

## Fourth quarter of 2010

### Main features of the fourth quarter of 2010

- Operating revenue NOK 3,363 million, 2% organic growth
- EBITA before synergy costs NOK 171 million (NOK 283 million)
- Revenue growth and good earnings performance for SMB and Bank & Finance
- Earnings held back by Public Sector (SAP) and drop in business volumes from customers of former IS Partner
- Synergy program proceeding in line with plans
- Restructuring costs of NOK 134 million
- Cash flow from operations NOK 280 million (671 million)
- New share issue of NOK 897 million

### Key figures

(NOK million)	Q4 2010	Q4 2009*	2010*	2009*
Operating revenue	3,363	3,296	12,447	12,706
Operating costs	3,192	3,013	11,698	11,787
EBITA before synergy costs and non-recurring items	171	283	749	919
Depreciations	33	-	44	-
EBITA before non-recurring items	138	283	705	919
EBITA %	4.1 %	8.6 %	5.7 %	7.2 %
EBIT before non-recurring items	81	222	472	723
Non-recurring items	-134	-15	-374	-29
EBIT	-53	207	98	694
Profit before tax	-92	149	-93	469
Cash flow from operations before restructuring	280	671	565	1,065
Operational investment (CAPEX)	111	113	352	416
EPS before non-recurring items (NOK)**	0.12	0.63	0.78	2.13
EPS (NOK)**	-0.43	0.59	-2.03	1.36
No. of employees	9,661	9,700	9,661	9,700

\* Adjusted for merger with Ergo group

\*\* Actual reported figures

## Summary of the fourth quarter of 2010

---

The group reported operating revenue for the fourth quarter of 2010 of NOK 3,363 million, representing organic growth of 2 percent relative to the pro forma figures for the same quarter in 2009. The IT services market showed clear signs of growth for the second quarter in succession, particularly in the Swedish market, and all business areas reported revenue growth.

The group's order backlog amounted to NOK 17,788 million at 31 December 2010, which is NOK 339 million lower than at the close of the third quarter of 2010. The company signed agreements representing total contract value of approximately NOK 3.0 billion in the fourth quarter of 2010.

Operating revenues for the IT Operations business area were NOK 2,021 million in the fourth quarter of 2010, an increase of 2 percent from pro forma revenues for the same quarter of the previous year. The large customer segment of the IT Operations business area was adversely affected by a decline in the volume from the customers of the former IS Partner, but this was more than outweighed by sound growth in operating services for the SMB market. The Solutions business area reported revenues of NOK 548 million in the fourth quarter of 2010 equivalent to an increase of 9 percent from pro forma revenues for the fourth quarter of 2009, driven by a good level of activity in the Bank & Finance area. The Consulting business area reported revenues of NOK 1,065 million for the fourth quarter, representing an increase of 5 percent from pro forma revenues for the same quarter of the previous year.

Elimination of internal revenue between companies in the group increased by NOK 57 million in the fourth quarter of 2010 as compared to pro forma figures for the same quarter in the previous year, mainly due to cross-selling between companies in the Consulting area and IS Partner, as well as an increase in deliveries from Global Sourcing companies to the other business areas.

Revenue in Sweden (including Finland) amounted to NOK 920 million in the fourth quarter of 2010, an increase of 18 percent from pro forma revenue of NOK 779 million

for the fourth quarter of 2009. Sweden (including Finland) accounted for 26 percent of the group's total revenue in the fourth quarter of 2010.

The group reported operating profit before amortisation of intangible assets and synergy costs of NOK 171 million for the fourth quarter of 2010, as compared to pro forma NOK 283 million for the same quarter in 2009. This represents a margin of 5.1 percent for the quarter as compared to 8.6 percent for the same quarter in 2009. After including synergy costs, the group's operating profit before amortisation of intangible assets (EBITA) for the fourth quarter of 2010 was NOK 138 million. The reduction in EBITA margin is principally the result of high costs in the Public Sector industry vertical of the former EDB. This area's fourth quarter earnings were affected by a charge of NOK 25 million in respect of development costs that had previously been capitalised, provisions of NOK 34 million due in part to the termination of a customer contract and recognition of excessive underlying maintenance costs. The earnings reported by IT Operations were adversely affected by a decline in revenue from customers of the former IS Partner.

The group implemented a number of measures in the fourth quarter in accordance with the cost programs announced in the second and third quarters of 2010, and fourth quarter EBITA was affected by costs of NOK 33 million in relation to the launch of the synergy program.

The IT Operations business area produced EBITA of NOK 109 million and EBITA margin of 5.4 percent in the fourth quarter of 2010, as compared to pro forma NOK 136 million and 6.9 percent in the fourth quarter of 2009. The Solutions business area produced EBITA of NOK 3 million and EBITA margin of 0.5 percent, as compared to pro forma NOK 66 million and 13.1 percent in the same quarter of the previous year. The Consulting business area produced EBITA of NOK 96 million and EBITA margin of 9.1 percent in the fourth quarter of 2010, as compared to pro forma EBITA of NOK 109 million and EBITA margin of 10.7 percent in the fourth quarter of 2009.

Amortisation of intangible assets totalled NOK 57 million in the fourth quarter of 2010, as compared to pro forma NOK 61 million in the fourth quarter of 2009.

Amortisation of software developed in-house was NOK 38 million in the fourth quarter of 2010, which is in line with pro forma amortisation for the same quarter in 2009. Amortisation of other intangible assets amounted to NOK 19 million in the fourth quarter of 2010 as compared to pro forma NOK 28 million in the fourth quarter of 2009. The reduction was due to the finalised amortisation of excess value arising from earlier acquisitions.

