

Birdstep Technology ASA First Quarter Interim Report

**Torbjörn Sandberg
CEO & President**



Q1 2010 in brief

- Q1 revenues increased with 9% to 27,0 million (24,8 million)
- Cash flow of -8,2 million (-15,2 million)
- EBITDA of -6,9 million in Q1 (-7,7 million)
- EasyConnect activations 515K in Q1 2010 (396K in Q1 2009)
- EasyConnect signed group wide agreement with leading European operator
- Strengthened EasyConnect and SafeMove product offering



Birdstep Technology ASA

- Headquartered in Oslo
- Listed on Oslo Stock Exchange since 2002 (BIRD)
- 100 employees
- Offices in Norway, Sweden, Finland, UK and the United States
- Organisation
 - Birdstep Technology (EasyConnect and SafeMove)
 - Orbyte
 - Raima

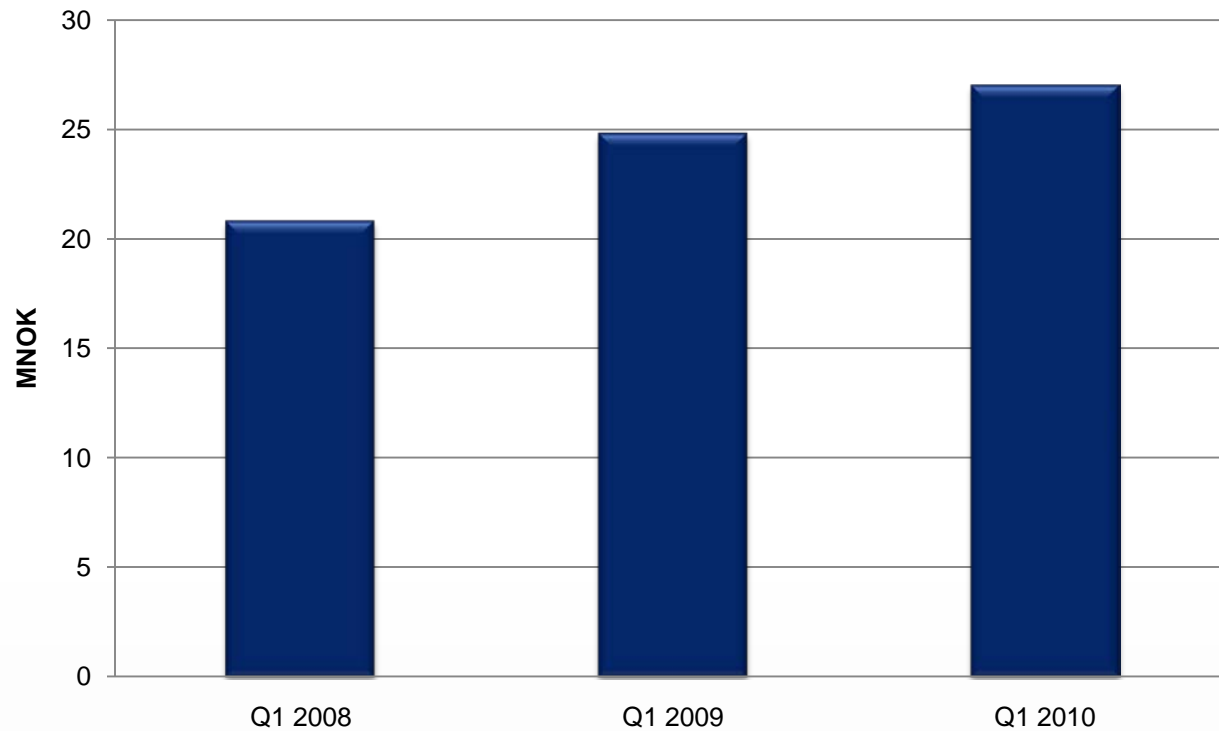


Income statement

<i>Amounts in NOK million</i>	1st Quarter		Full Year
	2010 ¹⁾	2009 ¹⁾	2009
Operating revenue	27,0	24,8	107,9
Total revenue	27,0	24,8	107,9
Cost of sales	-1,8	-2,3	-9,8
Salaries and wages	-21,9	-19,6	-79,3
Other operating expenses	-10,2	-10,6	-42,3
EBITDA	-6,9	-7,7	-23,5
Amortization and write-downs	-1,9	-1,9	-7,5
Ord. depreciation	-1,3	-1,2	-4,9
Operating profit (EBIT)	-10,1	-10,8	-35,9
Share of associated company	-	-0,4	-0,4
Financial items, net	-1,2	-2,0	-0,6
Income before tax	-11,3	-13,2	-36,9
Taxes	-	-	-
Net income	-11,3	-13,2	-36,9
Other comprehensive income			
Currency translation effect	0,7	-11,2	-16,0
Total comprehensive income	-10,6	-24,4	-52,9
Attributable to:			
Equity holder of the parent company	-10,6	-24,4	-52,9
Total comprehensive income	-10,6	-24,4	-52,9
Earnings and diluted earnings per share (NOK)	-0,15	-0,19	-0,74

