



EDB Business Partner

Second quarter 2003 interim report





Main findings

- Clear challenges:
 - Insufficient customer focus and market orientation
 - Speed
 - Fragmentation
 - Weak profitability
- Clear advantages:
 - Leading edge competencies
 - Attractive product portfolio
 - Some of the most exciting customers in the market
 - A definite willingness to change
 - Potential synergies





Main findings

- **Computer Operating Services**
 - Unique expertise and technological breadth
 - Continuous need to realise economies of scale
- **Bank & Finance**
 - Banking and finance industry skills
 - Unique breadth of product portfolio
 - Former organisational structure led to unclear allocation of responsibilities
 - Weak customer satisfaction
 - Consolidation of banking platforms has caused extensive internal focus
- **Telecommunications**
 - Internationally recognised player in Revenue Assurance
 - Proactive approach to structural change
 - Strong position with Telenor





Measures implemented in Q2

- Wide-ranging review of all activities
- Further development of the new business strategy and its practical application
- Executive management team strengthened
- New sales and customer service program launched
- Consultancy Services closed
- New organisational structure for Bank & Finance
- Benchmarking introduced for support functions
- Balance sheet structure under review





Q2 Highlights

- Market conditions have stabilised, cautious optimism
- Improvement in operational profitability
- Cash flow not satisfactory
- Good profitability from Computer Operating Services
- Improved inflow of new orders at Bank & Finance
- Telecommunications has returned to profitability
- Strengthened position in the Swedish market

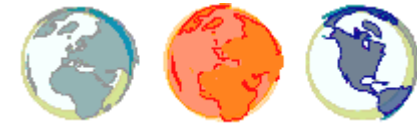




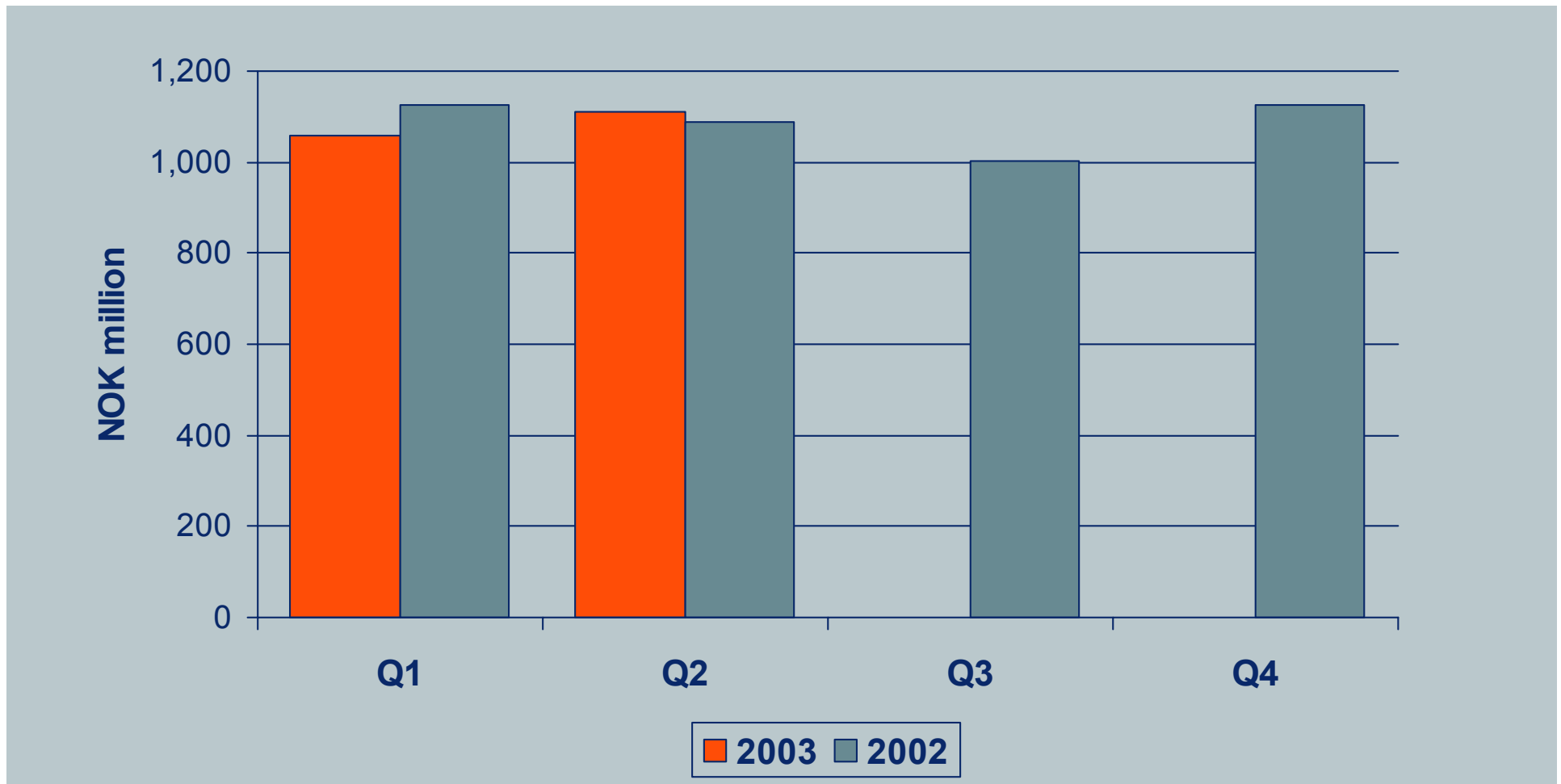
Key figures for the group

	Q2 2003	Q2 2002	Change
Operating revenue	1 110	1 090	2 %
Operating costs	1 048	1 067	-2 %
EBITA	61	22	176 %
EBITA-margin	5,5 %	2,0 %	
Profit after tax	-19	-56	
Cash flow from operations	45	48	
CAPEX	72	61	
Gearing	0,45	0,31	
No. of employees	2 726	2 934	



