

**EDB BUSINESS PARTNER ASA
PRELIMINARY ANNUAL REPORT FOR 1999**

Summary

Figures for the year to 31 December 1999 are presented on both a proforma comparable basis as if the merger of EDB ASA and Telenor Programvare had taken place at 1 January 1998, and also in accordance with the past equity method with the EDB group consolidated into the figures with effect from 1 May 1999. The following commentary is based on the comparable proforma figures.

The group's operating revenues in 1999 amounted to NOK 3,414 million, representing an increase of 23% from the comparable figure for the previous year. Strong growth was seen in most of the group's areas of business.

Operating profit before goodwill depreciation amounted to NOK 190.2 million in 1999, representing an improvement on the previous year. Consultancy Services and Systems reported a significant improvement in profitability between 1998 and 1999, with an increase in profit of 86%. Computer Operating Services and Infrastructure reported somewhat weaker earnings than for the previous year, but the last two quarters saw very strong performance on a par with that seen in 1998.

The group's operating margin for the fourth quarter in isolation was 5.4%, and the quarter produced profit before goodwill depreciation of NOK 51.9 million.

Financial items represented a net expense of NOK 12.8 million in 1999, of which the share in results of associated companies accounted for a net charge of NOK 0.7 million. Calculated tax was NOK 53.4 million, producing a figure for profit after tax of NOK 48.8 million which is 13% higher than the comparable figure for 1998.

Profit after tax but before goodwill depreciation amounted to NOK 122.7 million for the year, and represents NOK 1.78 per share as compared to NOK 1.86 per share for 1998.

The group's balance sheet as at 1 January 1999 included NOK 735 million of goodwill, of which NOK 321 million relates to previous acquisitions, whilst the merger of EDB ASA and Telenor Programvare created a further NOK 414 million of goodwill. Goodwill increased by NOK 92 million in December 1999 as a result of the acquisition of Telesciences Inc., and this company is consolidated in the group's accounts with effect from 7 December 1999.

The group's cash flow from operational activities amounted to NOK 343 million for the year, equivalent to NOK 4.97 per share as compared to NOK 5.28 per share for the previous year. Internally financed investments amounted to NOK 359 million in 1999. Corporate acquisitions accounted for NOK 160 million of the total, and investments in operating assets amounted to NOK 200 million, mainly in respect of the group's centralised computer operating services function. This investment largely reflected a need to increase capacity as a result of the higher production volumes generated by customers.

The group's financial condition is considered to be good, with liquid assets of NOK 416 million. This represents an increase of NOK 51 million from the previous quarter. The equity ratio, including goodwill, stands at 43.6% and the equivalent ratio excluding goodwill stands at 20.6%.

The Board will recommend to the Annual General Meeting that a dividend equivalent to 20% of the group's proforma post-tax profit should be paid. This is equivalent to NOK 0.14 per share, amounting to NOK 9.7 million in total.

Consultancy Services and Systems

This business area comprises services related to project management, consultancy advice, systems development and the administration of computer systems, as well as the development and sale of software. The latter activity is concentrated on applications for banking and finance, the health care sector, telecommunications and public sector administration. The group's computer training business also forms part of this business area.

The legal entities which are solely involved in providing the products and services offered by this business area are EDB 4tel, Telesciences, EDB InfoMedica and EDB Dolphin. In addition to this the business area involves Ephorma, in which the group has a 50% interest, and includes elements of the activities of EDB Fundator, EDB Maxware, EDB Intech and EDB Novit.

Operating revenues for this business area amounted to NOK 1,764 million in 1999, representing an increase of 18% from 1998. Growth was strongest in sales of services and systems to the banking and finance and telecommunications markets.

Operating profit before goodwill depreciation totalled NOK 71.4 million in 1999, representing a NOK 33.1 million improvement from the previous year. The year on year increase in profit reflects the fact that the 1998 results were burdened by costs related to significant development projects for both the banking and health markets which have since been concluded. In addition software sales and related services showed a very strong performance in 1999.

The fourth quarter in isolation produced a profit of NOK 16.3 million, which was somewhat better than the preceding quarter. The level of activity seen in the fourth quarter was affected to some extent by the banking sector standstill on new IT developments which came into effect on 1 October 1999. In addition the group experienced a generally cautious approach in the market to starting any new IT activities in the run-up to the millennium shift.

