TROLLTECH®

QUARTERLY REPORT

FOURTH QUARTER

2006

February 27, 2007

Trolltech ASA

Quarterly Report Q4 2006

Highlights

- 28 percent year over year revenue growth in Q4
- Increased operating costs reflect sharply increased activity in sales and product development, including an increase of 76 employees and full-time consultants during the year
- The full year revenue growth of 42 percent was within the expected 40-50 percent range
- Several new products were released in both the Qt and Qtopia product families during the year
- Changed accounting policy regarding revenue recognition of runtime distribution licenses affects revenues positively (2006 NOK 4.1 million); figures for previous periods have been restated accordingly

Financial review

PROFIT AND LOSS (NOK '000)	Q4 2006	Q4 2005	Full year 2006	Full year 2005
Operating revenues	53 068	41 581	174 104	122 798
Operating costs	66 528	36 630	206 829	119 102
EBITDA	(13 460)	4 951	(32 725)	3 696
Depreciation and amortisation	4 527	2 882	15 996	10 135
EBIT	(17 987)	2 069	(48 721)	(6 439)
Net financial items	1 415	789	2 875	935
Profit before tax	(16 572)	2 858	(45 846)	(5 504)

BALANCE SHEET (NOK '000)	2006	2005
Property, plant and equipment	14 693	5 580
Intangible assets	37 915	29 886
Other non-current assets	1 756	680
Trade receivables	41 793	28 921
Cash and cash equivalent	149 658	62 675
Total Assets	245 815	127 742

Equity	151 671	63 297
Non-current liabilities	5 989	6 167
Current income tax liabilities	2 504	653
Trade and other payables	30 079	16 843
Deferred revenue	52 584	38 706
Provisions for other liabilities	2 988	2 076
Total equity and liabilities	245 815	127 742

Revenues

Trolltech ASA (Trolltech) generated revenues of NOK 53.1 million in the fourth quarter 2006, an increase of 28 percent over the fourth quarter 2005.

13 percent of the revenues in the fourth quarter were generated from subcontracted consulting services and training, which had a gross margin of 20 percent.

In the full year of 2006, revenues amounted to NOK 174.1 million, which was an increase of 42 percent compared with 2005. The revenue growth was thus within the previously communicated 40-50 percent estimate range.

The company has changed accounting policy with regards to recognition of pre-paid non refundable runtime distribution licenses, which means that a larger part of revenues are being recognized at the time of delivery as opposed to the time of customer implementation. This had a positive effect of NOK 0.6 million on revenues and profit before tax for the fourth quarter 2006. Figures for the previous periods have been restated accordingly, and had a positive effect on revenue and profit before tax of NOK 4.1 million for 2006 and NOK 4.3 million for 2005.

Trolltech's business is to make software faster to build and easier to use, and its two main product groups are Qt and Qtopia.

Qt is a development tool which enables programmers to deploy their applications on all desktop platforms based on a single source code base. Trolltech launched the first version of Qt in 1996, and has since built a global client base in a wide range of industries.

Qtopia is a software application platform for embedded Linux-based devices. Launched in 2002, Qtopia has attracted significant interest with major mobile phone suppliers as well as with leading vendors such as Motorola and Sony.

Both Qt and Qtopia contributed to the strong growth in 2006. Qt revenue growth was in the higher end of the estimated 30-40 percent range for the full year. Qtopia revenue growth was slightly below the expected growth range of 80-100 percent due to slower-than-expected sales in the second half of the year. As Qtopia is built on Qt, the revenue split between the two product groups is an approximation.

Trolltech's reporting is based on a revenue model built on three main modules; licence sales, license subscription and support, and engineering and consulting. License sales, including runtime licenses for devices, accounted for 47 percent of sales in the fourth quarter, subscriptions and support for 38 percent, engineering and consulting services for 13 percent and other revenues for 2 percent. For the full year, the split was 48 percent from license sales, 42 percent from subscriptions and support, 9 from engineering and consulting services and 1 percent from other revenues.

