TeleComputing 4th quarter 2006:

- Record high order inflow of MNOK 204
- Revenue from continued operations of MNOK 130 (13,7% growth from Q4 2005)
- EBIT from continued operations of MNOK 9,5 (58,1% growth from Q4 2005)
- Net income (including discontinued operations) of MNOK 20,3
- Sale of Telecomputing IS subsidiary and Microsoft Business Services unit
- Acquisition process with Kentor AB and Netthuset AS, executed in Q1
- Strong cash flow, with cash balance of MNOK 135

For further information, contact:
André P. Løvestam, CEO, mobile +47 934 36 952
Robert Giori, CFO, mobile +47 934 09 188

TELECOMPUTING REPORT FOR 4th QUARTER 2006

Highlights 4th quarter 2006

- *Order inflow in 4th quarter was MNOK 204 (MNOK 122). New contracts represented MNOK 114 (MNOK 72).*
- *Revenue from continued operations for 4th quarter 2006 was MNOK 130,2 (MNOK 114,6), representing a growth rate of 13,7 %.*
- *Operating profit from continued operations was MNOK 9,5 (MNOK 6,0).*
- *Cash flow from operations in 4th quarter was MNOK 28,0 (MNOK 24,2).*
- *Net income (including discountinued operations) was MNOK 20,3 (MNOK 3,0)*
- *Sale of Telecomputing IS subsidiary and Microsoft Business Services unit. According to IFRS 5, both entities are classified and accounted for as discontinued operations.*
- *Acquisition process with Kentor AB and Netthuset AS. Both acquisitions were finalized in Q1. Businesses had total 2006 revenues of approximately MNOK 215, and EBIT of approximately MNOK 23.*

Financial results

FINANCIAL SUMMARY (MNOK)	Q4 2006	Q4 2005	growth	2006	2005	growth
Revenues	130,2	114,6	13,7 %	475,3	365,2	30,2 %
Gross margins %	73,0 %	75,5 %		74,4 %	74,2 %	
EBIT (continued operations)	9,5	6,0	58,1 %	28,9	12,1	138,6 %
EBIT %	7,28 %	5,24 %		6,07 %	3,31 %	
Net Income (inc. discontinued operations)	20,3	3,0	576,0 %	41,9	8,9	370,6 %
Net Income %	15,57 %	2,62 %		8,81 %	2,44 %	
Order inflow (total contract value)	204	122	67,4 %	556	451	23,3 %
Cash flow from operations	28,0	24,2	15,6 %	71,5	66,2	8,0 %
Cash, end of period	134,9	72,2	86,8 %	134,9	72,2	86,8 %

TeleComputing experienced very strong sales growth in the fourth quarter 2006.

Revenues were a record high of MNOK 130,2, compared with MNOK 114,6 in the prior year. In addition, TeleComputing entered outsourcing agreements with an estimated contract value of MNOK 204, compared with comparable orders of MNOK 122 in the prior year.

This growth in order inflow was driven by a very strong recovery in the Swedish business, including agreements with Securitas, Sveriges Kommuner och Landsting and Akelius Fastigheter.

Gross margins were 73,0%, compared with 75,5% in the prior year. The decline in gross margins was driven by increased upsells of third-party products and services. EBIT for continuing operations was MNOK 9,5, compared with MNOK 6,0 in the previous year. Operating margins were healthy in Norway, but depressed in Sweden due to reorganization efforts, and bonus compensation tied to contracts signed during the quarter.

A non-cash tax provision of MNOK 2,8 was made during the quarter, and the company's deferred tax asset has been adjusted accordingly.

TeleComputing sold its TeleComputing IS (formerly Infostream) subsidiary during the fourth quarter, as well as the MBS unit of its TeleComputing Stavanger subsidiary. These sales resulted in an income of MNOK 13,0, which is reflected as discontinued operations under IFRS 5.

Norway

The Norway business continued its growth trend in Q4, with revenue of MNOK 83,8. This reflects organic growth of 17,2%. EBIT was also strong, at MNOK 9,4, or 11,2% of revenue. TeleComputing is now including full allocations of corporate overhead in its business segment reporting.

The Norwegian business booked new contracts with a total value of MNOK 78. The company experiences high sales activity among existing and potential customers, and benefits from upsell opportunities to existing customers of consulting and third-party products.

IFRS Segments	Q4-2006	Q4-2005	Growth	2006	2005	Proforma *) 2005	Growth	Organic Growth
Norway								
Revenue	83,8	71,5	17,2 %	313,8	223,3	270,4	40,5 %	16,0 %
EBIT	9,4	2,6	257,3 %	26,4	7,2	-3,6	268,9 %	-837,9 %
EBIT %	11,2 %	3,7 %		8,4 %	3,2 %	-1,3 %		
Sweden								
Revenue	46,4	43,1	7,7 %	161,5	141,9	158,1	13,8 %	2,2 %
EBIT	0,1	3,4	-96,2 %	2,5	4,9	4,1	-49,9 %	-39,0 %
EBIT %	0,3 %	7,8 %		1,5 %	3,5 %	2,6 %		
Consolidated								
Revenue	130,2	114,6	13,7 %	475,3	365,2	428,5	30,2 %	10,9 %
EBIT	9,5	6,0	58,1 %	28,9	12,1	0,5	138,6 %	5877,8 %
EBIT %	7,3 %	5,2 %		6,1 %	3,3 %	0,1 %		