The second quarter also saw the start of work on a major project to convert a comprehensive existing telecommunications system to a new technology platform. This work represents a necessary step to ensure a wider market for the product. This project led to a burden on the quarter's results of NOK 7 million, and reduced fourth quarter results by a further NOK 13 million, which was a little lower than had originally been expected. The project is due to be completed in the summer of this year.

Infrastructure and Computer Operating Services

This business area comprises both the centralised and remote operation of computer systems, computer communications and services related to backup and printing. This business area is also involved in equipment sales and providing services related to its sales of PCs and networks.

The legal entities which make up this business area are EDB Teamco in its entirety together with elements of the activities of EDB Fundator, EDB Maxware, EDB Intech and EDB Novit.

Operating revenues for this business area in 1999 amounted to NOK 1,740 million, representing an increase of 32% from the previous year. Around 10 percentage points of the increase reflect the impact of an extraordinarily high level of PC sales in connection with deliveries of home PCs in the second and fourth quarters. In addition revenues from operating services have shown a general increase.

The business area's operating profit before goodwill depreciation amounted to NOK 141.9 million in 1999. Profit for the fourth quarter in isolation amounted to NOK 48.4 million.

This was in line with the profit reported for the same quarter of 1998 despite downward pressure on prices for some areas of our computer operating services. This positive performance reflects the production of a markedly higher volume of work for customers on a cost base which did not increase at the same rate. In addition savings have been achieved in respect of a number of areas of fixed costs.

Integrating the activities of the computer centres operated by EDB Teamco and EDB Fundator will create synergy benefits in many areas of cost. The full effect of this will first be seen in the second quarter of year 2000, but savings have already been produced in some areas. The integration process involved in bringing together the operations of the two computer centres is well underway.

Other matters

The holding company EDB Business Partner ASA reports as a separate business area titled 'Administration'. The holding company had no operating revenues, and its operating expenses amounted to NOK 20 million in 1999.

The group employed approximately 2,234 staff in its wholly owned companies at the end of 1999. This represents an increase of 16% over the course of the year.

The group operates a share option agreement for some of its employees. As at 31 December 1999 options over a total of 9.4 million shares were outstanding, of which options over 2.8 million shares can be exercised in May 2000. An amount of NOK 22.4 million was expensed in 1999 in respect of both employer's taxation related to these options and costs associated with management bonuses, with the major part of this amount being recorded in the last quarter of the year.

Future prospects

Now that year 2000 has arrived, there are signs in the market that the level of activity will improve over the course of the first quarter. It has recently been decided that the banking sector standstill period, which was originally intended to run to 1 March 2000, will now terminate on 1 February. Margins for consulting services and systems are accordingly expected to improve during the course of the first quarter. The group's computer operating services continue to enjoy a high level of production volume, and this serves to compensate for falling prices. The standstill period mentioned above is not expected to have any great impact on the continuing systems development and maintenance assignments undertaken for the group's customers.

The work of bringing together the group's two computer centres is well under way. This process is expected to create significant synergy with effect from the second quarter of 2000.

It was decided in December 1999 to restructure the group's systems integration activities in order to improve the focus of the group's business activities. This is to be done by transferring the systems integration activities carried out by EDB Maxware and EDB Fundator to EDB Intech. This will leave EDB Fundator as a focused consulting services activity, whilst EDB Maxware will be a specialised Internet supplier. The group is seeking to streamline its activities by making use of economies of scale and focusing on the core business activities of its various units. Further work in this respect will continue during year 2000.

Oslo, 27 January 1999

The Board of Directors of EDB Business Partner ASA

EDB ASA - CONSOLIDATED ACCOUNTS

BY BUSINESS AREA (NOK mill.)

| Operating revenue: | 1999 | | | | | 1998 | | | | |
|--|----------------|--------------|--------------|--------------|--------------|----------------|--------------|--------------|--------------|--------------|
| | 1999 year | Q4 | Q3 | Q2 | Q1 | 1998 year | Q4 | Q3 | Q2 | Q1 |
| Consultancy Services & Systems | 1 763.6 | 499.1 | 394.1 | 451.2 | 419.1 | 1 494.7 | 425.0 | 368.0 | 359.2 | 342.6 |
| Infrastructure & Computer Operating Services | 1 740.1 | 491.8 | 390.8 | 489.2 | 368.3 | 1 313.8 | 364.4 | 329.0 | 306.5 | 313.9 |
| Netting | -89.7 | -21.2 | -30.8 | -25.7 | -12.0 | -36.2 | 4.9 | -37.6 | -1.7 | -1.8 |
| EDB-Group | 3 414.0 | 969.7 | 754.1 | 914.7 | 775.5 | 2 772.3 | 794.3 | 659.3 | 663.9 | 654.7 |

