

ANNUAL REPORT  
2012



**Columbus**<sup>®</sup>  
Once you *know* how...



This English language version of the Annual Report 2012 has not been audited. This document is a translation of the Danish version and does not include notes to the accounts. In the event of any inconsistency between this document and the Danish language version, the Danish language version shall be the governing version.

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# TURNAROUND IN A DEMANDING MARKET

Columbus fulfilled the announced expectations to revenues and EBITDA and turned deficit to profit despite a considerable impairment of tax assets due to changed tax rules and deficits in discontinued operations and associated companies. Therefore the result for 2012 is satisfactory.

Due to our unique combination of industry knowledge and industry specific software customers chose Columbus as business partner despite the continued reluctance to invest: In 2012 Columbus experienced an increase in demand for services and products. This especially applied to our own software solutions within the food, retail and manufacturing segments. Revenues within our three focus industries - Food, Retail and Manufacturing therefore increased in 2012, and it is obvious to us that our market and product specialization yield results. We expect that revenues in our focus industries will amount to approximately 60% of the total revenues for 2013.

The market is still characterized by companies only investing in business systems if they have prospects for considerable - and fast - gains. The driver for the decision to invest is especially the requirement for a tighter financial control, reduced risk or increased regulatory requirements as well as growth. We experience that Columbus' strategy and services fit well into the trend of the times and that we can meet even demanding customers' requirements.

The globalization has really gathered speed, and Columbus' customers want a business partner who is able to deliver a global and uniform service day and night. Therefore, Columbus has established a streamlined, global delivery capacity based in India which makes it possible for us to scale and professionalize our competences. Thereby, we ensure that customers always receive the optimal service. 2012 was a breakthrough year for our global delivery capacity, and we

will continue extending it in 2013 as it gives Columbus considerable competitive advantages. This is especially applicable when it is combined with our project method SureStep+. Combined, these two concepts contribute to positioning Columbus as a strong, international consulting company.

2012 was also a year characterized by innovation. Columbus launched several new products to the market, including ColumbusADM and ColoumbusSCS. Moreover, in February 2012 Columbus launched the unique software tool RapidValue, which helps companies identifying and optimizing business processes in relation to implementation of new business systems. The launch of RapidValue was successful and extremely well received by the market. In the future, RapidValue will be developed further with more industry content and integration functionality.

Hence, in 2012 Columbus was primarily devoted to execution. It was a clear objective to strengthen earnings, the delivery platform and our competitiveness. In 2013 we will strengthen this position further by maintaining focus on our core business and on our successful strategy.



Ib Kunø  
Chairman of the Board



# COLUMBUS' BUSINESS AND STRATEGY

In 2013 we will continue executing our strategy Columbus<sup>15</sup>, which we launched in 2012. Columbus<sup>15</sup> has proven to be a successful tool to intensify our focus and strengthen our profile even more as a leading international consultancy serving customers worldwide in the food, retail and manufacturing industries.

## **Business and strategy; Columbus<sup>15</sup>**

Columbus<sup>15</sup> comprises four elements:

- Extend industry leadership
- Sale of own software
- Optimize our global delivery model
- Grow organically and through acquisitions in key industries and geographies

# Columbus<sup>15</sup>®

Our unique and competitive service is primarily constituted by the industry expertise of our consultants, our business processes understanding embedded in the RapidValue software and our industry-specific standard software and business integration software, which we primarily develop on a Microsoft-Dynamics platform.

## **Great potential in the market**

Despite the current fragile state of the global economy, we expect to continue to see growth in our focus industries. The macroeconomic challenges means, forecasts the research firm IDC, that companies worldwide increasingly have a need for business solutions that help drive down costs, manage

risk and improve productivity<sup>1</sup>. This view is supported by the research firm Gartner's 2013 forecast estimating that worldwide enterprise IT spending will grow 2.5%<sup>2</sup>. These scenarios mean that considerable potential exists in the market for Columbus' business services and solutions in 2013.

## **Mature and demanding costumers**

Most of Columbus' customers are international companies who have gone through at least two generations of business applications. This means that they have built up a solid understanding of unique needs and requirements for business applications and processes. Thus they require Columbus to possess extensive industry and implementation knowledge. Naturally we strive to obtain the highest degree of expert knowledge in our focus industries in order to serve our customers better than anyone else in the business.

## **Global Delivery and SureStep+**

Any company in Columbus' key industries needs, to some extent, to adapt to a global marketplace and the global competition. Columbus can assist costumers in standing up to these challenges and trends, offering them a unique combination of local presence and global delivery.

<sup>1</sup> <http://www.idc.com/getdoc.jsp?containerId=prUS23551812>

<sup>2</sup> <http://www.gartner.com/it/page.jsp?id=2238915>

**//** ColumbusCare is a global support offering with a dedicated team of consultants ready to assist customers 24 hours a day. The consultants understand the customers, know the customers' solutions and they have access to all relevant documentaton. Therefore they are able to assist with urgent issues and to optimize business applications."

Steen Hybschmann, VP Services, Columbus A/S



Columbus has locations in several countries around the world, and in countries where we are not represented by subsidiaries, typically we have partnerships with selected leading local suppliers. Furthermore, we established our Global Delivery Center in 2012, which works closely together with our subsidiaries and serves customers worldwide.

## ColumbusCare®

In 2013 we will expand our Global Delivery Center with a global support offering, which we call ColumbusCare. This offering will enable us to better support our customers, as they will get a dedicated, well trained team to help them make critical business applications more efficient, cost effective and risk resistant.

ColumbusCare was developed by aggregating the best systems and practices from our various subsidiaries. Our new support offering is designed to deliver on a variety of levels from proactive innovation and operational efficiencies to ensuring simply system availability.

All Columbus' consultants are trained and certified in SureStep+, which is our global standard for implementations. This ensures, that geographically dispersed team members are aligned and work towards the same goals and expectations. This increases quality and efficiency to the benefit of our customers worldwide.

### **Growth through acquisitions**

Columbus aims to grow organically as well as through acquisitions. As part of our strategy Columbus<sup>15</sup> we follow an acquisition plan that focuses on purchasing companies with a consultant profile similar to Columbus' within our key industries and in selected geographical regions.

### **Columbus' industry solutions**

#### **ColumbusFood**

ColumbusFood addresses the trends and challenges in the food industry. Many companies in the food industry have unique requirements for data and business processes, ranging from traceability and shelf life dates. Some of the trends in the food industry are closely linked to the increased international competition: Ever shortening timescales for product development, supply chain challenges and more and more regulatory burdens.





## ColumbusFood®

ColumbusFood addresses the specific trends and challenges in the food industry such as supporting Business Intelligence (BI), Reporting Requirements and e-Commerce. We offer outstanding industry-focused software, a consulting team with deep food industry knowledge and our RapidValue solution.

*“RapidValue has truly opened our eyes and is helping us maximise the assets we have all across the business, be it ERP solution, people or processes.”*

Tony Carlisle, Group IT Manager - Fairfax Meadow, UK

### **ColumbusRetail**

ColumbusRetail experts work closely with leading retailers and distributors and help them address their business challenges. Globalization is dramatically impacting the way business is managed and transacted. The emergence of e-commerce has been the biggest change over the past decade.

The new challenges for retailers and distributors include optimization and reduction of costs in the supply chains and to supplement with services which meet the requirements and requests of more sophisticated customers.



## ColumbusRetail®

Another challenge which complicates the supply chain is the international differentiated requirements to labelling and packaging. ColumbusRetail can meet these requirements within areas such as Product Lifecycle Management, Business Intelligence (BI), e-Commerce, Transportation and Inventory Optimization, Logistics and Replenishment Optimization, Labelling, Sales and Operations Planning and Manufacturing Optimization.





## Columbus *Manufacturing*<sup>®</sup>

### **ColumbusManufacturing**

The manufacturing environment is also changing due to globalization and increased international competition. We will see a diminished role of location for manufacturers, and manufacturing companies worldwide will continue to have the ability, to spread their manufacturing around the world to places where costs and skills are more favorable.

*Great team with an extensive knowledge base of the manufacturing industry and processes involved, and very friendly and approachable attitude towards helping the business forward. Every company should plan a service contract with the Columbus Team after implementing Dynamics AX"*

Dex Rimington - Romag Ltd, UK

ColumbusManufacturing helps customers handle new as well as usual challenges which manufacturers are facing. This applies in relation to both global and local operations and supply chain.



ColumbusManufacturing manages the entire product lifecycle in a Product Lifecycle Management (PLM) system. This is combined with a workflow based Stage-Gate Process which assures that operational changes or changes in the complex supply chain are not going to cause pain, but will drive higher profits.

### **Cloud**

Cloud technologies offer efficient, cost-effective new options for running business applications, from Operations to Business Intelligence, Collaboration to Mobility. The advantages include global access, faster deployment, lower hardware costs, and economical, pay-as-you-go options. Columbus will evolve towards enabling customers to take full advantage of cloud technologies for our industry solutions, including new, cloud-based solution features. In the future, Cloud will have great impact on how we develop and distribute software.

### **Mobile**

Mobile is a fast growing trend in business applications. Easy access to business data and insights on mobile devices is becoming the norm, and mobility platforms are becoming a key user interface. Columbus keeps pace: We will enrich our own industry solutions and Business Integration Solutions with mobile and other Internet-based solutions.

### **Big Data**

Data management is providing power to fuel business decisions and measure progress against strategic goals. Columbus has been a long term provider of Business Integration solutions, and we will continue to invest in further enhancements and development to provide the best solutions, which are easy to set up, maintain and to integrate with other business applications in order to deliver high value to our customers.

# 2012 OUTLINED

Columbus fulfilled the announced expectations for 2012

## Conditions and changes in 2012

Expectations in the beginning of 2012:

- Optimism in spite of an unpredictable world economy
- Gearing for growth
- Establishing a global delivery model
- Strong vertical growth
- Revenues in the level of DKK 900m and EBITDA in the level of DKK 50m.

