# ATEA DELIVERS ANNUAL REPORT 2010

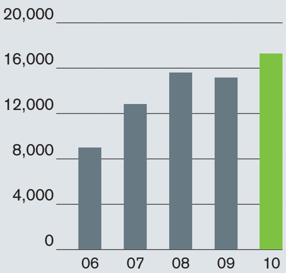
ATEA

# "In Atea we work hard in order to deliver through combining growth and profitability. This is characteristic of Atea and we will continue to do so going forward"

**Rune Falstad,** CFO Atea ASA

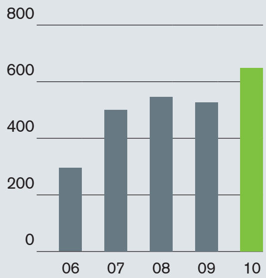
## OPERATING REVENUES 2006 – 2010

(Amounts in MNOK)




## EBITDA 2006 – 2010

(Amounts in MNOK)




## KEY FIGURES

| **Group**<br>**(Amounts in MNOK)** | **2010** | **2009** | **2008** | **2007** | **2006** |
|---|---|---|---|---|---|
| Operating revenues | 17,131.2 | 14,588.6 | 14,767.8 | 13,210.3 | 8,747.0 |
| Contribution | 4,002.2 | 3,592.1 | 3,525.6 | 2,956.2 | 1,976.6 |
| Contribution margin (%) | 23.4 | 24.6 | 23.9 | 22.4 | 22.6 |
| EBITDA | 648.3 | 501.4 | 540.9 | 491.4 | 266.8 |
| EBITDA-margin (%) | 3.8 | 3.8 | 3.7 | 3.7 | 3.1 |
| EBIT | 474.4 | 334.1 | 401.4 | 388.2 | -43.4 |
| Earnings per share continued operations (NOK) | 5.29 | 4.16 | 4.59 | 4.50 | -0.83 |
| Diluted earnings per share continued operations (NOK) | 5.23 | 4.15 | 4.58 | 4.45 | -0.83 |
| Net interest-bearing debt position | -337.3 | -214.1 | -678.0 | -541.9 | -781.0 |
| Liquidity | 1,533.9 | 1,536.5 | 1,176.1 | 846.2 | 933.6 |
| Equity ratio (%) | 34.8 | 39.3 | 34.5 | 31.2 | 27.2 |
| Number of employees (continued operations) | 5,418 | 4,380 | 4,571 | 3,608 | 3,127 |

# ATEA DELIVERS RESULTS.

# PROFIT.GROWTH. ADVANTAGES. BENEFITS.COST SAVINGS.COM-PETITIVENESS.

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# ATEA DELIVERS PROFITABILITY

2010 was an outstanding year for Atea, with strong growth and solid profitability. Atea has utilized the financial crisis very well. We said we would attack, and we did. Large market shares have been won in all individual markets. We experience great momentum. The increase in revenue and profitability has never been stronger during my time as CEO. At the same time we are winning record market shares. Frankly, it shows that Atea delivers.

**Atea delivers.** Throughout the entire value chain. New customers are won and strategically important acquisitions are executed. These are some of the explanations why Atea delivers. With operational focus and a record cash flow, we work to secure growth. Now we are continuing our attacking approach to deliver yet further growth and profitability based on the company's strategy 20:11:1. This means NOK 20 billion in revenue this year (2011) with a profit of MNOK 1 billion (EBITDA) based on local targets for growth and profitability. This was a very ambitious target when it was announced during the deepest phase of the financial crisis in early 2009. With a clear strategy, we have been in attack mode throughout the financial crisis. Just the way we like to be. The willingness and ability to execute on this offensive strategy has paid off, and it shows that Atea delivers.

**Quite simply.** Thanks to a series of new frame agreements, good acquisitions, a dedicated customer focus and great employees, 2010 quite simply turned out to be a fantastic year for Atea. The trends in technology are working for us. The advantages of choosing the leading supplier will increase further. This makes Atea a preferred partner for IT divisions and decision-makers in both private and public sectors. Atea's position as market leader has never been clearer. In the past years Atea has won large market shares, and is approaching 15 per cent of the total Nordic market for IT infrastructure, which is estimated at approximately MNOK 117 billion in total. A year ago, I wrote in this CEO comment that the conditions for attaining a 15 per cent market share were good. The results proved us right. This means that there is still ample opportunity for growth in our home markets. Still, Atea is the third largest supplier of IT infrastructure in Europe. We are growing faster than almost everyone else, which shows that Atea delivers.

**A record year.** 2010 became a record year in several areas. The conditions for 2011 are also very good. Atea's financial robustness is great. This creates great opportunities. A healthy focus on cost control and good understanding of the business environment strengthens the robustness. Now, after the financial crisis, we stand stronger than after any previous recession. We began seeing a clear trend related to further topline growth in the second half of 2010. We expect to maintain the momentum going forward. This will create a solid foundation, not just for 2011, but also for 2012 and 2013. At the same time Atea has delivered very solid financial results the last three years. This allows the Board of Directors, for the third consecutive year, to suggest a payment of dividend. Like last year, the suggested payment of dividends has increased. In addition, the positive share price development has continued throughout the year, giving you as a shareholder an additional return on investment. We are pleased with this development, and it shows that Atea delivers.

**Without parallel.** It is as natural for us in Atea to deliver, as it is to share the same winning instinct. Together we work to make the day-to-day operations easier for our customers through implementation of new technology. I would especially like to thank all of Atea's employees for their dedication. This apply to both existing and new employees who have joined us this year. You deliver and live up to our values. 2010 turned out to be a great year for all of us. We have shown that there are great possibilities, especially for winners, even though times have been tough. We said we would turn that to our advantage, and we delivered on it. The momentum achieved through organic and structural growth is being utilized. Meanwhile Atea's blue box grows, encompassing everything we deliver in terms of products and services within IT infrastructure. Increasingly more products and services are entering into our value chain. In total, this provides good conditions for winning further market shares. We believe it is possible for us to increase our market share in the Nordic and Baltic regions to over 20 per cent in the next few years. These are exciting times. We continue to pursue further growth and profitability. The possibilities will be realized as Atea continues to deliver.

17 March 2011

Claus Hougesen
CEO

# ATEA DELIVERS GROWTH

Atea has succeeded remarkably well with the attacking strategy in the past years. The result is strong growth and a significantly improved market position in all individual markets. As the decidedly largest supplier of IT services and infrastructure in the Nordic and Baltic regions, Atea pursues further success and growth. The attacking approach will continue.

2010 turned out to be a very good year, both in terms of revenue and profit, with very strong growth and a series of acquisitions. The second half stands out with phenomenal growth, as all countries delivered a minimum of 20 per cent growth in revenue measured in constant currency, compared to 2009. This shows great momentum going into 2011. This is a situation Atea intends to make the most of, as part of the strategy for further growth and profitability.

According to IDC (International Data Corporation), the Nordic IT infrastructure market, which constitutes Atea's blue box, grew by 4.7 per cent in 2010. In comparison, Atea delivered a growth in the Nordic and Baltic regions of 17.4 per cent, or 20.9 per cent in constant currency. The Group's organic growth came in at 13.3 per cent in constant currency, meaning that Atea won large market shares in all individual markets. IDC's updated analyses of the Nordic IT infrastructure market estimate it to approximately NOK 117 billion, representing a total market increase of 4.7 per cent in 2010. Again, Atea grew many times faster. Thus, going into 2011 Atea's total market share in the Nordic region can be estimated to be nearly 15 per cent, representing a strong increase just during the last two years, up from approximately 13 per cent in 2009, and approximately 11 per cent in 2008. The Group is working determinedly in order to maintain this growth rate. IDC expects the Nordic IT infrastructure market to grow by 4.4 per cent in 2011. Atea expects to grow more than twice as fast.

Atea is a complete and integrated supplier of hardware, application products and related consultancy services within IT infrastructure. The Group's total offering can be described as Atea's blue box. It consists of an integrated range of products and services within IT infrastructure. Categorized in four areas, based on technological and market affiliation, it includes products, services and solutions mainly focused on [1] clients like PC's, printers and cell phones etc, [2] computer centers with virtualization, operations, servers, storage and catastrophe solutions etc, [3] communication like broad band, networks, telephony and video [4] Unified Communication is interaction and a single interface for communication through presence, video, split screen, chat, telephony, e-mail etc. However, it doesn't stop there. In reality Atea's blue box constitutes even larger product and service offerings. Technology trends ensure that the blue box and the related market potential are growing. At the same time, the advantage increases when selecting one supplier to solve all IT infrastructure needs.

With a broad offering of products, services and solutions, the Group contributes in strengthening the customers' competitiveness. At the same time, Atea's size contributes to the Group's competitiveness and the ability to offer very favorable prices. The solid financial strength contributes to the Group's central role in the ongoing consolidation of IT infrastructure markets, both in individual markets and across national borders. Historically, Atea has been involved in several of the largest acquisitions in the industry, and the consolidation is expected to continue due to the current market conditions. Atea has never before conducted as many acquisitions as in 2010. Meanwhile, Atea's well-known winning spirit and high motivation is preserved.

The record-high number of acquisitions in 2010 forms a solid foundation for further growth in 2011, which will have an especially strong impact in Norway and Sweden, where it is expected that the local growth targets as a part of the overall growth strategy 20:11:1 will be surpassed within the year. The number of acquisitions is expected to be somewhat less in 2011, compared with 2010, but the growth is expected to continue.

### Acquisitions in 2010:

Umoe IKT.......IT infrastructure
Dropzone ASA.......E-trading for the SMB market
Impact Europe Norge AS.......Video/AV solutions
Benzler Group AB.......IT infrastructure
Portal AB.......IT infrastructure
Impact Europe AB.......Video/AV solutions
Office i Värmland AB.......Print/Copy
COB Document i Borås AB.......Print/Copy
Office Document og Data i Södermanland AB.......Print/Copy
Office Document i Mälardalen AB.......Print/Copy
Belle Balance A/S.......Flexible benefit solutions
Calamus Danmark A/S.......Video/AV solutions
Ten of Ten Oy.......Virtualization
Datawest Oy.......IT infrastructure
PALnet Oy.......Network solutions

Atea has shown that it is beneficial to be large, offensive and customer friendly. This is something the competitors have noticed, as it also has provided Atea's customers with substantial benefits. Atea is once again well positioned to grow faster than the market in 2011. Further growth and profitability are Atea's focus going forward.

# 20:11:1

Atea's short-term strategic objective is to achieve operating revenues of NOK 20 billion and EBITDA of NOK 1 billion in 2011 (20:11:1). Late in 2009, it was announced that Atea would deliver organic growth of 7 per cent in 2010 as a part of the strategy, while it was expected to be carried out acquisitions contributing with revenue of NOK 3 billion in total in 2010 and 2011. The result shows that the organic growth in 2010 was almost twice as strong, as it came in at 13.3 per cent, while it at the same time was carried out acquisitions contributing with approximately NOK 2.7 billion in revenue. This means that Atea is a long way towards the goal already, even before taking into account the expected organic growth of 9 per cent in 2011. Adjusted for the effect of acquisitions in 2010, this means that it is only necessary to deliver organic growth of 6 per cent in 2011, which would be well below half of the organic growth rate that Atea delivered in 2010. Thus, it is likely that Atea will achieve more than NOK 20 billion in revenue in 2011. The long-term strategy is to achieve further growth and stable profitability through strengthening of the Group's position within Atea's blue box.

Photo: Mikael Colville-Andersen

## Local targets 20:11:1

| | |
|---|---|
| **Norway:** | **MNOK 5,000 : 11 : MNOK 250** |
| **Sweden:** | **MSEK 6,400 : 11 : MSEK 300** |
| **Denmark:** | **MDKK 6,000 : 11 : MDKK 300** |
| **Finland:** | **MEUR 260 : 11 : MEUR 9** |
| **The Baltics:** | **MEUR 50 : 11 : MEUR 4** |

“2010 was good and following the acquisition of Umoe IKT we are now pursuing further growth and increased profitability”

**Steinar Sønsteby,** Man. Dir. in Atea AS

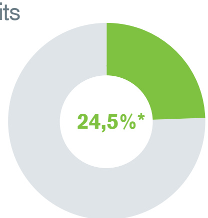
# NORWAY DELIVERS STRONG GROWTH

## IN REVENUE, PROFITS AND MARKET SHARES

### Highlights and key figures 2010

For the fourth consecutive year, Atea once again managed to deliver strong growth in revenue and profits

**Revenue:** MNOK 4,213.0 (3,566.3 i 2009)
**EBITDA:** MNOK 170.3 (130.9 i 2009)
**Offices:** 20
**Employees:** 1,411
**Focus areas:** UC, Windows 7, hardware and software sales as well as service contracts




* of the Group's total operating revenue

Atea has delivered solid growth and gained increasing market shares in Norway throughout the last four years. In 2010 the revenue came in at MNOK 4,213.0, up 18.1 per cent from 2009, while EBITDA ended at MNOK 170.3 for the year. This gives a margin of 4.0 per cent, up from 3.7 in 2009. As for the rest of the Group, the second half of 2010 represented especially strong growth. By comparison, the Norwegian IT infrastructure market, which comprises Atea's blue box, grew by 2.0 per cent according to IDC. This shows that Atea gained large market shares with a strong top line growth of 18.1 per cent. Atea's leading position in Norway, with focus on Unified Communication and Atea 7 Design as well as knowledge-based processes and consultancy, continues to have a very good impact.

The acquisition of Umoe IKT, a Norwegian IT infrastructure company, in the 4th quarter stands out as a core event in 2010. The acquisition of Umoe IKT, with 384 employees and offices in 16 Norwegian cities, has strengthened Atea's position in the Norwegian market. Umoe IKT's solid competence within telephony, Unified Communication, outsourcing and IT operations, provides a strategic and operational contribution to Atea's already competent Norwegian organization. The acquired company is expected to generate operational revenues of MNOK 850-900 in 2011, with an EBITDA margin of approximately 5-6 per cent following the integration. Umoe IKT is not included in Atea's accounting figures for 2010, with the exception of a few days at the end of the year, as the acquisition formally took place just before year-end. The purchase price (equity value) of all shares in Umoe IKT was 4.0 million shares in Atea ASA, corresponding to an enterprise value of MNOK 154.8 (based on a share price of NOK 51.0 at the time of agreement).

Other acquisitions in 2010 include Impact Europe Norge AS and Dropzone ASA, both of which were acquired in the 2nd quarter. The acquisition of Impact Europe Norge in May 2010 strengthened Atea's ability to supply AV and video conferencing solutions in Norway. The acquisition is expected to generate annual operating revenues in Norway totaling MNOK 50, with an EBITDA of MNOK 1. In June 2010 Atea assumed ownership of the Norwegian e-commerce company Dropzone, which strengthened Atea's web-based sales and marketing activities toward small and medium sized businesses. Atea continues to focus on e-commerce through this acquisition of an established company within the segment of Ateadirect. This acquisition is expected to generate annual operating revenues totalling MNOK 170, with an EBITDA of MNOK 5. The enterprise value for Dropzone was MNOK 29.2.

In addition, Atea entered into several important agreements in 2010. Several large public contracts were won in the first half of the year, including a frame agreement for the supply of IT equipment and services to the Norwegian regional health authorities. The contract is for two years, with the possibility of an optional two-year extension. The annual total value is estimated at MNOK 400, divided between the chosen suppliers. In the 3rd quarter, the Armed Forces (FLO/IKT) renewed their frame agreement with Atea, for another two years, with the possibility of an optional two-year extension. The agreement has an estimated annual value of MNOK 300. Additionally, Atea entered into an agreement with Kongsberg Gruppen in the 3rd quarter for the delivery of IT equipment as well as logistics and consultancy services. The agreement is for three years, with the possibility of an optional two-year extension, and has an estimated annual value of MNOK 100. Other significant agreements made in 2010 include deliveries to NAV (The Norwegian Labour and Welfare Administration) and TOTAL E&P NORWAY as well as continued supplies of student PCs to several Norwegian counties. In addition, Altibox expanded its cooperation with Atea beyond the seven-year frame agreement which was made in November 2009 with an estimated value of NOK 4.1 billion. With an increased backlog following several important contract signings, and advantageous strategic investments in 2010, Atea is ready for further growth in Norway in 2011.

The goal is to win further market shares focusing on UC, Windows7, increased hardware and software sales as well as new service contracts in 2011.

*"Due to several acquisitions and strong organic growth, Atea is likely to strengthen its market position further in 2011"*

**Lars Pettersson,** Man. Dir. Atea AB

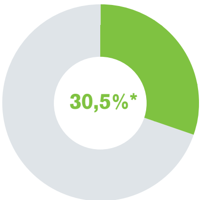
# SWEDEN DELIVERS GROWTH AND ACQUISITIONS

## WITH IMPROVED MARGINS AND FAST INCREASING MARKET SHARES

### Highlights and key figures 2010

Atea delivers strong revenue growth in Sweden combined with several acquisitions

**Revenue:** MNOK 5,238.3 (3,965.3 i 2009)
**EBITDA:** MNOK 200.0 (132.5 i 2009)
**Offices:** 28
**Employees:** 1,691
**Focus areas:** UC, print/copy, student PCs, Device Lifecycle Management (DLM), as well as hardware and software sales




* of the Group's total operating revenue

Atea delivers very strong growth in the Swedish market. In 2010, operating revenues came in at MNOK 5,238.3, which is up 32.1 per cent, or 29.4 per cent in constant currency. EBITDA came in at MNOK 200.0 for the year. This gives a profit margin of 3.8 per cent, up from 3.3 per cent in 2009. As for the rest of the Group, second half of 2010 represented an especially strong development, particularly due to increasing revenues throughout the year following Swedish acquisitions. According to IDC, the Swedish IT infrastructure market grew by 4.3 per cent in 2010, while Atea delivered a total growth of 29.4 per cent. This shows that Atea gained large market shares in Sweden, which constitutes the largest individual IT market in the Nordic region. Atea's leading position, combined with the acquisitions made in 2010, is expected to provide further growth.

2010 represented strong structural growth for the Atea Group, with a total of 15 acquisitions. Half of the acquisitions were made in Sweden. Atea's Swedish acquisitions include several business areas. In the 1st quarter of 2010, Atea acquired four companies in the Swedish Office chain, which has consolidated Atea's position within print and copy. The acquisitions were expected to generate operational revenues totalling MNOK 163.1, with EBITDA of MNOK 12.4 in 2010. Total enterprise value for all four companies was MNOK 38.5. The acquisition of Impact Europe AB in May 2010 has strengthened Atea's ability to supply AV and video conferencing solutions in Sweden. The total enterprise value of Impact Europe's businesses in Norway and Sweden was MNOK 40.9. The acquisition is expected to generate annual operational revenues in Sweden totaling MNOK 108, with EBITDA of MNOK 5. The largest single Swedish acquisition was made in August 2010 when Portal AB was aquired. Portal was one of Sweden's strongest and fastest growing companies within IT infrastructure in the SME segment, and was acquired based on an estimated enterprise value of MNOK 115. The acquisition is expected to generate annual operating revenues of MNOK 644 with EBITDA of MNOK 20. In the 4th quarter Atea acquired the Swedish IT infrastructure company Benzler Group AB, which has a strong market position in the Gothenburg region. The acquisition was made based on an estimated enterprise value of MNOK 53.1. In the fiscal year ending June 30, 2011, the company is expected to generate operating revenues of MNOK 262, with EBITDA of MNOK 10.6. Additionally, in February 2011, Atea acquired the business activities of Malux Data AB, which supply IT products and services in northern Sweden. This acquisition is expected to generate revenues of MNOK 16.9 and EBITDA of MNOK 1.8 in the fiscal year ending August 31, 2011.

Several important contracts were signed in 2010, including several of small and medium size, which has contributed to the strong growth. In the 2nd quarter, several contracts were signed within the public sector, three of which were frame agreements with Kammarkollegiet (The Legal, Financial and Administrative Services Agency). The individual frame agreements comprise different deliveries, and each agreement was awarded Atea along with 6-8 other suppliers, meaning that the specific assignments will be distributed following bidding processes within the given contract structures. Each frame agreement with Kammarkollegiet has a possible total value of MSEK 200 to SEK 2 billion over a period of up to five years. In addition, Atea entered into two frame agreements with Kommentus in the 2nd quarter, including supply of Microsoft software to several municipalities and municipal enterprises. Atea was also awarded the responsibility for 4000 IT workplaces, including network and support, in a frame agreement with Kooperativa Förbundet (The Swedish Cooperative Union) with an estimated total value of approximately MSEK 200 over five years, with an optional two-year extension. In the 2nd quarter Atea also signed several other contracts, including one with the fitness chain SATS, for the modernization of the chain's network resources, servers, clients and licenses covering the entire Nordic region. Atea signed a Nordic IT contract with the insurance company If, for the supply of client operations, UC and IT products for the next five years covering the entire Nordic region. Further, in the 4th quarter, Atea signed an agreement for the supply of student PCs to 1000 children in the municipality of Ale. An additional series of smaller contracts were signed during the year within several areas of Atea's blue box. With significantly increased backlog due to a series of large contract signings and several acquisitions, Atea is well positioned for further growth in Sweden in 2011.

The goal is to gain further market shares through delivery of increased revenue and strengthened profitability, focusing on UC, print/copy, student PCs, additional responsibility for new functionality (DLM) as well as increased hardware and software sales in 2011.

> " We gained further market shares in 2010, following good underlying growth in product sales "
>
> **Peter Trans,** Man. Dir. i Atea A/S

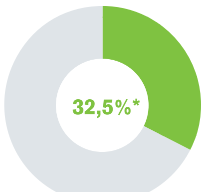
# DENMARK DELIVERS HIGH PROFIT MARGIN

## WITH GROWTH AND INCREASING MARKET SHARES

### Highlights and key figures 2010

Following several years of revenue growth and continued strong profit margins, Atea managed to deliver even further growth

**Revenue:** MNOK 5,569.2 (5,259.6 i 2009)
**EBITDA:** MNOK 234.3 (262.8 i 2009)
**Offices:** 8
**Employees:** 1,401
**Focus areas:** The Free Choice, Windows 7, UC, Ateadirect and interaction / network solutions



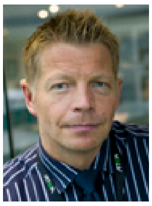

* of the Group's total operating revenue

Atea has delivered growth and continuously gained increasing market shares in Denmark throughout the last four years. Revenue in 2010 came in at MNOK 5 569.2, an increase of 5.9 per cent from 2009, or 15.5 per cent in constant currency. EBITDA ended at MNOK 234.3 for the year. This gives a profit margin of 4.2 per cent, down from a record high of 5.0 per cent in 2009. Denmark still delivered the highest profit margin within the Group. Especially product sales experienced growth in 2010. Service and consultancy sales in Denmark saw a flat development, whereas sales of clients, servers, networks and mobile equipment contributed to the growth. This explains the overall development, with growth in revenue and a somewhat reduced profit margin. Numbers from IDC show that Atea still is winning considerable market shares in Denmark, as the Danish IT infrastructure market, which comprises Atea's blue box, grew by 5.4 per cent in 2010, while Atea delivered a revenue growth of 15.5 per cent in constant currency. This is despite the fact that Atea only made two acquisitions in Denmark in 2010. According to IDC, the general Danish market decline was 9.6 per cent. This means that the growth which Atea has delivered throughout the last few years is continuing, and that Denmark still constitutes the largest individual market for Atea. It also means that Atea's leading position in Denmark has been strengthened further.

In 2010 Atea made two acquisitions, Calamus Danmark A/S was formally taken over in the beginning of January, while Belle Balance A/S was acquired in the 3rd quarter. Calamus Danmark, which provides AV solutions and video conferencing, was estimated to provide revenues of MNOK 251.5 with an EBITDA of MNOK 18.3 in 2010. The enterprise value was estimated to MNOK 101.3. Through the acquisition of Belle Balance, Atea strengthened its already leading market position as supplier of flexible benefit solutions for employees, as part of The Free Choice (Det Frie Valg), as it is called in Denmark. During the last years Atea has gradually increased its revenue in this segment, now totalling close to MNOK 450 on an annual basis, and this development is expected to continue in 2011, partly due to the acquisition of Belle Balance. The acquisition of Belle Balance is expected to generate revenues of MNOK 85.2 and EBITDA of MNOK 10.7. The business was acquired based on an estimated transaction value of MNOK 47.9, with an estimated enterprise value of MNOK 44.2. The Free Choice has grown to become a significant market segment for Atea in Denmark, especially strengthened by the trend of consumerization, where employees choose IT equipment and services like mobile phones, laptops, and broadband themselves. The experience so far is that sales nearly triples when for example mobile units are acquired based on the choice of the employees. This portrays some of the potential associated with The Free Choice. At the beginning of 2011 Atea has about 430 000 potential users of flexible benefit solutions in its customer base.

In the 1st quarter of 2010 Atea Denmark signed a global agreement with UNICEF with an estimated value of MNOK 300 for the contract period of three years. The agreement was effective from March 1, 2010, and comprise among other things, hardware deliveries to UNICEF's field offices from Atea's international customer centre, including desktop and laptop computers, servers, printers, networking solutions and accessories. The agreement may be extended with two years. Atea entered into several large agreements within the public sector in the 4th quarter of 2010. This includes, among others, a four-year agreement for service and IT operations related to 11 000 PC workplaces in Århus municipality. The agreement has a total estimated value of MNOK 75 and includes new technology within several areas, which will streamline the technological platform of Denmark's second largest municipality. Atea also signed a significant contract with the Danish State in the 4th quarter, when Atea was chosen as the main supplier of Microsoft-related services in 2011 and 2012 along with four other suppliers. This frame agreement can optionally be extended for 1 + 1 year and comprise IT consultancy associated with Microsoft software on different platforms. The contract has an estimated total value of MNOK 420-460 throughout the four year period, of which Atea's share is estimated to approximately MNOK 211.

The goal is to deliver continued growth and further improved profitability, which is something Atea has succeeded with in Denmark during the last years.



“ Going forward we shall take advantage of our unique position as the trusted advisor in IT infrastructure ”

**Juha Sihvonen,** Man. Dir. i Atea Oy

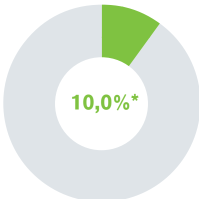
# FINLAND DELIVERS INCREASED PROFITABILITY

## FOLLOWING ACQUISITIONS AND GROWTH IN THE PUBLIC SECTOR

### Highlights and key figures 2010

Atea delivers growth and increased market shares in Finland after several acquisitions

**Revenue:** MNOK 1,716.6 (1,501.4 i 2009)
**EBITDA:** MNOK 34.3 (12.5 i 2009)
**Offices:** 11
**Employees:** 309
**Focus areas:** UC, virtualization, Windows 7, Device Lifecycle Management and eSHOP




* of the Group's total operating revenue

Atea has delivered growth and gained increasing market shares in Finland throughout the last years. In 2010 the revenue came in at MNOK 1,716.6 – which is up 14.3 per cent – or 24.7 per cent in constant currency. EBITDA for the year ended at MNOK 34.3, representing a margin of 2.0 per cent, up from 0.8 per cent in 2009. The growth in 2010 is partly a result of the acquisition strategy. The last couple of years, Atea has delivered continuously increasing revenue growth in combination with margin improvements. According to IDC the Finnish IT infrastructure market grew by 7.3 per cent in 2010. At the same time, Atea delivered growth of 24.7 per cent in constant currency. As a comparison, the Finnish market fell by 9.7 per cent in 2009 according to IDC, while Atea delivered a growth of 4.3 per cent. Thus, Atea is solidly surpassing the general market growth in Finland and still gaining substantial market shares. Even though Atea's Finnish business was hit by the financial turmoil, resulting in temporarily flat growth in 2008, the business picked up its pace in 2009 and 2010. With both increased profitability and gained market shares, Atea experience good pace in the beginning of 2011. Still, Atea has a great potential in Finland both in terms of further growth and increased profitability going forward. Atea's strategy (20:11:1) implies increased growth and profitability in Finland, which is a core focus in 2011.

In February Atea acquired PALnet Oy, a leading supplier and service provider within network and data security solutions. This has already resulted in accelerated growth within IT solutions. The acquired business was expected to generate revenue of MNOK 104.7 and EBITDA of MNOK 11.3 in 2010. PALnet was acquired based on an enterprise value of maximum of MNOK 46.0 whereof MNOK 10.8 is to be paid in 2012 based on the performance in 2010 and 2011. In fourth quarter Atea acquired both Datawest Oy and Ten of Ten Oy. Datawest is an IT infrastructure company in the Southwest of Finland. This acquisition strengthens Atea's existing local business through new customers in the medium size company segment and within the public sector. The acquired business is expected to generate revenue of MNOK 57.0 and EBITDA of MNOK 1.6 in the fiscal year ending May 2011. Datawest was acquired in October based on an enterprise value of MNOK 5.7. In November Atea acquired Ten of Ten Oy providing a range of virtualization services throughout Finland. Virtualization is expected to be one of the fastest growing technologies in coming years. This is a trend Atea is well positioned to benefit from with strong technological know-how as well as an already established and long-term customer base within both the private and public sector. Ten of Ten strengthens Atea´s integrated offering to Finnish customers through increased synergies and benefits when building IT infrastructure solutions. The acquired business is expected to generate revenue of MNOK 11.4 and EBITDA of MNOK 2.6 in 2011. Ten of Ten was acquired based on an enterprise value of MNOK 13.0.

Atea won two large contracts in the public sector in 2010. This is a result of Atea's strong position as a preferred IT provider for public customers. In July Atea was chosen for a frame agreement covering Microsoft software licenses and services to KL-Kuntahankinnat, a joint procurement company for Finnish municipalities. The number of PC clients covered by the contract can reach 100,000 during the four years period and the total value is estimated to approximately MNOK 103 if all municipalities participate. In November Kela, the Social Insurance Institution of Finland, chose Atea for its Windows 7 migration covering the replacement of more than 7,000 workstations as well as lifecycle services related to maintenance, service and support of the workstations. The estimated total value is MNOK 63.8 during 4 years, with optional 2 years.

In 2011 Atea aims to benefit from the positive momentum as customer´s trusted advisor within IT infrastructure.

**"Despite a remarkable year with rapidly increasing market shares, we are ready to deliver even further growth"**

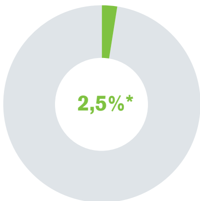
**Arunas Bartusevicius,** Man. Dir. UAB Atea

# THE BALTICS DELIVERS RECORD MARKET SHARE

## WITH IMPROVED PROFITABILITY AND PUBLIC SECTOR GROWTH

### Highlights and key figures 2010

Atea delivers substantially increased market shares in the Baltic region yet again




**Revenue:** MNOK 401.2 (299.5 i 2009)
**EBITDA:** MNOK 14.6 (9.5 i 2009)
**Offices:** 12
**Employees:** 344
**Focus areas:** UC, computer centres and networks as well as systems integration

* of the Group's total operating revenue

Atea delivered record breaking growth in the Baltic region during 2010 after being hit hard by the financial turmoil in 2009. In 2010 the revenue ended at MNOK 401.2, which is up 34.0 per cent, or impressive 46.1 per cent in constant currency. EBITDA came in at MNOK 14.6 for the year, representing a margin of 3.6 per cent, up from 3.2 per cent in 2009. The growth in 2010 is mainly driven by EU funded public projects. Atea delivered improved profitability and rapid growth in the Baltic region during 2010 even though the market conditions were quite tough during most of the year. However, signs of an economic recovery could fuel additional impressive growth going forward taking into account that Atea has outperformed the competitors during the financial turmoil and established itself as the truly market leader within IT infrastructure and related services across the Baltic region. Even though the market share is high, and rapidly increasing, the total size of the market in terms of value is still limited. However, the Baltics could become a region of growth for several years as IT investments are expected to increase both within the private and public sector. Atea is well positioned to benefit from such a market development. At the same time, the business model has proved to be robust as cost control and good operational execution have secured stable and impressive margins even during times of sharply reduced revenue. Thus, it is clear that Atea has formed a scalable and flexible business model making it possible to benefit from market fluctuations as well as expected increasing investments from private enterprises in the region during the years to come. Atea's financial performance rebounded despite continued tough market conditions in 2010. Hence, Atea sets out to take advantage of the leading market position as the conditions gradually are expected to improve throughout 2011.

Atea's business in the Baltic region relates to the acquisition of Sonex Group in January 2008. Following this acquisition, sharp decline in market growth and financial turmoil with special impact on the Baltic region put a hold on potential new acquisitions. At the same time, the development during the last years shows that Atea is able to deliver on its acquisition strategy as businesses acquired even during especially tough times create value for the Group with solid profits and stable growth.

In March 2010 Atea signed new contracts with the Ministries of Education in Lithuania and Latvia for modernization of the IT equipment in schools across the two Baltic countries. The agreements were partly EU funded and had a total value of MNOK 33.8. As a part of the deliveries, Atea has provided a set of IT infrastructure, including desktop computers, monitors, interactive smart boards and printers to 280 schools in Lithuania and 222 schools in Latvia. The deliveries were initiated and completed during 2010. On a general basis, Atea experienced increased interest for IT solutions that save time and reduce costs. Solutions influencing employee productivity is attractive as enterprises and governmental institutions pursue increased efficiency through IT investments. Unified Communication (UC) is another area that is picking up the pace in the Baltic region. A new customer within this field in the Baltics is UAB Švyturys-Utenos Alus, which is a part of Carlsberg. Increased investments in UC will probably fuel further growth in the region as Atea already is the leading provider of such solutions and services across the Nordic countries.

Further EU funds are expected to finance additional IT projects in the public sector going forward. Atea holds a strong position within this area, having won most governmental contracts in the Baltics during the last years. During this period Atea has further strengthened its position as market leader within IT infrastructure within the public sector in the Baltic region. With headquarters in Vilnius, Lithuania, and regional offices across the region, Atea is the only significant provider of IT infrastructure with operations in all the Baltic countries.

Following a couple of years with substantial fluctuations and unstable market conditions in the Baltic region, Atea focus on utilizing the record high growth rate going into 2011. Atea is well positioned to benefit from an expected further increase in IT investments based on its leading market position in the Baltics.

CASE: CARLSBERG IN THE BALTICS

# CARLSBERG GOES FOR UNIFIED COMMUNICATION IN THE BALTICS

**Following several years of strong growth in the Nordic region, the interest for Unified Communication (UC) is picking up in the Baltic region. In 2010 the number of Baltic users of Microsoft Office Communication Server (OCS) exceeded one thousand when Atea implemented the solution on behalf of Carlsberg Baltic.**

OCS integrates systems for business communication, such as phone calls, voice mail, e-mail and video conferencing. One of the benefits is one user identity across all platforms and clients.

– We have invested in this solution to cut costs, and actually, we got a full return on investment for the entire solution already the first month, says Seitumer Čurlu, IT director of UAB Švyturys-Utenos Alus, which is a part of Carlsberg.

The number of international meetings and business trips for the employees at Carlsberg Baltic have been reduced, providing substantial cost savings. A meeting in the Baltic region normally imply costs in the range of approximately NOK 2,000–5,000, while online meetings are free of cost, and do not incur travel time. The implementation of the UC solution has led to significantly fewer physical meetings for Carlsberg in the region.

– The system is very easy to use, and does not require training. The integration with Microsoft Exchange simplifies the daily communication and increases productivity, says Čurlu.

Atea was the first company to introduce Microsoft OCS in the Baltic region. In general, Atea is experiencing an increased interest in IT solutions that save time and reduce costs in the Baltic region.

# DELIVERS THE FUTURE THROUGH UNIFIED COMMUNICATION

With a series of leading solutions within Unified Communication (UC), Atea delivers the future to employees and businesses. Atea has signed a number of new agreements within UC during the last year and an increasing number of deliveries have been made throughout the Nordic and Baltic regions. For customers, the benefits and costs savings are clear when Atea is given the opportunity to deliver the technology and communication solutions of the future.

Unified Communication is one user interface for managing all communication activities, making it possible to maximize the user's ability to benefit from synergies between technology and the individual need of efficiency. It also provides freedom to choose where and how the work is carried out. For Atea that means complex deliveries where e-mail, telephone and video conferencing, voice mail, chat, presence, IP telephony and mobile telephony are integrated and made available through one single interface. As a result, it becomes easier to communicate independent of location.

With UC solutions from Atea, substantial integration benefits can be realised by the customers, both internally within the businesses and externally towards the outside world. The technology enables a fusion of the various units within IT and communication, so that speech, video, chat, e-mail and telephony are gathered in integrated solutions. There are many efficiency increasing benefits and the employees experience easier access to available contacts as well as shortened response time on both telephone and e-mail. Chat replaces e-mail and is a tool for quick clarifications. At the same time, this creates better overview through increased availability with profiles of the individual employees who can be accessed on video both internally and externally. This contributes to a more lively communication. In addition, travel time and costs are saved, while providing corresponding benefits for the environment. In short, the benefits are many.

> "Atea continues to benefit from its leading position within UC as the trend picks up further"

### The leading provider of UC

Atea's solutions within UC are market leading and represent an important focus area for the Group. The preference of purchasing all IT and telecommunication services from one single supplier is increasing among businesses. Such convergence between IT and telecommunication contributes to new and exciting market opportunities for Atea. For the users the opportunities are gathered in the PC or mobile phone.

Atea realized early the advantage of UC solutions for businesses and has invested in building competence within this area. Atea is the company that has carried out most UC projects in the Nordic countries. This is an advantage for our customers. UC solutions increase efficiency, provide flexibility to the users as they are able to work wherever they prefer. In addition, it provides reduced costs with regard to communication and travel as well as making it possible to choose a benefitial means of communication (chat, video, IP telephony, split-screen-functionality or phone call) which gets the job done. Reduced travelling saves the environment. All the advantages cause expectations of increased demand and growth in the coming years, which is why Atea has targeted focus on Unified Communication in all markets. In 2010 an increasing number of UC projects were carried out throughout the Nordic and Baltic regions, and with more than 25 000 customers, the potential is great going forward, as it is expected that an increasing number of businesses, including the smaller ones, will take advantage of the same benefits in the future.

With Atea's UC solutions customers achieve reduced travel expenses, increased flexibility related to the utilization of the workforce, and greater flexibility with regards to where and when work can be carried out. In short, Unified Communication allows businesses and employees to work in a modern way, adapted to the needs and expectations of the future.

# ATEA DELIVERS UC TO IF THROUGHOUT THE NORDIC REGION

For the next five years Atea will deliver IT and communication solutions to If in all the Nordic countries. The work is already well on its way.

– We recommend Atea to everyone.

This is the clear judgement of the insurance company and Svein Ivar Larsen, IT Solutions Responsible for Collaboration Solutions at If. If threw a wide net when they were looking for suppliers of IT products. After assessing several alternatives, Atea was chosen.

– Atea had a new way of thinking, with good project plans and an appearance that made us choose them. We have different needs in the different Nordic countries, and since Atea is present in all of them they have an understanding of both our overall and local needs.

### Want to become more provident

Historically, If used to be several companies that were merged together, with many different solutions for communication and computers. This has given If great challenges, and that is one of the reasons why If chose Atea's new integrated communication platform.

– Atea has also helped us define what kind of strategies we should have within communication. If we had not been able to establish a new communication platform that gave us more flexibility, we would never be able to satisfy the needs both customers and co-workers have with regards to communication. Atea has shown that they do not solely focus on selling services, but also offer well-founded advice. We want to modernize our business and become more provident. Atea advice us on why and how we should focus on leading IT and communication solutions, says Larsen.

### Modern technology is necessary

As a Nordic company, If engages in a lot of cross-border communication activities. When working in projects where close cooperation is elementary, modern communication solutions are necessary. Employees have a need to give each other messages, talk to each other and see each other on video. It should be simple and it should be available at any time. The contract with If has a value of approximately MNOK 300 and comprise about 7,000 users in all the Nordic countries.

Atea is responsible for Unified Communication (UC) and the supply of hardware and software to the company. The UC solution enhances the cooperation and communication internally and externally by providing, among other things, availability status for the users (presence), easy access to functions like instant messaging, application sharing, telephony and video conferencing.

