

INTERIM REPORT

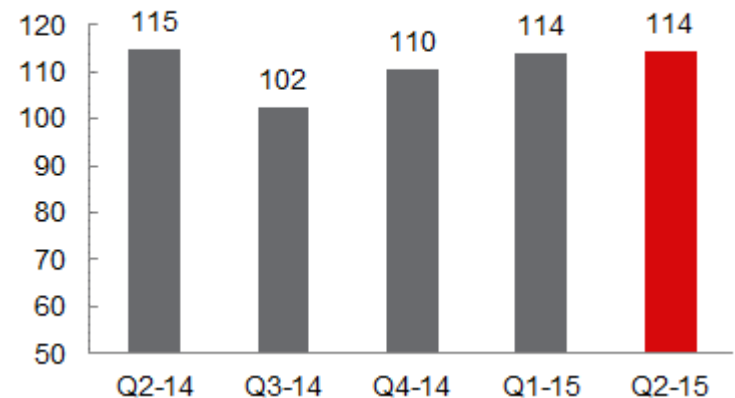
SECOND QUARTER 2015

CEO ARNE MJØS
OSLO, 27 AUGUST 2015

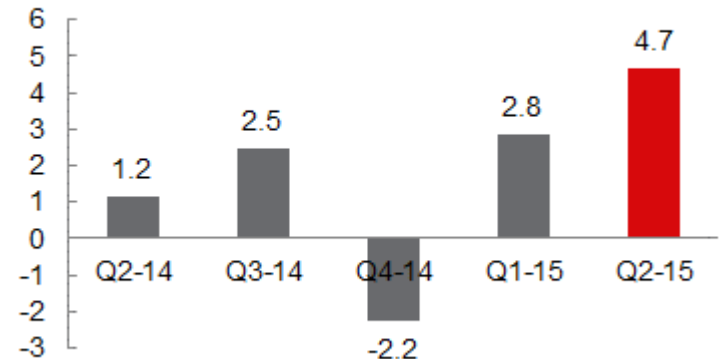
Highlights of the second quarter

- Revenue NOK 114 million, unchanged from last year.
- Improved EBITDA of NOK 9.9 million, 8.6 % margin
- Improved EBIT of NOK 4.7 million, 4.1 % margin
- Positive growth in consultancy services in Norway and Denmark and IT hosting activities in Norway
- Negative growth in consultancy services in Sweden.
- Itera's IT hosting activities in Sweden sold with effect from 1 July for a total consideration of SEK 17 million
- Strong order inflow, 52 % of which was new business

Revenues
NOK million



EBIT
NOK million



Q4-2014, Q1-2015 and Q2-2015:
Before non-recurring items

FINANCIAL REVIEW

Key figures

NOK Million	2015 Q2	2014 Q2	Change	2015 YTD	2014 YTD	Change	2014 FY
Operating revenue	114	115	0 %	228	227	0 %	440
Gross profit	95	93	2 %	190	188	1 %	364
EBITDA	10	7	50 %	18	14	22 %	25
EBITDA margin	8.6 %	5.7 %		7.7 %	6.4 %		5.7 %
Operating profit (EBIT)*	5	1	300 %	8	4	108 %	4
EBIT margin*	4.1 %	1.0 %		3.3 %	1.6 %		0.9 %
Operating profit (EBIT)	3	1	149 %	4	4	5 %	0
EBIT margin	2.5 %	1.0 %		1.7 %	1.6 %		0.0 %
Net cash flow from operations	-7	13	-151 %	-15	2	-759 %	46
Cash and cash equivalents	44	32	35 %	44	32	35 %	67
Equity ratio	29 %	33 %		29 %	33 %		26 %
Employees at end of period	423	465	-9 %	423	465	-9 %	447

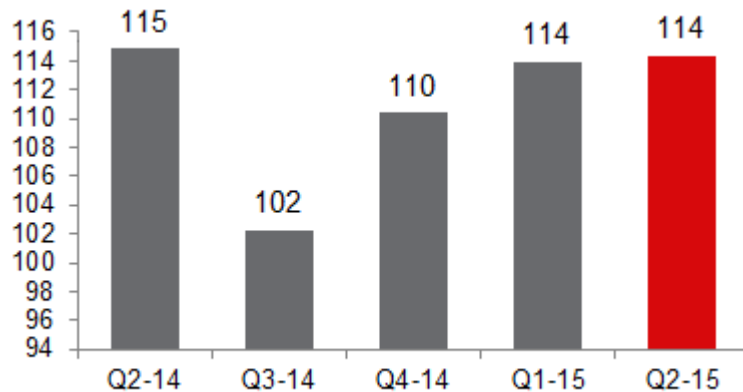
* Before non-recurring items

- Operating margin improving in most countries.
- Norway grew by 7% in Q2.

