

# Results 3rd Quarter 2006

31 October, 2006

André P. Løvestam, CEO

Ellen Solum, CFO



# Agenda

Q3 2006



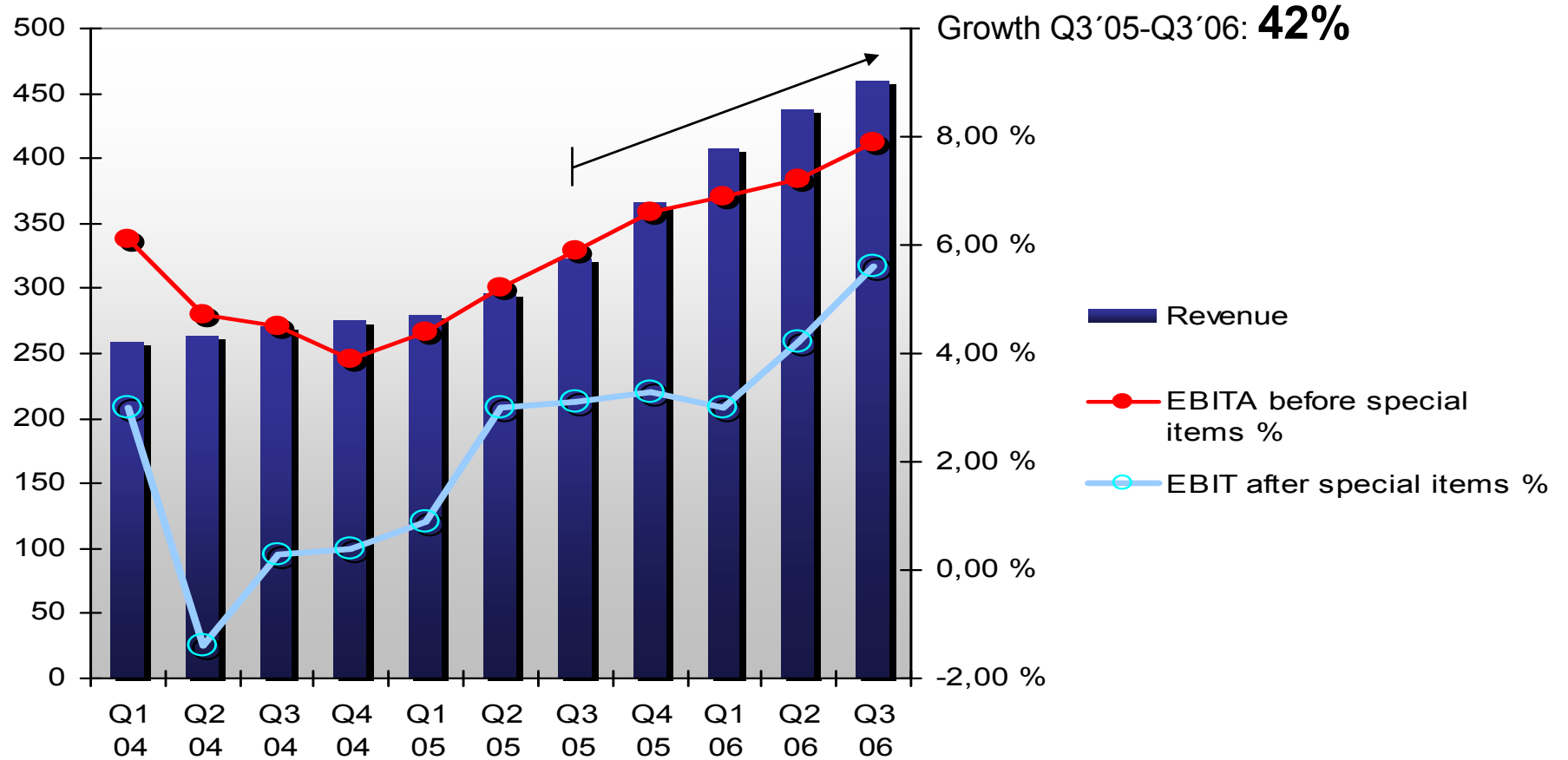
- **Q3 Highlights**
- **Financial Results**
- **Reorganization and management team**
- **Outlook and priorities**
- **Q & A**



