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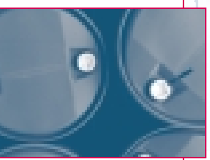

Transition to
International Financial Reporting Standards (IFRS)

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CONTENTS

GENERAL INFORMATION

In 2001 the EU Commission resolved that all listed companies within the European Union must apply International Financial Reporting Standards (IFRS) in their consolidated accounts by 1st of January 2005. Under the European Economic Area (EEA) agreement, this change will also apply to Norwegian companies listed at Oslo Stock Exchange.

Visma will convert from Norwegian Accounting Standards (NGAAP) to International Financial Reporting Standards (IFRS) with reporting effect from Q1 2005. Visma has prepared the opening balance sheet at the date of the transition to IFRS, which is 1 January 2004. The 2005 interims reports will be prepared in accordance with IFRS and include comparative information for 2004.

The intention of this transition report is to give the reader a guide to how the transition from NGAAP to IFRS will impact Visma's consolidated financial statements. The report including IFRS reconciliations and disclosures have not been audited.

Section 1 of the report provides a description of differences in accounting policies between NGAAP and IFRS relevant to Visma.

Section 2 provides the reconciliation tables as required by IFRS 1, including note disclosures describing each material difference, financial statements in compliance with IFRS, recalculation of key figures etc.

Section 3 includes Visma's accounting principles expected to be applied in the financial statements in 2005.

This document is prepared on the basis of Visma's current understanding of IFRS applicable from 01.01.2005. However there is still inherent uncertainty to how these standards should be interpreted and implemented. Any further changes discovered after release date of this document will be informed in a proper manner.

SECTION 1

IMPACT ON VISMA'S ACCOUNTING PRINCIPLES FROM TRANSITION TO IFRS

This section of the report must be read in conjunction with Visma's IFRS compliant accounting principles presented in section 3 of the report.

BASIS FOR TRANSITION TO IFRS (IFRS 1)

The international Accounting Standards Board (IASB) published its first International Financial Reporting Standard (IFRS 1), First-time Adoption of International Financial reporting Standards in June 2003 and has made some amendments of the standard after this date. The last amendment was 31 March 2004. IFRS 1 requires companies to:

- Identify the first IFRS financial statements
- Prepare an opening IFRS balance sheet at the date of transition to IFRS, which is 1 January 2004 for Visma
- Select and use the same accounting policies in its opening IFRS balance sheet and throughout all periods presented in its first IFRS financial statements (apply retrospectively). All accounting policies shall apply with each IFRS effective at the reporting date
- Consider whether to apply any of the voluntary exemptions from retrospective application
- Apply the mandatory exceptions from retrospective application
- Make reconciliations and disclosures to explain the transition to IFRS.

IFRS 1 has been adopted in preparing Visma's opening balance sheet at the date of transition to IFRS, January 1, 2004. The opening balance sheet is the starting point for all subsequent reporting under IFRS.

The quantitative adjustments as a result of applying IFRS for the first time are presented in section 2 of this document.

The key principle of IFRS 1 is full retrospective application of all IFRS in force at the reporting date, normally December 31, 2005. However Visma is required to publish interim reports and the first IFRS report will be the first quarter interim report 2005.

IFRS 1 contains both mandatory and voluntary exemptions from full retrospective application.

Visma has applied the following voluntary exemptions in IFRS 1:

- No retrospective application of IFRS 3, Business Combinations
- Both IAS 32 and IAS 39 will be adopted from January 1, 2005 with no effect for comparative figures (comparative figures regarding financial instruments are presented based on NGAAP principles).
- IFRS 2 Share-based Payment has not been applied on equity instruments that were granted before 7 November 2002. Visma has not granted any plans after 7 November 2002. IFRS 2 has not been applied to modifications of the terms and conditions done before 1 January 2005.
- Property, Plant and Equipment will not be measured at its fair value at the date of transition.
- Visma does not have any benefit plans and therefore no cumulative unrecognised actuarial gains or losses on defined benefit plans.
- Cumulative translation differences related to foreign subsidiaries have been set to zero at the date of transition to IFRS.

BASIS OF PREPARATION

Under IFRS, Visma's financial statements will be prepared on a historical cost basis, with the following exemptions related to IAS 32 og IAS 39:

- All financial assets and liabilities held for trading and all financial assets that are classified as available for sale, are carried at fair value.

IAS 32 and IAS 39 will be implemented in the opening balance sheet as of 01.01.2005.

Other exemptions will be presented where applicable.

PRESENTATION

Under IFRS, the financial statements will include the following components:

- Income statement
- Balance sheet
- Statement of changes in equity
- Cash flow statement
- Notes to the financial statements, including accounting principles

Unlike NGAAP, a reconciliation of changes in equity has to be shown as a separate statement and not as a note to the financial statements.

Under IFRS, comparative information is required for the preceding period only. During 2005, Visma will only present one year of comparatives as required. In the annual report for 2005, the 2003 income statement according to NGAAP will be included according to the guidelines from Oslo Stock Exchange.

BUSINESS COMBINATIONS

Under NGAAP, Visma allocated mainly all of the excess value of the business combinations as goodwill, including values related to contracts and customer relationships. Under IFRS values related to contracts and customer relationships will be identified and recorded as identifiable intangible assets. The fair value of contracts and customer relationships will be calculated considering the estimated future recurring revenues from the customers in the acquired operations at the date of the acquisition. The value related contracts and customer relationships will be calculated on a 100% basis, including the share of any minority interest.

The fair value of tax amortizations are considered in the recorded value of contracts and customer relationships. Any deferred tax liabilities related to the recorded contracts and customer relationships are calculated at nominal values and the difference between the fair value of the tax amortizations and the corresponding deferred tax liabilities are recorded as a part of goodwill.

As a part of the acquisition price is related to the acquired operation's ability to acquire new customers and develop new products and services, Visma in general still expects to allocate a considerable amount to goodwill in future acquisitions.

Under NGAAP, Visma translated goodwill from foreign operations to the reporting currency using the exchange rate ruling at the date of transaction. Under IFRS goodwill from a business combination are translated using the exchange rate ruling at the balance sheet date.

As under NGAAP Visma will calculate goodwill related to acquisition of minority interest as the difference between the acquisition cost and the minority interest's part of the recorded net assets of the entity in which Visma is acquiring a minority interest.

Visma considered to apply IFRS 3 retrospectively from 1st quarter 2001, but decided not to mainly due to the fact that the recorded goodwill as at 1 January 2004 would not have been materially changed from the recorded goodwill recorded as at 31 December 2003 under N GAAP (which is the recorded amount as at 1 January 2004 under IFRS).

REPORTING CURRENCY AND TRANSLATION OF FOREIGN CURRENCY FINANCIAL STATEMENTS

Under IFRS, an entity may present its financial statements in a currency other than its functional currency. Functional currency is the currency that best reflects the economic substance of the underlying events and circumstances relevant to an entity. Factors to be considered in determining an appropriate functional currency include the denomination of sales and purchase and financing activities.

Visma's reporting currency will still be NOK.

