



ANNUAL REPORT 2007

Key figures

All figures in NOK 1000	2007	2006	2005
Operating income	218 455	191 675	172 356
Operating profit	20 846	12 371	17 805
Profit before taxes	22 785	13 422	18 379
Annual profit	15 794	9 217	12 950
	2007	2006	2005
Operating margin (Operating profit+Financial income/Operating income)	10%	7%	11%
Total return on capital (Operating profit+Financial income/Average total capital)	21%	13%	19%
Return on equity (Operating profit+Financial income - Financial expences - Tax/Average equity capital)	35%	22%	32%
Equity ratio (Equity capital/Total capital as of 31.12)	41%	42%	39%



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Annual report 2007

GENERAL INFORMATION ABOUT THE BUSINESS

Norsk Eiendomsinformasjon AS (NE) is a wholly state-owned limited liability company under the Ministry of Justice.

The company has its head office in Oslo and branch offices in Bergen and Hønefoss. NE is largely an IT company in which 42 of the company's 68 employees work in IT development and IT operations.

In accordance with agreements with the Ministry of Justice and the Norwegian Mapping Authority, NE shall disseminate information from the Land Register, the Cadastre and the Norwegian Mapping Authority's national map series. In addition the company has agreements with Geovekst, a number of municipalities, housing associations, electrical power companies and other suppliers. These agreements ensure access to and the right to disseminate information that is managed locally.

In accordance with the articles of association, the company shall undertake tasks of social importance relating to the Land Register. The company shall also ensure cost-effective and secure operation, administration and development of systems for the registration of real property and shares in cooperative apartments. NE works to improve the quality and efficiency of the registration of real property, for example by introducing electronic documents and conveyancing.

In a cost-effective manner, NE shall make reliable and relevant property information and geographic information easily accessible for value creation and use in society. The operation and development of the EDR property register is important in this regard. The company organises and disseminates the information for value creation purposes

and product development, principally through dealers who offer fully processed information products to the users.

A new Freedom of Information Act is expected to come into force in 2009. At the moment it is not clear whether NE will be encompassed by the Act and that being the case what effect it will have on the company. The reason for this uncertainty is that the legal regulations are not available, while at the same time the Ministry of Justice must take a position as to how the ministry would like NE's rights to the dissemination of information from the Land Register to be executed in the future. Regardless of whether NE is encompassed by the Act or not, it will affect NE's business. For example, several of NE's agreements with the Ministry of Justice and the Norwegian Mapping Authority must be modified.

ANNUAL ACCOUNTS

In the Board of Directors' opinion, the annual accounts provide a true and fair picture of the company's financial position at the year-end. The annual accounts have been prepared on the basis of the going concern assumption. In the Board of Directors' opinion there are no indications to the contrary. Further information about the basis for the going concern assumption is presented below.

The company's revenue in 2007 was NOK 218 455 280, up from NOK 191 675 298 in 2006. The company's pre-tax profit totalled NOK 22 824 663 in 2007 compared with NOK 13 421 687 in 2006.

Total operating revenue has risen from 2006 due to higher revenues from all of the company's forms of providing information. The company has a positive sales trend with a 14% increase in revenues from 2006.



Norsk Eiendomsinformasjon's Board of Directors. From left: Per Christian Selmer (Man. Dir.), Tore V. Knudsen, Kari Johanne Bjørnøy, Erik Keiserud (Chair), Ingvild Myhre, Sissel Skovly and Geir Vidar Mørner. Ingeborg Moen Borgerud was not present.

In 2007, NE once again reduced the prices of products from the Land Register and GAB register. Nevertheless the growth in the number of products sold has resulted in an increase in total revenue.

The total operating expenses have increased by 10% from 2006, largely due to increases in the costs of goods and personnel. The increases are a result of greater revenues and a high level of activity in general. The cash flow in 2007 was positive.

Financial position

The company's financial position is good. Earnings in 2007 were satisfactory, with a pre-tax profit of about 10.5% of revenue. In accordance with a previous decision, it is proposed that 80% of the profit after tax be distributed to the owner as a dividend.

