

INTERIM REPORT

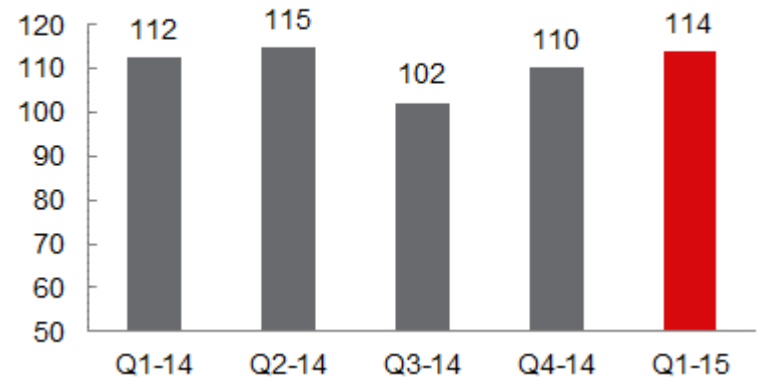
FIRST QUARTER 2015

CEO ARNE MJØS
OSLO, 28 APRIL 2015

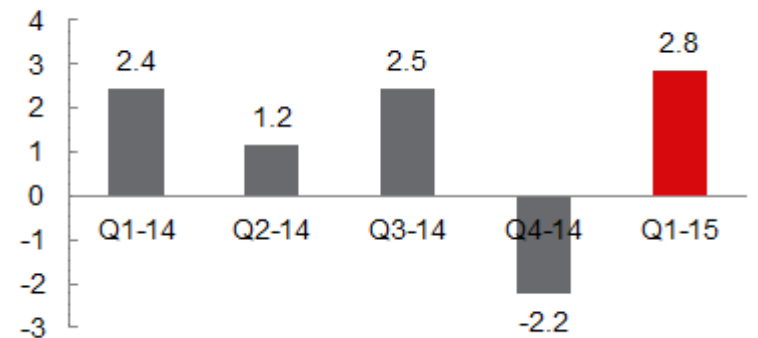
Highlights of the first quarter

- Revenue NOK 114 million, representing a return to growth of 1 %
- Improved EBITDA of NOK 7.7 million, 6.8 % margin
- Improved EBIT of NOK 2.8 million, 2.5 % margin
- Positive growth in consultancy services in Norway
- NOK 170 million order intake, including several long-term IT hosting agreements of 3-5 years
- The process of divesting the IT hosting business in Sweden is progressing according to plan

Revenues
NOK million



EBIT
NOK million



Q4-2014: Before non-recurring items

FINANCIAL REVIEW

Key figures

	2015 Q1	2014 Q1	Change	2014 FY
NOK Million				
Operating revenue	114	112	1 %	440
Gross profit	96	95	1 %	364
EBITDA	7.7	7.8	-1 %	25.2
EBITDA margin	6.8 %	7.0 %		5.7 %
Operating profit (EBIT)*	2.8	2.4	16 %	3.8
EBIT margin*	2.5 %	2.2 %		0.9 %
Operating profit (EBIT)	0.9	2.4	-64 %	0.2
EBIT margin	0.8 %	2.2 %		0.0 %
Net cash flow from Cash and cash equivalents	-8 54	-11 53	25 % 2 %	46 67
Equity ratio	28 %	41 %		26 %
Employees at end of period	437	464	-6 %	447

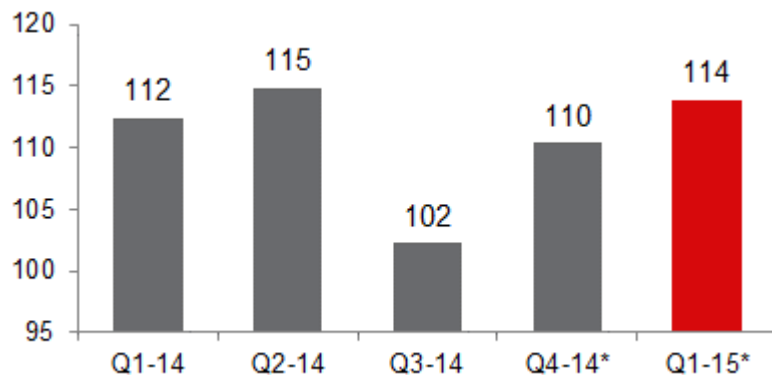
* Before non-recurring items

Itera returned to revenue growth (+ 1 %) in Q1 2015. Revenue in Norway grew by 4 %, while revenue related to nearshore activities decreased slightly.

