

HALF-YEARLY REPORT

January - June 2014

Profitability continuing to improve

The first six months in brief

- Revenue increased by 4% to SEK 1,165 (1,123) million, and revenue increased by 1% when adjusted for currency effects.
- EBITDA amounted to SEK 69.6 (53.6) million. When adjusted for non-recurring items in the first six months of 2013 in the amount of SEK -9.6 million, EBITDA increased by 10%.
- Profit before tax amounted to SEK 38.1 (7.5) million. When adjusted for non-recurring items in the first six months of 2013 in the amount of SEK -14.8 million, profit before tax increased by 71%.
- Profit before tax amounted to SEK 27.2 (6.0) million.
- Earnings per share amounted to SEK 2.75 (0.23).
- Return on equity over the last 12 months amounted to 20.0 (12.2)%.

The second quarter in brief

- Revenue increased by 4% to SEK 573 (551) million, and revenue increased by 1% adjusted when for currency effects.
- EBITDA amounted to SEK 34.6 (16.5) million. When adjusted for non-recurring items in the second quarter of 2013 in the amount of SEK -15.8 million, EBITDA increased by 7%.
- Profit before tax amounted to SEK 20.6 (-8.9) million. When adjusted for non-recurring items in the second quarter of 2013 in the amount of SEK -21.0 million, profit before tax increased by 70%.
- Profit after tax amounted to SEK 16.4 (-8.1) million.
- Profit per share increased to SEK 1.65 (-0.97).

About Proact

Proact is Europe's leading independent integrator in the fields of data storage and cloud solutions. Proact supplies business benefits by helping companies and authorities the world over to reduce risk and costs, and above all, to supply flexible, accessible and secure IT services.

Proact solutions cover all elements of data storage, including virtualisation, network functions and security, and the company has more than 3 500 successful projects behind it, along with vast information volumes which are managed at the Proact data centre.

The Proact Group has more than 630 employees and conducts business in Belgium, Denmark, Estonia, Finland, Latvia, Lithuania, the Netherlands, Norway, Slovakia, Spain, the United Kingdom, Sweden and the Czech Republic. Proact was founded in 1994. Proact IT Group AB (publ), its Parent Company, has been listed on the Nasdaq OMX Stockholm since 1999 under the symbol PACT.

For further information about Proact's activities please visit us at www.proact.se

Report by Martin Ödman, Managing Director of Proact

The business has continued its positive development during the quarter. Profit before tax amounted to SEK 20.6 million, representing an increase of 70% compared with the same period last year. The company has increased its profit by 34% over the last 12-month period. I view this positive development of profit over the past year despite weak market development as a clear show of strength. Revenues during the period amounted to SEK 573 million, which represents an increase of 4% compared with the same period last year, and revenues increased by 1% when adjusted for currency effects. Business Units Nordic and Benelux & Spain, together with Proact Finance, have met expectations, while the profits of Business Units UK and East have been lower than expected.

Our strategic decision to focus on integrated systems has paid off in terms of both revenues and profit. A number of new contracts have been concluded in this field throughout the period, and a number of examples can be seen in the section entitled "Events in the quarter". Our cloud services initiative has also continued to develop well. New contracts worth SEK 24 million have been concluded during the quarter and total cloud revenues are up by 42%.

A customer survey has been carried out during the period which indicates very high levels of customer satisfaction. For example, customers value the expertise and experience available at Proact and are of the opinion that we make a positive contribution via these fields, helping customers' businesses to become more efficient and minimising risks. Of course, this is very pleasing as this is precisely what we intend to do; alongside our objective within our focus area, which is to maintain uniquely outstanding expertise among our staff.

The improvement in profitability over the last few quarters has given us the opportunity to focus even more strongly on the long-term development of the company. This gives us greater opportunities to ensure that the company meets its financial targets over time.

Market review

Different companies and authorities have different needs, and this means that the IT infrastructures of each and every one of them have to be adapted to suit their own specific needs. All companies and authorities are dependent on access to information of various kinds to allow their operations to work, and accessibility and security are particularly important for business-critical information. Shortcomings in security procedures and accessibility can lead to disruptions within the business, with disastrous consequences. This is why increasing numbers of companies and authorities are evaluating their options for using various services and new technical fields with a view to simplifying operation of their IT infrastructures.

One clear market trend, among others, is that the demand for various services such as analysis, design and implementation services is continuing to increase. Analysis and design services are mainly on the increase because companies and authorities want to ensure that their IT infrastructures meet the requirements defined by their business operations in the most effective way possible. At the same time, new technical fields such as integrated systems are continuing their positive development in the market. According to a market survey carried out by IDC recently, this technical field is growing by about 50% a year. Another market trend is for larger companies and authorities to implement the concept of private clouds to an ever increasing extent in order to automate internal IT processes and hence offer cost-effective, flexible IT services for their operations.