Split by region, sales in the Americas accounted for 46 percent in the fourth quarter and 44 percent in the full year 2006. The share of sales to the EMEA region was 43 percent in the fourth quarter and 44 percent in the full year 2006, with Asia/Pacific making up the residual 11 percent and 12 percent for the fourth quarter and full year, respectively. In terms of product end-users, the above figures might not be representative, as Trolltech does not have control of the customers' shipment patterns for products built on Qt or Qtopia.

Operating costs

Excluding depreciation and amortization, operating costs were NOK 66.5 million in the fourth quarter of 2006, which was an increase of NOK 29.9 million compared with the same period last year. As noted above, the cost level in the fourth quarter was impacted by third party sales (subcontracted consulting and training services).

For the full year, operating costs were NOK 206.8 million, an increase of NOK 87.7 million from 2005. The bulk of the cost increase relates to increased staff, mainly in sales activities and product development. During the year, Trolltech established new offices in Munich, Berlin and Beijing, and also increased the staff in Redwood City, California, in Brisbane, Australia and at headquarter in Oslo, Norway.

At the end of the fourth quarter, Trolltech had 232 employees, including 23 full-time consultants, which was an increase of 20 people during the quarter and 76 people for the full year.

Operating results

EBITDA was NOK -13.5 million in the fourth quarter of 2006, compared with NOK 5.0 million in the same period last year. For the full year of 2006, EBITDA was NOK −23.0 million, excluding IPO expenses of NOK 9.7 million, compared with NOK 3.7 million last year.

Depreciation and amortization amounted to NOK 4.5 million for the fourth quarter and NOK 16.0 million for full year 2006, compared with NOK 2.9 million and NOK 10.1 million, respectively, for the corresponding periods last year.

EBIT was thus NOK -18.0 million in the fourth quarter, compared with NOK 2.1 million in the same period last year. For the full year 2006, EBIT was NOK -39.0 million in 2006, excluding IPO expenses of NOK 9.7 million, compared with NOK -6.4 million last year.

Net financial items

Net financial items were NOK 1.4 million in the fourth quarter of 2006 compared with NOK 0.8 million in the fourth quarter last year. For the full year of 2006, net financial items were NOK 2.9 million, compared with NOK 0.9 million in 2005. The improved net financials reflect interest on net proceeds from the IPO in July 2006.

Profit (loss) before tax

The loss before tax was NOK 16.6 million in the fourth quarter 2006 and the net loss after tax NOK 14.7 million. This compares with a profit of NOK 2.9 million before tax and a profit after tax of NOK 2.4 million in the same period last year.

For the full year, the loss before tax was NOK 36.0 million in 2006, excluding IPO expenses of NOK 9.7 million, and NOK 45.8 million on a reported basis. The net loss after tax was NOK 46.5 million.

This compares with a loss before tax of NOK 5.5 million, and a loss after tax of NOK 8.2 million in 2005.

Consolidated balance sheet statements

Trolltech had total assets of NOK 245.8 million as of 31 December 2006, compared with NOK 127.7 million at the end of 2005.

Capitalized development costs were NOK 6.4 million in the fourth quarter, compared with NOK 4.0 million in the same quarter last year. For the full year, capitalized development costs amounted to NOK 21.0 million, compared with NOK 15.0 million for 2005. Capitalized development costs are accounted for as intangible assets, and amortized over 3-4 year. Total intangible assets were NOK 37.9 million at the end of 2006, compared with NOK 29.9 million at the end of 2005.

Deferred revenue was NOK 56.2 million on 31 December 2006, compared with NOK 40.2 million at the end of 2005. This primarily refers to contracted but not yet delivered upgrades and maintenance services. Historical figures have been restated in compliance with changed accounting principles for recognition of revenues, which reduced deferred revenue and increased equity. The change had no material effect on the tax expense.

Cash and cash equivalents amounted to NOK 149.7 million at the end of 2006, compared with NOK 42.6 million (including short-term financial assets) at the end of 2005. Trolltech holds no interest bearing liabilities, and the cash situation is regarded as satisfactory.

