



# Presentation for investors

Annual results 2011

**Nýherji hf.**

30. January 2012

- 1 Introduction
- 2 Financials
- 3 Outlook



# Nýherji hf. – a group of IT companies

## Nýherji hf.

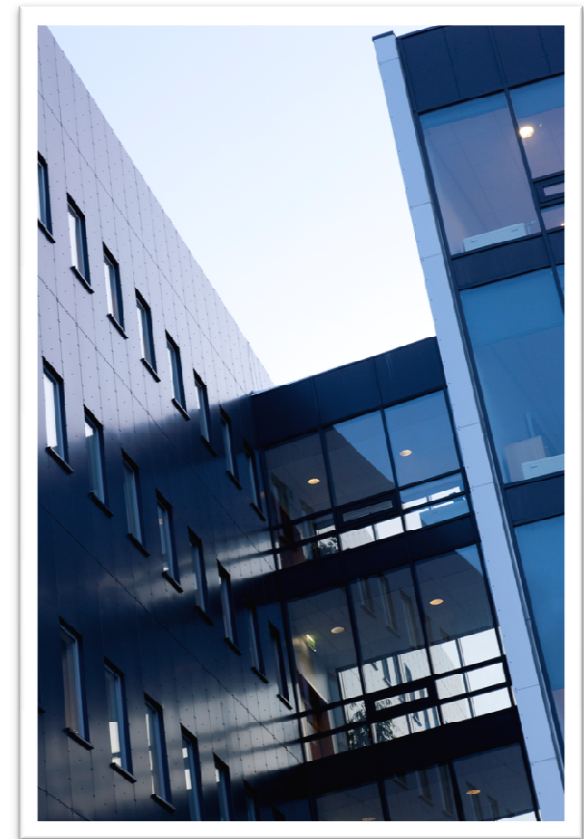
- About half Nýherji's employees work in the subsidiaries:
  - TM Software in Iceland
  - Applicon in Iceland
  - Applicon in Denmark
  - Applicon in Sweden
  - Dansupport in Denmark

## Total income

- ISK 14.261.184 in 2010
- ISK 15.479.846 in 2011

## Number of employees

- 587 – 2010
- 533 – 2011



## Eight Nýherji entities were merged

In 2011, eight Nýherji entities in Iceland were merged into three companies: Nýherji hf., Applicon ehf. and TM Software ehf.

Skyggnir ehf., Sense ehf. and Viðja ehf. merged into Nýherji hf.

Vigor ehf. merged into Applicon ehf.

EMR ehf. merged into TM Software ehf.

- EMR's medical data storage is now a part of TM Software's products.

