

Release no. 19/2010



COLUMBUS IT

Interim Report

H1/2010

PROFILE:

Columbus IT operates as an IT consultancy firm in the market for integrated business solutions based on Microsoft Business Solutions which is primarily for small and medium-sized international companies. Columbus IT is a service organization with a headcount of 1,000. Our customer base consists of more than 5,000 small and medium-sized enterprises and units of large companies.

www.columbusit.com.

Considerable increase in earnings

CEO, Claus Hansen:

“A growth of 23.1% in the operational income has been created based on a 4.5% increase in revenue. This is in line with the planned growth for H1/2010 and shows that Columbus IT is basically in good shape. The Group’s Western European companies are showing progress and especially England and Norway are performing well. On another positive note we are pleased to see that the American subsidiary is showing significant progress in both revenue and profit. Revenues of DKK 5.4M against DKK -4.4M in 2009 bears witness to the fact that Columbus IT has been able to gear the global business to maintain growth in a challenging market.”

- Revenues for H1/2010 totaled DKK 441.8M (DKK 422.8M in H1/2009), corresponding to an increase of 4.5%. The result is in line with the management’s expectations.
- EBITDA for the period totaled DKK 16.1M (DKK 13.1M in H1/2009) corresponding to an increase of 23.1% compared to H1/2009. The result is in line with the management’s expectations.
- Revenues in the ISV-segment totaled DKK 16.7M in H1/2010 (DKK 17.8M in H1/2009). EBITDA for the period totaled DKK 7.7M (DKK 7.6M H1/2009).
- Revenues in the *Nordic* region amounted to DKK 204.3M in H1/2010 (DKK 193.2M in H1/2009), corresponding to an increase of 5.7%. EBITDA for the period totaled DKK 15.7M (DKK 18.1M in H1/2009), which is a decrease of 13.4% compared to 2009. The reason for this should in particular be found in the increasing staff expenses.
- Revenues in *Western Europe* amounted to DKK 80.5M in H1/2010 (DKK 73.0M in H1/2009). EBITDA for the period totaled DKK 2.1M (DKK 3.7M in H1/2009).
- Revenues in *Eastern Europe* amounted to DKK 80.6M in H1/2010 (DKK 87.3M in H1/2009). EBITDA for the period totaled DKK 1.2M (DKK 2.7 in H1/2009).
- Revenues in *North and South America* amounted to DKK 57.8M in H1/2010 (DKK 49.4M in H1/2009). EBITDA for the period totaled DKK 5.7M (DKK -3.3M in H1/2009).
- The result amounted to DKK 5.4M in H1/2010 which is an improvement of DKK 9.8M in comparison with H1/2009.
- At the end of H1/2010 the total equity amounted to DKK 245.5M (DKK 244.0M in H1/2009), resulting in a solvency ratio of 45.7% (45.9% in 2009).
- Previously announced expectations for 2010 are being maintained and Columbus IT continuously expects a revenue of approx. DKK 890M and an EBITDA of DKK 50-55M .

Ib Kunøe
Chairman
Columbus IT Partner A/S

Claus Hansen
CEO
Columbus IT Partner A/S

For further information, please contact:

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Translation: In the event of any inconsistency between this document and the Danish language version, the Danish language version shall be the governing version.

