

Q3 2011
Quarterly Report



Successfully completed all non-core divestments and new strategy implementation on track according to guided plans

Revenue in 3Q11 ended at MNOK 12.7, compared to MNOK 14.9 in 3Q10. The reduced revenue is due to divested business divisions and termination of the non-strategic agreements. Operating profit before depreciation (EBITDA) ended at MNOK 1.

The results in 3Q11 are still influenced by our strategic decision to focus on larger customers, partner distribution and internationalization of our core business areas, SaaS Software and SaaS VoIP. The company has previously communicated to the market that the new focus will come at the expense of growth throughout the fiscal year 2011. The previously announced goal to reach positive EBITDA within 1H12 is on track.

As a result of our new strategy the company signed an important strategic agreement with the Norwegian Institute of Public Accountants (DnR) and won its first public tender, with the Swedish Trafikverket (the Swedish Transport Administration). DnR and the previously announced PwC contract represent a high growth potential for 24SevenOffice. We are already experiencing an increased demand for our solutions, and the contracts will lay an important foundation for increased future growth, according to our plans and strategy.

Highlights 3Q 2011

The company has successfully completed divestments of all non-core business areas, and bought the remaining minority shares and of Oyatel AS, which is now 100% owned by the company.

Other Highlights:

- **Strategic agreement with DnR, and 24SevenOffice became their recommended system targeted towards their approximately 5000 members.**
- **Won our first public tender in Sweden with Trafikverket (the Swedish Transport Administration), the agency responsible for all modes of traffic: traffic on roads and railways, on the sea and in flight in Sweden.**
- **The cross browser accounting module is in production at selected customers. This is the largest current project conducted by the company.**
- **Completed capital expansion, and issued 3,599,835 TFSO shares at NOK 4.50 per share.**
- **Bought the remaining 39.38% of Oyatel AS, and issued 1,685,934 TFSO shares as final settlement.**

Internationalization

The company has due to the PwC and DnR agreement chosen to prioritize the development of financial modules above generic modules aimed at internationalization, and the planned launch in 3Q11 is postponed. The technology being developed in collaboration with PwC will strengthen the conditions for both cross browser and, in the longer term, internationalization. The consequence of this agreement is that this development of generic modules aimed at internationalization will be delayed.

Financial review - Third Quarter 2011

Previously, the accounting and defence division contributed substantially to the company reaching its original goal from the listing on Oslo Axess in June 2007, to be EBITDA positive within 3Q10 and reach a turnover of MNOK 100. We reached this goal in 2Q10, one quarter earlier than planned. The company is now on track with its goal to achieve positive EBITDA within 1H12 in the core areas of SaaS software and SaaS VoIP.

The company has implemented a cost efficiency program that will reduce cost of approximately MNOK 0.7 in the quarter from 4Q11, see mandatory announcement of 23.03.2011. None of the cost reduction will have any impact on the current staff. Within 1H12 the company will, according to plan, also increase revenue by refocus on sale and marketing, and resuming the offering of paid consultant services such as customization, implementation and development assignments.

Operating profit before depreciation (EBITDA) in 3Q11 ended at MNOK 1. The positive EBITDA is due to reversal of accruals previously accounted for in connection with the previous verdict in the lawsuit from Active 24 AS. 24Seven Technology Group ASA was ruled to pay Active 24 AS MNOK 4.4 in compensation for losses and MNOK 0.9 in overdue interest. The amount is compensation for the loss that occurred as a result of Active 24 AS losing the ability to sell 24SevenOffice products to Active 24 customers after Active 24 being bought by Mamut. In 3Q10 the operating profit before depreciation (EBITDA) ended at MNOK -0.9.

The company has successfully implemented the new strategy, stated in the 2Q10 report, with focus on core business which now contributes to 100% of the revenue, compared to 71% in 3Q10. This new focus is already showing results. As part of the new strategy, the company has chosen to focus on development of new accounting functionality and cross browser platform, at expense of revenue generating consultant services, such as customization, implementation and development assignments. This new strategy, as previously announced, was expected to reduce the growth in an interim period. However, this has had less impact than expected so far.

