



# Presentation for investors

Results for the third quarter of 2011

**Nýherji hf.**

31. October 2011

Nýherji hf. presentation for investors

# 1 Introduction

## 2 Financials

## 3 Outlook



## ISK 376 million EBITDA for the first nine months

EBITDA was ISK 77 million in Q3, as compared to ISK 169 million for the corresponding period last year.

Net profits totalled ISK 18 million for the first nine months of the year.

Applicon Denmark posted a loss of ISK 90 million during the quarter due to delays in the delivery of a software solution.

The operation and performance of all other business units and subsidiaries of the Group was in line with projections.

Nýherji has entered into an agreement with Landsbanki Íslands to act as a market maker for the Company's shares.



## Nýherji: Increased sales in technical equipment

Sales of technical equipment increased somewhat from the same period last year. In the corporate market there was an increase in the sale of large IBM servers and software.

In the consumer market, sales of Sony products and Canon cameras have been stable during the year.

In addition, sales of Lenovo computers have grown steadily during the year in parallel with a significant increase in marketing.

The results of IT services at Nýherji were slightly below expectations in the quarter, although it still performed better than over the corresponding period last year.



## Good prospects in software and business solutions

TM Software performed well during the quarter, posting higher than expected revenues and good profits. The company has increasingly been involved in the development of specialized software for customers in Iceland and abroad and the project pipeline is good.

Applicon ehf. performed below expectations during the period, but prospects are good for the sale of the SAP and Vigor business solutions in Iceland.



## Appicon Sweden: Good outlook for Q4 2011

Appicon Sweden performed in line with projections, with revenues well exceeding the targets set at the beginning of the year.

Work has begun on a large project related to the implementation of the SAP business solution for the Swedish lending institution Landshypotek, which has around 50 thousand fund members.

Appicon Sweden has also been hired by a large hedge fund in Stockholm for a software project.

The company furthermore concluded a maintenance contract with the financial company Öhman Fondkommission.

The sales outlook for Q4 is good.



## Applicon Denmark: Delays in delivery

Due to delays in the delivery of the software for public entity, additional costs of about ISK 90 million were incurred in Q3, resulting in the company posting substantial losses.

A new managing director, Karl Peter Vilandt, assumed the reins of the company on 1 September. The status of projects for other clients is good and the outlook for next year is favourable.

The Danish company Dansupport A/S performed in line with projections in Q3 and is in a much better position than at the same time last year. Dansupport is expected to perform in line with projections in Q4 2011.





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# Income statement Q3 2011

In ISK millions	Q3 2011	% of Sales	Q3 2010	% of Sales
Sales of goods and services .....	3,506	100%	3,234	100%
Cost of goods and services sold .....	(2,844)	(81%)	(2,509)	(78%)
<b>Gross profit .....</b>	<b>661</b>	<b>19%</b>	<b>725</b>	<b>22%</b>
Other income .....	1	0%	4	0%
Other operating expenses .....	(659)	(19%)	(633)	(20%)
<b>Operating profit (loss) (EBIT) .....</b>	<b>4</b>	<b>0%</b>	<b>96</b>	<b>3%</b>
<b>EBITDA .....</b>	<b>77</b>	<b>2%</b>	<b>169</b>	<b>5%</b>

