Rejlerkoncernen AB (publ).

Interim report, January-March 2007

26 April 2007

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First Quarter

- Turnover increased by 19 per cent to SEK 161.7 million (135.7)
- Operating profit increased by 32 per cent to SEK 20.9 million (15.8) and the operating margin amounted to 12.9 per cent (11.6)
- Profit after tax increased by 35 per cent to SEK 14.7 million (10.9)
- Profit per share increased by 34 per cent to SEK 1.37 (1.02)
- Headcount at the end of the period increased by 20 per cent to 777 (649)
- Rejlers acquired two engineering consultancies in Finland with 31 employees altogether

	Turnover, SEK millions		**Operating profit, SEK millions**		**Operating margin, %**	
	2007	2006	**2007**	2006	**2007**	2006
	Jan-March	Jan-March	Jan-March	Jan-March	Jan-March	Jan-March
Rejlers Sweden	**121.9**	101.1	**15.4**	11.5	**12.7**	11.4
Rejlers Finland[1)]	**31.7**	26.9	**4.6**	4.0	**14.5**	14.9
Rejlers Energitjänster	**10.5**	8.7	**1.6**	0.4	**15.5**	4.7
Groupwide, etc.	**-2.4**	-1.0	**-0.7**	-0.1	**-**	-
Total Group	**161.7**	135.7	**20.9**	15.8	**12.9**	11.6

Rejlers is a Nordic group offering technical consultancy services in the fields of electrical engineering, energy, mechanical engineering, automation, IT and telecommunications. The Rejlers share is listed on the Nordic list of the Stockholm Stock Exchange.

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Statement from President and CEO Peter Rejler

Rejlers has continued its strong growth over the first quarter of 2007. Our recruitment of new staff meant an increase in staff levels, with 39 new engineers and two acquisitions in Finland adding a further 31 engineers. We now employ 777 staff and expect to increase that number still further over the year.

Industrial IT solutions and telecoms system planning are strong business areas in which Rejlers is gaining market share. It is very gratifying to be able to tell you that all our businesses are undergoing positive development.

In this prevailing time of economic prosperity which, from what we can tell, is evening out at a high level, pricing structures in the engineering consultancy industry are also starting to improve. Rejlers' high debiting ratio and a strong demand for our services would imply that the prospects for the Group are excellent.

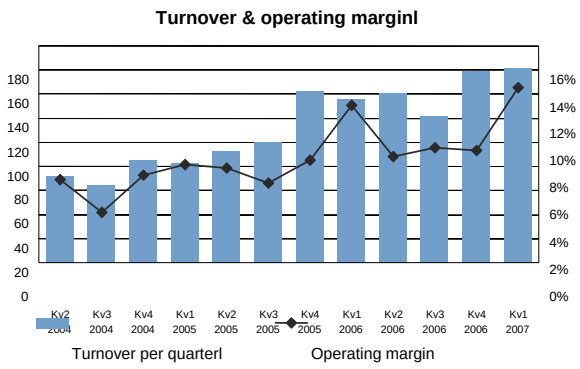
Rejlers is interested in reinforcing its company profile with further acquisitions which fit in with the company's operations and culture. Despite a strong balance sheet with a good capacity for major acquisitions, Rejlers is opting to focus on acquisitions of small and medium-sized companies where the owners and staff take the long-term view of continuing operations as part of the Rejler Group.

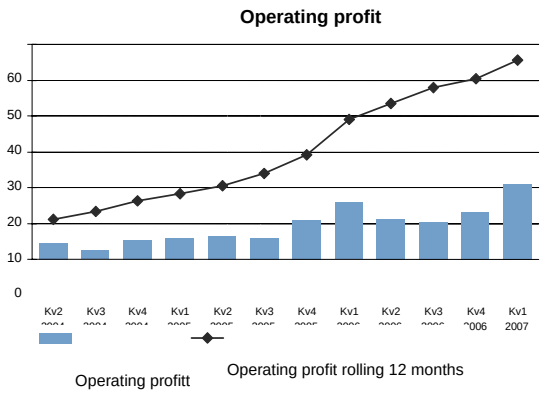
Profits for the first quarter are very satisfactory and meet the company's targets. I predict continuing good development of operations throughout the rest of the year. Organic growth and strategic acquisitions provide us with every chance of attaining our long-term target – to have at least 1,000 employees and a turnover of SEK 1 billion by 2010.

