



## **Powel ASA with 18% growth in second quarter**

Powel ASA increased its operating revenues by 18 % to MNOK 52.4 for the second quarter compared to MNOK 44.3 for the same period in 2004.

During the quarter Powel ASA had a breakthrough within Generation, signing a contract with Fortum OY.

Two contracts are signed in USA within Grid management for Utilities short after the presentation of the new UDPS (Utility Decision Support Platform) concept in Q1.

Powel ASA has two Business Areas:

- Power serving the Market for Generation of electricity and Meter Data Management & Accounting
- Utility serving the Market of the electrical transmission and distribution grid as well as the market for water& sewage network, 3D terrain modeling and surveying

### **Power Business Area**

The contract with Fortum OY in Finland within generation represents one more recognition of Powel as a leading vendor in this area.

A framework agreement with Vattenfall AB is signed and represents a 3 year cooperation within Meter Data Management & Accounting with the largest Network Company in Sweden.

A contract with Gävle AB in Sweden within Meter Data Management & Accounting strengthens our position in the Swedish AMR-market.

A contract with the Canadian Government related to work in China is signed within Generation.

To meet the increased demand and contracts we have increased the staff with seven new employees.

### **Utility Business Area**

Vattenfall Eldistribution AB, Sweden, has signed an agreement to co-fund a new module for grid design in NetBas. The project team has mobilized and the completed product will be released in a new version of NetBas in September 06.

In the US we signed two contracts (Iowa Lakes Electric Cooperative and Riverland Energy Cooperative) for implementation of our integrated solution UDSP in Q2 . Our efforts of introducing UDSP to American utilities have resulted in a continuous increase in the number of prospects.

### **Market Outlook**

The message “*one common system, -from field to finance*” has resulted in a steady increase in leads and prospects, which we expect will materialize in new orders towards the end of the year.

### **About Powel ASA**

Powel develops and supplies IT-solutions to Generators, Transmission & Distributions Utilities as well as solutions for Municipalities within Sewage & Water and services to citizens. Years of experience as a software developer for the Generators and Utilities in a deregulated and highly competitive market have positioned Powel ASA as a market leader.

### **International Financial Reporting Standards (IFRS)**

From 1<sup>st</sup> of January 2005, Powel ASA's group financials are prepared according to IFRS. IFRS-standards are not final, and the quarterly numbers can be changed according to changes in these standards. Comparable numbers for 2004 are prepared according to the same standards. The interim report is prepared according to IFRS accounting standards. The presentation is in accordance with the interim reporting IAS 34.



### ***Organisation and share holders***

As of 30. june 2005 there were 120 shareholders in Powel ASA.

Oslo, 06.09.2005

Jarle Gundersen  
styreformann

Sverre Valvik

Corey R. Maple

Harald Jeremiassen

Bente Rathe

Karl P. Borthen

Birger Morland



## Q2 2005 - Powel ASA

PROFIT AND LOSS STATEMENT							
(all figures in NOK 1.000)	IFRS Q2 2005	IFRS Q2 2004	%	IFRS H1 2005	IFRS H1 2004	%	IFRS 2004
<b>Operating revenues</b>	<b>52.371</b>	<b>38.925</b>	<b>35 %</b>	<b>98.896</b>	<b>80.417</b>	<b>23 %</b>	<b>152.014</b>
Cost of goods sold	2.243	1.541	46 %	5.140	3.531	46 %	8.014
Personell costs	36.289	18.837	93 %	53.507	42.888	25 %	90.498
Other operating expenses	11.819	13.324	-11 %	36.851	25.304	46 %	43.369
<b>Total operating expenses</b>	<b>50.351</b>	<b>33.702</b>	<b>49 %</b>	<b>95.498</b>	<b>71.723</b>	<b>33 %</b>	<b>141.881</b>
<b>EBITDA</b>	<b>2.020</b>	<b>5.223</b>	<b>-61 %</b>	<b>3.398</b>	<b>8.694</b>	<b>-61 %</b>	<b>10.133</b>
Depreciation of tangible assets	407	554	-27 %	1.242	1.094	14 %	2.008
Depreciation of intangible assets	1.078	567	90 %	2.523	1.135	122 %	2.269
<b>EBIT</b>	<b>535</b>	<b>4.102</b>	<b>-87 %</b>	<b>-367</b>	<b>6.465</b>	<b>-106 %</b>	<b>5.856</b>
Net financial items	-83	-328	-75 %	2.548	-1.217	-309 %	378
<b>Profit before tax</b>	<b>452</b>	<b>3.774</b>	<b>-88 %</b>	<b>2.181</b>	<b>5.248</b>	<b>-58 %</b>	<b>6.234</b>
Tax	-1.516	-1.485	2 %	-3.078	-2.838	8 %	-4.291
<b>Net profit</b>	<b>-1.064</b>	<b>2.289</b>	<b>-146 %</b>	<b>-897</b>	<b>2.410</b>	<b>-137 %</b>	<b>1.943</b>
EBITDA - margin	3,9 %	13,4 %		3,4 %	10,8 %		6,7 %
EBIT - margin	1,0 %	10,5 %		-0,4 %	8,0 %		3,9 %
EPS (NOK)	-0,07	0,17		-0,06	0,17		0,14
Outstanding shares	15.707.933	13.784.533		15.707.933	13.784.533		15.707.933
<b>No. of employees (end of periode)</b>	<b>219</b>	<b>172</b>		<b>219</b>	<b>172</b>		<b>201</b>
Research and Development (R&D)	4.129	9.050		11.267	16.709		27.538
Internationalisation	4.186	3.320		8.770	7.094		14.695