Non-recurring costs totalling NOK 134 million were recognised in the quarter. Of this, NOK 67 million related to the first phase of the synergy program, and further details in this respect can be found in a separate section of this report. In addition, a provision of NOK 67 million was recognised in connection with measures to streamline the group's international office structure as a result of the discontinuation, with effect from 1 July 2011, of deliveries to Norsk Hydro that represent annual revenue of NOK 200 million. This provision will cover the costs of closing a number of offices in Europe and the company's office in Tampa in the USA, together with related costs in respect of the consequent reduction in headcount of approximately 80 employees, premises leases, and other costs.

The operating result for the fourth quarter of 2010 after non-recurring items (EBIT) was a loss of NOK 53 million as compared to a pro forma profit of NOK 207 million in the fourth quarter of 2009. After adjusting for non-recurring items, the operating result for the fourth quarter of 2010 was a profit of NOK 81 million, as compared to a profit of NOK 222 million in the same quarter of the previous year.

Net financial expenses were NOK 40 million in the fourth quarter of 2010, as compared to pro forma NOK 58 million in the fourth quarter of 2009. Net interest expense for the fourth quarter of 2010 totalled NOK 49 million, in line with the fourth quarter of 2009. The group reported a loss after tax of NOK 72 million for the fourth quarter of 2010, as compared to a pro forma profit after tax of NOK 109 million for the fourth quarter of 2009.

Reported earnings per share before non-recurring items amounted to NOK 0.12 for the fourth quarter of 2010. After adjusting for non-recurring items, earnings per

share for the fourth quarter of 2010 amounted to NOK -0.43.

## The Group's business areas

---

The merger of EDB Business Partner ASA and ErgoGroup AS was carried out with accounting effect from 30 September 2010, and was formally approved by the boards of directors of EDB Business Partner ASA and ErgoGroup AS on 13 October 2010. EDB Business Partner ASA changed its name as part of the implementation of the merger to EDB ErgoGroup ASA.

The group's headcount was 9,661 at 31 December 2010 as compared to pro forma 9,808 at the close of the previous quarter. The reduction in headcount relates principally to the group's operating services activities in Norway and Sweden, and to the Nordic part of the group's consulting activities. These reductions are consistent with the cost program as previously announced. The group's activities in the Ukraine and India increased their head count in the fourth quarter.

The reporting provided below is based on the three business areas IT Operations, Solutions and Consulting, together with Support functions/eliminations.

### IT Operations

---

The business area IT Operations comprises network services, operation of infrastructure and applications, security services, user support and electronic business support services, as well data communications, product sales and infrastructure services. IT Operations delivers accessible and reliable systems operation for its customers to ensure that their employees and customers can use the systems at all times. The activities of the IT Operations business area cover all industries and sectors, and it operates principally in Norway and Sweden.

(NOK million)	Q4 2010	Q4 2009*	2010**	2009**
Operating revenue	2,021	1,976	7,494	7,604
Cost of goods sold	845	733	3,016	2,841
Salaries and related costs	680	683	2,523	2,647
Ordinary depreciation	86	98	348	412
Other operating costs	301	325	1,148	1,227
Total operating costs	1,912	1,840	7,035	7,127
Operating profit before amortisation (EBITA)	109	136	459	477
EBITA %	5.4 %	6.9 %	6.1 %	6.3 %
Operational investment (CAPEX)	77	95	255	380
No. of employees	3,354	3,538	3,354	3,538

\* Proforma figures for the comparable period 2009

\*\* Proforma figures for the year 2009 and 2010

The IT Operations business area reported operating revenues of NOK 2,021 million for the fourth quarter of 2010, representing organic growth of 2 percent from pro forma revenue of NOK 1,976 million for the fourth quarter of 2009. The increase in operating revenue relates to the SMB segment in Norway and Sweden, and the business area also achieved increased sales of infrastructure consulting services and product sales. Revenue from operating services for the large customer segment in Norway showed some decline, and this included a drop of NOK 50 million (26 percent) in revenue from customers of the former IS Partner relative to the fourth quarter of 2009.

Cost of goods sold in the fourth quarter of 2010 was 15 percent higher than in the same quarter of 2009. This was caused by the reclassification of costs associated with the printing activities that were outsourced in 2009. In addition, costs were higher as the result of accruals of software costs.

Salaries and related costs were NOK 3 million lower in the fourth quarter of 2010 than pro forma for the fourth quarter of 2009. Restructuring measures carried out have served to contain salaries and related costs in both the Swedish and Norwegian operations services areas. However, salaries and related costs in Sweden were higher in the fourth quarter of 2010 than in the same period in the previous year due to the completion of major implementation projects in 2010.

Depreciation for the fourth quarter of 2010 was NOK 13 million lower than pro forma depreciation for the fourth quarter of 2009 as the result of a lower level of investment spending throughout 2009 and a further reduction in investment spending in 2010.

Operating profit before amortisation of intangible assets (EBITA) was NOK 109 million in the fourth quarter of 2010, as compared to pro forma NOK 136 million in the fourth quarter of 2009. EBITA margin for the fourth quarter was 5.4 percent, as compared to pro forma 6.9 percent in the fourth quarter of 2009.

The profit reported for the quarter was adversely affected by a decline in revenue from customers of the former IS Partner. In addition, a risk provision of NOK 20 million was recognised in the fourth quarter accounts in respect of customer deliveries.