- **Revenue:**  
**mnok 114,5 from continued operations, implying strong growth: 24,6 % Y/Y**
  - Organic growth over-all: 17,1 %
  - Organic growth Norway: 19,8 %
  - Organic growth Sweden: 12,3 % (local currency)
- **Order inflow**
  - Total order inflow of mnok 117,1 in Q3 (mnok 116,8 in Q3-2005)
  - New business mnok 69,5 (mnok 80,3) negatively impacted by slow sales in Sweden
  - Record high order inflow in Norway, both total and new business
- **Improved EBITA and EBIT from continued operations (IFRS 5)**
  - EBITA: mnok 11,1 (mnok 5,7 before restructuring charges)
  - EBIT: mnok 10,6 (mnok 3,2)
- **Strong cash flow from operations: MNOK 19,3**
- **Reorganization and new management team**

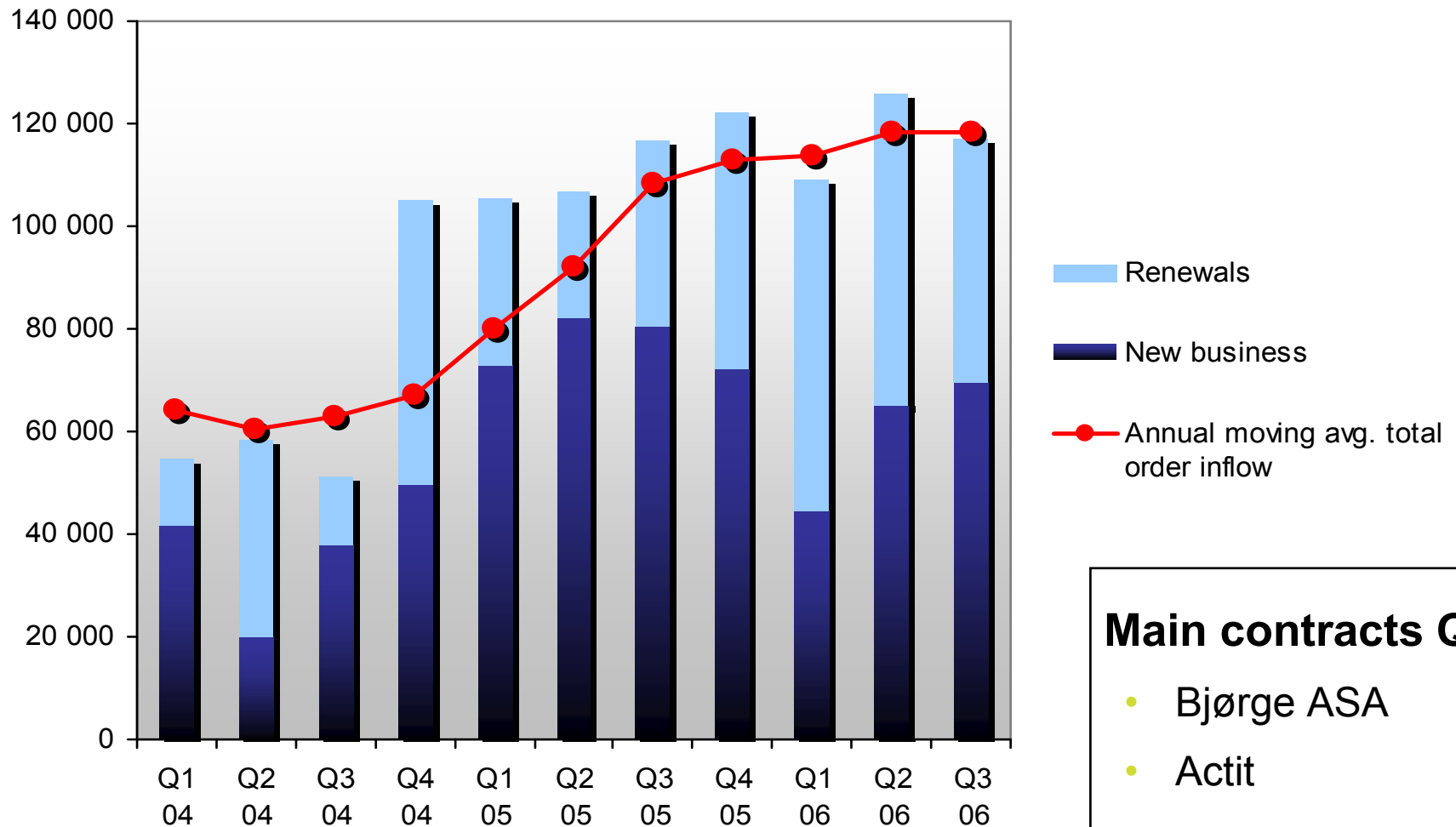
# P&L - 12 months rolling

Q3 2006



# Continued high order inflow in Q3-2006

Q3 2006

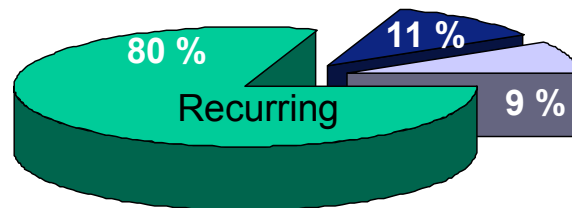


# Order backlog development as per Q3'06

Q3 2006

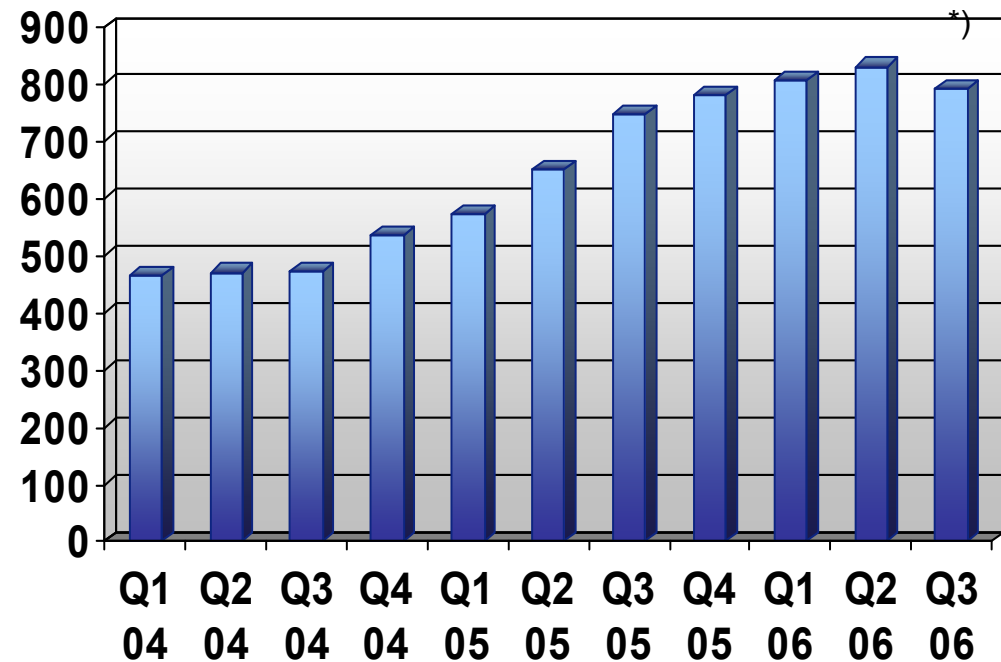


## Break down of revenue



- Long term contracts
- Consulting and implementation
- HW/SW

## Order backlog (recurring revenue)



\*) Excl. TeleComputing IS AS order backlog from Q3'06

# P&L – Key figures

Q3 2006



TeleComputing	Q3 2006	Q3 2005 *)	Change	Q1-Q3 2006	Q1-Q3 2005	Change
Revenue	114,5	91,9	25 %	345,1	250,6	38 %
