



Newsletter to the shareholders in CAMO ASA after Q4 2007 Issued March 6, 2008

The CAMO group with headquarter in Oslo, Norway have international presence in Europe, North America and the Asia/Pacific regions focusing on IT products and services. The CAMO Group has three separate operational divisions with a total of 500 employees in Oslo, Norway, Woodbridge, New Jersey, USA and Bangalore, India.

The three divisions are:

CAMO SOFTWARE (Development and Sales of advanced Multivariate Statistical Software, visit www.CAMO.com for more info) has more than 3000 customers worldwide and close to 50 employees in Oslo, New Jersey and Bangalore.

PROTEANS (An IT company acquired by CAMO in July 2007 focusing on Outsourced Product Development mainly based on Microsoft .Net technologies, visit www.Proteans.com for more info) has approximately 30 customers in North America and 250 employees in Bangalore and is currently starting up operation in Europe.

CAMO TECHNOLOGIES (IT consulting and staffing services within Microsoft .Net and Sun Java technologies, visit www.CAMOTEchnologies.com for more info) has consultants in the US and a permanent staffing operation and back office in Bangalore with a total of 180 employees.

Note: Figures in this document are preliminary only since the necessary audit is not finalized.

Financial performance for the CAMO Group and its three divisions:

CAMO Group:

- The CAMO group total consolidated revenue increased 18% to 5.12 MUSD in Q4 2007 compared to Q4 2006. This is the highest level of sales ever. Total revenue for 2007 increased 33% to 21.1 MUSD.
- Consolidated earnings (preliminary) before tax and depreciation (EBITDA) for Q4 reached USD 0.320. This was 0.180 MUSD down from 0.500 MUSD in Q4 last year. The EBITDA for 2007 increased 5% to 1.39 MUSD from 2006.
- The CAMO group is in an expanding phase and the growth resulted in a negative cash flow for the operations in 2007.

CAMO's divisions:

- CAMO Software revenue increased 13% to 0.768 MUSD in Q4 2007 compared to Q4 2006. The yearly revenue for 2007 of CAMO Software increased 22% to 2.48 MUSD.
- Proteans revenue increased by 59% to 0.963 MUSD in Q4 2007 compared to Q4 2006. The yearly revenue for 2007 of Proteans increased 150% to 5.05 MUSD.
- CAMO Technologies revenue increased by 12% to 3.37 MUSD in Q4 2007 compared to Q4 2006. The yearly revenue for 2007 of CAMO Technologies increased 15% to 13.75 MUSD in 2007.

FINANCIALS for the CAMO Group

IN USD	2007 QTD	2006 QTD	2007 YTD	2006 YTD
Revenue				
CAMO SOFTWARE	768 638	682 427	2 480 517	2 032 461
CAMO TECH	3 387 453	3 035 942	13 746 454	11 949 533
PROTEANS	963 009	607 289	5 057 847	2 019 717
Total Revenue	5 119 101	4 325 658	21 284 818	16 001 710
CoS				
CAMO SOFTWARE	127 039	101 627	467 475	341 482
CAMO TECH	2 760 618	2 346 249	10 935 799	9 324 407
PROTEANS	604 658	306 318	2 890 821	1 084 094
Total COGS	3 492 315	2 754 194	14 294 094	10 749 983
Gross Margin				
CAMO SOFTWARE	641 599	580 800	2 013 042	1 690 979
CAMO TECH	626 836	689 693	2 810 655	2 625 126
PROTEANS	358 351	300 972	2 167 026	935 622
Total Gross Margin	1 626 786	1 571 464	6 990 724	5 251 727
Total G&A	1 306 336	1 070 604	5 600 458	3 918 277
EBITDA	320 450	500 861	1 390 265	1 333 450

Comments to the Q4 result

CAMO SOFTWARE Division

- The revenue growth for CAMO Software was close to what was expected in the latest forecast. Closing sales on the US market took longer time than before and affected revenue at end of year.
- A new product targeted to the Sensory market, called Quali-Sense, was launched in Q4 and is expected to broaden the user base for CAMO in Food and Beverage companies.
- The pipeline looks promising and has no signs of slowdown, but sales takes longer time to close than usual in the North American market.
- During 2007 the sales organization has worked in order to optimize the current sales model (mainly through inside sales and OEM/resellers).
- The product development team is working on creating vertical solutions where some releases will be made in second half of 2008.