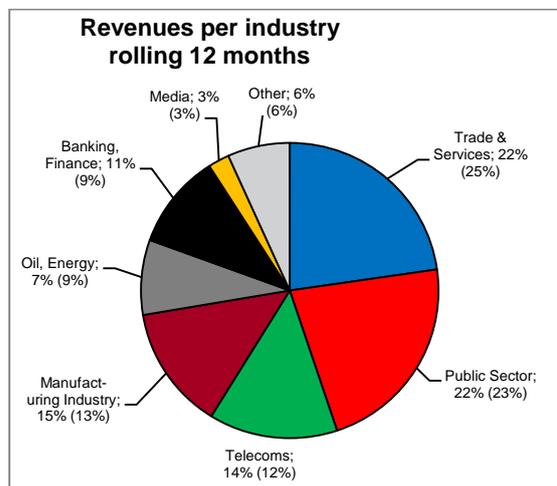
The need for ongoing streamlining, as well as a rapidly growing demand for solutions and services in new fields of technology, is indicating major potential for growth in Proact's specialist fields. Proact has established methods, processes and services to offer so as to meet demand on the market and provide the most effective support to its customers.

Financial overview

Over the first six months of 2014, the company's total revenues amounted to SEK 1,165 (1,123) million, representing an increase of 4%. Revenues increased by 1% when adjusted for currency effects.

Industry segments

Proact has good revenue distribution in respect of its various industry segments. The four biggest industry segments are Public Sector, Trade & Services, Manufacturing Industry and Telecoms.



Business Units

System revenues in Nordics have increased during the second quarter of 2014, which service revenues have remained unchanged.

Revenues in the UK during the second quarter have been affected positively by changes in currency exchange rates. Service revenues have continued to increase, primarily in respect of cloud services. At the same time, system revenues have been adversely affected due to a lack of major system contracts.

For Benelux & Spain, revenues have increased during the second quarter of 2014. Service revenues account for this growth in the main, while system revenues are slightly positive.

In East, revenues adjusted for currency effects have fallen due to a lack of system contracts in combination with the organisational changes implemented within the Czech business last year.

Future contracted cash flows from Proact Finance amount to SEK 113 (93) million, representing an increase of 22%.

Revenues per Business Unit	Jan-Jun 2014	Jan-Jun 2013	Apr-Jun 2014	Apr-Jun 2013
Nordics	644	619	331	323
UK	266	263	121	114
Benelux and Spain	195	175	99	89
East	60	62	28	27
Proact Finance	41	32	18	18
Groupwide	-41	-28	-24	-20
Total revenues	1,165	1,123	573	551

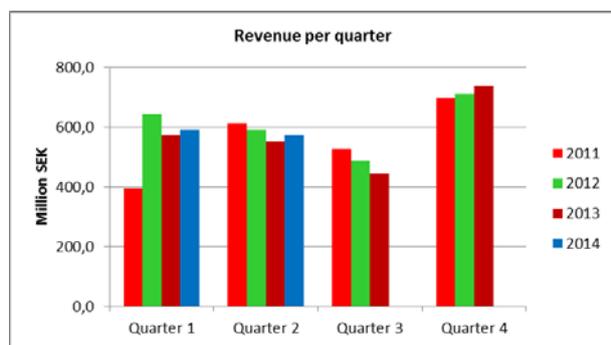
Operating segment

Over the first six months of 2014, system revenues amounted to SEK 755 (743) million, representing an increase of 1%. System revenues decreased by 1% when adjusted for currency effects. Service revenues increased by 8% to SEK 407 (378) million during the same period. When adjusted for currency effects, service revenues increased by 4%.

In the second quarter, system revenues amounted to SEK 365 (364) million. System revenues decreased by 3 % when adjusted for currency effects. Service revenues increased to SEK 207 (185) million. When adjusted for currency effects, service revenues increased by 7%.

Sales of Proact’s cloud services have developed well during the second quarter of 2014 as a number of contracts with terms of three to five years and worth SEK 24 million have been concluded. Total revenues relating to cloud services have increased by 42% compared with the second quarter of 2013.

Revenues per operating segment	Jan-Jun 2014	Jan-Jun 2013	Apr-Jun 2014	Apr-Jun 2013
System sales	755	743	365	364
Service operations	407	378	207	185
Other revenues	3	2	1	2
Total revenues	1,165	1,123	573	551



Major deals in the second quarter:

A number of major contracts have been concluded in the past quarter, with enterprises such as the University of Copenhagen, Kamstrup and Vestas in Denmark, SEB in Estonia, Keski Pohjanmaan Kirjapaino and Digia in Finland, Post Bank and Rigas Karte in Latvia, Ekro and Synthon in the Netherlands, One-Subsea, Helse Midt-Norge IT, FMC and Møller Gruppen in Norway, Kelox, Bridgestone and Abengoa in Spain, the Migration Authority, Ericsson, Telia and Spotify in Sweden, and AGEL, Masaryk University and the Ministry of Justice in the Czech Republic.

Events during the quarter

Proact awarded framework contract with HINAS

Proact has been selected as one of four framework suppliers to Helseforetakenes Innkjøpsservice AS (HINAS) in Norway. The total value of this contract is estimated to amount to around NOK 200-300 million per year. This agreement comes into force on 1 June 2014 and will run for two years initially, with an option to extend for a further two years. This framework agreement means that only the suppliers included in the agreement have the opportunity to tender for and supply systems and services to the affiliated health centres and hospitals. Quality in respect of processes and procedures, product ranges and available services and support were some of the most important evaluation criteria. During this evaluation process, Proact was ranked as the company with the most satisfactory support and range of services.

