TeleComputing 3rd quarter 2009:

- Group revenue of MNOK 212,3
- Revenue decline of 3,5 % from Q3 2008 (all organic)
- Order inflow in *IT Operations* segment of MNOK 127
- EBITA of MNOK 20,1
- Cash flow from operations of MNOK 36,6

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TELECOMPUTING REPORT FOR 3rd QUARTER 2009

Highlights 3rd quarter 2009

- *Total group revenue for 3rd quarter 2009 was MNOK 212,3 (MNOK 220,0), representing a decline of -3,5 %. All revenue declines were organic.*
- *Order inflow in the IT Operations segment during the 3rd quarter was MNOK 127 (MNOK 161).*
- *Operating profit before amortization (EBITA) was MNOK 20,1 (MNOK 16,0), representing an EBITA margin of 9,5 %.*
- *After amortization expenses of MNOK 1,9 (MNOK 1,8), operating profit (EBIT) was MNOK 18,2 (MNOK 14,3)*
- *Profit before tax was MNOK 17,1 (MNOK 11,8).*
- *Net income was MNOK 12,3 (MNOK 8,5)*
- *Cash flow from operations was MNOK 36,6 (MNOK 26,1).*
- *The total cash balance at the end of Q3 2009 was MNOK 126,4.*

Financial results

FINANCIAL SUMMARY (MNOK)	Q3 2009	Q3 2008	growth	2008
Revenues	212,3	220,0	-3,5 %	913,3
Gross margins %	75,5 %	72,1 %		73,3 %
EBITA	20,1	16,0	25,4 %	68,3
EBITA %	9,5 %	7,3 %		7,5 %
EBIT	18,2	14,3	27,9 %	39,6
EBIT %	8,6 %	6,5 %		4,3 %
Profit before tax	17,1	11,8	45,0 %	25,8

TeleComputing experienced total group revenues of MNOK 212,3 during the third quarter 2009. This represents a total growth rate of -3,5 % from the third quarter 2008.

Total revenue growth from services was 0 %, but this was offset by a decline in the sales of hardware / software products from Q3 2008. The current economic climate has driven a general reduction in demand for hardware / software sales to the company's customer base.

Gross margins were 75,5 % in Q3 2009 compared with 72,1 % in Q3 2008. The increase in gross margins is primarily due to a reduction of low-margin hardware / software sales within the product mix.

Operating income before amortization costs (EBITA) was MNOK 20,1, representing an EBITA margin of 9,5 %.

Operating income after amortization costs (EBIT) was MNOK 17,1, which includes non-cash amortization costs of MNOK 1,9 associated with intangible assets recognized in acquisitions.

TeleComputing had net financial costs of MNOK 1,1 in Q3 2009, which primarily represent interest expenses on loans, less interest earned on cash and accounts receivable. The development in exchange rates has also had a positive effect on financial cost the last quarter

Tax expense was MNOK 4,8, compared with MNOK 3,4 in Q3 2008. TeleComputing had net income after tax of MNOK 12,3 in Q3 2009 compared with MNOK 8,5 in Q3 2008. Net income in Q3 2009 represents a basic earnings per share of NOK 0,33.

Order inflow in the IT Operations segment during Q3 2009 was MNOK 127, compared with an order inflow of MNOK 161 in Q3 2008.

Segment Reporting

TeleComputing reports its business segments based on geography (Norway / Sweden) and based on business area (*IT Operations* and *IT Solutions*).

In Norway, TeleComputing has a small presence in *IT Solutions*. Currently, the Norway *IT Solutions* business is reported with its larger Swedish operation. The resulting business segments are then: Norway *IT Operations*, Sweden *IT Operations*, and Kentor *IT Solutions*.

IFRS Segments (MNOK)	Q3 2009	Q3 2008	Growth	Year to Date 2009
Norway IT Operations				
Revenue	113,6	113,9	-0,3 %	345,6
EBITA	18,2	11,9	52,5 %	42,4
EBITA %	16,0 %	10,5 %		12,3 %
EBIT	17,8	11,6	52,9 %	41,0
Sweden IT Operations				
Revenue	56,3	58,7	-4,1 %	166,8
EBITA	0,4	0,7	-40,3 %	(6,6)
EBITA %	0,7 %	1,2 %		-3,9 %
EBIT	(0,2)	0,1	-533,4 %	(8,4)
Kentor IT Solutions				
Revenue	42,5	47,4	-10,3 %	153,5
EBITA	1,5	3,4	-56,0 %	9,2
EBITA %	3,5 %	7,2 %		6,0 %
EBIT	0,7	2,6	-73,3 %	6,8
Consolidated				
Revenue	212,3	220,0	-3,5 %	665,9
EBITA	20,1	16,0	25,4 %	45,0
EBITA %	9,5 %	7,3 %		6,8 %
EBIT	18,2	14,3	27,8 %	39,4

* Note: Growth in Q3 2009 is all organic.
In local currency, Sweden IT operations revenue growth is -3,1 %.
In local currency, Kentor IT solutions revenue growth is -9,6 %.

