



EDB Business Partner ASA INTERIM REPORT FOR THE FIRST QUARTER OF 2000

Summary

EDB Business Partner's profit for the quarter, in terms of the group's underlying activities, is in line with the first quarter last year. Operating profit before goodwill depreciation and employer's taxes and deductions in respect of employee share options amounted to NOK 32.3 million, representing an improvement of NOK 3.3 million on the same quarter in 1999.

The strong performance of the EDB share price since the start of the year has caused a very high charge for the quarter in respect of provision for employer's tax and social security contributions related to the employee share option plan. The first quarter amount was NOK 41.2 million as compared to NOK 1.9 million for the first quarter of last year. The operating result before goodwill depreciation was accordingly a loss.

With effect from the first quarter of 2000, the company has separated the business area Computer Operating Services and Infrastructure into two separate business areas for reporting purposes, and now reports three business areas in addition to Administration. Comparable figures have been restated on this basis.

Fellesdata will be consolidated in the group's accounts with effect from the second quarter of 2000. However this report includes a presentation of proforma profit and loss statement and balance sheet as if the acquisition had taken place with effect from 1 January 1999. Stradec is consolidated in the group's accounts with effect from 1 March 2000.

Sales of consultancy services and systems have, as expected, experienced a slow start to the year. In addition this business area was affected by the cost of converting a major telecommunications product onto a new technology platform. Computer Operating Services enjoyed a very good start to the year thanks to a combination of high production volumes and cost savings. Infrastructure has experienced a slow start, with weak sales of hardware and related services in the first quarter.

The restructuring of Telesciences, which was acquired on 7 December 1999, is proceeding as planned. The company's performance is improving, and it reported an operating profit for the first three months of the year.

Net financial items represented income of NOK 27.1 million for the first quarter, of which the share in results of associated companies accounted for NOK 1.1 million and a gain on the sale of shares in Unique accounted for NOK 27.6 million. Net financial items were also affected by the interest earned on the NOK 922 million net proceeds of the private placement carried out on 24 February. These funds are currently placed in anticipation of the payment of consideration to the shareholders of Fellesdata. Calculated tax for the quarter was NOK 6.2 million, producing a figure for result after tax of a loss of NOK 9.3 million as compared to a profit of NOK 3.9 million for the first quarter of 1999.

Profit after tax but before goodwill depreciation amounted to NOK 11.5 million, and represents NOK 0.16 per share for the quarter as compared to NOK 1.91 per share for the whole of 1999.

The group's cash flow from operational activities of NOK 12 million for the quarter is equivalent to NOK 0.16 per share for the quarter as compared to NOK 4.89 per share for the whole of 1999. The low figure for first quarter cash flow reflects a high level of pre-paid rental and leasing fees at the start of the year, and cash flow was also negatively affected by some customer payments due being delayed into the second quarter. Internally financed net investment amounted to NOK 69 million, of which NOK 59 million relates to businesses acquired and the consideration received for the sale of shares in Unique represented NOK – 33 million. Investment spending for the group's computer operating centre accounted for the bulk of NOK 43 million of other investment.

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 involved in providing the products and services offered by this business area are the wholly owned subsidiaries EDB 4tel, Telesciences, EDB Fundator, EDB Maxware, EDB InfoMedica, EDB Stradec and EDB Dolphin, as well as part of the activities of EDB Novit. In addition to this the business area involves Ephorma, in which the group has a 50% interest.

Operating revenues for this business area amounted to NOK 436 million for the first quarter, representing an increase of NOK 17 million from the same quarter of 1999. However the comparison with last year includes NOK 40 million of revenue from businesses acquired, and revenue accordingly fell year-on-year on a comparable basis.

As expected, sales of consultancy services and systems generally experienced a slow start to the year. In addition certain telecommunications projects started later than expected and this depressed revenues for the first two months of the year. However in the banking and finance area sales have been stronger than expected, and were ahead of comparable figures for the first quarter of last year. The American company Telesciences reported a positive performance.

The operating result before goodwill depreciation was a loss of NOK 0.7 million, representing a deterioration of NOK 14.7 million from the same quarter of last year. Profits were affected by a lower level of market activity. The first quarter was also burdened by NOK 13.2 million of costs in connection with the conversion of a comprehensive telecommunications system to a new technology platform. This work represents a necessary step to ensure a wider market for the product. Work on the conversion project started in 1999 and is due to be completed in the first half of this year.

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.

The legal entities which make up this business area are EDB Teamco in its entirety together with part of the activities of EDB Novit.