¹⁾ Unaudited figures

Total revenue Q1 2008 - Q1 2010



Cash flow

<i>Amounts in NOK million</i>	1st Quarter		Full Year
	2010 ¹⁾	2009 ¹⁾	2009
Profit/loss before taxes	-11,3	-13,2	-36,9
Depreciation and write-downs	3,2	3,1	12,4
Options fair value	0,5	0,1	0,4
Change in accounts receivable	-0,1	-2,4	18,1
Change in accounts payable	0,6	-4,8	-9,5
Change in other balance sheet items	-0,5	3,1	-8,5
Net cash flow from operating activities	-7,6	-14,1	-24,0
Investments in intangible assets	-0,8	-	-
Investments in operating assets	-0,2	0,3	-1,0
Net cash flow from investment activities	-1,0	0,3	-1,0
Financing activities	0,2	-	-1,0
Net cash flow from financing activities	0,2	-	-1,0
Currency effect on cash	0,2	-1,4	-3,3
Net cash flow	-8,2	-15,2	-29,3
Cash at beginning of period	55,7	85,0	85,0
Cash at end of period	47,5	69,8	55,7

¹⁾ Unaudited figures

Balance sheet

<i>Amounts in NOK million</i>	31 March		31 Dec
	2010 ¹⁾	2009 ¹⁾	2009
Assets			
Intangible fixed assets	116,7	125,8	118,6
Other fixed assets	1,5	2,1	1,6
Investments	6,4	5,9	6,5
Fixed assets	124,6	133,8	126,7
Short term receivables	31,6	48,1	29,9
Cash and cash equivalents	47,5	69,8	55,7
Current assets	79,1	117,9	85,6
Total assets	203,7	251,6	212,3
Equity and liabilities			
Equity	162,2	182,2	172,2
Minority interests	-	-	-
Total equity	162,2	182,2	172,2
Liabilities, short term	33,7	61,1	32,2
Liabilities, long term	7,8	8,3	7,9
Total equity and liabilities	203,7	251,6	212,3

¹⁾ Unaudited figures

Birdstep Technology Q1 highlights

EasyConnect & SafeMove



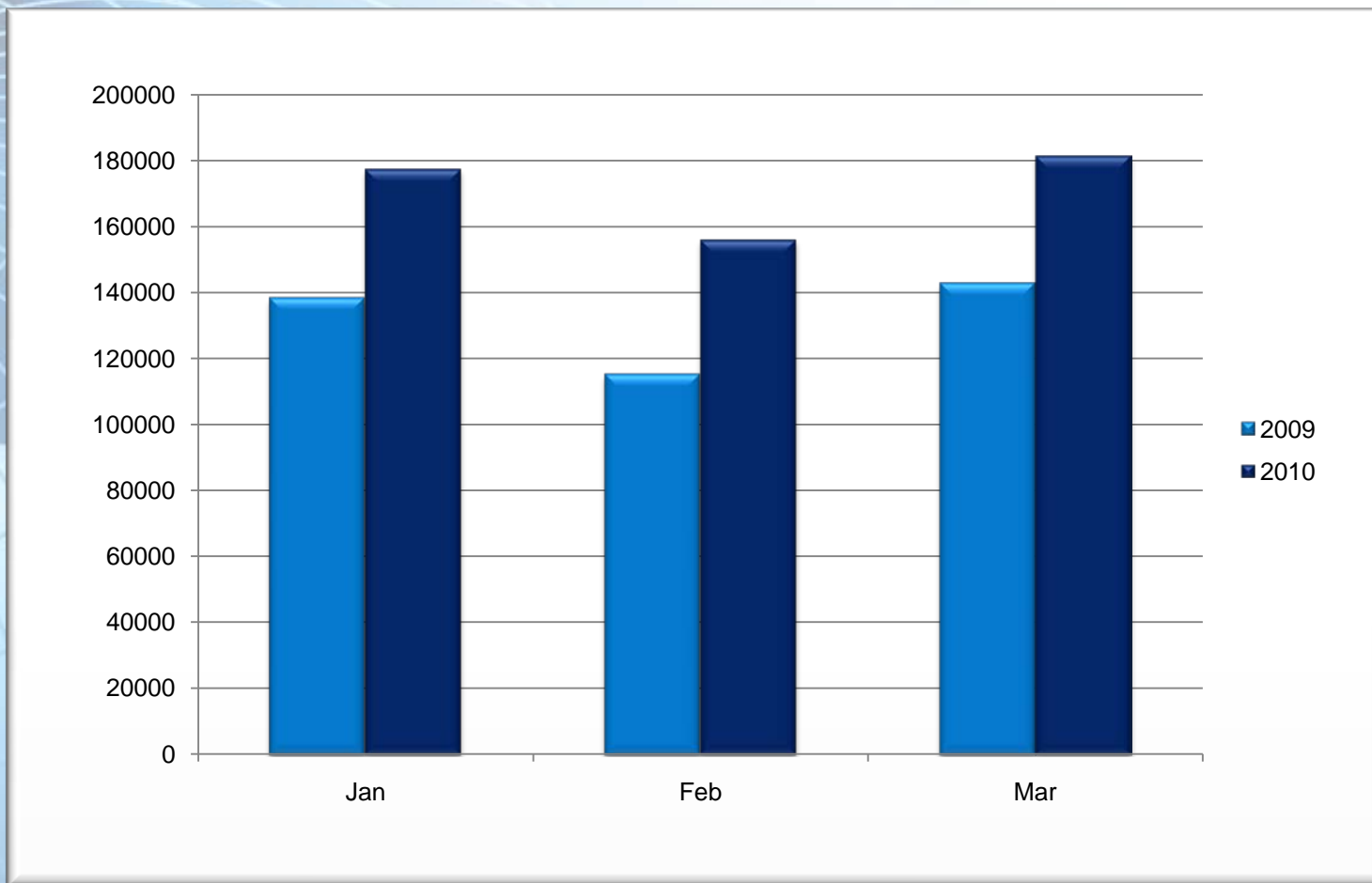
- Revenues of 14 million in Q1 (14,9)
- EasyConnect and SafeMove product offering were strengthened
- EasyConnect signed group wide frame agreement with a leading European operator
- EasyConnect was awarded contract for the upgrade of 3UK
- EasyConnect extends licensing agreement with TDC
- SafeMove closed significant license order from a Finnish governmental organization
- EasyConnect 2.9 was launched

