

Results 3rd Quarter 2009

October 29th 2009

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Perspectives on TeleComputing

Well positioned in attractive part of the outsourcing market

- The long awaited market growth for IT as a service over the internet is now materializing not least due to the recent entry of key global IT players in this market segment
- TeleComputing has a unique IT delivery platform and considerable experience to capitalize on current market trends

Continued focus on operating efficiencies

- Continuously streamlining operations and maximizing near-term profit and cash flow during 2009 and into 2010
 - On track to achieve satisfactory profitability in our Sweden IT Operations business
 - New hiring continues at a minimum
- Management will continue focusing on improving cost efficiency in our operations
- Management's first priority in 2009 is maintained at realizing operating efficiencies and align the workforce to serve customers in the most effective manner
- Continue to position TeleComputing to utilize anticipated market growth

Q3 2009 Financial Overview

Revenues

- Group revenue of MNOK 212,3
 - -3,5% decline on Q3 2008
 - 0 % growth in services on Q3 2008, offset by reduced product sales
 - Maintained healthy revenue composition

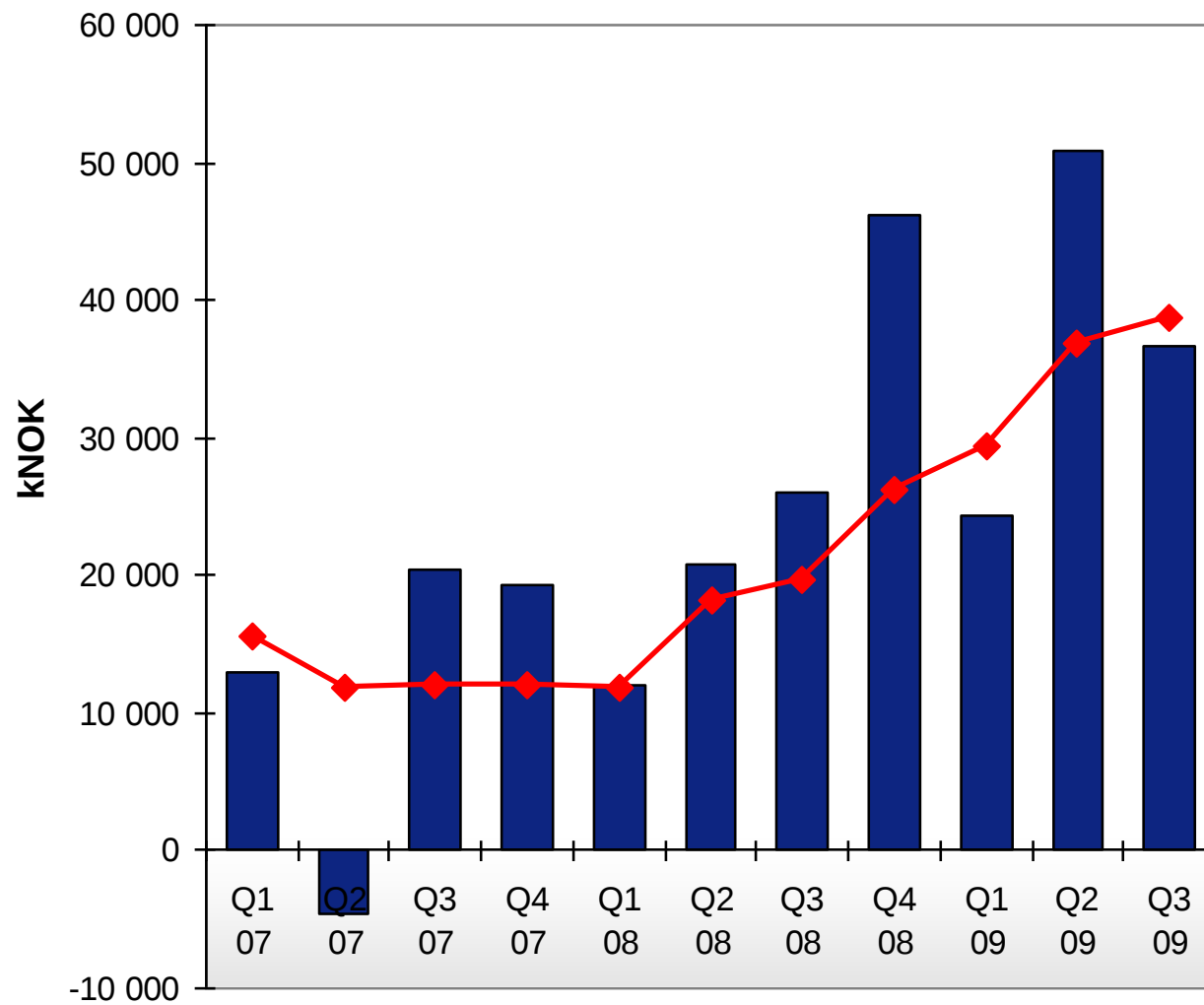
Profitability

- EBITA of MNOK 20,1 (9,5% EBITA margin)
 - Very strong TCN earnings
 - Improved TCS profitability
 - Decreasing Kentor margins

Cash Flow

- Cash Flow from Operations of MNOK 36,6
 - Driven by healthy TCN profitability and large working capital reductions as well as particularly low hardware investments, but earn-outs
 - Free Cash Flow of MNOK 17,7

