

## **EDB-GROUP: PRELIMINARY 1998 ACCOUNTS**

### **Summary**

The EDB group, which comprises the three main companies EDB ASA, EDB Intech AS (previously Kongsberg Intech) and EDB MaXware AS, recorded turnover of NOK 703.8 million for 1998 as a whole, as against NOK 612.6 million in 1997. This represents a 14.9% growth in operating revenues.

Operating profit for the year to 31 December 1998 totalled NOK 18.5 million, as against NOK 16.1 million for the year to 31 December 1997. Pre-tax profit for the two years was NOK 19.3 million and NOK 16.2 million respectively, representing an increase of 19.1%. Profit after tax for 1998 was NOK 14.8 million as against NOK 11.0 million in 1997. Profit for the year is equivalent to earnings per share of NOK 0.65, as compared to NOK 0.51 for 1997.

All of the group's main business areas reported growth in turnover in 1998, with significantly higher profitability for Consultancy services but somewhat lower profits for Computer Operating services and PC/Network sales. The group had 622 employees at 31 December 1998, representing an increase of 97 over the course of the year.

The group's financial condition is sound and is developing positively. Group cash reserves total NOK 53.9 million and consolidated shareholders' funds amounted to NOK 143.5 million as at 31 December 1998, representing a capital ratio of 51.6%.

The Board of Directors proposes that a dividend of NOK 0.20 per share be distributed for 1998, amounting to NOK 4.6 million in total.

All figures quoted for 1998 and 1997 are consolidated, and have been produced on a comparable basis.

### **Business areas**

Consultancy services recorded operating revenues of NOK 246.5 million, representing an increase of 12.9%, whilst operating profit for this business area was 72.6% higher at NOK 26.1 million. Consultancy services include the activities of MaXware, which moved from being loss making in 1997 to a profit in 1998.

Services related to computer operations achieved a total turnover of NOK 221.1 million, representing an increase of 16.9%, with operating profit down by 16.5% to NOK 20.8 million. The fall in profit is related to the shift in focus from services related primarily to mainframe platforms to a greater proportion of the services provided being in respect of newer computing platforms.

PC/Network sales recorded total operating revenues of NOK 235.5 million, representing an increase of 15.0%, whilst operating profits were 29.9% lower at NOK 5.5 million. The lower profit figures are a result of lower prices and downward pressure on margins for equipment sales, although there was some improvement in this respect in the last quarter of the year as compared to the preceding two quarters.

### **Merger discussions with Telenor Programvare**

The management of EDB ASA is currently discussing a merger with the management of Telenor Programvare. It is expected that these negotiations will reach a conclusion no later than 31 January 1999.

Oslo, 26 January 1999

The Board of Directors of EDB – Elektronisk Databehandling ASA

**EDB GROUP****PRELIMINARY 1998 ACCOUNTS****PROFIT AND LOSS ACCOUNT***(NOK Mill.)*

	<b>1998</b>	<b>1997</b>
OPERATING REVENUE	703,8	612,6
Cost of goods sold	223,0	191,8
Other operating costs	447,0	386,5
Ordinary depreciation	15,4	18,2
<b>TOTAL OPERATING COSTS</b>	<b>685,4</b>	<b>596,4</b>
<b>OPERATING PROFIT</b>	<b>18,5</b>	<b>16,1</b>
Net financial items	0,8	0,1
<b>PROFIT BEFORE TAX</b>	<b>19,3</b>	<b>16,2</b>
Tax	-3,8	-5,2
Minority interests	-0,6	0,0
<b>PROFIT AFTER TAX</b>	<b>14,8</b>	<b>11,0</b>

## BALANCE SHEET

(NOK Mill.)

	31.12.98	31.12.97
Cash and bank deposits	53,9	56,3
Short term receivables	151,5	147,6
Other current assets	8,9	7,8
<b>CURRENT ASSETS</b>	<u>214,4</u>	<u>211,6</u>
<b>FIXED ASSETS</b>	<u>63,7</u>	<u>47,3</u>
<b>TOTAL ASSETS</b>	<b>278,1</b>	<b>258,9</b>
Current liabilities, interest bearing	3,2	0,7
Current liabilities, not interest bearing	128,0	128,5
<b>CURRENT LIABILITIES</b>	<u>131,2</u>	<u>129,2</u>
Long time liabilities, interest bearing	1,9	10,4
Long time liabilities, not interest bearing	0,6	0,4
<b>LONG TIME LIABILITIES</b>	<u>2,6</u>	<u>10,9</u>
Minority interests	0,8	0,1
Share capital	23,2	19,3
Other equity	120,2	99,4
<b>EQUITY</b>	<u>143,5</u>	<u>118,7</u>
<b>TOTAL LIABILITIES AND EQUITY.</b>	<b>278,1</b>	<b>258,9</b>

## FINANCIAL RATIOS

	31.12.98	31.12.97
<b>Profitability:</b>		
Operating margin	2,6 %	2,6 %
Profitmargin	2,7 %	2,6 %
<b>Key figures per share (NOK):</b>		
Earnings	0,65	0,51
Diluted earnings	0,63	0,51
Equity	6,27	5,51
Share price	19,00	21,00
No. of shares, average	22 869 745	21 547 357
No. of shares after dilution	23 533 609	21 822 312
<b>Liquidity:</b>		
Current ratio	163,4 %	163,8 %
<b>Financial strength:</b>		
Equity ration	51,6 %	45,8 %
Debt ratio	93,2 %	118,0 %

## BUSINESS AREAS EDB-GROUP

(Mill. NOK)

<i>Operating revenue:</i>	1998	Q4 '98	Q3 '98	Q2 '98	Q1 '98	1997	Q4 '97	Q3 '97	Q2 '97	Q1 '97
Consultancy services	246,5	70,2	61,2	64,3	50,8	218,3	69,5	50,8	53,6	44,3
Computer operating services	221,1	57,1	49,2	57,7	57,2	189,1	53,4	43,1	45,1	47,5
PC/network sales	235,5	60,0	54,1	52,9	68,5	204,8	57,9	50,1	54,9	41,9
Administration / support	0,7	0,4	0,1	0,1	0,1	0,4	0,1	0,1	0,1	0,1
<b>EDB GROUP</b>	<b>703,8</b>	<b>187,7</b>	<b>164,6</b>	<b>175,0</b>	<b>176,6</b>	<b>612,6</b>	<b>180,9</b>	<b>144,1</b>	<b>153,7</b>	<b>133,8</b>
<i>Operating result:</i>										
Consultancy services	26,1	11,2	6,2	8,9	-0,2	15,1	8,2	5,1	1,8	0,0
Computer operating services	20,8	2,4	5,0	6,9	6,4	24,9	6,2	6,8	6,1	5,7
PC/network sales	5,5	1,6	0,4	0,5	3,0	7,8	1,8	1,8	2,4	1,8
Administration / support	-33,9	-9,0	-7,0	-8,3	-9,6	-31,7	-9,2	-6,5	-7,9	-8,0
<b>EDB GROUP</b>	<b>18,5</b>	<b>6,2</b>	<b>4,6</b>	<b>8,0</b>	<b>-0,4</b>	<b>16,1</b>	<b>7,0</b>	<b>7,3</b>	<b>2,4</b>	<b>-0,5</b>