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VISMA — VISUAL MANAGEMENT APPLICATIONS

Visma is one of Scandinavia's leading software houses with a global presence. The company is a vendor of standard business software and has 325 employees. Visma has more than 25 000 product installations worldwide, and is the largest supplier of marine technical management systems. In 1998 the operating turnover reached MNOK 289. Visma is listed on the Oslo Stock Exchange.

Visma was established as a result of a merger between SpecTec, Multisoft, micro80 and Dovre Informasjonssystemer. This also reflects today's company structure, where Visma products are brought to the market by three divisions, each taking care of various customer needs for management information systems.

BUSINESS DIVISION

Develops and distributes business and financial management software which are solely sold through value-added resellers. Our main international product Visma Business™ is marketed in Scandinavia, Germany, Poland, Lithuania, Great Britain, USA, Thailand, and now rapidly expanding into new markets. Regional and national distributors manage all distribution.

The Visma Business Division's commitment is to provide our customers with state of the art innovative software that manages all aspects of their business processes, today and tomorrow, through the ever faster changing business environment.

Always ahead of change!

Visma Business™ is intended to cover all commercial aspects of the company and the system integrates all functions from marketing to sales and logistics to accounting. Furthermore, with its open system technology it is easy to link to most modern 3rd party software systems enhancing functionality even further.

MARINE DIVISION

Offers a wide range of software solutions to the shipping market throughout the world, and is represented through subsidiaries and distributors in almost 30 countries.

SpecTec is the support and sales organization of Visma Marine Division, and is the world's leading supplier of Marine Technical Management Systems.

The software portfolio consists of tools that can contribute to cost savings by managing maintenance, purchasing and stock control. They also assist in the ISM Code implementation and streamline the information flow and reporting from ship to shore. They provide cost-effective electronic communication adapted to the requirements of the shipping industry.

In total, SpecTec has provided more than 6 000 software installations worldwide over the last 12 years. Kockumation, which makes the world-famous Loadmaster loading and stability system, was merged into Visma in 1997.

Over 8 000 Kockumation Loadmaster systems have been installed to date.

Visma Marine's product is more than software. The "product" is really to give customers tools to improve management and increase efficiency. This involves consulting services, training and database construction.





VISMA LOCATIONS

SPECTEC LTD., CYPRUS
 SPECTEC GMBH, GERMANY
 SPECTEC HK. LTD., HONG KONG
 SPECTEC SRL, ITALY
 SPECTEC BV, THE NETHERLANDS
 VISMA NORGE AS, NORWAY
 SPECTEC AS, NORWAY
 SPECTEC INC., PHILLIPHINES
 SPECTEC PTE. LTD., SINGAPORE
 VISMA AB, SWEDEN
 SPECTEC AB, SWEDEN
 KOCKUMATION AB, SWEDEN
 SPECTEC LTD., UNITED KINGDOM
 SPECTEC INC., USA

LOGISTICS DIVISION

Supplies complex MRP and logistics solutions to medium and large-sized companies, mainly in Scandinavia. Visma Logistics™ is a highly visual system for materials management and production control, providing sophisticated functions for purchasing, stock management, production management and planning, sales and invoicing. All of these modules are fully integrated and work together as a unit.

Visma Logistics™ is based on modern production and logistics principles such as just-in-time, OPT (optimized production technology) philosophy, supply-chain management and work flow management amongst others. It is fully integrated with Visma Business™, Visma Financial System. Highly qualified logistics and technical consultants ensure the successful implementation of Visma Logistics™ in the customer's organization.

GLOBAL DISTRIBUTION NET

Visma local representation, subsidiary offices as well as distributors and resellers shall not only supply software, but also function as our customers' natural business discussion partner. They know our customers' needs and are happy to answer questions on accounting, logistics and maintenance issues.

VISMA GLOBAL SOFTWARE SOLUTIONS

Visma Business™

FINANCIAL SYSTEM

Visma Logistics™

LOGISTICS AND MANUFACTURING RESOURCE PLANNING (MRP)

Amos for Windows

MAINTENANCE / PURCHASING SYSTEM

Amos QMS

QUALITY MANAGEMENT SYSTEM

Amos Mail

MAIL SYSTEM

Amos Load

LOADING SYSTEM

AIATool

NON-CONFORMITY REGISTRATION SYSTEM

COMMENTS

BY THE

CEO & CFO

4

*» out of the crises
as a **vital**
and healthy
software company «*



CEO, ØYSTEIN MOAN



CFO, TORE BJERKAN

During 1998 Visma has transformed itself from a company in crises to a healthy and leading software company. Today, Visma is focused in three independent divisions with clear strategies, visions and with a strong position in each respective market. The financial situation is satisfying with equity at 66% of total capital, and the company has a positive cash flow from its operations. The before tax result of MNOK 20,5 is good taking in account substantial charges for restructuring. In the second half of 1998 alone, the operating profit was at MNOK 16,7, which is a 12% operating margin.

In addition to focus on a few key products, our distribution policy has been reconsidered. At the end of 1998 Visma Business is only sold through dealers, distributors and partners. A strict policy about not selling directly to end-users is enforced. Enthusiasm and loyalty has surged among our partners, and especially in the second half of 1998 there was a strong growth in the sales of Visma Business.

Due to the need of specific knowledge about industrial logistics, Visma Logistics is sold and implemented directly with end-users. Most of the production control projects we participate in are rather advanced, and require substantial experience both on the product and project management.

Due to the specifics of the shipping market, Visma Marine AS is selling all its products through its own worldwide chain of SpecTec companies. With 47% growth in 1998 Visma Marine is clearly the worlds largest supplier of software to the shipping industry.

Visma ASA functions as a holding company. Today there are three subsidiaries, but with the skills developed on managing IT and software companies, there will be of interest to add more IT related subsidiaries.

The financial problems of Visma are in the past. The company will now focus on growth while at the same time retain very tight financial control and ensure positive operating cash flow. In Visma Business, marketing will be increased and new partners will be appointed, especially in markets outside Norway.

In the Marine Division strong growth will be achieved through the increasing proliferation of IT in the shipping industry and upgrade from MS/DOS to Windows based systems.

During 1998 Visma has achieved financial strength, focused businesses, high quality products and a team of employees dedicated to duty. We look forward to 1999.



ØYSTEIN MOAN
CEO, VISMA ASA



TORE BJERKAN
CFO, VISMA ASA

COMMENTS

BY THE

BOARD OF DIRECTORS

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» After the difficult 1997, 1998 was a year of consolidation. The company was transformed into a profitable operation with a high level of quality in products and operations. In 1999 Visma is no longer a turn-around company, but a company that will pursue...

***new
opportunities
and growth*** «

CORPORATE STRUCTURE

In 1998, financial control had priority over external growth through acquisitions. Only Norit AS in Oslo has been acquired and merged with SpecTec AS. Norit was a company with five employees, specialized in IT installations in the shipping industry.

During the 1998 Visma has been separated in three divisions:

- Visma Business Division
- Visma Marine Division
- Visma Logistics Division

In Sweden this process has resulted in four separate companies:

- Visma AB (Business)
- Visma Logistics AB
- SpecTec AB (Marine)
- Kockumation AB (Marine)

Visma ASA is now a pure holding company, owning liquid assets, shares and copyright to the software in the three divisions, Visma Business™, Visma Logistics™ and Visma Marine™.

This structure makes mergers and participation in industry re-structuring more feasible.

FINANCIAL RESULTS

An operating profit of MNOK 19,2 was achieved on revenue of MNOK 289,0. This result includes loss in Visma AB of MNOK 13,4 due to a one-time accrual for account receivable, reduction in the workforce and some problematic contracts. All contracts where accruals have been made, are contracts signed in 1996 or in the first half of 1997, and were part of the business model of Visma AB in the past. To the knowledge of the management and the Board of Visma, the accruals at the end of 1998 are sufficient.

The operating margin of 7% achieved is satisfactory in a year of turn around, but the 12% margin achieved in the second half of 1998 is more in the

line with the level of profit Visma aims to produce.

The growth in revenue of 7% over 1998 is not satisfactory, but must be viewed in the light of the changes in the distribution model in Visma Business™, and due to divesting of several activities in 1997/1998. The Marine division achieved a growth of about 47%, and the Logistics division grew 22%. The figures per division are not directly comparable with 1997 since Visma was not clearly divided into divisions.

The group had a positive cash flow from operations of MNOK 6. Through strong financial control the company in 1999 plans to have a cash flow from operations that is at least as high as the operational profit.

