

Reykjavik, 10 March, 2011

## **Structural changes at the Nýherji Group**

The Board of Directors of Nýherji hf. has decided to introduce a new organizational structure for Nýherji and its subsidiaries in Iceland.

The principal changes consist of merging companies in related fields to form larger units in the area of IT services.

The proposed changes are as follows:

- ✓ The hosting and managed service company Skyggvir ehf., the company Sense ehf., which specialises in audio and visual solutions, and Viðja ehf. will merge with the Nýherji hf. parent company. Nýherji hf. will continue to use the Skyggvir and Sense trademarks. Following the merger Nýherji hf. will have about 270 employees.
- ✓ Applicon ehf. and Vigor ehf., which provide business software solutions, will be merged under the name of Applicon ehf. Development work on “Vigor Solutions” will continue, as part of the solution offering of Applicon ehf. The combined company will have about 50 employees post merger.
- ✓ TM Software ehf., specialising in software development, and EMR heilbrigðislausnir ehf., which owns and develops medical records systems and solutions for the healthcare sector, will be merged under the name TM Software ehf. EMR’s medical records systems, including Saga, Hekla and others, will be part of the solution offering of TM Software ehf. TM Software ehf. will have about 65 employees following the merger.

The changes are scheduled to take effect on 1 April 2011; more details will be provided to the Company’s customers in the coming days. The Nýherji Group has a total of about 540 employees in Iceland and abroad.

The goal of the proposed structural changes is to improve the Company’s competitiveness and position in the domestic market and to provide a broader range of services to its customers.

Thórdur Sverrisson, CEO of Nýherji hf:

“The performance of Nýherji hf. has returned to an acceptable level following the economic downturn of the past several months. With a new structure comprising fewer, larger units, we intend to further strengthen our market position and provide a broader range of services, while maintaining our unmatched ability to meet the ever changing needs of our customers in the area IT solutions.”

The following officers make up the Group' senior management team under the new structure:

- ✓ Thórdur Sverrisson is the CEO of Nýherji hf. and the Chairman of the Board of its subsidiaries in Iceland and abroad.
- ✓ Kristinn Thór Geirsson is the Deputy CEO and heads the Group's Finance and Administration division.
- ✓ Emil Einarsson is the Managing Director of Nýherji hf.'s Corporate Services division, which offers equipment and technical services to corporate customers.
- ✓ Elsa M. Ágústsdóttir is the Managing Director of Nýherji hf.'s Retail Division, which operates the Company's retail outlets, handles distribution to resellers and manages the Online Store, as well as selling supplies to businesses and institutions.
- ✓ Thorvaldur Jacobsen is the Managing Director of Managed Services at Nýherji hf., which covers all the services provided by Skyggvir ehf. up to this point.
- ✓ A new Managing Director will be appointed to head Nýherji hf.'s Product Division, which will be responsible for communications with foreign suppliers, imports, inventories and distribution, as well as services related to terminal equipment, such as "Sense Solutions".
- ✓ Ágúst Einarsson is the Managing Director of TM Software ehf., which specialises in software development. TM Software ehf. will also be responsible for providing services to the healthcare sector, previously the domain of EMR heilbrigðislausnir ehf.
- ✓ Ingimar G. Bjarnason is the Managing Director of Applicon ehf., offering business software solutions. Products and services previously offered by Vigor ehf. will now be provided by Applicon ehf. under the name "Vigor Solutions".

For further information please contact Thórdur Sverrisson, CEO of Nýherji hf., tel. +354 893 3630.