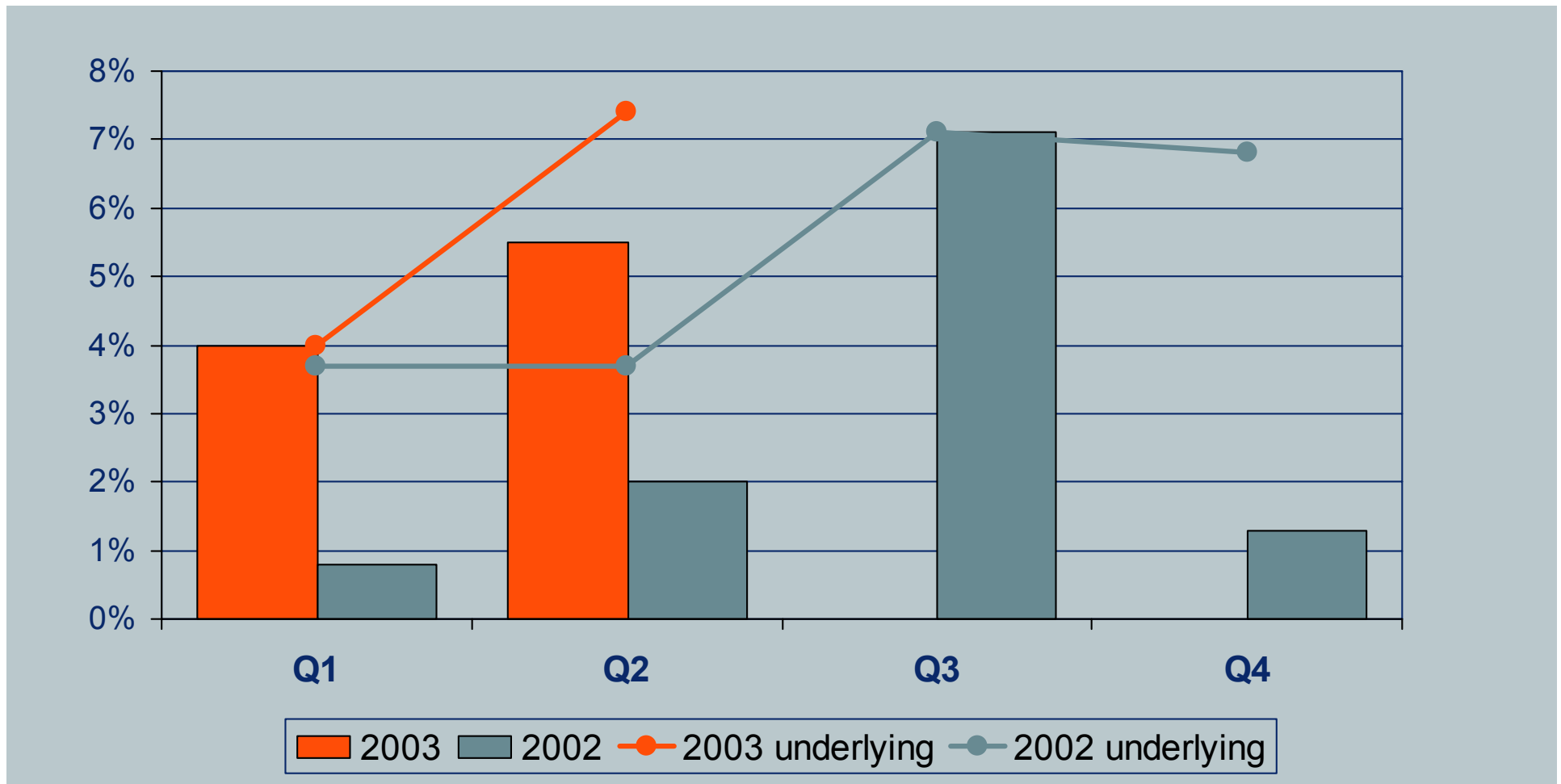


Operating revenue





EBITA margin performance



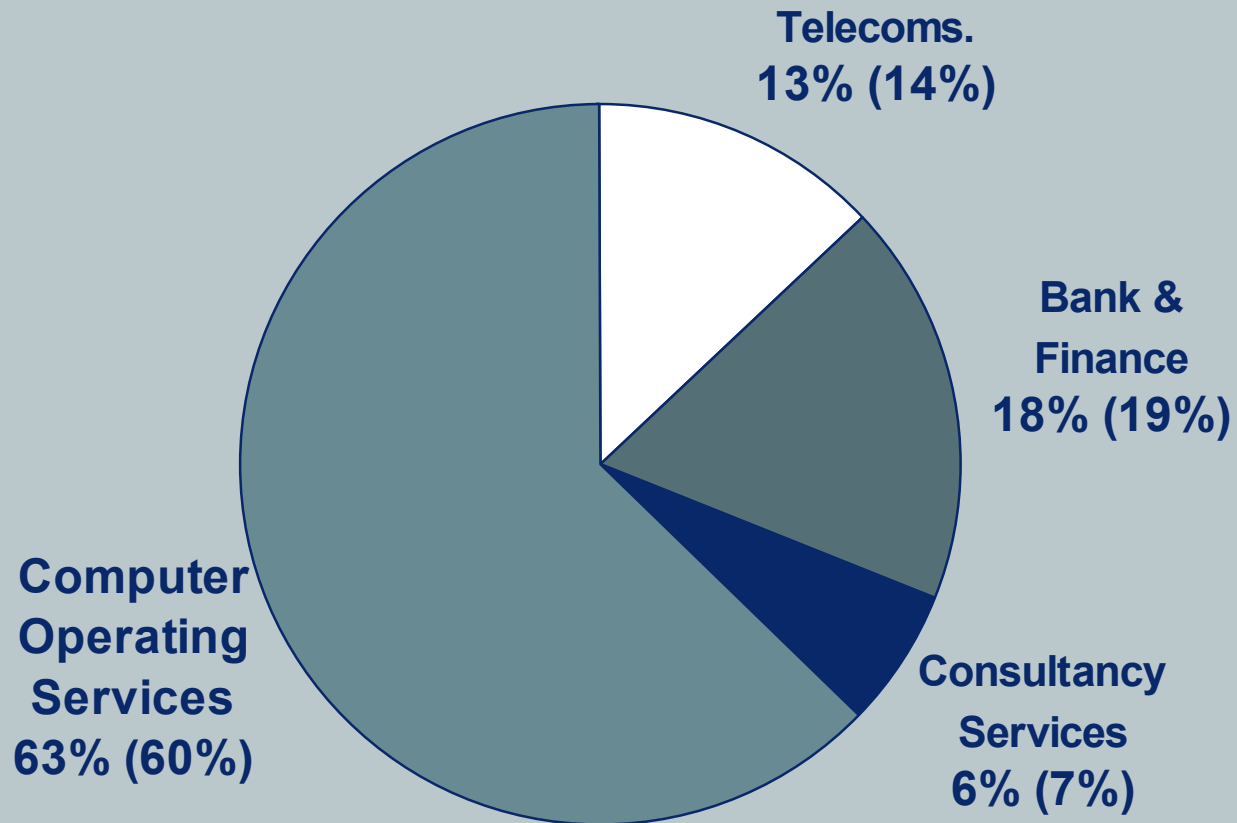


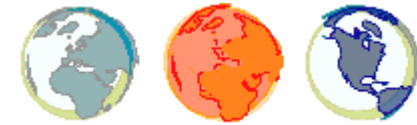
