

## NOTES TO ACCOUNTS 2008

**Note 1 Equity****Parent Company**

	Share capital	Premium share Capital	Other Paid share Capital	Other equity	Sum
Equity as of 31.12.2007	3 569 600	227 145	2 499 018	9 051 330	15 347 093
Proceeds from issue of new Shares	40 720	243 270	292 198	-	576 188
Provisioned dividends	-	-	-2 791 216	-	-2 791 216
This years result	-	-	-	4 259 030	4 259 030
<b>Equity as of 31.12.2008</b>	<b>3 610 320</b>	<b>470 415</b>	<b>0</b>	<b>13 310 360</b>	<b>17 391 095</b>

**Consolidated**

	Share capital	Premium share Capital	Other Paid share Capital	Other equity	Sum
Equity as of 31.12.2007	3 569 600	227 145	2 499 018	7 347 557	13 643 320
Proceeds from issue of new Shares	40 720	243 270	292 198	-	576 188
Exchange rate effect	-	-	-	-583 076	-583 076
This years result	-	-	-	4 832 945	4 832 945
Provisioned dividends	-	-	-2 791 216	-	-2 791 216
<b>Equity as of 31.12.2008</b>	<b>3 610 320</b>	<b>470 415</b>	<b>0</b>	<b>11 597 426</b>	<b>15 678 161</b>

**Exchangerate-conversion-differences**

Accumulated Exchange rate –conversion -differences 31.12.2008	-80 941
Business cycle's Exchange rate –conversion –differences	-583 076
<b>Exchangerate-conversion-differences 31.12.2008</b>	<b>-664 017</b>

The company has used exchange rates of NOK/€ 8.22 and NOK/£ 10.45 in the consolidated profit-loss accounts 2008.

The exchanges rates are the daily averages for 2008 according to Norges Bank.

In the balance sheet the company used exchange rates of NOK/€ 9.86 and NOK/£ 10.10 (the rates on 31.12.08 according to Norges Bank)

**Note 2 Tangible assets****Parent Company**

Tangible assets	Computers	other equipment	Sum tangible assets.
Accumulated cost 01.01.2008	1 799 938	336 774	2 136 712
Additions	27 433	16 003	43 436
Departures	-	-	-
Accumulated cost 31.12.2008	1 827 371	352 777	2 180 148
Accumulated depreciation as of 31.12.2008	1 667 789	289 312	1 957 101
<b>Net book value 31.12.2008</b>	<b>159 582</b>	<b>63 465</b>	<b>223 047</b>
This years depreciations	141 014	15 868	156 882
Expected economic lifetime	3,3 år	4 år	

## Consolidated

Tangible assets	Computers	other equipment	Sum tangible assets.
Accumulated cost 01.01.2008	3 900 278	1 968 580	5 868 858
Additions	27 433	16 003	43 436
Departures	187 783	586 810	774 593
Accumulated cost 31.12.2008	4 115 494	2 571 393	6 686 887
Accumulated depreciation as of 31.12.2008	3 809 274	1 565 047	5 374 321
<b>Net book value 31.12.2008</b>	<b>306 220</b>	<b>1 006 346</b>	<b>1 312 566</b>
This years depreciations	334 283	141 981	476 264
Expected economic lifetime	3,3 år	4 år	

See note 13 for non-capitalized cost

## Note 3 Subsidiaries and associated companies

### Subsidiaries

Company	Location	Share owned by Parent	Equity Net profit (100 %)		Book value
DDS Building Innovation AS	Norway	100 %	3 673 845	525 355	1 240 959
DDS UK Limited	U.K.	100 %	-1 083 619	-63 746	-
Data Design System GmbH	Germany	100 %	-2 982 378	293 470	-
<b>Bookvalue of Subsidiaries companies in Parent company</b>					<b>1 240 959</b>

The investment in DDS UK Ltd is written off with NOK 12.708 in 2007. The Loan to DDS UK Ltd is also written off from NOK 1.192.336 to NOK 0. In 2008 a loan totaling NOK 178.041 to Data Design System UK Ltd was written off.

