

# **Investor Presentation Q3 2007**

Copenhagen, 21 November 2007

*moving expertise - not people*

## Disclaimer

This presentation includes statements regarding future results which are subject to risks and uncertainties. Consequently, actual results may differ significantly from the results indicated or implied in these statements.

In the event of disagreement between information given in connection with this presentation in writing or verbally (including on slides or via audio equipment) and the information appearing in our announcements to the Copenhagen Stock Exchange the information in the announcements shall apply.

*moving expertise - not people*

## Present from Danware



**Peter Grøndahl**, Chief Executive Officer (CEO)



**Claus Finderup Grove**, Chief Financial Officer (CFO)

*moving expertise - not people*

## Agenda

- **Q3 2007 – highlights, results and guidance**
- Sales and marketing strategy update
- Product development and new products



*moving expertise - not people*

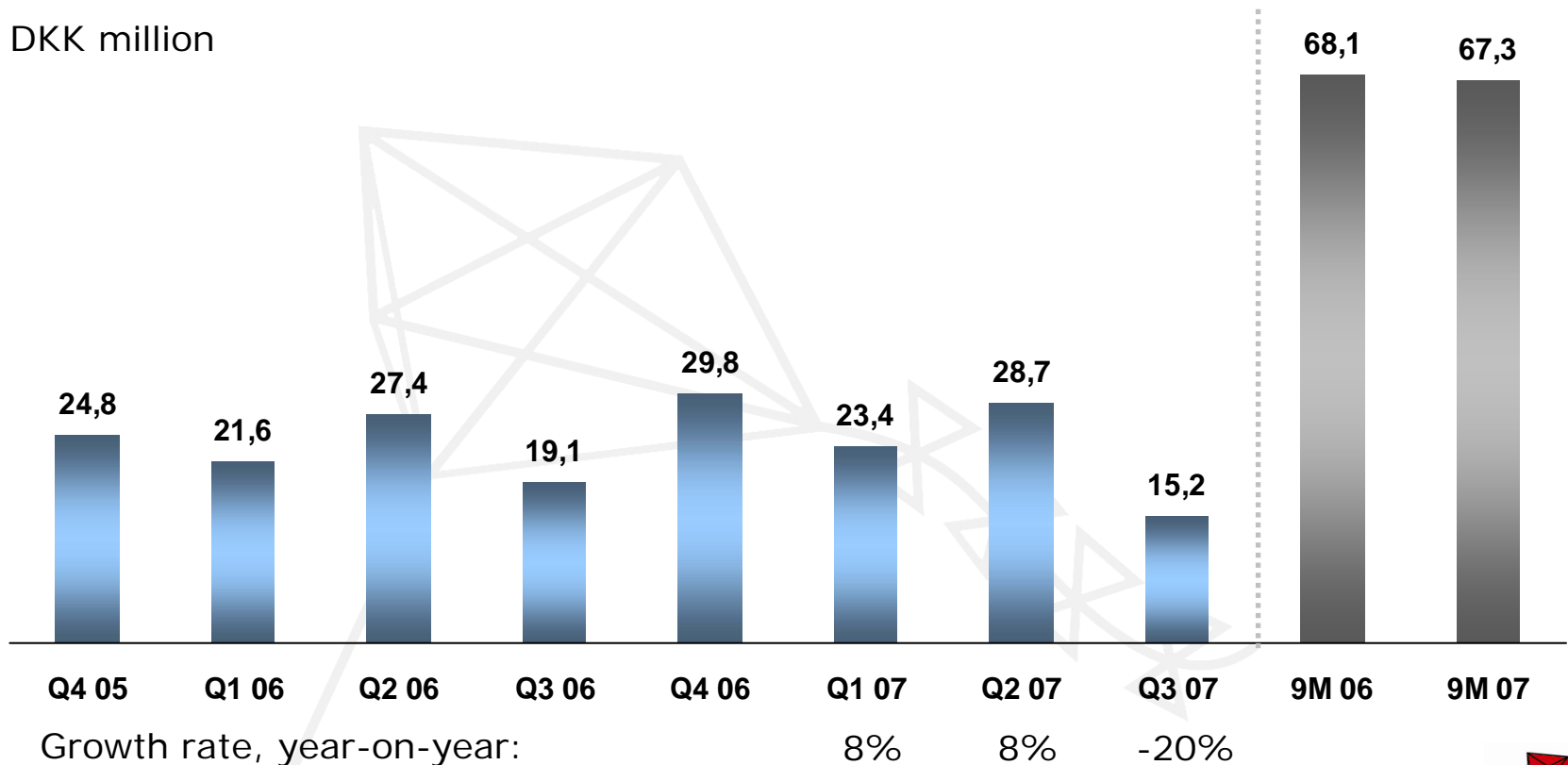
## Highlights of Q3 2007

- Continued implementation of sales and marketing strategy – development disappointing – revenue lower than expected, especially within Education
- Revenue decreased to DKK 15.2m from DKK 19.1m in Q3 and to DKK 67.3m in 9M 2007 from DKK 68.1m in 9M 2006
- EBITDA was minus DKK 16.0m compared to minus 3.6m in Q3 2006 and minus DKK 9.1m in 9M 2007 compared to 0.7m in 9M 2006
- EBIT was minus DKK 14.7m compared to minus 5.2m in Q3 2006 and minus DKK 14.5m in 9M 2007 compared to minus 3.3 in 9M 2006
- Net profit was minus DKK 10.2m against minus DKK 2.8m in Q3 2006 and minus DKK 9.1m in 9M 2007 compared to minus 1.2 in 9M 2006
- Guidance for 2007 from 24 October 2007 is unchanged

