

DACKE GROUP NORDIC (publ.)

Interim Report January - June 2006

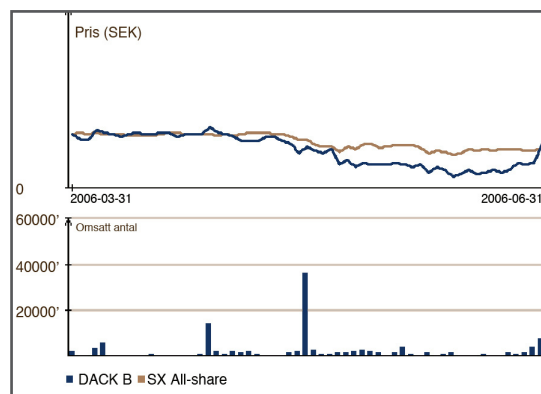
SIGNIFICANT EVENTS DURING THE PERIOD

- Net sales for the entire period increased to SEK 254.3 m (19.2) and to SEK 134.3 m (14.1) for the second quarter.
- The operating profit for the period amounted to SEK 10.2 m (-4.3) and to SEK 5.3 m (0.1) for the second quarter.
- The profit after tax amounted to SEK 9.1 m (-0.9) and was SEK 5 m (1.1) for the second quarter.
- Earnings per share for the first half year amounted to SEK 0.02 (-0.01).
- Cash flow for the first half year was SEK 16.3 m (1.7) .
- Revenues increased by 12 % and the operating profit by 8% for all comparable units between the first and second quarters.
- Dacke's Board of Directors resolved to apply for a listing on the OMX Nordic list (the current O-list).

Significant events after the close of the period

- Softcom customer care was acquired. The acquisition was carried out in accordance with Dacke's acquisition model, preferably in exchange for new Dacke share.
- In connection with the acquisition of Softcom, the Lundin family increased their holding in Dacke with 20 million shares.
- Proffcom was acquired from Proffice. The transaction was carried out by a cash payment.
- The acquisition of Softcom and Proffcom brings to the Group approximately SEK 300 m in annual sales.

DACKE IN SUMMARY	30 Jun 2006	30 June 2005	31-Dec-05
Assets SEK m	334,2	41,0	194,1
Net indebtedness SEK m	83,5	10,8	49,2
Shareholders' equity SEK m	200,1	27,0	110,6
Shareholders' equity per share SEK	0,378	0,2216	0,621
Periodens utveckling			
The Group's profit, SEK m	9,1	-0,9	-6,3
The Group's profit, SEK/ share	0,02	-0,01	-0,04



CEO'S MESSAGE

The very significant sales increase has taken place in parallel with good profitability. During the period, we have carried out four company acquisitions, two of which have not as yet been reported here, but will be reported during the coming periods. The company's investment strategy, to acquire companies with good development potential and stable earnings, is successful. With this acquisition Dacke will be close to annual sales of approximately SEK 800 m and will strengthen its representation in the New-Nordic Countries by over 1,000 employees.

Dacke continues to acquire companies, at a favorable valuation compared with international standards. Dacke sees continued good business opportunities at these favorable valuations.

It is particularly pleasing to see that the growth between the first and second quarter of the year was 12 %, at the same time that all three business areas displayed positive earnings. Consolidation on the debit side and development of the service offering are prioritized efforts in order to continue Dacke's robust expansion with strong profitability.

Dacke's positive statement of conditions, with regard to growth and profitability, has led to the Board of Directors passing a resolution to apply for a listing on the OMX Nordic list, currently the O-list.

Dacke will continue the expansion in the New Nordic Countries going forward. In the short-term, new acquisitions will be concentrated principally within Customer Intelligence, that is integrated services within customer care and market research. The prospects for these areas are promising on all relevant markets. Customer Intelligence will be a generic name for the business areas that today are called Research & Analysis. In line with Dacke's investment strategy, the companies Softcom Customer Care and Proffcom were acquired after the close of the period.

The market for communication and marketing related services is fragmented today with great opportunities for extracting co-ordination benefits. Simultaneously, the market is growing in the New Nordic Countries, that is the Nordic Countries and the Baltic States. Dacke has built a solid platform upon which to continue growth and we look forward to report on the developments in the coming quarter.