Management initiatives:

- Significant increase of customers in our focus industries, which increased revenues in our vertical business from DKK 249m in 2011 to DKK 432m in 2012.
- Launch of 5 new software brands, which target our focus industries: ColumbusRapidValue, ColumbusSCS, ColumbusBIS, ColumbusADM and ColumbusF&B
- Acquisition of the American company First Tech Direct which provided Columbus with additional consultant expertise and resources within the manufacturing industry
- Establishment of a global delivery model based in India
- Entering of strategic alliance with the Dutch consultancy Abecon and divestment of Columbus' subsidiary in the Netherlands
- Considerable reduction in other external costs

## Financial statements 2012

Revenues amounted to DKK 892.5m in 2012, corresponding to an increase of 12%. Our revenue growth was due to an impressive 83% growth in the sale of Columbus Software, the strategic acquisition of the North American consultancy First Tech Direct and an increased focus on our service business.

Earnings before depreciation (EBITDA) amounted to DKK 52.1m in 2012, corresponding to a growth of 70%. Both revenue and EBITDA are in line with the announced expectations.

EBITDA adjusted for share-based compensation amounts to DKK 53.3m in 2012 (2011: DKK 31.0m), corresponding to an increase of 72%.

The net result amounted to a small profit of DKK 0,1m in 2012 (2011: DKK -10,1m). In the light of the considerable impairment of tax assets due to the changed tax rules, the deficit in the Middle Eastern companies and the result of discontinued operations, the result for the year is considered satisfactory.

# KEY FIGURES AND RATIOS

DKKm	2012	2011	2010	2009	2008
<b>Income statement</b>					
Net revenues	892.5	793.6	807.6	835.7	990.6
External project costs	-245.6	-199.7	-211.2	-214.9	-259.1
<b>Gross earnings</b>	<b>646.9</b>	<b>593.8</b>	<b>596.4</b>	<b>620.8</b>	<b>731.4</b>
Staff expenses	-472.8	-435.3	-416.2	-440.9	-494.9
Other external costs	-123.7	-128.8	-119.8	-145.2	-172.8
Other operating income	1.6	2.2	2.5	1.0	1.4
Other operating costs	0.0	-1.2	0.1	-0.4	-4.6
<b>EBITDA</b>	<b>52.1</b>	<b>30.7</b>	<b>63.1</b>	<b>35.4</b>	<b>60.5</b>
Depreciation excl. goodwill	-27.9	-23.9	-22.2	-23.1	-24.9
<b>EBITA</b>	<b>24.1</b>	<b>6.7</b>	<b>40.9</b>	<b>12.3</b>	<b>35.6</b>
Amortization and write down of goodwill	0.0	0.0	0.0	-17.5	-11.8
<b>EBIT</b>	<b>24.1</b>	<b>6.7</b>	<b>40.9</b>	<b>-5.2</b>	<b>23.8</b>
Result in associated companies	-3.8	1.3	-0.2	0.2	0.3
Net financial items	-1.9	-1.7	-0.8	-4.9	-7.9
<b>Pre-tax earnings</b>	<b>18.5</b>	<b>6.3</b>	<b>39.9</b>	<b>-9.9</b>	<b>16.2</b>
Tax on the result for the year	-15.7	0.6	-12.6	-7.6	6.9
<b>Result for the year, continued operations</b>	<b>2.7</b>	<b>6.9</b>	<b>27.3</b>	<b>-17.5</b>	<b>23.3</b>
Result for the year, discontinued operations	-2.6	-16.9	-13.6	0.0	0.0
<b>Result for the year</b>	<b>0.1</b>	<b>-10.1</b>	<b>13.7</b>	<b>-17.5</b>	<b>23.3</b>
<b>Allocated thus:</b>					
Shareholders of Columbus A/S	-3.7	-11.2	11.4	-18.6	24.4
Minority interests	3.9	1.2	2.2	1.0	-1.1
	<b>0.1</b>	<b>-10.1</b>	<b>13.6</b>	<b>-17.6</b>	<b>23.3</b>
<b>Balance sheet</b>					
Long-term assets	258.2	254.7	239.3	245.6	259.8
Short-term assets	241.8	235.7	290.0	269.3	300.5
<b>Total assets</b>	<b>500.1</b>	<b>490.4</b>	<b>529.3</b>	<b>515.0</b>	<b>560.3</b>
Group shareholder equity	273.0	275.4	287.8	222.1	234.4
Minority interests	7.5	7.6	12.2	10.1	9.8
Debt	219.5	207.4	229.3	282.8	316.1
<b>Total liabilities</b>	<b>500.1</b>	<b>490.4</b>	<b>529.3</b>	<b>515.0</b>	<b>560.3</b>
<b>Investments in tangible assets</b>	<b>7.5</b>	<b>7.0</b>	<b>2.8</b>	<b>2.9</b>	<b>5.4</b>
<b>Cash flow</b>					
Cash flow from continuing operations	41.6	54.4	20.1	65.0	15.2
Cash flow from discontinued operations	0.1	-19.3	-10.6	0.0	0.0
Net cash from investments	-39.8	-36.4	-3.0	-8.9	-34.9
Cash flow from financing activities	-10.3	-18.6	-7.6	-46.0	15.7
<b>Total cash flow</b>	<b>-8.5</b>	<b>-19.9</b>	<b>-1.1</b>	<b>10.1</b>	<b>-4.0</b>
<b>Key ratios</b>					
Gross margin II	5.8%	3.9%	7.8%	4.2%	6.1%
Operating profit margin (EBIT-margin)	2.7%	0.8%	5.1%	-0.6%	2.4%
Equity ratio	56.1%	57.7%	56.7%	45.1%	43.6%
Return on equity	-1.4%	-4.0%	4.5%	-8.1%	10.4%
Average number of shares, in thousands	105,739	105,738	92,385	77,656	77,040
Net asset value per share (BVPS)	2.58	2.60	2.72	2.72	3.01
Earnings per share (EPS)	-0.04	-0.11	0.12	-0.23	0.31
Cash Flow per share	0.39	0.33	0.10	0.84	0.20
Share price, end of period	1.69	1.40	2.46	2.30	2.40
Headcount at the end of the period	850	861	824	934	1,050

The key figures and financial ratios above have been calculated in accordance with the Danish Society of Financial Analysts' "Recommendations and Key Figures 2010". Comparison figures for 2011 have been corrected so that discontinued operations are presented separately. Comparison figures for earlier years than 2011 have been corrected to present earnings from discontinued operations separately, and due to changes in practice in relation to cash flow statements, the cash flow statements have also been corrected. As a result of the directed rights issue at a price of DKK 1.9 per share in July 2010, the key figures for "Earnings per share" (EPS) and "Cash flow per share" have been calculated after applying a factor of 0.97.

# 2012: GROWTH, INNOVATION AND GLOBAL DELIVERY

In 2012 Columbus made a successful turnaround in a demanding market. We grew revenues, improved the global delivery platform and the competitiveness due to a strong execution of our strategy Columbus<sup>15</sup>.

## Execution focus

Columbus' cautious outlook entailed a powerful and focused execution of the strategy, Columbus<sup>15</sup> and an extensive effort to lower costs and manage risks across the operation. The result of these efforts was that Columbus made a successful turnaround of the business in 2012. In particular Columbus' subsidiaries Columbus UK, Columbus Norway, Columbus US and To-Increase showed strong performances in 2012. Furthermore the new management teams in Columbus Denmark and Columbus NSC made significant economic recoveries and turned deficit into profit.

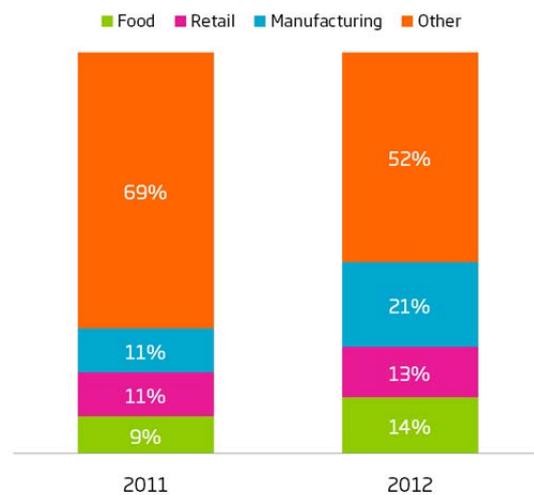
*Through 2012 we increased our vertical business, launched new software brands and increased sale of our own software. Furthermore we established our Global Delivery Center, and we acquired a US-based company within our verticals and went into a successful new partnership.*

Through 2012 we increased our vertical business, launched new software brands and increased sale of our own software. Furthermore we established our Global Delivery Center, and we acquired a US based company within our verticals and went into a successful new partnership.

## Extending our industry leadership

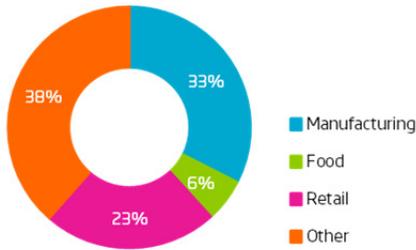
In 2012 we sharpened our focus and developed our expertise further to service customers within the food, retail and manufacturing industries.

We invested in developing new business applications for these industries and we hired talented employees directly from our focus industries with insider expertise. In spite of the restraint in investments Columbus experienced a high demand for our services and products, and we increased the revenue in our vertical business in 2012 from DKK 249m in 2011 to DKK 432m in 2012.