– We still meet customers primarily on the phone. It is incredibly important that customers can easily get a hold of us. Our communication solutions therefore have to be up and running all the time, otherwise we can't help our customers, says Larsen.

### A common platform

The UC solution from Atea makes it possible for If to gather information from several platforms and present it in one image. This enables the individual user to view everything more cohesively and, in addition, resources are used more efficiently. Unified Communication provides employees and management with more functionality, which is important to If.

– With Unified Communication from Atea we get a modern platform we can expand on in the future. We wanted everything gathered in a single, good solution, and that is what Atea has helped us with, says Larsen.

– Employees can tell if others are busy, and they get telephony solutions on their PCs. If's Norwegian employees can tell if the Finnish ones are occupied in the mobile, on their landlines, and they can send each other messages via chat. Employees throughout the Nordic region can form closer relations without having to travel. With this solution, we have the opportunity to have our coffee-break-talk with our Nordic colleagues, says Larsen.

Many employees are excited about the possibilities it offers, and the amount of time they save. They engage in a video meeting instead of having to travel, which saves time and money, as well as the environment.

– I can sit in my home office and have a videoconference with colleagues. That gives us a closer relationship and better flexibility. I really appreciate that. Now, if employees are out travelling, they are available on all applications as long as they have access to If's network, says Larsen.

### Modernization and rejuvenation

Atea also delivers new clients to If as part of the company's offering in relation to Device Lifecycle Management. This also entails, among other things, operation, ongoing replacement and renewal of PC equipment, with recycling through Atea's LOOP concepts. The deliveries related to Unified Communication and the clients are two separate projects, but If quickly identified synergies in having the same supplier also deliver the platform the communication solutions runs on.

– Atea showed that they were skillful here as well, and they presented a project we had faith in. When we had the opportunity to run these two projects so closely together, it suited us very well, says Larsen.

One of the reasons why If chose Atea was the ability Atea has to deliver new products and solutions based on old platforms. Insurance applications are often heavy, and custom built to suit a specific purpose, which can make it difficult to move them to new platforms.

– Atea has good processes related to testing out old applications, which makes it easier for us to move from an XP platform to a Windows 7 platform. They deliver standardized products that make it easy for us to take a big step forward. We need help to move on, and that is what Atea has shown that they can give us.

### A breath of fresh air

– Atea has shown that they have the ability to put together a complete solution for us and at the same time making it a standardized solution. Everything will be delivered as a plug-and-play service. Atea takes a Unified Communication platform with many different components and integrates it in such a way that everything is delivered as one integrated service. This is just what we wanted, explains Larsen.

The insurance market is tough, and requires that If is present and can turn quickly. With Atea on the team it gets a little easier to maintain the important competitiveness. If is so pleased with Atea that they are considered more as a partner than as a supplier.

– Atea was a breath of fresh air. It is a partnership where we challenge each other and where Atea has come up with new solutions and shown an ability to understand our day-to-day business. They deliver solutions we need now, but which are also geared towards the future. This is a good match with If´s strategy. We recommend Atea to others, and we are very pleased with our cooperation, says Svein Ivar Larsen at If.

**Svein Ivar Larsen,**
**ISR Collaboration Solutions at If**

# DELIVERS COST SAVINGS WITH ATEA7 DESIGN

Atea delivers cost savings through self-service, automation and efficient software deployment. The Atea7 design concept creates savings for the customers. This has really paid off in 2010, as integrated software deliveries often bring with them other deliveries within Atea's blue box.

### Efficient deployment with Atea7 design

The close cooperation between Atea and Microsoft grew even closer with the launch of Windows 7 towards the end of 2009. At the same time, the foundation for several deliveries in 2010 and 2011 was set. With its own concept, Atea7 design, Atea has made it easy for businesses to modernize their IT solutions through upgrading to Windows 7.

2010 was characterized by upgrades and related deliveries in connection with Windows 7 through Ateas self-developed concept, Atea7 design. The concept has simplified and streamlined the implementation of Windows 7 for several hundred thousand employees in Nordic and Baltic businesses in 2010. This focus continues in 2011, as there are still many who want efficient and streamlined services related to implementation of Windows 7. To highlight Atea's focus on Atea7 design, country specific websites like www.atea7.com were launched early, with an overview of the concept and related benefits. On the websites, customers have been able to calculate the potential savings related to choosing Atea's concept for the implementation of the new operating system. Atea's concept covers the customers' entire value chain, so that the deployment of Windows 7 is straight forward, with tools for administration and self-service as well as a range of related services.

### Integrated deliveries

It is expected that many will take the opportunity to upgrade their hardware in connection with the deployment of a new operating system, also in 2011, just as many did in 2010. For Atea, software and hardware deliveries are often related. The implementation of Windows 7 is often followed by hardware and service sales. In addition, Atea's centre of expertise for software packaging in Riga is often involved, which shows how Atea, generally and within specific areas, deliver real added-value to customers throughout the Nordic and Baltic regions. With packaging in Riga and centralized deployment, in cooperation with the customer, and with Atea's local consultants on location at 79 locations throughout the Nordic and Baltic regions, the process is painless. Atea7 design is an important focus area as a leading concept for deployment of Windows 7.

Upgrading operating systems across businesses used to be hard, time-consuming and expensive. With Atea7 design, which among other things uses tools like Atea Jumpstart and Accelerator, these processes are carried out much faster. Atea Jumpstart includes several smart solutions for efficient client operations. Atea improves speed and reduces costs, but additionally, not all upgrades have to be made at once, which enables a gradual deployment. These are benefits to Atea7 design that nearly 1.2 million users and thousands of businesses in the private and public sectors already have taken advantage of since the end of 2009. At the same time, many businesses continue to approach Atea to take advantage of the concept within their business organization. The goal is that Atea and Microsoft together will implement 2 million licenses of Windows 7 in the next few years throughout the Nordic and Baltic regions. At the end of 2010, the companies were halfway there.

### Software packaging in Riga

Atea Service Center in Riga is an integrated part of Atea's supply chain to Nordic and Baltic customers. This makes it possible for Atea to offer efficient deployment and implementation of new software, which the Group's large and international customers in particular make use of. The implementation from Riga is automated, with direct distribution to the user clients, like PCs, laptops and mobile phones. With ongoing packaging and digital distribution of new updates and software from Atea, customers achieve substantial benefits and cost savings.

Atea is leading within this area in the Nordic and Baltic regions, which is a big advantage in relation to efficient deployment of Windows 7 to customers throughout the Nordic and Baltic regions. Coupled with Atea's local presence and Atea7 design, a complete solution is offered for the deployment of Windows 7, with ongoing follow-up to safeguard customer needs in relation to upgrades and maintenance. The employees at Atea Service Center in Riga are available 24/7, and play an important role in the deployment of Windows 7 and Microsoft Office 2010 to customers and users in all markets. More and more companies choose to outsource their internal software packaging and distribution to Atea. This gives Atea competitive advantages in all markets, as it often leads to further deliveries in other areas. Atea Service Center is ITIL-certified (ISO 20 000).

### Atea Spintop

With Atea Spintop, IT deliveries are optimized through automation and self-service. At the same time, this helps support the business goals that motivate IT investments. Atea Spintop has developed products and solutions that automate manual tasks while giving the user access to a self-serviced IT environment.

By taking advantage of standard applications, Atea Spintop offers solutions that increase the efficiency and quality of customers' IT investments. This gives users a significantly faster response, and a more flexible workday. At the same time, businesses achieve reduced costs and increased productivity.

CASE: JOTUN

# SUCCESSFUL DEPLOYMENT FOR JOTUN WITH ATEA7 DESIGN

**In 2010 Atea developed a unique deployment concept for the Norwegian paint producer, Jotun, based on Atea7 design. The result of the first phase is that the colour mixing process being run on 1,400 computers in Norwegian stores is now carried out much easier. The next step is giving the deployment concept a global outreach. The project is already saving Jotun and their customers a lot of work, and contributes to the commercial development of one of the world's leading producers of paint. The project is executed by Atea's Service Center in Riga, Latvia, in close cooperation with Atea's local office in Larvik, Norway.**

– Atea Service Center in Riga has delivered fantastic competence, and created a very good technical solution for us in Jotun. 80 percent of the work was carried out in Riga, which has been advantageous in several ways. First and foremost because they have very solid expertise connected to the building of Images and packaging of applications based on Atea7 design. At the same time, the improved possibilities of Windows 7 are used to standardize configurations and deliver finished application setups to the local clients, says Bjørn Haavaldsen in Jotun.

– It has been important for us in Jotun to get a partner that delivers a complete solution. Atea does not just offer local presence and project anchoring, but also leading expertise within the deployment of this kind of projects. The combination of Atea's expertise in Riga and the company's local expertise in Larvik has been an optimal solution for us. The project is developed in Norway, but has to function in all the countries Jotun is represented with the Multicolor concept, which is no less than 75 countries, says Bjørn Haavaldsen in Jotun.

Jotun has roughly 1,400 PCs spread all over Norway, which now utilize Microsoft's tool System Center Configuration Manager (SCCM) as well as Atea's own tool Application Manager. It is in this process that Jotun has really challenged Atea's deployment expertise. The goal is to include more countries as the project develops. One demand is that the implementation of Windows 7 on the local PCs should be fully automated, and done by the stores' own employees, who often have little or no IT competence. In the course of the deployment process, backup of important data is taken, while the PCs are enrolled in the SCCM online. All PCs can therefore be controlled and maintained centrally, after being loaded with a new Image. This is zero touch deployment in practice. Or Atea7 design.

The advantages lie in the client operation, where the focus is always on users and clients getting exceptional service, with quick updates. Atea was chosen based on the totality, and the process that included Atea7 design.

– Even though this is something Atea is very good at, we have still challenged them in new ways. A specific test solution had to be built for this project, to make sure they had the right expertise to deliver to our demands. It has been a great process of cooperation, where both parties have accumulated knowledge about these kinds of solutions, which has been beneficial to both Atea and Jotun, says Bjørn Haavaldsen in Jotun.


# COPENHAGEN eSHOPs LICENSES WITH ATEA

Overview, control, cost savings and flexibility are keywords in Atea's new license portal. Atea's eSHOP solution makes it easier for Copenhagen municipality to purchase licenses as well as IT equipment.

– The license portal is a fantastic tool. I would say that this is the way to go for everyone who wants to streamline and digitalize the workflow. The portal makes purchasing licenses quicker and easier. A quick search, and you get a list of relevant versions, before the correct version is ordered. It is all user friendly and efficient, says Bo Jelved, head of procurements on behalf of Copenhagen municipality's centralized IT center.

Copenhagen municipality is Denmark's largest workplace, with 50 000 employees. They are among the very first to keep track of all their licenses through Atea's license portal, and with the help of Atea's Software Asset Management solutions. With all the municipality's software licenses available through Atea's eSHOP, implementing new PCs and users on a day-to-day basis has become efficient and painless. Through Atea's license portal they find the license products quicker, and at the right price. Going forward, this will also be offered to other businesses pursuing good overview and a broad product range related to procurement of software and licenses.

– To be completely honest, it's just like online banking. The license portal is a wonderful way to buy licenses. It's simple, it's easy and it works. In the future, I think we will have a lot more users with digital access, and it will be even more critical to have an efficient and centralized overview of the municipality's software licenses. The license portal saves us a lot of time, and allows us to run fewer software packages locally. There are two-three of us who use the system, and already the portal has made it possible for us to reallocate resources focusing on other and more important tasks, which has created impressive results. Everything happens online and without delay, says Bo, before he quickly demonstrates how easy buying licenses can be with a few keystrokes.

## Streamlining and flexibility

– We have centralized the administration of software in order to control and standardize the software deployment to the municipality's PC clients. We also use Atea's license portal to purchase extra licenses for individual users, as there is often a need for employees to run other programs in addition to the ones that are a part of the specific department's standard software package, says Bo Jelved.

– The license portal covers our needs, as it makes it easy to order licenses and find what we need. We also keep track of our ongoing license procurement, which gives us a good overview. I have a contract manager who deals exclusively with license management in cooperation with Atea, and they make sure we make even better use of our licenses, and that we get the right upgrades.

The Software Asset Management solution from Atea and the license portal, which Copenhagen municipality has helped develop, complement each other well.

– The Software Asset Management solution assists in telling us which licenses we have, which ones we are using and, even more importantly, which ones we are not using. We can move the licenses around, which is what we call license pooling, and this increases the degree to which we utilize those same licenses. This reduces our consumption of licenses, streamlines, and creates cost savings.

With the license portal, Atea wishes to offer the best procurement and administration solution available. Customers receive automated messages in the portal, and are informed along the way when they reach new levels. A complete overview of the company's licenses is also offered, with, among other things, the date of purchase.

## Second largest supplier

– I firmly believe that we are going to use the license portal more and more. The eSHOP has a much larger selection of different license versions, which is invaluable to Copenhagen municipality. In addition, we buy everything, from printer cartridges and mice to monitors and PCs through Atea's eSHOP. We've spent around MDKK 35 annually there alone. We also are assisted with license management for approximately MDKK 10-15. In total, our cooperation with Atea in 2010 has included purchases of MDKK 116.

## Fascinated by Atea in Riga

Atea is also an important part of Copenhagen municipality's plan for the future.

– We consider Atea as an important and strategic partner. We are now developing the idea of outsourcing our software packaging to Atea in Riga, which has impressed us a lot. Atea can probably do this more efficiently. It comes down to taking advantage of standardization. To the extent we go through with this, it will free up resources that can be used to serve the people of Copenhagen. We have already utilized Atea's consultancy expertise. Still, the most important thing to us is that Atea quite simply delivers, says Bo Jelved.

# DELIVERS ADVANTAGES THROUGH ATEA'S eSHOP

More and more customers prefer Atea's e-commerce solutions, eSHOP and Ateadirect, which simplifies the ordering process for both Atea and the customers. This way, customers in all markets get easy access to information about more than 100 000 products – with price, availability and delivery time.

Several acquisitions were made in 2010, which all in all strengthens Atea's ability to further benefit from its already leading market position within e-commerce in the Nordic region. Atea acquired the Norwegian e-commerce company Dropzone in 2010, including its customers, primarily comprising small and medium-sized businesses within both the private and public sector. The acquisition is an important step in the establishment and development of leading e-commerce solutions, like eSHOP and Ateadirect, in all Atea's markets. It also supports Atea's various sales and marketing activities towards the SME segment. In total, these initiatives have strengthened Atea's focus within this area.

> "Atea continues to gain substantial market shares and demonstrates the superiority of its eSHOP solution combined with targeted sales activities"

Online shopping is increasingly popular. Atea's eSHOP offers better availability, good product overview and significant savings related to the ordering and sales process. With yet a long list of suppliers and products, Atea's eSHOP offers efficient and customer friendly distribution of IT products with limited transaction costs.

### Ateadirect for small and medium-sized businesses

The focus on Ateas eSHOP continues parallel to the establishment of Ateadirect in yet new markets following its launch in Denmark in 2009. Atea's eSHOP has an established customer base among Nordic enterprises both in private and public sectors. In comparison, Ateadirect and corresponding e-commerce portals like Dropzone focus on sale of IT equipment to smaller businesses and their employees.

With Ateadirect it is easy for small and medium-sized businesses to purchase IT equipment online or through e-mail and phone. In this way, Atea has targeted a customer segment comprising businesses with 20 to 100 employees, which represents further potential. The goal is to win an increasing share of this market in the Nordic region. Atea is in the position of benefiting from being one of the Nordic region's largest IT buyers, with annual purchases surpassing NOK 10 billion, in combination with the company's leading capacity within storage and distribution.

The main priority behind Atea's eSHOP and Ateadirect is to offer all kinds of IT infrastructure, easy and cost-effective, so that customers can shop around the clock, wherever they are. Atea's e-commerce solutions shall be the natural choice when purchasing hardware, software and IT supplies. Based on the largest product inventory in the Nordic Region and attractive e-commerce platforms in each individual market, Atea sets out to utilize the benefits of building close and effective customer relations. As a part of this, Atea offers tailor-made solutions where customers can make their own product catalogs with their own welcome pages.

# DELIVERS FLEXIBILITY AND INCREASED COMPETITIVENESS

Atea delivers increased competitiveness to its customers through good logistic services and configuration solutions, as well as flexible financing solutions.

### Financing more popular

The demand for Atea's leasing and financing solutions continue to grow, and this part of the enterprise has delivered continued growth since it was established in 2007. Atea offers financing of customers' IT investments through its financing companies in Norway, Denmark, Sweden and Finland. The trend continues to build, even after the financial crisis.

Atea had a collected leasing and financing portfolio of NOK 1.5 billion at the end of 2010 due to increased demand for financing services. In comparison, it was NOK 1 billion at the beginning of the year. The growth in 2010 triggered a corresponding staff increase within Atea's leasing and financing enterprise. The market for these kinds of services is growing, as more businesses prefer to finance their IT investments based on monthly installments. Atea accommodates financing for its customers with underlying financing from banks and financial partners. With a 3-year down payment period and external financing, the risks are very low for Atea. On average, sales of IT infrastructure with associated financing provide much faster payments, which in turn have a positive affect on the operating cash flow related to the sales activities.

Roughly 4 percent, or MNOK 750, of Atea's total sales revenue is carried out with associated financing services. The long-term goal is to provide financing related to 15 per cent of the total sales, which is expected to yield solid profits due to the robust scalability. In a stabilizing financial market, Atea Financial Services delivered EBITDA of MNOK 14.5 in 2010, compared with MNOK 9.0 in 2009.

### Growth within logistics, configuration and recycling

Atea's center for logistics, configuration and recycling services in Växjö, Sweden, is experiencing steadily increasing revenues and delivered a growth of 24 per cent compared with 2009. The center is unique in the Nordic and Baltic regions, and constitutes an important role supporting Atea's ability to deliver in all markets. Through combination of logistics and configuration, Atea has established a valuable competitive advantage related to the overall product and service offering in all countries. The center was involved in a series of PC deliveries to the public sector in 2010, particularly to schools throughout Scandinavia, as in 2009. In total 350 000 PC clients have been delivered in 2010, compared with 300 000 in 2009, whereas 165 000 comprised configuration services in 2010, compared with 150 000 in 2009. At the same time, Atea recycled as many as 180 000 PCs, matching the number of recycled clients from the previous year. A third of Atea's total hardware deliveries are handled by the logistics center. The product range constitutes 4 000 high-volume products that are a part of Atea's total portfolio of approximately 150 000 products.

The internal revenues related to Atea's center for logistics, configuration and recycling services totaled NOK 3.0 billion, with an increased profitability due to improved efficiency. In the coming years, Atea expects growth both in product deliveries as well as configuration and recycling services, resulting in improved profit margins. As part of the focus on green IT, an easy and efficient recycling process is implemented for the customers. Through goITloop and goITgreen customers save the environment, money and energy.

**Leif Aarthun Ims, CEO of Altibox**

CASE: ALTIBOX

# ATEA DELIVERS TO ALTIBOX AT A BLAZING PACE

**Altibox is building *Fiber to the homes.* With Atea as logistics partner, Altibox offers broadband and alarms, as well as content like TV and telephony, everything delivered through fiber. The deployment and success in Norway has come at a blazing pace. Lots of customers want Altibox delivered by Atea.**

*Fiber to the homes* is well known in Europe and worldwide. Now, it is rapidly being rolled out in Norway and the Nordic region. As supplier of logistics services to Altibox and their partners, Atea assists in the deployment of broadband and alarm products to Altibox's fiber customers. At the same time, Atea will also be delivering communications infrastructure, servers and consulting services related to Altibox's fiber network expansion in Scandinavia. Both Atea and Altibox keep up the pace, with establishment of ultrafast fiber connections to yet an increasing number of new homes.

– With an aggressive growth strategy, Altibox distributes and connects communication boxes, decoders and alarm equipment in the homes. Soon close to 250 000 customers are online across the country. The question is no longer whether fiber is preferred or not, but how far out in the network you can get fiber connectivity, says Leif Aarthun Ims, CEO of Altibox, and adds;

– To us it is not a compromise; we deliver fiber access all the way into the living room, with symmetric uploading and downloading speeds close to 10 times as fast as the fastest VDSL offer out there. This offers our customers unique opportunities, not to mention user experiences. High-resolution pictures and video create an increasing demand for higher bandwidth. Faced with this growth, and looking ahead, there is no doubt that fiber is in a class of its own.

Altibox focus on developing concepts that integrate the different services that are offered, in addition to launching additional services for the Altibox platform. To succeed, the customer has to be taken seriously. Altibox must succeed in two ways, through partners succeeding in their respective local markets, and by understanding and meeting the needs of the end-users. In connection with this it is important to have a good logistics and technology partner, who creates stability in its deliveries, and in that way create good customer experiences. This makes Atea a very important partner to Altibox.

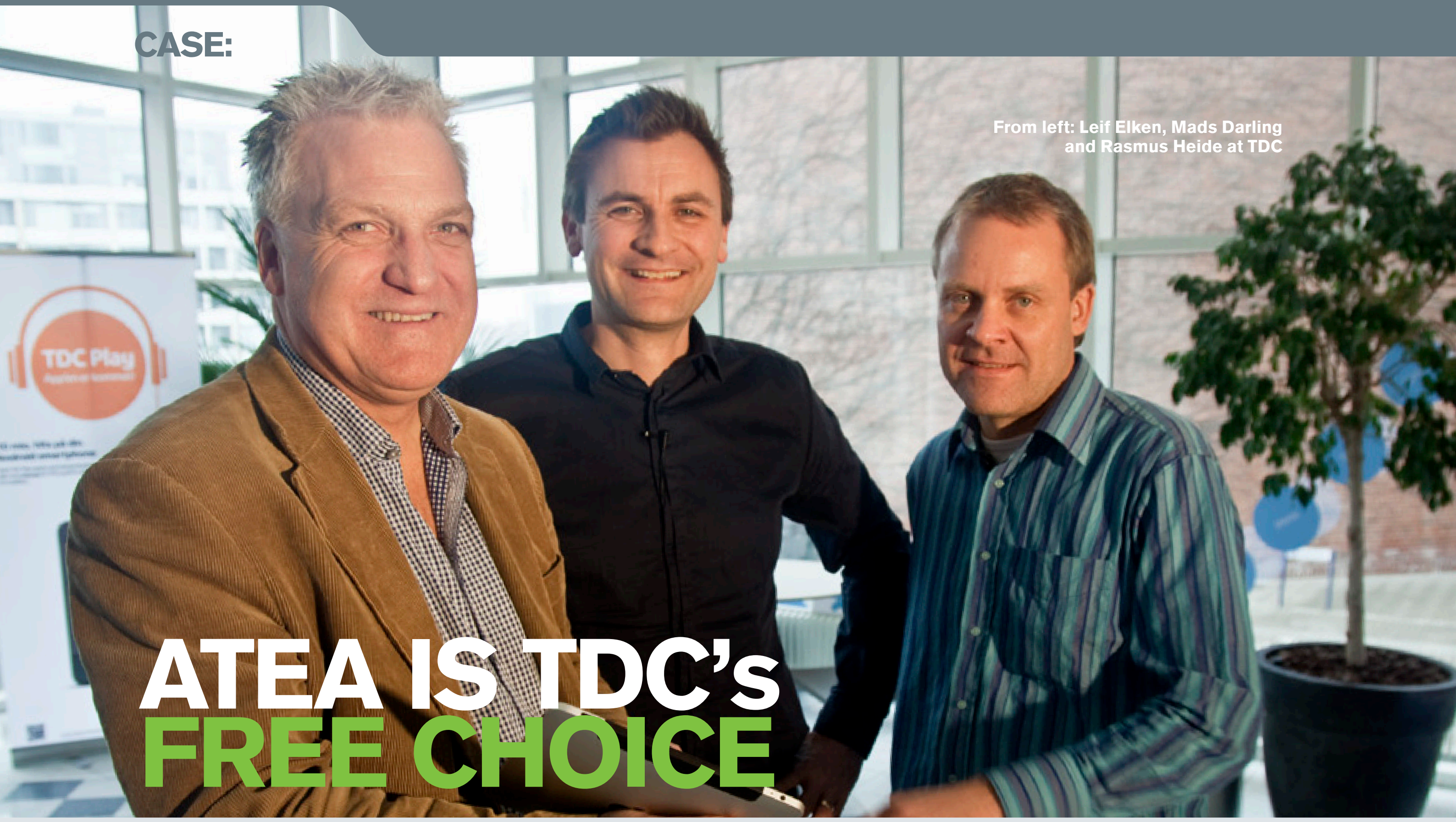
– To Altibox it has been important to find a supplier who meets the requirements related to good and efficient logistics. It is decisive for us to cooperate with the leading technology suppliers available. There are many ways to build infrastructure, and our ambition has been to build the most solid fiber network in Norway and Scandinavia. This is why Atea is an important player, and our experience is that the partnership we have with Atea provides good logistics and efficient deployment of our products, says Leif Aarthun Ims.

**Unique cooperation**

To unite around their ambitions, Altibox and Atea have established a joint development fund. This way, Altibox and Atea will stay ahead of the development, and contribute to the creation of new products and services that, in turn, create growth and profitability for both Atea and Altibox. This aspect of the cooperation is quite unique in the sense that players unite in focusing on the future.

Atea's cooperation and deliveries to Altibox and their partners involve large parts of the Atea Group's Norwegian enterprise. Additionally, there is a close cooperation with Atea's logistics center in Växjö, where the IT and communications equipment is prepared and shipped from.

– Atea has been a good, important partner to Altibox for several years. Through our cooperation we have come to know Atea as reliable, efficient, and staffed with skilled professionals. Atea's nationwide outreach was a core aspect in our choice of partner for the supply of communications equipment, servers, and consulting services for the expansion of the fiber network to customers throughout Norway and Scandinavia. However, the company's impressive logistics center in Växjö was what tipped the scale. Atea knows logistics. With an overall approach to our cooperation, we get exactly what we need in order to grow, says Leif Aarthun Ims.




From left: Leif Elken, Mads Darling and Rasmus Heide at TDC

# ATEA IS TDC's FREE CHOICE

In 2010 Atea experienced an increasing demand for the Danish concept "The Free Choice", where multimedia products are delivered through a pretax benefit scheme for employees. One of the enterprises taking advantage of this offer from Atea is TDC.

– As an employee in a Danish business the advantages are many, as procurement of employee benefits such as multimedia products are subtracted from the wage before taxes, and thereby reduces the income tax. I have ordered products through the scheme myself, and I am very happy. On a scale from 1 to 10, I give Atea's concept "The Free Choice" a solid 9. It is quite simply impressively good, says Leif Elken, HR Consultant for TDC.

On January 1, 2010, the new multimedia tax was introduced in Denmark. It made "The Free Choice" the fastest growing business area for Atea in Denmark in 2010. In the course of the year Atea generated sales of close to MNOK 450 in pretax benefits related to multimedia products in Denmark, and TDC was the largest customer. Compared to 2009, the sales figures doubled many times over.

– "The Free Choice" from Atea is an offering to employees who, through the scheme, are able to purchase PC equipment, mobile phones, broadband services and other employee benefits. The benefits are paid for by subtracting their cost from the employees' wages before tax. The scheme is very attractive in TDC. As part of the last round of orders we took, more than half our staff of 10,000 employees ordered products through "The Free Choice". This shows how popular the scheme has become.

**First-rate user interface**

Atea has, with its new portal for ordering products, facilitated simple administration on behalf of the business, and an easy ordering process for the employees. The portal offers employees a good presentation of the product price, as well as how the purchase will affect their individual pretax wage and tax deduction. Afterwards they get an e-mail with an order confirmation and estimated time of delivery.

– I recently ordered an iPad through the portal, and that went really well. It was quick, easy and precise. And, I'm a very critical consumer, so I can absolutely recommend this solution, says Mads Darling, who works with the intranet and communication activities in TDC.

– Atea's portal for "The Free Choice" which is available on TDC's intranet is almost like being in a candy shop. It's exciting to come in and choose from all the products Atea offers. We can choose exactly what we want, and get the newest products delivered right on our door step, Mads Darling continues.

**Free Choice on the intranet**

The portal used to order from Atea was made accessible through seamless integration with TDC's intranet.

– When employees get the opportunity to order technology products in such an easy way, and pay for them through a pretax scheme, they get a much closer connection with their workplace. Not to mention that it contributes to more satisfied employees, and that is beneficial for the business, says Rasmus Heide, Media Editor in TDC.

– During the last round of orders, things were crazy at the office, and several people commented that it felt like Christmas Eve, says Mads Darling.

**Gives clear competitive advantages**

According to Elken, the scheme from Atea could make a difference both in recruiting processes and when existing employees are offered new positions internally.

– If you are weighing two businesses against each other, a pretax benefit scheme like "The Free Choice" can make a difference. It's an obvious bonus for employees, and it offers the business clear competitive advantages related to the ability of attracting labour, says Leif Elken.

– In addition, it is very important to TDC that it is easy for employees to utilize new technology. Among other things, we offer telephony and broadband services to our customers, and it's good for the business that our employees use the same services every day. Still, we primarily use the scheme as an employee benefit, making it possible for them to purchase products at better prices and terms. We contribute in connecting our employees to the new technologies available, and thereby get a more updated staff, with better IT expertise than other businesses that don't offer this kind of scheme. That is why more businesses should make use of "The Free Choice" from Atea, says Rasmus Heide.

**New cooperation increases the offering**

The multimedia tax covers pretax purchases of technology products such as mobile phones, PC equipment, iPhones, iPads, data communication services and other employee benefits, such as health benefits and commuter cards. Thanks to a new cooperation with TDC, on the other hand, Atea can now also offer all businesses broadband and telephony services from TDC through "The Free Choice", in addition to the pre-existing IT and technology products on offer. There are many businesses that make use of Atea's offer in the same way as TDC. Atea administrates around 430,000 employees' pretax benefit schemes for more than 6,000 businesses through "The Free Choice".

# ATEA DELIVERS BENEFITS THROUGH PRINT AND COPY

As part of the focus on individual areas within Atea's blue box, Atea has focused on print and copy in 2010. This is anchored in the ongoing customer investments related to hardware and infrastructure with corresponding services. The customers benefit from reduced costs within print and copy.

Atea's focus on print and copy resulted in, among other things, the acquisition of four Swedish companies within the Office chain in 2010. The acquisitions of the Swedish companies Portal and Benzler, which also offers print and copy solutions, have also contributed to a strengthened position. This has made Atea one of the largest players within print and copy in Sweden, with local presence across the country. Atea's focus within print and copy is on integrated deliveries of hardware, services and financing related to modernization and ongoing operational assistance. For the customers this means that they get a flexible and efficient solution that covers all their needs within print, copy and scanning at predictable and affordable costs. Correspondingly, customers achieve savings related to technical operations and running costs. This is possible because Atea, among other things, analyze the needs and optimize the customers' print and copy functions accordingly. Full service and maintenance with complete financing solutions are a part of Atea's integrated offering, which is preferred by an increasing number of customers. Many businesses are surprised by the benefits and savings Atea offer.

For Atea it is not just about the short-term hardware sales, or the overall operation and financing, with the corresponding running sales of print supplies. Isolated it is interesting, but the print and copy deliveries at the same time open up for further business potential for a supplier such as Atea. Atea's deliveries within print and copy maintain an open and ongoing dialogue with the customers, often yielding deliveries in other areas. Through the role as a preferred partner, it is easier to achieve cross-over sales and relationship sales to the existing customer portfolio. This means that many customers end up placing additional orders with Atea. An area that stands out in relation to print and copy is Atea's competitive financing solutions, an enterprise that is increasingly involved in the financing of an increasing part of Atea's total hardware sales, giving Atea good margins, and the customer great flexibility. Still, the biggest rewards for customers within print and copy are reduced costs and better stability.

CASE: ÅMÅL MUNICIPALITY

## NEW PRINT AND COPY SERVICES FOR THE ENTIRE MUNICIPALITY

**Multifunctional printers are taking over, and that goes for Åmål municipality in Sweden as well, who chose an integrated agreement comprising print, copy and scanning from Atea. It reduces costs and improves functionality.**

– We are very happy with Atea as a partner, and very pleased that everything worked well in the deployment phase. We are also saving a lot of money with this agreement, both in variable and fixed costs, but also through having large parts of our hardware portfolio merged, giving us fewer products that meet more demands, says Pontus Karlsson, Head of IT for Åmål municipality.

Atea Finance provides finance services related to the hardware, giving the customer a complete and flexible solution, with a flexible cost structure and no procurement costs up-front.

The agreement applies to the entire municipality, including administrative units, schools, preschools and kindergartens. The municipality has reduced the number of traditional printers, replacing them with multifunctional printers that both copy and scan, as well as print in black/white and colors. The municipality has implemented approximately 70 new all-in-one printers purchased from Atea. This gives us low and predictable printing expenses throughout the municipality.

– In addition, we buy software licenses from Atea. I have a solid belief in this kind of agreements, as it's a great way to organize the needs of a municipality. This goes for us in Åmål, but probably for others as well. It yields lower costs and better functionality, says Pontus Karlsson.

# DELIVERS GREEN IT AND VIRTUALIZATION

Atea was a frontrunner with its various customer-friendly concepts within Green IT. Through its goITgreen-concepts, Atea still leads the field in the Nordic region.

Atea was a frontrunner with its various customer-friendly concepts within Green IT. Through its goITgreen concepts, Atea still leads the field in the Nordic region.

The awareness and focus on environmentally friendly solutions are increasing, creating new demands and expectations for all players in the market. As market leader, Atea takes a particular responsibility through the company's targeted and dedicated focus on Green IT, both in relation to its customers, but also as a part of the Group's focus and own measures in this field.

Through Green IT, investments in IT equipment and solutions can contribute to reduced environmental emissions, while at the same time economic and commercial benefits are achieved. Examples are video conferencing solutions, energy efficient IT solutions and recycling. Through the implementation of the goITgreen and goITloop concepts Atea has played an active role in promoting and supporting the implementation of Green IT for a wide range of customers in 2010.

## Recycles for the environment

Atea's logistics center in Växjö, Sweden, plays a key role in the Group's environmental focus. Green IT is a long-term focus which Group will maintain in the future, and it is expected to result in commercial benefits within several areas, including cost reductions and CO2 reductions. Atea is leading the field in this area, through its wide range of customized and standardized solutions. Looking ahead, it is expected that the demand for value-adding IT services will contribute to a larger part of the Group's total sales, which would be in line with the trend and development throughout the latest years.

## Virtualization saves the environment

Virtualization is expected to be one of the fastest growing technologies in the coming years. This is a trend Atea is well positioned to benefit from, with strong technological expertise as well as an established and long-term customer base in both private and public sectors.

Virtualization is all about making use of IT resources more efficiently. This is done by, among other things, running several systems on a single server or PC. During the last year, Atea has virtualized a series of customers, especially in Finland, where Atea acquired the virtualization company Ten of Ten Oy during the 4th quarter of 2010.

Virtualization creates real rewards and savings through more efficient utilizing of the infrastructure. It has been like that for some time, however, the trend continues, as an increasing number of businesses are pursuing new benefits related to even better IT operations. At the same time, virtualization is a part of Green IT, as the savings on a larger scale are significant, just in terms of the reduced power expenditure in the server rooms. In addition, it creates greater flexibility, since new PCs and servers can be set up immediately through virtualization, without new hardware having to be purchased and installed as it runs on existing infrastructure. On this basis, Atea continues to focus on virtualization as part of the commercial offering of flexible solutions to its customers, and as a contribution within Green IT.

> "Virtualization is expected to be one of the fastest growing technologies in coming years"

CASE: ATEA VIRTUALIZES FINLAND

## NORTH KARELIA UNIVERSITY CLEANS THEIR DESKTOP

**The most important IT innovation during the last decade is probably virtualization of workstations. North Karelia University of Applied Sciences in Finland has taken advantage of this, as Atea has delivered solutions that have virtualized their workstations. For the university, virtualization has enabled virtual studies, remote work capability and client-independent user experiences.**

**Pioneers in cooperation**

North Karelia University of Applied Sciences was one of the first universities to focus on virtualization. It all began through the establishment of a test environment using solutions from Citrix. Atea was chosen because the university wanted a project partner with solid expertise and broad experience with different virtualization technologies.

The goal is to expand the system further. It currently supports a total of 200 simultaneous users, but this is about to increase to 350. At the same time, operation and maintenance are combined in the same location, and the life cycles of the clients are extended.

– Almost all our customers with more than 100 workstations are considering or already testing out virtualization of workstations. So far, virtualization has primarily been utilized by customers within the public sector, but now the private sector is catching up, says Olli Kinnunen, Account Manager for Atea Finland.

Atea's logistics and recycling center in Växjö

CASE: THE HOSPITAL OF NORDLAND

# SAVES COSTS AND THE ENVIRONMENT WITH ATEA

**Good security, environmental benefits and appreciated revenues are three factors the regional Hospital of the county of Nordland in Norway focus on as a part of Atea's LOOP concept for recycling of used IT equipment. For the hospital it results in cash payments even at the last stop within the lifecycle of the used equipment. It was not like that before. Through goITloop Atea offers solutions for recycling, reuse and resale of IT products. At the same time, it yields environmental benefits.**

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- We get a lot of benefits. The concept has prolonged the lifecycle of our IT products through an optimized process related to modernisation and exchange of the equipment. We contribute to create environmental benefits, and at the same time it provides us with an appreciated bonus through payments, since Atea actually pays us for the used IT equipment we are getting rid of. It is almost unbelievable. It is perhaps a cliché, but this specific case truly portray a win-win-situation, not the least for us as a customer, says Trond Kristiansen, advisor at the regional Hospital of the county of Nordland in Norway.

With approximately 3 000 employees, there is a need for about 2 000 computers, and of these 1/4 needs to be replaced every year. This means that several PCs are replaced every day. Atea's goIT-loop concept has also offered a new structure related to implementation, modernisation and shredding of IT equipment, providing great benefits for the Hospital of Nordland.

- In general it is not cheap to replace such a number of expensive PC clients, however, through Atea's LOOP concept we actually are paid quite a lot for the equipment we otherwise would need to pay someone in order to get rid of. Getting rid of equipment used to be really expensive, partly since it is very important that the data is erased properly, something which has been expensive. In our case, Atea also carries out this part of the process, according to the same procedures for all kinds of IT equipment that they recycle. This is especially important as some of the clients are used to access patient specific data through secure databases. Atea has been able to deliver a solution that solves all necessary security aspects, while saving us a lot of work, and at the same providing good security, says Trond Kristiansen.

Atea's LOOP concept utilizes market leading methods and the most modern applications available, based on the standards of ISO 14001 and ISO 9000 to guarantee that the data is 100 per cent deleted.

- In addition to this, Atea is a trustworthy supplier within several other areas, among others within telecommunications and videoconferencing. During recent years, we have implemented new solutions on a regular basis within Unified Communication. Atea has contributed to higher quality and better functionality within this area through new communication solutions related to medicine and administration.


CASE: AALBORG MUNICIPALITY

## WITH ATEA THE IT DISPOSALS TURNS INTO MONEY AND NEW EQUIPMENT

**Accountability, green IT and security is core aspects that give meaning to Atea's GoITloop concept according to the Group's customers. Through LOOP4 it is possible to receive new, configured and plug-and-play equipment at the same time as getting rid of the old. In Aalborg Municipality this is highly appreciated, and they have tested the solution in regards to a replacement of 500 computers.**

Atea offers four different LOOP concepts. LOOP4 is especially meaningful if the company at the same time is ordering new hardware. Aalborg Municipality is looking ahead and they have standardised their processes related to purchases, deliveries and disposals of IT equipment.

- Through the process of modernizing IT products, it is also critical that the disposal of used hardware is carried out in a secure manner, and this is something Atea does, says Niels Rygaard, representing the department providing care and associated services to elderly and disabled in Aalborg Municipality.

For Atea the concept of recycling also represents commercial value, as it pays to handle used IT equipment, as it still has a value. It also pays for the customers, who receive payments for the old equipment.

# ATEA DELIVERS CSR

In 2010 Atea Group joined the UN Global Compact thus supporting its 10 key principles of human rights, labour, environment and business corruption – with main focus on principles regarding environment.