Urban von Euler
CEO and President

FINANCIAL INFORMATION

Income and Earnings

Income amounted to SEK 254.3 m (19,2) during the period January-June and to SEK 134.3 m (14.1) for the three month period April-June. No new companies were consolidated during the second quarter. Income for comparable units increased by 12 % between the first and second quarter of 2006. All business areas apart from Advertising and Branding contributed to the income increase.

In the business area Advertising & Branding earnings in United Power and Byrå 1&2, have been affected by non-recurring events during the quarter. United Power has lost volume as a consequence of the disposal of the company's Norwegian operations. Organisational changes in Byrå 1&2 have resulted in increased costs and decreased sales volumes

The operating profit amounted to SEK 10.2 m (-4.3) during the first half-year of 2006 and to SEK 5.3 m (0.1) during the period under April-June. The operating profit for comparable units increased 8 % between the first and second quarter 2006.

Net income after tax was SEK 9.1 m (-0.9) for the half-year January-June and SEK 5,0 m (1,1) for the three month period April-June.

Business area	Advertising & Branding including Interactive Communications				Research & Analysis (Customer Intelligence)			
	Jan-March	April-June	Jan-June	Fullyear 2005	Jan-March	April-June	Jan-June	Fullyear 2005
Operating income *	23,6	16,0	39,6	36,7	17,5	32,6	50,1	9,5
Operating profit**	4,0	1,6	5,6	-0,7	0,7	1,7	2,4	-0,3
Operating profit**(%)	16,9%	10,0%	14,1%	-1,9%	4,0%	5,2%	4,8%	-3,2%

Business area	Meetings & Events				All business areas			
	Jan-March	April-June	Jan-June	Fullyear 2005	Jan-March	April-June	Jan-June	Fullyear 2005
Operating income *	78,9	86,9	165,8	-	120,0	135,5	255,5	46,2
Operating profit**	3,3	3,0	6,3	-	8,0	6,3	14,3	-1,0
Operating profit**(%)	4,2%	3,5%	3,8%	-	6,7%	4,6%	5,6%	-

*Koncernintern omsättning har inte eliminerats ifrån ovanstående siffror

**Rörelseresultat inkluderar inte centrala kostnader avseende Dacke Group.



Liquidity, Cash Flow and Financial Position

The cash flow from the current operations amounted during the period January-June to SEK 7.3 m (-3.5) and to SEK -7.9 m (-3.1) for the period April-June. A cash issue was carried out during the second quarter and brought SEK 8.2 m to the company.

Net financial items amounted to SEK -1.1 m (3.4) for the first half-year and to SEK 0.3 m (1.0) for the second quarter. The deterioration was due to increased borrowing costs for financing of the acquired companies.

The interest-bearing liabilities amounted to SEK 39.1 m (4.8) as of the last day of June and shareholders' equity to SEK 200.1 m (27.0). Equity ratio (the proportion of shareholder's equity of the total capital employed) amounted to 60%. The increase in liabilities is entirely attributable to the company acquisitions.

Investments and Disposals

Investment in tangible and intangible fixed assets had no visible impact on the Group's earnings. The acquisition of subsidiaries is dealt with under the section "Events after the close of the period".

EVENTS AFTER THE CLOSE OF THE PERIOD

After the close of the second quarter, two strategic acquisitions for Dacke have been carried out. Softcom Customer Care is Sweden's largest customer service company and has sales of approximately SEK 150 m on a yearly basis. Softcom has a broad service offering and its own offices in Sweden, Finland, Estonia, Lithuania and Poland.

Proffcom is a customer service company that offers integrated solutions over all communication channels such as telephony, web, mail and fax. There are operations in Sweden and Poland. Proffcom was acquired from Proffice and the company's sales are approximately SEK 150 m.

Softcom was acquired in accordance with Dacke's acquisition model, preferably by a non-cash issue to the seller. Proffcom was acquired by a cash payment to Proffice.

The acquisition is a part of Dacke's investment in Customer Intelligence, currently Research & Analysis. The market for combined customer service and market research services is growing, while at the same time there is are significant co-coordination and consolidation benefits to extract. Dacke estimates yearly savings within the business area of SEK 30 m.