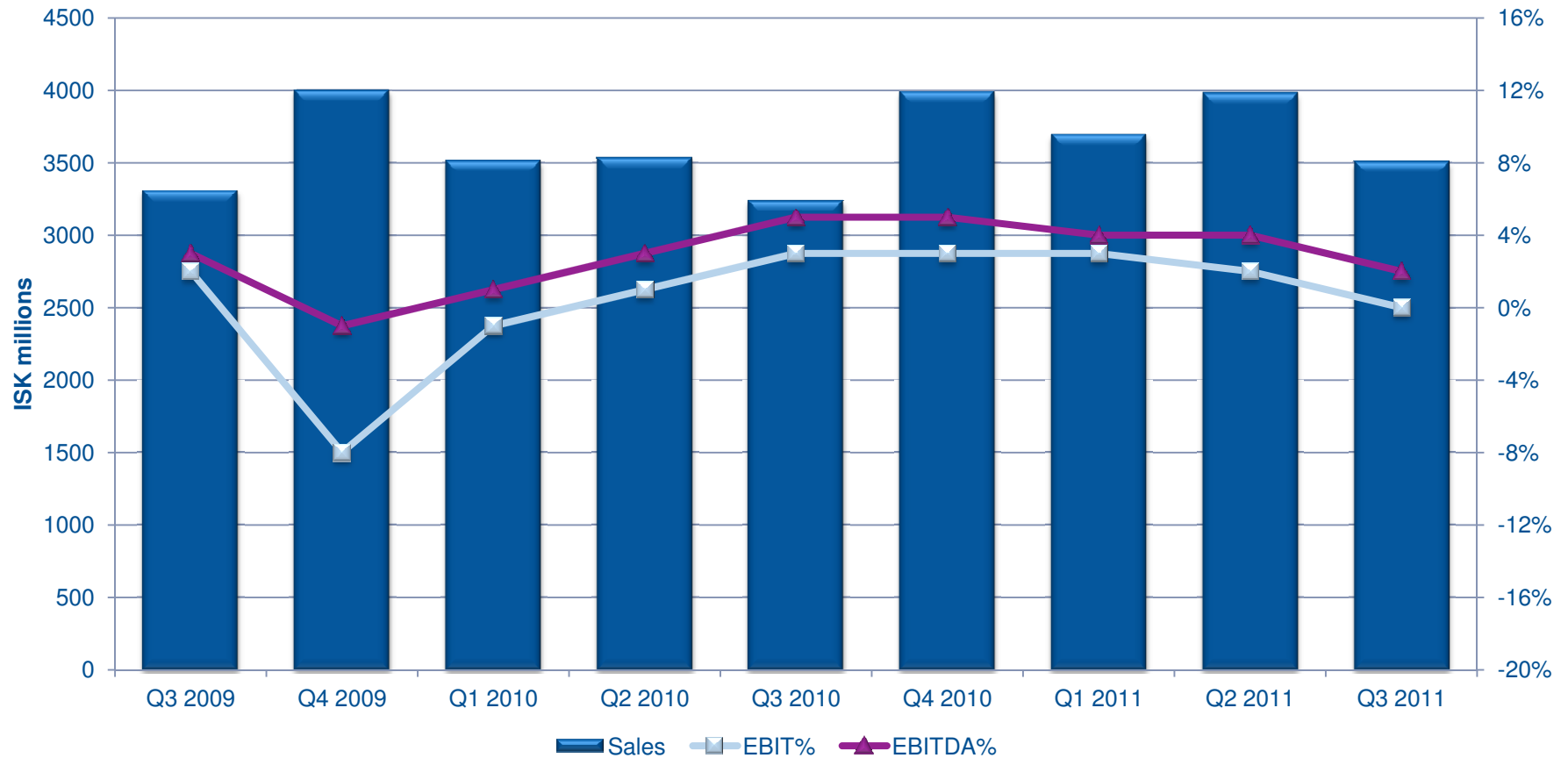


# Income statement first three quarters of 2011

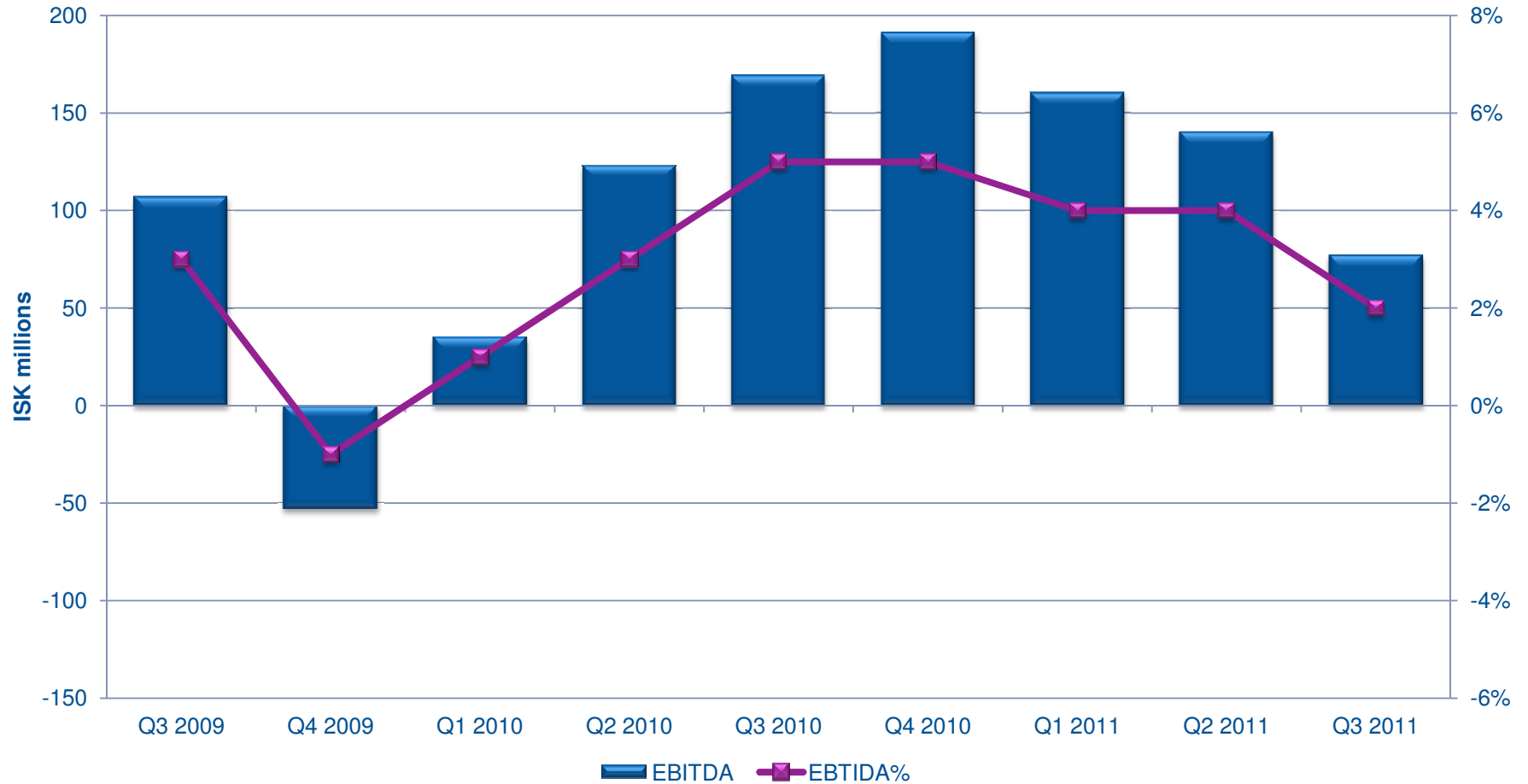
In ISK millions	1.1. - 30.9. 2011	% of Sales	1.1. - 30.9. 2010	% of Sales
Sales of goods and services .....	11,175	100%	10,273	100%
Cost of goods and services sold .....	(8,922)	(80%)	(8,033)	(78%)
<b>Gross profit</b> .....	<b>2,253</b>	<b>20%</b>	<b>2,240</b>	<b>22%</b>
Other income .....	10	0%	12	0%
Other operating expenses .....	(2,093)	(19%)	(2,141)	(21%)
<b>Operating profit (loss) (EBIT)</b> .....	<b>170</b>	<b>2%</b>	<b>111</b>	<b>1%</b>
<b>EBITDA</b> .....	<b>376</b>	<b>3%</b>	<b>327</b>	<b>3%</b>