**) Proforma assumes a January 1 acquisition date for several 2005 acquisitions: IT Broker (acquired May 2005), Proserva AB (June 2005), and Stim Computing (September 2005). There is no proforma adjustment to fourth quarter financials, as all companies had been acquired before Q4 2005.*

Sweden

Sweden had an exceptional quarter for order inflow. Sweden entered into agreements with an estimated contract value of MNOK 128 during the quarter. This is a new order inflow record for Sweden; the previous bookings record was below MNOK 50 contract value.

The Swedish company's revenue was MNOK 46,4 (MNOK 43,1 in prior year), with EBIT of MNOK 0,1. The lower operating margin in Q4 was due to continued reorganization efforts and high bonus compensation tied to record new contract sales.

Cash flow, liquidity and balance sheet

The group had positive cash flow of MNOK 46,7 during the quarter. Cash flows from operating activities were MNOK 28,0. Cash flows from investment activities were positive MNOK 12,0, reflecting the sale of discontinued operations but offset by higher investments in new equipment.

Net working capital balance was MNOK 103, including MNOK 135 of cash. TeleComputing has almost no interest bearing debt. The group's equity was MNOK 285, representing an equity ratio of 72 %.

Future outlook

The market outlook for TeleComputing remains very good. The general market growth is estimated at 6 – 8 %. The company expects organic growth above market growth during 2007.

In addition, TeleComputing has entered into agreements to acquire Kentor (Sweden) and Netthuset (Norway), which will drive growth and profitability in 2007.

Kentor AB is a leading provider of IT outstourcing, consulting and application services to the Swedish SMB market. The company had sales of approximately MSEK 213 in 2006 and EBIT of MSEK 23,6, and a cash balance of approxately MSEK 50. The acquisition will allow TeleComputing to expand its product offering toward higher-end IT-services, while strengthening its position in the Swedish IT outsourcing market. TeleComputing will acquire Kentor for MSEK 290 cash, which will be financed by loans of MSEK 225 and cash reserves. The acquisition was finalized on Feburary 8, 2007.

Netthuset AS offers IT outsourcing services to companies and organizations in southwest Norway. The company had sales of approximately MNOK 25 and operating income of MNOK 2 in 2006. The acquisition of Netthuset will strengthen TeleComputing's local presence in the fast-growing Stavanger region. Netthuset was purchased for approx. MNOK 18, including 18% shares and 82% cash. The acquisition was finalized on January 25, 2007.

TeleComputing expects a temporary increase in costs during Q1 due to M&A activities and subsequent restructuring in Sweden and Norway, including due diligence investigation on a proposed acquisition which was not executed. Otherwise, TeleComputing expects to maintain a high level of profitability throughout the year.

The company's long term growth and profit targets remain unchanged, and the strategic target of MNOK 1.000 revenue in 2008 is still valid. TeleComputing has a continued ambition to be a leader in market consolidation.

INCOME STATEMENT (MNOK)	Q4 2006	Q4 2005	Growth	2006	2005	Growth
Revenue	**130,2**	**114,6**	**13,7 %**	**475,3**	**365,2**	**30,2 %**
Cost of goods sold	**-35,2**	**-28,1**	**25,3 %**	**-121,6**	**-94,4**	**28,8 %**
Gross Margin	**95,0**	**86,5**	**9,9 %**	**353,7**	**270,8**	**30,6 %**
GM %	***73,0 %***	***75,5 %***		***74,4 %***	***74,2 %***	
Personnel cost	-59,4	-53,8	10,4 %	-221,3	-168,4	31,4 %
Other operating expenses	-14,3	-15,0	-4,7 %	-56,0	-50,6	10,7 %
EBITDA	**21,4**	**17,7**	**20,7 %**	**76,4**	**51,8**	**47,5 %**
Depreciation	-11,4	-11,3	0,7 %	-45,5	-38,5	18,2 %
EBITA	**10,0**	**6,4**	**56,0 %**	**30,9**	**13,3**	**132,4 %**
EBITA %	***7,7 %***	***5,6 %***		***6,5 %***	***3,6 %***	
Amortisation	-0,5	-0,4	25,7 %	-2,0	-1,2	70,2 %
Operating profit (EBIT)	**9,5**	**6,0**	**58,1 %**	**28,9**	**12,1**	**138,6 %**
EBIT %	***7,3 %***	***5,2 %***		***6,1 %***	***3,3 %***	
Net financial items	0,6	-	n/a	1,2	-0,2	n/a
Profit/loss before tax	**10,0**	**6,0**	**67,4 %**	**30,0**	**11,9**	**152,4 %**
Tax	-2,8	-3,0	-7,0 %	-2,8	-5,5	-49,3 %
Net income, continuing operations	**7,3**	**3,0**	**141,8 %**	**27,2**	**6,4**	**325,7 %**
Net income, discontinued operations (appendix 2)	13,0	-		14,6	2,5	
Net income	**20,3**	**3,0**	**576 %**	**41,9**	**8,9**	**370,6 %**
Earnings per share (NOK)						
Basic EPS	0,56	0,09		1,17	0,19	
Basic EPS, continuing operations	0,20	0,09		0,76	0,26	
Diluted EPS	0,55	0,09		1,15	0,19	
Diluted EPS, continuing operations	0,20	0,09		0,75	0,26	