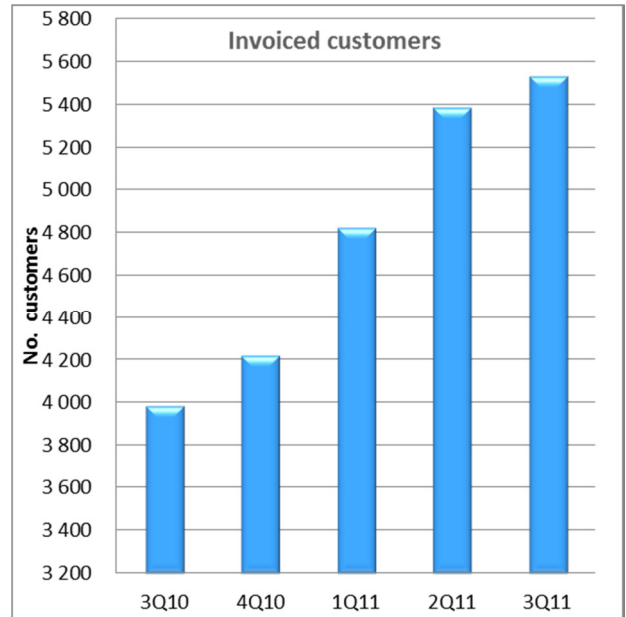
Revenue in 3Q11 ended at MNOK 12.7, and 13.6 adjusted for a credit note of MNOK 0.9 made in connection with divestment of non-core business areas, compared to MNOK 13.3 in 3Q10, adjusted for non-core business. As stated in the 3Q10 report, the company has prioritized the development of accounting functionality and cross-browser platform, and moved direct sales resources towards partner and larger customer sales, which we believe will increase growth in a longer perspective.

The company is on track with reaching the previously announced goal to achieve positive EBITDA within 1H12.

Growth in invoiced customers of 39%, compared to 3Q10, with a total of 5536 customers at the end of 3Q11. Invoiced customers include accounting customers through partners. Most of the customer growth is a result of the company's focus on accounting partners. Conversion of accounting customers to also use other modules and services will have increased focus going forward as this represents a large income potential.

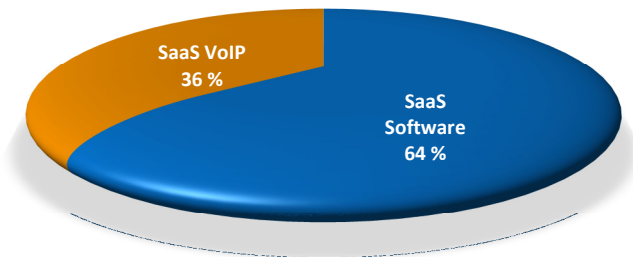
Cash and cash equivalents

Cash and cash equivalents were MNOK 4.6 at the end of 3Q11. Additionally the company received final settlement of MNOK 5 for the sale of all shares in Høgås Teknologipark AS and defense related technology and customers in Propartner Holding AS in October. The company had a capital expansion and issued 3,599,835 new shares at NOK 4.50 per share in November 2011.



Segment information

Revenue share per segment is as shown in the pie diagram.



Recurring revenue adds visibility to the business model

24Seven Technology Group's revenue is primarily recurring and is thus less dependent on new sales compared to other parts of the IT market. All services delivered in all segments are in the outsourcing industry, which is predicted to benefit in an economic recession as companies try to find ways to reduce expenses.

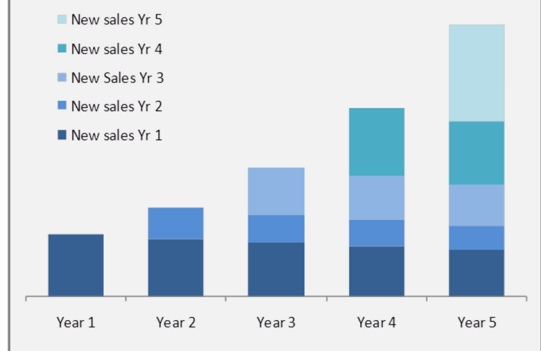
Benefits of recurring revenue business model

- Recurring revenue stream from existing customers
- New revenue from new customers
- Multiple sources of revenue from different products
- Low churn
- Low deployment costs
- Constant software upgrades which is easily implemented
- Predictable growth by monitoring usage
- Aggregated operating environment

Recurring revenue example:

- Yearly growth in new revenue of 45%, equal to 2007-2010 CAGR
- Churn of 7%

Graph 1: Recurring revenue



Strategy update

The company defined SaaS Software and SaaS VoIP as the core business areas in the new strategy announced in 2Q10. This strategic decision was made, despite the fact that the accounting and defence division contributed substantially to both revenue and earnings. The non-core business areas have now been divested, even though the consequence is lower revenue and earnings in the short term. The company believes that the strong focus on core business will yield great return in the long term. Core business now contributes to 100% of the revenue, compared to 71% in 3Q10.

