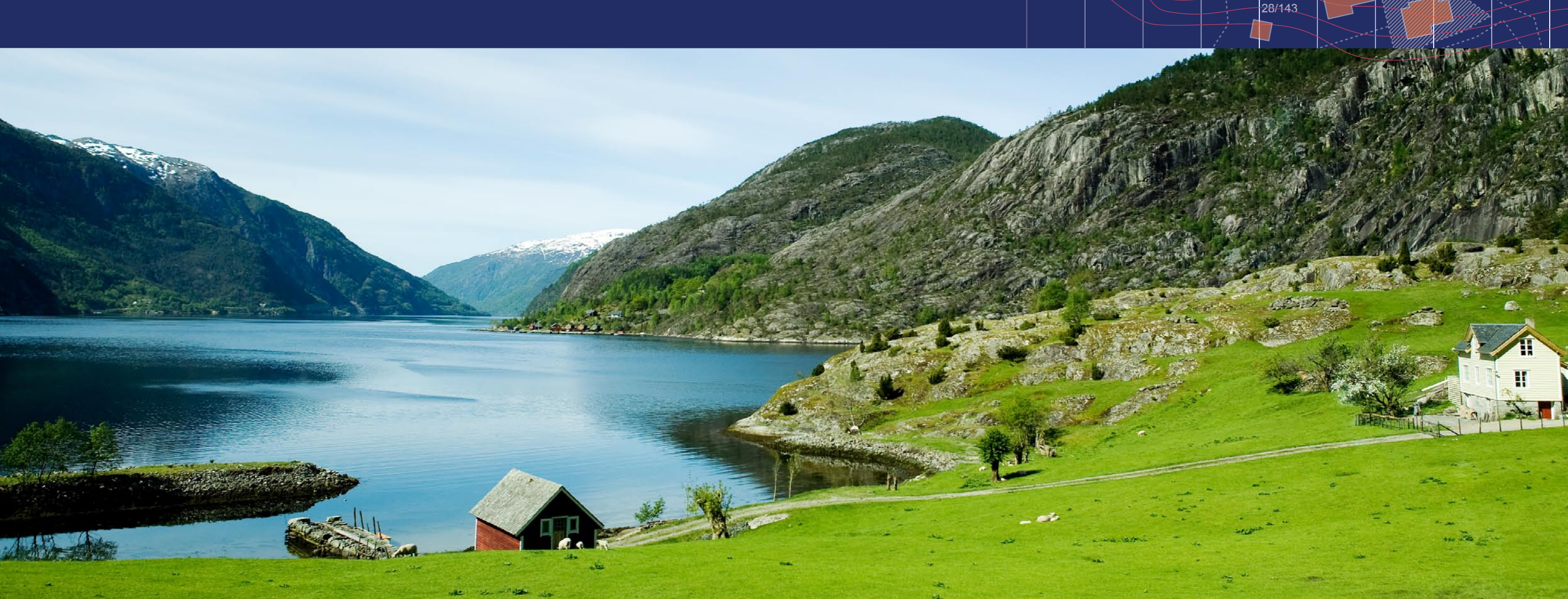


ANNUAL REPORT 2008





Key figures

All figures in NOK 1000	2008	2007	2006
Operating income	224 374	218 455	191 675
Operating profit	15 644	20 846	12 371
Financial income	3 277	2 033	1 209
Profit before taxes	18 852	22 785	13 422
Annual profit	13 410	15 794	9 217
	2008	2007	2006
Operating margin (Operating profit+Financial income/Operating income)	8 %	10 %	7 %
Total return on capital (Operating profit+Financial income/Average total capital)	17 %	21 %	13 %
Return on equity (Operating profit+Financial income - Financial expences - Tax/Average equity capital)	28 %	35 %	22 %
Equity ratio (Equity capital/Total capital as of 31.12)	43 %	41 %	42 %

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Annual report 2008

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 67 employees are engaged in IT development and IT operations.

The company shall, in a cost-effective and secure manner arrange for the operation, management and development of systems for registration of real property and shares in cooperative apartments. In accordance with the articles of association the company shall undertake tasks of social importance related to the Land Register. NE works to improve the quality and the efficiency of registration of real property, inter alia by introducing electronic documents.

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

One of NE's primary tasks is to make property information and geographic information readily accessible for value creation and use in society. The operation and development of the EDR properties register is important in this regard. The company organises and disseminates the information for value creation and product development purposes, primarily through dealers who offer fully processed information products to the users.

