Results 4th Quarter 2007

February 14th 2008

André P. Løvestam, CEO
Robert Giori, CFO

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Q4 2007 Overview

- **Record high revenue of MNOK 221,1 (MNOK 130,2)**
  - 70 % annual growth, of which 16 % organic growth
- **Record high outsourcing order inflow of MNOK 222**
  - Record high new business order inflow of MNOK 126
  - Record high renewals order inflow of MNOK 96
- **EBITA of MNOK 15,0 (MNOK 10,0)**
  - Includes restructuring expenses of MNOK 2,0 associated with change of managing director in TeleComputing Sweden
  - EBITA margin 6,8 % (7,7 % before restructuring expenses)
- **Net income of MNOK 23,5**
  - Annual revaluation of deferred tax assets results in one-time adjustment in tax expense. Positive tax effect on earnings of MNOK 14,2.

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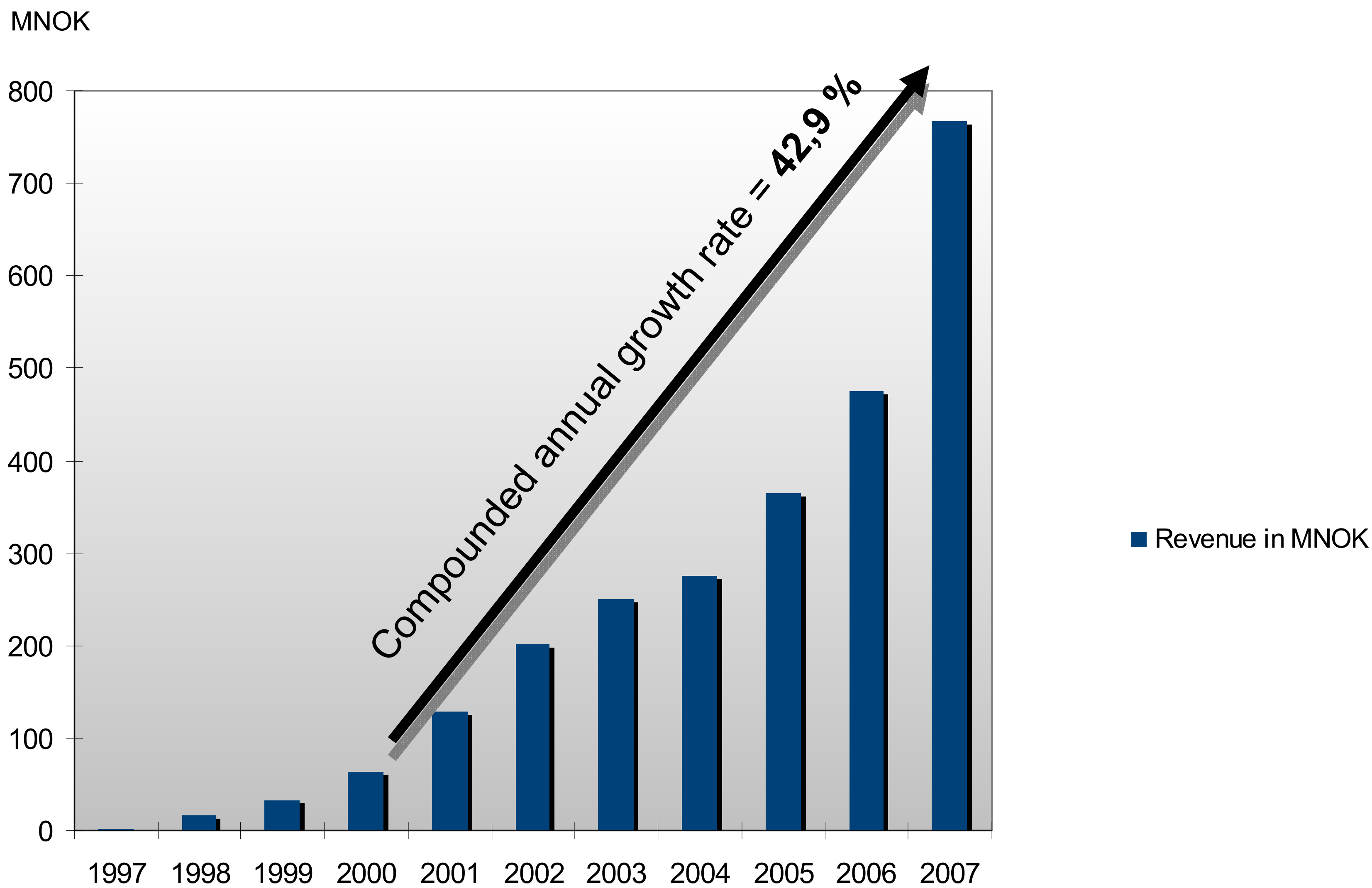
TeleComputing is a growth company