Cash Flow from Operations

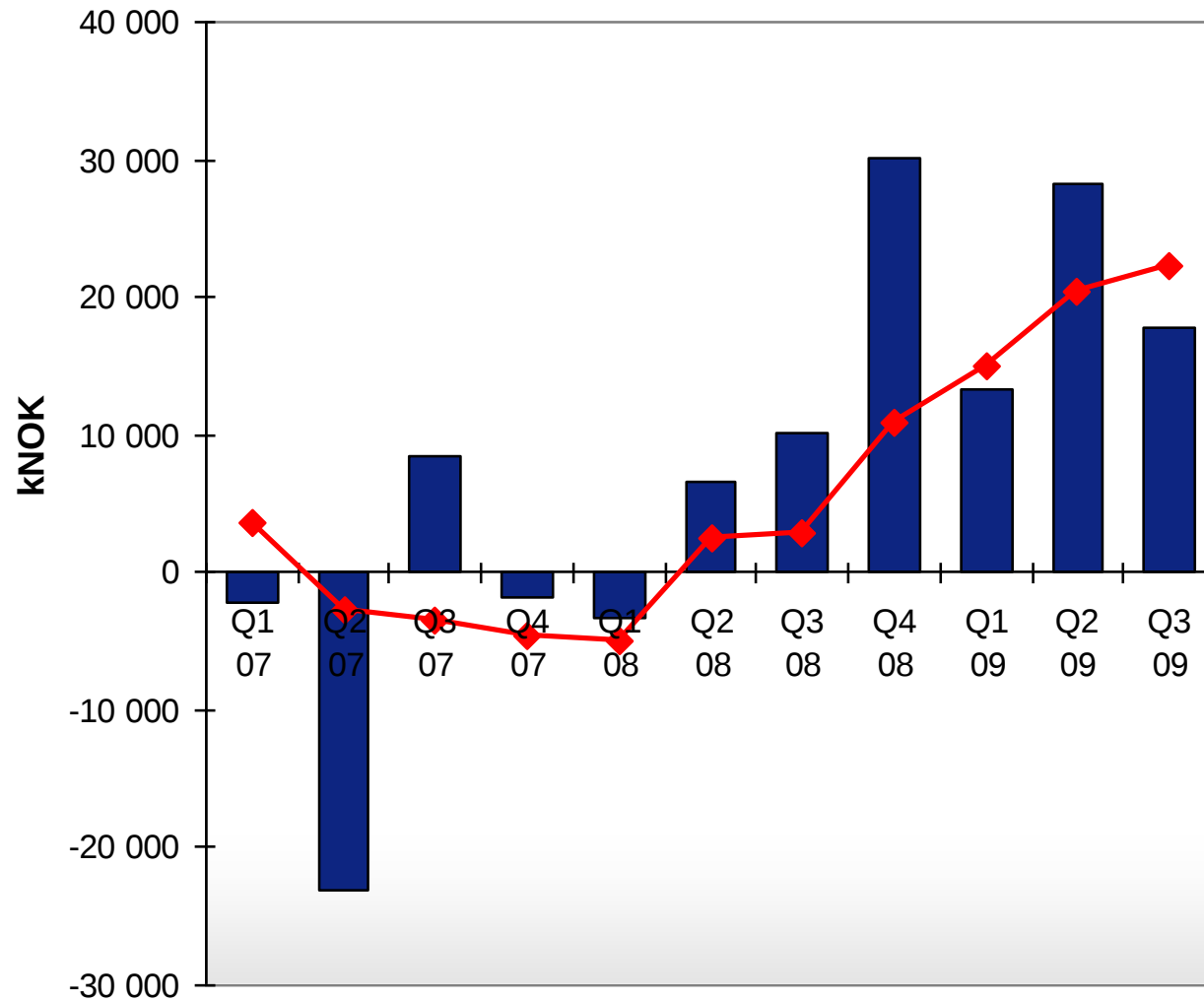


Q3 Cash Flow from Ops:
MNOK 36,6

Legend:

