

NextGenTel Holding ASA

Q3 2015 Financial report



NextGenTel Holding ASA – 3rd Quarter 2015

Key figures

| (Figures in NOK million) | Q3 2015 | Q3 2014 |
|--------------------------|------------|------------|
| Revenues | 309.2 | 316.6 |
| Gross profit | 158.6 | 166.5 |
| Gross margin | 51.3% | 52.6% |
| EBITDA | 59.0 | 76.3 |

Group financials Q3 2015 (2014 figures in brackets)

Revenues in Q3 were NOK 309.2 million (316.6). Gross profit was NOK 158.6 million –51.3% (166.5 –52.6%). EBITDA adjusted for non-recurring items was NOK 59.0 million – 19.1 % (76.3 – 24.1%).

Operating profit adjusted for non-recurring items was NOK 20.8 million (37.0). Profit after tax was NOK 14.2 million (NOK 24.6 million).

The Q3 2015 financial results include NOK 1 million in costs related to strategy work and NOK 9.6 million in amortization cost related to the acquisition of NextGenTel AS.

Cash and cash equivalents were NOK 40.6 million at 30 September 2015 (excluding a NOK 50 million overdraft facility).

Capital expenditures

Capital expenditures in Q3 2015 were NOK 27.9 million (see notes 6 and 7 for details). Capex /sales ratio was 9.0% in Q3.

Financial debt

Total loan balance was NOK 215.6 million (including financial lease) and net interest-bearing debt was NOK 175.0 million as of 30 September 2015.

The company is in compliance with the financial covenants as of 30 September 2015.

Customer base development

The total customer base in Norway was 302,400*) at the end of Q3 2015, a decrease from 303,000 at the end of Q2. The consumer segment had a net decline of 600 and the business segment was stable at 41,200 customers.

The customer base in the international markets declined by 14,200 customers, mainly driven by the planned outflow of white label customers in the Netherlands.

Consumer segment Norway

The company continued its activities to sign up new customers within the housing cooperatives segment. So far this year 17 cooperatives have signed an agreement with NextGenTel representing approximately 1,370 households (total number of units is 73 and 2,920 households).

The company had 3,200 subscribers on the VULA (Telenor fiber) product as of 30 September.

The total number of subscribers on fiber access is now 13,200.

The mobile subscriber base has grown steadily and passed 50,000 subscriptions in October (total consumer and corporate subscriptions).

Corporate segment Norway

The corporate customer base had a stable development in Q3. On the services side, the company is looking forward to the launch of the new communication platform in Q4, integrating IP and mobile telephony with next generation mobile switchboard (IN/Bedriftsnett), enabling unified communication. This move will strengthen the company's competitiveness in the market.

Related party transactions

There have been no transactions by related parties that have had a material effect on the Group's financial position or results in the period.

*) Customers defined as revenue generating units, not unique customers

Strategy

Management and the board have focused on the assessment of the company's strategic direction during Q3. NextGenTel will be seeking organic as well as non-organic growth opportunities in line with the following priorities:

- Increase the value of the copper (existing customer base)
- Grow market share in the housing cooperatives segment
- Pursue opportunities to expand the fiber footprint

The company will host a capital markets day on 14 January 2016.

Shareholder information

The total number of registered shares outstanding at the end of Q3 2015 was 23,283,180 out of which 304,201 shares were owned by NextGenTel Holding ASA.

The total number of shareholders was 640 and 33.6% of the shares were registered abroad.

Total outstanding options at the end of Q3 2015 were 508,100 with a weighted average strike price of NOK 15.57.

Dividends

A quarterly dividend of NOK 0.75 per share was paid on 22 September 2015.

The board has in a board meeting 11 November 2015 approved a quarterly dividend of NOK 0.75 per share. The share will be traded ex-dividend from 19 November 2015 and the dividend will be settled on 3 December 2015.

Events after quarter-end

The acquisition of Kvantel AS and Kvantel Voice AS was completed on 8 October 2015 and the company hosted a presentation on 15 October 2015 regarding the acquisition. The Kvantel companies will be included in the consolidated accounts from October. A restructuring plan is being implemented to realize cost synergies and further development of the Kvantel business.

Oslo, 11 November 2015
Board of Directors
NextGenTel Holding ASA

Ellen Hanetho
(sign.)

Audun W. Iversen
Chairman of the Board
(sign.)

Aril Resen
(sign.)

Silje Veen
(sign.)