Prime focus areas in the new strategy going forward are partners and larger customers, development of cross browser – internationalization and accounting companies.

Partners and larger customers

As a part of this new strategy, the company has chosen to move direct sales resources towards partner and larger customer sales, which we believe will increase growth long term. This will result in lower revenue and earnings during the transition period, due to longer sales process and less resources on direct sales. This new focus has already showed better results than expected, and provided important partner agreements, such as PwC, DnR, Aptix and eOffice. Additionally 24SevenOffice was chosen as vendor in our first attended public tender by Trafikverket (the Swedish Transport Administration), the agency responsible for all modes of traffic: traffic on roads and railways, on the sea and in flight in Sweden. Our agreement with DnR (the Norwegian Institute of Public Accountants) ensures, stated in their own words that "those of our members who choose to invest in accounting should have access to forward-looking quality systems, at an affordable price. The agreement with 24SevenOffice ensures this. The solution contributes to the effective interaction between agency and client, and gives our members the opportunity to deliver significant added value beyond traditional accounting to their clients. Full financial overview in real time on both ledger and voucher levels, as well as bank integration, are just some of the benefits achieved".

Cross browser - internationalization

As part of the new strategy, the company has chosen to focus on development of new cross browser platform, at expense of revenue generating consultant services, such as customization, implementation and development assignments, again resulting in lower revenues and earnings in the transition period.

The following strategic milestones have been achieved due to this focus:

- Completed World Edition Phase 1 which includes a complete project planning and management tool, a solution for document sharing integrated with Google Docs and single sign-on with Google and Yahoo.
- Completed and launched the development of cross browser version of three major modules, which allows customers internationally to use 24SevenOffice on most common platforms and browsers:
 - E-mail World Edition
 - CRM World Edition
 - Project Management World Edition
 - Cross browser accounting module is in production at selected customers. This is the largest current project conducted by the company.

As a direct consequence of the internationalization strategy the company is also moving towards online sales in home markets. This is what we refer to as SaaS-ification of our sales processes. Most of the development needed to get international sales online is also needed to get online sales in the

home market. Our SaaS VoIP division has successfully transferred to online sales, with now more than 80% of their sales done online.

The company launched new websites and a new marketing communications platform. The new website is part of the company internationalization strategy as the site is targeted at generating online sales without seller involvement. New customers will be able to create their own clients directly from the web and get started with the solution immediately, a business model that not only increases the user friendliness of the services, but also helps keep cost of online sales and the internationalization process down.

Accounting companies

As a result of our new strategy, the company, among others, signed its largest and most prestigious accounting system contract ever with PwC in July, and the agreement with DnR in September. Both agreements represent a high growth potential for 24SevenOffice. As part of the PwC agreement, both parties will collaborate on the development of finance modules in 24SevenOffice during the contract period. Due to this potential, the company has chosen to prioritize the development of financial modules above generic modules aimed at internationalization, and hence, the planned international launch in 3Q11 is postponed.

The focus on accounting companies has two main revenue sources. Firstly, revenues from the accounting companies for their use of 24SevenOffice as their internal accounting system towards their customers will provide direct revenue paid by the accounting company itself. Secondly, and the largest potential for 24Seven Technology Group is represented by the upsell of both SaaS Software and SaaS VoIP to the accounting companies' end customers. Traditionally the conversion rate is on average between 5-10 percent of the accounting companies' end customers. We believe that increased focus will result in an increased conversion rate going forward. Anyhow, the company revenue will grow in line with our accounting customers' growth.