Quarterly development

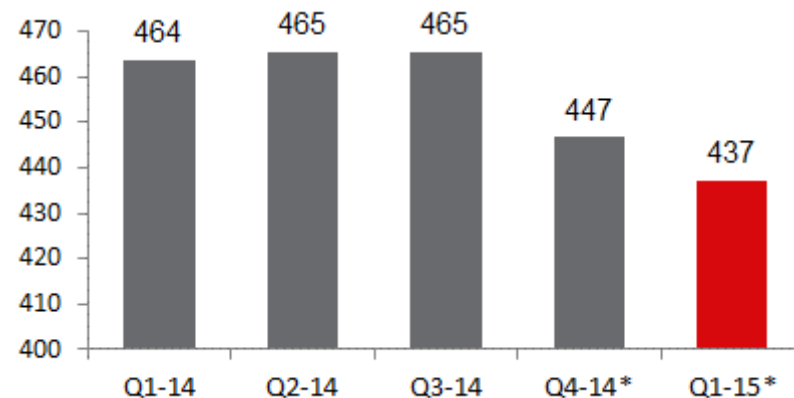
Operating revenue

NOK million



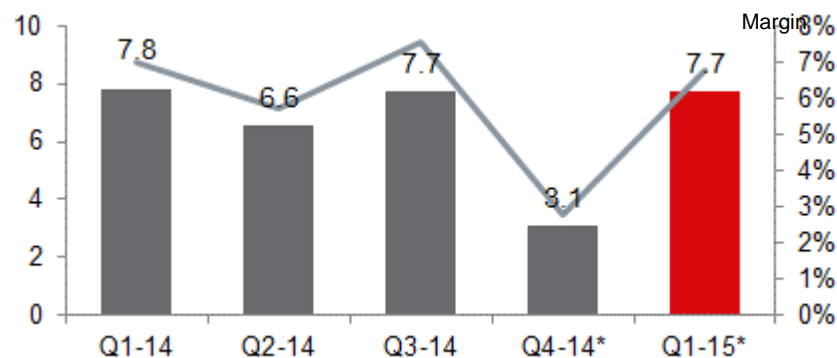
Employees

End of period



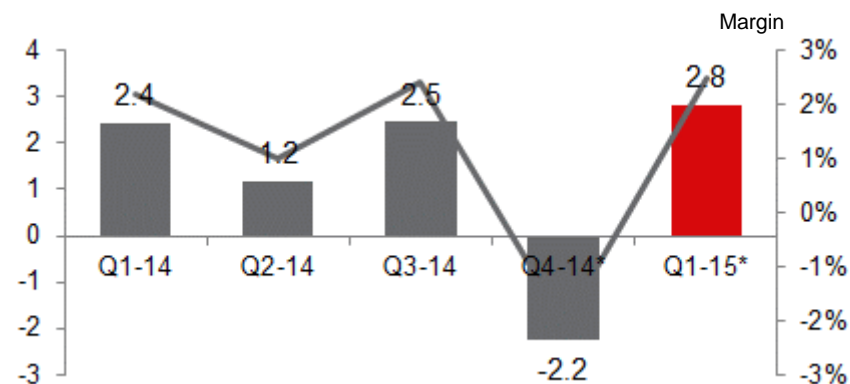
EBITDA

NOK million



EBIT

NOK million



Statement of income

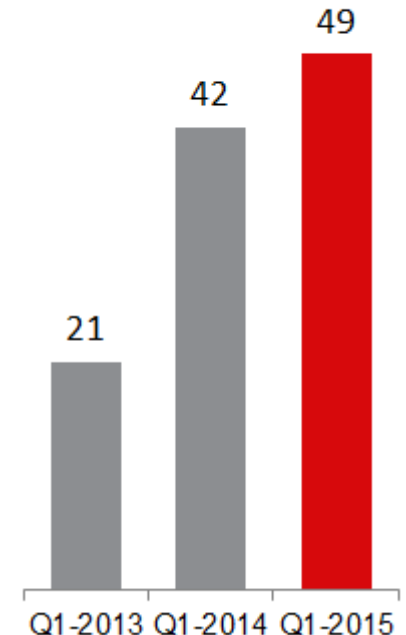
NOK Million	2015 Q1	2014 Q1	Change	2015 FY	2014 FY	Change
Operating revenue	114	112	1 %	114	112	1 %
Cost of sales	18	18	2 %	18	18	2 %
Personnel expenses	75	75	0 %	75	75	0 %
Depreciation	5	5	-9 %	5	5	-9 %
Other operating expenses	13	12	13 %	13	12	13 %
Total operating expenses	111	110	1 %	111	110	1 %
Operating profit before non-recurring items	2.8	2.4	16 %	2.8	2	16 %
Non-recurring items	2.0	0.0		2.0	0	
Operating profit (EBIT)	0.9	2.4	-64 %	0.9	2	-64 %
Net financial income	-0.8	-0.1		-0.8	-0.1	
Profit before tax	0.1	2.3	-96 %	0.1	2.3	-96 %
Tax	0.0	0.6	-96 %	0.0	0.6	-96 %
Net profit for the period	0.1	1.7	-96 %	0.1	1.7	-96 %

- Significant improvements were seen in the profitability of Itera's consulting activities in Norway and Denmark as well as in the profitability of Itera's managed services in Norway.
- An unprofitable department in Norway was closed down in Q1 incurring non-recurring items of NOK 2.0 million, in line with the amount announced earlier.

Statement of cash flow

NOK Million	2015 Q1	2014 Q1	2014 FY
Cash flow from operations (EBITDA)	8	8	25
Change in balance sheet items	-16	-19	21
Net cash flow from operating activities	-8	-11	46
Net cash flow from investment activities	-3	-2	-12
Purchase of own shares	0	0	-0
Borrowings repaid	-2	-2	-7
External dividend paid	0	0	-29
Net cash flow from financing activities	-2	-2	-36
Currency effect on cash	0	0	1
Net change in bank deposits and cash	-13	-15	-1
Bank deposits at the end of the period	54	53	67
New borrowing related to leasing	0	4	