## Environment and green initiatives

### Climate reports

All Atea companies have climate reports, developed targets and goals for reducing the Group's own environmental impact and are certified according to the ISO 14001. To ensure constant focus, external audits and status on internal CO2 emission in Atea are conducted. The climate reports make it easier to identify and implement necessary actions to lower the Group's total CO2 emission. The Atea Group's goal is to reduce the CO2 emission by 25% per employee by 2015 (based on a 2007 level).

### Internal infrastructure

One of the ways to reduce the CO2 emission in Atea is by improving the internal infrastructure. This is done via the One Infrastructure project which was implemented in Denmark and Finland in 2010 and will be implemented in the remaining countries through 2012.

The Atea One Infrastructure project will merge IT infrastructures in seven different Atea countries into one. One infrastructure will not only bring more flexible and effective working conditions to employees and remarkable economical savings but also many benefits to the environment:

- Energy efficient data centers and desktop virtualization technologies will help to reduce energy consumption

- One domain enhances further possibilities to Unified Communication. Especially video conferencing remarkably reduces the need to travel.

### Recycling of IT equipment

On the external side Atea is continuing to grow the IT-loop business and thereby saving the environment substantial amounts of CO2 by recycling IT equipment on behalf of customers. The goITloop concept grew with 33% during 2010, in number of recycled units, which is now more than 200.000. This helped saving both the environment and customer's money. Other external and local environmental initiatives include:

- An Atea Green Guide for employees, this has the purpose to involve employees in the green effort and is a simple and down to earth guide with hints and tips on how to save energy, make energy conscious choices, reduce travelling, prolong the life cycle of equipment and reduce and recycle waste.

- A local green car policy, stating that employees should choose more environmentally friendly company cars. In 2010 the average CO2 emission from company cars in Atea Finland was 164 g/km versus 168 g/km in 2009. The policy will have greater effect over time as new cars will replace the old ones. Further Atea has promoted a carpooling site on the Atea Denmark intranet. The site facilitates co-driving among colleagues when going to other Atea office. The initiative saves money as well as CO2.

- Atea Logistics have made an agreement with the transport partner BRING, where BRING will deliver School PCs by train, a cost and environmental efficient solution where both Atea and the customers save money and reduce CO2 emission.

- Atea also donated funds to the environmental initiative called "Keep Sweden Tidy", that carries the motto "Combat litter, promote recycling and encourage a sustainable development".

## Other initiatives within Corporate Social Responsibility

All countries have developed a gender and diversity plan and policy. Atea believes that all are equal and should have equal chances also when it comes to career.

Atea yearly supports the child support organization BØRNEfonden. In 2010 Atea held a mountain bike race for employees and customers which raised NOK 276,000 for BØRNEfonden. Atea also contributed to the association BRIS (Children's Rights) and together with Astra provided a number of schools with computers. Furthermore in 2010 Atea donated computers to a children clinic at a local hospital in Sweden. The computers are intended for the sick children and their parents to give them joy and pleasure and perhaps some education as well, during serious times.

In addition Atea wanted to take tangible actions to relieve the situation of the disadvantaged. Atea organized a project (supported by Microsoft, IBM and Onsight) where a Sharepoint 2010 intranet solution was donated to Hope Association. Hope is an association that helps families in crisis in many practical ways. With the Sharepoint 2010 intranet solution Hope will be able to better organize its aid to the families and make sure that their help is channeled to the right persons.

On a global level Atea donated money to the organization Médecins Sans Frontières to help people in need worldwide.

### UN Global Compact's 10 principles

**Human Rights**
**Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights, and
**Principle 2:** make sure that they are not complicit in human rights abuses.

**Labour**
**Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining,
**Principle 4:** the elimination of all forms of forced and compulsory labour,
**Principle 5:** the effective abolition of child labour, and
**Principle 6:** the elimination of discrimination in respect of employment and occupation.

**Environment**
**Principle 7:** Businesses should support a precautionary approach to environmental challenges,
**Principle 8:** undertake initiatives to promote greater environmental responsibility, and
**Principle 9:** encourage the development and diffusion of environmentally friendly technologies.

**Anti-Corruption**
**Principle 10:** Businesses should work against corruption in all its forms, including extortion and.

# BOARD OF DIRECTORS' REPORT 2010

Atea delivered a very good year in 2010 both in terms of revenue and profit, with very strong growth and more acquisitions than any previous year. In the first half of 2010 the macroeconomic conditions were still influenced by the financial turmoil, with lower growth in the first six months of the year, but then the market conditions improved quickly. The Group experienced a strong growth rate in the second half of 2010, with correspondingly good results. It is especially gratifying that all countries delivered a minimum of 20 per cent revenue growth measured in constant currency in both the 3rd and 4th quarter of 2010 compared with those quarters in 2009. This shows good momentum going into 2011. Atea will continue to combine organic growth with growth through acquisitions, as Atea has the financial strength and a defined objective to continue to play an important part in the ongoing market consolidation. This strategy has proven particularly robust and successful. In 2010 new and large market shares have been won for the Nordic region's largest, and Europe's third largest supplier of IT infrastructure and services.

2010 gave a strong increase in revenue. The Group delivered significantly better profitability and a slightly strengthened margin. EBITDA, excluding stock option costs and acquisition costs, came in at MNOK 675.2, representing an increase of MNOK 124.9 from 2009. This represents an earnings growth of 22.7 per cent. Revenue was MNOK 17,131.2, compared with MNOK 14,588.6 in 2009, which gives a growth of 17.4 per cent, and 20.9 per cent when measured in constant currency. The Group generated a positive operational cash flow of MNOK 564.4 for the year, down from MNOK 726.5 in 2009, when extraordinarily high advance payments from public contracts came in the 4th quarter of 2009. Based on the Group's solid results, the Board recommends paying a dividend for the third consecutive year. For 2010 the dividend is recommended at NOK 2 per share, up from NOK 1.25 in 2009 (NOK 1.00 in 2008). At the same time, significant shareholder value has been created throughout the last two years. Share price has increased by over 250 per cent from the beginning of 2009 to the end of 2010, reflecting Atea's positive development.

Good profitability and strong cash flows substantiate the company's financial solidity in combination with net debt of only MNOK 337.3 by year-end. 2010 saw the completion of no less than 15 acquisitions in strategically important business areas in growth, which is expected to contribute NOK 2.5 billion in revenue. In comparison, 5 acquisitions were made in 2009. The resolute work in gaining further market shares continues with full focus in 2011. With the growth strategy 20:11:1 Atea has an objective to achieve operating revenues of NOK 20 billion and EBITDA of NOK 1 billion in 2011. It is the opinion of the Board at the beginning of 2011 that Atea is well positioned to achieving this goal. With an expected organic growth of 9 per cent in 2011 in addition to revenue of NOK 2.5 billion from acquisitions, it is the Board's opinion that Atea is likely to surpass NOK 20 billion in revenues within the year. With a firm focus on cost and EBITDA margin Atea maintains its ambition to reach NOK 1 billion in EBITDA.

Atea is primarily a complete provider of hardware and software products as well as related consulting services within IT infrastructure. Through a range of market leading technologies from selected suppliers, combined with value-adding services and a focus on the individual customer's needs, the company contributes to strengthening the customer's competitiveness and helps customers achieve their strategic goals. A focused IT infrastructure strategy combined with cost management and a local presence has created a solid foundation for profitable growth. The Atea Group has 79 offices in the Nordic and Baltic regions. The several local offices, well distributed in the Nordic and Baltic countries, enable a close and large focus on the customers' needs in all individual markets. At the same time, common resources, such as Atea's eSHOP, software packaging in Riga, Latvia, client management tools from Spintop, financing services with common structure in all individual markets, as well as common services linked to the logistics centre in Växjö, Sweden, are offered. Atea's commitment to green IT through the concepts goITgreen and goIT-loop has continued to be a key focus area in 2010 – and the focus continues with undiminished force – both within Atea and towards the company's customers.

## Goals and strategy

Atea's short term objective includes a revenue of NOK 20 billion with EBITDA of NOK 1 billion in 2011 (20:11:1). The long-term strategy is to achieve further growth and stable profitability by strengthening the Group's position within Atea's blue box, which describes the Group's integrated range of product and service offerings within IT infrastructure. Atea's blue box includes sales of products, services and

solutions within four primary categories based on technological and market affiliation. Mainly, Atea's blue bux is oriented around clients (PCs and mobile phones), computer centre (virtualization, management, servers and storage), interaction (effective communication and good networks) as well as Unified Communication (video and web conference, IP telephony, mobility and chat). At the same time as Atea gains market shares within the Group's primary business activities, the total business potential increases, with new trends and needs for efficiency contributing to creating new and related business areas, naturally affiliating with Atea's blue box. This will probably cause an increase in product and service demand, and a growth in several areas is therefore expected in the future.

## Market development and trends

According to the IDC analysis institute, the Nordic IT infrastructure market which constitutes Atea's blue box, grew by 4.7 per cent in 2010. In comparison, Atea delivered a growth in the Nordic and Baltic regions of 17.4 per cent, or 20.9 per cent in constant currency. The company's organic growth peaked at 13.3 per cent in constant currency, meaning that Atea is winning large market shares in individual markets. IDC's updated analysis of the Nordic IT infrastructure market is estimated to be around NOK 117 billion. This represents an increase of 4.7 per cent in 2010 after the total market fell by around 8 per cent during the financial crisis in 2009. At the same time, Atea has produced a strong growth in revenue and profits, which means that the Group has won large market shares locally, nationally, and throughout the entire region. Atea's total market share in the Nordic region can thereby be estimated to be nearly 15 per cent, representing a strong increase in just the last two years, up from around 13 per cent in 2009, and around 11 per cent in 2008.

Based on Atea's strong development in recent years, further growth is expected in the Nordic and Baltic markets. This has already been ensured to a large extent through a series of acquisitions in 2010 which will come into full effect in 2011. The Nordic and Baltic IT infrastructure markets are still fragmented, even though Atea has contributed to significant consolidation in recent years. Atea is the decidedly largest player among smaller national players. With an increasingly clear position as market leader, it is the Board's opinion that the conditions are favourable for further growth.

The financial crisis created challenging market- and macroeconomic conditions from the autumn of 2008 until spring of 2010. However, this struck the competition the hardest, as Atea used the recession well. Even though Atea has delivered growth throughout this period with very good results, it shows that IT investments are to a large extent cyclical, with a correlation between the level of investments and the macroeconomic climate in general. The financial crisis caused a reduction of previous estimates for general market and investment increase within IT in the Nordic and Baltic regions. Despite this Atea has upheld the Group's revenue and profit, which means the Group has consolidated its position considerably during this period, and shown robustness in the face of recession.

According to IDC the Nordic market for IT infrastructure will grow by 4.4 per cent in 2011, while the Board expects Atea will experience an organic growth of 9 per cent. In addition, the effects of acquisitions are estimated to NOK 2.5 billion. Based on the full year effect of acquisitions in 2010, Atea's pro forma revenue was MNOK 18,876.0 in 2010.

Hardware sales in particular picked up speed in 2010, increasing throughout the year. Measured in constant currency, Atea delivered an 8.6 per cent increase in hardware sales in the 1st quarter, 21.4 per cent in the 2nd quarter, 36.5 per cent in the 3rd quarter and no less than 43.7 per cent in the 4th quarter of 2010. Of the increase in the 4th quarter, over half, 24.7 per cent, was organic growth. For comparison, the Nordic market for hardware grew, according to IDC, by 8.7 per cent in all of 2010. Collectively Atea produced a growth in constant currency of 28.8 per cent with total hardware profits coming in at MNOK 10,262.7. This clearly demonstrates how Atea has outclassed market growth at an increasing rate throughout the year. Even though a part of this growth can be attributed to the many acquisitions, the underlying development in product sales is also very promising. Market growth in this area is expected to continue in 2011. According to IDC the growth in the hardware segment is estimated to be 5.9 per cent, which the analysis institute claims will be the highest segment growth within Atea's blue box.

Services sales had a corresponding development throughout the year, with significant increase from quarter to quarter in 2010. The Group's revenue in the service segment was MNOK 3,350, up from

**Ib Kunøe** (b. 1943)
**Board Chairman** (since March 2006)
Line Officer, B. Com (HD).

**Current position:**
Owner and Chairman of Consolidated Holdings A/S.

**Previous experience:**
Founder of and board member / co-owner of many companies.

Attended 8 of 8 board meetings in 2010.

**Kristine M. Madsen** (b. 1961)
**Board member** (since April 2008)
Cand. Jur UiO 1988.

**Current position:**
Attorney at Law, partner in Bull & Co Lawfirm AS

**Previous experience:**
Different positions in several boards of companys and organizations

Attended 8 of 8 board meetings in 2010.

MNOK 3,121 in 2009. This represents an increase of 7.3 per cent, or 11.4 per cent measured in constant currency compared with preceding years. After a slow beginning, with a decrease of 2.2 per cent in the 1st quarter of 2010, service sales picked up. In constant currency the growth landed at 8.2 per cent in the 2nd quarter, 12.7 per cent in the 3rd quarter, and ended the year with a growth of 23.4 per cent in the 4th quarter of 2010. This entails that Atea has succeeded in maintaining a good development in its consultancy, the tough market conditions of 2009 and early 2010 taken into account. There is reason to expect an increasing demand for the Group's consultant and services deliveries, as their correlation with growth in product sales are commonly high.

Software sales particularly increased in the last half of 2010. Atea's growth for the year in this area ended up at 11.4 per cent measured in constant currency, compared with a general market growth of 3.6 per cent in 2010. Atea's software sales amounted to MNOK 3,519 in 2010, up from MNOK 3,265 in 2009. After a good start, with an increase of 12.8 per cent in constant currency in the 1st quarter of 2010, growth stopped temporarily in the 2nd quarter with a decrease of 1.1 per cent. However, growth resumed already in the 3rd quarter, with an increase of 12 per cent in constant currency, before rising to 23.7 per cent in the 4th quarter of 2010. In total, this provides good development in the software business. Simultaneously, Atea is strengthening its efforts in this area through an integrated license portal for the Group's customers associated with the existing eSHOP. Additionally, strong growth is evident within Windows 7, the new operating system from Microsoft that was launched in the autumn of 2009.

The Group is seeing good development within business areas such as Unified Communication, virtualization, mobility, Software Asset Management, Client Lifetime Management and Self Service Automation, print and copy as well as safety and surveillance. The Group's market position in these areas has been strengthened by acquisitions made in the last few years. Local acquisitions form a key part of the company's growth strategy, which also facilitates cost synergies and increased geographic presence. The customers typically request the employees' specialist expertise. Atea has high ambitions as an employer, with an objective of providing an attractive work place where the best and most innovative specialist expertise in the industry join forces in the best interests of customers, so allowing for professional and commercial development across businesses, departments and markets.

Atea completed a series of acquisitions in several markets in 2010. In the 4th quarter Atea acquired the Norwegian IT infrastructure company Umoe IKT, with 384 employees and offices in 16 cities in different parts of the country. The company has strong expertise within the areas of telephony, Unified Communication, outsourcing and IT operation. The acquired company is expected to generate revenues of MNOK 850-900 in 2011, with an EBITDA margin of approximately 5-6 per cent post integration. The buying price of Umoe IKT was settled in a combination of Atea shares and cash payment.

The Board will continue to combine organic growth with growth through acquisitions, but fewer acquisitions are expected in 2011 compared with 2010, which saw a record number of acquisitions.

## Acquisitions in 2010:

**Norway:**

**Umoe IKT**...........IT infrastructure
**Dropzone ASA**...........E-trading for the SMB market
**Impact Europe Norge AS**...........Video/AV solutions

**Sweden:**

**Benzler Group AB**...........IT infrastructure
**Portal AB**...........IT infrastructure
**Impact Europe AB**...........Video/AV solutions
**Office i Värmland AB**...........Print/Copy
**COB Document i Borås AB**...........Print/Copy
**Office Document og Data i Södermanland AB**......Print/Copy
**Office Document i Mälardalen AB**...........Print/Copy

**Denmark:**

**Belle Balance A/S**...........Flexible benefit solutions
**Calamus Danmark A/S**...........Video/AV solutions

**Finland:**

**Ten of Ten Oy**...........Virtualization
**Datawest Oy**...........IT infrastructure
**PALnet Oy**...........Network solutions

Net cash payments of acquisitions in 2010:
MNOK 321.3 (MNOK 30.1 in 2009 and 218.0 in 2008)

## Competitive situation

At the end of 2010 the Group had more than 25,000 customers and a solid leading position within IT infrastructure in the Nordic and Baltic regions. Atea is present in the largest cities in Norway, Denmark, Sweden, Finland, Lithuania, Estonia and Latvia. The IT infrastructure market is strongly fragmented. Because of that Atea often meets competition from several small players often specializing in niches, but not having the same broad product range as Atea. Atea has, with its 79 locations in the Nordic and Baltic region, a strong local presence, supported by highly qualified consultants, good partnerships and the Group's many certifications. At the same time, Atea's size gives an increased competitive force and ability to offer favourable prices on products and services. It is expected that new and existing customers will consider Atea's size and financial solidity as favourable,

**Morten Jurs** (b. 1961)
**Board member** (since April 2010)
Master of Science in Bus. and. Ec. / MBA from University of Wyoming.

**Current position:**
CEO of Pronova BioPharma ASA.

**Previous experience:** CFO in a number of companies, experience from start-ups and growth companies.

Attended 4 of 8 board meetings in 2010.

**Sigrun Hjelmquist** (b. 1960)
**Board member** (since April 2008)
M.Sc & Lic.Tech, Physical Engineering from RIT, Stockholm.

**Current position:** Board member in a number of companies, Chairman in C2SAT AB.

**Previous experience:** Business exec. in telecom industry, board positions in a number of companies and organizations

Attended 8 of 8 board meetings in 2010.

as it provides stronger bargaining power with IT suppliers, and thereby competitive terms for Atea's customers. Atea's solid financial strength contributes to the Group's central role in the ongoing consolidation of IT infrastructure in both individual markets and across country borders. Historically the Group has been involved in several of the largest acquisitions in the industry, and the consolidation is expected to continue due to the current market conditions.

Atea works closely with the most important international IT players, some of which are Microsoft, Cisco, HP, IBM, Lenovo, WMware, Citrix, Symantec and EMC. In the last few years the partnership with several of these suppliers has intensified and further developed to optimize the business potential for all parties. For Atea this means an increased focus from suppliers, with generally increased support in connection with focus on their solutions in the Nordic and Baltic regions.

On that basis the Board considers Atea, with its unique position in the Nordic and Baltic IT infrastructure market, to be well positioned to meet the expected market conditions and competitive situation in 2011 and the years ahead.

## Research and development activities

Atea has no significant activities related to research and development, as the Group's business operations mainly include resale, implementation and consulting related to hardware, software and solutions developed by others.

## Financial results

Both in terms of operating revenues and profits there is a clear trend. After some influence by the financial crisis in 2009, Atea once again delivered the strongest results in the company's history. In 2010 the Group had consolidated operating revenues of MNOK 17,131.2 (compared with MNOK 14,588.6 in 2009 and MNOK 14,767.8 in 2008). This is equivalent to a growth of 17.4 per cent from the previous year. Corrected for acquisitions, the underlying organic development shows an increase of 13.3 per cent in constant currency. The Group's operating profit before depreciation, option expenses and acquisition costs is MNOK 675.2 (compared with MNOK 550.3 in 2009 and MNOK 547.5 in 2008). Including option expenses and acquisition costs, the operating profit before depreciations is MNOK 648.3 (MNOK 501.4 in 2009). The Group's operating profit is MNOK 474.3 (compared with MNOK 334.1 in 2009 and MNOK 401.4 in 2008).

In 2010 net financial items totalled MNOK 25.3 (compared with MNOK 55.0 in 2009 and MNOK 66.7 in 2008). Profit before tax from continued operations was MNOK 449.2 (compared with MNOK 279.1 in 2009 and MNOK 334.7 in 2008). The Group did not have any discontinued operations in 2010, 2009 or 2008. After positive tax effects of MNOK 49.4 (compared with MNOK 103.3 in 2009 and MNOK 97.9 in 2008) the net profit for the year came in at MNOK 498.6 (compared with MNOK 382.4 in 2009 and MNOK 432.6 in 2008).

Atea ASA, which is listed on the Oslo Stock Exchange, is the holding company for the Group and includes the Group's top management with associated staff functions, with a total of ten employees. The company's financial accounts from 2010 show an operating loss of MNOK -17.1 (compared with MNOK -20.8 in 2009 and MNOK -10.0 in 2008). This mainly represents costs related to the holding function. The year's profit was MNOK 9.2 (compared with MNOK -280.6 in 2009 and MNOK 557.5 in 2008). The profit for the year was positive due to financial income and currency effects. Unrealized currency effects associated with the company's long-term loans to subsidiaries in 2010 account for MNOK -30.2 (MNOK -297.6 in 2009 and MNOK 326.7 in 2008). Net unrealized currency effects in terms of the loans are MNOK -11.9.

The Board of Directors proposes that the profits of the parent company, Atea ASA, of MNOK 9.2 is transferred to retained earnings. Unrestricted equity, which can be distributed as dividends, totals MNOK 711.8 as of December 31, 2010. The Board is proposing a payment of dividends of NOK 2 per share, totalling MNOK 192.5.

## Equity, financing and cash flow

### Equity and debt financing

In the opinion of the Board of Directors, the Financial Statements for 2010 give an accurate and fair view of the company's and the Group's financial position as of December 31, 2010, of the profit of the year and cash flows, as well as the changes in equity during the accounting year. The annual accounts for the company and the Group were prepared on the basis of the going concern assumption, and the board of Directors confirms that the necessary conditions have been met.

The Group's equity, including non-controlling ownership interests at the end of the year, was MNOK 3,355.2 compared with MNOK 2,813.0 the previous year (MNOK 2,858.2 in 2008). The equity ratio at the end of the year was at 34.8 per cent (compared with 39.3 per cent at the beginning of the year and 34.5 per cent in 2008). This is due to increased operating revenues with associated balance sheet effects in the form of increased short-term receivables and short-term payables. The equity has substantially strengthened in the last years as a result of the positive earnings in 2010, 2009 and 2008.

Holdings of cash and cash equivalents totalled MNOK 404.0 compared with MNOK 194.5 as of December 31, 2009 (MNOK 568.2 in 2008). The unused portion of short term drawing facilities amounted to MNOK 1,130.4. Including unused drawing facilities and after the deduction of restricted funds, the Group had liquidity reserves of MNOK 1,533.9 at the end of the year, compared

**Sven Madsen** (b. 1964)
**Board member** (since April 2008)
HD (R) & cand.merc.aud.

**Current position:**
CFO, Consolidated Holdings A/S.

**Previous experience:**
Auditor in number of auditing firms, CFO and Finance Director in a number of companies

Attended 8 of 8 board meetings in 2010.

**Marthe Dyrud** (b. 1979)
**Board member** (since Dec. 2009)
Electrical & Electronic Engineering HiO, Master in Bus. Studies JMU Liverpool.

**Current position:** Project manager integration (Umoe IKT into Atea AS).

**Previous experience:** Sales manager public sector and Manager of Service and Maintenance Contracts in Atea Region East, been in multiple trainee programs in Atea AS.

Attended 8 of 8 board meetings in 2010.

with MNOK 1,536.5 a year earlier (MNOK 1,176.1 in 2008). In addition, at the end of 2010, the Group had drawn MNOK 465.4 on a factoring facility of MNOK 1,452.3 provided by Nordea. The amount available for borrowing under the facility will vary depending on the accounts receivable. The maximum financing available under the facility based on the size of the accounts receivable at year end was MNOK 1,429.6. As of December 31, 2010, an additional MNOK 254.0 had been drawn on short-term loan facilities from Nordea.

Net interest-bearing debt increased in 2010 by MNOK 123.2, totalling MNOK 337.3 as of December 31, 2010, compared with MNOK 214.1 a year earlier (MNOK 678.0 in 2008). The operational debt ratio measured by net interest-bearing debt divided by EBITDA for the entire year was 0.5, up from a record low of 0.4 the previous year, which still indicates a solid financial position for the Group.

In the opinion of the Board of Directors, the Group has adequate financing at the end of 2010, and consequently no additional external financing needs in 2011. Thus, payment of dividends of NOK 2 per share is proposed, as both the Group's financial and liquidity position enables this in combination with continued investments in order to generate further growth and solid profits.

### Cash flow and working capital

For several years the Group has focused on keeping a low level of working capital tied up, which is the total of accounts receivable, non-interest bearing short-term receivables and inventories, after the deduction of accounts payable and other current liabilities.

The working capital ratio was 0.7 per cent at the end of 2010, which is marginally higher than at the end of 2009 (0.5 per cent). The stable low working capital ratio can mainly be attributed to a successful focus on the cash flows with a lower amount of overdue accounts receivables. The marginal increase from last year can be related to significant advance payments from public contracts in the 4th quarter of 2009, as well as some extraordinary refunds, among other aspects including taxes. As of December 31, 2010, the working capital was MNOK 158.6 (86.8 in 2009). According to the Group's focus on growth, acquisitions totalling MNOK 371.6 have been paid in cash in 2010. In addition, net cash payments amounting to MNOK 70,1 were made in connection with dividends and sales of own shares. By the end of the year the parent company's holding of own shares constituted 3 601 shares.

The Group's cash flow from operations in 2010 was MNOK 564.4, down from MNOK 726.5 the previous year (MNOK 501.3 in 2008). The decrease is due to increased work capital, which in turn is due to the strong increase in operating revenues as well as a partial increase in customer-specific inventory. This includes the payment of previous recorded restructuring provisions of MNOK 9.6 (MNOK 27.5 in 2009 and MNOK 76.7 in 2008). Ordinary i nvestments totalled MNOK -125.1 in 2010 (MNOK -135.7 in 2009 and MNOK -151.3 in 2008). Net cash flow in 2010 was MNOK 181.5 (MNOK -311.4 in 2009 and MNOK 112.3 in 2008).

### Financial risk

The Group's risk management is the responsibility of the central finance department in compliance with guidelines approved by the Board. It comprises specific areas such as currency risk, interest risk, credit risk, use of financial derivatives and investment in excess liquidity. The Group's finance department identifies, evaluates and secures financial risk in close cooperation with the respective operating units.

The Group manages the capital in order to ensure continuous operations of the Group's companies and to maximize shareholder value. This is achieved through the balance of debt, equity and profit. The Group's goal is to have equity ratio in excess of 20 per cent as well as an operational gearing (net interest bearing debt divided by EBITDA) of a maximum of 2.5. At the end of 2010 the Group reported an equity ratio of 34.8 per cent and an operational gearing of 0.5.

### Market risk

The company is exposed to foreign currency fluctuations, especially Swedish Kronor (SEK) and Danish Kroner (DKK), US Dollars (USD) and Euros (EUR), since part of the company's revenues and purchases of goods are in foreign currencies. The company's policy is that any significant committed stock or loan transaction with foreign currency exposure is to be hedged with forward contracts. The company is also exposed to fluctuations in interest rates, since the company's debt has variable interest rates.

In the aftermath of the financial crisis and associated experiences linked to market fluctuations and businesses' financial solidity, it is still some uncertainty regarding the demand for the Group's products in some of the countries Atea operates in, as it also is for comparable companies.

### Credit risk

Historically the Group has seen very few losses on receivables. In spite of the strained macroeconomic situation, especially in 2009, the Group has not experienced greater losses on receivables in 2010 than before. No agreements relating to offsetting claims or other financial instruments have been established that would minimize the company's credit risk; however the Group has a high focus on collecting receivables.

### Liquidity risk

The company considers its liquidity to be good and the company has no external financing needs in 2011. The Group has established

**Jørn Goldstein** (b. 1953)
**Board member** (since April 2007)
Finance degree from BI Oslo, master degree from Norwegian School of Sport Sciences

**Current position:**
Leader BID & Project division, Atea AS.

**Previous experience:**
Manager in IT-related businesses. Athlete leader on both national and local level.

Attended 8 of 8 board meetings in 2010.

**Karin S. Løkke** (b. 1964)
**Board member** (since April 2007)
The Data Logic School (Cap Gemini), Datahøyskolen.

**Current position:**
Business Manager, Atea AS.

**Previous experience:**
Many years of experience in tech. businesses as IT Manager, Project manager and Consultant

Attended 7 of 8 board meetings in 2010.

a common cash pool system for Norway, Denmark, Sweden and Finland to manage cash flows in the Group as efficiently as possible.

## Shares and shareholders

The objective of the Board is to offer shareholders competitive returns through high payout levels on dividends. Based on solid profits over an extended period of time, on 20 October 2010 the Board resolved to change dividend policies by increasing the payout ratio from 10-40 per cent of net profits to 40-60 per cent of net profits adjusted for normalized tax.

As of December 31, 2010 the registered share capital was NOK 962,950,220, divided into 96,295,022 shares with a par value of NOK 10. In 2010, the Annual General Meeting was held on April 29, with 52.34 per cent of the total share capital represented. In this connection the Board's proposal to pay dividends of NOK 1.25 per share was approved, with a total dividend distribution of MNOK 119.4 to the company's shareholders (this includes a dividend related to Atea ASA's 1,616,601 own shares). The Atea ASA share was traded exclusive of dividend rights as from April 30, 2010.

The Board's authorization given at the Annual General Meeting in 2009 to buy back company shares in Atea ASA with par value of up to MNOK 70 was extended until the Annual General Meeting in 2011.

In addition the General Assembly Meeting gave the Board authorization to expand the share capital by up to MNOK 30 by issuing up to 3,000,000 shares at NOK 10 in connection with the company's stock option plan. August 9, 2010 it was announced that the Board had established a stock option plan for management and key personnel in line with adopted guidelines. The option allocation is a step towards limiting increases in wages and bonuses. All stock options must be redeemed within three years after entering into the option plan. One third of the allocated stock options can be redeemed a year after the allocation, a third after two years, and a third after three years.

During 2010 Atea ASA has sold 3,062,568 company shares at an average price of NOK 45.09 per share (compared with a net sale of 889,066 company shares in 2009 at an average price of NOK 28.23 per share). The share sales have been conducted with connection to the exercise of employee options and as compensation in the acquisition of Calamus Danmark and Umoe IKT.

Atea ASA has a broad shareholder structure, with 9,126 shareholders. The company's largest shareholder is Chairman Ib Kunøe, who through Consolidated Holdings A/S, System Integration ApS, direct ownership as well as close associates, controlled 29.53 per cent of shares at the end of 2010.

### Key figures, the Atea share:

- After a very positive increase in share value in 2009 by over 200 per cent, the increase continued in 2010. Atea's shares increased by 16.5 per cent in 2010, from NOK 50.00 to NOK 58.25.
- The year's high was listed on the last two trading days, December 29, and December 30, 2010 with a price of NOK 58.25. The share's lowest listing was on July 1, 2010 with a price of NOK 37.00.
- In 2010, 78,103,245 shares in Atea were traded (compared with 77,339,809 in 2009 and 123,093,054 in 2008), totalling NOK 3.7 billion (NOK 2.1 billion in 2009 and NOK 3.9 billion in 2008).
- Each share was on average traded 0.8 times in 2010 (0.8 in 2009 and 1.3 in 2008).
- The minimum trading unit is 500 shares.
- At year-end the number of shareholders was 9,126, down from 10,166 at the beginning of the year.

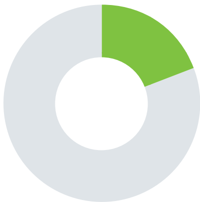
## Employees

As of December 31, 2010 the Group had a total of 5 418 employees, a net increase of 1038 from the beginning of the year. The increase is mainly the result of Atea's many acquisitions and strong organic growth. The cost reduction program that was introduced in 2009 to adapt the operations and scale the cost base in relation to the reduced will to invest in IT and infrastructure during the financial crisis made it necessary to increase the number of employees somewhat in 2010 as part of the offensive focus on growth. Along the way Atea has succeeded in maintaining the good team spirit and decisive winner instinct that has shaped its company culture the past few years. As a knowledge-driven business, it is important to create value through effective development and utilization of the company's competence. This places special demands on the management as well as the company as such, which is why the development of management resources is a key focus area throughout the Group's businesses with management trainee programs. A great deal of importance is still attached to the development of all employees. Individual meetings with the employees are carried out regularly in order to form goals and support the individual development in addition to employee surveys.

The average number of man-year equivalents employed by the Group in 2010 was 4,660, compared with 4,366 in 2009 and 4,289 in 2008. Registered sick leave for the Group was 2.6 per cent, up from 1.7 per cent in 2009 and 2.0 per cent in 2008. The sick leave is still considered to be low compared with other companies. For the parent company the registered sick leave was 0.8 per cent in 2010, down from 1.0 per cent in 2009 and 1.0 per cent in 2008.

## Number of employees
as of 31 desember 2010


## Percentage women/men
– Nordic overview 2010




The Group's employees have not suffered any accidents or injuries in connection with the company's activities in 2010. The Group's businesses have worked systematically with health, safety and environment (HSE) and use HSE tools, while systematic efforts have been made to follow up on absence due to sickness.

In a modern knowledge-based work environment diversity and equality are important aspects. This is also important to Atea, as diversity contributes to a better foundation for decisions and improves innovativeness. The Group regards it as essential to stimulate diversity in the organization and take advantage of this – academically, culturally and commercially. Atea's goal is for groups at all levels to represent different experiences, age, gender, and other backgrounds. At the end of 2010, the percentage of women among the Group's employees was 19.4 per cent (compared with 20.2 per cent at the start of the year and 20.6 per cent in 2008). In the parent company the percentage of women has been steady at 20.0 per cent the last three years. The Group is working systematically to recruit more women at all levels. In addition, an effort is being made to ensure that women stay in the company. At the same time, efforts are made in order to be compliant with the principle of equal opportunities and rights as well as preventing discrimination based on ethnicity, national origin, ancestry, colour of skin, language, religion or belief. The Group is focused on promoting equal rights and preventing discrimination according to the purpose of the Anti-Discrimination Act. As a part of this, targeted measures and assessments are carried out related to facilitating the physical conditions so that the different tasks and functions of the business can be performed by as many as possible.

Of the shareholder-elected board representatives, 2 of 5 were women as of December 31, 2010. The Board of Directors consists of 4 female representatives and 4 male representatives.

## Change in number of employees 2010

| | |
|---|---|
| Employees as of December 31, 2009 | 4,380 |
| Increase through acquisition of companies | 916 |
| Increase in employees | 122 |
| Employees as of December 31, 2010 | 5,418 |

## Board of Directors and corporate management

### The Board of Directors of Atea ASA consists of:

| | |
|---|---|
| **Ib Kunøe** | Board Chairman |
| **Morten Jurs** | Shareholder-elected board member |
| **Kristine M. Madsen** | Shareholder-elected board member |
| **Sigrun Hjelmquist** | Shareholder-elected board member |
| **Sven Madsen** | Shareholder-elected board member |
| **Jørn I. Goldstein** | Employee-elected board member |
| **Karin S. Løkke** | Employee-elected board member |
| **Marthe Dyrud** | Employee-elected board member |

### The Group's key managers:

| | |
|---|---|
| **Claus Hougesen** | CEO of Atea ASA |
| **Rune Falstad** | Chief Financial Officer of Atea ASA |
| **Peter Trans** | Managing Director of Atea A/S, Denmark |
| **Lars Pettersson** | Managing Director of Atea AB, Sweden |
| **Steinar Sønsteby** | Managing Director of Atea AS, Norway |
| **Juha Sihvonen** | Managing Director of Atea Oy, Finland |
| **Arunas Bartusevicius** | Managing Director of UAB Atea, The Baltics |

## Environmental measures

The physical products that the Group sells are developed and manufactured by international technology companies. The Group and the company do not produce any physical products, and the distribution is largely outsourced to distribution partners. Hence there is little pollution connected with the Group's own operations compared with other companies and other industries. The Group's businesses still participate in measures required by law to protect the environment, including return arrangements for obsolete ICT equipment.

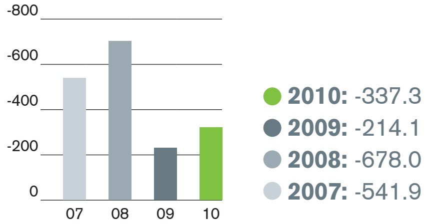
Atea's clear focus on Green IT was set out early through several customer concepts, like www.goitgreen.com. The continuous focus on Green IT makes Atea a leader in the Nordic Region. There is still a high demand for Atea's recycling concept, www.goitloop.com since its launch in 2008. The concept has facilitated the disposal of used IT equipment in a safe, economically and environmentally responsible manner. Atea has developed a model for calculating environmental return on investments to illustrate the specific savings for the customers. The calculation shows how much CO2 the customers save the environment when implementing new IT solutions and equipment. This has made it clear that Atea's green concepts represent great value for both customers and Atea, as a company, as well as for the environment.

The Group's involvement in Green IT is well ingrained in all of the individual Atea companies, as a business concept and as a way of carrying out work on a day to day basis. All Atea companies participate in Atea Green Community with local resources in charge of Atea's environmental program. This ensures green activities and realization of Atea's environmental target on a social level. Atea also participates in several national and international activities, all carefully chosen and recognized. Atea's objective is to reduce CO2 emissions by 25 per cent per employee by 2015 (based on levels from 2007).

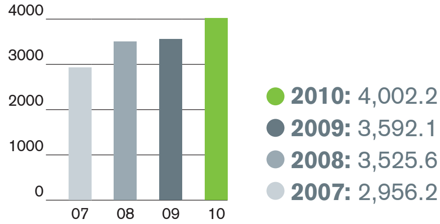
## Corporate governance

The annual report includes a separate statement from the company regarding the Norwegian Code of Practice for Corporate Governance. Key principles in the Group's policy are:

## Net interest-bearing debt position
2007 – 2010 (MNOK)




## Contribution
2007 – 2010 (MNOK)




- Open information
- Equal treatment of all shareholders
- Board of Directors consisting of outside members who are not associated with the company's operations.
- Use of steering committees
- Good internal controls
- Offering shareholders competitive returns through high payout levels on dividends

## Corporate social responsibility

The annual report includes the company's account of guidelines and measures in relation to corporate social responsibility. Atea supports UN Global Compact 10 principles for human rights, labour standards, environment and anti-corruption, with primary focus on the principles related to the environment.

## Outlook for 2011

The development in the last few years has shown that it pays to be big, offensive and customer friendly. Atea has put this knowledge to good use. According to the IDC, the entire Nordic IT infrastructure market that Atea targets grew by 4.7 per cent in 2010, while in this same period Atea experienced an organic growth of 13.3 per cent measured in constant currency. IDC's prognosis for 2011 is a total market growth of 4.4 per cent. Important technological trends like Unified Communication, mobile infrastructure solutions, virtualization, Software Asset Management, Device Lifecycle Management, Windows 7, consumerization and Green IT are areas that Atea has strongly influenced through organic measures and acquisitions in 2009 and 2010, and these will also be driving forces behind IT investments in the time ahead. Atea is therefore once again well positioned to grow faster than the market in 2011. The Board expects Atea will win further market shares in the course of the year.

An organic growth of 9 per cent is expected for the Group in 2011. Combined with expected revenues of NOK 2.5 billion from acquisitions made in 2010, Atea will most likely surpass NOK 20 billion in revenues for the year collectively. There will still be some integration costs, but important synergies will be achieved already in 2011. With a strong continued focus on cost, and an expectation of improved EBITDA margin, the ambition of 1 billion in EBITDA in 2011 is maintained.