## Note 4 Receivables and debt

### Parent and consolidated

No debt is due later than five years from 31.12.2008. Only receivables to subsidiaries are due later than 31.12.2009.

	Parent Company		Consolidated	
	2008	2007	2008	2007
Debt with security	-	-	-	-
<b>Sum</b>	-	-	-	-
Specified other receivables	Parent Company		Consolidated	
	2008	2007	2008	2007
Loan to subsidiaries	5 722 685	800 000	-	-
Public receivables	800 000	800 000	1 600 000	1 600 000
Other receivables	383 041	191 004	953 546	749 258
<b>Sum</b>	<b>6 905 726</b>	<b>1 791 004</b>	<b>2 553 546</b>	<b>2 349 258</b>

## Note 5 Inventories

	Parent Company		Consolidated	
	2008	2007	2008	2007
Inventories	-	-	115 850	161 855
<b>Sum</b>	<b>-</b>	<b>-</b>	<b>115 850</b>	<b>161 855</b>
Inventories valued at purchase-price	-	-	115 850	161 855
Inventories valued at marked-price	-	-	-	-
<b>Sum</b>	<b>-</b>	<b>-</b>	<b>115 850</b>	<b>161 855</b>

## Note 6 Accounts subsidiaries

### Parent Company

	2008		2007		2008		2007	
	DDS UK Ltd		DDS Building Innovation AS		Data Design System GmbH			
<b>Receivables from</b>								
Accounts receivables	-	-	-	-	6 521 761	6 538 846		
Other receivables	-	0	5 722 685	800 000	-	-		
<b>Sum</b>	<b>0</b>	<b>0</b>	<b>5 722 685</b>	<b>800 000</b>	<b>6 521 761</b>	<b>6 538 846</b>		
<b>Debt to</b>								
Debt	-	-	-	-	-	-		
Trade credit	-	-	-	2 011 157	-	-		
Other short term debt	-	-	-	-	-	-		
<b>Sum</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>2 011 157</b>	<b>-</b>	<b>-</b>		

## Note 7 Share capital and shareholder information

Share capital is NOK 3 610 320 consisting of 3 610 320 shares nominal value of NOK 1. All shares have equal rights

### The largest shareholders as of 31.12.2008

	Number of shares	Percentage
MP Pensjon	339 500	9,4 %
Kari Sivertsen	240 606	6,7 %
Nils Kverneland	225 012	6,2 %
Sverre Vagle	214 936	6,0 %
Svein Inge Nærheim	201 262	5,6 %
Svein Kirkengen	197 027	5,5 %
Bjørn Kr. Stangeland	193 762	5,4 %
Erik Wold	190 137	5,3 %
Herdis Meldahl	188 262	5,2 %
Arland AS	185 000	5,1 %
Rune Jørgensen	182 777	5,1 %
Johannes Steen	116 314	3,2 %
Espen Bo Nytnun	114 344	3,2 %
Trond Inge Rødland	82 713	2,3 %
Bernt Gustav Jacobsen	70 000	1,9 %
Ole-Jacob Torp	49 258	1,4 %
Nistad Gruppen AS	45 000	1,2 %
Olav Hørsdal	42 500	1,2 %
Auglænd Roald	34 629	1,0 %
Multi Service AS	32 000	0,9 %
<b>Sum</b>	<b>2 945 039</b>	<b>81,6 %</b>
Others	665 281	18,4 %
Total number of shares	3 610 320	100,0 %

## Note 8 Pensions

As of 31.12.08 the company has both a defined-benefit pension scheme and a defined-contribution pension scheme with a separate insurance coverage for disablement pension with a paid-up policy. As of 31.12.08 the total paid amount is NOK 361.687 for the defined-contribution pension scheme in the parent company, and NOK 482.738 in the Consolidated as a whole.

The Information below concerns the remaining defined-benefit pension scheme as well as the separate insurance coverage for disablement pension with a paid-up policy. Both schemes give predefined rights to the holders. These rights are primarily dependent on the number of years employed, the wage level at the age of retirement and the size of state retirement pensions. The liabilities are covered through an insurance company, and concerns 2 persons from the parent company and 4 in total for the consolidated as of 31.12.08 in the defined-benefit pension scheme. The corresponding numbers for the separate insurance coverage for disablement pension with a paid-up policy are 18 persons in the parent company and 26 in the consolidated company.