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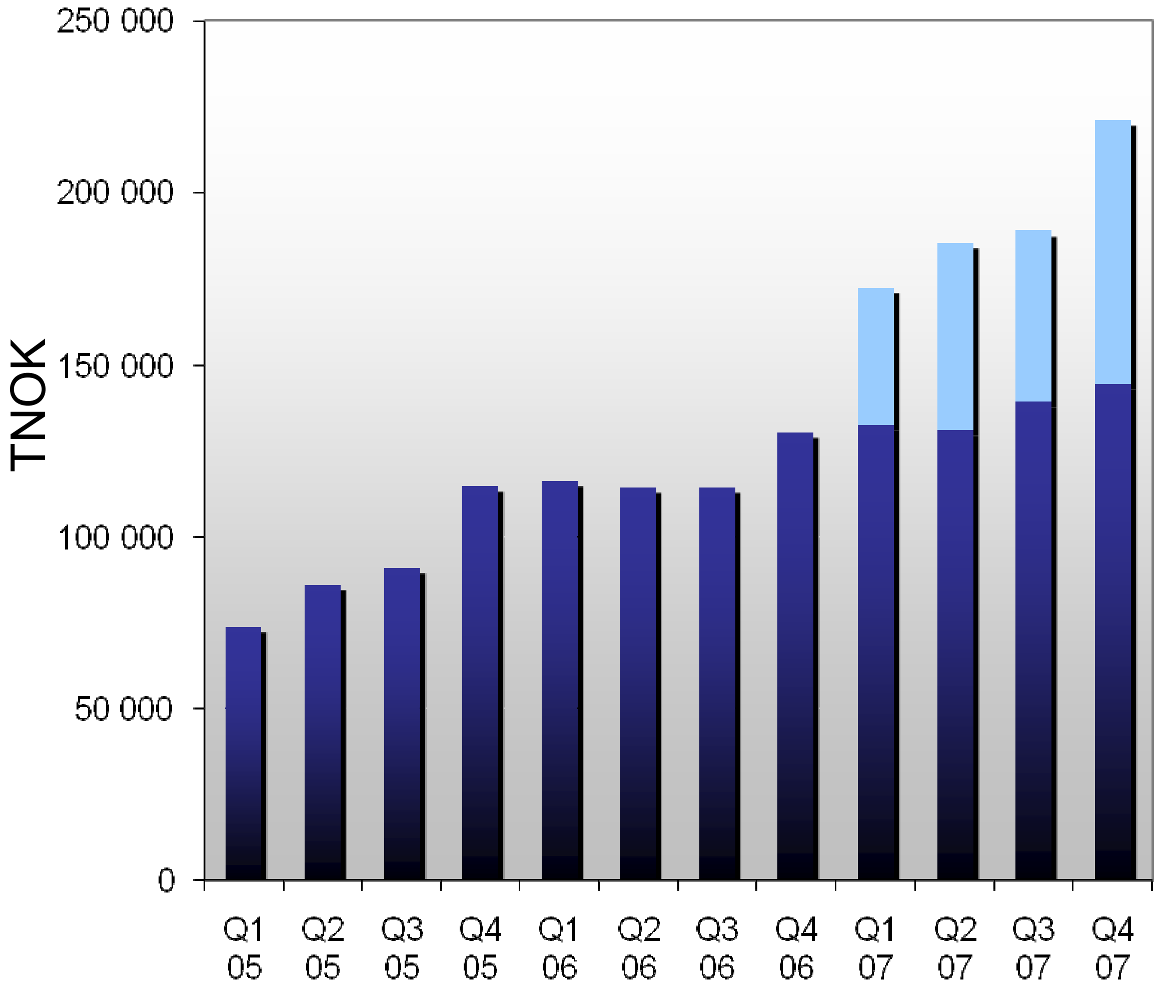
Quarterly Revenue 2005 – 2007



<u>Growth Q4 07 vs. Q4 06:</u>

Revenue: **70 %**

Organic*: **16 %**

*) Organic growth rate calculated as growth excluding acquisitions (Kentor, Netthuset, StoneBrix) and divestitures (WinOrg) made during last 12 months

