

INTERIM REPORT

FIRST QUARTER 2016

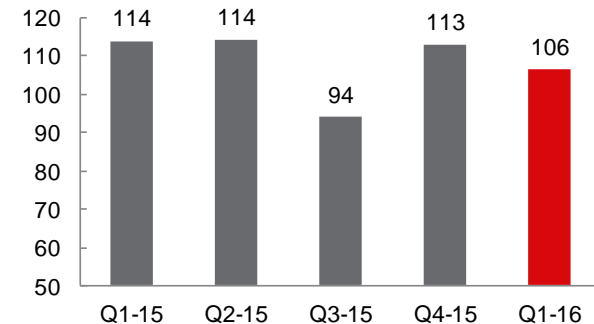
CEO ARNE MJØS
CFO BENT HAMMER

OSLO, 27 APRIL 2016

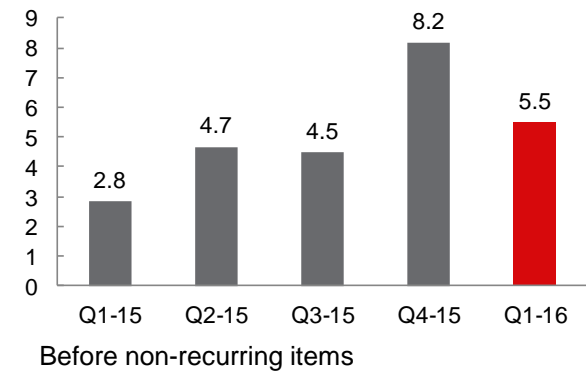
Highlights of the first quarter

- Revenue
 - NOK 106 million
 - Pro forma growth of 5% y-o-y, despite Easter holidays in Q1 vs Q2 last year
- EBITDA
 - Improved EBITDA of NOK 10.4 million, 9.8% margin
- EBIT
 - Improved EBIT before non-recurring items of NOK 5.5 million, 5.2% margin
- Improving operating performance
 - Significant growth and profitability improvement in Norway and Denmark.
 - Swedish consulting unit closed down
 - Double-digit nearshore growth y-o-y
 - 7% growth of top 20 customers
- Dividend proposal
 - NOK 0.12 per share

Revenues
NOK million



EBIT
NOK million



FINANCIAL REVIEW

Key figures

NOK Million	2016 Q1	2016* Q1	2015* Q1	Change*	2015* FY
Operating revenue	105.6	104.1	99.3	5 %	394.2
Gross profit	90.6	89.4	85.2	5 %	335.6
EBITDA	10.4	11.0	9.8	13 %	46.1
EBITDA margin	9.8 %	10.6 %	9.8 %	0.8 pts	11.7 %
EBIT before non-recurring items	5.5	6.1	5.1	20 %	26.4
EBIT margin before non-recurring	5.2 %	5.9 %	5.1 %	15 %	6.7 %
EBIT	3.8				
EBIT margin	3.6 %				
Net cash flow from operations	-4				
Cash and cash equivalents	60				
Equity ratio	28 %				
Employees at end of period	373	373	377	-1 %	381
Employees in average	380	373	381	-2 %	383

* Figures are pro forma for continuing operations

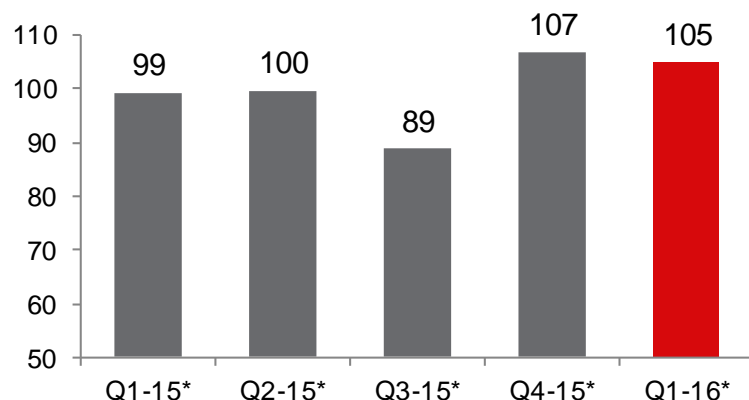


- **Double-digit growth in Denmark and Nearshore. Solid growth in Managed Services**
- **Non-recurring items related to office moves in Oslo and Copenhagen and gain from de-consolidating Swedish consulting unit**