- Cash Flow from Operations
- ◆ Rolling average, 4 Quarters

Free Cash Flow

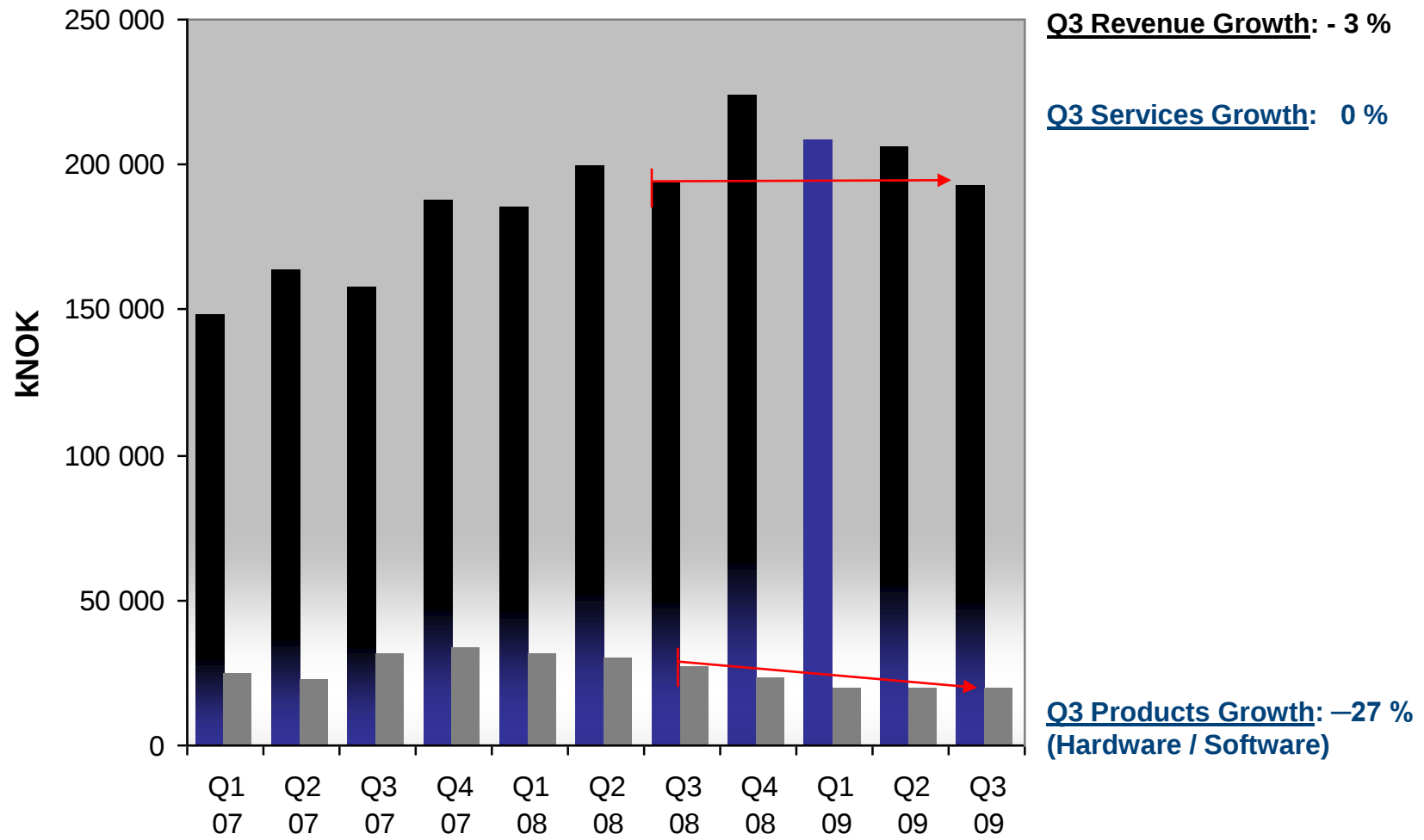


Q3 Free Cash Flow:
MNOK 17,7

Legend:

- Free Cash Flow
- Rolling average, 4 Quarters

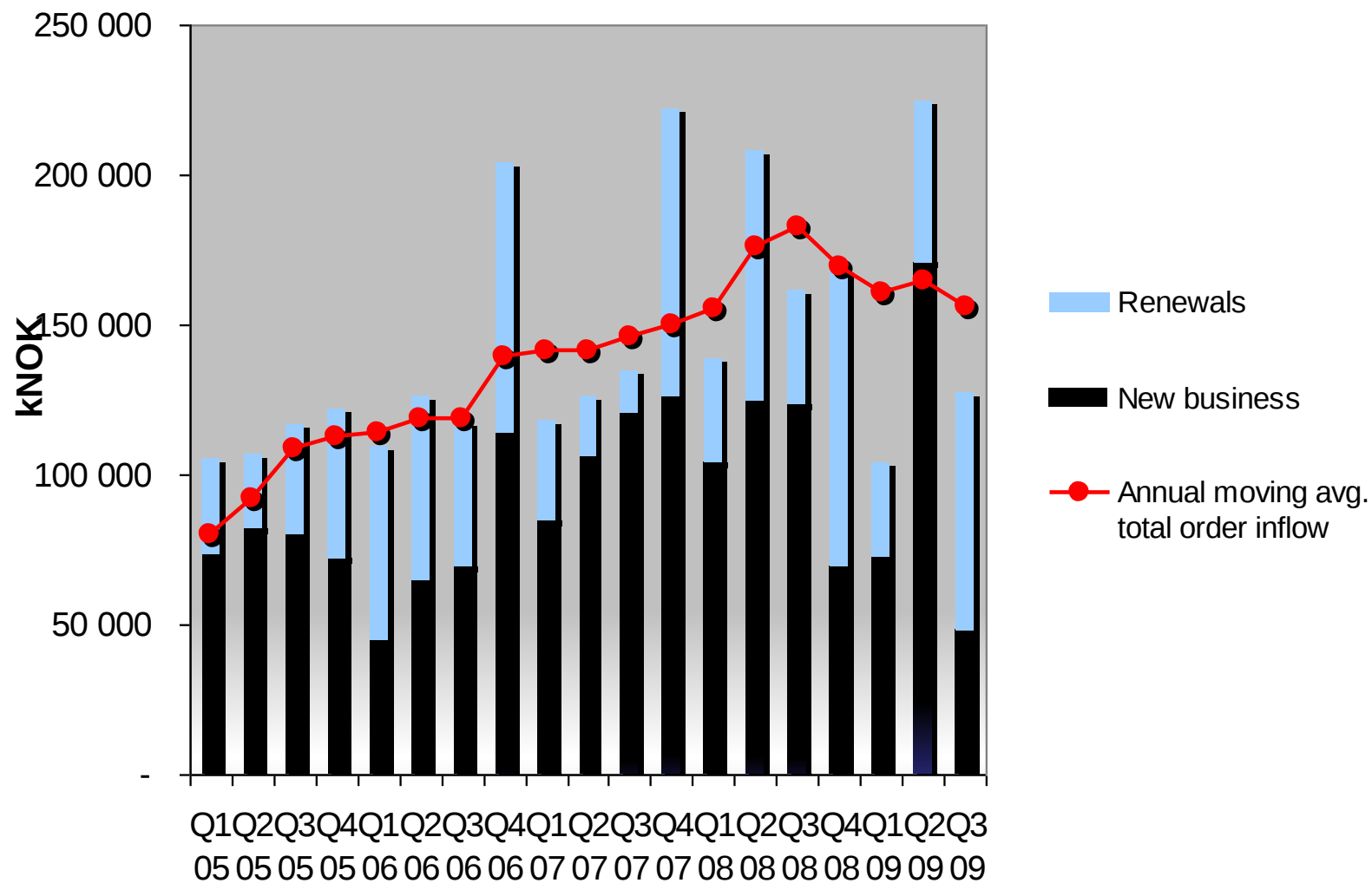
Revenue Development



Legend:

- Services Revenues
- Product Revenues

Order Inflow 2005 – 2009



Order inflow Q3 2009

Outsourcing Order Inflow: MNOK 126

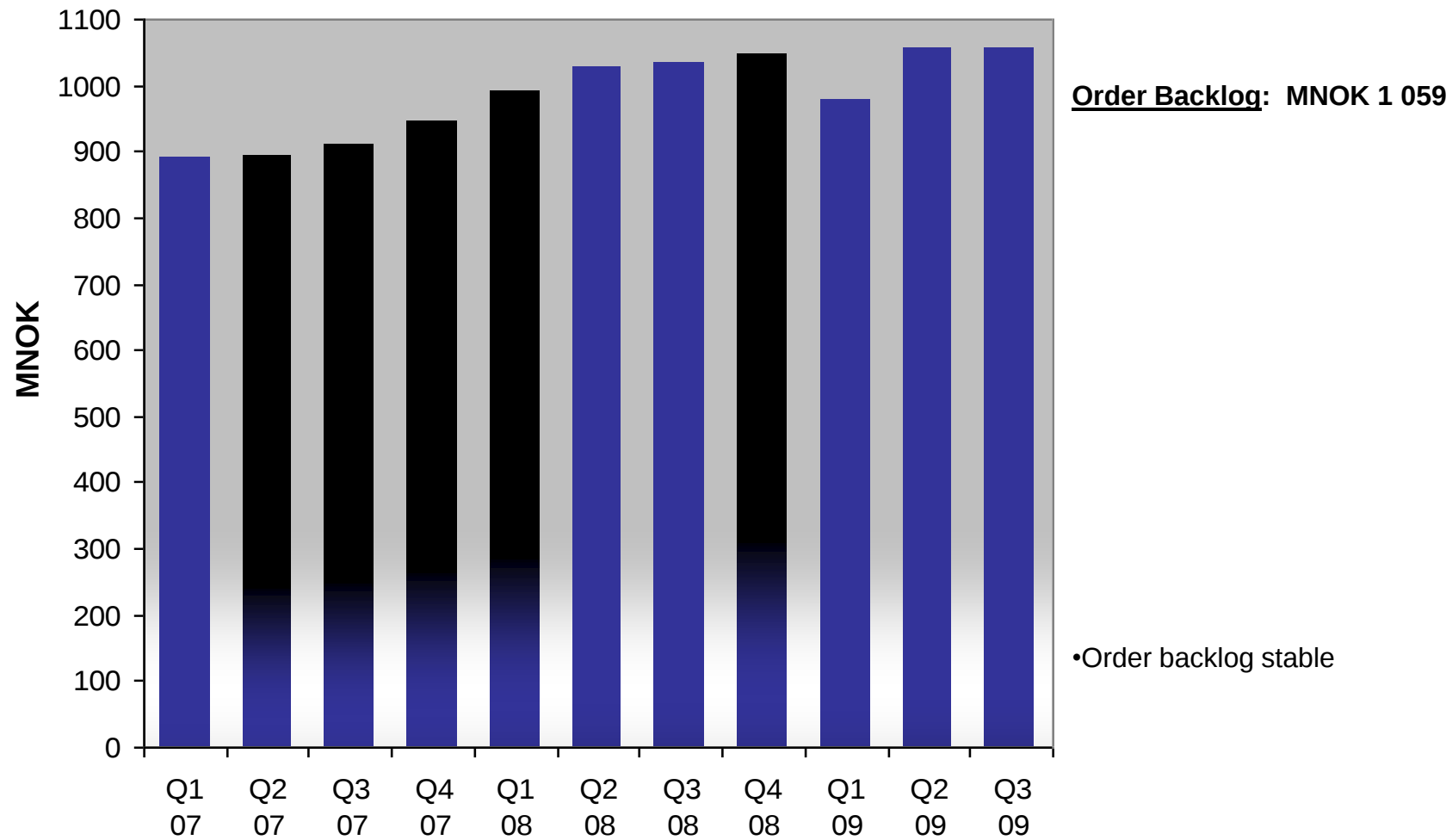
New Business / Add On

- Mercuri Urval
- SACO IT
- Pangea Property Partners
- Vingmed
- DNT
- etc

Renewals

- Gaz de France
- Uniflex
- SACO IT
- Tools
- SK Brann
- Redd Barna
- Acento
- DAF Norge
- AconaWelPro
- etc