As at the reporting date, the assets and liabilities of foreign entities are translated into the reporting currency of Visma at the rate of exchange ruling at the balance sheet date. The foreign entities' income statements are translated at the weighted average exchange rates for the reporting period. Under NGAAP, the foreign entities' income statements were translated at the average exchange rate for the year. The exchange rate differences are taken directly to a separate component of equity (translations differences). On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign entity will be recognised in the income statement.

Goodwill arising from the acquisition of a foreign subsidiary and any fair value adjustments to the carrying amounts of assets and liabilities arising from the acquisition are treated as assets and liabilities of the foreign entities and translated at the closing rate.

GOODWILL

As at the acquisition date Visma recognise goodwill acquired in a business combination as an asset and initially measure that goodwill at its cost, being the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. A cash-generating unit to which goodwill has been allocated will be tested for impairment annually, and whenever there is an indication that the unit may be impaired, by comparing the carrying amount of the unit, including the goodwill, with the recoverable amount of the unit.

Prior to 1 January 2004 goodwill was amortised over its estimated useful lives, such amortisation ceased on 31 December 2003 since amortising of goodwill is not permitted under IFRS. Under NGAAP Visma translated goodwill from foreign cash-generating units at the exchange rate ruling at the acquisition date. At the transition date goodwill are translated back to the functional currency for the cash-generating unit and will for the following periods be translated at the exchange rate ruling at the balance sheet date.

If Visma's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised exceeds the cost, the difference is recognised immediately in the income statement.

OTHER INTANGIBLE ASSETS

Expenditure on acquired contracts and customer relationships was under NGAAP capitalized as goodwill. Under IFRS contracts and customer relationships are identified as a separate intangible asset and amortized using the straight-line method over their useful lives. Useful life is normally estimated to 4-7 years. Intangible assets are not revalued.

RESEARCH AND DEVELOPMENT

Visma has under NGAAP recognised all expenditures related to research and development as expense according to the Norwegian Accounting Act. Under IFRS research cost has to be recognised immediately and development shall be recognised as an intangible asset when the criteria for capitalization are fulfilled.

Visma will not recognise any intangible asset arising from development at the date of transition. Development after the transition date will be recognised as an intangible asset when the criteria for capitalization are met.

FINANCIAL INVESTMENTS
Visma will, as stated above, adopt both IAS 32 and IAS 39 from 1 January 2005 with no retrospective effect for comparative figures (2004).

The main adjustment that would have been necessary to make the included IFRS information in section 2 in compliance with IAS 32 and IAS 39 is related to Visma's interests in listed and unlisted entities which are not classified as subsidiaries or associates. Investments in listed and unlisted entities would have been measured at fair value. Visma will classify these as available-for-sale investments. Gains and losses on available-for-sale investments are recognised as a separate component of equity until the investment is sold or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the income statement.

For investments that are actively traded in organized financial markets, fair value is determined by reference to Stock Exchange quoted market bid prices at the close of business on the balance sheet date. For investments where there is no quoted market price, fair value is determined by reference to the current market value noted or is calculated based on the expected cash flows of the underlying net asset base of the investment.

RECEIVABLES
Receivables are recognised and carried at original invoice amount. Impairment is calculated based on historically incurred losses or events and the trade receivables will be subject for impairment when objective evidence of an incurred loss exists.

Visma's accrual for bad debt of 31.12.2003 is based on a specific evaluation of all due receivables. Any general provisions for future events are assessed as immaterial. There will therefore be no significant deviation from NGAAP at the transition date.

INTEREST-BEARING LOANS AND BORROWINGS
Interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

Transaction costs (debt issuance costs) are presented net, together with the loan, and expensed as part of the amortised cost calculation. Under NGAAP the debt issuance cost were expensed to the income statement on a linear basis over the borrowing period and presented gross. This change in accounting policy will have immaterial impact on Visma's financial statements under IFRS.

DIVIDENDS, TREASURY SHARES AND EXCHANGE DIFFERENCES
Dividends are under IFRS not recognised until the entity has an obligation to pay the dividend, which generally is not until these are approved by the general assembly. Under N GAAP dividends were provided for at the balance sheet date in the year prior to the approval of the general assembly.

The treatment of treasury shares is considered to be consistent between IFRS and NGAAP with gains or losses recorded to equity.

Exchange differences arising from translating foreign operations recognised as a part of the equity, will at the transition date be set to zero and the gain or loss on a subsequent disposal of any foreign operation will exclude translation differences that arose before the date of transition to IFRS and will only include later translation differences.

OTHER DIFFERENCES
IFRS requires more detailed disclosures in the consolidated financial statements than NGAAP.

SECTION 2

This section of the report must be read in conjunction with impact on Visma's accounting principles from transition to IFRS presented in section 1 of the report.

Reconciliation of balance sheet at the transition date 01.01.2004

BALANCE SHEET				
All figures in NOK 1000		**2004**		**2004**
Operating revenue	**Note**	**NGAAP**		**IFRS**
ASSETS				
Fixed assets				
Intangible assets				
Patents and other intangible assets		43.615		43.615
Deferred tax assets		44.616		44.616
Contracts & Customer relationships		0		0
Goodwill		723.136		723.136
Total intangible assets		**811.367**		**811.367**
Tangible fixed assets				
Property, land and buildings		16.267		16.267
Machinery and equipment		52.261		52.261
Total tangible fixed assets		**68.528**	**0**	**68.528**
Financial fixed assets				
Shares		39.923		39.923
Other long-term receivables		14.018		14.018
Total financial fixed assets		**53.941**	**0**	**53.941**
Total fixed assets		**933.836**	**0**	**933.836**
Current Assets				
Inventory		**3.026**		**3.026**
Receivables				
Accounts receivable		263.968		263.968
Other short-term receivables		36.274		36.274
Total receivables		**300.242**		**300.242**
Shares		**11.994**		**11.994**
Cash and cash equivalents		**356.826**		**356.826**
Total current assets		**672.088**	**0**	**672.088**
Total assets		**1.605.923**	**0**	**1.605.923**
LIABILITIES AND EQUITY				
Shareholders' equity				
Share capital		155.769		155.769
Other shareholders' equity		867.923		867.923
Allocated to dividends	1	0	70.299	70.299
Minority interests		21.881		21.881
Total shareholders' equity		**1.045.573**	**70.299**	**1.115.872**
Provisions				
Pension liabilities		1.226		1.226
Deferred tax liability		0		0
Total provisions		**1.226**		**1.226**
Other long term liabilities		**26.507**		**26.507**
Current liabilities				
Bank overdraft		2.961		2.961
Accounts payable		68.838		68.838
Public duties payable		126.494		126.494
Tax payable		11.809		11.809
Allocated to dividends	1	70.299	(70.299)	0
Other non interest-bearing liabilities		252.216		252.216
Total current liabilities		**532.617**	**(70.299)**	**462.319**
Total liabilities		**560.350**	**(70.299)**	**490.052**
Total equity and liabilities		**1.605.923**	**0**	**1.605.923**