Snorre Kjesbu
(sign.)

Eirik Lunde
CEO
(sign.)

Condensed consolidated interim balance sheet (unaudited)

(Figures in NOK 1000)

| | Note | 30.09.2015 | 30.09.2014 | 31.12.2014 |
|---|------|-----------------------|-----------------------|-----------------------|
| ASSETS | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | 6 | 178 835 | 162 861 | 174 386 |
| Intangible assets | 7 | 172 112 | 218 085 | 203 333 |
| Goodwill | 7 | 67 100 | 67 100 | 67 100 |
| Deferred tax assets | | 32 217 | 23 103 | 31 362 |
| | | <u>450 264</u> | <u>471 149</u> | <u>476 181</u> |
| Current assets | | | | |
| Inventories | | - | 444 | - |
| Trade and other receivables | | 275 482 | 246 117 | 251 829 |
| Cash and cash equivalents | | 40 563 | 73 787 | 68 005 |
| | | <u>316 045</u> | <u>320 348</u> | <u>319 834</u> |
| Total assets | | <u>766 309</u> | <u>791 497</u> | <u>796 015</u> |
| EQUITY | | | | |
| Share capital reduced for treasury shares | | 2 295 | 2 295 | 2 297 |
| Premium paid-in capital | | 121 325 | 121 483 | 117 283 |
| Other reserves | | 1 204 | -868 | -1 481 |
| Retained earnings | | 13 445 | 34 842 | 43 722 |
| Total equity | | <u>138 270</u> | <u>157 752</u> | <u>161 821</u> |
| LIABILITIES | | | | |
| Non-current liabilities | | | | |
| Long-term interest-bearing debt | 9 | 160 614 | 176 372 | 177 425 |
| Deferred tax liabilities | | 29 775 | 32 885 | 37 518 |
| | | <u>190 389</u> | <u>209 257</u> | <u>214 943</u> |
| Current liabilities | | | | |
| Trade and other payables | | 201 506 | 188 624 | 191 103 |
| Current income tax liabilities | | 34 917 | 27 360 | 27 728 |
| Short-term interest-bearing debt | 9 | 54 957 | 55 273 | 55 111 |
| Deferred income/revenue | | 146 270 | 153 231 | 145 309 |
| | | <u>437 650</u> | <u>424 488</u> | <u>419 251</u> |
| Total liabilities | | <u>628 039</u> | <u>633 745</u> | <u>634 194</u> |
| Total equity and liabilities | | <u>766 309</u> | <u>791 497</u> | <u>796 015</u> |

Oslo, 11 November 2015
 Board of Directors
 NextGenTel Holding ASA

Ellen Hanetho
 (sign.)

Audun W. Iversen
 Chairman of the Board
 (sign.)

Aril Resen
 (sign.)

Silje Veen
 (sign.)

Snorre Kjesbu
 (sign.)

Eirik Lunde
 CEO
 (sign.)

Condensed consolidated interim income statement (unaudited)

(Figures in NOK 1000)

| | Note | Q3 2015 | Q3 2014 | Jan-Sep 2015 | Jan-Sep 2014 | Jan-Dec 2014 |
|---|------|----------------|----------------|---------------------|---------------------|---------------------|
| Total revenues | | 309 150 | 316 576 | 932 101 | 957 874 | 1 271 835 |
| Cost of connection and traffic charges | | -150 597 | -150 035 | -452 548 | -454 060 | -597 557 |
| Salaries and personnel costs | | -61 106 | -59 070 | -179 860 | -168 656 | -227 081 |
| Selling and marketing costs | | -12 029 | -8 116 | -37 841 | -32 653 | -42 768 |
| Other costs | | -26 432 | -23 084 | -78 642 | -72 791 | -96 425 |
| Depreciation and amortization | 6, 7 | -38 224 | -39 300 | -113 451 | -118 370 | -159 782 |
| Operating profit | | 20 761 | 36 971 | 69 760 | 111 344 | 148 222 |
| Finance | 8 | -1 325 | -3 578 | -6 449 | -51 871 | -54 625 |
| Profit before income tax | | 19 436 | 33 393 | 63 311 | 59 473 | 93 597 |
| Income tax | | -5 272 | -8 812 | -14 865 | -14 029 | -15 347 |
| Profit | | 14 164 | 24 581 | 48 446 | 45 444 | 78 250 |
| Attributable to: | | | | | | |
| Equity holders of the parent company | | 14 164 | 24 581 | 48 446 | 45 444 | 78 250 |
| Other comprehensive income | | Q3 2015 | Q3 2014 | Jan-Sep 2015 | Jan-Sep 2014 | Jan-Dec 2014 |
| Translation differences | | 4 443 | 2 114 | 2 685 | 2 537 | 2 116 |
| Other income and expenses during the period (after tax) | | 4 443 | 2 114 | 2 685 | 2 537 | 2 116 |
| Comprehensive profit for the period | | 18 607 | 26 695 | 51 131 | 47 981 | 80 366 |
| Profit attributable to: | | | | | | |
| Equity holders of the parent company | | 18 607 | 26 695 | 51 131 | 47 981 | 80 366 |
| Earnings per share | | | | | | |
| Earnings per share | | 0.62 | 1.07 | 2.11 | 1,98 | 3.41 |
| Diluted earnings per share | | 0.61 | 1.06 | 2.08 | 1,95 | 3.36 |