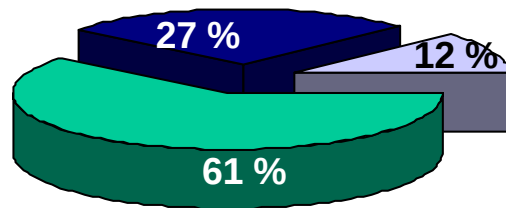
Large Backlog of Recurring Revenue



Legend: ■ Order Backlog of Outsourcing Contracts

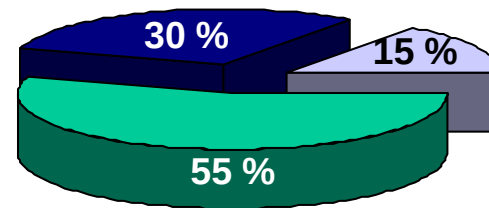
Maintained Healthy Revenue Composition

Breakdown of revenue Q3 09



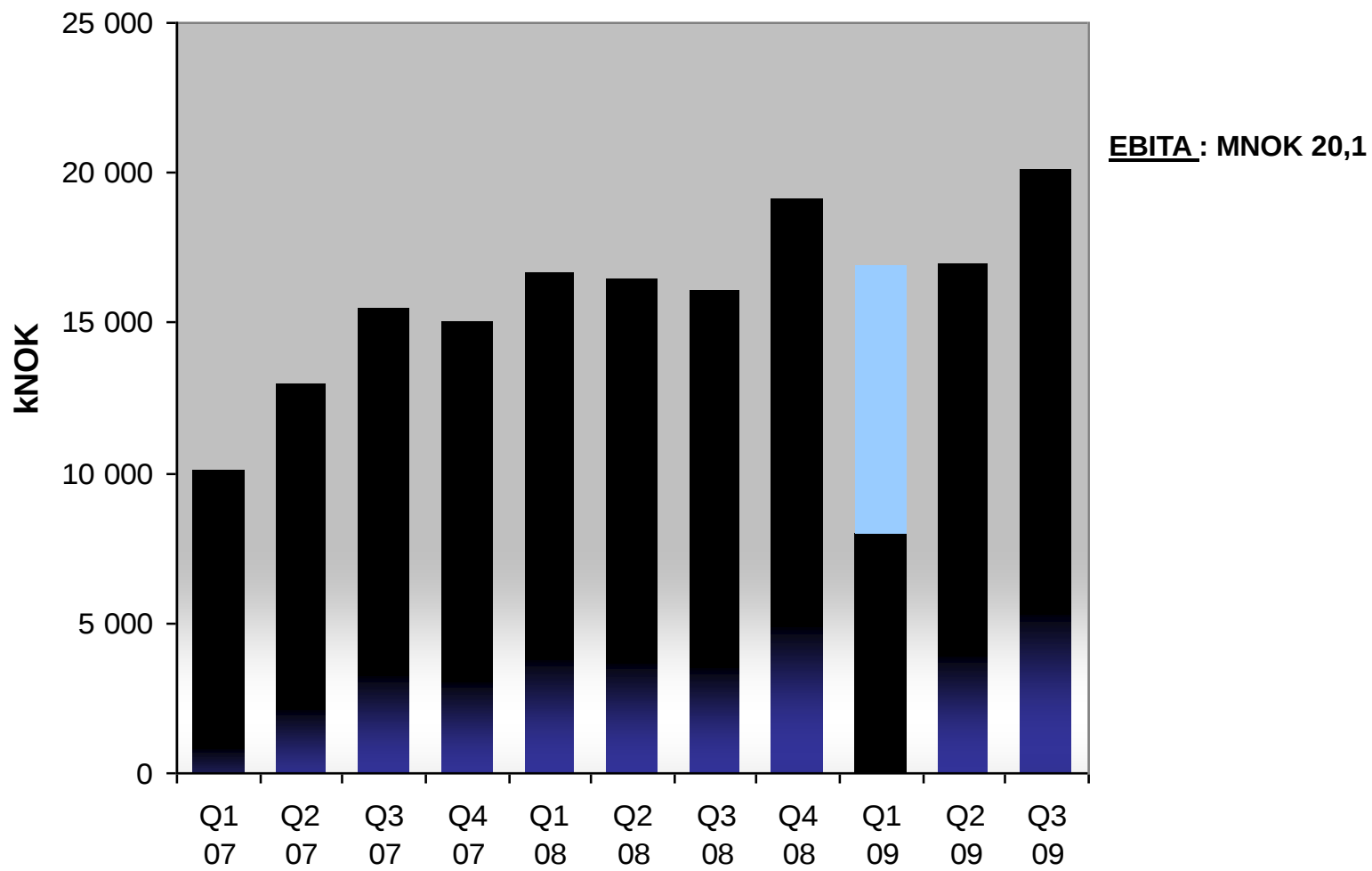
- Outsourcing contracts
- Consulting and implementation
- HW/SW/subcontractor

Breakdown of revenue Q3 08



- Outsourcing contracts
- Consulting and implementation
- HW/SW/subcontractor

Profitability (EBITA)



Legend:

- EBITA (kNOK)
- Restructuring Cost Q1 09 (kNOK)