Reconciliation of income statement, balance, cash flow and equity Q1 2004

STATEMENT OF INCOME		1Q		1Q
All figures in NOK 1000		2004		2004
Operating revenue	**Note**	**NGAAP**		**IFRS**
Sales revenue		432.102		432.102
Other operating revenue		0		0
Total operating revenue		**432.102**	**0**	**432.102**
Operating expenses				
Cost of goods sold		33.729		33.729
Personnel costs		256.139		256.139
Bad debts		3.125		3.125
Other operating expenses		81.713		81.713
Total operating expenses		**374.706**	**0**	**374.706**
EBITDA		**57.397**	**0**	**57.397**
Depreciation tangible assets		7.246		7.246
EBITA		**50.150**	**0**	**50.150**
Amortisation Patents and other intangible assets		2.626		2.626
Amortisation Contracts & Customer relationships	2	0	3.777	3.777
Amortisation Goodwill	3	17.249	(17.249)	0
Operating profit EBIT		**30.276**	**13.471**	**43.747**
Financial income and expenses				
Financial income		40.498		40.498
Financial expenses		(1.180)		(1.180)
Net financial items		**39.318**	**0**	**39.318**
Profit before tax		**69.594**	**13.471**	**83.065**
Tax				
Taxes payable		2.629		2.629
Change in deferred tax	4	20.228	1.205	21.433
Tax expense		**22.857**	**1.205**	**24.062**
Net profit for the year		**46.737**	**12.266**	**59.003**
Minority interests		7		7
Profit after minority intrests		**46.731**	**12.266**	**58.997**
EPS		1,50		1,89
EPS diluted		1,49		1,88
EBITDA		13,3 %		13,3 %

BALANCE SHEET				
ASSETS				
Fixed assets				
Intangible assets				
Patents and other intangible assets		40.915		40.915
Deferred tax assets		21.943		21.943
Contracts & Customer relationships	2	0	73.037	73.037
Goodwill	3	854.432	(45.979)	808.453
Total intangible assets		**917.290**	**27.058**	**944.348**
Tangible fixed assets				
Property, land and buildings		16.068		16.068
Machinery and equipment		60.073		60.073
Total tangible fixed assets		**76.141**	**0**	**76.141**
Financial fixed assets				
Shares		21.908		21.908
Other long-term receivables		12.622		12.622
Total financial fixed assets		**34.529**	**0**	**34.529**
Total fixed assets		**1.027.960**	**27.058**	**1.055.018**
Current Assets				
Inventory		**1.642**		**1.642**
Receivables				
Accounts receivable		220.885		220.885
Other short-term receivables		47.771		47.771
Total receivables		**268.656**		**268.656**
Shares		**11.994**		**11.994**
Cash and cash equivalents		**415.825**		**415.825**
Total current assets		**698.117**	**0**	**698.117**
Total assets		**1.726.077**	**27.058**	**1.753.135**
LIABILITIES AND EQUITY				
Shareholders' equity				
Share capital		156.169		156.169
Other shareholders' equity		916.856	4.079	920.934
Allocated to dividends		0		0
Minority interests		12.289		12.289
Total shareholders' equity		**1.085.313**	**4.079**	**1.089.392**
Provisions				
Pension liabilities		1.355		1.355
Deferred tax liability	4	(0)	22.979	22.979
Total provisions		**1.355**	**22.979**	**24.333**
Other long term liabilities		**9.318**		**9.318**
Current liabilities				
Bank overdraft		772		772
Accounts payable		71.692		71.692
Public duties payable		127.140		127.140
Tax payable		8.957		8.957
Allocated to dividends		3.958		3.958
Other non interest-bearing liabilities		417.572		417.572
Total current liabilities		**630.091**	**0**	**630.091**
Total liabilities		**640.764**	**22.979**	**663.743**
Total equity and liabilities		**1.726.077**	**27.058**	**1.753.135**

CASH FLOW STATEMENT			
(NOK 1,000)		1Q 2004	1Q 2004
	Note	NGAAP	IFRS
Ordinary profit before tax		**69.594**	**83.065**
Depreciation tangible assets		7.246	7.246
Amortisation Patents and other intangible assets		2.626	2.626
Amortisation Contracts & Customer relationships	2	0	3.777
Amortisation Goodwill	3	17.249	0
Write down/(up) of short-term share investments		0	0
(Profit)/loss on sale of short-term share investments		0	0
Tax paid		(2.852)	(2.852)
Cash flow from operations		**93.863**	**93.863**
Change in inventory, debtors and creditors		47.320	47.320
Change in other accruals		157.679	157.679
Net cash flow from operational activities		**298.862**	**298.862**
Investment in tangible fixed assets		(11.976)	(11.976)
Sale of (investment in) businesses		(158.156)	(158.156)
Sale of (investment in) shares		18.015	18.015
Net cash flow from investments		**(152.116)**	**(152.116)**
Change in long term liabilities		(17.189)	(17.189)
Change in bank overdraft		(2.189)	(2.189)
Net cash flow from share issues		0	0
Payment of dividend		(66.340)	(66.340)
Purchase of own shares		(1.716)	(1.716)
Net cash flow from financing activities		**(87.435)**	**(87.435)**
Net cash flow		**59.311**	**59.311**
Cash and cash equivalents, beginning of period		356.826	356.826
Translation differences		(312)	(312)
Cash and cash equivalents, end of period		**415.825**	**415.825**

Movement in equity				
(NOK 1 000)		1Q 2004		1Q 2004
	Note	NGAAP		IFRS
Equity at 1st January		**1.045.573**	**70.299**	**1.115.872**
Share issue		0	0	0
Reversal of dividend provision own shares		185	0	185
Realization own shares		(931)	0	(931)
Translation differences	2,3	4.134	(8.187)	(4.053)
Allocated to dividend	1	0	(70.299)	(70.299)
Net changes minority		(9.599)	0	(9.599)
Net profit/loss for the period		46.737	12.266	59.003
Own shares		(786)	0	(786)
Equity at end of period		**1.085.313**	**4.079**	**1.089.392**