Ekro chooses Proact as a partner for its new storage infrastructure

Ekro is part of the VanDrie Group, which is the world’s biggest producer of veal and hence a global market leader in this field. The group is also one of the world’s biggest producers of calf milk. Ekro needed to consolidate its storage infrastructure, which was time-consuming and resource-intensive. Thanks to in-depth technical expertise and local support, Proact has been commissioned to supply the company with a new storage and backup infrastructure. This new infrastructure will give Ekro a consistent environment, which will help to reduce administration expenses, etc. Ekro will also have new functionality which will allow information to be stored securely and cost-effectively. The contract also includes implementation of the new infrastructure, as well as

a three-year contract relating to Proact Premium Support, which over time will have a positive effect on Proact's contracted revenues.

Proact supplies integrated system concept to IST

International Software Technology AB (IST) is a market-leading supplier of IT solutions to the training sector. Its objective is to make a positive contribution to effective, interactive training. Its operations are conducted primarily in Scandinavia, the USA and China. As things stand at present, IST works in cooperation with more than 400 municipalities as well as colleges and universities. IST has chosen Proact as its partner thanks to the company's excellent skills within IST's focus area, as well as its ability to provide support throughout the entire business process, from situation analysis to design and implementation. This new solution will give IST plenty of potential to create internal cloud services which will be offered securely and flexibly to its customers. Besides the integrated systems concept, the contract also includes Proact Premium Support, which over time will have a positive effect on Proact's contracted revenues.

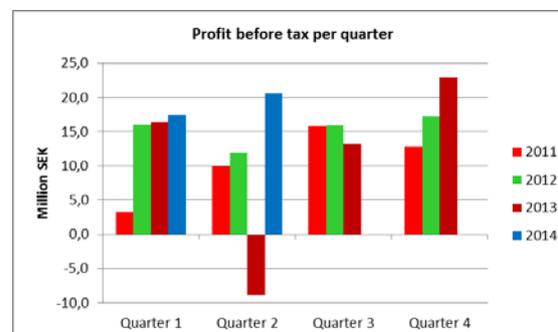
Proact to supply new storage infrastructure to Privatbanka

Privatbanka is the first bank in Slovakia to offer private banking services. Privatbanka offers custom finance and investment services based on the requirements of each individual customer in terms of returns. Thanks to its extensive technical expertise, Proact has been commissioned to identify the company's needs and requirements and to supply a new storage infrastructure on the basis of the findings of the pilot study. The new storage infrastructure is sited in two different geographical locations so as to ensure high uptime levels. Privatbanka will also have new functionality which will allow information to be stored securely and cost-effectively. This new infrastructure will give Privatbanka a consistent environment, which will help to reduce administration expenses, etc. The contract also includes responsibility for installation, project management and custom training.

Comprehensive income

EBITDA increased to SEK 69.6 (53.6) million. Adjusted for non-recurring items, EBITDA increased by 10% compared with the first six months last year.

Profit before tax for the first six months increased to SEK 38.1 (7.5). Adjusted for non-recurring items profit before tax increased by 71%. In the second quarter profit before tax increased to SEK 20.6 (-8.9) million.



Business Units

The improved profit for Nordics in the second quarter is due to a combination of growth, greater service profitability and cost savings implemented in 2013.

In the UK, profits relating to contracted services, primarily cloud services, have improved during the second quarter. However, development of system business has been weak during the quarter, adversely affecting profitability.

The Benelux & Spain Business Unit is performing better in the second quarter, mainly thanks to increased sales, improved profitability within the service business and cost savings implemented in 2013.

Profit for East remained more or less unchanged compared with the second quarter of 2013.

Proact Finance is continuing its excellent development and has generated better profits than in the same quarter last year.

Profit before tax per BU	Jan-Jun 2014	Jan-Jun 2013	Apr-Jun 2014	Apr-Jun 2013
Nordics	28.9	16.1	14.6	12.5
UK	1.2	5.6	0.8	1.5
Benelux and Spain	7.7	2.1	3.7	1.5
East	1.6	1.8	1.1	0.8
Proact Finance	2.1	0.4	0.9	0.4
Groupwide	-3.4	-3.7	-0.5	-4.6
Profit before tax and non-recurring items	38.1	22.3	20.6	12.1
Non-recurring items /disposals of businesses	-	-14.8	-	-21.0
Profit before tax	38.1	7.5	20.6	-8.9

Balance sheet and cash flow

Cash and equivalents amounted to SEK 75 million as at 30 June 2014. Of total bank overdraft facilities of SEK 144 million, SEK 8 million has been utilised. Bank loans amount to SEK 130 million, SEK 31 million of which will fall due for repayment within 12 months. Contract borrowing is being used to finance Proact's finance company.

Financial position	30 Jun 2014	31 Mar 2014	30 Jun 2013	31 Mar 2013
Cash and cash equivalents	75	55	44	30
Bank overdraft facilities	-8	-5	-38	-38
Liabilities to credit institutions	-131	-132	-144	-140
Contract borrowing	-18	-15	-20	-21
Net debts	-82	-97	-158	-169
Unutilised bank overdraft facility	136	136	101	79
Total bank overdraft facility	144	141	139	117

Cash flow amounted to SEK 26 million over the first six months of the year, of which SEK 103 million was from operating activities. SEK 34 million has been invested in fixed assets, and SEK 13 million has been paid out in respect of additional purchase prices and the acquisition of further shares in subsidiaries. A change in bank loans and use of overdraft facilities have had a total impact of SEK 16 million on cash flow. Dividends to the parent company's shareholders amounted to SEK 11 million.