The IT Operations business area's order backlog fell by NOK 231 million in the fourth quarter and was NOK 13,278 million at the close of the year.

## Solutions

The Solutions business area offers a complete range of software and consulting services for the Nordic banking and finance sector. The business area also serves the Norwegian public sector with software / solutions for Norwegian municipalities, health authorities and national public sector entities. The business area also supplies solutions for case management and document handling to public sector entities.

(NOK million)	Q4 2010	Q4 2009*	2010**	2009**
Operating revenue	548	504	2,018	1,872
Costs of goods sold	91	91	376	360
Salaries and related costs	248	212	848	777
Ordinary depreciation	5	5	18	19
Other operating costs	201	129	636	482
Total operating costs	545	438	1,878	1,638
Operating profit before amortisation (EBITA)	3	66	140	234
EBITA %	0.5 %	13.1 %	6.9 %	12.5 %
Operational investment (CAPEX)	7	2	14	7
No. of employees	1,249	1,184	1,249	1,184

\* Proforma figures for the comparable period 2009

\*\* Proforma figures for the year 2009 and 2010

The Solutions business area reported operating revenues of NOK 548 million in the fourth quarter of 2010, equivalent to organic growth of 9 percent from pro forma revenues of NOK 504 million in the same quarter of 2009. The business area's Bank & Finance industry vertical achieved organic growth of 16 percent for the quarter as a result of an increased inflow of new customers and successful product launches.

In the Public Sector vertical of the former EDB, the company is working to complete contractual customer deliveries related to the SAP-based ERP system for the municipality sector. The fourth quarter results achieved by the Public Sector vertical of the former EDB were affected by a high level of costs, and this area's earnings were also affected by a charge of NOK 25 million for development costs that had previously been capitalised, and provisions totalling NOK 34 million in respect of the termination of a customer contract and the excessively high level of underlying maintenance costs.

The Solutions area of the former ErgoGroup reported somewhat lower year-on-year revenue for the fourth quarter of 2010, reflecting extraordinary revenue in the fourth quarter of 2009 from sales of election solutions.

Cost of goods sold in the fourth quarter of 2010 was NOK 91 million, which is in line with the pro forma figures for the same quarter in 2009.

Salaries and related costs in the fourth quarter of 2010 were 17 percent higher than pro forma figures for the fourth quarter of 2009. This principally reflects growth in headcount in the Bank & Finance industry vertical, as well as the general annual increase in salaries. In addition, the increase reflects recognition to profit and loss of the internal resources element of development and implementation expenses in respect of the project for the development of industry-specific solutions for the municipality sector, which had previously been capitalised.

The Solutions business area produced an operating profit before amortisation of intangible assets (EBITA) of NOK 3 million for the fourth quarter of 2010, as compared to pro forma NOK 66 million for the fourth quarter of 2009. EBITA margin for the fourth quarter was 0.5 percent, as compared to pro forma 13.1 percent for the fourth quarter of 2009. The Bank & Finance industry vertical maintained its EBITA margin in the fourth quarter, and the reduction in the business area's margin relates entirely to the Public Sector vertical of the former EDB.

The Solutions business area's order backlog fell by NOK 48 million in the fourth quarter and was NOK 2,876 million at the close of the year.

## Consulting

Consulting comprises almost 4,800 employees of whom 2,782 are in the Nordic countries and 1,950 employees work in Global Sourcing. The business area has extensive expertise in SAP, Microsoft, Oracle and IBM technology, as well as in project management, systems development and integration, in addition to expertise in adapting and implementing both standard and customised systems. The business area operates from various locations in Scandinavia, as well as locations in India and the Ukraine.

(NOK million)	Q4 2010	Q4 2009*	2010**	2009**
Operating revenue	1,065	1,018	3,804	3,856
Costs of goods sold	228	211	739	798
Salaries and related costs	596	574	2,286	2,265
Ordinary depreciation	6	4	22	21
Other operating costs	138	121	489	446
Total operating costs	969	909	3,535	3,530
Operating profit before amortisation (EBITA)	96	109	269	326
EBITA %	9.1 %	10.7 %	7.1 %	8.4 %
Operational investment (CAPEX)	11	15	28	35
No. of employees	4,767	4,665	4,767	4,665

\* Proforma figures for the comparable period 2009

\*\* Proforma figures for the year 2009 and 2010

The Consulting business area reported operating revenues of NOK 1,065 million in the fourth quarter of 2010, representing 5 percent organic growth from pro forma revenue of NOK 1,018 million in the fourth quarter of 2009. Growth came largely from the business area's Swedish activities. The group's Global Sourcing activities achieved organic growth between the fourth quarter of 2009 and the fourth quarter of 2010 of 20 percent.

Cost of goods sold in the fourth quarter of 2010 was 8 percent higher than pro forma figures for the same quarter of 2009, due mainly to greater use of subcontractors in relation to customer deliveries.

Salaries and related costs were 4 percent higher in the fourth quarter of 2010 than the pro forma figures for the fourth quarter of 2009 due to general annual increase in salaries and a net increase in headcount in the Nordic part of the business area's activities related to Ergogroup.

The Consulting business area produced operating profit before amortisation of intangible assets (EBITA) of NOK 96 million for the fourth quarter of 2010, representing a decline from pro forma NOK 109 million in the fourth quarter of 2009. EBITA margin for the fourth quarter was



9.1 percent, as compared to the pro forma EBITA margin of 10.7 percent for the fourth quarter of 2009.

