

## NEAS with enhanced market position in the fourth quarter.

### Highlights

- Revenue up 34% to NOK 103.5 million in fourth quarter
- Several contracts signed, totally amounting NOK 110 million in the quarter
- EBITDA was NOK 2.7 million in the quarter, weaker than expected
- Positive development in cash flow from operation
- Financial department strengthened
- Rationalization measures implemented
- Historical agreement with Norwegian Property (see own press release)

### Summary

NEAS has left behind a quarter where a good development in revenue can be seen. Revenue ended up 34% to NOK 103,5 million. Last year seen as a hole showed a growth of about 25%, ending on NOK 325,2 million.

Through this year, NEAS has experienced an improvement in its market position. This has led to a solid contract award through the year. In the fourth quarter, NEAS signed contracts with an annual value of about NOK 35 million and a total value of NOK 110 million. Several of these contracts have a potential for additional services.

EBITDA was NOK 2.7 million, with a margin of 2,6%. This is weaker than expected and weaker than the objective communicated in connection with the third quarter result. However, major resources have been used in connection with the entering into the very extensive contract with Norwegian Property, starting 1.April.

A new Chief Financial Offices took up his duties in the middle of January. In addition, NEAS has employed two business controllers who will strengthen the financial functions in the future. Implementing effective measures will contribute to growth in profitability in 2008. This positive development started in the fourth quarter where the revenue per employed clearly has improved through the quarter.

In this period the cash flow from operation showed a solid development and ended on NOK 6.8 million, which is up from NOK 2.4 million compared to the same period the previous year.

### NEAS key financial figures

<i>(NOK in millions)</i>	<b>Q4 2007</b>	<b>Q4 2006</b>	<b>FY 2007</b>	<b>FY 2006</b>
<b>Total operating revenue</b>	<b>103,5</b>	<b>77,4</b>	<b>325,2</b>	<b>261,3</b>
Goods consumed	35,6	25,1	102,2	79,0
Operating expenses	65,2	47,5	219,6	168,6
<b>EBITDA</b>	<b>2,7</b>	<b>4,8</b>	<b>3,4</b>	<b>13,6</b>
Depreciation & amortisation	3,4	2,3	9,1	7,0
<b>EBIT</b>	<b>(0,7)</b>	<b>2,5</b>	<b>(5,7)</b>	<b>6,7</b>
Net financial items	0,9	(0,6)	20,1	(2,2)
<b>Earnings before Tax (EBT)</b>	<b>0,2</b>	<b>1,9</b>	<b>14,4</b>	<b>4,4</b>
Taxes	2,9	(0,6)	4,6	(1,1)
<b>Earnings after Tax (EAT)</b>	<b>3,1</b>	<b>1,3</b>	<b>18,9</b>	<b>3,3</b>

## **Profit and loss account**

Revenue in the fourth quarter of 2007 was NOK 103.5 million, corresponding to a growth of 34% compared to same period in 2006. In the third quarter of 2007 the revenue was NOK 81.7 million. The growth was mainly organic and based on new contracts. The acquisition of A3 was completed and included in the accounts from 1.July contributing about NOK 6.5 million to revenues in the quarter.

Total revenues for NEAS in 2007 was NOK 325.2 million, which corresponds to a growth of 24%. During this quarter, the market has continued to make a good underlying progress. NEAS has been very active in the market in 2007 and contracts totally amounting NOK 286 million were signed during the year. This total amount was split between *Operations*, NOK 206 million and *Consulting*, NOK 80 million. A total of 187 contracts were signed.

EBITDA in the quarter was NOK 2.7 million, compared to NOK 4.8 million in the same period in 2006 and NOK 3.4 million in the last quarter. Totally last year, the company had a EBITDA of NOK 3.4 million, compared to an EBTIDA of NOK 13.6 million in 2006. The EBITDA margin thus ended on 2.6% in the fourth quarter, a down from 4.2% in the third quarter.

Depreciation and amortisation came to NOK 3.4 million in the fourth quarter, compared to NOK 2.3 million in the same period in 2006 and NOK 2.1 million in the third quarter. EBIT was thus NOK 0.7 million compared to an EBIT of NOK 2.5 million in the fourth quarter of 2006 and NOK 1.3 million in the third quarter of 2007. Depreciation for the year as a hole was NOK 9.1 million, which is an increase of NOK 2.1 million compared to 2006.

Net financial items ended on NOK 0.9 million in the quarter, compared to minus NOK 0.6 million the same period last year. After a profitable sale of property the second quarter, the net financial income was positive by NOK 20.1 million for 2007, compared to negative NOK 2.2 million in 2006.