DESCRIPTION OF OPERATIONS

Dacke acts from an investment perspective and is specialised in acquiring and developing companies within the marketing communication industry. The Group owns companies within the geographical area, the New Nordic Countries, that is the Nordic Countries and the Baltic States.

INVESTMENT STRATEGY

Business conditions	Dacke's supply of competence
Strong development potential	Common platform for sales and development
Growth on the market	Aggregated resource base
Good consolidation possibilities	Financial control system
Complementary brand	Management

Dacke's investment strategy is based on a number of central criteria. Investments are assessed based on which development potential the company has, as well as which co-ordination benefits can be extracted by means of consolidation of the company's operations and surrounding business area.

BUSINESS AREAS

Research & Analysis (Customer Intelligence)	Advertising & Branding Interactive Communications	Meetings & Events
Dimant Relevant Information Hermelin Nordic Research Proffcom* Softcom*	Frank Kommunikation Byrån 1&2 Value PR Venture Communication United Power 24HR Communications	Hansen Conference & Event

* Acquired 1st of July 2006

Dacke has investments within the business areas Research & Analysis, Advertising & Branding and Meetings & Events. The area that was previously called Interactive Communications is now part of the business area Advertising & Branding. The new division is a natural consequence of the ongoing convergence between the sectors. The focus going forward, will be within Research & Analysis, which as a result of the new acquisition will be called Customer Intelligence.

The development within the business areas is driven principally by the management within the respective companies. Co-ordination benefits between the companies are attained through consolidation of common resources as well as service and product development.

BUSINESS AREA DEVELOPMENT

Business area	All business areas		Research & Analysis (Customer Intelligence)		Advertising & Branding Interactive Communications		Meetings & Events	
	Q1 06	Q2 06	Q1 06	Q2 06	Q1 06	Q2 06	Q1 06	Q2 06
Operating income	120,0	135,5	17,5	32,6	23,6	16,0	78,9	86,9
Operating profit	8,0	6,3	0,7	1,7	4,0	1,6	3,3	3,0
Operating profit (%)	6,7%	4,6%	4,0%	5,2%	16,9%	10,0%	4,2%	3,5%



All in all, the development exceeds the targets that were set for the period. The combined operating income for the second quarter was SEK 134.3 m, which corresponds to a sales increase from the first quarter of slightly more than 12 %. The operating profit increased sequentially by 8% during the second quarter to SEK 5.3 m

The deterioration in the operating margin was due to a weaker development within Advertising & Branding. Byrån 1&2 is now organised under the management of Frank Kommunikation. The amalgamation has required organisational changes, which under a transition period have impacted earnings negatively. United Power has disposed of its Norwegian operations, which explains the decline in the business area's sales during the period.

The development within Research & Analysis, going forward Customer Intelligence, has been particularly strong. The business area displayed growth of 86% between the first and the second quarter. At the same time, profitability has improved from 4 to 5.2%. Hermelin Nordic Research accounts for the major part of the growth. The good results are explained in part by buoyant demand for Hermelin's international research products and in part, because the company has worked in a target-oriented manner to control costs over a long period.

The business area for meetings is characterised by seasonal variations during the year, which is why a sequential comparison between the quarters is less relevant. Hansen Conference & Events' earnings have however maintained a stable and high level over the period. Compared with the second quarter of 2005, Hansen displays growth of 73%. Dacke acquired Hansen Conference & Event at the end of December 2005.

MARKET

The investment climate in Sweden for investments with the communication sector has been favourable during the first-half year of 2006. Nutek's statistics for the first quarter of 2006 show that the communication sector after biotechnology and computers/IT software, was the sector that attracted most invested capital. During the first quarter 2006, Swedish players, excluding Dacke, invested SEK 57 m in companies within the communication sector. The number of investments totalled 14. This figure can be compared with 160 investments in all sectors in total.

The New Nordic Countries and the Baltic Sea area constitute a dynamic growth market. According to recently updated figures from Eurostat, the Baltic States combined GNP growth for 2006 amounts to between 6.5 and 8.9 %. Investments in the communication sector are closely tied to the GNP development. Several of the companies that form part of Dacke Group Nordic, have assignments and established customer contacts in the New Nordic Countries.