Oslo, 17 March 2011

Ib Kunøe
Chairman of the Board

Sigrun Hjelmquist

Morten Jurs

Kristine M. Madsen

Claus Hougesen
CEO

Marthe Dyrud

Jørn Irving Goldstein

Karin S. Løkke

Sven Madsen

# ATEA GROUP
# FINANCIAL STATEMENTS

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# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| (Amounts in MNOK) | Note | 2010 | 2009 | 2008 |
|---|---|---|---|---|
| Operating revenues | 5 | 17 131,2 | 14 588,6 | 14 767,8 |
| Goods consumed | | 13 129,0 | 10 996,5 | 11 242,2 |
| Employee compensation and benefit expenses | 19 | 2 697,0 | 2 496,6 | 2 387,6 |
| Depreciation | 7, 8 | 173,8 | 167,3 | 139,5 |
| Other operating expenses | | 642,3 | 561,8 | 597,1 |
| Acquisition costs | | 14,7 | - | - |
| Non-Core | | - | 32,3 | - |
| **Operating profit/loss** | | **474,3** | **334,1** | **401,4** |
| Financial income | | 120,8 | 90,3 | 151,1 |
| Financial expenses | | 146,1 | 145,2 | 217,7 |
| **Net financial items** | **21** | **-25,3** | **-55,0** | **-66,7** |
| Profit/loss before tax from continued operations | | 449,2 | 279,1 | 334,7 |
| Taxes on continued operations | 16 | -49,4 | -103,3 | -97,9 |
| **Profit/loss from continued operations** | | **498,6** | **382,4** | **432,6** |
| Profit/loss from discontinued operations | 6 | - | - | -0,0 |
| **Profit/loss for the year** | | **498,6** | **382,4** | **432,6** |
| | | | | |
| **Other comprehensive income** | | | | |
| Currency translation differences after tax | | -16,3 | -452,4 | 379,6 |
| Forward contracts | | 8,3 | - | - |
| Currency translation differences on financial investments | | -0,1 | - | - |
| Income tax relating to components of other comprehensive income | | 8,5 | 83,3 | -112,7 |
| **Total other comprehensive income** | | **0,3** | **-369,1** | **266,9** |
| **Total comprehensive income for the period** | | **498,9** | **13,3** | **699,5** |
| | | | | |
| **Profit/loss for the period attributable to:** | | | | |
| Shareholders of Atea ASA | | 497,4 | 382,3 | 431,0 |
| Non-controlling ownership interests | | 1,2 | 0,2 | 1,6 |
| **Profit/loss for the year after shareholder distributions** | | **498,6** | **382,4** | **432,6** |
| | | | | |
| **Total comprehensive income for the period attributable to:** | | | | |
| Shareholders of Atea ASA | | 497,7 | 13,2 | 697,9 |
| Non-controlling ownership interests | | 1,2 | 0,2 | 1,6 |
| **Profit/loss for the year after shareholder distributions** | | **498,9** | **13,3** | **699,5** |

**Earnings per share**

| (Amounts in NOK) | | | | |
|---|---|---|---|---|
| - earnings per share for the entire operations | 22 | 5,29 | 4,16 | 4,59 |
| - diluted earnings per share for the entire operations | 22 | 5,23 | 4,15 | 4,58 |
| - earnings per share for continued operations | 22 | 5,29 | 4,16 | 4,59 |
| - diluted earnings per share for continued operations | 22 | 5,23 | 4,15 | 4,58 |

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| (Amounts in MNOK) | Note | 2010 | 2009 |
|---|---|---|---|
| **ASSETS** | | | |
| Property, plant and equipment | 7 | 157,9 | 115,1 |
| Deferred tax assets | 16 | 469,8 | 318,0 |
| Goodwill | 8 | 2 757,7 | 2 324,3 |
| Other intangible assets | 8 | 341,2 | 230,9 |
| Retirement benefit funds | 17 | 4,1 | 1,5 |
| Other long-term receivables | 9 | 46,2 | 55,7 |
| **Non-current assets** | | **3 777,1** | **3 045,6** |
| Inventories | 10 | 496,6 | 393,4 |
| Trade receivables | 9 | 4 367,8 | 3 211,4 |
| Other current receivables | 9 | 573,3 | 310,0 |
| Other financial assets | 15 | 27,2 | 31,1 |
| Cash and cash equivalents | 11 | 404,0 | 194,5 |
| **Current assets** | | **5 869,0** | **4 140,2** |
| **Total assets** | | **9 646,1** | **7 185,8** |
| **EQUITY AND LIABILITIES** | | | |
| Share capital and premiums | 12 | 1 574,8 | 1 524,4 |
| Other unrecognised reserves | | -3,3 | -3,7 |
| Retained earnings | | 1 782,7 | 1 288,5 |
| **Equity attributable to shareholders of Atea ASA** | | **3 354,1** | **2 809,3** |
| Non-controlling ownership interests | 27 | 1,1 | 3,7 |
| **Equity** | | **3 355,2** | **2 813,0** |
| Interest-bearing long-term liabilities | 14 | 20,5 | 12,4 |
| Other long-term liabilities | 15 | 64,4 | 49,5 |
| Retirement benefit obligations | 17 | 13,1 | 0,9 |
| Deferred tax liabilities | 16 | 165,1 | 73,7 |
| **Non-current liabilities** | | **263,1** | **136,5** |
| Trade payables | 13 | 3 120,3 | 2 162,2 |
| Interest-bearing current liabilities | 14 | 721,3 | 403,9 |
| Tax payable | 16 | 37,2 | 10,4 |
| Other provisions for obligations | 18 | 170,4 | 144,4 |
| Other current liabilities | 13 | 1 977,7 | 1 515,1 |
| Other financial liabilities | | 0,8 | 0,2 |
| **Current liabilities** | | **6 027,7** | **4 236,2** |
| **Total liabilities** | | **6 290,7** | **4 372,7** |
| **Total equity and liabilities** | | **9 646,1** | **7 185,8** |

**Oslo, 17 March 2011**

**Ib Kunøe**
**Chairman of the Board**

**Sigrun Hjelmquist**

**Morten Jurs**

**Kristine M. Madsen**

**Claus Hougesen**
**CEO**

**Marthe Dyrud**

**Jørn Irving Goldstein**

**Karin S. Løkke**

**Sven Madsen**

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| (Amounts in MNOK) | Share capital and premiums 1) Share capital | Share capital and premiums 1) Share premium reserve | Other unrecognised reserves Forward contracts | Other unrecognised reserves Currency translation differences | Retained earnings Option prog-rammes | Retained earnings Retained earnings | Equity attributable to shareholders of Atea ASA | Non-controlling ownership interests 2) | Total equity |
|---|---|---|---|---|---|---|---|---|---|
| **Equity as of 1 January 2009** | **917,2** | **598,3** | **-** | **365,4** | **38,4** | **935,5** | **2 854,8** | **3,5** | **2 858,2** |
| Other comprehensive income | - | - | - | -369,1 | - | - | -369,1 | - | -369,1 |
| Profit/loss for the period | - | - | - | - | - | 382,2 | 382,2 | 0,2 | 382,4 |
| Change in treasury shares | 8,9 | - | - | - | - | 15,9 | 24,8 | - | 24,8 |
| Employee share options, value of employee contributions | - | - | - | - | 8,3 | - | 8,3 | - | 8,3 |
| Dividends | - | - | - | - | - | -91,7 | -91,7 | - | -91,7 |
| Non-controlling ownership interests from acquisitions | - | - | - | - | - | - | - | - | - |
| **Equity as of 31 December 2009** | **926,1** | **598,3** | **-** | **-3,7** | **46,7** | **1 241,9** | **2 809,3** | **3,7** | **2 813,0** |
| **Equity as of 1 January 2010** | **926,1** | **598,3** | **-** | **-3,7** | **46,7** | **1 241,9** | **2 809,3** | **3,7** | **2 813,0** |
| Other comprehensive income | - | - | 8,3 | -8,0 | - | - | 0,3 | - | 0,3 |
| Profit/loss for the period | - | - | - | - | - | 497,4 | 497,4 | 1,2 | 498,6 |
| Change in treasury shares | 29,1 | -0,2 | - | - | - | 102,6 | 131,5 | - | 131,5 |
| Issue of share capital | 7,7 | 13,8 | - | - | - | - | 21,5 | - | 21,5 |
| Employee share options, value of employee contributions | - | - | - | - | 12,9 | - | 12,9 | - | 12,9 |
| Dividends | - | - | - | - | - | -117,3 | -117,3 | - | -117,3 |
| Non-controlling ownership interests from acquisitions | - | - | - | - | - | -1,4 | -1,4 | -3,8 | -5,1 |
| **Equity as of 31 December 2010** | **962,9** | **611,9** | **8,3** | **-11,7** | **59,5** | **1 723,1** | **3 354,1** | **1,1** | **3 355,2** |

1) See Note 12.

2) Non-controlling ownership interests, see Note 27.

# CONSOLIDATED STATEMENT OF CASH FLOW

| (Amounts in MNOK) | Note | 2010 | 2009 | 2008 |
|---|---|---|---|---|
| Profit/loss before tax | | 487,2 | 279,1 | 334,7 |
| Taxes paid | | -0,5 | -5,7 | -1,8 |
| Profit/loss from discontinued operations | | - | - | -0,0 |
| Depreciation | | 202,9 | 167,3 | 139,5 |
| Options | | 12,8 | 16,6 | 7,0 |
| Gains/losses on the sale of subsidiaries | | -0,0 | - | - |
| Change in inventories | | -43,2 | -19,1 | -20,6 |
| Change in trade receivables | | -1 181,9 | 91,7 | 48,2 |
| Change in trade payables | | 1 140,5 | 155,8 | -104,3 |
| Change in other accruals | | -53,5 | 40,8 | 98,5 |
| **Net cash flow from operational activities** | | **564,4** | **726,5** | **501,3** |
| | | | | |
| Acquisition of subsidiaries/businesses | 26 | -321,3 | -30,1 | -218,0 |
| Payments related to acquisitions in previous years | | -50,3 | -15,3 | -34,6 |
| Sale of subsidiaries/businesses | | - | 2,0 | 8,0 |
| Proceeds related to sales in previous years | | - | 1,7 | - |
| Purchase of tangible/intangible fixed assets | 7, 8 | -127,6 | -135,7 | -151,3 |
| Sale of tangible/intangible fixed assets | | 2,4 | 0,2 | 0,4 |
| **Net cash flow from investment activities** | | **-496,7** | **-177,2** | **-395,4** |
| | | | | |
| Purchase/sale of treasury shares | | 25,8 | 17,8 | -70,6 |
| Proceeds from new issues | | 21,4 | - | - |
| Dividend distributions | | -117,3 | -91,7 | - |
| Proceeds from raising loans | | 212,3 | - | 77,0 |
| Repayment of loans | | -13,3 | -786,8 | - |
| **Net cash flow from financing activities** | | **128,9** | **-860,7** | **6,4** |
| | | | | |
| **Net change in cash and cash equivalents for the year** | | **196,5** | **-311,4** | **112,3** |
| Cash and cash equivalents at the start of the year | 11 | 194,5 | 568,2 | 383,9 |
| Currency translation differences on cash held in a foreign currency | | 13,1 | -62,3 | 72,0 |
| **Cash and cash equivalents at the end of the year** | **11** | **404,0** | **194,5** | **568,2** |

# NOTE 1 GENERAL INFORMATION

The Atea Group is the leading supplier of IT infrastructure products and services in the Nordic Countries and Baltic States. Measured by revenue the Atea Group is number three in Europe in its field. Atea is present in seven countries – including Norway, Denmark, Sweden, Finland, Lithuania, Latvia and Estonia.

The group offers hardware and software products, consulting services and service agreements in the IT infrastructure area. Through a range of market leading technologies from leading suppliers, combined with value-added services and a focus on individual customer needs, the company contributes to strengthening the customers' competitiveness and helps customers achieve their strategic goals.

The group has a total of 79 offices, which allow Atea to be close to the needs of our customers. One of the Group's competitive advantages is the ability to use local customer needs as our point of departure and adapt our offerings accordingly. Each country has access to the Group's common resources, such as eSHOP, financing services and an advanced logistics centre in Växjö, Sweden. The Group's e-commerce system, eSHOP, provides easy access to detailed information on over 100,000 products, including price comparisons, inventory and delivery times. Over 80 suppliers are affiliated with eSHOP. The group's primary focus shall continue to be IT infrastructure, and our strategy is to reinforce our already leading market position in the Nordic Countries and the Baltic States.

Atea had 5,418 employees as of 31 December 2010, an increase of 1,038 employees during the year, primarily as a result of business acquisitions (916 employees at the time of the acquisition).

The principal activities for the Group's various business areas are described in greater detail in Note 5 – Segment information.

Atea AS is a public limited company that is registered and domiciled in Norway. The office address is Brynsalleen 2, Oslo. Atea ASA is listed on the Oslo Stock Exchange and had 9,126 shareholders as of 31 December 2010, compared with 10,166 shareholders at the beginning of the year. The company's largest shareholder is Ib Kunøe through the companies Consolidated Holdings A/S and System Integration ApS. Ib Kunøe, who is also the Chairman of the Board of Atea ASA, controls 29.9 per cent of the shares together with related parties.

Atea ASA reports its consolidated and company accounts in accordance with the International Financial Reporting Standard (IFRS). These consolidated accounts were approved by the Board on 17 March 2011. The Board of Directors will suggest to the General Assembly that a dividend of NOK 2.00 per share shall be distributed for 2010.

Note that there may be figures and percentages that do not always add up correctly due to rounding differences.

# NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

### 2.0 Basis of the consolidated financial statements

The consolidated financial statements of Atea have been prepared in accordance with International Financial Reporting Standards (IFRS), as determined by the EU, and include Atea ASA and subsidiaries in which Atea ASA, directly or indirectly, has a controlling interest through ownership interests or agreements. The consolidated financial statements have been prepared under the historical cost convention, and modified by any revaluation of assets and liabilities at fair value through profit or loss according to the policies for the relevant areas. All the figures are presented in NOK and rounded to the closest whole NOK 1000. Notice is given of any exceptions.

### 2.1 Adoption of new and revised International Financial Reporting Standards (IFRS)

**a) Important amendments to published standards and interpretations that entered into force in 2009/10:**

**IAS 7.56 – Amendments to IAS 7 Statement of Cash Flows (as part of Improvements to IFRSs issued in 2009).** Investment activities in the cash flow analysis only reflect intangible assets that are recognised under intangible assets on the balance sheet. Some of the development of intangible assets that is recognised in the income statement is included in the cash flow statement as cash flow from operational activities.

**IAS 27 (revised in 2008) Consolidated and Separate Financial Statements –** The application of IAS 27 (revised 2008) has entailed changes in the accounting principles for changes to the ownership of subsidiaries. Changes to a parent company's ownership interests in a subsidiary that does not entail a loss of control are accounted for as equity transactions (i.e. transactions with owners in the capacity of owners). In such cases the controlling and non-controlling interests' book value shall be adjusted so as to reflect the changes in their relative interests in the subsidiary. Any differences between the amount of the adjustment of the non-controlling interests and the fair value of the consideration that is paid or received shall be recognised directly in equity and attributed to the parent company's owners. This means that there will not be any adjustments recognised in goodwill nor any entries in the income statement or other income and expenses (comprehensive income). There will only be entries between the controlling and non-controlling interests' equity. The Group has applied IAS 27 (revised) for this year's increase in the ownership interest in Sonex (Baltic States).

**IFRS 8 – Operating segments,** which entered into force as of 1 January 2009, and specifies the "management approach" as the only criterion for both the identification of operating segments and the reporting of information related to these segments.

**IAS 1 (Revised) – Presentation of Financial Statements,** which entered into force as of 1 January 2009. The Group has adopted a new specification format, which entails, for example, a separate specification of other income and expenses (comprehensive income).

**IFRS 3 8.28 c) d) (Revised) – Business Combinations,** which entered into force as of 1 July 2009 - In the revised standard the conditional settlement of the purchase price is measured at fair value on the takeover date. Subsequent adjustment of a conditional settlement will be posted directly against goodwill only in cases where the change reflects better knowledge of the fair value on the takeover date and the adjustment takes place within the measurement period (12 months from the takeover). All other subsequent adjustments will be reported through the income statement. In the revised standard costs related to the acquisition must be recognised in the income statement and can no longer be accounted for as part of the purchase price for the acquisition. These changes have had an impact on Atea from 1 January 2010.

The following standards, interpretations and amendments entered into force in 2010, but they are not considered relevant to the Group:

**IFRS 5.44E Amendments to IFRS 5 Non-current Assets Held for Sale and Discontinued Operations** (as part of Improvements to IFRSs issued in 2009)

**IAS 1.139D Amendments to IAS 1 Presentation of Financial Statements** (as part of Improvements to IFRSs issued in 2009)

**IFRS 7.44L Amendments to IFRS 7 Financial Instruments: Disclosures** (as part of Improvements to IFRSs issued in 2010)

The Group has chosen not to implement early adoption of the following revision of standards:

**IAS 1.139F Amendments to IAS 1 Presentation of Financial Statements** (as part of Improvements to IFRSs issued in 2010)

## 2.2 Consolidation principles

### 2.2.1 Critical accounting estimates

The preparation of accounts in accordance with IFRS requires the use of certain critical accounting estimates. In addition, the application of the Atea's accounting principles requires that the management exercise judgement. Areas that contain a high degree of such discretionary assessments, or a high degree of complexity, or areas where the assumptions and estimates are of significance to the consolidated accounts are described separately. This applies in particular to the depreciation of fixed assets, valuation of goodwill, valuations associated with acquisitions, valuation of deferred tax assets, pension liabilities. and other accounting provisions. Changes to accounting estimates are included in the accounts for the period in which the change occurs.

### 2.2.2 Subsidiaries

Subsidiaries are all the units where Atea has influence over the unit's financial and operational strategy, normally through ownership of more than half of the voting capital. Subsidiaries are consolidated from the point in time when control is transferred to the Group and eliminated from consolidation when such control ends.

Atea uses the purchase method of accounting to account for the acquisition of subsidiaries. Consideration for the acquisition of subsidiaries is measured at the fair value of the transferred assets, obligations assumed and equity instruments issued. The fair value of any assets or obligations that are contingent on the agreement is also included in the consideration. Identifiable assets and liabilities are recognised at fair value on the acquisition date. Non-controlling interests in the acquired entity are measured every time at either fair value or the proportionate share of the entity's acquired net assets. From 1 January 2010 expenses related to business combinations will be recognised when they are incurred. Correspondingly, if there were to be a discrepancy between the estimated fair value based on the conditional settlement and fair value, and this cannot be attributed to new information on the fair value or more than 12 months passing from the takeover, the difference shall be recognised in the income statement.

Non-controlling interests are included in Atea's income statement, and they are attributed to the shareholders of Atea AS and non-controlling interests. Correspondingly, non-controlling interests are included as part of Atea's shareholders' equity and are specified on the balance sheet.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. The accounting principles for subsidiaries are amended as required in order to be consistent with Atea's accounting principles.

### 2.2.3 Discontinued operations

In connection with the sale or winding-up of operations, revenues, expenses and gains/losses related to the discontinued operations are reported separately from the Group's other income items. Income elements, gains/losses and tax expenses for discontinued operations are presented net on one separate line in the income statements. The criteria for this accounting presentation is that a binding sales agreement has been signed for assets that can be attributed to the operations in question, or the operations are made available for sale by decision-making bodies, actively marketed for sale and it is highly probable that a sale will be carried out within one year.

## 2.3 Comparative figures

Comparative figures for previous years are changed in the event of significant changes in accounting principles.

If changes are made in classifying and grouping accounting items, the comparative figures are changed accordingly. This also applies when presenting discontinued operations on separate lines in the income statement (the corresponding figures for the balance sheet are not changed).

Historical figures are not restated in the event of changes in group composition or the acquisition of subsidiaries.

## 2.4 Segment reporting

Atea's primary reporting format is the geographical segments. General business or economic planning and follow-up performed by the Group's decision-makers (CEO/CFO) takes place in geographical segments as well as separate units that deliver products and services internally to other geographical segments. A geographical segment is engaged in providing products or services within a particular geographical area that are subject to risks and returns that are different from other geographical segments.

Atea's secondary reporting format is the business segments. A segment is a portion of the business operations that delivers products or services that are subject to a risk and return that are distinct from that of other business areas. In the segment reporting, the internal sales between the various segments are eliminated.

## 2.5 Foreign currency translation

### 2.5.1 Functional and presentation currencies

Items included in the financial statements of each of the Atea Group's entities are measured primarily using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Norwegian kroner (NOK), which is the functional and presentation currency of Atea ASA.

### 2.5.2 Transactions and balance sheet items

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. If the foreign currency position is considered cash flow hedging or hedging of net investments in foreign entities, the gains or losses are entered directly under other income and expenses (comprehensive income).

### 2.5.3 Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

**(i)** Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet

**(ii)** Income and expenses for each income statement are translated at average exchange rates

**(iii)** All resulting exchange differences are recognised as a separate component of equity

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments are entered directly under other income and expenses (comprehensive income). When a foreign business is sold, the associated exchange difference is entered directly under other income and expenses (comprehensive income), through profit and loss as part of the gain or loss on the sale.

Goodwill and fair value adjustments arising from the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

## 2.6 Classification

Assets are classified as current when intended for sale or consumption in the normal operating cycle, or held primarily for the purpose of being traded, or expected to be realised within twelve months, or classified as cash or equivalents. All other assets are classified as non-current. Liabilities are classified as current when expected to be settled in the normal operating cycle, or held primarily for the purpose of being traded, or due to be settled within twelve months, or there are no unconditional rights to defer settlement for at least twelve months. All other liabilities shall be classified as non-current.

## 2.7 Property, plant and equipment

### 2.7.1 Recognition

For the years that are presented, Atea does not own any land or buildings. Computer equipment, office machines, vehicles and office furnishings / fittings are stated at historical cost less depreciation. Historical cost includes expenses that are directly attributable to the acquisition of the items.

Costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will pass to Atea and the cost of the item can be measured reliably.

Depreciation is calculated using the straight-line method to allocate their cost over their estimated useful lives as follows:

**(i)** Computer equipment, 3-5 years

**(ii)** Office machines, 3-5 years

**(iii)** Vehicles, 3-5 years

**(iv)** Office furnishing/fittings, 3-10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Repair and maintenance costs are charged to the income statement during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount.

### 2.7.2 Financial leases

The Group leases certain operating assets. Leases for property, plant and equipment, where most of the risk and control rests with the Group are classified as financial leases. At the start of the lease term financial leases are accounted for in the financial statements as assets and liabilities, equal to the lowest of fair value of the operating asset or the present value of the minimum lease payments.

Each lease payment is allocated between an instalment and an interest payment, resulting in an interest cost on the remaining lease liability. Interest costs are accounted for as a financial profit/loss item. Lease liabilities, excluding interest costs, are presented as either other current liabilities or other long-term liabilities. Fixed assets acquired through financial lease agreements are depreciated over the lease's term or the depreciation period for equivalent assets, whichever is shorter.

If a sale and leaseback transaction results in a financial lease, any gain will be postponed and recognised as revenue over the period of the lease.

### 2.7.3 Operating leases

Leases for which most of the risk rests with the other contracting party are classified as operating leases. Lease payments are classified as operating costs and recognised in the income statement during the contract period.

If a sale and leaseback transaction results in an operating lease and it is clearly stated that the transaction has been carried out at its fair value, any gain or loss will be recognised in the income statement when the transaction is carried out. If the sales price is less than the fair value, any gain or loss will be recognised in the income statement directly at the time of the transaction, apart from in situations when this leads to future lease payments that are below the market price. In such cases, the gain/loss is amortised over the lease period. If the sales price is above the fair value, the excess price is amortised over the asset's estimated period of use.

## 2.8 Intangible assets

### 2.8.1 Recognition

Intangible assets are recognised on the balance sheet if it can be proven that there are probable future economic benefits that can be attributed to the asset, which is owned by Atea; and the asset's cost price can be reliably estimated.

Intangible assets are recognised at their cost price. Intangible assets with indefinite useful lives are not amortised, but impairment losses are recognised if the recoverable amount is less than the cost price.

### 2.8.2 Business combinations and goodwill

Goodwill represents the excess of the cost of acquisition over the fair value of Atea's share of the net identifiable assets of the acquired subsidiary/associate at the time of the acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates is included in investments in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Goodwill is allocated to the relevant cash-generating units for the purpose of impairment testing. Each of those cash-generating units represents the lowest levels for which there are separately identifiable cash flows. Gains and losses on the sale of business interests include the carrying amount of goodwill relating to the entity sold.

#### 2.8.3 Other intangible assets

**Computer software and rights**

Acquired computer software licences are recognised on the balance sheet on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives. Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with the development of identifiable and unique software or system solutions controlled by the Group, which will probably generate economic benefits related to the asset that will pass to Atea and can be measured reliably, are recognised as intangible assets. Computer software costs/solutions and rights recognised on the balance sheet are amortised over their estimated useful lives, normally 3-7 years.

**Contracts and customer relationships**

In connection with business combinations, contracts and customer relationships are recorded at fair value on the opening balance sheet in the Group. The depreciation period for contracts and customer relationships is 4-5 years, based on the period they are estimated to generate cash flows.

Expenses related to research activities are recognised in the income statement as they are incurred.

### 2.9 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

### 2.10 Financial instruments

Atea classifies financial instruments in the following categories:

#### 2.10.1 Held-to-maturity

Financial instruments with fixed or determinable cash flows and a fixed maturity that the Group has the positive intention and ability to hold to maturity are classified as held-to-maturity investments. Financial instruments that are held to maturity are included in the non-current asset unless the maturity date is less than 12 months after the balance sheet date. Investments held to maturity are carried at a discounted value (amortised cost). The interest element is disregarded if it is insignificant.

#### 2.10.2 At fair value through profit and loss

Financial instruments that are held with the intention of making a gain on short-term fluctuations in prices are classified as financial assets at fair value through profit or loss. Financial instruments at fair value through profit or loss are classified as current assets, and are carried at fair value at the balance sheet date. Changes in the fair value are recognised in the income statement and included in the net financial income/expenses. Derivatives are also classified under this group when not part of a hedge according to IAS 39.

#### 2.10.3 Financial assets available-for-sale

All other financial instruments, with the exception of loans and receivables originally issued by the company, are classified as available for sale. Financial instruments that are available for sale are presented as current assets if the management has decided to sell the instruments within 12 months of the balance sheet date. Available for sale financial instruments are carried at fair value at the balance sheet date. The gain or loss resulting from changes in the fair value are recognised directly under other income and expenses (comprehensive income) until the investment has been disposed of. The accumulated gain or loss on financial instruments that has previously been recognised under other income and expenses (comprehensive income) will then be reversed, and the gain or loss will be recognised in the income statement.

#### 2.10.4 Hedging

Before a hedging transaction is carried out, the Group's finance department assesses whether a derivative (or another financial instrument in the case of a foreign currency hedge) is to be used as:

**i)** a fair value hedge of a recognised asset, liability or a fixed commitment,

**ii)** a cash flow hedge of a recognised asset or liability, a future transaction identified as very probable or, in the case of foreign currency risk, a fixed commitment, or

**iii)** a net investment hedge in a foreign entity.

The Group's criteria for classifying a derivative or other financial instrument as a hedging instrument are as follow:

**i)** The hedge is expected to be very effective in that it counteracts changes in the fair value of or cash flows from an identified object – and the efficiency of the hedge is expected to be within the range of 80-125 %,

**ii)** the effectiveness of the hedge can be reliably measured,

**iii)** adequate documentation is established when the hedge is entered into, showing, for example, that the hedge is effective,

**iv)** for cash flow hedges, that the forthcoming transaction must be highly probable; and

**v)** the hedge is evaluated regularly and has proven to be effective.

**Fair value hedges**

Derivatives designated as hedging instruments are assessed at fair value and changes in fair value are recognised in the profit and loss account. Correspondingly, a change in the fair value of the hedged item attributable to the hedged risk is recognised in the profit and loss account.

**Cash flow hedges**

The effective components of changes in fair value for a hedging instrument will be recognised in the accounts under Other Comprehensive Income. The ineffective part of the hedging instrument is recognised on an ongoing basis in the income statement. When the expected transaction is subsequently accounted for, the associated accumulated gain or loss from the equity is eliminated and included in the income statement or the balance sheet item in question that is hedged. If the hedged transaction is no longer expected to occur, any previously accumulated gains or losses on the hedging instrument that have previously been recorded directly against equity will be recognised in the income statement.

### 2.11 Inventories

Goods purchased for resale are valued at the lower of historical cost or net realisable value. The net realisable value is the estimated sales price under ordinary operations less the cost of sales. The historical cost is calculated by means of the first-in, first-out principle (FIFO).

Atea also keeps inventory to cover the spare parts needed in connection with service agreements. The spare parts inventory is recognised at cost price less accumulated, straight-line depreciation over the average duration of the contracts.

### 2.12 Trade receivables

Trade receivables, including accrued, uninvoiced income, are recognised at a discounted value. The interest element is disregarded if it is insignificant. Provisions for losses are accounted for when there are objective indicators that Atea will not receive settlement in accordance with the original terms and conditions.

The provisions represent the difference between the nominal and present value of cash flows that are expected to be received. The change in the provisions for the period is accounted for in the income statement.

### 2.13 Cash and cash equivalents

Cash includes cash in hand and at bank. Cash equivalents are short-term liquid investments that can be converted into cash within three months and to a known amount, and which contain insignificant risk elements. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

### 2.14 Share capital and premiums

Ordinary shares are classified as equity. Costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Costs directly attributable to the issue of new shares related to an acquisition of a business, are included in the cost of acquisition as part of the purchase consideration.

Where any group company purchases the company's own shares, the consideration paid, including any directly attributable costs (net of income taxes,) is deducted from equity attributable to Atea's shareholders until the shares are cancelled, reissued or disposed of.

Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable transaction costs and the related income tax effects, is included in equity attributable to Atea's shareholders.

### 2.15 Borrowings

Borrowings are recognised at fair value when the loan is disbursed, net of the transaction costs incurred. Transaction costs are charged as an expense over the term of the loan (effective interest rate). Borrowings are classified as current liabilities unless there exists an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

### 2.16 Income tax

Income tax consists of the tax payable and changes to deferred tax. Deferred tax/tax assets are calculated on all taxable temporary differences, with the exception of:

**(i)** Goodwill for which amortisation is not deductible for tax purposes.

**(ii)** Temporary differences relating to investments in subsidiaries, associates or joint ventures when the Group decides when the temporary differences are to be reversed and this is not expected to take place in the foreseeable future.

In the case of recent losses, deferred tax assets are recognised when there is convincing evidence that Atea will have a sufficient profit for tax purposes to utilise the tax assets. On each balance sheet date, Atea reviews its unrecorded and unrecognised tax assets. Atea recognises deferred tax assets on its balance sheet when the conditions for recognition have been met. Correspondingly, Atea will reduce its deferred tax assets if they can no longer be utilised.

Deferred tax and deferred tax assets are measured on the basis of the current tax rates and laws applicable to the companies in the Group where temporary differences have arisen.

Deferred tax and deferred tax assets are recognised at their nominal value and classified as a non-current asset or a long-term liability on the balance sheet.

### 2.17 Employee benefits

#### 2.17.1 Pension obligations

Group companies operate various pension schemes. The schemes are generally funded through payments to insurance companies. Atea has both defined benefit and defined contribution plans. A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. A defined contribution plan is a pension plan under which Atea pays fixed contributions to a separate legal entity. Atea has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The liability recognised on the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, in excess of the greater of 10% of the value of plan assets or 10% of the defined benefit obligation, are charged or credited to income over the employees' expected average remaining working lives. Changes in the pension plan benefits are recognised immediately in the income statement, unless the changes that the new pension plan represents are conditional on the employees remaining in service for a specified period of time (contribution period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

For defined contribution plans, Atea pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. Atea has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

#### 2.17.2 Share-based compensation

Employee options at Atea represent rights for employees to subscribe to shares in the company at a future date at a predetermined subscription price (subscription right). Subscribing normally requires continued employment.

The fair value of the employee services received in exchange for the allotment of options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options allotted. On each balance sheet date, the company revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the income statement, and a corresponding adjustment to equity over the remaining vesting period. The proceeds received net of any directly attributable transaction costs are credited to share capital and share premium when the options are exercised.

#### 2.17.3 Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. Atea recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

#### 2.17.4 Bonus plans

Atea recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

### 2.18 Provisions

Provisions are recognised when Atea has a valid liability (legal or constructive) as a result of events that have taken place and it can be proven probable (more probable than not) that a financial settlement will take place as a result of this liability, and that the size of the amount can be measured reliably. Provisions are reviewed on each balance sheet date and their level reflects the best estimate of the liability. When the effect of time is insignificant, the provisions will be equal to the size of the expense necessary to be free of the liability. When the effect of time is significant, the provisions will be the present value of future payments to cover the liability.

Restructuring provisions only include direct expenses linked to the actual restructuring that is necessary and which is not part of the day-to-day operations. Restructuring provisions are recognised when the company has a detailed restructuring plan in which the business area is identified; the premises and type of departments that will be affected, the number of employees who will be compensated for dismissal, the type of expenses that will be incurred and when the restructuring is to begin have been clarified; and the restructuring plan has been commenced or communicated to those who will be affected by it. Provisions are not recognised for future operating losses.

### 2.19 Contingent liabilities and assets

Contingent liabilities are defined as:

**(i)** Possible obligations resulting from past events whose existence depend on future events

**(ii)** Obligations that are not recognised because it is not probable that they will lead to an outflow of resources

**(iii)** Obligations that cannot be measured with sufficient reliability

Contingent liabilities are not recognised in the annual financial statements. Significant contingent liabilities are stated, with the exception of contingent liabilities where the probability of the liability occurring is remote. A contingent asset is not recognised in the annual financial statements, but is stated if there is a certain level of probability that a benefit will accrue to Atea.

For contingent consideration recognised as a liability in connection with the acquisition of business, see Note 2, Section 2.1, and Note 26.

### 2.20 Revenue recognition

Revenue comprises the fair value for the sale of goods and services, net of value-added tax, rebates and discounts. Intercompany sales are eliminated. Revenues are not recognised unless the customer has accepted the deliverance and collectability of the related receivables is reasonably assured. Revenue is recognised as follows for Atea's different types of revenues:

#### 2.20.1 Products

Sales of goods are recognised when Atea has delivered products to the customer. Products channelled directly from the distributor to the customer are at Atea's own risk and expense, and therefore presented as gross sales in the income statement.

#### 2.20.2 Consulting services

Consulting services billed on an hourly basis are recognised as income when Atea has delivered the services to the customer.

#### 2.20.3 Fixed price projects

Fixed price projects include both fixed price consulting projects and combined consulting and product deliveries. Project revenue and costs related to earned revenue are recognised according to the stage of completion of the project. The stage of completion is determined based on the accrued cost related to services delivered compared to total estimated cost for the project. Earned revenue for the period is earned revenue at the balance sheet date, less earned revenue in prior periods. Costs related to earned revenue are total estimated costs multiplied by the degree of completion. Costs related to earned revenue for the period are increases in the amount from prior periods. Any expected total project costs that exceed the total project revenue are recognised as a liability in the period they are identified.

#### 2.20.4 Service contracts

Service contracts include time-limited service & support and outsourcing contracts, or contracts running until termination by either party. Service revenues are recognised in the accounting period in which the services are rendered, and such revenues are normally allocated linearly over the length of the contracts. Costs related to earned service revenues are recognised according to the stage of completion. The stage of completion represents recognised revenues compared to total revenues for the contract.

# NOTE 3 FINANCIAL RISK AND CAPITAL MANAGEMENT

### 3.1 Financial risk factors

The Group's activities cause different financial risks: market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and floating interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by Corporate Staff (Group Treasury) under policies approved by the Board of Directors. Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board of Directors provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and the investment of excess liquidity.

### 3.1.1 Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk in multiple foreign currencies. This risk is particularly relevant with respect to the Swedish krona (SEK), Danish krone (DKK), Euro (EUR), Latvian lat (LVL), Lithuanian litas (LTL), and US dollar (USD). Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

To manage foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, entities in the Group use forward contracts. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency. Group Treasury is responsible for managing the net position in each foreign currency by using external forward currency contracts.

The table below illustrates the outstanding forward currency contracts as of 31 December 2010 and 31 December 2009.

**Forward currency contracts**

| | 2010 | | | | 2009 | | | |
|---|---|---|---|---|---|---|---|---|
| | Average exchange rate | Local currency | Contract value | Fair value | Average exchange rate | Local currency | Contract value | Fair value |
| | **Full value** | **MLOC** | **MNOK** | **MNOK** | **Full value** | **MLOC** | **MNOK** | **MNOK** |
| **Sell currency NOK** | | | | | | | | |
| Less than three months | 0,9923 | 104,4 | 103,6 | -0,8 | 0,9890 | 30,0 | 29,7 | -0,3 |
| **Sell currency DKK** | | | | | | | | |
| Less than three months | 1,0665 | 146,5 | 156,3 | 2,7 | 1,1350 | 32,0 | 36,3 | 0,6 |
| **Purchase currency EUR** | | | | | | | | |
| Less than three months | 7,9756 | 2,2 | 17,7 | -0,2 | 8,4230 | 1,5 | 12,3 | -0,2 |
| **Sell currency EUR** | | | | | | | | |
| Less than three months | 8,0104 | 0,6 | 4,8 | 0,1 | 8,4230 | 1,6 | 13,6 | 0,2 |
| **Purchase currency USD** | | | | | | | | |
| Less than three months | 5,9472 | 29,6 | 176,0 | -2,4 | 5,7180 | 9,1 | 51,8 | 0,3 |
| Three to six months | 6,0252 | 1,0 | 6,1 | -0,2 | 5,8560 | 0,4 | 2,1 | -0,0 |
| **Sell currency USD** | | | | | | | | |
| Less than three months | 5,9018 | 4,7 | 27,6 | 0,2 | 5,6790 | 1,6 | 8,9 | -0,1 |
| Three to six months | - | - | - | - | 5,7910 | 0,4 | 2,1 | 0,0 |

The company has investments in foreign subsidiaries, whose net assets are exposed to foreign currency translation risk.

### 3.1.2 Credit risk

Atea has for years had modest losses on trade debtors. New customers must be approved before they are granted credit. The responsibility for granting credit is decentralised to each operating unit. Credit insurance is used only to a small extent. The group has no significant concentrations of credit risk, since the customer base is large and unrelated. Derivative counterparties and bank deposits are limited to high-credit-quality financial institutions.

### 3.1.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, Group Treasury aims to maintain flexibility in funding by keeping committed credit lines available.

### 3.1.4 Cash flow and fair value interest rate risk

As of 31 December 2010 the Group had a net negative interest-bearing position of MNOK 337.3 (MNOK 214,1 in 2009). The interest rates on deposits and loans have a term of less than 12 months. As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest rate risk arises from borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk.

The Group is not actively managing its cash flow interest rate risk.

### 3.2 Accounting for derivative financial instruments and hedging activities

The Group uses hedge accounting to account for the fair value of financial instruments for cases where the requirements in accordance with IAS 39 are satisfied. The carrying amount of financial contracts that are temporarily entered under other income (comprehensive income) totals MNOK -0.1 as of 31 December 2010 (no forward contracts were subject to hedge accounting in 2009). The fair value of other financial instruments is entered immediately in the income statement. For all financial instruments the carrying amount is equal to the fair value.

The nominal value less impairment provision of trade receivables and payables are assumed to approximate their fair values.

### 3.3 Capital management

The Group manages its capital to secure the ongoing operations of the companies in the Group and to maximise the shareholders' return. This is accomplished through a healthy balance between liabilities, equity and earnings. Atea assesses its operational gearing (net interest-bearing liabilities/operating profit before depreciation) and the Group's equity ratio on an ongoing basis.

The Group's target is to have an equity ratio of 20% or more and maximum operational gearing of 3.5. At the end of 2010 the Group had an equity ratio of 34.8% (39.3% in 2009) and operational gearing of 0.5 (0.4 in 2009).