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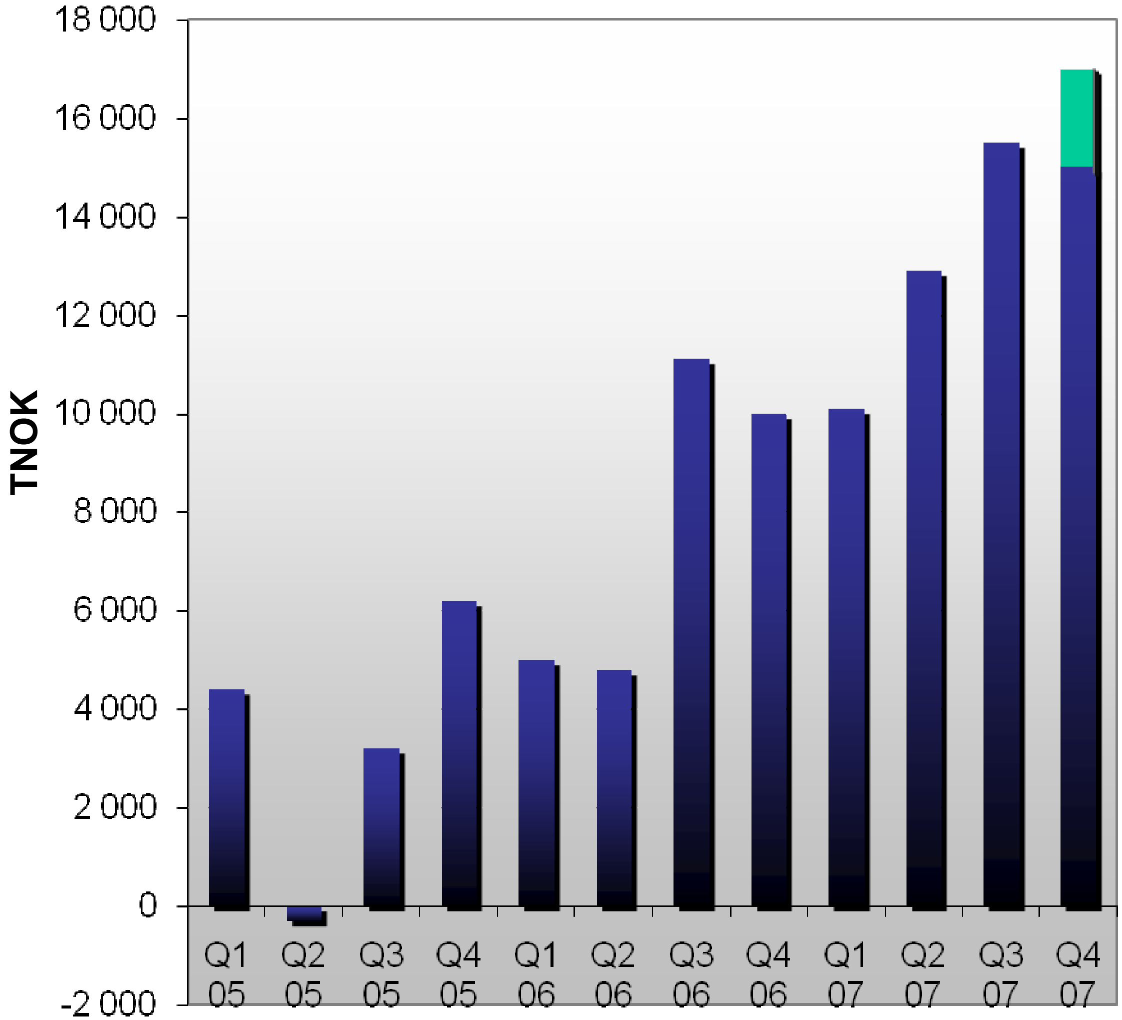
Quarterly EBITA 2005 – 2007