Norway *IT Operations*

The Norway *IT Operations* business ("TC Norway") had total revenue of MNOK 113,6 compared with 113,9 in Q3 2008. This represents a total growth rate of -0,3 %.

Total revenue growth from TC Norway's services business was 1,5 %, but this was offset by a decline in the sales of hardware / software from Q3 2008.

EBITA after corporate allocations in the Norway IT Operations business was MNOK 18,2, representing an EBITA margin of 16,0 %. This compares with an EBITA of MNOK 11,9 in Q3 2008.

TC Norway's order inflow in Q3 2009 on new contracts was weaker than normal and influenced by the current market conditions. Renewals of existing contracts were satisfactory during the quarter, and higher than normal levels.

Sweden *IT Operations*

The Sweden *IT Operations* business ("TC Sweden") had revenue of MNOK 56,3 in Q3 2009, compared with MNOK 58,7 in Q3 2008. This represents a decline of 4,1 % (in NOK). Adjusted for SEK/NOK currency fluctuations, TC Sweden had a revenue decline (in SEK) of 3,1 %.

TC Sweden's service revenues was stable in NOK compared to Q3 2008, representing a SEK growth of 1%. Lower hardware/software-sales than last year reduces growth.

EBITA after corporate allocations in the Sweden IT Operations business was MNOK 0,4, representing an EBITA margin of 0,7 %. This compares with an EBITA of MNOK 0,7 in Q3 2008.

Kentor *IT Solutions*

The Kentor *IT Solutions* segment ("Kentor") had revenues of MNOK 42,5 in Q3 2009, compared with MNOK 47,4 in Q3 2008. This represents a decline of 10,3 %. Adjusted for SEK/NOK currency fluctuations, Kentor had total decline (in SEK) of 9,6 %.

EBITA after corporate allocations was MNOK 1,5 in Q3 2009, representing an EBITA margin of 3,5 %. Kentor has received the impact of the economic recession through tougher competition and longer sales cycles, and is focused on cost management and prioritizing sales efforts toward the public sector.

With a business model focused on long-term customer relations and expertise in business-critical, customer-specific IT solutions, Kentor is still delivering positive results despite the economic downturn.

Cash flow, liquidity and balance sheet

TeleComputing had a cash balance of MNOK 126,4 at the end of Q3 2009, an increase of MNOK 17,1 from end of the prior quarter. Cash flow from operations was a strong net inflow of MNOK 36,6, compared with a net inflow of MNOK 26,1 during Q3 2008. Cash flow from investments was a net outflow of MNOK 18,9, compared with a net outflow of MNOK 16,0 during Q3 2008. Investments were influenced by honouring previously entered into earn-out agreements MNOK 14.

Cash flows from financing activities were a net outflow of MNOK 0,6, which reflects a reduction of leasing liabilities during the quarter.

Total interest bearing debt consists primarily of a MNOK 150 bank loan facility for the acquisition of Kentor AB. MNOK 125 of the bank loan is classified as long-term debt, and MNOK 25 is classified as short-term debt which is scheduled to be repaid during the next 12 months. The remaining MNOK 7,1 of interest-bearing debt consists primarily of leasing obligations on IT equipment.

TeleComputing's equity balance was MNOK 352,4, representing an equity ratio of 50 %.

Future outlook

There are still uncertainties on the overall economic climate. The market for IT services has weakened during 2009, and is expected to continue so going forward, particularly within consulting services.

TeleComputing has been less affected by the economic downturn than many other IT services companies because of its secure revenue base. The IT Operations business obtains approximately two-thirds of its revenue from long-term monthly service contracts, with 95%+ annual retention rates. The IT Solutions business is focused on long-term relationships with solid customers, where TeleComputing maintains business-critical customer solutions. Although, TeleComputing is also marked by the economic depression in Sweden.

While we expect revenues to remain stable, the economic recovery period is expected to reduce growth rates from previous years' levels. As a result of the weaker market environment, TeleComputing is taking the opportunity to consolidate operations from the prior growth period, drive cost efficiencies across the business, and maximize profit margins and cash flow in the near term.

During Q1, TeleComputing implemented a major restructuring of the Sweden IT Operations business. The cost efficiency program we undertook reduced the operating expenses and aligned our workforce to serve customers in a most effective manner.