Cash flow amounted to SEK 17 million during the second quarter of 2014, of which SEK 52 million was from operating activities.

The Group's equity ratio at the end of the period was 20 (17)%. As at 31 March 2014, the equity/assets ratio amounted to 19 (18)%.

Buy-back of own shares

At the Annual General Meeting held on 06 May 2014, the Board of Directors was authorised to acquire up to 10% of the company's shares by the next Annual General Meeting. Up to and including 30 June 2014, no shares have been bought back under this authorisation. The company holds 23 618 shares in its own custody as at 30 June 2014.

Employees

The average number of employees over the first six months amounted to 636 (664), and 638 (648) over the second quarter.

On 30 June, the company employed 648 (648) people.

The Parent Company in brief

The Parent Company's total revenues for the first six months of the year amounted to SEK 27.5 (26.8) million and to SEK 13.6 (14.0) million for the second quarter. The profit before tax for the period amounted to SEK 10.7 (3.3) million, and to SEK 8.5 (3.2) million for the second quarter.

The parent company's liabilities in a joint Group currency account amounted to SEK -235.1 (-235.9) million as at 30 June.

At the end of the period, the number of persons employed by the Parent Company totalled 12 (12).

The Parent Company's operations have remained unchanged over the period. There have been no significant transactions with related parties.

Risks and uncertainty factors within the enterprise

No risks or uncertainty factors have altered, by comparison with those commented upon in the last Annual Report issued. For a more detailed description of significant risks and uncertainty factors, please see Proact's annual report for 2013, page 18.

Other information

This half-yearly report has not been audited.

Annual General Meeting on 06 May 2014

The following Board members were re-elected: Anders Hultmark, Christer Holmén, Eva Elmstedt, Roger Bergqvist and Christer Hellström. Anders Hultmark was appointed Chairman of the Board.

A decision was made to pay a dividend of SEK 1.20 (1.10) per share.

The Board members and Managing Director were granted discharge from liability for the 2013 business year

For further information on the general meeting and the minutes from this meeting, please see the company's website at www.proact.se

Forthcoming reports

21 Oct 2014 Interim report, Q3 2014
12 Feb 2015 Year-end report 2014

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The Board of Directors and the Managing Director guarantee that this half-yearly report provides a true and fair view of the activities, position and profits of Proact and the Group. No new risks or uncertainty factors have arisen over the first six months of the year, by comparison with those commented upon in the last Annual Report issued.

The information in this half-yearly report is such information as Proact IT Group (Publ) shall publish in accordance with *lagen om värdepappersmarknad*, the Securities Market Act, and/or *lagen om handel med finansiella instrument*, the Act on Trading in Financial Instruments. This information was submitted for publication at 12:00 (CET) on 11 July 2014.

Kista, 11 July 2014

Proact IT Group AB (publ)

Martin Ödman
Managing Director

Anders Hultmark
Chairman

Christer Hellström

Christer Holmén

Eva Elmstedt

Roger Bergqvist

FINANCIAL REPORTS (SEK millions)

Consolidated statement of comprehensive income

	Note	3 mths Apr-Jun 2014	3 mths Apr-Jun 2013	6 mths Jan-Jun 2014	6 mths Jan-Jun 2013	12 mths Jul-Jun 2013/2014	12 mths Jan-Dec 2013
System revenues		364.5	364.3	755.4	742.7	1,558.2	1,545.5
Service revenues		207.4	185.4	406.7	377.7	783.1	754.1
Other revenues		1.2	0.8	2.8	2.6	5.4	5.2
Total revenues	3	573.1	550.5	1,164.9	1,123.0	2,346.7	2,304.8
Cost of goods and services sold		-424.1	-415.1	-875.5	-853.2	-1,774.5	-1,752.2
Gross profit		149.0	135.4	289.4	269.8	572.2	552.6
Sales and marketing expenses		-87.8	-83.3	-168.5	-163.8	-327.1	-322.4
Administration expenses		-41.7	-37.5	-81.4	-78.9	-157.6	-155.1
Non-recurring items/writedown		-	-21.0	-	-24.0	-6.3	-30.3
Disposals of businesses		-	-	-	9.2	-	9.2
Operating profit/loss, EBIT	4	19.5	-6.4	39.5	12.3	81.2	54.0
Net financial items		1.1	-2.5	-1.4	-4.8	-6.9	-10.3
Profit before tax		20.6	-8.9	38.1	7.5	74.3	43.7
Income tax	5	-4.2	0.8	-10.9	-1.5	-25.9	-16.5
Comprehensive income for the period	6	16.4	-8.1	27.2	6.0	48.4	27.2
Other comprehensive income							
<i>Items which may be reversed later in the income statement</i>							
Hedging of net investment in foreign operations		-0.1	-0.4	-0.3	0.2	-1.2	-0.7
Tax effect of hedging of net investment in foreign operations		0.1	0.0	0.1	-0.1	0.4	0.2
Translation differences		6.9	8.0	9.5	-0.8	10.1	-0.2
<i>Total items which may be reversed later in the income statement</i>		<i>6.9</i>	<i>7.6</i>	<i>9.3</i>	<i>-0.7</i>	<i>9.3</i>	<i>-0.7</i>
Total comprehensive income for the period		23.3	-0.5	36.5	5.3	57.7	26.5
Profit for the period attributable to:							
Parent Company's shareholders		15.4	-9.1	25.7	2.1	45.5	21.9
Holdings without a controlling influence		1.0	1.0	1.5	3.9	2.9	5.3
Total comprehensive income for the period attributable to:							
Parent Company's shareholders		21.7	-1.9	34.3	1.3	53.8	20.8
Holdings without a controlling influence		1.6	1.4	2.2	4.0	3.9	5.7