Key Figures and Ratios

DKKm	2009	H1 2009	H1 2010
Income statement			
Net revenues	835.7	422.8	441.8
External project costs	-214.9	-106.8	-124.2
Gross earnings H1	620.8	316.0	317.6
Staff expenses	-440.9	-231.9	-231.2
Other external costs	-145.2	-70.9	-68.4
Other operating income	1.0	0.0	1.1
Other operating costs	-0.4	-0.1	-3.0
EBITDA	35.4	13.1	16.1
Depreciation excl. goodwill	-23.1	-10.5	-9.5
EBITA	12.2	2.7	6.6
Amortization and write down of goodwill	-17.5	0.0	0.0
EBIT	-5.3	2.7	6.6
Result in associated companies	0.2	0.0	-0.9
Net financial items	-4.9	-4.0	1.4
Pre-tax earnings	-10.0	-1.4	7.1
Tax on H1 earnings	-7.6	-3.1	-1.8
Earnings H1	-17.6	-4.4	5.4
Allocated thus:			
Shareholders of Columbus IT Partner A/S	-18.6	-4.7	4.2
Minority interests	1.0	0.3	1.2
	-17.6	-4.4	5.4
Balance sheet			
Long-term assets	245.6	254.3	251.6
Short-term assets	269.3	277.6	285.7
Total assets	515.0	531.9	537.4
Group shareholders' equity	222.1	232.4	233.7
Minority interests	10.1	11.6	11.7
Debt	282.8	287.9	291.9
Total liabilities	515.0	531.9	537.4
Cash flow			
Cash flow from operations	65.0	25.4	6.6
Net cash flow from investments	-8.9	-1.2	-2.3
Cash flow from financing activities	-46.0	-19.2	-9.8
Total cash flow	10.1	5.0	-5.5
Key ratios			
Gross margin II	4.2%	3.1%	3.7%
Operating profit margin (EBIT margin)	-0.6%	0.6%	1.5%
Equity ratio	45.4%	45.9%	45.7%
Return on equity	-8.2%	-2.0	1.8%
Average number of shares, in thousands	77,656	77,172	79,305
Net asset value per share (BV)	2.8	3.01	2.95
Earnings per share (EPS)	-0.24	-0.06	0.05
Cash flow per share	0.84	0.33	0.08
Share price, end of period	2.30	2.57	2.58
Headcount at the end of the period	934	989	884

The key figures and ratios have been calculated in accordance with the Danish Society of Financial Analysts' "Recommendations and Key Figures 2005".

The interim report has not been audited

Developments in H1/2010

Columbus IT's net revenues amounted to DKK 441.8M in H1/2010 compared to DKK 422.8M in H1/2009, corresponding to an increase of 4.5%. Revenues adjusted for foreign currency translation have increased by 1.3%.

Columbus IT's revenues primarily derive from sale of software licenses to Microsoft's business systems, from sale of maintenance contracts related to these software licenses, and from sale of consultancy services and service & support in relation to customers' use of these systems. To this comes "other" revenue, concerning sale of e.g. hardware to customers.

Revenues (H1)	2009 DKKm	2010 DKKm
Software	71.7	76.2
Maintenance	69.5	91.9
Consultancy	270.4	265.0
Other	11.1	8.79
Total	422.8	441.8

Revenues from sale of software licenses increased to DKK 76.2M in H1/2010 compared to DKK 71.7M in H1/2009. Revenues from sale of maintenance contracts increased to DKK 91.9M in H1/2010 compared to DKK 69.5M in the same period of 2009, corresponding to an increase of 32.2%. The reason being that in addition to an increase in software revenue, Columbus IT has acquired a number of existing customers from competitors thus also acquiring the resigned maintenance contracts.

During the same period Microsoft has also, with great success, launched a global campaign focusing on the renewal of subscriptions to customers who for a number of years have not had maintenance contracts.

Revenues from consultancy amounted to DKK 265.0M in H1/2010 compared to DKK 270.4M in H1/2009, corresponding to a decrease of 2.0%. The Group's total revenue grew by 4.5% in H1/2010 compared to the same period in 2009. This could be described as a modest growth which is due to the fact that many customers and some markets continuously hold back on investing in IT as a consequence of the global financial crisis despite the fact that the market as a whole is showing positive signs.

		Revenues (DKKm)		EBITDA (DKKm)		Headcount (as of June 30 th)	
H1		2009	2010	2009	2010	2009	2010
ISV		17.8	16.7	7.6	7.7	44	47
VAR	Nordic region	193.2	204.3	18.1	15.7	296	305
	Western Europe	73.0	80.5	3.7	2.1	138	147
	Eastern Europe	87.3	80.6	2.7	1.2	416	298
	North and South America	49.4	57.8	-3.3	5.7	83	75
Parent Company		0.2	1.2	-15.8	-16.3	13	12
Total		421.0	441.0	13.1	16.1	989	884

Note: Revenue figures state the revenue generated outside the Group in the regions. The Parent Company's figures are reported before costs being billed to subsidiaries in the regions. Thus, the subsidiaries' figures are reported exclusive of costs billed by the Parent Company.