A new Freedom of Information Act came into force on 1

January 2009. NE is covered by the Act, and this affects the company's business, making demands on record keeping, insight and pricing. The Act basically prohibits exclusive rights agreements and in 2009 the Ministry of Justice will decide how NE's right to disseminate information from the Land Register shall proceed.

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 end of the year. The annual accounts have been prepared on the basis of the going concern assumption. The Board of Directors is of the opinion that there are no indications to the contrary. Further information about the going concern assumption is presented below.

In 2008, the company's revenue was NOK 224 374 009, up from NOK 218 455 280 in 2007. The company's profit before tax was NOK 18 851 626 in 2008 compared with NOK 22 784 832 in 2007. Total operating revenue rose as a result of higher revenues from all of the company's forms of providing information. The company recorded a positive trend in sales, with turnover rising 2.7% compared with 2007, despite a decline in the market toward the end of the year.

In 2008, NE yet again reduced the prices for Land Register products, this time for products dealing with shares in cooperative apartments. Nevertheless, the increase in the number of sold products resulted in total revenue rising.

The total operating expenses rose by 5.6% compared with 2007, mainly due to increases in the cost of goods and personnel. This rise is a consequence of the rise in turnover and the high activity level in general. The cash flow in 2008



Norsk Eiendomsinformasjon's Board of Directors. From left; Tore V. Knudsen, Geir Vidar Mørner, Anny Margrethe Bratterud, Ingeborg Moen Borgerud, Anne-Karin Sogn, Per Christian Selmer (Managing Director) and Erik Keiserud (Chairman of the Board). Ingvild Myhre was not present.

was positive, cf. the cash flow analysis.

FINANCIAL POSITION

The company's financial position is good. Earnings in 2008 were satisfactory, with a pre-tax profit of approximately 8.4% of revenue. In accordance with a previous resolution, it is proposed that 80% of the after-tax profit shall be distributed to the owner as a dividend.

In light of the nature and the scope of the business, the company's equity is at an acceptable level. The company's long-term liabilities represent 3.1% of total assets. All short-term liabilities are covered by current assets and the liquidity reserve is good.

NE is constantly focusing 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 of these areas developed positively and positive operating margins are expected to be delivered in 2009.

FINANCIAL RISK

The company's total financial risk is modest, even though there is some uncertainty to the consequences of the Ministry of Justice's decision on how NE's rights will be dealt with from 2011. Any possible phasing out of NE's exclusive rights will have an impact on NE's financial position and will call for a reorganisation of the company.

NE's exclusive right to disseminate information is linked to one agreement with the Ministry of Justice governing the dissemination of information from the Land Register and four agreements with the Norwegian Mapping Authority, two relating to the dissemination of information from GAB/the

Cadastre, both of which can be terminated upon 6 months notice, one relating to the dissemination of information on data for road navigation, and one relating to the distribution of map products.

NE has agreements with more than 200 suppliers to the online shop Infoland®, as well as an agreement with the Geovekst collaboration governing the right to disseminate map data. For the most part, NE's dissemination of information occurs through dealers, which reduces the company's credit risk. The creditworthiness of all customers is assessed prior to contracts being signed.

PROPOSED ALLOCATION OF THE PROFIT

The company's pre-tax profit was NOK 18 851 626 and the profit after tax amounted to NOK 13 410 172.

The Board of Directors proposes that NOK 10 728 137 of the profit for the year be allocated as a dividend distribution and that the remaining NOK 2 682 034 be transferred to other equity, after which the company's distributable equity as at 31 December 2008 amounts to NOK 37 695 243.

WORKING ENVIRONMENT, PERSONNEL AND THE EXTERNAL ENVIRONMENT

The company's working environment is good and the physical conditions are organised in such a way as to facilitate work at computer monitors.

NE prioritises efforts to constantly improve the working environment and the development of its employees. Each year, the company carries out a working environment survey where the employees provide anonymous feedback on their opinions in relation to a number of conditions in the company.



Daily SCRUM meeting: Siv Tunold, Arnstein Løkling and Arne Berge.

Pursuant to the Act on Working Environment, the company has a working environment committee and a safety delegate. At the end of 2008 the company had 67 employees. Sick leave in the company rose compared with 2007, but is still low, representing 2.2% of the total number of working hours compared with 1.5% in the preceding year. No personal injuries or damage to the company's property were recorded in 2008.

The nature of the company's business is such that it does not cause any harm to or have any impact on the external environment. The company provides services and does not use energy and/or raw materials that pollute or generate waste of any significance to the natural environment. The company ensures that all data is safely destroyed, and it disposes of used ICT equipment at the recycling facilities in Bergen and in Hønefoss. In Oslo, ICT equipment is delivered to the take-back company that attends to collecting, recycling, salvaging and environmentally correct treatment of EE waste.