Quarterly development

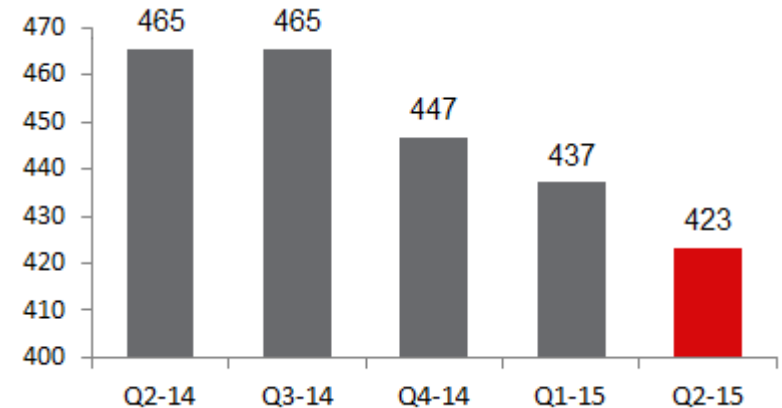
Operating revenue

NOK million



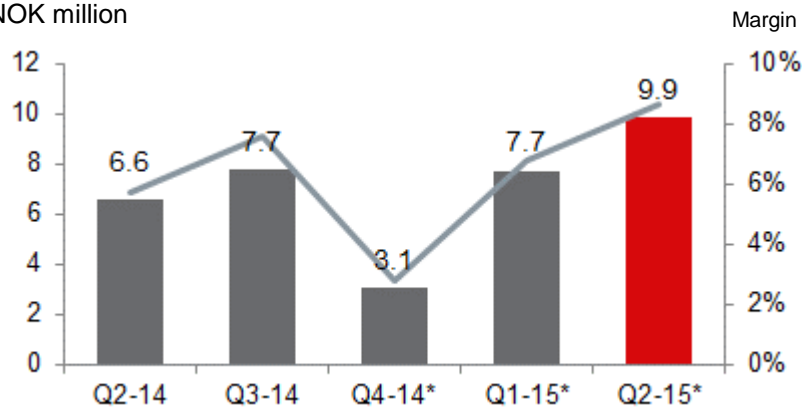
Employees

End of period



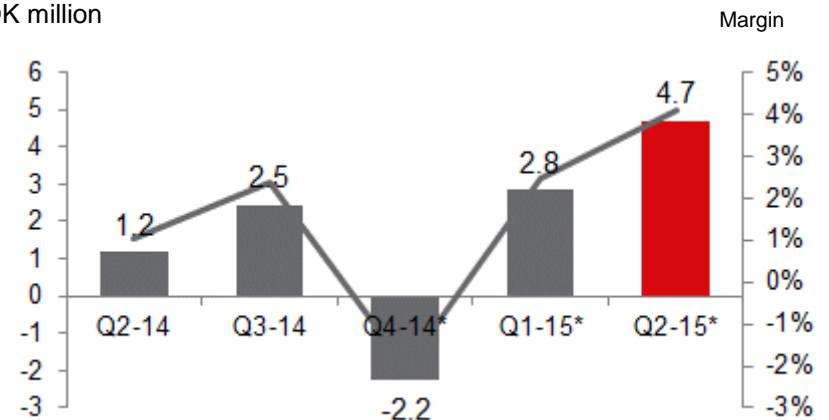
EBITDA

NOK million



EBIT


NOK million



*: Before non-recurring items

Statement of income

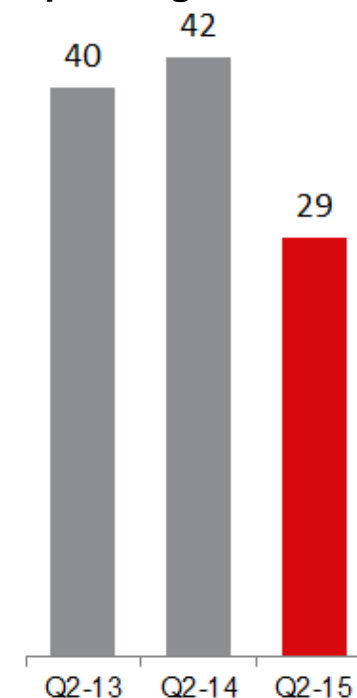
NOK Million	2015 Q2	2014 Q2	Change	2015 YTD	2014 YTD	Change	2014 FY
Operating revenue	114	115	0 %	228	227	0 %	440
Cost of sales	20	22	-10 %	38	40	-4 %	76
Personnel expenses	71	74	-4 %	147	149	-1 %	289
Depreciation	5	5	-4 %	10	11	-7 %	21
Other operating expenses	14	12	12 %	25	24	5 %	50
Total operating expenses	110	114	-4 %	221	224	-1 %	436
Operating profit before non-recurring	5	1	300 %	8	4	108 %	4
Non-recurring items	2	0		4	0		4
Operating profit (EBIT)	3	1	149 %	4	4	5 %	0
Net financial income	1	0		0	0		-2
Profit before tax	4	1	264 %	4	3	11 %	-2
Tax	1	0	264 %	1	1	11 %	3
Net profit for the period	3	1	264 %	3	2	11 %	-5

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- Significant improvements seen in Q2 in the profitability of Itera's consulting activities in Norway and Denmark and of its IT hosting activities in Norway.
 - Non-recurring items in Q2 were related to executive employee termination agreements

Statement of cash flow

NOK Million	2015 Q2	2014 Q2	2015 YTD	2014 YTD	2014 FY
Cash flow from operations (EBITDA)	10	7	18	14	25
Change in balance sheet items	-16	6	-32	-12	21
Net cash flow from operating activities	-7	13	-15	2	46
Net cash flow from investment activities	-2	-3	-5	-5	-12
