

ANNUAL REPORT 2005





Key figures

All figures in NOK 1000	2005	2004	2003
Operating income	172 356	154 654	127 090
Operating profit	17 805	14 862	11 598
Profit before taxes	18 379	15 536	13 462
Annual profit	12 950	10 934	9 386
	2005	2004	2003
Operating margin (Operating profit + Financial income/Operating income)	11%	10%	11%
Total return on capital (Operating profit + Financial income/Average total capital)	19%	18%	17%
Return on equity (Operating profit + Financial income - Financial expences - Tax/Average equity capital)	32%	29%	25%
Equity ratio (Equity capital/Total capital as of 31.12)	39%	43%	42%



Content

KEY FIGURES	2
ANNUAL REPORT	4
General information about the business	4
The annual accounts	4
Working environment, personnel and the natural environment	5
Gender equality	5
More about the business	6
PROFIT AND LOSS ACCOUNT	10
BALANCE SHEET	11

Annual report 2005

GENERAL INFORMATION ABOUT THE BUSINESS

Norsk Eiendomsinformasjon AS (NE) is a limited company which is wholly owned by the state and which works to make property information, map and plan data available for use and for value creation purposes in society.

Pursuant to agreements with the Ministry of Justice and the Norwegian Mapping Authority, NE is entitled and obliged to distribute information from the Land Register (Grunnboken) and from the Register of Real Property, Addresses and Buildings (GAB) as well as national map information from the Norwegian Mapping Authority. The company also has agreements with lots of municipalities, housing associations, electrical power companies and other data suppliers which ensure access to and the right to distribute information that is administered locally.

Pursuant to its articles of association, the company performs services of importance to society in order to ensure the operation, maintenance and system development of the Norwegian property registration system Regin@, the Land Register and the Property Register in Norway (EDR).

The company's head office is in Oslo and it has branch offices in Bergen and Hønefoss. Since the company now has more than 50 employees, the company's Board of Directors has been enlarged by two members elected

by and among the employees. The Board has seven members.

THE ANNUAL ACCOUNTS

In the Board's opinion, the accounts give an accurate picture of the company's financial position at the turn of the year. The accounts have been prepared on the basis of the going concern assumption. In the Board's view, there are no indications to the contrary. Further information about the basis for the going concern assumption is presented in the following.

The company's turnover was NOK 172 355 864 in 2005 and NOK 154 654 173 in 2004. The company recorded a pre-tax profit of NOK 18 379 227 in 2005 and NOK 15 535 509 in 2004.

Total operating revenues have increased from 2004 because of increased turnover from EDR and Infoland®. The company's sales have developed well. The total operating expenses have increased from 2004, largely due to the increased cost of goods for map products and Infoland® as well as increased payroll expenses. The cash flow was positive in 2005, cf. the cash flow statement.

Financial position

The company's financial position is good. Earnings were satisfactory in 2005, with a pre-tax profit of approx. 10.7 per cent of turnover. In accordance with



Norsk Eiendomsinformasjon's Board of Directors. From the left: May-Britt Nordli, Geir Vidar Mørner, Sissel Skovly, Per Christian Selmer (Man. Dir.), Erik Keiserud (Chair), Tore V. Knudsen (Deputy Chair), Bjørn Kjellin og Kari Johanne Bjørnøy.

a previous decision, it is proposed that 80 per cent of the profit after tax be distributed as dividend to the owner. The company's equity level is acceptable in light of the nature and scope of the business. The company's long-term liabilities only amount to 1.2 per cent of its total assets. All short-term liabilities are covered by current assets and the liquid reserves are good.

Financial risk

The company is exposed to little financial risk.

NE has an agreement with the Ministry of Justice which gives it sole right to disseminate information from the Land Register (Grunnboken). The agreement was prolonged in 2005, and it cannot be terminated until 31 December 2010. The company has two agreements with the Norwegian Mapping Authority, one for the dissemination of information from the GAB Register which can be terminated at six months' notice and one for the dissemination of map products. The map agreement is based on the Norwegian parliament's (the Storting) consideration of White paper no 30 (2002-2003) on Digital Norway, and it is in principle irrevocable. These agreements form a sound basis for the company's earnings.

