

NORMAN ASA

**3. kvartal 2008 /
3rd quarter 2008**

**Lysaker, 16. oktober 2008 /
16th October 2008**

Norman viser sterk vekst og lønnsomhet

Datasikkerhetselskapet Norman ASA hadde en omsetning på 64,7 millioner kroner i tredje kvartal 2008. Dette er en økning på 10% sammenlignet med samme kvartal i fjor. Normans EBITDA-resultat ble 9,5 millioner kroner, opp fra 8,3 millioner kroner i fjor (en økning på 14%). EBITDA-marginen for Q3 '08 endte på 15%.

Norman's resultat før skatt for tredje kvartal ble 8,1 millioner kroner, opp fra 7,3 millioner kroner.

For de første ni månedene i år hadde Norman en omsetning på 198,1 millioner kroner, en økning på 5% fra en omsetning på 188,9 millioner kroner i samme periode i fjor. EBITDA-resultatet for de første ni månedene ble 18,2 millioner kroner, opp fra 17,2 millioner kroner i fjor (en økning på 6%).

Norman opplevde fortsatt sterk etterspørsel etter selskapets teknologi i tredje kvartal. OEM-avtaler hadde en gunstig utvikling, særlig i USA. Det nord amerikanske markedet representerer over 8% av Normans omsetning så langt i år og salget i USA økte med over 80 prosent i tredje kvartal. Det er særlig samarbeidet med Microsoft og F-Secure som bidro vesentlig til OEM-salget i tredje kvartal.

Veksten i skadelig programvare fortsetter og det dukker stadig opp nye sikkerhetstrusler. Angrepene på datamaskiner, selskaper og organisasjoner blir stadig mer sofistikerte, noe som skaper en økende etterspørsel etter Normans teknologi. Innenfor forretningsområdet Core Security fikk Norman i tredje kvartal de første fornyelsene etter at samarbeidet med Fujitsu Siemens Computers ble utvidet til å gjelde installasjon på alle nye konsumentmarkeds-PCer i EMEA-området. Norman inngikk også en viktig avtale med Canal Digital's svenske virksomhet.

Innen forretningsområdet Network Protection utviklet Europa seg i henhold til plan, spesielt inn mot attraktive vertikaler som helse, sikkerhet og industriproduksjon. I tredje kvartal inngikk Norman avtale med DELL, som innebærer at Norman vil markedsføre og selge Norman Network Protection (NNP) på en kvalifisert DELL maskinvareversjon (appliance). NNP ble også lansert i en maskinvareversjon (appliance) i det amerikanske markedet i tredje kvartal, og selskapets produkttilbud i USA ble dermed enda bredere. NNP fikk svært positiv omtale av uavhengige observatører og de første prøveinstallasjonene av produktet i USA er planlagt.

Innen forretningsområdet Advanced Malware Analyzers er Norman nå etablert som markedslederen for avanserte analyseverktøy. Selskapet sikret flere salg av Norman Advanced Analyzer i kvartalet, både i privat og offentlig sektor – så vel i USA som i Europa. I tredje kvartal lanserte Norman dessuten en Linux-versjon av SandBox Analyzer, som viser seg svært effektiv også på denne plattformen.

Normans finansielle stilling fortsetter å være sterk. Ved utgangen av tredje kvartal hadde selskapet en kontantbeholdning på 79,9 millioner kroner, mot 65,1 millioner kroner ved slutten av fjorårets tredje kvartal. Selskapet har ingen rentebærende gjeld. Ved utgangen av kvartalet hadde selskapet 187 ansatte (179 ved utgangen av tredje kvartal i fjor).

Norman vil fortsette å investere i sin avanserte teknologi for beskyttelse mot uønsket programvare. På kort sikt regner Norman med en stabil utvikling i salg og resultater. Likevel, vil man fortsatt kunne se sesongmessige fluktuasjoner mellom kvartaler. Behovet for Normans sikkerhetsprodukter holder seg sterkt og selskapet lykkes med å bringe nye og attraktive produkter til markedet. Imidlertid kan urolighetene som finansmarkedene nå befinner seg i påvirke etterspørselen i den nærmeste tiden. På noe lenger sikt er Norman godt posisjonert for en ledende rolle i de voksende og attraktive markedene for avansert databeskyttelse. Selskapets sterke finansielle stilling gir fleksibilitet og representerer et grunnlag for fortsatt vekst for Norman.

Vedlagt følger et sammendrag av resultatregnskap og balanse for tredje kvartal 2008.