Income Statement

INCOME STATEMENT (MNOK)	Growth Q3 2008-Q3			Growth YTD 2008-YTD			2008
	Q3 2009	Q3 2008	2009	YTD 2009	YTD 2008	2009	
Revenue	212,3	220,0	-3,5 %	665,9	666,1	0,0 %	913,3
Cost of goods sold	-52,1	-61,3	-15,0 %	-162,5	-182,1	-10,7 %	-243,6
Gross Margin	160,2	158,7	1,0 %	503,4	484,0	4,0 %	669,7
GM %	75,5 %	72,1 %		75,6 %	72,7 %		73,3 %
Personnel cost	-99,2	-103,5	-4,1 %	-332,2	-318,4	4,3 %	-432,2
Other operating expenses	-28,7	-26,1	10,0 %	-90,7	-77,6	16,8 %	-117,4
Depreciation	-12,2	-13,1	-6,8 %	-35,5	-38,9	-8,6 %	-51,7
EBITA	20,1	16,0	25,4 %	45,0	49,2	-8,6 %	68,3
EBITA %	9,5 %	7,3 %		6,8 %	7,4 %		7,5 %
Amortisation	-1,9	-1,8	6,1 %	-5,6	-5,3	4,9 %	-28,7
Operating profit (EBIT)	18,2	14,3	27,9 %	39,4	43,8	-10,2 %	39,6
EBIT %	8,6 %	6,5 %		5,9 %	6,6 %		4,3 %
Net financial items	-1,1	-2,4	N/A	-5,5	-9,0	N/A	-13,8
Profit/loss before tax	17,1	11,8	45,0 %	33,9	34,9	-2,9 %	25,8
Tax	-4,8	-3,4	N/A	-9,4	-9,9	N/A	-15,8
Net income	12,3	8,5	45,8 %	24,4	25,0	-2,1 %	10,0

Balance Sheet – Assets

CONDENSED BALANCE SHEET (MNOK)	30.09.2009	30.06.2009	31.12.2008	30.09.2008
Deferred tax asset	45,9	51,0	54,0	60,3
Goodwill	251,8	251,8	267,7	263,3
Customer relationships	18,0	19,6	24,2	25,2
Trademarks	19,3	19,6	21,6	20,8
Software licenses	23,2	25,9	27,5	28,9
Tangible fixed assets	82,4	87,2	84,3	78,0
Financial fixed assets	0,2	0,2	0,6	1,1
Total fixed assets	440,8	455,4	479,9	477,7
Inventory	-	-	-	0,5
Accounts receivable	110,6	131,7	158,5	151,0
Other short term receivables	24,4	22,8	28,2	27,8
Cash and cash equivalents	126,4	109,3	97,1	58,0
Total current assets	261,3	263,8	283,7	237,3
TOTAL ASSETS	702,2	719,2	763,6	715,0

Balance Sheet – Liabilities / Equity

CONDENSED BALANCE SHEET (MNOK)	30.09.2009	30.06.2009	31.12.2008	30.09.2008
Equity	352,4	339,9	352,4	349,7
Interest bearing debt	132,1	132,7	158,3	150,1
Deferred tax liability	18,1	18,5	20,5	18,9
Other long term debt	10,5	10,3	10,7	17,6
Long term debt	160,7	161,5	189,5	186,7
Accounts payable	28,4	38,0	52,7	37,2
Public duties payable	49,5	47,4	49,7	43,9
Other short term debt	111,2	132,3	119,3	97,6
Short term debt	189,0	217,7	221,7	178,6
TOTAL LIABILITIES AND EQUITY	702,1	719,2	763,6	715,0
Equity ratio	50 %	47 %	46 %	49 %