Quarterly development

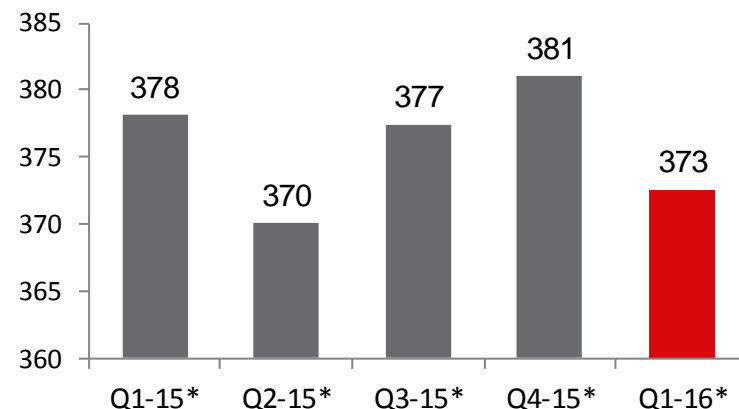
Operating revenue

NOK million



Employees

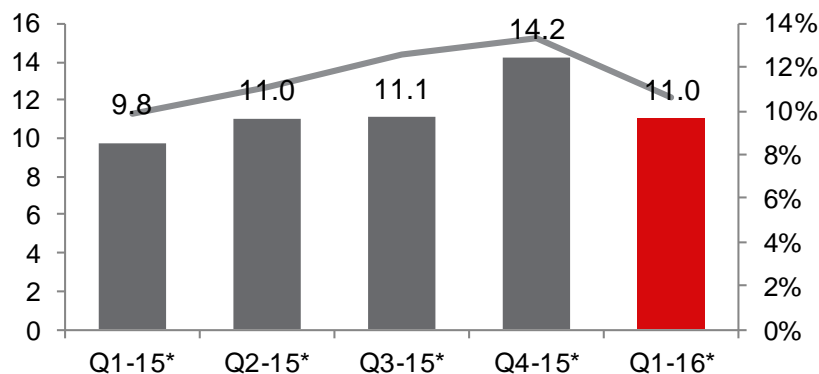
End of period



EBITDA

NOK million

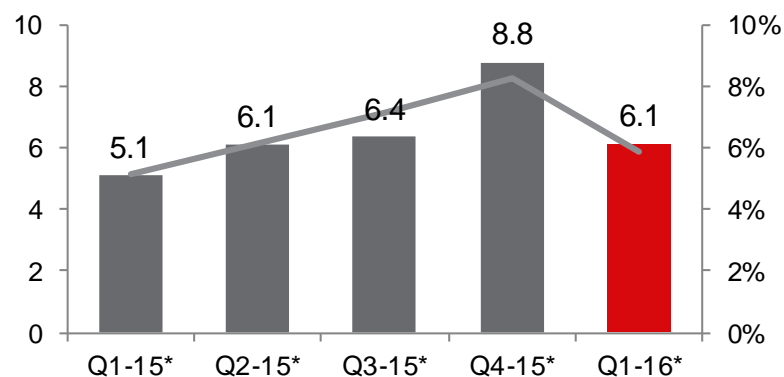
Margin



EBIT

NOK million

Margin



*: Pro forma for continuing operations. EBIT before non-recurring items

Statement of income

NOK Million	2016 Q1	2016* Q1	2015* Q1	Change* Q1	2015* FY
Operating revenue	105.6	104.1	99.3	5 %	394
Cost of sales	15.0	14.7	14.1	4 %	59
Personnel expenses	69.7	68.2	66.2	3 %	247
Depreciation	4.9	4.9	4.7	5 %	20
Other operating expenses	10.5	10.1	9.2	10 %	43
Total operating expenses	100.2	97.9	94.2	4 %	368
Operating profit before non-recurring items	5.5	6.1	5.1	20 %	26
Non-recurring items	1.6				0
Operating profit (EBIT)	3.8				26
Net financial income	-0.5				
Profit before tax	3.4				
Tax	0.8				
Net profit for the period	2.5				