For ytterligere informasjon, kontakt:

- Svein Ramsay Goli, styreformann (+47 9075 6757)
- Trygve Aasland, administrerende direktør (+47 4153 9717)
- Simen Nyberg-Hansen, finansdirektør (+47 9820 6355)

Norman shows strong growth and profitability

Norman ASA, the data security company, today posted net revenues of NOK 64.7 million for the third quarter 2008. This represents an increase of 10% over the same period last year. The EBITDA was NOK 9.5 million, up from NOK 8.3 million last year (an increase of 14%). The EDITDA margin for Q3 '08 ended at 15%.

Norman's profit before tax for the third quarter ended at NOK 8.1 million, up from NOK 7.3 million.

For the first nine months of 2008, Normans revenues were NOK 198.1 million, a 5% growth over last year's NOK 188.9 million. EBITDA for the first nine months came in at NOK 18.2 million, up from NOK 17.2 million last year (an increase of 6%).

Norman experienced continued strong demand for the company's technology in the third quarter. OEM revenue had a positive development, especially in the United States. The US market represented more than 8% of Norman's revenue this year, with sales growing by more than 80% in the third quarter. It is in particular the co-operation with Microsoft and F-Secure which contributed to the OEM sales.

The growth in new malware is continuing and new security threats keep emerging. Attacks on computer users and organizations are becoming even more sophisticated, creating an increasing demand for Norman's technology. Within the business area Core Security, Norman had the first renewals following the bundling agreement for the entire EMEA consumer area with Fujitsu Siemens Computers. Norman also signed an important contract for the Norman Security Suite with Canal Digital's Swedish operations.

Within the business area Network Protection, Europe developed according to plan with new sales in particular into the attractive verticals Healthcare, Security and Manufacturing. In the third quarter Norman entered into an agreement with DELL, whereby Norman will market and sell Norman Network Protection (NNP) on a qualified DELL appliance. NNP as an appliance was also successfully launched in the North American market during the quarter, broadening the company's product offering on the continent even further. NNP received highly positive reviews by independent observers and the first test installations of the product in North America have been scheduled.

In the business area Advanced Malware Analyzers, Norman is now established as the market leader in advanced malware forensic tools. Norman secured a number of new Malware Analyzer sales in the third quarter, in the private as well as public sector - both in North America and Europe. In the quarter, Norman launched a Linux version of SandBox Analyzer, which demonstrated strong performance also on this platform.

Norman's financial position remains strong. Total cash at the end of the third quarter was NOK 79.9 million, compared to NOK 65.1 million at the end of third quarter last year. Norman has no interest bearing debt. The Company had 187 employees at the end of the quarter (179 at the end of last year's third quarter).

Norman will continue to invest in its sophisticated anti-malware technology. In the short term, Norman expects a stable sales and results development. However, the company's growth and margins may continue to fluctuate between quarters. The need for Norman's security products remains strong and the Company is succeeding in bringing new and attractive products to the market. However, the current financial turmoil might impact demand in the shorter perspective. In the longer term, Norman is well positioned for a leading role in the emerging and attractive markets for highly sophisticated malware protection. The Company's strong financial position provides flexibility and enables a continued growth for Norman.

Enclosed is a summary of the interim financial statements for the third quarter 2008.

For further information, please contact:

- *Chairman of the board Svein Ramsay Goli (+47 9075 6757),*
- *CEO Trygve Aasland (+47 4153 9717),*
- *CFO Simen Nyberg-Hansen (+47 9820 6355)*

Norman ASA
Condensed consolidated interim income statement, unaudited

(Figures in NOK 1.000)	Note	3Q08	3Q07	Jan-Sep08	Jan-Sep07
Net revenues	8	64.743	58.665	198.054	188.895
<i>Net revenues - % growth from previous year</i>		<i>10%</i>	<i>-4%</i>	<i>5%</i>	<i>1%</i>
Cost of goods sold		6.891	8.431	23.712	28.879
Personnel expenses		28.810	25.505	93.794	88.028
Other operating expenses		19.048	15.981	61.087	53.688
Loss on receivables		480	413	1.255	1.053
Sub-total		55.229	50.330	179.848	171.648
EBITDA		9.514	8.335	18.206	17.247
<i>EBITDA margin</i>		<i>15%</i>	<i>14%</i>	<i>9%</i>	<i>9%</i>
Depreciation and amortization		2.105	1.447	6.266	4.214
Operating profit (EBIT)		7.409	6.888	11.940	13.033
Interest income		712	395	2.007	1.178
Interest expense		11	6	17	14
Profit before tax		8.110	7.277	13.930	14.197
Income tax expense		2411	2.037	3.901	3.710
Profit for the period		5.699	5.240	10.029	10.487
Attributable to:					
Equity holders of the company		5.312	4.541	9.511	8.801
Minority interest		387	699	518	1.686
		5.699	5.240	10.029	10.487
Earnings per share for profit attributable to the equity holders of the company					
Earnings per share – basic and diluted		kr 0.54	kr 0.47	kr 0.98	kr 0.90