COMPETENCE AND PERSONNEL DEVELOPMENT

The company's most important assets are its staff members. NE is dependent on continuing to be an attractive workplace that attracts competent people. In this connection, it is important to clarify the company's future framework conditions. NE emphasises the creation of good working conditions with professional management and management development. In 2008, management development programmes were carried out for both group management and middle management. The company is also seeking to continually improve professional competence in all of the company's working areas.

GENDER EQUALITY

The company's goal is to be a workplace where there is full equality. No inequalities in salary or other conditions have been found based on gender, ethnicity, age or other conditions.

Furthermore, the company has a policy that there shall be no discrimination on the basis of gender, ethnicity, age or other conditions in areas such as salary, career advancement and recruiting. Working hour arrangements in the company derive from the various positions and are gender independent. NE is conscious of society's expectations concerning measures to promote gender equality in the company.

Of the company's 67 employees as at 31 December 2008, 23 were women and 44 men. On 31 December 2008, NE's Board of Directors was made up of seven members, four female and three male, as well as one female and five male deputy members. Two board members and four deputy members have been elected by and among the employees. Of these board members, one is a woman and one is a man, while one woman and three men are employee-elected deputy members. The gender representation among the employee-elected board members and deputy members is in compliance with the regulations applicable at the time of the election. The company's management comprises six men and one woman. Five women and four men participated in management development programmes for middle management in 2008.

MORE ABOUT THE BUSINESS

GENERAL

NE is a commercial enterprise with value creation and sales linked to data dissemination contracts as an important part of its business. A new Freedom of Information Act results in NE being obliged to fix its prices on the basis of actual costs related to the collection, production, reproduction and dissemination of information with a reasonable return on invested capital. Being a commercial company, this pricing principle has negative consequences on the company's operations and development.



IT development in Norsk Eiendomsinformasjon as uses SCRUM methodology. From the left: Truls Ingebrigtsen, Terje Samdal, Øyvind Steindal, Frode Arntsen, Nina Hegrenes, Carel-Andre Gåsemeyr and Bjarne Dale.

The Board of Directors is of the opinion that further NE operations after 2011 should not be based on exclusive rights and in this way the company will no longer be covered by the Freedom of Information Act. Such a change will provide more long-term framework conditions and a better basis for reorganising and developing the company.

NORWAY DIGITAL AND EU'S INSPIRE DIRECTIVE

Norway digital is a collaboration between selected parties with a view to raising the quality and utility of public geophysical information. This is one of several areas where NE is cooperating with the Norwegian Mapping Authority. NE disseminates data from Norway digital to professional dealers and users. NE has also entered into agreements for the supply of solutions and information to the parties participating in Norway digital. Norway digital is well suited to the framework of the EU's INSPIRE directive for freer flow of environmental information and geographic information. Norway is therefore well equipped to meet the coming INSPIRE infrastructure that NE will have to adjust its operations to.

MAP DATA

NE's sales of map data increased by 9% from 2007 to 2008. Revenues from map data from the parties in the Geovekst collaboration grew particularly strongly and more than doubled from 2007 to 2008, despite the decline in the market toward the end of the year.

Through agreements with Geovekst, represented by the Norwegian Mapping Authority and directly with the largest municipalities, NE has access to high quality map data from the entire country with the exception of Oslo. NE is working together with the City of Oslo to develop a similar agreement for Oslo in 2009.

In 2008, NE has again developed new solutions for delivering simpler and more efficient map data to the market, for example

by expanding self-service functionality on the Internet. This work will continue in 2009.

DISSEMINATION OF INFORMATION

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 online shop www.infoland.no. Infoland® is NE's Internet-based portal solution and marketplace for dealers and end users alike. The solution is built on a modular architecture that gives dealers, suppliers and others an opportunity to use the system's functionality in part or in whole when ordering, counting, settling accounts, billing or in their relations with users. Infoland® provides the opportunity to directly order information from municipalities, housing associations or other suppliers, in addition to searching in NE's map solutions and the EDR property register. With Infoland® NE can provide access to, for example, the Land Register, the Cadastre, situation maps, zoning plans, appraisals, architectural drawings, information about property tax and municipal taxes.

More than 200 municipalities, including Oslo and the majority of larger municipalities make use of Infoland® and thereby provide users with information more quickly, while at the same time saving both time and money on responding to enquiries.