While especially the western markets (the Nordic region, Western Europe and America) have experienced an increase in revenue the Eastern European markets have experienced a decrease. The main part of the Group's subsidiaries has realized an increased activity- and earnings level in line with the expectations.

The Group's staff expenses for H1/2010 amounted to DKK 231.2M compared to DKK 231.9M in H1/2009, corresponding to a decrease of 0.3%. The average number of employees decreased by 11.4% from 1,023 employees in H1/2009 to 906 employees in H1/2010. The low decrease in staff expenses is partly due to the development in the foreign currency translation which has had a negative effect on the staff expenses of DKK 5.5M, additional expenses in connection with organizational changes, as well as a change in the composition of the number of employees across the countries where we have seen an increase in employees in countries with high staff expenses and a decrease in the number of employees in countries with low staff expenses.

The Group's EBITDA amounted to DKK 16.1M which is an increase of 23.1% compared to the same period in 2009. EBITDA for the parent company amounted to DKK -16.3M in H1/2010, before invoicing expenses to the subsidiaries, compared to DKK -15.8M in the same period last year.

The Group's financial items show a net income of DKK 1.4M in H1/2010 compared to a net expense of DKK 4.0M in the same period last year. The main part of the financial net income derives from realized and unrealized regulations for foreign currency.

Corporation tax in profit-making companies means that the total calculated tax for Columbus IT for the period amounted to a net expense of DKK 1.8M in H1/2010 (DKK -3.1M in H1/2009).

The result for the period was DKK 5.4M, which is an increase of DKK 9.8M compared to the same period last year.

Segment developments

ISV	H1/2009	H1/2010
Revenues – H1	DKKm	DKKm
Software	8.4	6.9
Maintenance	5.5	5.4
Consultancy	3.9	4.5
Other	0.0	-0.1
Total	17.8	16.7

Revenue from the ISV segment amounted to DKK 16.7M in H1/2010 which is a slight decrease of 5.9% compared to the same period in 2009, where revenues amounted to DKK 17.8M. This is primarily due to the fact that RCM customers (Retail Chain Management) are not purchasing software due to the expectations of an impending release from Microsoft of a new version of the RCM-product.

The segment's EBITDA in H1/2010 amounted to DKK 7.7M which is a small increase from DKK 7.6M in the same period in 2009.

Nordic region	H1/2009	H1/2010
Revenues – H1	DKKm	DKKm
Software	21.5	19.3
Maintenance	29.6	36.0
Consultancy	139.2	147.1
Other	2.9	1.8
Total	193.2	204.3

H1/2010 revenues for the Nordic region increased by DKK 11.0M, corresponding to a 5.7% increase compared to the same period last year. The increase is due to a higher level of activity in the Norwegian subsidiary where revenue has increased by 26.4% compared to the same period last year. The Nordic region accounts for 46.3% of the Group's revenues which is comparative to the same period in 2009.

The region's EBITDA for H1/2010 amounted to DKK 15.7M which is a decrease of 13.4% from DKK 18.1M in 2009. The reason for this being an increase in staff expenses as a consequence of more employees.

Western Europe	H1/2009	H1/2010
Revenues – H1	DKKm	DKKm
Software	11.8	18.7
Maintenance	11.4	17.7
Consultancy	46.6	42.1
Other	3.2	1.9
Total	73.0	80.5