* Pro forma figures for continuing operations

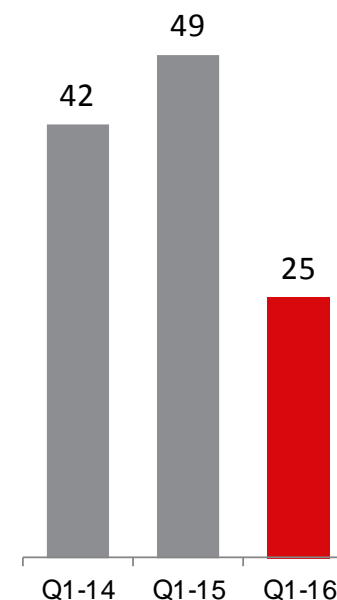


Improved growth and profitability in continued business despite Easter holidays in Q1 vs in Q2 last year

Statement of cash flow

NOK Million	2016 Q1	2015 Q1	2015 FY
Cash flow from operations (EBITDA)	10	8	40
Change in balance sheet items	-14	-16	-20
Net cash flow from operating activities	-4	-8	20
Net cash flow from investment activities	-3	-3	1
Purchase of own shares	0	0	0
Borrowings repaid	-2	-2	-8
External dividend paid	0	0	-12
Net cash flow from financing activities	-2	-2	-21
Currency effect on cash	0	0	1
Net change in bank deposits and cash	-9	-13	1
Bank deposits at the end of the period	60	67	68
New borrowing related to leasing	2	0	15

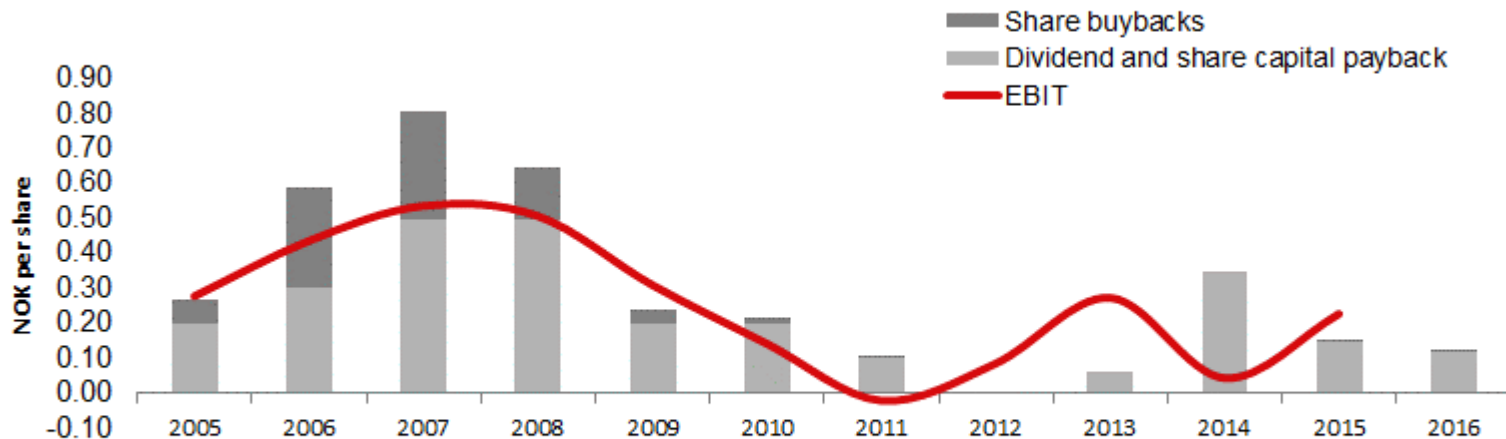
12 month rolling
cash flow from operations



- Cash flow from operations NOK -3.5 million
- 12 month rolling cash flow from operations was NOK 25 million