### 3.4 Sensitivity analysis

The Group has identified market risk (foreign exchange risk, primarily with respect to SEK, DKK, EUR, USD, LVL, LTL and EEK) and adjustable interest rate risk as the two most important risk factors they are exposed to. The tables below illustrate how fluctuations in these two risks will affect the Group's earnings and equity after tax.

| **Sensitivity analysis 2010 – MNOK** | **Interest rate risk** | | | | | **Foreign currency risk** | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | **+ 200 bp 1)** | | **- 200 bp 1)** | | | **+ 10 %** | | **- 10 %** | |
| | Amount affected | Effect on profit/ loss | Other effects on equity | Effect on profit/ loss | Other effects on equity | Amount affected | Effect on profit/ loss | Other effects on equity | Effect on profit/ loss | Other effects on equity |
| **Financial assets 2)** | | | | | | | | | | |
| - NOK | -58,8 | -1,2 | - | 1,2 | - | -113,2 | -11,3 | - | 11,3 | - |
| - SEK | 321,7 | 6,4 | - | -6,4 | - | 653,6 | 0,7 | 64,7 | -0,7 | -64,7 |
| - DKK | 107,6 | 2,2 | - | -2,2 | - | 786,8 | -15,5 | 94,1 | 15,5 | -94,1 |
| - EUR | -26,5 | -0,5 | - | 0,5 | - | 227,2 | 3,9 | 18,8 | -3,9 | -18,8 |
| - USD | 34,8 | 0,7 | - | -0,7 | - | 189,3 | 18,9 | - | -18,9 | - |
| - LTL | 19,5 | 0,4 | - | -0,4 | - | - | - | - | - | - |
| - LVL | 4,6 | 0,1 | - | -0,1 | - | - | - | - | - | - |
| - EEK | 1,0 | 0,0 | - | -0,0 | - | - | - | - | - | - |
| **Effect on financial assets before tax** | | **8,1** | **-** | **-8,1** | **-** | | **-3,3** | **177,6** | **3,3** | **-177,6** |
| Tax expense (28 %) | | -2,3 | - | 2,3 | - | | 0,9 | -49,7 | -0,9 | 49,7 |
| **Effect on financial assets after tax** | | **5,8** | **-** | **-5,8** | **-** | | **-2,4** | **127,9** | **2,4** | **-127,9** |
| **Financial liability items 3)** | | | | | | | | | | |
| - NOK | 184,6 | -3,7 | - | 3,7 | - | - | - | - | - | - |
| - SEK | 238,2 | -4,8 | - | 4,8 | - | - | - | - | - | - |
| - DKK | 186,2 | -3,7 | - | 3,7 | - | - | - | - | - | - |
| - EUR | 129,1 | -2,6 | - | 2,6 | - | - | - | - | - | - |
| - LTL | 1,4 | -0,0 | - | 0,0 | - | - | - | - | - | - |
| - LVL | 2,2 | -0,0 | - | 0,0 | - | - | - | - | - | - |
| - EEK | 0,1 | -0,0 | - | 0,0 | - | - | - | - | - | - |
| **Effect on financial liability items before tax** | | **-14,8** | **-** | **14,8** | **-** | | **-** | **-** | **-** | **-** |
| Tax expense (28 %) | | 4,2 | - | -4,2 | - | | - | - | - | - |
| **Effect on financial liability items after tax** | | **-10,7** | **-** | **10,7** | **-** | | **-** | **-** | **-** | **-** |
| **Total increase/reduction** | | **-4,9** | **-** | **4,9** | **-** | | **-2,4** | **127,9** | **2,4** | **-127,9** |

1) Basis points

2) Consists of cash and cash equivalents, loans and derivative contracts (forward currency contracts)

3) Consists of liabilities and derivative contracts (forward currency contracts)

| Sensitivity analysis 2009 – MNOK | Interest rate risk | | | | | Foreign currency risk | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | + 200 bp 1) | | - 200 bp 1) | | | + 10 % | | - 10 % | |
| | Amount affected | Effect on profit/ loss | Other effects on equity | Effect on profit/loss | Other effects on equity | Amount affected | Effect on profit/ loss | Other effects on equity | Effect on profit/ loss | Other effects on equity |
| Financial assets 2) | | | | | | | | | | |
| - NOK | -235,7 | -4,7 | - | 4,7 | - | -45,9 | -4,6 | - | 4,6 | - |
| - SEK | 556,6 | 11,1 | - | -11,1 | - | 606,5 | 0,5 | 60,2 | -0,5 | -60,2 |
| - DKK | -134,5 | -2,7 | - | 2,7 | - | 961,8 | -4,2 | 100,4 | 4,2 | -100,4 |
| - EUR | -34,6 | -0,7 | - | 0,7 | - | 247,7 | 2,2 | 22,5 | -2,2 | -22,5 |
| - USD | 22,3 | 0,4 | - | -0,4 | - | 65,2 | 6,5 | - | -6,5 | - |
| - LTL | 18,0 | 0,4 | - | -0,4 | - | - | - | - | - | - |
| - LVL | 1,9 | 0,0 | - | -0,0 | - | - | - | - | - | - |
| - EEK | 1,6 | 0,0 | - | -0,0 | - | - | - | - | - | - |
| **Effect on financial assets before tax** | | **3,9** | **-** | **-3,9** | **-** | | **0,4** | **183,1** | **-0,4** | **-183,1** |
| Tax expense (28 %) | | -1,1 | - | 1,1 | - | | -0,1 | -51,3 | 0,1 | 51,3 |
| **Effect on financial assets after tax** | | **2,8** | **-** | **-2,8** | **-** | | **0,3** | **131,8** | **-0,3** | **-131,8** |
| **Financial liability items 3)** | | | | | | | | | | |
| - NOK | 88,4 | -1,8 | - | 1,8 | - | - | - | - | - | - |
| - SEK | 287,7 | -5,8 | - | 5,8 | - | - | - | - | - | - |
| - DKK | 7,7 | -0,2 | - | 0,2 | - | - | - | - | - | - |
| - EUR | 22,0 | -0,4 | - | 0,4 | - | - | - | - | - | - |
| - LTL | 6,6 | -0,1 | - | 0,1 | - | - | - | - | - | - |
| - LVL | 4,3 | -0,1 | - | 0,1 | - | - | - | - | - | - |
| - EEK | 0,5 | -0,0 | - | 0,0 | - | - | - | - | - | - |
| **Effect on financial liability items before tax** | | **-8,3** | **-** | **8,3** | **-** | | **-** | **-** | **-** | **-** |
| Tax expense (28 %) | | 2,3 | - | -2,3 | - | | - | - | - | - |
| **Effect on financial liability items after tax** | | **-6,0** | **-** | **6,0** | **-** | | **-** | **-** | **-** | **-** |
| **Total increase/reduction** | | **-3,2** | **-** | **3,2** | **-** | | **0,3** | **131,8** | **-0,3** | **-131,8** |

1) Basis points

2) Consists of cash and cash equivalents, loans and derivative contracts (forward currency contracts)

3) Consists of liabilities and derivative contracts (forward currency contracts)

# NOTE 4 CRITICAL ESTIMATES AND JUDGEMENTS IN APPLYING THE ENTITY'S ACCOUNTING POLICY

When applying the entity's accounting policies the management make judgements that have significant effects on the amounts recognised in the financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results can differ from estimates.

The main estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are specified below. Important and critical judgements in applying the entity's accounting policies are also specified.

Uncertainties related to estimates of provisions are described in Note 18, including provisions for restructuring.

### Impairment of goodwill/intangible assets and other fixed assets

The most important estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are related to impairment assessment of goodwill and other fixed assets. The book value of goodwill as of 31 December 2010 is MNOK 2,757.7, other intangible assets is MNOK 341.2, and property, plant and equipment is MNOK 157.9. The management has used best estimates when determining the depreciation period for intangible assets and other depreciable assets.

Goodwill has an indefinite useful life and is tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The assessment of impairment for 2010 indicates that even with the use of conservative estimates with regard to future cash flows and discount rates, the book value of any of the assets will not exceed the recoverable amounts.

Recoverable amounts of cash-generating units are determined based on judgements of fair values less costs to sell or value-in-use estimates.

### Deferred tax

The recognition of deferred tax assets and liabilities requires that judgement be exercised. Atea recognises deferred tax assets on its balance sheet when it has been deemed adequately probable that the operations in the individual country will generate a taxable profit that the tax loss carryforward can be used to offset. Taking into account the historical losses and cyclical nature, future earnings are not deemed probable until the individual company has actually reported a taxable profit for a period. In calculating the tax asset that is to be recognised, the expected profit is only taken into account for a limited future period. This period has been defined as 5 years for 2010. At the end of 2010 deferred tax assets and liabilities of MNOK 469.8 (MNOK 318.0 for 2009) and MNOK 165.1 (MNOK 73.7 for 2009), respectively, were recognised.

### Revenue recognition

The Group uses the percentage-of-completion method in accounting for fixed-price projects and service contracts. Use of the percentage-of-completion method requires the Group to estimate the services performed to date as a proportion of the total services to be performed.

### Trade receivables

There is no concentration of credit risk with respect to trade receivables, as the Group has a large number of customers spread across several countries.

### Accounting provisions

In connection with accounting provisions, the Group uses estimates for (1) how probable settlement of the obligation is and (2) the size of the provisions to reflect Atea's risk arising from the transaction.

# NOTE 5 SEGMENT INFORMATION

### I – GEOGRAPHIC MARKETS

Atea's primary reporting format is geographic markets. Atea had operations in Norway, Sweden, Denmark, Finland and the Baltic States in 2010. Other activities include common/Group functions. The geographic division is in conformity with the Group's legal organisation and the internal management reporting. Thus the distribution of revenue, expenses, assets and liabilities to different countries follows the Group's legal structure. Below is a summary of the key financial figures for the various countries. The financial items in the various countries include large intercompany balances. Financial items and interest-bearing liabilities have thus not been allocated to the countries.

**Norway** delivered operating revenues of MNOK 4,213.0 for the full year 2010, up by 18.1% from the previous year. EBIT totalled MNOK 135.1 (3.2%), compared with MNOK 95.3 (2.7%) for the full year 2009. During 2010 Atea AS acquired the companies Impact Europe Norge AS, Dropzone ASA and Umoe IKT AS.

**Sweden** delivered operating revenues of MNOK 5,238.3 for the full year 2010, up by 32.1% from the previous year, 29.4% in constant currency. EBIT totalled MNOK 181.0 (3.5%), compared with MNOK 116.2 (2.9%) for the full year 2009. During 2010 Atea Holding AB acquired 4 Office companies, Impact Europe AB, Portal AB and Benzler Group AB. Additionally, Malux Data AB was acquired February 2011.

**Denmark** delivered operating revenues of MNOK 5,569.4 for the full year 2010, up by 5.9% from the previous year, 15.5% in constant currency. EBIT totalled MNOK 144.0 (2.6%), compared with MNOK 175.8 (3.3%) for the full year 2009. During 2010 Atea A/S acquired the companies Calamus Danmark A/S and Belle Balance A/S.

**Finland** delivered operating revenues of MNOK 1,716.6 for the full year 2010, up by 14.3% from the previous year, 24.7% in constant currency. EBIT totalled MNOK 17.6 (1.0%), compared with MNOK -0.5 (0.0%) for the full year 2009. During 2010 Atea Oy acquired the companies PALnet Oy, Datawest Oy and Ten of Ten Oy.

**The Baltics** delivered operating revenues of MNOK 401.2 for the full year 2010, up by 34.0% from the previous year, 46.1% in constant currency. EBIT totalled MNOK 6.3 (1.6%), compared with MNOK -0.1 (0.0%) for the full year 2009.

**Shared services** mainly consists of Atea Logistics in Växjö in Sweden, together with the software packaging and distribution centre in Riga in Latvia and the software company Spintop in Sweden. Shared services delivered operating revenues of MNOK 3,098.1, up by 27.1% from the previous year. EBIT totalled MNOK 23.6 (0.8%), compared with MNOK 15.5 (0.6%) for the full year 2009.

**Other/eliminations** consists of Group expenses and eliminations.

**2010**

| (Amounts in MNOK) | Norway | Sweden | Denmark | Finland | Baltic States | Shared services | Other/ elimi- nations | Total |
|---|---|---|---|---|---|---|---|---|
| Operating revenues | 4 213,0 | 5 238,3 | 5 569,4 | 1 716,6 | 401,2 | 3 098,1 | -3 105,3 | 17 131,3 |
| Operating expenses, excl. depreciation | 4 042,7 | 5 038,3 | 5 335,1 | 1 682,3 | 386,6 | 3 070,6 | -3 072,6 | 16 483,0 |
| Non-Core | - | - | - | - | - | - | - | - |
| Depreciation | 35,2 | 18,9 | 90,3 | 16,8 | 8,3 | 3,9 | 0,3 | 173,8 |
| **Operating profit/loss** | **135,1** | **181,0** | **144,0** | **17,6** | **6,3** | **23,6** | **-33,1** | **474,4** |
| Net financial items | | | | | | | | -25,3 |
| **Profit/loss before tax from continued operations** | **135,1** | **181,0** | **144,0** | **17,6** | **6,3** | **23,6** | **-33,1** | **449,2** |
| Non-controlling ownership interests | 0,3 | 0,6 | 0,5 | -0,0 | -0,2 | - | - | 1,2 |
| **Profit/loss before tax** | | | | | | | | **448,0** |
| Employees in continued operations as of 31 December | 1 411 | 1 691 | 1 401 | 309 | 344 | 252 | 10 | 5 418 |

**2009**

| (Amounts in MNOK) | Norway | Sweden | Denmark | Finland | Baltic States | Shared services | Other/ elimi- nations | Total |
|---|---|---|---|---|---|---|---|---|
| Operating revenues | 3 566,3 | 3 965,3 | 5 259,6 | 1 501,4 | 299,5 | 2 438,3 | -2 441,9 | 14 588,6 |
| Operating expenses, excl. depreciation | 3 435,4 | 3 832,9 | 4 996,8 | 1 488,9 | 289,9 | 2 417,1 | -2 406,1 | 14 054,9 |
| Non-Core | - | - | - | - | - | - | 32,3 | 32,3 |
| Depreciation | 35,6 | 16,3 | 87,0 | 13,0 | 9,6 | 5,8 | - | 167,3 |
| **Operating profit/loss** | **95,3** | **116,2** | **175,8** | **-0,5** | **-0,1** | **15,5** | **-68,1** | **334,1** |
| Net financial items | | | | | | | | -55,0 |
| **Profit/loss before tax from continued operations** | **95,3** | **116,2** | **175,8** | **-0,5** | **-0,1** | **15,5** | **-68,1** | **279,1** |
| Profit/loss from discontinued operations | - | - | - | - | - | - | - | - |
| Non-controlling ownership interests | 0,4 | 0,3 | 0,1 | -0,0 | -0,6 | - | - | 0,2 |
| **Profit/loss before tax** | | | | | | | | **278,9** |
| Employees in continued operations as of 31 December | 887 | 1 320 | 1 300 | 332 | 319 | 213 | 9 | 4 380 |

**2008**

| (Amounts in MNOK) | Norway | Sweden | Denmark | Finland | Baltic States | Shared services | Other/ elimi- nations | Total |
|---|---|---|---|---|---|---|---|---|
| Operating revenues | 3 507,0 | 4 284,2 | 5 090,9 | 1 440,2 | 454,4 | 2 483,6 | -2 492,4 | 14 767,8 |
| Operating expenses, excl. depreciation and unusual items | 3 342,4 | 4 123,8 | 4 872,5 | 1 441,0 | 434,0 | 2 480,3 | -2 467,2 | 14 226,8 |
| Non-Core | - | - | - | - | - | - | - | - |
| Depreciation | 28,8 | 18,8 | 69,7 | 6,1 | 7,7 | 8,4 | - | 139,5 |
| Unusual items | - | - | - | - | - | - | - | - |
| **Operating profit/loss** | **135,8** | **141,7** | **148,6** | **-7,0** | **12,6** | **-5,2** | **-25,2** | **401,4** |
| Net financial items | | | | | | | | -66,7 |
| **Profit/loss before tax from continued operations** | **135,8** | **141,7** | **148,6** | **-7,0** | **12,6** | **-5,2** | **106,1** | **334,7** |
| Profit/loss from discontinued operations | - | - | -0,0 | - | - | - | - | -0,0 |
| Non-controlling ownership interests | -0,1 | -0,1 | -0,2 | 0,0 | -1,2 | - | - | -1,6 |
| **Profit/loss before tax** | | | | | | | | **333,1** |
| Employees in continued operations as of 31 December | 922 | 1 375 | 1 371 | 301 | 386 | 205 | 11 | 4 571 |

**2010**

| (Amounts in MNOK) | Norway | Sweden | Denmark | Finland | Baltic States | Shared services | Other/ elimina-tions | Total |
|---|---|---|---|---|---|---|---|---|
| Assets | 2 897,2 | 3 050,3 | 3 222,6 | 605,9 | 263,9 | 604,9 | -998,9 | 9 646,1 |
| Liabilities | 1 535,7 | 2 767,8 | 2 926,1 | 709,0 | 111,8 | 441,7 | -2 201,3 | 6 290,7 |
| Investment expenses | 13,8 | 6,3 | 85,9 | 6,9 | 5,5 | 5,6 | 0,9 | 125,0 |

**2009**

| (Amounts in MNOK) | Norway | Sweden | Denmark | Finland | Baltic States | Shared services | Other/ elimina-tions | Total |
|---|---|---|---|---|---|---|---|---|
| Assets | 2 236,2 | 2 119,5 | 2 885,1 | 443,5 | 297,0 | 433,6 | -1 259,4 | 7 155,5 |
| Liabilities | 857,0 | 1 994,1 | 2 604,5 | 597,9 | 139,1 | 264,1 | -2 114,0 | 4 342,5 |
| Investment expenses | 26,2 | 1,2 | 85,5 | 12,1 | 3,4 | 7,3 | - | 135,7 |

**2008**

| (Amounts in MNOK) | Norway | Sweden | Denmark | Finland | Baltic States | Shared services | Other/ elimina-tions | Total |
|---|---|---|---|---|---|---|---|---|
| Assets | 2 520,4 | 2 297,1 | 3 321,3 | 503,6 | 391,1 | 379,2 | -1 130,6 | 8 282,1 |
| Liabilities | 1 309,0 | 2 228,9 | 3 178,1 | 659,0 | 205,9 | 212,6 | -2 365,5 | 5 428,0 |
| Investment expenses | 31,0 | 5,1 | 81,8 | 12,4 | 17,6 | 3,3 | - | 151,2 |

## II – BUSINESS AREAS

Atea's secondary reporting format is the business areas distributor and resale. The distribution units in the Atea Group are Atea Logistics in Sweden, the Software Packaging and Distribution Centre in Latvia and Atea Spintop. The units for resale are all the other sales and delivery units in the five countries. Below is an allocation of key figures to the business areas:

**Operating revenues**

| (Amounts in MNOK) | 2010 | 2009 | 2008 |
|---|---|---|---|
| Distributor | 3 098,1 | 2 438,3 | 2 483,6 |
| Resale | 17 138,5 | 14 592,1 | 14 776,6 |
| Group/eliminations | -3 105,3 | -2 441,9 | -2 492,4 |
| **Total** | **17 131,3** | **14 588,6** | **14 767,8** |

**Assets**

| (Amounts in MNOK) | 2010 | 2009 | 2008 |
|---|---|---|---|
| Distributor | 604,9 | 433,6 | 379,2 |
| Resale | 10 040,0 | 7 981,3 | 9 033,5 |
| Group/eliminations | -998,9 | -1 259,4 | -1 130,6 |
| **Total** | **9 646,1** | **7 155,5** | **8 282,1** |

Total assets are allocated based on where the assets are located.

**Investments**

| (Amounts in MNOK) | 2010 | 2009 | 2008 |
|---|---|---|---|
| Distributor | 5,6 | 7,3 | 3,3 |
| Resale | 118,4 | 128,4 | 147,9 |
| Group/eliminations | 0,9 | - | - |
| **Total** | **125,0** | **135,7** | **151,2** |

## III – ANALYSIS OF OPERATING REVENUES BY CATEGORY

| (Amounts in MNOK) | 2010 | 2009 | 2008 |
|---|---|---|---|
| Consulting and services revenues | 3 349,9 | 3 121,4 | 2 932,7 |
| Product revenues | 16 968,3 | 13 975,2 | 14 426,6 |
| Eliminations | -3 187,0 | -2 508,0 | -2 591,5 |
| **Total operating revenues** | **17 131,3** | **14 588,6** | **14 767,8** |

# NOTE 6 DISCONTINUED OPERATIONS

Below is a summary of transactions reported as discontinued operations in the past two years. The net profit from these businesses is presented on a separate line in the income statement. The net profit consists of two profit and loss elements: (1) profit/loss for the year for discontinued operations and (2) gain/loss for discontinued operations.

**2010**

No discontinued operations were reported in 2010.

**2009**

No discontinued operations were reported in 2009.

# NOTE 7 PROPERTY, PLANT AND EQUIPMENT

| (Amounts in MNOK) | Buildings & land | Vehicles & office machines | Furniture and fittings | Computer equipment | Total |
|---|---|---|---|---|---|
| **Acquistions** | | | | | |
| Accumulated value as of 1 January 2009 | 5,0 | 63,5 | 140,3 | 275,0 | 483,8 |
| Additions | | | | | - |
| Ordinary | 0,6 | 5,1 | 6,1 | 25,3 | 37,0 |
| Business combinations (see Note 26) | - | 3,9 | -1,1 | 4,7 | 7,4 |
| Disposals 1) | - | -2,9 | -4,5 | -5,7 | -13,1 |
| Currency translation differences | -0,6 | -9,9 | -10,9 | -38,1 | -59,5 |
| **Accumulated value as of 31 December 2009** | **3,8** | **70,0** | **129,2** | **262,6** | **465,7** |
| Additions | | | | | |
| Ordinary | 0,2 | 9,2 | 9,2 | 62,2 | 80,8 |
| Changes from prior years | - | 6,0 | 0,4 | -3,5 | 2,9 |
| Business combinations (see Note 26) | 25,2 | 2,2 | 27,4 | 130,8 | 185,6 |
| Disposals 1) | - | -7,7 | -1,9 | -21,4 | -31,0 |
| Currency translation differences | -0,2 | -3,6 | 2,2 | -11,3 | -12,8 |
| **Accumulated value as of 31 December 2010** | **29,1** | **76,1** | **166,6** | **419,4** | **691,2** |
| **Depreciation and write-downs** | | | | | |
| Accumulated value as of 1 January 2009 | -0,2 | -37,9 | -108,8 | -188,2 | -335,0 |
| Changes from prior years | -0,4 | -9,1 | 0,2 | -1,0 | -10,2 |
| Depreciation | 0,2 | -8,4 | -9,8 | -39,8 | -57,8 |
| Business combinations (see Note 26) | - | - | - | - | - |
| Disposals 1) | - | 1,8 | 3,7 | 5,3 | 10,9 |
| Currency translation differences | -0,3 | 5,8 | 10,2 | 26,1 | 41,7 |
| **Accumulated value as of 31 December 2009** | **-0,7** | **-47,8** | **-104,4** | **-197,5** | **-350,5** |
| Changes from prior years | -0,1 | -2,1 | -0,6 | -0,6 | -3,2 |
| Depreciation | -0,2 | -8,3 | -10,2 | -38,2 | -56,8 |
| Business combinations (see Note 26) | -18,2 | -0,0 | -21,4 | -113,8 | -153,5 |
| Disposals 1) | - | 3,6 | 1,4 | 16,8 | 21,8 |
| Currency translation differences | 0,2 | 2,4 | -1,9 | 8,4 | 9,0 |
| **Accumulated value as of 31 December 2010** | **-19,0** | **-52,2** | **-137,1** | **-325,0** | **-533,3** |
| Cost | 3,8 | 70,0 | 129,2 | 262,6 | 465,7 |
| Depreciation and write-downs | -0,7 | -47,8 | -104,4 | -197,5 | -350,5 |
| **Accumulated value as of 31 December 2009** | **3,1** | **22,2** | **24,8** | **65,1** | **115,2** |
| Cost | 29,1 | 76,1 | 166,6 | 419,4 | 691,2 |
| Depreciation and write-downs | -19,0 | -52,2 | -137,1 | -325,0 | -533,3 |
| **Accumulated value as of 31 December 2010** | **10,0** | **23,9** | **29,5** | **94,4** | **157,9** |

1) Gain/loss on the disposal of property, plant and equipment accounted for insignificant amounts in 2009 and 2010.

**Financial leases:**

**Computer equipment** acquired through financial leases, where all the risk and control rests essentially with the Group, includes the following:

| (Amounts in MNOK) | 2010 | 2009 |
|---|---|---|
| Accumulated cost – capitalised on financial leases | 50,7 | 66,6 |
| Accumulated depreciation | -49,7 | -61,4 |
| Currency translation differences | -0,2 | -0,7 |
| **Book value as of 31 December** | **0,8** | **4,5** |

**Vehicle**s acquired through financial leases, where all the risk and control rests essentially with the Group, includes the following::

| (Amounts in MNOK) | 2010 | 2009 |
|---|---|---|
| Accumulated cost – capitalised on financial leases | 6,7 | 12,9 |
| Accumulated depreciation | -3,2 | -5,1 |
| Currency translation differences | -0,1 | -0,5 |
| **Book value as of 31 December** | **3,5** | **7,3** |

The maturity of the financial leases are presented in Note 14.

**Operating leases:**

The future minimum lease payments under non-cancellable operating leases are as follows:

| 2010 | Maturity within 1 year | 1-5 years | Maturity after more than 5 years |
|---|---|---|---|
| Payment for leased premises (gross) | 81,9 | 188,6 | - |
| Subleasing of premises | 5,1 | 6,9 | - |
| **Net payments after deduction of subleasing** | **87,0** | **195,6** | **-** |
| Other leases | 51,1 | 68,3 | - |
| **Total future lease payments** | **138,1** | **263,9** | **-** |

| 2009 | Maturity within 1 year | 1-5 years | Maturity after more than 5 years |
|---|---|---|---|
| Payment for leased premises (gross) | 23,9 | 30,2 | - |
| Subleasing of premises | -0,2 | - | - |
| **Net payments after deduction of subleasing** | **23,6** | **30,2** | **-** |
| Other leases | 22,1 | 12,1 | - |
| **Total future lease payments** | **45,7** | **42,3** | **-** |

# NOTE 8 GOODWILL AND INTANGIBLE ASSETS

| (Amounts in MNOK) | Goodwill 1) | Contracts and customer relationships | Computer software and rights | Total other intangible assets |
|---|---|---|---|---|
| **Acquistions** | | | | |
| Accumulated values, 1. january 2009 | 2 540,1 | 256,2 | 218,0 | 474,2 |
| Additions | | | | |
| Ordinary | - | - | 98,7 | 98,7 |
| Changes from prior years | 15,5 | -10,9 | 17,7 | 6,8 |
| Business combinations (see Note 26) | 34,4 | 27,0 | 0,8 | 27,8 |
| Disposals 2) | -0,3 | - | -0,3 | -0,3 |
| Currency translation differences | -265,4 | -30,1 | -24,8 | -54,9 |
| **Accumulated values, 31 December 2009** | **2 324,3** | **242,2** | **310,0** | **552,2** |
| Additions | | | | |
| Ordinary | - | - | 44,1 | 44,1 |
| Changes from prior years | 6,8 | - | 15,5 | 15,5 |
| Business combinations (see Note 26) | 463,2 | 124,1 | 71,8 | 195,9 |
| Disposals | - | - | -15,5 | -15,5 |
| Currency translation differences | -36,6 | -4,6 | -10,6 | -15,2 |
| **Accumulated values, 31 December 2010** | **2 757,7** | **361,7** | **415,4** | **777,1** |
| | | | | |
| **Depreciation and write-downs** | | | | |
| Accumulated values, 1 January 2009 | -0,1 | -122,6 | -103,8 | -226,4 |
| Changes from prior years | 0,0 | - | -17,3 | -17,3 |
| Business combinations (see Note 26) | - | - | - | - |
| Depreciation | - | -54,9 | -48,8 | -103,7 |
| Disposals 2) | - | -0,8 | 0,0 | -0,8 |
| Currency translation differences | - | 15,2 | 11,6 | 26,8 |
| **Accumulated values, 31 December 2009** | **-0,0** | **-163,1** | **-158,2** | **-321,3** |
| Changes from prior years | | -3,1 | 0,2 | -2,9 |
| Business combinations (see Note 26) | -0,0 | - | -15,4 | -15,4 |
| Depreciation | - | -56,3 | -58,4 | -114,7 |
| Disposals 2) | - | - | 7,9 | 7,9 |
| Currency translation differences | - | 3,0 | 2,3 | 5,3 |
| **Accumulated values, 31 December 2010** | **-0,0** | **-216,5** | **-219,3** | **-435,9** |
| | | | | |
| Cost | 2 324,3 | 242,2 | 310,0 | 552,2 |
| Accumulated depreciation and write-downs | -0,0 | -163,1 | -158,2 | -321,3 |
| **Book value, 31 December 2009** | **2 324,3** | **79,1** | **151,8** | **230,9** |
| | | | | |
| Cost | 2 757,7 | 361,7 | 415,4 | 777,1 |
| Accumulated depreciation and write-downs | -0,0 | -216,5 | -219,3 | -435,9 |
| **Book value, 31 December 2010** | **2 757,7** | **145,2** | **196,0** | **341,2** |

1) Goodwill and other assets are allocated to the Group's cash-generating units identified according to country of operation (segment). Recoverable amounts for cash generating units are estimated based on calculating the asset's value in use. Liquidity forecasts are used based on the budget for revenues, product/service mix, profit margins, costs and capital employment for 2010, as well as a year-over-year revenue growth corresponding to 0.4% to 4.0% *) depending on the geographical market for the period from 2011 to 2015. Cash flows beyond the five year period are derived from estimated growth rates (depending on the geographical area) of 2.5 to 3.5% for an indefinite period. Risk is taken into account through a discount rate that reflects the weighted average cost of capital (WACC) for the individual cash-generating units. The calculations did not result in any write-downs of assets in 2009 or 2010. It is assumed that the goodwill that arises from the acquisitions is related primarily to expectations of synergies (market power, buying power, cost savings, etc.) for the new combined business. It is also assumed that the remaining goodwill that arises is related to excess value (employee value etc.) in the acquired businesses. In order to realise synergies quickly the acquired companies are generally integrated quickly into the acquiring units. It has not been found to be practically feasible to quantify the effect of the acquired companies on the profit for the period of time they have been owned by Atea.

* Determined primarily by external market analyses

2) Gain/loss on the disposal of property, plant and equipment accounted for insignificant amounts in 2009 and 2010.

### Allocation of goodwill

**2010**

| (Amounts in MNOK) | Distributor | Resale | Total |
|---|---|---|---|
| Norway | - | 914,4 | 914,4 |
| Sweden | 66,1 | 586,4 | 652,5 |
| Denmark | - | 935,1 | 935,1 |
| Finland | - | 129,4 | 129,4 |
| Baltic States | - | 126,4 | 126,4 |
| **Total** | **66,1** | **2 691,6** | **2 757,7** |

**2009**

| (Amounts in MNOK) | Distributor | Resale | Total |
|---|---|---|---|
| Norway | - | 685,7 | 685,7 |
| Sweden | 61,5 | 407,1 | 468,5 |
| Denmark | - | 944,3 | 944,3 |
| Finland | - | 91,2 | 91,2 |
| Baltic States | - | 134,5 | 134,5 |
| **Total** | **61,5** | **2 262,8** | **2 324,3** |

Acquisitions made in 2010 are described in Note 26. The Group does not have any significant research and development (R&D) expenses.

## NOTE 9 TRADE AND OTHER RECEIVABLES

| (Amounts in MNOK) | 2010 | 2009 |
|---|---|---|
| **Provisions for bad debts as of 1 January** | **-26,4** | **-35,9** |
| Additional provisions | -8,6 | -6,1 |
| Used provisions | 5,0 | 8,1 |
| Amount written off as uncollectable | 0,8 | 1,1 |
| Amount collected during the year | 5,1 | 2,9 |
| Currency translation differences on bad debts | 0,3 | 3,6 |
| **Provisions for bad debts as of 31 December** | **-23,8** | **-26,4** |
| | | |
| **Trade receivables** | **4 391,7** | **3 237,8** |
| Provisions for bad debts | -23,8 | -26,4 |
| **Book value of trade receivables** | **4 367,8** | **3 211,4** |
| | | |
| Prepaid expenses | 306,3 | 188,3 |
| Advances to suppliers | 2,2 | 4,1 |
| Other current receivables | 264,9 | 117,5 |
| **Other receivables** | **573,3** | **310,0** |
| **Total trade receivables and other current receivables** | **4 941,3** | **3 521,4** |
| | | |
| Other long-term receivables 1) | 46,2 | 55,7 |
| **Total other long-term receivables** | **46,2** | **55,7** |

1) Concerns postponed compensation for the sale of the consulting business in Denmark in 2006.

There is no concentration of credit risk with respect to trade receivables, as the Group has a large number of customers spread across several countries. Maximum exposure to receivables corresponds to MNOK 4,367.9 (MNOK 3,211.4 in 2009).

The Group has a maximum limit of MNOK 1,452.3 (MNOK 1,465.6 in 2009) through a factoring agreement. As of 31 December 2010 the Group has drawn a total of MNOK 465.4 (MNOK 162.9 in 2009) from this facility. All trade receivables have been pledged as security for this facility. See Note 14 for additional information.

The Group has recognised income of MNOK 4.5 related to the reversal of provisions for expected losses on trade receivables in the income statement for 2010 (losses of MNOK 2.9 were recognised in the income statement in 2009.)

See otherwise Note 3.1.2 with regard to credit risk.

| Maturity analysis for trade receivables not due | 2010 | 2009 |
|---|---|---|
| Maturity < 30 days | 3 928,4 | 2 803,4 |
| Maturity 31-90 days | 112,8 | 55,4 |
| Maturity > 91 days | - | 0,3 |
| **Total MNOK** | **4 041,2** | **2 859,1** |

| Maturity analysis for trade receivables due | 2010 | 2009 |
|---|---|---|
| Maturity < 30 days | 268,2 | 325,6 |
| Maturity 31-90 days | 59,8 | 23,2 |
| Maturity > 91 days | 22,5 | 30,0 |
| **Total MNOK** | **350,5** | **378,7** |

# NOTE 10 INVENTORIES

| (Amounts in MNOK) | 2010 | 2009 |
|---|---|---|
| **Provisions for write-downs as of 1 January** | **-4,8** | **-6,0** |
| Additional provisions | -1,7 | -3,3 |
| Used provisions | 1,8 | 4,2 |
| Currency translation differences on inventory write-downs | -0,1 | 0,3 |
| **Provisions for write-downs as of 31 December** | **-4,8** | **-4,8** |
| | | |
| Cost price of inventories | 454,0 | 373,6 |
| Accumulated provisions for write-downs | -4,8 | -4,8 |
| **Book value as of 31 December** | **449,3** | **368,7** |
| | | |
| Cost price of spare parts inventory | 65,6 | 40,4 |
| Accumulated depreciation | -18,3 | -15,8 |
| **Book value as of 31 December** | **47,3** | **24,6** |
| | | |
| **Net inventory in the balance sheet** | **496,6** | **393,4** |

Write-down of inventories and depreciation of spare parts inventory, recognised as an expense and included in cost of goods sold amounted to MNOK 2.6 (MNOK 10.3 in 2009). Inventory of spare parts are written-down over the average length of service contracts. Cost of sales for the full year 2010 was MNOK 13,129.0 (MNOK 10,996.5 in 2009).

# NOTE 11 LIQUIDITY RESERVE

| (Amounts in MNOK) | 2010 | 2009 |
|---|---|---|
| **Cash and cash equivalents** | | |
| Cash in hand and on deposit | 404,0 | 194,5 |
| – of which restricted funds | -0,5 | -0,6 |
| **Unrestricted cash** | **403,5** | **193,9** |
| | | |
| Unutilised short-term borrowing facilities | 998,4 | 1 210,6 |
| Short-term overdraft facility | 132,0 | 132,0 |
| **Liquidity reserve** | **1 533,9** | **1 536,5** |
| | | |
| **Loan facilities** | | |
| Short-term overdraft facility (see Note 14) | 132,0 | 132,0 |
| - of which utilised | - | - |
| Short-term loan facility (see Note 14) | 288,2 | 225,9 |
| - of which utilised | 254,0 | 225,9 |
| Available through factoring agreement (see Note 14) | 1 429,6 | 1 373,5 |
| - of which utilised | 465,4 | 162,9 |

# NOTE 12 PAID-IN EQUITY, OPTIONS, SHAREHOLDERS

| | Number of shares | | Share capital | | | | |
|---|---|---|---|---|---|---|---|
| (Amounts in MNOK) | Issued | Treasury shares | Issued | Treasury shares | Share premium | Total paid-in equity | Option programmes |
| As of 1 January 2009 | 95,5 | -3,8 | 955,1 | -37,9 | 598,3 | 1 515,6 | 38,4 |
| Employee share option programmes, value of employee contributions | - | - | - | - | - | - | 8,3 |
| Change in treasury shares | - | 0,9 | - | 8,9 | - | 8,9 | - |
| Issue of share capital | - | - | - | - | - | - | - |
| **As of 31 December 2010** | **95,5** | **-2,9** | **955,1** | **-29,0** | **598,3** | **1 524,4** | **46,7** |
| | | | | | | | |
| As of 1 January 2009 | 95,5 | -2,9 | 955,1 | -29,0 | 598,3 | 1 524,4 | 46,7 |
| Employee share option programmes, value of employee contributions | - | - | - | - | - | - | 12,9 |
| Change in treasury shares | - | 2,9 | - | 29,0 | - | 29,0 | - |
| Issue of share capital | 0,8 | - | 7,8 | - | 13,5 | 21,4 | - |
| **As of 31 December 2010** | **96,3** | **-0,0** | **963,0** | **-0,0** | **611,9** | **1 574,8** | **59,5** |

The total number of outstanding ordinary shares in Atea ASA as of 31 December 2010 was 96,295,022 shares with a par value of NOK 10 per share (95,527,022 in 2009).

### Treasury shares

During 2010 Atea ASA bought 167,000 own shares and sold 3,062,568 at an average price of NOK 45.09 per share. The sales of shares have been made in connection with exercise of employee options and as compensation regarding the purchase of Calamus Danmark and Umoe IKT. As of 31 December 2010 Atea ASA holds 3,601 own shares. During 2009 Atea ASA sold 889,066 own shares at an average price of NOK 33.00 per share. The acquisitions of own shares have been completed as part of a share buyback program approved by Atea ASA's General Annual Meeting 29 April 2010. According to the approval the lowest and highest price payable is NOK 10 and NOK 200 respectively.

### Share options

Share options have been allotted to the management and selected employees. Each share option allows for the subscription of one share in Atea ASA. The fair value of the options is calculated when they are allotted and expensed over the vesting period. A cost of MNOK 12.8 has been charged as an expense in the income statement in 2010 relating to the share option programmes (MNOK 8.3 in 2009). In addition, National Insurance contribution expenses reversal of MNOK 0.5 were recognised in 2010 (MNOK 8.3 was expensed in 2009).

**Movement in outstanding options**

| | Weighted average exercise price in NOK per share 2010 | Number of options (thousand) | Weighted average exercise price in NOK per share 2009 | Number of options (thousand) |
|---|---|---|---|---|
| As of 1 January | 27,15 | 3 690 | 28,35 | 4 129 |
| Allotted | 40,04 | 3 047 | 20,34 | 356 |
| Exercised | 30,16 | -1 879 | 27,41 | -573 |
| Lapsed/terminated | 23,17 | -73 | 44,31 | -38 |
| Rejected | 28,40 | -24 | - | - |
| Expired | - | - | 31,61 | -184 |
| As of 31 December | 34,78 | 4 761 | 27,15 | 3 690 |
| Of which fully vested | 27,62 | 1 206 | 29,25 | 2 391 |

| Expiration date | Allotment date | Exercise price in NOK per share | 2010 (thousand) | 2009 (thousand) |
|---|---|---|---|---|
| 31.05.2010 | 01.06.2006 | 28,40 | 3 | - |
| 31.12.2010 | 01.08.2005 | 13,79 | - | 100 |
| 31.12.2010 | 01.06.2006 | 28,40 | 2 | 1 086 |
| 31.12.2010 | 06.11.2006 | 28,40 | - | 70 |
| 31.12.2010 | 05.01.2007 | 32,00 | - | 358 |
| 31.12.2010 | 22.02.2007 | 42,00 | - | 30 |
| 31.05.2011 | 01.06.2006 | 28,40 | 378 | 17 |
| 31.05.2011 | 06.11.2006 | 28,40 | 40 | - |
| 31.05.2011 | 05.01.2007 | 32,00 | 85 | - |
| 31.05.2011 | 16.08.2007 | 43,50 | - | 145 |
| 31.05.2011 | 07.03.2008 | 32,40 | 51 | 100 |
| 31.05.2011 | 14.03.2008 | 32,80 | 50 | 150 |
| 31.05.2011 | 03.04.2008 | 32,40 | 167 | 175 |
| 31.05.2011 | 20.08.2008 | 32,50 | 17 | 50 |
| 30.11.2011 | 01.06.2006 | 25,00 | 8 | - |
| 30.11.2011 | 16.08.2007 | 25,00 | 142 | 158 |
| 30.11.2011 | 26.02.2008 | 36,50 | - | 33 |
| 30.11.2011 | 01.04.2008 | 20,00 | 100 | 100 |
| 30.11.2011 | 30.04.2008 | 25,00 | 67 | 200 |
| 30.11.2011 | 17.11.2008 | 19,20 | 296 | 518 |
| 30.11.2011 | 17.11.2008 | 25,00 | 150 | 100 |
| 30.11.2011 | 01.04.2009 | 19,20 | 125 | 253 |
| 30.11.2012 | 17.06.2009 | 25,00 | 24 | 36 |
| 30.11.2012 | 06.11.2009 | 38,90 | 10 | 10 |
| 30.11.2011 | 14.01.2010 | 47,90 | 16 | - |
| 31.05.2013 | 03.03.2010 | 50,75 | 60 | - |
| 31.05.2013 | 27.05.2010 | 44,10 | 50 | - |
| 31.05.2013 | 08.06.2010 | 44,70 | 25 | - |
| 30.11.2013 | 19.07.2010 | 40,64 | 2 716 | - |
| 01.03.2014 | 20.09.2010 | 25,00 | 165 | - |
| 02.03.2014 | 21.09.2010 | 25,00 | 15 | - |
| **Sum** | | | **4 761** | **3 690** |

The conditions for the utilisation of the different share option programmes are set for each programme on an individual basis. The fair value of options allotted, calculated using the Black-Scholes option pricing model, was MNOK 34.8 in 2010 (MNOK 1.2 in 2009).