Reconciliation of income statement, balance, cash flow and equity Q2 2004

STATEMENT OF INCOME		2Q		2Q	1H		1H
All figures in NOK 1000		**2004**		**2004**	**2004**		**2004**
Operating revenue	**Note**	**NGAAP**		**IFRS**	**NGAAP**		**IFRS**
Sales revenue		408.135		408.135	840.237		840.237
Other operating revenue		0		0	0		0
Total operating revenue		**408.135**	**0**	**408.135**	**840.237**	**0**	**840.237**
Operating expenses							
Cost of goods sold		37.135		37.135	70.863		70.863
Personnel costs		244.254		244.254	500.393		500.393
Bad debts		2.989		2.989	6.114		6.114
Other operating expenses		73.541		73.541	155.255		155.255
Total operating expenses		**357.919**	**0**	**357.919**	**732.624**	**0**	**732.624**
EBITDA		**50.216**	**0**	**50.216**	**107.612**	**0**	**107.612**
Depreciation tangible assets		7.246		7.246	14.492		14.492
EBITA		**42.970**	**0**	**42.970**	**93.120**	**0**	**93.120**
Amortisation Patents and other intangible assets		2.626		2.626	5.252		5.252
Amortisation Contracts & Customer relationships	2	0	4.879	4.879	0	8.656	8.656
Amortisation Goodwill	3	18.890	(18.890)	0	36.138	(36.138)	0
Operating profit EBIT		**21.454**	**14.011**	**35.465**	**51.730**	**27.482**	**79.212**
Financial income and expenses							
Financial income		3.807		3.807	44.306		44.306
Financial expenses		(6.969)		(6.969)	(8.149)		(8.149)
Net financial items		**(3.162)**	**0**	**(3.162)**	**36.157**	**0**	**36.157**
Profit before tax		**18.292**	**14.011**	**32.303**	**87.886**	**27.482**	**115.368**
Tax							
Taxes payable		1.256		1.256	3.885		3.885
Change in deferred tax	4	7.496	884	8.380	27.724	2.089	29.812
Tax expense		**8.752**	**884**	**9.636**	**31.609**	**2.089**	**33.698**
Net profit for the year		**9.540**	**13.127**	**22.667**	**56.277**	**25.393**	**81.670**
Minority interests		742		742	749		749
Profit after minority intrests		**8.798**	**13.127**	**21.925**	**55.528**	**25.393**	**80.921**
EPS		0,28		0,70	1,78		2,59
EPS diluted		0,28		0,70	1,77		2,57
EBITDA		12,3 %		12,3 %	12,8 %		12,8 %
BALANCE SHEET							
ASSETS							
Fixed assets							
Intangible assets							
Patents and other intangible assets					38.457		38.457
Deferred tax assets					38.301		38.301
Contracts & Customer relationships	2				0	93.515	93.515
Goodwill	3				884.183	(53.323)	830.860
Total intangible assets					**960.940**	**40.192**	**1.001.132**
Tangible fixed assets							
Property, land and buildings					18.321		18.321
Machinery and equipment					63.173		63.173
Total tangible fixed assets					**81.494**	**0**	**81.494**
Financial fixed assets							
Shares					23.711		23.711
Other long-term receivables					11.647		11.647
Total financial fixed assets					**35.357**	**0**	**35.357**
Total fixed assets					**1.077.791**	**40.192**	**1.117.984**
Current Assets							
Inventory					**2.427**		**2.427**
Receivables							
Accounts receivable					245.409		245.409
Other short-term receivables					50.426		50.426
Total receivables					**295.835**		**295.835**
Shares					**11.994**		**11.994**
Cash and cash equivalents					**451.254**		**451.254**
Total current assets					**761.511**	**0**	**761.511**
Total assets					**1.839.302**	**40.192**	**1.879.494**
LIABILITIES AND EQUITY							
Shareholders' equity							
Share capital					156.219		156.219
Other shareholders' equity					929.268	9.223	938.491
Allocated to dividends					0		0
Minority interests					11.791		11.791
Total shareholders' equity					**1.097.278**	**9.223**	**1.106.501**
Provisions							
Pension liabilities					1.483		1.483
Deferred tax liability	4				22.330	30.969	53.299
Total provisions					**23.813**	**30.969**	**54.782**
Other long term liabilities					**182.627**		**182.627**
Current liabilities							
Bank overdraft					2.606		2.606
Accounts payable					63.102		63.102
Public duties payable					101.500		101.500
Tax payable					8.063		8.063
Allocated to dividends					3.958		3.958
Other non interest-bearing liabilities					356.353		356.353
Total current liabilities					**535.584**	**0**	**535.584**
Total liabilities					**742.024**	**30.969**	**772.993**
Total equity and liabilities					**1.839.302**	**40.192**	**1.879.494**

CASH FLOW STATEMENT			
(NOK 1,000)	Note	1H 2004 NGAAP	1H 2004 IFRS
Ordinary profit before tax		**87.886**	**115.368**
Depreciation tangible assets		14.492	14.492
Amortisation Patents and other intangible assets		5.252	5.252
Amortisation Contracts & Customer relationships	2	0	8.656
Amortisation Goodwill	3	36.138	0
Write down/(up) of short-term share investments		0	0
(Profit)/loss on sale of short-term share investments		0	0
Tax paid		(3.746)	(3.746)
Cash flow from operations		**140.023**	**140.023**
Change in inventory, debtors and creditors		13.422	13.422
Change in other accruals		71.655	71.655
Net cash flow from operational activities		**225.100**	**225.100**
Investment in tangible fixed assets		(23.303)	(23.303)
Sale of (investment in) businesses		(208.333)	(208.333)
Sale of (investment in) shares		16.212	16.212
Net cash flow from investments		**(215.424)**	**(215.424)**
Change in long term liabilities		156.120	156.120
Change in bank overdraft		(355)	(355)
Net cash flow from share issues		0	0
Payment of dividend		(70.114)	(70.114)
Purchase of own shares		(1.177)	(1.177)
Net cash flow from financing activities		**84.474**	**84.474**
Net cash flow		**94.150**	**94.150**
Cash and cash equivalents, beginning of period		356.826	356.826
Translation differences		278	278
Cash and cash equivalents, end of period		**451.254**	**451.254**

Movement in equity (NOK 1 000)	Note	1H 2004 NGAAP		1H 2004 IFRS
Equity at 1st January		**1.045.573**	**70.299**	**1.115.872**
Share issue		0	0	0
Reversal of dividend provision own shares		185	0	185
Realization own shares		(1.177)	0	(1.177)
Translation differences	2,3	7.259	(16.170)	(8.911)
Allocated to dividend	1	0	(70.299)	(70.299)
Net changes minority		(10.838)	0	(10.838)
Net profit/loss for the period		56.277	25.393	81.670
Own shares		0	0	0
Equity at end of period		**1.097.278**	**9.223**	**1.106.501**