COGS	-28,2	-22,1	28 %	-86,4	-66,3	30 %
Gross margin	75 %	76 %		75 %	74 %	
Operating cost (*)	-63,7	-55,4	15 %	-203,7	-150,2	36 %
<b>EBITDA</b>	<b>22,6</b>	<b>14,4</b>	57 %	<b>55,0</b>	<b>34,1</b>	61 %
Depreciation	-11,5	-10,7	7 %	-34,1	-27,2	25 %
<b>EBITA</b>	<b>11,1</b>	<b>3,7</b>	200 %	<b>20,9</b>	<b>6,9</b>	203 %
Amortisation customers	-0,5	-0,5		-1,5	-0,8	
<b>Operating result</b>	<b>10,6</b>	<b>3,2</b>	231 %	<b>19,4</b>	<b>6,1</b>	218 %
Financial items	0,4	0,0		0,6	-0,2	
<b>Result before tax continuing op.</b>	<b>11,0</b>	<b>3,2</b>	244 %	<b>20,0</b>	<b>5,9</b>	239 %
Result from discontinued operations (**)	-0,6	0,3		1,6	2,5	
<b>Result Before tax</b>	<b>10,4</b>	<b>3,5</b>		<b>21,6</b>	<b>8,4</b>	
Earnings per share	0,29	0,07		0,61	0,17	

(\*) Restructuring charge of MNOK 2,0 in Q3 2005 related to the acquired company Stim Computing AS, is included in operating costs

(\*\*) Discontinued operations relate to MBS consulting department in Stavanger, and TeleComputing IS AS, and is presented separately from continued operations according to IFRS 5

# P&L – Historic Development

Q3 2006



TeleComputing Group	Q3 2006	Q2 2006	Q1 2006	Q4 2005	Q3 2005	Q2 2005	Q1 2005	Q4 2004	Q3 2004
Revenue	114,5	114,5	116,1	114,9	91,9	85,1	73,6	72,7	65,1
COGS	-28,2	-28,3	-29,9	-30,1	-22,1	-23,8	-20,4	-20,8	-18,2