## Most important variables used in the calculations in 2010:

### Variables in the model for the allotment of options in 2010

| | |
|---|---|
| Weighted average share price at the time of allotment | 39,11 |
| Weighted average exercise price | 40,04 |
| Weighted average fair value | 11,43 |
| Weighted average volatility | 46,00 % |
| Weighted average risk-free interest rate | 2,38 % |
| Weighted average expected life (years) | 2,46 |

**Share price at the allotment date**
The share price is set equal to the market price at the allotment date (NOK 39.11)

**Exercise price per option**
As illustrated above.

**Volatility**
Volatility measured at the standard deviation of expected share price returns is based on statistical analysis of the share price performance. The expected volatility has been set, therefore, at 46.00%.

**Option's duration**
Up to 3.5 years.

**Dividends**
The calculations for 2010 assume a dividend of NOK 1.00 annually in the years to come.

**Risk-free interest rate**
Assumed risk-free interest rate is 2.00% - 3.09% (varies in relation to the duration and allotment date).

## Principal shareholders

10 largest shareholders as of 31 December 2010*:

| | Shares | % |
|---|---|---|
| Systemintegration APS ** | 28 438 490 | 29,53 |
| State Street Bank & Trust Co. Ref: OM80 *** | 6 076 452 | 6,31 |
| Goldman Sachs Int. - Equity - *** | 3 802 939 | 3,95 |
| State Street Bank & Trust Co. Ref: OM06 *** | 3 715 805 | 3,86 |
| Bank of New York Mellon *** | 2 411 743 | 2,50 |
| Umoe AS | 1 780 000 | 1,85 |
| VPF Nordea Kapital | 1 466 417 | 1,52 |
| State Street Bank & Trust Co. Ref: OM04 *** | 1 319 605 | 1,37 |
| SHB Stockholm Clients Account *** | 1 261 077 | 1,31 |
| Vital Forsikring ASA *** | 1 224 972 | 1,27 |
| Other | 44 797 522 | 46,52 |
| **Total number of shares** | **96 295 022** | **100,00** |

* Source: Norwegian Central Securities Depository (VPS)
** Includes shares owned by Ib Kunøe
*** Includes client accounts

| Shares and options owned by key employees and board members as of 31 December 2010: | | Shares 1) | Options | Maturity date for options |
|---|---|---|---|---|
| **Key employees in the Group** | | | | |
| Claus Hougesen | President and CEO of Atea ASA | 411 490 | 500 000 | 30.11.2013 |
| Rune Falstad | Executive Vice President and CFO of Atea ASA | 74 500 | 350 000 | 31.05.2011-30.11.2013 |
| Peter Trans | Managing Director of Atea A/S (Denmark) | 397 494 | 700 000 | 31.05.2011-30.11.2013 |
| Juha Sihvonen | Managing Director of Atea Oy (Finland) | - | 150 000 | 31.05.2011-30.11.2013 |
| Lars Pettersson | Managing Director of Atea AB (Sweden) | 3 000 | 306 667 | 31.05.2011-30.11.2013 |
| Steinar Sønsteby | Managing Director of Atea AS (Norway) | 1 500 | 333 334 | 31.05.2011-30.11.2013 |
| Arunas Bartusevicius | Managing Director of Atea UAB | - | 50 667 | 31.05.2011 |
| **President and CEO of Atea ASA** | | | | |
| Ib Kunøe | Board Chairman | 28 756 190 | - | |
| Morten Jurs 2) | Member of the Board | - | - | |
| Cathrine Foss Stene 2) | Member of the Board | - | - | |
| Kristine M Madsen | Member of the Board | - | - | |
| Sven Madsen | Member of the Board | 117 500 | - | |
| Sigrun Hjelmqvist | Member of the Board | 1 000 | - | |
| Karin S. Løkke | Member of the Board (employee elected) | 3 700 | - | |
| Marthe Dyrud | Member of the Board (employee elected) | 1 500 | 3 334 | 30.11.2011 |
| Jørn Goldstein | Member of the Board (employee elected) | 500 | - | |

1) Direct and indirect ownership.

2) Cathrine Foss Stene resigned from her position on the Board at the General Meeting of 29 April 2010. Morten Jurs was elected as a new member of the Board at the same time.

**Change for the year and description of the share options owned by key employees in the Group are as follow:**

| Share option allotment, exercise and holdings for key employees (thousand) | Holdings 01.01.10 | Allotment in 2010 | Exercise in 2010 | Holdings 31.12.10 | Exercise price (NOK) |
|---|---|---|---|---|---|
| Claus Hougesen | 240 | 500 | -240 | 500 | 28,40 |
| Rune Falstad | 250 | 200 | -100 | 350 | 13,79 |
| Peter Trans | 200 | 500 | - | 700 | - |
| Lars Pettersson | 137 | 200 | -30 | 307 | 28,40 |
| Juha Sihvonen | 150 | 100 | -100 | 150 | 32,80 |
| Steinar Sønsteby | 200 | 200 | -67 | 333 | 28,40 |
| Arunas Bartusevicius | 100 | - | -49 | 51 | 32,40 |

# NOTE 13 TRADE PAYABLES AND OTHER CURRENT LIABILITIES

| (Amounts in MNOK) | 2010 | 2009 |
|---|---|---|
| Trade payables | 3 120,3 | 2 162,2 |
| Debt to related parties | - | - |
| **Total trade payables** | **3 120,3** | **2 162,2** |
| Government withholdings and taxes | 517,9 | 347,2 |
| Advances from customers | 509,4 | 432,4 |
| Accrued expenses and other current liabilities | 950,4 | 735,6 |
| **Total other current liabilities** | **1 977,7** | **1 515,2** |
| **Total trade payables and other current liabilities** | **5 098,0** | **3 677,4** |

| Maturity analysis for trade payables | 2010 | 2009 |
|---|---|---|
| Maturity < 30 days | 2 893,3 | 2 066,5 |
| Maturity 31-90 days | 226,0 | 95,2 |
| Maturity > 91 days | 1,0 | 0,5 |
| **Total** | **3 120,3** | **2 162,2** |

# NOTE 14 BORROWINGS

| (Amounts in MNOK) | 2010 | 2009 |
|---|---|---|
| **Long-term loans** | | |
| Long-term interest-bearing loans | 18,0 | 7,1 |
| Financial leases expiring more than one year in the future | 2,5 | 5,3 |
| **Total long-term loans** | **20,5** | **12,4** |
| | | |
| **Short-term loans** | | |
| Short-term loan facility | 254,0 | 225,9 |
| Factoring facility | 465,4 | 162,9 |
| Short-term interest-bearing loans | - | 4,3 |
| First year instalments for financial leases | 1,9 | 10,8 |
| **Total short-term loans** | **721,3** | **403,9** |
| **Total loans** | **741,8** | **416,3** |

Borrowings include secured liabilities of MNOK 719.4 in 2010 (MNOK 393.1 in 2009).

### Short-term loan facility

As of 31 December 2010, the Group had drawn MNOK 223.3 on a short-term facility provided by Nordea Bank Danmark A/S. The facility was structured as an overdraft facility that was used to finance the purchase of the shares in Atea Holding AB in 2006. Amounts drawn on the facility are classified as short-term debt.

In addition, the Group had drawn MNOK 30.7 as of 31 December 2010 on various smaller credit facilities taken over through the acquisition of companies. The Group is in process of terminating these facilities in order to streamline the company's financing further.

### Factoring facility

The Group has a factoring facility agreement with Nordea Finans in Norway, Sweden, Finland and Denmark for the factoring of the Group's trade receivables. The Group can borrow up to a maximum of 80% of the outstanding trade receivables through this agreement. In 2008 the factoring limit in Norway was raised from MNOK 250 to MNOK 350 and the factoring limit for the Group as a whole was MNOK 1,452.3 as of 31 December 2010. The actual drawdown available based on this agreement is dependent of the size of the trade receivables. As of 31 December 2010 the total drawdown available under this facility was MNOK 1,429.6, and MNOK 465.4 of this had been utilised. Drawings on the facility are classified as short-term debt.

All trade receivables in Atea AS, Atea Sverige AB, Atea Finland Oy and Atea A/S are pledged as security for the facility. The facility has standard terms and conditions for this type of financing.

### Overdraft facility

The Group has an overdraft facility of MNOK 132.0 provided by Nordea Bank Norge ASA. None of this facility had been utilised as of 31 December 2010. Amounts drawn on this facility are classified as short-term debt.

Atea ASA's shares in Atea Danmark Holding A/S, Atea AS, Atea Holding AB and Atea Finland Holding OY have been pledged as security for the short-term loan facility, factoring facilities and overdraft facility. Atea Danmark Holding A/S, Atea A/S, Atea AS, Atea Holding AB, Atea Sverige AB, Atea Finland Holding OY and Atea Finland OY have also furnished a guarantee as security for the loan facilities. The facilities have standard terms and conditions.

**The Group is exposed to interest rate changes with respect to loans based on the following repricing structure:**

| (Amounts in MNOK) | 2010 | 2009 |
|---|---|---|
| 6 months or less | 720,3 | 398,5 |
| 6-12 months | 1,0 | 5,4 |
| 1-5 years | 20,5 | 12,4 |
| Over 5 years | - | - |
| **Total** | **741,8** | **416,3** |

**Interest on the date of the balance sheet was as follows:**

| | 2010 | 2009 |
|---|---|---|
| Long-term interest-bearing loans | 2,6 % | 1,6 % |
| Payments after 2010 for financial leases | 2,7 % | 2,4 % |
| Short-term loan facility | 3,7 % | 3,6 % |
| Factoring facility | 2,7 % | 2,4 % |
| Short-term interest-bearing loans | - | 1,9 % |
| First year instalments for financial leases | 2,7 % | 2,4 % |
| **Average interest rate** | **3,0 %** | **3,1 %** |

| Maturity analysis for loans 2010 1) | Less than 1 month | 1-3 months | 3 months to 1 year | 1-5 years | Total |
|---|---|---|---|---|---|
| Financial leases | 0,6 | 0,7 | 0,7 | 2,7 | 4,7 |
| Short-term loan facility | - | - | 263,3 | - | 263,3 |
| Factoring facility | - | 468,5 | - | - | 468,5 |
| Other interest-bearing loans | - | - | - | 19,4 | 19,4 |
| **Total** | **0,6** | **469,2** | **263,9** | **22,1** | **755,9** |

1) Includes interest payable

| Maturity analysis for loans 2009 1) | Less than 1 month | 1-3 months | 3 months to 1 year | 1-5 years | Total |
|---|---|---|---|---|---|
| Financial leases | 3,6 | 3,6 | 3,7 | 5,7 | 16,7 |
| Short-term loan facility | - | - | 234,1 | - | 234,1 |
| Factoring facility | - | 163,9 | - | - | 163,9 |
| Other interest-bearing loans | - | - | 4,4 | 7,5 | 11,8 |
| **Total** | **3,6** | **167,5** | **242,2** | **13,2** | **426,5** |

1) Includes interest payable

# NOTE 15 CLASSIFICATION OF FINANCIAL INSTRUMENTS

**2010**

| (Amounts in MNOK) | Loans and receivables | Amortised cost | Fair value 1) |
|---|---|---|---|
| **Financial assets** | | | |
| Trade receivables | 4 367,9 | | 4 367,9 |
| Other receivables 2) | 264,9 | | 264,9 |
| Financial assets 5) | 26,9 | | 26,9 |
| Derivative contracts | 0,1 | | 0,1 |
| Cash and cash equivalents | 404,0 | | 404,0 |
| **Financial liabilities** | | | |
| Interest-bearing long-term liabilities | | 20,5 | 20,5 |
| Other long-term liabilities 3) | | 64,4 | 59,9 |
| Trade payables | | 3 120,3 | 3 120,3 |
| Interest-bearing current liabilities | | 721,3 | 721,3 |
| Derivative contracts | | 0,8 | 0,8 |
| Other current liabilities 4) | | 1 665,2 | 1 665,2 |

1) Book value is a reasonable estimate of fair value in cases where these numbers are identical.

2) Less prepaid expenses

3) Interest not charged, discounted amortised cost at 3M NIBOR as of 31 December 2010 assuming an average repayment period of 2 years. MNOK 12.8 is related to forward contract regarding purchase of remaining shares from non-controlling ownership interests in UAB Atea Baltic.

4) Less provisions for restructuring and other provisions

5) Forward contract regarding purchase of remaining shares from non-controlling ownership interests in UAB Atea Baltic

**2009**

| (Amounts in MNOK) | Loans and receivables | Amortised cost | Fair value 1) |
|---|---|---|---|
| **Financial assets** | | | |
| Trade receivables | 3 211,4 | | 3 211,4 |
| Other receivables 2) | 117,3 | | 117,3 |
| Financial assets 5) | 30,3 | | 30,3 |
| Derivative contracts | 1,0 | | 1,0 |
| Cash and cash equivalents | 194,5 | | 194,5 |
| **Financial liabilities** | | | |
| Interest-bearing long-term liabilities | | 12,4 | 12,4 |
| Other long-term liabilities 3) | | 22,9 | 21,4 |
| Trade payables | | 2 162,2 | 2 162,2 |
| Interest-bearing current liabilities | | 403,9 | 403,9 |
| Derivative contracts | | 0,6 | 0,6 |
| Other current liabilities 4) | | 1 264,9 | 1 264,9 |

1) Book value is a reasonable estimate of fair value in cases where these numbers are identical.

2) Less prepaid expenses

3) Interest not charged, discounted amortised cost at 3M NIBOR as of 31 December 2009 assuming an average repayment period of 2 years. MNOK 26.6 is related to forward contract regarding purchase of remaining shares from non-controlling ownership interests in UAB Atea Baltic.

4) Less provisions for restructuring and other provisions

5) Forward contract regarding purchase of remaining shares from non-controlling ownership interests in UAB Atea Baltic

# NOTE 16 TAXES

### Specification of income tax expenses

| (Amounts in MNOK) | 2010 | 2009 |
|---|---|---|
| Tax payable | 29,1 | 14,6 |
| Change in deferred tax | -78,6 | -117,9 |
| **Total income tax expenses** | **-49,4** | **-103,3** |
| Of which associated with continued operations | -49,4 | -103,3 |
| Of which associated with discontinued operations | - | - |

### Calculation of income tax expenses

| (Amounts in MNOK) | 2010 | 2009 |
|---|---|---|
| **Profit/loss before tax** | **449,2** | **279,1** |
| Tax calculated at the applicable tax rates in the respective countries 1) | 120,1 | 74,3 |
| Tax effect of the following items: | | |
| - Non-tax-deductible expenses/income 2) | 30,8 | 7,0 |
| - Mergers/restructuring debt | -140,1 | - |
| - Change in write-down of off-balance-sheet deferred tax assets | -60,2 | -184,7 |
| Correction of tax expenses from previous years | - | 0,0 |
| **Total income tax expenses** | **-49,4** | **-103,3** |

| | - 2010 - | | | | | | |
|---|---|---|---|---|---|---|---|
| | Book value as of 01.01.10 | Recognised in P/L | Recognised in comprehensive income | Recognised in equity | Business combinations/ disposals | Other | Book value 31.12.10 |
| **Tax effect on temporary differences** | | | | | | | |
| Property, plant and equipment | 45,1 | -3,0 | - | - | - | - | 42,1 |
| Inventories | 10,4 | -1,1 | - | - | - | - | 9,3 |
| Long-term receivables | -25,6 | - | 8,5 | - | - | - | -17,1 |
| Receivables | 4,6 | -2,5 | - | - | - | - | - |
| Provisions and accruals | 5,7 | -6,2 | - | - | - | - | - |
| Retirement benefits | - | 0,3 | - | - | - | - | 0,3 |
| Capital gain/loss account | 15,7 | 27,0 | - | - | - | - | 42,7 |
| Accruals reserve | 3,3 | -16,3 | - | - | - | - | -13,0 |
| Tax loss carryforward 3) | 1 065,7 | -60,8 | - | - | 53,5 | | 1 058,4 |
| Other differences | - | -40,8 | - | - | -6,3 | - | -47,1 |
| Total deferred tax assets | 1 124,9 | -103,5 | 8,5 | - | 47,2 | - | 1 077,1 |
| Deferred tax assets not recognised on balance sheet | -806,9 | 199,6 | - | - | - | - | -607,3 |
| **Deferred tax assets recognised on the balance sheet** | **318,0** | | | | | | **469,8** |
| Intangible assets 5) | -73,4 | 23,3 | - | - | -45,0 | - | -95,1 |
| Other financial liabilities / Other differences | -0,3 | -40,8 | - | - | -28,8 | - | -69,9 |
| **Total deferred tax liabilities 6)** | **-73,7** | **-17,5** | **-** | **-** | **-73,8** | **-** | **-165,1** |
| **Net deferred tax assets recognised on balance sheet** | **244,3** | | | | | | **304,8** |

| | - 2009 - | | | | | | |
|---|---|---|---|---|---|---|---|
| | Book value as of 01.01.09 | Recognised in P/L | Recognised in comprehensive income | Recognised in equity | Business combinations/ disposals | Other | Book value 31.12.09 |
| **Tax effect on temporary differences** | | | | | | | |
| Property, plant and equipment | 73,8 | -30,2 | - | - | - | 1,5 | 45,1 |
| Inventories | 9,9 | 0,5 | - | - | - | - | 10,4 |
| Long-term receivables | -109,0 | - | 83,3 | - | - | - | -25,6 |
| Receivables | 7,8 | -3,2 | - | - | - | - | 4,6 |
| Provisions and accruals | 27,3 | -21,6 | - | - | - | - | 5,7 |
| Retirement benefits | 0,8 | -0,8 | - | - | - | - | - |
| Capital gain/loss account | 11,7 | 4,0 | - | - | - | - | 15,7 |
| Accruals reserve | 4,6 | -1,3 | - | - | - | - | 3,3 |
| Tax loss carryforward 3) | 1 660,6 | 147,4 | - | - | - | -742,3 | 1 065,7 |
| Other differences | 0,2 | -0,2 | - | - | - | - | - |
| Total deferred tax assets | 1 687,7 | 94,6 | 83,3 | - | - | -740,8 | 1 124,9 |
| Deferred tax assets not recognised on balance sheet | -1 468,8 | - | - | - | - | - | -806,9 |
| **Deferred tax assets recognised on the balance sheet** | **218,9** | | | | | | **318,0** |
| Intangible assets 5) | -90,7 | 24,2 | - | - | -6,9 | - | -73,4 |
| Other financial liabilities / Other differences | - | -0,9 | - | - | - | 0,6 | -0,3 |
| **Total deferred tax liabilities 6)** | **-90,7** | **23,3** | **-** | **-** | **-6,9** | **0,6** | **-73,7** |
| **Net deferred tax assets recognised on balance sheet** | **128,2** | | | | | | **244,3** |

1) Nominal tax before deductions by country: MNOK 50.0 in Norway (28% tax rate); MNOK 45.6 in Sweden (26.3%); MNOK 1.0 in Finland (26.0%); MNOK 22.3 in Denmark (25.0%); and MNOK 1.2 in the Baltic States (0-15.0%), including the Riga office (15.0%).
2) The non-deductible expenses for the year include expenses that are not tax deductible pursuant to the Danish rules.
3) Tax loss carryforward as of 31 December 2010 totals MNOK 3,809.7 (calculated deferred tax assets total MNOK 469.8).
4) Atea recognises deferred tax assets on its balance sheet when it has been deemed adequately probable that the operations in the individual country will generate a taxable profit that the tax loss carryforward can be used to offset. Taking into account the historical losses and cyclical nature, future earnings are not deemed probable until the individual company has actually reported a taxable profit for a period of time, and when calculating tax assets that are to be recognised, the expected profit is only taken into account for a limited future period (normally limited to a maximum period of 5 years).
5) Primarily intangible assets from acquisitions.
6) Deferred tax liability recognised on the balance sheet as of 31 December 2010 totals MNOK 165.1. This liability is related primarily to depreciable excess values from business combinations,as well as deferred tax liabilities that can not be set off against corresponding deferred tax assets.

**The Group's tax loss carryforward expires as follows:**

| (Amounts in MNOK) | 2011 | 2012 | 2013 | 2014 or later | No expiration deadline | Total 31.12.2010 |
|---|---|---|---|---|---|---|
| Norway | | | | | 3 517,2 | 3 517,2 |
| Sweden | 8,6 | 100,5 | - | 4,9 | - | 113,9 |
| Denmark | - | - | - | - | 107,3 | 107,3 |
| Finland | - | - | - | 47,1 | 8,2 | 55,3 |
| Baltic States | - | - | - | - | 15,9 | 15,9 |
| **TOTAL** | **8,6** | **100,5** | **-** | **52,0** | **3 648,6** | **3 809,7** |

# NOTE 17 RETIREMENT BENEFIT OBLIGATIONS

A portion of the Group's employees in Norway are covered by pension plans entitling them to defined future pension benefits. The pension benefits are mainly dependent on the number of contribution years, wage level upon reaching retirement age and the size of the social security benefits. Almost all of the foreign subsidiaries have pension plans that are contribution plans.

The pension agreements for the Norwegian companies in the Group are financed through group insurance plans with two life insurance companies. The Group's obligations cover 295 employees as of 31 December 2010. Pension obligations are based on the following economic assumptions:

| (%) | 2010 1) | 2009 | 2008 |
|---|---|---|---|
| Discount rate | 3,9 | 4,4 | 3,8 |
| Expected return on plan assets | 5,3 | 5,6 | 5,8 |
| Annual expected wage inflation | 4,0 | 3,0 | 3,0 |
| Adjustment of statutory basic amount | 3,8 | 4,0 | 3,8 |
| Future increase in pension benefits | 1,2 | 1,3 | 1,5 |

1) The Group's choice of pension assumptions are according to the Norwegian Accounting Standards Board's recommended pension assumptions NRS (V).

**Net pension costs are determined as follows:**

| (Amounts in MNOK) | 2010 | 2009 | 2008 |
|---|---|---|---|
| Present value of pension benefits earned during the period | 13,2 | 11,5 | 9,6 |
| Interest cost of pension obligations | 7,7 | 7,0 | 7,9 |
| Expected return on plan assets | -7,6 | -7,9 | -7,0 |
| Employer's social security tax | - | - | - |
| Recognised effect of plan changes 1) | -9,4 | - | - |
| Recognised effect of actuarial gains or losses 2) | 20,0 | 3,1 | 1,1 |
| **Pension costs, defined benefit plans** | **23,9** | **13,6** | **11,5** |
| Pension costs, defined contribution plans | 139,0 | 122,6 | 100,4 |
| **Pension costs for the year (see Note 19)** | **162,9** | **136,3** | **112,0** |

1) Impact of curtailment arising from issue of paid-up policies to disability-, widow /child- and retirement pensioners in Atea AS, at 31 December 2010.

2) Impact of curtailment according to footnote 1). Relative part of actuarial losses are carried simultaneously with issue of paid-up policies. Increased pension cost is also due to reduction of discount rate and changed predictions for expected annual salary growth.

**Actual pension obligations and net pension obligations:**

| (Amounts in MNOK) | 2010 | 2009 | 2008 |
|---|---|---|---|
| Gross pension obligations | 162,0 | 180,6 | 195,6 |
| Plan assets at market value 1) | 109,9 | 151,8 | 145,7 |
| **Net pension obligations at market value** | **52,1** | **28,9** | **49,9** |
| Unrecognised effect of actuarial gains and losses | -43,1 | -29,4 | -47,0 |
| Employer's social security tax | - | - | - |
| **Net pension obligations** | **9,0** | **-0,5** | **2,9** |
| **Of which recognised on the balance sheet as plan assets (long-term receivables) 2)** | **4,1** | **1,5** | **-** |
| **Of which recognised on the balance sheet as pension obligations (long-term liabilities) 2)** | **13,1** | **0,9** | **2,9** |

1) Plan assets at market value are not allocated to any main category/asset class. This is due to the fact that the Group's pension plans are fully insured (100% insured plan) with Storebrand Kapitalforsikring.

2) The group has two defined benefit plans, each of which report net pension assets and net pension liabilities that cannot be offset.

**Movement in net obligations recognised on the balance sheet:**

| (Amounts in MNOK) | 2010 | 2009 | 2008 |
|---|---|---|---|
| As of 1 January | -0,5 | 2,9 | -0,5 |
| Change due to divestment of businesses | - | - | - |
| Change due to acquisition of businesses | 4,0 | | |
| Total expenses, see above | 23,9 | 13,6 | 11,5 |
| Premiums paid | -18,4 | -17,0 | -8,1 |
| **As of 31 December** | **9,0** | **-0,5** | **2,9** |

All new employees  are enrolled in the defined benefit plan. The agreement covers all employees over age 20 who work at least 20% of a full-time position. The defined contribution plan corresponds to 2% of wages between 1 to 12 times the National Insurance basic amount. The contributions are managed by Storebrand Kapitalforsikring.

# NOTE 18 PROVISIONS

| (Amounts in MNOK) | Restructuring | Profit-sharing and bonuses | Discontinued operations | Legal and tax claims | Losses on fixed price contracts | Total |
|---|---|---|---|---|---|---|
| **As of January 2010** | **38,5** | **103,3** | **2,6** | **-** | **-** | **144,4** |
| Recognised during the year: | | | | | | |
| Additional provisions during the year | 35,6 | 329,9 | 1,2 | - | - | 366,7 |
| Unutilised provisions reversed | 0,7 | 0,8 | - | - | - | 1,5 |
| Currency translation differences | -0,6 | 1,9 | 0,0 | - | - | 1,3 |
| Reversed, unutilised provisions from last year | - | - | - | - | - | - |
| Used during the year | -25,8 | -313,9 | -3,8 | - | - | -343,5 |
| **As of December 2010** | **48,4** | **121,9** | **0,1** | **-** | **-** | **170,4** |

| (Amounts in MNOK) | Restructuring | Profit-sharing and bonuses | Discontinued operations | Legal and tax claims | Losses on fixed price contracts | Total |
|---|---|---|---|---|---|---|
| **As of January 2009** | **66,0** | **118,6** | **2,7** | **-** | **-** | **187,3** |
| Recognised during the year: | | | | | | |
| Additional provisions during the year | 17,9 | 325,8 | 1,1 | - | - | 344,9 |
| Unutilised provisions reversed | -5,3 | - | - | - | - | -5,3 |
| Reversed, unutilised provisions from last year | - | - | - | - | - | - |
| Used during the year | -36,3 | -331,0 | -1,1 | - | - | -368,4 |
| **As of December 2009** | **38,5** | **103,3** | **2,6** | **-** | **-** | **144,4** |

Provisions are recognised when Atea has a valid liability and it can be proven probable that a financial settlement will take place as a result of this liability, and that the size of the amount can be measured reliably. Provisions reflects the best estimate of the liability at the balance sheet date.

All provisions booked at year-end 2010, except provisions for empty office space, are expected to be utilised in 2011. Provisions for empty office space (MNOK 48.4) will be utilised over the remaining term of the corresponding lease agreements (2011-2014). When provisions for empty office space are made the cost according to the leasing agreement is compared with expected rental income (price and timing of subleasing). The judgements involve uncertainty and represent the management's best estimate at the balance sheet date.

### Restructuring
The costs are mainly related to costs for empty office space that are not linked to revenues in future periods.

### Discontinued operations
Includes provisions towards the buyer and the divested entity undertaken in connection with discontinued operations.

### Legal and tax claims
Atea has been sued by Sydbank A/S, Krone Kapital A/S and Danske Bank A/S in connection with disputes related to invoiced licences. Atea considers the claims to be unfounded and has contested them in their entirety. If the dispute ends nevertheless with a negative outcome, Atea is insured and no provisions have, therefore, been set aside in the accounts for this matter.

### Profit-sharing and bonuses
Includes provisions related to profit and revenue related bonuses to management and employees.

### Fixed-price loss contracts
Any expected excess of total contract costs over total contract revenue is recognised as an expense (liability) when identified.

## NOTE 19 EMPLOYEE BENEFIT EXPENSE AND REMUNERATIONS

| (Amounts in MNOK) | 2010 | 2009 | 2008 |
|---|---|---|---|
| Wages and salaries | 2 025,3 | 1 882,5 | 1 805,8 |
| Employer's social security tax | 321,9 | 312,2 | 293,7 |
| Option plans for management and employees | 12,3 | 16,6 | 8,5 |
| Pension costs (see Note 17) | 162,9 | 136,3 | 112,0 |
| Other personnel expenses | 174,6 | 149,0 | 167,6 |
| **Total employee compensation and benefit expenses** | **2 697,0** | **2 496,6** | **2 387,6** |
| Average number of employees (continued operations) | 5 198 | 4 366 | 4 289 |

### Salaries and remuneration to management in the Group

#### President and CEO of Atea ASA
Claus Hougesen received a salary of KDKK 2,946 in 2010 (KDKK 2,838 in 2009), as well as a option gain of KDKK 4,242. The value of payments in kind for 2010 was KDKK 132 (KDKK 156 in 2009). The President and CEO is not entitled to any special compensation upon the termination of his employment.

#### Executive Vice President and CFO of Atea ASA
Rune Falstad received a salary of KNOK 2,318 in 2010 (KNOK 2,223 in 2009), as well as a performance-based bonus of KNOK 1,000 (KNOK 789 in 2009) and an option gain of KNOK 3,081. The value of payments in kind for 2010 was KNOK 219 (KNOK 217 in 2009), and the annual defined benefit pension earned (service cost) was KNOK 102 (KNOK 102 in 2009).

#### Managing Director of Atea A/S (Denmark)
Peter Trans received a salary of KDKK 2,296 in 2010 (KDKK 1,983 in 2009). The value of payments in kind for 2010 was KDKK 23 (KDKK 74 in 2009).

#### Managing Director of Atea Sverige AB
Lars Pettersson received a salary of KSEK 3,279 in 2010 (KSEK 3,153 in 2009), as well an option gain of KSEK 674. No bonus in 2010 (KSEK 1,500 in 2009). The value of payments in kind for 2010 was KSEK 93 (KSEK 121 in 2009). Benefits related to a defined contribution pension scheme totalled KSEK 716 (KSEK 825 in 2009).

**Managing Director of Atea AS (Norway)**
Steinar Sønsteby received a salary of KNOK 2,278 in 2010 (KNOK 2,278 in 2009), as well as an option gain of KNOK 1,227 and bonus of KNOK 500 (KNOK 500 in 2009). The value of payments in kind for 2010 was KNOK 237 (KNOK 154 in 2009), and the annual defined benefit pension earned (service cost) was KNOK 53 (KNOK 72 in 2009).

**Managing Director of Atea Finland Oy**
Juha Sihvonen received a salary of KEUR 177 in 2010 (KEUR 160 in 2009), as well an option gain of KEUR 184 and a bonus of KEUR 16. The value of payments in kind for 2010 was KEUR 42 (KEUR 37 in 2009).

**Managing Director of Atea UAB**
Arunas Bartusevicius received a salary of KLTL 237 in 2010 (KLTL 258 in 2009) and payments in kind of KLTL 7 (KLTL 5 in 2009). Option gain of KLTL 349 in 2010.

Shares and options owned by key employees are described in Note 12.

**Board of Director's declaration and guidelines in accordance with Section 6-16a of the Norwegian Public Limited Companies Act for the General Meeting's approval.**
In accordance with Section 5-6 of the Norwegian Public Limited Companies Act, the General Meeting must consider the Board of Directors' declaration regarding salaries and remuneration of the executive management. The General Meeting shall conduct a consultative vote on the Board of Director's proposal for guidelines for salaries and remuneration of the executive management, and the guidelines for benefits as mentioned in Section 6-16a of the Norwegian Public Limited Companies Act, first paragraph, item 3, shall be approved by the General Meeting.

The Board of Directors has given the following declaration:

**1.** Salaries and other remuneration of the executive management in the previous financial year

The Company has a special Compensation Committee that submits a recommendation to the Board of Directors with regard to the level of salary and other benefits for the Company's executive management. In accordance with the guidelines established by the company's Board of Directors, the salary and other remuneration payable to the President and CEO is determined by the Board of Directors, while salaries and other remunerations payable to other members of the executive management (group's senior managers) are determined by the President and CEO in consultation with the Board Chairman.

To obtain the management that the Board of Directors finds to be satisfactory, salaries and other remunerations are determined based on the principle that the overall compensation package for each individual shall be competitive and adapted to the market conditions. The variations that exist in the various countries and the size and complexity of the businesses are taken into account when establishing the terms.

Compensation of the executive management is based on a fixed salary plus a performance-based bonus. In addition, members of the executive management receive certain benefits in kind, including company cars, telephone/Internet and journals/newspapers. The type of pension scheme that members of the executive management are members of varies. Some of them are members of the pension scheme that applies to the company they are employed in, while others receive special compensation. The terms of employment for the executive management vary with regard to their entitlement to severance or termination payments in connection with the termination of their employment. All the members of the executive management have received share options earlier.

A more detailed description of what compensation was paid in 2010 can be found in Note 19 to the Group's consolidated financial statements.

The Board of Directors believes that the effect on the company and the shareholders of the compensation agreements that were entered into or amended in accordance with the description above in the previous financial year has been positive due to the fact that the company has been able to hold on to and attract the human resources that are required to fulfil the company's objectives.

**2.** Guidelines for salaries and other remuneration to the executive management in the coming financial year

The Board of Directors shall determine the salary and other remuneration paid to the President and CEO.

Salaries and remunerations payable to other members of the executive management shall be determined by the President and CEO in consultation with the Board Chairman based on the Compensation Committee's recommendation. The combined salary and remuneration payable to individuals shall be competitive and adapted to the market conditions.

In addition to a salary (with the addition of ordinary benefits in kind such as company cars, telephony/IT, journals, etc.) and pension scheme, which shall in general be in accordance with what has been paid in earlier years, it shall be possible to award bonuses and share options. The management's fixed salary will not be adjusted for 2011 according to plan, and motivation of the management will be based instead on the bonus system and options to buy shares in the Company. The management's incentives will accordingly be more consistent with the interests of the shareholders. Share options shall be allotted based on the following principles:

**i)** The share options shall be used in connection with recruitment and to hold on to key managers and employees. The allotment shall be made by the President and CEO in consultation with the Board Chairman.

**ii)** Unless the Board Chairman consents otherwise in special cases, a vesting period shall be established for the share options. As a rule the total number of options that are allotted to individual employees shall be earned over a period of three years, with one-third of the options being earned each year.

**iii)** The exercise price shall not be set lower than the market price of the share at the time of allotment..

### Remuneration to the Board of Directors of Atea ASA

KNOK 1,200 was paid in fees to the Board of Directors of Atea ASA in 2010 (KNOK 1,058 in 2009). Fees to the Chairman of the Board amounted to KNOK 300, fees to the employee representatives amounted to KNOK 100 each and the rest of the Board of Directors received a fee of KNOK 150 each. Shares and options owned by the Board of Directors are described in Note 12.

### Loans to employees of group companies

Employees have loans from group companies totalling KNOK 448 as of 31 December 2010.

### Audit fees

The table below shows Deloitte's total charges for auditing and other services in 2010.
All amounts are exclusive of VAT.

| (Amounts in NOK 1,000) | 2010 | 2009 |
|---|---|---|
| Audit fees | 5 948 | 6 141 |
| Attestation services | 996 | 859 |
| Tax advisory services | 934 | 819 |
| Other non-audit services | 3 415 | 1 301 |
| | **11 293** | **9 121** |

## NOTE 20 CORPORATE STRUCTURE OF THE ATEA GROUP

| | From date | Local currency | Voting rights / ownership (%) | Primary activity |
|---|---|---|---|---|
| **Atea ASA** | | NOK | Listed | Holding |
| Eterra AS | | NOK | 100,00 % | Dormant |
| Merkantildata AS | | NOK | 100,00 % | Dormant |
| **Norway** | | | | |
| Atea AS | | NOK | 100,00 % | IT infrastructure |
| Impact Europe Norge AS | 20.05.2010 | NOK | 100,00 % | IT infrastructure |
| Dropzone AS | 09.06.2010 | NOK | 100,00 % | IT infrastructure |
| Umoe IKT AS | 21.12.2010 | NOK | 100,00 % | IT infrastructure |
| Computerland AS | | NOK | 100,00 % | IT infrastructure |
| Portal Norge AS | | NOK | 100,00 % | IT infrastructure |
| Atea Finans AS | | NOK | 90,10 % | Financial services |
| **Sweden** | | | | |
| Atea Holding AB | | SEK | 100,00 % | Holding |
| Atea AB | | SEK | 100,00 % | IT infrastructure |
| Atea Borås AB | 12.02.2010 | SEK | 100,00 % | IT infrastructure |
| Atea Karlstad AB | 18.02.2010 | SEK | 100,00 % | IT infrastructure |
| Atea Eskilstuna AB | 17.02.2010 | SEK | 100,00 % | IT infrastructure |
| Atea Västerås AB | 17.02.2010 | SEK | 100,00 % | IT infrastructure |
| Atea Store Karlstad AB | 18.02.2010 | SEK | 100,00 % | IT infrastructure |
| Impact Europe AB | 21.05.2010 | SEK | 100,00 % | IT infrastructure |
| Portal AB | 09.08.2010 | SEK | 100,00 % | IT infrastructure |
| Dropzone AB | 01.12.2010 | SEK | 100,00 % | IT infrastructure |
| Benzler Group AB | 13.12.2010 | SEK | 100,00 % | IT infrastructure |
| Benzler Data AB | 13.12.2010 | SEK | 100,00 % | IT infrastructure |
| Benzler Finans AB | 13.12.2010 | SEK | 100,00 % | IT infrastructure |
| Benzler Konsult AB | 13.12.2010 | SEK | 100,00 % | IT infrastructure |
| Benzler Invest AB | 13.12.2010 | SEK | 100,00 % | IT infrastructure |
| Atea Gøteborg AB | | SEK | 100,00 % | IT infrastructure |
| Atea Information Management AB | | SEK | 100,00 % | IT infrastructure |
| Topnordic AB | | SEK | 100,00 % | IT infrastructure |
| Atea Finans AB | | SEK | 90,10 % | Financial services |

| | | | | |
|---|---|---|---|---|
| **Denmark** | | | | |
| Atea Danmark Holding A/S | | DKK | 100,00 % | Holding |
| Atea A/S | | DKK | 100,00 % | IT infrastructure |
| Kompetencecenteret A/S | | DKK | 100,00 % | IT infrastructure |
| dmsave A/S | | DKK | 100,00 % | IT infrastructure |
| DTK A/S | 05.01.2010 | DKK | 100,00 % | IT infrastructure |
| Belle Balance A/S | 19.08.2010 | DKK | 100,00 % | IT infrastructure |
| Topnordic Danmark A/S | | DKK | 100,00 % | IT infrastructure |
| Ementor Consulting A/S | | DKK | 100,00 % | IT infrastructure |
| Atea Danmark A/S | 01.11.2010 | DKK | 100,00 % | IT infrastructure |
| Atea Finans A/S | | DKK | 90,10 % | Financial services |
| **Finland** | | | | |
| Atea Finland Holding Oy | | EUR | 100,00% | Holding |
| Atea Oy | | EUR | 100,00% | IT infrastructure |
| Datawest Oy | 25.10.2010 | EUR | 100,00% | IT infrastructure |
| Ten Of Ten Oy | 15.11.2010 | EUR | 100,00% | IT infrastructure |
| PALnet Oy | 17.02.2010 | EUR | 100,00% | IT infrastructure |
| Topnordic Finland Oy | | EUR | 100,00% | IT infrastructure |
| Atea Finans Oy | | EUR | 90,10% | Financial services |
| **Baltic States etc.** | | | | |
| UAB Atea Baltic | | LTL | 79,15% | Holding |
| UAB Atea Lithuania | | LTL | 100,00% | IT infrastructure |
| UAB Tetraneta Lithuania | | LTL | 100,00% | IT infrastructure |
| UAB Solver Lithuania | | LTL | 100,00% | IT infrastructure |
| AS Alarm Est Estonia | | EEK | 100,00% | IT infrastructure |
| SIA Sonex Tech. Latvia | | LVL | 100,00% | IT infrastructure |
| SIA Atea Softex Latvia | | LVL | 100,00% | IT infrastructure |
| **Atea Logistics, Atea Service Center and Spintop AB** | | | | |
| Atea Logistikk AB | | SEK | 100,00% | IT infrastructure |
| Atea Spintop AB | | SEK | 100,00% | IT infrastructure |
| Atea Service Center SIA | | LVL | 100,00% | IT infrastructure |

# NOTE 21 NET FINANCIAL ITEMS

| (Amounts in MNOK) | 2010 | 2009 | 2008 |
|---|---|---|---|
| Interest income 1) | 47,1 | 37,8 | 64,0 |
| Other financial income | 73,8 | 52,5 | 87,1 |
| **Total financial income** | **120,8** | **90,3** | **151,1** |
| Interest costs on loans 1) | 68,9 | 74,5 | 125,9 |
| Interest costs on financial leases 1) | 0,3 | 0,5 | 0,7 |
| Other financial expenses | 76,9 | 70,2 | 91,1 |
| **Total financial expenses** | **146,1** | **145,2** | **217,7** |
| **Total net financial items** | **-25,3** | **-55,0** | **-66,7** |

Currency translation differences recognised as an expense/income in the income statement as follows:

| (Amounts in MNOK) | 2010 | 2009 | 2008 |
|---|---|---|---|
| Included in operating profit/loss 2) | -2,0 | 3,9 | -6,0 |
| Included in net financial income 2) | 73,4 | 52,1 | 84,6 |
| Included in net financial expenses 2) | 73,3 | 56,3 | 84,4 |
| **Total** | **-1,9** | **-0,3** | **-5,9** |

1) Interest paid in 2010 totals MNOK 69.2 (MNOK 75.0 in 2009 and MNOK 126.6 in 2008). Interest received in 2010 totals MNOK 47.1 (MNOK 37.8 in 2009 and MNOK 64.0 in 2008).
2) Currency translation differences are related to short-term asset and liability items.