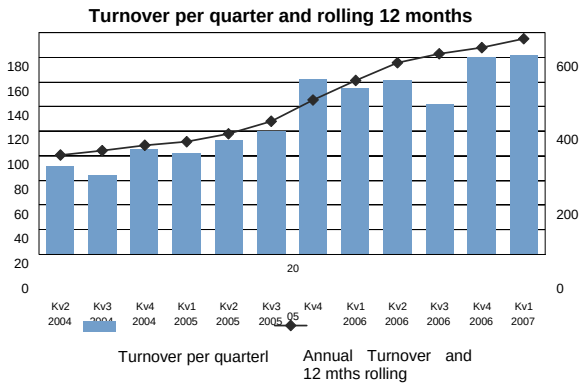
Turnover and profit

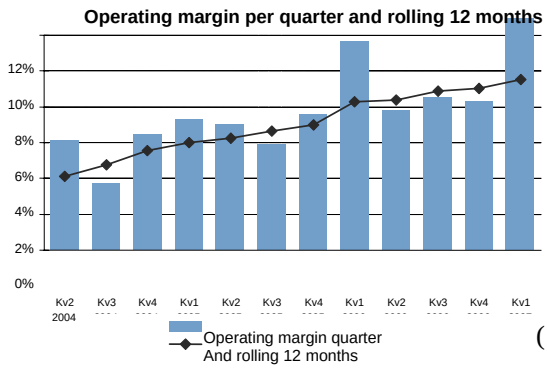
Turnover was up 19 per cent to SEK 161.7 million (135.7). The operating profit increased by 32 per cent to SEK 20.9 million (15.8), corresponding to an operating margin of 12.9 per cent (11.6) This improvement in profits compared with last year is due to our continuing expansion, a strong demand and an improved debiting ratio. The number of working days amounted to 63 (63).

Profit after net financial items increased by 33 per cent to SEK 20.8 million (15.6), and the profit after tax increased by 35 per cent to SEK 14.7 million (10.9). The profit after tax was subject to a tax rate of 29 per cent (30). Financial income amounted to SEK 0.1 million (0.1), and financial expenses amounted to SEK -0.2 million (-0.3). The debiting ratio amounted to 77 per cent, compared with 76 per cent in the previous year.









Earnings per share
Profit per share totalled SEK 1.37 (1.02). Equity per share amounted to SEK 14.75 at the end of the period, compared with SEK 13.29 at the start of the year.

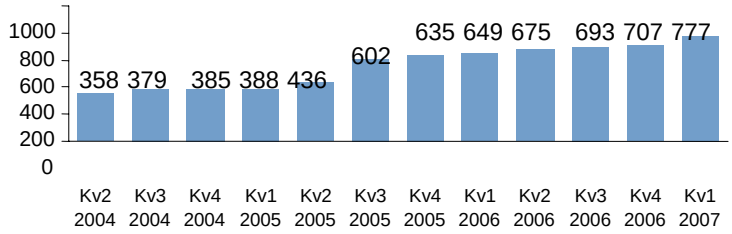
Investments
Investments in fixed assets amounted to SEK 1.5 million (3.3), while investments in intangible assets and trading amounted to SEK 12.3 million (0.0). Depreciation and write-downs amounted to SEK –2.5 million (-2.6).

Cash flow and financial position
The cash flow from current operations amounted to SEK 19.0 million (5.9). At the end of the period, the Group's cash and equivalents amounted to SEK 43.1 million, compared with SEK 28.1 million at the start of the year, including an unused overdraft facility. Interest-bearing liabilities increased by SEK 7.8 million and amounted at the end of the period to SEK 26.7 million (18.9 at the start of the year).

The equity/assets ratio at the end of the period amounted to 50.9 per cent, compared with 53.2 at the start of the year.

Employees
The number of employees at the end of the period amounted to 777. This is an increase of 20 per cent compared with the same period last year, and an increase of 11 per cent compared with the start of the year.

The number of employees at the end of the period



Parent Company
The parent company's net turnover for the period amounted to SEK 2.3 million (0.5), with loss before tax amounting to SEK -1.6 million (1.8).

Acquisitions
Two engineering consultancies in Finland were acquired during the quarter. Rejlers Oy acquired Finnish engineering consultancy company Konepro Oy, which had six employees and a turnover of some SEK 6 million. The company's expertise is in the fields of pipe and process engineering. Rejlers Oy also acquired the engineering consultancy company Suomen Fintecon Oy in Tampere, Finland. Fintecon employs 25 staff and has a turnover of SEK 17 million, with good profitability. The company's expertise is in the fields of electrical and automation technology. These acquisitions reinforce Rejlers' position in southern Finland and provide more opportunities for growth in the region. Rejlers now employs 227 staff in Finland following these takeovers.