GNP	2005	est. 2006	est.2007
Sweden	2.7	3.4	3.0
Norway	2.3	2.5	2.0
Denmark	3.2	3.2	2.3
Finland	2.9	3.6	2.9
Estonia	9.8	8.9	7.9
Latvia	10.1	8.5	7.6
Lithuania	7.5	6.5	6.2

Source: Eurostat, Updated 19/08/2006

According to Dacke's estimations, the market for the business area Research & Analysis, that going forward will be called Customer Intelligence, amounts to slightly less than SEK 30 billion in the New Nordic Countries. A corresponding estimation for Meetings & Events is slightly less than SEK 150 billion while Advertising & Branding, including Interactive Communications, has sales of approx. SEK160 billion on a yearly basis.

In a short-term perspective, Dacke is concentrating a major portion of the development efforts in the future within Customer Intelligence. The business area includes the market for research, market analysis, customer service related activities and contact-centres. This market has grown steadily in recent years and is predicted in the coming years to have a growth of 7-8 %.The market for customer service and related value added services is anticipated to grow by 15-20 % annually over the next three years. Sweden is at the leading edge of this market niche within the New Nordic Countries. Accordingly, it is natural that impending market consolidation is initiated here.

FUTURE PROSPECTS

Going forward, Dacke is focusing on development within existing business areas together with a continued high rate of expansion in the New Nordic Countries. Dacke has good knowledge of the market, and continuously monitors it with the aim of identifying future growth areas.

The target, set for 2007, to achieve sales of SEK 700 m, has been reached and exceeded during the current year. The acquisition of Softcom and Proffcom mean that pro forma sales today amount to slightly less than SEK 800 m.

A transfer to the OMX Nordic list from First North at present, is a natural step in the phase that Dacke Group Nordic is currently in. It is necessary to be listed on the stock exchange in order to continue to grow and attract large investors. Furthermore, the OMX Nordic list is especially interesting since it reflects the geographical market where Dacke Group Nordic itself is active.



PERSONNEL

The number of employees in the Group amounted to 165 people as at 30 June. Net sales per employee amounted to SEK 814 k during the second quarter.

TAX

Tax expenses are calculated based on estimated tax for the parent company and subsidiary companies respectively. All deductible losses, amounting to 25,1 M are attributable to the Group company in Sweden. As there is some uncertainty regarding exactly within which period the deficit can be utilized, Dacke Group has chosen not to enter deferred taxes recoverable, with respect to the deficit deduction in the balance sheet. This decision can however be revised in the future.

THE SHARE

Dacke Group Nordic is listed on First North. As at the end of June, the share price was SEK 0.48 (48 öre), an increase of 4 % since the year-end.

The number of outstanding shares as of 30-06-2006 amounted to 525,466,807 shares. During the second quarter, a directed cash issue to a number of new investors at a price of SEK 0.41 (41 öre) was carried out. A non-cash issue as payment to previous owners of Hermelin Nordic Research was also carried out. The issue increased the number of shares by 83.2 million shares and was carried out at a price of SEK 0.54 (54 öre). Further, two non-cash issues were carried out at a rate of SEK 0.50 as payment to previous owners of Hansen and United Power. The issues increased the number of shares by 169.5 and 56 million shares respectively.

The acquisitions of Softcom and Proffcom mean that the number of shares will increase by approximately 150 million shares to approximately 675 million shares. There are in addition to that, three outstanding options programmes, which can result in a maximum increase in the share capital of SEK 1.5 m and approximately 15 million shares.

THE PARENT COMPANY

The Parent Company does not carry out any business operations of its own, apart from functioning as the Group's holding company with responsibility for the Group's strategic development and other common functions for the Group. The Parent Company has three employees and other functions are attached to the company on a consultant basis.

- External net sales in the parent company amounted to SEK 0 (0) for the first half-year
- The operating profit for the corresponding period amounted to SEK 58 k (-43).
- The parent company's other net investments amounted to SEK 0 during the first half-year.
- The parent company's liquid funds amounted to SEK 7,188 k (0) at the close of the second quarter.



ACCOUNTING PRINCIPLES

Dacke prepares its consolidated accounts for 2006 pursuant to the European Commission adopted International Accounting Standards. (IAS/IFRS).