Average billable utilisation and the average charge-out rate both showed an improving trend relative to the fourth quarter of 2009.

The Consulting business area's order backlog fell by NOK 60 million in the fourth quarter and was NOK 1,634 million at the close of the year.

## Geographical analysis

### Sweden:

(NOK million)	Q4 2010	Q4 2009*	2010**	2009**
Operating revenue	920	779	3,090	2,926
Cost of goods sold	274	212	851	790
Salaries and related costs	396	333	1,443	1,396
Ordinary depreciation	16	15	65	68
Other operating costs	153	144	497	459
Total operating costs	839	704	2,856	2,714
Operating profit before amortisation (EBITA)	81	75	234	212
EBITA %	8.8 %	9.6 %	7.6 %	7.3 %
No. of employees	2,397	2,538	2,397	2,538

\* Proforma figures for the comparable period 2009

\*\* Proforma figures for the year 2009 and 2010

Revenue in Sweden (including Finland) was NOK 920 million in the fourth quarter of 2010, representing an increase of 18 percent from pro forma NOK 779 million for the fourth quarter of 2009. After adjusting for currency effects, this represented growth of 16 percent. Growth was reported in revenue from consulting activities both in the SMB segment and in the large customer segment. In addition, product sales showed an increase.

Revenue in Sweden (including Finland) for full-year 2010 was pro forma NOK 3,090 million as compared to pro forma NOK 2,926 million for 2009. This represented organic growth of 6 percent for 2010, equivalent to growth of 3 percent after adjusting for currency effects.

Cost of goods sold increased by 29 percent in the fourth quarter of 2010 relative to pro forma figures for the same period in 2009. This increase relates to greater use of subcontractors.

Salaries and related costs were 19 percent higher as a result of the completion of major implementation projects by the Swedish operating services activities in

2010. As a result of the completion of the project, costs that were previously capitalised have now been recognised to profit and loss.

Operating profit before amortisation of intangible assets (EBITA) was NOK 81 million in the fourth quarter of 2010 as compared to pro forma NOK 75 million for the fourth quarter of 2009. EBITA margin was 8.8 percent as compared to pro forma 9.7 percent for the fourth quarter of 2009. Profitability improved in the SMB market, but operating services for the large customer segment showed some decline in profitability.

## Support functions/ eliminations

Elimination of internal revenue between companies in the EDB ErgoGroup totalled NOK -271 million in the fourth quarter of 2010 as compared to pro forma NOK -214 million in the fourth quarter of 2009. The increase is mainly due to cross-selling between companies in the Consulting area and IS Partner, as well as an increase in deliveries from Global Sourcing companies to the other business areas.

Support functions not allocated to individual business areas represented an operating loss before amortisation of intangible assets (EBITA) of NOK 70 million in the fourth quarter of 2010, as compared to a loss of NOK 32 million in the fourth quarter of 2009. The fourth quarter of 2010 includes a charge of NOK 33 million in respect of the synergy program. In addition, the fourth quarter figures include a charge of NOK 18 million for financing the underfunding of the NHO/LO pension scheme for the former EDB companies, but an equivalent positive effect was recognised in respect of the former ErgoGroup as a result of overfunding in the first three quarters of 2010.

## Financial information

### Cash flow and liquidity

Cash flow from operations, before payments related to restructuring, was NOK 280 million in the fourth quarter of 2010 as compared to pro forma NOK 671 million for

the same quarter of 2009. The reduction reflects the net effect of a lower level of EBITDA relative to the fourth quarter of 2009, unusually high receipts from customers in the third quarter of 2010 amounting to NOK 150 million, changes to the timing of instalments on a specific customer project of NOK 50 million and a reduction in accounts payable.

Investment in operational fixed assets amounted to NOK 111 million in the fourth quarter of 2010 as compared to pro forma NOK 98 million in the same quarter of 2009. The increase is principally due to investment in data storage by the IT Operations business area.

Net interest-bearing liabilities totalled NOK 3,023 million at 31 December 2010, a decrease of NOK 942 million from the close of the third quarter of 2010. The main reason for the decrease is the completion of the rights issue, which raised a gross amount of NOK 897 million in the fourth quarter of 2010. Similarly, the group's liquidity reserves increased by NOK 828 million in the fourth quarter to NOK 1,952 million at 31 December 2010. Undrawn credit facilities accounted for NOK 422 million of the total at 31 December 2010.

In the Solutions business area, the company has developed and upgraded software for the Public Sector and for the Bank & Finance verticals, and in connection with this NOK 31 million of costs were capitalised as intangible assets in the fourth quarter of 2010. By way of comparison, costs of NOK 42 million were capitalised as intangible assets in the fourth quarter of 2009.

The Bank & Finance vertical capitalised a further NOK 29 million of costs in the fourth quarter of 2010, which related almost entirely to contractual customer deliveries, as well as development work on new credit process solutions and sales support systems for a number of Nordic banks.

The development costs incurred by the Public Sector vertical in connection with its SAP project were recognised to profit and loss in the fourth quarter of 2010 since the criteria for capitalisation of these costs are no longer satisfied. Future development costs that are expected to be incurred up to the completion of the project in the first half of 2011 will also be recognised to profit and loss.

Development costs for in-house software capitalised to the balance sheet totalled NOK 264 million at 31 December 2010.