EBITA margin Q4 2007
(before restructuring): **7,7 %**

EBITA margin Q4 2007
(after restructuring): **6,8 %**

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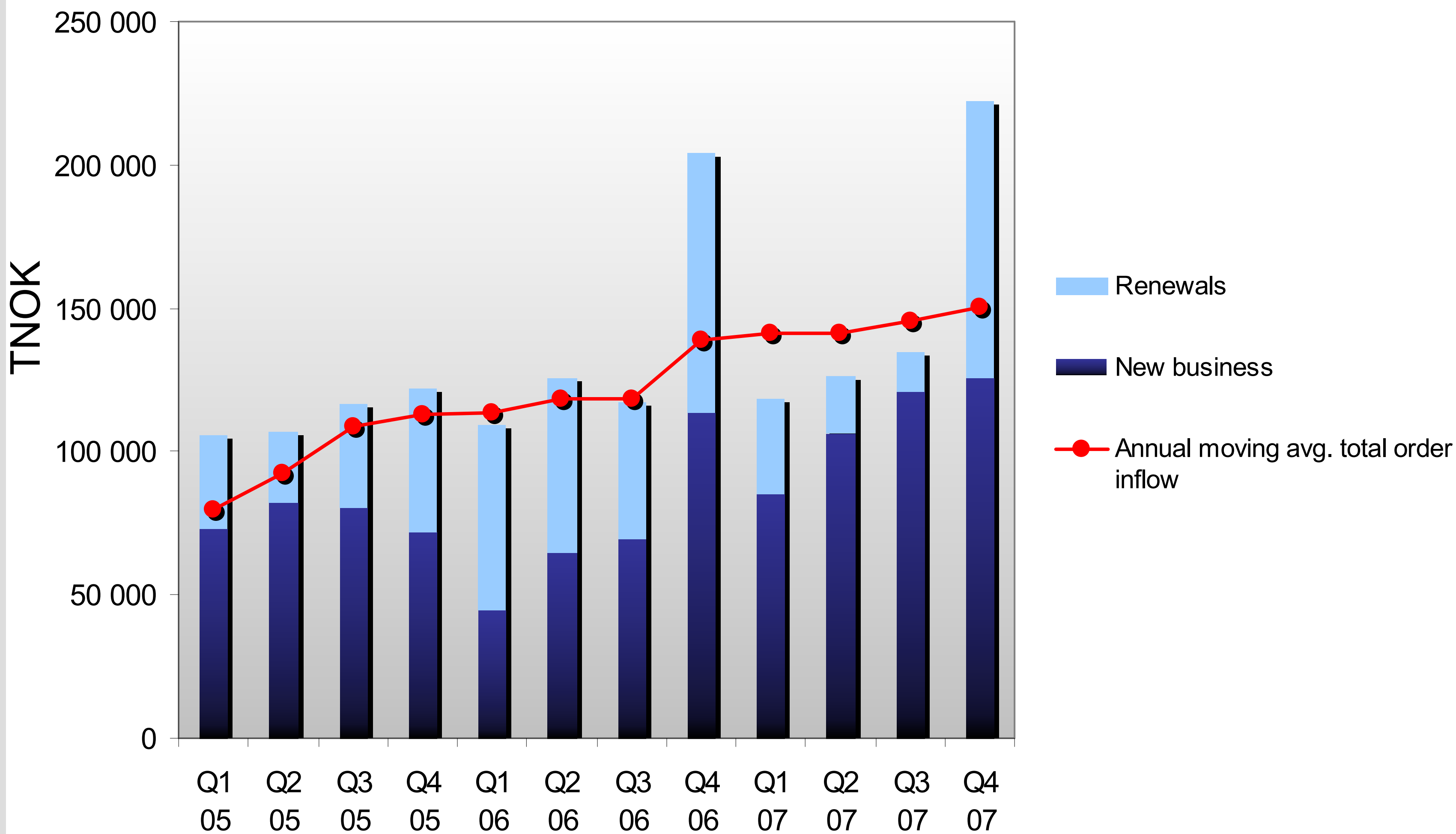
Order inflow 2005 – 2007



Order inflow Q4 2007

New customers / upsells

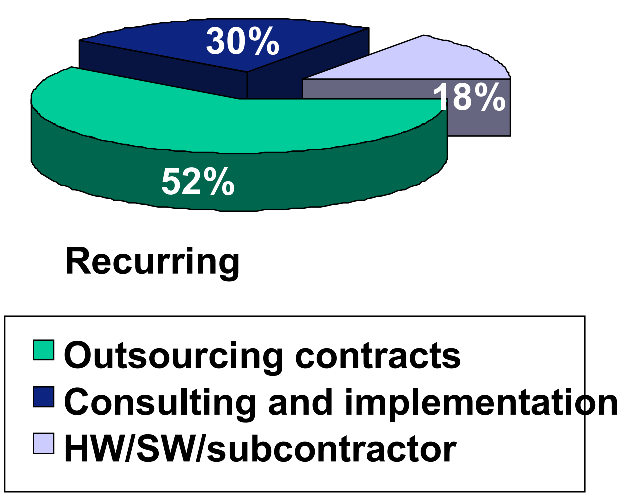
- New Store Europe
- Norwegian Property
- Proxima Nacka Närsjukhus
- Legevisitten
- Norsk Legesenter
- Norsk Luftambulanse
- DnB Næringsmekling
- Eiendomsmegler 1 Ringerike
- BW Offshore
- Arctic Securities
- Aleris
- …and more