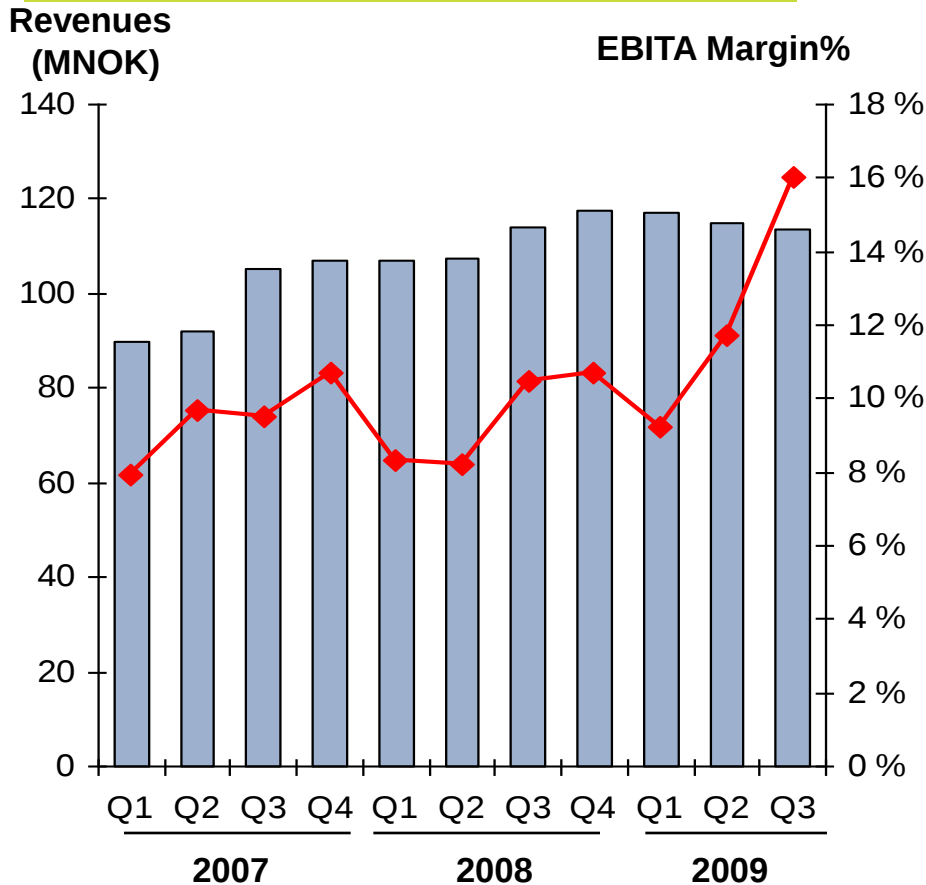
Cash Flow Statement

CONDENSED STATEMENT OF CASH FLOW (MNOK)	Q3 2009	Q3 2008	YTD 2009	YTD 2008
Profit before tax	17,1	11,8	33,9	34,9
Share-based compensation	-	-	-	-
Depreciation / amortization	14,1	14,9	41,1	44,2
Change in working capital	5,3	-0,6	36,9	-20,1
Cash flow from operations	36,6	26,1	111,8	59,0
Investments in assets	-4,8	-16,0	-31,8	-45,6
Investments in businesses	-14,0	-	-20,9	-7,3
Sale of assets	0,0	-	0,1	-
Sale of businesses	-	-	-	-
Cash flow from investments	-18,9	-16,0	-52,6	-52,9
Issue / repayment of long term debt	-0,6	-24,3	-26,9	-24,3
Fees to financial institutions	-	0,3	-	0,3
Options exercise	-	1,8	-	2,4
Equity contributions/dividends	-	-	-0,8	0,3
Share issues / repurchase	-	-	-	-
Cash flow from financing	-0,6	-22,2	-27,6	-21,3
Translation differences	0,0	0,1	-2,3	0,1
NET CHANGE IN CASH	17,1	-12,0	29,3	-15,1
Cash at beginning of period	109,3	70,1	97,1	73,1
Cash at end of period	126,4	58,0	126,4	58,0

Business Segment: Norway IT Operations

Continued strong service revenue development and profitability

Financial Performance

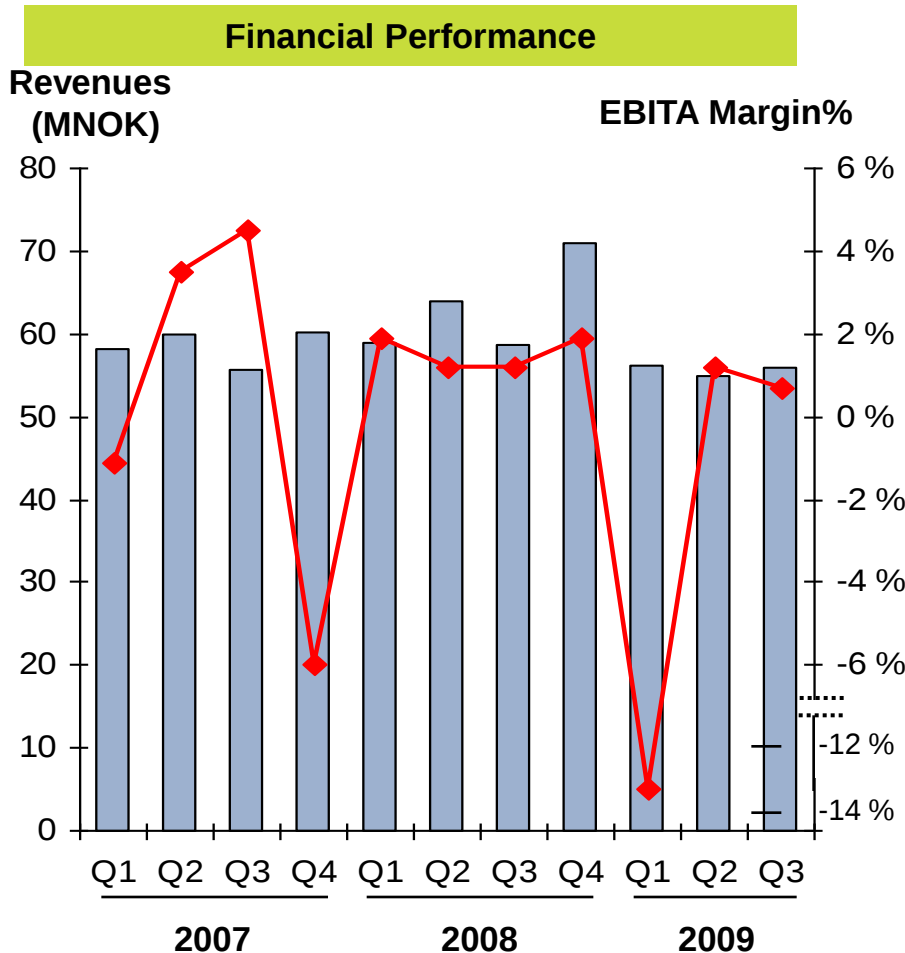


- **Revenue**: MNOK 113,6 (-0,3% growth)
 - 2% services growth rate, offset by decline in product sales
- **EBITA**: MNOK 18,2 (16% margin)
- **Business Highlights**
 - Strong cash flow performance, due to strong earnings and low investments
 - Clear management focus on profitability and cash flow
 - Secure service delivery performance