BALANCE SHEET				
(all figures in NOK 1.000)	IFRS 30.06.2005	IFRS 30.06.2004	IFRS 31.12.2004	IFRS 01.01.2004
<b>Assets</b>				
<b>Fixed assets</b>				
Intangible assets	56.076	22.598	53.182	20.052
Goodwill	50.740	21.348	47.823	21.316
Deferred tax	9.402	13.100	12.150	16.108
<b>Total intangible assets</b>	<b>116.218</b>	<b>57.046</b>	<b>113.155</b>	<b>57.476</b>
<b>Total tangible fixed assets</b>	<b>4.558</b>	<b>3.522</b>	<b>4.526</b>	<b>3.547</b>
<b>Total financial fixed assets</b>	<b>299</b>	<b>133</b>	<b>629</b>	<b>1.358</b>
<b>Total fixed assets</b>	<b>121.075</b>	<b>60.701</b>	<b>118.310</b>	<b>62.381</b>
<b>Current assets</b>				
Accounts receivables	27.474	23.640	25.409	29.523
Other short-term receivables	28.759	17.862	11.168	9.784
Bank deposits, cash, etc	43.223	54.476	47.565	27.905
<b>Total current assets</b>	<b>99.456</b>	<b>95.978</b>	<b>84.142</b>	<b>67.212</b>
<b>Total assets</b>	<b>220.531</b>	<b>156.679</b>	<b>202.452</b>	<b>129.593</b>
<b>Equity and liabilities</b>				
<b>Total equity</b>	<b>118.865</b>	<b>86.785</b>	<b>121.831</b>	<b>84.561</b>
Long term liabilities	20.999	8.632	20.518	8.525
<b>Current liabilities</b>				
Bank overdraft	0	0	19.855	0
Accounts payable	3.136	5.012	6.131	2.335
Public duties payable	10.806	10.830	8.587	8.496
Other short-term liabilities	16.273	10.698	25.529	25.676
Dererred revenue	50.452	34.722	0	0
<b>Total current liabilities</b>	<b>80.667</b>	<b>61.262</b>	<b>60.102</b>	<b>36.507</b>
<b>Total liabilities</b>	<b>101.666</b>	<b>69.894</b>	<b>80.620</b>	<b>45.032</b>
<b>Total equity and liabilities</b>	<b>220.531</b>	<b>156.679</b>	<b>202.451</b>	<b>129.593</b>



<b>CASH FLOW ANALYSIS</b>	2004	30.06.04	30.06.05
<b>Cash flow from operating activities</b>			
Ordinary profit before taxes and depreciation	10.511	7.477	5.946
Changes in working capital	6.021	33.918	29.385
Other operating changes	1.149	-11.358	-10.689
<b>Cash flow from operating activities</b>	<b>17.681</b>	<b>30.037</b>	<b>24.642</b>
<b>Cash flow from investment activities</b>	<b>-17.199</b>	<b>-4.782</b>	<b>-9.609</b>
<b>Cash flow from financing activities</b>	<b>-463</b>	<b>1.968</b>	<b>1.243</b>
Exchange rate effect on cash	-906	-16	-592
<b>Total cashflow for the period</b>	<b>-887</b>	<b>27.207</b>	<b>15.684</b>
<b>Cash and cash equivalents as at opening balance</b>	<b>25.206</b>	<b>25.206</b>	<b>24.319</b>
<b>Cash and cash equivalents as at closing balance</b>	<b>24.319</b>	<b>52.413</b>	<b>40.003</b>

<b>RECONCILIATION OF EQUITY</b>			
	Share capital	Reserves	Total
<b>Equity 30.06.2004</b>			
<b>Year's change in equity</b>			
Equity 01.01.04	13.785	70.776	84.561
Conversion differences	0	-186	-186
Issue of new shares			0
Costs related to issue of new shares after tax	0		0
Year's result	0	2.410	2.410
<b>Equity 30.06.2004</b>	<b>13.785</b>	<b>73.001</b>	<b>86.785</b>