Purchase of own shares	0	0	0	0	0
Borrowings repaid	-2	-2	-4	-4	-7
External dividend paid	0	-29	0	-29	-29
Net cash flow from financing activities	-2	-31	-4	-33	-36
Currency effect on cash	0	0	0	0	1
Net change in bank deposits and cash	-10	-21	-23	-36	-1
Bank deposits at the end of the period	44	32	44	32	67
New borrowing related to leasing	2	2	2	7	7

12 month rolling
operating cash flow



While a significant decrease in work in progress had a positive impact on cash flow from operations in 2014, a slight increase in accounts receivable has had a negative impact on cash flow from operations for this year so far.

Itera's IT hosting activities in Sweden were sold in Q2 as planned

- On 22nd June, Itera entered into an agreement to sell its IT hosting company in Stockholm, Itera Networks AB, to the Swedish IT operations company RG19.
- Itera will receive consideration of SEK 17 million from the sale
 - Fixed consideration of SEK 13 million, of which SEK 12 million was paid on 1 July 2015 and SEK 1 million will be paid on 31 October
 - Variable consideration of SEK 4 million to be paid in the period December 2015 to December 2017.
- The transaction will have effect from 1 July 2015.
- Itera will recognize a gain on the sale of NOK 2 million in the third quarter of 2015.
- Itera also entered into a strategic partnership with RG19 to create opportunities in the eCommerce market by integrating high-transaction logistics systems in the retail and manufacturing industries.

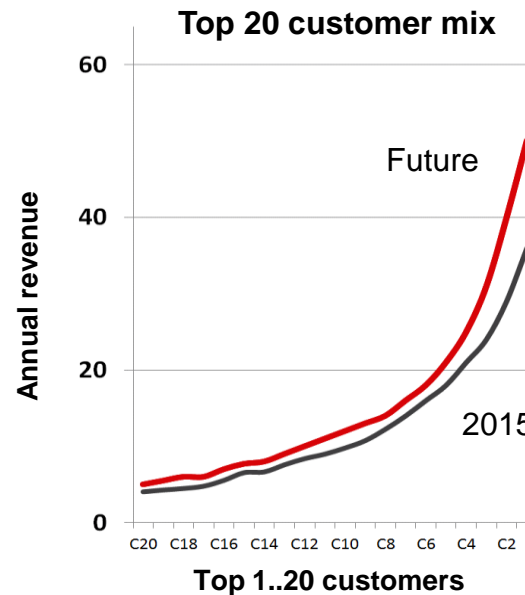
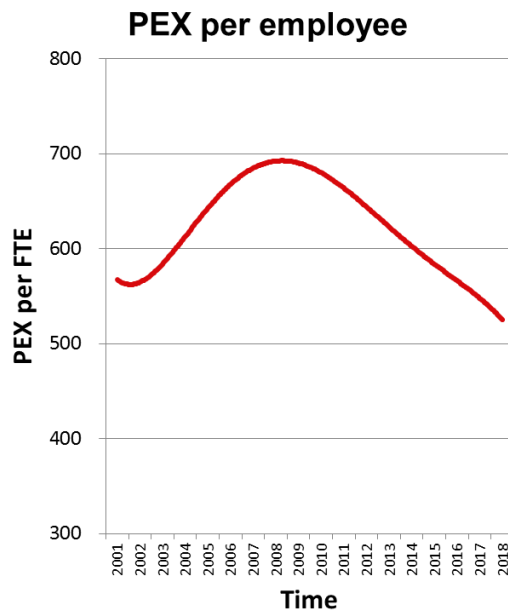
BUSINESS REVIEW