In light of the nature and scope of the business, the company's equity is at an acceptable level. The company's long-term liabilities represent 2.3% of total assets. All short-term liabilities are covered by current assets and the liquidity reserve is good.

NE focuses constantly on ensuring that all of the most important business areas shall be profitable. The company is particularly working to improve the profitability related to maps and the dissemination of external information from municipalities and other suppliers through Infoland®. Both these areas have developed positively and are expected to deliver positive operating margins in 2008.

Financial risk

The total financial risk for the company is modest, even though there is financial risk in connection with how the implementation of the new Freedom of Information Act

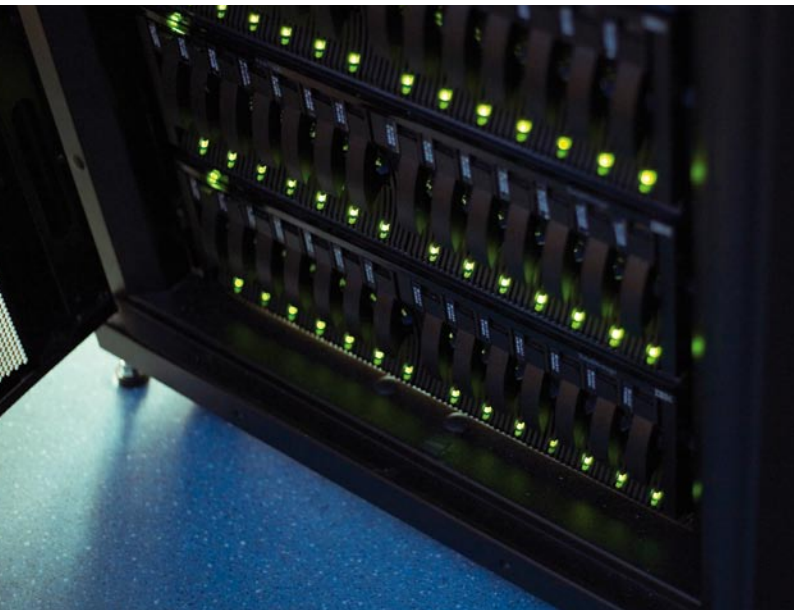
will affect NE's financial position.

NE has an agreement with the Ministry of Justice that grants the exclusive right to disseminate information from the Land Register. The agreement was extended in 2005 and cannot be terminated until 31 December 2010. It is not certain how the new Freedom of Information Act that is expected to come into effect in 2009 will affect NE's exclusive rights. The company's agreements, operations and finances must be adapted to the new Act. The extent and direction of the adaptation is not clear at the moment, as this depends upon the provisions of the Act and decisions by the Ministry of Justice, neither of which has been decided upon as yet.

NE has four principal agreements with the Norwegian Mapping Authority, two relating to the dissemination of information from GAB and/or the Cadastre, both of which can be terminated upon 6 months notice, one relating to the dissemination of data for road navigation and the final one relating to the distribution of map products. Based on the Norwegian Parliament's consideration of Report no. 30 to the Norwegian Parliament (2002-2003) on Digital Norway, the map agreement is in principle irrevocable. These agreements provide a solid basis for the company's earnings. However the agreements must be adapted to the new Freedom of Information Act.

NE has agreements with over 200 suppliers to Infoland®, as well as an agreement with the Geovekst collaboration relating to the right to disseminate map data.

NE's dissemination of information largely occurs through large dealers, which reduces the company's credit risk. All customers are assessed for credit worthiness prior to contracts being signed.



Large investments have been made in renewing the machinery.

Proposed allocation of profit

The company's pre-tax profit was NOK 22 784 832 and the profit after taxes amounted to NOK 15 794 495.