As previously announced, the company intends to refinance its long-term borrowings in the first quarter of 2011. The company anticipates that interest costs, including arrangement fees, will be some NOK 60-70 million higher in 2011 as a result of the material changes seen in the banking market since the company arranged its current borrowing facilities.

The merged company established a new organisational structure in the fourth quarter of 2010 that came into effect from 1 January 2011. The company has decided to introduce a new reporting format with effect from the first quarter of 2011. As a result, the company will report on the basis of the services segments IT Operations, Consulting and Solutions, split between Norway and Sweden. There will be some changes to the composition of the service segments in order to improve the correlation between internal and external reporting.

The company has also decided that, with effect from the first quarter of 2010, it will change its definition of EBITA to include amortisation of software developed in-house in order to give a better picture of its underlying profitability.

## Rights issue completed

---

In connection with the merger plan announced on 6 June 2010, the company announced that it intended to carry out a rights issue to provide EDB ErgoGroup ASA with financial flexibility to fulfil the company's commitments and realise its communicated strategy.

Against this background, the Board of Directors proposed a rights issue of NOK 900 million. The size of the issue was based on a thorough evaluation of the company's future capital requirements and its capital structure in accordance with the merger plan. On 19 November 2010, an Extraordinary General Meeting of the company approved the Board's proposal and resolved to increase the company's share capital by NOK 166,008,883.25 by issuing 94,862,219 new shares through a rights issue.

On 15 December 2010, the Board of Directors of EDB ErgoGroup approved the final allotment of shares in the rights issue, based on the allotment criteria presented in the prospectus dated 23 November 2010. A total of 94,862,219 new shares were allotted, of which 93,243,635 new shares were allotted to shareholders exercising their subscription rights and 1,618,584 shares were allotted to holders of subscription rights who applied for additional shares. After adjusting for the company's holdings of its own shares, approximately 99.3 percent of the allotted subscription rights were exercised. No shares were allotted to applicants without subscription rights. EDB ErgoGroup received net consideration of NOK 896.5 million from the rights issue.

Following the registration of the increase in share capital with the Register of Business Enterprises on 21 December 2010, EDB ErgoGroup's share capital is NOK 467,843,216.75, made up of 267,338,981 shares each of nominal value NOK 1.75.

Following the rights issue, Posten (Norway Post) and Telenor hold 40.0 percent and 27.5 percent of the share capital of EDB ErgoGroup ASA respectively.

## Synergy program

---

EDB ErgoGroup has organised the planning of the merger integration process by setting up an "Integration Management Office" (IMO), and work on the detailed planning of the synergy program started immediately after the formal approval of the merger on 13 October 2010.

The company has identified annual synergy gains of NOK 325 million that will be realised with full effect over a period of 18 months starting in the first quarter of 2011.

The costs associated with realising the synergy benefits are estimated to amount to NOK 300 million, made up of non-recurring costs of NOK 150 million and operational costs (OPEX) of NOK 150 million.

Of the operational costs of NOK 150 million, costs incurred in the fourth quarter totalled NOK 13 million. In addition, NOK 20 million was incurred in connection with

planning and launching the synergy process, which was not taken into account in the estimate of NOK 300 million for synergy costs.

The Board of Directors of EDB ErgoGroup approved the first phase of the synergy program in December 2010, and in connection with this, the company recognised a provision of NOK 67 million in the accounts for the fourth quarter of 2010.

This first phase of the program includes headcount reductions in staff and support functions, and also in IT Operations, totalling 105 employees, and will be completed over the course of the first half of 2011.

The company continues to realise synergy gains in accordance with the plans announced in the third quarter of 2010, and the work carried out in the fourth quarter of 2010 and into 2011 on the detailed planning of the programme has further verified the expected scale of the synergy gains.

## Other matters

---

A new share option scheme for key personnel was approved at the Annual General Meeting held on 10 May 2006. A subsequent Annual General Meeting decided that no new share options should be granted, but that option agreements already entered into can be carried out. A total of 250,000 options were outstanding under the terms of this scheme at 31 December 2010.

EDB ErgoGroup implemented IFRS accounting on 1 January 2005. The interim report has been produced using the same accounting principles and methodology as used for the annual report. The interim report is published in accordance with IAS 34 on interim reporting.

## Dividend for 2010

---

In accordance with the strategy previously announced by the company to strengthen its profitability through the synergy program it has communicated, and in order to ensure financial flexibility, the Board of Directors has



resolved to propose to the Annual General Meeting that no dividend should be paid for the 2010 financial year.

## Future prospects

---

The IT services market in Norway and Sweden showed a decline in the first half of 2010, but the market showed clear signs of growth over the second half of the year. The market research companies IDC and Gartner expect to see moderate growth in the IT services market in 2011 in line with improving conditions in the economy as a whole.

EDB ErgoGroup expects to see market growth in 2011, especially in the customer segments public sector, the bank and finance segment, SMB and the consulting area.

The large customer segment of the outsourcing market in Norway is currently affected by downward pressure on prices and a shortage of new contracts in the market. These trends, combined with the loss of customer contracts representing revenue in the order of NOK 200 million in 2011, mean that the company expects a decline in revenue from operating services for the large customer segment in Norway in 2011. On the other hand, the company expects its revenue from operating services for the large customer segment in the Swedish market to show moderate growth.

The Board of EDB ErgoGroup is maintaining a strong focus on ensuring that the company continues to strengthen its profitability. The main focus in 2011 is to realise the company's synergy program.

