

Fourth quarter 2006

- Sales: SEK 138 (129*) mln
- Sales excluding one-off items: SEK 138 (126) mln
- Operating profit: SEK 10 (10*) mln
- Operating profit excluding one-off items: SEK 10 (7) mln
- Operating margin excluding one-off items: 8% (6%)

January - December 2006

- Sales: SEK 493* (428*) mln
- Sales excluding one-off items: SEK 484 (402) mln
- Operating profit: SEK 27* (31*) mln
- Operating profit excluding one-off items: 25 (10) mln
- Profit after tax: SEK 70 (30) mln
- Earnings per share: SEK 0.17 (0.17)

A good end to the year

Annual organic growth of 20% and an operating margin of 8% for Q4

Comments from CEO Katarina Mellström

▪ Good earnings trend and strong organic growth

It is most satisfying to be able to report that we rounded the year off well. Our operating margin for the fourth quarter was 8% while cash flow was SEK +17 million.

Sales, adjusted for non-recurring items, increased by 20% compared with the previous year. We recruited a net total of some seventy consultants during the year. Our focus on cost-efficiency has enabled us to reduce non-billable staff numbers by seven.

Organic growth was the strongest driving force behind the pleasing improvements in both sales and earnings. Moreover, our utilisation rate rose to 78% during the year, an increase of 2 percentage points. Prices are developing positively, even if not at the same rate as the increase in demand. This has enabled an increase in operating profit, adjusted for non-recurring items, from SEK 10 million to SEK 25 million. Further, improved earning capacity has increased deferred tax claims by SEK 42 million.

▪ Focus on prioritised sectors strengthens market position

Mandator's strategy to focus on industry, telecom and the public sector is providing good returns. The prioritised sectors continue to grow and now comprise 72% of sales. During the year we increased our assignments and the number of consultants stationed at our three largest customers (Ericsson, Sandvik and Volvo Car) by 71%. In our prioritised sectors we are experts on the associated IT systems and core businesses, enabling us to create and offer additional packaged and specialised services.

Our involvement in the prestigious BT21C telecom project in England continues to increase. We are also joining Ericsson in new countries, with projects in Germany, Italy and Brazil. Our general agreement with Ericsson on IS/IT has been extended. The e-learning market is growing and we have supplied solutions to the motor industry. We also signed a new general agreement with SMHI, the Swedish Meteorological and Hydrological Institute, in the last quarter.

▪ First nearshore project in Denmark and joint venture with Symfoni Software

Mandator's operations in Estonia and Denmark have won their first joint project. By providing a combination of local presence, industry-specific knowledge and cost-efficiency, Mandator will develop a system for the educational sector. Twenty percent of Mandator's personnel are located in Estonia, where the company has a mix of local and nearshore projects.

In the fourth quarter of 2006, Mandator established joint operations in Sweden with the Norwegian software company Symfoni Software AS, the largest Scandinavian supplier of IBM-based software for communication and collaboration. Mandator is the leading systems integrator within this field with some 40 specialist consultants.

▪ Highly active market provides good flow of orders

The European economy is doing well. Investments are on the increase, not least within IT, and I confidently expect to see continued improvements in 2007.

*The fourth quarter of 2006 saw no non-recurring items in sales or operating profit. Increased earnings capacity, however, has resulted in the activation of SEK 42 million in tax-deductible deficits. The non-recurring items in sales and operating profit in 2005 and Q1-Q2 2006 are covered in the financial table on page 7.

This is Mandator

Mandator is an IT consulting company that improves clients' competitive edge through technical stability and increased internal and external efficiency. Inner efficiency is the largest part of the Mandator service offering and accounts for approximately 70% of revenue.