■ Revenues
— EBITA % of total revenue

Business Segment: Sweden IT Operations

Successful restructuring – maintains profitability

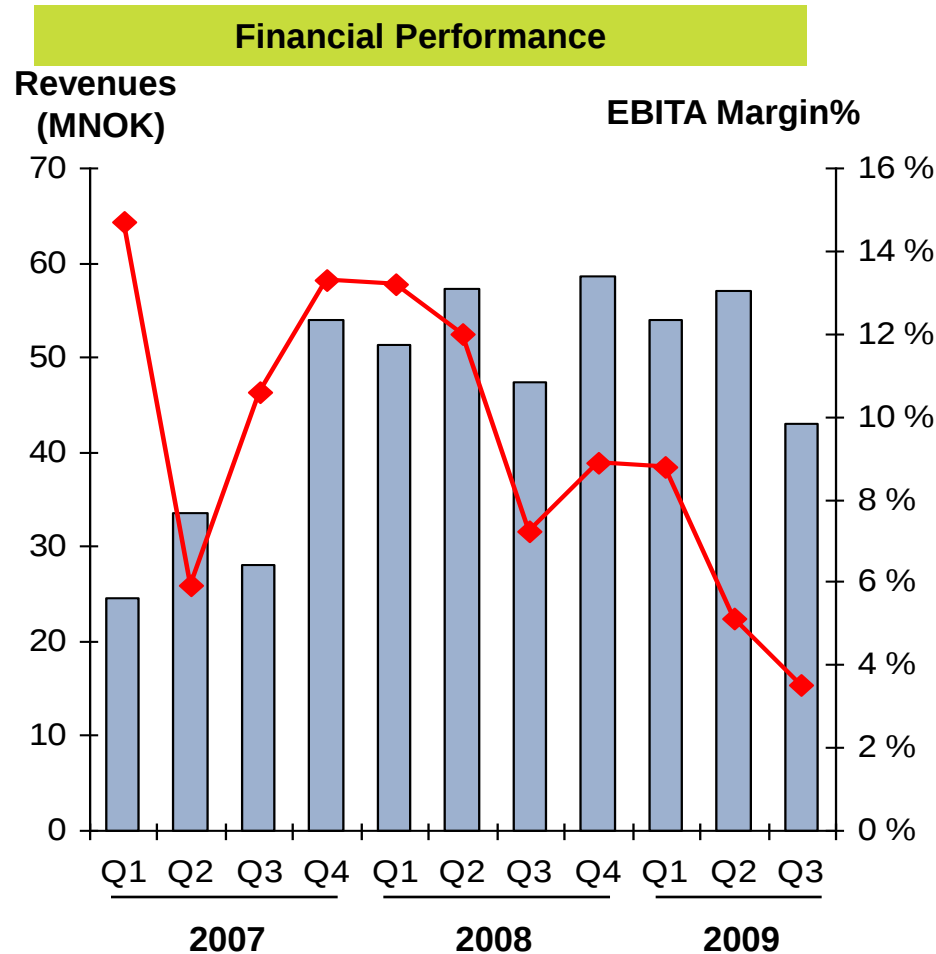


- **Revenue:** MNOK 56,3 (-4% decline; -3% decline in local currency)
 - 1 % services growth rate (LC)
 - -46% decline in product sales (LC)
- **EBITA:** MNOK 0,5 (1,0% margin)
- **Business Highlights**
 - Continued focus on cost efficiencies and working capital reductions
 - Several large deals being implemented in Q3 yielding financial effects Q4
 - On track to achieve satisfactory profitability

■ Revenues
— EBITA % of total revenue

Business Segment: Kentor IT Solutions

Good financial performance in difficult economic environment



- **Revenue:** MNOK 42,5
 - -10% decline in NOK; -10% decline in local currency
- **EBITA:** MNOK 2,9 (5,1% margin)
- **Business Highlights**
 - Q3 is the weakest quarter due to the Nordic holiday season
 - Continued strong performance from core businesses
 - Business cycle still effects development areas (CRM, Business Solutions)
 - Signs of improved business climate
 - Continued focus on public sector customer acquisition

■ Revenues
— EBITA % of total revenue

Strong Business Outlook Near and Long-term

2009 Outlook

- Continued slow revenue development expected in Q4 with weaker IT services market. However, contracts entered into in June will yield effect in Q4
- Secure base of recurring revenue combined with cost efficiency programs will support profit margins and cash flow in Q4
 - IT Operations business obtains approximately two-thirds of its revenue from long-term service contracts, with 95%+ annual retention rates.
 - IT Solutions business has long-term relationships with highly solid customers, where TeleComputing maintains business-critical solutions.
- Hardware investments will increase Q4 compared to particularly low Q3 levels

2010+ Outlook

- Well positioned for long-term growth with recovery in IT services market
 - Strong competitive advantage in IT operations to SMB segment, which has highest growth in IT services market
 - Renewed opportunities to cross-sell additional IT consulting and new outsourcing services to customer base
 - Well positioned in attractive part of the IT-outsourcing market

Results 3rd Quarter 2009

Q & A