Oslo, 7 February 2011

The Board of Directors of EDB ErgoGroup ASA

## About EDB ErgoGroup

---

EDB Business Partner carried out the merger with ErgoGroup AS with accounting effect from 31 December 2010. The combined company, which has now changed its name to EDB ErgoGroup ASA, is a leading information technology (IT) services provider in the Nordic region. We help customers to unlock substantial value from the entire IT services value chain, spanning solutions, consulting and outsourcing. We are approximately 10,000 employees with annual revenue of approximately NOK 12.5 billion in 2009. EDB ErgoGroup serves as a responsive partner, combining local expertise with deep industry knowledge.

EDB ErgoGroup is listed on the Oslo Stock Exchange.

## Financial calendar

---

First quarter 2011 report - 2 May 2011  
Annual General Meeting - 24 May 2011  
Second quarter 2011 report - 14 July 2011  
Third quarter 2011 report - 26 October 2011  
Fourth quarter 2011 report and provisional figures for 2011 - 8 February 2012

## Contact details

---

EDB ErgoGroup ASA  
Nedre Skøyen vei 26  
PO Box 640 Skøyen  
N-0214 Oslo  
Org. no: 934 382 404 MVA  
Telephone: (+47) 06500  
Fax: (+47) 22 52 85 10  
E-mail: [edbergogroup@edbergogroup.com](mailto:edbergogroup@edbergogroup.com)

[www.edbergogroup.com](http://www.edbergogroup.com)

## EDB ErgoGroup

### Profit and loss account

(NOK million)	Q4 2010	Q4 2009	2010	2009
Operating revenue	<b>3,363</b>	1,917	<b>8,676</b>	7,492
Cost of goods sold	<b>1,078</b>	577	<b>2,690</b>	2,280
Wages and salaries	<b>1,565</b>	902	<b>4,013</b>	3,516
Other operating costs	<b>473</b>	210	<b>1,223</b>	837
Operating profit bef. depreciation (EBITDA)	<b>247</b>	228	<b>751</b>	858
Depreciation of operating assets	<b>108</b>	60	<b>281</b>	255
Operating profit bef. amortisation (EBITA)	<b>138</b>	168	<b>470</b>	603
Non-recurring items	<b>-134</b>	-4	<b>-417</b>	12
Depreciation of intangible assets	<b>57</b>	47	<b>183</b>	161
Operating profit (EBIT)	<b>-53</b>	117	<b>-130</b>	454
Net financial items	<b>-39</b>	-43	<b>-154</b>	-162
Profit before tax (EBT)	<b>-92</b>	74	<b>-284</b>	292
Tax on profit	<b>20</b>	-17	<b>76</b>	-158
Profit for the year	<b>-72</b>	57	<b>-209</b>	134
Whereof minority interests	<b>3</b>	3	<b>11</b>	12

## EDB ErgoGroup

### Statement of financial position

(NOK million)	2010	2009
Goodwill	6,744	4,014
Other intangible assets	591	486
Tangible assets	1,076	789
Non-current financial assets	51	23
<b>Total non-current assets</b>	<b>8,462</b>	<b>5,312</b>
Accounts receivable	2,073	957
Other current receivables	1,260	836
Bank deposits	1,530	773
<b>Total current assets</b>	<b>4,863</b>	<b>2,566</b>
<b>Total assets</b>	<b>13,325</b>	<b>7,878</b>
Equity	5,063	2,184
Minority interests	54	37
<b>Total equity and minority interests</b>	<b>5,117</b>	<b>2,221</b>
Provision for liabilities	465	400
Non-current non-interest bearing liabilities	45	49
Non-current interest bearing liabilities	3,493	2,682
<b>Total non-current liabilities</b>	<b>4,002</b>	<b>3,131</b>
Accounts payable	659	525
Duties payable, vacation allowance	1,138	605
Current non-interest bearing liabilities	1,348	610
Current interest bearing liabilities	1,061	786
<b>Total current liabilities</b>	<b>4,206</b>	<b>2,526</b>
<b>Total equity and liabilities</b>	<b>13,325</b>	<b>7,878</b>

## EDB ErgoGroup

### Cash flow analysis

(NOK million)	Q4 2010	Q4 2009	2010	2009
EBITDA	247	228	751	858
Net taxes / financial items paid	-113	-85	-247	-267
Change in accounts receivable	-553	-92	-380	222
Change in accounts payable	270	242	-98	-7
Change in other accruals	429	81	350	-216
Operational cash flow before non-recurring items	280	374	374	591
Change in provision non-recurring items	-63	-8	-87	-9
Net cash flow from operations	217	366	287	582
Operational investment	-111	-62	-235	-215
In-house developed software paid	-32	-50	-159	-159
Sale of fixed operating assets	0	2	1	22
Acquisition of businesses	-22	-9	324	-78
Sale of businesses	0	4	4	56
Net cash flow from investments	-164	-116	-65	-374
Debt repayment	-95	-91	-815	-307
New borrowing	0	-	395	9
Share issues	879	-	870	-5
Net cash flow from financing	783	-91	451	-303
Net change in liquid assets	836	159	673	-94
Bank deposits at start of period	684	631	773	912
Currency translation diff. cash and bank dep.	9	-17	84	-44
Bank deposits at end of period	1,530	773	1,530	773

\* Change in other accruals includes changes in the following statement of financial items: other current receivables, duties payable and other current liabilities