Data per share*

	3 mths Apr-Jun 2014	3 mths Apr-Jun 2013	6 mths Jan-Jun 2014	6 mths Jan-Jun 2013	12 mths Jul-Jun 2013/2014	12 mths Jan-Dec 2013
Profit per share for the period pertaining to the Parent Company's shareholders, SEK	1.65	-0.97	2.75	0.23	4.89	2.36
Equity per share, SEK	26.50	22.62	26.50	22.62	26.50	24.63
Cash flow from current operations per share, SEK	5.59	4.81	11.06	-4.08	19.49	4.35
Number of shares at the end of the period after bought-back shares, units	9,310,268	9,310,268	9,310,268	9,310,268	9,310,268	9,310,268
Weighted average number of shares after bought-back shares, units	9,310,268	9,310,268	9,310,268	9,310,268	9,310,268	9,310,268

(*) Proact has not issued any share options or conversion rights which could give rise to dilution.

Key ratios and figures

	3 mths Apr-Jun 2014	3 mths Apr-Jun 2013	6 mths Jan-Jun 2014	6 mths Jan-Jun 2013	12 mths Jul-Jun 2013/2014	12 mths Jan-Dec 2013
Total income, SEK millions	573	551	1,165	1,123	2,347	2,305
EBITDA, SEK millions	34.6	16.5	69.6	53.6	144.0	128.0
EBITDA margin, %	6.0	3.0	6.0	4.8	6.1	5.6
EBITA, SEK millions	25.6	4.9	51.6	29.5	104.9	82.8
EBITA margin, %	4.5	0.9	4.4	2.6	4.5	3.6
EBIT, SEK millions	19.5	-6.4	39.5	12.3	81.2	54.0
EBIT margin, %	3.4	-1.2	3.4	1.1	3.5	2.3
Profit before tax, SEK millions	20.6	-8.9	38.1	7.5	74.3	43.7
Net margin, %	3.6	-1.6	3.3	0.7	3.2	1.9
Profit after tax, SEK millions	16.4	-8.1	27.2	6.0	48.4	27.2
Profit margin, %	2.9	-1.5	2.3	0.5	2.1	1.2
Equity ratio, %	20.2	17.1	20.2	17.1	20.2	16.9
Capital turnover rate, times	0.4	0.4	0.9	0.8	1.8	1.6
Return on equity, %	6.3	-3.4	10.8	2.7	20.0	11.6
Return on capital employed, %	5.0	-1.3	10.0	3.2	19.6	13.8
Investments in fixed assets, SEK M	14.9	12.5	34.4	24.3	64.9	54.8
Profit before tax per employee, SEK thousands	32	-14	60	11	116	67
Average number of employees on annual basis	638	648	636	664	639	649

For a five-year review, see Note 8. Definitions of key ratios and figures are set out in the Annual Report for 2013 and Note 9.

Consolidated Balance Sheet

	Note	2014 30 Jun	2014 31 Mar	2013 31 Dec	2013 30 Jun
ASSETS					
<u>Fixed assets</u>					
Goodwill		271.2	260.9	258.2	254.9
Other intangible non-current assets	4	124.6	123.5	126.7	129.5
Tangible fixed assets	4	64.5	65.6	67.9	82.4
Other long-term receivables		77.9	75.5	69.1	55.6
Deferred tax receivables	5	21.0	18.5	17.6	23.5
<u>Current assets</u>					
Inventories		13.3	16.3	16.4	16.4
Trade and other receivables		644.6	722.2	839.0	694.1
Cash and cash equivalents		75.1	54.8	43.9	44.3
Total assets		1,292.2	1,337.3	1,438.8	1,300.7
EQUITY AND LIABILITIES					
Equity pertaining to the Parent Company's shareholders		246.8	241.9	229.3	210.7
Equity pertaining to holdings without a controlling influence		13.6	13.9	13.3	12.3
Equity, total		260.4	255.8	242.6	223.0
<u>Long-term liabilities</u>					
Long-term, interest-bearing liabilities		105.9	107.6	103.8	117.0
Long-term, non-interest bearing liabilities		15.8	15.3	16.7	12.7
Deferred tax liabilities	5	28.6	29.5	30.4	31.3
<u>Current liabilities</u>					
Short term, interest bearing liabilities		51.3	44.2	61.2	85.6
Short term, non-interest bearing liabilities		830.2	884.9	984.1	831.1
Total equity and liabilities		1,292.2	1,337.3	1,438.8	1,300.7