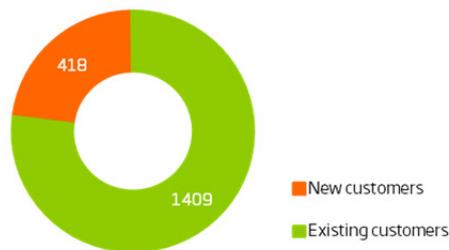


Development in revenues within our focus industries

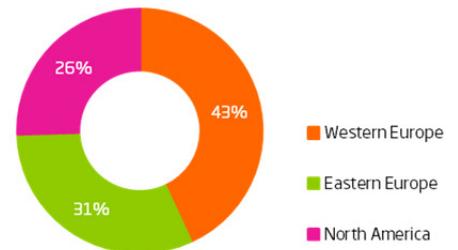
New customers within focus industries



Customers in 2012



Projects per region in 2012



### Selling more of our own software

In 2012 we invested DKK 16.5m in developing new software targeted at our focus industries. 2012 became a year characterized by innovation, and we launched several new software brands:

**Columbus** *RapidValue*<sup>®</sup>

**Columbus** *SCS*<sup>®</sup>

**Columbus** *ADM*<sup>®</sup>

**Columbus** *BIS*<sup>®</sup>

**Columbus** *F&B*<sup>®</sup>

We launched our best practice solution RapidValue for the food, retail and manufacturing industries. RapidValue is designed to help businesses identify and optimize workflows, when they implement a new business system. The launch of RapidValue was successful, and the product will be enhanced further with more industry specific content and integration functionality.

In 2012 we also launched ColumbusSCS (Supply Chain Solutions), which helps retailers, manufacturers, and distributors automate and streamline processes in the supply chain.

Furthermore we launched ColumbusADM (Advanced Discrete Manufacturing). ColumbusADM connects, automates and streamlines internal processes in manufacturing companies, from brainstorm through production to after-sales service.

We also launched ColumbusBIS (Business Integration Solution), which supports and optimizes companies' data migration.

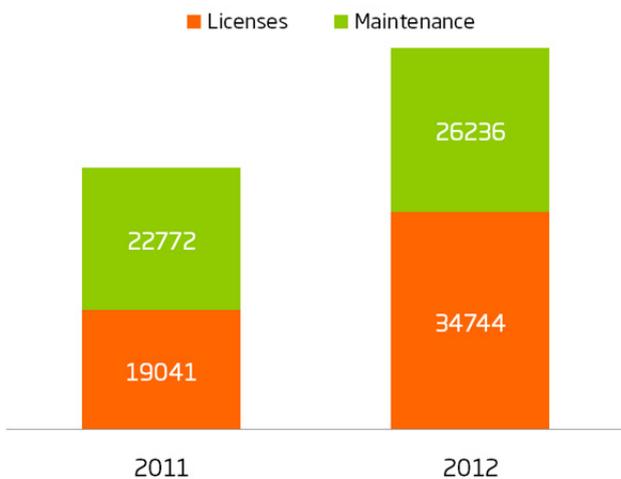
**||** *Following only 3 days training in Columbus Business Integration Solution (BIS), we now see how we can quickly and easily develop a number of key interfaces in our business to improve our global supply chain integration/automation and global master data management processes. ColumbusBIS also significantly reduces our reliance on external development resources and the associated costs and risks.*

Ben Hancock, Group Head of ERP - Britax Group Ltd., UK

ColumbusF&B (Food & beverage) was one more new software brand, which we launched in 2012. ColumbusF&B is tailored to companies in the food industry, to meet needs and challenges specific for this industry which the standard business applications are not geared for.



The market reaction on our new products was very positive, and in 2012 we increased sale of our own software by 83%, from DKK 19.0m to DKK 34.8m.



Development of sale of own products in 2012 (DKK '000)

### Global Delivery

In 2012 we established a Global Delivery Center in India, and our streamlined, global delivery model became an integrated part of our operating model. Columbus' global delivery model provides companies worldwide with the right people, skills and expertise to deliver industry consulting services and leading technologies. Our global delivery model provides consulting, support and development services that are distributed globally. This method provides scale, accelerates projects, shortens the time to value and ensures we put the absolute best resources on our customers' projects.

### Growth - through acquisitions and partnerships

We follow an acquisition plan focusing on companies within our key industries and in selected geographical regions. In 2012 this led to acquisition of the US based company First Tech Direct. The acquisition was a strategic move in line with Columbus' ambition to further strengthen our global position. With First Tech Direct's deep engagement in the manufacturing industry, the acquisition allowed Columbus to leverage First Tech Direct's knowledge and insights. Additionally, Columbus integrated First Tech Direct's software solutions with focus on the global auto industry.

In 2012 we also went into a strong alliance with the Dutch consultancy Abecon and sold our subsidiary in Holland to Abecon. This strengthened our international position, in particular in Belgium, Holland and Luxembourg, where Abecon is present.

*We follow an acquisition plan focusing on companies within our key industries and in selected geographical regions. In 2012 this led to acquisition of the US-based company First Tech Direct. The acquisition was a strategic move in line with Columbus' ambition to further strengthen our global position.*

### Lowered costs and improved service operations

In 2012 Columbus launched the internal program ISP (Improve Service Profits) in all subsidiaries. The purpose was to achieve higher profits in our services business through a tighter cost control agenda and stricter governance of risks, expenses, projects and resource allocation.



## Income statement

Columbus' net revenues amounted to DKK 892.5m (2011: DKK 793.6m), corresponding to an increase of 12%. Adjusted for foreign currency translation, revenues increased 9%.

Revenues	2012 DKKm	2011 DKKm	Development 2011-2012
Columbus Software	34.7	19.0	83%
Columbus Maintenance	26.2	22.8	15%
External Software	131.9	117.8	12%
External Maintenance	143.8	122.9	17%
Consultancy	538.1	499.5	8%
Other	17.7	11.5	54%
<b>Total</b>	<b>892.5</b>	<b>793.6</b>	<b>12%</b>

The increase in revenues is considerably affected by growth in North America and Western Europe. Revenues in North America are positively affected by the acquisition of First Tech Direct, which was consolidated as of 1 March 2012. We consider the integration successful and the expected synergies have been realized. Moreover a satisfactory organic growth has been realized in North America. In Western Europe we have obtained 8% organic growth. The growth is considerably affected by increased sale of Columbus Software.

In general revenues increased in the Group except in Eastern Europe, where revenues are in line with revenues in 2011.

As a consequence of investments in industry solutions within Columbus' focus industries and due to the increased focus on

sale of our own software, we obtained an increase in revenues on Columbus Software of 83%.

Staff costs increased to DKK 472.8m in 2012 (2011: DKK 435.3m), corresponding to an increase of 9%. Adjusted for foreign currency translation, the increase is 5%. The increase in staff costs is affected by the increased consultancy revenues and the acquisition of First Tech Direct in North America. The average number of employees increased from 849 in 2011 to 879 in 2012, corresponding to an increase of 4%.

In 2012 we launched a share-based incentive scheme for a number of employees. The impact on the result of the year of the incentive scheme is DKK 1.2m.

Other external costs decreased to DKK 123.7m in 2012 (2011: DKK 128.8m), corresponding to a decrease of 4%. Columbus has reduced other external costs considerably as a result of constant focus on cost adjustment. The largest cost savings are realized in the parent company.

Earnings before depreciation (EBITDA) increased to DKK 52.1m in 2012 (2011: DKK 30.7m), corresponding to an increase of 70%. Adjusted for foreign currency translation the increase is 62%.

Tax on total income for the year and regulation of deferred tax in the group amount to a net cost of DKK -15.8m (2011: DKK 0.6m).

	Revenues (DKKm)		EBITDA (DKKm)		Average headcount	
	2012	2011	2012	2011	2012	2011
To-Increase	35.8	31.7	19	11.3	43	47
Western Europe	489.8	455	45.6	37.4	364	371
Eastern Europe	183.4	183.8	5.6	10.6	322	325
North America	183.3	121.9	11.6	9.9	138	90
Parent Company	0.3	1.2	-36.8	-38.4	12	16
<b>Total</b>	<b>892.5</b>	<b>793.6</b>	<b>52.1</b>	<b>30.7</b>	<b>879</b>	<b>849</b>



## Latest developments

There have been no events since 31 December 2012 which could significantly affect the evaluation of the Group's financial position and revenues. Earnings in January and February 2013 are in line with the company's expectations.

The tax expense was considerably affected by impairment of the recognized tax asset in the Columbus Group's joint taxation in Denmark of DKK 5.1m. The impairment is an induced consequence of the Danish Government's limitation of the possibility of utilizing losses from previous years.

The result for the year for discontinued operations amounted to a deficit of DKK 2.6m in 2012 (2011: DKK -16,9m). The result for discontinued operations relates to the sale of the Dutch subsidiary in November 2012 when Columbus entered into a strategic alliance with Abecon.

Holdings in associated companies amounted to a deficit of DKK 3.8m, which is caused by a deficit in the Middle Eastern companies. The deficit is primarily caused by loss-making projects and amortization of development activities. The deficit is recognized by the equity method, however, limited to our total liability towards the Middle Eastern companies.

The net result amounted to a small profit of DKK 0,1m in 2012 (2011: DKK -10,1m). In the light of the considerable impairment of tax assets due to the changed tax rules, the deficit in the Middle Eastern companies and the result of discontinued operations, the result for the year is considered satisfactory.

### Balance sheet

Goodwill amounted to DKK 171.2m as of 31 December 2012 (2011: DKK 156.3m). In relation to the divestment of the Dutch subsidiary a disposal of DKK 4.7m was realized. Furthermore, an addition of DKK 19.4m was realized in relation to the acquisition of First Tech Direct.

Trade receivables amounted to DKK 153.5m as of 31 December 2012 (2011: DKK 153.6m), corresponding to a decline of 0.1%. The development is considered satisfactory and is caused by a considerable increase in the Group's revenues in the fourth quarter. The Group is constantly focusing on reducing trade receivables.

Contract work in progress amounted to DKK 28.1m as of 31 December 2012 (2011: DKK 15.8m), corresponding to an increase of 78%. The development is in line with expectations, and the increase is primarily caused by a reduction in pre-invoicing in Denmark and an increase in contract work in progress in Russia.