This business area recorded a very positive performance for the first quarter. Operating revenues amounted to NOK 309 million for the first quarter, representing an increase of NOK

9 million from the same quarter of 1999. Operating profit before goodwill depreciation amounted to NOK 45.7 million, which is more than twice the operating profit recorded in the same quarter of 1999. This positive performance reflects the production of a markedly higher volume of work for customers and cost-effective operation. The general picture for costs in this area has been very favourable, and reflects in particular the realisation of synergy gains as a result of the consolidation of the operating centres of EDB Fundator and EDB Teamco. It is also the case that the first quarter of last year was burdened by costs in respect of preparations for the millennium shift.

Infrastructure

This business area comprises the sale of equipment and services related to deliveries of PCs and networks. Aspects of this business were previously carried out by a number of the entities in the group. With effect from 1 January 2000 infrastructure activities are now concentrated into EDB Intech.

Sales of PC equipment and related services experienced a slow start to the year. Sales were particularly weak in the first two months, but there was some increase in activity towards the end of the quarter. Profitability was also affected to some extent by costs associated with the restructuring of infrastructure activities.

The business area reported an operating loss before goodwill depreciation of NOK 6.3 million, which represents a deterioration of NOK 2.9 million from the same quarter of last year. This mainly reflects a lower level of equipment sales in the first two months of the year, but it was also the case that sales of services failed to reach a satisfactory proportion of total turnover.

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 for the first quarter of 2000 amounted to NOK 6.2 million. The increase from the first quarter of last year reflects an increase in the holding company's staff numbers from 2 to 6 in connection with the merger between EDB and Telenor Programvare.

The group employed approximately 2,259 staff in its wholly owned companies at the end of the first quarter. This represents an increase of 13% from the first quarter of last year. Total employee numbers including Fellesdata amount to 2,986.

The group operates a share option agreement for all of its employees. As at 31 March 2000 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 41.2 million has been expensed so far this year in respect of employer's tax and social security contributions in respect of these options.

Future prospects

At the current point in time, well into the second quarter, the market for consultancy services can be seen to be improving again, although though the scale of improvement is not expected to have a substantial effect until the second half of the year. We expect the current good level of activity in the banking and finance area to continue, and both Novit and Fellesdata are benefiting from current market conditions. In particular the companies have high

expectations regarding the development of mobile- and internet banking. In the telecommunications market sales reached an acceptable level by the end of the first quarter, and we expect the improvement seen so far this year to gather pace in the second quarter. The Board notes with considerable satisfaction that Telesciences is already reporting an operating profit. We have a very positive view of the market for computer operating services, and do not expect to see any reduction in volumes from existing customers. Hardware sales have been affected by a lower than normal level of investment in the first quarter of the year, and it seems likely that this reflects the decision by many companies to replace and upgrade equipment before the millennium shift. There are some signs of increased activity in the second quarter, but we expect the weak first quarter to affect the year as a whole.

The process of planning for the integration of Fellesdata is fully underway. The consultancy and systems activities currently carried out by Novit and Fellesdata will be integrated, whilst Fellesdata's computer operating services activity will be transferred to Teamco. The future annual value of the synergy benefits to be created by this integration is specified as NOK 150-200 million. The successful integration process is of key importance to the full realisation of these synergy gains, and the company is focusing its efforts on this process. The integration of the computer operating services will provide the major part of the expected synergy benefits, but there will also be savings in spending on product development once the product portfolios of Novit and Fellesdata are co-ordinated.

Oslo, 27 April 2000

The Board of Directors of EDB Business Partner

Operating revenue:	Q1'00	Q1'99	Change	Year 1999
Consultancy Services & Systems	436.1	419.1	17.0	1 763.8
Computer Operating Services	308.8	300.3	8.5	1305.9
Infrastructure	105.4	68.0	37.4	434.1
Netting	-49.1	-12.0	-37.1	-88.2
EDB-GROUP	801.3	775.5	25.8	3 415.7

Operating profit before goodwill depreciation:	Q1'00	Q1'99	Change	Year 1999
Consultancy Services & Systems	-0.7	14.0	-14.7	80.6
Computer Operating Services	45.7	21.2	24.5	144.9
Infrastructure	-6.3	-3.4	-2.9	4.2
Administration	-6.2	-2.2	-4.0	-20.0
Netting	-0.2	-0.7	0.5	-3.0
TOTAL	32.3	28.9	3.3	206.8
Employer's tax etc. on share options	-41.2	-1.9	-39.3	-14.4
Operating profit before goodwill depreciation.	-8.9	27.0	-36.0	192.4