Long-term profitable growth: Key enablers

50%+ of staff
nearshore

Larger projects
and revenue
visibility

Communication
AND
Technology



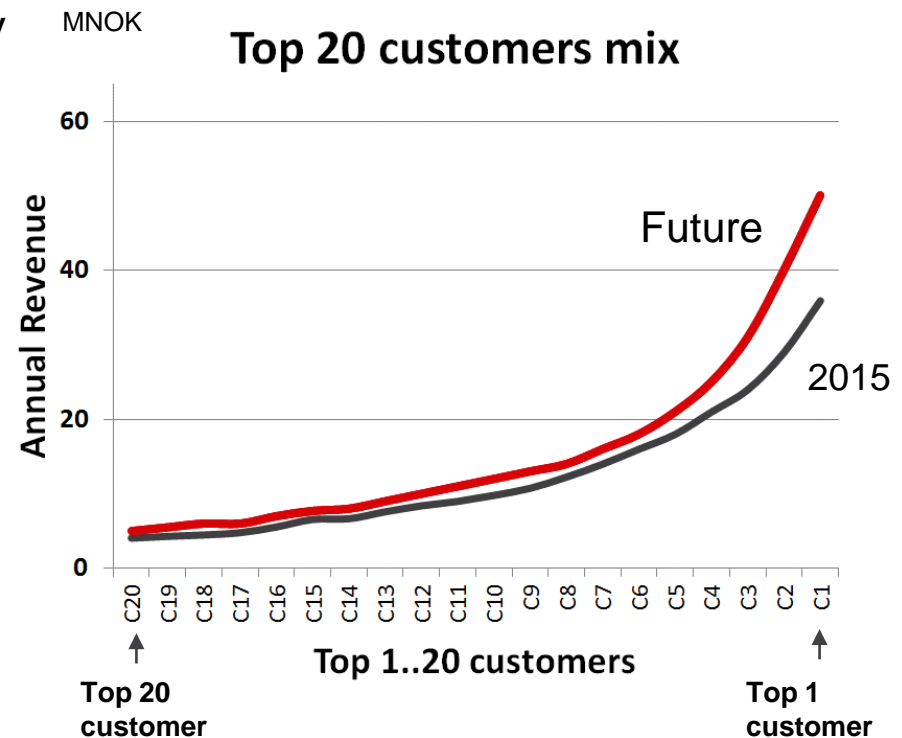
Our multi-site strategy provides agility, scalability and access to top-notch resources



- **A Nordic full-service provider with seamless nearshoring**
 - Serving leading customers in fast-growing industries
- **Flexibility of a hybrid model**
 - Sourcing for value rather than volume by maximizing efficiency instead of just capacity
- **A multi-site strategy**
 - Nearshore development centres (NDC) are located inside and outside the EU
- **EU Data Protection Law compliance**
 - Binding corporate rules (BCR) ensure data protection for all flows of data across borders

Developing larger projects and higher revenue per customer

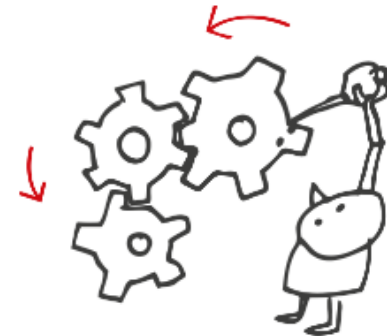
- Revenue from top 30 customers up by 7 % in Q2
 - Top 10: 41 % of total revenue
 - Top 20: 59 % of total revenue
 - Top 30: 67 % of total revenue
- Benefits:
 - Increased revenue visibility
 - Improved operational efficiency
 - Lower sales costs and overhead costs



We are approaching our target: several customers are likely to spend more than NOK 50 million per year on services from Itera.

