

EDB Business Partner ASA REPORT FOR THE FIRST QUARTER OF 2006

- **2006 starting with growth in revenue and earnings**
- **Successful completion of five acquisitions**
- **Improved profitability in Sweden in line with the company's plans**
- **Launch of new products with global reach**

(NOK million)	Q1'06	Q1'05	2005
Operating revenue	1 341	1 180	4 858
Operating costs	1 218	1 071	4 372
Operating profit before amortisation (EBITA)	123	109	486
EBITA %	9,2 %	9,2 %	10,0 %
EBIT	105	85	388
Profit before tax	94	69	356
Cash flow from operations	56	58	580
Operational investments (CAPEX)	67	66	390
Earnings per share (NOK)	0,74	0,51	2,73
No. of employees	3 359	2 999	2 664

EDB Business Partner reported operating revenue for the first quarter of 2006 of NOK 1,341 million as compared to NOK 1,180 million in the same quarter of 2005. Revenue was up by 14 percent from the same quarter of 2005. Of the corporate acquisitions carried out towards the end of 2005 and in early 2006, TAG Systems is consolidated in the Solutions business area with effect from 1 January 2006 and Datarutin in the IT Operations business area with effect from 1 February 2006, while Avenir and Spring Consulting are included in the new business area Applications Services with effect from 1 January 2006.

Revenue for IT Operations was 1 percent higher than in the first quarter of 2005, while the Solutions business area reported revenue 18 percent higher than for the same quarter of last year, of which organic growth accounted for 8 percent. Applications Services reported revenue of NOK 111 million in the first quarter of 2006. Pro forma revenue for the business area was NOK 91 million for this quarter in 2005, representing an aggregate growth of 22 percent for the activities now included in Applications Services.

The group reports operating profit before intangible asset amortisation (EBITA) of NOK 123 million for the quarter, as compared to NOK 109 million for the first quarter of 2005. The group's EBITA margin was 9.2 percent for the quarter, in line with the same quarter of last year. The IT Operations business area produced an EBITA margin of 8.2 percent as compared to 8.7 percent in the first quarter of last year. The change is mainly the result of previously reported price reductions for 2006 on some larger customer contracts. The Solutions business area reported an EBITA margin of 14.9 percent as compared to 15.2 percent for the same period last year. The new business area Applications Services reported an EBITA margin of 13.8 percent, which is a substantial improvement from the pro forma EBITA margin for the first quarter of 2005 for the activities now included in Applications Services.

Amortisation of intangible assets relating to fair value of customer contracts and software in connection with businesses acquired amounted to NOK 18 million in the first quarter of 2006 as compared to NOK 23 million in the first quarter of 2005. Amortisation of intangible assets relating to businesses consolidated from 2006 totalled NOK 6 million.

Operating profit (EBIT) for the first quarter of 2006 was NOK 105 million as compared to NOK 85 million in the first quarter of 2005, representing an increase of 24 percent.

Net financial expense was NOK 11 million in the first quarter of 2006, as compared to NOK 17 million in the same quarter of 2005. Net interest expense accounted for NOK 9 million, an increase of NOK 7 million from the same quarter of 2005.

The group reported a profit after tax for the first quarter of 2006 of NOK 67 million as compared to NOK 47 million for the same quarter in 2005.

Earnings per share amounted to NOK 0.74 for the quarter as compared to NOK 0.51 for the first quarter of 2005, representing an increase of 44 percent.

The group's headcount increased from 2,664 at 31 December 2006 to 3,359 at 31 March 2006 as a result of businesses acquired.

Cash flow and liquidity

The group generated cash from operations of NOK 56 million in the first quarter of 2006 as compared to NOK 58 million in the same quarter of last year. Adjusted for NOK 33 million in positive cash flow in the first quarter of 2005 from the activities of EDB Telecom that were sold in 2005 and by NOK 13 million for cash flow from businesses acquired in 2006, the underlying cash from operations shows an improvement of NOK 18 million in the first quarter. The increase in normalised working capital arising from acquisitions amounted to NOK 56 million and is included in net cash flow from financing activities. Cash flow per share was NOK 0.61 in the first quarter of 2006 as compared to NOK 0.65 in the first quarter of 2005.