Consolidated cash flow statements

Cash flow from operations was NOK 4.3 million for the fourth quarter, reflecting up-front payments which partly reflect deferred revenues. Cash flow from investments was NOK -10.3 million, whereas cash flow from financing was NOK 0.2 million in the fourth quarter. Summing up, total net cash flow was NOK –5.8 million in the fourth quarter.

For the full year, cash flow from operations was NOK – 4.0 million for the full year, whereas cash flow from investments was NOK - 13.2 million. Cash flow from financing was NOK 125.3 million, primarily reflecting proceeds from the share issue in connection with the IPO. In sum, net cash flow amounted to NOK 108.1 million in 2006, and cash and cash equivalents was NOK 149.7 at the end of the year.

Market update

Trolltech is in the business of making software faster to build and easier to use, and the markets for Trolltech’s solutions continue to develop in line with the company’s expectations.

Qt

Qt revenues increased by approximately 36 percent for the full year 2006. This was at the top of the expected growth range of 30-40 percent which had been communicated previously. Qt is a development tool which enables programmers to deploy their applications on all desktop platforms based on a single source code base.

The primary market for Qt is software developers working with object-oriented high-performance applications. Qt has so far been available only for software developers programming in C++, but Trolltech in the second half of the year launched three technology versions of Qt Jambi for Java. The tech previews attracted significant interest in the open source community, and Trolltech in February 2007 launched a beta-version of the product. The primary target group is software development companies encompassing both C++ and Java development, with a need for cross-platform application frameworks for both languages.

During the fourth quarter, Trolltech launched Qt version 4.2, which offers more user interface controls, new graphic view functionality and improved look and feel in the Mac environment. Qt 4.2 also supports Portland 1.0, which integrates the two dominating Linux desktop environments KDE and GNOME.

The size of the average customer account continued to increase in the fourth quarter 2006, reflecting that many customers add licenses at renewals. The growth in the customer base also continued at a strong pace in the fourth quarter 2006, although the average size of new contracts was relatively low.

Qtopia

The fourth quarter showed a slower-than-expected uptake of Trolltech's Qtopia, which is an application platform for mobile phones and other embedded Linux-based devices.

Qtopia revenues increased by approximately 67 percent for the full year 2006, which was lower than the expected growth range of 80-100 percent which has previously been communicated. The primary reason is relatively slow sales in the latter part of the year, and lower-than-expected run-time fees from devices sold by the company's customers.

Motorola remains the company's largest Qtopia customer, generating revenues on par with the previous quarter. Motorola earlier in the year increased the number of Qtopia development licenses to 300, and Qtopia is integrated in all of the Linux-based phones released by Motorola to date.

Trolltech earlier in the second half launched the Qtopia Greenphone, which is the first open-source Linux mobile device. This enables developers to create, modify and test applications in a live and working GSM/GPRS environment. The primary target group is commercial and open source developers, Trolltech partners, and in-house software developers at operators and OEM. On November 28, the company announced Qtopia Greensuite, which is a complete software stack including both Qtopia Phone Edition and integrated partner components.

Qtopia Greenphone and Qtopia Greensuite have attracted significant interest in the open-source community and further built the Trolltech and Qtopia brand names. However, the commercial revenue has as expected been limited so far.

Qtopia 4.2 was launched on December 19, with complete VoiP and WiFi-functionality and enhancements of existing telephony capabilities and multimedia player. Qtopia 4.2.1 was released on February 22, 2007. This version also includes scalable vector graphics (SVG) and the Helix DNA Client from RealNetworks.

Both Greenphone and Qtopia have received industry accolades during the quarter, with Greenphone being awarded "Best Embedded Linux Product or Initiative" at the UK Linux and Open Source Awards, and the Qtopia Phone

Edition receiving several awards from MobileChina Media, the China Institute of Communication and Customer Inter@action Solutions Magazine.