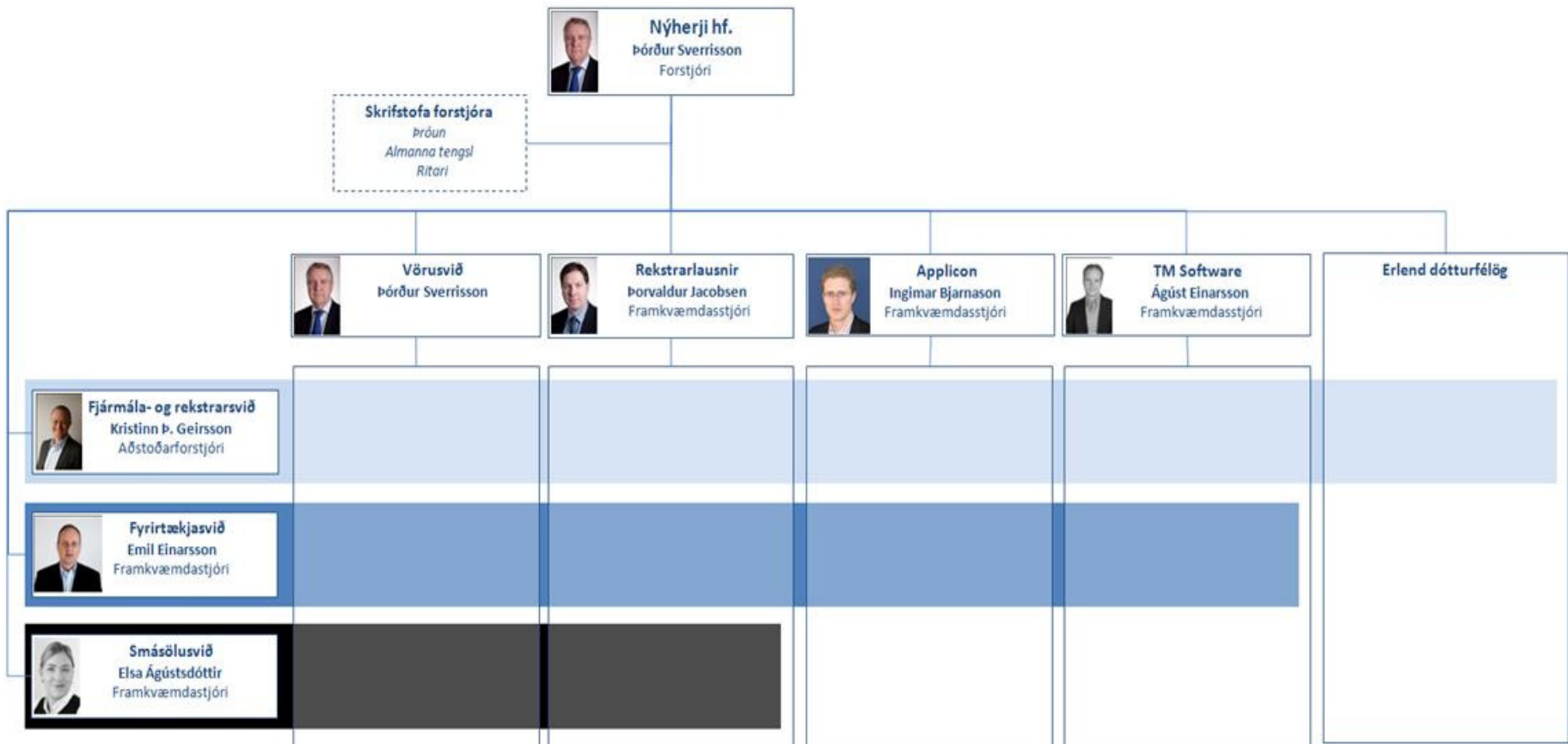


TM Software

Applicon



# Organizational chart



# Principal results for the year 2011

ISK 72 million loss in 2011.

- Explained in part by a goodwill write-down of ISK 124 million at a subsidiary.
- ISK 321 million profit in 2010
  - Sales profit ISK 324 millions because bankruptcy of Roku ehf.
- EBITDA amounted to ISK 532 million.
  - EBITDA was ISK 518 million the year 2010.
  - Housing at Borgartún 37 was owned by Nyherji in 2010. With leasing operational cost grew ISK 130 million in 2011.

Total revenues were ISK 15.480 million, increasing by ISK 1.219 million or 7,9% from 2010.





# Improved results from domestic operations

Results from parent company were largely in line with expectations in 2011.