| Operating profit before goodwill depreciation: | 1999 | | | | | 1998 | | | | |
|--|--------------|-------------|-------------|-------------|-------------|--------------|-------------|-------------|-------------|-------------|
| | 1999 year | Q4 | Q3 | Q2 | Q1 | 1998 year | Q4 | Q3 | Q2 | Q1 |
| Consultancy Services & Systems | 71.4 | 16.3 | 14.4 | 27.7 | 13.0 | 38.3 | 20.2 | 16.3 | 7.0 | -5.1 |
| Infrastructure & Computer Operating Services | 141.9 | 48.4 | 47.0 | 29.5 | 16.9 | 158.8 | 47.6 | 47.5 | 35.6 | 28.1 |
| Administration | -20.0 | -11.8 | -2.9 | -3.1 | -2.2 | -8.7 | -2.9 | -2.3 | -1.7 | -1.7 |
| Netting | -3.1 | -1.0 | -1.3 | -0.1 | -0.7 | 0.3 | -0.2 | 0.5 | -0.1 | 0.1 |
| EDB-GROUP | 190.2 | 51.9 | 57.2 | 53.9 | 27.0 | 188.8 | 64.6 | 62.0 | 40.7 | 21.4 |

| Operating margin | 1999 | | | | | 1998 | | | | |
|--|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 1999 year | Q4 | Q3 | Q2 | Q1 | 1998 year | Q4 | Q3 | Q2 | Q1 |
| Consultancy Services & Systems | 4.0 % | 3.3 % | 3.7 % | 6.1 % | 3.1 % | 2.6 % | 4.7 % | 4.4 % | 1.9 % | -1.5 % |
| Infrastructure & Computer Operating Services | 8.2 % | 9.8 % | 12.0 % | 6.0 % | 4.6 % | 12.1 % | 13.1 % | 14.4 % | 11.6 % | 8.9 % |
| EDB-GROUP | 5.6% | 5.4 % | 7.6 % | 5.9 % | 3.5 % | 6.8 % | 8.1 % | 9.4 % | 6.1 % | 3.3 % |

EDB ASA - CONSOLIDATED ACCOUNTS AS AT 31.12.99***Presented on a comparable proforma basis***

| PROFIT AND LOSS ACCOUNT | 1 9 9 9 | | | 1 9 9 8 | | |
|--|----------------------|-------------|-------------|------------------|--------------|-------------|
| | 1999 year | Q 4 | Q 3 | 1998 year | Q 4 | Q 3 |
| OPERATING REVENUES | 3 414.0 | 969.7 | 754.2 | 2 772.3 | 794.3 | 659.3 |
| Cost of goods sold | 1 194.5 | 337.1 | 286.5 | 923.9 | 236.4 | 130.5 |
| Other operating costs | 1 871.1 | 545.4 | 372.9 | 1 519.9 | 450.0 | 434.8 |
| OPERATING PROFIT BEFORE DEPRECIATION (EBITDA) | 348.4 | 87.2 | 94.8 | 328.6 | 108.0 | 94.0 |
| Ordinary depreciation | 158.2 | 35.2 | 37.7 | 139.8 | 43.3 | 32.0 |
| OPERATING PROFIT BEFORE GOODWILL DEPRECIATION | 190.2 | 52.0 | 57.1 | 188.8 | 64.7 | 62.0 |
| Goodwill depreciation | 74.1 | 18.4 | 20.5 | 86.2 | 23.4 | 19.2 |
| OPERATING PROFIT AFTER GOODWILL DEPRECIATION | 116.1 | 33.7 | 36.6 | 102.6 | 41.3 | 42.9 |
| Net financial items | -12.8 | -9.5 | -2.2 | -4.2 | -3.3 | -0.7 |
| PROFIT BEFORE TAX AND MINORITY INTERESTS | 103.3 | 24.1 | 34.4 | 98.4 | 38.0 | 42.2 |
| Tax | -53.4 | -19.7 | -18.9 | -54.7 | -21.7 | -22.0 |
| Minority interests | -1.3 | -0.5 | -0.2 | -0.7 | 0.2 | -0.6 |
| PROFIT AFTER TAX | 48.8 | 4.0 | 15.2 | 43.0 | 16.5 | 19.6 |