Gross margin	75 %	75 %	74 %	74 %	76 %	72 %	72 %	71 %	72 %
Operating cost	-63,7	-67,5	-66,2	-64,6	-53,0	-47,3	-41,6	-39,6	-36,6
<b>EBITDA before special</b>	<b>22,6</b>	<b>18,7</b>	<b>20,0</b>	<b>20,2</b>	<b>16,8</b>	<b>14,0</b>	<b>11,6</b>	<b>12,3</b>	<b>10,3</b>
EBITDA %	19,7 %	16,3 %	17,2 %	17,6 %	18,3 %	16,5 %	15,8 %	16,9 %	15,8 %
Depreciation	-11,5	-10,9	-11,6	-11,2	-10,7	-9,2	-7,2	-8,5	-8,0
<b>EBITA before special</b>	<b>11,1</b>	<b>7,8</b>	<b>8,4</b>	<b>9,0</b>	<b>6,1</b>	<b>4,8</b>	<b>4,4</b>	<b>3,8</b>	<b>2,3</b>
EBITA %	9,7 %	6,8 %	7,2 %	7,8 %	6,6 %	5,6 %	6,0 %	5,2 %	3,5 %
Amortisation customers	-0,5	-0,5	-0,5	-0,5	-0,5	-0,3	0,0	0,0	0,0
Integration and restructuring	0,0	-3,0	-1,4	-1,6	-2,0	-6,0			
Other items	0,0	0,0	-1,9	-0,8	-0,4				
<b>Operating result (EBIT)</b>	<b>10,6</b>	<b>4,3</b>	<b>4,6</b>	<b>6,1</b>	<b>3,2</b>	<b>-1,5</b>	<b>4,4</b>	<b>3,8</b>	<b>2,3</b>
EBIT %	9,3 %	3,8 %	4,0 %	5,3 %	3,5 %	-1,8 %	6,0 %	5,2 %	3,5 %
Financial items	0,4	0,3	0,0	0,0	0,0	-0,2	0,0	0,1	0,0
<b>Result before tax continued op.</b>	<b>11,0</b>	<b>4,6</b>	<b>4,6</b>	<b>6,1</b>	<b>3,2</b>	<b>-1,7</b>	<b>4,4</b>	<b>3,9</b>	<b>2,3</b>
Discontinued operations *)	-0,6	1,7	0,4	-0,2	0,3	1,9	0,2	0,3	-0,8
<b>Result before tax</b>	<b>10,4</b>	<b>6,3</b>	<b>5,0</b>	<b>5,9</b>	<b>3,5</b>	<b>0,2</b>	<b>4,6</b>	<b>4,2</b>	<b>1,5</b>