Net interest-bearing liabilities totalled NOK 1,217 million at 31 March 2006, an increase of NOK 763 million from the close of 2005. The increase relates to payments for businesses acquired, representing full payment in this respect, with the exception of possible additional performance-based consideration due in 2007.

At 31 March 2006, the group's liquidity reserves totalled NOK 827 million, of which NOK 749 million was undrawn credit facilities. The group signed a 5-year NOK 500 million multi-currency drawing facility in the first quarter.

Investment

Investment in operations-related fixed assets amounted to NOK 67 million in the first quarter of 2006 as compared to NOK 66 million in the same quarter of 2005. This included NOK 12 million for investment in respect of new office premises at Skøyen in Oslo, while other investment principally related to customer contracts. A NOK 68 million operational leasing agreement was entered into in the first quarter of 2006 in connection with the relocation of mainframe operations from Bergen, Hamar and Stockholm to Oslo. In addition, costs of NOK 6 million in respect of upgrading software for the public sector were capitalised as intangible assets in the first quarter. Total capitalised development costs amounted to NOK 15 million at 31 March 2006.

Order backlog

The group's order backlog amounted to NOK 11,928 million at 31 March 2006, representing a net decline of NOK 617 million from 31 December 2005. 72 percent of this backlog will be recognised as revenue during the rest of 2006, 2007 and 2008. Of the total backlog, NOK 10,274 million relates to IT Operations, NOK 1,590 million relates to Solutions and NOK 64 million relates to Applications Services.

The group's business areas

IT Operations

This business area comprises network services, operation of infrastructure and applications, security services, user support, and electronic business support services such as invoice management, payment services, messaging and printing. The activities in IT Operations cover all industries and sectors, and operates in Norway and Sweden.

(NOK million)	Q1'06	Q1'05	2005
Operating revenue	955	944	3 799
Cost of goods sold	344	342	1 339
Salaries and related costs	311	287	1 160
Ordinary depreciation	67	66	281
Other operating costs	155	166	675
Total operating costs	877	862	3 454
Operating profit before amortisation	78	82	345
EBITA %	8,2 %	8,7 %	9,1 %
Operational investments (CAPEX)	50	58	348
No. of employees	1 965	1 828	1 662

The IT Operations business area reported operating revenue of NOK 955 million for the first quarter of 2006 as compared to NOK 944 million in the same quarter of 2005. This represents revenue growth of around 1 percent from the first quarter of 2005 due to the acquisition of Datarutin, which was consolidated in this business area with effect from 1 February 2006.

Salaries and related costs were higher as a result of business activities acquired, while other operating costs fell as a result of the restructuring measures implemented.

Operating profit before intangible asset amortisation (EBITA) was NOK 78 million in the first quarter of 2006, as compared to NOK 82 million in the first quarter of 2005. EBITA margin for the first quarter was 8.2 percent, as compared to 8.7 percent in the first quarter of 2005. The reduced margin is the result of previously reported price reductions for 2006 on some larger customer contracts. IT Operations in Sweden again reported an improvement in EBITA for the first quarter of 2006, and is expected to continue to improve its operating margin over the course of the year to bring it in line with the margin of the business area during 2006.

The reduction in operational investment was as expected, and is the result of lower customer-related investment than in the same period of 2005.

Datarutin business includes IT operations, consulting services and document management, and provides solutions for trade union unemployment benefit offices, various other organisations and property management companies in Sweden. The company operates out of Stockholm, Arjeplog and Herrljunga. Datarutin's activities form part of the Swedish IT Operations business area, and the integration is proceeding in line with plan. Revenue and EBITA margin for the first quarter of 2006 are in accordance with original expectations.

Solutions

The Solutions business area comprises the sale of software, systems and consultancy services to the bank and finance industry and the public sectors. EDB offers an extensive range of products and services for Nordic banks, and these activities are principally carried out in Norway and Sweden.