This interim report is prepared in compliance with IAS 34, Interim Financial reporting, which is in accordance with the requirements of the Swedish Financial Accounting Standards Council's recommendation RR31, Interim reporting for groups and the Annual Accounts Act.

The parent company's reporting is in accordance with the Annual Accounts Act.

The same accounting principles and calculation methods are applied as in the annual accounts for 2005. This is prepared according to the Annual Accounts Act, International Financial Reporting Standards (IFRS) and interpretative statements from the International Financial Reporting Interpretations Committee (IFRIC), which have been adopted by the European Commission.

The new/revised IFRS that entered into force and are applicable from 1 January 2006 do not affect the Group's income statements or balance sheets, cash flow statements or shareholders' equity (see further the annual accounts for 2005).

Segment reporting: In Dacke's case, it is primarily consulting activities that affect the company's risk and opportunities. Sales and operating profit for this segment appear directly in the income statement. In order to present the company's sales and operating profit more clearly, the company has opted to report key ratios from Dacke's various business areas.

This report has not been examined by the company's auditor.

FUTURE REPORTING DATES

27th of October 2006

Interim report January-September 2006

20th of February 2007

Press release (of unaudited annual earnings figures etc.)
for 2006

The interim reports are available on www.dackegroup.com

Stockholm, 28 August 2006

Dacke Group Nordic

Urban von Euler
CEO and President

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Consolidated income statement SEKm	3 MONTHS April-June 2006	3 MONTHS April-June 2005	6 MONTHS Jan-June 2006	6 MONTHS Jan-June 2005	12 MONTHS Jan-Dec 2005
Net sales	134.3	14.1	254.3	19.2	46.2
Direct expenses	-95.0	0.0	-178.0	0.0	-9.1
External expenses	-11.7	-7.1	-20.9	-11.8	-16.2
Personnel expenses	-22.8	-6.7	-43.6	-11.3	-25.4
Depreciation	0.5	-0.2	-1.6	-0.4	-1.0
Total operating expenses	-129.0	-14.0	-244.1	-23.5	-51.7
Operating profit/loss	5.3	0.1	10.2	-4.3	-5.5
Financial items	-0.3	1.0	-1.1	3.4	-0.5
Profit/loss after financial items	5.0	1.1	9.1	-0.9	-6.0
Tax on profit/loss for the year	0.0	0.0	0.0	0.0	-0.3
Profit/loss	5.0	1.1	9.1	-0.9	-6.3

Quarterly value Consolidated income statement in summary SEKm	Q2/2006	Q1/2006	Q4/2005	Q3/2005	Q2/2005	Q1/2005	Full-year 2005
Net sales	134.3	120.0	20.1	6.9	14.1	5.1	46.2
Growth compared with pre- vious year (%)	852.5%	2252.9%	-	-	-	-	-
Operating expenses	-129.0	-115.1	-18.9	-9.3	-14.0	-9.5	-51.7
Operating profit/loss	5.3	4.9	1.2	-2.4	0.1	-4.4	-5.5
Operating profit/loss (%)	3.9%	4.1%	6.0%	-34.8%	0.7%	-86.3%	-11.9%
Profit/loss for the period	5.0	4.1	-3.1	-2.3	1.1	-2.0	-6.3

Data per share (SEK)	3 MONTHS April-June 2006	3 MONTHS April-June 2005	6 MONTHS Jan-June 2006	6 MONTHS Jan-June 2005	12 MONTHS Jan-Dec 2005
Earnings/loss per share	0.01	0.01	0.02	-0.01	-0.04
Earnings/loss per share af- ter full dilution	0.01	0.01	0.02	-0.01	-0.03
Shareholders' equity per share	0.38	0.22	0.38	0.22	0.62
Number of outstanding shares at the close of the period before dilution	525,466,807	124,861,100	525,466,807	124,861,100	177,027,308
Average number of shares at the close of the period before dilution	361,155,658	124,861,100	351,247,058	124,861,100	94,513,654
Number of outstanding shares at the close of the period after dilution	540,466,807	171,143,753	540,466,807	171,143,753	182,027,308
Share price	0.48	0.54	0.48	0.54	0.46

