

Active 24 first quarter 2006 results

Through Q1 2006 Active 24 had a business development better than the previously communicated expectations. This resulted in a 10% increase in deferred revenue, the company's order backlog. Together with the positive market response to Active 24's new product offering launched April 1, this forms a solid basis for growth from the second half of 2006 and onwards.

HIGHLIGHTS

- 7% increase in number of domains
- 16.3% increase in invoiced sales
- Costs in line with projections
- Successful launch of new product packaging

FINANCIALS

Invoiced sales increased with 16.3% to NOK 63.6 million in Q1 2006 compared to NOK 54.7 in Q1 2005. The recognized revenue decreased by 0.6% to NOK 54.2 million in Q1 2006 compared to NOK 54.5 million in Q1 2005. Recognized revenue based on pro forma figures (including acquisitions) was down 1.5% for Q1 2006 compared to Q1 2005. Operating expenses were NOK 34.8 million in Q1 2006 compared to NOK 35.9 million in Q1 2005. EBITDA for Q1 2006 was NOK 5.3 million compared to NOK 7.9 million in Q1 2005. EBIT ended at NOK -1,8 million, compared with NOK 3,4 million in the same period last year, while Net Earnings was NOK -3,3 million, against NOK 4,1 million in Q1 2005. The Active 24 group had a gross margin of 74% while the net profit margin was -6% in Q1 2006. Cash and cash equivalents were NOK 46.3 million at the end of Q1 2006, compared with NOK 81.3 million at Q1 2005 and NOK 47.6 million in Q4 2005. Deferred revenue was NOK 86.6 million in Q1 2006 compared to 79.1 in Q1 2005 and NOK 77.4 million in Q4 2005.

All figures are based on IFRS accounting principles and this report is made in accordance with IAS 34 (Interim Financial Reporting).

FINANCIAL COMMENTS

The improvement in invoiced sales in Q1 2006 increases the deferred revenue in the balance sheet with NOK 9.3 million and will increase the chargeback in the longer perspective. This adds strength to the growth assumptions previously communicated, and with a expected positive effect in the recognized revenue from second half of 2006. The invoiced sales consist of 24% new sales and 76% renewal sales. Operating expenses in Q1 2006 were NOK 34.8 million, down 10.2% from Q4 2005, and are expected to be further reduced in the coming quarters. Gross margin have stabilised at 74% and is expected to improve in the coming quarters due to the repackaging of the product portfolio from April 1, 2006.

MARKETS

The market conditions are good and Active 24 has growth on all underlying growth indicators. The number of domains increased with 7% to 358 000 in Q1 2006 from 335 000 in Q4 2005. In Q1 2006 number of unique customers increased with 5% to 262 000 from 250 000 in Q4 2005.

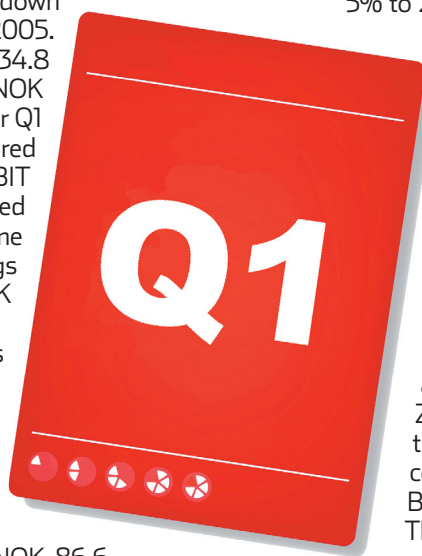
Furthermore the number of hostnames increased with 5% to 236 000 from 225 000 in Q4 2005. The growth on all these key performance indicators shows that the organic growth strategy is enabling Active 24 to capture market share in the company's core markets.

ORGANIZATION

On April 20 Thomas Christensen was appointed new CEO of Active 24 after Jaap Zuiderveld stepped down. Zuiderveld, who has been CEO in Active 24 since December 2004, will continue in the position as Business Development Director. The company's datacenter has been successfully moved to Amsterdam and the project was completed during Q1 2006.

FOCUS FORWARD

Active 24 will continue to streamline its internal processes, products and organization while focusing on core business and organic growth. On April 1, Active 24 launched the new go-to-market strategy with a complete product repackaging. Through this Active 24 introduced the most complete product packages in the market. The customers initial response to the new offering has so far been very good. Going forward Active 24 will continue to add new modules and develop these packages. Further focus will be on core business and there will be a significant increase in marketing activities during Q2. The goals of these initiatives are to improve the brand and strengthen the brand awareness as well as generate more web traffic and online sales. In addition Active 24 will continue to have strong focus on improving the customer service and customer relationship to further reduce churn. All these factors, combined with the development trough Q1 and the start of Q2 give the company a strong belief that the growth ambition and the long term business objectives are realistic. Active 24 will focus on core business and streamline the operations to fit with this strategy.