Reconciliation of income statement, balance, cash flow and equity Q3 2004

STATEMENT OF INCOME		**3Q**		**3Q**	**3QYTD**		**3QYTD**
All figures in NOK 1000		**2004**		**2004**	**2004**		**2004**
Operating revenue	**Note**	**NGAAP**		**IFRS**	**NGAAP**		**IFRS**
Sales revenue		362.093		362.093	1.202.330		1.202.330
Other operating revenue		0		0	0		0
Total operating revenue		**362.093**	**0**	**362.093**	**1.202.330**	**0**	**1.202.330**
Operating expenses							
Cost of goods sold		38.783		38.783	109.646		109.646
Personnel costs		188.683		188.683	689.076		689.076
Bad debts		4.197		4.197	10.311		10.311
Other operating expenses		74.409		74.409	229.663		229.663
Total operating expenses		**306.072**	**0**	**306.072**	**1.038.696**	**0**	**1.038.696**
EBITDA		**56.021**	**0**	**56.021**	**163.634**	**0**	**163.634**
Depreciation tangible assets		7.246		7.246	21.738		21.738
EBITA		**48.775**	**0**	**48.775**	**141.895**	**0**	**141.895**
Amortisation Patents and other intangible assets		2.626		2.626	7.878		7.878
Amortisation Contracts & Customer relationships	2	0	4.932	4.932	0	13.589	13.589
Amortisation Goodwill	3	18.872	(18.872)	0	55.010	(55.010)	0
Operating profit EBIT		**27.277**	**13.939**	**41.217**	**79.007**	**41.421**	**120.428**
Financial income and expenses							
Financial income		1.668		1.668	45.973		45.973
Financial expenses		(3.911)		(3.911)	(12.060)		(12.060)
Net financial items		**(2.244)**	**0**	**(2.244)**	**33.913**	**0**	**33.913**
Profit before tax		**25.034**	**13.939**	**38.973**	**112.920**	**41.421**	**154.341**
Tax							
Taxes payable		1.210		1.210	5.095		5.095
Change in deferred tax	4	9.342	873	10.215	37.065	2.962	40.027
Tax expense		**10.551**	**873**	**11.425**	**42.160**	**2.962**	**45.123**
Net profit for the year		**14.482**	**13.066**	**27.548**	**70.760**	**38.459**	**109.219**
Minority interests		493		493	1.242		1.242
Profit after minority intrests		**13.990**	**13.066**	**27.056**	**69.518**	**38.459**	**107.977**
EPS		0,45		0,87	2,23		3,46
EPS diluted		0,44		0,86	2,21		3,43
EBITDA		15,5 %		15,5 %	13,6 %		13,6 %
BALANCE SHEET							
ASSETS							
Fixed assets							
Intangible assets							
Patents and other intangible assets					35.471		35.471
Deferred tax assets					28.851		28.851
Contracts & Customer relationships	2				0	88.210	88.210
Goodwill	3				870.688	(25.472)	845.216
Total intangible assets					**935.010**	**62.738**	**997.748**
Tangible fixed assets							
Property, land and buildings					17.833		17.833
Machinery and equipment					54.600		54.600
Total tangible fixed assets					**72.434**	**0**	**72.434**
Financial fixed assets							
Shares					23.235		23.235
Other long-term receivables					12.004		12.004
Total financial fixed assets					**35.239**	**0**	**35.239**
Total fixed assets					**1.042.683**	**62.738**	**1.105.421**
Current Assets							
Inventory					**7.676**		**7.676**
Receivables							
Accounts receivable					214.078		214.078
Other short-term receivables					43.478		43.478
Total receivables					**257.555**		**257.555**
Shares					**11.994**		**11.994**
Cash and cash equivalents					**417.747**		**417.747**
Total current assets					**694.972**	**0**	**694.972**
Total assets					**1.737.655**	**62.738**	**1.800.393**
LIABILITIES AND EQUITY							
Shareholders' equity							
Share capital					155.059		155.059
Other shareholders' equity					924.341	31.012	955.353
Allocated to dividends					0		0
Minority interests					12.192		12.192
Total shareholders' equity					**1.091.591**	**31.012**	**1.122.604**
Provisions							
Pension liabilities					1.569		1.569
Deferred tax liability	4				22.150	31.726	53.876
Total provisions					**23.719**	**31.726**	**55.445**
Other long term liabilities					**182.537**		**182.537**
Current liabilities							
Bank overdraft					4.469		4.469
Accounts payable					68.118		68.118
Public duties payable					86.482		86.482
Tax payable					8.187		8.187
Allocated to dividends					3.958		3.958
Other non interest-bearing liabilities					268.593		268.593
Total current liabilities					**439.808**	**0**	**439.808**
Total liabilities					**646.064**	**31.726**	**677.790**
Total equity and liabilities					**1.737.655**	**62.738**	**1.800.393**

CASH FLOW STATEMENT			
(NOK 1,000)	Note	3QYTD 2004 NGAAP	3QYTD 2004 IFRS
Ordinary profit before tax		**112.920**	**154.341**
Depreciation tangible assets		21.738	21.738
Amortisation Patents and other intangible assets		7.878	7.878
Amortisation Contracts & Customer relationships	2	0	13.589
Amortisation Goodwill	3	55.010	0
Write down/(up) of short-term share investments		0	0
(Profit)/loss on sale of short-term share investments		0	0
Tax paid		(3.622)	(3.622)
Cash flow from operations		**193.925**	**193.925**
Change in inventory, debtors and creditors		44.519	44.519
Change in other accruals		(27.063)	(27.063)
Net cash flow from operational activities		**211.381**	**211.381**
Investment in tangible fixed assets		(23.914)	(23.914)
Sale of (investment in) businesses		(213.962)	(213.962)
Sale of (investment in) shares		16.688	16.688
Net cash flow from investments		**(221.188)**	**(221.188)**
Change in long term liabilities		156.030	156.030
Change in bank overdraft		1.508	1.508
Net cash flow from share issues		0	0
Payment of dividend		(70.114)	(70.114)
Purchase of own shares		(16.444)	(16.444)
Net cash flow from financing activities		**70.980**	**70.980**
Net cash flow		**61.173**	**61.173**
Cash and cash equivalents, beginning of period		356.826	356.826
Translation differences		(253)	(253)
Cash and cash equivalents, end of period		**417.747**	**417.747**

Movement in equity (NOK 1 000)	Note	3QYTD 2004 NGAAP		3QYTD 2004 IFRS
Equity at 1st January		**1.045.573**	**70.299**	**1.115.872**
Share issue		0	0	0
Reversal of dividend provision own shares		185	0	185
Realization own shares		(1.177)	0	(1.177)
Translation differences	2,3	2.449	(7.447)	(4.998)
Allocated to dividend	1	0	(70.299)	(70.299)
Net changes minority		(10.931)	0	(10.931)
Net profit/loss for the period		70.760	38.459	109.219
Own shares		(15.267)	0	(15.267)
Equity at end of period		**1.091.592**	**31.012**	**1.122.604**

