11th August 2005

Stock Exchange Release no. 22/2005

Interim Report

2005

PROFILE:
Columbus IT Partner operates as an IT consultancy in the market for integrated business solutions based on Microsoft Business Solutions primarily for small and medium-sized international companies. Columbus IT Partner is a service organization with 850 staff operating in 25 countries. Our customer base consists of more than 5000 small and medium-sized enterprises and units of large companies.
www.columbusit.com.

Positive developments compared to 2004

The forecast for pre-tax earnings for 2005 is for DKK 8-13m compared to a DKK 28m deficit in 2004; an improvement of DKK 36-41m.

Columbus has enjoyed positive developments during the first half of 2005. We have been successful in getting all the companies on the right track and apart from four countries, all the companies reported profits for the first half of 2005 and all are expected to report profits for the second half. 2005 will be characterized by major changes in Russia where in the short term the company has incurred extraordinary costs following a wide-ranging reorganization but on the other hand, we have succeeded in gaining complete ownership and full control of the company's operations.

Replacement of the management team, restructuring and extraordinary depreciations have, however, meant some extra extraordinary costs/investments for the parent company.

The development can be summed up as follows:

- Columbus IT Partner's Q1-2 2005 revenues were DKK 305.8m (DKK 293.3m in 2004). These are the highest interim operating revenues ever reported by Columbus IT Partner.

- The US market that is so important for Columbus IT Partner is enjoying rapid growth: 88% in revenues and 160% in EBITDA.

- First half operating profits (EBITDA) were DKK 10.7m (DKK 7.5m in 2004).

- Earnings before tax and write down of goodwill for Q1-2/2005 were DKK 5m (DKK 0m in 2004). First half earnings before tax but after write down of goodwill were DKK 1m (DKK -3.0m in 2004).

- The Company's cash flow is positive for the first time in several years.

- At the end of Q2, Columbus IT Partner had a headcount of 823, a net increase of 31 since the end of 2004.

- The Group's equity was DKK 115.2m, giving a solvency ratio of 31% (8% in 2004).

- On 10th July 2005, Columbus IT Partner received the prestigious "Global Partner of the Year Award" from Microsoft Business Solutions. The Global Partner of the Year Award is awarded by Microsoft to one of the largest Microsoft Business Solutions partners with the most extensive global coverage and representation, the highest level of customer satisfaction and the expertise and capacity to deliver complex ERP and CRM solutions to major international companies.

- Microsoft has signed an Axapta Industry Builder Agreement with Columbus IT Partner, making us responsible for developing a global retail solution for inclusion in Microsoft Business Solutions Axapta. Development of the retail solution will be based on the 'Columbus Retail Suite', an existing vertical solution developed by Columbus IT Partner. This is the first step toward a strategic move to further develop Columbus IT Partner into a vertical/industrially-oriented organization, closely linked to Microsoft's vertical strategy and to develop a scalable software business internally in Columbus IT Partner.

- With effect from 1st July 2005, Columbus IT Partner significantly reorganized management of the Company's activities, including
  - The introduction of a regional organizational structure with three regions – Western Europe, Eastern Europe and the Americas.
  - The appointment of five new managers at the senior and intermediate level in the parent company, all with comprehensive international experience with MBS partners and great experience with Navision and Microsoft.
  - The introduction of direct reporting by the Financial Officers of individual countries to the CFO so as to enhance control and optimize the effects of synergy from being a global operation.

- On 1st July 2005, Columbus IT Partner's Austrian subsidiary acquired all the shares of Austrian Navision partner NaviDat Software Produkt. U. Handels GmbH. NaviDat is a leading Navision partner in Austria with a staff of eight and more than 40 customers. The acquisition is part of Columbus IT Partner's strategy of enhancing its market position for Navision products in the German-speaking countries so as to improve earnings in the Western European region.

- In Asia, Columbus IT Partner has signed an agreement to acquire a 50% stake in CITP Pvte Ltd., Singapore, which also owns Columbus IT South East Asia, Indonesia. Please see Stock Exchange Release no. 19 of 30th May 2005. The acquisition forms part of Columbus IT Partner's strategy of expansion in new geographical areas.