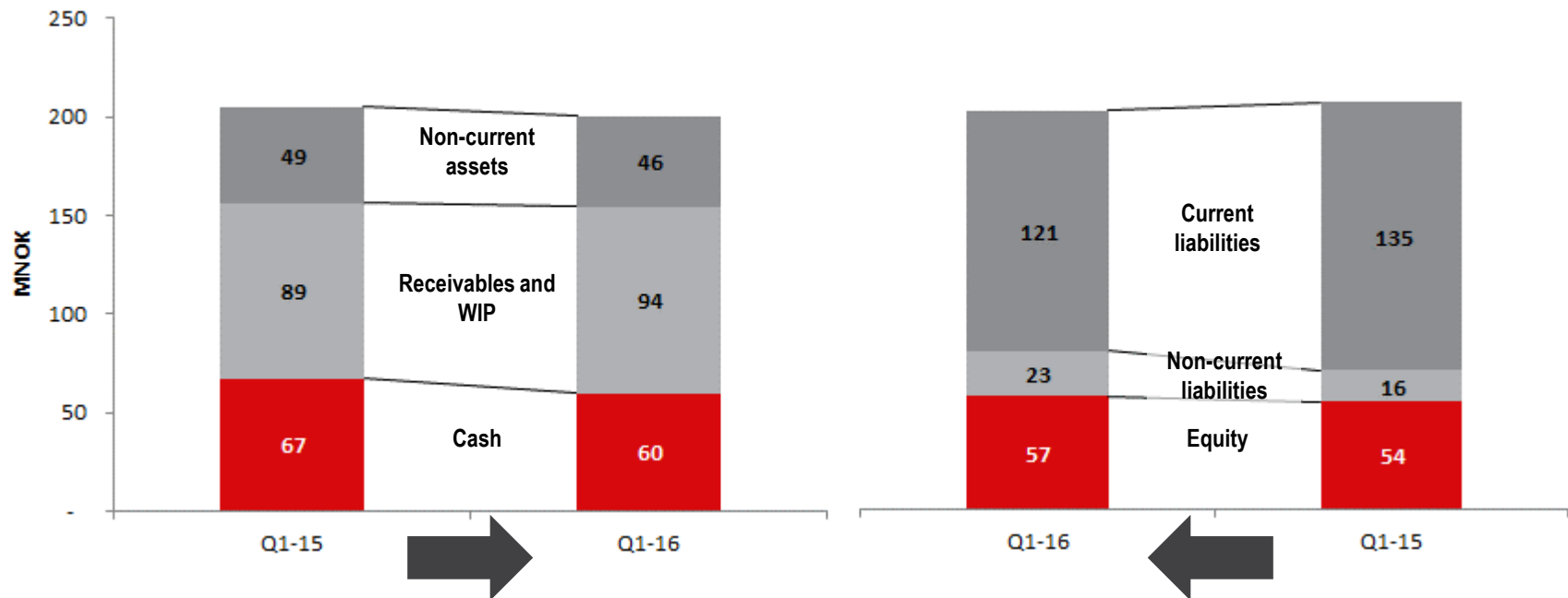
Dividend proposal

- The Board of Directors is proposing a dividend of NOK 0.12 per share
- The Annual General Meeting will take place on the 23rd May 2016
- If the Board of Directors' proposal for dividend is approved, the share is traded ex dividend on the 24th May 2016
- Total distribution to shareholders of NOK 3.55 per share 2005-16



Statement of financial position

- Group equity ratio of 28 (26) % in Q1
- Cash balance of MNOK 60 (67)
- Deconsolidation of Itera Consulting AB



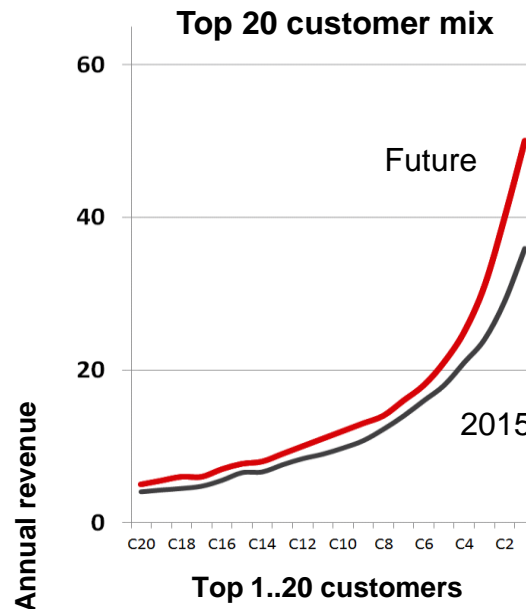
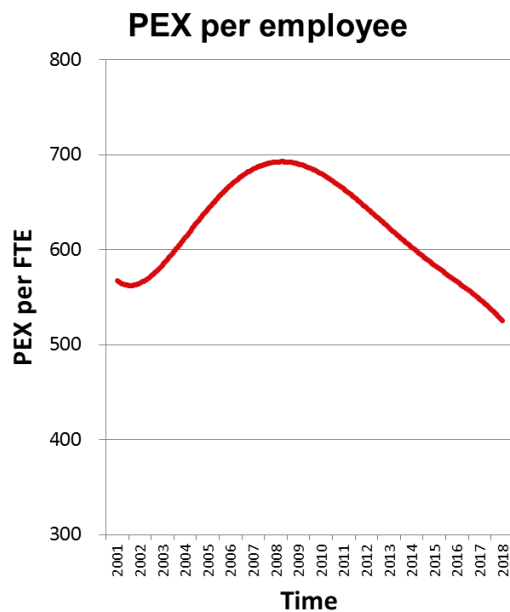
BUSINESS REVIEW