Cash from operations



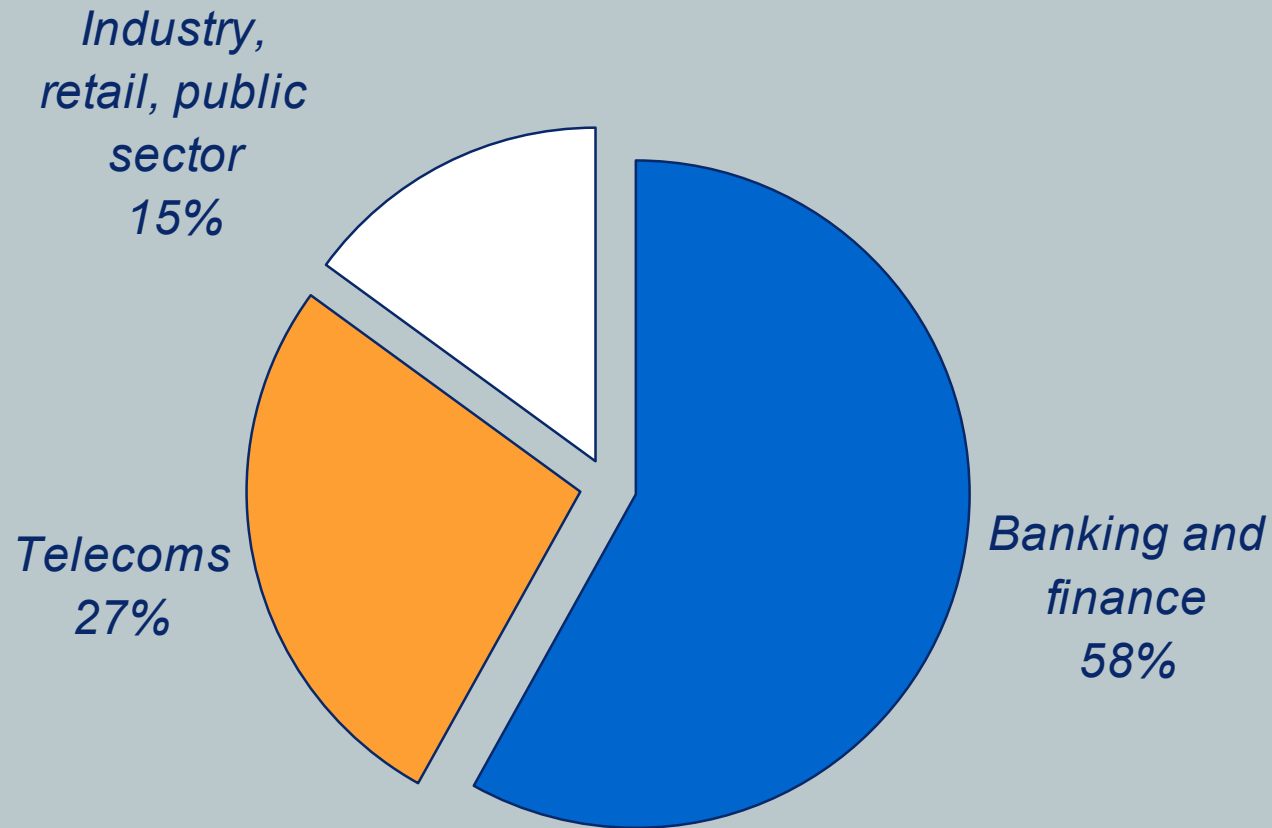


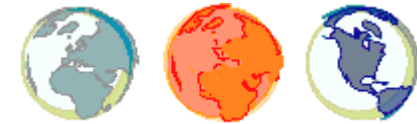
Revenue split H1 (full year 2002)