Future Outlook
Rejlers considers the market trend for 2007 to be favourable and intends to continue expanding its market shares through organic growth, acquisitions and new establishments.

Rejlers Sweden *operating margin 12.7 % (11.4), turnover SEK 121.9 million (101.1)*

Operations in Sweden represent some 72 per cent of turnover and are run by Group companies Rejlers Ingenjörer AB, Svenska Energihuset AB, ComIT Rejlers AB, Rejlers International AB and Rejlers OÜ. Rejlers Sweden offers consultancy services in the fields of electrical engineering, energy, mechanical engineering, automation, IT and telecommunications, primarily to four client groups: Infrastructure, Industry, Energy, and Construction and Property. In Sweden, Rejlers has 21 offices; and at the end of the quarter, the company employed 516 people compared with 449 for the same period last year, equivalent to around 65 per cent of all Group staff.

Market

The Swedish Federation of Consulting Engineers and Architects (STD) is reinforcing the forecast for construction and industrial investments for 2007 and 2008. The positive development in the engineering consultancy industry is expected to continue. The greatest demand for assignments can be seen in the energy/power field, which will be demonstrating good growth for several years to come. It is thought that the market for consultancy services in the field of infrastructure projects will continue to grow over the year. The field of construction and property is demonstrating continuing strong growth.

Activities

Rejlers has started 2007 with good growth and a continued high debiting ratio which is entirely in line with growth targets. Rejlers Sweden grew by 21 per cent in terms of turnover and 13 per cent in terms of staff numbers through new recruitment, compared with the same period last year. The demand for the services of Rejlers Sweden was very good in all client segments over the first quarter.

Rejlers' **Industry** assignments in 2006 are characterised mainly by modernisation, streamlining and automation of manufacturing processes and production plants. The demand for Rejlers' assignments in the field of automation, with associated system solutions, is on the increase, as are assignments in the field of product development.

Rejlers' **Infrastructure** assignments are characterised by the development of roads and railways, where the company plans electrical, telecommunications and signalling systems, and by the expansion of broadband networks and the telecommunications section, where Rejlers is gaining market shares. The major broadband operators are opening their copper and fibre-optic networks so that they can supply broadband to more clients in Sweden, and the mobile networks are to undergo optimisation and expansion: this is leading to a demand for Rejlers' skills in that area. Rejlers also develops data systems for road information, utility companies, the care sector and industry.

Major investments in electricity are helping to ensure a strong demand for Rejlers' engineering consultants in the field of **Energy**. Investments in the field of energy production are also advancing Rejlers' expansion in that area.

The demand for assignments within **Construction and Property** is greater than ever. Rejlers' assignments within this client group relate mainly to consultancy services for commercial properties such as offices, hotels, industrial buildings and public buildings for care and teaching purposes.

Assignments, first quarter

Below are some examples of assignments received by Rejlers Sweden over the first quarter:

- The Central Post Office in Gothenburg is going to be a first class hotel for the next generation. Alteration and extension work on the Central Post Office is creating a new, top quality hotel and conference facility, with 550 rooms over 34,000 m^2. After taking part in a competition, Rejlers has been appointed as consultants for power supply, electrical, telecoms and lift installations and lighting design at the planned hotel. The client is HOME Properties, together with Choice Hotels.
- Rejlers has been commissioned by Borås Energi to carry out a pilot study of their radio network with a view to expanding that radio network to meet future requirements.
- Elektro Sandberg AB and ABB Power Technology AB are modernising six gas turbine plants for reserve power production. Rejlers has won an order relating to plant construction and

documentation of electrical equipment and instrumentation. The plants in Hallstavik and Lahäll are owned by Svenska Kraftnät Gasturbiner AB. The value of this order to Rejlers is in the region of about SEK 3 million.

- Rejlers has been commissioned by Kavli, a new client, to design and program two new control systems for Kavli's refrigeration plant.