The service is user-financed and returns funds to the municipalities for i.a. digitisation and automation.

Together with 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 2008, NE has worked continuously to improve and safeguard

the internal infrastructure and internal systems for automatic account settlement and billing.

THE COMPANY'S IT OPERATIONS

During 2008, NE continued the work of improving the efficiency of, and modernising and safeguarding, the company's IT operations. NE's largest data hall is in Bergen, but NE also has operations in Oslo. The upgrading of NE's main data hall in Bergen was completed in 2008 with a new and more secure power and cooling system as well as a new data floor and a range of other security measures.

In addition to the two data halls the company has separate operating locations for backup and contingency security in Bergen and in Oslo. Pursuant to the contract with the Ministry of Justice governing the operation of the Regin@ registration system, NE has systems for contingency security. In case of fire or other emergency scenarios the registration system will be operative from one of NE's other operating locations within ten hours.

NE has updated the company's security policy with underlying guidelines and procedures. This work is based on methodology from international standards for information security (ISO 27001/27002). The measures under the new security policy will be implemented gradually during the course of 2009.

DEVELOPMENT PROJECTS

NE has modern IT systems and uses state-of-the-art development methods that are well suited to the challenges we will face in the years to come. The company is giving priority to the constant renewal of systems for IT operations, infrastructure, administration and commercial routines as well as trading routines vis-à-vis dealers and customers. This has contributed to the fact that Norway has state-of-the-art and flexible systems for property registration and the dissemination of property-related information and other geographic information.

NE expenses all system development. Major development projects that have been carried out during the last few years have therefore been charged directly to the accounts, so that a lower future development rate will result in lower costs in the year in question. In this way, NE is well equipped for reorganisation.

Commercial routines and new order system

NE develops new joint systems to improve the internal infrastructure i.a. for counting, authorising, authenticating and preparing the information that is needed to issue invoices. The reorganisation means that the company is moving in the direction of using more standard systems. New commercial routines are important to reduce vulnerability and increase the efficiency, security and the flexibility of NE's operations.

New EDR properties register version and conversion of GAB to the Cadastre

NE has invested substantial development resources in converting EDR in order to collect more data from the new Cadastre which will replace the GAB system in 2009. The

change-over has been wide-ranging but necessary to ensure updating of EDR.

NE has also provided resources for software conversions from GAB to the Cadastre during the change-over process.

NE has developed and put into operation a new version of cooperative apartment data in the EDR. A new version for real property data will also be put into operation in the course of 2009. Whilst updating currently takes place once a day, the new EDR will be constantly updated from the Regin@ registration system. It will therefore be possible for users to get details of exactly when their documents were registered in the Regin@ registration system. The new EDR will also improve data extraction and make the IT operation simpler and more efficient.

The net shop Infoland® with maps and EDR

A new version of Infoland® with maps and EDR was developed and put into operation in 2008. Information from the Land Register and the Cadastre are now shown in Infoland® and locations given on maps. NE is constantly working to integrate and automate data extraction and data delivery with the suppliers' and users' systems. This work will make Infoland® more user-friendly and give faster delivery.

Further development of Regin@

NE is continually working on developing the Regin@ registration system further within the framework of the agreement that the company has with the Ministry of Justice. The result of this can be seen inter alia in the e-registration project that is referred to below, and in better integration of Regin@ -Fast eiendom and Regin@-Borett. Emphasis is also being placed on continually simplifying and safeguarding the operation of the system.

e-Registration

In 2008, in association with the register authority in the Norwegian Mapping Authority and DnB NOR, NE implemented a pilot project for the submission of electronic documents for registration. The project was well received by DnB NOR and forms a good basis for the continued development of digital registration of real property and cooperative apartments in Norway. In 2008, some 56 000 electronic documents were submitted for registration in the project. In 2009, NE will launch an e-signature solution and work for a transition from pilot project to ordinary operation.

EULIS

The EULIS (European Land Information Service) cooperation between European countries provides users with an opportunity to gain easy access to property information across national borders. NE has developed a demonstrator and an operating version for EULIS. NE will continue to administer the systems, but together with Iceland, will cease to be a EULIS partner with effect from 1 July 2009. The eight countries that will be part of EULIS from 1 July 2009 are: England and Wales, Scotland, the Netherlands, Sweden, Austria, Finland, Lithuania and the Republic of Ireland.



The management group at Norsk Eiendomsinformasjon as. From left; Tore Brettås, Michael Pande-Rolfesen, Bjørg Strugstad Harbø, Per Christian Selmer (Managing Director) and Tom Slungaard. Truls Ingebrigtsen and Bjarne Dale were not present.