(all figures in NOK 1,000)

	IFRS	IFRS	IFRS	IFRS
PROFIT AND LOSS STATEMENT	Q1 2006	Q1 2005	YTD 2006	YTD 2005
Invoiced sales	63.607	54.653	63.607	54.653
Deferred revenue	(51.596)	(41.423)	(51.596)	(41.423)
Chargeback	42.210	41.295	42.210	41.295
Total recognized revenue	54.221	54.525	54.221	54.525
Cost of goods sold	(14.063)	(10.757)	(14.063)	(10.757)
Personnel costs	(19.976)	(20.965)	(19.976)	(20.965)
Other operating expenses	(14.857)	(14.898)	(14.857)	(14.898)
Total operating expenses	(48.896)	(46.620)	(48.896)	(46.620)
EBITDA	5.325	7.905	5.325	7.905
Ordinary depreciation	(7.111)	(4.473)	(7.111)	(4.473)
Goodwill dep./writedown	-	-	-	-
EBIT	(1.785)	3.432	(1.785)	3.432
Net financial items	(1.546)	742	(1.546)	742
Profit before tax	(3.331)	4.174	(3.331)	4.174
Tax	(10)	(50)	(10)	(50)
Net profit	(3.342)	4.124	(3.342)	4.124
EBITDA – margin	10 %	14 %	10 %	14 %
EBIT – margin	-3 %	6 %	-3 %	6 %
EPS (NOK)	(0,09)	0,11	(0,09)	0,11
EPS diluted (NOK)	(0,08)	0,10	(0,08)	0,10
Outstanding Shares (mill.)	38.621.865	37.342.111	38.621.865	37.342.111
No. of employees	225	200	225	200

	IFRS	IFRS	IFRS	IFRS
REVENUES DISTRIBUTION	Q1 2006	Q1 2005	YTD Q1 2006	YTD Q1 2005
Northern Europe				
Invoiced sales	35.179	27.196	35.179	27.196
Deferred revenue	(29.589)	(22.547)	(29.589)	(22.547)
Chargeback	23.999	20.023	23.999	20.023
Total recognized revenue	29.589	24.672	29.589	24.672
Operating expenses	(25.566)	(22.221)	(25.566)	(22.221)
EBITDA	4.022	2.450	4.022	2.450
Depreciation	(2.612)	(2.262)	(2.612)	(2.262)
EBIT	1.410	188	1.410	188
Western Europe				
Invoiced sales	20.357	19.553	20.357	19.553
Deferred revenue	(15.216)	(14.237)	(15.216)	(14.237)
Chargeback	12.623	16.959	12.623	16.959
Total recognized revenue	17.764	22.275	17.764	22.275
Operating expenses	(15.672)	(17.551)	(15.672)	(17.551)
EBITDA	2.092	4.724	2.092	4.724
Depreciation	(1.004)	(873)	(1.004)	(873)
EBIT	1.088	3.851	1.088	3.851
Central Europe				
Invoiced sales	8.822	7.904	8.822	7.904
Deferred revenue	(6.792)	(4.639)	(6.792)	(4.639)
Chargeback	5.588	4.312	5.588	4.312
Operating revenue	7.618	7.578	7.618	7.578
Operating expenses	(8.445)	(6.847)	(8.445)	(6.847)
EBITDA	(826)	731	(826)	731
Depreciation	(630)	(214)	(630)	(214)
EBIT	(1.456)	517	(1.456)	517
Elimination Company				
Invoiced sales	(751)	-	(751)	-
Deferred revenue	-	-	-	-
Chargeback	-	-	-	-
Total recognized revenue	(751)	-	(751)	-
Operating expenses	787	-	787	-
EBITDA	36	-	36	-
Depreciation	(2.865)	(1.125)	(2.865)	(1.125)
EBIT	(2.828)	(1.125)	(2.828)	(1.125)
Product Segmentation				
Small Office/Home Office	12.583	19.750	12.583	19.750
Small/Medium Enterprise	30.404	22.688	30.404	22.688
Corporate Enterprise	8.993	9.413	8.993	9.413
Other	2.241	2.674	2.241	2.674
Operating revenue	54.221	54.525	54.221	54.525

BALANCE SHEET	31-03-06	31-03-05	31-12-05
Assets			
Intangible assets			
Goodwill / customer base	40.223	38.215	43.164
Software	8.872	2.168	8.132
Trademarks	607	-	653
Deferred tax assets	20.294	20.474	20.298
Total intangible assets	69.995	60.857	72.247
Fixed assets			
Equipment, machinery and computers	38.601	20.455	34.394
Total fixed assets	38.601	20.455	34.394
Financial fixed assets			
Other financial fixed assets	-	58	-
Total financial fixed assets	-	58	-
Current assets			
Accounts receivable	32.046	36.170	31.614
Prepaid expenses	11.531	12.582	12.209
Deferred cost of goods sold	14.985	9.451	13.116
Cash and bank deposits	46.328	81.308	47.600
Total current assets	104.890	139.511	104.539
Total assets	213.486	220.881	211.180
Equity and liabilities			
Total equity	52.269	68.539	54.580
Long-term debt			
Other long-term debt	20.467	8.370	17.659
Total long-term debt	20.467	8.370	17.659
Current liabilities			
Accounts payable	11.231	15.048	15.351
Tax payable	-	-	-
Public duties payable	8.774	4.313	7.999
Deferred revenue	86.652	79.133	77.371
Preinvoiced customers	15.168	16.623	15.480
Other short-term liabilities	18.924	28.855	22.740
Total current liabilities	140.750	143.972	138.941
Total equity and liabilities	213.486	220.881	211.180