- Other items in Q3-2005 relates to employee tax on options. In Q4 2005 and Q1-2006; cost of and employee tax on options, and costs in relation to change of CEO

- Restructuring in Q1 and Q2 2006 relates to restructuring costs for the Swedish operations.

- Restructuring in Q3 and Q4 2005 relates to integration costs for Stim Computing AS

- Restructuring in Q2-2005 relates to integration costs for Proserva AB

\*) Discontinued operations relate to MBS consulting department in Stavanger and TeleComputing IS AS, and is presented separately from continued operations according to IFRS 5

# Cash Flow – Key figures

Q3 2006



<b>Cash flow</b>	<b>Q3 2006</b>	<b>Q3 2005</b>	<b>Q1-Q3 2006</b>	<b>Q1-Q3 2005</b>
Cash flow from operation	19,3	16,7	45,1	42,0
Cash flow from investment	-7,8	-11,9	-29,1	-48,0
Cash flow from financing	-1,6	0,4	1,5	-2,9
Exchange rate effects	0,1	-0,3	0,1	-1,4
<b>Net change in cash</b>	<b>10,0</b>	<b>4,9</b>	<b>17,6</b>	<b>-10,3</b>
<b>Cash at end of period</b>	<b>89,8</b>	<b>62,8</b>	<b>89,8</b>	<b>62,8</b>

# Balance Sheet – Key Figures

Q3 2006



<b>Balance sheet</b>	<b>30.09.2006</b>	<b>30.09.2005</b>	<b>31.12.2005</b>
Cash	89,8	62,9	72,2
Net cash position (*)	83,7	52,6	63,0
Equity	255,7	219,4	224,5
Equity ratio	70,2 %	65,0 %	64,9 %

(\*) Net cash position = cash - interest bearing debt

# Geographical Status Q3 2006

Q3 2006



- **Norway**

- Revenue growth of 33,0 %
- Organic growth 19,8 % (from continuing operations)
- Restructuring cost of MNOK 2,0 in Q3 2005

<b>Norway (mnok)</b>	<b>Q3-2006</b>	<b>Q3-2005</b>
Revenues	77,8	58,5
Gross contr.	57,4	44,0
Gross margin	74 %	75 %
EBIT	9,3	2,0
EBIT %	12,0 %	3,4 %

- **Sweden**

- Revenue growth: 11,3 % in NOK  
12,3 % in SEK
- Revenue growth was 100 % organic

<b>Sweden (mnok)</b>	<b>Q3-2006</b>	<b>Q3-2005</b>
Revenues	38,1	34,2
Gross contr.	27,2	25,8
Gross margin	71 %	75 %
EBIT	5,2	2,9
EBIT %	13,6 %	8,5 %

