

Cybercom and Plenware to join forces

Cybercom is acquiring Plenware, an IT consultancy with 550 employees and operations in Finland, Estonia, Romania, and China. Together, the companies (1) form a new, leading Nordic consultancy specialised in telecom, Internet, media (TIM) and industry, (2) strengthen both organisations, and (3) enhance and broaden service offerings to their customers.

"We greatly respect Plenware's capabilities and business - which is why the new combined Group now fortifies its position as a leading Nordic consultancy within TIM and industry," says Patrik Boman, president and CEO, Cybercom Group. "We see excellent strategic fit between the businesses of Plenware and Cybercom. The acquisition will enable us to expand into new geographic markets, and we further broaden our customer base. We recognise Plenware's extensive knowledge within the industry and will continue the strong development of the Plenware's business as well as its highly skilled personnel. Buying Plenware is a continuation of Cybercom's growth strategy to strengthen its position in the Nordics and obtain valuable nearshore operations in Estonia and Romania - which is what our customers are demanding. In addition, the acquisition will give us an important connection to the rapidly growing Chinese market."

The acquisition is in line with Cybercom's growth strategy, and the new combined Group's delivery capacity becomes more attractive for major projects and assignments. The new Group will have about 1,850 employees and offices in China, Denmark, Dubai, Estonia, Finland, India, Poland, Romania, Sweden, and the UK. Sales are expected to increase to SEK 1,800 million annually, on a rolling 12-month basis. Plenware's customers include Nokia, Nokia Siemens Networks, Sandvik, Alma Media, Kone, and John Deere Forestry.

"As a part of the Cybercom Group, Plenware has an excellent opportunity to develop its business and participate in significant, large-scale customer projects. The two companies complement each other excellently," says Hannu Meskanen, co-founder, president and CEO, Plenware. "Building a future with Cybercom will be extremely stimulating and in many ways also fulfils Plenware's growth objectives."

Cybercom will hold an extraordinary general meeting (EGM) on 23 January to get approval of the acquisition. The companies' boards and major owners support the deal. Plenware is expected to be consolidated from 1 January 2008. The purchase price for 100% of the equity is EUR 33 million; in addition there is about EUR 14 million in liabilities and obligations in Plenware. An additional purchase price is expected to be paid based on 2007 and 2008 profit. Plenware runs a high-margin operation with EBITDA of EUR 7 million (adjusted for one-offs) and sales of about EUR 37 million forecasted for 2007. Plenware's telecom services business unit generates 50% of sales, and its industry and service business unit generates 50%. Very limited structural costs are expected with the deal and besides sales synergies, minor cost synergies were identified, which will have a positive effect during 2008. Earnings per share is expected to increase already in Q1 2008 due to the deal.

"Cybercom has a strong balance sheet," says CFO Per Jonsson, "and we will primarily finance the deal via credit facilities, with the addition of a directed issue of Cybercom shares to current Plenware shareholders. We will maintain a solid equity/asset ratio, which will be about 40% after the acquisition. This deal is attractive because besides increased size, we will expand our customer base, and at the same time diversify our industry sector and geographical focus."

Additional information will be published in the EGM notification and Cybercom's final year-end 2007 statement that will be issued on 5 February 2008.

Questions? Please get in touch with:

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About Cybercom

The Cybercom Group is a high-tech consultancy that offers global sourcing for end-to-end solutions. The Group established itself as a world-class supplier in these segments: portals, mobile solutions, embedded systems, e-commerce, and business support systems. Thanks to its extensive industry and operations experience, Cybercom can offer strategic and technological expertise to these markets: telecom, Internet, and media (TIM); banking and financial services; automotive; national defence; and the public sector. Cybercom runs projects worldwide and has offices in Denmark, India, Poland, Singapore, Sweden, and the UK. Since 1999, Cybercom's share has been quoted on the OMX Nordic Exchange. Find out more at: www.cybercomgroup.com.

About Plenware

Plenware provides software development services for top companies in industrial, telecom, finance, and media sectors by operating as customers' R&D collaborator. Plenware was founded in 1999 by Hannu Meskanen and

Sami Somero, is owned by the founders, a private equity fund managed by Sentica Partners and the personnel. Since its launch, the company has reported profit during all financial years and has grown rapidly organically and through acquisitions. Plenware employs about 550 persons and has offices in Tampere, Helsinki, Oulu, Turku, Rauma, and Hyvinkää, Finland and operations in China, Estonia, and Romania. The Estonian and Romanian businesses were initiated in 2006 and the Chinese operations was started in early 2007.