Outlook

Trolltech continues to see a healthy outlook for its Qt product family in 2007, with a growth rate that stands out compared to other software suppliers in the desktop market. Trolltech also sees big potential in the Qtopia product family, although revenue growth for this product family to a large degree is dependent on customers' sales of devices to end-users.

Qtopia is built on Qt, and Trolltech is working to further integrate the product families in its sales activities as well as in ongoing and future product development. The revenue generation will thus be increasingly difficult to split by product family, and the development should rather be evaluated in terms of license sales, subscription and support fees and engineering and consulting services.

Overall, Trolltech expects that the revenue growth in 2007 will be in line with the growth rates the company has achieved over the previous three years.

Trolltech has invested heavily in increased engineering capabilities and sales activities during 2006, which is reflected in the increased number of employees and full-time consultants during the year. The company will continue to add highly skilled professionals also in 2007, although the increase in staff is expected to be significantly lower in both absolute and relative terms compared to 2006. As a result of this, the increase in operational costs is also expected to be lower than in 2006.

This report contains forward looking statements. These statements are based on various assumptions, many of which are based, in turn, upon further assumptions, including Trolltech management's examinations of historical operating trends. Although Trolltech believes that these assumptions were reasonable when made, because assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond its control, Trolltech cannot give assurance that it will achieve or accomplish these expectations, beliefs or intentions

Oslo, February 27, 2007
The Board of Directors

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CONSOLIDATED INTERIM INCOME STATEMENT (UNAUDITED)

(All numbers in NOK 1,000 unless otherwise stated)

	NOTES	Q4 2006	Q4 2005 (restated)	2006	2005 (restated)
Revenues	3, 8	**53,068**	**41,581**	**174,104**	**122,798**
Cost of services sold		(5,716)	(973)	(10,658)	(3,466)
Employee benefit expense		(39,017)	(21,030)	(117,438)	(68,074)
Other operating costs		(22,328)	(14,790)	(79,722)	(46,726)
Depreciation and amortisation		(4,527)	(2,882)	(15,996)	(10,135)
Other income (expense), net		533	163	989	(836)
Operating profit (loss)		**(17,987)**	**2,069**	**(48,721)**	**(6,439)**
Finance (expense) income		1,415	789	2,875	935
Profit (loss) before income tax		**(16,572)**	**2,858**	**(45,846)**	**(5,504)**
Income tax expense		1,898	(416)	(680)	(2,697)
Profit (loss) for the period		**(14,674)**	**2,442**	**(46,526)**	**(8,201)**

Earnings per share for profit attributable to the equity holders of the Company during the period (expressed in NOK per share)

	NOTES				
- basic	6	(0,28)	0,06	(0,98)	(0.19)
- diluted	6	(0,28)	0,05	(0,98)	(0.19)

The notes on pages 13 to 17 are an integral part of this condensed consolidated interim financial information.

CONSOLIDATED INTERIM BALANCE SHEET (UNAUDITED)

(All numbers in NOK 1,000 unless otherwise stated)

ASSETS	NOTES	31.12.2006	31.12.2005 (restated)
Non-current assets			
Property, plant and equipment	4	14,693	5,580
Intangible assets	5	37,915	29,886
Deferred tax assets		1,334	460
Other non-current assets		422	220
Total non-current assets		**54,364**	**36,146**
Current assets			
Trade and other receivables		41,793	28,921
Available for sale financial assets		0	20,057
Cash and cash equivalents		149,658	42,618
Total current assets		**191,451**	**91,596**
TOTAL ASSETS		**245,815**	**127,742**
EQUITY			
Share capital		2,095	217
Other reserves		184,628	51,606
Retained earnings		-35,052	11,474
Total equity		**151,671**	**63,297**
LIABILITIES			
Non-current liabilities			
Pension liabilities		1,669	1,560
Deferred revenue		3,852	1,475
Deferred tax liabilities		0	3,007
Other liabilities		468	125
Total non-current liabilities		**5,989**	**6,167**
Current liabilities			
Trade and other payables		30,079	16,843
Current income tax liabilities		2,504	653
Deferred revenue		52,584	38,706
Provisions and other liabilities		2,988	2,076
Total current liabilities		**88,155**	**58,278**
Total liabilities		**94,144**	**64,445**
TOTAL EQUITY AND LIABILITIES		**245,815**	**127,742**

The notes on pages 13 to 17 are an integral part of this condensed consolidated interim financial information.