Looking forward, there are several reasons why TeleComputing remains well-positioned to return to strong revenue growth combined with healthy earnings over the longer-term:

- In the IT Operations business, TeleComputing is primarily focused on the SMB market segment, which has the highest growth rate and future growth potential within the Outsourcing market.
- TeleComputing has a strong competitive advantage in the SMB market, due to its unique and highly efficient IT service delivery platform. This shared platform currently supports 800+ customers and 50.000 users, providing best-in-class IT services at a cost which is attractive to the SMB market.
- Since the acquisition of Kentor, TeleComputing has developed a strong presence in IT consulting. This, combined with the development of new service offerings, creates additional sales opportunities both within our existing customer base and to new customers.
- Lean and mean organization; good methodologies and processes and competent staff

With the current strategy in place to maximize profitability in the near term and with strong prospects for growth going forward, the company has an excellent strategic base to benefit from renewed opportunities in the market for IT services.

INCOME STATEMENT (MNOK)	Q3 2009	Q3 2008	Growth Q3 2008-Q3 2009	YTD 2009	YTD 2008	Growth YTD 2008-YTD 2009	2008
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**
Earnings per share (NOK)							
Basic EPS	0,33	0,23		0,66	0,68		0,27
Diluted EPS	0,33	0,23		0,66	0,67		0,27

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**
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 %**

MOVEMENT IN EQUITY	30.09.2009	30.09.2008
Equity 1.1	**352,4**	**320,2**
Ordinary profit	24,4	25,0
Share issues		2,4
Dividends	-0,8	-
Translation differences and other	-23,6	**2,1**
Equity end of period	**352,4**	**349,7**

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**

Note 1 - Accounting standards

This quarterly report has been prepared in accordance with International Financial Reporting Standards, including IAS 34 – Interim Financial Reporting, and accounting policies applied for the 2008 annual financial report. The financial report has not been audited.

Note 2 - Seasonality of operations

TeleComputing has seasonal variation in financial performance tied to the holiday periods. Although outsourcing revenues are generally stable throughout the year, consulting revenues are lower during the summer months, due to a reduction in invoiced hours. This has a particularly strong impact on the *IT Solutions* segment, which generates nearly all of its revenues from consulting.

Note 3 – 2008 Financial Statements

After the release of its unaudited Q4 2008 quarterly report, TeleComputing announced that it would restate its unaudited 2008 financial statements to include a goodwill impairment charge of MNOK 21. This decision was made following a review of operations and reassessment of goodwill balances in the Sweden IT Operations business.

The Goodwill balance in the Sweden IT Operations business is the result of the acquisitions of Proserva AB, Kebne AB, and the IT operations business of Kentor AB. The recently closed Gothenburg office was acquired with the IT operations business of Kentor AB.

The restatement also included offsetting amounts in personnel costs and other operating expenses, resulting in no net effect on EBITA. Following the restatement, the 2008 income statement is as follows (by quarter):

INCOME STATEMENT (MNOK)	Q1 2008	Q2 2008	Q3 2008	Q4 2008	2008
Revenue	**217,1**	**229,0**	**220,0**	**247,2**	**913,3**
Cost of goods sold	**-59,6**	**-61,2**	**-61,3**	**-61,5**	**-243,6**
Gross Margin	**157,5**	**167,8**	**158,7**	**185,6**	**669,7**
GM %	***72,6 %***	***73,3 %***	***72,1 %***	***75,1 %***	***73,3 %***
Personnel cost	-103,9	-111,0	-103,5	-113,8	-432,2
Other operating expenses	-24,0	-27,6	-26,1	-39,8	-117,4
Depreciation	-13,0	-12,8	-13,1	-12,9	-51,7
EBITA	**16,7**	**16,5**	**16,0**	**19,1**	**68,3**
EBITA %	***7,7 %***	***7,2 %***	***7,3 %***	***7,7 %***	***7,5 %***
Amortisation	-1,8	-1,8	-1,8	-2,3	-7,7
Goodwill impairment				-21,0	-21,0
Operating profit (EBIT)	**14,9**	**14,7**	**14,3**	**-4,2**	**39,6**
EBIT %	***6,9 %***	***6,4 %***	***6,5 %***	***-1,7 %***	***4,3 %***
Net financial items	-3,0	-3,5	-2,4	-4,8	-13,8
Profit/loss before tax	**11,9**	**11,1**	**11,8**	**-9,0**	**25,8**
Tax	-3,2	-3,3	-3,4	-5,9	-15,8
Net income	**8,7**	**7,8**	**8,5**	**-14,9**	**10,0**

Note 4 Related party transactions

Notes 7 and 23 in the TeleComputing 2008 annual report provide information on related party transactions. During third quarter 2009 there have been no related party transactions that have had a material impact on the company's financial statements.

Note 5 Risk management

A description of risk factors can be found in Note 24 in TeleComputing's 2008 annual report. The company does not anticipate material changes to its risk profile during the coming six months.