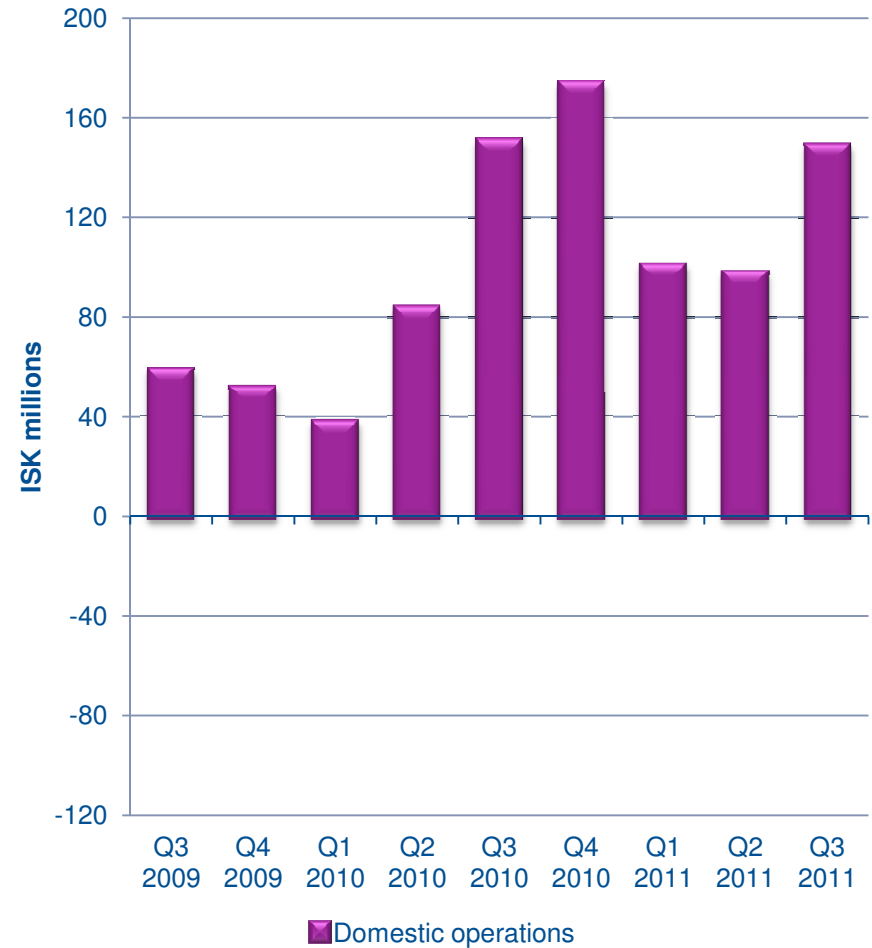
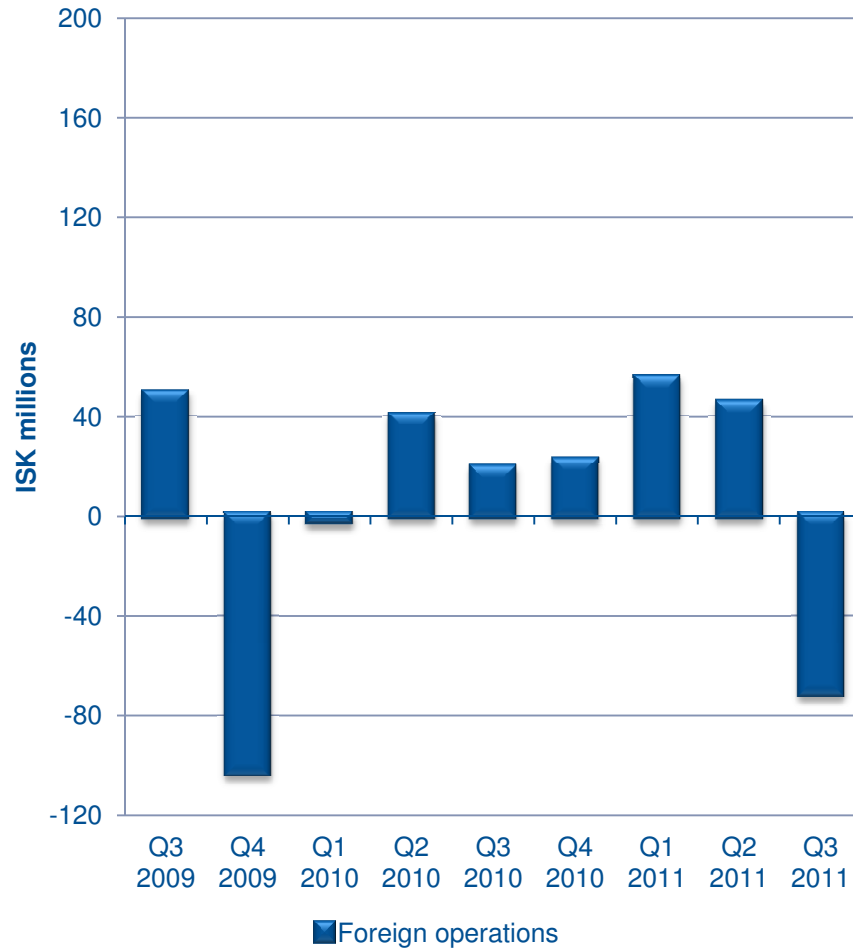
# Sales higher than same period last year