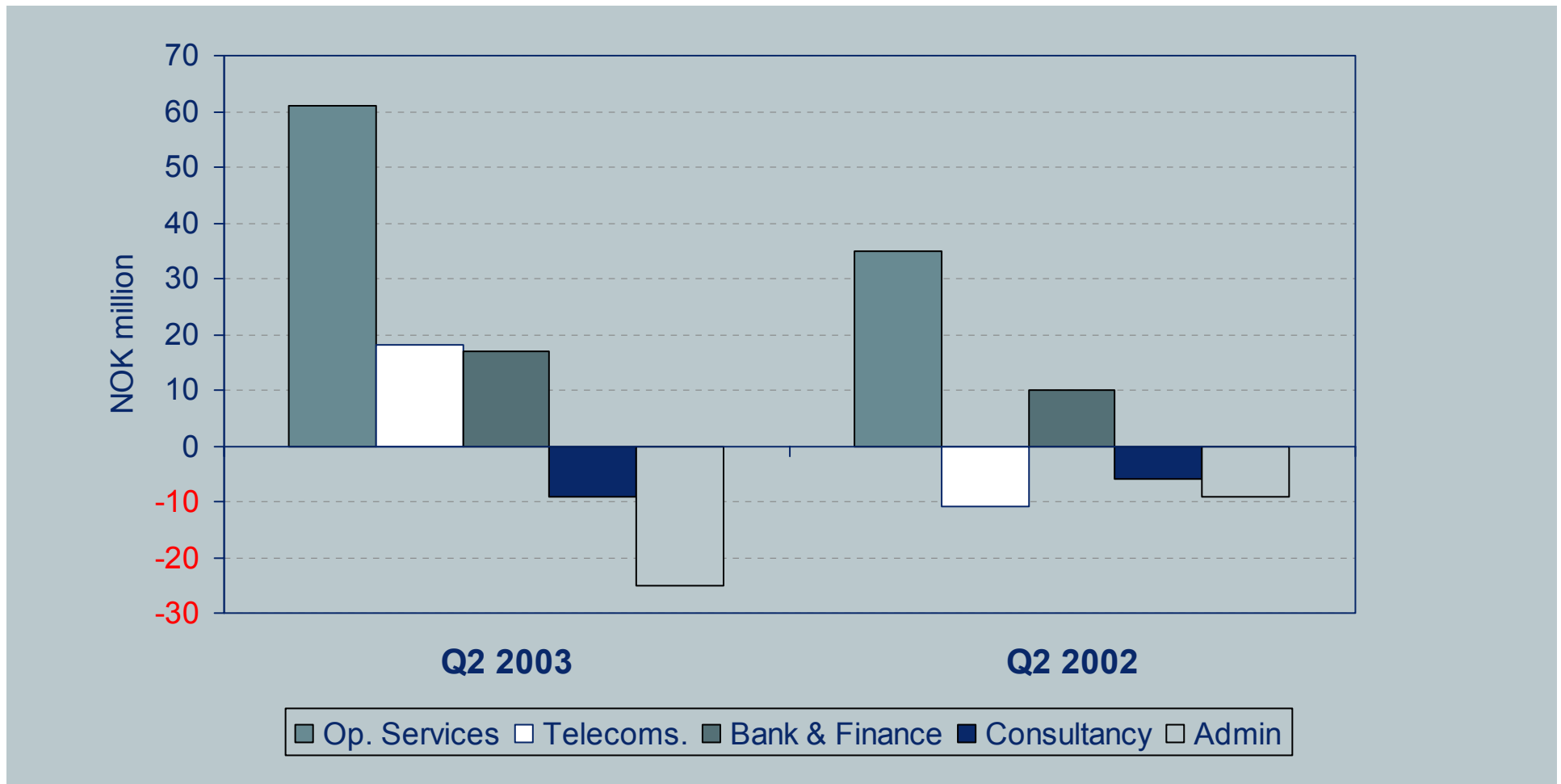


Q2 YTD revenue by sector





EBITA by business area





Operating Services - Main developments in Q2

- Continuing positive trends for turnover and profitability, both in Norway and in Sweden
- Contract with Telenor (NOK 1.8 bn) renewed
- Lower unit prices more than offset by increase in business volumes
- Customer satisfaction continues to be good
- Consolidation of e-business environments (EDI, e-invoicing, e-archives) will create a stronger market presence