- With Columbus IT Partner having become sole owner of the Russian company, Q2/2005 saw a wide-ranging reorganization of the company in which the Managing Director and five senior staff were dismissed. The Managing Director has been reported to the police. A new management has been appointed, and with the assistance of the parent company, management has gained full control of the company so that in future, the Russian company will play an integral part of our global strategy. This has however meant that the company has incurred various extraordinary costs but on the other hand, the future earnings potential of the company has been markedly improved. The Russian company will now be able to contribute to greater efficiency and earnings for the Group. This will be achieved, amongst other things, by the Russian company gaining much greater responsibility for international customer projects and industrial solutions that require extensive development.

- The Company is maintaining its forecasts for 2005 for total Group revenues of the order of DKK 615-625m. Previous expectations for EBITDA of DKK 35-40m are having, despite the good operating results, to be adjusted to an EBITDA of DKK 25-30m as a result of the short-term negative impact on earnings of the following initiatives:
  - Restructuring and replacement of local management in the Russian company following Columbus IT Partner becoming sole owner of the

company, added to which are extraordinary direct losses as a result of the actions taken by the dismissed Managing Director.
  - Regionalization and reorganization of corporate.
  - A range of strategic initiatives aimed at further enhancing operational efficiency.
  - Establishment of a new software division based on Columbus Business Suite which will create global IP rights based on the Microsoft Industry Builder Contract.

As a result, the forecast is for pre-tax profits of the order of DKK 8-13m (against previously forecast DKK 15-20m.) compared to the DKK 28m deficit reported for 2004, that is an improvement of between DKK 36-41m.

- The Interim Report for 2005 has been drawn up according to the provisions for inclusion and measurement in the IFRS international accounting standards.

Ib Kunøe Chairman of the Board Columbus IT Partner A/S	Vladislav Martynov Chief Executive Officer Columbus IT Partner A/S

For further details, please contact:
Torben Bartels, Chief Financial Officer, T: (+45) 7020 5000.

Key figures and ratios

DKKm	Q2 2004	Q2 2005	Q1-2 2004	Q1-2 2005	2004
Income statement					
Net revenues	159.0	175.6	293.3	305.8	581.3
Own work recognized under assets	0.6	0.5	1.6	1.0	3.3
External project costs	-44.9	-52.6	-71.3	-77.2	-136.7
Gross earnings I	114.7	123.5	223.6	229.6	447.9
Staff expenses	-81.9	-83.6	-159.5	-162.1	-305.3
Gross earnings II	32.8	39.9	64.1	67.5	142.6
Other external costs	-30.5	-29.6	-56.0	-56.7	-115.2
Other operating income	0.0	0.1	0.0	0.1	2.3
Other operating costs	0.0	-0.2	-0.6	-0.2	-4.7
EBITDA	2.3	10.2	7.5	10.7	25.0
Depreciation	-3.4	-3.0	-7.1	-5.5	-13.4
EBITA	-1.1	7.2	0.4	5.2	11.6
Write down of goodwill	0.0	-4.0	0.0	-4.0	-14.7
EBIT	-1.1	3.2	0.4	1.2	-3.1
Net financials	-1.7	0.4	-3.4	-0.1	-8.9
Pre-tax earnings	-2.8	3.6	-3.0	1.1	-12.0
Tax on earnings Q1-2	-3.0	-4.6	-4.7	-6.3	-6.2
Earnings Q1-2	-5.8	-1.0	-7.7	-5.2	-18.2
Allocated thus:					
Shareholders in Columbus IT Partner A/S	-7.9	-2.5	-10.6	-6.4	-23.8
Minority interests	2.1	1.5	2.9	1.2	5.6
	-5.8	-1.0	-7.7	-5.2	-18.2
Balance Sheet					
Long-term assets			124.3	147.9	113.4
Short-term assets			228.1	223.9	229.1
Total assets			352.4	371.8	342.5
Group equity			28.0	115.2	10.7
Minority interests			15.3	9.9	19.5
Debt and other provisions			309.1	246.7	312.3
Total liabilities			352.4	371.8	342.5
Cash flow					
Cash inflow from operations			-12.0	19.6	-15.3
Net cash outflow for investments			-4.0	-55.3	-9.2
of which for investment in tangible fixed assets			-4.5	-3.4	-7.0
Cash flow from financing activities			23.0	34.8	36.8
Total cash flow			7.0	-0.9	12.3
Key ratios					
Gross margin II			21.9%	22.1%	24.5%
Operating profit margin			0.1%	-0.4%	-0.5%
Return on investment III			1.6%	1.9%	1.3%
Return on equity			-40.2%	-10.9%	-111.5%
Equity ratio			7.9%	31.0%	3.1%
Earnings per share (EPS)			-0.3	-0.1	-0.6
Dividend per share			0.0	0.0	0.0
Net asset value per share (BV)			0.7	1.7	0.3
Headcount end Q2			817	823	792
Cash flow per share			-0.3	0.4	-0.4