Other receivables amounted to DKK 11.5m as of 31 December 2012 (2011: 10.1m), corresponding to an increase of 14%. The increase is mainly caused by receivables from the sale of the Dutch subsidiary.

The total equity amounted to DKK 280.5m at year-end 2012 (2011: DKK 283.0m). The equity ratio decreased to 56.1% as at 31 December 2012 compared to 57.7% at year-end 2011.

Other liabilities amounted to 114.6m as of 31 December 2012 (2011: DKK 100.5m), corresponding to an increase of 14%. The liabilities are mainly staff related. However, the increase in liabilities is also related to an increase in VAT payable and accrued expenses.

# EXPECTATIONS TO 2013

Gradually and controlled, we are in the process of shifting our business away from being dependent on income from 3<sup>rd</sup> party software to focus on our own software and building a more profitable services operation.

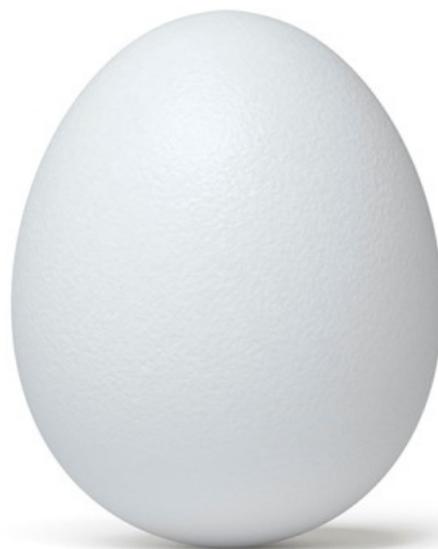
## **The market is growing - still macroeconomic uncertainties**

The consequences of these macroeconomic challenges and uncertainties are, forecasts the research firm IDC, that companies worldwide increasingly have a need for business solutions that help drive down costs, manage risk and improve productivity<sup>3</sup>. This view is supported by the research firm Gartner's 2013 forecast stating that worldwide enterprise IT spending will grow 2.5%<sup>4</sup>.

## **Strong platform for growth**

We believe that Microsoft Dynamics is the right technology platform for the Columbus business and consider Microsoft as a strong technology supplier. During 2013 we expect Microsoft to strengthen their market position against their main competitors such as Infor, SAP and Oracle. This will most likely have a positive influence on Columbus' business, even though in 2012 Microsoft announced a considerable change in the partner program: Going forward customers can choose to purchase their Dynamics software licenses and maintenance under a Microsoft Enterprise Agreement Program which means, that Columbus will only be able to recognize a commission fee and not revenue. Furthermore, Microsoft is lowering the average margins on their products. However, the changes in the partner program are only expected to

have a marginal negative effect on Columbus' revenue; approximately 2% in revenue and approximately 4% in EBITDA. The reason is that Columbus through 2012 and onwards has executed a strategy, which transforms Columbus from a traditional Microsoft reseller into an intellectual asset-based consulting company.



<sup>3</sup> <http://www.idc.com/getdoc.jsp?containerId=prUS23551812>

<sup>4</sup> <http://www.gartner.com/it/page.jsp?id=2238915>



**Columbus 15 - Transformation to intellectual asset-based consulting company**

Gradually and controlled, we are in the process of shifting our business away from being dependent on income from 3rd party software to focus on our own software and building a more profitable services operation. During 2013 we expect to continue executing the strategy Columbus 15.

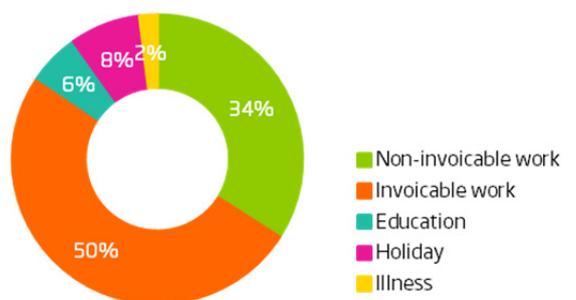


Specifically, we have the following objectives in 2013:

- Grow our own software at least 50% per cent compared to 2012. We will also invest in upgrading and enhancing our own software portfolio to meet market demands and strengthen our competitive position.
- Increase the delivery capacity in our global delivery center to at least 75 consultants and offer more standardized global service offerings such as Solution Upgrades, Application Testing and the standardized support offering ColumbusCare.
- Increase the portion of revenue from selected industries to a level of 60% of total revenue and 75% of new customer wins.

**Focus on lower costs and improved service operations**

During 2013 we are maintaining a tight cost control agenda, both in terms of staff cost and other external cost. Overall we expect to decrease our cost to revenue ratio. In order to achieve higher profits in our services business we are executing the Improve Services Profitability program (ISP) across all companies in the business. The program strengthens various aspects such as project management, rate optimization, resource allocation and risk management. The key for success in this program is to drive down the number of hours not billed to the customers. Based on above assumptions we expect to deliver revenues in the range of DKK 900m and EBITDA in the range of DKK 60m.



Potential of improving our service business

# RISK ISSUES

Columbus attaches the utmost significance to conducting ongoing risk monitoring and management. The overall goal of risk management is to ensure that the company is run with a level of risk, which is in a sensible ratio to the activity level, the nature of the business, and the company's expected earnings and equity

Columbus' potential to realize the company's strategic and operational objectives are subject to a number of commercial and financial risks. Columbus is constantly working on identifying risks that can negatively impact the company's future growth, activities, financial position and results. To the largest extent possible, Columbus tries to accommodate and limit the risks which the company can affect through its own actions.

Below, some of the risk factors management considers as being of special importance to the Group are described in no specific order.

Columbus attaches the utmost significance to conducting ongoing risk monitoring and management. The overall goal of risk management is to ensure that the company is run with a level of risk, which is in a sensible ratio to the activity level, the nature of the business, and the company's expected earnings and equity.

## **Strategic and operational risks**

All companies in the Columbus Group report financial and operational data to the head office on a monthly basis. The reporting includes comments to the financial and business development. Based on this reporting the Group's financial statements are consolidated and reported to the Group management. As part of this process, monthly business reviews and controlling meetings are held, and control visits to all operational companies in the Group are performed on an ongoing basis in order to ensure that considerable errors in the financial reporting are discouraged, discovered and corrected.

Responsibilities, authorities and procedures relating to essential areas are defined in a Group policy which is approved by the Executive Board. The responsibility for maintaining efficient internal controls and a risk management system in connection with the financial reporting lies with the Executive Board which in cooperation with the Board of Directors evaluate the control system of the Group annually.

## **Financial risks**

Columbus' international activities entail that the company's earnings and equity are affected by a number of financial risks and it is the company's policy to identify and cover these risks pursuant to the guidelines set by the Board of Directors and the Executive Board.

The finance policy sets up guidelines for the Group's currency, investment, financing and credit risks in relation to financial counterparts. The overall goal with risk management is to reduce the sensitivity of earnings to fluctuations in economic trends. The overall guidelines for the management of the financial and commercial risks are outlined by the Board of Directors annually with the basis in a low risk profile so that currency and interest risks only emerge in commercial conditions.

As a result of its operation, investments and financing, the Group is exposed to changes in currency rates and interest level. The parent company controls the financial risks in the Group centrally and coordinates the Group's liquidity management, including provision of capital and placement of excess liquidity.

<b>Access to Microsoft's products</b>	<p>Columbus' business foundation is to a wide extent based on the development and implementation of customer solutions based on Microsoft Dynamics. Access to the onward sale of Microsoft Dynamics is therefore of crucial importance to the implementation of Columbus' business strategy and Columbus works with focus on retaining the good relation and the high partner status with Microsoft.</p>
<b>Software development and product innovation</b>	<p>The company's future success, including the opportunities to ensure growth, depends on the ability to continue improving existing solutions, as well as developing new solutions and products adapted to the latest technology and the clients' needs.</p> <p>Columbus has many years of experience developing industry-related solutions and has chosen to separate development activities into a separate company, To-Increase. This will focus resources and make a broader sale of these products possible.</p>
<b>Project and contract risks</b>	<p>It is crucial to Columbus' consulting projects, to be able to execute high quality at the agreed time and price. Risks are attached to the Sale, Analysis and Design, Development, Implementation and Commissioning phases. Columbus has carefully defined the individual phases, activities, and tools contained therein, with a view to active risk management and effective implementation. By focusing on the sales phase, we are striving towards a majority of repetition in solving the customer problems and the procedures by which these problems are managed.</p> <p>Through project reviews and ongoing analyses before, during, and after initiation, Columbus tries to ensure that fixed price contracts are entered into with the correct pricing.</p>
<b>Insurance</b>	<p>The company's insurance policy sets the overall guidelines for the scope and management of the company's risks in terms of insurance.</p> <p>Columbus has taken policies for the compulsory and relevant insurance, which arise ordinarily purchased by comparable companies. Included is insurance for operating material and inventory. Management assessments indicate that the necessary and relevant precautions have been taken to thoroughly cover insurance issues. Columbus' insurance policy is revised annually in consultation with the Board of Directors.</p>
<b>Employee dependency</b>	<p>Columbus is a knowledge-intensive company and in order to continuously offer optimal solutions, develop innovative products, and ensure satisfactory financial results, it is necessary to attract and develop the right employees. Columbus has the goal of being an attractive workplace and achieves this through incentive programs, attractive working conditions, employee and manager development, and placing great importance on the company culture.</p>
<b>Foreign exchange rate risk</b>	<p>A considerable part of Columbus' revenue is billed in currency other than DKK. Other currencies are mainly GBP, RUB, NOK and USD.</p> <p>In the area of currency risk, Columbus strives to match expenses against income and liabilities against assets. Furthermore, as many expenses and liabilities as possible are denominated in DKK and EUR. The actual currency risk is therefore limited to the cash flow that is not in DKK and EUR. In connection with international contracts, foreign currency risks are limited primarily through servicing from the local companies so that the Group's income and costs in foreign currency correspond as much as possible.</p> <p>Despite this, greater fluctuations in the most important currencies will have an influence on the financial position as well as the competitive ability.</p> <p>The financial instruments in foreign currency are all essentially composed of receivables and debt, as well as bank deposits.</p> <p>The Group has not entered into any forward exchange transactions.</p>
<b>Interest risk</b>	<p>Fluctuation in the interest level has a limited effect on the Columbus Group's financial instruments. By the end of 2012 an increase of 0.5 percentage points would increase the value of the Columbus Group's financial obligations by DKK 0.0M (2011: DKK 0.0m).</p> <p>The financial obligations included in the sensitivity analysis consist of long-term and short-term debt to credit institutions. The larger part of the Group's excess cash flow is placed in short-term deposits at a variable interest.</p>
<b>Credit risk</b>	<p>The credit risk is the risk of a counterpart neglecting to fulfill its contractual obligations and in so doing imposing a loss on Columbus. The credit risk is monitored centrally.</p> <p>The Group's credit risk originates mainly from receivables from the sale of products and services as well as deposits in financial institutions. Receivables from the sale of products and services are split between many customers and geographic areas. A systematic credit rating of all customers in the individual companies is conducted as well as considering the Group's internal guidelines in this area. Likewise, the rating forms the basis for the payment terms offered to the individual customer.</p>
<b>Cash flow risk</b>	<p>Columbus ensures the necessary cash flow through cash management and tight local monitoring of cash flow in subsidiaries.</p>

