow for the second quarter amounted to SEK +14 million. Mandator has no interest-bearing liabilities. The equity/assets ratio was 69 (62)%.

Parent company

The parent company generated sales of SEK 9 (7) million in the second quarter. Profit after financial items amounted to SEK -4 (-10) million. Shareholders' equity amounted to SEK 54 (66) million at the close of the period.

Accounting Principles

This interim report has been prepared in accordance with IAS 34, Interim Financial Reporting.

The accounting principles applied in this interim report are described in the annual report for 2006.

The company applies IFRS accounting standards approved within the EU.

An overview of the risks associated with Mandator's operations can be found in the Annual Report 2006 pages 18-19.

Interim Report January – June 2007

Mandator AB (publ), corporate ID number 556216-0357

Future reporting dates 2007

30 October Interim Report January-September 2007

This interim report has not been reviewed by the company's auditors.

The Board of Directors and the Chief Executive Officer affirm that this interim report gives a true and fair view of the company and the group's operations, position and the financial results and describes any significant risks and uncertainties that the company and its subsidiaries currently face.

Stockholm, Sweden, 13 July 2007

Petter Stillström
Chairman of the Board

Torbjörn Gunnarsson
Member of the Board

Lars Harrysson
Member of the Board

Henrik Larsson
Member of the Board

Pontus Lesse
Member of the Board

Helena Levander
Member of the Board

Jan Signell
Member of the Board

Rohnny Åhman
Member of the Board

Katarina Mellström
Chief Executive Officer

Questions regarding this report may be addressed to:

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Interim Report January – June 2007

Mandator AB (publ), corporate ID number 556216-0357

Net sales and operating profit by geographic area, SEK millions

	Apr-Jun 2007	Apr-Jun 2006	Jan-Jun 2007	Jan-Jun 2006	Jan-Dec 2006
Net sales					
Sweden	115	98	232	196	403
Abroad	27	24	57	49	105
Parent company operations	9	8	18	24	33
Elimination of intra-group sales	-10	-12	-23	-23	-48
Total	141	118	284	246	493
Operating profit					
Sweden	4	2	11	10	34
Abroad	1	2	3	3	7
Parent company operations	-2	-9	-4	-4	-14
Operating profit	3	-5	10	9	27

Consolidated income statement the group in summary, SEK millions

	Apr-Jun 2007	Apr-Jun 2006	Jan-Jun 2007	Jan-Jun 2006	Jan-Dec 2006
Net sales	141	118	284	246	493
Operating expenses	-136	-122	-271	-235	-463
Depreciation of tangible fixed assets	-2	-1	-3	-2	-4
Operating profit	3	-5	10	9	26
Profit/loss from financial investments	0	0	0	0	1
Profit/loss after financial items	3	-5	10	9	27
Tax	-	-	-	-	42
Profit/loss for the year	3	-5	10	9	69

Interim Report January – June 2007

Mandator AB (publ), corporate ID number 556216-0357

Consolidated balance sheet the group in summary, SEK millions

	30/06/07	30/06/06	31/12/06
Intangible fixed assets	63	63	63
Tangible fixed assets	14	9	10
Financial fixed assets	86	44	86
Trade debtors	89	79	102
Other current assets	71	73	60
Liquid assets	66	47	48
Total assets	389	315	369
Equity	267	196	256
Long term liabilities	7	6	8
Short term liabilities	115	113	105
Total equity and liabilities	389	315	369

Mandator has no interest-bearing debt.

Consolidated cash flow statement the group in summary, SEK millions

	Apr-Jun 2007	Apr-Jun 2006	Jan-Jun 2007	Jan-Jun 2006	Jan-Dec 2006
Cash flow before change in working capital	5	-9	12	-5	9
Change in working capital	12	-6	10	-8	-16
Cash flow from current operations	17	-15	22	-13	-7
Cash flow from investment activities	-3	0	-4	8	4
Cash flow from financing activities	0	0	0	-25	-25
Change in liquid funds	14	-15	18	-30	-28
Liquid funds, opening balance	52	62	48	77	77
Translation difference	-	-	-	-	-1
Liquid funds, closing balance	66	47	66	47	48

Interim Report January – June 2007

Mandator AB (publ), corporate ID number 556216-0357

Share data

		Jan-Jun 2007	Jan-Jun 2006	Jan-Dec 2006
	No. of shares at end of period (thousands)	169 172	169 172	169 172
Before and after full dilution	Weighted number of shares (thousands)	169 172	169 172	169 172
	Operating profit per share, SEK	0,06	0,05	0,16
	Earnings per share, SEK	0,06	0,05	0,16
	Equity per share, SEK	1,58	1,16	1,51

Key ratios

	Apr-Jun 2007	Apr-Jun 2006	Jan-Jun 2007	Jan-Jun 2006	Jan-Dec 2006
Operating profit, SEK mln	3	-5	10	9	27
Operating margin, %	2	-4	4	4	5
Net margin, %	2	-4	4	4	14
Net sales per employee, SEK th	255	245	527	525	996
Utilisation rate, %	78	79	78	78	78
Equity/assets ratio, %	69	62	69	62	70
Debt/equity ratio, %	0	0	0	0	0
Return on equity, %			4	5	31
Return on capital employed, %			4	4	12

Change in equity, SEK millions

Opening balance, 01/01/2006	187
Translation difference	0
Profit/loss for the year	9
Closing balance, 30/06/06	196
Opening balance, 01/01/07	256
Translation difference	1
Profit/loss for the year	10
Closing balance, 30/06/07	267

Interim Report January – June 2007

Mandator AB (publ), corporate ID number 556216-0357

Consolidated income statement parent company in summary, SEK millions

	Apr-Jun 2007	Apr-Jun 2006	Jan-Jun 2007	Jan-Jun 2006	Jan-Dec 2006
Net sales	9	7	18	14	33
Operating expenses	-11	-16	-22	-28	-47
Depreciation of tangible fixed assets	0	0	0	0	0
Operating profit	-2	-9	-4	-14	-14
Profit/loss from financial investments	-2	-1	-5	-1	-3
Profit/loss after financial items	-4	-10	-9	-15	-17
Profit/loss for the year	-4	-10	-9	-15	-17

Consolidated balance sheet parent company in summary, SEK millions

	30/06/07	30/06/06	31/12/06
Tangible fixed assets	1	1	1
Financial fixed assets	323	323	323
Other current assets	39	59	45
Liquid assets	0	3	0
Total assets	363	386	369
Equity	54	66	64
Long term liabilities	4	5	5
Short term liabilities	305	315	300
Total equity and liabilities	363	386	369