



# Interim Report – Q2/2011

July 28, 2011 / Ilkka Toivola (CEO)



# This is Dovre Group



## Project Personnel

- Global project management resourcing

## Consulting

- Management and project management consulting services

## Software

- Powerful software for major projects

**Project Professionals for energy industry**

**Integrated Service Portfolio for Project Management**

# Build global presence – Grow globally with our major customers



- Office locations
- Project locations

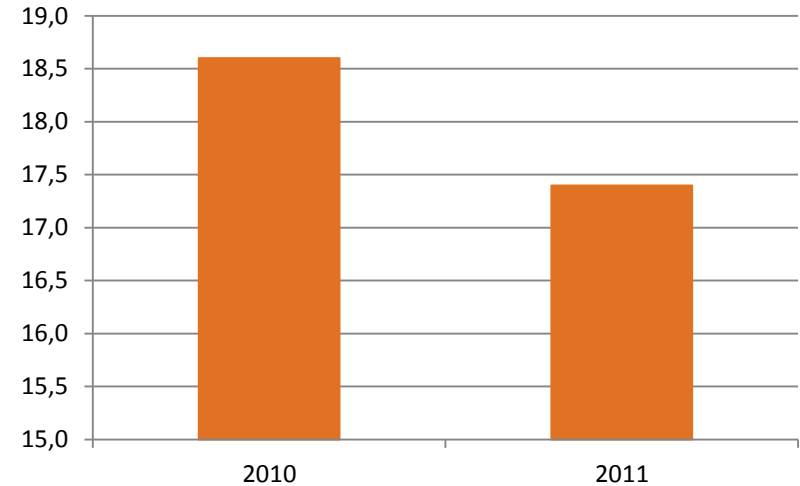


# **Dovre Group's net sales and operating result decreased in Q2/2011**

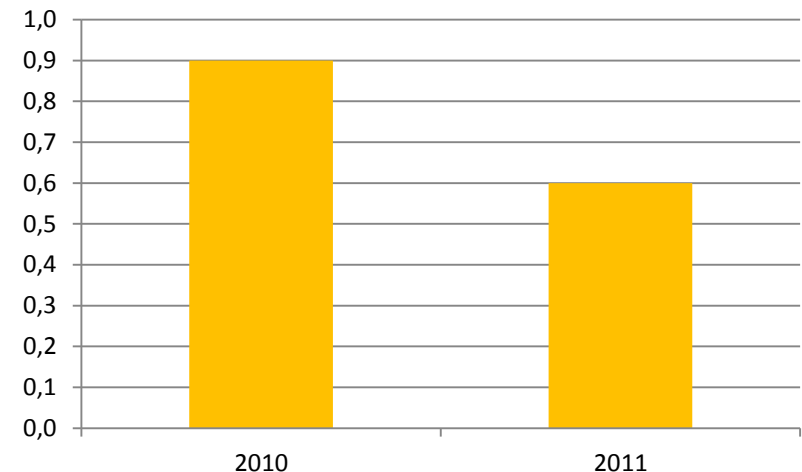
# Dovre Group – Q2/2011

- **Net sales EUR 17.4 (18.6) million**  
– change -6.0%
- **Operating result EUR 0.6 (0.9) million**
- Operating result 3.3% (4.8%) of net sales
- **Result EUR 0.3 (0.5) million**
  
- Net cash flow from operating activities EUR -0.9 (1.2) million
- Earnings per share EUR 0.00 (0.01)

Net Sales



Operating Result (IFRS)



# Business Divisions – Q2/2011

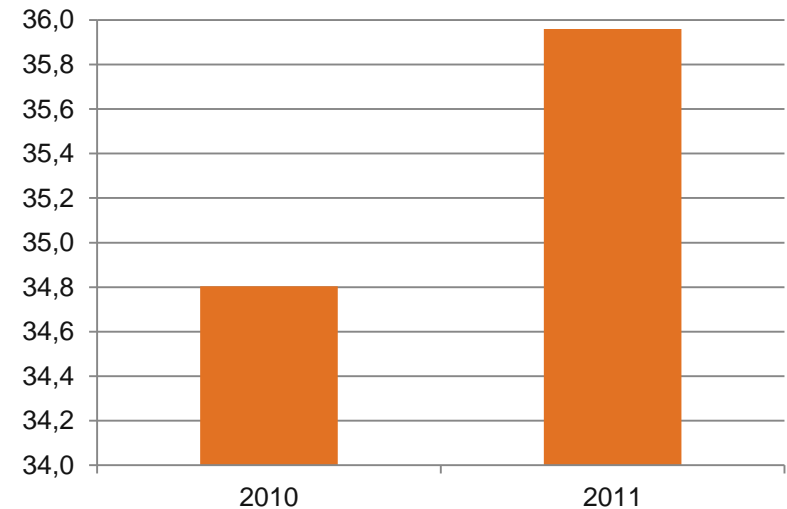
	Project Personnel			Consulting			Software		
(EUR million)	Q2/11	Q2/10	Change	Q2/11	Q2/10	Change	Q2/11	Q2/10	Change
Net sales	14.8	16.1	-7.9%	1.8	1.6	12.3%	0.9	1.0	-8.3%
Operating result	0.5	0.8	-30.4%	0.2	0.2	3.2%	0.1	0.2	-61.6%