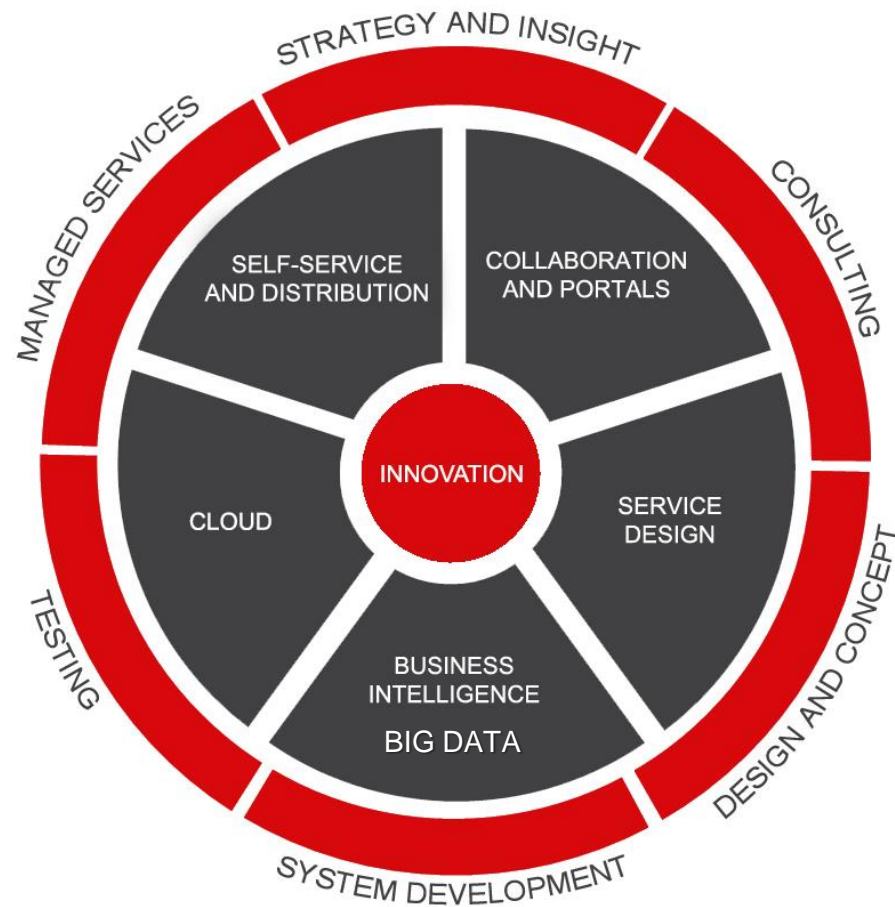
12 month rolling operating cash flow



First quarter cash flow from operations was impacted by seasonal variations. Improving rolling 12-month cash flow from operations of NOK 49 million in Q1-2015, an increase of NOK 7 million compared to same period last year.

The process of divesting the IT hosting business in Sweden is progressing according to plan

- The process of selling the IT hosting business in Sweden is progressing according to plan
 - High customer satisfaction and good delivery quality, but a small player in a competitive market
 - IT hosting is not a critical part of Itera's strategy for success in Sweden
 - Several bids have been received and due diligence is being carried out
- A non-profitable department was closed down in Q1, with the desired effects on profitability
 - A non-recurring item of NOK 2 million was recognized in Q1 2015, in line with the amount announced last quarter.



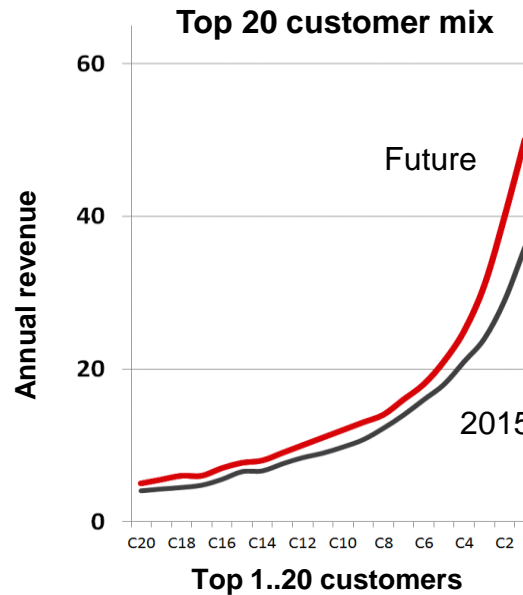
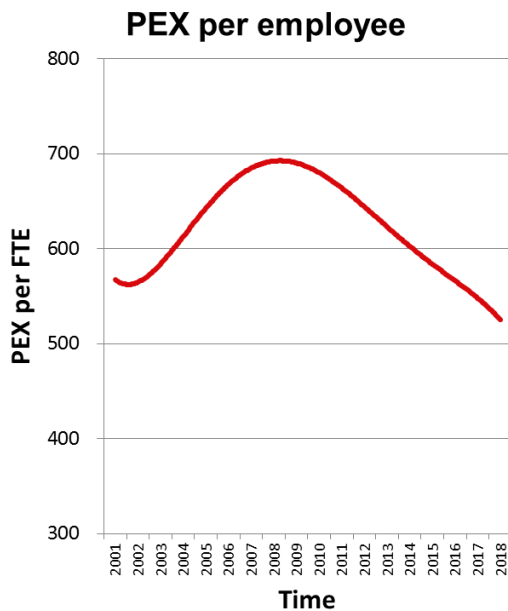
BUSINESS REVIEW