At the end of 1998, total assets were MNOK 166 compared to MNOK 170 a year earlier. Shareholders' equity has increased to MNOK 110 which is 66% of total assets. Net cash is at MNOK 65, compared to MNOK 59 at the end of 1997, but short and long-term debt combined is down with MNOK 24.1 from MNOK 79.8 to MNOK 55.7.

Accounts receivable in the balance sheet is at MNOK 66, and the average credit time is about 60 days. This is still too high, and for 1999 the target is to achieve an average credit time of 50 days. The management has scrutinized all doubtful accounts receivable, and the company has made allocations amounting to 7.65% of all receivables. There is a strong management focus on accounts receivable, and the present allocations are considered sufficient. Other short-term receivable is down from MNOK 16.3 in 1997 to MNOK 9.4 in 1998.

Non-current assets are at MNOK 20.5 down from MNOK 30.1. Unless acquisitions take place, non-current assets will be reduced further during 1999. At the end of 1998 current assets was 88% of total assets, which gives Visma a very flexible capital structure.

MARKET POSITION AND PRODUCTS

The three divisions, Business, Marine and Logistics operate independent of each other. While there are common business practices concerning developing and quality assurance of software, software technology and knowledge, financial control and accounting, management and investor relations, the three divisions pursue their own interests in the market. Rather than being an ERP (Enterprise Resource Planning) -supplier the philosophy of Visma is to develop products that may be implemented individually, but may also be combined.

The Business division, with about 12 000 customers in Norway, has probably the largest market share in accounting- and logistics-systems for medium sized companies in Norway. The main targets are companies with 5 to 500 employees.

In Sweden Visma has a considerable presence, and Visma Business is increasing sales in Lithuania, Denmark, Germany, UK and the USA.

The more mature, DOS based products, Multisoft, micro80 and Compact still have considerable sales in niche-markets, and the installed base is very well preserved.

Still a new activity, Visma Logistics™, now has about 40 companies as mature customers of the product. Visma Logistics™ is the leading system for the electronic industry in Norway, but has additionally an advanced purchasing system for hospitals.

Visma Logistics AB was established in Sweden during 1998.

The Logistics division focuses on very specific markets with advanced demand for logistics and production control. Customers count well-known companies as adidas, Siemens, Sonec, DEFA, ASK, Karolinska Sjukhuset (Stockholm). Visma Logistics™ is positioned as a very advanced system for customers that do not want to or have the time to implement a full ERP system, but still want a comprehensive logistics system.

Competitors are typically SAP, Baan, Intenia and Oracle.

The Visma Marine Division is the leading supplier in the world of software to the shipping industry. With offices in 11 countries, Visma Marine is larger than the three next competitors combined. Visma Marine specializes in software for planned maintenance, purchase, logistics, quality assurance, ship to share reporting and communication, personnel administration and load calculation. During 1998 Visma Marine achieved a growth at about 47%. Due to the market position and the increasing need for IT in the maritime industry, Visma Marine expects a strong growth for 1999 as well.

In addition to the products, a major strength of Visma Marine, is the worldwide organization of experienced employees with deep knowledge of usage of computers and software in the maritime industry.

EURO

Visma Business™ does support Euro, and both Visma Logistics™ and Amos for Windows will have a 100% support of the Euro in the first half of 1999. In the Visma Marine Division all official price-lists are now made using Euro as the master currency.

Both the millennium challenge and Euro pose interesting business opportunities for Visma.

OTHER INFORMATION

At the end of 1998 there were 325 (315) employees in the Visma group.

The working environment is perceived as good.

The total compensation to the board of directors, the managing director and the auditors is stated in note 13 to the accounts.

Note 14 states the number of shares owned by the board of directors and the managing director. There are no owners with more than 20% of the shares in the company.

The board of Visma is of the opinion that the activities of the company do not pollute the environment. The software for shipping helps to ensure higher safety and less damage to the environment in the shipping industry.

In an extraordinary shareholders meeting, November 15, it was decided to compress 10 Visma shares into 1, and to increase the nominal value per share from NOK 1, to NOK 10. This was done to get a more practical number of outstanding shares, and to get a more "normal" pricing of the Visma shares. At the same meeting it was decided to decrease the nominal value of the share from NOK 10 to NOK 7 to be reflected in the accounts for the first quarter of 1999. This was done to create non-restricted equity to make it possible for subsequent shareholders meeting to decide on payment of dividends or share buy-back plans.

DISPOSALS

The deficit of Visma ASA for 1998 of TNOK 22 898, is proposed to be disposed as follows:

Group contribution	(1 117)
Transferred from legal reserves	(1 116)
Transferred to uncovered losses	(20 665)
Total	(22 898)

MILLENNIUM OPPORTUNITY

All the software products of Visma are designed to be year 2000 compliant. Extensive testing is performed during the first half of 1999, and the ambition is to make our products robust towards non-year 2000 compliant environments.

Rather than being a problem, the year 2000 is a business opportunity for Visma. In several of our markets, many customers still have not made the necessary preparation for the year 2000. This is especially true for smaller customers of Visma Business™ and for a substantial part of the shipping industry. For the shipping industry, Visma Marine pro-

vides consulting on how to handle the millennium problem.

Visma makes its best efforts to ensure that our customers will have no problems with the millennium challenge.

PROSPECTS FOR 1999

With 1998 as a year of consolidation, 1999 shall be a year with focus on growth and expansion. Due to the situation in the Norwegian financial market, growth is to some extent limited by the company's own ability to finance its growth. With the current uncertainty in the global economy, Visma will have a somewhat conservative approach, keeping expenses under tight control. However, financial instability does normally create growth opportunities for the financially healthy companies.


Due to the millennium issues, the activity levels in all the markets where Visma are active, are high. In the second half of 1999 softness in the markets may be expected due to that many companies put new investment on hold in their quest to be prepared for the new millennium. However this may be offset by last minute actions by companies not prepared.

Oslo, March 5, 1999

The board of Visma ASA



SVEIN RIBE-ANDERSSEN
CHAIRMAN OF THE BOARD



FRODE BERG



SVEIN STAVELIN



DEREK JOHNSTON



TOR MALMO



CHRISTIAN FREDRIK
CHRISTENSEN



ØYSTEIN MOAN
CEO

PROFIT & LOSS

DECEMBER 31.

VISMA ASA

CONSOLIDATED

1997	1998	(NOK thousand)	Note	1998	1997
		Operating revenue			
105 974	32 210	Sales revenue		282 486	265 678
0	3 420	Other operating revenue		6 544	4 501
<i>105 974</i>	<i>35 630</i>	<i>Total operating revenue</i>		<i>289 030</i>	<i>270 179</i>
		Operating expenses			
14 031	393	Expenses of goods sold		48 462	39 438
54 529	6 059	Wages and salaries	13	127 478	146 554
47 322	8 039	Other operating expenses		82 075	106 055
20 093	1 441	Depreciation and amortizations	6/7	8 761	54 097
6 197	1 472	Bad debts expense		3 021	15 309
<i>142 172</i>	<i>17 404</i>	<i>Total operating expenses</i>		<i>269 797</i>	<i>361 453</i>
<i>(36 198)</i>	<i>18 226</i>	<i>Operating profit/(loss)</i>		<i>19 233</i>	<i>(91 274)</i>
		Financial income and expenses			
14 685	2 908	Financial income	2	7 402	16 928
(20 664)	(44 032)	Financial expenses	2	(6 136)	(7 181)
<i>(5 979)</i>	<i>(41 124)</i>	<i>Net financial items</i>		<i>1 266</i>	<i>9 747</i>
<i>(42 177)</i>	<i>(22 898)</i>	<i>Profit/(loss) before tax</i>		<i>20 499</i>	<i>(81 527)</i>
0	0	Taxes payable	10	3 511	3 215
(506)	0	Change in deferred tax	10	0	(2 266)
<i>(506)</i>	<i>0</i>	<i>Tax expense</i>		<i>3 511</i>	<i>949</i>
<i>(41 671)</i>	<i>(22 898)</i>	<i>Net profit/(loss) for the year</i>		<i>16 988</i>	<i>(82 476)</i>
		Minority interests		(90)	(151)
		<i>Consolidated net profit/(loss) for the year</i>		<i>17 078</i>	<i>(82 325)</i>
		Allocations and transfers			
(3 433)	(1 117)	Group contribution			
(19 113)	(1 116)	Transferred to/from legal reserves			
(2 677)	0	Transferred to/from non-restricted reserves			
(16 448)	(20 665)	Transferred to uncovered losses			
<i>(41 671)</i>	<i>(22 898)</i>	<i>Total allocations and transfers</i>			
		Net profit/(loss) per share	18	1.17*	(11.60)*

* STATED IN NOK

BALANCE SHEET

DECEMBER 31.