PROTEANS Division

- The revenue from Proteans was as forecasted after the acquisition and is progressing well according to these plans.
- Proteans were able to close nine new contracts with new clients in 4th quarter. Most of these clients are in the US market but there are also a few in Europe and the Middle East.
- A senior sales manager with industry experience has been hired in the US to build a sales organization. A sales manager has also been signed up for the Scandinavian market. This is expected to start giving results in Q2.
- The customers in the financial and banking segment are currently very careful with new investments. This is affecting revenue from 3-4 existing customers of the current base of 25.
- Proteans increased their number of employees with 111 during total 2007 and with 17 during Q4 2007, giving a year end total workforce of 250 people.

CAMO Technologies Division

- The revenue for the CAMO Technologies division was as expected according to forecasts in Q4 of 2007.
- To optimize the profit for this division organizational changes are being made, e.g. back office functions are transferred to India and CAMO has taken precautions for a possible slowdown.
- Recruitment of new consultants is currently easier than before.
- The Sales process takes more effort than historically (when all available consultants were immediately placed) but there is still a good balance considering the number of consultants available.
- The operation in India had problems coming over a critical mass in IT Consulting in India in 2007 and has now decided to focus on permanent staffing only.

Summary & Market outlook

The result for 2007 total has both positive and negative sides: the profit number is not as expected which mainly depends on the revenue growth for CAMO Software division was not as high as expected and that the CAMO Technologies operation in India did not succeed to build up its operation as planned. The positive side of 2007 is that the acquisition of Proteans has been successful giving a major contribution to the result for the CAMO group. It is expected that Proteans will continue growing in a very fast pace combined with a high profit. For 2008 there is a clear profit focus in each division.

In 2008 CAMO will explore the synergies between the Proteans division and the two existing CAMO divisions: by finding potential prospects from the CAMO Software customer list and to build up practices in specialized areas such as Microsoft Share Point technologies together with CAMO Technologies.

CAMO does not expect to raise any capital in 2008 through share emissions. The fast growth in the Proteans division requires further working capital and capital expenditures so new loans might be taken up. The CAMO group is in an expanding phase and the company will continue to have a negative cash flow for the operations in order to optimize its growth potential in 2008. There will be a stronger focus on streamlining the cash flow and optimize the liquidity throughout 2008.

To prepare for a future listing of CAMO ASA on a major list the international accounting standard IFRS is currently being implemented and will be used for the final report for 2007. Therefore the numbers presented in this preliminary statement might change.

Market outlook for each division

CAMO Software

- The growth is expected to continue with similar numbers or higher as in 2007, with a warning for the US market, which might affect the sales process and thereby affecting the growth.
- New products and vertical solutions being released in second half of 2008 will help increase value of an average order.

Proteans

- Proteans is very dependent on the US market and a recession will affect some of its business. However, traditionally slowdown in the US market has increased the outsourcing market.
- The profit for Proteans is dependent on the exchange rate between Indian Rupees and US Dollar. Further drops of the USD will affect the profit.
- The European market, especially the Nordic countries, is undeveloped in terms of product development outsourcing and gives a potential to hedge these risks with more revenue outside of US.

CAMO Technologies

- The IT consulting market in the US as of early March has a positive outlook and if the slowdown doesn't get worse CAMO technologies expect to grow on similar levels as in 2007.
- CAMO Technologies generates almost all its revenue on the US market (but also all costs) and will be affected by a slow-down in the US. Precautions have been taken to prepare for this scenario but at this time it has not yet affected CAMO.
- Traditionally IT consulting / staffing is hit very early in a slow-down but if CAMO is hit we are well prepared and can continue generating profit on lower revenue.

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