*moving expertise - not people*

## Decrease in revenue compared to Q3 2006

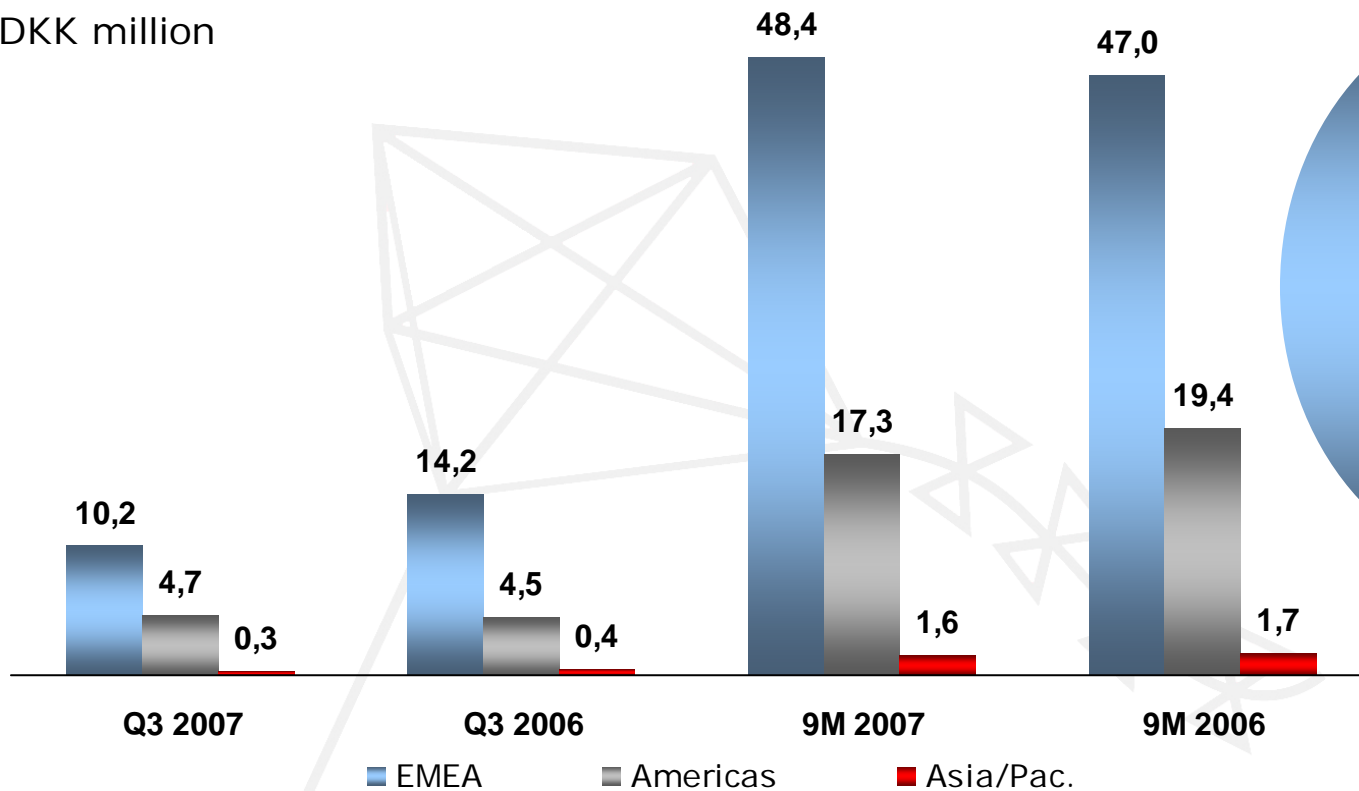
DKK million



*moving expertise - not people*