(NOK million)	Q1'06	Q1'05	2005
Operating revenue	303	256	1 141
Costs of goods sold	30	21	110
Salaries and related costs	141	131	518
Ordinary depreciation	3	2	9
Other operating costs	84	63	288
Total operating costs	258	217	925
Operating profit before amortisation (EBITA)	45	39	216
EBITA %	14,9 %	15,2 %	18,9 %
Operational investments (CAPEX)	3	2	14
No. of employees	813	758	754

The Solutions business area reported operating revenue of NOK 303 million in the first quarter of 2006 as compared to NOK 256 million in the same quarter of 2005, representing a growth of 18 percent. Growth in revenue is related to the acquisition of BanqIT Business Applications in 2005 and TAG Systems in 2006, as well as organic growth of 8 percent, generated in particular by the Bank & Finance area.

The increase in cost of goods sold and in salaries and related costs between the first quarter of 2005 and the first quarter of 2006 are due to businesses acquired. TAG Systems has a relatively higher proportion of cost of goods sold than the other activities in the Solutions business area. Other operating costs increased as a result of businesses acquired and the use of consultants to support a high activity level.

The business area produced an operating profit before intangible asset amortisation (EBITA) of NOK 45 million for the first quarter of 2006 as compared to NOK 39 million for the equivalent quarter of 2005, representing an increase of 15 percent. EBITA margin was 14.9 percent as compared to 15.2 percent in the same period last year.

TAG Systems offers card personalisation and other services for the card activities of banks and other businesses. TAG Systems continues to operate as a separate company with production facilities in Mo i Rana. Revenue and EBITA margin for the first quarter of 2006 were in accordance with expectations.

Applications Services

The businesses acquired of Avenir, Spring Consulting and Software Technology Integration (STI) form the newly established business area Applications Services. These businesses have extensive expertise in SAP, Microsoft, IBM and Oracle technology, as well as in project management, systems development and systems integration, in addition to customising and implementing standard systems.

(NOK million)	Q1'06
Operating revenue	111
Costs of goods sold	11
Salaries and related costs	76
Ordinary depreciation	0
Other operating costs	9
Total operating costs	96
Operating profit before amortisation (EBITA)	15
EBITA %	13,8 %
Operational investments (CAPEX)	0
No. of employees	365

The Applications Services business area reported operating revenue of NOK 111 million in the first quarter of 2006 as compared to proforma revenue of NOK 91 million in the same quarter of 2005, representing growth of 22 percent for the activities that now make up Applications Services.

SAP consulting accounts for approximately 50 per cent of the business area's total revenue. The average utilisation rate achieved by Avenir and Spring Consulting in the first quarter was 77.5 percent for 298 billable consultants.

Cost of goods sold principally comprises consultancy services supplied by subcontractors, while other operating costs relate to the business area's own employees.

The business area produced an operating profit before intangible asset amortisation (EBITA) of NOK 15 million for the first quarter of 2006, representing an EBITA margin of 13.8 percent. This is a significant improvement from the proforma EBITA margin for the first quarter of 2005 for the businesses included in Applications Services, and is the result of growth both in Spring Consulting and Avenir as well as lower overhead charges for Avenir as compared to the equivalent quarter in 2005.

Avenir is included in EDB as a separate company, and Spring Consulting continues as a separate legal entity.

Parent company/Other

Parent company/Other reported an operating loss before intangible asset amortisation (EBITA) of NOK 16 million in the first quarter of 2006, as compared to a loss of NOK 13 million in the first quarter of 2005.

Other matters

As part of the company's share option program, the CEO, Executive Management and approximately 50 other key employees have been granted 1,761,510 share options as at 31 March 2006 out of a total of 1.9 million options in the program. 459,138 options were exercised in the first quarter of 2006. Options outstanding at 31 March 2006 totalled 1,268,255. NOK 4.6 million was charged the Profit and Loss statement in the first quarter of 2006 in respect of the accrued value of the options granted including estimated employer's contribution as compared to NOK 3.5 million in the same quarter of 2005. The total amount was allocated between the parent company and the relevant business areas.