NE is keeping abreast of developments with respect to how the drafting of a new Freedom of Information Act and pertaining regulations will affect NE and the company's financial risk. Adapting the business to the changes

that are adopted will probably not impact negatively on the company. NE's dissemination of information largely takes place through service providers, which reduces the company's credit risk. New customers are assessed for creditworthiness before agreements are signed.

Proposed allocation of profit

The company recorded a pre-tax profit of NOK 18 379 227 and a profit after tax of NOK 12 950 323.

The Board proposes to distribute NOK 10 360 258 of the profit for the year as dividend and to transfer the remaining amount of NOK 2 590 065 to other equity, following which the company's distributable equity will be NOK 30 850 678 at 31 December 2005.

WORKING ENVIRONMENT, PERSONNEL AND THE NATURAL ENVIRONMENT

There is a good working environment in the company, the indoor environment and other factors having been adapted to suit work in front of computer screens.

The company has a working environment committee and a safety delegate in accordance with the Working Environment Act. At the end of 2005, the company had 56 employees. Sickness absence in 2005 was 2.2 per cent of the total working hours, down from 4.6 per cent in 2004. No personal injuries or damage to the company's property occurred in 2005.



Part of the project group for the development of a new register of occupation rights. From the left: Cato Johansen, Ronny Opsahl, Martin Borthen and Mona Andreassen.

The nature of the company's business is such that it does not harm or impact on the natural environment. The company operates in the service sector and it does not use energy and/or raw materials that pollute or generate waste of significance to the natural environment.

GENDER EQUALITY

The company aims to be a workplace where there is full equality between men and women.

The company's policy is that discrimination on the basis of gender shall not occur in terms, for example, of salary, promotion and recruitment. Working hours arrangements in the company follow from the different positions and are gender independent. NE is conscious of society's expectations with respect to measures to promote gender equality in the business.

Of the company's employees, 19 are women and 37 men. As of 31 December 2005, NE's Board consisted of five board members, two of them women and three of them men, and one female and one male deputy member. In January 2006, the Board was enlarged by two members, one woman and one man who were elected by and among the employees. The Board thus has seven members with effect from January 2006. Both genders are also represented among the employees' deputy members in accordance with the applicable regulations.

MORE ABOUT THE BUSINESS

The use of geographical information is becoming much more widespread than previously. More and more user groups see such information as a necessary part of the basis for their decisions. The expansion of NE's business to include the dissemination of map information is therefore important to the company.

NE will further develop the company's important role as a distributor of property information and map and plan data. The company has established infrastructure for data transfer together with suppliers, dealers and customers, and it will continue to invest in the development of new solutions in the years ahead. Together, these steps form the basis for the company's positive development.

Information distribution

Dealers and customers

NE distributes information that is adapted for use in value creation and product development by the company's dealers. The distribution of property information and map and plan data therefore primarily takes place via dealers who offer ready-processed information to users. The other information products and services are made available through the internet-based marketplace Infoland®. In this way, the company contributes to information being made available to the public.

Infoland® – NE's distribution portal

www.infoland.no is NE's portal and marketplace for both



Our experts in NE are working on the development of the marketplace Infoland®. From the left: Arne Berge and Helge Sagen.

dealers and end users.

Infoland® consists of modules in order to enable dealers, municipalities and others to use parts of the whole system functionality, which includes ordering, counting, settlement, invoicing and user processing. Infoland allows municipalities, housing associations and other information providers to order directly, in addition to making searches in the property register EDR. Through Infoland®, NE is able to offer direct access to situation maps, zoning plans, valuations, building drawings and information about property tax and municipal taxes.