## Revenue by geographical area

DKK million



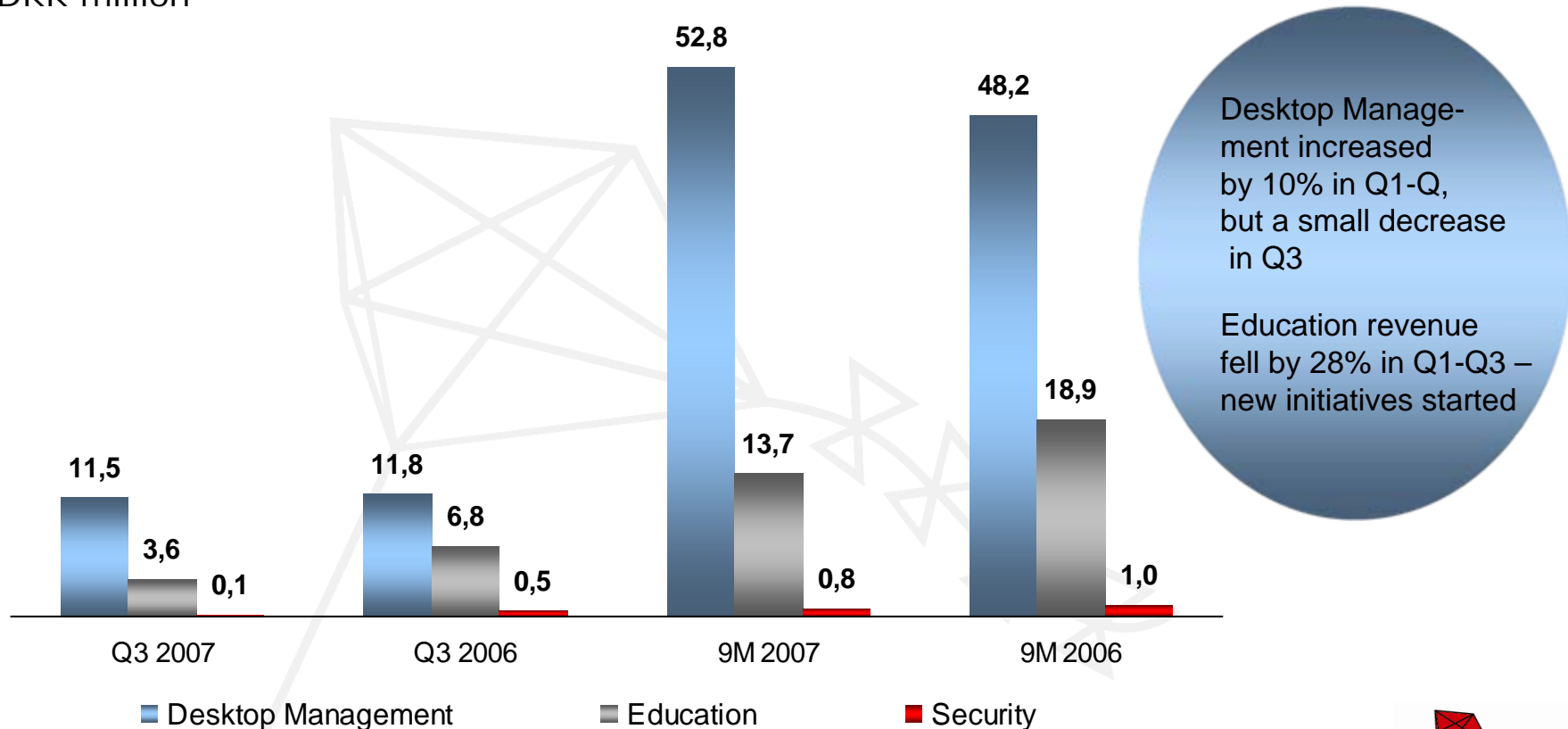
Revenue in EMEA decreased by 28% in Q3. Increase by 3% in Q1-Q3