EDB Business Partner implemented IFRS accounting on 1 January 2005. This interim report is published in accordance with the accounting standard for interim reporting.

Future prospects

The Nordic IT services market grew in the first quarter of 2006, and EDB expects this trend to continue for the rest of the year. There is good demand for bank and finance solutions, and the market for application services and IT consulting shows a similar favourable trend. The IT outsourcing market saw a limited number of major contracts signed in the latter part of 2005 and the first quarter of 2006. The timing of new major contracts causes volatility in the growth of the total outsourcing market.

EDB reports a performance from its IT Operations business area that is in line with the overall market. EDB sees many opportunities that will make a positive contribution to this business area's revenue in the future. At the same time, the company will maintain a focus on cost efficiency to ensure that this business area maintains a stable profit margin. The acquisition of Datarutin has strengthened the Swedish activities of the IT Operations business area.

The Solutions business area expects the improvement in market conditions seen in the first quarter to continue over the next few quarters. The company is seeing good demand, particularly in the credit area where customers' activity is driven by the need to improve efficiency and adapt to the requirements of Basel II. Basel II are international requirements for risk management that the banks and financial institutions have to follow in order to obtain certain requirements for equity financing.

New product launches are also expected to have a positive impact on growth in this area. TAG Systems is developing positively, and has strengthened the company's market position in the card area.

The Applications Services business area, established in the first quarter, is seeing a good flow of projects. The billable utilisation of consultants is expected to remain at the high level reported for the first quarter. The overall level of activity in the second quarter will be affected to some extent by the number of public holidays.

Avenir, Spring Consulting and Software Technology Integration are developing positively, and in line with the company's expectations. EDB takes over Guide Konsult AB with effect from April, and this will strengthen EDB's position for application services in Sweden. At the same time EDB see several cross selling opportunities between the new business area Applications Services and IT Operations and Solutions.

Oslo, 24 April 2006
The Board of Directors of EDB Business Partner ASA

EDB Business Partner

Analysis by business area
(NOK million)

Operating revenue:	Q1'06	Q1'05	2005	Q4'05	Q3'05	Q2'05	Q1'05	Q4'04	Q3'04	Q2'04	Q1'04
IT Operations	955	944	3.799	973	920	962	944	888	805	804	712
Solutions	303	256	1.141	316	264	306	256,0	219	187	215	196
Applications Services	111										
Netting	-29	-21	-82	-20	-21	-21	-21	-30	-25	-25	-25
EDB Group	1.341	1.180	4.858	1.269	1.163	1.247	1.180	1.077	967	994	883
Operating profit before amortisation (EBITA):	Q1'06	Q1'05	2005	Q4'05	Q3'05	Q2'05	Q1'05	Q4'04	Q3'04	Q2'04	Q1'04
IT Operations	78	82	345	91	86	85	82	88	81	72	60
Solutions	45	39	216	63	50	64	38,9	35	31	34	18
Applications Services	15										
Staff / Not allocated	-16	-13	-58	-16	-14	-15	-13	-15	-12	-14	-12
EDB Group	123	108	503	138	123	134	108	108	99	91	66
Operating margin:	Q1'06	Q1'05	2005	Q4'05	Q3'05	Q2'05	Q1'05	Q4'04	Q3'04	Q2'04	Q1'04
IT Operations	8,2 %	8,7 %	9,1 %	9,4 %	9,4 %	8,8 %	8,7 %	9,9 %	10,1 %	8,9 %	8,4 %
Solutions	14,9 %	15,2 %	18,9 %	20,0 %	18,9 %	20,8 %	15,2 %	15,9 %	16,4 %	15,9 %	9,2 %
Applications Services	13,8 %										
EDB Group	9,2 %	9,2 %	10,4 %	10,9 %	10,6 %	10,8 %	9,2 %	10,1 %	10,3 %	9,2 %	7,4 %