**Consolidated Cash Flow Statement
(summary)**

	3 mths Apr-Jun 2014	3 mths Apr-Jun 2013	6 mths Jan-Jun 2014	6 mths Jan-Jun 2013	12 mths Jul-Jun 2013/2014	12 mths Jan-Dec 2013
Comprehensive income for the period	16.4	-8.1	27.2	6.0	48.4	27.2
Adjustment for items not included in cash flow:						
Depreciations and write-downs, fixed assets	15.1	22.9	30.1	41.3	62.9	74.1
Other adjustments	-1.1	10.4	-0.8	12.9	10.0	23.7
Cash flow before changes in working capital	30.4	25.2	56.5	60.2	121.3	125.0
Change in working capital	21.6	19.6	46.4	-98.2	60.1	-84.5
Cash flow from current operations	52.0	44.8	102.9	-38.0	181.4	40.5
Acquisition of businesses	-	-2.8	-6.9	-5.6	-9.6	-8.3
Disposals of businesses	-	-	-	9.0	-	9.0
Investments in fixed assets	-14.9	-12.5	-34.4	-24.3	-64.9	-54.8
Other cash flow from investment activities	-0.5	0.7	-0.6	0.7	-0.5	0.8
Cash flow from investment activities	-15.4	-14.6	-41.9	-20.2	-75.0	-53.3
Dividends	-11.2	-10.2	-11.2	-10.2	-11.2	-10.2
Dividends to holdings without a controlling influence	-0.9	-0.6	-0.9	-0.6	-1.3	-1.0
Acquisitions from holdings without a controlling influence	-6.5	0	-6.5	-3.5	-6.5	-3.5
Change in bank overdraft facilities	2.4	0	-5.7	31.2	-30.9	6.0
Contract borrowing	3.2	-1.6	0.6	-6.1	-2.6	-9.3
Loans taken/repaid	-6.4	-5.8	-10.8	-11.9	-22.6	-23.7
Other cash flow from financing activities	-0.1	0	-0.2	2.7	-4.3	-1.4
Cash flow from financing activities	-19.5	-18.2	-34.7	1.6	-79.4	-43.1
Change in cash and equivalents	17.1	12.0	26.3	-56.6	27.0	-55.9
Cash and equivalents at beginning of the period	54.8	30.2	43.9	102.9	44.3	102.9
Exchange rate differences in cash and cash equivalents	3.2	2.1	4.9	-2.0	3.8	-3.1
Cash and equivalents at end of the period	75.1	44.3	75.1	44.3	75.1	43.9

Consolidated Statement of Changes in Equity

Attributable to the parent company's shareholders

	Share capital	Other capital contributions	Translation of foreign subsidiaries	Hedging reserve	Loss brought forward incl. year's total result	Total	Attributable to holdings without a controlling influence	Total shareholders' equity
1 January 2014	10.6	297.9	-13.2	-0.7	-65.3	229.3	13.3	242.6
Total comprehensive income for the period			8.8	-0.2	25.7	34.3	2.2	36.5
Financial liability to holdings without a controlling influence					0.0	0.0	-	0.0
Profit attributable to holdings without a controlling influence					0.8	0.8	-0.8	-
Translation of profit attributable to holdings without a controlling influence					-0.8	-0.8	0.8	-
Dividends					-11.2	-11.2	-	-11.2
Dividends to holdings without a controlling influence					-	-	-0.9	-0.9
Acquisitions from holdings without a controlling influence					-5.7	-5.7	-0.8	-6.5
30 Jun 2014	10.6	297.9	-4.4	-0.9	-56.4	246.8	13.6	260.4

Holdings without a controlling influence: Proact Latvia Ltd 15%, Proact Lietuva UAB 26.14%, Proact Netherlands B.V. 9.35%, Proact Estonia AS 30% and Proact IT (UK) Ltd. 18.75%.

Attributable to the parent company's shareholders

	Share capital	Other capital contributions	Translation of foreign subsidiaries	Hedging reserve	Loss brought forward incl. year's total result	Total	Attributable to holdings without a controlling influence	Total shareholders' equity
1 January 2013	10.6	297.9	-12.6	-0.2	-77.6	218.1	10.4	228.5
Total comprehensive income for the period			-0.9	0.1	2.1	1.3	4.0	5.3
Financial liability to holdings without a controlling influence					2.8	2.8		2.8
Profit attributable to holdings without a controlling influence					1.4	1.4	-1.4	-
Translation of profit attributable to holdings without a controlling influence					-1.4	-1.4	1.4	-
Disposals of businesses			2.1			2.1	-1.6	0.5
Dividends					-10.2	-10.2		-10.2
Dividends to holdings without a controlling influence							-0.6	-0.6
Acquisitions from holdings without a controlling influence					-3.4	-3.4	0.1	-3.3
30 Jun 2013	10.6	297.9	-11.4	-0.1	-86.3	210.7	12.3	223.0

Holdings without a controlling influence: Proact Latvia Ltd 15%, Proact Lietuva UAB 26.14%, Proact Netherlands B.V. 9.35%, Proact Estonia AS 30% and Proact IT (UK) Ltd 22.5%.