The Board proposes that NOK 12 635 596 from the profit for the year be allocated to a dividend distribution and that the remaining balance of NOK 3 158 899 be transferred to other equity, after which the company's distributable equity as at 31 December 2007 totals NOK 35 123 087

WORKING ENVIRONMENT, PERSONNEL AND NATURAL ENVIRONMENT

The company has a good working environment and the physical conditions are organised for work on computer monitors.

NE prioritises the efforts to continuously improve the working environment and develop its employees. Each year, the company undertakes a working environment survey where the employees provide anonymous feedback about their opinions in relation to a number of conditions in the company.

In accordance with the Working Environment Act, the company has a working environment committee and a safety delegate. At the end of 2007 the company had 68 employees. Absence due to illness in the company is low, amounting to 1.5% of the total number of working hours in 2007 and 2.5% in 2006. There were no incidents of personal injury or damage to the company's property during 2007.

The nature of the company's business is such that it does not harm or affect the external environment. The company provides services and does not use energy and/or raw



Inger Iversen in reception.

materials that pollute or generate waste of any significance to the natural environment. The company ensures for the secure destruction of data and disposes of used ICT equipment at the recycling facilities in Bergen and Hønefoss. In Oslo ICT equipment is delivered to the return company that attends to collecting, recycling, salvaging and environmentally correct treatment of EE waste.

GENDER EQUALITY

The company aims to be a workplace where there is full equality between women and men. No gender inequalities in salary or other conditions have been found.

The company's policy is that there shall be no discrimination on the basis of gender in areas such as salary, career advancement and recruiting. Working hours arrangements in the company derive from the various positions and are gender independent. NE is aware of society's expectations concerning measures to promote gender equality in the business.

Of the company's 68 employees on 31 December 2007, 25 were women and 43 were men. On 31 December 2007, NE's Board of Directors comprised seven members, four female and three male, as well as one female and five male deputy board members. Two board members and four deputy board members have been elected by and among the employees. Of these board members, one is a woman and one is a man, while there is one woman and three men among the employee-elected deputies. The gender representation among the employee-elected board members and deputy members is in compliance with the applicable regulations at the time of the election. The company's management comprises six men and one woman.



Technical conversion/transfer of registration from all the country's district courts to the Norwegian Mapping Authority was managed by: (from left) Jarl Totland, Paul S. Ahlbom, Olaf Bastiansen and Ronny Opsahl.

MORE ABOUT THE BUSINESS

e-registration

In 2007 the Ministry of Justice gave NE the task of developing and operating systems for a digitised registration of property and rights of occupation. NE, the Ministry of Justice and the Norwegian Mapping Authority are working towards the introduction of e-conveyancing.

In collaboration with the register authority in the Norwegian Mapping Authority and DnBNOR, NE has launched a pilot project for the submission of electronic documents for registration. The pilot project was well received by DnBNOR and forms a good basis for the continued development of digital e-documents in Norway. In 2008 NE will set in motion a signature solution in connection with the project. The laws, regulations and infrastructure have been adapted to facilitate this type of project.

Registration of shares in cooperative apartments in the Land Register

From 1 July 2006 the rights to shares in cooperative apartments have been registered in the Land Register. NE has helped facilitate a successful conversion of data to the new register, which now forms an integrated part of the Land Register. Development, operation and data conversion have been funded by NE and the Ministry of Justice.

From 2007 NE has the rights to sell information from the system, and revenues from cooperative apartment data have been much higher than anticipated in 2007. The focus on a system for registering and disseminating cooperative apartment data has been a success that has proven its profitability for the company.

Information dissemination

Information about the company and its products can be

found at www.eiendomsinfo.no. NE's products and services are also available both as a standardised data interface and in the portal www.infoland.no. Infoland® is NE's internet-based portal solution and marketplace for both dealers and end users. The solution is built on a modular architecture to allow dealers, suppliers and others the opportunity to use the system's functionality in part or whole when ordering, counting, settling accounts, invoicing and in user relations. Infoland® provides the opportunity to directly order information from municipalities, housing associations or other information providers, in addition to searching in NE's map solutions and the property registry EDR. With Infoland® NE can provide access to for example situation maps, zoning plans, appraisals, construction drawings and information about property tax and municipal taxes.