## EDB ErgoGroup

### Key figures

	Q4 2010	Q4 2009	2010	2009
<b>Key figures per share (NOK):</b>				
Earnings per share	- 0.43	0.59	- 2.03	1.36
Earnings before non-recurring items	0.12	0.63	0.78	2.13
EBITDA per share	1.39	2.53	4.22	9.50
Cash from operations b/f non-recurring items	1.57	4.14	2.11	6.54
<b>Other key figures:</b>				
EBITDA-margin	7.3 %	11.9 %	8.7 %	11.5 %
EBITA-margin	4.1 %	8.8 %	5.4 %	8.1 %
Return on invested capital (ROIC)	7.0 %	9.6 %	7.2 %	9.7 %
Net working capital			577	330
Working capital in % of revenue			6.6 %	3.3 %
Equity ratio			38%	28%
Gearing			0.59	1.21
Net interest bearing debt (NOK mill)			3,023	2,695
Average number of shares	177,662,893	90,345,684	177,662,893	90,345,684

### Comprehensive income and expense

(NOK million)	Q4 2010	Q4 2009	2010	2009
Cash flow hedges	7	4	6	23
Option scheme employees	-	-	-	1
Restatement differences	-7	-17	66	-80
Total Comprehensive income	1	-13	73	-56

### Reconciliation of changes in equity before minority interests

	2010	2009
Equity at 01.01.	2,184	2,123
Profit after tax	-220	122
Comprehensive income	73	-56
Merger with ErgoGroup (pooling of interests)	2,161	-
Share issue	873	-
Trade in own shares	-8	-5
Equity at end of period	5,063	2,184

## EDB ErgoGroup

---

Order backlog by business area (NOK million) (consolidated)

	Order backlog	Order backlog distributed				
	31/12/2010	2011	2012	2013	2014	Later
IT Operations	<b>13,278</b>	4,921	3,444	2,774	1,375	765
Solutions	<b>2,876</b>	1,119	837	690	172	58
Consulting	<b>1,634</b>	1,199	266	168	1	-
Total order backlog	<b>17,788</b>	7,238	4,546	3,633	1,548	823
% of total		41%	26%	20%	9%	5%

## EDB ErgoGroup

Analysis by business area (consolidated) \*\* (NOK million)

Operating revenue:	Q4'10	Q4'09*	2010*	2009*	Q3'10*	Q2'10*	Q1'10*	Q4'09*	Q3'09*	Q2'09*	Q1'09*
IT Operations	2,021	1,975	7,494	7,621	1,749	1,875	1,850	1,975	1,773	1,907	1,965
Solutions	548	517	2,018	1,913	465	510	496	517	434	488	474
Consulting	1,065	1,018	3,804	3,893	800	986	952	1,018	820	1,008	1,047
Eliminations	-271	-214	-869	-722	-191	-216	-192	-214	-168	-166	-173
<b>Total group</b>	<b>3,363</b>	<b>3,296</b>	<b>12,447</b>	<b>12,706</b>	<b>2,823</b>	<b>3,155</b>	<b>3,106</b>	<b>3,296</b>	<b>2,859</b>	<b>3,237</b>	<b>3,314</b>
Operating profit before amortisation (EBITA):	Q4'10	Q4'09*	2010*	2009*	Q3'10*	Q2'10*	Q1'10*	Q4'09*	Q3'09*	Q2'09*	Q1'09*
IT Operations	109	134	459	475	137	105	108	134	146	96	100
Solutions	3	71	139	253	22	58	56	71	58	67	57
Consulting	96	109	269	326	32	63	78	109	58	75	84
Staff / Not allocated	-70	-31	-163	-134	-26	-31	-35	-31	-31	-34	-38
<b>Total group</b>	<b>138</b>	<b>283</b>	<b>705</b>	<b>919</b>	<b>166</b>	<b>195</b>	<b>206</b>	<b>283</b>	<b>232</b>	<b>204</b>	<b>202</b>
EBITA margin:	Q4'10	Q4'09*	2010*	2009*	Q3'10*	Q2'10*	Q1'10*	Q4'09*	Q3'09*	Q2'09*	Q1'09*
IT Operations	5.4 %	6.8 %	6.1 %	6.2 %	7.9 %	5.6 %	5.8 %	6.8 %	8.2 %	5.0 %	5.1 %
Solutions	0.5 %	13.8 %	6.9 %	13.2 %	4.8 %	11.4 %	11.3 %	13.8 %	13.5 %	13.6 %	11.9 %
Consulting	9.1 %	10.7 %	7.1 %	8.4 %	4.1 %	6.4 %	8.1 %	10.7 %	7.1 %	7.5 %	8.0 %
<b>Total group</b>	<b>4.1 %</b>	<b>8.6 %</b>	<b>5.7 %</b>	<b>7.2 %</b>	<b>5.9 %</b>	<b>6.2 %</b>	<b>6.6 %</b>	<b>8.6 %</b>	<b>8.1 %</b>	<b>7.9 %</b>	<b>6.1 %</b>