In Western Europe revenues for H1/2010 amounted to DKK 80.5M compared to DKK 73.0M in the same period last year which is an improvement of 9.7%. Especially the Group's British subsidiary contributed significantly to the total revenue improvement with a revenue improvement of DKK 32.7%. Revenues in the British subsidiary amounted to DKK 37.2M in H1/2010 compared to DKK 28.0M in H1/2009. Adjusted for foreign currency translation, this is a progress of 30.1%. Revenues in the Dutch subsidiary amounted to 10.9M H1/2010 DKK compared to DKK 10.0M in H1/2009 corresponding to an increase of 9.3%. Revenues in the French subsidiary amounted to DKK 23.8M, corresponding to a decrease of 6.8% compared to the same period last year. The primary reason is the execution of projects where many hours are delivered at a low margin. Revenues in the Spanish company amounted to DKK 8.8M compared to DKK 10.0M in H1/2009. This corresponds to a decrease in revenue of 12.3% which is due to a decrease in the service revenue as a consequence of a few problem filled projects. The launched initiatives concerning a standardization of both sales and implementing processes will decrease the future project risk. The region accounted for 18.3% of the Group's revenues.

The region's EBITDA amounted to 2.1M corresponding to a decrease of DKK 1.6M from DKK 3.7M in the same period in 2009. EBITDA in the British subsidiary increased to DKK 18.3% primarily as a consequence of an increase in revenue. EBITDA in the Dutch subsidiary decreased by 55.4% compared to the same period last year and came to DKK -0.4M. The negative result is primarily due to extraordinary expenses in connection with the dismissal of the CEO of the subsidiary. EBITDA in the Spanish subsidiary decreased by 55.4% compared to H1/2009 and amounted to DKK 0.4M. EBITDA in the French subsidiary amounted to DKK -1.9M corresponding to a decrease of 10.9% compared to the same period last year. For both companies the reason has been described in the above paragraph.

Eastern Europe	H1/2009	H1/2010
Revenues – H1	DKKm	DKKm
Software	21.9	20.3
Maintenance	11.3	17.4
Consultancy	52.7	41.6
Other	1.4	1.4
Total	87.3	80.6

Revenues in Eastern Europe amounted to DKK 80.6M in H1/2010 compared to DKK 87.3M in H1/2009. This corresponds to a decrease of 7.5%. Especially a decrease in consultancy services has contributed to the total decrease. Revenues from consultancy services for H1/2010 amounted to DKK 41.6M compared to DKK 52.7M in the same period of 2009 corresponding to a decrease of 21.1%. The reason for

this should primarily be found in the Baltic subsidiaries (Estonia, Latvia, and Lithuania) where the revenue decreased by 16.7% from DKK 35.5M in H1/2009 to DKK 29.5M in H1/2010. Especially the consultancy revenue has decreased amounting to DKK 16.3M corresponding to a decrease of 29.0%. The Baltic markets have been more affected by the financial crisis compared to the other markets which Columbus IT operates within and we have not yet seen an improvement of market conditions as we have in other markets. Furthermore, we are experiencing difficult competitive conditions especially for our Lithuanian subsidiary where especially the competition in price is difficult. According to the strategy Columbus IT is working towards a larger consolidation of the Baltic subsidiaries and has implemented a new management structure with a common management team and CEO for all the Baltic subsidiaries. The revenue in the Russian subsidiary amounted to DKK 41.7M in H1/2010 compared to DKK 42,4M in the same period last year. Revenues in the Polish subsidiary amounted to DKK 9.6M in H1/2010 compared to DKK 9,5M in the same period of 2009. The region accounted for 18.3% of the Group's revenues.

The region's EBITDA amounted to DKK 1.2M corresponding to a decrease of DKK 1.5M compared to the same period last year.

North & South America	H1/2009	H1/2010
Revenues – H1	DKKkm	DKKkm
Software	8.2	10.9
Maintenance	11.5	15.4
Consultancy	28.0	29.9
Other	1.8	1.6
Total	49.4	57.8

Revenue for the region amounted to DKK 57.8M in H1/2010 compared to DKK 49.4M in H1/2009 corresponding to an increase of 16.9%. It is, amongst others, an increase in the focus on verticals as well as the strengthening of management in the American subsidiary which has contributed positively to the revenue. The region contributed with 13.1% of the Group's revenue.

The region's EBITDA increased by DKK 9.0M in comparison with the same period last year and thus contributes to a positive EBITDA of DKK 5.7M in H1/2010. In comparison the EBITDA for H1/2009 was DKK -3.3M.