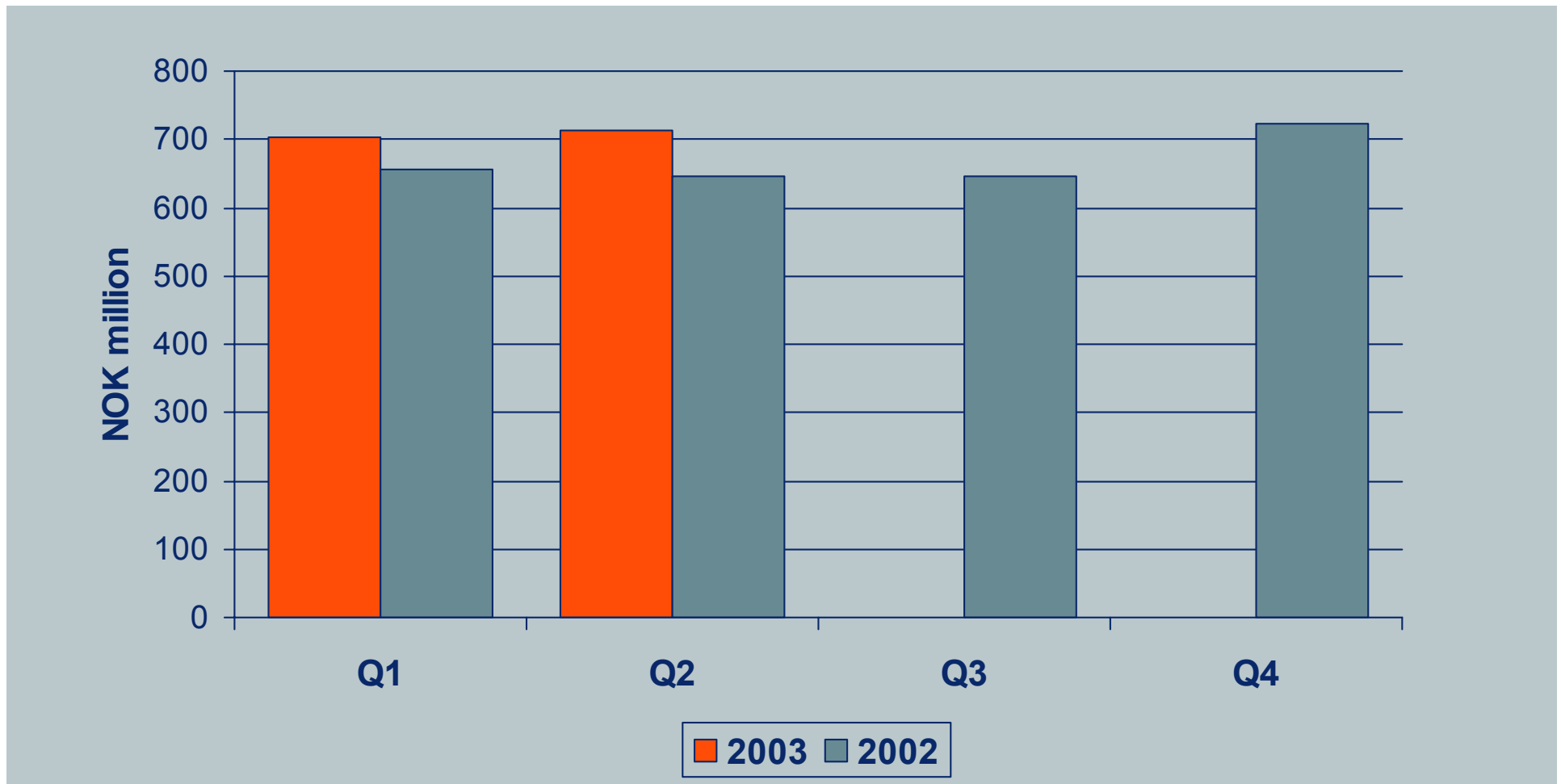
Operating Services - Key figures

	Q2'03	Q2'02	Change
Operating revenue	713	647	10 %
Salaries and related costs	192	171	12 %
Ordinary depreciation	45	41	10 %
Other operating costs	414	399	4 %
Total operating costs	652	612	6 %
EBITA	61	35	74 %
EBITA %	8,6 %	5,4 %	
CAPEX	67	48	
No. of employees	1 154	1 129	



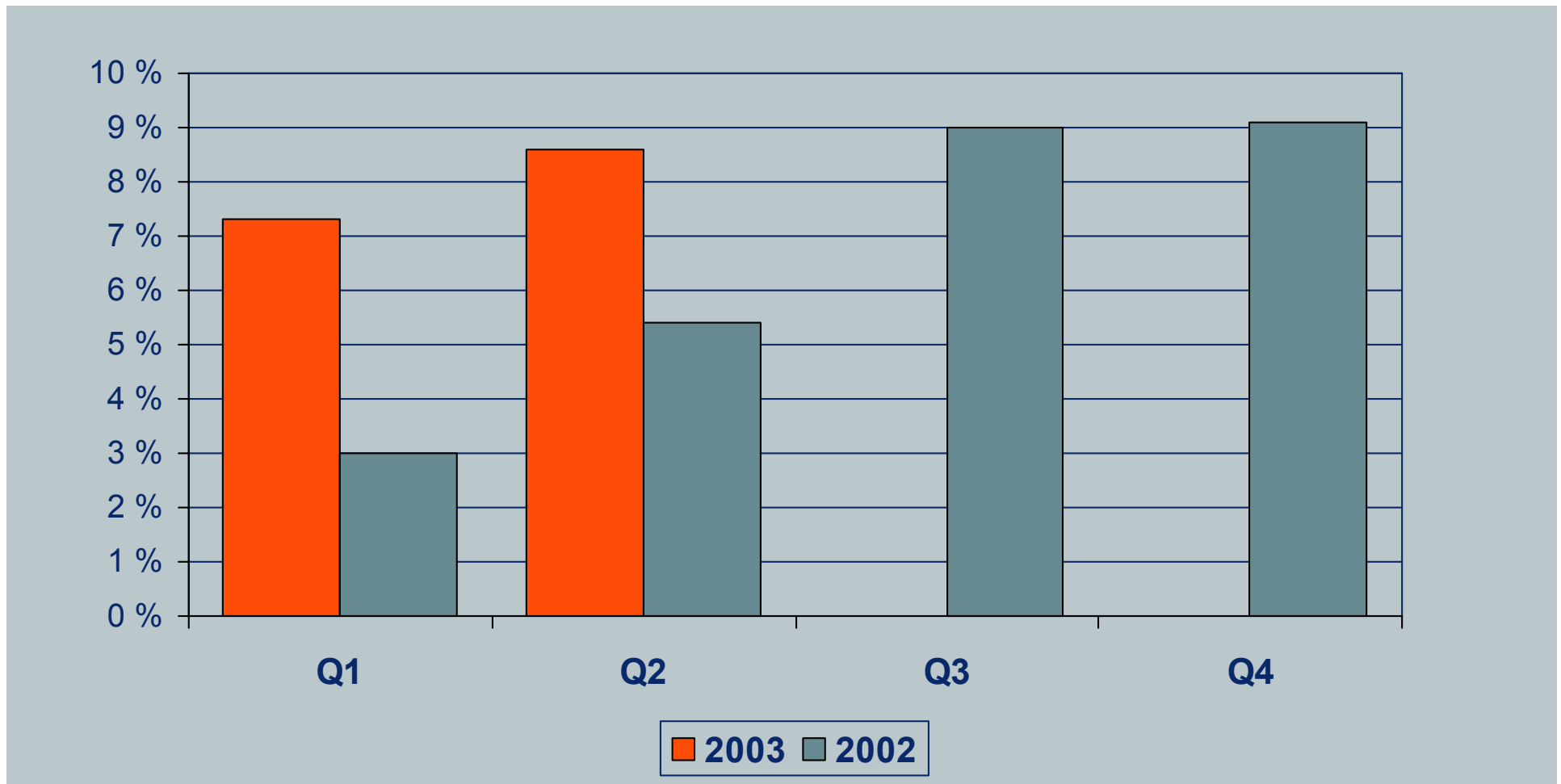


Operating Services - Operating revenue





Operating Services - EBITA margin performance





Bank & Finance - Main developments in Q2

- Improved profitability, considerable potential for improvement
- NOK 283 million of new contracts
- Important new contracts in Sweden
 - Internet banking for Länsförsäkringar and FöreningsSparbanken
 - First ASP contract in Sweden (SalusAnsvar)
- Consolidation of banking systems for the Norwegian market now complete
- New organisational model introduced
- New EVP appointed for Bank & Finance
- Reduction in salary costs implemented from 1 May as planned