<b>RECONCILIATION OF EQUITY</b>			
	Share capital	Reserves	Total
<b>Equity 31.12.2004</b>			
<b>Year's change in equity</b>			
Equity 01.01.2004	13.785	70.776	84.561
Conversion differences	0	-1.004	-1.004
Issue of new shares	1.923	35.277	37.200
Costs related to issue of new shares after tax	0	-867	-867
Year's result	0	1.941	1.941
<b>Equity 31.12.2004</b>	<b>15.708</b>	<b>106.123</b>	<b>121.831</b>

<b>RECONCILIATION OF EQUITY</b>			
	Share capital	Reserves	Total
<b>Equity 30.06.05</b>			
<b>Year's change in equity</b>			
Equity 01.01.05	15.708	106.123	121.831
Conversion differences	0	-585	-585
Revaluation of financial investments		20	20
Costs related to issue of new shares after tax	0	-1.503	-1.503
Year's result	0	-897	-897
<b>Equity 30.06.2005</b>	<b>15.708</b>	<b>103.157</b>	<b>118.865</b>


**DIVISIONAL REPORTING:**

<b>UTILITY</b>					
<b>NOK 1.000</b>	<b>1 H 2005</b>	<b>1 H 2004</b>	<b>Q2 2005</b>	<b>Q2 2004</b>	<b>2004</b>
Sales revenue	53.071	41.204	28.520	20.301	78.690
EBITDA	-6.809	4.085	-5.612	1.544	-1.505
Depreciation	2.111	1.079	316	265	2.225
EBIT	-8.920	3.006	-5.928	1.279	-3.730

<b>POWER</b>					
<b>NOK 1.000</b>	<b>1 H 2005</b>	<b>1 H 2004</b>	<b>Q2 2005</b>	<b>Q2 2004</b>	<b>2004</b>
Sales revenue	45.825	39.213	23.851	18.624	73.324
EBITDA	10.207	4.609	7.632	3.679	11.638
Depreciation	1.654	1.150	1.169	856	2.052
EBIT	8.553	3.459	6.463	2.823	9.586

<b>TOTAL</b>					
<b>NOK 1.000</b>	<b>1 H 2005</b>	<b>1 H 2004</b>	<b>Q2 2005</b>	<b>Q2 2004</b>	<b>2004</b>
Sales revenue	98.896	80.417	52.371	38.925	152.014
EBITDA	3.398	8.694	2.020	5.223	10.133
Depreciation	3.765	2.229	1.485	1.121	4.277
EBIT	-367	6.465	535	4.102	5.856

**REVENUE DISTRIBUTION YEAR TO DATE - UTILITY**

<b>NOK 1.000</b>	<b>Norway</b>	<b>Sweden</b>	<b>EU</b>	<b>North America</b>	<b>Other</b>	<b>TOTAL</b>
Lisences and maintenance	22.592	2.880	197	3.653	0	29.322
Services	10.135	5.267	130	5.210	225	20.967
Other	714	368	0	1.700	0	2.782
<b>TOTAL</b>	<b>33.441</b>	<b>8.515</b>	<b>327</b>	<b>10.563</b>	<b>225</b>	<b>53.071</b>
	63,0 %	16,0 %	0,6 %	19,9 %	0,4 %	100,0 %

**REVENUE DISTRIBUTION YEAR TO DATE - POWER**

<b>NOK 1.000</b>	<b>Norway</b>	<b>Sweden</b>	<b>EU</b>	<b>North America</b>	<b>Other</b>	<b>TOTAL</b>
Lisences and maintenance	15.133	7.364	1.642	60	0	24.199
Services	13.591	5.821	0	1.781	0	21.193
Other	315	33	0	84	0	432
<b>TOTAL</b>	<b>29.039</b>	<b>13.219</b>	<b>1.642</b>	<b>1.925</b>	<b>0</b>	<b>45.825</b>
	63,4 %	28,8 %	3,6 %	4,2 %	0,0 %	100,0 %

**REVENUE DISTRIBUTION YEAR TO DATE - TOTAL**

<b>NOK 1.000</b>	<b>Norway</b>	<b>Sweden</b>	<b>EU</b>	<b>North America</b>	<b>Other</b>	<b>TOTAL</b>
Lisences and maintenance	37.725	10.245	1.839	3.713	0	53.522
Services	23.726	11.088	130	6.991	225	42.160
Other	1.029	401	0	1.784	0	3.214
<b>TOTAL</b>	<b>62.480</b>	<b>21.734</b>	<b>1.969</b>	<b>12.488</b>	<b>225</b>	<b>98.896</b>
	63,2 %	22,0 %	2,0 %	12,6 %	0,2 %	100,0 %