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Profit and loss account

(NOK million)	Q1'06	Q1'05	2005
Operating revenue	1.341	1.180	4.858
Cost of goods sold	385	367	1.481
Salaries and related costs	576	448	1.851
Other operating costs	183	184	717
Operating profit bef. depreciation (EBITDA)	197	181	809
Ordinary depreciation	75	72	307
Operating profit bef. amortisation (EBITA)	123	109	502
Non-recurring items	-	-	16
Amortisation of intangible assets	18	23	98
Operating profit (EBIT)	105	85	388
Net financial items	-11	-17	-32
Ordinary profit before tax (EBT)	94	69	356
Tax	-27	-22	-110
Profit after tax	67	47	246
Profit after tax Telecom operation	-	2	-6

Balance sheet

(NOK million)	31.03.06	31.03.05	31.12.05
Goodwill	2.491	1.993	1.899
Other intangible assets	216	178	153
Tangible fixed assets	707	648	637
Financial fixed assets	30	170	43
Total fixed assets	3.444	2.989	2.733
Accounts receivable	678	628	562
Other current receivables	578	465	454
Liquid assets	78	203	245
Total current assets	1.334	1.296	1.261
Total assets	4.778	4.285	3.994
Equity	1.840	1.603	1.751
Minority interests	0	1	0
Total equity	1.840	1.604	1.751
Provisions	565	637	543
Loan on special conditions	0	136	-
Other interest bearing liabilities	1.137	700	543
Total long-term liabilities	1.702	1.472	1.086
Accounts payable	160	242	213
Deductions and duties payable	491	420	407
Other non-interest bearing liabilities	426	525	379
Interest bearing liabilities	159	23	158
Total current liabilities	1.236	1.209	1.157
Total equity and liabilities	4.778	4.285	3.994

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Cash flow analysis

(NOK million)	Q1'06	Q1'05	2005
EBITDA	197	183	819
Net taxes / financial items paid	-11	-11	-41
Change in accounts receivable	-3	-103	-9
Change in accounts payable	-139	-142	-172
Change in other accruals	11	130	-17
Net cash flow from operations	56	58	580
Operational investments	-67	-66	-381
In-house developed software paid	-6	-	-9
Sale of fixed operating assets	-	-	81
Acquisition of businesses	-625	-22	-162
Sale of businesses	-2	-	99
Net cash flow from investments	-700	-88	-372
Debt repayment	-103	-8	-435
New borrowing	558	45	324
Dividends paid	-	-	-45
Share issues	21	-	2
Net cash flow from financing	476	37	-155
Net change in liquid assets	-169	8	53
Liquid assets at start of period	245	193	193
Currency translation difference on liquid assets	1	2	1
Liquid assets at end of period	78	203	245

Key figures

	Q1'06	Q1'05	2005
Key figures per share (NOK):			
Earnings	0,74	0,51	2,73
Diluted earnings	0,72	0,50	2,66
EBITDA	2,17	2,00	8,95
Cash from operations	0,61	0,65	6,41
Other key figures:			
EBITDA-margin	14,7 %	15,3 %	16,7 %
EBITA-margin	9,2 %	9,2 %	10,0 %
Return on invested capital (ROIC)	16,1 %	19,1 %	19,6 %
Equity ratio	39 %	37 %	44 %
Gearing	0,66	0,41	0,26
Net interest bearing debt (NOK mill)	1.218	655	454
Average number of shares	90.856.929	90.363.674	90.380.733
Average number of shares incl. dilution	94.196.478	93.701.402	93.690.223

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Reconciliation of changes in equity

(NOK million)	31.03.06	31.03.05	31.12.05
Equity at 01.01.	1 751	1 526	1 526
Profit for the year, including Telecom and mi	67	48	240
Dividends	-	-	-45
Implementation effect IAS 39	-	20	24
Option program employees	2	2	7
Capital increase	21	-	2
Restatement differences	-1	7	-3
Equity at 31.12.	1 840	1 603	1 751