The key figures and financial ratios above have been calculated in accordance with the Danish Society of Financial Analysts "Recommendations and Key Figures 1997", except for Return on Investment and Equity Ratio.

The interim report has not been audited.

Developments in Q1-2/2005
Columbus IT Partner's revenues for Q1-2/2005 totaled DKK 306m, up from DKK 293m in the same period last year.

Solutions based on Axapta continued to account for the majority of revenues and the proportion rose by two percentage points, whereas solutions based on Navision rose by approx. three percentage points.

During the first half, Columbus IT Partner signed contracts to provide solutions based on Axapta or Navision with a range of customers such as Müller Martini, Calamus, Danish Supply Corporation, HD Design, Berendsen and Dantech Dynamics in Denmark; Sonacas and Usifroid in France; Tommy Hilfiger, Wilson Trailer, Jackson Laboratory and Perfect 10 in USA; Eesti Post and Sampo Pank in Estonia; Achema in Lithuania; Suzuki in Poland; Paradigit in Netherlands; Euronics Norway; Asamer in Austria and New Rosme in Latvia.

Revenues Q1-2	**2005**	**2004**
Hardware	3%	1%
Software	31%	31%
Service	66%	68%
Total	**100%**	**100%**

Revenues Q1-2	**2005**	**2004**
Axapta	76%	74%
Navision	11%	8%
XAL	8%	12%
Other	5%	6%
Total	**100%**	**100%**

Note: The figures in the table have been adjusted for terminating activities (Solutiones Casee S. A. in Costa Rica).

First half operating profits (EBITDA) amounted to DKK 10.7m (DKK 7.5m in 2004).

Group financials showed net expenses of DKK 0.1m, down DKK 3.3m compared to the same period last year.

Write down of goodwill for Q1-2/2005 was DKK 4m compared to 0 for the same period last year. Write down in Q1-2/2005 related solely to the Austrian subsidiary.

The tax charge on first half earnings was DKK 6.3m and is payable by various subsidiaries that report profits.

Regional developments

(Q1-2)	Revenues (DKKm)		EBITDA (DKKm)		Headcount (at 30th June)	
	2005	2004	2005	2004	2005	2004
Nordic	117	140	3	4	213	268
Western Europe	65	63	2	1	141	153
Eastern Europe	59	55	6	9	339	282
Rest of the World*	64	34	13	5	110	75
Parent company	1	0	-13	-12	20	28
	306	292	11	7	823	806
Total terminating activities						
* Solutiones Casee S.A.	0	1	0	0	0	11

Note: The figures above have been adjusted for terminating activities (Solutiones Casee S. A. in Costa Rica).

First half revenues in the **Nordic Region** were down DKK 23m or 16% on Q1-2 2004. This was mainly due to reorganization of Danish activities following the acquisition of Hands International A/S in Q4/2003. All the Nordic markets continue generally to be affected by intense competition with concomitant pressure on prices. Compared to the same period last year, EBITDA fell from DKK 4m to DKK 3m. The first half of 2004 included DKK 5m relating to expensed claims against Hands ASA associated with the acquisition of Hands International A/S.