# NOTE 22 EARNINGS PER SHARE

### Basic

Basic earnings per share is calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the year.

| (Amounts in MNOK) | 2010 | 2009 | 2008 |
|---|---|---|---|
| Profit/loss from continued operations, less non-controlling interests | 497,4 | 382,3 | 431,0 |
| Profit/loss for the year from discontinued operations | - | - | -0,0 |
| Group's profit/loss for the year | 497,4 | 382,3 | 431,0 |
| Weighted average number of outstanding shares (in millions) | 94,1 | 91,9 | 93,9 |
| Basic earnings per share for continued operations (NOK) | 5,29 | 4,16 | 4,59 |
| Basic earnings per share for discontinued operations (NOK) | - | - | -0,00 |
| Basic earnings per share for the entire operations (NOK) | 5,29 | 4,16 | 4,59 |

### Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company's dilutive potential ordinary shares are share options issued. A calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

| (Amounts in MNOK) | 2010 | 2009 | 2008 |
|---|---|---|---|
| Profit/loss from continued operations, less non-controlling interests | 497,4 | 382,3 | 431,0 |
| Profit/loss for the year from discontinued operations | - | - | -0,0 |
| Group's profit/loss for the year | 497,4 | 382,3 | 431,0 |
| Weighted average number of diluted outstanding shares (in millions) | 95,1 | 92,2 | 94,2 |
| Diluted earnings per share for continued operations (NOK) | 5,23 | 4,15 | 4,58 |
| Diluted earnings per share for discontinued operations (NOK) | - | - | -0,00 |
| Diluted earnings per share for the entire operations (NOK) | 5,23 | 4,15 | 4,58 |

# NOTE 23 CONTINGENT LIABILITIES AND ASSETS

### Ordinary course of business

The Group has contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business. It is not anticipated that any material liabilities will arise from the contingent liabilities. The Group has given guarantees in the ordinary course of business amounting to MNOK 8,466.3 (MNOK 8,131.2 in 2009) to external parties (see Note 24).

### Legal disputes

Atea has been sued by Sydbank A/S, Krone Kapital A/S and Danske Bank A/S in connection with disputes related to invoiced licences. Atea considers the claims to be unfounded and has contested them in their entirety. If the dispute ends nevertheless with a negative outcome, Atea is insured and no provisions have, therefore, been set aside in the accounts for this matter.

# NOTE 24 COMMITMENTS

| (Amounts in MNOK) | 2010 | 2009 |
|---|---|---|
| Guarantees to financial institutions 1) | 7 747,3 | 7 382,2 |
| Guarantees to business associates 2) | 589,7 | 588,3 |
| Bank guarantees 3) | 88,2 | 134,6 |
| Residual value obligations related to leasing activities 4) | 41,2 | 26,1 |
| **Total guarantees** | **8 466,3** | **8 131,2** |

1) The major subsidiaries in each country (including the logistics company) have issued guarantees in favour of Nordea Bank and Nordea Finans as security for the short-term facility, factoring facility (see Note 14), cash pool facility and overdraft facility.
2) As part of the ordinary operations, parent company guarantees are furnished to suppliers and partners on behalf of subsidiaries.
3) As a regular part of operations, guarantees are given for fulfilment of contracts, advances from customers and lease matters. Such guarantees usually involve a financial institution issuing a guarantee as security for the customer. In addition, this amount includes MNOK 36.0 in tax withholding guarantees.
4) The leasing companies have a residual value obligation of MNOK 41.2 (MNOK 26.1 in 2009) on the outstanding leasing contracts. No losses have been incurred as a result of this, and the risk of incurring losses is considered to be low.

It is considered improbable (i.e. < 10%) that Atea ASA will incur any charges as a result of guarantee liabilities the company has incurred on behalf of the subsidiaries.

Since the financing companies were established in 2007, no losses have been incurred with respect to the residual value of leasing activities.

### Pledged assets

As security for the Group's credit facilities (see Note 14), Atea ASA has pledged the shares of all the major subsidiaries in Norway, Sweden, Denmark and Finland. The Group's book equity for these entities totals MNOK 3,971.5 (MNOK 3,437.8 in 2009).

All trade receivables in Atea Norge AS, Atea A/S, Atea Sverige AB and Atea Finland Oy are pledged as security for the factoring facility (see Note 15). The book value of trade receivables pledged as security totals MNOK 4,367.8 (MNOK 3,211.4 in 2009).

# NOTE 25 RELATED PARTIES

The Group's related parties are owners and management (see Notes 12 and 19).

Gross intercompany sales were MNOK 3,105 (MNOK 2,442 for 2009), and are eliminated at the Group level. MNOK 2,995 of this revenue represents sales from Atea Logistics to other Group companies. The transactions are generally carried out on ordinary commercial terms.

# NOTE 26 BUSINESS COMBINATIONS

In 2010 the Group acquired 15* companies. Most of the entities were integrated into various units of the Atea Group during the year. This means that it is not appropriate or practical to show revenues and earnings for the sum total of the acquired units for the period from the date of acquisition to year-end 2010.

The name of the acquired companies by country can be found in the Board of Directors' report, Note 5 and the table below.

* Impact Europe Norge AS and Impact Europe AB are announced to the Stock Exchange as one acquisition. Similarly, Dropzone AS and Dropzone AB are announced as one acquisition.

**Breakdown of the acquired net assets and goodwill is as follows:**

| (Amounts in MNOK) | Calamus Danmark A/S | 4 Office print/copy companies | PALnet Oy | Impact Europe Norge AS | Impact Europe AB |
|---|---|---|---|---|---|
| Acquisition date | 05.01.10 | 12.02.10 | 17.02.10 | 20.05.10 | 21.05.10 |
| Country | Denmark | Sweden | Finland | Norway | Sweden |
| Voting rights/ownership interest | 100,00% | 100,00% | 100,00% | 100,00% | 100,00% |
| Acquisition cost: | | | | | |
| Consideration 2) | 34,8 | 25,5 | 42,9 | 1,2 | 29,2 |
| Adjustment of cost price | 0,6 | -3,2 | - | - | - |
| Liabilities assumed | - | 2,6 | 10,7 | - | - |
| Direct costs associated with acquisitions | 0,6 | - | - | - | - |
| Fair value of shares issued | - | - | - | - | - |
| Total acquisition cost | 36,0 | 24,8 | 53,6 | 1,2 | 29,2 |
| Carrying value of equity (see table below) | -27,2 | -1,0 | 17,5 | -5,4 | 5,9 |
| Identification of excess value: | | | | | |
| Contracts and customer relationships | 14,6 | 12,6 | 14,7 | - | 7,2 |
| Computer software and rights | - | - | - | - | - |
| Fair value of tangible fixed assets | - | - | - | - | - |
| Deferred tax | -3,7 | -3,3 | -3,8 | - | -1,9 |
| Net excess value | 11,0 | 9,3 | 10,9 | - | 5,3 |
| Fair value of net assets acquired, excluding goodwill | -16,3 | 8,3 | 28,4 | -5,4 | 11,2 |
| Controlling ownership interests | -16,3 | 8,3 | 28,4 | -5,4 | 11,2 |
| Non-controlling ownership interests | - | - | - | - | - |
| **Goodwill 1)** | **52,3** | **16,6** | **25,3** | **6,6** | **18,0** |

1) Goodwill is related to the expected synergies in connection with the acquisitions.

2) Consideration that is dependent on future results is recognised as an obligation based on the fair value at the time of the acquisition.

**Assets and liabilities related to the acquisitions in 2010 are as follows:**

| (Amounts in MNOK) | Calamus Danmark A/S | 4 Office print/copy companies | PALnet Oy | Impact Europe Norge AS | Impact Europe AB |
|---|---|---|---|---|---|
| Property, plant and equipment | 5,4 | 2,0 | 3,9 | 0,5 | 2,2 |
| Goodwill | 1,6 | 1,6 | - | - | - |
| Other intangible assets | - | 0,0 | 0,1 | - | - |
| Computer software & rights | - | - | - | - | - |
| Deferred tax assets | - | 1,6 | - | - | 1,3 |
| Other long-term interest-bearing receivables | - | - | - | - | - |
| Retirement benefit obligations | - | - | - | - | - |
| Long-term receivables from employees | - | - | - | - | - |
| Other long-term receivables | - | 0,3 | - | - | - |
| Inventories | 28,3 | 14,8 | 5,3 | 2,1 | 5,4 |
| Trade receivables | 50,3 | 13,3 | 7,3 | 5,1 | 13,2 |
| Uninvoiced income | - | 0,3 | - | - | 3,1 |
| Provisions for losses on receivables | -0,5 | -0,4 | - | -1,3 | - |
| Other current receivables and investments | 2,5 | 4,1 | 0,4 | 0,6 | 5,6 |
| Other current receivables, non-interest-bearing | - | 4,0 | - | - | - |
| Cash and cash equivalents | 1,1 | 6,0 | 12,3 | 1,3 | - |
| Non-controlling ownership interests | - | - | - | - | - |
| Interest-bearing long-term liabilities | -38,0 | -3,3 | - | -0,2 | -6,6 |
| Other long-term liabilities and provisions | -1,3 | -2,6 | - | - | - |
| Deferred tax liabilities | -0,5 | -0,3 | -0,2 | - | - |
| Trade payables | -15,4 | -15,9 | -7,2 | -1,9 | -7,0 |
| Interest-bearing loan facilities | -38,1 | -12,7 | - | - | -3,2 |
| Interest-bearing current leasing/borrowing liabilities | - | - | - | -1,4 | - |
| Other current liabilities | - | - | - | -3,0 | - |
| Other current liabilities and provisions | -22,7 | -13,9 | -4,3 | -7,1 | -8,1 |
| **Net assets acquired** | **-27,2** | **-1,0** | **17,5** | **-5,4** | **5,9** |

**Net cash payments in connection with the acquisitions are as follows:**

| | | | | | |
|---|---|---|---|---|---|
| Consideration and costs in cash and cash equivalents | 22,2 | 24,3 | 42,9 | - | 29,2 |
| Cash and cash equivalents in acquired companies | -1,1 | -6,1 | -12,3 | -1,3 | - |
| **Net cash payments for the acquisitions** | **21,1** | **18,2** | **30,6** | **-1,3** | **29,2** |

| Dropzone AS | Dropzone AB | Portal AB | Belle Balance A/S | Ten of Ten OY | Datawest OY | Benzler Group AB | Umoe IKT AS | Total |
|---|---|---|---|---|---|---|---|---|
| 09.06.10 | 01.12.10 | 09.08.10 | 19.08.10 | 15.11.10 | 25.10.10 | 13.12.10 | 21.12.10 | |
| Norway | Sweden | Sweden | Denmark | Finland | Finland | Sweden | Norway | |
| 100,00% | 100,00% | 100,00% | 100,00% | 100,00% | 100,00% | 100,00% | 100,00% | |
| | | | | | | | | |
| 36,5 | 0,9 | 84,3 | 47,7 | 14,4 | 3,8 | 56,3 | 34,7 | 412,1 |
| - | - | - | - | - | - | 15,9 | - | 13,3 |
| - | - | 21,1 | - | - | - | - | - | 34,4 |
| - | - | - | - | - | - | - | - | 0,6 |
| - | - | - | - | - | - | - | 105,8 | 105,8 |
| 36,5 | 0,9 | 105,4 | 47,7 | 14,4 | 3,8 | 72,2 | 140,5 | 566,2 |
| 4,9 | 0,8 | 18,2 | 5,3 | 1,8 | -0,2 | 43,4 | 36,8 | 100,7 |
| | | | | | | | | |
| 2,4 | - | 14,0 | 7,4 | 4,1 | 2,1 | 3,0 | 42,1 | 124,1 |
| - | - | - | 49,1 | - | - | - | - | 49,1 |
| - | - | - | - | - | - | - | - | - |
| -0,7 | - | -3,7 | -14,1 | -1,1 | -0,5 | -0,8 | -11,8 | -45,3 |
| 1,7 | - | 10,3 | 42,4 | 3,0 | 1,5 | 2,2 | 30,3 | 127,9 |
| 6,6 | 0,8 | 28,5 | 47,7 | 4,8 | 1,3 | 45,7 | 67,1 | 228,6 |
| 6,6 | 0,8 | 28,5 | 47,7 | 4,8 | 1,3 | 45,7 | 67,1 | 228,6 |
| - | - | - | - | - | - | - | - | - |
| **29,9** | **0,0** | **76,9** | **0,0** | **9,6** | **2,5** | **26,6** | **73,4** | **337,6** |

| Dropzone AS | Dropzone AB | Portal AB | Belle Balance A/S | Ten of Ten OY | Datawest OY | Benzler Group AB | Umoe IKT AS | Total |
|---|---|---|---|---|---|---|---|---|
| 0,1 | - | 2,0 | 0,7 | 0,1 | 0,1 | 5,5 | 9,4 | 31,9 |
| - | - | 3,7 | 0,0 | - | - | - | 118,7 | 125,6 |
| - | - | - | 0,3 | - | 0,0 | - | - | 0,5 |
| 0,7 | - | 2,2 | - | - | - | - | 3,9 | 6,9 |
| - | - | - | - | - | - | - | 24,5 | 27,4 |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | 0,0 | - | - | - | 21,3 | - | 21,7 |
| - | - | 18,1 | - | - | 1,6 | 3,8 | 11,6 | 90,8 |
| 18,6 | - | 60,4 | 5,7 | 2,7 | 5,3 | 63,0 | 161,9 | 406,8 |
| 0,3 | - | - | - | - | - | - | 0,9 | 4,6 |
| -0,0 | - | - | - | - | - | - | -2,4 | -4,6 |
| 1,0 | - | 9,8 | 1,4 | 0,3 | 0,1 | 9,2 | 1,2 | 36,1 |
| - | - | - | - | - | - | 28,5 | 13,0 | 45,5 |
| 7,9 | 0,8 | - | 41,5 | 0,4 | 0,1 | 3,9 | -9,3 | 66,1 |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | -48,1 |
| - | - | - | -0,9 | - | - | - | -9,2 | -14,0 |
| - | - | -3,1 | -0,0 | - | - | -1,1 | - | -5,3 |
| -21,1 | - | -47,4 | -36,9 | -0,6 | -4,5 | -59,1 | - | -217,1 |
| - | - | -11,9 | - | - | - | -17,3 | - | -83,2 |
| - | - | - | - | - | - | - | - | -1,4 |
| - | - | - | - | - | -2,6 | - | - | -5,6 |
| -2,5 | - | -15,7 | -6,6 | -1,1 | -0,3 | -14,2 | -287,4 | -384,0 |
| **4,9** | **0,8** | **18,2** | **5,3** | **1,8** | **-0,2** | **43,4** | **36,8** | **100,7** |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 36,5 | 0,9 | 84,3 | 47,7 | 10,3 | 3,1 | 56,0 | 30,2 | 387,5 |
| -7,9 | -0,8 | - | -41,5 | -0,4 | -0,1 | -3,9 | 9,3 | -66,2 |
| **28,7** | **0,0** | **84,3** | **6,2** | **9,8** | **3,0** | **52,1** | **39,5** | **321,3** |

**If the acquisitions had taken place on 1 January 2010, the Group's calculated pro forma results for 2010 and 2009 would be as follows:**

| (Amounts in MNOK) | 2010 | 2009 |
|---|---|---|
| Operating revenues | 18 876,1 | 17 207,9 |
| Operating profit/loss | 459,3 | 336,2 |
| Profit/loss for the year 1) | 424,3 | 374,5 |
| Ordinary earnings per share (NOK) 2) | 4,51 | 4,07 |

1) A zero tax rate is assumed for both 2010 and 2009 in the pro forma figures. It is assumed that carry forward losses and other negative temporary differences are utilised in the calculation of payable tax in all countries, and net change of deferred tax / tax asset is zero in the period.

2) Calculated based on the number of shares as of 31 December.

Pro forma figures are meant to provide a basis for comparison based on the Group's composition at the end of 2010. Pro forma figures are encumbered with greater uncertainty than are the actual historical figures, and will not necessarily reflect the results that would have been realised if the purchases and sales of businesses had actually been made at an earlier date.

**2009:** The Group acquired five companies/assets in 2009. The new entities were integrated as a part of the Atea Group during the year. No separate figures exist for revenues and results of the acquired entities for the period from the date of acquisition to year-end in 2009.

The name of the acquired companies by country can be found in the table below.

**Breakdown of the acquired net assets and goodwill is as follows:**

| | | | Mondo | | | | |
|---|---|---|---|---|---|---|---|
| (Amounts in MNOK) | AC Sikring | Aprismo | Hosting | OnSite | A Communi-cations | Uni Networks | Sum |
| Acquisition date | 13.08.09 | 14.12.09 | 26.06.09 | 26.06.09 | 31.10.09 | 22.12.09 | |
| Country | Denmark | Denmark | Denmark | Denmark | Finland | Norway | |
| Voting rights/ownership interest | 100,00% | 100,00% | 100,00% | 100,00% | 100,00% | 100,00% | |
| Acquisition cost: | | | | | | | |
| Consideration 2) | 7,5 | - | 8,0 | - | 16,8 | 4,0 | 36,3 |
| Adjustment of cost price | - | - | - | - | - | - | - |
| Liabilities assumed | - | - | 13,8 | -2,1 | 11,2 | 1,0 | 23,9 |
| Direct costs associated with acquisitions | 0,1 | - | - | - | - | 0,2 | 0,3 |
| Fair value of shares issued | - | - | - | - | - | - | - |
| Total acquisition cost | 7,6 | - | 21,8 | -2,1 | 27,9 | 5,2 | 60,5 |
| Carrying value of equity (see table below) | 1,3 | - | -8,2 | - | 10,8 | 1,5 | 5,4 |
| Identification of excess value: | | | | | | | |
| Contracts and customer relationships | 1,4 | 0,0 | 20,8 | - | 4,2 | 0,7 | 27,0 |
| Computer software and rights | - | - | 0,7 | - | - | - | 0,7 |
| Fair value of tangible fixed assets | - | - | - | - | - | - | - |
| Deferred tax | -0,3 | -0,0 | -5,2 | - | -1,2 | -0,2 | -6,9 |
| Net excess value | 1,0 | 0,0 | 16,2 | - | 3,0 | 0,5 | 20,8 |
| Fair value of net assets acquired, excluding goodwill | 2,4 | 0,0 | 8,0 | - | 13,8 | 2,0 | 26,2 |
| Controlling ownership interests | 2,4 | 0,0 | 8,0 | - | 13,8 | 2,0 | 26,2 |
| Non-controlling ownership interests | - | - | - | - | - | - | - |
| **Goodwill 1)** | **5,3** | **-0,0** | **13,8** | **-2,1** | **14,1** | **3,2** | **34,3** |

1) Goodwill is related to the expected synergies in connection with the acquisitions.

2) Consideration that is dependent on future results is recognised as an obligation based on the fair value at the time of the acquisition.

**Assets and liabilities related to the acquisitions in 2009 are as follows:**

| (Amounts in MNOK) | AC Sikring | Aprismo | Mondo Hosting | Mondo OnSite | A Communi-cations | Uni Networks | Sum |
|---|---|---|---|---|---|---|---|
| Property, plant and equipment | 4,8 | 0,1 | 3,6 | - | 0,5 | 0,0 | 8,9 |
| Goodwill | - | - | - | - | - | - | - |
| Other intangible assets | - | - | - | - | - | - | - |
| Deferred tax assets | 1,2 | - | - | - | - | 0,1 | 1,3 |
| Other long-term interest-bearing receivables | - | - | - | - | - | - | - |
| Retirement benefit obligations | - | - | - | - | - | - | - |
| Long-term receivables from employees | - | - | - | - | - | - | - |
| Other long-term receivables | - | - | - | - | - | - | - |
| Inventories | 3,1 | - | - | - | - | 0,3 | 3,4 |
| Trade receivables | 1,9 | 0,0 | - | - | 7,0 | 0,8 | 9,8 |
| Uninvoiced income | 0,3 | - | - | - | - | - | 0,3 |
| Provisions for losses on receivables | - | - | - | - | - | - | - |
| Other current receivables and investments | 4,9 | - | 0,4 | - | 0,1 | 0,1 | 5,5 |
| Other current receivables, non-interest-bearing | 2,3 | - | - | - | - | - | 2,3 |
| Cash and cash equivalents | 0,0 | - | - | - | 9,4 | 1,6 | 11,0 |
| Non-controlling ownership interests | - | - | - | - | - | - | - |
| Interest-bearing long-term liabilities | - | - | -5,8 | - | - | - | -5,8 |
| Other long-term liabilities and provisions | - | - | - | - | - | - | - |
| Deferred tax liabilities | - | - | - | - | - | - | - |
| Trade payables | -1,1 | - | - | - | -2,5 | -0,7 | -4,3 |
| Interest-bearing loan facilities | -6,3 | - | - | - | - | - | -6,3 |
| Interest-bearing current leasing/borrowing liabilities | -2,9 | - | - | - | - | - | -2,9 |
| Other current liabilities | - | - | - | - | - | - | - |
| Other current liabilities and provisions | -6,8 | -0,1 | -6,4 | - | -3,7 | -0,8 | -17,9 |
| **Net assets acquired** | **1,3** | **-** | **-8,2** | **-** | **10,8** | **1,5** | **5,4** |

**Net cash payments in connection with the acquisitions are as follow:**

| | AC Sikring | Aprismo | Mondo Hosting | Mondo OnSite | A Communi-cations | Uni Networks | Sum |
|---|---|---|---|---|---|---|---|
| Consideration and costs in cash and cash equivalents | 7,5 | - | 8,0 | - | 21,6 | 4,0 | 41,1 |
| Cash and cash equivalents in acquired companies | -0,0 | - | - | - | -9,4 | -1,6 | -11,0 |
| **Net cash payments for the acquisitions** | **7,5** | **-** | **8,0** | **-** | **12,2** | **2,4** | **30,1** |

**If the acquisitions above and sales of businesses described in Note 6 had been carried out as of 1 January 2008, the Group's calculated pro forma results for 2008 and 2007 would be as follows**

| (Amounts in MNOK) | 2009 | 2008 |
|---|---|---|
| Operating revenues | 14 624,0 | 15 089,6 |
| Operating profit/loss | 337,1 | 397,4 |
| Profit for the year 1) | 385,7 | 424,6 |
| Ordinary earnings per share (NOK) 2) | 4,04 | 4,45 |

1) A zero tax rate is assumed for both 2010 and 2009 in the pro forma figures. It is assumed that carry forward losses and other negative temporary differences are utilised in the calculation of payable tax in all countries, and net change of deferred tax / tax asset is zero in the period.

2) Calculated based on the number of shares as of 31 December.

Pro forma figures are encumbered with greater uncertainty than are the actual historical figures, and will not necessarily reflect the results that would have been realised if the purchases and sales of businesses had actually been made at an earlier date.

During the period from 01 January 2011 to 17 March 2011 (date of the Board's approval of the annual accounts and notes) Atea has completed the following acquisitions / business combinations (100% of the shares were acquired in all cases):

| Amounts in MNOK | Country | Takeover date | Acquisition cost | Book value of equity | Identified net excess value | Fair value of acquired assets, excl. goodwill | Goodwill | Enterprise value | Revenues | EBITDA |
|---|---|---|---|---|---|---|---|---|---|---|
| Malux Data AB *) | Norway | 16.02.11 | 5,6 | 0,4 | 1,0 | 1,5 | 4,2 | 6,5 | 16,9 | 1,8 |
| SCT | Sweden | 15.03.11 | 31,5 | 8,9 | 6,1 | 15,0 | 16,5 | 32,3 | 63,0 | 8,0 |

*) Acquisition has taken place as an asset transaction

# NOTE 27 NON-CONTROLLING OWNERSHIP INTERESTS

| (Amounts in MNOK) | 2010 | 2009 | 2008 |
|---|---|---|---|
| Opening balance at the beginning of the year | 3,7 | 3,5 | - |
| Additions/Disposals | -3,8 | - | 1,9 |
| Share of profit for the year | 1,2 | 0,2 | 1,6 |
| **Closing balance at the end of the year** | **1,1** | **3,7** | **3,5** |

The Group owns 90.1% of the financing companies in Norway, Sweden, Denmark and Finland. Atea ASA acquired 78.35% of the shares in Sonex Group Holding UAB effective 21 January 2008. Atea ASA acquired an additional 0.4% of the shares in Sonex Group Holding UAB in 2009, and an equal acquisition in 2010.

# ATEA ASA
# FINANCIAL STATEMENTS

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# STATEMENT OF COMPREHENSIVE INCOME ATEA ASA

| (Amounts in MNOK) | Note | 2010 | 2009 | 2008 |
|---|---|---|---|---|
| Operating revenues | 1 | | - | - |
| Employee compensation and benefit expenses | 11 | 24,9 | 27,0 | 17,0 |
| Depreciation | 3 | 0,3 | - | - |
| Other operating expenses | | -8,2 | -6,2 | -6,9 |
| **Operating profit/loss** | | **-17,1** | **-20,8** | **-10,0** |
| Financial income | | 261,1 | 277,9 | 784,7 |
| Financial expenses | | 227,9 | 498,7 | 252,3 |
| **Net financial items** | **12** | **33,1** | **-220,8** | **532,4** |
| Profit/loss before tax from continued operations | | 16,0 | -241,6 | 522,4 |
| Taxes on continued operations | 9 | 6,8 | 39,0 | -35,1 |
| **Profit/loss for the year 1)** | | **9,2** | **-280,6** | **557,5** |
| | | | | |
| Earnings per share 2) | | | | |
| (Amounts in NOK) | | | | |
| – earnings per share | | 0,10 | -2,94 | 5,84 |
| – diluted earnings per share | | 0,10 | -2,93 | 5,82 |

1) Profit/loss for the year equals the total profit/loss since the company has no income or expenses that are not included in profit/loss for the year.

2) Both the time-weighted number of ordinary shares and time-weighted number of diluted shares are the same for the Group (see Note 22 for the Group).

# STATEMENT OF FINANCIAL POSITION ATEA ASA

| (Amounts in MNOK) | Note | 2010 | 2009 | 2008 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Property, plant and equipment | 2 | 0,6 | - | - |
| Deferred tax assets | 9 | 22,0 | 27,2 | 66,2 |
| Interest-bearing long-term receivables | 7 | 1 776,5 | 1 830,7 | 2 128,2 |
| Investments in subsidiaries | 3 | 1 462,7 | 1 425,2 | 1 415,9 |
| **Non-current assets** | | **3 261,8** | **3 283,1** | **3 610,3** |
| Other receivables | 4 | 135,4 | 158,1 | 288,4 |
| Financial assets | 8 | 26,9 | 30,3 | 37,9 |
| Cash and cash equivalents | 5 | 174,6 | 27,2 | 563,8 |
| **Current assets** | | **336,9** | **215,6** | **890,0** |
| **Total assets** | | **3 598,7** | **3 498,7** | **4 500,3** |
| **EQUITY AND LIABILITIES** | | | | |
| Share capital and premiums | 15 | 1 574,8 | 1 524,4 | 1 515,5 |
| Other unrecognised reserves | | - | - | - |
| Retained earnings | | 793,3 | 786,2 | 1 134,3 |
| **Equity** | | **2 368,1** | **2 310,6** | **2 649,8** |
| Interest-bearing long-term liabilities | 7 | 387,1 | 466,5 | 450,4 |
| Non-interest-bearing long-term liabilities | 8 | 12,8 | 26,6 | 34,0 |
| Retirement benefit obligations | 10 | 1,0 | 0,9 | 0,9 |
| **Non-current liabilities** | | **400,9** | **494,1** | **485,2** |
| Trade payables | 6 | 2,2 | 3,2 | 2,1 |
| Interest-bearing current liabilities | 5, 7 | 223,3 | 225,8 | 385,5 |
| Other current liabilities | 6 | 604,3 | 464,9 | 977,7 |
| **Current liabilities** | | **829,7** | **694,0** | **1 365,2** |
| **Total liabilities** | | **1 230,6** | **1 188,0** | **1 850,4** |
| **Total equity and liabilities** | | **3 598,7** | **3 498,7** | **4 500,3** |

**Oslo, 17 March 2011**

Ib Kunøe
Chairman of the Board

Sigrun Hjelmquist

Morten Jurs

Kristine M. Madsen

Claus Hougesen
CEO

Marthe Dyrud

Jørn Irving Goldstein

Karin S. Løkke

Sven Madsen

## STATEMENT OF CHANGES IN EQUITY ATEA ASA

| (Amounts in MNOK) | Shared capital and premiums 1) | | Other unrecognised reserves | | Retained earnings | | |
|---|---|---|---|---|---|---|---|
| | Share capital | Share premium reserve | Forward contracts | Currency translation differences | Option programme | Retained earnings | Total equity |
| **Equity as of 1 January 2009** | **917,4** | **598,1** | **-** | **-** | **38,4** | **1 095,9** | **2 649,8** |
| Loss for the year | | - | - | - | - | -280,6 | -280,6 |
| Change in treasury shares | 8,9 | - | - | - | - | 15,9 | 24,8 |
| Issue of share capital | - | - | - | - | - | - | - |
| Employee share options, value of employee contribution | - | - | - | - | 8,3 | - | 8,3 |
| Dividend | - | - | - | - | - | -91,7 | -91,7 |
| **Equity as of 31 December 2009** | **926,3** | **598,1** | **-** | **-** | **46,7** | **739,5** | **2 310,6** |
| **Equity as of 1 January 2010** | **926,3** | **598,1** | **-** | **-** | **46,7** | **739,5** | **2 310,6** |
| Profit for the year | - | - | - | - | - | 9,2 | 9,2 |
| Change in treasury shares | 28,9 | - | - | - | - | 102,3 | 131,3 |
| Issue of share capital | 7,7 | 13,8 | - | - | - | - | 21,5 |
| Employee share options, value of employee contribution | - | - | - | - | 12,8 | - | 12,8 |
| Dividend | - | - | - | - | - | -117,3 | -117,3 |
| **Equity as of 31 December 2010** | **962,9** | **611,9** | **-** | **-** | **59,5** | **733,8** | **2 368,1** |

1) See also Note 15

## STATEMENT OF CASH FLOW ATEA ASA

| (Amounts in MNOK) | Note | 2010 | 2009 | 2008 |
|---|---|---|---|---|
| Profit/loss before tax | | 16,0 | -241,6 | 522,4 |
| Depreciation and write-downs | | 0,3 | - | - |
| Intercompany interest charges with no effect on cash flow | | 18,1 | -100,3 | -172,3 |
| Currency translation differences with no effect on cash flow | | 30,2 | 297,6 | -402,3 |
| Options | | 2,7 | 3,3 | 1,3 |
| Invoicing of management fee with no effect on cash flow | | -16,0 | -15,0 | -15,1 |
| Change in trade payables | | -1,1 | 1,1 | -2,0 |
| Change in other accruals | | 37,1 | 282,3 | -84,0 |
| **Net cash flow from operational activities** | | **87,4** | **227,4** | **-152,0** |
| Acquisition and capitalisation of subsidiaries | | -3,6 | -3,9 | -132,8 |
| Purchase of tangible/intangible fixed assets | | -0,9 | - | - |
| Payments on loans to subsidiaries | | - | 10,0 | - |
| **Net cash flow from investment activities** | | **-4,5** | **6,1** | **-132,8** |
| Purchase/sale of treasury shares | 15 | 34,0 | 17,8 | -70,6 |
| Proceeds from new issues | 15 | 21,4 | - | - |
| Dividend distributions | | -117,3 | -91,7 | - |
| Proceeds from raising loans | | 126,4 | -696,2 | 493,2 |
| **Net cash flow from financing activities** | | **64,5** | **-770,1** | **422,6** |
| **Net change in cash and cash equivalents for the year** | | **147,4** | **-536,6** | **137,8** |
| Cash and cash equivalents at the start of the year | 5 | 27,2 | 563,8 | 426,0 |
| **Cash and cash equivalents at the end of the year** | **5** | **174,6** | **27,2** | **563,8** |

# NOTE 1 GENERAL INFORMATION AND ACCOUNTING PRINCIPLES

### About Atea ASA
These are the financial statements of Atea ASA, which is the holding company for the Group and includes the Group's top management and associated staff functions (10 employees). See also Note 1 in the Group's consolidated financial statements.

### Operating revenues
The holding company's operating expenses (holding company cost), except for the part estimated to be related to the entity as a whole, are allocated to the reporting segments (country subsidiaries in all the countries).

### Accounting principles
The accounting principles described for the Group are consistent with those used for the parent company. Critical accounting estimates and assessments in applying the Group's accounting policies is mainly related to the valuation of assets (shares in subsidiaries with a book value of MNOK 1,463 and long-term receivables on subsidiaries with a book value of MNOK 1,777 as of 31 December 2010). See also Note 4 in the Group's consolidated financial statements.

The accounts have been prepared in accordance with the International Financial Reporting Standard (IFRS) as stipulated by the EU.

There may be figures and percentages that do not always add up correctly due to rounding differences.

# NOTE 2 PROPERTY, PLANT AND EQUIPMENT

| (Amounts in MNOK) | Machinery, furniture/ fittings and computer equipment | IT Systems, rights, etc. | Total |
|---|---|---|---|
| **Acquistitions** | | | |
| Accumulated value as of 1 January 2009 | 0,1 | - | 0,1 |
| Additions | - | - | - |
| Disposals | - | - | - |
| **Accumulated value as of 31 December 2009** | **0,1** | **-** | **0,1** |
| Additions | - | 0,9 | 0,9 |
| Disposals | - | - | - |
| **Accumulated value as of 31 December 2010** | **0,1** | **0,9** | **1,0** |
| | | | |
| **Accumulated depreciation and write-downs** | | | |
| Accumulated value as of 1 January 2009 | -0,1 | - | -0,1 |
| Write-downs for the year | - | - | - |
| Depreciation for the year | - | - | - |
| **Accumulated value as of 31 December 2009** | **-0,1** | **-** | **-0,1** |
| Write-downs for the year | - | - | - |
| Depreciation for the year | - | -0,3 | -0,3 |
| **Accumulated value as of 31 December 2010** | **-0,1** | **-0,3** | **-0,4** |
| | | | |
| **As of 31 December 2009** | | | |
| Cost | 0,1 | - | 0,1 |
| Depreciation and write-downs | -0,1 | - | -0,1 |
| **Accumulated value as of 31 December 2009** | **-** | **-** | **-** |
| | | | |
| **As of 31 December 2010** | | | |
| Cost | 0,1 | 0,9 | 1,0 |
| Depreciation and write-downs | -0,1 | -0,3 | -0,4 |
| **Accumulated value as of 31 December 2010** | **-** | **0,6** | **0,6** |

## NOTE 3 SHARES IN SUBSIDIARIES

**Financial year 2010**

| (Amounts in MNOK) | Head office | Ownership and voting share (%) | Equity as of 31 December | Book value | Primary activity |
|---|---|---|---|---|---|
| Atea AS (Norway) | Oslo, Norway | 100,00 | 872,4 | 403,7 | IT infrastructure |
| Atea Holding AB (Sweden) | Stockholm, Sweden | 100,00 | 833,4 | 298,8 | IT infrastructure |
| Atea Holding A/S (Denmark) | Copenhagen, Denmark | 100,00 | 316,9 | 522,7 | IT infrastructure |
| Atea Holding OY (Finland) | Helsinki, Finland | 100,00 | 28,2 | 82,0 | IT infrastructure |
| UAB Atea Baltic | Vilnius, Lithuania | 79,15 | 122,4 | 146,8 | IT infrastructure |
| Other dormant companies | | 100,00 | 16,9 | 8,8 | |
| **Total shares in subsidiaries** | | | | **1 462,7** | |

**Financial year 2009**

| (Amounts in MNOK) | Head office | Ownership and voting share (%) | Equity as of 31 December | Book value | Primary activity |
|---|---|---|---|---|---|
| Atea AS (Norway) | Oslo, Norway | 100,00 | 826,0 | 401,6 | IT infrastructure |
| Atea Holding AB (Sweden) | Stockholm, Sweden | 100,00 | 263,8 | 296,2 | IT infrastructure |
| Atea Holding A/S (Denmark) | Copenhagen, Denmark | 100,00 | 378,8 | 518,8 | IT infrastructure |
| Atea Holding OY (Finland) | Helsinki, Finland | 100,00 | 5,7 | 57,2 | IT infrastructure |
| UAB Atea Baltic | Vilnius, Lithuania | 78,75 | 130,7 | 142,6 | IT infrastructure |
| Other dormant companies | | 100,00 | 16,5 | 8,8 | |
| **Total shares in subsidiaries** | | | | **1 425,2** | |

## NOTE 4 OTHER RECEIVABLES

| (Amounts in MNOK) | 2010 | 2009 |
|---|---|---|
| Prepaid expenses | 0,9 | 1,0 |
| Receivables from subsidiaries | 134,2 | 149,0 |
| Other current receivables | 0,2 | 8,2 |
| **Total other current receivables** | **135,4** | **158,1** |

**Maturity analysis for receivables from subsidiaries 2010**

| | < 30 days | 31-90 days | > 91 days |
|---|---|---|---|
| Norway | 3,9 | | |
| Sweden | 40,4 | | |
| Denmark | 59,6 | | |
| Finland | 12,6 | | |
| Baltic States | 17,7 | | |
| **Total** | **134,2** | | |

**Maturity analysis for receivables from subsidiaries 2009**

| | < 30 days | 31-90 days | > 91 days |
|---|---|---|---|
| Norway | 3,7 | | |
| Sweden | 36,3 | | |
| Denmark | 71,1 | | |
| Finland | 15,1 | | |
| Baltic States | 22,7 | | |
| **Total** | **149,0** | | |

## NOTE 5 LIQUIDITY RESERVE

| (Amounts in MNOK) | 2010 | 2009 |
|---|---|---|
| **Cash and cash equivalents** | | |
| Cash and bank deposits 1) | 174,6 | 27,2 |
| – of which restricted funds | - | - |
| **Unrestricted cash** | **174,6** | **27,2** |
| Short-term overdraft facility | 132,0 | 132,0 |
| **Liquidity reserve** | **306,6** | **159,2** |
| | | |
| **Loan facilities (see Note 7)** | | |
| Short-term overdraft facility | 132,0 | 132,0 |
| - of which utilised | - | - |
| Short-term loan facility | 223,3 | 225,8 |
| - of which utilised | 223,3 | 225,8 |

1) The subsidiaries' deposits in the parent company's cash pool of net MNOK 414.2 as of 31 December 2010 (MNOK 454.8 as of 31 December 2009) are posted as liquid assets in Atea ASA, and as short-term loans with the subsidiaries (see Note 6).