# CORPORATE GOVERNANCE

Columbus' management model and organization are adapted on an ongoing basis to ensure we are equipped to manage to our utmost all obligations to shareholders, clients, employees, authorities, as well as other interested parties. In this process, Columbus uses the corporate governance recommendations from NASDAQ OMX Copenhagen as an important source of inspiration. The recommendations can be found at [www.corporategovernance.dk](http://www.corporategovernance.dk).

The Board of Directors is fundamentally in total agreement with NASDAQ OMX Copenhagen's recommendations about good company management. Columbus endeavors to follow the relevant recommendations for the company, which support the business and ensure value for the company's interested parties. The statutory report on Corporate Governance, cf. section 107b of the Danish Financial Statements Act, is available on the Company's website: [www.columbusglobal.com/Investor/Corporate Governance](http://www.columbusglobal.com/Investor/Corporate%20Governance)

## **Dialogue between the company and its shareholders**

The communication between Columbus and shareholders primarily takes place at the company's annual general meeting and via company announcements. Columbus' shareholders may subscribe to Columbus' e-mail service and receive company announcements, interim management statements, interim reports and annual reports as well as other news via e-mail.

## **The general meeting**

The general meeting has the final authority over the company. The Board of Directors emphasize that the shareholders are given detailed information and an adequate basis for the decisions to be made by the general meeting.

## **The Board of Directors**

The Board of Directors in Columbus consists of five members with broad professional experience and relevant special competencies. The board members are elected for one year at a time with the option for re-election. The number of board members is considered adequate by the Board of Directors, and likewise the composition of the board is considered appropriate in terms of professional experience and relevant special competences to perform the tasks of the Board of Directors. The Board of Directors continuously assesses whether the competences and expertise of members need to be updated. At least half of the members elected by the general meeting are independent persons, and none of the board members participates in the day-to-day operation of the Group. For more details about the members of the Board of Directors and the members of the audit committee, please see "Board of Directors and Executive Board" on page 24.

The Board of Directors ensures that the Executive Board observes the objectives, strategies and business processes agreed by the Board of Directors. Information from the Executive Board occurs systematically as well as at meetings and in written and verbal ongoing reporting. The reporting contains information about the financial development as well as profitability.

The Board of Directors holds at least eight meetings a year according to a meeting schedule planned one year in advance on the board meeting in December. Extraordinary board meetings are held according to need. In 2012 11 board meetings were held. The Executive Board ensures that the Board of Directors is informed about the Group's results and financial development in between the regular meetings, and extraordinary general meetings are held if necessary.

The Board of Directors makes decisions about acquisitions, large investments and divestments, size and composition of capital base, long-term debt, controlling, auditing and considerable operational circumstances, etc.



Mark Britton, Columbus UK



Darya Kulikova, Columbus Russia

The rules of procedure lay down guidelines for reporting from the Executive Board to the Board of Directors and for the communication between the parties. The rules of procedure are reviewed once a year in order to match the current needs of the company. The Board of Directors appoints the CEO and other members of the Executive Board. Under the leadership of the CEO, the Executive Board is responsible for planning and executing the strategy. The members of the Executive Board are not members of the Board of Directors, but normally they participate in board meetings.

#### **Audit Committee**

In April 2009 the Company appointed an Audit Committee, the purpose of which is to consider accounting, audit, risk and controlling issues. The tasks of the Audit Committee have been determined in a terms of reference which has been approved by the Board of Directors. The Committee determines the meeting frequency. In 2012 three meetings were held.

#### **Audit**

The framework for the auditor's work, including fee, is described in an agreement. The fee is approved by the Audit Committee. The results of the audit, including the auditor's observations and opinion, are discussed at meetings with the Audit Committee and the Board of Directors. The auditor always participates in the board meeting at which the group's financial statements are presented and approved.

#### **Authorizations of the Board of Directors**

At the time of submission of the Annual Report 2012, the Board of Directors is authorized to increase the share capital by up to 16,000,000 shares of DKK 1.25 in one or more tranches. In addition to this authorization, the Board of Directors is authorized to increase the share capital by up to DKK 607,500 in one or more tranches as part of issuing new shares in favor of employees of Company and subsidiaries.

With respect to any new shares subscribed in accordance with this authorization, the same rules apply as those applying to existing shares in the Company.

The Board of Directors is authorized to acquire up to 10% of the Company's share capital against payment which must not vary more than +/- 10% of the price quoted at NASDAQ OMX Copenhagen A/S for the shares immediately prior to the acquisition.

#### **Amendment of Articles of Association**

Resolutions to amend the Articles of Association requires that at least half of the share capital is represented at the General Meeting, and the resolutions must be approved by at least 2/3 of the votes cast and 2/3 of the registered voting share capital. Proposals presented or recommended by the Board of Directors may, however, always be passed with at least 2/3 of both the votes cast and the voting share capital represented, regardless of the amount of the share capital represented. If less than 50% of the share capital is represented at the General Meeting but the resolution has been passed with 2/3 of both the votes cast and the registered voting share capital represented, a new General Meeting must be called within three weeks, where the resolution may be passed with 2/3 of both the votes cast and the registered voting share capital represented, irrespective of whether 50% of the share capital is represented.

#### **Risk management**

The description of internal controls and risk management in connection with the financial statements can be found under the section "Risk issues" on page 18.

### **CORPORATE GOVERNANCE**

The statutory report on Corporate Governance, cf. section 107b of the Danish Financial Statements Act, is available on the Company's website: [www.columbusglobal.com/Investor/CorporateGovernance](http://www.columbusglobal.com/Investor/CorporateGovernance)

# CORPORATE SOCIAL RESPONSIBILITY

## **Code of conduct**

Columbus Code of Conduct is our general ethical guideline for business conduct to ensure that we in Columbus on a global level are dedicated to promote ethical business practices and protect Columbus against corruption and other unethical business behavior.

## **Transparency and credibility**

In Columbus we are committed to show complete openness towards customers, employees, shareholders, suppliers and other stakeholders. It is essential that their understanding of our services and products is accurate, updated and truthful. Therefore there is no incongruence between what we communicate within the company and what we do externally. Among other things we show this by putting our internal news letters to employees on our website, where they are publicly available.

## **Anti-corruption**

We will not tolerate corruption, money laundering, bribery or other illegal or unethical business activity. Our performance and competitiveness are strengthened solely through lawful conduct. The group's anti-corruption position has been clearly communicated to all subsidiaries. Furthermore, we have implemented Columbus Authorization and Risk Management Rules (CARMR), which encompass rules on the authorization hierarchy and ensure the senior management's and/or the board's involvement in major contracts and investments.

## **Multiplicity and non-discrimination**

All employees in Columbus are carefully selected on the basis of professional competences without regard to religion, race, skin color, disability, gender, age or sexual or political orientation. We regard multiplicity as strength and we will not tolerate discrimination or harassment.

## **Taking care of employees**

In Columbus we attract the most competent employees and we wish to retain them. Therefore, we strive to create a healthy and safe work environment. In addition we aim to create high quality and stimulating working conditions for all employees globally. This is ensured through policies in our employee well-being handbooks as well as our competence development program, Columbus Competence and Career framework and our monthly employee satisfaction survey, Heartbeat. As a fundamental aspect of our operation all employees are encouraged to teamwork and share knowledge across borders. This is substantiated by our global delivery model.



## **Our CSR focus in 2013**

Columbus employees' working conditions will be the main focus of our CSR efforts in 2013. The employee handbooks in our subsidiaries treat local policies on working conditions, employee well-being and employee development. In our CSR efforts, we will focus on current initiatives, which apply to all employees globally, because we strive to do an even greater effort in this field.



Sandra Kanapienyte, Columbus Lithuania



Erki Tammeleht, Columbus Estonia

### Employee development

In 2013 we roll out Columbus Competence and Career Framework, which is a system designed to ensure a targeted and structured effort on our employees' competence and career development. In addition, all our consultants globally are being certified in our unique business concepts such as SureStep+, Rapid Value and other technologies.

### Employee well-being

At the beginning of 2013 we launched Heartbeat, our global employee satisfaction survey, which is conducted on a monthly basis. The purpose of Heartbeat is continuously to improve the employee satisfaction in Columbus.



### Employee recognition

In Columbus, we are proud of our many talented employees, and therefore we launched the portal Faces of Columbus in 2012, where all employees are encouraged to share portraits of themselves. This is of course entirely voluntary. We utilize the pictures in both our internal and external communications.