# Long term goals and execution: “Best in Class 2008”

Q3 2006



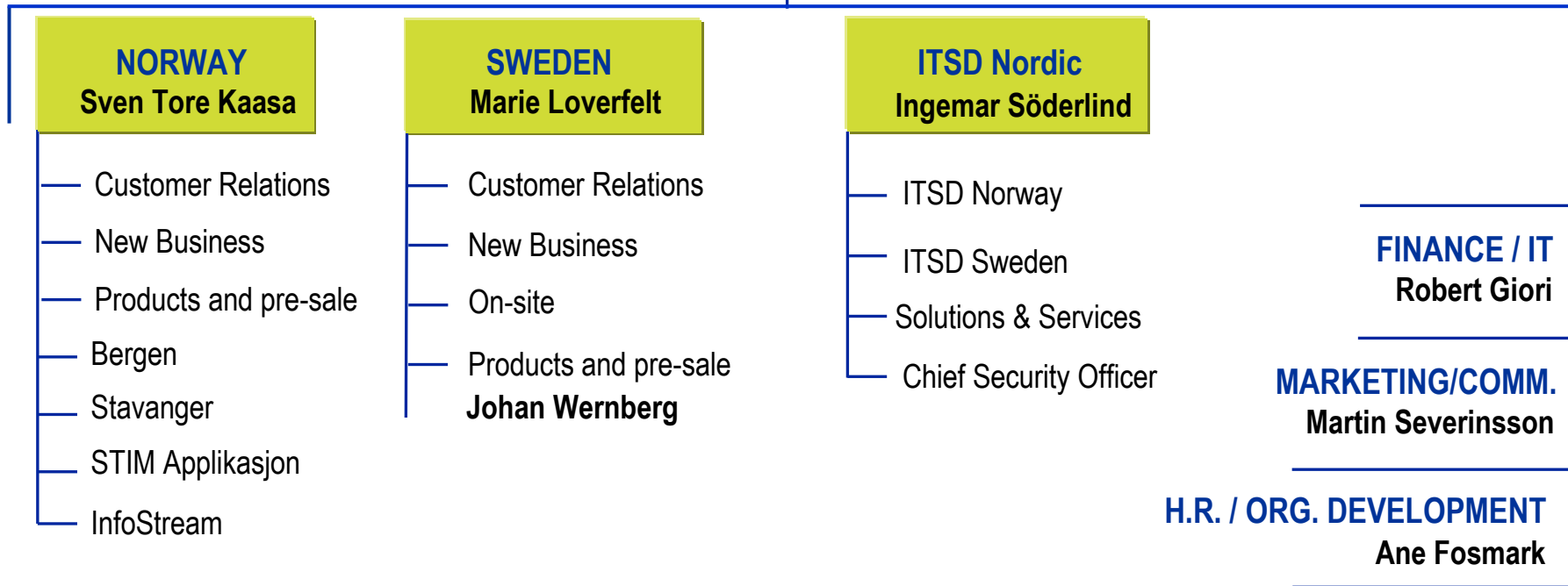
	<b>Long term goals</b>	<b>Yearly KPI</b>	<b>Q3 2006</b>	<b>2005</b>
<b>Growth</b>	1.000 mnok in 2008	M&A 100-150 mnok / year	0 MNok	110 MNok
		Exceed market growth organically (6-8%)	17,1 %	15,4 %
<b>Margins</b>	> 10% reaching scalability and growing in line with market	Operating margins (EBITA) 6-8% while exceeding market growth	9,7 %	6,1 %
<b>Customer Satisfaction</b>	> 4 (1-5)	Survey 2 / year	3,8	3,8
<b>Strategic Direction</b>	Consolidator for SME IT outsourcing in Scandinavia	Value add and geography	Searching for acquisition opportunities	Competence and services
		Synergies		10 mnok per year

# Organisasjonsmodell

Best in class 2008



**TELECOMPUTING ASA**  
André P. Løvestam  
CEO



## Priorities and outlook for Q4 2006

Q3 2006



- Expected market growth 6-8 %
- High momentum in Sweden, while maintaining long term growth focus in Norway
- Continue preparation of expanded portfolio of services for execution from Q1 2007
- Implementing new organization
- Active role in market consolidation