Inner
efficiency

We optimise business processes, operations and production

- Operations and process development
- Project management
- Systems development and integration
- Test och validation



Outer
efficiency

We develop communication and mobile solutions

- Market and customer care systems (CRM)
- Corporate websites and web campaigns
- Mobile solutions



Technical
stability

We secure IT environments

- IT operation
- Security solutions
- Systems integration

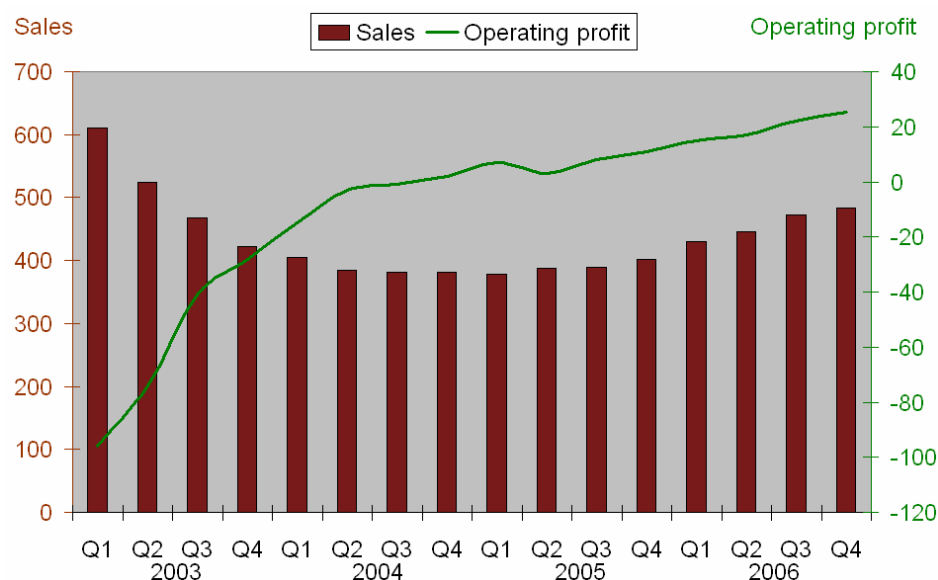
Mandator has been listed on Stockholmsbörsen, the Stockholm Stock Exchange, since 1997 and has 514 employees. The company's employees have an average of ten years' experience from the IT industry. Over ninety percent of the consultants have a university/college education.

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 operations in as many countries more.

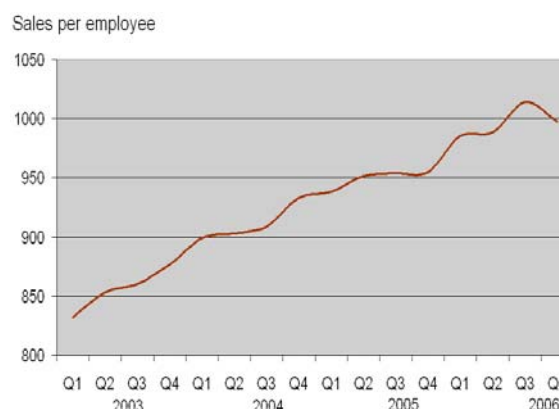
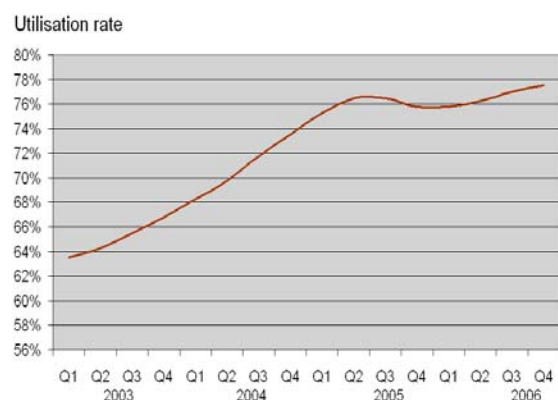
Quarterly development

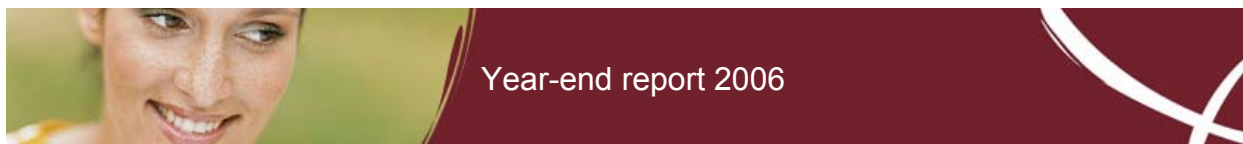
Mandator has reported a positive earnings trend four years running. The company has reported increased sales for the last seven consecutive quarters.