CONSOLIDATED INTERIM CASH FLOW STATEMENT (UNAUDITED)

(All numbers in NOK 1,000 unless otherwise stated)

	NOTES	2006	2005
			(restated)
Cash flows from operating activities			
Profit (loss) before taxes for the period		(45,846)	(5,504)
Adjustments for:			
- Depreciation and amortisation		15,996	10,177
- Non-cash transition related to cost of share options		10,398	3,476
Changes in working capital (excluding the effects of exchange differences on consolidation):			
- Trade- and other receivables		(13,075)	(12,586)
- Trade and other payables and provisions		14,490	8,827
- Deferred revenue		16,255	17,394
- Pension liability		110	(221)
Cash generated from operations		(1,672)	21,563
- Income tax paid		(2,318)	(1,620)
Net cash generated from operating activities		**(3,990)**	**19,943**
Cash flows from investing activities			
Investments in intangible assets	4	(20,995)	(14,625)
Purchase of property, plant and equipment	5	(12,248)	(4,955)
Sale (purchase) of financial assets		20,057	(20,000)
Net cash used in investing activities		**(13,186)**	**(39,580)**
Cash flows from financing activities			
Proceeds from issuance of ordinary shares		125,294	41,169
Net cash generated from financing activities		**125,294**	**41,169**
Net increase in cash and cash equivalents		**108,118**	**21,532**
Cash and cash equivalents at beginning of the period		**42,618**	**20,012**
Exchange gains (losses) on cash		(1,078)	1,074
Cash and cash equivalents at end of the period		**149,658**	**42,618**

The notes on pages 13 to 17 are an integral part of this condensed consolidated interim financial information.

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

(All numbers in NOK 1,000 unless otherwise stated)

	NOTES	Share capital	Other reserves	Retained earnings	Total equity
Balance at January 1, 2005		**194**	**5,530**	**19,675**	**25,399**
Currency translation differences		-	1,454	-	1,454
Loss for the year		-	-	(8,201)	(8,201)
Total recognised income per December 31, 2005		-	1,454	(8,201)	(6,747)
Share issue net of transaction cost		23	41,034	-	41,057
Employees share option scheme					
– value of employee services		-	3,476	-	3,476
– proceeds from shares issued		0	112	-	112
Balance at December 31, 2005		**217**	**51,606**	**11,474**	**63,297**
Balance at January 1, 2006		**217**	**51,606**	**11,474**	**63,297**
Currency translation differences		-	(792)	-	(792)
Loss for the period		-	-	(46,526)	(46,526)
Total recognised income for the period		-	(792)	(46,526)	(47,318)
Conversion of other reserves to share capital		1,526	(1,526)	-	-
Share issue net of transaction cost		347	124,502		124,849
Employees share option scheme for the period:					
– value of employee services		-	10,398	-	10,398
– proceeds from shares issued		5	440	-	445
Balance at December 31, 2006		**2,095**	**184,628**	**(35,052)**	**151,671**

Previous years figures have been restated according to new accounting policy.

The notes on pages 13 to 17 are an integral part of this condensed consolidated interim financial information.

NOTE 1 CORPORATE INFORMATION

Trolltech ASA (“the Company”) and its subsidiaries (together ‘the Group’) develop, distribute and sell Qt and Qtopia software. Qt is a complete C++ application framework, including a class library and tools for cross-platform development. Qtopia is comprehensive application platform for mobile and embedded devices powered by Linux.

The Company is a limited liability company incorporated and domiciled in Norway. The address of its registered office is Sandakerveien 116, NO-0484 Oslo.