Condensed consolidated interim statement of changes in equity (unaudited)

(Figures in NOK 1000)

| | Share capital | Treasury shares | Premium paid-in equity | Translation differences | Retained earnings | Total equity |
|---|---------------|-----------------|------------------------|-------------------------|-------------------|----------------|
| Equity as at 1 January 2014 | 2 328 | -23 | 121 325 | -3 405 | 40 103 | 160 328 |
| Comprehensive income for the period | | | | | | |
| Profit for the period | - | - | - | - | 78 250 | 78 250 |
| Other income and expenses | | | | | | |
| Translation differences | - | - | - | 1 924 | - | 1 924 |
| Total comprehensive income for the period | - | - | - | 1 924 | 78 250 | 80 174 |
| Transactions with owners, recognized directly against equity | | | | | | |
| Contributions by and distributions to owners of the Company | | | | | | |
| Purchase of treasury shares | - | -10 | - | - | -4 797 | -4 807 |
| Dividends paid in May 2014 | - | - | - | - | -45 907 | -45 907 |
| Dividends paid in December 2014 | - | - | - | - | -28 724 | -28 724 |
| Share-based payment transactions | - | - | - | - | 194 | 194 |
| Share options exercised | - | 3 | - | - | 561 | 563 |
| Total contributions by and distributions to owners of the Company | - | -7 | 0 | - | -78 674 | -78 681 |
| Equity as at 31 December 2014 | 2 328 | -31 | 121 325 | -1 481 | 39 680 | 161 821 |
| Equity as at 1 January 2015 | 2 328 | -31 | 121 325 | -1 481 | 39 680 | 161 821 |
| Comprehensive income for the period | | | | | | |
| Profit for the period | - | - | - | - | 48 446 | 48 446 |
| Other income and expenses | | | | | | |
| Translation differences | - | - | - | 2 685 | - | 2 685 |
| Total other revenues and expenses | - | - | - | 2 685 | - | 2 685 |
| Total comprehensive income for the period | - | - | - | 2 685 | 48 446 | 51 131 |
| Transactions with owners, recognized directly against equity | | | | | | |
| Contributions by and distributions to owners of the Company | | | | | | |
| Dividends to owners | - | - | - | - | -74 680 | -74 680 |
| Share-based payment transactions | - | - | - | - | - | - |
| Share options exercised | - | -2 | - | - | - | -2 |
| Total contributions by and distributions to owners of the Company | - | -2 | - | - | -74 680 | -74 682 |
| Equity as at 30 September 2015 | 2 328 | -33 | 121 325 | 1 204 | 13 445 | 138 270 |

Condensed consolidated interim statement of cash flows (unaudited)