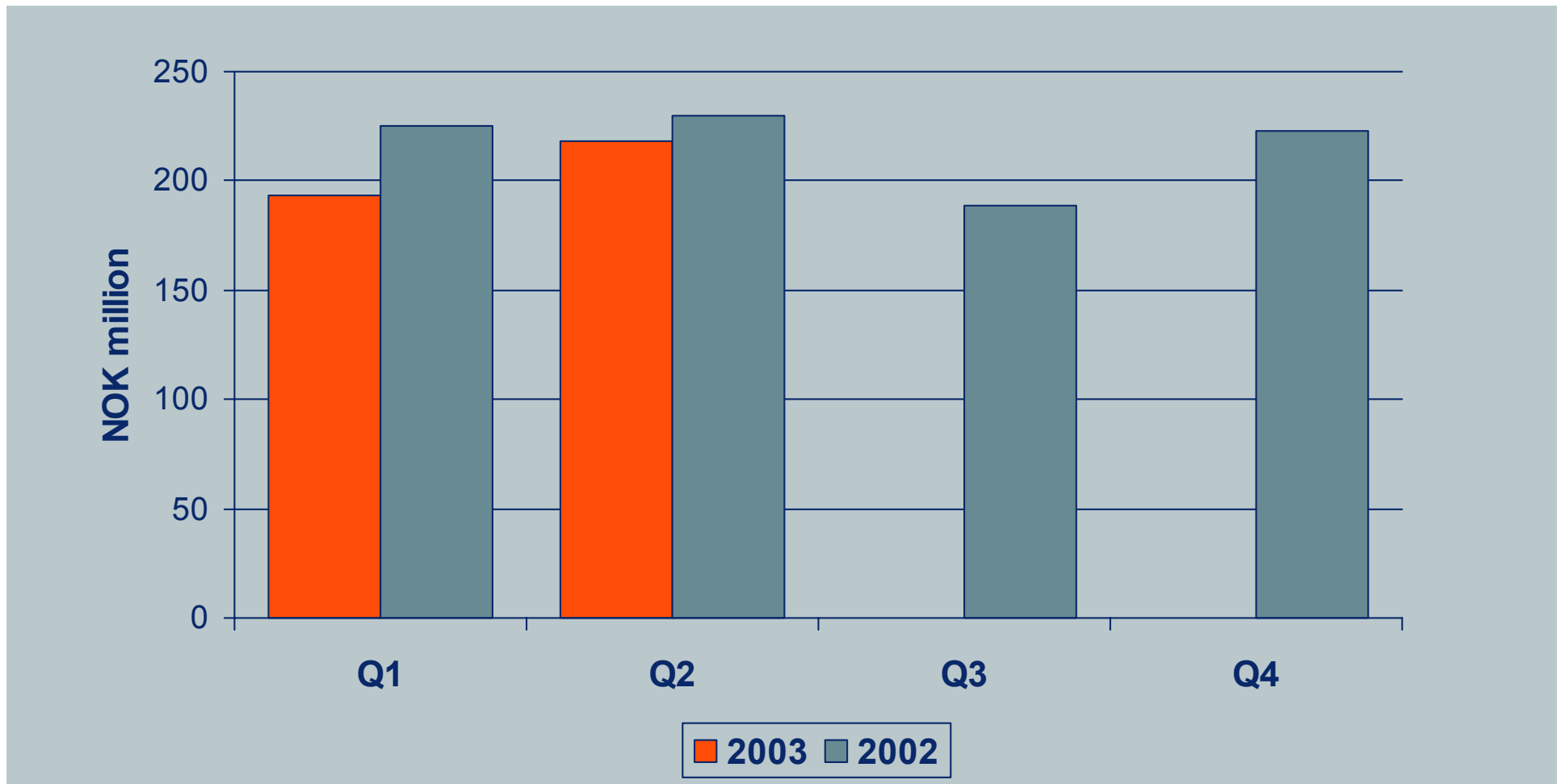
Bank & Finance - Key figures

	Q2'03	Q2'02	Change
Operating revenue	218	230	-5 %
Salaries and related costs	133	134	-1 %
Ordinary depreciation	2	8	-68 %
Other operating costs	66	78	-15 %
Total operating costs	202	220	-8 %
EBITA	17	10	68 %
EBITA %	7,6 %	4,3 %	
CAPEX	4	10	
No. of employees	807	843	