Long-term profitable growth: Key enablers

50%+ of staff nearshore

Larger projects and revenue visibility

Communication AND Technology



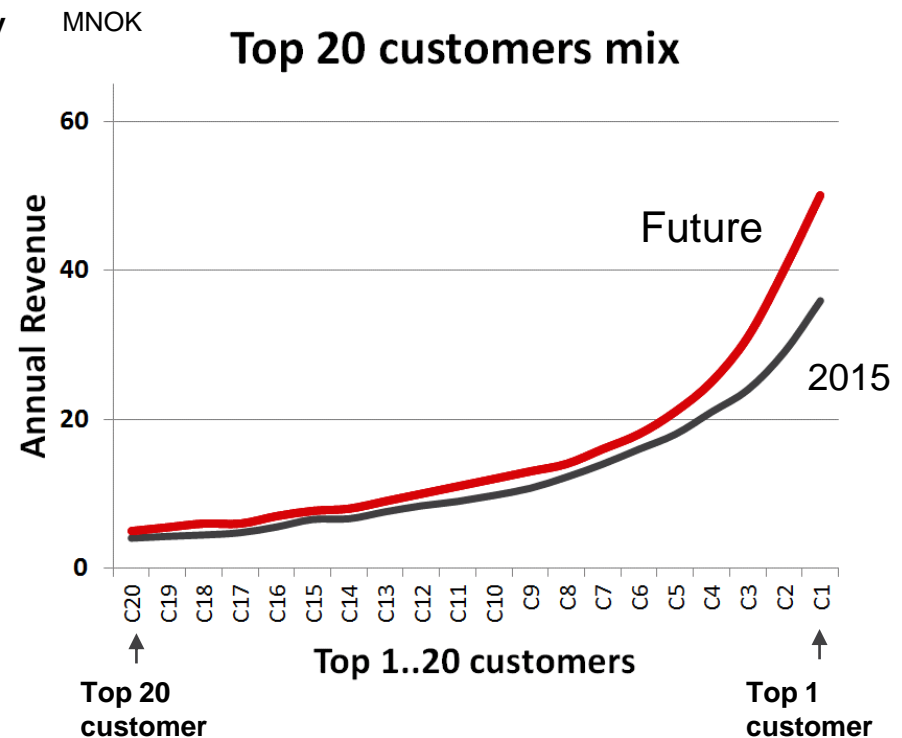
Our multi-site strategy provides agility, scalability and access to top-notch resources



- **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 9 % in Q1
 - Top 10: 42 % of total revenue
 - Top 20: 58 % of total revenue
 - Top 30: 66 % 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.