Norman ASA
Condensed consolidated interim balance sheet, unaudited

(Figures in NOK 1.000)	30 Sep 08	31 Dec 07
ASSETS		
Non-current assets		
Intangible assets	15.178	15.554
Goodwill	1.972	1.972
Property, plant and equipment	5.353	6.091
Deferred tax asset	31.202	31.202
	53.705	54.819
Current assets		
Inventory	3.726	898
Trade receivables	26.405	25.013
Other current receivables	7.431	7.520
Cash and cash equivalents	79.922	108.189
	117.484	141.620
Total assets	171.189	196.439
EQUITY		
Capital and reserves attributable to the company's equity holders		
Share capital	3.772	3.772
Treasury shares	-17	-17
Other equity	-17.154	2.595
Other contributed equity	619	-289
Cumulative translation adjustment	1.728	3.687
	-11.052	9.748
Minority interest	4.611	3.918
Total equity	-6.441	13.666
LIABILITIES		
Non-current liabilities		
Deferred income – non-current	35.302	40.045
Current liabilities		
Trade and other payables	7.683	7.212
Current income tax liabilities	4.033	7.205
Payroll tax, VAT, social tax etc	6.497	8.188
Deferred income – current	106.729	102.112
Other current liabilities	17.386	18.011
	142.328	142.728
Total liabilities	177.630	182.773
Total equity and liabilities	171.189	196.439

Lysaker, 15th October 2008
Svein Ramsay Goli
Chairman of the Board of Directors
Norman ASA

Norman ASA
Condensed consolidated interim statement of cash flows, unaudited

(Figures in NOK 1.000)	Jan-Sep 08	Jan-Sep 07
Cash flow from operating activities		
Profit before tax	13.930	14.197
Depreciation and amortization	6.266	4.214
Calculation of share option costs	908	635
Loss/(profit) on receivables	1.255	1.053
Payment of tax	-7.224	-2.727
<i>Changes in assets & liabilities</i>		
Accounts receivable	-2.593	7.259
Inventory	-2.828	41
Other operating assets / liabilities	-8.104	-7.796
Accounts payable	471	-3.932
Net cash flow from operating activities	2.081	12.944
Cash flow from investing activities		
Payments for purchase of long term assets	-5.871	-9.300
Net cash flow from investing activities	-5.871	-9.300
Cash flow from financing activities		
Payment of dividend	-29.260	-9.784
(Payments)/receipts for (purchase)/sale of own shares	-	-2.283
Net cash flow from financing activities	-29.260	-12.067
Effect of foreign exchange rate changes	4.783	-4.299
Net changes in cash & cash equivalents	-28.267	-12.722
Cash & cash equivalents as at period start	108.189	77.873
Cash & cash equivalents as at period end	79.922	65.151

Norman ASA
Condensed consolidated interim statement of changes in equity, unaudited

(Figures in NOK 1.000)	Share capital	Treasury Shares	Other contributed equity	Other equity	Cumulative transl. adjustment	Minority interest	Total equity
Balance as at 1.1.07	3.926	-154	-1.018	-3.433	1.455	104	880
Currency translation differences	-	-	-	-	2.946	-39	2.907
Net income/(expense) recognized directly in equity	-	-	-	-	2.946	-39	2.907
Profit for the year	-	-	-	8.801	-	1.686	10.487
<i>Total recognized income for Jan-Sep07</i>	-	-	-	8.801	2.946	1.647	13.394
Dividend paid to equity holders	-	-	-	-9.784	-	-	-9.784
Purchase of treasury shares	-	-17	-	-2.266	-	-	-2.283
Reduction in share capital by cancellation of treasury shares	-154	154	-	-	-	-	-
Employee share option scheme; value of services provided	-	-	635	-	-	-	635
	-154	137	635	-12.050	-	-	-11.432
Balance as at 30.09.07	3.772	-17	-383	-6.682	4.401	1.751	2.842
Balance as at 1.1.08	3.772	-17	-289	2.595	3.687	3.918	13.666
Currency translation differences	-	-	-	-	-1.959	175	-1.784
Net income/(expense) recognized directly in equity	-	-	-	-	-1.959	175	-1.784
Profit for the year	-	-	-	9.511	-	518	10.029
<i>Total recognized income for Jan-Sep08</i>	-	-	-	9.511	-1.959	693	8.245
Dividend paid to equity holders	-	-	-	-29.260	-	-	-29.260
Employee share option scheme; value of services provided	-	-	908	-	-	-	908
	-	-	908	-29.260	-	-	-28.352
Balance as at 30.09.08	3.772	-17	619	-17.154	1.728	4.611	-6.441