<i>Amounts in NOK million</i>	1st Quarter		Full Year
	2010 ¹⁾	2009 ¹⁾	2009
EasyConnect			
Revenues	8,0	9,7	44,1
EBITDA	-6,0	-1,4	-6,4
SafeMove			
Revenues	6,0	5,2	20,3
EBITDA	-3,3	-4,1	-15,5

¹⁾ Unaudited figures

EasyConnect activations (excl. Inside)

First quarter 2009 - First quarter 2010



EasyConnect customer wins

EasyConnect Advanced



Birdstep signed a group wide 3 year frame agreement for EasyConnect with a leading European operator.

For the initial launch country only, Birdstep estimates the revenue for the first 2 years to amount to 8 million NOK.

EasyConnect Go



Birdstep was awarded a contract to upgrade 3UK 's mobile broadband software to EasyConnect 2.8, covering 1.6 million users.



EasyConnect Advanced

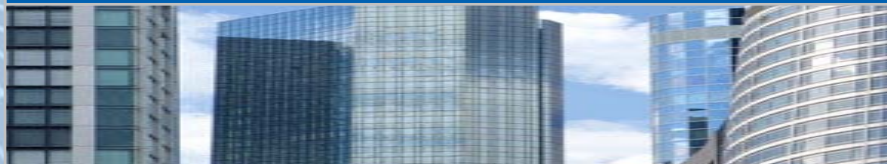


Birdstep was awarded a contract for the upgrade of TDC Group to EasyConnect 2.9 for all Nordic entities.



Orbyte Q1 highlights

Orbyte



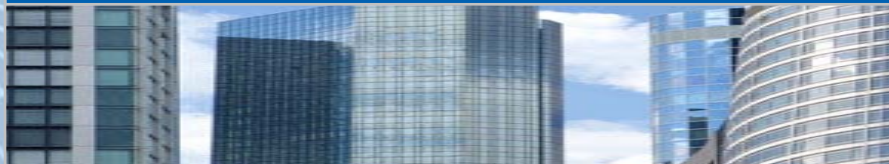
- Revenues of 6,0 million in Q1 (5,7 million)
- 5% revenue increase for Orbyte compared to Q1 2009
- Contract with 3 Scandinavia

<i>Amounts in NOK million</i>	1st Quarter		Full Year
	2010 ¹⁾	2009 ¹⁾	2009
Orbyte			
Revenues	6,0	5,7	24,6
EBITDA	1,7	0,9	4,7

¹⁾ Unaudited figures

Raima Q1 highlights

Raima



- Revenues of 7,0 million in Q1 (4,2 million)
- 67% revenue increase for Raima compared to Q1 2009

<i>Amounts in NOK million</i>	1st Quarter		Full Year
	2010 ¹⁾	2009 ¹⁾	2009
Raima			
Revenues	7,0	4,2	18,9
EBITDA	1,4	-2,4	-3,6

¹⁾ Unaudited figures

Summary

- Birdstep continues to deliver growth and improved cash flow
 - Q1 revenues increased with 9% to 27,0 million (24,8 million)
 - Cash flow of -8,2 million (-15,2 million)
 - EBITDA of -6,9 million in Q1 (-7,7 million)
- EasyConnect and SafeMove are the key business segments and primary growth areas
- EasyConnect signed group wide agreement with leading European operator
- Focused and streamlined organisation
- Strengthened EasyConnect and SafeMove product offering

A large, light blue wireframe sphere is positioned on the left side of the slide, partially overlapping the background. It is composed of a grid of white lines that form a spherical shape, with some lines extending outwards to create a sense of depth and motion.

Thank you for listening

Questions?