VISMA ASA

CONSOLIDATED

1997	1998	(NOK thousand)	Note	1998	1997
ASSETS					
Current assets					
56 914	41 286	Cash and cash equivalents	3	66 963	66 086
5 708	0	Accounts receivables	4	65 835	56 598
30 820	44 131	Intercompany receivables		0	0
5 090	371	Other current receivables		9 445	16 271
148	0	Inventory		2 985	874
98 680	85 788	Total current assets		145 228	139 829
Non-current assets					
33 121	25 459	Shares in subsidiaries	5	0	0
0	200	Other shares		205	65
1 868	0	Intercompany receivables		0	0
0	0	Deferred income taxes	10	1 869	1 953
573	0	Other long-term receivables		288	1 921
0	1 755	Purchased software	6	3 998	1 412
0	0	Goodwill	6	656	0
5 618	3 017	Plant and equipment	7/8	12 105	14 725
7 513	0	Buildings	7/8	0	7 757
822	0	Property	7/8	0	822
1 453	1 453	Fixed property	7/8	1 453	1 453
50 968	31 884	Total non-current assets		20 574	30 108
149 648	117 672	Total assets		165 802	169 937
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
0	0	Bank overdraft	3/15	2 192	6 421
6 366	1 055	Accounts payable		14 056	19 703
10 353	7 103	VAT and payroll related taxes		20 641	21 696
10	0	Income taxes payable	10	2 039	4 132
2 765	360	Other current liabilities		13 840	19 131
19 494	8 518	Total current liabilities		52 768	71 083
Non-current liabilities					
2 649	0	Other long-term liabilities		357	6 199
0	0	Pension obligations	9	700	570
0	0	Deferred income taxes	10	1 869	1 953
2 649	0	Total non-current liabilities		2 926	8 722
		Minority interests		0	90
Shareholders' equity					
143 953	146 267	Share capital	12/14	146 267	143 953
(16 448)	(37 113)	Uncovered losses		0	0
0	0	Other equity		(36 159)	(53 911)
127 505	109 154	Total shareholders' equity	11	110 108	90 042
149 648	117 672	Total liabilities and shareholders' equity		165 802	169 937
		Pledges and guarantees	15		

CASH FLOW

DECEMBER 31.

VISMA ASA

CONSOLIDATED

1997	1998	(NOK thousand)	1998	1997
(42 178)	(22 898)	<i>Profit before tax</i>	20 499	(81 527)
(11 514)	(866)	Gains (losses) on sale of fixed assets	(879)	(14 084)
3 634	1 442	Depreciation and amortization	8 761	8 992
16 459	39 712	Write-down non-current assets	0	45 105
0	1 117	Group contribution	0	0
0	0	Translation adjustment	(442)	0
(876)	0	Tax payable	(5 604)	(5 060)
(34 475)	18 507	<i>Cash flow from operating activities</i>	22 335	(46 574)
(2 626)	(12 766)	Change in stocks, debtors and creditors	(16 995)	2 568
(8 533)	(946)	Change in other accruals	480	8 435
(45 634)	4 795	<i>(A) Net cash flow from operating activities</i>	5 820	(35 571)
129	11 011	Sale of tangible fixed assets	13 178	1 988
(2 367)	(2 406)	Investment in tangible fixed assets	(13 103)	(17 059)
12 487	0	Sale of shares (sale price)	0	35 749
(1 228)	(32 250)	Investment in shares	(140)	(16 588)
(416)	2 441	Change in other investments	1 633	(1 303)
8 605	(21 204)	<i>(B) Net cash flow from investing activities</i>	1 568	2 787
4 107	0	New debt (short and long term)	130	6 426
(1 769)	(2 649)	Repayment of existing debt	(5 842)	(4 164)
(23 549)	0	Change bank overdraft	(4 229)	(22 433)
111 246	3 430	New equity	3 430	111 246
829	0	Dividends paid	0	0
90 864	781	<i>(C) Net cash flow from financing activities</i>	(6 511)	91 075
53 835	(15 628)	<i>(A+B+C) Net cash flow for the year</i>	877	58 291
3 079	56 914	Cash and cash equivalents on 1.1	66 086	7 795
56 914	41 286	<i>Cash and cash equivalents on 31.12</i>	66 963	66 086

CONSOLIDATION

The consolidated accounts include Visma ASA and all subsidiaries where Visma ASA directly or indirectly has more than 50% controlling interest. Consolidated accounts is prepared with the group as one unit, and all significant intercompany accounts and transactions have been eliminated.

The cost price of shares in the parent company's accounts is eliminated against subsidiaries' equity at the time of purchase. Paid excess value is allocated to the assets it relates to, and is depreciated over the assumed economic life of the asset.

Paid excess value that cannot be allocated to specific assets, is capitalised as goodwill with a straight-line depreciation over the assumed economic life, for a maximum of 20 years.

Net income/loss from subsidiaries that are purchased or sold during the year, are included in the consolidated accounts for the part of the year that they have been part of the group.

When consolidating foreign subsidiaries, the income statement is translated to NOK, applying the average rate of exchange for the year. The balance sheets is translated applying the year end rate of exchange. Translation gains and losses are taken directly to equity.

RECOGNITION OF INCOME

In general license fees from standard software sales are recognized when the software is delivered. Delivery normally takes place when the customer has signed the contract. For the Business division 100% of the license fee is recognized on delivery. For the Logistics and Marine divisions 80% and 50%, respectively, of the license fee is recognized on delivery, while the remaining 20% and 50% is recognized when the installation is completed. Revenue regarding services delivered in addition to the standard software including installation, implementation, report adaptation and database building is normally recognized when the services are performed.

Annual revenue from maintenance contracts is recognized on straight-line basis over the financial year, while the related costs are expensed as incurred. Commissions paid relating to maintenance contracts are amortized over the period of the contracts.

Revenue from support and other consultant services is recognized when performed.

CLASSIFICATION OF ASSETS AND LIABILITIES

Assets and liabilities related to the company's operating cycle are classified as current assets and cur-

rent liabilities respectively. Assets and liabilities not related to the company's product cycle are classified as current assets and current liabilities only if they fall due within one year of the balance sheet date. Other assets and other liabilities are classified as fixed assets and long-term liabilities.

ACCOUNTS RECEIVABLE

Accounts receivable are stated at their nominal value less an allowance for doubtful accounts.

INVENTORY

Inventory, purchased for distribution is valued at the lower of cost or market.

DEPRECIATION

Depreciation is computed on the straight-line method for financial reporting purposes over the assumed economic life of assets.

INCOME TAXES

The provision of income taxes is computed on pre-tax income reported in the financial statements. The provision differs from income taxes currently payable because certain items of income and expense are recognized in different periods for financial statement and tax return purposes. Deferred income taxes have been recorded using the liability method in recognition of these temporary differences.

PRODUCT DEVELOPMENT COSTS

Costs associated with in-house development of software are charged to operations as incurred. Costs relating to specific developments projects where the company uses external expertise are capitalised and amortized in the straight line method over a maximum of five years.

POSTRETIREMENTS BENEFIT

A pension liability has been recorded in the balance sheet to reflect as uninsured pension benefit obligation for a former employee.

FOREIGN CURRENCY

Current assets and liabilities denominated in foreign currencies are translated into NOK at the foreign exchange rate on the balance sheet date.

NOTE 1 | MERGER

On May 26th, 1998 SpecTec purchased 100% of the shares in Norit AS, and Norit AS was on June 30th, 1998 decided merged with SpecTec AS.

The merger is accounted for using the purchase method of accounting.

NOTE 2 | FINANCIAL INCOME AND EXPENSES

VISMA ASA		(NOK thousand)	CONSOLIDATED	
1997	1998		1998	1997
		Financial income comprises		
829	0	Dividends from subsidiaries	0	0
11 551	0	Dividends	750	11 551
1 348	2 908	Other interest income	3 650	1 613
957	0	Agio	2 757	957
0	0	Other financial income	245	2 807
14 685	2 908	Financial income	7 402	16 928
		Financial expenses comprises		
1 553	241	Interest expenses	711	2 792
12 792	39 712	Write-down of subsidiary shares	0	0
543	2 167	Write-down of shares	2 167	543
3 370	0	Loss on sale of subsidiary shares	0	0
0	1 760	Loss on sale of shares	1 760	0
1 553	0	Disagio	1 130	1 553
853	152	Other financial expenses	368	2 293
20 664	44 032	Financial expenses	6 136	7 181

NOTE 3 | RESTRICTED CASH AND BANK OVERDRAFT

As of December 31., 1998, Cash and Cash equivalent include payroll withholding taxes of TNOK 2 642 (TNOK 3 802 in 1997) for the group, and TNOK 297 (TNOK 2 420 in 1997) for Visma ASA which are restricted for payment to the tax authorities.