SaaS market – window of opportunity

The SaaS market is rapidly growing and gaining momentum internationally. Well-known companies such as IDC and Gartner have published several reports:

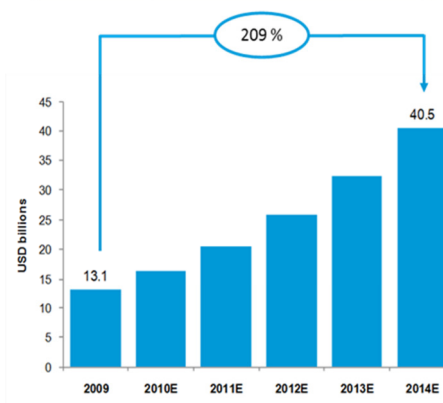
According to IDC, the SaaS market is experiencing rapid growth, with estimated global SaaS market revenue expected to reach 40.5 billion USD by 2014.

Gartner predicts that 30% of all new software in the business market will be delivered as SaaS by 2012 and that the transition from traditional software to SaaS will be more a revolution than an evolution.

Social Issues Research predicts that SaaS will be the business standards in the SME market by 2020.

The SaaS market is expected to increase by 25 % annually during the next four years, contrary to traditional local software installations which are predicted to grow by only 4 % annually during the same period.

Estimated global SaaS market revenue by year



Source: IDC

Strategic opportunities

The company's new strategy has resulted in increased interest from strategic opportunities internationally. Several international players have initiated contact with the company during the transition period. As previously announced in regulatory release from 10.11.2010, Danske Bank Markets and Terra Markets has been hired to pursue these opportunities along with initiating a search for other strategic options, together with the company's Chairman and CEO.

Financial Calendar

24seven Technology Group will present its 4Q 2011 figures on February 24th 2012.

Oslo, November 25th 2011
The Board of Directors
24Seven Technology Group ASA

Profit and loss statement

(all figures in NOK 1,000)

	Q3 - 2011	YTD 2011	Q3 - 2010	YTD 2010	2010
<i>Continuing operations</i>					
Operating Revenue	12 626	41 803	14 888	46 075	62 214
Other Income	21	72	-	-	-
<i>Expenses</i>					
Cost of sales	6 912	20 728	7 229	20 591	27 638
Wages and salaries	6 262	16 913	4 392	13 398	19 109
Other operating expenses	7) 8) (1 553)	8 791	4 115	25 902	32 778
Total operating expenses	11 621	46 432	15 736	59 891	79 525
EBITDA	1 026	(4 557)	(848)	(13 816)	(17 311)
Depreciation, amortisation & write-down	2 299	6 378	1 013	2 693	4 947
EBIT	(1 273)	(10 935)	(1 861)	(16 509)	(22 258)
Net financial items	(162)	530	637	1 119	1 247
EBT	(1 111)	(11 466)	(2 498)	(17 628)	(23 505)
Taxes	(429)	(3 440)	(415)	(4 382)	(6 636)
Net profit (loss) continuing operations	(682)	(8 025)	(2 083)	(13 246)	(16 869)
<i>Net profit / loss from discontinued operation</i> 9)	<i>0</i>	<i>(6 649)</i>	<i>174</i>	<i>660</i>	<i>(571)</i>
Net profit (loss) for the year	(682)	(14 674)	(1 909)	(12 586)	(17 440)
Attributable to:					
Minority Interests	(0)	(4 404)	150	120	(294)
Equity holders of the parent	(683)	(10 270)	(2 059)	(12 706)	(17 146)
Average no. of shares	19 042 998	19 042 998	14 965 405	14 794 816	15 608 086
Basic earnings per share					
From continuing operations	-0,04	-0,19	-0,13	-0,81	-1,14
From discontinued operations	0,00	-0,35	0,01	0,04	-0,04

Balance Sheet

(all figures in NOK 1,000)