Contract renewals

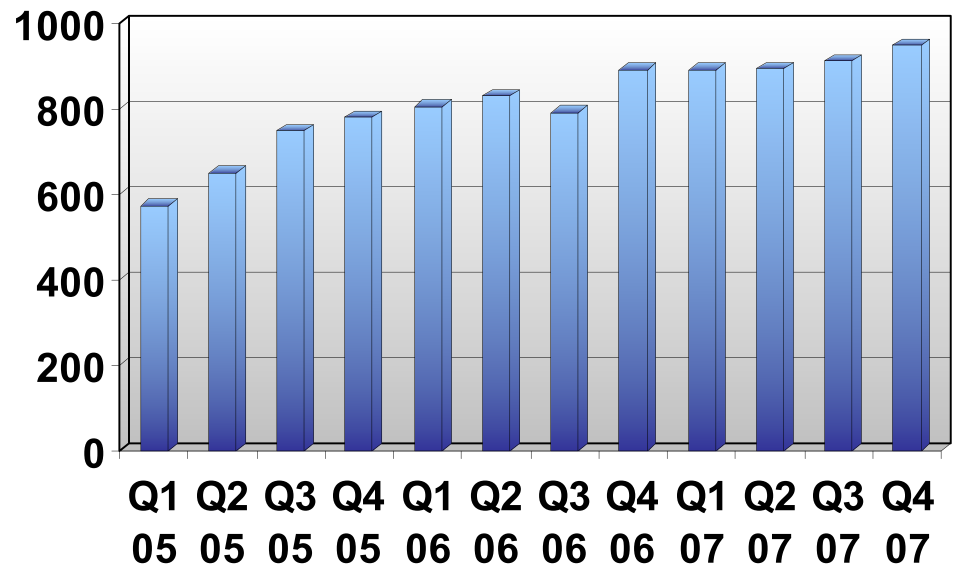
- LSF (Landstingsstyrelsen Förvaltning)
- Semper
- Kungsleden
- Awilco Shipping
- Datametrix
- Jølstad Begravelsesbyrå

Large backlog of recurring revenue

Breakdown of Q4 revenue



Order backlog (MNOK – recurring revenue)



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Income Statement

INCOME STATEMENT (MNOK)	Q4 2007	Q4 2006	Growth Q4 2006-Q4 2007	2007	2006	Growth YTD 2006-YTD 2007
Revenue	**221,1**	**130,2**	**69,8 %**	**767,9**	**475,3**	**61,6 %**
Cost of goods sold	**-67,8**	**-35,2**	**92,5 %**	**-218,9**	**-121,6**	**80,0 %**
Gross Margin	**153,3**	**95,0**	**61,3 %**	**549,0**	**353,7**	**55,2 %**
GM %	***69,3 %***	***73,0 %***		***71,5 %***	***74,4 %***	
Personnel cost	-101,5	-59,4	70,9 %	-366,6	-221,3	65,7 %
Other operating expenses	-24,2	-14,3	69,0 %	-80,0	-56,0	42,8 %
Depreciation	-12,7	-11,4	11,5 %	-49,0	-45,5	7,7 %
EBITA	**15,0**	**10,0**	**50,3 %**	**53,5**	**30,9**	**73,0 %**
EBITA %	***6,8 %***	***7,7 %***		***7,0 %***	***6,5 %***	
Amortisation	-1,8	-0,5	264,1 %	-6,4	-2,0	211,9 %
Operating profit (EBIT)	**13,2**	**9,5**	**39,0 %**	**47,1**	**28,9**	**63,1 %**
EBIT %	***6,0 %***	***7,3 %***		***6,1 %***	***6,1 %***	
Net financial items	-3,9	0,6	N/A	-9,2	1,2	N/A
Profit/loss before tax	**9,3**	**10,0**	**-7,6 %**	**37,9**	**30,0**	**26,2 %**
Tax	14,2	-2,8	N/A	12,0	-2,8	N/A
Net income, continuing operations	**23,5**	**7,3**	**224,0 %**	**49,9**	**27,2**	**83,0 %**
Net income, discontinued operations (appendix 3)		13,0	-100,0 %		14,6	-100,0 %
Net income	**23,5**	**20,3**	**15,9 %**	**49,9**	**41,9**	**19,0 %**

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Tax adjustment explanation

- Each year, TeleComputing performs a valuation of its deferred tax assets (“*utsatt skattefordel*”)
- The valuation is based on the amount of TeleComputing’s tax-loss carryforwards (“*fremførbare underskudd*”) which are projected to be applied against tax expense during the coming four years
- Based on the improved profitability of the Norwegian business, TeleComputing now estimates that it will use all of its tax-loss carryforwards during the coming years, except for those in dispute with the Akershus tax office (MNOK 203)
- This change in estimate results in a one-time increase in deferred tax assets (and consequent reduction of tax expense) of MNOK 15,1
- In future periods, TeleComputing will use a 28% tax rate on earnings, as all of its undisputed tax-loss carryforwards are now capitalized as deferred tax assets