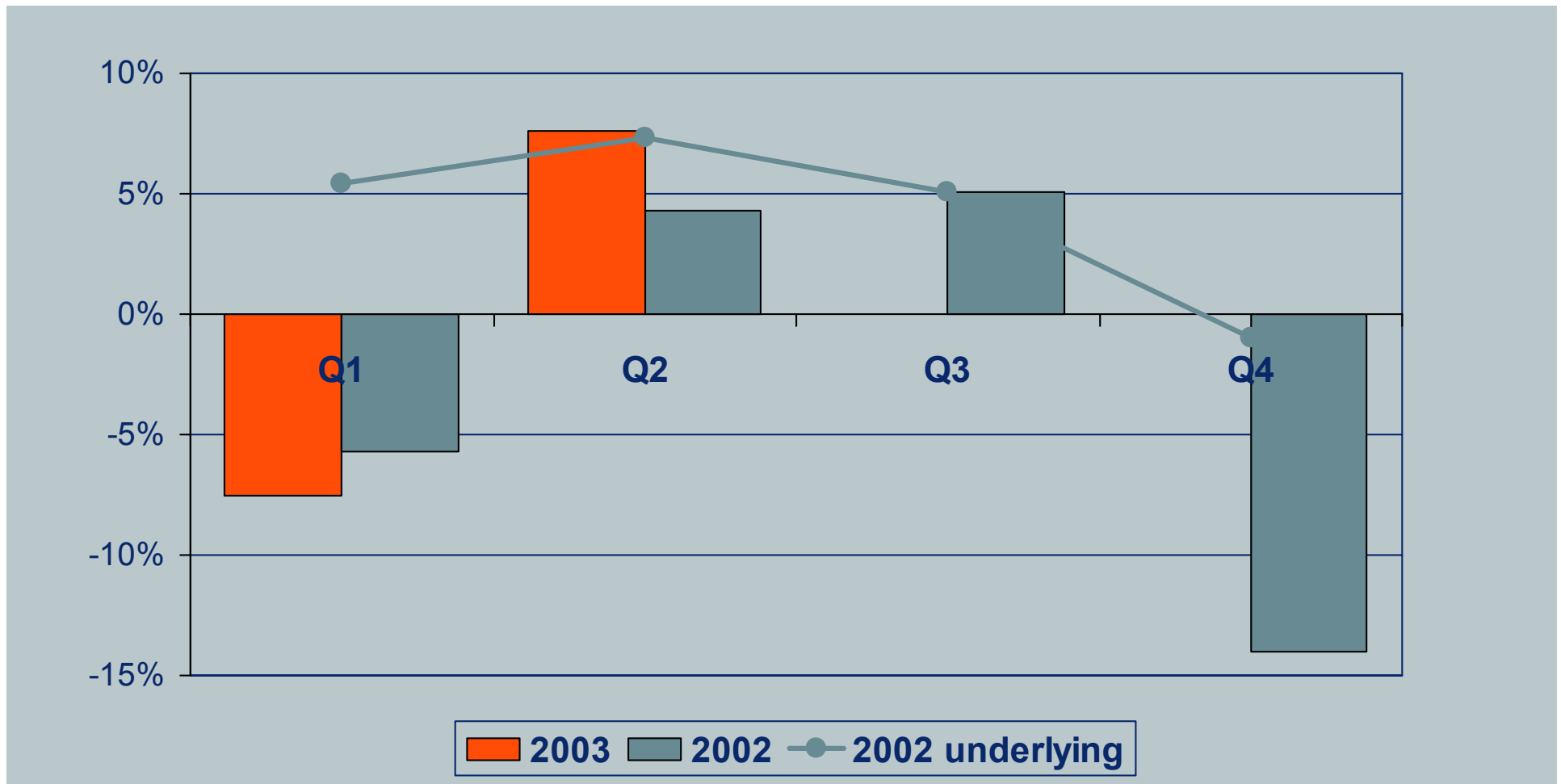


Bank & Finance - Operating revenue





Bank & Finance - EBITA margin performance





Telecommunications - Main developments in Q2

- Sharp improvement in profitability from Q2 2002
- Strategically important contracts signed in Norway and internationally
 - Telenor (Delta 4)
 - Mediation: Ghana Telecom & VimpelCom
 - New Nordic NIMS contract
- Integration of Incatel completed
- Transfer of some employees from Business Consulting to strengthen core expertise





Telecommunications - Key figures

	Q2'03	Q2'02	Change
Operating revenue	158	165	-4 %
Salaries and related costs	88	106	-17 %
Ordinary depreciation	4	7	-42 %
Other operating costs	47	63	-25 %
Total operating costs	140	176	-21 %
EBITA	18	(11)	262 %
EBITA %	11,5 %	-6,8 %	
CAPEX	1	3	
No. of employees	593	587	