In **Western Europe**, first half revenues were DKK 65m, up 3% or DKK 2m on the same period last year. EBITDA in Western Europe was up from DKK 1m in Q1-2/2004 to DKK 2m compared to the same period last year. The improvement was mainly attributable to the subsidiaries in Britain, Netherlands and Germany. As a result of the earnings trends and uncertainty about trading conditions in Austria, Group goodwill of DKK 4m has been fully amortized.

Revenues in **Eastern Europe** were DKK 59m in the first half, up 7% or DKK 4m on the same period last year. This improvement in revenues was due to Russia and the Baltic. EBITDA for the region in Q1-2 was DKK 6m, down DKK 3m on the first half last year. The fall was mainly due to the Russian subsidiary where the previous management incurred significant additional costs and where the company did not deliver the budgeted growth in revenues and hence earnings.

In the **Rest of the World** region, first half revenues totaled DKK 64m, up 88% or DKK 30m on Q1-2/2004. EBITDA in the region was DKK 13m, which was an improvement of DKK 8m compared to the same period last year. This was primarily attributable to the US subsidiary which is in an expansionist phase. The company has signed a contract to buy out a former franchise partner in Asia with a headcount of ten, mainly based in Jakarta, Indonesia.

After billing subsidiaries for costs, EBITDA in the **parent company** was DKK -13m in the first half of 2005. This was DKK 1m less than for the same period last year. EBITDA was affected by one-off costs associated with the Hands ASA agreement, additional license costs in connection with an individual customer project of approx. DKK 1.6m and writing down accounts receivable of DKK 2.5m. Apart from these, IT operational costs rose while the level of internal costs cover for the Group declined.

Rights issue and directed rights issues
Between 5-18th April 2005, Columbus IT Partner A/S offered 26,858,601 new DKK 1.25 (nom.) shares at a price of DKK 3 per share. Consolidated Holdings A/S guaranteed the entire rights issue which thus raised DKK 80.6m in capital for the Company, before issue costs and loan repayments. Following redemption of debt and the costs of the rights issue, the Company gained DKK 21m in new liquidity. Please see Stock Exchange releases nos. 12 of 18th March, 16 of 20th April and 18 of 12th May 2005.

In January, Columbus IT Partner paid off the debts of Columbus IT Partner GmbH, Austria, by issuing 178,100 shares in Columbus IT Partner A/S as reported in Stock Exchange release no. 2 of 12th January 2005. In January and February, Columbus IT Partner acquired the minority holdings in the American and 'Russian' subsidiaries with settlement in shares. The most significant subsidiaries in the Group are now wholly-owned, cf. Stock Exchange releases nos. 4 of 24th January 2005 and 9 of 28th February 2005. Shares were also issued to CDi Consult ApS and Chief Financial Officer Torben Bartels.

Accordingly, a total of 29,091,240 shares were issued in the first half which had a positive impact on equity of approx. DKK 110m.

Outlook
The Company is maintaining its forecasts for 2005 for total Group revenues of the order of DKK 615-625m. Previous expectations for EBITDA of DKK 35-40m are having, despite the good operating results, be adjusted to an EBITDA of DKK 25-30m as a result of the short-term negative impact on earnings of the following initiatives:

- Restructuring and replacement of local management in the Russian company following Columbus IT Partner becoming sole owner of the company, added to which are extraordinary direct losses as a result of the dispositions made by the dismissed Managing Director.
- Regionalization and reorganization of corporate.
- A range of strategic initiatives aimed at further enhancing operational efficiency.
- Establishment of a new software division based on Columbus Business Suite which will create global IP rights based on Microsoft Industry Builder Contract.

As a result, the forecast is for pre-tax profits of the order of DKK 8-13m.

Strategic initiatives
Columbus IT Partner is constantly in touch with a number of MBS partners and has signed NDAs with some of them but at present it is impossible to predict the results of negotiations let alone assess the impact on results for the year.