Customers say that Itera is particularly strong compared with the competition when:

1. We work in **project teams** that have both **communication and technology skills**, and a proper *mix of senior and junior employees*
2. We take **life-cycle responsibility**, including for cloud services.
3. We involve **nearshoring** for greater scalability and cost effectiveness.



Case: The Norwegian Defence Estates Agency cut its processing time by 97 %



Forsvarsbygg

BASEN

ET HJEM I FORSVARET




Bestill overnatting



Søk bol



Meld inn sak



Om Bas



Tall og fakta



Kontakt

Logg inn

TERA DIGITALISERER FORSVARET «BASEN» ERSTATTER PAPIRMØLLE



5,5 millioner på utvikling **- Så enkelt kan det gjøres**

Kuttet tidsbruken 97 %

PROGRAMVARE: Forsvarsbygg reduserte behandlingstiden fra tre timer til seks minutter ved å forenkle og digitalisere søknadsskjemaene.

FORSVARSBYGG har utviklet en digital løsning for å forenkle og digitalisere søknadsskjemaene. Løsningen heter Basen, og er en del av Forsvarsbygg sin digitale transformasjon. Løsningen er utviklet i samarbeid med Forsvarsbygg sin interne utviklingsavdeling, og er nå i bruk i alle Forsvarsbygg sin virksomhet.

STOR FORNØYDELSE
Overordnede i Forsvarsbygg er svært fornøyd med løsningen. De mener at løsningen har gjort det enklere for ansatte å bruke systemet, og at det har resultert i en betydelig reduksjon i tidsbruken. Dette er et viktig skritt i Forsvarsbygg sin digitale transformasjon.

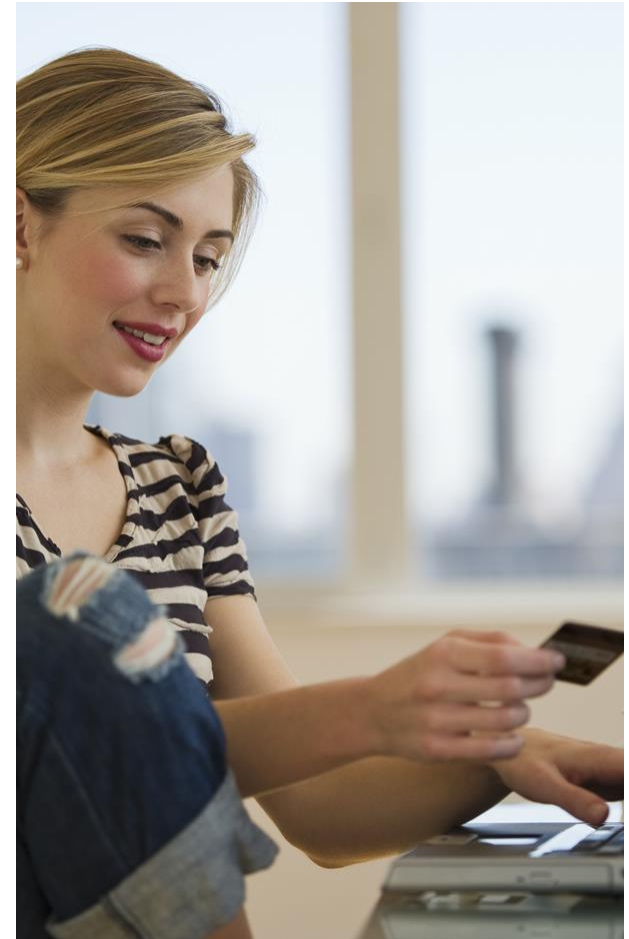
FORNØYD
Forsvarsbygg sin kommunikasjonssjef, Ole Martin, er svært fornøyd med løsningen. Han mener at løsningen har gjort det enklere for ansatte å bruke systemet, og at det har resultert i en betydelig reduksjon i tidsbruken. Dette er et viktig skritt i Forsvarsbygg sin digitale transformasjon.