The group has an overdraft facility of TNOK 28 000, of which TNOK 2 192 were utilized as of December 31., 1998. The group and Gjensidige Bank has entered into an overdraft facility agreement of TNOK 25 000, which constitutes the major part of the groups total overdraft facility.

NOTE 4 | TRADE DEBTORS

In the consolidated financial statements, the allowance for doubtful accounts in 1998, amounts to TNOK 5 456 compared to TNOK 3 977 in 1997.

Receivables overdue with 180 days or more amounts to TNOK 14 292. The allowance for doubtful accounts is considered sufficient.

NOTE 5 | SHARES IN SUBSIDIARIES

Book value of shares in subsidiaries in parent company:

Subsidiaries (NOK)	% ownership	Share capital	Net book value
VISMA NORGE AS, Norway	100	NOK 300 000	2 873 000
VISMA AB, Sweden	100	SEK 4 000 200	3 940 000
SPECTEC PTE LTD, Singapore	100	NOK 184 000	180 151
SPECTEC LTD, England	100	GBP 31 500	403 125
SPECTEC INC, USA	100	USD 450 570	2 366 552
SPECTEC GmbH, Germany	100	DEM 50 000	218 450
KOCKUMATION AB, Sweden	100	SEK 1 000 100	1 965 680
SPECTEC CYPRUS, Cyprus	100	NOK 141 000	140 965
SPECTEC SRL, Italy	90	ITL 50 000 000	1 017 911
VISMA BV, The Netherlands	100	NLG 180 000	1 788 421
SPECTEC AS, Norway	100	NOK 500 000	1 300 000
VISMA MARINE AS, Norway	100	NOK 1 050 000	1 050 000
RSC CONNECTION SOFTWARE AB, Sweden	100	SEK 50 000	43 170
POWERSOFT NORDIC AB, Sweden	100	SEK 200 000	172 680
SPECTEC AB, Sweden	100	SEK 1 000 100	1 949 400
VISMA LOGISTICS ASA, Norway	100	NOK 1 050 000	6 050 000
<i>Book value</i>			<i>25 459 505</i>

NOTE 6 | GOODWILL AND OTHER INTANGIBLE ASSETS

VISMA ASA			CONSOLIDATED			
Total	Purchased software	Goodwill	(NOK thousand)	Goodwill	Purchased software	Total
0	0	0	Historical cost 1.1.98	0	1 500	1 500
2 340	2 340	0	Additions	716	4 090	4 806
0	0	0	Disposals	0	0	0
2 340	2 340	0	Historical cost 31.12.98	716	5 590	6 306
0	0	0	Accumulated depreciation 1.1.98	0	(88)	(88)
(585)	(585)	0	Depreciations	(60)	(1 504)	(1 564)
(585)	(585)	0	Accumulated depreciation 31.12.98	(60)	(1 592)	(1 652)
1 755	1 755	0	Net book value 31.12.98	656	3 998	4 654

NOTE 7 | FIXED ASSETS

VISMA ASA	(NOK thousand)	Machinery/ equipment	Buildings	Property	Fixed property	Total
Historical cost, 1. Jan 1998		11 263	7 771	822	1 696	21 552
Additions		66	0	0	0	66
Disposals		(1 811)	(7 771)	(822)	0	(10 404)
<i>Historical cost, 31. Dec 1998</i>		<i>9 518</i>	<i>0</i>	<i>0</i>	<i>1 696</i>	<i>11 214</i>
Acc. ordinary depreciation, 1. Jan 1998		(5 645)	(258)	0	(243)	(6 146)
Acc. depreciations fixed assets		0	258	0	0	258
Ordinary depreciations for the year		(856)	0	0	0	(856)
<i>Acc. ordinary depreciation, 31. Dec 1998</i>		<i>(6 501)</i>	<i>0</i>	<i>0</i>	<i>(243)</i>	<i>(6 744)</i>
Net book value		3 017	0	0	1 453	4 470
<i>Depreciation rates</i>		<i>10-33,33%</i>	<i>2%</i>	<i>0%</i>	<i>0-4%</i>	<i>0%</i>

CONSOLIDATED	(NOK thousand)	Machinery/ equipment	Buildings	Property	Fixed property	Total
Historical cost, 1. Jan 1998		34 166	8 611	822	1 696	45 295
Additions		8 297	0	0	0	8 297
Disposals		(3 720)	(8 611)	(822)	0	(13 153)
<i>Historical cost, 31. Dec 1998</i>		<i>38 743</i>	<i>0</i>	<i>0</i>	<i>1 696</i>	<i>40 439</i>
Acc. ordinary depreciation, 1 Jan 1998		(19 441)	(854)	0	(243)	(20 538)
Acc. depreciations and fixed assets		0	854	0	0	854
Ordinary depreciations for the year		(7 197)	0	0	0	(7 197)
<i>Acc. ordinary depreciation, 31 Dec 1998</i>		<i>(26 638)</i>	<i>0</i>	<i>0</i>	<i>(243)</i>	<i>(26 881)</i>
Net book value		12 105	0	0	1 453	13 558
<i>Depreciation rates</i>		<i>10-33,33%</i>	<i>2%</i>	<i>0%</i>	<i>0-4%</i>	<i>0%</i>

NOTE 8 | INVESTMENTS IN AND DISPOSALS OF (AT SALESPRICE) FIXED ASSETS

VISMA ASA (NOK thousand)

INVESTMENTS	1998 added	1997 added	1996 added	1995 added	1994 added
Machinery/equipment	66	3 834	3061	2857	2736
Buildings	0	7 771	0	0	0
Property	0	822	0	0	0
<i>Total</i>	<i>66</i>	<i>12 427</i>	<i>3061</i>	<i>2857</i>	<i>2736</i>
DISPOSALS	1998 sold	1997 sold	1996 sold	1995 sold	1994 sold
Machinery/equipment	1 811	129	0	335	92
Buildings	8 378	0	0	0	0
Property	822	0	0	0	0
<i>Total</i>	<i>11 011</i>	<i>129</i>	<i>0</i>	<i>335</i>	<i>92</i>

CONSOLIDATED (NOK thousand)

INVESTMENTS	1998 added	1997 added	1996 added	1995 added	1994 added
Machinery/equipment	8 297	15 263	10 450	6 222	3 203
Buildings	0	8 611	0	5 628	0
Property	0	822	0	393	0
<i>Total</i>	<i>8 297</i>	<i>24 696</i>	<i>10 450</i>	<i>12 243</i>	<i>3 203</i>
DISPOSALS	1998 sold	1997 sold	1996 sold	1995 sold	1994 sold
Machinery/equipment	3 720	1 988	0	116	435
Buildings	8 636	0	0	0	0
Property	822	0	0	0	0
<i>Total</i>	<i>13 178</i>	<i>1 988</i>	<i>0</i>	<i>116</i>	<i>435</i>

NOTE 9 | PENSIONS

The pension obligation at December 31., 1998 of TNOK 225 is calculated based on a discount rate of 6% and yearly inflation of 2,5%. The agreement expires December 31., 2001 and is index regulated January 1., each year. In addition, the group has a pension obligation of TNOK 475 related to a foreign subsidiary.

The Group has no general pension plans for its employees.

NOTE 10 | DEFERRED TAX

Deferred taxes are based on temporary differences between the book and tax basis of assets and liabilities using the nominal tax rate of 28%. In accordance with the preliminary standard of accounting for income taxes, temporary differences that reverse in the same period are netted.

Temporary differences that are netted:

VISMA ASA			CONSOLIDATED*	
1997	1998	(NOK thousand)	1998	1997
(1623)	(2 168)	Current assets/liabilities	(2 735)	(2 993)
(14 588)	(53 495)	Fixed assets/long-term liabilities	(55 162)	(14 424)
(56 404)	(32 086)	Losses brought forward	(38 011)	(72 069)
9 964	0	Capital gains/losses account	0	9 964
<i>(62 651)</i>	<i>(87 749)</i>	<i>Net temporary differences</i>	<i>(95 908)</i>	<i>(79 522)</i>
<i>(17 542)</i>	<i>(24 570)</i>	<i>Deferred tax asset</i>	<i>(26 854)</i>	<i>(22 266)</i>

Temporary differences which cannot be netted:

VISMA ASA			CONSOLIDATED*	
1997	1998	(NOK thousand)	1998	1997
0	0	Pension liabilities	(225)	(570)
0	0	<i>Net temporary differences</i>	<i>(225)</i>	<i>(570)</i>
0	0	<i>Deferred tax asset</i>	<i>(63)</i>	<i>(160)</i>

At December 31, 1998, Visma ASA has a net deferred tax asset which according to the Norwegian Companies Act can not be recorded in the balance sheet.