Long-term profitable growth: Key enablers

50%+ of staff
nearshore

Larger projects
and revenue
visibility

Communication
AND
Technology

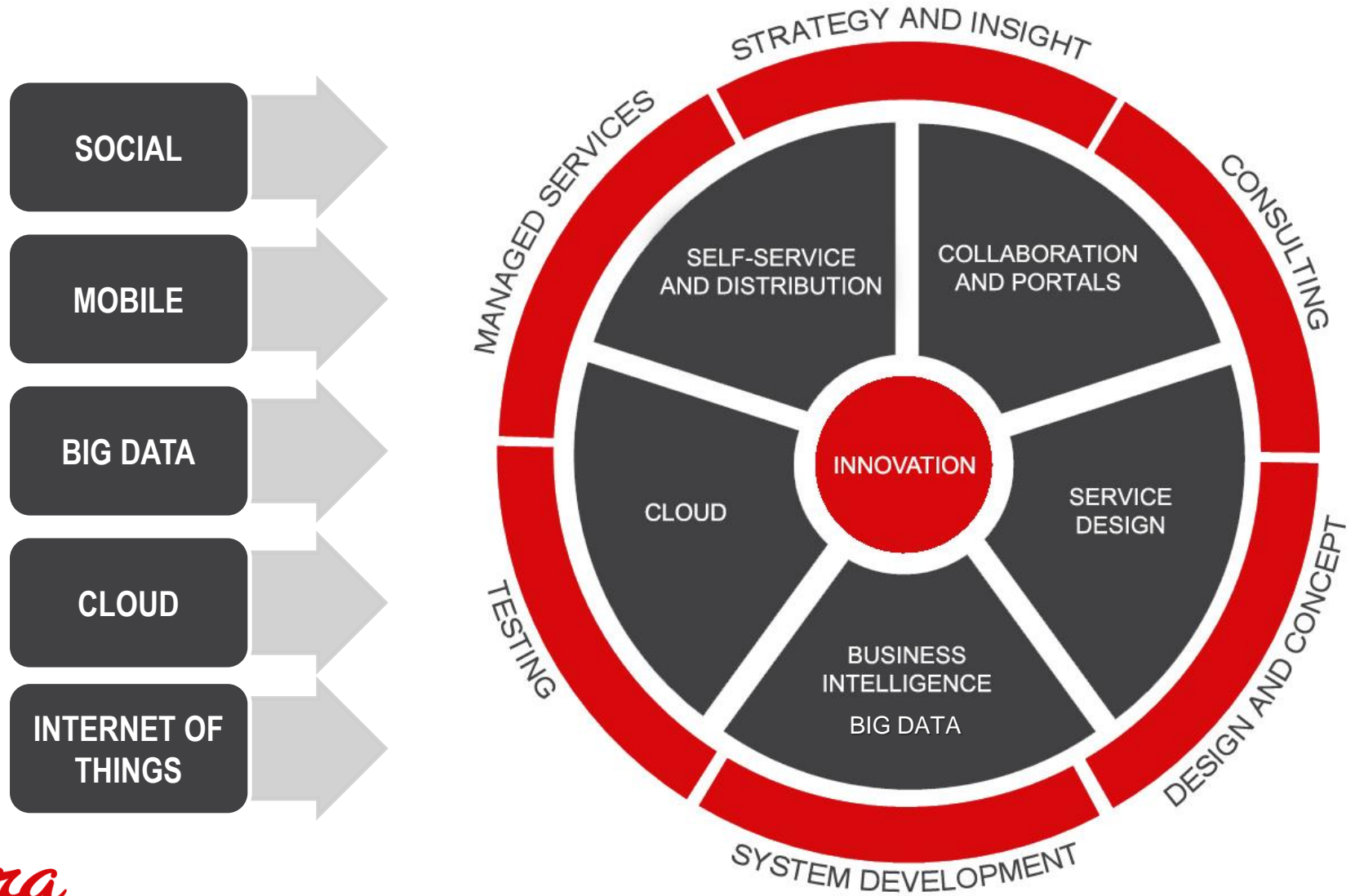


Our future picture

Itera creates great experiences for the
customer's customer



The forces of disruptive technology are driving our service offerings and key focus areas