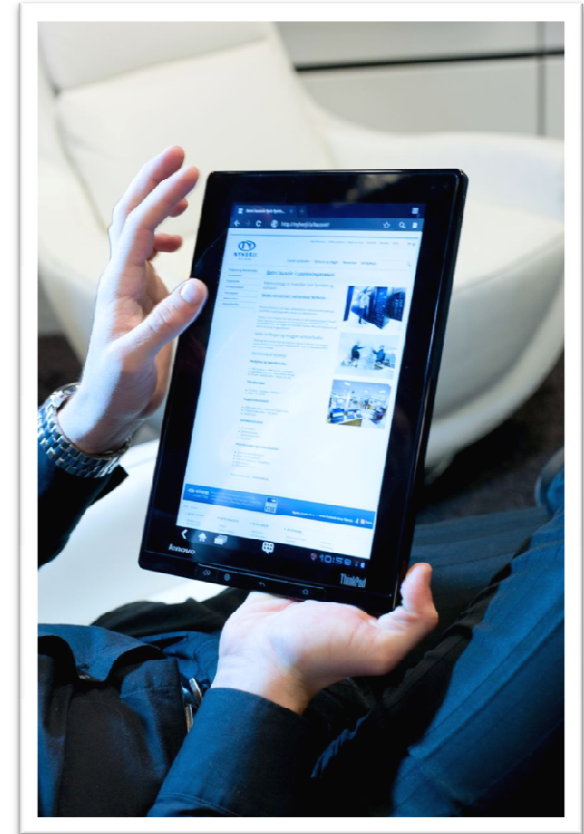
- Hardware and software sales exceeded budget projections considerably

Good sales on consumer market on products from Sony.

Sales of Lenovo computers saw an increase

Technical services overall results did not meet projections.

- Revenues in certain core areas of the technical services sector were strong
- Expectations of improved results in 2012.



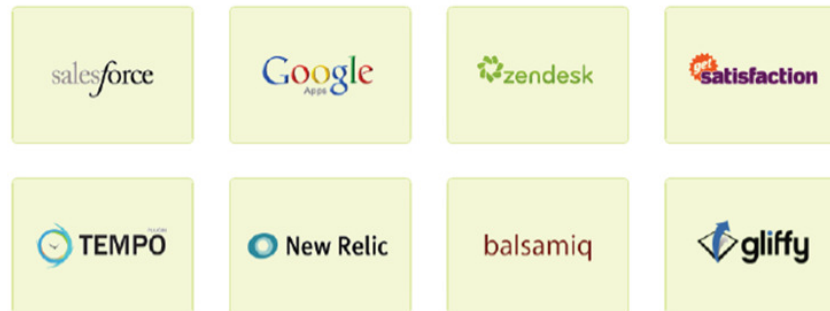
# TM Software sells to 45 countries

Performance in line with expectation with the company posting a solid profit.

- Sales of internally developed software solutions to companies abroad far exceeded previous levels.
- TM Software is a part of mutual Cloud solution with Google, Salesforce and Atlassian.
- In the consultancy and project sphere the project pipeline is good.

The operation of healthcare solutions was in line with projections despite cutbacks and contraction in the healthcare sector.

## Technology Alliances





# Good demand for SAP solutions

## Appicon ehf.

- Domestic demand for SAP consultancy services is good and project pipeline is good.
- Appicon ehf worked on sale and implementation project for the Swedish bank Landshypotek in cooperation with Appicon in Sweden.

## Appicon A/S posted a loss from operations.

- Delays in launching a system for Region Hovedsaden have caused Appicon considerable losses.
- The installation of the system is expected to be completed at the first hospital in april.
- Project status is good for other customers and outlook is reasonably good for the year.



# Good result in Sweden

Applicon Sweden performed above projections during the year, despite difficulties in the Swedish IT sector

- The number of customers has grown and the company is doing more business with existing customers.
- Contract with Landshypotek of installing a SAP banking solution.

Dansupport's performance in line with expectations.

- Over the past two years the company has been able to successfully turn around its business.
- Dansupport has been able to strengthen its position in the highly competitive Danish market.
- Prospects for this year are favourable.