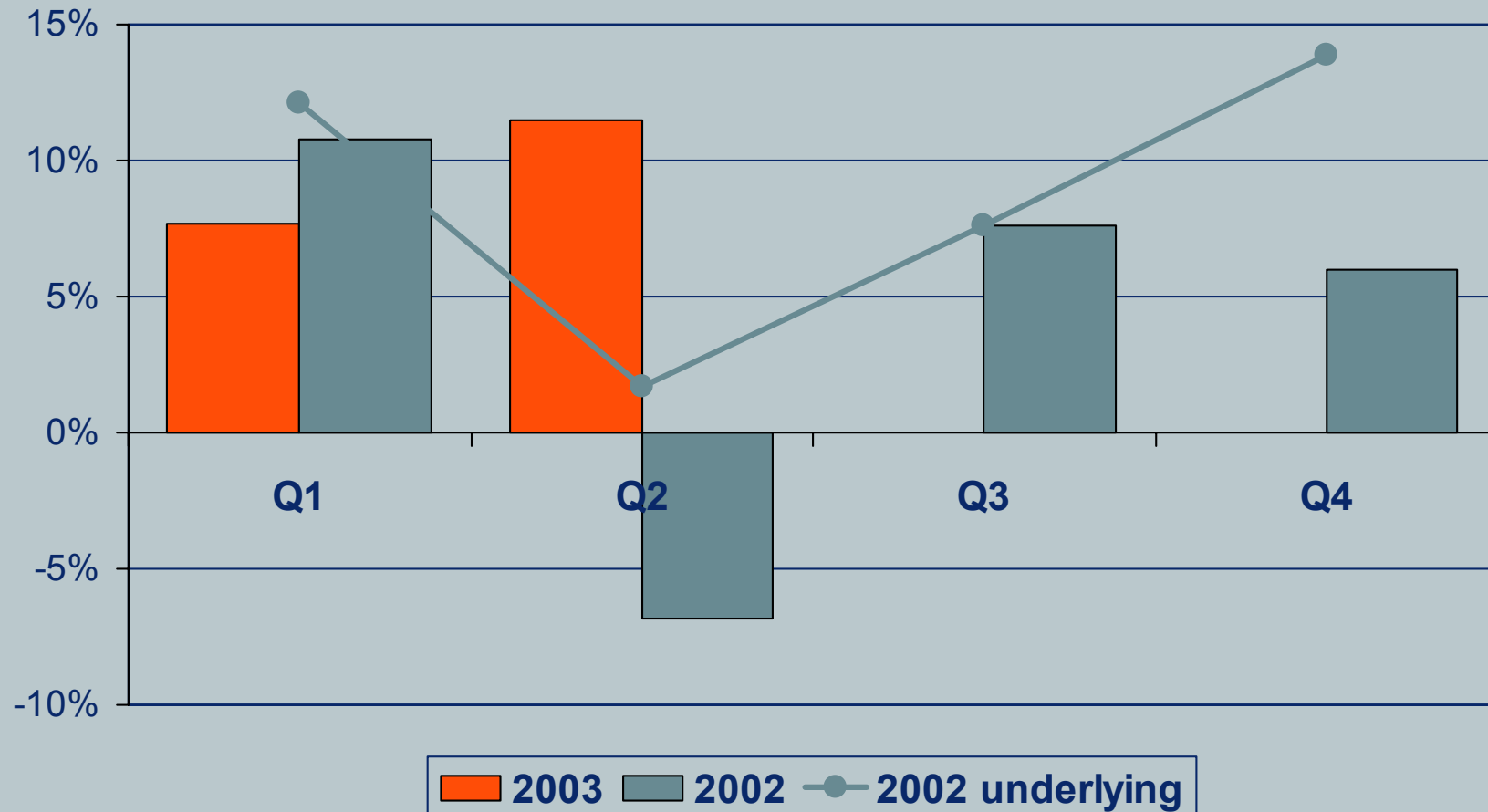


Telecommunications - Operating revenue





Telecommunications - EBITA margin performance





Consultancy Services - Main features of Q2

- Business Consulting now discontinued as a separate business area
- Strategically important expertise transferred to core business areas - other capacity removed:
 - Employee numbers cut by 150 since start of 2003
- Closure costs: NOK 27 million
- Gain on disposal of Dolphin: NOK 19 million
- Financial expense on shares in associate companies, of which TIBE accounts for NOK 16 million
- Stradec: Solution to be decided and implemented in H2





Consultancy Services - Key figures

	Q2'03	Q2'02	Change
Operating revenue	67	79	-15 %
Salaries and related costs	60	65	-7 %
Ordinary depreciation	1	2	-35 %
Other operating costs	16	18	-9 %
Total operating costs	78	84	-8 %
EBITA	(10)	(5)	-105 %
EBITA %	-15,3 %	-6,3 %	
CAPEX	0	0	
No. of employees	164	369	





Future prospects

- Computer Operating Services
 - Expect to see modest market growth
 - Maintain expectation of 7-9% EBITA margin for 2003
 - Sweden remains a priority, but with long lead times
- Telecommunications
 - Stable market conditions in the short term. Expect to see growth in demand over the longer term
 - Consolidation expected in the global market for Revenue Assurance. EDB intends to play an active role
- Bank & Finance
 - Extensive re-focusing underway in Q3





EDB will concentrate on:

- Bottom-line focus and stronger cash from operations
- Professional sales management and a stronger marketing machine
- Improved customer satisfaction
- Greater market focus for Bank & Finance (Q3)
- "One group" – identify synergies and ensure that the new business plan is implemented at all levels across the group





Appendix





Balance sheet (I)

Balance sheet	30.06.03	30.06.02	31.12.02
Goodwill	1 511	1 893	1 506
Tangible fixed assets	411	419	398
Financial fixed assets	551	435	545
TOTAL FIXED ASSETS	2 472	2 747	2 450
Accounts receivable	582	649	682
Other current receivables	431	491	433
Liquid assets	167	220	380
TOTAL CURRENT ASSETS	1 180	1 360	1 495
TOTAL ASSETS	3 652	4 107	3 945





Balance sheet (II)

Balance sheet	30.06.03	30.06.02	31.12.02
TOTAL EQUITY	1 648	1 996	1 666
Non-interest bearing liabilities	181	172	174
Loan on special conditions	450	450	450
Other interest bearing liabilities	451	385	273
TOTAL LONG TERM LIABILITIES	1 082	1 007	896
Non-interest bearing liabilities	923	1 104	1 383
Interest bearing liabilities	-	-	-
TOTAL CURRENT LIABILITIES	923	1 104	1 383
TOTAL LIABILITIES AND EQUITY	3 652	4 107	3 945





Cash flow analysis

Cash flow analysis	Q2'03	Q2'02	30.06.03	30.06.02	31.12.02
Cash from/for operations	45	48	-153	-187	205
Operational investments	-72	-61	-128	-88	-176
Sale of fixed assets	11	-	12	-	2
Acquisition of businesses	-46	-37	-54	-38	-116
Sale of businesses	2	3	2	5	4
Purchase/sale of real estate	-	0		115	116
Net cash from/for investments	-105	-95	-169	-6	-170
Debt repayment	-35	6	-96	-87	-227
New borrowing	50	-	200	-	74
Net cash from/for financing	15	6	104	-87	-153
Net change in liquid assets	-45	-41	-217	-280	-118
Liquid assets at start of period	210	270	380	515	515
Currency translation difference on liqu	1	-9	4	-15	-17
Liquid assets at end of period	167	220	167	220	380





Key figures

	Q2'03	Q2'02	30.06.03	30.06.02	31.12.02
Key figures per share (NOK)					
Earnings	-0,21	-0,62	-0,33	-1,39	-4,86
Earnings (post-tax, bef. goodwill amort.)	0,27	-0,15	0,60	-0,43	0,95
EBITDA	1,28	0,88	2,33	1,54	3,90
Cash from operations	0,50	0,54	-1,69	-2,07	2,27
Book equity			18,23	22,09	18,44
Other key figures:					
EBITA-margin	5,5 %	2,0 %	4,8 %	1,4 %	2,7 %
Equity ratio (as % of total assets)			45 %	49 %	42 %
Gearing			0,45	0,31	0,21
Net interest bearing debt			734	615	343
Average number of shares	90 365 174	90 365 174	90 365 174	90 365 174	90 365 174