Rejlers Finland *operating margin 14.5 % (14.9), turnover SEK 31.7 million (26.9)*

Operations in Finland represent some 20 per cent of the total turnover and are run by Group companies Rejlers Finland Oy, Rejlers Oy, Rejlers Projektit Oy, Insinööritoimisto Konepro Oy and Insinööritoimisto Suomen Fintecon Oy. Rejlers Finland offers consultancy services in the fields of electrical engineering, automation, mechanical engineering, heating, ventilation and sanitation, energy/environment and also total project deliveries to mainly major industrial customers, but also to Rejlers' other customer groups Infrastructure, Construction and Property, Energy, and Environmental Engineering. Rejlers has ten offices in Finland. At the end of the quarter, the company employed 227 staff, compared with 176 for the same period the previous year.

Market

The market for engineering and industrial consultants in Finland is growing. The industrial business situation in Finland is still good, and according to the Confederation of Finnish Industries, production is on the increase in all industrial areas. The markets for infrastructure and energy are also undergoing positive growth.

Activities

Rejlers Finland started the year with strong growth through the acquisition of two engineering consultancy companies in southern Finland. Rejlers Finland grew by 18 per cent in terms of turnover and 18 per cent in terms of staff numbers through acquisition and new recruitment, compared with the same period last year. Rejlers Oy also formed a new company together with energy company Suur-Savon Sähkö Oy in Finland in order to develop new technical solutions for electricity distribution. Rejlers Oy owns 66 per cent of the newly formed company. Over the quarter, Rejlers Invest Oy changed its name to Rejlers Finland Oy and opened a new office in Jyväskylä.

Rejlers is experiencing strong demand for its consultancy services, mainly in **Industry**. Planning, design and development of the industry's manufacturing processes are typical assignments within this customer group. Rejlers also offers project management services from concept to finished structure.

The order prospects in the **Infrastructure** field, particularly for rail projects, are looking positive. Within **Construction and Property**, Rejlers has good coverage and the future prospects look bright.

The demand for engineering consultants in the **Energy field** has also increased. A new market is growing, as the Finnish power utilities are starting to outsource parts of their operations, thereby creating new business opportunities for Rejlers.

Assignments, first quarter

Below are some examples of assignments received by Rejlers Finland over the first quarter:

- Rejlers Projektit Oy entered into three new project supply agreements for the supply of control and electrical systems (hardware and software): two for Russia and one for Latvia. This is worth a total of SEK 5.2 million.
- In Mikkeli, Rejlers has won an order relating to heating, ventilation and sanitation planning and clearance planning at the Hotel Cumulus. Clearance of the hotel, which covers an area of some 5,000 m^2, includes hotel rooms and restaurants. This assignment is in line with the company's strategy of using construction technology adapted for major public and industrial projects.

Rejlers Energitjänster

operating margin 15.5 % (4.7), turnover SEK 10.5 million (8.7)

Rejlers Energitjänster represents some 8 per cent of the total turnover, and at the end of the quarter it had 30 employees, compared with 26 for the same period last year. The company is a market leader and the largest independent operator in the field of energy metering services in Sweden. Rejlers Energitjänster offers everything from metering points out in the field to assembly, verification, metering technology consultation, meter operator services, supplier switches and invoicing services. Its customers are utility companies, electricity trading companies and property companies. At present, some 200 companies purchase various products and services from Rejlers Energitjänster.

Market

The market for energy metering services in Sweden is growing. By 2009, all electricity meters in Sweden must be automatically readable on a monthly basis. This means that Rejlers Energitjänster will be in even greater demand by utility companies. Property companies and tenant associations are also interested in metering their tenants' electricity consumption, cold water, gas, etc. This means that the need for reading systems and services will increase. The market for submetering of apartments has also taken off.

Activities

Rejlers Energitjänster grew by 21 per cent in terms of turnover and 15 per cent in terms of staff numbers, compared with the same period last year. Over the first quarter, Rejlers Energitjänster has entered into and extended agreements with a number of clients.

Assignments, first quarter

Below are some examples of assignments received by Rejlers Energitjänster over the first quarter:

- Rejlers has sold new handheld terminal systems for quantity assembly to Lund Energi Elnät AB and Tidaholm Energi AB, including installation.
- Rejlers has been commissioned by Kristinehamns Energi to manage its metering service project.
- Lysekils Energi AB has extended its agreement on meter reading management.