Liquidity status

Columbus IT held cash funds of DKK 65.8M as of June 30th, 2010 compared to DKK 61.7M at the same time last year. The cash funds are mainly placed in a number of foreign subsidiaries. The company's collected debt (short-term and long-term) to credit institutions amounted to DKK 60.7M at the end of H1/2010 compared to DKK 97.8M at the end of H1/2009. The main part of the debt to credit institutions is short-term and concerns factoring debt in the Danish company.

Uncertainty factors and significant risks

Determining the carrying amount of some assets and liabilities requires judgments, estimates and assumptions concerning future events. The judgments, estimates and assumptions made are based on historical experience and other factors, which management assesses to be liable, but which by their nature are associated with uncertainty and unpredictability. The assumptions may prove incomplete or incorrect, and unexpected events or circumstances may arise. It may be necessary to change previous estimates as a result of changes to the assumptions on which the estimates were based or due to new information or subsequent events.

Estimates which are of material importance to the presentation of the accounts, are among other things applied to statement of impairment, goodwill and other long term assets as well as trade receivables, selling price of contract work in progress, valuation of deferred tax assets, deferred debt and contingent liabilities and assets, cf. detailed description in the Annual Report 2009.

The Company is also subject to risks and uncertainties which may lead to actual results differing from these estimates. Columbus IT's business risks are unchanged compared to the risks described in the Annual Report 2009.

Significant events after balance date

Referring to announcement no. 17/2010 of 20th July 2010 Columbus IT has completed a fully subscribed rights issue by issuing 26,434,873 new shares at a price of DKK 1.90 pr. share. The gross proceeds of the rights issue is DKK 50.2M. After deduction of expenses in connection with the rights issue the net proceeds is DKK 47.9M to Columbus IT. After the registration of the 26,434,873 new shares of DKK 1.25 (nom.) the total share capital in Columbus IT amounts to DKK 132,174,366.25, corresponding to 105,739,493 shares of DKK 1.25 (nom.).

Apart from this no circumstances has occurred between the balance day and the day of the publication which has any significant influence on the interim report.

Management Report

The Board of Directors and the Executive Board have considered and approved the interim financial report for the period January 1st 2010 – June 30th 2010 for Columbus IT Partner A/S.

The interim financial report has been prepared in accordance with IAS 34 and additional Danish interim reporting requirements for listed companies. The interim financial report is unaudited and has not been reviewed by the Company's auditor.

We consider the accounting policies applied to be appropriate to the effect that the interim financial report gives a true and fair view of the Group's assets, liabilities and financial position at June 30th 2010, and of the results of the Group's operations and cash flows during the period January 1st 2010 – June 30th 2010.

We consider the management report to give a true and fair view of the development in the Group's business activities and financial situation, the financial result for the period and the Group's financial position as a whole together with a true and fair description of the significant risks and uncertainty factors which the Group faces.