We have launched our annual awards Columbus Awards on a global level. The purpose is to recognize and celebrate the individuals and teams, who have made a special effort and delivered extraordinary performances, in particular towards our customers. The winners of Columbus Awards are individual employees, teams and subsidiaries.

### Employee dialogue

We strive to grow dialogue with our employees and dialogue between employees in Columbus across borders in order to strengthen our community. The aim is that everyone feels as part of a global team, and that everyone's voice counts and is listened to. Therefore, we have launched Yammer, our social, digital forum where all employees have the opportunity to debate with each other, ask questions, post inspirational messages and follow each other's achievements. We also publish a global newsletter, which is aimed to be inspirational and motivational to work towards our common goals as well as the voice of the people of Columbus.

### United Nations Global Compact

In 2012 we joined the United Nations Global Compact to show internally and externally, that we support and enact ten general principles of corporate social responsibility. These principles are based on internationally recognized conventions on human rights, labor standards, environment and anti-corruption.

### Evaluation of results

We have not evaluated the results of our CSR efforts in 2012 within our focus areas anti-corruption and employee conditions. This is due to the fact that our CSR policy was launched in 2013, and thus this is our first CSR report. In our 2014 CSR report we will evaluate the results of the described CSR initiatives in 2013 and set the targets for the coming year.

Read the full CSR report on:

[www.columbusglobal.com/Investor/Corporate Governance](http://www.columbusglobal.com/Investor/Corporate%20Governance)

# THE BOARD OF DIRECTORS AND EXECUTIVE BOARD

## Board of Directors

### Ib Kunøe

Born 1943

Chairman of the Board

Joined the Board in 2004

Does not fulfill the Committee of Corporate Governance definition of independency

#### *Chairman of the Board for:*

Atea ASA, CDRator A/S, Consolidated Holdings A/S, core:workers A/S, DAN-Palletiser A/S, DAN-Palletiser Holding A/S, Morsing PR ApS, Netop Solutions A/S, Sparresholm Jagtelskab ApS and CDRator A/S

#### *Member of the Board for:*

Atrium Partner A/S, Primare AB, X-Yacht A/S and X-Yacht Holding A/S

#### *Special competences:*

Company management, including management of IT companies as well as dealing with companies

Ownership in Columbus A/S	Number	Changes in fiscal year
Shares	51,296,421	42,390
Options	0	0
Warrants	60,000	60,000

### Jørgen Cadovius

Born 1945

Deputy Chairman of the Board

Joined the Board in 2004

Solicitor

Does fulfill the Committee on Corporate Governance definition of independency

#### *Chairman of the Board for:*

A&C Catering A/S, Frese A/S, Frese Metal- og Stålstøberi A/S, Frugtring A/S, Inter Express Transport A/S, Objective A/S and Europa Frugt Økologi A/S

#### *Member of the Board for:*

Jørgen Schultz Holding A/S, Theodor Lund & Petersen Holding A/S

#### *Special competences:*

General management as well as legal and company law

Ownership in Columbus A/S	Number	Changes in fiscal year
Shares	24,000	0
Options	0	0
Warrants	60,000	60,000

### Peter Skov Hansen

Born 1951

Joined the Board in 2012

Previous State Authorized Public Accountant

Chairman of the Audit Committee

Does fulfill the Committee of Corporate Governance definition of independency

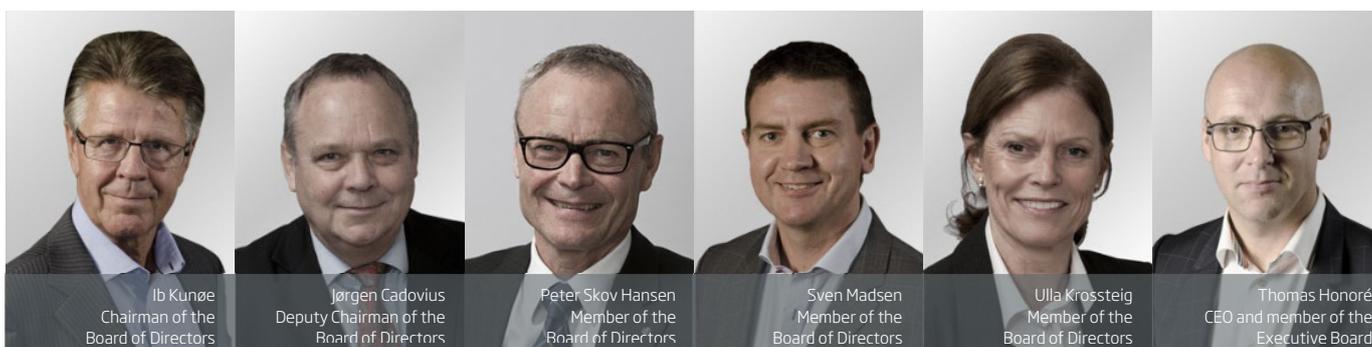
#### *Member of the Board for:*

X-Yachts Holding ApS, X-Yachts A/S and Robotek Gruppen A/S

#### *Special competences:*

Business development and financial, accounting and tax related issues

Ownership in Columbus A/S	Number	Changes in fiscal year
Shares	40,000	40,000
Options	0	0
Warrants	60,000	60,000



Ib Kunze  
Chairman of the  
Board of Directors

Jørgen Cadovius  
Deputy Chairman of the  
Board of Directors

Peter Skov Hansen  
Member of the  
Board of Directors

Sven Madsen  
Member of the  
Board of Directors

Ulla Krossteig  
Member of the  
Board of Directors

Thomas Honoré  
CEO and member of the  
Executive Board

## Sven Madsen

Born 1964

Joined the Board in 2007

CFO in Consolidated Holdings A/S

Member of the Audit Committee

Does not fulfill the Committee of Corporate Governance definition of independency

### *Chairman of the Board for:*

Columbus IT Partner Finance A/S, CHV IV A/S and CHV III A/S

### *Member of the Board for:*

Consolidated Holdings A/S, core:workers AB, core:workers A/S, Ejendomsaktieselskabet af 1920 A/S, Primare AB, DAN-Palletiser Holding A/S, DAN-Palletiser A/S, DAN-Palletiser Finans A/S, PokerOffice Holding Limited, PokerOffice AB, Northern Link PR ApS, Atea ASA, Friis Label Factory A/S and Friis Group Holding ApS

### *Special competences:*

General management as well as economical and financial issues

Ownership in Columbus A/S	Number	Changes in fiscal year
Shares	408,529	0
Options	0	0
Warrants	60,000	60,000

## Ulla Krossteig

Born 1948

Joined the Board in 2011

Previous State Authorized Public Accountant

Member of the Audit Committee

Does fulfill the Committee of Corporate Governance definition of independency

### *Member of the Board for:*

Svendborg Importfirma A/S, AT af 1. juni 2010 A/S and Limpopo web A/S

### *Special competences:*

Economic and financial issues

Ownership in Columbus A/S	Number	Changes in fiscal year
Shares	0	0
Options	0	0
Warrants	60,000	60,000

## Executive Board

### Thomas Honoré

Born 1969

Joined as CEO in May 2011

Ownership in Columbus A/S	Number	Changes in fiscal year
Shares	100,000	100,000
Options	0	0
Warrants	866.666	0

# SHAREHOLDER INFORMATION

## Shareholder information

Columbus A/S's shares have been listed on NASDAQ OMX Copenhagen since May 1998 and have ID code DK0010268366 and abbreviated name COLUM. Columbus A/S is included in the Small Cap index.

At the end of 2012, the price of the Columbus A/S share was DKK 1.69, whilst at the end of 2011 it was DKK 1.40 - an increase of 20.7% (2011: -43.1%).

In 2012, a total of 12.4m shares were sold corresponding to 12% of the total number of shares at the end of 2012 (2011: 18%). The average revenue per business day in 2012 comprised at DKK 0.08m (2011: DKK 0.16m).

The company's market value amounted to DKK 178.7m at the end of 2012 against DKK 148m at the end of 2011.

At the end of 2012 the share capital in Columbus A/S comprised of 105,739,493 shares at DKK 1.25 corresponding to nominal share capital of DKK 132,174,366 (2011: 105,739,493 shares at DKK 1.25, corresponding to nominal share capital of DKK 132,174,366).

Each share provides one vote. The shares are marketable securities and no restrictions have been set for the shares' negotiability. The shares must be named and noted in the company's share register.

## Ownership

At the end of 2012 Columbus A/S had 5,748 registered shareholders, which together owned 98.1% of the total share capital.

The following shareholders have informed Columbus A/S of possession of 5% or above of the share capital:

	Number of shares	%
Consolidated Holdings	51,296,421	48.51%

Members of Columbus A/S's Board of Directors and Executive Board owned in total 49.13% of the share capital at the end of 2012.

## Dividends

Columbus A/S has not yet paid a dividend and one is not expected to occur in the next few years.

The timing and size of possible dividends depends on the Company's future earnings.



Christopher Johnston, Columbus US



Ivo Suursoo, Columbus Baltic States

### Investor Relations

Columbus endeavors to provide a high and consistent level of information to our shareholders and other interested parties. A company goal is to have an active dialogue with shareholders, share analyst, the press and the public as a whole. Communication with interested parties takes place via the ongoing publication of notifications, investor presentations and individual meetings.

The website [www.columbusglobal.com](http://www.columbusglobal.com) is the primary source of information for interested parties. It is updated constantly with new information about Columbus' results, activities and strategy. Shareholders, analysts, investors, stockbrokers as well as other interested parties who have questions regarding Columbus are requested to inquire at:

### Columbus

Lautrupvang 6  
 2750 Ballerup  
 Contact person: CFO, Hans Henrik Thrane  
 Phone: +45 70 20 50 00  
 e-mail: [hht@columbusglobal.com](mailto:hht@columbusglobal.com)

### General meeting

The company's general meeting will be held on 25 April 2012 at 10.00 a.m. on the Company's address at: Lautrupvang 6, 2750 Ballerup.