| Cash flows from operations | Q3 2015 | Q3 2014 | Jan-Sep 2015 | Jan-Sep 2014 | Jan-Dec 2014 |
|--|----------------|----------------|----------------|-----------------|-----------------|
| Profit/loss for the year before tax | 19 436 | 33 393 | 63 311 | 59 473 | 93 595 |
| Adjustment for: | | | | | |
| - Net financial items | 1 325 | 3 578 | 6 449 | 51 871 | 54 625 |
| - Interest paid | -2 841 | -5 140 | -7 344 | -43 411 | -45 469 |
| - Interest received | 256 | 675 | 953 | 2 554 | 3 561 |
| - Realized foreign exchange gain/(loss) | -789 | -2 687 | -3 920 | -3 959 | -1 123 |
| - Taxes paid | -6 298 | -2 120 | -14 075 | -5 267 | -22 230 |
| - Depreciation | 22 151 | 21 330 | 65 511 | 64 457 | 84 494 |
| - Amortisation | 16 073 | 17 969 | 47 939 | 53 912 | 75 288 |
| - Non-cash transactions related to option costs | - | 36 | - | 158 | 194 |
| Changes in inventory | - | 14 | - | 228 | 672 |
| Changes in trade accounts payable and other liabilities | 7 876 | 14 667 | 10 403 | -5 633 | -27 729 |
| Changes in trade accounts and other receivables | -8 429 | -2 701 | -19 653 | -22 043 | -2 856 |
| Change in deferred revenue | -2 131 | 1 304 | 961 | -3 414 | -11 336 |
| Net cash flow from operations | 46 629 | 80 318 | 150 535 | 148 926 | 201 686 |
| Cash flows from investment activities | | | | | |
| Purchase of property, plant and equipment (tangible fixed assets) | -21 280 | -16 615 | -69 960 | -42 206 | -69 268 |
| Purchase of other investments (intangible assets) | -6 664 | -12 325 | -16 718 | -39 110 | -45 854 |
| Proceeds / (Acquisition) in subsidiaries - net of cash | - | - | - | 93 708 | 93 708 |
| Net cash flows used in investment activities | -27 944 | -28 940 | -86 678 | 12 392 | -21 414 |
| Cash flows from financing activities | | | | | |
| Proceeds from share issues | - | - | - | - | - |
| Proceeds for shares issued to employees | - | - | - | - | 564 |
| Purchase of treasury shares | - | - | - | -4 792 | -4 797 |
| Repayment of borrowings | -25 000 | - | -50 000 | - | -300 000 |
| Proceeds from borrowings | 11 227 | -28 345 | 33 035 | -255 793 | 47 552 |
| Payment of finance lease liabilities | - | -1 482 | - | -4 257 | -5 700 |
| Dividends paid | -45 956 | - | -74 680 | -45 908 | -74 632 |
| Net cash flows used in financing activities | -59 729 | -29 827 | -91 645 | -310 750 | -337 013 |
| Change in cash and cash equivalents | -41 044 | 21 551 | -27 788 | -149 432 | -156 741 |
| Cash and cash equivalents and credit facilities utilised as at beginning of period | 81 224 | 51 142 | 68 005 | 221 831 | 221 831 |
| Effect of exchange rate fluctuations on cash and cash equivalents | 383 | 1 094 | 346 | 1 388 | 2 915 |
| Cash and cash equivalents as at end of period | 40 563 | 73 787 | 40 563 | 73 787 | 68 005 |

NextGenTel Holding ASA

Notes to the condensed consolidated interim financial statements (unaudited)

Note 1: Reporting entity

NextGenTel Holding ASA (the “Company”) is a company domiciled in Oslo, Norway. These September 2015 condensed consolidated interim financial statements of NextGenTel Holding ASA and its subsidiaries (together “the Group”) are for the nine months ended 30 September 2015.

The consolidated financial statements of the Group as at and for the year ended 31 December 2014 are available upon request from the Company’s registered office at Harbitzalleen 2A, Oslo, or at www.nextgentelholding.com/investor_relations.

Note 2: Statement of compliance

These condensed consolidated interim financial statements of NextGenTel Holding ASA Group have been prepared in accordance with rules and regulations from Oslo Stock Exchange and International Financial Reporting Standard (IFRS) IAS 34, Interim Financial Reporting. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2014.

These condensed consolidated interim financial statements were approved by the Board of Directors on 11 November 2015.

Note 3: Significant accounting policies

These condensed consolidated interim financial statements have been prepared under the historical cost convention. They have been prepared under the same accounting principles as those set out in the consolidated financial statements of the Group as at and for the year ended 31 December 2014.

Note 4: Estimates

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2014.

Note 5: Segment information

The group has defined and presented operating segments based on information that is provided to the Board of Directors and CEO, which collectively represent the group's highest decision-making body. The operating segments are defined based on where the customers are domiciled. The following four operating segments have been defined: Norway, Denmark, Switzerland and the Netherlands. The risk and return are influenced by the geographic location of the operations, in addition to the market. Transactions between the segments are eliminated.

