

Telio continues to deliver strong results **- Operating profit increased by 26% in 2009**

Telio ended 2009 with solid results for the fourth quarter, thereby confirming their position as a leading European provider of access independent broadband telephone services. Revenues in 2009 ended at NOK 393.8 million and operating profit was NOK 86.1 million, an increase of 26% compared to 2008. Revenues in the fourth quarter ended at NOK 99.2 million and an operating profit of NOK 20.4 million.

- A solid 4th quarter ends a year with very strong performance for Telio. We have continued to deliver very strong results for the last 11 quarters, and we are satisfied with revenue growth and 26% growth in operating profit compared to 2008, says Eirik Lunde, CEO of Telio Holding ASA.

Growth in international markets

Telio also continues to grow in the markets outside Norway. Denmark shows steady growth and reports a 31% increase in the customer base compared to the same period last year. In the Dutch market, Telio has achieved a strong 77% year-to-year growth in the customer base through existing wholesale agreements. In January 2010, the Netherlands has generated a customer intake of above 3,000 customers compared to 300 customers in January 2009. The company expects continued strong growth in the Dutch market.

Launch of services in Switzerland

Following an implementation phase, Telio launched its services for the Swiss market in January. The company has great expectations to this initiative in a new market.

Strong financial results

In the 4th quarter, the Telio Group achieved revenues of NOK 99.2 million compared to NOK 100.4 million in the year-ago quarter. EBITDA was NOK 31.7 million (32% EBITDA margin) compared to NOK 31.8 million in the same quarter last year (32 % EBITDA margin). Operating profit ended at NOK 20.4 million compared to NOK 21.7 million in the 4th quarter of 2008.

(See listing of financial results below)

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Key financial figures for the Telio Group:

<i>(Figures in NOK '000)</i>	4th quarter 2009	3rd quarter 2009	2nd quarter 2009	1st quarter 2009	4th quarter 2008	3rd quarter 2008	2nd quarter 2008	1st quarter 2008
Total revenue	99,240	96,306	99,144	99,128	100,441	92,969	96,692	94,267
Gross margin (%)	64%	64%	62%	60%	61%	63%	61%	61%
Operating profit	20,427	20,181	26,026	19,471	21,701	14,154	20,192	12,033
Operating margin (%)	21%	21%	26%	20%	22%	15%	21%	13%
EBITDA	31,697	31,311	36,355	29,970	31,824	24,550	30,040	22,717
EBITDA margin (%)	32%	33%	37%	30%	32%	26%	31%	24%
EPS (NOK)	0.89	0.68	0.95	0.52	1.32	0.62	0.80	0.40
EPS (NOK) fully diluted	0.87	0.67	0.94	0.51	1.32	0.62	0.80	0.40