CASH FLOW STATEMENT	IFRS	IFRS	IFRS
	YTD Q1 2006	YTD Q1 2005	2005
Profit before tax	(3.332)	4.173	(13.990)
Taxes paid	-	-	(97)
Loss/gain on sales of fixed assets	(130)	(40)	-
Depreciation/write down	7.111	4.474	33.424
Net paid leasing	2.808	(644)	8.645
Changes in AR and AP	6.196	(258)	3.548
Calculated wages employee options	(222)	710	2.371
Changes in other balance sheet items	(6.039)	(13.376)	(31.125)
Cash flow from operations	6.392	(4.961)	2.777
Proceeds from sale of fixed assets	130	132	354
Investments in tangible fixed assets	(7.579)	(2.072)	(25.540)
Investments in intangible fixed assets	(1.459)	(338)	(11.569)
Purchase of subsidiary (net)	-	-	(14.427)
Proceeds from other receivables	-	(58)	-
Cash in purchased companies	-	-	2.628
Net cash flow from investments	(8.908)	(2.336)	(48.554)
Paid in, but not registered share capital	-	-	-
Proceeds from equity issue	721	-	1.941
Cash flow from financing activities	721	-	1.941
Translation differences/ Equity effect subsidiary	522	(647)	2.184
Net cash flow	(1.273)	(7.944)	(41.653)
Cash and cash equivalents (beginning)	47.600	89.252	89.252
Cash and cash equivalents (end)	46.328	81.308	47.600
	IFRS	IFRS	IFRS
MOVEMENT IN EQUITY	YTD Q1 2006	YTD Q1 2005	2005
Equity at 1st of January	54.580	64.081	64.081
Net share issue	721	-	1.941
Calculated wages employee options	(222)	710	2.371
Translation differences	532	(375)	2.192
Correction prior year error (UK)	-	-	(1.919)
Net profit/loss for the year	(3.342)	4.123	(14.086)
Equity end of period	52.269	68.539	54.580

STOCKHOLDERS (DATE 24/04/2006)

# OF	%	OWNER / INVESTOR	COUNTRY
7.261.150	18,80	RENESSANCE VENTURES	NLD
2.109.625	5,46	GOLDMAN SACHS INTERN EQUITY NONTREATY CUS	GBR
2.097.251	5,43	CARNEGIE ASA MEGLERKONTO UTLAND	NOR
1.925.375	4,99	STATE STREET BANK & CLIENT OMNIBUS F	USA
1.366.670	3,54	XCELERA.COM INC	CYM
953.100	2,47	FOUR SEASONS VENTURE	NOR
844.643	2,19	SVENSKA HANDELSBANKE C/O HANDELSBANKEN AS	SWE
693.100	1,79	MP PENSJON	NOR
687.500	1,78	KLP FORSIKRING PRIVATE EQUITY	NOR
666.080	1,72	SOBONA AS OLA RØTHE	NOR
519.000	1,34	KAUPTHING ASA MARKET-MAKING INNLAN	NOR
423.038	1,10	MARIENLYST EIENDOM A	NOR
411.000	1,06	AASS TRADING AS	NOR
377.942	0,98	TØNNESSEN CHRISTER JOACHIM	NOR
310.000	0,80	ERIKSSON KJELL ANDERS	SWE
302.000	0,78	LA BAY INVESTMENTS L	USA
291.666	0,76	JOHAN HEDLUND	SWE
267.080	0,69	MEYERSON MORTON H.	USA
225.000	0,58	STRØMSVEIEN OSLO AS V/R.SUNDEVALL	NOR
202.000	0,52	VOLLSTAD DAG KRISTIAN	NOR

ABOUT ACTIVE 24

Active 24 is a leading network-independent provider of Internet hosting services in Europe. The company focuses on providing small and medium-sized companies (SMEs) and consumers with complete and cost efficient Internet solutions that combine relevant, scalable and standardised products with exceptional user-friendliness. Active 24 provides more than 260 000 customers with solutions to basic business challenges, so that the customer can redirect his focus from network problems to business opportunities. Active 24 has corporate headquarters in Oslo, Norway, sales and operational support units in the UK, Sweden, the Netherlands, Poland, the Czech Republic, and a virtual presence in 9 European countries.

For more information about Active 24 ASA:
<http://active24.org> or contact:

Thomas Christensen, CEO, +47 922 55 444 or
 thomas.christensen@active24.com

Håkon Welde, Investor Relation Director,
 +47 907 83 311 or hakon.welde@active24.com

Active 24 ASA

P.O Box 1519, Vika Tel: +47 21 93 30 00
 N - 0117 OSLO Fax: +47 21 93 30 01
 Visitor address:
 Fjordalleen 16
 Email: info@active24.no