In the consolidated financial statements, a deferred tax liability of TNOK 1 869 has been recorded as of December 31, 1998. This deferred tax liability relates to SpecTec Inc, USA, which can not be netted against other deferred tax assets in the group. As such a deferred tax asset equal to the deferred tax liability, has been recorded in the consolidated financial statements.

In Sweden, tax loss carried forward is MNOK 37.

Visma ASA's tax payable for the 1998 has been computed as follows:

(NOK thousand)	VISMA ASA
Loss before tax	(22 898)
Non-deductible expenses	17
Sale of subsidiary	(3 134)
Changes in temporary differences	49 416
Group contribution	1 117
Utilisation of tax losses	(24 518)
<i>Taxable profit</i>	<i>0</i>

The total tax expense consist of the following:

(NOK thousand)	VISMA ASA	GROUP
Current taxes payable	0	3 511
<i>Total tax expense</i>	<i>0</i>	<i>3 511</i>

* THE CONSOLIDATED AMOUNTS INCLUDE ONLY NORWEGIAN ENTITIES

NOTE 11 | SHAREHOLDERS' EQUITY

VISMA ASA (NOK thousand)	Share capital	Legal reserves	Uncovered loss	Total
Opening balance 1.1.98	143 953	0	(16 448)	127 505
Share issue against stock option plan	2 314	1 116	0	3 430
Allocations and transfers	0	(1 116)	(20 665)	(21 781)
<i>Closing balance 31. Dec 1998</i>	<i>146 267</i>	<i>0</i>	<i>(37 113)</i>	<i>109 154</i>

CONSOLIDATED (NOK thousand)	Share capital	Other equity	Total
Opening balance 1.1.98	143 953	(53 911)	90 042
Share issue against stock option plan	2 314	1 116	3 430
Translation adjustment	0	(442)	(442)
Net profit	0	17 078	17 078
<i>Closing balance 31. Dec 1998</i>	<i>146 267</i>	<i>(36 159)</i>	<i>110 108</i>

FOR OPTION ISSUES AND THE BOARD OF DIRECTORS AUTHORIZATION FOR SHARE ISSUES, SEE NOTE 12.

NOTE 12 | SHARECAPITAL AND SHAREHOLDERS

On December 31, 1998 the company's share capital consisted of 14 626 664 shares each with a par value of NOK 10. The company had as of December 31., 1998 4 291 shareholders.

The 10 largest shareholders per December 31, 1998 were as follows:

Largest shareholders	Holding (%)
Boks 84 AS	7.74
Store Borgen AS	3.91
Øistein Rian	2.23
Tore Bjerkan	2.11
Tyrving AS	1.93
Christian Fr. Christensen	1.85
Merita Bank Ltd	1.75
Fokus SMB	1.70
Verdipapirfondet K_S v/K-fond	1.70
Mastor	1.39
Others	73.69

The company has an employee stock option plan to purchase up to 1 297 787 shares.

Options not exercised in accordance with the plan automatically expire.

(NOK thousand)	Number	Exercise	Price
Rest optionsprogram 97-98	8 194	mar-99	10.00
Senior staff	700 000	1998-2001 *	28.40 **
Option scheme	589 593	1999-2002 *	56.16 **
<i>Total</i>	<i>1 297 787</i>		

* EXERCISED 1/4 PER YEAR.

** + 1% PER MONTH BEGINNING 1.1.1999.

At an extraordinary shareholders' meeting in 1997, the Board were authorized to issue 1 700 000 shares for option-program for employees of Visma. The authorization is valid for 4 years.

At the same shareholders' meeting in 1997, the Board were authorized to issue 1 300 000 shares for share issues or compensation in acquisitions. The authorization is valid until the ordinary shareholders annual meet-

Total no. of shares	1 700 000
Amortized 1998	231 352
Assigned 1997/1998	1 297 787
<i>Not used</i>	<i>170 861</i>

ing in 1999. The authorization has not been used in the period, and the Board will make proposal of extending the period with 2 years.

NOTE 13 | REMUNERATION OF THE MANAGING DIRECTOR, BOARD AND AUDITOR

The Managing Director received salary and other remuneration amounting TNOK 1 429 in 1998. The Board of directors will make proposal to the shareholders annual meeting, that the remuneration to the board of directors for 1998 is set to TNOK 360. Remuneration for auditor is in 1998 amounted to TNOK 200, of which TNOK 105 is connected to audit.

NOTE 14 | SHARES HELD BY THE BOARD AND MANAGING DIRECTOR

As of December 31, 1998, members of the board of directors and managing director held the following shares in the company:		Shares	Holding (%)
	Ribe-Anderssen, Svein	90 000	0,62
	Christensen, Christian Fredrik	271 320	1,85
	Johnston, Derek James	19 033	0,13
	Malmö, Tor	12 812	0,09
	Moan, Øystein	96 499	0,66

NOTE 15 | SECURED DEBT AND GUARANTEES

VISMA ASA			CONSOLIDATED	
1997	1998	(NOK thousand)	1998	1997
0	0	Group account overdraft	0	6 421
0	0	Other secured debt	0	3 550
0	0	<i>Total</i>	0	9 971

The following assets have been pledged as security for group account and secured debt:

1997	1998	(NOK thousand)	1998	1997
6 357	0	Accounts receivable	0	23 535
0	0	Buildings/land	0	0
6 357	0	<i>Total book value of security</i>	0	23 535

Guarantees provided to:	TNOK
Posten Sverige	2 000
Jacobsgården	210
Rental guarantee Visma Norway AS	1 562
<i>Total</i>	3 772

NOTE 16 | CONTINGENT LIABILITY

Lier Tax Office has proposed an adjustment to VISMA ASA's 1994 tax return. The company has appealed this decision to the assessment board. The effect of the proposed adjustment would be that reduction in tax loss brought forward as of January 1., 1995, is reduced by MNOK 8,8. The matter has not been resolved as of December 31., 1998.

NOTE 17 | RELATED PARTY TRANSACTIONS

There are no other transactions with related parties than those described in footnotes for investments in subsidiaries, remuneration to the managing director, board and auditor and share capital and shareholders. These transactions are in the normal course of business and have been executed at arms length.

NOTE 18 | INFORMATION FOR THE EARNINGS PER SHARE CALCULATION

The calculation is based on the following information:

Consolidated net result for the year	17 078 000
Average number of shares in 1998	14 568 825

NOTE 19 | REDUCTION OF ACTIVITY

During the 1998, the Visma Group sold the following subsidiaries and product lines:

Activity	Date
Visma ISH BV, The Netherlands	98-07-01
Visma Lønn & Personal (Visma AB)	98-12-01

NOTE 20 | BUSINESS SEGMENTS

(NOK million)	Marine	Logistics	Business N	Business S	Visma ASA	Group
Sales	141.50	29.90	96.50	21.10	0.00	289.00
Operating expenses	128.00	33.30	74.00	34.50	0.00	269.80
gross margin in %	9.54%	-11.37%	23.32%	-63.51%	0.00	6.64%
Current assets	64.40	14.70	16.60	8.20	41.30	145.20
Fixed assets	10.50	0.10	2.70	0.90	6.40	20.60
Shareholders equity	23.90	3.30	-4.70	3.90	83.70	110.10

AUDITORS'

REPORT

1998

»to the
**Annual General
Meeting**
of Visma ASA «

ARTHUR ANDERSEN

TRANSLATION FROM NORWEGIAN / AUDITORS' REPORT FOR 1998
To the Annual General Meeting of Visma ASA

We have audited the annual accounts of Visma ASA for 1998, showing net loss of NOK 22 898 000 for the company and net income of NOK 17 078 000 for the group. The annual accounts, which consist of the Board of Directors' report, profit and loss statement, balance sheet, cash flow statement, accounting principles, notes and the corresponding consolidated financial statements, are the responsibility of the Board of Directors and the Chief Executive Officer.

Our responsibility is to examine the company's annual accounts, its accounting records and the conduct of its affairs.

We have conducted our audit in accordance with applicable laws, regulations and generally accepted auditing standards. We have performed the auditing procedures we considered necessary to determine that the annual accounts are free of material errors or omissions. We have examined, on a test basis, the accounting material supporting the financial statements, the appropriateness of the accounting principles applied, the accounting estimates made by management and the overall presentation of the annual accounts. To the extent required by generally accepted auditing standards, we have also evaluated the company's asset management and internal controls.