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# Income statement Q4 2011

In millions ISK	Q4 2011	% of sales	Q4 2010	% of sales
Sales of goods and services.....	4.304	100%	3.988	100%
Cost of goods and services sold.....	(3.455)	(80%)	(3.117)	(78%)
<b>Gross profit.....</b>	<b>849</b>	<b>20%</b>	<b>871</b>	<b>22%</b>
Other income.....	2	0%	4	0%
Other operating expenses.....	(757)	(17%)	(758)	(19%)
Write-down of goodwill.....	(124)	(3%)	0	0%
<b>Operating profit (loss) (EBIT) .....</b>	<b>(30)</b>	<b>(0%)</b>	<b>117</b>	<b>3%</b>
<b>EBITDA .....</b>	<b>156</b>	<b>3,6%</b>	<b>191</b>	<b>5%</b>

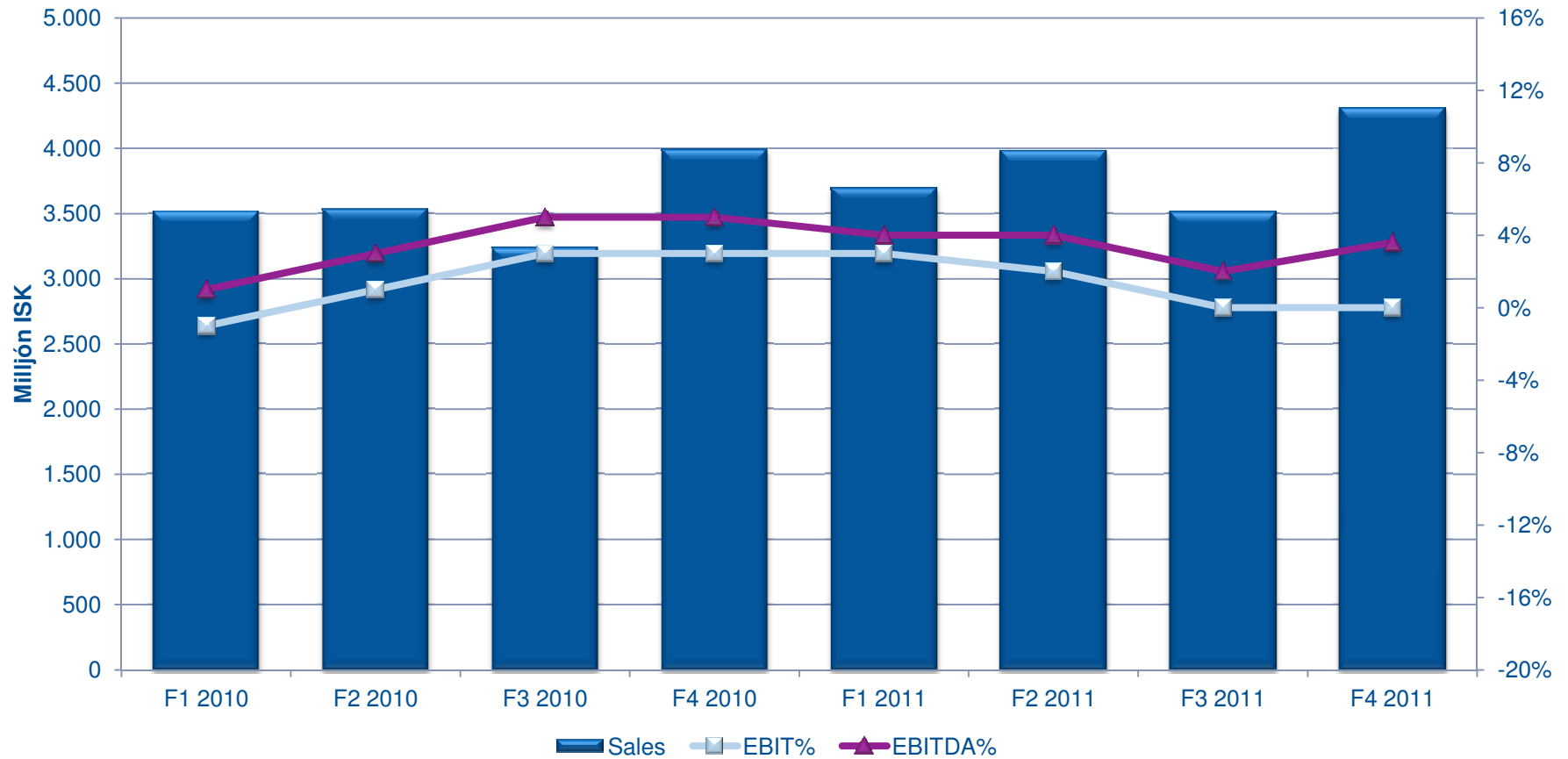


# Income statement 2011

In millions ISK	31.12.2011	% of sales	31.12.2010	% of sales
Sales of goods and services .....	15.480	100%	14.261	100%
COGS .....	(12.378)	80%	(11.150)	78%
<b>Gross profit .....</b>	<b>3.102</b>	<b>20%</b>	<b>3.111</b>	<b>22%</b>
Other income .....	13	0%	16	0%
Other operating expenses .....	(2.850)	18%	(2.898)	20%
Write-down of goodwill .....	(124)	1%	0	0%
<b>Operating profit (loss) (EBIT)</b>	<b>140</b>	<b>1%</b>	<b>229</b>	<b>2%</b>
<b>EBITDA .....</b>	<b>532</b>	<b>3,4%</b>	<b>518</b>	<b>3,6%</b>