Ballerup, August 19th 2010

Executive Board



Claus Hansen
CEO

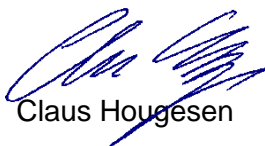
Board of Directors



Ib Kunø
Chairman



Jørgen Cadovius
Deputy Chairman



Claus Hougesen



Sven Madsen



Carsten Gottschalck

Total Income Statement

DKK '000	2009	H1 2009	H1 2010
Net revenue	835,737	422,817	441,832
External project costs	-214,920	-106,767	-124,191
Gross earnings	620,818	316,050	317,641
Staff expenses	-440,859	-231,898	-231,187
Other external costs	-145,197	-70,904	-68,388
Other operating income	993	0	1,061
Other operating expense	-376	-129	-2,985
Earnings before depreciation (EBITDA)	35,379	13,118	16,143
Depreciation	-23,142	-10,451	-9,498
Earnings before write down of goodwill (EBITA)	12,236	2,667	6,645
Write down of goodwill	-17,507	0	0
Operating profit (EBIT)	-5,271	2,667	6,645
Results in associated companies	151	-1	-932
Financial income	4,965	2,414	6,628
Financial expense	-9,848	-6,446	-5,217
Pre-tax earnings	-10,003	-1,366	7,123
Tax on the result of the period	-7,599	-3,056	-1,760
Result for the period	-17,602	-4,422	5,363
Foreign exchange rate translation re. subsidiaries	40	4,312	7,917
Other total income	40	4,312	7,917
Total recognized income for the period	-17,562	-110	13,280
Allocation of the result of the period:			
Shareholders of Columbus IT Partner A/S	-18,576	-4,694	4,213
Minority interests	974	272	1,150
	-17,602	-4,422	5,363
Allocation of other total income:			
Shareholders of Columbus IT Partner A/S	-39	2,742	7,383
Minority interest	79	1,570	534
	40	4,312	7,917
Earnings per share (EPS) of DKK 1.25	-0.24	-0.06	0.05
Earnings per share, diluted (EPS-D) of DKK 1.25	-0.24	-0.06	0.05

Assets

DKK '000	2009	H1 2009	H1 2010
Goodwill	154,498	158,535	157,908
Royalties	5,022	2,875	4,153
Development projects finalized	41,362	45,354	43,334
Development projects in progress	1,952	876	4,038
Total intangible assets	202,833	207,640	209,433
Leasehold improvement	509	702	403
Plant and operating equipment	9,010	9,697	8,468
Total tangible assets	9,519	10,399	8,872
Holdings in associated companies	1,233	1,081	423
Financial assets	1,233	1,081	423
Deferred tax assets	32,056	35,212	32,912
Total long-term assets	245,642	254,332	251,641
Inventories	774	1,257	1,185
Trade receivable	152,611	170,480	166,577
Contract work in progress	22,619	24,135	24,035
Corporation tax	1,234	2,343	1,228
Other receivables	13,904	7,955	14,944
Accruals	11,834	9,710	11,918
Total receivables	202,202	214,624	218,702
Cash	66,346	61,706	65,838
Total short-term assets	269,321	277,587	285,725
Total assets	514,963	531,919	537,366

Liabilities

DKK '000	2009	H1 2009	H1 2010
Equity			
Share capital	99,131	96,466	99,131
Reserves on foreign currency translation	-14,157	-11,376	-6,519
Retained profit	137,138	147,341	141,096
Parent Company shareholders' equity	222,112	232,431	233,708
Minority interests' equity	10,059	11,595	11,743
Total equity	232,171	244,026	245,451
Deferred tax	816	365	836
Credit institutions	5,034	12,723	1,849
Other debt	1,270	466	1,299
Total long-term debt	7,119	13,553	3,984
Short-term part of long-term debt	9,171	5,345	4,992
Credit institutions	56,331	73,783	53,886
Client prepayments	25,082	30,276	26,103
Trade accounts payable	59,804	40,735	69,402
Corporation tax	13	594	1,680
Other debt	115,987	113,751	123,295
Accruals	9,284	9,857	8,573
Total short-term debt	275,672	274,340	287,930
Total debt	282,791	287,894	291,915
Total liabilities	514,963	534,919	537,366

Consolidated Statement of Changes in Equity

DKK '000

	Share capital	Reserves on foreign currency translation	Retained profit	Minority interest	Equity
H1/2010					
Balance at January 1 st 2010	99,131	-14,158	137,139	10,059	232,171
Total recognized income for the period	0	7,639	3,957	1,684	13,280
Capital increase	0	0	0	0	0
Issue of share warrant scheme	0	0	0	0	0
Addition of minority interests	0	0	0	0	0
Disposal of minority interests	0	0	0	0	0
Payment of dividends	0	0	0	0	0
Balance at June 30th 2010	99,131	-6,519	141,096	11,743	245,451

H1 / 2009

Balance at January 1 st 2009	96,466	-14,118	152,035	9,753	244,136
Total recognized income for the period	0	2,742	-4,694	1,842	-110
Capital increase	0	0	0	0	0
Issue of share warrant scheme	0	0	0	0	0
Addition of minority interests	0	0	0	0	0
Disposal of minority interests	0	0	0	0	0
Payment of dividends	0	0	0	0	0
Balance at June 30th 2009	96,466	-11,376	147,341	11,595	244,026