More than 180 municipalities, including Oslo and the majority of larger municipalities, use Infoland® and thereby provide quicker information to users, while saving the municipalities time and money when processing enquiries.

The service is user-financed and returns funds to the municipalities, e.g. for digitisation and automation.

Together with the suppliers, dealers and users, NE will further develop both the company's central role as an information disseminator and the infrastructure for data dissemination. In the coming years NE will continue to invest in developing new solutions. Together this provides the basis for the company's positive development.

In 2007 NE has worked continuously to improve and safeguard the internal infrastructure and internal systems for automated account settlement and invoicing.



Integrating map functionality into the web solutions is a priority: (from left) Steinar Sørli, Øivin Aarnes, Elisabeth Einang Prestegard and Sven Arve Saga.

The company's IT operations

During 2007 NE has continued the work of modernizing, expanding, securing and improving the efficiency of the company's IT operations. NE's largest computing facility is in Bergen, but it also has operations in Oslo. NE's computing facilities in Oslo and Bergen were upgraded in 2007 with more secure cooling and power supply systems. The computing facility in Bergen will be further upgraded in 2008, for example with a new cooling system and new computer room floor. In addition to these two computing facilities there are separate operating locations for backup and contingency security in both Bergen and Oslo. In accordance with the contract with the Ministry of Justice concerning the operation of the registration system Regin@, NE has systems for contingency security. In the event of fire or other emergency scenarios the registration system shall operate from one of NE's other operating locations within ten hours.

NE is implementing an upgrading of the company's security policy with underlying guidelines and procedures. The work is based on methodology from international standards for information security (ISO 27001/27002). The new security policy will be gradually implemented during the course of 2008.

Map data

NE's sale of map data increased by 23% from 2006 to 2007. Revenues from map data from the parties in the Geovekst collaboration grew particularly strongly and more than tripled from 2006 to 2007. In 2007 contracts were signed for the acquisition of detailed map data from Trondheim, Bergen, Bærum, Stavanger, Ålesund, Drammen and several other large municipalities in connection with the Geovekst collaboration. This will provide NE with access to

high quality map data from across the whole country with the exception of Oslo.

In 2007 NE has developed new solutions for simpler and more efficient delivery of map data to the market, for example by expanding self-service functionality on the Internet. This work will continue in 2008.

Digital Norway

Digital Norway is a collaboration between selected participants designed to raise the quality and utility of public geographic information, and is one of several areas where NE collaborates with the Norwegian Mapping Authority. NE disseminates data digitally from Norway to professional dealers and users. NE has also signed contracts relating to the delivery of both solutions and information to the parties in Digital Norway.

Transferring title registration to the Norwegian Mapping Authority

In accordance with the Norwegian Parliament's decision, the responsibility for registration of real property is transferred from the law courts to the Norwegian Mapping Authority. The registration authority is now established in the Norwegian Mapping Authority. The Ministry of Justice led the transfer project which was completed in December 2007. NE participated in the project administration and ensured that the quality and stability in the data deliveries from the Land Register were maintained, which is a prerequisite for good service provision to EDR users. NE was responsible for the technical conversion of all data to the new registration system.

The project has been a success and was completed according to plan. Registration during the period of transfer



The management group at Norsk Eiendomsinformasjon AS. From left: Per Christian Selmer, Tore Brettås, Bjørg Strugstad Harbø, Truls Ingebrigtsen, Michael Pande-Rolfen and Bjarne Dale. Tom Slungaard, was not present.

has maintained a high level of quality with short processing times.

Pursuant to the agreement with the Ministry of Justice, NE has made financial contributions to the transfer project for the years from 2003 to 2007. As at 31 December 2007 NE has expensed NOK 33 million for the transfer. NE has also funded almost one man-year per year in connection with project administration.