- Project Personnel 85% (86%) of Group's net sales
- Consulting 10% (9%) of Group's net sales
- Software 5% (5%) of Group's net sales

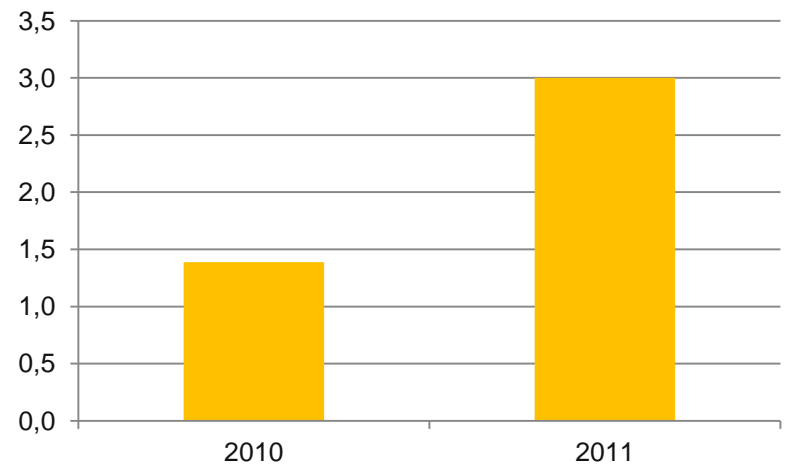
# Dovre Group – H1/2011

- **Net sales EUR 36.0** (34.8) million – growth 3.3%
- **Operating result EUR 3.0** (1.4) million
- Operating result 8.4% (4.0%) of net sales
- **Result EUR 1.7** (1.0) million
- Change of pension plan in Norway (Defined benefit based -> Contribution based) impacted the Operating Result by **EUR 1.7** million and the Result by **EUR 1.2** million.
- Net cash flow from operating activities EUR -0.4 (2.2) million
- Earnings per share EUR 0.03 (0.02)