# EBITDA



# EBITDA – foreign and domestic operations



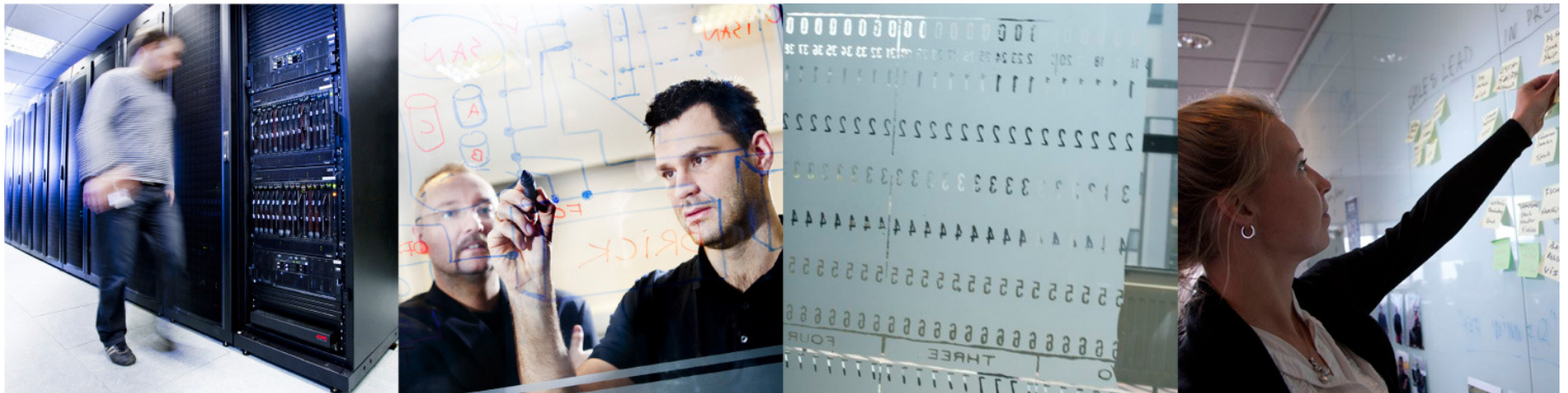
# Balance sheet 30.09.2011

In ISK millions	30.09.2011	31.12.2010
Non-current assets .....	4,307	4,292
Current assets .....	3,743	3,688
<b>Total assets .....</b>	<b>8,050</b>	<b>7,981</b>
Equity .....	2,324	2,420
Non-current liabilities .....	2,237	2,374
Current liabilities .....	3,489	3,187
<b>Total equity and liabilities .....</b>	<b>8,050</b>	<b>7,981</b>
Current ratio .....	1.07	1.16
Equity ratio .....	28.9%	30.3%



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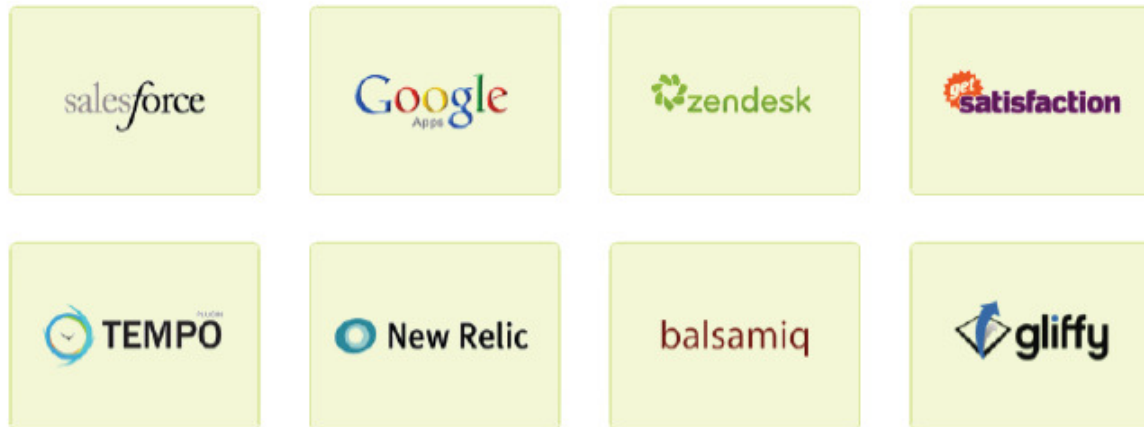


# TM Software and Atlassian

Atlassian OnDemand.

TM Software is part of a mutual Cloud solution with Google, Salesforce and Atlassian.

## Technology Alliances



## New warehouse and service center

A new warehouse and service center at one locations instead of three.

The new warehouse is 2,416.9 m<sup>2</sup>.

The total size of the warehouse suits well with our current need for housing and there is possibility for further expansion.



## The outlook for Nýherji in Q4 is quite good

The unexpected losses posted by Applicon Denmark will have an adverse effect on the Group's performance in the second half of the year.

Despite this setback, the effect on EBIDTA for the year as a whole may be minimal as the outlook for Q4 is quite good.



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# Q & A