	Parent		Consolidated	
	2008	2007	2008	2007
Net present value of this year's pensions	313 483	334 389	539 452	549 764
Interest of pension liabilities	152 882	184 522	289 997	278 662
Administration cost	47 115		88 701	619
Proceeds of pension funds	-140 636	-215 371	-234 762	-287 749
Changes in estimates charged to accounts	62 033		15 646	15 646
<b>Net pension cost</b>	<b>434 877</b>	<b>303 540</b>	<b>699 034</b>	<b>556 942</b>

### Pension liabilities

Pension liabilities as of 31.12.	3 146 778	3 273 721	5 709 128	6 136 210
Pension funds (marked-values) as of 31.12.	-2 583 628	-2 335 416	-4 367 874	-3 842 305
Not charged to account changes of estimates/sale of operation	-475 126	-827 732	-698 751	-1 641 555
<b>Net pension liabilities including payroll tax</b>	<b>88 024</b>	<b>110 573</b>	<b>642 503</b>	<b>652 350</b>

### Change in Pension fund

Pension liabilities as of 01.01.	2 335 416	3 874 658	3 842 305	5 081 061
Estimated return on Pension funds	140 636	215 371	234 762	287 749
actuary losses	-124 117	-1 979 774	-206 387	-2 018 621
Administration cost	-47 115		-88 701	-619
Paid in	400 899	347 252	707 986	614 826
Pension payment	-122 091	-122 091	-122 091	-122 091
<b>Pension funds 31.12</b>	<b>2 583 628</b>	<b>2 335 416</b>	<b>4 367 874</b>	<b>3 842 305</b>

Hurdle rate	5,80 %	4,70 %	5,80 %	4,70 %
Expected wage adjustments	4,50 %	4,50 %	4,50 %	4,50 %
Expected return of pension-funds	2,00 %	5,50 %	2,00 %	5,50 %
Expected yearly change in pensions pay	4,25 %	2,00 %	4,25 %	2,00 %
Expected state pension increase	6,30 %	4,25 %	6,30 %	4,25 %
Size of corridor	10 %	10 %	10 %	10 %

The actuary conditions are based on standard insurance assumptions of demographic factors.

### Compulsory Pension Scheme

The Norwegian Company is required to have a pension scheme according to Norwegian Law. The company has fulfilled this obligation.

## Note 9 Tax

<i>This years tax-cost can be divided into:</i>	Parent Company		Consolidated	
	2008	2007	2008	2007
Tax payable	1 635 008	1 381 764	1 683 014	1 369 758
Change in deferred taxes	-365 044	-228 739	-332 483	186 961
<b>Sum tax-cost</b>	<b>1 269 964</b>	<b>1 153 025</b>	<b>1 350 530</b>	<b>1 556 718</b>

### *Calculations of this years tax-basis:*

Result before taxes	5 528 994	5 319 484	6 708 831	6 639 459
Permanent differences *)	-468 054	-1 201 539	-1 253 869	-1 178 904
Change in temporary differences	1 303 730	816 927	1 160 354	-771 222
Group contribution	-525 355			
Utilized deferred tax resulting from trading losses	-	-		
<b>This years tax-basis</b>	<b>5 839 315</b>	<b>4 934 872</b>	<b>6 615 316</b>	<b>4 689 333</b>

### *Summary of temporary differences*

Receivables	-1 795 044	-1 177 003	-855 684	-222 999
Fixed assets	-438 269	-471 844	-198 240	-165 904
Profit/ loss account	1 048 576	1 310 720	-	-
Pensions	-88 024	-110 573	-387 410	-371 746
Others	217 683	435 653	217 683	435 653
<b>Sum temporary differences</b>	<b>-1 055 078</b>	<b>-13 047</b>	<b>-1 223 651</b>	<b>-324 996</b>
Deferred tax resulting from trading losses	-	-	-130 592	-103 508
<b>Basis for deferred taxes</b>	<b>-1 055 078</b>	<b>-13 047</b>	<b>-1 354 243</b>	<b>-428 504</b>

28% deferred tax	-295 421	-3 652	-379 186	-119 979
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No deferred tax resulting from trading losses in foreign subsidiaries has been recognized in the accounts.