**Net Sales**



**Operating Result (IFRS)**



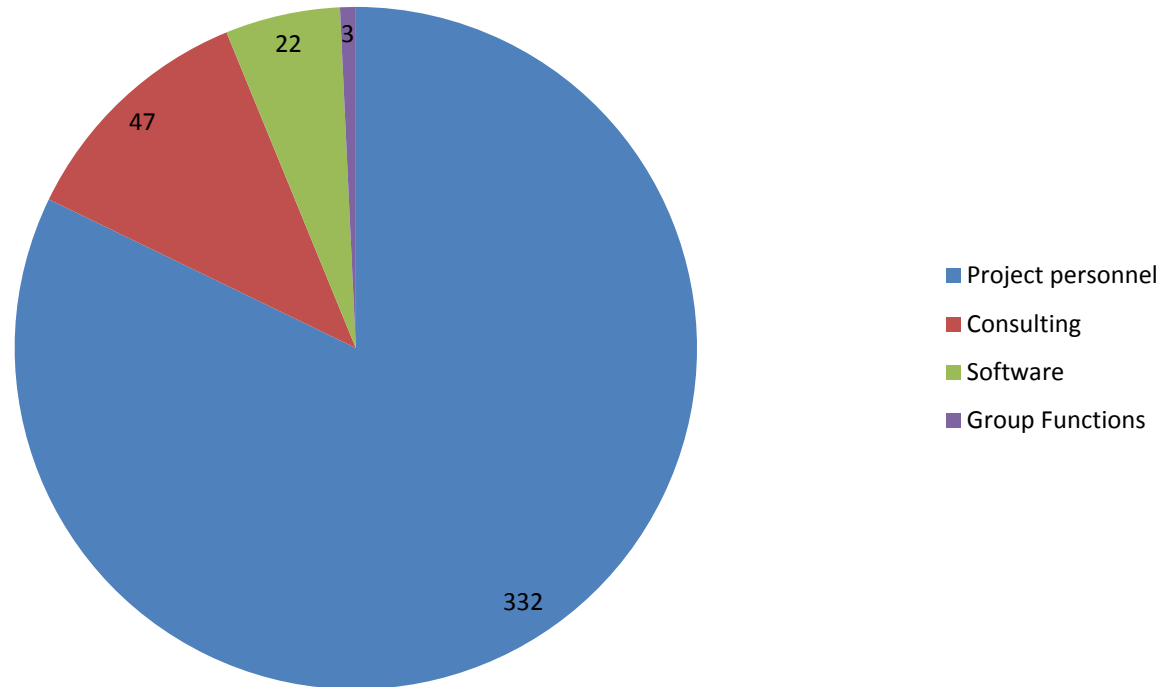
# Business Divisions – H1/2011

	Project Personnel			Consulting			Software		
(EUR million)	H1/11	H1/10	<i>Change</i>	H1/11	H1/10	<i>Change</i>	H1/11	H1/10	<i>Change</i>
Net sales	30.8	30.0	2.6%	3.4	3.1	9.0%	1.9	1.9	3.4%
Operating result	3.0	1.5	102.2%	0.3	0.2	42.8%	0.2	0.3	-19.7%

- Project Personnel 85% (86%) of Group's net sales
- Consulting 10% (9%) of Group's net sales
- Software 5% (5%) of Group's net sales



# Headcount - June 30, 2011



Total headcount: 404 (422)



# CEO comments on results

# CEO comments on Q2/2011

- Net sales decreased 6% from 2010
- In Norway sales still behind Q2/2010, returned to growth in terms of consultants
- In Canada challenges due to one major project ramp down
- Weakening of CAD and USD impacted the net sales
- Consulting division performed well – net sales increased 12% from 2010
- Operating result EUR 0.6 million – EUR 0.3 million lower than in 2010
- Further development and strengthening of the Group

# CEO comments on H1/2011

- Net sales EUR 36.0 million – growth 3.3%
- Net sales increased across business divisions
- Operating result EUR 3.0 million – increase EUR 1.6 million
- Excluding the release of pension provision, operating result EUR 1.3 (1.4) million
- Net cash flow from operations EUR 0.4 million negative due to increase in working capital

# Comments on Strategy

- New growth strategy launched in February 2011  
-> implementation started and ongoing
- Development of global operations and structure
- Expansion to Middle East postponed due to the political unrest in the area
- Change of company's name and external appearance

# Project Personnel

- Demand for services remained stable
- Key challenges:
  - Norway: number of consultants behind Q2/2010
  - Canada: rapid ramp down of a major project
- In Norway, the oil and gas market shows increased demand. Headcount growth achieved during H1/2011
- New frame agreement in technical consulting with Statoil



# Consulting



- Net sales increased by 12% in Q2/2011
- Business units both in Norway and Finland continued growing
- Ongoing activities to develop a common service offering across the Nordic countries
- Market outlook positive
- Recruitment of new leader for the Consulting division - Therese Hindman Persson starting in September 2011



# Software

- Net sales down by 8% from Q2/2010 (a particularly strong quarter)
- Operating result decreased in Q2/2011
- Net sales increased by 3.4% in H1/2011
- Safran actively seeking market expansion outside Norway
- First sales in the UK
- Several reseller agreements signed for international market

# Operational and structural development

- Centralization of financial and cash management is ongoing
- Harmonization of financial processes and systems in progress
- Simplification of the Group's legal structure ongoing
- Measures to improve the efficiency of the Group's operations continue





# Future Outlook 2011




# Future outlook

- Major oil and gas companies have indicated increased investments in new projects over the next two years
- Project Personnel: Demand for services expected to grow in key market areas
- Both Consulting and Software divisions expect growth in net sales in 2011
- We aim for profitable pilots in the new energy sector
- Therese Hindman Persson starting as the new leader of the Consulting division in September 2011



# Future outlook – Guidance

- Net sales and operating result in 2011 expected to grow from 2010
- Guidance has not been changed



# Future outlook – Long-term objectives

- Annual growth of more than 10% from operations and continuous improvement in the operating result to the level of EBIT 5-10%



# Q & A

# Short-term risks and uncertainties

1. Success of the Project Personnel division influenced by the energy sector market and investment levels in the oil and gas industry
2. Project Personnel expands its business to new markets
3. Dovre Group has two major customers, each > 10% of the Group's net sales. The Group is dependent on the long-term frame agreements with its key customers.
4. Oil and gas industry is risk intensive, and single projects may experience delays or accidents. These may affect the net sales of the Project Personnel division. However, Dovre Group responsible for work of the individuals, no overall project responsibilities
5. Market forecasts indicate that investment levels are growing in the Nordic countries, an important market for the Group's Consulting and Software divisions. Growth levels vary across sectors. Risks involved in project delivery are due to both customers and the Group's own personnel
6. Currencies have risk exposure. Hedging started for the Group