## Development in share capital

Development in share capital in Columbus A/S since 1 January 2012	Total share capital (DKK nom.)	No. of shares DKK 1.25
There has been no development in the number of shares during the financial year 2012	132,174,366	105,739,493

# NOTIFICATIONS TO NASDAQ OMX COPENHAGEN

## 2012

1	20 January	Incentive Scheme
2	25 January	Amendment of Articles of Association
3	1 March	Columbus acquires First Tech Direct
4	28 March	Annual Report 2011
5	28 March	Columbus fulfills announced expectations to 2011
6	30 March	Notice to convene Annual General Meeting
7	27 April	Interim management statement Q1 2012
8	27 April	Passing of Columbus A/S (previously Columbus IT Partner A/S) Annual General Meeting and subsequent constitution of the Board of Directors
9	27 April	Columbus IT Partner A/S becomes Columbus A/S
10	23 May	Incentive Scheme
11	23 May	Trading in Columbus A/S shares by insiders
12	23 May	Amendment of Articles of Association
13	24 May	Trading in Columbus A/S shares by insiders
14	7 August	Changes in the Board of Directors in Columbus A/S
15	16 August	Interim Report 2012
16	29 August	Incentive Scheme
17	31 August	Amendment of Articles of Association
18	31 August	Trading in Columbus A/S shares by insiders
19	14 September	Trading in Columbus A/S shares by insiders
20	21 September	Changes to Financial Calendar 2012
21	31 October	Columbus enters into strategic alliance with Abecon in Benelux
22	1 November	Interim management statement Q3 2012
23	13 November	Trading in Columbus A/S shares by insiders
24	5 December	Financial calendar 2013

## Expected publication of financial information

Interim management statement Q1 2013	25 April 2013
Interim report 2013	16 August 2013
Interim management statement Q3 2013	5 November 2013

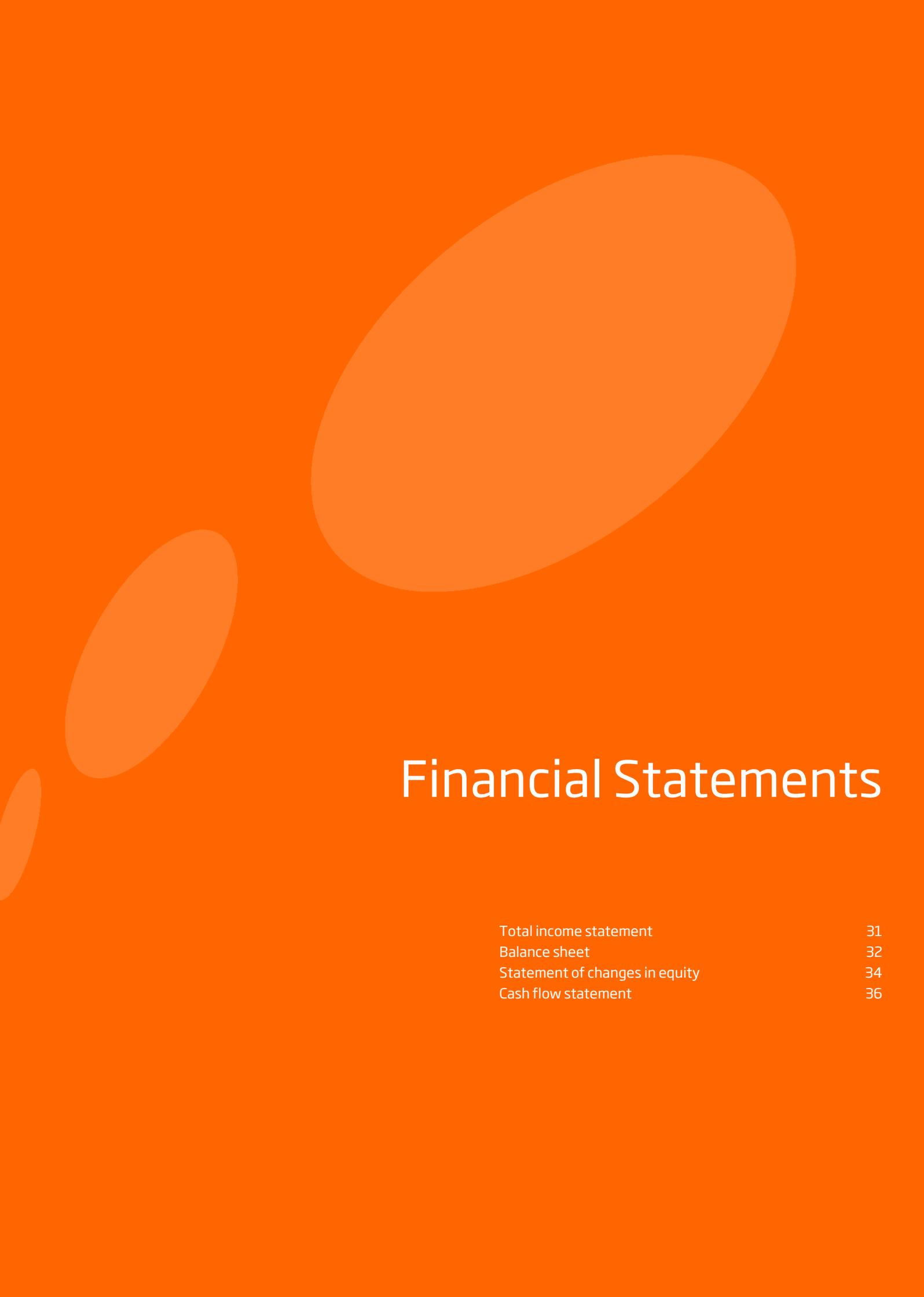
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# GROUP OVERVIEW

Company	Country	Ownership by Columbus A/S, %	Columbus A/S's share of voting right, %	No. employees 31/12 2012
Columbus A/S	Denmark			
<b>Affiliated companies</b>				
<b>Western Europe</b>				
Columbus Danmark A/S	Denmark	100	100	160
Columbus NSC A/S	Denmark	100	100	28
Columbus Norway AS	Norway	73	73	87
Columbus Global (UK) Ltd	England	100	100	84
To-Increase B.V.	Netherlands	100	100	42
<b>Eastern Europe</b>				
ZAO Columbus IT Partner	Russia	100	100	142
Columbus IT Partner Ukraine	Ukraine	100	100	4
Columbus IT Partner Kazakhstan	Kazakhstan	100	100	3
Columbus IT Partner (Russia) Limited	Cyprus	100	100	0
UAB Columbus Lietuva	Lithuania	100	100	61
Columbus Eesti AS	Estonia	51	51	57
Columbus Polska Sp. z o.o.	Poland	98.1	98.1	37
Columbus IT Partner SIA *	Latvia	33	33	20
<b>North America</b>				
Columbus US Inc.	USA	100	100	145
<b>Associated companies</b>				
<b>Western Europe</b>				
e-Con Solutions B.V.	Netherlands	33	33	9
<b>Rest of the world</b>				
Columbus IT Middle East FZ-LLC	United Arab Emirates	23	23	68
Columbus IT - Qatar W.L.L.	Qatar	17	17	0
Columbus IT Private Limited	India	20	20	62

Note: The overview only contains the Group's operative companies.

\* Columbus Eesti AS owns 63% of Columbus IT Partner SIA. Columbus A/S is controlling shareholder in Columbus IT Partner SIA by indirect disposal of the voting right through control of the majority in the ownership of Columbus Eesti AS.



# Financial Statements

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# TOTAL INCOME STATEMENT

DKK '000	Note	Group		Parent Company	
		2012	2011	2012	2011
Net revenues	4	892,505	793,563	33,764	33,050
External project costs		-245,590	-199,748	2	0
<b>Gross earnings</b>		<b>646,915</b>	<b>593,815</b>	<b>33,766</b>	<b>33,050</b>
Staff expenses	5	-472,771	-435,309	-16,159	-20,989
Other external costs		-123,667	-128,759	-14,405	-20,240
Other operating income		1,596	2,155	818	1,945
Other operating costs		0	-1,237	-1,681	-18,074
<b>Earnings before depreciation (EBITDA)</b>		<b>52,073</b>	<b>30,665</b>	<b>2,339</b>	<b>-24,308</b>
Depreciation	9, 10	-27,948	-23,948	-1,914	-757
<b>Earnings before write down of goodwill (EBITA)</b>		<b>24,125</b>	<b>6,717</b>	<b>425</b>	<b>-25,065</b>
Write down of goodwill	9, 11	0	0	0	0
<b>Operating profit (EBIT)</b>		<b>24,125</b>	<b>6,717</b>	<b>425</b>	<b>-25,065</b>
Results in affiliated companies		0	0	29,056	37,535
Results in associated companies	13	-3,781	1,305	0	0
Financial income	6	362	1,420	2,371	393
Financial expense	6	-2,239	-3,142	-2,060	-2,428
<b>Pre-tax earnings, continuing operations</b>		<b>18,467</b>	<b>6,300</b>	<b>29,792</b>	<b>10,435</b>
Tax on result for the year, continuing operations	7	-15,750	565	-6,662	1,393
<b>Result for the year, continuing operations</b>		<b>2,717</b>	<b>6,865</b>	<b>23,130</b>	<b>11,828</b>
<b>Result for the year, discontinued operations</b>	12	<b>-2,572</b>	-16,929	<b>0</b>	<b>0</b>
<b>Result for the year</b>		<b>145</b>	<b>-10,064</b>	<b>23,130</b>	<b>11,828</b>
Foreign exchange rate translation re. subsidiaries		1,418	-547	0	0
<b>Other total income</b>		<b>1,418</b>	<b>-547</b>	<b>0</b>	<b>0</b>
<b>Total income for the year</b>		<b>1,563</b>	<b>-10,611</b>	<b>23,130</b>	<b>11,828</b>
Allocated thus:					
Shareholders in Columbus A/S		-3,739	-11,248		
Minority interests		3,884	1,184		
		<b>145</b>	<b>-10,064</b>		
Other total income allocated thus:					
Shareholders Columbus A/S		-2,004	-12,042		
Minority interests		3,567	1,431		
		<b>1,563</b>	<b>-10,611</b>		
Earnings per share of DKK 1.25 (EPS)	8	-0.04	-0.12		
Earnings per share of DKK 1.25, diluted (EPS-D)	8	-0.04	-0.12		
Result of continuing operations per share of DKK 1.25 (EPS)	8	0.03	0.06		
Result of continuing operations per share of DKK 1.25, diluted (EPS)	8	0.03	0.06		