Profit after Tax was positive by NOK 3.1 million in the quarter. The profit after Tax ended on NOK 1.3 million in the fourth quarter in 2006 and positive NOK 0.9 million in the third quarter. The year seen as a hole ended in NOK 18.9 million compared to NOK 3.3 million for 2006.

## **Balance sheet**

Total assets were valued at NOK 271.2 million by the end of 2007, compared to NOK 185.0 million by the end of 2006. By the end of the third quarter this year, the total assets were valued at NOK 266.0 million. The company is solid and has by the end of the year an equity ratio of 60.2%.

Cash flow from operating activities in the period was positive by NOK 6.8 million compared to NOK 2.4 million in the corresponding period last year. Cash flow from financing activities ended on NOK -2.4 million, compared to NOK 0.4 million in the fourth quarter 2006. Cash flow from investing activities was NOK -4.8 million, up from NOK -6.6 million corresponding to the same period last year. The net cash flow in the period was thus negative at NOK 0.4 million.

The 17.January 2008, NEAS entered into the agreement for the acquisition of F.HOLM AS, through the acquisition of *Norsk Prosjektadministrasjon AS* ("NOPAS") for a consideration of NOK 9 million in cash and 111 111 shares in NEAS at a share price of NOK 27.

## Segment information

NEAS has two main business areas: Operations and Consulting.

NEAS Operations offer administrative and operational support to property owners and tenants. At 31.December 2007 this business was involved in managing and operating more than 1600 properties representing a total of 4.7 million square metres.

NEAS Consulting provides property advisory services. Its main services are property development, facility services, fire safety consulting, legal services and rental brokerage.

### Operations – strengthened market position

<i>(NOK millions)</i>	Fourth quarter		Year	
	2007	2006	2007	2006
Revenue	65.6	46.2	197.6	161.3
EBITDA	0.1	2.2	(2.4)	5.6
EBIT	(1.7)	0.6	(9.0)	0.9

The operations business area had fourth quarter revenues of NOK 65.6 million, up by 42% compared to fourth quarter in 2006. The increase is due to a combination of good market work and good acquisition.

The EBITDA margin in Operations was 0.2% in the quarter, down from 4.8% in the same period in 2006.

In order to improve the profitability on Operations several activities have been initiated. Among other things, a new modern online system for registration of hours with daily feedback from co-workers has been installed. The system will be introduced from 1.March and NEAS expects to see the effect from third quarter of 2008.

The fourth quarter was a very good quarter for Operations – seen in a sales perspective.

NEAS signed an agreement in October with Esso Norge regarding supervision and maintenance of the company's unattended petrol stations, Esso Epress, on daily basis. The contract was signed in fourth quarter and will remain adequate for 5 five years. The contract has an annual value of NOK 2 million. NEAS suspects a major potential for additional services in this contract as all new stations established by Esso will be included in the agreement.

In the middle of November NEAS entered into a country wide operation agreement with ICA Eiendom Norge AS, amounting to about NOK 15 million. The agreement is valid for 3 years. The agreement involves the operation of 138 of ICA's premises all over the country. The contract will start 1.January and expenses tied to initiation of the contract will run in the first quarter of 2008 and profitability is expected from second quarter 2008.

NEAS also entered into an agreement with Eiendoms- and Byfornyelsesetaten in Oslo county regarding delivery of operation services. The agreement started in December and is valid for 4 years. The contract has a total value of around NOK 12 million. The agreement does not involve any major starting expenses.

In second half of December Q-Park AS (previous Carpark) and NEAS agreed upon an operation agreement with a total value of around NOK 14 million. The contract will

start 1.January and is valid for 3 years. The contract will involve cleaning and maintenance of parking facilities and profitability is expected during the second quarter of 2008.

In February 2008, NEAS entered into a property management agreement with CAVEO AS for a total area of 140.000 square metres. The contract, which is valid for 5 years, has a value of around NOK 20 million with a significant potential for additional services.

As a part of the agreement, NEAS will assume responsibility for 3 people. These will contribute to strengthen NEAS' competence within operation of KS companies, and strengthen NEAS' position/commitment in the Stavanger region.

All in all, we may state that the fourth quarter was another exciting quarter related to the entering into new projects and the signing of several long-term contracts which will contribute to revenue in the coming future.