Solid order intake in Q1 of NOK 170+ million from existing and new customers



 **Book-to-bill ratio¹⁾ of 2.0 in Q1 2015 with several long-term hosting agreements with durations of 3-5 years**

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

Digitalization is a major market trend across sectors

3 typical digital approaches

DIGITAL IS A PROJECT

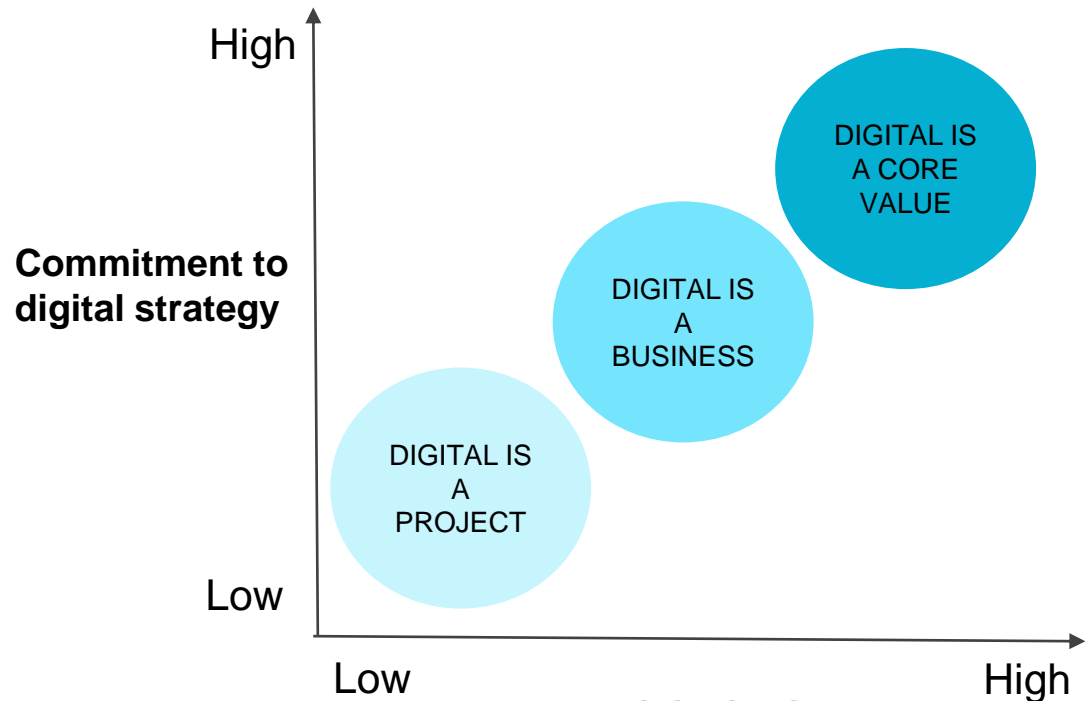
- Project to project basis
- Pilots and gradual deployment
- Long-term planning

DIGITAL IS A BUSINESS

- Client-centric focus
- Test-and-learn, lean approach
- Rapid testing of ideas

DIGITAL IS A CORE VALUE

- Pure digital business model
- Dissemination of digital in the company, culture and innovation

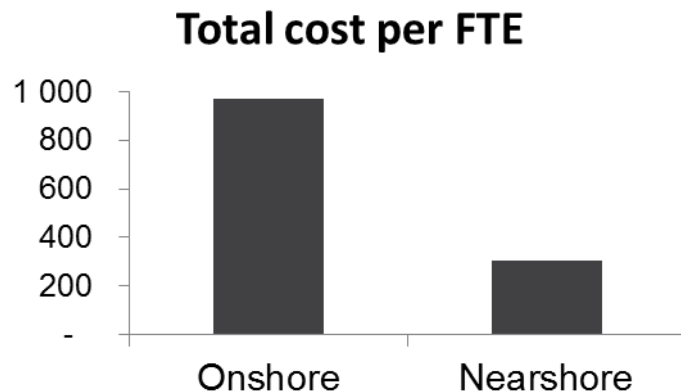


Digitalization progress

- Customer experience
- Organizational transformation
- IT agility
- Cultural transformation