### *Explanation as to why this years tax-cost deviates from 28% of result before tax:*

	Parent Company	
	2008	2007
28 % tax on result before tax	1 548 118	1 489 456
Permanent differences (28%)	-278 155	-336 431
<b>Calculated tax-cost</b>	<b>1 269 964</b>	<b>1 153 025</b>

Nominal tax-rate **)	23,0 %	21,7 %
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\*) Includes tax-free refunding of "SkatteFunn" and non deductible cost, such as entertainment, gifts etc.

\*\*) Tax rate of result before taxes.

## Note 10 Revenue

All operations in the company is within the same segment. Within this segment income is divided as follows:

	Parent company		Consolidated	
	2008	2007	2008	2007
<b>Divided into product-type</b>				
Sale of software	2 987 615	4 110 614	23 481 200	22 941 182
Maintenance fee	4 972 156	4 402 874	21 649 711	18 623 504
Consultancy / tuition fees	1 507 834	851 110	5 987 306	4 948 234
Other	4 159 976	2 811 128	1 544 752	1 126 869
Royalty from subsidiaries	11 984 771	10 025 142	0	0
<b>Sum</b>	<b>25 612 352</b>	<b>22 200 868</b>	<b>52 662 969</b>	<b>47 639 789</b>
<b>Divided into geographic area</b>				
Norway	14 148 318	13 808 228	17 926 500	18 375 248
Germany	11 425 331	8 190 188	27 111 789	21 888 668
Others *)	38 703	202 452	7 624 680	7 375 873
<b>Sum</b>	<b>25 612 352</b>	<b>22 200 868</b>	<b>52 662 969</b>	<b>47 639 789</b>

\*) Included UK specified in the accounts 2007

## Note 11 Payroll, number of employees, benefits, shares

Payroll expenses	Parent company		Consolidated	
	2008	2007	2008	2007
Wages	11 582 850	9 479 964	27 577 880	23 078 570
Payroll-tax and other public charges	1 750 417	1 495 510	4 509 306	3 917 945
<b>Sum Payroll expenses</b>	<b>13 333 268</b>	<b>10 975 474</b>	<b>32 087 186</b>	<b>26 996 515</b>
Pension cost	749 006	859 379	1 193 774	1 381 104
Other staff costs	162 460	561 494	247 581	667 595
<b>Sum</b>	<b>14 244 734</b>	<b>12 396 347</b>	<b>33 528 541</b>	<b>29 045 214</b>

The average number of employees during the year has been: 19,83 employees at Data Design System ASA, 9 employees at DDS Building Innovation AS, 28 employees at Data Design System GmbH and 0 employee at Data Design System UK Ltd.

In 2008 40.720 shares were issued to employees below the market value. The difference between market value and offer price is NOK 292.197,60. The difference is charged as a wage cost with the contra entry being other equity

Wage and similar to management / board	CEO - Bjørn Kr. Stangeland	Chairman of the Board - Geir Worum	Boardmember Lars Christian Christensen	Boardmember Birgitte Nordvik	Manager DDS	
					Manager DDS GmbH Nils Kverneland	Manager DDS Building Innovation AS Svein Inge Nærheim
Wage 01.01 - 31.12.2008	958 638	110 000	60 000	60 000	848 450	828 913
Pension cost	48 985	0	0	0	213 093	152 819
Travel allowance with payroll tax	45 750	0	0	0	78 480	15 238
Travel allowance without payroll tax	53 431	0	0	0	98 506	46 361
Other benefits	0	0	0	0	0	0

Of the wage to Nils Kverneland NOK 668.084 has been passed on to DDS GmbH for work performed by Nils Kverneland.

The company has no extraordinary obligations in the event of a termination of CEO or any board members positions.