Income Statement for Parent Company

	3 mths Apr-Jun 2014	3 mths Apr-Jun 2013	6 mths Jan-Jun 2014	6 mths Jan-Jun 2013	12 mths Jul-Jun 2013/2014	12 mths Jan-Dec 2013
Net sales	13.6	14.0	27.5	26.8	55.4	54.7
Cost of goods and services sold	-	-	-	-	-	-
Gross profit	13.6	14.0	27.5	26.8	55.4	54.7
Administration expenses	-12.3	-12.6	-23.6	-24.6	-44.8	-45.8
Operating profit	1.3	1.4	3.9	2.2	10.6	8.9
Net financial items	7.2	1.8	6.8	1.1	25.4	19.7
Profit before tax	8.5	3.2	10.7	3.3	36.0	28.6
Income tax	-0.7	-0.4	-1.2	-0.4	-2.9	-2.1
Comprehensive income for the period	7.8	2.8	9.5	2.9	33.1	26.5

Balance Sheet for Parent Company

	2014 30 Jun	2014 31 Mar	2013 31 Dec	2013 30 Jun
ASSETS				
Fixed assets	510.5	501.0	500.9	504.6
Current assets	125.3	167.9	152.6	141.8
Total assets	635.8	668.9	653.5	646.4
EQUITY AND LIABILITIES				
Equity	208.6	211.9	210.1	186.5
Long-term liabilities	136.4	137.7	147.7	145.4
Current liabilities	290.8	319.3	295.7	314.5
Total liabilities	427.2	457.0	443.4	459.9
Total equity and liabilities	635.8	668.9	653.5	646.4

EXPLANATORY INFORMATION

Note 1. General information

Proact IT Group AB (publ) (co. reg. no. 556494-3446) has its registered office in the municipality of Stockholm. Since July 1999, the Company has been listed on Nasdaq OMX Stockholm and the Small Cap list under the PACT symbol.

Note 2. Accounting policies

The consolidated accounts for the half-yearly report, like the annual report for 2013, have been compiled in accordance with International Financial Reporting Standards (IFRS) as endorsed by the EU, and the Swedish Annual Accounts Act. The Parent Company's accounts have been compiled in accordance with the Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 (Accounting for Legal Entities).

The present half-yearly report has been prepared in accordance with IAS 34, Interim reporting, and the Swedish Company Accounts Act. The term "IFRS" in this document includes the application of IAS and IFRS, as well as the interpretations of these standards as published by the IASB's Standards Interpretation Committee (SIC) and Internal Reporting Interpretations Committee (IFRIC).

The Group applies the same accounting principles as those described in the annual report for 2013.

IASB has recently issued a new standard with regards to revenue recognition (IFRS 15). IFRS 15 will be valid from 1st of January 2017, the Group has not yet evaluated what effects, if any, this new standard may have on the Group.

Financial instruments

Proact's financial instruments consist of derivatives, accounts receivable, cash and cash equivalents, accounts payable, accrued trade creditors and interest-bearing liabilities. Derivatives are valued at fair value at level 2 as defined by IFRS 7, i.e. fair value determined using valuation techniques with observable market data, either directly (as prices) or indirectly (derived to price). All other financial assets have been classified as loans and receivables, which includes accounts receivable and cash and cash equivalents. All other financial liabilities have been classified as other financial liabilities valued at accrued cost, which includes accounts payable, accrued trade creditors and liabilities to credit institutions. Liabilities to credit institutions have variable interest rates, and the reported interest rate is on a par with the current interest rate on liabilities to credit institutions, and other financial assets and liabilities have short terms. On the basis of this, the book values of all financial assets and liabilities are deemed to approximately match their fair values.

Note 3. Revenues per sector

	3 mths Apr-Jun 2014	3 mths Apr-Jun 2013	6 mths Jan-Jun 2014	6 mths Jan-Jun 2013	12 mths Jul-Jun 2013/2014	12 mths Jan-Dec 2013
Public sector	113	121	251	261	507	517
Retail and wholesale trade and services	120	132	255	233	516	494
Telecoms	80	84	187	155	322	290
Manufacturing industry	99	67	171	147	345	321
Banking, finance	66	44	118	102	262	246
Oil, energy	34	55	68	92	169	193
Media	21	5	36	35	70	69
Other	40	43	79	98	156	175
Total	573	551	1,165	1,123	2,347	2,305

Note 4. Depreciation and write-down of fixed assets

	3 mths Apr-Jun 2014	3 mths Apr-Jun 2013	6 mths Jan-Jun 2014	6 mths Jan-Jun 2013	12 mths Jul-Jun 2013/2014	12 mths Jan-Dec 2013
Depreciation of tangible fixed assets	-9.0	-11.6	-18.0	-24.1	-39.2	-45.3
Depreciation of intangible fixed assets	-6.1	-6.1	-12.1	-12.0	-23.7	-23.6
Writedown of intangible fixed assets	-	-5.2	-	-5.2	-	-5.2
Total	-15.1	-22.9	-30.1	-41.3	-62.9	-74.1

Note 5. Income tax

The Group's tax expense includes total current tax and deferred tax calculated on the basis of applicable tax rates in the respective countries. The revised tax cost over the first six months amounts to SEK 10.9 (1.5) million. Taxes paid over the period amount to SEK 16.4 (7.8) million.