BALANCE SHEET (MNOK)	31.12.2006	30.09.2006	31.12.2005
Deferred tax asset	43,8	46,0	51,6
Goodwill	56,8	55,5	63,1
Contracts and customer relationsh.	7,1	7,4	8,8
Other immaterial items	17,9	15,0	17,5
Tangible fixed assets	65,7	61,1	68,3
Financial fixed assets	0,5	0,5	0,7
Total fixed assets	**191,8**	**185,5**	**210,0**
Inventory	1,0	0,9	0,8
Accounts receivable	49,3	46,9	48,5
Other short term receivables	16,2	14,7	13,7
Cash and cash equivalents	135,0	84,5	72,2
Total current assets	**201,5**	**147,0**	**135,2**
Assets discontinued operations		**32,0**	
TOTAL ASSETS	**393,3**	**364,5**	**345,1**
Equity	**285,0**	**255,7**	**224,5**
Interest bearing debt	-	3,2	3,8
Deferred tax liability	0,3	0,5	-
Other long term debt	9,7	4,9	8,0
Long term debt	**10,0**	**8,6**	**11,8**
Accounts payable	39,4	18,1	34,6
Public duties payable	28,4	25,0	26,5
Other short term debt	30,4	49,9	47,8
Short term debt	**98,3**	**93,0**	**108,9**
Liabilities discontinued operations	**-**	**7,2**	**-**
TOTAL LIABILITIES AND EQUITY	**393,3**	**364,5**	**345,1**
Equity ratio	**72 %**	**70 %**	**65 %**

CASH FLOW (MNOK)	Q4 2006	Q4 2005	2006	2005
Profit before tax	23,1	6,0	44,7	14,4
Depreciation / amortization	11,9	12,2	49,5	41,7
Share based salary	0,2	0,1	1,6	0,7
Results of discontinued operations	-13,0	-	-14,6	-
Change in working capital	5,8	5,9	-9,7	9,4
Cash flow from operations	**28,0**	**24,2**	**71,5**	**66,2**
Investments intangible assets	-4,7	-4,0	-8,7	-11,0
Investments tangible assets	-15,4	-10,2	-42,1	-36,4
Sale of fixed assets	30,3	-	31,9	-
Investments in businesses	1,8	-0,1	1,8	-14,9
Cash flow from investments	**12,0**	**-14,3**	**-17,1**	**-62,3**
Down payments financial lease	-0,5	-1,2	-2,9	-5,1
Down payment interest bearing debt	-1,0	-	-2,1	-1,9
Share issues	6,9	0,5	11,9	3,4
Cash flow from financing	**5,4**	**-0,7**	**6,9**	**-3,6**
Translation differences	**1,4**	**0,2**	**1,5**	**-1,2**
NET CHANGE IN CASH	**46,7**	**9,4**	**62,7**	**-0,9**
Cash at beginning of period	**88,2**	**62,8**	**72,2**	**73,1**
Cash at end of period	**134,9**	**72,2**	**134,9**	**72,2**

MOVEMENT IN EQUITY	31.12.2006	31.12.2005
Equity 31.12	**224,5**	**195,1**
Ordinary profit	27,2	6,4
Share issues	12,6	21,1
Share based salaries	1,6	0,7
Effect of purchase own shares	-0,6	-
Profit from discontinued operations	14,6	2,5
Translation differences and other	5,2	-1,3
Equity end of period	**285,1**	**224,5**

Appendix 1 Standards of reporting

The quarterly report is prepared in accordance with International Financial Reporting Standards, including IAS 34, Interim Financial Reporting, and accounting policies applied during the annual financial report for 2005.

Appendix 2 Discontinued operations

In November 2006, TeleComputing sold the Microsoft Business Solutions consulting unit in Stavanger. The unit was acquired by TeleComputing with the purchase of IT Broker AS in May 2005.

Furthermore, in November 2006, TeleComputing sold the wholly owned subsidiary TeleComputing IS AS to Basefarm ASA. The company was purchased by TeleComputing ASA in May 2004, and has since then shown a positive financial development.

The financial results, including the gain from sale, from Microsoft Business Solutions and Telecomputing IS AS are separated from ongoing business and classified as discontinued operations in the financial statements. Presentation and classification is in accordance with IFRS 5, Discontinued Operations.

Financial results from discontinued operations

DISCONTINUED OPERATIONS FINANCIAL RESULTS (MNOK)	Q4 2006	Q4 2005	2006	2005
Operating revenue	-	18,5	24,4	30,9
Net operating profit	-	-	1,6	2,5
Net cash flow	-	5,0	-5,1	6,7
Gain on sale	13,0	-	13,0	-