Operating margin	Q1'00	Q1'99	Change	Year 1999
Consultancy Services & Systems	-0.2 %	3.4 %	-3.5	4.6 %
Computer Operating Services	14.8 %	7.3 %	7.5	11.1 %
Infrastructure	-6.0 %	-4.4 %	-1.6	1.0 %
EDB-GROUP	-1.1 %	3.5 %	-4.6	5.6 %

PROFIT AND LOSS ACCOUNT	Q1'00	Q1'99	Year 1999
OPERATING REVENUES	801.3	775.5	3 415.7
Cost of goods sold	228.3	242.3	1 194.7
Employer's tax etc. on share options	41.2	1.9	14.4
Other operating costs	491.8	465.2	1 857.2
OPERATING PROFIT BEFORE DEPRECIATION (EBITDA)	40.0	66.1	349.4
Ordinary depreciation	48.9	39.1	156.9
OPERATING PROFIT BEFORE GOODWILL DEPRECIATION	-8.9	27.0	192.5
Goodwill depreciation	20.8	16.8	73.9
OPERATING PROFIT AFTER GOODWILL DEPRECIATION	-29.7	10.3	118.5
Net financial items	27.1	-2.1	-13.2
PROFIT BEFORE TAX AND MINORITY INTERESTS	-2.6	8.1	105.3
Tax	-6.2	-3.7	-45.8
Minority interests	-0.6	-0.5	-1.3
PROFIT AFTER TAX	-9.3	3.9	58.1
 BALANCE SHEET	 31.03.00	 31.03.99	 31.12.99
Goodwill	826.7	737.8	790.3
Other fixed assets	577.6	388.3	533.3
TOTAL FIXED ASSETS	1 404.3	1 126.1	1 323.3
Current receivables	797.8	637.6	804.0
Liquid assets	1 067.7	340.3	410.5
TOTAL CURRENT ASSETS	1 865.5	977.9	1 214.5
TOTAL ASSETS	3 269.8	2 104.0	2 537.8
Share capital	133.9	119.6	121.8
Other equity capital	1 922.5	924.9	1 001.9
Current year profit	-9.3	3.9	
TOTAL EQUITY	2 047.1	1 048.4	1 123.7
Non-interest bearing liabilities	123.6	75.2	106.0
Interest bearing liabilities	254.0	300.1	468.5
TOTAL LONG TERM LIABILITIES	377.7	375.4	574.5
Non-interest bearing liabilities	838.2	646.0	838.5
Interest bearing liabilities	6.9	34.2	1.3
TOTAL CURRENT LIABILITIES	845.1	680.2	839.8
TOTAL LIABILITIES AND EQUITY	3 269.8	2 104.0	2 537.8

KEY FIGURES	31.03.00	31.03.99	31.12.99
Earnings per share (post-tax. before goodwill depreciation)	0.16	0.30	1.91
EBITDA per share	0.55	0.97	5.06
Cash flow from operational activities per share	0.16	1.14	4.89
Equity ratio inc. goodwill	62.6 %	49.8 %	44.3 %
Equity ratio exc. goodwill	50.0 %	22.7 %	19.1 %
Book equity per share inc. goodwill	28.3	15.3	16.3
Book equity per share exc. goodwill	16.9	4.5	4.8
Current ratio	2.2	1.4	1.4
Operating margin before goodwill depreciation	-1.1 %	3.5 %	5.6 %
Average No. of shares	72,419,252	68,348,356	68,982,477

CASH FLOW ANALYSIS	31.03.00	31.03.99	31.12.99
Net cash from/for operational activities	11.9	78.0	337.3
Net cash from/for investments	-68.9	-80.2	-359.0
Net cash from/for financing	714.2	-96.0	-6.3
Net change in liquid assets	657.2	-98.2	-28.0
Liquid assets 01.01.	410.5	438.5	438.5
Liquid assets at end of period	1 067.7	340.3	410.5

PROFORMA FIGURES FOR EDB AND FELLESDATA

The proforma figures are restated as if the acquisition of Felleldata had taken place on 1 January 1999. The proforma accounts take into account proforma depreciation of excess value in respect of properties amounting to NOK 2.3 million per quarter, and depreciation of goodwill amounting to NOK 25.4 million per quarter. The effect of increased interest expense as a result of the financing of the acquisition is recognised as a figure of NOK 12 million per quarter, and allowance has also been made for the reduction in tax which this would cause.