ASSETS	30.09.2011	30.09.2010	31.12.2010
<i>Non current assets</i>			
Deferred tax asset	28 972	24 216	26 379
Development cost / Technology	15 367	7 463	14 360
Goodwill	6 965	2 966	6 965
Customer bases	9 479	387	11 362
Brand name	1 848	0	1 848
Property, Plant & Equipment	4 526	4 098	3 796
Other non-current receivables	5 201	1 925	5 948
Other non-current assets	0	0	0
Total non current assets	72 359	41 055	70 658
<i>Current assets</i>			
Inventory	29	46	45
Trade receivables	16 131	12 445	9 717
Other current receivables	24 398	16 851	14 851
Cash and short-term deposits	4 589	991	10 830
Total current assets	45 147	30 333	35 443
Assets of disposal group classified as held for sale	0	50 346	50 045
TOTAL ASSETS	117 506	121 734	156 146
EQUITY AND DEBT			
<i>Equity</i>			
Share capital	2 285	1 985	2 285
Share capital, not registered	634	0	0
Share premium	31 021	108 037	34 038
Translation reserve	-508	-157	-509
Other paid-in capital	3 017	0	0
Other equity	7 234	-81 782	0
Equity before minority interest	43 683	28 083	35 814
Minority	449	3 781	7 990
Total equity Capital	44 132	31 864	43 804
<i>Liabilities</i>			
Debt to credit institutions	10 190	14 882	15 208
Sellers credit	8 164	0	19 437
Deferred taxes	6 433	1 453	7 130
Total non current liabilities	24 788	16 335	41 775
Accounts payable	13 286	8 926	5 096
Deferred revenue	5 730	4 424	7 972
Public duties payable	1 536	1 530	2 422
Taxes payable	2 583	68	346
Debt to credit institutions	4 959	4 238	4 408
Other current liabilities	20 493	19 562	24 576
Total current liabilities	48 586	38 748	44 820
Total liabilities	73 374	55 083	86 595
Liabilities of disposal group classified as held for sale	0	34 787	25 747
TOTAL EQUITY AND LIABILITIES	117 506	121 734	156 146

Statement of changes in equity

(all figures in NOK 1,000)

2010

	Attributable to equity holders of the parent					Minority Interest	Total Equity
	Share capital	Share Premium	Translation Differences	Retained Earnings	Total		
Equity 01.01.2010	1 755	95 633	-158	-67 900	29 331	1 931	31 262
Acquired minority stake	-	-	-	-2 192	-2 192	112	-2 080
Currency translation differences	-	-	-352	-	-352	7	-345
Equity Issue	530	24 761	-	-	25 291	-	25 291
Equity Issue expenses	-	-490	-	-	-490	-	-490
Employee options	-	-	-	1 372	1 372	-	1 372
Changes due to acquisitions	-	-	-	-	-	4 751	4 751
Acquisition own shares	-	-	-	-	-	0	0
Equity component convertible loan	-	-	-	-	-	1 482	1 482
Net loss for the year	-	-	-	-17 146	-17 146	-294	-17 440
Equity 31.12.2010	2 285	119 904	-509	-85 866	35 814	7 990	43 803

2011

	Attributable to equity holders of the parent					Minority Interest	Total Equity
	Share capital	Share Premium	Translation Differences	Retained Earnings	Total		
Equity 01.01.2011	2 285	119 904	-509	-85 866	35 814	7 990	43 803
Acquired minority stake	-	-	-	-	-	-	-
Currency translation differences	-	-	2	-	2	-	2
Equity Issue	634	-	-	20 133	20 767	-	20 767
Equity Issue expenses	-	-	-	-	-	-	-
Employee options	-	-	-	1 485	1 485	-	1 485
Changes due to acquisitions	-	-	-	-4 114	-4 114	-3 136	-7 250
Equity component convertible loan	-	-	-	-	-	-	-
Net loss for the year	-	-	-	-10 270	-10 270	-4 404	-14 674
Equity 30.06.2011	2 919	34 038	-508	7 234	43 683	449	44 132

Cash Flow Statement

(all figures in NOK 1,000)