### **Very strong market for Consulting**

<i>(NOK millions)</i>	<b>Fourth quarter</b>		<b>Year</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
Revenues	37.9	31.1	127.7	100.0
EBITDA	2.6	2.5	5.8	8.1
EBIT	1.0	1.9	3.3	5.8

In the fourth quarter of 2007, Consulting had revenues of NOK 37.9 million, compared to NOK 31.1 million in the corresponding quarter in 2006. This is an increase of 22%. The market is characterised by great activity and demand for the company's services.

The EBITDA margin was 6.8 % in the quarter, a down from 8.0% from the corresponding period the previous year. This is mainly due to a change in product mix. Facility Services was the department within this area that experienced the highest growth and this department has lower margins than the other departments within Consulting.

Order intake for 2008 has been very good and the area has had a good start with very good orderbook. This makes this year very predictable and the tight market also opens up for possibilities when it comes to price adjustments. The area has therefore adapted the prices to the market, starting 1.February, something which seems to have been well received by the market. The effect of these price adjustments will come when ongoing projects have been completed. The increase in income will therefore not show immediately in the accounts.

A very important indicator for the activity within NEAS Consulting is the number of tenants that expires during a year and causes the general move/transfer activity. Seen in a historic perspective the number of square metres with tenants that expire every year in Oslo has amounted to 2-300.000 square metres. According to Eiendomsverdi total future square metres will amount to around 500.000 the 3 coming years. This indicates that the market will remain tight the next couple of years.

Facility Services has, in the fourth quarter, entered into an agreement with Posten Norge and Posten Sverige regarding the operation of their automatic machine net. The contract has an annual value of NOK 7.5 million but the potential in the agreement is much higher. As a start NEAS will operate 20 machines in Norway and Sweden, but

this number is expected to rise significantly as this net of machines will be country wide in both countries.

The integration of F.Holm is now carried through and the market for the company's products is very good. In addition, NEAS has identified significant synergies since the group has increased the advisory competence significantly in the building sector.

## **Others**

In November, NEAS entered into a market maker agreement with ABG Sundal Collier in order to stimulate increased transactions and liquidity in the stock. The investment bank are now quoting bid and ask price in accordance with guidelines provided by the Oslo Stock Exchange.

## **Organisation**

As mentioned in NEAS' report for the third quarter, NEAS hired Finn Rune Kristiansen as the new Chief Financial Officer in October 2007. Kristiansen took up his duties 16.January 2008.

By the end of 2007 NEAS had 320 employees, an increase of 18,5% since the end of 2006. This increase is tied both to acquisition and organic growth.

The company has employed two business controllers who will start working in the beginning of March. They both have a long experience and have worked together with the already mentioned Chief Financial Officer for many years. This will obviously have a positive impact related to economy rules in the company.

## **Outlooks**

Facility Management market is still experiencing a strong growth. This is due to the fact that the development of the market in Norway is following international trends where the share of properties managed by Facility Management companies is substantially higher, and the fact that a lot of companies wish to focus on their core business and therefore find NEAS' services interesting in order to achieve this.

The new innovative agreement with Norwegian Property represents the start of a trend in Norway equivalent to the trend observed in Europe and has a great strategic value in this respect. The agreement includes the full product range within facility management and will contribute to a doubling of NEAS turnover within three years. NEAS sees a great potential for similar agreements in the future.

The agreement will be implemented over a period of 12 months starting from the beginning of April and will have limited impact on NEAS revenues for 2008. However, there will be start up costs in 2008.

Oslo, February 27, 2008  
Board of Directors

## NEAS consolidated income statement fourth quarter 2007

### PROFIT AND LOSS STATEMENT

(nok thousands)	Fourth quarter		Year to date	
	2007	2006	2007	2006
<b>Total operating revenues</b>	<b>103 465</b>	<b>77 366</b>	<b>325 232</b>	<b>261 258</b>
Goods consumed	35 587	25 124	102 211	79 041
Operating expenses	65 161	47 497	219 638	168 568
Depreciation and amortization	3 418	2 262	9 103	6 988
Total operating expenses	104 166	74 883	330 951	254 596
<b>Earnings Before Interest and Tax (EBIT)</b>	<b>(700)</b>	<b>2 483</b>	<b>(5 718)</b>	<b>6 660</b>
Net Financial items	853	(555)	20 078	(2 244)
<b>Earnings Before Tax (EBT)</b>	<b>153</b>	<b>1 928</b>	<b>14 360</b>	<b>4 416</b>
Taxes	2 955	(608)	4 561	(1 096)
<b>Earnings After Tax (EAT)</b>	<b>3 108</b>	<b>1 320</b>	<b>18 921</b>	<b>3 320</b>
Attributable to:				
Equity holders of NEAS ASA	3 108	1 320	15 813	3 320
Minority interest				
<b>Total profit for the period</b>	<b>3 108</b>	<b>1 320</b>	<b>15 813</b>	<b>3 320</b>
EPS* (NOK)	0,40	0,17	2,02	0,75
EPS fully diluted (NOK)	0,40	0,17	2,02	0,70
Average number of shares (1000)	7 856	7 856	7 825	4 444
Average number of shares fully diluted (1000)	7 856	7 856	7 825	4 747