\* Not adjusted for acquisition and sale of businesses in the period

## Analysis by business area (EDB) \* (NOK million)

Operating revenue:	Q4'10	Q4'09*	2010*	2009*	Q3'10*	Q2'10*	Q1'10*	Q4'09*	Q3'09*	Q2'09*	Q1'09*
IT Operations	1,081	1,110	4,219	4,380	1,013	1,049	1,076	1,110	1,054	1,107	1,108
Solutions	448	405	1,646	1,507	381	414	403	405	343	385	374
Consulting	492	506	1,790	1,962	390	457	452	506	410	509	537
Eliminations	-154	-104	-476	-358	-105	-111	-107	-104	-91	-78	-84
<b>Total EDB Group</b>	<b>1,867</b>	<b>1,917</b>	<b>7,179</b>	<b>7,492</b>	<b>1,679</b>	<b>1,809</b>	<b>1,824</b>	<b>1,917</b>	<b>1,716</b>	<b>1,923</b>	<b>1,936</b>
Operating profit before amortisation (EBITA):	Q4'10	Q4'09*	2010*	2009*	Q3'10*	Q2'10*	Q1'10*	Q4'09*	Q3'09*	Q2'09*	Q1'09*
IT Operations	40	97	266	365	66	75	85	97	102	91	74
Solutions	-13	51	101	198	10	55	49	51	44	55	48
Consulting	34	48	105	145	18	24	29	48	27	32	38
Staff / Not allocated	-68	-27	-146	-104	-24	-26	-28	-27	-24	-27	-25
<b>Total EDB Group</b>	<b>(6)</b>	<b>168</b>	<b>325</b>	<b>603</b>	<b>70</b>	<b>127</b>	<b>134</b>	<b>168</b>	<b>150</b>	<b>151</b>	<b>135</b>
EBITA margin:	Q4'10	Q4'09*	2010*	2009*	Q3'10*	Q2'10*	Q1'10*	Q4'09*	Q3'09*	Q2'09*	Q1'09*
IT Operations	3.7 %	8.7 %	6.3 %	8.3 %	6.6 %	7.1 %	7.9 %	8.7 %	9.7 %	8.2 %	6.7 %
Solutions	-2.8 %	12.6 %	6.1 %	13.1 %	2.6 %	13.2 %	12.1 %	12.6 %	13.0 %	14.1 %	12.7 %
Consulting	6.9 %	9.4 %	5.9 %	7.4 %	4.6 %	5.2 %	6.5 %	9.4 %	6.6 %	6.2 %	7.1 %
<b>Total EDB Group</b>	<b>-0.3 %</b>	<b>8.8 %</b>	<b>4.5 %</b>	<b>8.1 %</b>	<b>4.2 %</b>	<b>7.0 %</b>	<b>7.4 %</b>	<b>8.8 %</b>	<b>8.8 %</b>	<b>7.9 %</b>	<b>7.0 %</b>

\* Not adjusted for acquisition and sale of businesses in the period

## Analysis by business area (ErgoGroup) \* (NOK million)

Operating revenue:	Q4'10	Q4'09*	2010*	2009*	Q3'10*	Q2'10*	Q1'10*	Q4'09*	Q3'09*	Q2'09*	Q1'09*
IT Operations	940	865	3,276	3,241	736	826	774	865	719	800	857
Solutions	100	112	372	406	84	96	93	112	91	103	100
Consulting	574	512	2,015	1,931	410	530	501	512	410	499	510
Eliminations	-117	-110	-395	-364	-86	-106	-86	-110	-77	-88	-89
<b>Total ErgoGroup</b>	<b>1,496</b>	<b>1,379</b>	<b>5,268</b>	<b>5,214</b>	<b>1,144</b>	<b>1,346</b>	<b>1,282</b>	<b>1,379</b>	<b>1,143</b>	<b>1,314</b>	<b>1,378</b>
<b>Operating profit before amortisation (EBITA):</b>	<b>Q4'10</b>	<b>Q4'09*</b>	<b>2010*</b>	<b>2009*</b>	<b>Q3'10*</b>	<b>Q2'10*</b>	<b>Q1'10*</b>	<b>Q4'09*</b>	<b>Q3'09*</b>	<b>Q2'09*</b>	<b>Q1'09*</b>
IT Operations	69	37	193	112	71	30	23	37	44	5	26
Solutions	15	20	39	55	13	4	7	20	14	12	9
Consulting	63	61	165	183	14	40	48	61	32	44	46
Staff / Not allocated	-2	-4	-17	-35	-2	-6	-7	-4	-8	-8	-14
<b>Total ErgoGroup</b>	<b>145</b>	<b>114</b>	<b>380</b>	<b>315</b>	<b>96</b>	<b>68</b>	<b>71</b>	<b>114</b>	<b>81</b>	<b>53</b>	<b>67</b>
<b>EBITA margin:</b>	<b>Q4'10</b>	<b>Q4'09*</b>	<b>2010*</b>	<b>2009*</b>	<b>Q3'10*</b>	<b>Q2'10*</b>	<b>Q1'10*</b>	<b>Q4'09*</b>	<b>Q3'09*</b>	<b>Q2'09*</b>	<b>Q1'09*</b>
IT Operations	7.4 %	4.3 %	5.9 %	3.5 %	9.7 %	3.6 %	3.0 %	4.3 %	6.1 %	0.6 %	3.0 %
Solutions	15.4 %	17.9 %	10.6 %	13.5 %	15.5 %	4.2 %	7.5 %	17.9 %	15.4 %	11.7 %	9.0 %
Consulting	11.0 %	11.9 %	8.2 %	9.5 %	3.4 %	7.5 %	9.6 %	11.9 %	7.8 %	8.8 %	9.0 %
<b>Total ErgoGroup</b>	<b>9.7 %</b>	<b>8.3 %</b>	<b>7.2 %</b>	<b>6.0 %</b>	<b>8.4 %</b>	<b>5.1 %</b>	<b>5.5 %</b>	<b>8.3 %</b>	<b>7.1 %</b>	<b>7.9 %</b>	<b>4.9 %</b>

\* Not adjusted for acquisition and sale of businesses in the period