Revenue in Americas increased by 3% in DKK and by 10% in USD in Q3. Decrease by 11% in Q1-Q3

*moving expertise - not people*

## Revenue by business area

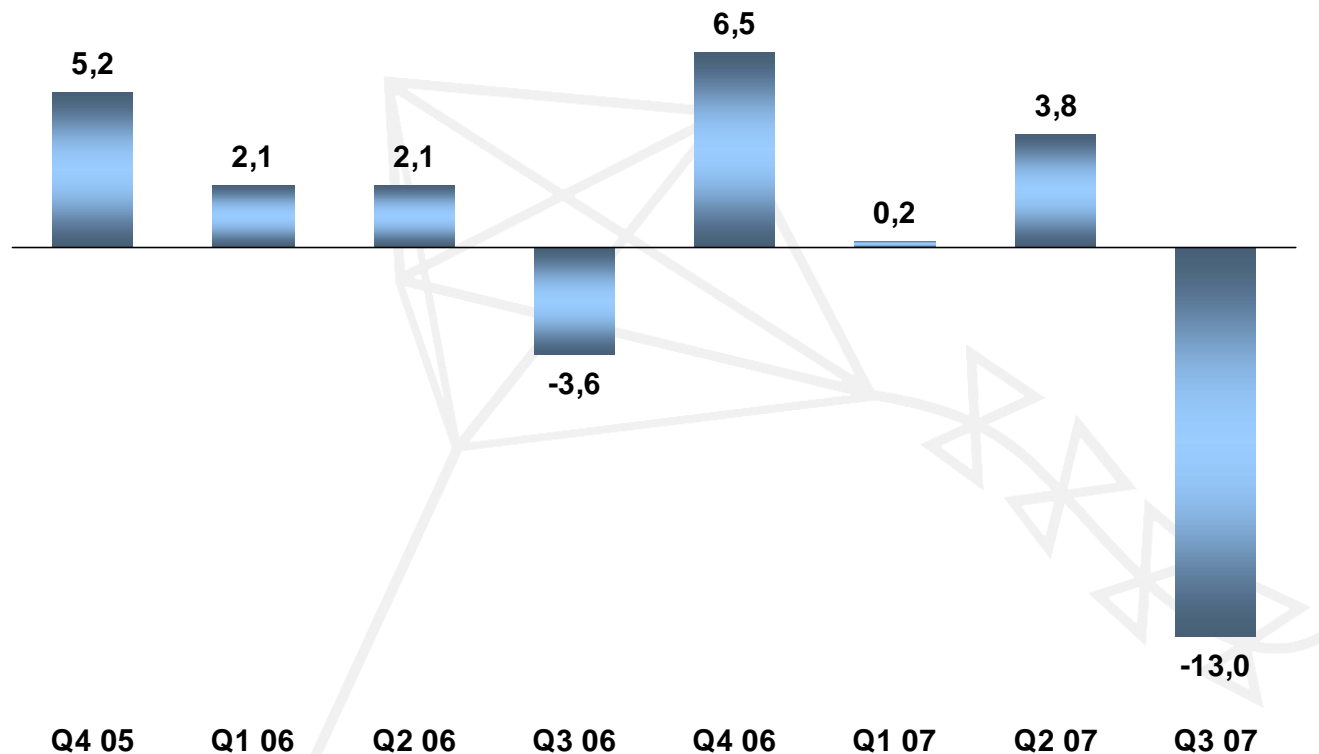
DKK million



*moving expertise - not people*

## EBITDA effected by lower than expected revenue

DKK million

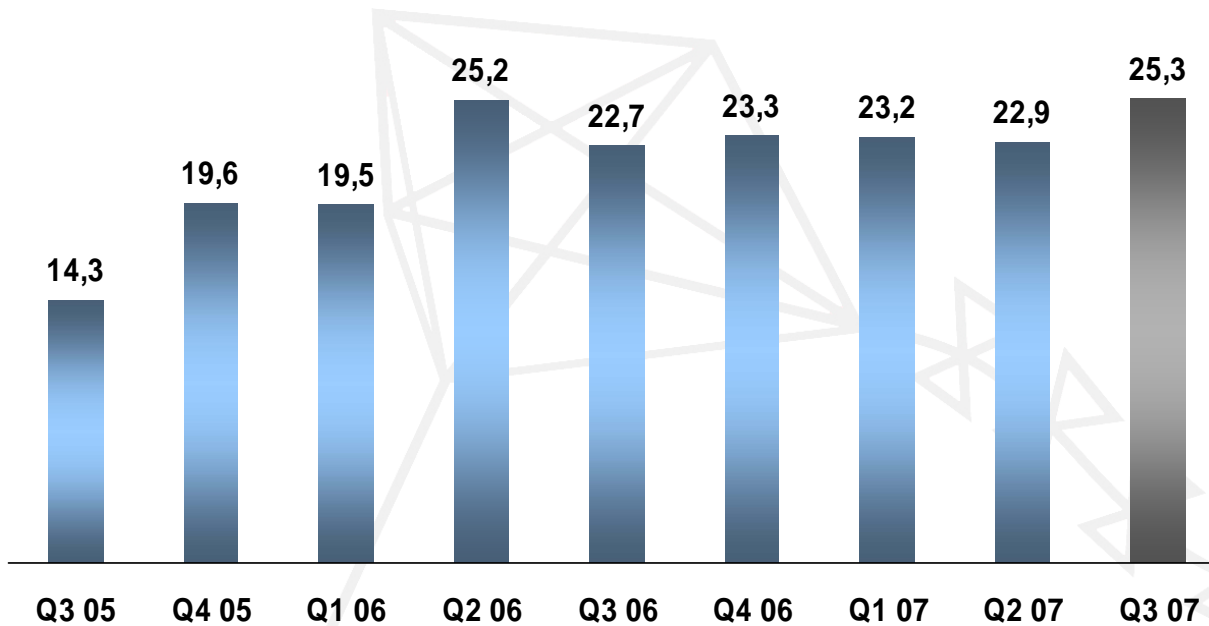


EBITDA affected by increase in costs and lower than expected revenue

*moving expertise - not people*

## Operating costs

DKK million



Increase in costs primarily due to higher administrative costs – establishment of subsidiaries

*moving expertise - not people*

## Guidance unchanged from October 2007

	March 2007	October 2007	Full-year 2006
<b>Revenue</b>	DKK 130-135m	DKK 90-100m	DKK 97.9m
<b>Earnings (EBITDA)</b>	Approx. DKK 16m	Approx. DKK (13m)	DKK 7.1m

*moving expertise - not people*

## Agenda

- Q3 2007 – highlights, results and guidance
- **Sales and marketing strategy update**
- Product development and new products



*moving expertise - not people*

## Business areas and market trends (1)

### Desktop Management

- Flat demand within traditional remote control
  - *Danware has highly competitive products*
  - *Danware to leverage attractive market position*
- Relatively high growth within "On Demand" remote control
  - *Danware building position*

### Education

- High market growth and intensive competition – focus on both "hybride" solutions and eLearning
- Danware has lost momentum due to termination of partner agreements

*moving expertise - not people*

## Business areas and market trends (2)

### Security

- NetOp Process Control launched in October 2007
- Difficult to obtain critical mass
- NetFilter – potential to be realized
- Considerations regarding the future of Security

*moving expertise - not people*

## Implementation of sales and marketing strategy

- Initiatives progressing but development in Q3 disappointing
- Desktop Management revenue has increased less than expected YTD
  - *Revenue is still up 8% - we are winning market shares from our main competitors*
  - *US-market on Desktop Management up 24% compared to last year*
  - *It takes longer than expected to increase number of partners in all subsidiaries*
  - *It has taken longer than expected to gain end user control from our former partners*

*moving expertise - not people*

## Education

- Education revenue has fell considerably – Danware needs dedicated resources to build and revitalise distribution channel
- Decision to split Desktop Management and Education activities
  - *Separated distribution channels*
  - *Dedicated resources – development, marketing, sales persons*