The condensed consolidated interim financial information for 2006 closing December 31 includes the company and its subsidiaries. This condensed consolidated interim financial information has been authorised for issue by the Board of Directors on February 27, 2007.

The Company’s shares were split 1 to 4 on May 26, 2006 and on June 29, 2006, the shares were combined in the ratio 2 to 1. Earnings per share (basic and diluted) and the number of options and NOK related to the price per share and the weighted average estimated price are adjusted accordingly on a retrospective basis.

NOTE 2 ACCOUNTING POLICIES

Trolltech’s condensed consolidated interim financial information is prepared in accordance with International Financial reporting Standards (IFRS) as adopted by the European Union in accordance with IAS 34, Interim Financial Reporting.

During fourth quarter 2006 Trolltech ASA changed its accounting policy for the treatment of revenue recognition of royalty. The change is described in note 8 to this quarter report.

For all other policies the same accounting policies and methods of computation are followed as compared with the financial statements for the year ending December 31, 2005 and this condensed consolidated interim financial information should therefore be read together with the consolidated financial statements for the year ended December 31, 2005 prepared in accordance with IFRS as adopted by the European Union.

No new standards, amendments and interpretations to existing standards have been published that are mandatory for the Group’s accounting periods beginning on January 1, 2006 effecting the condensed consolidated interim financial information.

NOTE 3 SEGMENT INFORMATION

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within particular economic environments that are subject to risks and returns that are different from those of segments operating in other economic environments. The Group has operating companies located in four countries; Norway, USA, Australia and Germany. In addition, the Company has one representative office in Beijing, China.

Primary reporting format - business segments
According to the Group's internal financial reporting systems, business segments are the primary basis for segmentation. Based on IAS 14, the Company considers that the entire Group's operations constitute a single business segment. The Company's business areas and revenues are strongly dependent on each other and have similar risks, deliveries and returns, meaning that they are similar of nature and therefore not reported separately.

Secondary reporting format - geographical segments
Secondary segments consist of geographic markets. The risk and return s of the Group are influenced both by the geographical location of its operations and also by the location of its markets. Trolltech's definition of geographical segments is based on the location of its markets and customers.

Transactions within the different segments are eliminated.

Revenues
(All numbers in NOK 1,000)

	Q4 2006	%	Q4 2005	%	2006	%	2005	%
EMEA	22,702	43	18,571	45	75,979	44	51,465	42
Americas	24,634	46	18,182	44	76,136	44	56,401	46
Asia/Pacific	5,732	11	4,828	11	21,989	12	14,932	12
Total	**53,068**	**100**	**41,581**	**100**	**174,104**	**100**	**122,798**	**100**

Assets
(All numbers in NOK 1,000)

	2006	%	2005	%
EMEA	209,345	85	97,067	76
Americas	30,124	12	18,303	14
Asia/Pacific	6,346	3	12,372	14
Total	**245,815**	**100**	**127,742**	**100**

Capital expenditures
(All numbers in NOK 1,000)

	Q4 2006	%	Q4 2005	%	2006	%	2005	%
EMEA	8,505	84	5,863	95	28,414	85	18,313	94
Americas	-	-	194	3	2,543	8	549	3
Asia/Pacific	1,626	16	141	2	2,287	7	718	3
Total	**10,131**	**100**	**6,198**	**100**	**33,244**	**100**	**19,580**	**100**

The capital expenditures include investments in fixed assets and capitalization of development costs.

Analysis of sales by category
(All numbers in NOK 1,000)

	Q4 2006	%	Q4 2005	%	2006	%	2005	%
Sales of licenses	24,872	47	19,980	48	84,083	48	62,076	51
License subscription and support	19,948	38	12,825	31	72,164	42	48,138	39
Engineering and consulting	7,106	13	4,295	10	15,789	9	7,311	6
Other revenue	1,141	2	4,481	11	2,068	1	5,273	4
Total	**53,068**	**100**	**41,581**	**100**	**174,105**	**100**	**122,798**	**100**

NOTE 4 PROPERTY, PLANT AND EQUIPMENT

(All numbers in NOK 1,000)

The Group has invested NOK 3,570 (Q4 2005: NOK 2,201) in tangible assets the fourth quarter 2006. Total for 2006 is NOK 12,248 (2005 NOK 4,955).