Reconciliation of income statement, balance, cash flow and equity Q4 2004

STATEMENT OF INCOME		4Q		4Q	FY		FY
All figures in NOK 1000		**2004**		**2004**	**2004**		**2004**
Operating revenue	**Note**	**NGAAP**		**IFRS**	**NGAAP**		**IFRS**
Sales revenue		463.248		463.248	1.665.578		1.665.578
Other operating revenue		0		0	0		0
Total operating revenue		**463.248**	**0**	**463.248**	**1.665.578**	**0**	**1.665.578**
Operating expenses							
Cost of goods sold		56.767		56.767	166.413		166.413
Personnel costs		258.022		258.022	947.098		947.098
Bad debts		(3.220)		(3.220)	7.091		7.091
Other operating expenses		91.000		91.000	320.663		320.663
Total operating expenses		**402.569**	**0**	**402.569**	**1.441.265**	**0**	**1.441.265**
EBITDA		**60.679**	**0**	**60.679**	**224.312**	**0**	**224.312**
Depreciation tangible assets		7.246		7.246	28.985		28.985
EBITA		**53.432**	**0**	**53.432**	**195.328**	**0**	**195.328**
Amortisation Patents and other intangible assets		2.626		2.626	10.504		10.504
Amortisation Contracts & Customer relationships	2	0	5.305	5.305	0	18.893	18.893
Amortisation Goodwill	3	16.484	(16.484)	0	71.494	(71.494)	0
Operating profit EBIT		**34.322**	**11.180**	**45.502**	**113.329**	**52.601**	**165.930**
Financial income and expenses							
Financial income		1.076		1.076	47.049		47.049
Financial expenses		(5.769)		(5.769)	(17.829)		(17.829)
Net financial items		**(4.693)**	**0**	**(4.693)**	**29.220**	**0**	**29.220**
Profit before tax		**29.629**	**11.180**	**40.809**	**142.549**	**52.601**	**195.150**
Tax							
Taxes payable		10.221		10.221	15.316		15.316
Change in deferred tax	4	(63.743)	(4.032)	(67.776)	(26.678)	(1.070)	(27.748)
Tax expense		**(53.522)**	**(4.032)**	**(57.554)**	**(11.362)**	**(1.070)**	**(12.432)**
Net profit for the year		**83.152**	**15.212**	**98.363**	**153.911**	**53.671**	**207.582**
Minority interests		1.671		1.671	2.913		2.913
Profit after minority intrests		**81.481**	**15.212**	**96.693**	**150.999**	**53.671**	**204.670**
EPS		2,61		3,09	4,83		6,55
EPS diluted		2,59		3,07	4,80		6,51
EBITDA		13,1 %		13,1 %	13,5 %		13,5 %

BALANCE SHEET	Note	FY 2004 NGAAP		FY 2004 IFRS
ASSETS				
Fixed assets				
Intangible assets				
Patents and other intangible assets		33.441		33.441
Deferred tax assets		116.358		116.358
Contracts & Customer relationships	2	0	88.910	88.910
Goodwill	3	850.099	(8.421)	841.678
Total intangible assets		**999.898**	**80.489**	**1.080.387**
Tangible fixed assets				
Property, land and buildings		17.772		17.772
Machinery and equipment		55.070		55.070
Total tangible fixed assets		**72.842**	**0**	**72.842**
Financial fixed assets				
Shares		23.193		23.193
Other long-term receivables		11.162		11.162
Total financial fixed assets		**34.355**	**0**	**34.355**
Total fixed assets		**1.107.094**	**80.489**	**1.187.584**
Current Assets				
Inventory		**6.118**		**6.118**
Receivables				
Accounts receivable		277.301		277.301
Other short-term receivables		40.233		40.233
Total receivables		**317.535**		**317.535**
Shares		**11.994**		**11.994**
Cash and cash equivalents		**396.744**		**396.744**
Total current assets		**732.390**	**0**	**732.390**
Total assets		**1.839.484**	**80.489**	**1.919.974**
LIABILITIES AND EQUITY				
Shareholders' equity				
Share capital		154.619		154.619
Other shareholders' equity		914.375	46.332	960.707
Allocated to dividends		0	85.920	85.920
Minority interests		13.505		13.505
Total shareholders' equity		**1.082.500**	**132.252**	**1.214.752**
Provisions				
Pension liabilities		1.508		1.508
Deferred tax liability	4	3.491	34.158	37.648
Total provisions		**4.999**	**34.158**	**39.157**
Other long term liabilities		**182.974**		**182.974**
Current liabilities				
Bank overdraft		6.880		6.880
Accounts payable		71.753		71.753
Public duties payable		126.952		126.952
Tax payable		14.376		14.376
Allocated to dividends		85.920	(85.920)	0
Other non interest-bearing liabilities		263.131		263.131
Total current liabilities		**569.012**	**(85.920)**	**483.091**
Total liabilities		**756.984**	**(51.763)**	**705.222**
Total equity and liabilities		**1.839.484**	**80.489**	**1.919.974**

CASH FLOW STATEMENT (NOK 1,000)	Note	FY 2004 NGAAP	FY 2004 IFRS
Ordinary profit before tax		**142.549**	**195.150**
Depreciation tangible assets		28.985	28.985
Amortisation Patents and other intangible assets		10.504	10.504
Amortisation Contracts & Customer relationships	2	0	18.893
Amortisation Goodwill	3	71.494	0
Write down/(up) of short-term share investments		0	0
(Profit)/loss on sale of short-term share investments		0	0
Tax paid		(11.809)	(11.809)
Cash flow from operations		**241.724**	**241.724**
Change in inventory, debtors and creditors		(13.511)	(13.511)
Change in other accruals		10.345	10.345
Net cash flow from operational activities		**238.558**	**238.558**
Investment in tangible fixed assets		(31.742)	(31.742)
Sale of (investment in) businesses		(250.577)	(250.577)
Sale of (investment in) shares		16.730	16.730
Net cash flow from investments		**(265.590)**	**(265.590)**
Change in long term liabilities		156.467	156.467
Change in bank overdraft		3.919	3.919
Net cash flow from share issues		0	0
Payment of dividend		(70.114)	(70.114)
Purchase of own shares		(22.307)	(22.307)
Net cash flow from financing activities		**67.965**	**67.965**
Net cash flow		**40.932**	**40.932**
Cash and cash equivalents, beginning of period		356.826	356.826
Translation differences		(1.015)	(1.015)
Cash and cash equivalents, end of period		**396.744**	**396.744**

Movement in equity (NOK 1 000)	Note	FY 2004 NGAAP		FY 2004 IFRS
Equity at 1st January		**1.045.573**	**70.299**	**1.115.872**
Share issue		0	0	0
Reversal of dividend provision own shares		185	0	185
Realization own shares		(87)	0	(87)
Translation differences	2,3	1.256	(7.340)	(6.084)
Allocated to dividend	1	(85.920)	15.622	(70.299)
Net changes minority		(11.288)	0	(11.288)
Net profit/loss for the period		153.911	53.671	207.582
Own shares		(21.129)	0	(21.129)
Equity at end of period		**1.082.500**	**132.252**	**1.214.752**

Notes to the reconciliations

Note 1 Dividend

Under IFRS, dividend cannot be classified as a liability until the entity has an obligation to pay the dividend, which generally is not until they are approved by the general assembly. Visma has under NGAAP at 31 December 2003 allocated TNOK 70 299 as dividend (short-term liability). Under IFRS, dividend for 2003 is a part of the equity until it is approved by the general assembly and at that point reclassified as a liability until it has been paid to shareholders.

Note 2 Contracts and customer relationships

Under NGAAP, Visma did not allocate excess value from business combination to contracts and customer relationships. Under IFRS excess value of business combinations will be allocated to identifiable intangible assets such as purchased rights and contracts and customer relationships, and the residual excess value will be allocated to goodwill. For the income statement this will have an affect on the amortization of contracts and customer relationships. Visma amortizes contracts and customer relationships on a straight-line basis over its useful life which is estimated to 4-7 years.