Geographical segments

(Figures in NOK 1000)

| Q3 2015 | | | | | | |
|-----------------------------------|---------------|----------------|--------------------|--------------------|----------------------------|---------------|
| <u>Profit and loss by segment</u> | <u>Norway</u> | <u>Denmark</u> | <u>Netherlands</u> | <u>Switzerland</u> | <u>Other ¹⁾</u> | <u>Group</u> |
| Total revenues | 319 743 | 7 583 | 3 918 | 5 441 | 2 173 | 338 859 |
| Intra-group revenues | -27 536 | 0 | 0 | 0 | -2 173 | -29 709 |
| Net revenues | 292 208 | 7 583 | 3 918 | 5 441 | 0 | 309 150 |
| Total costs of sales | -150 842 | -3 093 | -5 724 | -2 567 | 0 | -162 226 |
| Intra-group cost of sales | 6 923 | 0 | 4 706 | 0 | 0 | 11 628 |
| Net cost of sales | -143 920 | -3 093 | -1 019 | -2 567 | 0 | -150 598 |
| Gross profit/loss | 148 288 | 4 490 | 2 899 | 2 874 | 0 | 158 552 |
| Gross margin | 51 % | 59 % | 74 % | 53 % | 0 % | 51 % |
| Total operating expenses | -119 780 | -2 228 | -665 | -1 514 | -14 032 | -138 219 |
| Intra-group operating expenses | -968 | 694 | 0 | 702 | 0 | 428 |
| Net operating expenses | -120 747 | -1 534 | -665 | -812 | -14 032 | -137 790 |
| Operating profit/loss | 27 541 | 2 956 | 2 235 | 2 062 | -14 032 | 20 762 |

| Q3 2014 | | | | | | |
|-----------------------------------|---------------|----------------|--------------------|--------------------|----------------------------|---------------|
| <u>Profit and loss by segment</u> | <u>Norway</u> | <u>Denmark</u> | <u>Netherlands</u> | <u>Switzerland</u> | <u>Other ¹⁾</u> | <u>Group</u> |
| Total revenues | 305 890 | 7 962 | 9 708 | 4 884 | 11 164 | 339 608 |
| Intra-group revenues | 5 677 | 0 | 0 | 0 | -28 710 | -23 033 |
| Net revenues | 311 567 | 7 962 | 9 708 | 4 884 | -17 546 | 316 575 |
| Total costs of sales | -154 254 | -3 007 | -7 239 | -2 685 | 0 | -167 184 |
| Intra-group cost of sales | -3 036 | -1 | 3 007 | 1 | 17 179 | 17 150 |
| Net cost of sales | -157 290 | -3 008 | -4 232 | -2 684 | 17 179 | -150 035 |
| Gross profit/loss | 154 277 | 4 955 | 5 476 | 2 200 | -367 | 166 540 |
| Gross margin | 50 % | 62 % | 56 % | 45 % | 0 % | 53 % |
| Total operating expenses | -118 293 | -4 365 | -230 | -1 485 | -13 577 | -137 951 |
| Intra-group operating expenses | 5 237 | 2 715 | 0 | 429 | 0 | 8 381 |
| Net operating expenses | -113 056 | -1 650 | -230 | -1 056 | -13 577 | -129 570 |
| Operating profit/loss | 41 221 | 3 305 | 5 246 | 1 144 | -13 944 | 36 971 |

| Jan-Sep 2015 | | | | | | |
|-----------------------------------|---------------|----------------|--------------------|--------------------|----------------------------|---------------|
| <u>Profit and loss by segment</u> | <u>Norway</u> | <u>Denmark</u> | <u>Netherlands</u> | <u>Switzerland</u> | <u>Other ¹⁾</u> | <u>Group</u> |
| Total revenues | 924 636 | 22 169 | 19 159 | 16 772 | 9 203 | 991 939 |
| Intra-group revenues | -50 635 | 0 | 0 | 0 | -9 203 | -59 838 |
| Net revenues | 874 001 | 22 169 | 19 159 | 16 772 | 0 | 932 101 |
| Total costs of sales | -449 202 | -9 634 | -21 926 | -8 465 | 0 | -489 227 |
| Intra-group cost of sales | 21 162 | 0 | 15 516 | 0 | 0 | 36 679 |
| Net cost of sales | -428 040 | -9 634 | -6 410 | -8 465 | 0 | -452 548 |
| Gross profit/loss | 445 962 | 12 535 | 12 749 | 8 307 | 0 | 479 553 |
| Gross margin | 51 % | 57 % | 67 % | 50 % | 0 % | 51 % |
| Total operating expenses | -363 478 | -7 124 | -1 017 | -4 527 | -39 787 | -415 934 |
| Intra-group operating expenses | 2 904 | 2 273 | 0 | 964 | 0 | 6 141 |
| Net operating expenses | -360 574 | -4 851 | -1 017 | -3 564 | -39 787 | -409 793 |
| Operating profit/loss | 85 387 | 7 684 | 11 732 | 4 743 | -39 787 | 69 760 |