Consolidated balance sheet SEKm	2006-06-30	30-06-2005	31-12-2005
Goodwill	181,8	16.8	97.6
Intangible fixed assets	8,1	3.1	5.1
Tangible fixed assets	7,0	1.2	5.0
Financial fixed assets	0,2	-	0.4
Total fixed assets	197,1	21.1	108.1
Current receivables	86,5	16.7	51.7
Liquid funds	50,6	3.2	34.3
Total assets	334,2	41.0	194.1
Shareholders' equity	200,1	27.0	110.6
Long-term liabilities	39,1	4.8	5.1
Current liabilities	95,0	9.2	78.4
Total shareholders' equity and liabilities	334,2	41.0	194.1

Change in consolidated shareholders' equity SEKm	30-06-2006	30-06-2005	31-12-2005
Opening balance	110.6	10.9	4.8
New share issue	8.2	7.5	11.5
Equity effect of acquisition of subsidiary company through new issue	72.2	5.8	7.7
Equity effect of acquisition of subsidiary company, ongoing new issues	0.0		92.9
Profit/loss for the period	9.1	2.8	-6.3
Closing balance	200.1	27.0	110.6

Consolidated cash flow statement	3 MONTHS April-June 2006	3 MONTHS April-June 2005	6 MONTHS Jan-June 2006	6 MONTHS Jan-June 2005	12 MONTHS Jan-Dec 2005
Cash flow from current operations	4.8	0.3	11.8	-3.9	-5.0
Adjustment for items which do not affect the cash flow	-	-	-	3.5	-
Taxed paid	-	-	-		-0.3
Cash flow from current operations before changes in working capital	4.8	0.3	11.8	-0.4	-5.3
Changes in working capital	-12.7	-3.4	-4.5	-3.1	29.1
Cash flow from current operations	-7.9	-3.1	7.3	-3.5	23.8
Cash flow from investment activities	-17.2	0.0	-33.2	0.0	-0.1
Cash flow from financing activities	26.2	5.2	42.2	5.2	9.1



Cash flow for the period	1.1	2.1	16.3	1.7	32.8
Liquid funds at the start of the period	49.5	1.1	34.3	1.5	1.5
Liquid funds at the end of the period	50.6	3.2	50.6	3.2	34.3

Key ratios	3 MONTHS April-June 2006	3 MONTHS April-June 2005	6 MONTHS Jan-June 2006	6 MONTHS Jan-June 2005	12 MONTHS Jan-Dec 2005
Earnings					
Net sales	134.3	14.1	254.3	19.2	46.2
Operating profit/loss	5.3	0.1	10.2	-4.3	-5,.5
Profit/loss after financial items	5.0	1.1	9.1	-0.9	-6.0
Operating margin % EBIT	4%	1%	4%	-22%	-12%
Financial position					
Acid-test ratio	1.44	2.16	1.44	2.16	1.10
Liquid funds	50.6	3.2	50.6	3.2	34.3
Debt/equity ratio, %	40%	34%	40%	34%	43%
Return on equity	2%	4%	5%	-3%	-6%
Return on (total) assets	1%	3%	3%	-2%	-3%
Equity ratio, %	60%	66%	60%	66%	57%
Employees					
Number of employees at the close of the period	165	51	165	50	111
Net sales per employee SEK k	814	276	1 541	384	416

On 1 July, Softcom and Proffcom were acquired.

Of the Group's net sales SEK 0 is attributable to these acquisitions.

Of the Group's operating profit SEK 0 is attributable to these acquisitions.

Had these acquisitions taken place as at 1 January this year, the Group's net sales would have been approx. SEK 400 m.

Acquired net assets and goodwill, SEK m

	Proffcom	Softcom
Purchase price inc. Acquisition costs	30.0	60.0
Actual value of the acquired net assets	22.0	-2.7
Goodwill	8.0	62.7

Goodwill is attributable to estimated future earnings generation. .

Assets and liabilities included in the acquisition, SEK m

	Proffcom	Softcom
Intangible fixed assets	1.1	7.6
Tangible fixed assets	5.1	11.3
Financial fixed assets	7.5	0.1
Receivables	31.8	29.8
Liquid funds	5.8	0.7
Liabilities	29.3	52.2
Acquired net assets	22.0	-2.7

	Proffcom	Softcom
Total purchase price	30.0	60.0
Cash payment	30.0	10.0
Actual value of the newly issued shares	-	50.0