# Shareholder information

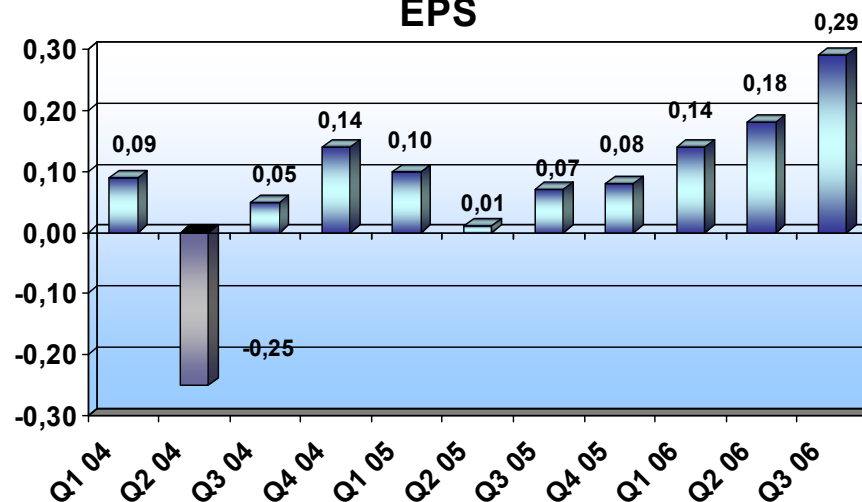
Q3 2006



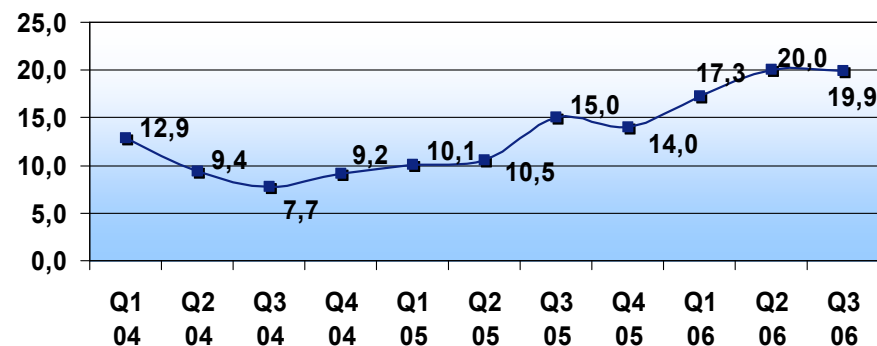
## 20 largest shareholders as at October 26th 2006

Navn	Andel
Sabaro Investments L. John Casely	46,06 %
Enskilda, egenhandel	11,75 %
Fortis Global Custody treaty account	5,63 %
Skandinaviska Enskilda Banken, Oslo	5,31 %
DnB Nor Markets	4,55 %
ABG Sundal Collier, egenhandel	4,37 %
First securities ASA Meglerkonto	2,68 %
Nobelssystem Scandinavia v/ Rikard Storvestre	1,68 %
Heliport Invest AS	1,50 %
Max Bjerke AS	1,40 %
Rikard Storvestre	1,26 %
AG Holding AS	0,73 %
Pershing securities clients Account	0,70 %
Per Helge Svensson	0,62 %
Erik Just Johnsen	0,58 %
Euroclear Bank SA/client	0,44 %
Catering og Restaurantservice AS	0,41 %
Infix AS	0,45 %
Epsilon AS	0,41 %
Infix AS	0,39 %
Sven Tore Kaasa	0,39 %
<b>20 largest shareholders</b>	<b>91,29 %</b>
Total number of shares	35 781 807
Foreign owned	54,10 %

## EPS



## Stock price - Historic Development



# Results 3rd Quarter 2006

## Q & A