EDB ASA - CONSOLIDATED ACCOUNTS AS AT 31.12.99***Presented on a comparable proforma basis***

| BALANCE SHEET | 31.12.99 | 30.09.99 | 31.12.98 | 30.09.98 |
|--|-----------------|-----------------|-----------------|-----------------|
| Deferred tax allowances | 33.5 | 30.8 | 29.3 | 29.3 |
| Goodwill | 736.0 | 687.3 | 735.1 | 752.2 |
| Fixed assets | 549.3 | 466.5 | 327.5 | 463.7 |
| TOTAL FIXED ASSETS | 1 318.8 | 1 184.7 | 1 091.9 | 1 245.2 |
| Inventories | 32.4 | 13.9 | 24.5 | 9.9 |
| Other short term receivables | 775.4 | 749.4 | 577.1 | 758.9 |
| Liquid assets | 415.7 | 365.5 | 438.5 | 183.9 |
| TOTAL CURRENT ASSETS | 1 223.5 | 1 128.8 | 1 040.1 | 952.7 |
| TOTAL ASSETS | 2 542.3 | 2 313.5 | 2 132.0 | 2 197.9 |
| Share capital | 121.8 | 121.4 | 121.5 | 121.4 |
| Other equity capital | 937.3 | 949.1 | 917.1 | 919.1 |
| Current year profit | 48.8 | 44.8 | | 26.5 |
| TOTAL EQUITY | 1 107.9 | 1 115.3 | 1 038.6 | 1 067.0 |
| Minority interests | 2.3 | 1.9 | 0.9 | 1.0 |
| Non-interest bearing liabilities | 117.5 | 82.4 | 63.7 | 145.9 |
| Interest bearing liabilities | 462.7 | 312.1 | 430.9 | 344.7 |
| TOTAL LONG TERM LIABILITIES | 580.2 | 394.5 | 494.6 | 490.6 |
| Non-interest bearing liabilities | 844.8 | 798.6 | 591.1 | 638.1 |
| Interest bearing liabilities | 7.1 | 3.1 | 6.8 | 0.9 |
| TOTAL CURRENT LIABILITIES | 851.8 | 801.7 | 597.9 | 639.0 |
| TOTAL LIABILITIES AND EQUITY | 2 542.3 | 2 313.5 | 2 132.0 | 2 197.6 |
| | | | | |
| CASH FLOW ANALYSIS | 31.12.99 | 30.09.99 | 31.12.98 | 30.09.98 |
| Net cash from/for operational activities | 342.5 | 163.8 | 366.5 | 83.1 |
| Net cash from/for investments | -359.0 | -205.5 | -131.0 | -102.5 |
| Net cash from/for financing | -6.3 | -31.3 | -10.0 | -10.0 |
| Net change in liquid assets | -22.8 | -73.0 | 225.5 | -29.4 |
| Liquid assets 01.01. | 438.5 | 438.5 | 213.0 | 213.3 |
| Liquid assets at end of period | 415.7 | 365.5 | 438.5 | 183.9 |

EDB ASA - CONSOLIDATED ACCOUNTS AS AT 31.12.99***Presented on a comparable proforma basis***

| KEY FIGURES | 31.12.99 | 30.09.99 | 31.12.98 | 30.09.98 |
|--|-----------------|-----------------|-----------------|-----------------|
| Earnings per share (post-tax. before goodwill depreciation) | 1.78 | 1.45 | 1.86 | 1.29 |
| EBITDA per share | 5.05 | 3.76 | 4.74 | 3.18 |
| Cash flow per share | 4.97 | 2.36 | 5.28 | 1.20 |
| Equity ratio inc. goodwill | 43.6 % | 48.2 % | 48.7 % | 48.5 % |
| Equity ratio exc. goodwill | 20.6 % | 26.3 % | 21.7 % | 21.8 % |
| Book equity per share inc. goodwill | 16.1 | 16.1 | 15.0 | 15.4 |
| Book equity per share exc. goodwill | 5.4 | 6.2 | 4.4 | 4.5 |
| Current ratio | 1.4 | 1.4 | 1.7 | 1.5 |
| Operating margin before goodwill depreciation | 5.6 % | 5.7 % | 6.8 % | 6.3 % |
| Average No. of shares | 68,982,477 | 68,808,757 | 68,348,356 | 68,348,356 |