Income statement

Group, SEK millions	**Jan-March 2007**	Jan-March 2006	**Full year 2006**
Income	161.7	135.7	558.3
Personnel costs	-105.4	-86.7	-354.8
Other external costs	-32.9	-30.8	-142.9
Depreciations	-2.5	-2.6	-10.7
Shares in associated companies	-	0.2	0.5
Operating result	**20.9**	**15.8**	**50.4**
Net income after financial items	-0.1	-0.2	-0.1
Profit after net financial items	**20.8**	**15.6**	**50.3**
Tax	-6.1	-4.7	-14.2
Profit after tax	**14.7**	**10.9**	**36.1**
Profit per share [1)]	1.37	1.02	3.37
Average number of shares [1)]	10 750 775	10 679 755	10 721 183

[1)] Historical data converted in respect of 5:1 split on 23 May 2006

Cash flow analysis

Group, SEK millions	Jan-March 2007	Jan-March 2006	Full year 2006
Cash flow from the year's operations before changes in operating capital	23.2	13.4	47.7
Changes in operating capital	-4.2	-7.5	-11.6
Cash flow from current activities	**19.0**	**5.9**	**36.1**
Cash flow from investment activities	-13.8	-3.3	-7.9
Cash flow from financing activities	9.8	-7.1	-27.4
Cash flow for the year	**15.0**	**-4.5**	**0.8**
Liquid funds	28.1	7.7	13.1
Unused overdraft facility	15.0	4.7	15.0
Unappropriated funds	43.1	12.4	28.1

Balance Sheet

Group, SEK millions	31 March 2007	31 March 2006	31 Dec 2006
Assets			
Fixed assets			
Intangible assets [1]	80.8	66.7	68.0
Tangible assets [2]	27.6	43.8	27.7
Total fixed assets	**108.4**	**110.5**	**95.7**
Current Assets			
Financial assets	0.6	0.4	0.5
Current receivables [2]	174.6	134.1	159.3
Liquid assets	28	7.7	11.5
Total current assets	**203.2**	**142.2**	**171.3**
Total assets	**311.6**	**252.7**	**267.0**
Shareholders' equity and liabilities			
Shareholders' equity	**158.6**	**127.8**	**142.9**
Long-term liabilities	**37.9**	**30.5**	**28.7**
Current liabilities	**115.1**	**94.4**	**95.4**
Total liabilities and shareholders' equity	**311.6**	**252.7**	**267.0**
Of which interest-bearing liabilities	26.7	26.6	18.9

[1] Of intangible assets, SEK 58.4 million relates to goodwill, SEK 13.1 million relates to client values and SEK 9.3 million relates to software. Write-down tests have been conducted of goodwill values, with a discount rate after tax of 12 per cent. These tests have demonstrated no need for write-downs.

[2] The group's property in Växjö was reclassified as at 31 December 2006 as a property for sale, which has led to fixed assets being reduced by SEK 12 million and current receivables increasing by SEK 12 million compared with 31 March 2006.

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Change in shareholders' equity

Group, SEK millions	31 March 2007	31 March 2006	31 Dec 2006
Shareholders' equity at start of year	142.9	116.9	116.9
Dividend paid			-10.7
Conversion differences	1.0		-1.3
New share issue			1.9
Net profit for the year	14.7	10.9	36.1
Shareholders' equity at year-end	**158.6**	**127.8**	**142.9**

Key figures

The Group	Jan-March 2007	Jan-March 2006[1)]	Full year 2006
Operating margin, %	**12.9**	11.6	**9.0**
Profit margin, %	**12.9**	11.5	**9.0**
Return on equity, %	**9.8**	8.9	**27.8**
Return on capital employed, %	**12.5**	10.5	**34.4**
Cash liquidity (excluding unutilised overdraft facility), %	**176**	150	**178**
Equity/assets ratio, %	**50.9**	50.6	**53.2**
Debt/equity ratio, times	**0.2**	0.1	**0.1**
Interest coverage ratio, times	**105**	53	**85**
Investments, SEK millions	**13.8**	3.3	**7.9**
Debiting ratio, %	**77**	76	**77**
No. of working days	**63**	63	**249**
Number of employees	**777**	649	**680**
Turnover per employee, SEK thousands	**216**	209	**821**
Operating profit per employee, SEK thousands	**28**	24	**74**
Net liabilities, SEK millions	**-**	18.9	**6.0**
Shareholders' equity per share at end of period [1)]	**14.75**	11.97	**13.29**
Number of shares at end of period [1)]	**10 750 775**	10 679 755	**10 750 7757**