Jan-Sep 2014

| <u>Profit and loss by segment</u> | <u>Norway</u> | <u>Denmark</u> | <u>Netherlands</u> | <u>Switzerland</u> | <u>Other ¹⁾</u> | <u>Group</u> |
|--------------------------------------|----------------|----------------|--------------------|--------------------|----------------------------|----------------|
| Total revenues | 945 607 | 24 638 | 32 031 | 14 880 | 9 053 | 1 026 209 |
| Intra-group revenues | -33 736 | 0 | 0 | 0 | -34 599 | -68 335 |
| Net revenues | 911 871 | 24 638 | 32 031 | 14 880 | -25 546 | 957 874 |
| Total costs of sales | -460 881 | -8 743 | -23 371 | -8 988 | 0 | -501 982 |
| Intra-group cost of sales | 13 346 | -679 | 9 297 | 679 | 25 279 | 47 922 |
| Net cost of sales | -447 535 | -9 421 | -14 074 | -8 309 | 25 279 | -454 060 |
| Gross profit/loss | 464 336 | 15 216 | 17 958 | 6 571 | -267 | 503 814 |
| Gross margin | 51 % | 62 % | 56 % | 44 % | 0 % | 53 % |
| Total operating expenses | -355 939 | -8 281 | -843 | -4 711 | -40 301 | -410 075 |
| Intra-group operating expenses | 13 627 | 2 715 | 0 | 1 263 | 0 | 17 605 |
| Net operating expenses ²⁾ | -342 312 | -5 566 | -843 | -3 448 | -40 301 | -392 470 |
| Operating profit/loss | 122 024 | 9 651 | 17 115 | 3 123 | -40 568 | 111 344 |

30.09.2015

| <u>Balance sheet</u> | <u>Norway</u> | <u>Denmark</u> | <u>Netherlands</u> | <u>Switzerland</u> | <u>Other ¹⁾</u> | <u>Eliminations</u> | <u>Group</u> |
|----------------------|---------------|----------------|--------------------|--------------------|----------------------------|---------------------|--------------|
| Assets | 726 672 | 37 723 | 6 534 | 5 026 | -148 711 | 139 065 | 766 309 |
| Liabilities | 401 794 | 7 127 | -1 114 | 13 962 | 214 806 | -8 536 | 628 038 |
| Equity capital | 324 878 | 30 596 | 7 648 | -8 936 | -363 517 | 147 601 | 138 271 |

30.09.2014

| <u>Balance sheet</u> | <u>Norway</u> | <u>Denmark</u> | <u>Netherlands</u> | <u>Switzerland</u> | <u>Other ¹⁾</u> | <u>Eliminations</u> | <u>Group</u> |
|----------------------|---------------|----------------|--------------------|--------------------|----------------------------|---------------------|--------------|
| Assets | 741 193 | 25 929 | 13 648 | 2 423 | -115 863 | 124 167 | 791 497 |
| Liabilities | 344 849 | 3 191 | 2 322 | 13 044 | 273 856 | -3 516 | 633 745 |
| Equity capital | 396 344 | 22 739 | 11 326 | -10 621 | -389 719 | 127 683 | 157 752 |

¹⁾ Other items include the parent company Telio Holding ASA and Group adjustments (Q3 2015 includes amortization of NOK 9.6 million related to the acquisition of NextGenTel AS. YTD 2015: NOK 28.7 million).