2009

Balance at January 1 st 2009	96,466	-14,118	152,035	9,753	244,136
Total recognized income for the period	0	-39	-18,575	1,053	-17,561
Capital increase	2,665	0	3,335	0	6,000
Issue of share warrant scheme	0	0	345	0	345
Addition of minority interests	0	0	0	0	0
Disposal of minority interests	0	0	0	0	0
Payment of dividends	0	0	0	-746	-746
Balance at December 31st 2009	99,131	-14,158	137,139	10,059	232,171

Consolidated Cash Flow Statement

DKK '000	2009	H1 2009	H1 2010
Result for the period (EBIT)	-5,271	2,667	6,645
Depreciations and write downs	40,649	10,451	9,498
Net adjustments of development projects	-8,388	-6,202	-9,214
Changes in working capital	38,396	24,190	1,522
Cash flow from primary activities	65,387	31,106	8,450
Interest received, etc.	7,162	2,414	278
Interest paid, etc.	-8,387	-6,446	-1,375
Corporation tax paid	852	-1,681	-922
Cash flow from operating activities	65,014	25,393	6,596
Acquisition of tangible assets	-2,912	-1,111	-1,877
Acquisition of intangible assets	0	-154	-121
Disposal of tangible assets	0	341	32
Acquisition and investment in subsidiaries	-5,996	-280	0
Acquisition of associated companies	-49	0	-123
Cash flow from investing activities	-8,957	-1,204	-2,089
Proceeds from capital increase	6,000	0	0
Overdraft facilities	-51,242	-19,238	-9,809
Dividends paid to minority shareholders	-746	0	0
Cash flow from financing activities	-45,988	-19,238	-9,809
Cash flow	10,070	4,951	-5,467
Cash funds at the beginning of the year	54,121	54,121	66,346
Exchange rate adjustments	2,155	2,635	4,959
Cash funds at the end of the period	66,346	61,707	65,838

Note 1: Accounting policies

The consolidated interim financial report is prepared in accordance with IAS 34, Presentation of Interim Financial Reporting, as approved by the EU, and additional Danish disclosure requirements for interim financial reports of listed companies. No interim report has been prepared for the Parent Company. The interim financial report is presented in Danish kroner (DKK), which is the Parent Company's functional currency.

The accounting policies applied in the interim financial report are, except for the below listed changes, unchanged with respect to the Company's Annual Report for 2009, which is prepared in accordance with International Financial Reporting Standards, as approved by the EU, and additional Danish disclosure requirements for interim financial reports of listed companies. For more information on the accounting policies, we refer to our Annual Report for 2009.

Changes in accounting policies

With effect from 2010 Columbus IT has implemented the following new and changed standards and interpretations:

- IAS 27, Consolidated and separate financial statements (January 2008)
- IFRS 3, Business Combinations (January 2008)

The implementation of the new and changed standards and interpretations has not affected recognition and measurement.

Note 2: Segment data

The Group presents segment data according to IFRS, Operating Segments.

In order to support decisions about allocation of resources and assessment of performance of the segments, the Group's internal reporting to the Board of Directors of the parent company is based on the following grouping of operating segments:

Strategic business areas	Description	Geographical segment
ISV (Independent Software Vendor)	Development and sale of own ERP software products to resellers and strategic partners	No specific area
VAR (Value Added Resellers)	Sale and implementation of standard ERP software products to end users	The Nordic region Western Europe Eastern Europe North and South America

H1/2010	ISV	VAR	Parent Company	Total
Gross revenue	22,415	429,308	1,160	452,883
Intercompany revenue	-5,710	-5,341	0	-11,051
Net revenue	16,705	423,967	1,160	441,832
Operating result (EBIT)	2,325	8,433	-4,113	6,645
Results in associated companies	0	0	-932	-932
Pre-tax earnings	2,282	9,148	-4,306	7,123
Result for the period	2,279	7,390	-4,306	5,363
Segment assets	63,727	352,270	121,370	537,366
Segment liabilities	22,618	250,239	19,058	291,915
Capital investments	595	1,282	0	1,877
Depreciations	-4,687	-4,338	-473	-9,498
Amortizations	0	0	0	0
Holdings in associated companies	0	0	423	423
Average number of employees	47	849	11	906