Norman ASA

Notes to the condensed consolidated interim financial statements, unaudited

Note 1: Reporting entity

Norman ASA (the “Company”) is a company domiciled in Bærum, Norway. These September 2008 condensed consolidated interim financial statements of Norman ASA and its subsidiaries (together “the Group”) are for the nine months ended 30 September 2008.

The consolidated financial statements of the Group as at and for the year ended 31 December 2007 are available upon request from the Company’s registered office at Strandveien 37, Lysaker, or at www.norman.com.

Note 2: Statement of compliance

These condensed consolidated interim financial statements of Norman 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 2007.

These condensed consolidated interim financial statements were approved by the Board of Directors on 15 October 2008.

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 2007.

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 2007.

Note 5: Segment reporting

IAS 14 requires segmental reporting on both a primary and secondary basis. Business segment is the primary reporting format for the Group, as products and services represent the predominant source and nature of risks and returns. Norman is a niche company specializing in development, marketing and sales of data security software products and operates only within one primary segment. Norman’s secondary segment is geographical segments. The geographical split of net revenues, total assets and capital expenditures is as follows:

(Figures in NOK 000)	Norway*)				Other Europe				North America			
	3Q08	3Q07	Jan-Sep08	Jan-Sep07	3Q08	3Q07	Jan-Sep08	Jan-Sep07	3Q08	3Q07	Jan-Sep08	Jan-Sep07
Net revenues	10.317	10.767	33.693	36.232	47.050	43.809	148.257	141.894	7.376	4.089	16.104	10.769
Total assets			82.340	72.562			84.190	80.609			4.659	3.384
Capital expenditures	1.543	2.223	4.818	8.312	265	337	987	730	31	45	66	258

*) Transactions with Group companies are eliminated

Norman ASA

Notes to the condensed consolidated interim financial statements, unaudited

Note 6: Income statement analysis

Expenses can be presented either by the nature of expenses or by their function. Norman has decided to classify expenses by nature on the face of the income statement, but will for information purposes also specify expenses by business function.

(Figures in NOK 1.000)	Note	3Q08	3Q07	Jan-Sep08	Jan-Sep07
Net revenues	8	<u>64.743</u>	<u>58.665</u>	<u>198.054</u>	<u>188.895</u>
<i>Net revenues - % growth from previous year</i>		<i>10%</i>	<i>-4%</i>	<i>5%</i>	<i>1%</i>
Cost of goods sold		6.891	8.431	23.712	28.879
R&D expenses		9.026	8.601	33.061	27.314
Sales expenses		27.117	24.979	87.690	87.892
Marketing expenses		5.406	3.126	11.859	10.260
G&A expenses		6.309	4.780	22.271	16.250
Loss on receivables		480	413	1.255	1.053
Sub-total		55.229	50.330	179.848	171.648
EBITDA		<u>9.514</u>	<u>8.335</u>	<u>18.206</u>	<u>17.247</u>
<i>EBITDA margin</i>		<i>15%</i>	<i>14%</i>	<i>9%</i>	<i>9%</i>
Depreciation and amortization		2.105	1.447	6.266	4.214
Operating profit (EBIT)		7.409	6.888	11.940	13.033

Note 7: Intangible assets

During 3rd quarter 2008, Norman has capitalized NOK 1.3 million (3Q07: NOK 2.1 million) in development costs related to the development of new products (Jan-Sep08: NOK 3.7 million, Jan-Sep07: NOK 6.1 million).

Note 8: Net revenues

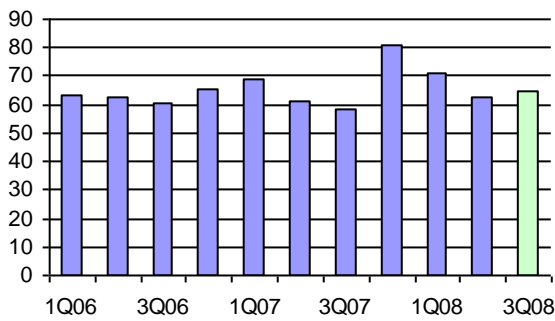
In 2007 Norman received NOK 39.0 million from entities controlled by the management shareholders in Norman's 70% owned Dutch subsidiary Norman Shark BV. The background for the income is that the management shareholders and companies controlled by them have withheld revenue from the Norman Group that should have been booked in the Norman Group. In Norman's financial statements, an amount of NOK 21.1 was booked as net revenue in the fourth calendar quarter of 2007. The remaining NOK 17.9 million was booked as deferred revenue in the balance sheet.