Visma has under IFRS allocated a part of the goodwill recognised under NGAAP as contracts and customer relationships. Additionally Visma, under NGAAP, translated goodwill from foreign operations to the reporting currency using the exchange rate ruling at the date of transaction. Under IFRS intangible assets from a business combination, including both contracts and customer relationships and goodwill, are translated using the exchange rate ruling at the balance sheet date. This will affect the book value as well as the amortisation of intangible assets as the exchange rates fluctuate.

Note 3 Goodwill

As mentioned in section 1, goodwill is not amortized under IFRS and this effect is reversed in the IFRS income statement.

Under NGAAP, Visma allocated mainly all of the excess value of the business combinations as goodwill. For operations acquired during 2004, Visma has under IFRS reallocated the identified values related to “contracts and customer relationships” from goodwill.

Under NGAAP, Visma translated goodwill from foreign operations to the reporting currency using the exchange rate ruling at the date of transaction. Under IFRS goodwill from a business combination are translated using the exchange rate ruling at the balance sheet date.

The difference between the fair values of tax amortizations included in the recorded amount of contracts and customer relationships identified in business combinations and the corresponding value of the deferred tax liabilities recorded at nominal value is recorded as goodwill.

Note 4 Tax

Under NGAAP, Visma allocated mainly all of the excess value of the business combination as goodwill. Under IFRS excess value of business combinations will be allocated to identifiable intangible assets as IP and contracts and customer relationships, and the residual excess value will be allocated to goodwill. According to both NGAAP and IFRS, deferred tax liabilities arising from the initial recognition of goodwill are not recognised. In accordance with IFRS 3 Business Combinations, any deferred tax assets or deferred tax liabilities arising from identifiable asset are recognised at the acquisition date.

Some of the goodwill recorded as at 1 January 2004 is tax deductible. Under both IFRS and NGAAP Visma is recording deferred tax liabilities related to temporary differences concerning this part of goodwill. As goodwill is not amortized under IFRS in 2004 the temporary differences and the corresponding deferred tax liabilities are changed under IFRS compared to NGAAP.

In the cases in which Visma acquires operations with deductible temporary differences and/or carry forward unused tax losses where the associated nominal deferred tax asset has not been paid for in full, the difference between the nominal value of the deferred tax asset and the allocated purchase price is recognised as a reduction in the tax expense at the acquisition date if it is considered that the deferred tax can be entered in the Groups balance sheet. The tax expense in Q4 2004 under N GAAP is reduced by TNOK 4 800 due to changes in the purchase price allocations under IFRS."

SECTION 3

IFRS ACCOUNTING PRINCIPLES APPLICABLE FOR 2005

This section is presented to provide information on the accounting policies that are likely to be applied in the financial interim and year-end reporting for 2005. This section is based on Visma's current understanding of the accounting principles under IFRS.

STATEMENT OF COMPLIANCE

The consolidated financial statement of Visma ASA and all its subsidiaries have been prepared in accordance with International Financial Reporting Standards (IFRS).

CONSOLIDATION

The consolidated financial statements comprise the financial statement of Visma ASA and its subsidiaries as at 31 December each year. The financial statements of subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The group accounts show the total profit / loss and financial position of Visma ASA and its controlling interests as a whole. The consolidated accounts include companies where Visma ASA has a direct or indirect ownership of more than 50% of the voting shares, or otherwise has direct control. Subsidiaries are consolidated 100% line by line in the group accounts.

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Where there is a loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting year during which Visma ASA has control.

Intercompany receivables and liabilities and all transactions between Group companies, as well as internal profit, have been eliminated.

Acquisitions of subsidiaries are accounted for using the purchase method of accounting. The cost of an acquisition is measured as the fair value of the assets acquired, shares issued or liabilities undertaken at the date of acquisition plus costs directly attributable to the acquisition. The excess cost of acquisition over the fair value of the net assets of the subsidiary acquired measured at the date of change of control, is recorded as goodwill (see "Intangible Assets" for the accounting policy on goodwill). In the cases in which Visma acquires operations with deductible temporary differences and/or carry forward unused tax losses where the associated nominal deferred tax asset has not been paid for in full, the difference between the nominal value of the deferred tax asset and the allocated purchase price is recognised as a reduction in the tax charge at the acquisition date if it is considered that the deferred tax can be entered in the Groups balance sheet.

The assets and liabilities of foreign subsidiaries are translated into the presentation currency (NOK) of Visma ASA at the rate of exchange ruling at the balance sheet date, and their income statements are translated at the weighted average exchange rates for the year. All resulting exchange differences arising from the translation are recognised as a separate component of equity (translation differences). On the disposal of a foreign entity, the cumulative amount of the exchange differences deferred in equity relating to the disposed entity is recognised in profit or loss when the gain or loss on disposal is recognised.

Gain or loss from sales of shares in subsidiaries are calculated as the difference between the sales price and the equity in the subsidiary at the time of divestment, reduced with the book value of any excess values included in the consolidation and any related net deferred tax liabilities.

Goodwill related to acquisition of minority interest is calculated as the difference between the acquisition cost and the minority interest's part of the recorded net assets of the entity in which Visma is acquiring a minority interest.

FOREIGN CURRENCY TRANSLATION

The functional and presentation currency of Visma ASA is Norwegian Kroner (NOK). Transactions in foreign currencies are initially recorded in the functional currency ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the consolidated income statement.

The functional currencies for subsidiaries in Sweden, Finland and Denmark are Swedish Kroner (SEK), Euro and Danish Kroner (DKK). As at the reporting date, the assets and liabilities of these subsidiaries are translated into the presentation currency of Visma at the rate of exchange ruling at the balance sheet date and their income statements are translated at the weighted average exchange rates for the reporting period.

CLASSIFICATION

All assets and liabilities related to the operating cycle are classified as current/short-term. For receivables and liabilities outside the operating cycle, the current/non-current distinction is determined based on a one year maturity-rule as from the acquisition date.

REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised;

Licence fee for standard software

Revenue is recognised at the time of delivery, and when the significant risks and rewards of the ownership of the licence sold have passed to the buyer and can be reliably measured. Normally, the software will not be delivered before the customer has signed a contract, which corresponds to the date on which the software is made available to and can be used by the customer.

Rendering of services

Revenues in connection with services provided with respect to delivery of standard software, including installation, implementation, reporting and database development are recognised as the services are delivered.

Long term contracts are taken to income based on the stage-of-completion method. In compliance with the earned income principle, a relative share of the total contract amount and expenses, equal to the work that has been done at the time of closing the accounts, is included in the profit and loss statement. For projects that at the time of evaluation are expected to produce a loss, provision is made immediately for the total loss expected.

Revenue from support and other consulting services is recognised when the services are performed.

Revenue from debt-collection cases is recognised using the stage-of-completion method.

Maintenance contracts

Maintenance contracts are committed on annual basis and always within the financial year. Revenue from these contracts is recognised on a straight-line basis over the contract period.

PENSIONS

The Group has pension schemes where the company's commitment is to contribute to the individual employee's pension scheme (contribution plans).