The appropriation of net loss, as proposed by the Board of Directors, complies with the requirements of corporate law.

In our opinion, the annual accounts have been prepared in conformity with corporate law and present fairly the company's and the group's financial position as of 31 December 1998 and the result of its operations for the fiscal year in accordance with generally accepted accounting principles.

ARTHUR ANDERSEN & CO.

Erik Mamelund (sig.)
State Authorised Public Accountant (Norway)

Oslo,
5 March 1999

VISMA

MARINE

DIVISION

» *the fleet at **your**
fingertips* «



Our vision is more than a slogan. It means that management of the whole fleet is to be within reach of a keyboard and a screen. Management using a keyboard is not simply a matter of supplying diskettes and CDs. It entails providing experience and knowledge to help our customers to gain increased efficiency and lasting improvements that really pay off.

Øystein Moan
Director of Visma Marine Division

STRENGTHENED POSITION IN THE MARINE MARKET

The AMOS systems have proved so successful that last year was the best year ever in terms of the number of systems sold. Throughout 1998 the SpecTec group of companies, forming the Visma Marine Division, continued to outpace its competitors. In December, we passed the milestone of 6000 AMOS installations, of which more than 1300 were delivered in 1998.

As far as the main product — for ship maintenance — is concerned, Visma Marine Division is by far the largest supplier in the world. In addition, the AMOS Mail communication software has been the best-selling product within the group this year, and the product now holds a leading position in ship-to-shore communication software.

Kockumation AB of Sweden is the leading supplier of software for calculating the stability and longitudinal strength of ships. Owned by Visma, Kockumation sell their products through the SpecTec organization.

THE AMOS RANGE OF PRODUCTS

Visma Marine Division supplies software products that basically cover management needs within the technical operation of vessels. The products are modern 32-bit applications using SQL database technology. This means Visma Marine software products work on a platform that is well prepared for future requirements.

AMOS for Windows, the maintenance management, inventory and purchasing program.

AMOS-QMS, a documentation, reporting and control system for ISM, for ISO 9000, or simply for managing a company's improvement process.

AMOS-Mail, ship-shore messaging and data communication.

AMOS-Personnel, crew management and planning system.

Kockumation Loadmaster, stability and strength calculations.

Approximately half of the Visma Marine Division's turnover consists of the actual sales of these software products. Equally important are the complementary products where the elements of knowledge and experience are added.

Training courses; modern software tools are user-friendly, but they involve an increasing degree of expertise and possibilities.

Database construction; most of the software products are based on large volumes of data regarding each vessel and the company itself.

Consultancy and implementation; making it all work, for customers whose computer knowledge is limited.

WORLDWIDE ORGANISATION

One of Visma Marine Division's major assets is that there are SpecTec offices or agents in many of the world's shipping centres. This enables the division not only to supply software products to customers in many countries, but also to guarantee worldwide support for the vessels.

In total, Visma Marine Division is represented in more than 30 countries. There are regional centres formed by SpecTec subsidiaries wholly owned by Visma in Norway, Sweden, the USA, the United Kingdom, the Netherlands, Italy and Singapore. These offices offer regional coverage by selling products themselves as well as through other SpecTec subsidiaries, agents and sub-distributors.

INTERSHIP NAVIGATION COMPANY LTD.

LIMASSOL, CYPRUS
CAPT. EUGEN H. ADAMI, MANAGING DIRECTOR

» *maintenance
for the millennium
with **AMOS**
for Windows* «

Intership Navigation (ISN) have long been loyal customers of SpecTec. They support our product AMOS-D, currently installed on board 28 of their managed vessels. This year, SpecTec (Cyprus) Ltd was awarded a contract to supply an upgrade of their AMOS-D office system to AMOS for Windows.

To meet the demands of clients upgrading to AMOS for Windows, SpecTec – Visma Marine Division – has developed the Talk Program, which allows data exchange between the two AMOS products. This enables clients to establish short- or long-term strategies for upgrading entire fleets. Clients can choose to have AMOS-D and/or AMOS for Windows on board their vessels. This feature allows for a planned and cost-effective transition to the Windows environment.



PORTRAIT OF

ANNE VAUDEVILLE

» *from Psycho-Mechanics to Planned Maintenance* «

My first contact with the shipping industry? A group of "lively" cross-channel ferry day-trippers, perched on the bar seats and attempting to dive into a paper cup...

At the time, I was studying Linguistics and its Psycho-mechanics — the trends and mechanics of thoughts that underlie the way we speak and from that historical passage onboard whilst holding a summer job, it became apparent to me that "mechanics" could be applied to areas much more exciting than Psyche's.

I thus remained with the shipping company where, probably on the basis on my "mechanical" past, I became attached to the Technical Department and within a few months our patient Chief Engineers managed to make me grasp the Suck-Squeeze-Bang-Blow basics of the 4-stroke engine.

I then learned quickly that when your Technical Manager asks you: "Any plans for Christmas?" you do not naively reply "Nothing special", as before realising, you will be dragging your boots at the bottom of a cold and drizzly Scottish dry-dock!

And if the same Technical Manager is of a trusting nature, he will make sure that early morning calls for mooring ropes flirting promiscuously with propellers, or for exhaust valves engaging in exploration trips outside their job description, are discretely redirected to you.

But, all clouds having a silver lining, it is during this unconventional technical training that I first encountered SpecTec's Planned Maintenance System and soon realised its potential for safety, maintenance and procedural improvements. I then became the first customer to produce the Drydock specifications for the Fleet, compiled entirely with SpecTec's AMOS-D.

Feeling the need for a justification on paper of my Shipping management abilities, I took on the Diploma for the Management of Ship Operations at the Maritime University of Strathclyde and was honoured at the same time with a job offer from SpecTec UK.

Bringing in the "End-User's" point of view to complement the existing IT knowledge already held at SpecTec, I was allowed to exercise a greater influence on the structuring, developing, shaping, moulding and packaging of SpecTec Ltd's Customer Service and Administrative activities and to bring them to the level of quality reference that they are now throughout the Group.

Anne Allen-Vaudeville
Marine & Offshore Manager
SpecTec Ltd, Manchester



The Managing Director of Intership; Capt. Eugen H. Adami, states:

– AMOS products serve as necessary and specific tools for our compliance with ISM requirements and for our Technical Department to monitor and direct on-board technical operations.

On board the ISN fleet, AMOS-D provides support for preventive maintenance tasks combined with administration and acquisition of spares and stores. There is an AMOS Administrator on each vessel, which handles these tasks as well as general computer-based administration.

Intership Navigation pride themselves on their commitment to their customers. They are ready with advanced IT solutions to prove their efficiency and effectiveness in the services they provide.

Capt. Adami commented:

– A strong IT infrastructure is the key to success in the next millennium. SpecTec's AMOS products were chosen over other similar products because ISN had confidence in SpecTec's advanced technological standards — an ISN requirement.

Owner and operator of their own fleet, as well as offering third-party ship management, ISN offer a full range of nautical and technical expertise, "evident and justifiable in every matter pertaining to ship management". Based in Cyprus for 10 years, and rapidly expanding, ISN's implementation of the Planned Maintenance Systems reflects this priority.

VISMA

LOGISTICS

DIVISION

» *the* **best**

at logistics «



Through a long-term relationship with its customers, Visma Logistics aims to develop, market, implement and support standard software for the management and control of logistics processes. The basis for our business concept is in-depth knowledge of customers' business processes. Together with an excellent understanding of information technology, this relationship will create a unique basis for success in high-priority market segments.

Kjell Warholm
Director of Visma Logistics Division

OUR VISION

We aim to be a preferred vendor with specialized expertise in the area of inventory control, production planning and logistics, and to take part in the control-related problems that arise due to changes in the customer's business processes. This will be the result of our competence in general business operations, and the IT solutions that we develop and market to strengthen customers' competitiveness.

VISMA LOGISTICS™

Many of today's logistics systems are not adapted to a situation in which companies are going through rapid and significant changes. Our objective is that Visma Logistics™ should provide strong control and a clear overview of the materials administration situation in the company. Our vision is that Visma Logistics™ should be a control system for the long term, regardless of the changes that the company goes through. We will supply innovative software that enables management and closer control of a company's future development.

We will carry out product development adapted to the industry, and continue to develop Visma logistics™ with the functionality regarded as being of general interest for a market segment. We can carry out customization in response to the needs of individual customers when the functionality developed is generally applicable and when such development will strengthen our position in relevant market niches. Our product development will therefore be concentrated on needs in strategic market segments, so that we become a significant player in the market.