Felleldata reported turnover for the quarter of NOK 279.2 million with an operating profit of NOK 14.2 million and pre-tax profit of NOK 11.2 million. The company has made a good start to the year, with particularly good results from computer operating services which benefited from higher volumes and cost savings. Sales of software products normally fluctuate somewhat over the course of the year, but the company benefited from some savings in respect of product development in the first quarter.

Operating revenue:	Q1'00	Q1'99	Change	Year 1999
Consultancy Services & Systems	531.0	520.1	10.9	2 199.9
Computer Operating Services	493.1	473.3	19.8	2 051.4
Infrastructure	105.4	68.0	37.4	434.1
Netting	-49.6	-12.0	-37.6	-88.2
EDB-GROUP	1080.0	1 049.5	30.5	4 597.3

Operating profit before goodwill depreciation:	Q1'00	Q1'99	Change	Year 1999
Consultancy Services & Systems	-0.8	15.7	-16.5	129.9
Computer Operating Services	57.9	24.5	33.5	165.3
Infrastructure	-6.3	-3.4	-2.9	4.2
Administration	-6.2	-2.2	-4.0	-20.0
Netting	-0.2	-0.7	0.5	-3.0
TOTAL	44.3	33.8	10.5	276.5
Employer's tax etc. on share options	-41.2	-1.9	-39.3	-14.4
Operating profit before goodwill depreciation	3.1	31.9	-28.8	262.1

Operating margin	Q1'00	Q1'99	Change	Year 1999
Consultancy Services & Systems	-0.1 %	3.0 %	-3.2	5.9 %
Computer Operating Services	11.7 %	5.2 %	6.6	8.1 %
Infrastructure	-6.0 %	-4.4 %	-1.6	1.0 %
EDB-GROUP	0.3 %	3.0 %	-2.8	5.7 %

**EDB ASA - CONSOLIDATED ACCOUNTS
AS AT 31.03.00**

Presented on a proforma comparable basis, EDB and Fellesdata

PROFIT AND LOSS ACCOUNT	Q1'00	Year 1999
OPERATING REVENUES	1 080.0	4 597.3
Cost of goods sold	262.7	1 350.0
Employer's tax etc. on share options	41.2	14.4
Other operating costs	710.5	2 756.9
OPERATING PROFIT BEFORE DEPRECIATION (EBITDA)	65.6	476.0
Ordinary depreciation	62.5	213.9
OPERATING PROFIT BEFORE GOODWILL DEPRECIATION	3.1	262.1
Goodwill depreciation	46.3	176.2
OPERATING PROFIT AFTER GOODWILL DEPRECIATION	-43.2	85.9
Other items	-	-20.8
Net financial items	12.0	-74.1
PROFIT BEFORE TAX AND MINORITY INTERESTS	-31.1	-8.9
Tax	-6.2	-44.2
Minority interests	-0.6	-1.3
PROFIT AFTER TAX	-37.9	-54.4

**EDB ASA - CONSOLIDATED ACCOUNTS
AS AT 31.03.00**

Presented on a proforma comparable basis, EDB and Fellesdata

BALANCE SHEET	31.03.00	31.12.99
Goodwill	2 871.7	2 835.3
Other fixed assets	1 165.2	1 127.8
TOTAL FIXED ASSETS	4 036.9	3 963.2
Current receivables	1 055.0	1 060.4
Liquid assets	339.6	335.3
TOTAL CURRENT ASSETS	1 394.6	1 395.8
TOTAL ASSETS	5 431.6	5 359.0
TOTAL EQUITY	3 018.0	2 823.8
Non-interest bearing liabilities	134.1	116.2
Subordinated loan	450.0	450.0
Interest bearing liabilities	794.0	858.5
TOTAL LONG TERM LIABILITIES	1 378.2	1 424.7
Non-interest bearing liabilities	1 028.5	1 109.2
Interest bearing liabilities	6.9	1.3
TOTAL CURRENT LIABILITIES	1 035.4	1 110.5
TOTAL LIABILITIES AND EQUITY	5 431.6	5 359.0
CASH FLOW ANALYSIS	31.03.00	31.12.99
Net cash from/for operational activities	-4.5	460.0
Net cash from/for investments	-74.7	-392.0
Net cash from/for financing	83.5	-59.0
Net change in liquid assets	4.3	9.0
Liquid assets 01.01.	335.3	327.0
Liquid assets at end of period	339.7	335.3