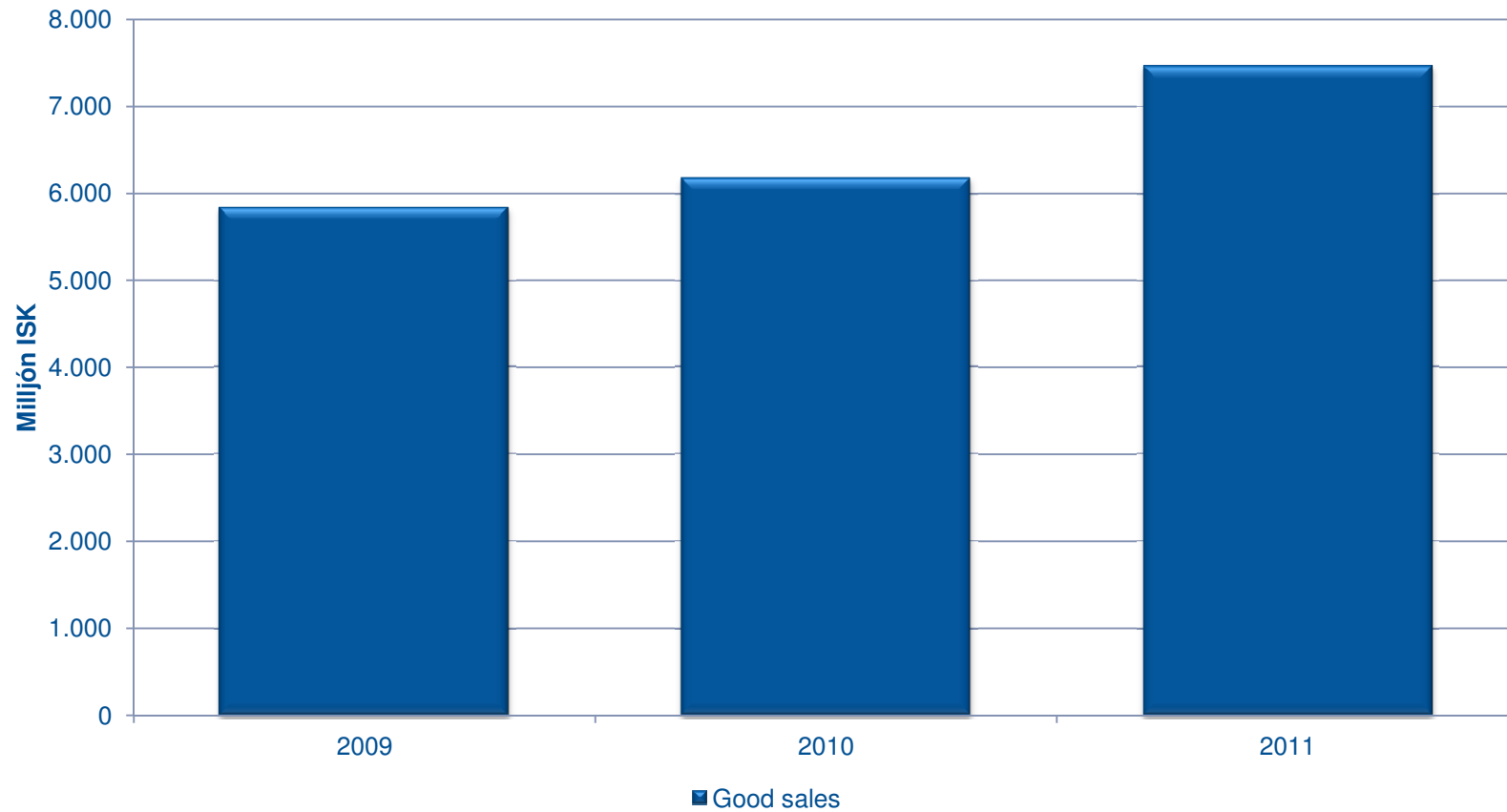


# Good sales in fourth quarter



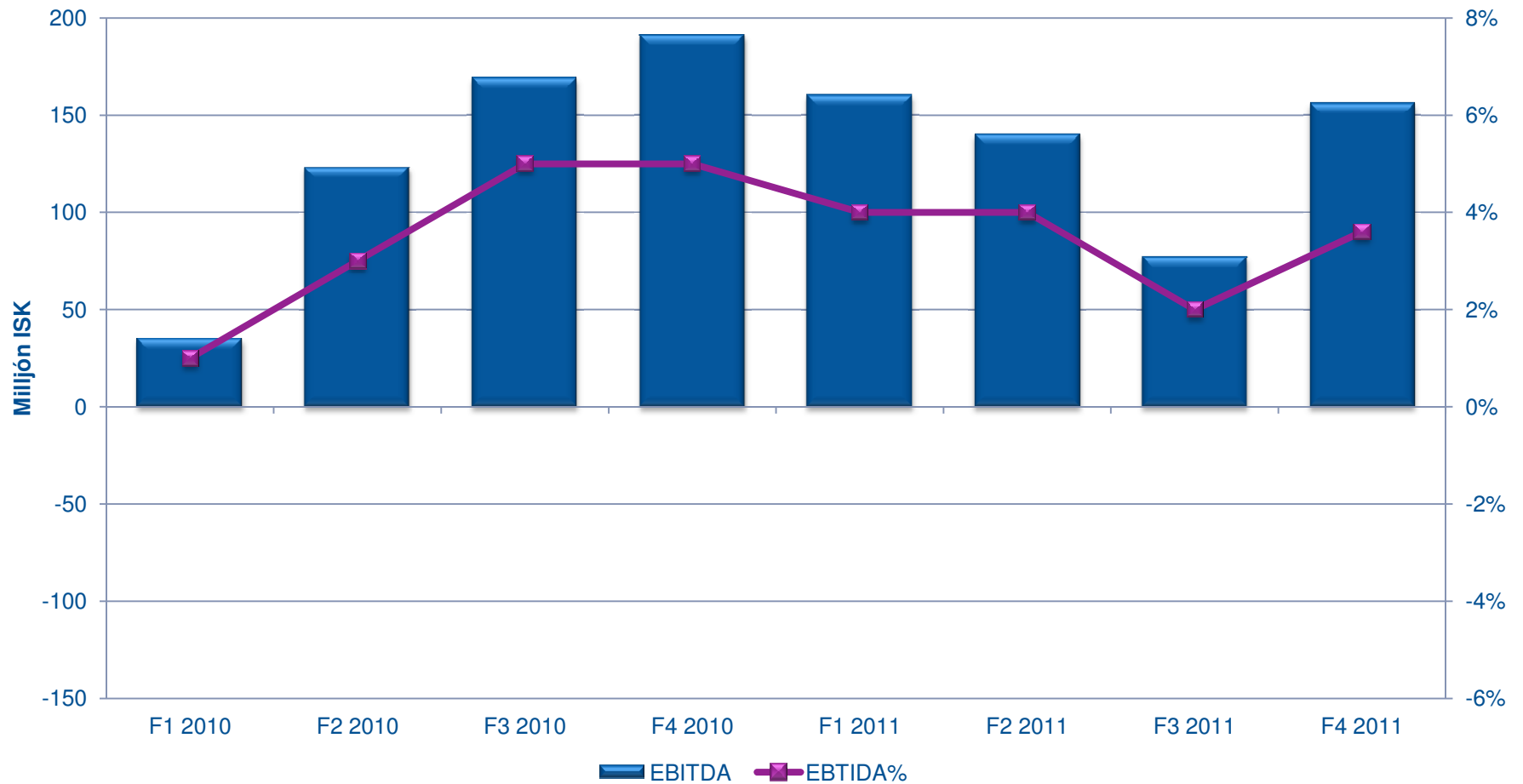
# Growth in good sales

## Good Sales

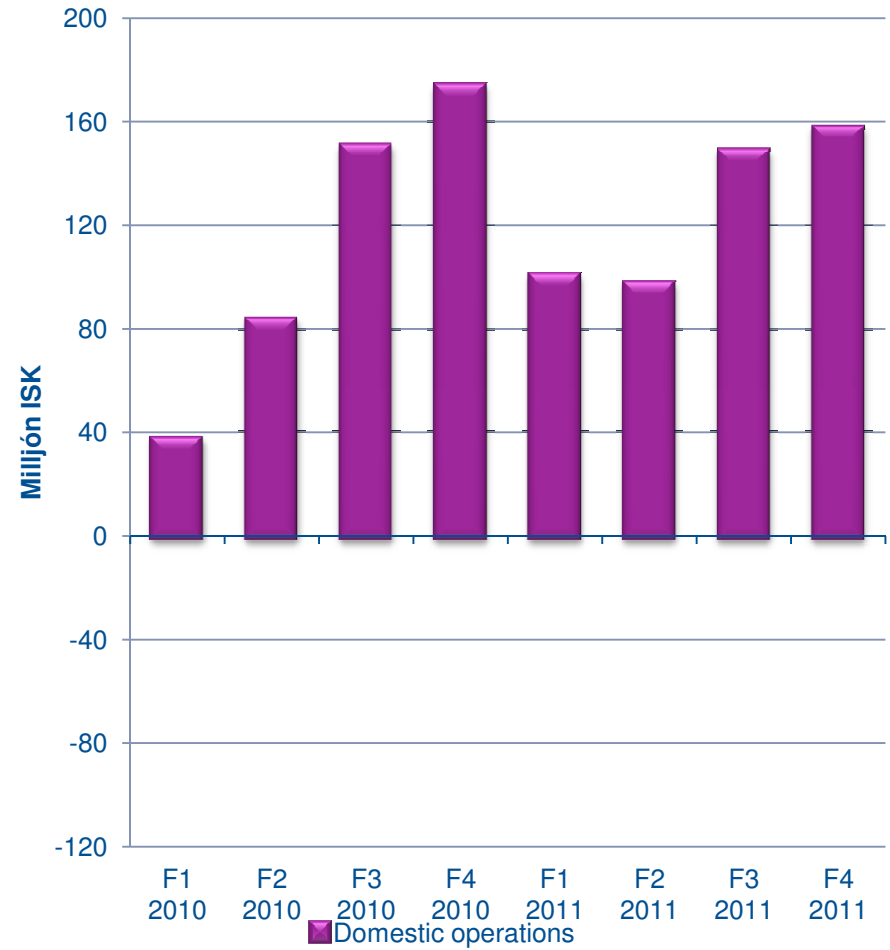
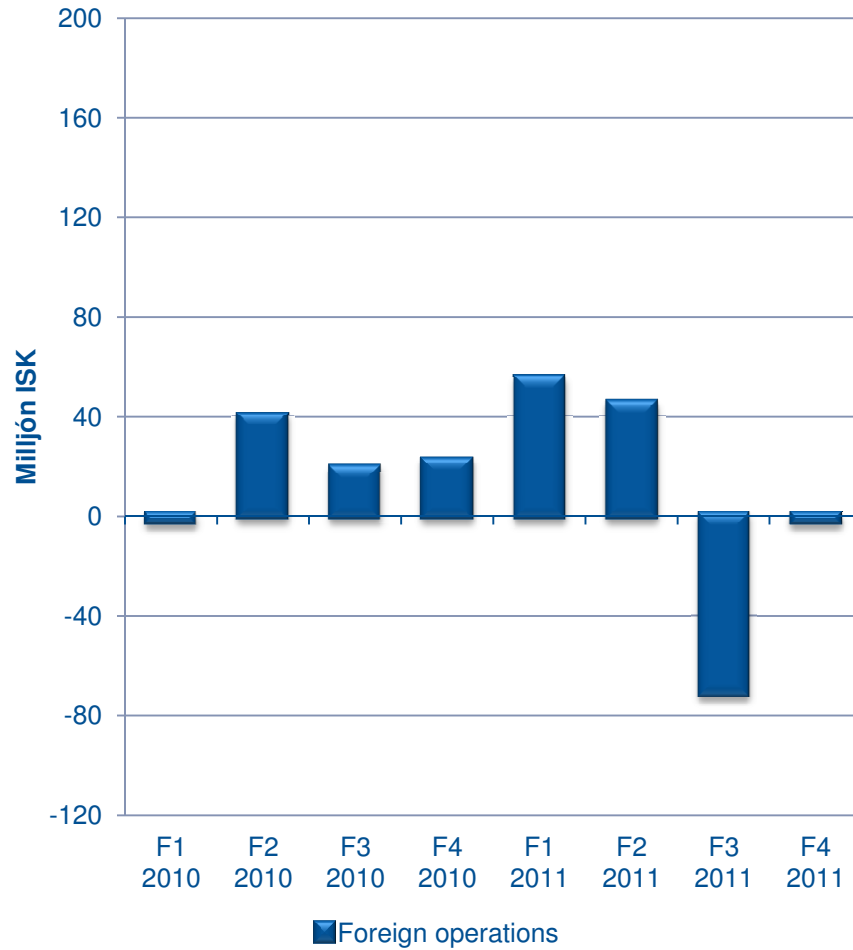




# EBITDA



# EBITDA – foreign and domestic operations



# Balance sheet 2011

In million ISK	31.12.2011	31.12.2010
Non-current assets .....	4.280	4.292
Current assets .....	4.138	3.689
<b>Total assets .....</b>	<b>8.418</b>	<b>7.981</b>
Equity .....	2.187	2.420
Non-current liabilities .....	2.225	2.374
Current liabilities .....	4.006	3.187
<b>Total equity and liabilities .....</b>	<b>8.418</b>	<b>7.981</b>
Current ratio .....	1,03	1,16
Equity ratio .....	26%	30,3%



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# Two locations instead of four in domestic operations

Nýherji og subsidiaries offices in Borgartún 37.

- Nýherji hf.
- Applicon ehf.
- TM Software ehf.



A new warehouse and service center at one location.

- One reception for service center, warehouse and spare part services.



# Outlook

Expectations of over ISK 100 million increase in EBITDA in the year 2012.

Substantial improvement in return of foreign operations.

- The project status and outlook at Applicon Sweden is good.
- A turnaround is expected in the operations of Applicon Denmark during the year.



# Q & A