PROSPECTS

NE has a good capital base and expenses all system development costs as they arise. All of the company's IT systems that are necessary to ensure efficient and secure data dissemination have been updated and are well maintained. Together with the employees' high level of competence, this gives us a good basis for future operations. NE has an IT environment that provides the necessary foundation for future product development.

NE will strive to remain a guarantor for efficient and safe registration of real property and cooperative apartments through its work on the Regin@ registration system and the development of e-registration. NE is actively working to retain and to further develop all the tasks that the company carries out for the Norwegian Mapping Authority and the Ministry of Justice in a cost-effective manner, while maintaining the necessary quality standards.

NE has adjusted to the difficult market situation that arose at the end of 2008 and has achieved its sales budget in the first months of 2009. During the first months of 2009, NE registered almost 50 new customers on Infoland®. Product development and cooperation with other players have resulted

in sales increasing in the first quarter of 2009 compared with the first quarter of 2008.

NE's sales are intended for the real estate sector, building and construction and the finance sector. These are sectors that are strongly affected by the decline in the market from the end of 2008. NE expects that the market for the company's products will continue to be difficult in 2009 and 2010, but that it will probably pick up in 2011. Despite the difficult market situation, NE will maintain a high level of product development, technology modernisation and change.

In addition to the sale of information, NE is focusing on the sale of services linked to IT operations, IT management and IT development.

Banking/finance will be a sector that NE will concentrate on with, inter alia, solutions and services related to e-registration and data for appraising the value of real property.

The company has good future prospects, even though a possible loss of exclusive rights to the Land Register from 2011 and changes in the market will call for the company to reorganise.

OSLO, 19 MARCH 2009
THE BOARD OF DIRECTORS

			
Erik Keiserud (Chairman of the Board)	Tore V. Knudsen	Anne-Karin Sogn	Ingvild Myhre
			
Ingeborg Moen Borgerud	Anny Bratterud	Geir Vidar Mørner	Per Christian Selmer (Managing Director)

PROFIT AND LOSS ACCOUNT 2008

OPERATING STATEMENT	2008	2007
Sales revenues	224 074 215	218 336 138
Other operating income	299 794	119 142
Total operating income	224 374 009	218 455 280
Purchase of goods and services	102 686 945	95 876 827
Wages, pensions and other personnel costs	69 609 672	65 914 462
Ordinary depreciation	7 591 013	7 948 268
Other operating cost	28 842 004	27 869 679
Total operating cost	208 729 634	197 609 236
Operating profit	15 644 375	20 846 044
Financial income	3 277 172	2 033 182
Financial cost	69 921	94 394
Total financial items	3 207 251	1 938 788
Profit before taxes	18 851 626	22 784 832
Taxes	5 441 454	6 990 337
Annual profit	13 410 172	15 794 495
Allocation:		
Proposed dividend	10 728 137	12 635 596
To retained earnings	2 682 034	3 158 899
Total allocations	13 410 172	15 794 495

BALANCE SHEET 2008

	31.12.08	31.12.07
ASSETS:		
Fixed assets		
Net deferred tax credits	1 072 120	1 179 028
Machinery, fixtures, vehicles	15 760 358	13 516 729
Net pension assets	5 800 000	4 576 000
Total fixed assets	22 632 478	19 271 757
Current Assets		
Map inventory	2 402 030	2 804 518
Accounts receivable	18 166 727	24 217 777
Other receivables	5 359 207	5 719 614
Bank deposits	43 110 425	39 846 702
Money market fund	22 445 244	21 156 960
Total current assets	91 483 633	93 745 571
TOTAL ASSETS	114 116 111	113 017 328
EQUITY AND LIABILITIES:		
Equity capital		
Share capital	6 000 000	6 000 000
Retained earnings	43 106 854	40 424 820
Total equity capital	49 106 854	46 424 820
Provision for contingent liabilities		
Provision for individual pension liability	1 952 000	1 720 000
Pension liabilities, wages above 12G	1 634 000	831 789
Total long term liabilities	3 586 000	2 551 789
Current liabilities		
Provision for liabilities	0	82 794
Accounts payable	13 248 302	12 425 052
Taxes payable	5 334 546	6 438 686
Tax deductions and public taxes payable	6 476 217	7 651 157
Dividends	10 728 137	12 635 596
Other current liabilities	25 636 055	24 807 434
Total current liabilities	61 423 257	64 040 719
TOTAL EQUITY AND LIABILITIES	114 116 111	113 017 328