It has been decided partly to continue but also to initiate a number of new strategic initiatives aimed at boosting the efficiency of operations and earnings. These core initiatives cover knowledge sharing, outsourcing major development projects to Columbus companies with lower costs structures, sales methodology, marketing and HR tools. Added to this is the fact that the above are associated with some initial development costs from building up an organizational structure around the Columbus Retail Suite, which has been selected for inclusion in the Microsoft Business Solutions – Axapta Industry Builder Initiative.

Accounting policies
This interim report has been drawn up in accordance with the Interim Reporting Order and Copenhagen Stock Exchange requirements for interim reporting.

The annual report for 2005 will be drawn up in accordance with International Financial Reporting Standards (IFRS) and other Danish reporting requirements, etc., pursuant to the Order on the use of international financial reporting standards for companies subject to the Company Accounts Act. This interim report has been drawn up using the regulations on measurement and inclusion in IFRS.

With the transition to using IFRS when presenting financial statements, in one single area which has had an impact on results, accounting policies have been amended in that it is no longer possible to depreciate goodwill. Goodwill is now tested minimum annually for impairment and is then amortized insofar as the value for accounting purposes exceeds residual value. Amortization of goodwill made in 2004 according to the Danish rules has been reversed and impairments test was made at 1st January 2004 and at 31st December 2004. The effect of these has been included in the comparative figures in this interim report.

In 2005, the comparative figures for 2004 have been adjusted by a total of DKK 6.8m. The breakdown for the individual quarters is as follows:

DKKm	Reversal of amortization	Amortization as per IFRS	Total adjustment
Q1/2004	2.5	0.0	2.5
Q2/2004	2.6	0.0	2.6
Q3/2004	5.5	4.8	0.7
Q4/2004	10.9	9.9	1.0
Total 2004	21.5	14.7	6.8

The transition to IFRS also means more stringent reporting standards than those currently applicable and presentational changes which will be incorporated in the annual report for 2005.

Investments
Total investment in tangible and intangible fixed assets with the exception of goodwill in Q1-2/2005 was DKK 4.8m, compared to DKK 5.8m in Q1-2/2004. DKK 1.0m was for investments in development projects involving repeatable solutions, whilst the remaining DKK 3.8m was for acquiring tangible fixed assets.

Liquidity status
Columbus IT Partner's liquid funds remained unchanged since the beginning of the year at around DKK 35m. Cash funds are mainly held at various foreign subsidiaries.

As a result of the rights issue undertaken in April, Columbus IT Partner received gross proceeds of DKK 80.6m. Most of the proceeds were used to reduce the Group's interest-bearing debt. Accordingly, it was used partly to repay a subordinated loan of DKK 34m provided by Consolidated Holdings, and a subordinated loan of 17.7m as well as a temporary credit line of DKK 4m, both provided by Nordea Bank. Despite the significant reduction of debt, the Company received DKK 21.1m net in new liquid funds.

Forex
The Group did not enter into any hedging contracts in the first half of 2005. In international contracts, exchange risks are limited by servicing operations from local companies, so that Group income and costs in foreign currencies are matched insofar as possible.

Development in shareholders' equity

Development in shareholders' equity (DKKm)	Q1-2/2005	2004
Equity 1/1	10.7	31.9
Capital increases	106.4	4.5
Adjustment of minority interests with negative equity	2.0	0.2
Forex adjustments for foreign subsidiaries, etc.	2.5	-2.1
Result Q1-2	-6.4	-30.6
Adjustment of goodwill in transition to IFRS	0	6.8
Group equity 31/12-30/6	115.2	10.7
Minority interests	9.9	19.5
Total shareholders' equity 31/12-30/6	125.1	30.2

Safe Harbor statement

The statements about the future made in this report reflect the management's current expectations for certain future events and financial results. By their very nature, some uncertainties attach to statements about the future and the results finally achieved could therefore vary considerably from the expectations expressed. Further, some expectations are based on assumptions for future events which may turn out to be incorrect.