We will also establish competitive advantages through a deep understanding of the customer's situation and challenges. This relationship, together with effective methods for implementing our solutions, will be

our most important competitive advantage. We will serve the market with cutting-edge products to realize an improved cost-benefit ratio. Our ambition is to be a preferred supplier for those who want a solution that is the best in its class within the individual application areas.

STRATEGY AND MARKET

Our strategy is to develop our engagement industry by industry. Growth will be focused on areas where the three factors of functional coverage, industry knowledge and market/customer relationships are controllable. Developing the company through vertical niches will play a central role.

At the outset, Scandinavia will represent our local market. In this market we will serve selected niches such as the electronics industry, foundries, and businesses that have extensive use of variants, for example suppliers of kitchen fittings. Another area is businesses with advanced purchasing and distribution operations. In particular, these include hospitals and public-sector administration, where our solutions have been extremely well received so far. In this sector, there has also been a dramatic development in applying solutions in electronic commerce. Here, we aim to be leaders in developing software with a wealth of advanced practical functionality, and we already have a good reference; the Stockholm hospital, Karolinska Sjukhuset.

We depend on constant development in expertise and products. In today's market, this is regarded as a prerequisite for being able to establish and maintain a long-term business relationship with customers. We will therefore strive for continuous improvement of the skills and knowledge of our employees, as well as the development of our quality system. Our development department will be a professional organization that supplies error-free software.

SONEC AS

KONGSBERG, NORWAY
GEIR GJERSDAL, LOGISTICS MANAGER

» *Visma Logistics™*:

“Visma Logistics ASA is a world champion in implementing systems for materials management and administration”, says logistics manager Geir Gjersdal in Sonec (the former Kongsberg Group). He attributes this to the extremely short time needed for implementation. “It took a total of 14 weeks to put the new system into production.” This pronouncement might raise eyebrows. But there are two factors that support the title of world champion: time and costs. Sonec was running out of time for installing a new control system. “The costs associated with our old system for Manufacturing-Resources Planning were sky-high”, says Gjersdal, adding that because of this it was important to get a new system installed in record time. “We have seen a paradigm change in relation to the time that it used to take to install systems like this previously.”

Many contenders.

At the outset, a number of suppliers were competing for the job of implementing the new control system at Sonec Kongsberg. In the final phase, only Visma Logistics™ and BAAN remained. *“We chose Visma because of time and cost factors, but also because Sonec Hisøy had chosen the same system. We started a dialogue with Visma, who said initially that it would take 6-12 months to implement the system that we wanted. We felt this was much too long. After discussing the prerequisites for a faster implementation to succeed, the result was three months.”*

Rapid delivery.

The project was divided into four phases with a preliminary project, implementation, realization of profits and enhancement. The implementation of Visma Logistics™ started on September 1, and ended on November 30. Asked whether the project had been painless, Gjersdal replies: *“It would be wrong to state that there have been no hitches. We had some surprises when we started transferring basic data in the form of article details and parts lists from the old computer system to the new one. We spent extra time and resources on reaching our goals here.”* He adds that Visma's project team, led by Per Gustav Wesseltoft from Solvit AS, did an outstanding job in this area.

Low costs.

The costs of implementing the new system amount to NOK 1 million. As this is a medium-sized system, the investment costs are relatively low. As far as the ratio-

nalization benefits of the new system are concerned, Gjersdal sees greater efficiency in the product flow and logistics solutions. The same applies to the basic data, which has to be well-organized. *“So far, the new control system has met our expectations regarding tracking routines.”*

Logistics project.

From the start, Sonec Kongsberg has made it clear that the implementation of the new MRP system should be a logistics project and not an IT project. *“It has been important for us to focus on the use of Visma's solutions in MRP and financial management. Our primary wish has been to focus on practical problems relating to our everyday tasks.”*

Event record.

Sonec Kongsberg and Visma Logistics™ drew up a tight project schedule in order to keep to the time frame that had been laid down. *“The project schedule was so tight that we had no margins. In practice, we could not accommodate any major unexpected problems”,* says Gjersdal. Throughout the implementation phase, the team members used an event record form where they could suggest solutions during the project. *“We had 33 events that we solved there and then.”*

Time box.

In addition to the event record, the team includes a time-box function in the project to ensure progress. *“We anticipated the possibility that there would be problems that we could not solve in the sub-project. We chose this function so that the organization would be focusing on solutions all the time. During the implementation phase, we had only one case that came to the time box. That's very little”,* points out Gjersdal.

Teamwork.

Gjersdal feels that one cannot allow an isolated event to spoil the whole project. It is important to achieve teamwork among all the parties involved in the company as well as the consultants. By this meant that they had to share the same ideas, and to pull together in the same direction throughout the project.

Constructive cooperation.

– How would you describe working together with Visma Logistics™?

World Champion in MRP «



"I think this cooperation has been constructive", says Gjersdal, who feels that this has been a prerequisite for success in such a heavyweight and complicated project. "We have not always agreed on things, but fortunately we have managed to achieve solutions together", he concludes.

Rapid payback.

"Running the new Visma system costs a sixth of what the old MRP system cost", says the managing director of Sonec Kongsberg AS, Henrik Auster. In practice this means that the Visma system will have paid for itself within five months.

Auster has no reservations about the cooperation with Visma Logistics™ that has succeeded in getting the new control system up and running in three months. *"If we look at the profits we have realized as such, they result from doing things more simply in production and in relation to customers. We are also planning further expansion. This involves using EDI in our transactions with customers and suppliers, among other things. And now we are also working with the next generation of handling the supporting reports", he points out.*

Change-oriented.

Most gratifying for Auster has been the magnificent job that consultants such as Visma Logistics™ have done in the implementation phase. *"They have given us confirmation that our people are geared to change. It has been heartening to observe this, because this was one of the fundamental problems that we had three years ago", he notes.*

PORTRAIT OF

KNUT HAMLÍ

»reaching out for new challenges«



After the successful completion of the adidas project, implementing a specially designed control system for the sports equipment giant, Knut Hamli (52) has now been appointed as consultancy manager in Visma Logistics™. Here, he will be in charge of the company's logistics experts who go out to implement the Visma Logistics™ system for customers.

"An interesting and challenging position", he says matter-of-factly.

For Hamli has a level-headed approach to life and work alike — a necessity for keeping a project as prestigious as the adidas system on track. There has been no shortage of challenges, but thanks to excellent teamwork Visma Logistics™ has succeeded in putting together a logistics and control system developed specially for adidas. "This project has been very important for us, and has put us on the international map for this type of assignment". In many connections, Knut has been used as a preferred speaker within the subject of production planning, and he has written articles on this topic for trade journals. In the field, he is regarded as an expert — for good reason.

Ahead of the competition

For a small Norwegian logistics company to beat major international competitors to the finishing line is a feat that commands respect. "We have every reason to be proud of our solutions", says Hamli, who adds that in the pre-project phase, the team worked non-stop in the USA for four weeks around the clock to get the prototype up and running. "This was presented to the top management in Germany, along with competitors' proposals. Our solution was preferred first and foremost because of price, quality and delivery time."

Springboard

Asked whether he believes that the adidas project will act as an important springboard for similar contracts on the international market, he replies: "In the longer term, of course, we hope so. But right now, our primary focus is on Scandinavia. In this market, we will serve a wide range of customers from electronics manufacturers, foundries, and hospitals to distribution businesses. When our knowledgeable logistics personnel have succeeded in penetrating this market, the time may be ripe for selling our systems worldwide."

Interesting and challenging

"Visma Logistics is an interesting and challenging place to work, with a wealth of projects in store. With Visma Logistics™ on the team, we have every reason to be optimistic about the future, Hamli says, before hurrying on to Oslo Airport Gardermoen to catch the first plane to Germany for the conclusion of the adidas project.

VISMA

BUSINESS

DIVISION



» *ahead of*
change «

To be able to manage and control business in a constantly changing environment, managers must have access to the best possible tools. The Visma Business™ software with its exceptional flexibility and rich functionality enables our customers to make more accurate business decisions at the right time.

Our large base of customers in Scandinavia have experienced and profited from the dynamics of our systems, and now through our expanding export activities, business managers in many other countries throughout the world will gain access to Visma Business™ exceptional capabilities.

Bjørn Ingier
Director of Visma Business Division

FACTS

The Visma Business Division develop, market and distribute Visma's financial management systems nationally and internationally through regional and national distributors. All End-User sales are handled through a large network of authorized resellers (Value Added Resellers), supported and trained by our distributors. The divisions' annual turnover is MNOK 118 and the number of employees' total 100 including the Norwegian and Swedish distribution subsidiaries. Our profitability is highly satisfactory, and we spend more than MNOK 35 on the continuous development of our systems. We also invest heavily in comprehensive reseller training programs to ensure that our resellers have up to date skill and knowledge to guarantee fast and successful implementation of our systems. Our reseller training programs are international with national adoptions to ensure the same high quality standard of implementation and support, wherever a Visma Business™ installation is made.