Approximately 160 municipalities, including Oslo and most other large towns and cities, use Infoland, thus bringing information more quickly to users, while at the same time saving time and money on the processing of queries. The service is user-financed, and it reroutes funds back to the municipalities for services such as digitalisation and automation.

NE is continually developing Infoland® in order to ensure more secure operation and a more flexible and expedient solution for suppliers, dealers and customers.

The property register EDR

EDR contains data from the Land Register and GAB/ Matrikkelen and supplies data that form the basis for many important tasks in society, including the sale of property,

loans secured against real property, creditworthiness checks and the valuation of property. The use of EDR is expected to increase from 2005 to 2006.

Map and geographical information

NE started to distribute map and geographical information from the municipalities in 1999, from the Geovekst collaboration in 2003, from the Norwegian Mapping Authority in 2004 and from Digital Norway in 2005. Turnover has increased significantly, and NE sees a great potential for further development of this business area.

Digital Norway and the collaboration with the Norwegian Mapping Authority

Success for Digital Norway will be decisive for the increased use of public geographical information in Norway, but this depends on securing dependable financing in future.

Digital Norway is a collaboration between public players aimed at achieving improved quality and increased use of public geographical information, and it is one of several areas in which NE collaborates with the Norwegian Mapping Authority. The decision by the Storting concerning Digital Norway is an important step in the direction of modernising geographical information. The decision by the Storting assigns the task of commercial dissemination of information from Digital Norway to NE. It is assumed that such dissemination will be financed through user payment.



NE's management team. From the left: Truls Ingebrigtsen, Bjørge E. S. Harbø, Tom Slungaard, Per Christian Selmer, Michael Pander-Rolfesen, Hans J. Paulsen and Tore Brettås.

Norway's new land registration system for real property and electronic registration

During the period 2001 to 2005, NE has developed and delivered Norway's new land registration system (Regin@). In 2006, the Ministry of Justice, the Norwegian Mapping Authority and NE will, together with selected banks, start a pilot project for the use of electronic documents in the registration process.

NE, the Ministry of Justice and the Norwegian Mapping Authority are working towards a fully digitalised registration system using electronic documents. NE believes it has good support in the ministries and the Government for adapting laws, regulations and infrastructure to allow for electronic registration. In order to finance part of the process, it is both right and decisive in NE's view to base the system on user payment. The alternative is for all financing to be allocated in the national budget, in which case it will be difficult to achieve sufficient prioritisation to facilitate speedy implementation. User financing will also give users a better opportunity to stipulate requirements for solutions.

Transfer of land registration to the Norwegian Mapping Authority

In accordance with the Storting's decision, responsibility for all registration of real property will be transferred from the courts to the Norwegian Mapping Authority. The Ministry of Justice is in charge of the transfer project which

will last until 2007. NE is participating in the management of the project. The transfer will represent a major challenge for NE in terms of maintaining the quality and stability of data delivery from the Land Register, which is a prerequisite for providing good service to EDR users.

As of 31 December 2005, there were 28 court districts with an annual document volume corresponding to 30 per cent of the total number of documents transferred to the Norwegian Mapping Authority, which is now the country's largest authority for the registration of real property. The transfer has been a success so far, and the quality of the Land Register has been maintained at the same level as previously.

Pursuant to the agreement with the Ministry of Justice, NE will contribute financially to the implementation of the transfer project for the years from 2003 to and including 2006. As of 31 December 2005, NE has contributed NOK 29 million to the transfer. NE is also paying for almost one man-year per year in connection with the management of the project.

Development of a new occupation rights register

NE is developing the new register of occupation rights on behalf of the Ministry of Justice. The Storting has decided that occupation rights shall be registered in the Land Register from 1 July 2006.

A department of the Norwegian Mapping Authority has



been established in Ullensvang to attend to the registration of such rights. NE is therefore expanding the registration system Regin@ in order to enable occupation rights to be converted from housing associations' registers to the Land Register and to enable the subsequent registration of such rights and mortgage documents etc. as they arise. The new occupation rights register will be delivered by NE on 1 July 2006.