Note 6: Property, plant and equipment

(Figures in NOK 1000)

| | Q3 2015 | Q3 2014 | Jan-Sep 2015 | Jan-Sep 2014 | Jan-Dec 2014 |
|--------------------------------------|----------------|----------------|---------------------|---------------------|---------------------|
| Equipment | | | | | |
| Book value beg. of period | 179 706 | 168 491 | 174 386 | 180 818 | 180 819 |
| Additions | 21 280 | 15 700 | 69 960 | 46 500 | 78 061 |
| Depreciation | -22 151 | -21 330 | -65 511 | -64 457 | -84 494 |
| Property, plant and equipment | 178 835 | 162 861 | 178 835 | 162 861 | 174 386 |

Note 7: Intangible assets and goodwill

(Figures in NOK 1000)

| | Q3 2015 | Q3 2014 | Jan-Sep 2015 | Jan-Sep 2014 | Jan-Dec 2014 |
|---------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Intangible assets | | | | | |
| Book value beg. of period | 181 521 | 223 729 | 203 333 | 232 887 | 232 887 |
| Additions | 6 664 | 12 325 | 16 718 | 39 110 | 45 734 |
| Amortization | -16 073 | -17 969 | -47 939 | -53 912 | -74 911 |
| Impairment loss | - | - | - | - | -377 |
| Book value end of period | 172 112 | 218 085 | 172 112 | 218 085 | 203 333 |
| Goodwill | | | | | |
| Book value beg. of period | 67 100 | 67 100 | 67 100 | 67 100 | 67 100 |
| Additions | - | - | - | - | - |
| Revaluation | - | - | - | - | - |
| Book value end of period | 67 100 | 67 100 | 67 100 | 67 100 | 67 100 |
| Intangible assets and goodwill | 239 212 | 285 185 | 239 212 | 285 185 | 270 433 |

Amortization of intangible assets include amortization of excess values related to the acquisition of NextGenTel AS (Q3 15: NOK 9.6 million, YTD 15: NOK 28.7 million).

Note 8: Finance

| | Q3 2015 | Q3 2014 | Jan-Sep 2015 | Jan-Sep 2014 | Jan-Dec 2014 |
|-----------------------------------|---------------|---------------|---------------|----------------|----------------|
| Interest income | 256 | 675 | 953 | 2 554 | 3 133 |
| Interest expense | -2 497 | -3 090 | -7 665 | -13 526 | -25 305 |
| Foreign currency gain/(loss) | -419 | -465 | -699 | -3 514 | -844 |
| Other financial income/(expenses) | 1 335 | -698 | 962 | -37 385 | -31 609 |
| Net finance | -1 325 | -3 578 | -6 449 | -51 871 | -54 625 |

Other financial income includes net contribution from the liquidation of Telio IP Services BV (NOK 1.5 million).

Note 9: Interest-bearing debt

| | 30.09.2015 | 30.09.2014 | 31.12.2014 |
|------------------------------------|----------------|----------------|----------------|
| Term loan bank | 125 000 | 175 000 | 175 000 |
| Long term financial lease | 35 614 | 1 372 | 2 425 |
| Total long-term debt | 160 614 | 176 372 | 177 425 |
| Current part of term loan bank | 50 000 | 50 000 | 50 000 |
| Short term financial lease | 4 957 | 5 273 | 5 111 |
| Total short-term debt | 54 957 | 55 273 | 55 111 |
| Total interest-bearing debt | 215 571 | 231 645 | 232 536 |

Company Facts

NextGenTel Holding ASA
Harbitzalleen 2A
P.O. Box 54 Skøyen
0212 Oslo

Telephone: +47 2167 3500
Homepage: www.nextgentelholding.com

Company reg. number: 985 968 098
Founded: 12 August 2003

Board of Directors

Audun Wickstrand Iversen (Chairman)
Aril Resen
Ellen Hanetho
Silje Veen
Snorre Kjesbu

Group Management

Eirik Lunde, Chief Executive Officer
Tom Nøttveit, Chief Financial Officer
Jørn Hodne, Chief Technology Officer
Jens Hetland, Director Products & Projects
Roy Børsheim, Director Consumer
Thomas Gunleiksrud, Director Business
Tore Nyhammer, Director Customer Services

Investor Relations

Tom Nøttveit, Chief Financial Officer
Telephone: +47 4153 9714
Email address: tom.nottveit@nextgentel.com
Web: <http://www.nextgentelholding.com>

Financial Calendar

4th quarter 2015: 11 February at 9:00
1st quarter 2016: 28 April at 09:00
2nd quarter 2016: 25 August at 09:00
3rd quarter 2016: 27 October at 09:00
Annual general meeting: 21 April at 15:00

Equity Research Coverage

| Company | Contact | Phone |
|--------------------|--------------------|---------------|
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| Indep Research LTD | Ola Sekkesæter | +47 9815 8312 |
| Fondsfinans | Henriette Trondsen | +47 9326 4936 |