	YTD - 2011	YTD - 2010	2010
<i>Operating Activities</i>			
Operating earnings before interest and taxes (EBIT)	-10 935	-16 509	-22 258
Depreciation, amortisation & write-down	6 378	2 693	4 947
Net financial items	530	1 119	1 247
Discontinued operations	-9 264	2 394	2 957
Cash earnings in operations	(14 351)	(12 541)	(15 601)
Changes in working capital	11 806	11 840	653
Cash flow from operating activities	(2 545)	(701)	(14 948)
<i>Investment activities</i>			
Development costs to balance sheet	-4 867	-4 010	-1 020
Net cash flow from acquisitions	0	-5 343	-10 359
Net cash flow from sale of subsidiary	0	0	17 753
Net changes in tangible fixed assets	-702	1 633	3 138
Discontinued operations	-20	-2 892	1 114
Net cash flow from investment activities	(5 589)	(10 612)	10 626
<i>Financing activities</i>			
Increase (decrease) long-term debt	740	-612	0
Proceeds from sale of assets	0	4 689	0
Public subsidies	0	0	950
Net deposited equity	0	6 425	5 800
Increase (decrease) short-term debt	1 106	-2 787	5 225
Discontinued operations	0	-3 526	-4 937
Net cash flow from financing activities	1 846	4 189	7 038
Cash and bank deposits at 01.01	10 877	8 115	8 114
Net changes of cash and bank deposits	-6 288	-7 124	2 716
Cash and bank deposits at 31.12	4 589	991	10 830

Notes to 3Q 2011 Interim Financial report

Note 1 – Segment information (all figures in NOK 1,000)

Q3 - 2011

Business segment	SaaS Software	SaaS VoIP	Other Services	Elimination	Total
Operating Revenue	8 914	5 443	-	(1 731)	12 626
Other Income	10	11	-	-	21
Operating Expenses	7 081	6 271	-	(1 731)	11 621
Operating profit before depreciation	1 844	(818)	-	-	1 026
Depreciation	1 013	326	-	960	2 299
Operating Result	831	(1 144)	-	(960)	(1 274)

YTD - 2011

Business segment	SaaS Software	SaaS VoIP	Other Services	Elimination	Total
Operating Revenue	28 501	18 102	-	(4 800)	41 803
Other Income	34	38	-	-	72
Operating Expenses	31 852	19 882	-	(5 302)	46 432
Operating profit before depreciation	(3 316)	(1 743)	-	502	(4 557)
Depreciation	2 814	683	-	2 881	6 378
Operating Results	(6 130)	(2 426)	-	(2 379)	(10 936)

Q3 - 2010

Business segment	SaaS Software	SaaS VoIP	Other Services	Elimination	Total
Operating Revenue	10 408	5 647	-	(1 167)	14 888
Other Income	-	-	-	-	-
Operating Expenses	11 491	5 621	-	(1 376)	15 736
Operating profit before depreciation	(1 083)	26	-	209	(848)
Depreciation	477	509	-	27	1 013
Operating Result	(1 560)	(483)	-	182	(1 861)

YTD - 2010

Business segment	SaaS Software	SaaS VoIP	Other Services	Elimination	Total
Operating Revenue	31 276	16 467	-	(1 668)	46 075
Other Income	-	-	-	-	-
Operating Expenses	45 665	16 101	-	(1 875)	59 891
Operating profit before depreciation	(14 389)	366	-	207	(13 816)
Depreciation	1 567	1 129	-	(3)	2 693
Operating Result	(15 956)	(763)	-	210	(16 509)

2010

Business segment	SaaS Software	SaaS VoIP	Other Services	Elimination	Total
Operating Revenue	40 802	23 417	-	(2 005)	62 214
Other Income	-	-	-	-	-
Operating Expenses	60 281	23 132	-	(3 888)	79 525
Operating profit before depreciation	(19 478)	285	-	1 883	(17 311)
Depreciation	2 299	2 007	-	641	4 947
Operating Result	(21 777)	(1 723)	-	1 242	(22 258)

Operating revenue by Geographical Area

	Q3 - 2011	YTD - 2011	Q3-2010	YTD - 2010
Norway	10 466	34 727	13 786	42 606
Sweden	2 183	7 149	1 102	3 469
Total	12 648	41 875	14 888	46 075

Notes to 3Q 2011 Interim Financial report

Note 2 - Financial Framework and Accounting Principles

The accounting principles applied are the same as those used for the Group's 2010 Consolidated Financial Statements. These statements were prepared in accordance with the international accounting standards published by the International Accounting Standard Board.

The interim accounts have been prepared in accordance with Oslo Aress rules and regulations and IAS 34 - "Interim Financial Reporting". Please refer to annual report, where the accounting policies are described in detail.

Note 3 - Estimates

The preparation of interim accounts involves the use of estimates and assumptions. These estimates impact the amounts stated for assets, obligations, revenues and costs. Actual results may differ from these estimates.