Note 6. Operating segments

- Nordics: Sweden, Norway, Finland and Denmark.
- UK: Great Britain
- East: Estonia, Latvia, Lithuania, Czech Republic and Slovakia
- Benelux and Spain: Netherlands, Belgium and Spain
- Proact Finance: Proact's finance company under its own auspices is reported separately as this company supports all geographical regions.

Jan-Jun 2014	Nordics	UK	Benelux /Spain	East	Proact Finance	Group- wide & elim.	Group
Total revenues	644	266	195	60	41	-41	1,165
Profit before tax	28.9	1.2	7.7	1.6	2.1	-3.4	38.1
Tax							-10.9
Comprehensive income for the period							27.2
Jan-Jun 2013	Nordics	UK	Benelux /Spain	East	Proact Finance	Group- wide & elim.	Group
Total revenues	619	263	175	62	32	-28	1,123
Profit before tax and non-recurring items	16.1	5.6	2.1	1.8	0.4	-3.7	22.3
Non-recurring items/disposals of businesses	-11.0	7.9	-2.3	-7.2	0.0	-2.2	-14.8
Profit before tax	5.1	13.5	-0.2	-5.4	0.4	-5.9	7.5
Tax							-1.5
Comprehensive income for the period							6.0

Note 7. Ten biggest shareholders

Stake in% according to Euroclear Sweden AB	30 Jun 2014	31 Mar 2014
LivförsäkringsAB Skandia	15.2	15.2
Lannebo Micro Cap.	7.5	7.4
Svolder Aktiebolag	7.2	7.2
IGC Industrial Growth Company AB	5.9	5.9
Swedbank Robur Småbolagsfond Sverige	5.4	5.4
Lannebo Micro Cap. II	4.6	4.5
Fjärde AP-Fonden	3.8	3.8
AFA Sjukförsäkrings AB	3.3	3.3
Skagen Vekst Verdipapirfondet	2.8	2.8
Netfonds ASA, NQI	2.2	2.2
Other	42.1	42.3
Total	100.0	100.0

Following a previous buyback of own shares, the company owns 23,618 shares. This is equivalent to 0.3% of the total number of outstanding shares.

Note 8. Five-year summary

	Jul-Jun 2013/2014	Jan-Dec 2013	Jan-Dec 2012	Jan-Dec 2011	Jan-Dec 2010
Total income, SEK millions	2,347	2,305	2,433	2,232	1,387
EBITDA, SEK millions	144.0	128.0	144.5	121.5	94.9
EBITDA margin, %	6.1	5.6	5.9	5.4	6.8
EBITA, SEK millions	104.9	82.8	93.1	74.6	76.9
EBITA margin, %	4.5	3.6	3.8	3.3	5.5
EBIT, SEK millions	81.2	54.0	70.7	54.6	72.1
EBIT margin, %	3.5	2.3	2.9	2.4	5.2
Profit before tax, SEK millions	74.3	43.7	61.0	41.9	70.1
Net margin, %	3.2	1.9	2.5	1.9	5.1
Profit after tax, SEK millions	48.4	27.2	41.8	29.5	52.5
Profit margin, %	2.1	1.2	1.7	1.3	3.8
Equity ratio, %	20.2	16.9	15.3	14.3	21.4
Capital turnover rate, times	1.8	1.6	1.6	1.9	1.7
Return on equity, %	20.0	11.6	18.9	14.7	28.6
Return on capital employed, %	19.6	13.8	17.4	18.4	38.8
Dividend to Parent Company's shareholders, SEK millions	11.2	10.2	9.3	13.8	12.6
Investments in fixed assets, SEK M	64.9	54.8	62.0	73.1	39.8
Profit before tax per employee, SEK thousands	116	67	92	74	216
Average number of employees on annual basis	639	649	660	568	325
Earnings per share for the period, SEK *)	4.89	2.36	3.96	2.69	5.43

*) Proact has not issued any share options or conversion rights which could give rise to dilution. The number of shares is calculated excluding bought-back shares.

Note 9. Definitions

EBITDA	Profit before depreciation (tangible and intangible assets), net financial items and tax
EBITDA margin	EBITDA expressed as a percentage of revenues
EBITA	Profit after depreciation of tangible fixed assets but before depreciation of intangible assets, net financial items and tax
EBITA margin	EBITA expressed as a percentage of revenues
EBIT	Operating profit before net financial items and tax
EBIT margin	EBIT expressed as a percentage of revenues
Net margin	Profit or loss before tax expressed as a percentage of revenues
Profit margin	Profit after tax expressed as a percentage of revenues
Equity ratio	Equity including minority interests as a percentage of balance sheet total
Capital turnover rate, times	Revenues expressed as a percentage of the average balance sheet total
Return on equity	Profit after tax, expressed as a percentage of average equity
Capital employed	Ratio of the balance sheet total minus non interest-bearing liabilities inclusive of deferred tax liabilities
Return on capital employed	Return after tax plus financial costs, expressed as a percentage of the average capital employed
Profit/loss per employee	Profit/loss before tax divided by the average number of annual employees

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