EULIS (www.eulis.org)

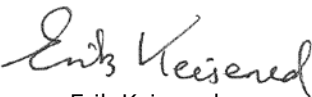
Norsk Eiendomsinformasjon AS is one of ten partners in EULIS, which is a portal for disseminating property related information among European countries. EULIS provides users with the opportunity to gain easy access to property information across national boundaries in Europe. NE has developed a demonstrator and an operating version

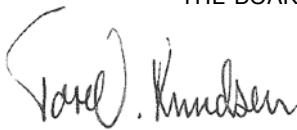
of EULIS. NE also has technical responsibility for the system and commenced ordinary operations in 2006. The parties aim for the entire EULIS infrastructure to gradually be self-funding with user payment. At present there is not sufficient use of the system for it to be self-funding.

The ten countries that are part of EULIS are: England & Wales, Scotland, the Netherlands, Sweden, Austria, Norway, Finland, Lithuania, the Republic of Ireland and Iceland.

The EULIS partners are working to include more European countries. In addition to the ten countries mentioned, the following countries would like to join: Italy, Northern Ireland, the Czech Republic, Poland, Latvia and Slovakia. Discussions are also underway with Spain.

OSLO, NORWAY, 12 MARCH 2008
THE BOARD OF DIRECTORS


Erik Keiserud
(Chairman of the board)


Tore V. Knudsen


Kari Johanne Bjørnøy


Ingeborg Moen Borgerud


Ingvild Myhre


Geir Vidar Mørner


Sissel Skovly


Per Christian Selmer
(Managing Director)

PROFIT AND LOSS ACCOUNT 2007

OPERATING STATEMENT	2007	2006
Sales revenues	218 336 138	191 181 061
Other operating income	119 142	494 237
Total operating income	218 455 280	191 675 298
Purchase of goods and services	95 876 827	86 343 160
Wages, pensions and other personnel costs	65 914 462	54 052 804
Ordinary depreciation	7 948 268	8 375 466
Other operating cost	27 869 679	30 533 016
Total operating cost	197 609 236	179 304 447
Operating profit	20 846 044	12 370 851
Financial income	2 033 182	1 208 548
Financial cost	94 394	157 712
Total financial items	1 938 788	1 050 836
Profit before taxes	22 784 832	13 421 687
Taxes	6 990 337	4 204 648
Annual profit	15 794 495	9 217 039
Allocations:		
Proposed dividend	12 635 596	7 373 631
To retained earnings	3 158 899	1 843 408
Total allocations	15 794 495	9 217 039

BALANCE SHEET 2007

	31.12.07	31.12.06
ASSETS:		
Fixed assets		
Net deferred tax credits	1 179 028	1 730 679
Machinery, fixtures, vehicles	13 516 729	13 497 391
Net pension assets	4 576 000	5 905 000
Total fixed assets	19 271 757	21 133 070
Current Assets		
Map inventory	2 804 518	2 083 829
Accounts receivable	24 217 777	29 597 187
Other receivables	5 719 614	7 005 949
Bank deposits	39 846 702	22 387 060
Money market fund	21 156 960	20 321 826
Total current assets	93 745 571	81 395 851
TOTAL ASSETS	113 017 328	102 528 921
EQUITY AND LIABILITIES:		
Equity capital		
Share capital	6 000 000	6 000 000
Retained earnings	40 424 820	37 265 922
Total equity capital	46 424 820	43 265 922
Provision fo contingent liabilities		
Provision for individual pension liability	1 720 000	1 473 031
Pension liabilities, wages above 12G	831 789	0
Total long term liabilities	2 551 789	1 473 031
Current liabilities		
Provision for liabilities	82 794	4 131 527
Accounts payable	12 425 052	11 067 426
Taxes payable	6 438 686	3 462 380
Tax deductions and public taxes payable	7 651 157	6 385 680
Dividends	12 635 596	7 373 631
Other current liabilities	24 807 434	25 369 324
Total current liabilities	64 040 719	57 789 968
TOTAL EQUITY AND LIABILITIES	113 017 328	102 528 921