**EULIS - www.eulis.org
European Land Information Service.**

Norsk Eiendomsinformasjon is one of eight partners in EULIS. The system started as an EU project and it was part of the EU's eContent programme. The project has been very well received by the EU Commission and it has been chosen as a model for new projects. In July 2004, the partners themselves took over full responsibility for the financing and further operation of EULIS.

NE has developed both a demonstrator and an operating version of EULIS. NE has also had technical responsibility for the system. Ordinary operation is due to start during 2006. EULIS gives users easy access to property information across national boundaries in Europe.

It has been decided that in time the entire infrastructure of EULIS will be user-financed.

The eight countries that are already part of EULIS are: England & Wales, Scotland, the Netherlands, Sweden, Norway, Austria, Finland and Lithuania.

The EULIS partners are working to bring in more European countries. In addition to the eight countries mentioned above, the following have decided to join: Italy, the Republic of Ireland, Northern Ireland, Iceland, the Czech Republic, Poland, Latvia and Slovakia. Discussions are also under way with Spain.

OSLO, 15 MARCH 2006

Erik Keiserud
(Chair of the Board)

Tore V. Knudsen

Kari Johanne Bjørnøy

May-Britt Nordli

Bjørn Kjellin

Geir Vidar Mørner

Sissel Skovly

Per Christian Selmer
(Managing Director)

PROFIT AND LOSS ACCOUNT 2005

OPERATING STATEMENT	2005	2004
Sales revenues	172 336 465	154 160 975
Other operating income	19 399	493 198
Total operating income	172 355 864	154 654 173
Purchase of goods and services	70 904 296	65 146 829
Wages, pensions and other personnel costs	48 352 621	40 622 445
Ordinary depreciation	7 423 098	5 537 289
Other operating costs	27 870 831	28 485 288
Total operating cost	154 550 845	139 791 850
Operating profit	17 805 019	14 862 323
Financial income	700 507	776 116
Financial cost	126 299	102 930
Total financial items	574 208	673 186
Profit before taxes	18 379 227	15 535 509
Taxes	5 428 904	4 601 580
Annual profit	12 950 323	10 933 929
Allocations:		
Proposed dividend	10 360 258	8 747 143
To retained earnings	2 590 065	2 186 786
Total allocations	12 950 323	10 933 929

BALANCE SHEET 2005

	31.12.2005	01.01.2005
ASSETS:		
Fixed Assets		
Net deferred tax credits	2 472 948	1 349 986
Machinery, fixtures, vehicles	13 648 841	14 195 591
Net pension assets	6 361 000	6 046 000
Total fixed assets	22 482 789	21 591 577
Current Assets		
Map inventory	1 712 286	1 389 492
Accounts receivable	17 712 523	16 748 641
Other receivables	11 494 644	9 420 553
Bank deposits	32 458 229	22 248 353
Money market fund	19 857 899	19 545 882
Total current assets	83 235 581	69 352 921
TOTAL ASSETS	105 718 370	90 944 498
EQUITY AND LIABILITIES:		
Equity Capital		
Share capital	6 000 000	6 000 000
Retained earnings	35 422 515	32 832 450
Total equity capital	41 422 515	38 832 450
Provision for contingent liabilities		
Provision for individual pension liability	1 268 792	1 080 228
Total long term liabilities	1 268 792	1 080 228
Current Liabilities		
Provisions for liabilities	8 097 253	5 017 340
Accounts payable	10 267 658	11 941 890
Taxes payable	6 551 864	2 190 700
Tax deductions and public taxes payable	6 272 993	5 925 989
Dividends	10 360 258	8 747 143
Other current liabilities	21 477 037	17 208 758
Total current liabilities	63 027 063	51 031 820
TOTAL EQUITY AND LIABILITIES	105 718 370	90 944 498