INCOME TAX

Deferred income tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Taxable and deductible differences, which are, or may be, reversed in the same period, are offset. Any remaining deductible difference is used as a basis for recognising a deferred tax asset if future taxable income is likely to occur.

Deferred tax liability and assets are presented net within the same tax regime.

Deferred income tax liabilities are recognised for all taxable temporary differences, except where the deferred income tax liability arises from goodwill amortisation or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Expected utilization of tax losses are not discounted when calculating the deferred tax asset.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income tax relating to items recognised directly in equity is recognised in equity and not in the income statement

In the cases in which Visma acquires operations with deductible temporary differences and/or carry forward unused tax losses where the associated nominal deferred tax asset has not been paid for in full, the difference between the nominal value of the deferred tax asset and the allocated purchase price is recognised as a reduction in the tax charge at the acquisition date if it is considered that the deferred tax can be entered in the Groups balance sheet.

INTANGIBLE ASSETS

Research and development costs

Research costs are expensed as incurred. Development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured. Following the initial recognition of the development expenditure the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Any expenditure carried forward is amortised over the period of the expected future sales from the related project.

The carrying value of development costs is reviewed for impairment annually when the asset is not yet in use or more frequently when an indicator of impairment arises during the reporting year indicating that the carrying value may not be recoverable.

Gains and losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

Identifiable intangible assets acquired from a business combination

Values related to contracts and customer relationships are identified and recorded as identifiable intangible assets. The fair value of contracts and customer relationships are calculated considering the estimated future recurring revenues from the customers in the acquired operations at the date of the acquisition. The value related to contracts and customer relationships are calculated on a 100% basis, including the share of any minority interest. The fair value of tax amortizations are considered in the recorded value of contracts and customer relationships. Any deferred tax liabilities related to the recorded contracts and customer relationships are calculated at nominal values and the difference between the fair value of the tax amortizations and the corresponding deferred tax liabilities are recorded as a part of goodwill.

Purchased rights and contract and contractual relationships acquired are capitalised at fair value as at the date of acquisition. Following initial recognition, the cost model is applied to the class of intangible assets. Purchased rights and contract and contractual relationships have a finite useful life and are amortized on a straight-line basis over its useful life which is estimated to 4-7 years. The depreciable amount is determined after deducting its residual value (only where there is an active market for the asset).

Useful life and residual value are reviewed at least annually and reflect the pattern in which the benefits associated with the asset are consumed. A change in the useful life or depreciation method is accounted for prospectively as a change in accounting estimate.

An item of intangible assets is derecognised upon disposal or when no future economics benefits are expected to arise from the continued use of the asset. Gains or losses on the sale or disposal of intangible assets are recorded as other operating revenues and other operating costs respectively in the year the item is derecognised.

The carrying values of intangible assets with finite useful life are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount of intangible assets is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognised in the income statement.

Goodwill

Goodwill on acquisitions is initially measured at cost being the excess of the cost of the business combination over the Group's interests in the net fair value of the identifiable assets, liabilities and contingent liabilities at the date of the acquisition.

Following initial recognition, goodwill acquired in a business combination is measured at cost less any accumulated impairment losses. Goodwill on acquisitions after 1 January 2004 and goodwill already carried in the balance sheet at the transition date is not amortized after this date. Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

As at the acquisition date, any goodwill acquired is allocated to each of the cash-generating units, or groups of cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities are assigned to those units or groups of units. A cash-generating unit to which goodwill has been allocated will be tested for impairment annually, and whenever there is an indication that the unit may be impaired, by comparing the carrying amount of the unit, including the goodwill, with the recoverable amount of the unit. Where recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised. The recoverable amount of a cash-generating unit is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the cash-generating unit.

If Visma's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised exceeds the cost, the difference is recognised immediately in the income statement.

PROPERTY AND EQUIPMENT

Property and equipment acquired by Group companies are stated at historical cost, except the assets of acquired subsidiaries that were stated at the fair values at the date of acquisition. Depreciation is charged on a straight-line basis over the estimated useful life of the assets. The amount to be depreciated is the carrying amount less the asset's residual value.

Useful life and residual value are reviewed at least annually and reflect the pattern in which the benefits associated with the asset are consumed. A change in the useful life or depreciation method is accounted for prospectively as a change in accounting estimate.

Each part of an item of property and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

Ordinary repair and maintenance (day-to-day servicing) of tangible assets is recorded as an operating cost, whereas improvements are capitalised and depreciated over its useful life.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains or losses on the sale or disposal of fixed assets are recorded as other operating revenues or other operating costs respectively in the year the item is derecognised.

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount of property and equipment is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognised in the income statement.

INVESTMENTS

All investments are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investment.

After initial recognition, financial investments, which are classified as available for sale, are measured at fair value. Gains and losses are recognised as a separate component of equity until the investment is sold or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the income statement.

PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

INVENTORIES

Inventories are valued at the lower of cost and net realisable value. The original cost of purchased goods is the purchase price and is based on the FIFO principle. The original cost of work in progress and own manufactured goods are the direct cost of production plus a share of the indirect cost of production. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Inventories are reduced for estimated obsolescence.

ACCOUNTS RECEIVABLES
Trade receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

CASH AND CASH EQUIVALENTS
Cash and cash equivalents comprise bank deposits, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Restricted cash is included as cash and cash equivalents. Bank overdrafts are included within borrowings in current liabilities on the balance sheet.

For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net outstanding bank overdraft.

LEASES
Finance leases, which transfer to the Group substantially all the risk and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

TREASURY SHARES
The nominal value of treasury shares held is deducted from registered share capital. Any differences between the nominal value and the acquisition price of treasury shares, together with any gains or losses on transactions therein, are recorded directly to reserves.

EARNINGS PER SHARE
Earnings per share is calculated by dividing the majority shareholders share of the profit/loss for the period by the weighted average number of ordinary shares outstanding over the course of the period. When calculating diluted earnings per share, the average number of shares outstanding is adjusted for all share options that have a potential dilutive effect. Options that have a dilutive effect are treated as shares from the date they are issued.

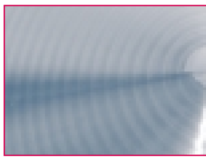
INTEREST-BEARING LOANS AND BORROWINGS
All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of issue costs associated with the borrowing.

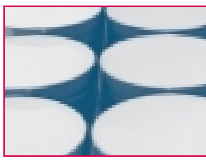
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

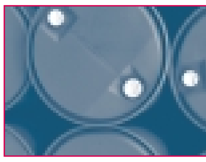
The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the loan.

SHARE BASED PAYMENT
IFRS 2 require that options rights granted to employees are charged against profit and loss at their fair value at the allocation date. This is only mandatory for options plans granted after 7 November 2002. Visma has no plans granted after 7 November 2002 and has recognised their plans to the intrinsic value at the time granted.

CASH FLOW
The cash flow statement has been drawn up in accordance with the indirect method and report cash flows during the period classified by operating, investing and financing activities. Cash and cash equivalents consist of cash and cash equivalents as defined under cash and cash equivalents, net outstanding bank overdraft.







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