\*EPS = Earnings per share

## NEAS consolidated balance sheet fourth quarter 2007

### BALANCE SHEET

(nok thousands)	Fourth quarter		Year to date	
	2007	2006	2007	2006
<b>ASSETS</b>				
Intangible assets	101 644	89 777	101 644	89 777
Tangible fixed assets	21 285	10 453	21 285	10 453
Long-term receivables	25	498	25	498
Trade debtors	65 930	58 100	65 930	58 100
Inventories	1 477	1 284	1 477	1 284
Prepayments and other receivables	22 718	12 028	22 718	12 028
Cash and cash equivalents	58 086	12 860	58 086	12 860
<b>Total assets</b>	<b>271 165</b>	<b>185 000</b>	<b>271 165</b>	<b>185 000</b>
<b>EQUITY AND LIABILITIES</b>				
Paid-in capital	142 372	58 330	142 372	58 330
Retained earnings	20 978		20 978	-
Non-current liabilities	23 734	21 403	23 734	21 403
Current liabilities	84 081	105 267	84 081	105 267
<b>Total equity and liabilities</b>	<b>271 165</b>	<b>185 000</b>	<b>271 165</b>	<b>185 000</b>

## NEAS consolidated cash flow statement fourth quarter 2007

### CASH FLOW STATEMENT

(nok thousands)	Fourth quarter		Year to date	
	2007	2006	2007	2006
Cash flows from operating activities	6820	2 366	(19 883)	10 137
Cash flows from investment activities	-5053	(6 561)	(7 192)	(3 337)
Cash flows from financing activities	-2190	432	84 790	(9 814)
Changes in cash and cash equivalents	(423)	(3 763)	57 715	(3 014)
Cash and cash equivalents, beginning of period	58526	4 134	371	4 134
Cash and cash equivalents, end of period	58086	371	58 086	1 120

### EQUITY

(nok thousands)	Fourth quarter		Year to date	
	2007	2006	2007	2006
Opening balance	163028	47181	58 330	45 956
Equity issues	-146	9012	88 981	8 236
Dividend to former owner A1	-1978		(1 978)	
Change in minority interest			-	
Net profit attributable to equity holders of NEAS ASA	3 108	1 319	18 921	-
Other	-662	817	-904	3 320
Closing balance	163 350	58 329	163 350	58 330

## NEAS segment results fourth quarter 2007

(nok thousands)	Fourth quarter		Year to date	
	2007	2006	2007	2006
Revenues, Operations	<b>65 552</b>	<b>46 244</b>	<b>197 564</b>	<b>161 292</b>
Revenues, Consulting	<b>37 913</b>	<b>31 122</b>	<b>127 668</b>	<b>99 966</b>
Total revenues	<b>103 465</b>	<b>77 366</b>	<b>325 232</b>	<b>261 258</b>
EBIT Operations	(1 744)	(269)	(8 970)	1 017
EBIT Consulting	1 044	2 996	3 252	5 887
EBIT total	(700)	2 726	(5 718)	6 904

## NEAS 20 largest shareholders as of February 26, 2007

	<b>NAME</b>	<b>HOLDINGS</b>
1	Nordic Capital Partners	3 833 183
2	Skagen Vekst	415 500
3	Dresdner Bank London Branch	386 400
4	Lundhs Labradoreksport	303 000
5	Odin Eiendom	303 000
6	Investigate	283 333
7	MP Pensjon	270 400
8	Bank of New York	254 800
9	Totalreform Management	231 173
10	Holberg Norden	183 200
11	State Street Bank and Trust	109 217
12	Morgan Stanley	100 000
13	Warren Wicklund Utbytte	100 000
14	Tor Rønhovde	95 000
15	Citibank	91 800
16	Holberg Norge	91 000
17	WarrenWicklund Norge	70 200
18	Ingerø Reiten	69 000
19	NB Aksjefond	60 000
20	Vissit	52 876
	<b>Total holdings 20 largest</b>	<b>7 416 065</b>
	Other	439 543
	<b>SUM</b>	<b>7 855 608</b>