EDB ASA - CONSOLIDATED ACCOUNTS AS AT 31.12.99

Presented on the past equity basis

| PROFIT AND LOSS ACCOUNT | 1999 | | | 1998 | | |
|--|--------------|-------------|-------------|--------------|-------------|-------------|
| | 1999 year | Q 4 | Q 3 | 1998 year | Q 4 | Q 3 |
| OPERATING REVENUES | 3 184.0 | 969.7 | 763.8 | 2 068.5 | 90.5 | 659.3 |
| Cost of goods sold | 1 120.2 | 337.1 | 286.5 | 700.9 | 13.4 | 130.5 |
| Other operating costs | 1 712.6 | 537.5 | 382.4 | 1 076.2 | 6.3 | 434.8 |
| OPERATING PROFIT BEFORE DEPRECIATION (EBITDA) | 351.2 | 95.1 | 94.9 | 291.4 | 70.8 | 94.0 |
| Ordinary depreciation | 164.3 | 46.9 | 37.7 | 125.8 | 29.3 | 32.0 |
| OPERATING PROFIT BEFORE GOODWILL DEPRECIATION | 186.9 | 48.2 | 57.2 | 165.6 | 41.5 | 62.0 |
| Goodwill deprecation | 68.0 | 19.2 | 20.5 | 65.5 | 2.7 | 19.2 |
| OPERATING PROFIT AFTER GOODWILL DEPRECIATION | 118.9 | 29.1 | 36.7 | 100.1 | 38.8 | 42.8 |
| Net financial items | -13.0 | -9.5 | -2.2 | -3.1 | -2.2 | -0.7 |
| PROFIT BEFORE TAX AND MINORITY INTERESTS | 105.9 | 19.5 | 34.5 | 97.0 | 36.6 | 42.1 |
| Tax | -53.1 | -19.6 | -18.9 | -29.1 | -11.1 | -7.0 |
| Minority interests | -0.8 | -0.5 | -0.2 | 0.0 | 0.0 | 0.3 |
| PROFIT AFTER TAX | 52.0 | -0.5 | 15.3 | 67.9 | 25.5 | 35.4 |

EDB ASA - CONSOLIDATED ACCOUNTS AS AT 31.12.99***Presented on the past equity basis***

| BALANCE SHEET | 31.12.99 | 30.09.99 | 31.12.98 | 30.09.98 |
|-------------------------------------|-----------------|-----------------|-----------------|-----------------|
| Deferred tax allowances | 33.5 | 30.8 | 25.2 | 25.2 |
| Goodwill | 736.0 | 687.3 | 309.0 | 332.2 |
| Fixed assets | 549.2 | 466.5 | 275.5 | 386.2 |
| TOTAL FIXED ASSETS | 1 318.8 | 1 184.7 | 609.7 | 743.6 |
| Inventories | 32.4 | 13.9 | 15.6 | 2.8 |
| Other short term receivables | 775.4 | 749.4 | 523.6 | 613.3 |
| Liquid assets | 415.7 | 365.5 | 344.8 | 143.0 |
| TOTAL CURRENT ASSETS | 1 223.5 | 1 128.8 | 884.0 | 759.1 |
| TOTAL ASSETS | 2 542.3 | 2 313.5 | 1 493.7 | 1 502.7 |
| Share capital | 121.8 | 121.4 | 75.0 | 75.0 |
| Other equity capital | 934.1 | 942.2 | 306.7 | 169.2 |
| Current year profit | 52.0 | 52.4 | | 42.4 |
| TOTAL EQUITY | 1 107.9 | 1 116.0 | 381.7 | 286.6 |
| Minority interests | 2.3 | 1.9 | 0.0 | 0.0 |
| Non-interest bearing liabilities | 117.5 | 82.4 | 63.3 | 146.1 |
| Interest bearing liabilities | 462.7 | 312.1 | 611.8 | 560.8 |
| TOTAL LONG TERM LIABILITIES | 580.2 | 394.5 | 675.1 | 706.9 |
| Non-interest bearing liabilities | 844.8 | 797.9 | 433.3 | 508.8 |
| Interest bearing liabilities | 7.1 | 3.1 | 3.6 | 0.0 |
| TOTAL CURRENT LIABILITIES | 851.8 | 801.0 | 436.9 | 508.8 |
| TOTAL LIABILITIES AND EQUITY | 2 542.3 | 2 313.5 | 1 493.7 | 1 502.3 |