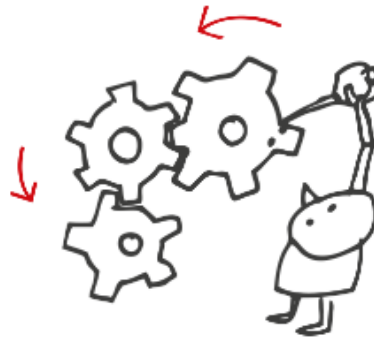


Applying the full scope of Iteras capabilities

We focus on our **customer's customers** through service design and lean startup



We work in **project teams** that have both **communication and technology skills**



We take **life-cycle responsibility** that also embrace cloud and data protection issues



We involve **seamless nearshoring** for greater scalability and cost effectiveness

Order intake in Q1 from existing and new customers



Handelsbanken

AON



Lovisenberg Diakonale Sykehus



YA
BANK



Forsvarsbygg

NORSK TIPPING

ANIMALIA



Santander



Norconsult



Book-to-bill ratio¹⁾ of 1.0 in Q1 2016.

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

Integrated Cloud Managed Services and Service Operation



CLOUD READINESS

A service designed to help organizations review and understand their IT maturity level and readiness to consider adopting cloud services

Itera's Value:

- Capability Assessment
- Functionality Assessment
- Licenses Assessment
- Risk Assessment



MS OFFICE 365

- Exchange Online
- Lync Online
- Office365 Platform
- Office Applications
- SharePoint Online

Itera's Value:

- Deployment
- Integration
- Daily service operations
- 24/7 support in Norwegian and English



IT HELPDESK

Itera's Value:

- 24/7 IT Helpdesk: 1,2,3 lines support
- Services Management
- Monitoring
- Backup & Disaster Recovery
- License Management



MS AZURE

Itera's Value:

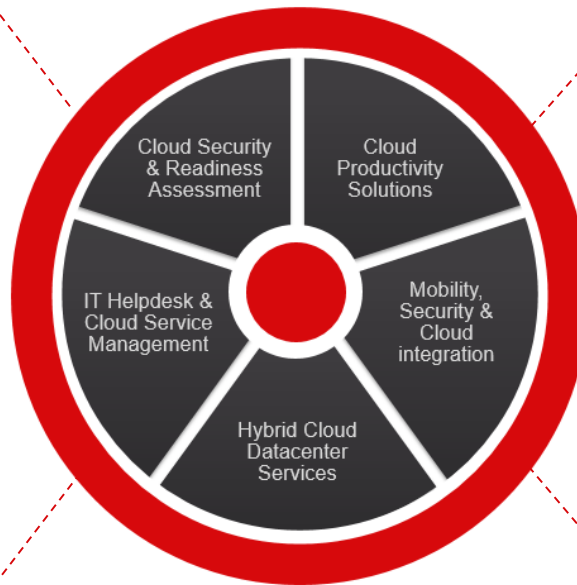
- Azure PaaS
- Azure IaaS
- Azure SaaS
- Hybrid Datacenter Services