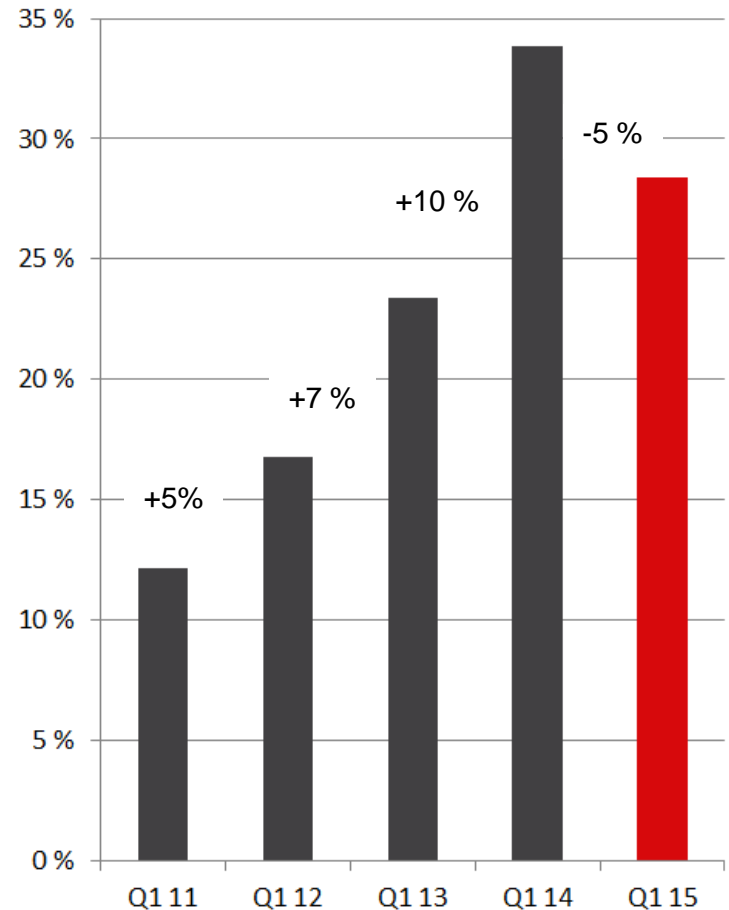
Nearshore ratio development

- Nearshore ratio of 28 % in Q1, 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



OUTLOOK

Outlook

- Customer demand remains strong in all Nordic markets
 - Profitable growth and cash flow are key focus areas
 - Process to sell the IT hosting business in Sweden to be concluded
 - 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 31 Mar	2014 31 Mar	Change %	2014 31 Dec
Deferred tax assets	6	9	-32 %	6
Other intangible assets	16	16	0 %	16
Fixed assets	25	30	-18 %	27
Total non-current assets	47	55	-15 %	49
Work in progress	13	7	92 %	12
Accounts receivable	61	81	-25 %	60
Other receivables	18	19	-8 %	17
Bank deposits	54	53	2 %	67
Total current assets	146	160	-9 %	156
Total assets	193	215	-10 %	205
Total equity	53	87	-39 %	54
Non-current liabilities	14	18	-24 %	16
Accounts payable	18	23	-23 %	27
Public duties and taxes payable	33	33	0 %	31
Other short-term liabilities	75	54	40 %	77
Total current liabilities	126	109	15 %	135
Total equity and liabilities	193	215	-10 %	205
Equity ratio	28 %	41 %		26 %

Good financial position with equity ratio of 28 % after dividend payment of NOK 29 million in 2014

Top 20 shareholders

ISIN: NO0010001118

Name: ITERA ASA

Security type: AK

Date: 27.04.2015

Holding ▾	Percentage ◆	Name ◆	Account type ◆	Citizenship ◆
15,018,298	18.27	ARNE MJØS INVEST AS		NOR
6,101,575	7.42	STOREBRAND VEKST JPMORGAN EUROPE LTD,		NOR
5,242,206	6.38	MIDELFART INVEST AS		NOR
4,154,320	5.05	OP CAPITAL AS		NOR
3,000,000	3.65	EIKESTAD A/S C/O PARTNER REVISJON		NOR
2,711,611	3.30	VERDIPAPIRFONDET DNB		NOR
2,250,000	2.74	SEPTIM CONSTULTING A		NOR
2,240,698	2.73	BOINVESTERING AS		NOR
2,200,000	2.68	JØSYRA INVEST AS		NOR
2,031,588	2.47	MARXPIST INVEST AS		NOR
1,953,587	2.38	GAMST INVEST AS		NOR
1,920,028	2.34	STOREBRAND NORGE I JPMORGAN EUROPE LTD,		NOR
1,523,622	1.85	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 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
55,170,882	67.14			