Note 4 - Changes in the Group's structure

On August 31st the group acquired the remaining 39.38 % of the shares in Oyatel AS. After the acquisition, the group holds 100 % of the shares in Oyatel AS. The transaction was settled by issuing 1.685.934 TFSO shares.

Note 5 - Stock option program

The stock option program for key employees includes totally options for 1.485.000 shares. Total cost accrued for the program 30.09.2011 is NOK 3,016,537.

Note 6 – Equity Issue

On 23.09.11 the board decided by authority of the General Assembly to expand the shares from 19.042.998 to 24.328.767. On 09.11.11 the expansion was registered. In the consolidated financial statement the expansion is presented as share capital, not registered. Total expenses with the capital expansions are NOK 555.329.

Note 7 - Liabilities structure

Of the total long term interest bearing debt in the group, the mother company, 24Seven Technology Group ASA, which is a pure holding company without any independent business, is only accounting for MNOK 5 from Innovasjon Norge. All other debt is structured in daughter companies.

Note 8 - Events after 30.09.2011

- On 27.10.11 24SevenOffice received MNOK 5 (seller credit) from Advanced Thinkers Engineering (ATE).
- On 10.11.11 Issued 1,685,934 shares as final settlement for the remaining 39.8% of Oyatel AS.
- On 10.11.11 Completed capital expansion, issuing 3,599,835 shares at NOK 4.50 pr. Share
- On 23.11.11 Received final verdict in the lawsuit from Active 24 and ordered to pay Active 24 compensation of MNOK 4.4 and late payment interest of MNOK 0.9.

Note 9 – Discontinued operations

As of 28.06.2011 24SevenOffice Technology Group ASA sold the shares in Høgås Teknologipark AS to Advanced Thinkers Engineering AS (ATE). Also the intangible assets related to defence technology in Propartner Holding AS were sold to ATE. The price for the shares and intangible assets were MNOK 20. Its results are presented in this interim financial information as a discontinued operation.

As of 30.08.2010 24SevenOffice Technology Group ASA sold the shares in Accountonit AS. The transaction has not been presented as discontinued operations in past reporting. Comparative figures have been restated.

Financial information relating to discontinued operations for the period to the date of disposal is set out below. The income statement of cash flow separates discontinued operations from continuing operations. Comparative figures have been restated.

	Q3-2011	YTD 2011	Q3-2010	YTD 2010	2010
<i>Discontinued operations</i>					
Operating Revenue	0	3 182	5 521	23 695	25 015
Other Income	0	0	0	0	0
<i>Expenses</i>					
Cost of sales	0	0	-7	208	208
Wages and salaries	0	-61	3 197	16 112	16 057
Other operating expenses	0	12 026	1 048	4 267	4 408
Total operating expenses	0	11 965	4 238	20 587	20 673
EBITDA	0	-8 783	1 283	3 108	4 342
Depreciation, amortisation & write-down	0	1 922	470	1 461	3 248
EBIT	0	-10 705	813	1 647	1 094
Net financial items	0	481	723	715	1 384
EBT	0	-11 186	90	932	-290
Taxes	0	-4 537	-84	272	281
Net profit / loss from discontinued operations	0	-6 649	174	660	-571

Note 10 - Restated condensed consolidated income statement Q2-2011

In connection with the 2Q 2011 reporting an error in the elimination of gain/-loss linked to the sales of all shares in Høgås Teknologipark AS and defence related customers and technology in Propartner Holding AS was discovered. This sale is also presented as discontinued operations (segment of electronics) in the restated reporting.

This affected the second quarter results with a total EBITDA effect of negative MNOK 4.11. The effect on net income was MNOK - 6.85 corresponding to earnings per share of NOK -0.08 in second quarter.

Net gain for 24Seven Technology Group from the sales of all shares in Høgås Technology Park AS and defence related customers and technology in Propartner Holding AS was in 2Q 2011 presented as NOK 52,748. In the financial statements NOK 4,601,416 was presented as an increase in other operating expenses, while NOK - 4,654,164 was presented as a reduction of taxes. By selling the defence related customers and technology, taxes the deferred are reversed to 24Seven Technology Group ASA.

In the restated reporting for 2Q 2011 all transactions related to the sale is presented as discontinued operations. All the comparing periods are restated. The restated net loss from the sale is NOK - 5,076,803 and is presented as discontinued operations.