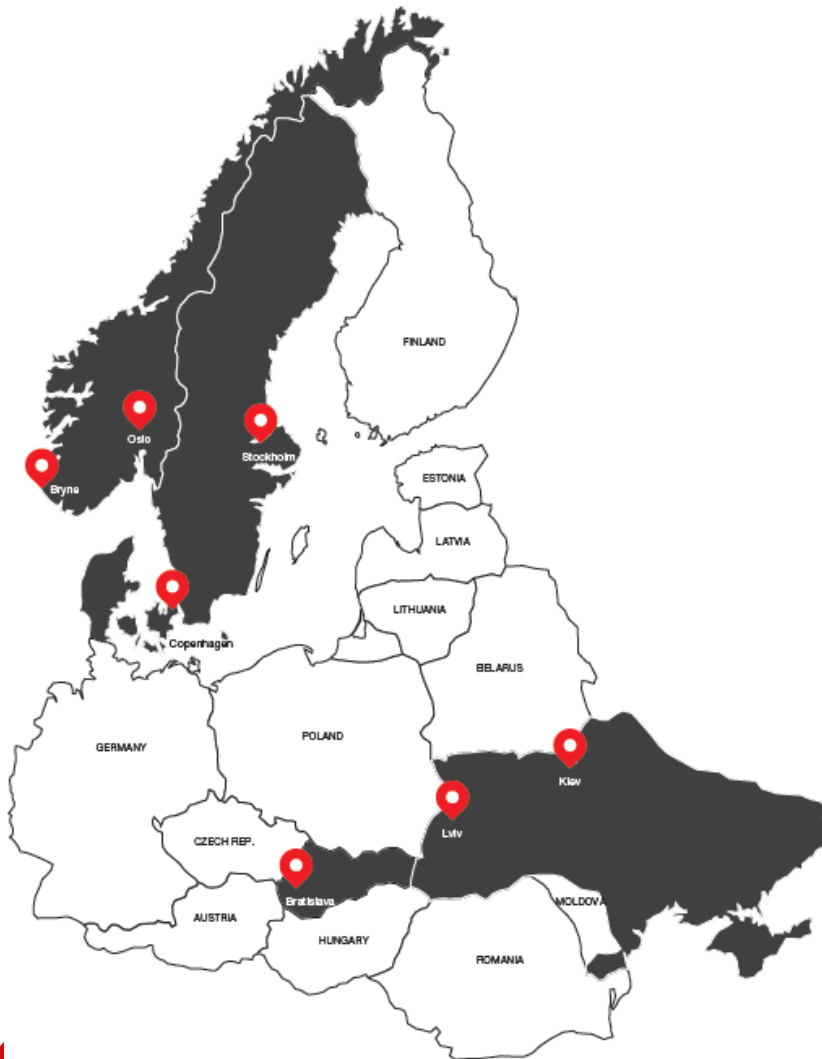
MS EMS/ INTUNE

Itera's Value:

- Mobile Device & Application Management
- Identity management
- Security & Access management



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



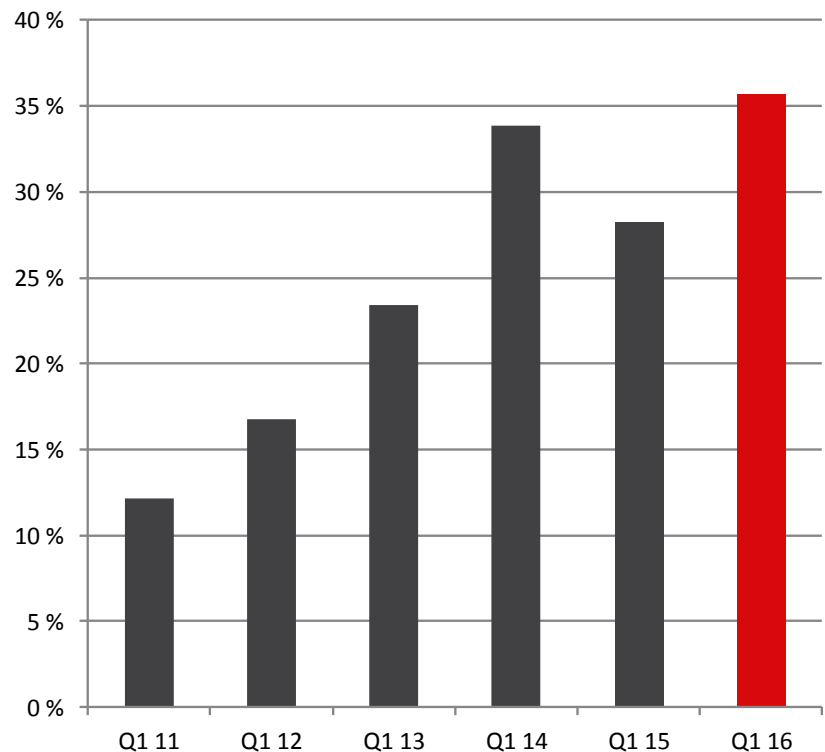
- **A Nordic full-service provider**
 - Serving leading customers in fast-growing industries
- **Flexibility of a hybrid model**
 - Delivery across borders in the Nordics and nearshore locations
 - Sourcing for value over volume
- **EU Data Protection Law compliance**
 - Binding corporate rules (BCR) ensure data protection for all flows of data across borders

Nearshore ratio development

- Nearshore ratio of 36 % in Q1
- Target is for the nearshore ratio to be in excess of 50 %
- Mixed teams are increasing our price flexibility as well as providing access to a very large resource pool