## NOTE 6 TRADE PAYABLES AND OTHER CURRENT LIABILITIES

| (Amounts in MNOK) | 2010 | 2009 |
|---|---|---|
| Trade payables to subsidiaries | 2,0 | 3,1 |
| Other trade payables | 0,2 | 0,1 |
| **Total trade payables** | **2,2** | **3,2** |
| | | |
| Government withholdings and taxes | 2,0 | 0,5 |
| Short-term debt to subsidiaries | 583,8 | 454,8 |
| Accrued expenses and other current liabilities | 18,5 | 9,6 |
| **Total other current liabilities** | **604,3** | **464,9** |
| **Total trade payables and other current liabilities** | **606,5** | **468,2** |
| | | |
| **Maturity analysis for trade payables** | | |
| Maturity < 30 days | 2,2 | 3,2 |
| Maturity 31-90 days | - | - |
| Maturity > 91 days | - | - |
| **Total** | **2,2** | **3,2** |

## NOTE 7 BORROWINGS

| (Amounts in MNOK) | 2010 | 2009 |
|---|---|---|
| **Long-term receivables 1)** | | |
| Long-term receivables from subsidiaries | 1 776,5 | 1 830,7 |
| **Total receivables** | **1 776,5** | **1 830,7** |
| | | |
| **Long-term loans 2)** | | |
| Long-term debt to subsidiaries | 387,1 | 466,5 |
| **Short-term loans 3)** | | |
| Short-term loan facility | 223,3 | 225,8 |
| **Total loans** | **610,4** | **692,4** |

1) Interest is charged on long-term claims against subsidiaries at the 12 month interbank rate plus a company specific margin calculated based on the subsidiaries' respective credit-worthiness. The interest is charged and falls due annually in arrears. The principal amount will not fall due for payment in the foreseeable future.
2) Interest is charged on long-term debt against subsidiaries at the three-month interbank rate plus a margin corresponding to the Group's external debt. The interest is charged and added to the principal amount annually in arrears. The principal amount will not fall due for payment in the foreseeable future.
3) Terms and conditions for the company's revolving borrowing facilities are described in Notes 11 and 14 in the Group's consolidated financial statements.

**Maturity analysis for loans 2010**

| | Less than 1 month | 1-3 months | 3 months to 1 year | 1-5 years | TOTAL |
|---|---|---|---|---|---|
| Short-term loan facility | - | - | 231,7 | - | 231,7 |
| Long-term debt to subsidiaries 1) | - | - | - | 465,6 | 465,6 |
| **Total liabilities** | **-** | **-** | **231,7** | **465,6** | **697,3** |

1) Includes interest over a period of five years. Repayment is not agreed on, but five years is considered a probable time horizon.

**Maturity analysis for loans 2010**

| | Less than 1 month | 1-3 months | 3 months to 1 year | 1-5 years | TOTAL |
|---|---|---|---|---|---|
| Short-term loan facility | - | - | 234,2 | - | 234,2 |
| Long-term debt to subsidiaries 1) | - | - | - | 559,7 | 559,7 |
| **Total liabilities** | **-** | **-** | **234,2** | **559,7** | **793,9** |

1) Includes interest over a period of five years. Repayment is not agreed on, but five years is considered a probable time horizon.

# NOTE 8 CLASSIFICATION OF FINANCIAL INSTRUMENTS

**2010**

| (Amounts in MNOK) | Loans and receivables | Amortised cost | Fair value 1) |
|---|---|---|---|
| **Financial assets** | | | |
| Interest-bearing long-term receivables | 1 776,5 | | 1 776,5 |
| Other receivables 2) | 134,5 | | 134,5 |
| Financial assets 3) | 26,9 | | 26,9 |
| Cash and cash equivalents | 174,6 | | 174,6 |
| **Financial liabilities** | | | |
| Interest-bearing long-term liabilities | | 387,1 | 387,1 |
| Non-interest bearing long-term liability 3) | | 12,8 | 12,8 |
| Trade payables | | 2,2 | 2,2 |
| Interest-bearing current liabilities | | 223,3 | 223,3 |
| Other current liabilities | | 604,3 | 604,3 |

1) Book value provides a reasonable expression of fair value
2) Less prepaid expenses
3) Forward contract regarding purchase of remaining shares from non-controlling ownership interests in UAB Atea Baltic

**2009**

| (Amounts in MNOK) | Loans and receivables | Amortised cost | Fair value 1) |
|---|---|---|---|
| **Financial assets** | | | |
| Interest-bearing long-term receivables | 1 830,7 | | 1 830,7 |
| Other receivables 2) | 157,1 | | 157,1 |
| Financial assets 3) | 30,3 | | 30,3 |
| Cash and cash equivalents | 27,2 | | 27,2 |
| **Financial liabilities** | | | |
| Interest-bearing long-term liabilities | | 466,5 | 466,5 |
| Non-interest bearing long-term liability 3) | | 26,6 | 26,6 |
| Trade payables | | 3,2 | 3,2 |
| Interest-bearing current liabilities | | 225,8 | 225,8 |
| Other current liabilities | | 461,2 | 461,2 |

1) Book value provides a reasonable expression of fair value
2) Less prepaid expenses
3) Forward contract regarding purchase of remaining shares from non-controlling ownership interests in UAB Atea Baltic

# NOTE 9 TAXES

### Calculation of income tax expenses

| (Amounts in MNOK) | 2010 | 2009 | 2008 |
|---|---|---|---|
| **Profit/loss before tax** | 16,0 | -241,6 | 522,4 |
| Taxes calculated at the rate of 28% in Norway | 4,5 | -67,7 | 146,3 |
| Tax effect of: | | | |
| - permanent differences | 0,8 | 0,7 | 2,8 |
| - change in off-balance-sheet deferred tax assets | 1,6 | 106,0 | -184,2 |
| **Total income tax expenses** | **6,8** | **39,0** | **-35,1** |

Atea ASA does not have any tax payable because the company has a tax loss carryforward.

### Deferred tax liabilities/assets

| (Amounts in MNOK) | 2010 | 2009 | 2008 |
|---|---|---|---|
| **Deferred tax assets** | | | |
| Property, plant and equipment | 0,1 | 0,1 | 0,1 |
| Accounting provisions and accruals | 0,6 | 0,6 | 0,6 |
| Retirement benefits | 0,3 | 0,3 | 0,2 |
| Capital gain and loss account | 6,7 | 8,3 | 10,4 |
| Tax loss carryforward 1) | 411,8 | 415,4 | 346,3 |
| **Total deferred tax assets** | **419,4** | **424,7** | **357,7** |
| **Deferred tax assets not recognised on balance sheet** | **397,5** | **397,5** | **291,5** |
| **Deferred tax assets recognised on balance sheet 2)** | **22,0** | **27,2** | **66,2** |

1) There are no time restrictions on the utilisation of tax loss carryforwards.
2) Atea ASA has substantial tax loss carryforwards. Deferred tax assets have been recognised in the accounts at the end of 2010 after a conservative assessment of the taxable profit in the coming years. The company is expected to report a taxable profit due to interest income on loans to subsidiaries, which exceed the company's other costs.

# NOTE 10 RETIREMENT BENEFIT OBLIGATIONS

Some of the company's employees are covered by pension schemes entitling them to defined future pension benefits. The pension benefits are mainly dependent on the number of contribution years, wage level upon reaching retirement age and the size of the social security benefits. The pension agreement is financed through a Group insurance scheme with a life insurance company. The company's obligation covers 2 employees as of 31 December 2010. Pension obligations are based on the following economic assumptions:

| (%) | 2010 1) | 2009 |
|---|---|---|
| Discount rate | 3,90 | 4,40 |
| Expected return on plan assets | 5,30 | 5,60 |
| Annual expected wage inflation | 4,00 | 3,00 |
| Adjustment of statutory basic amount | 3,75 | 4,00 |
| Future increase in pension benefits | 1,20 | 1,30 |

1) The Group's choice of pension assumptions are according to the Norwegian Accounting Standards Board's recommended pension assumptions NRS (V).

### Net pension costs are determined as follows:

| (Amounts in MNOK) | 2010 | 2009 |
|---|---|---|
| Present value of pension benefits earned during the period | 0,1 | 0,1 |
| Interest cost of pension obligations | 0,0 | 0,0 |
| Expected return on plan assets | -0,0 | -0,0 |
| Payments to defined contribution scheme | - | 0,0 |
| Recognised effect of plan changes/actuarial gains or losses | | |
| **Pension costs** | **0,0** | **0,1** |

**Actual pension obligations and net pension obligations:**

| (Amounts in MNOK) | 2010 | 2009 |
|---|---|---|
| Gross pension obligations | 1,2 | 0,6 |
| Plan assets at market value 1) | 0,9 | 0,6 |
| **Net pension obligations at market value** | **0,3** | **0,1** |
| Unrecognised effect of actuarial gains and losses | 0,7 | 0,9 |
| Employer's social security tax | 0,2 | 0,0 |
| **Pension obligations recognised on the balance sheet** | **1,0** | **0,9** |

1) Plan assets at market value are not allocated to any main categories/asset classes. This is due to the fact that the Group's pension plans are fully insured (100% insured plan) with Storebrand Kapitalforsikring.

**Movement in net obligation recognised on the balance sheet:**

| (Amounts in MNOK) | 2010 | 2009 |
|---|---|---|
| Beginning of the year | 1,0 | 0,9 |
| Total expenses, see above | 0,0 | 0,1 |
| Premiums paid | - | - |
| **End of the year** | **1,0** | **1,0** |

# NOTE 11 EMPLOYEE COMPENSATION AND BENEFIT EXPENSES

| (Amounts in MNOK) | 2010 | 2009 | 2008 |
|---|---|---|---|
| Wages and salaries | 16,2 | 18,4 | 13,6 |
| Employer's social security tax | 0,9 | 1,0 | 0,9 |
| Option plans for the management and employees | 3,0 | 3,3 | 1,3 |
| Pension costs (see Note 9) | 0,2 | 0,1 | 0,1 |
| Other personnel expenses | 4,6 | 4,2 | 1,2 |
| **Total employee compensation and benefit expenses** | **24,9** | **27,0** | **17,2** |
| Number of employees | 10 | 9 | 10 |

Wages and remuneration to the President and CEO, CFO, Board of Directors and the employees' share option plans are described in Note 19 of the Group's consolidated financial statements. Loans to employees that are described in the same note apply to Atea ASA in their entirety.

Deloitte is the auditor of Atea ASA. The table below shows Deloitte's total charges for auditing and other services in 2010. All amounts are exclusive of VAT.

| (Amounts in NOK 1,000) | Auditor's fees | Attestation services | Tax advisory services | Other non-audit services | Total |
|---|---|---|---|---|---|
| Deloitte | 678,0 | 19,0 | 177,0 | 77,0 | 951,0 |

## NOTE 12 NET FINANCIAL ITEMS

| (Amounts in MNOK) | 2010 | 2009 | 2008 |
|---|---|---|---|
| Gain on sale of shares in subsidiaries | - | - | - |
| Interest income from subsidiaries | 101,8 | 116,5 | 205,1 |
| Other interest income 1) | 13,9 | 11,8 | 10,0 |
| Currency translation differences 2) | 145,3 | 149,7 | 569,6 |
| **Total financial income** | **261,1** | **277,9** | **784,7** |
| Interest expenses from subsidiaries | 18,1 | 16,2 | 32,9 |
| Interest expenses from other loans 1) | 33,9 | 34,7 | 49,8 |
| Currency translation differences 2) | 175,8 | 447,3 | 167,0 |
| Other financial expenses | 0,2 | 0,5 | 2,6 |
| **Total financial expenses** | **227,9** | **498,7** | **252,3** |
| **Net financial items** | **33,1** | **-220,8** | **532,4** |

1) Interest paid in 2010 totals MNOK 33.9 (MNOK 34.7 in 2009). Interest received in 2010 totals MNOK 13.9 (MNOK 11.8 in 2009).
2) Unrealised currency translation differences related to the company's long-term loans against subsidiaries totalled MNOK -30.4 in 2010 (MNOK -297.6 in 2009). Net unrealised foreign exchange effects during the term of the loans is MNOK -11.9.

## NOTE 13 COMMITMENTS

| (Amounts in MNOK) | 2010 | 2009 |
|---|---|---|
| Guarantees towards financial institutions 1) | 7 747,3 | 7 382,2 |
| Guarantees towards business associates 2) | 589,7 | 588,3 |
| Bank guarantees 3) | 88,2 | 134,6 |
| Commitments of remaining value of leasing activity 4) | 41,2 | 26,1 |
| **Total guarantees** | **8 466,3** | **8 131,2** |

1) The main subsidiaries in each country (including the logistics company) have issued guarantees in favour of Nordea Bank and Nordea Finans as security for the short-term facility, factoring facility (se Note 14 for the Group), cash pool facility and overdraft facility.
2) As part of regular operation the holding company issues, on behalf of its subsidiaries, guarantees towards business partners and vendors.
3) As a regular part of operations, guarantees are given for fulfilment of contracts, advances from customers and lease matters. Such guarantees usually involve a financial institution issuing a guarantee as security for the customer. Included in the amount is MNOK 36,0 of payroll tax commitments.
4) Our leasing activity has a remaining value commitment of MNOK 41.2 (MNOK 26.1 in 2009) related to outstanding contracts. As of present date no loss has occurred and risk is considered low.

It is considered improbable (i.e. < 10%) that Atea ASA will incur any charges as a result of guarantee liabilities issued on behalf of the subsidiaries. Since establishing separate finance companies in 2007 there is no experience of loss related to leasing activity.

### Pledges

As security for the group's credit facilities (see Note 14 for the Group), Atea ASA has pledged the share of all the major subsidiaries in Norway, Sweden, Denmark and Finland. The Group's book equity for these entities total MNOK 3,971.5 (MNOK 3,437.8 in 2009).

All trade receivables in Atea AS, Atea A/S, Atea Sverige AB and Atea Finland OY are pledged as security for the factoring facility (see Note 15 for the Group). The book value of trade receivables pledged as security totals MNOK 4,367.9 ( MNOK 3,211.4 in 2009).

# NOTE 14 SENSITIVITY ANALYSIS

| Sensitivity analysis 2010 – MNOK | | Interest rate risk | | | | Foreign currency risk | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | + 200 bp 1) | | - 200 bp 1) | | + 10 % | | - 10 % | |
| | Amount affected | Effect on profit/ loss | Other effects on equity | Effect on profit/ loss | Other effects on equity | Effect on profit/ loss | Other effects on equity | Effect on profit/ loss | Other effects on equity |
| Financial assets | | | | | | | | | |
| - NOK | -293,6 | -5,9 | - | 5,9 | - | - | - | - | - |
| - SEK | 646,7 | 12,9 | - | -12,9 | - | 64,7 | - | -64,7 | - |
| - DKK | 941,6 | 18,8 | - | -18,8 | - | 94,2 | - | -94,2 | - |
| - EUR | 190,5 | 3,8 | - | -3,8 | - | 19,0 | - | -19,0 | - |
| - USD | 0,2 | 0,0 | - | -0,0 | - | 0,0 | - | -0,0 | - |
| **Effect on financial assets before tax** | | **29,7** | **-** | **-29,7** | **-** | **177,9** | **-** | **-177,9** | **-** |
| Tax expense (28 %) | | -8,3 | - | 8,3 | - | -49,8 | - | 49,8 | - |
| **Effect on financial assets after tax** | | **21,4** | **-** | **-21,4** | **-** | **128,1** | **-** | **-128,1** | **-** |
| Financial liability items | | | | | | | | | |
| - NOK | 610,4 | -12,2 | - | 12,2 | - | - | - | - | - |
| **Effect on financial liability items before tax** | | **-12,2** | **-** | **12,2** | **-** | **-** | **-** | **-** | **-** |
| Tax expense (28 %) | | 3,4 | - | -3,4 | - | - | - | - | - |
| **Effect on financial liability items after tax** | | **-8,8** | **-** | **8,8** | **-** | **-** | **-** | **-** | **-** |
| **Total increase/reduction** | | **12,6** | **-** | **-12,6** | **-** | **128,1** | **-** | **-128,1** | **-** |

1) Basis points

| Sensitivity analysis 2009 – MNOK | | Interest rate risk | | | | Foreign currency risk | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | + 200 bp 1) | | - 200 bp 1) | | + 10 % | | - 10 % | |
| | Amount affected | Effect on profit/ loss | Other effects on equity | Effect on profit/ loss | Other effects on equity | Effect on profit/ loss | Other effects on equity | Effect on profit/ loss | Other effects on equity |
| Financial assets | | | | | | | | | |
| - NOK | -306,8 | -6,1 | - | 6,1 | - | - | - | - | - |
| - SEK | 604,6 | 12,1 | - | -12,1 | - | 60,5 | - | -60,5 | - |
| - DKK | 1 012,2 | 20,2 | - | -20,2 | - | 101,2 | - | -101,2 | - |
| - EUR | 226,3 | 4,5 | - | -4,5 | - | 22,6 | - | -22,6 | - |
| - USD | 0,7 | 0,0 | - | -0,0 | - | 0,1 | - | -0,1 | - |
| **Effect on financial assets before tax** | | **30,7** | **-** | **-30,7** | **-** | **184,4** | **-** | **-184,4** | **-** |
| Tax expense (28 %) | | -8,6 | - | 8,6 | - | -51,6 | - | 51,6 | - |
| **Effect on financial assets after tax** | | **22,1** | **-** | **-22,1** | **-** | **132,7** | **-** | **-132,7** | **-** |
| Financial liability items | | | | | | | | | |
| - NOK | 692,4 | -13,8 | - | 13,8 | - | - | - | - | - |
| **Effect on financial liability items before tax** | | **-13,8** | **-** | **13,8** | **-** | **-** | **-** | **-** | **-** |
| Tax expense (28 %) | | 3,9 | - | -3,9 | - | - | - | - | - |
| **Effect on financial liability items after tax** | | **-10,0** | **-** | **10,0** | **-** | **-** | **-** | **-** | **-** |
| **Total increase/reduction** | | **12,2** | **-** | **-12,2** | **-** | **132,7** | **-** | **-132,7** | **-** |

1) Basis points

# NOTE 15 SHARE CAPITAL, SHARE PREMIUMS AND OTHER PAID-IN EQUITY

| (Amounts in MNOK) | Number of shares | | Share capital | | | | |
|---|---|---|---|---|---|---|---|
| | Issued | Treasury shares | Issued | Treasury shares | Share premium | Total share capital and premiums | Option programmes |
| As of 1 January 2009 | 95,5 | -3,8 | 955,3 | -37,9 | 598,1 | 1 515,5 | 38,4 |
| Employee share options, value of employee contributions | - | | - | | - | - | 8,3 |
| Change in treasury shares | | 0,9 | | 8,9 | - | 8,9 | - |
| Issue of share capital | - | - | - | - | - | - | - |
| **As of 31 December 2009** | **95,5** | **-2,9** | **955,3** | **-29,0** | **598,1** | **1 524,4** | **46,7** |
| As of 01 January 2010 | 95,5 | -2,9 | 955,3 | -29,0 | 598,1 | 1 524,4 | 46,7 |
| Employee share options, value of employee contributions | - | - | - | - | - | - | 12,9 |
| Change in treasury shares | - | 2,9 | - | 29,0 | - | 29,0 | - |
| Issue of share capital | 0,8 | - | 7,7 | - | 13,8 | 21,5 | - |
| **As of 31 December 2010** | **96,3** | **-0,0** | **963,0** | **-0,0** | **611,9** | **1 574,8** | **59,5** |

The total number of outstanding ordinary shares in Atea ASA as of 31 December 2010 was 96,295,022 shares with a par value of NOK 10 per share (95,527,022 in 2009).

### Own shares

During 2010 Atea ASA bought 167,000 own shares and sold 3,062,568 at an average price of NOK 45.09 per share. The sales of shares have been made in connection with exercise of employee options and as compensation regarding the purchase of Calamus Danmark and Umoe IKT. As of 31 December 2010 Atea ASA holds 3,601 own shares. During 2009 Atea ASA sold 889,066 own shares at an average price of NOK 33.00 per share. The acquisitions of own shares have been completed as part of a share buyback program approved by Atea ASA's General Annual Meeting 29 April 2010. According to the approval the lowest and highest price payable is NOK 10 and NOK 200 respectively.

### Share options

Share options have been allotted to the management and selected employees. Each share option allows for the subscription of one share in Atea ASA. The fair value of the options is calculated when they are allotted and expensed over the vesting period. A charge of MNOK 2.7 has been recognised in the income statement in 2010 relating to the share option programmes (MNOK 2.5 in 2009). In addition, National Insurance contribution expenses of MNOK 0.3 were recognised in 2010 (MNOK 0.9 in 2009).

# RESPONSIBILITY STATEMENT

We confirm to the best of our knowledge that;

- the consolidated financial statements for 2009 have been prepared in accordance with IFRS as adopted by the EU, as well as additional information requirements in accordance with the Norwegian Accounting Act, and that
- the financial statements for the parent company for 2009 have been prepared in accordance with the IFRS as adopted by the EU, as well as additional information requirements in accordance with the Norwegian Accounting Act, and that
- the information presented in the financial statements gives a true and fair view of the Company's and Group's assets, liabilities, financial position and result for the period viewed in their entirety, and that
- the Board of Directors' report gives a true and fair view of the development, performance and financial position of the Company and Group, and includes a description of the principal risks and uncertainties.

**Oslo, 17 March 2011**

**Ib Kunøe**
**Chairman of the Board**

**Sigrun Hjelmquist**

**Morten Jurs**

**Kristine M. Madsen**

**Claus Hougesen**
**CEO**

**Marthe Dyrud**

**Jørn Irving Goldstein**

**Karin S. Løkke**

**Sven Madsen**

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To the Annual Shareholders' Meeting of Atea ASA

INDEPENDENT AUDITOR'S REPORT

**Report on the Financial Statements**

We have audited the accompanying financial statements of Atea ASA, which comprise the financial statements for the parent company and the financial statements for the group. The financial statements comprise the statement of financial position as at 31 December 2010, the statement of comprehensive income, the statement of changes in equity, cash flow statements for the year then ended, and a summary of significant accounting policies and other explanatory information.

*The Board of Directors and the Managing Director's Responsibility for the Financial Statements*

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by EU, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of Atea ASA and of the group as at 31 December 2010, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by EU.

**Report on Other Legal and Regulatory Requirements**

*Opinion on the Board of Directors' report and the allocation of the profit*

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors report concerning the financial statements and the going concern assumption, and the proposalfor the allocation of the profit complies with the law and regulations and that the information is consistent with the financial statements.

*Opinion on Registration and Documentation*

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that the company's management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 17 March 2011
Deloitte AS

Kjetil Nevstad

Kjetil Nevstad
State Authorised Public Accountant (Norway)

# CORPORATE GOVERNANCE AND COMPANY MANAGEMENT

Good corporate governance contributes to the creation of value, and it builds trust externally and internally at the same time. Good corporate governance requires good, effective cooperation between the day-to-day management and Board of Directors, respect for the company's other stakeholders, and open, honest communication with the outside world. Below is a description of Atea ASA's foundation for good corporate governance. The company follows the Norwegian Code of Practice for Corporate Governance of October 21, 2010 (which is available at the Oslo Stock Exchange's web page).

### Business operations

In accordance with Article 2 of the Articles of Association the objective of Atea ASA is as follows: «The objective of the company is to sell data processing services, computer equipment, systems and related activities, and to participate in other companies for financial purposes». The Articles of Association are available at the company's website.

### Equal status

The company's share capital consists of one class of shares. The Articles of Association do not contain any voting right restrictions. All the shares have equal status.

### Purchase of own shares

At the Annual General Meeting of April 29, 2010, the Board of Directors was authorized to purchase the company's own shares. This authority is given in accordance with Section 9–4 of the Norwegian Public Limited Companies Act, and it grants the Board of Directors authority to allow Atea ASA and/or its subsidiaries to buy shares in Atea ASA for a maximum par value of MNOK 70 at prices of between NOK 10 and NOK 200. The Board of Directors is free to elect the methods to be used for the acquisition and sale of the company's own shares. This authority is valid until the Annual General Meeting in 2011 and will expire no later than June 30, 2011. As of December 31, 2010, Atea ASA held 3,601 of its own shares, which corresponds to 0.0037 per cent of the total number of shares issued.

### Free negotiability

The shares are freely negotiable. The Articles of Association do not contain any trading restrictions.

### Share capital

The Group's equity totaled MNOK 3,355.2 at the end of 2010. This gives an equity ratio of 34.8 per cent. The Board of Directors continuously assesses the company's financial strength and capital requirements in light of the company's strategy and risk profile.

### Authority to issue new shares

The Board of Directors was authorized by the Annual General Meeting of April 29, 2010 to increase the company's share capital by a maximum of MNOK 30 through the issuance of a maximum of 3 million shares, each with a par value of NOK 10, by one or more private offerings to employees of the Group as part of an option/incentive program. This authority is valid until the Annual General Meeting in 2011 and will expire no later than June 30, 2011.

### Dividend

It is the Board of Directors' objective to offer competitive returns to its shareholders, supported by a high dividend pay out ratio. The General Meeting declares the annual dividend based on a proposal from the Board of Directors. The company's dividend policy has been to distribute 10–40 per cent of its annual profits as dividends in periods with surplus liquidity. Due to consistent strong performance the Board of Directors decided in a Board meeting 20 October 2010 to change the dividend policy to 40-60 per cent of net profit adjusted for normalized tax. The Board of Directors proposes a dividend of NOK 2.00 per share for the 2010 accounting year.

### General Meeting

The General Meeting guarantees shareholders participation in the company's highest body.

Shareholders who represent at least 5 per cent of the shares may demand that an ExtraordinaryGeneral Meeting be held to deal with a specific matter pursuant to Section 5–7 of the Norwegian Public Limited Companies Act.

The General Meeting shall normally be held by June 1, each year. Notice of the General Meeting shall be sent to all the shareholders with a known address and will be published on Atea ASA's website at least 21 days prior to the date of the Annual General Meeting. The recommendation from the Nominating Committee is also published on the website.

Pursuant to Article 9 of the company's Articles of Association the right to participate in and vote at the General Meeting may only be exercised when acquisition of shares have been recorded in the company's shareholder register (VPS) the fifth weekday prior to the General Meeting being held. Shareholders that wish to participate in the General Meeting (personally or through proxy) must, pursuant to Article 10 of the Articles of Association, notify the company within a deadline that will be provided in the summons and which shall be no less than 5 days prior to the date on which the General Meeting is held. Shareholders may provide their votes in writing or electronically, although no later than two days in advance of the General Meeting. The summons will provide further details of how votes may be provided.

Registration is made in writing by letter or fax, or through the Internet. Importance is attached to the case documents containing adequate details, so that the shareholders can make a decision on the matters that are to be discussed, and setting the registration deadline as close as practically possible to the actual meeting. The agenda is set by the Board of Directors, and the main items normally include: Report by the President and CEO, approval of the annual report and accounts, election of members to the Board of Directors and the Nominating Committee, potentially new election of an auditor, as well as adoption of remuneration to the auditor and Board of Directors. As a minimum, the Board Chairman, a representative from the Nominating Committee, the auditor, the President and CEO, and the Chief Financial Officer will participate at the General Meeting. The General Meeting is chaired by an independent chairperson. In 2010 the Annual General Meeting was held on April 29, and 52.34 per cent of the total share capital was represented.

## Nominating Committee

The Nominating Committee shall consist of the Board Chairman and two members elected by the General Meeting pursuant to Article 7 of the Articles of Association. The members who are elected by the General Meeting have a term of office of two years.

A new committee was elected by the Annual General Meeting in 2009 and consists of:

- Karl Martin Stang (Chairman of the Nominating Committee)
- Carl Espen Wollebekk
- Ib Kunøe (Board Chairman)

At the annual General Meeting this year a new election of two representatives to the Nomination Committee will take place. Guidelines have been issued for the Nominating Committee and these will be presented for approval by the General Meeting this year.

The Norwegian Code of Practice for Corporate Governance (article 7) states that; "No more than one member of the nomination committee should be a member of the board of directors, and any such member should not offer himself for re-election to the board." The company deviates from the recommendation as the Board Chairman, pursuant to the Articles of Association, is member of the Nominating Committee and may be re-elected as member of the Board. The deviation is justified by the regulation of the Articles of Association and further the company is of the opinion that it is an advantage to have continuity in the Nominating Committee and thus the Board Chairman should be entitled to be re-elected as member of the Board.

Further, the company deviates from the Norwegian Code of Practice for Corporate Governance where it is stated (article 7) that information should be provided with respect to possible deadlines for providing proposal to the Nomination Committee. The company is of the opinion that the routines and guidelines that is in place with respect to election of candidates to the Board is satisfactory and those who would like to propose candidates are free to do so at any time.

## Board of Directors

### Election and composition of the Board of Directors

The General Meeting elects the shareholder-elected representatives to the Board of Directors. The Nominating Committee prepares the nominations for shareholder-elected board members prior to the election. Importance is attached to the combined Board of Directors having expertise in the work of boards and the company's principal operations, in addition to possessing the necessary independence in relation to the company's day-to-day management and the company's principal shareholders. Resolutions concerning the composition of the Board of Directors are made on the basis of a simple majority.

The Board of Directors elects its own chairman and deputy chairman. This deviates from the Norwegian Code of Practice for Corporate Governance, which states that the Board Chairman should be elected by the General Meeting. One new board member, Morten Jurs, was elected by the shareholders at the General Meeting in 2010. Shareholder-elected board member Cathrine Foss Stene wished to be dismissed and resigned from her board position in 2010. One new board member was elected by and among the employees in 2010. The shareholder-elected board members are then: Ib Kunøe (Board Chairman), Kristine M. Madsen, Sven Madsen, Sigrun Hjelmquist and Morten Jurs. Ib Kunøe is associated with Consolidated Holdings A/S and System Integration ApS, both of which are among the company's largest shareholders. Sven Madsen is financial director in Consolidated Holdings A/S. The other board members are independent in relation to the company's largest shareholders and the company's management. The board members are elected for a term of two years and may stand for re-election.

### Independence of the Board of Directors

The Board of Directors considers itself to be independent of the Group's administrative management. Importance is attached to there not being any conflicts of interest between the shareholders, Board of Directors, corporate management and the company's other stakeholders.

## Remuneration to the Board of Directors

The General Meeting determines the annual remuneration to the Board of Directors. This remuneration shall reflect the Board of Directors' responsibility, expertise, and time spent, and it is not dependent on results. The full annual remuneration is NOK 300 000 for the Board Chairman, NOK 150 000 for each shareholder-elected board member, and NOK 100 000 for each employee-elected board member.

For a detailed account of the remuneration paid to board members and their shareholdings in the company, see Notes 12 and 19, respectively, to the annual accounts.

## Board of Directors' work

The Board of Directors has primary responsibility for management of the Group. The Board of Directors shall ensure proper organization of the business operations, draw up plans/strategies and budgets, keep itself informed of the company's financial position and ensure that the operations, accounting and asset management are subjected to proper scrutiny. The function of the Board of Directors is primarily to safeguard the interests of all the shareholders; however, the Board of Directors also bears responsibility for the company's other stakeholders.

The guidelines for the work of the Board of Directors are set forth in separate rules of procedure. The rules of procedure contain, for example, provisions relating to board meeting notices, the Board of Directors' administrative procedures, division of work between the Board of Directors and the President and CEO, the Board of Directors' obligations and authority, impartiality requirements, confidentiality requirements, and the handling of insider information.

## Internal control

To ensure that the company's operations are carried out in accordance with the current legislation and framework determined by the Board of Directors, guidelines have been adopted to ensure good internal control. These guidelines include routines for financial and economic reporting, communication and information management, authorization, risk management, ethics and social responsibility.

The company's and the Group's internal control system is based on full reporting and reconciliation of the income statement, balance sheet and most of the notes in connection with the monthly closing of accounts. Immediately after reporting, regular follow-up meetings are held with financial managers and key personnel in all of the operating companies. The nature of the follow-up is that of identifying errors and omissions, but the follow-up should primarily contribute to an analytical approach to enhance the understanding of how the business is managed and thus how it can be supported. External market data and comparisons with the previous year and plans, as well as pro forma figures inclusive of acquired businesses, are used for this purpose. The income statement, balance sheet and cash flow figures are reported together with the associated analyses monthly to the corporate management and company's Board of Directors. An acquisition analysis is prepared for acquired companies within a month after acquisition so that they can be integrated with the consolidated figures in connection with the next quarterly closing of accounts. All the companies in the Group report in accordance with the local GAAP, but they also report any deviations from IFRS to enable corporate reporting in accordance with IFRS. Importance is attached to building up competence in important accounting and financial fields across multiple countries. Regular meetings of accounting managers, controllers and chief financial officers, respectively, are arranged at which all the major units participate.

The Company has an audit committee which became effective in 2010. Members of the audit committee are Sven Madsen, Morten Jurs and Kristine M. Madsen. The responsibilities of the audit committee are amongst other things; (i) prepare the board's quality assurance of the financial reporting, (ii) monitor the company's internal control and the company's risk evaluation systems, (iii) have continuous contact with the company's auditor regarding audit of the annual accounts and the group accounts, (iv) review together with the company's auditor and monitor the auditor's independence, hereunder other services than auditing that has been delivered by the auditor and (v) provide its recommendations to the company's board with respect to election of auditor.

## Notice and structure of meetings

The Board of Directors schedules fixed meetings every year. Normally six to eight meetings are held annually. Additional meetings are called as required. A total of 8 meetings were held in 2010.

Board members regularly receive information on the Group's operational and financial performance, including monthly operating reports. The company's business plan, strategy, and risk are subjected to review and evaluation by the Board of Directors. The board members are free to consult the company's management if they feel a need to do so. The Board of Directors' discussions and minutes of meetings are confidential, unless the Board of Directors determines otherwise, or if there is clearly no need for such treatment. In addition to the board members, the President and CEO, Chief Financial Officer and the company secretary participate in the meetings. Other participants are invited as required. All matters of significant importance shall be submitted to the Board of Directors. This applies, for example, to approval of the annual and quarterly reports, strategy and strategic plans, acquisition and sale of businesses, and investments.

## Use of Board Committees

The Group has a Nominating Committee pursuant to the Articles of Association. Additionally, the Board of Directors has from 2010 established a compensation committee, which consists of Ib Kunøe (Board Chairman), Karl Martin Stang and Carl Espen Wollebekk, the two latter from the Nominating Committee. The compensation committee's responsibility is to prepare to the Board of Directors guidelines for issues concerning compensation to key employees (senior management) and other material personnel related issues for senior management.

### Insider trading
The Board of Directors has adopted instructions for the Group's employees and primary insiders, which regulate trading in financial instruments and include provisions relating to the prohibition of trading, investigation and reporting requirements, ban on giving advice, duty of confidentiality, etc.

### Duty to report when members of the Board of Directors or senior management has material interest in an agreement to which the company enters into
The company has established routines that ensures that members of the Board of Directors and senior management shall notify the Board of Directors if they directly or indirectly have a material interest in an agreement that is entered into by the company.

### Board of Directors' self-evaluation
The Board of Directors performs an annual evaluation of how the board members function individually and as a group.

### Remuneration of the President and CEO and key executives
The President and CEO's terms are set by the Board of Directors, based on recommendation from the compensation committee. In the opinion of the Board of Directors the President and CEO's terms shall be competitive. The remuneration of the President and CEO is specified in Note 19 to the annual accounts. The Board of Directors has, based on recommendation from the compensation committee, established guidelines for remuneration of the company's key employees (senior management), and it will submit a separate statement to the General Meeting for its approval.

The Norwegian Code of Practice for Corporate Governance provides in article 12 that performance related remuneration to senior management should be subject to an absolute limit. The company deviates from the recommendation in this respect as such absolute limit has not been set. Due to the principles implemented for performance related compensation to senior management the Board of Directors is of the opinion that such limitation is not necessary.

## Information and communication
### Annual report and accounts – interim reporting
The Group ordinarily presents its preliminary annual accounts in the beginning of February. The complete accounts, Board of Directors' report, and annual report are made available to the shareholders and other stakeholders on the company's website 21 days prior to the General Meeting, at the latest. A printed copy of the annual report can be sent shareholders on request. Beyond this, interim accounts are reported on a quarterly basis.

### Other market information
Open investor presentations are arranged in connection with the publication of the Group's annual and quarterly results. The President and CEO review the results and comments on the performance of each individual country and market, as well as the outlook. The Group's Chief Financial Officer also participates in these presentations. Investor-related information and presentations associated with the annual and quarterly results are available on the Group's website (www.atea.com/IR). Beyond this, the Group maintains a running dialogue and conducts presentations for analysts and investors.

The company's financial calendar with an overview of the dates for publication of the annual report, interim reports, etc., has been published on the company's website (www.atea.com/fc). The company's presentations, which are also published online on the Internet via a webcast, are available on the company's website (www.atea.com/webcast).

The Group considers informing the shareholders and investors on the Group's performance and its economic and financial status to be of vital importance. Importance is attached to making the same information available to the market and other stakeholders at the same time. Caution with regard to the unfair distribution of information shall therefore be exercised when talking to analysts and investors.

### Takeovers
The Board of Directors has not prepared any main principles for how the Board should act in the event of a takeover bid, as recommended by the Norwegian Code of Practice for Corporate Governance. The company's Articles of Association do not contain any defense mechanisms against the acquisition of shares, nor do they contain any other measures that restrict the opportunity to acquire shares in the company.

## Auditor
### Auditor's relationship to the Board of Directors
The auditor participates at the board meeting where the annual accounts are discussed. At this meeting, the Board of Directors is briefed on the annual accounts and any matters of particular concern to the auditor. The auditor has in addition contact with the audit committee according to what is provided above with respect to the committee's responsibilities.

### Auditor's relationship to the corporate management
Deloitte has been the company's auditor since 2006. In addition to ordinary auditing, the auditing firm has provided consulting services related to accounting, tax and reporting. Reference is made to Note 19 to the annual accounts.

The corporate management holds regular meetings with the auditor. In these meetings the auditor's reports on the company's accounting principles, risk areas, internal control routines, etc., are reviewed.

The auditor's remuneration is approved by the company's General Meeting. Notice of how the remuneration breaks down between auditing and other services will be given at the General Meeting.

## Corporate Social Responsibility
Atea support UN Global Compacts ten principles within the areas of human rights, labour standards, environment and anti-corruption. Atea will from 2011 report on activities related to the Global Compact with main focus on principles regarding environment. Reference is made to separate information provided in this respect in the Annual Report.

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