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



Annual sales per employee, in SEK thousands, and utilisation rate, rolling 12 months





Long-term client 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 Agria, Ericsson, Estonian Ministry of Economic Affairs, Estonian Ministry of External Affairs, FMV (*Swedish Defence Materiel Administration*), General Electric, Gunnebo, 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

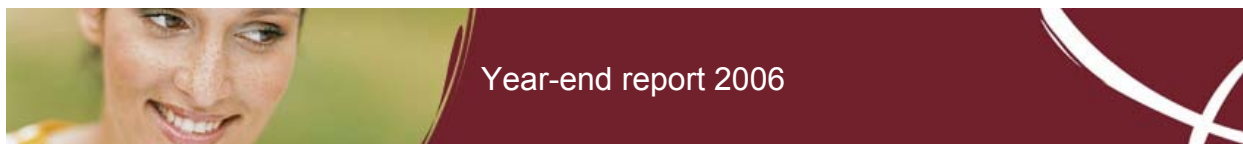
Mandator's three prioritised sectors accounted for 72 percent of sales for the last twelve months. Compared with the same period the previous year, this is an increase of 1 percentage point.

Distribution of sales between prioritised sectors, rolling 12 months

	2006 Q4	2005 Q4
Sector		
Industry	31%	31%
Telecom	24%	20%
Public sector	17%	20%
Total	72%	71%

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.



Fourth quarter 2006

Sales amounted to SEK 138 million, to be compared with sales of SEK 126 million the previous year adjusted for non-recurring items of SEK +3 million.

Operating profit amounted to SEK 10 million, to be compared with an operating profit of SEK 7 million the previous year adjusted for non-recurring items of SEK 3 million. This corresponds to an operating margin of 8% for the fourth quarter of 2006, compared to 6% for the same period the previous year adjusted for non-recurring items.

This growth and positive earnings trend were achieved by the company recruiting additional billable consultants and an increased utilisation rate.

Improved earnings capacity resulted in deferred tax claims increasing by SEK 42 million to SEK 86 million. The Mandator Group has some SEK 900 million in tax-deductible deficits, about half of which can be cancelled against the deferred profits of previously acquired companies.

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. On average, prices for IT services have increased somewhat so far this year. Prices have also been differentiated to a greater extent, with more specialised services demanding higher remuneration. The market for Mandator Estonia's nearshore offering within the outsourcing of systems development, validation and testing is expected to grow.

Employees

Mandator is in a growth phase. The number of employees at the end of the quarter was 514. During the year the company recruited a net total of some seventy new consultants while decreasing non-billable staff numbers. 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

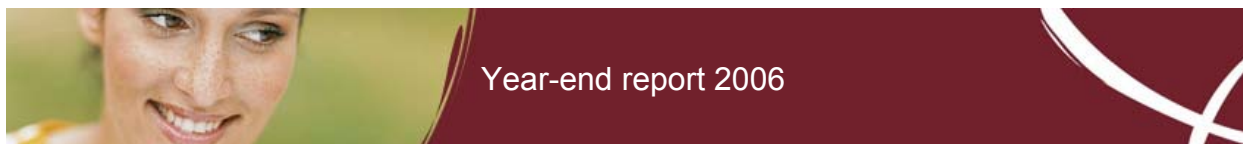
Financial fixed assets, consisting of deferred tax claims, amounted to SEK 86 (44) million.

Financial position

Liquid funds totalled SEK 48 (77) million at the end of the fourth quarter. Cash flow for the fourth quarter amounted to SEK +17 million. During the year, cash flow was burdened in the amounts of SEK -25 million for the repayment of credit facilities and SEK -13 million for the redemption of a leasing agreement in Denmark. Mandator has no interest-bearing liabilities. The equity/assets was 69%.

Parent company

The parent company generated sales of SEK 10 (6) million in the fourth quarter. Profit after financial items amounted to SEK -1 (-4) million. Shareholders' equity amounted to SEK 65 (79) 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 2005. Therein it is specified that International Financial Reporting Standards (IFRS) are applied as of 2005.

The company applies IFRS accounting standards approved within the EU.

Proposed dividend

The Board proposes that no dividends be paid for the 2006 financial year.