[1)] Recalculated in view of the 5:1 split, 23 May 2006

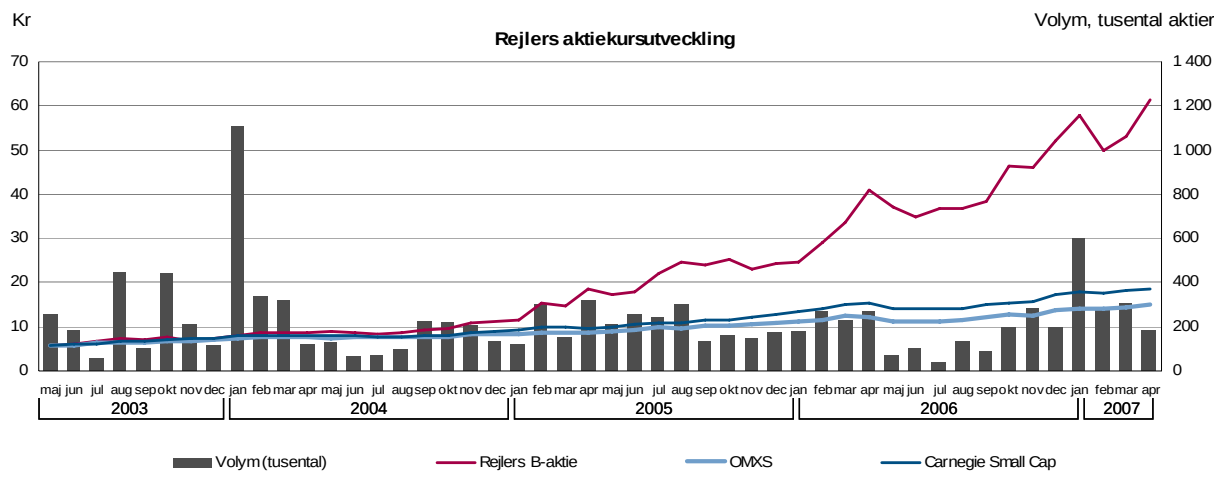
Acquisition of group companies
During the quarter Rejlers acquired the companies Konepro OY och Fintecon OY. The acquisitions have affected the Rejler group turnover by SEK 1.9 million and the operating profit by SEK 0.2 million. If the companies had been owned the entire period the turnover would have been affected by SEK 4.9 million and the operating profit by SEK 1.1 million.

Acquisitions SEK million

	Total
Intangible assets	0,2
Tangible assets	0,3
Financial fixed assets	0,2
Current assets	3,6
Liquid assets	6,9
Current liabilities	-2,7
Goodwill and other intangibles	
Intangible assets	12,0
Total consideration	**20,4**
Affected consideration	-1,8
Liquid assets in acquired companies	-6,9
Effect on Liquid assets	**11,7**

Rejlers share

The share price for Rejlers B was SEK 53 at the end of the quarter, an increase of 58 per cent compared to the same period last year. On 25 April 2007, the share price for Rejlers B was SEK 60.5. At the end of the quarter, the total number of shares is 10,750,775, distributed over 1,305,000 Class A shares and 9,445,775 Class B shares. The Rejlers share is listed on the Nordic list of the Stockholm Stock Exchange.



Dates of financial reports

Interim Report January-June 2007	31 July
Interim report, January-September 2007	23 October
Year-end report	20 February 2008

Accounting principles

This interim report has been compiled in accordance with IAS 34, Interim Financial Reporting. The Group's financial reporting complies with the International Financial Reporting Standards (IFRS) as of 2005. This report has not been examined by the company's auditor.

Stockholm, 26 April 2007
Rejler Group AB

Peter Rejler
President and CEO

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Operating margin
Operating profit/loss after depreciation in relation to income
Profit margin
Profit after financial income and expenses in relation to income
Return on shareholders' equity
Profit/loss after tax in relation to average shareholders' equity
Cash liquidity
Current assets minus ongoing projects, divided by current liabilities
Equity/assets ratio
Shareholders' equity in relation to balance sheet total
Interest coverage ratio
Debt/equity ratio
Interest-bearing liabilities in relation to shareholders' equity
Profit/loss after net financial items plus financial expenses in relation to financial expenses
Debiting ratio
Time that can be invoiced in relation to total attendance time
Number of employees
Attendance and absence hours (excluding long-term absence) divided by normal hours
Earnings per share, SEK
Profit after tax divided by the average number of shares
Shareholders' equity per share
Equity divided by total number of shares at end of period