Balance Sheet – assets

BALANCE SHEET (MNOK)	31.12.2007	30.09.2007	31.12.2006
Deferred tax asset	63,0	47,9	45,6
Goodwill	262,3	243,8	56,8
Customer relationships	29,6	25,9	7,1
Trademarks	21,6	21,6	
Software licenses	23,1	19,5	17,9
Tangible fixed assets	77,9	76,0	65,7
Financial fixed assets	1,2	3,9	0,5
Total fixed assets	**478,6**	**438,6**	**193,5**
Inventory	0,3	0,8	1,0
Accounts receivable	126,3	101,0	49,4
Other short term receivables	28,4	25,0	16,8
Cash and cash equivalents	73,1	83,2	135,0
Total current assets	**228,1**	**209,9**	**202,2**
Assets discontinued operations			
TOTAL ASSETS	**706,7**	**648,6**	**395,7**

Balance Sheet – liabilities / equity

BALANCE SHEET (MNOK)	31.12.2007	30.09.2007	31.12.2006
Equity	**320,9**	**301,2**	**285,2**
Interest bearing debt	199,2	200,7	2,5
Deferred tax liability	19,9	12,1	0,3
Other long term debt	16,7	13,4	2,7
Long term debt	**235,8**	**226,2**	**5,5**
Accounts payable	49,7	36,9	39,1
Public duties payable	49,8	43,5	18,2
Other short term debt	50,5	40,9	47,7
Short term debt	**150,0**	**121,2**	**105,0**
Liabilities discontinued operations			
TOTAL LIABILITIES AND EQUITY	**706,7**	**648,6**	**395,7**
Equity ratio	**45 %**	**46 %**	**72 %**

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Cash Flow Statement

CASH FLOW (MNOK)	Q4 2007	Q4 2006	2007	2006
Cash flow from operations	**20,7**	**19,6**	**49,5**	**64,7**
Cash flow from investments	**-32,8**	**17,2**	**-307,9**	**-11,9**
Cash flow from financing	**-3,1**	**7,0**	**201,3**	**8,5**
Translation differences	5,0	1,4	-4,8	1,5
NET CHANGE IN CASH	**-10,1**	**45,2**	**-61,9**	**62,8**
Cash at beginning of period	**83,2**	**89,8**	**135,0**	**72,2**
Cash at end of period	**73,1**	**135,0**	**73,1**	**135,0**

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Segment Reporting Q4 2007

IFRS Segments	Q4-2007	Q4-2006	Growth	Organic Growth	2007
Norway IT Operations					
Revenue	107,0	83,8	27,7 %	25,3 %	107,0
EBITA	11,5	9,6	20,1 %	30,5 %	11,5
EBITA %	10,7 %	11,4 %			10,7 %
EBIT	11,1	9,3	18,9 %	30,5 %	11,1
Sweden IT Operations					
Revenue	60,2	46,4	29,7 %	0,4 %	60,2
EBITA	(3,6)	0,4	N/A	N/A	(3,6)
EBITA %	-6,0 %	0,9 %			-6,0 %
EBIT	(4,3)	0,1	N/A	N/A	(4,3)
Sweden IT Solutions					
Revenue	53,9	N/A	N/A	N/A	53,9
EBITA	7,2	N/A	N/A	N/A	7,2
EBITA %	13,3 %				13,3 %
EBIT	6,3	N/A	N/A	N/A	6,3
Consolidated					
Revenue	221,1	130,2	69,8 %	16,1 %	221,1
EBITA	15,0	10,0	50,3 %	N/A	15,0
EBITA %	6,8 %	7,7 %			6,8 %
EBIT	13,2	9,5	39,0 %	N/A	13,2

* Note: Q4 EBITA and EBIT include allocations of corporate overhead of MNOK 3 (group total)
Organic growth calculated as growth before acquisitions (Kentor/Netthuset /StoneBrix) and divestitures (WinOrg) during the last 12 months.

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IT Operations

- **Q4 2007 Results**
  - Continued very strong performance across all parameters in Norway
  - TC Sweden results impacted by restructuring costs, high sales bonuses due to extraordinary sales volumes and additional costs associated with due diligence on an acquisition which did not take place. Underlying performance is still an area for significant improvement through 2008
- **Areas of strength**
  - Record high generation of new business orders and organic growth
  - Solid generation of future prospect lists, cross-sales opportunities w/ Kentor
  - Continued strong HW/SW sales as service to existing customers in Norway
- **Priorities**
  - Maintain momentum in Norway, while executing a turnaround in TC Sweden

IT Solutions

- **Q4 2007 Results**
  - Very strong performance across all parameters in Kentor
- **Areas of strength**
  - Acceleration of growth (to 48 % from Q4 2006, of which 25 % organic)
  - Continued strong market has given solid generation of orders and strong pipeline
    - New customers include HQ Bank, SEB, Volvo Cars, Schenker, Sveriges Radio Förvaltning
    - Upsells include Tele2, TV4, PlusTV (Finland), Stockholms Läns Landsting
  - Strong performance in all units
  - Strategic acquisition of StoneBrix positions Kentor as the leading supplier of Oracle-based solutions and services in Sweden
- **Priorities**
  - Continued penetration of existing Kentor and TeleComputing customers
  - Build organization to increase capacity, also utilizing nearshoring opportunity