NOTE 5 INTANGIBLE ASSETS

(All numbers in NOK 1,000)

Capitalised development costs

	Q4 2006	YTD 2006
Carrying amount at start of period	**35,369**	**29,886**
Additions	6,441	20,951
Amortisation	(3,895)	(12,922)
Carrying amount at December 31, 2006	**37,915**	**37,915**

	Q4 2005	YTD 2005
Carrying amount at start of period	**28,219**	**22,920**
Additions	3,999	14,981
Amortisation	(2,332)	(8,015)
Carrying amount at December 31, 2005	**29,886**	**29,886**

NOTE 6 EARNINGS PER SHARE

(All numbers in NOK 1,000)

Basic

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	Q4 2006	Q4 2005	2006	2005
Profit attributable to equity holders of the Company	(14,674)	2,442	(46,526)	(8,201)
Weighted average number of ordinary shares in issue (thousands)	52,350	43,318	47,567	42,352
Basic earnings per share (NOK per share)	**(0,28)**	**0,06**	**(0,98)**	**(0.19)**
Diluted earnings per share (NOK per share)	**(0,28)**	**0,05**	**(0,98)**	**(0.19)**

Diluted

Since the net profit is negative for Q4 2006, 2006 and 2005, the dilutive instruments will have an anti dilutive effect when calculating dilutive earnings per share. Based on this, there will be no difference between earnings per share and dilutive earnings per share for the different periods.

For information about outstanding options that could have a dilutive effect in the future see note 7.

NOTE 7 SHARE BASED COMPENSATION

As of December 31, 2006 there are 3,303,847 options outstanding. The options granted have the same conditions as described in the annual report for fiscal year 2005.

	2006	2005
	Options (thousands)	**Options (thousands)**
At January 1	**1,122**	**624**
Granted	2,661	560
Forfeited	(77)	(12)
Exercised	(371)	(46)
Lapsed	(31)	(4)
At December 31	**3,304**	**1,122**

Out of the 3,304 thousands outstanding options in 2006 (2005: 1,122 thousands options), 303 thousands options (2005: 196 thousands) were exercisable. Options exercised YTD 2006 resulted in 371 thousands shares (2005: 46 thousands shares) being issued at average NOK 0.94 per share (2005: average NOK 2.52 per share). The related weighted average estimated price at the time of exercise was average NOK 12.38 per share (2005: NOK 7,90 per share). The related transaction cost amounting to NOK 3 (2005: NOK 3) has been netted off with the proceeds received.

NOTE 8 CHANGE OF ACCOUNTING POLICY

During fourth quarter Trolltech ASA changed its accounting policy for revenue recognition of non-refundable prepaid royalty (runtime distribution licenses/runtime fee). Previously Trolltech ASA recognised other runtime fees that were paid for an unspecified period based on sales reports received from the customer as described in the consolidated financial statements for the year ended December 31, 2005.

With the new policy, non-refundable prepaid royalty is recognised when customers irrevocably commit to purchase the right to deploy a minimum of runtime licenses and all other recognition criteria are fulfilled.

Management judges that this policy provides reliable and more relevant information because the revenue is recognised when Trolltech ASA has transferred the significant risk and rewards to the customer.

For other products and services revenue recognition is as described in the consolidated financial statements for the year ended December 31, 2005.

This change in accounting policy has been accounted for retrospectively, and the comparative statements for 2005 have been restated. The effect of the change is presented below.

	Q4 2006	Q4 2005	2006	2005
Increase in revenue	585	2,640	4,075	4,260

The change of policy had no material effect on the income tax expense for the different periods.