Profit and loss statement

(all figures in NOK 1.000)

	Q2 - 2011	YTD 2011	Q2 - 2010	YTD 2010	2010
<i>Continuing operations</i>					
Operating Revenue	13 724	29 177	16 692	31 187	62 214
Other Income	25	51	-	-	-
<i>Expenses</i>					
Cost of sales	6 390	13 816	7 709	13 362	27 638
Wages and salaries	5 239	10 651	4 816	9 005	19 109
Other operating expenses	5 457	10 344	17 192	21 786	32 778
Total operating expenses	17 086	34 811	29 717	44 153	79 525
EBITDA	(3 337)	(5 583)	(13 025)	(12 966)	(17 311)
Depreciation, amortisation & write-down	2 355	4 079	884	1 680	4 947
EBIT	(5 692)	(9 662)	(13 909)	(14 646)	(22 258)
Net financial items	362	692	229	481	1 247
EBT	(6 055)	(10 355)	(14 138)	(15 127)	(23 505)
Taxes	(3 188)	(3 011)	(3 926)	(3 966)	(6 636)
Net profit (loss) continuing operations	(2 866)	(7 343)	(10 212)	(11 161)	(16 869)
<i>Net profit / loss from discontinued operations</i>	<i>(7 587)</i>	<i>(6 649)</i>	<i>(290)</i>	<i>485</i>	<i>(571)</i>
Net profit (loss) for the year	(10 453)	(13 992)	(10 502)	(10 676)	(17 440)
Attributable to:					
Minority Interests	(5 664)	(5 713)	(39)	(30)	(294)
Equity holders of the parent	(4 789)	(8 279)	(10 463)	(10 646)	(17 146)
Average no. of shares	19 042 998	19 042 998	14 965 405	14 794 816	15 608 086
Basic earnings per share					
From continuing operations	0,15	-0,09	-0,70	-0,72	-1,17
From discontinued operations	-0,40	-0,35	0,00	0,00	0,00

Balance Sheet - discontinued operations

(all figures in NOK 1.000)

ASSETS	30.06.2011	30.06.2010	31.12.2010
<i>Non current assets</i>			
Deferred tax asset	29 171	23 692	26 379
Development cost / Technology	16 088	9 526	14 360
Goodwill	6 965	41 021	6 965
Customer bases	10 106	430	11 362
Brand name	1 848	0	1 848
Property, Plant & Equipment	4 694	13 977	3 796
Other non-current receivables	5 003	0	5 948
Other non-current assets	0	1 930	0
Total non current assets	73 875	90 576	70 658
<i>Current assets</i>			
Inventory	29	69	45
Trade receivables	15 943	16 525	9 717
Other current receivables	25 505	7 180	14 851
Cash and short-term deposits	3 674	2 295	10 829
Total current assets	45 151	26 069	35 442
Assets of disposal group classified as held for sale	0	38 625	50 045
TOTAL ASSETS	119 026	155 270	156 146
EQUITY AND DEBT			
<i>Equity</i>			
Share capital	2 285	1 900	2 285
Share premium	31 764	108 123	34 038
Translation reserve	-448	-160	-509
Other paid-in capital	2 274	0	0
Retained earnings	-7 537	-80 112	0
Equity before minority interest	28 338	29 751	35 814
Minority	2 276	695	7 990
Total equity Capital	30 614	30 446	43 803
<i>Liabilities</i>			
Debt to credit institutions	10 926	30 743	15 208
Sellers credit	19 164	29 259	19 437
Deferred taxes	6 709	248	7 130
Total non current liabilities	36 799	60 250	41 775
Accounts payable	11 510	12 661	5 096
Deferred revenue	5 532	4 567	7 972
Public duties payable	2 125	1 693	2 422
Taxes payable	2 925	137	346
Debt to credit institutions	3 849	3 091	4 408
Other current liabilities	25 672	29 582	24 576
Total current liabilities	51 613	51 731	44 820
Total liabilities	88 412	111 981	86 595
Liabilities of disposal group classified as held for sale	0	12 843	25 747
TOTAL EQUITY AND LIABILITIES	119 026	155 270	156 146



Q3 2011

Quarterly Report

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