Strategy Review 2008

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Mission Statement

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Vision

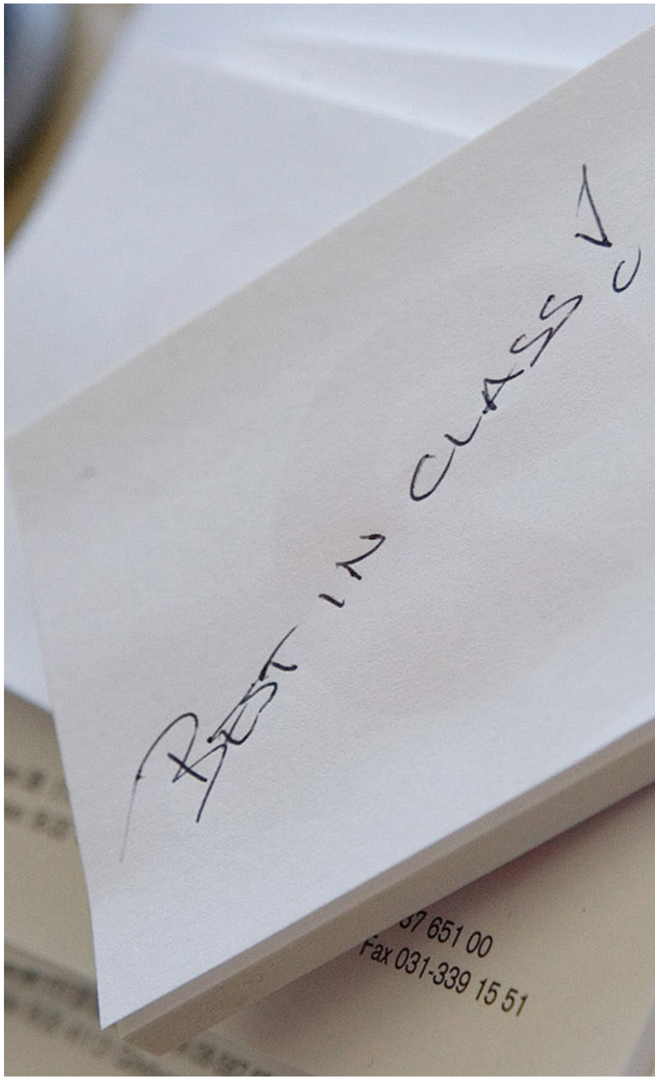
The best customer and employee satisfaction on the market

Business Concept

TeleComputing provides "Best in Class" IT operations and consulting services with highly efficient delivery models to businesses and organizations in the Nordic region.

Our customers enjoy business benefits through competitive, flexible and high quality solutions.

2008 Targets



”Best in Class 2008”

- **Turnover:** **NOK 1 bn run rate by end 2008**
- **EBITA margin:** **6 – 8 % in the growth phase (10 % long term)**
- **Customer satisfaction:** **4 on a 5 point scale**
- **Employee satisfaction:** **70 points on a 100 point scale (overall ESI)**

Note: New long term targets to be established during 2008

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Business strategy

Service strategy

- Leverage our unique, one-to-many IT delivery platform:
  - Shared environment serving 30.000 users across 650 customers with 2.500 applications
- Build our full-service IT partner position:
  - Broaden service portfolio to include IT solutions, systems integration and onsite support
  - Nearshoring facility in St.Petersburg to build cost effective delivery capacity

Market strategy

- Expand to new markets:
  - First in regional markets in Sweden and Norway, and then outside our current geographies
- Acquisitions:
  - Build scale, acquire customer relations, and expand market and service coverage
- Strategic partnerships:
  - ISV's, Business Process Outsourcing VAR's, core technology partners

Operational strategy

- Outstanding sales capabilities, strong brands, organizational development

Long term goals and execution:

“Best in Class 2008”

	Long term goals	Yearly KPI	Q4 2007	FY 2007
Growth	1.000 mnok in 2008	M&A 100-150 mnok / year	30 mnok / year	250 mnok / year
		Exceed market growth organically (6-8%)	16,1 %	17,4 %
Margins	10% reaching scalability and growing in line with market	Operating margins (EBITA) 6-8% while exceeding market growth	6,8 %	7,0 %
Customer satisfaction	4 (1-5)	Survey 2 / year	3,8	3,8
Employee satisfaction	70 points on a 100 point scale (overall ESI)	Annual Survey	70	70