# BALANCE SHEET

DKK '000	Note	Group		Parent Company	
		2012	2011	2012	2011
<b>ASSETS</b>					
Goodwill		171,196	156,286	0	0
Royalties		3,111	5,035	1,991	3,127
Development projects finalized		43,684	45,824	86	364
Development projects in progress		6,738	8,538	0	0
<b>Intangible assets</b>	9	<b>224,729</b>	<b>215,683</b>	<b>2,077</b>	<b>3,491</b>
Leasehold improvement		933	1,101	0	0
Plant and operating equipment		10,511	7,903	999	1,052
<b>Tangible assets</b>	10	<b>11,444</b>	<b>9,004</b>	<b>999</b>	<b>1,052</b>
Holdings in affiliated companies	11	0	0	264,336	257,455
Holdings in associated companies	13	971	2,363	527	527
<b>Financial assets</b>		<b>971</b>	<b>2,363</b>	<b>264,863</b>	<b>257,982</b>
Deferred tax assets	7	21,077	27,682	7,568	14,232
<b>Total long-term assets</b>		<b>258,221</b>	<b>254,732</b>	<b>275,507</b>	<b>276,757</b>
Inventories		927	2,035	0	0
Trade receivable	14	153,523	153,632	26	599
Contract work in progress	15	28,132	15,809	0	0
Receivables from affiliated companies	16	0	0	45,358	81,392
Corporation tax	7	540	2,579	0	0
Other receivables		11,515	10,070	5,309	1,292
Prepayments		8,388	5,481	361	375
<b>Receivables</b>		<b>202,098</b>	<b>187,571</b>	<b>51,054</b>	<b>83,658</b>
Cash		38,812	46,086	2,702	3,937
<b>Total short-term assets</b>		<b>241,837</b>	<b>235,692</b>	<b>53,756</b>	<b>87,595</b>
<b>TOTAL ASSETS</b>		<b>500,058</b>	<b>490,424</b>	<b>329,263</b>	<b>364,352</b>

# BALANCE SHEET

DKK '000	Note	Group		Parent Company	
		2012	2011	2012	2011
<b>LIABILITIES</b>					
Share capital	18	132,174	132,174	132,174	132,174
Reserves on foreign currency translation		-7,300	-8,252	0	0
Retained profit		148,152	151,430	164,402	140,919
<b>Group shareholders equity</b>		<b>273,026</b>	<b>275,352</b>	<b>296,576</b>	<b>273,093</b>
Minority interests		7,507	7,642	0	0
<b>Equity</b>		<b>280,533</b>	<b>282,994</b>	<b>296,576</b>	<b>273,093</b>
Defered tax	7	312	432	0	0
Provisions		1,037	1,415	0	0
Debt to credit institutions		58	0	0	0
Financial leasing obligations		0	59	0	0
Other debt	19	1,270	1,270	0	0
<b>Long-term debt</b>		<b>2,677</b>	<b>3,176</b>	<b>0</b>	<b>0</b>
Credit institutions		7	2,828	0	0
Financial leasing obligations		0	156	0	0
Debt to affiliated companies		0	0	27,776	83,399
Client prepayments		17,612	15,626	0	0
Trade accounts payable		64,272	71,315	1,979	2,476
Corporation tax	7	6,434	4,587	0	0
Other debt	19	113,301	99,205	2,932	5,384
Accruals		15,222	10,537	0	0
<b>Short-term debt</b>		<b>216,848</b>	<b>204,254</b>	<b>32,687</b>	<b>91,259</b>
<b>Total debt</b>		<b>219,525</b>	<b>207,430</b>	<b>32,687</b>	<b>91,259</b>
<b>TOTAL LIABILITIES</b>		<b>500,058</b>	<b>490,424</b>	<b>329,263</b>	<b>364,352</b>

# STATEMENT OF CHANGES IN EQUITY - GROUP

DKK '000	Shareholders in Columbus A/S				Equity
	Share capital	Reserves on foreign currency translation	Retained profit	Minority interests	
<b>Group 2012</b>					
<b>Balance at 1 January 2012</b>	<b>132,174</b>	<b>-8,252</b>	<b>151,430</b>	<b>7,642</b>	<b>282,994</b>
Result for the year	0	0	-3,739	3,884	145
Other comprehensive income (foreign currency translation re. foreign enterprises)	0	952	783	-317	1,418
<b>Total income for the year</b>	<b>0</b>	<b>952</b>	<b>-2,956</b>	<b>3,567</b>	<b>1,563</b>
Incentive scheme	0	0	1,200	0	1,200
Acquisition of minority interests	0	0	-1,522	1,327	-195
Payment of dividend	0	0	0	-5,029	-5,029
<b>Balance at 31 December 2012</b>	<b>132,174</b>	<b>-7,300</b>	<b>148,152</b>	<b>7,507</b>	<b>280,533</b>
<b>Group 2011</b>					
<b>Balance at 1 January 2011</b>	<b>132,174</b>	<b>-7,458</b>	<b>163,131</b>	<b>12,176</b>	<b>300,023</b>
Result for the year	0	0	-11,248	1,184	-10,064
Other comprehensive income (foreign currency translation re. foreign enterprises)	0	-794	0	247	-547
<b>Totalindkomst for regnskabsåret</b>	<b>0</b>	<b>-794</b>	<b>-11,248</b>	<b>1,431</b>	<b>-10,611</b>
Incentive scheme	0	0	314	0	314
Acquisition of minority interests	0	0	-767	-260	-1,027
Payment of dividend	0	0	0	-5,705	-5,705
<b>Balance at 31 December 2011</b>	<b>132,174</b>	<b>-8,252</b>	<b>151,430</b>	<b>7,642</b>	<b>282,994</b>

# STATEMENT OF CHANGES IN EQUITY – PARENT COMPANY

DKK '000	Share capital	Reserves on foreign currency translation	Retained profit	Equity
<b>Parent company 2012</b>				
<b>Balance at 1 January 2012</b>	<b>132,174</b>	<b>0</b>	<b>140,919</b>	<b>273,093</b>
Total income for the year	0	0	23,130	23,130
Opening balance	0	0	-652	-652
Incentive scheme	0	0	1,200	1,200
Acquisition of minority interests	0	0	-195	-195
Payment of dividend	0	0	0	0
<b>Balance at 31 December 2012</b>	<b>132,174</b>	<b>0</b>	<b>164,402</b>	<b>296,576</b>
<b>Parent company 2011</b>				
<b>Balance at 1 January 2011</b>	<b>132,174</b>	<b>0</b>	<b>129,804</b>	<b>261,978</b>
Total income for the year	0	0	11,828	11,828
Incentive scheme	0	0	314	314
Acquisition of minority interests	0	0	-1,027	-1,027
<b>Balance at 31 December 2011</b>	<b>132,174</b>	<b>0</b>	<b>140,919</b>	<b>273,093</b>

# CASH FLOW STATEMENT

DKK '000	Note	Group		Parent company	
		2012	2011	2012	2011
Operating profit (EBIT)		24,125	6,717	425	-25,065
Depreciations and amortizations	9, 10	27,948	23,948	1,914	757
Cost of incentive scheme	5	1,200	314	1,200	314
Changes in net working capital	24	-3,996	29,826	-21,565	13,136
<b>Cash flow from primary activities</b>		<b>49,277</b>	<b>60,805</b>	<b>-18,026</b>	<b>-10,858</b>
Interest received, etc.	6	362	1,420	2,371	393
Interest paid, etc.	6	-2,239	-3,142	-2,060	-2,428
Corporation tax paid	7	-5,839	-4,656	0	0
<b>Cash flow from operating activities</b>		<b>41,561</b>	<b>54,427</b>	<b>-17,715</b>	<b>-12,893</b>
Net increase in development projects		-16,548	-24,972	0	0
Acquisition of tangible assets	10	-7,485	-7,005	-492	-1,050
Acquisition of intangible assets	9	0	-3,588	0	-3,249
Disposal of tangible assets		24	113	44	0
Capital increase in affiliated companies		0	0	-11,780	-10,469
Acquisition of affiliated companies	20	-17,342	0	0	0
Disposal of affiliated companies	20	1,770	-195	2,235	1,863
Acquisition of minority interests		-195	-767	-195	-767
Dividends received from affiliated companies		0	0	29,056	37,535
<b>Cash flow from investing activities</b>		<b>-39,776</b>	<b>-36,414</b>	<b>18,868</b>	<b>23,863</b>
Overdraft facilities		-2,929	-12,896	0	-7,095
Dividends paid to minority shareholders		-5,029	-5,706	0	0
Loan to affiliated companies		-2,388	0	-2,388	0
<b>Cash flow from financing activities</b>		<b>-10,346</b>	<b>-18,602</b>	<b>-2,388</b>	<b>-7,095</b>
<b>Cash flow from continuing operations</b>		<b>-8,561</b>	<b>-589</b>	<b>-1,235</b>	<b>3,875</b>
<b>Cash flow from discontinued operations</b>		<b>61</b>	<b>-19,339</b>	<b>0</b>	<b>0</b>
Cash funds at the beginning of the year		46,086	68,448	3,937	62
Exchange rate adjustments		1,226	-2,434	0	0
<b>Cash funds at the end of the year</b>		<b>38,812</b>	<b>46,086</b>	<b>2,702</b>	<b>3,937</b>



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