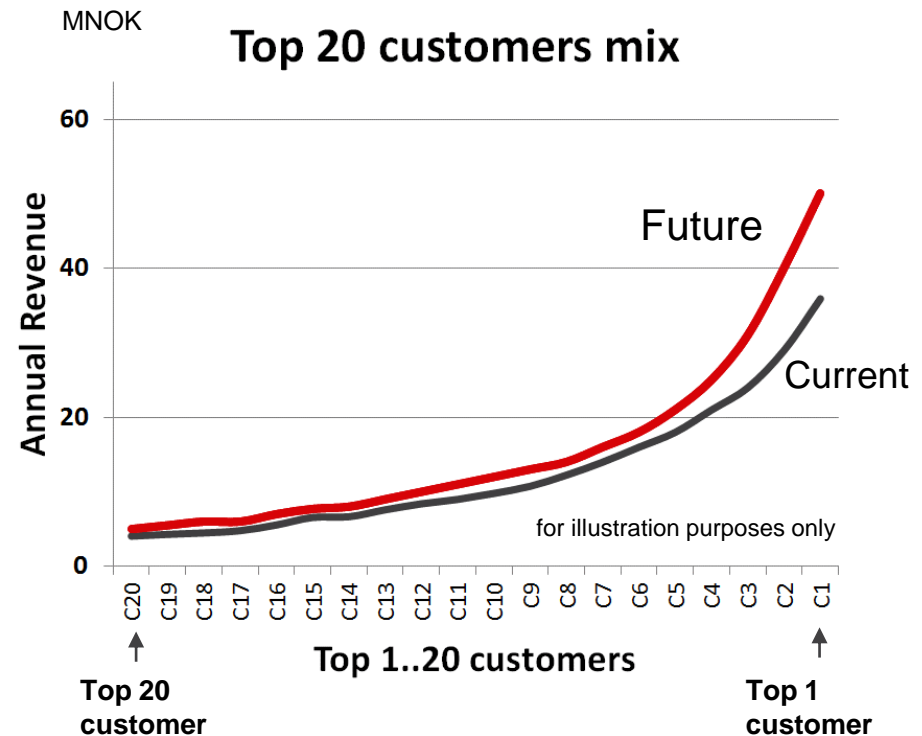
Nearshore ratio

% of all staff located nearshore



Developing larger projects and higher revenue per customer

- Revenue from top 30 customers up by 6 % in Q1
 - Top 10: 45 % of total revenue
 - Top 20: 63 % of total revenue
 - Top 30: 71 % of total revenue
- Benefits:
 - Increased revenue visibility
 - Improved operational efficiency
 - Lower sales 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.

Order intake in Q1 from existing and new customers



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YA
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Book-to-bill ratio¹⁾ of 1.0 in Q1 2016.

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OUTLOOK

Outlook

- Customer demand remains strong in all Nordic markets
 - Profitable growth and cash flow are key focus areas
 - 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

itera

MAKE A DIFFERENCE

Top 20 shareholders

Top 20

ISIN: NO0010001118
Name: ITERA ASA
Security type: AK
Date: 25.04.2016

Holding ▼	Percentage ↕	Name ↕	Account type ↕	Citizenship ↕
17,218,298	20.95	ARNE MJØS INVEST AS		NOR
5,504,472	6.70	STOREBRAND VEKST JPMORGAN EUROPE LTD,		NOR
4,329,031	5.27	OP CAPITAL AS		NOR
3,699,098	4.50	MIDELFART INVEST AS		NOR
2,900,000	3.53	EIKESTAD A/S		NOR
2,846,058	3.46	VERDIPAPIRFONDET DNB		NOR
2,580,000	3.14	SEPTIM CONSTULTING A		NOR
2,282,698	2.78	BOINVESTERING AS		NOR
2,280,500	2.77	GIP AS		NOR
2,200,000	2.68	JØSYRA INVEST AS		NOR
2,068,787	2.52	GAMST INVEST AS		NOR
2,031,588	2.47	MARXPIST INVEST AS		NOR
1,630,028	1.98	STOREBRAND NORGE I JPMORGAN EUROPE LTD,		NOR
1,000,000	1.22	FRAMAR INVEST AS		NOR
900,000	1.10	AANESTAD PANAGRI AS		NOR
818,349	1.00	BRØDRENE JOHANSEN H		NOR
600,000	0.73	MORTEN JOHNSEN HOLDI		NOR
600,000	0.73	ALTEA PROPERTY DEVEL		NOR
545,000	0.66	NYVANG JETMUND GUNNAR		NOR
510,000	0.62	SOBER KAPITAL AS		NOR
56,543,907	68.81			