### Shares and options owned by members of the board and CEO:

Name	Position	Number of Shares
Geir Worum	Board Chariman	21 000
Lars Chr. Christensen	Member of the Board	0
Brigitte Nordvik	Member of the Board	0
Marianne Fjogstad	Member of the Board	21 955
Bjørn Kr. Stangeland	CEO	193 762
Nils Kverneland	Manager DDS GmbH	225 012
Svein Inge Nærheim	Manager DDS Building Innovation AS	201 262

**Authorized public accountant**

The cost of Authorized public accountant is divided as follows (ex VAT):

	Parent company		Consolidated	
	2008	2007	2008	2007
Required audit including technical assistance	59 000	82 950	139 135	137 935
Tax consultancy	12 700	-	24 500	35 354
Other certifications	4 240	5 250	4 240	5 250
Other consultancy	48 600	21 950	165 088	116 014
<b>Sum</b>	<b>124 540</b>	<b>110 150</b>	<b>332 963</b>	<b>294 553</b>

**Note 12 Bank deposit**

Cash and equivalents	Parent company		Consolidated	
	2008	2007	2008	2007
Bank deposits with special conditions	507 476	529 895	728 571	785 128

As of 31.12.08 the Consolidated company had NOK 15,5 millions that were fully insured by "Bankenes sikringsfond".

**Note 13 Other operating expenses**

Other operating expenses are divided into:

	Parent company		Consolidated	
	2008	2007	2008	2007
Travelling expenses	1 336 240	1 016 249	3 381 669	2 783 587
Phone and postage	314 105	309 889	911 839	952 988
Product development by Partners and Subsidiaries	2 848 288	1 248 390	-	-
Rent	409 201	395 797	1 336 460	1 322 109
Advertising	571 111	288 329	2 244 067	1 859 610
Computer and other office costs	180 515	224 354	462 590	474 096
Other costs	913 211	820 182	2 745 938	2 732 701
Loss on receivables	215 000	1 147 325	778 159	438 071
"SkatteFunn" (State subsidized development)	-800 000	-800 000	-1 600 000	-1 600 000
<b>Sum Other operating expenses</b>	<b>5 987 670</b>	<b>4 650 515</b>	<b>10 260 723</b>	<b>8 963 162</b>

The Parent company has been granted NOK 800.000 in state subsidies from the Norwegian government's "skattefunn".

The grant has been treated as a reduction of cost. The total grant received for the Consolidated company is NOK 1.600.000

## Note 14 Earnings pr share

Calculations of earnings pr share is as follows:

	2008	2007
Number of shares Parent Company	3 610 320	3 569 600
Result Parent company in NOK	4 259 030	4 166 459
<b>EPS parent company (IN NOK)</b>	<b>1,18</b>	<b>1,17</b>
Number of shares Parent Company	3 610 320	3 569 600
Result Consolidated company in NOK	4 832 945	5 082 741
<b>EPS Consolidated company (IN NOK)</b>	<b>1,34</b>	<b>1,42</b>

## Note 15 Financial risk

The company does not employ any kind of financial derivatives to reduce financial risk

### Exchange rate risk

Changes in exchange rate constitutes both a direct and an indirect economic risk for the company

No measures has been taken to reduce this type of risk as of 31.12.2008

	Parent company		Consolidated	
	2008	2007	2008	2007
Gain on exchange rates	947 785	52 474	990 210	79 281
Loss on exchange rates	-502	-252 945	-21 100	-308 363
<b>Sum</b>	<b>947 283</b>	<b>-200 471</b>	<b>969 110</b>	<b>-229 082</b>

## Note 16 Research and Development

R&D isn't recognized in the Balance Sheet. All R&D costs are charged to accounts directly.

A significant share of the wage costs for the consolidated company as well as the parent company is associated with R&D. Some portions of other cost are also linked to R&D. It is however difficult to quantify an exact annual amount related to R&D spending.

During 2007 and 2008 the parent company had one "Skattefunn-project" with a scope of NOK 4.000.000,- a year.

During 2007 and 2008 the consolidated company had two "Skattefunn-project" each with a scope of NOK 4.000.000,- a year.

For a more in-depth account of R&D, please see the directors annual report.

Klepp  
31.12.2008  
31.04.2009