Factors that could mean that the results achieved differ significantly from the expectations expressed include, but are not restricted to, developments in trading conditions and the financial markets and the fiscal impact of unforeseen events, changes in Danish regulations and legislation and EU regulations; rising competition for business solutions in Denmark and abroad; trends for demand, product composition and pricing for business solutions; the development of Columbus IT Partner's international activities to which some political risks are attached and investment in, and disposal of, national and international companies.

Management Report

Boards of Directors and Management have considered and approved the Interim Report for the Columbus IT Partner Group for 1st January – 30th June 2005.

The Interim Report, which has not been audited, has been drawn up in accordance with the provisions in International Financial Reporting Standards (IFRS) for recognition and measurement and with the interim reporting requirements of the accounts act incl. provisions as well as of Copenhagen Stock Exchange. We regard the accounting policies applied as appropriate and that the interim report gives a true picture of the Group's assets, liabilities and financial position as at 30th June 2005 and of the Group's results and cash flow for 1st January – 30th June 2005.

Copenhagen 11th August 2005

Board of Management

Vladislav Martynov Chief Executive Officer	Torben Bartels Chief Financial Officer

Board of Directors

Ib Kunøe Chairman	Michael Gaardboe Deputy Chairman	Claus Hougesen	Jørgen Cadovius

Income Statement

DKK 1000	1/1 – 30/6 2005	1/1 – 30/6 2004
Net revenues	305,885	293,353
Own work recognized under assets	959	1,626
External project costs	-77,260	-71,348
Gross earnings	229,584	223,631
Other external costs	-162,066	-159,462
Staff expenses	-56,660	-56,035
Other operating income	70	0
Other operating costs	-206	-637
Earnings before depreciation/amortization (EBITDA)	10,722	7,497
Depreciation	-5,518	-7,146
Earnings before amortization (EBITA)	5,204	351
Write down of goodwill	-4,028	0
Operating profit (EBIT)	1,176	351
Financial income	5,660	5,089
Financial expenses	-5,766	-8,442
Pre-tax earnings	1,070	-3,002
Tax on Q1-2 earnings	-6,261	-4,688
Earnings Q1-2	**-5,191**	**-7,690**
Allocated thus:		
Shareholders of Columbus IT Partner A/S	-6,417	-10,575
Minority interests	1,226	2,885
	-5,191	-7,690

Balance Sheet

DKK 1000	30/06 2005	30/06 2004
Assets		
Development projects completed	7,690	6,278
Royalties	568	86
Goodwill	95,280	71,493
Development projects in progress	0	795
Intangible assets	103,538	78,652
Plant and operating equipment	14,249	18,272
Tangible assets	117,787	18,272
Deferred tax assets	30,101	27,364
Financial assets	30,101	27,364
Total long-term assets	147,888	124,288
Stocks of goods for sale	2,041	1,058
Inventories	2,041	1,058
Accounts receivable – sales and services	149,676	149,638
Contract work in progress	9,695	11,285
Receivables from shareholders	442	4,688
Corporation tax	2,600	1,535
Other receivables	13,576	18,042
Accruals	10,313	10,154
Receivables	186,302	195,342
Holdings in associated companies	0	348
Securities and capital holdings	0	348
Cash funds	35,587	31,357
Total short-term assets	223,930	228,105
Total assets	**371,818**	**352,393**

Balance Sheet

DKK 1000	30/06 2005	30/06 2004
Liabilities		
Share capital	83,933	47,569
Retained profit	31,308	-19,598
Shareholders' equity in Columbus IT Partner A/S	115,241	27,971
Minority interests	9,906	15,295
Equity	125,147	43,266
Deferred tax	812	1,421
Subordinated loan capital	15,000	17,839
Mortgage lenders	1,271	2,896
Long-term debt	17,083	22,156
Short-term part of long-term debt	588	1,268
Mortgage lenders	72,176	96,287
Customer prepayments	17,473	14,528
Trade accounts payable	37,125	70,651
Corporation tax	5,361	3,786
Other debt	90,131	91,144
Accruals	6,734	9,307
Short-term debt	229,588	286,971
Debt	246,671	309,127
Total liabilities	**371,818**	**352,393**