In Norway we are the largest supplier of financial management systems for the SME (Small and Medium Sized Enterprises) with a customer base of nearly 12,000. Our subsidiary Visma Norge AS have a network of app. 100 resellers covering all parts of the country assuring local service to customers wherever they are situated. In addition to our main product Visma Business™, a number of national systems, MultiSoft, micro80 and Compact, are also distributed and supported in the Norwegian market.

In Sweden Visma Business™ have been present on the market since 1985 and through our subsidiary Visma AB we have a comprehensive network of highly qualified resellers serving our large number of Swedish Customers.

On the international arena, we are rapidly expanding our marketing efforts. During 1998, app. 20% of license sales originated from markets outside Norway and Sweden, an increase of 75% over the previous year. To day, we have distributors in Denmark, Lithuania, Germany, Poland, UK, Thailand and USA. In Denmark and Lithuania, where our distributors have been working with Visma Business™ for a number of years and a network of resellers have been established, we are now experiencing rapid increases in license sales. For the other markets, we expect license volume sales to surge during 1999 and forward. Our international sales department has been strengthened to be able to fully support present distributors and to continuously open new markets. We expect to open two new markets per year, and in addition to engaging independent distributors, we continuously evaluate joint ventures and acquisitions.

VISION "Ahead of Change"

The Visma Business Division's commitment is to provide our customers with state of the art innovative software that manages all aspects of their business processes, today and tomorrow, through the ever faster changing business environment. Visma Business™ shall enable our customers, not only to manage and control their daily operations, but also to support them in making the right business decisions at the right time to meet all the challenges of the complex business world. Our aim is that Visma Business™ with its exceptional flexibility and rich functionality can handle these changes. Visma Business™ shall be the preferred tool for the control and daily management of business procedures during constantly global changes

IDEOLOGY

The Visma Business Division will maintain and develop the existing products for our clients to be able to take advantage of their existing systems as long as they find it profitable. Visma Business™ is being developed to take the lead among the new generation of financial systems in the market. Visma Business™ is to be an international marketed product fully adapted to the lingual, legal and social needs of the markets we will enter.

PRODUCT

Visma Business™ is dynamic living software that can be continually adapted by the customers changing needs. It can be upgraded with new modules and functions from a low-end starter kit to a complete, complex system. Visma Business™ is a truly international system and has been proven in a huge variety of adaptations from California to Lithuania and from the Arctic Circle to Singapore. We have thousands of satisfied customers from National Governments, International Shipping Lines and State Pension Funds, to Cable Networks, Oil Companies, Computer Distributors and many more. At the other end of the spectrum, small companies in many different countries have discovered the benefits of Visma Business™.

Visma Business™ is a seamlessly integrated system comprising Accounting and Finance, Inventory, Procurement, Stock Control, Warehousing, Project Management, Sales Support, Contact Management and e-Business. Visma Business™ is Microsoft BackOffice certified with full Office and Outlook integration as well as integration with most other standard windows software. Naturally, Visma Business™ is fully Y2K and Euro Compatible. Our customers can choose between Oracle, Sybase or Microsoft SQL server database or bundled Sybase SQL anywhere.

BMW AND ROVER NORWAY

LYSAKER, NORWAY
TOR JOHANNESSEN, CHIEF OF FINANCE

Quality, stability and driving pleasure are concepts that quickly spring to mind when car enthusiasts are asked to describe a drive in a BMW or a Rover. So it is natural for BMW and Rover to demand the same from their financial system. When BMW took over the Norwegian agency for its cars in 1995, Visma Business™ was in from the very beginning.

BMW has had a long and varied presence in Norway, going all the way back to the time before World War II. In early 1995, BMW established its own agency in Norway — not exactly a market characterized by vitality at the time, says Tor Johannessen, Chief of Finance in BMW and Rover Norway.

Quick growth — flexible systems

"We invoiced close to 500 cars in the first year, and had an overall turnover of approximately NOK 160 million. Not very impressive", Johannessen admits. After three more years of goal-oriented work, the situation appears rather different. In 1998 sales have exceeded the impressive figure of more than 3000 BMW cars, as well as just over 900 Rover cars and 315 BMW motorcycles. The end result is a turnover at a level of NOK 1.2 billion. It goes without saying that such growth demands a financial system flexible enough to grow with the task. Visma Business™ lives up to expectations.

Impressive reporting

"When we were establishing the new agency in 1995, we gave priority to choosing a financial system. We assessed three different systems, based on a list of specific demands laid down in advance. Visma Business™ was the system which fulfilled, or would fulfil, our demands. As a car agency with a dealer network spread around the country we rely on being able to get exhaustive reports, both regularly and on an ad hoc basis. This function in Visma Business™ is very strong and flexible, and allows fast retrieval of information crucial to the decision procedure. It is easy to transfer the data to an Excel document for further analysis in existing models", says Johannessen

Rapid introduction

"User-friendliness is an important concept for cars and computer applications alike. In a company where the volume is growing at the rate it is currently doing at BMW and Rover Norway, it becomes even more so. New staff must be able to learn the application swiftly. The user

interface of Visma Business™ is Windows-based and easily recognizable. New personnel soon become familiar with the program, and even though we have been given an introductory course, I do believe we would have been able to cope on our own", says Johannessen.

Communication with no boundaries

"Import and export interfaces with other systems automatically become important for an international company like BMW. In our case, this implies regular communication with our Nordic spare part warehouse in Sweden", says Johannessen. *"With an interface like the one Visma has helped us to set up, we fetch accounting data from this AS/400-based system. Adjusting the functionality has been easy, and now that we are establishing a Nordic finance company — BMW Finance — the Norwegian department will use Visma Business™ both as a finance system and for communication with the main office. I believe we will be the first finance company to apply this system."*

2000 and the euro: A matter of course

BMW is also at the forefront in using the euro. *"Our head office invoices us in euro, and frankly this does not present much of a challenge at all. Visma Business™ has been prepared for this, and is functioning as we expected it to. The same applies to the Y2K syndrome. I take it for granted that Visma has taken the necessary steps in this area, so that I can focus on my strength — cars, that is. In that area, BMW is able to guarantee 2000-compatibility and good road handling all the way back to the seventies",* says Chief of Finance Tor Johannessen with a smile.

BMW and Rover Norway Ltd.

BMW's have been sold in Norway since before World War II. In 1995, the company took over the agency in Norway and established a subsidiary.

BMW acquired the British car manufacturer Rover in 1994, and these cars are sold through the same dealer network, as are BMW motorcycles.

In 1998, the combined turnover of Rovers, BMWs and BMW motorcycles was approximately NOK 1.2 billion. Sales include a wide range of models - from cars priced at less than NOK 200,000 to BMWs made to measure, where the customer's wishes determine the price.

» *Driving pleasure with Visma Business™* «



PORTRAIT OF

PATRIK DELIN

» *A travelling developer* «



Patrik Delin (36) works in the development division of Visma Business™, and cannot imagine a more exciting job. Patrik is Swedish, with his education from the Swedish armed forces and the Handelshögskolan i Stockholm (Stockholm School of Economics). He lives outside Stockholm, and works at the Billingstad head office for two days a week; for the rest of the week he works in Stockholm. He is happy with this solution, and he has a point when he says that he might as well sit on the plane commuting between Oslo and Stockholm as in the queues of traffic into town.

Since 1991, Patrik has been working with the implementation of Visma systems for customers, as well as adapting these for existing systems. He is currently working with the development of Visma Business™, with SQL databases as his speciality. To keep in touch with users of the system, he still spends one day a week visiting customers.

An early start in computers.

Patrik has had a passionate interest in computers and programming since he was at school, and he acquired his first programmable computer – a TI-57 – when he was just 15. This was in turn succeeded by a TI-59, and then various PC models. He still has some of the old computers, but today they have only sentimental value. Developing and adapting software has become both his job and his hobby. While others relax with a novel on the bedside table, Patrik keeps books about programming at hand in case he gets a spare moment between work and family.

Innovative and ground-breaking products.

Patrik's curiosity about solving IT problems makes him an important employee at Visma. He also acts as a link between the Oslo and Stockholm offices in his area.

He finds it stimulating to be part of the high-competence milieu that the development division represents. With his colleagues in the division, he makes it possible for Visma to produce innovative and ground-breaking products for our customers.

*Patrik Delin
Developer, Visma Business Division
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Visma



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