*moving expertise - not people*

## Agenda

- Q3 2007 – highlights, results and guidance
- Sales and marketing strategy update
- **Product development and new products**



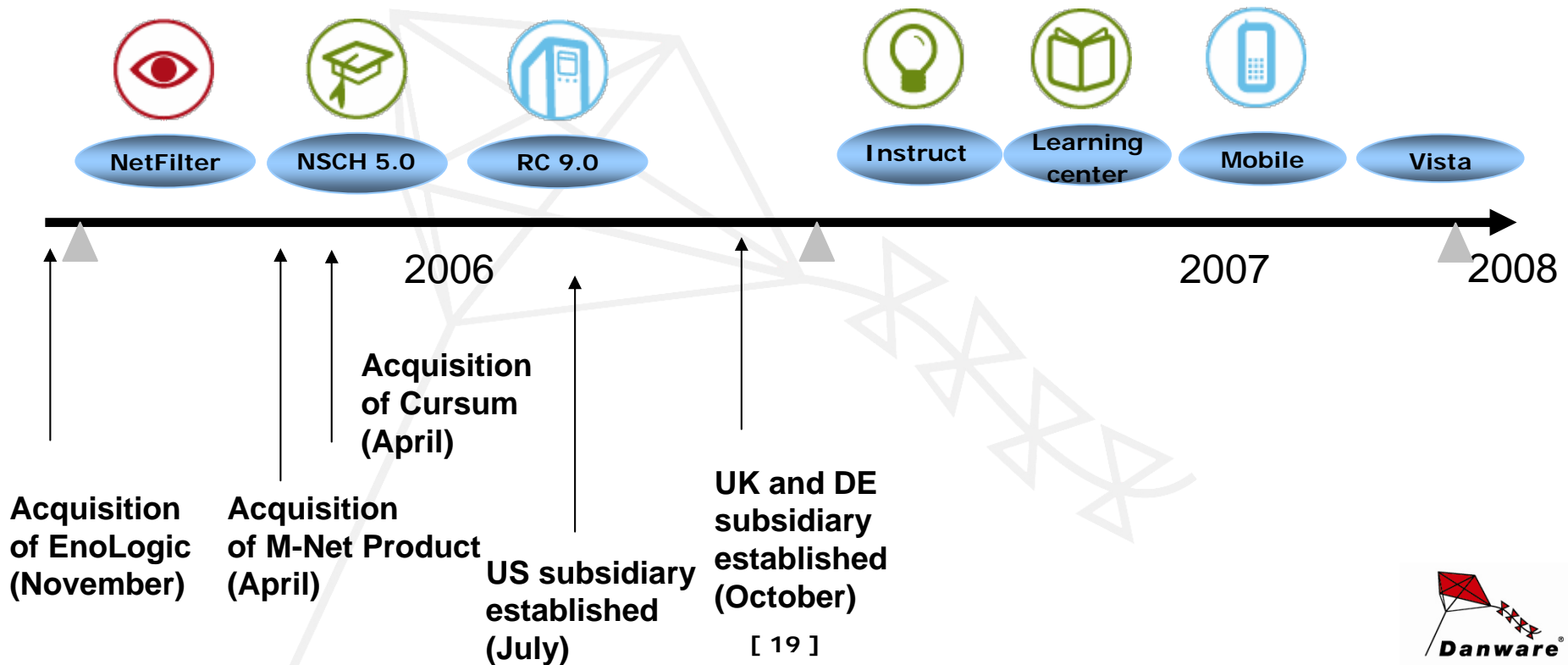
*moving expertise - not people*

## Initiatives to make product development more efficient

- General efforts to reduce time-to-market and make development processes cost efficient
  - *Increased cooperation with external product developers – agreements with development houses in Russia and Philippines*

*moving expertise - not people*

## Timeline



*moving expertise - not people*

## New products in the pipeline

- New versions of main products supporting Microsoft VISTA
  - *NetOp Learning Center*
  - *NetOp School*
  - *NetOp Instruct*
  - *NetOp Remote Control*
  - *NetOp On Demand*
  - *NetOp Mobile*
  - *NetOp Netfilter*

**End of presentation**

**Investor Presentation  
Q3 2007**