Konsernets Strategiske Kjerneverdier

”With Our Values We Mean Business”

Nærhet

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Inspirasjon

Driv


I TeleComputing setter vi ambisiøse mål. Vi våger å sette høye krav til oss selv og hverandre. Vi vil være best i alt vi gjør. Vår vinnervilje kjennetegnes av lagånd, innsats, fokus og utholdenhet.
Driv
4iT LIVING

Kvalitet

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Future Outlook

TeleComputing is well-positioned to sustain revenue and profit growth above the market growth rate:

- IT Operations business is focused on SMB segment – highest growth in the Outsourcing market
- Unique and highly efficient “one-to-many” platform supporting 600 customers – “best in class” service at a cost attractive to SMB
- Kentor acquisition offers new long term opportunities for customer penetration through cross sales on joint customer base
- Continued successful investments into new service and product offerings. Includes state-of-the-art webshop, managed services concept, launch of CRM offering, expansion of nearshoring base in St. Petersburg.

Results 4th Quarter 2007

Appendix

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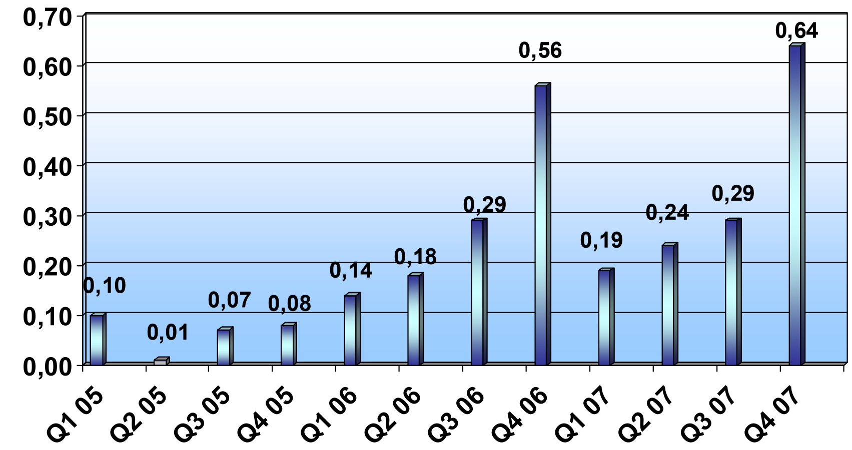
Shareholder information

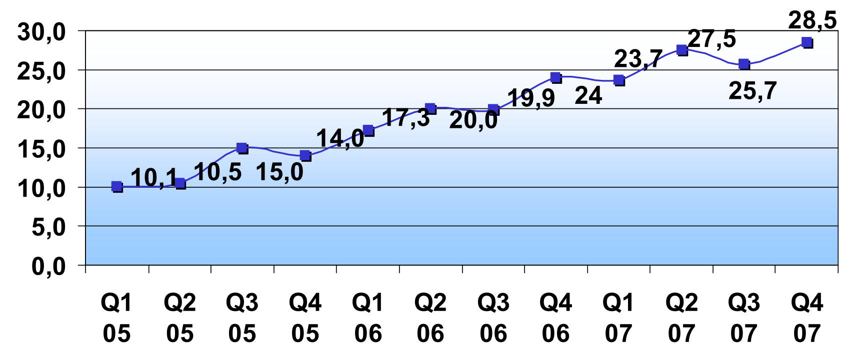
20 largest shareholders

Name	Share	12.02.2008
Sabaro Investments L. John Casely	44,90 %	16 482 270
Enskilda, egenhandel	16,76 %	6 152 991
Fortis Global Custody treaty acct	7,78 %	2 856 000
Nobelsystem Skandinavia	6,20 %	2 276 000
ABG Sundal Collier egenhandel	4,31 %	1 581 500
DnB NOR Bank ASA egenhandel	4,09 %	1 500 254
Epsilon AS	1,47 %	540 500
Heliport Invest AS	1,46 %	535 000
Max Bjerke AS	1,36 %	500 000
Kaasa Sven Tore	0,52 %	192 069
Nordea Securities AB	0,52 %	192 000
Erling Johnsen AS	0,48 %	174 500
Glitnir Bank	0,46 %	170 029
MF Global UK Limited Cfd account	0,42 %	154 000
Sabaro Investments c/o Landmark	0,41 %	150 000
Catering og restaurantservice AS	0,40 %	147 500
Euroclear Bank S.A./ client	0,40 %	146 065
Infix AS	0,34 %	126 000
Bråthen Kjell	0,27 %	100 000
Arnesen Finn-Espen	0,27 %	100 000
20 largest shareholders	**92,84 %**	
Total number of shares	**36 705 205**	

EPS



Stock price - Historic Development



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Results 4th Quarter 2007

Q & A

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