Itera selected as Nets' preferred partner in five countries

- Nets has selected Itera as its preferred partner for digital development and communication services.
- The agreement applies to all countries where Nets is represented: Denmark, Norway, Sweden, Finland and Estonia.

“We wanted a solid partner that had expertise in Nets' business and solutions, and we put special emphasis on portals and strategy as well as on communication with customers, partners and employees, based on relevant technology like Microsoft SharePoint Online and Microsoft Azure.”

Klaus Sejr Madsen, Head of Corporate Marketing at Nets



Itera is increasing its brand awareness in the communications area in Norway and Denmark

The Norwegian Communication Association (NCA) is Norway's largest organization for communications professionals, with 4,000 members.

Itera is the main sponsor of NCA's 2015 Autumn Seminar, its most important annual event.



Høstseminaret 2015
Stolthet og fordom
OSLO 14. – 16. oktober 2015

Foredragsholdere Påmelding Bilder og video Praktisk informasjon Sponsorer Deltakere Reisealternativer

Liv Monica Stubholt
Liv Monica Stubholt har mer enn tyve års erfaring som advokat, næringsrådgiver og politiker. På Høstseminaret vil hun forklare hvordan kommunikasjon kan støtte i omstillingprosesser og hvordan du som ledende kan gi verdi til ledelse og styre.

Per Schillingmann
Mellom 2011-2012 var Per Schillingmann sjefstrateg hos Moderatama i Sverige.

Klavs Valskov
Klavs Valskov jobbet i Maersk fra 2006-2012. Nå er han ansvarlig for markedsføring og innhold i GE Oil & Gas.

Meld deg på her
Twitterfeed: #høstseminaret
Lukk side
3 venner liker dette

itera

Itera's agreement with Nets was covered in the main industry publications in both Norway and Denmark.