Annual General Meeting

The Annual General Meeting will be held in Stockholm on 19 April. Notice of the annual general meeting will be made public no later than four weeks before this date.

The annual report will be available at the company's head office, located at Rosenlundsgatan 40, Stockholm, Sweden, no later than two weeks before the AGM. The annual report will also be available at www.mandator.com.

Future reporting dates 2007

19 April	Interim Report January-March 2007
19 April	Annual General Meeting
13 July	Interim Report January-June 2007
30 October	Interim Report January-September 2007

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

Stockholm, Sweden, 9 February 2007

Mandator AB (publ)
Katarina Mellström

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Net sales and operating profit by geographic area, SEK millions

	Oct-Dec 2006	Oct-Dec 2005	Jan-Dec 2006	Jan-Dec 2005
Net sales				
Sweden	119	104	398	331
Abroad	24	25	101	82
Parent company operations	10	9	42	49
Elimination of intra-group sales	-15	-9	-48	-34
Total	138	129	493	428
Operating profit				
Sweden	10	13	27	23
Abroad	1	2	7	1
Parent company operations	-1	-5	-7	7
Operating profit	10	10	27	31
Net sales excluding one-off items	138	126	484	402
Operating profit excluding one-off items	10	7	25	10
Operating margin excluding one-off items	8%	6%	5%	2%

Consolidated income statement in summary, SEK millions

	Oct-Dec 2006	Oct-Dec 2005	Jan-Dec 2006	Jan-Dec 2005
Net sales	138	129	493	428
Operating expenses	-127	-118	-462	-393
Depreciation of tangible fixed assets	-1	-1	-4	-4
Operating profit	10	10	27	31
Profit/loss from financial investments	1	-1	1	-1
Profit/loss after financial items	11	9	28	30
Tax	42	-	42	-
Profit/loss for the year	53	9	70	30
Net sales excluding one-off items	138	126	484	402
Operating profit excluding one-off items	10	7	25	10
Operating margin excluding one-off items	8%	6%	5%	2%

In Q4 2006 the deferred tax liabilities increased by SEK 42 million

**Consolidated balance sheet in summary, SEK millions**

	31/12/06	31/12/05
Intangible fixed assets	63	63
Tangible fixed assets	10	10
Financial fixed assets	86	44
Trade debtors	102	71
Other current assets	61	78
Liquid assets	48	77
Total assets	370	343
Equity	257	187
Long term liabilities	5	19
Short term liabilities	108	137
Total equity and liabilities	370	343

Mandator has no interest-bearing debt.

Consolidated cash flow statement in summary, SEK millions

	Oct-Dec 2006	Oct-Dec 2005	Jan-Dec 2006	Jan-Dec 2005
Cash flow before change in working capital	8	10	9	7
Change in working capital	10	-5	-20	-15
Cash flow from current operations	18	5	-11	-8
Cash flow from investment activities	-1	-1	7	21
Cash flow from financing activities	0	-12	-25	6
Change in liquid funds	17	-8	-29	19
Liquid funds, opening balance	31	85	77	58
Liquid funds, closing balance	48	77	48	77



Share data

		Jan-Dec 2006	Jan-Dec 2005
Before and after full dilution	No. of shares at end of period (thousands)	169 172	169 172
	Weighted number of shares (thousands)	169 172	169 172
	Operating profit per share, SEK	0.16	0.18
	Earnings per share, SEK	0.17	0.17
	Equity per share, SEK	1.51	1.1

Key ratios

	Oct-Dec 2006	Oct-Dec 2005	Jan-Dec 2006	Jan-Dec 2005
Operating profit, SEK mln	10	10	27	31
Operating margin, %	8	8	5	7
Net margin, %	38	7	17	7
Net sales per employee, SEK th	268	286	996	955
Utilisation rate, %	78	76	78	76
Equity/assets ratio, %			69	55
Debt/equity ratio, %			0	13
Return on equity, %			32	17
Return on capital employed, %			13	15

Change in equity, SEK millions

Opening balance, 01/01/2005	157
Translation difference	0
Profit/loss for the year	30
Closing balance, 31/12/05	187
Opening balance, 01/01/06	187
Translation difference	0
Profit/loss for the year	70
Closing balance, 31/12/06	257