Note 9: Contingent asset

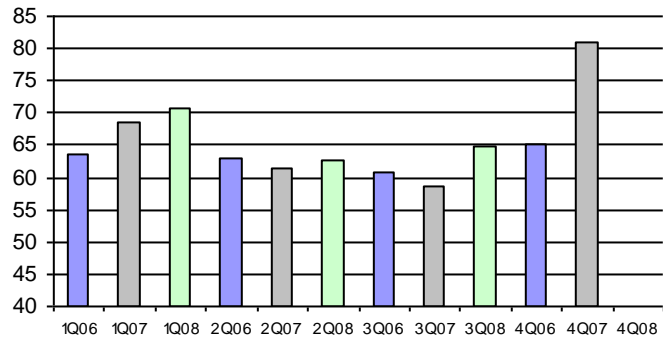
As at 30 September 2008 the Norman Group has the possibility of acquire an additional 30% of the shares of Norman Shark BV for a total consideration of Euro 600.000, bringing its holding of the Dutch subsidiary to 100%. Norman has also the possibility of acquire two other entities, being DCC Shark BV for a total consideration of EUR 18.000, and 51% of the shares in DCC Nederland BV(name change from DCC GFI BV) for a consideration of EUR 1,-. Since there is a possibility for not realizing those contingent assets, the assets are not recognised in the financial statements. Those potential transactions are part of the settlement with former management in Norman Shark BV(see note 8).

Quarterly developments

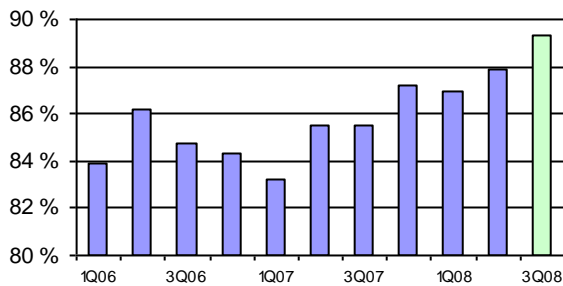
Net revenues (MNOK)



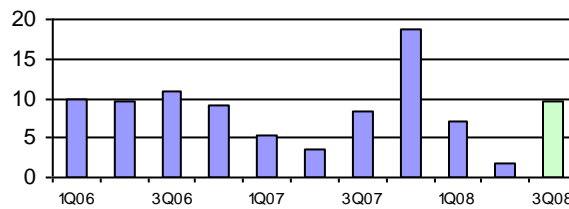
Quarterly net revenues yoy (MNOK)



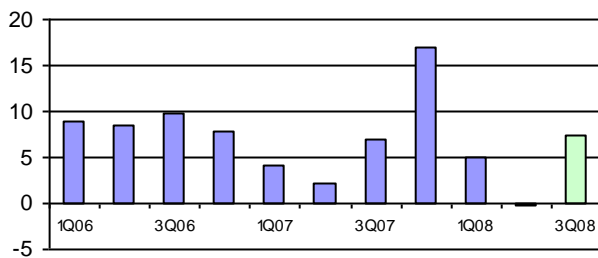
Gross profit margin



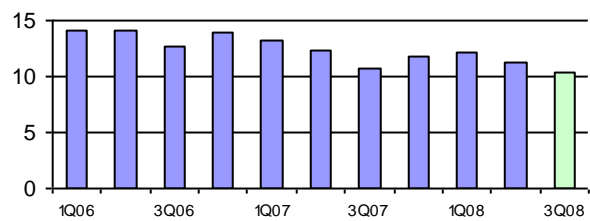
EBITDA (MNOK)



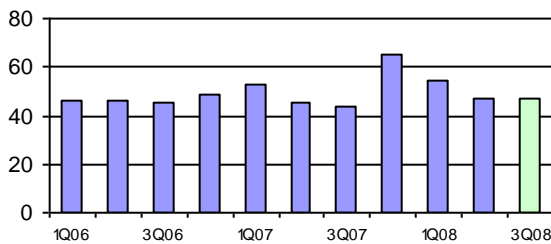
EBIT (MNOK)



Norway revenues (MNOK)



Other Europe revenues (MNOK)



North America revenues (MNOK)