Markedsføring Nets vælger nyt bureau

20. aug 15 | Bureauer | Skrevet af Christian W. Larsen

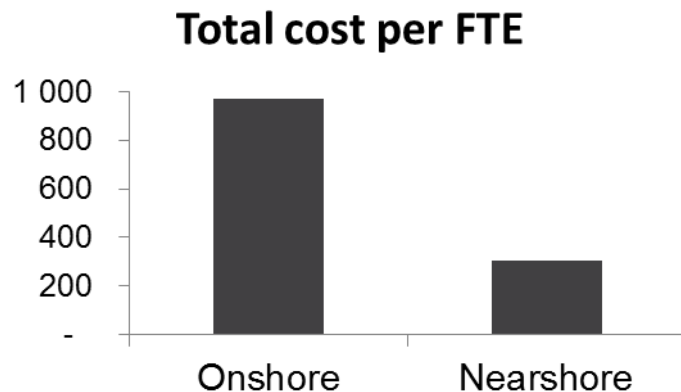


Kampanje.com Itera valgt som leverandør til Nets



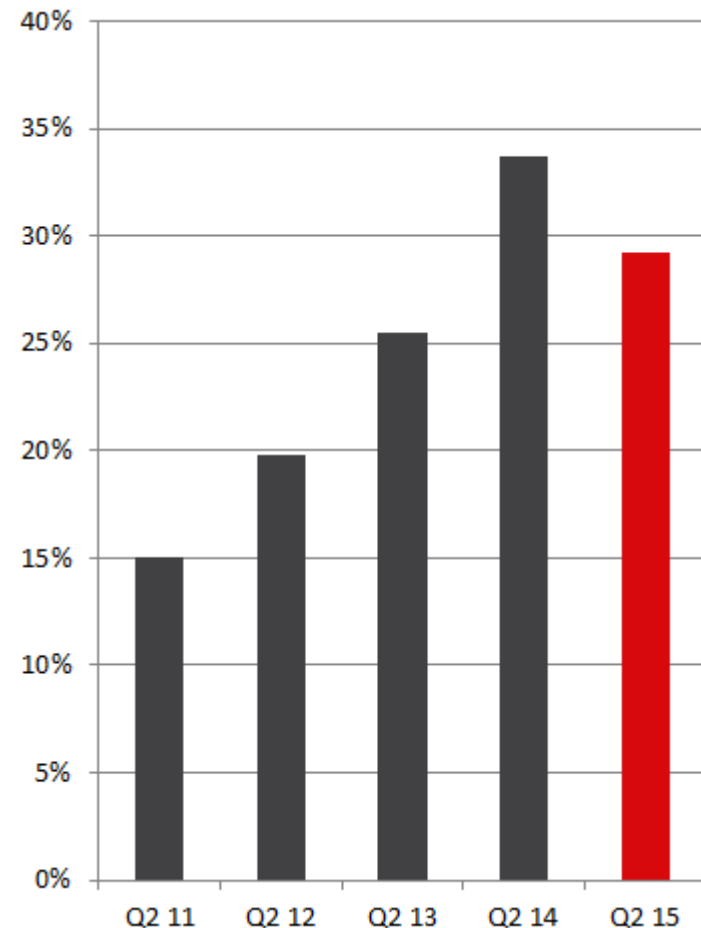
Nearshore ratio development

- Nearshore ratio of 29 % in Q2, representing a temporary decline
- Target is for the nearshore ratio to be in excess of 50 %
- Mixed teams are increasing our price flexibility as well as providing unlimited access to resources



Nearshore ratio

% of all staff located nearshore



Solid order intake in Q2 from existing and new customers




SELVAAG

HJORT

EUROSKO



 Book-to-bill ratio¹⁾ of 1.2 in Q2 2015, of which 52 % is new business.

1) The **book-to-bill ratio** is the ratio of orders received to the amount billed for a specific period

OUTLOOK

Outlook

- Customer demand remains strong in all Nordic markets
 - Profitable growth and cash flow are key focus areas
 - The IT hosting business in Sweden will be deconsolidated from 1st of July.
 - Larger projects and customers expected to continue to increase revenue visibility, efficiency and scalability
-
- Itera does not provide guidance to the market on future prospects

BACKUP

Statement of financial position

NOK Million	2015 30 Jun	2014 30 Jun	Change %	2014 31 Dec
Deferred tax assets	5	9	-45 %	6
Other intangible assets	16	16	2 %	16
Fixed assets	24	30	-22 %	27
Total non-current assets	44	55	-19 %	49
Work in progress	13	8	70 %	12
Accounts receivable	62	67	-7 %	60
Other receivables	29	20	50 %	17
Bank deposits	44	32	35 %	67
Total current assets	149	127	17 %	156
Total assets	193	181	7 %	205
 Total equity	 56	 59	 -6 %	 54
Non-current liabilities	14	19	-23 %	16
Accounts payable	22	22	1 %	27
Public duties and taxes payable	25	25	1 %	31
Other short-term liabilities	76	56	34 %	77
Total current liabilities	123	103	19 %	135
Total equity and liabilities	193	181	7 %	205
 Equity ratio	 29 %	 33 %		 26 %

Good financial position with equity ratio of 29 % after dividend payment of NOK 29 million in 2014

Top 20 shareholders

ISIN: NO0010001118

Name: ITERA ASA

Security type: AK

Date: 26.08.2015

Holding ▼	Percentage ▲	Name ▲	Account type ▲	Citizenship ▲
15,018,298	18.27	ARNE MJØS INVEST AS		NOR
6,195,375	7.54	STOREBRAND VEKST JPMORGAN EUROPE LTD,		NOR
5,242,206	6.38	MIDELFART INVEST AS		NOR
4,329,031	5.27	OP CAPITAL AS		NOR
3,000,000	3.65	EIKESTAD A/S		NOR
2,900,000	3.53	VERDIPAPIRFONDET DNB		NOR
2,310,000	2.81	SEPTIM CONSTULTING A		NOR
2,282,698	2.78	BOINVESTERING AS		NOR
2,200,000	2.68	JØSYRA INVEST AS		NOR
2,031,588	2.47	MARXPIST INVEST AS		NOR
2,023,587	2.46	GAMST INVEST AS		NOR
1,920,028	2.34	STOREBRAND NORGE I JPMORGAN EUROPE LTD,		NOR
1,573,622	1.91	GIP AS		NOR
1,000,000	1.22	FRAMAR INVEST AS C/O FRANK MARTINSEN		NOR
900,000	1.10	AANESTAD PANAGRI AS		NOR
818,349	1.00	JOHS. HAUGERUDSVEI A		NOR
600,000	0.73	MORTEN JOHNSEN HOLDI C/O MORTEN JOHNSEN		NOR
505,000	0.61	NYVANG JETMUND GUNNAR		NOR
500,000	0.61	GRØSLAND KIM-KJETIL		NOR
500,000	0.61	LIE JØRUND ARNE		NOR
55,849,782	67.97			