Note 2: Segment data, continued

H1/2009	ISV	VAR	Parent Company	Total
Gross revenue	21,156	413,891	188	435,235
Intercompany revenue	-3,398	-9,020	0	-12,418
Net revenue	17,758	404,871	188	422,817
Operating profit (EBIT)	1,819	4,826	-3,977	2,667
Results in associated companies	0	0	-1	-1
Pre-tax earnings	1,281	3,878	-6,525	-1,366
Result for the period	1,249	854	-6,525	-4,422
Segment assets	56,008	199,029	276,882	531,920
Segment liabilities	26,049	225,762	36,083	287,894
Capital investments	102	967	42	1,111
Depreciations	-5,142	-4,712	-596	-10,451
Amortizations	0	0	0	0
Holdings in associated companies	0	0	1,081	1,081
Average number of employees	44	932	13	989
2009	ISV	VAR	Parent Company	Total
Gross revenue	79,898	792,473	0	872,371
Intercompany revenue	-21,468	-15,166	0	-36,634
Net revenue	58,430	777,307	0	835,737
Operating profit (EBIT)	12,442	6,383	-24,095	-5,270
Results in associated companies	0	0	151	151
Pre-tax earnings	12,155	6,350	-28,506	-10,002
Result for the period	1,249	854	-6,525	-4,422
Segment assets	107,268	212,436	195,260	514,964
Segment liabilities	20,710	226,030	38,098	284,838
Capital investments	18,224	3,835	3,051	25,110
Depreciations	-12,117	-9,902	-1,123	-23,142
Amortizations	0	-17,507	0	-17,507
Holdings in associated companies	0	0	1233	1233
Average number of employees	44	941	12	997

Note 3: Net Revenue

DKK '000	2009	H1 2009	H1 2010
Sale of products:			
Hardware	3,364	1,846	916
Software licenses	151,415	71,747	76,202
Maintenance, service and hotline subscriptions	144,283	69,538	91,941
Total sale of products	299,061	143,132	169,059
Sale of services:			
Support	31,047	15,355	14,393
Sales value of finished projects	474,620	277,214	270,786
Change in contract work in progress	31,009	-12,883	-12,405
Total sale of services	536,676	279,686	272,774
Total net sales	835,737	422,817	441,832
Contract work in progress at beginning of the period	54,140	54,140	85,149
Contract work in progress at end of the period	85,149	41,258	72,744
Total change in contract work in progress	31,009	-12,883	-12,405

Note 4: Incentive Scheme

Two senior executives have been granted an incentive scheme containing a share warrant scheme. The share warrant schemes are granted at the market share price. The share warrant schemes are based on the employment period. The share warrant schemes will not be adjusted for subsequent capital increases.

On the basis of a Black & Scholes' calculation, the scheme has a total forecast market value of up to DKK 0.4M that will be expended in 2010, and 2011.

Specification of outstanding warrants	Number of warrants		Exercise rate per warrant	
	H1/2009	H1/2010	H1/2009	H1/2010
DKK '000				
Outstanding at January 1 st	0	1,150,000	0	2.51
Granted during the period	1,150,000	0	2.51	0
Lost due to termination of employment	0	100,000	0	0
Used	0	0	0	0
Expired during the period	0	383,334	0	0
Annulled during the period	0	0	0	0
Outstanding at June 30th	1,150,000	666,666	2.51	2.51

Note 5: Trade Receivable

DKK '000	2009	H1 2009	H1 2010
Receivables (gross) at June 30 th	171,259	190,325	187,591
Allowance for doubtful debts at January 1 st	20,927	20,927	18,648
Change in allowance for doubtful debts during the period	7,360	1,882	6,870
Loss realized during the period	-9,638	-2,964	-4,505
Allowance for doubtful debts at June 30th	18,648	19,845	21,014
Balance at June 30th	152,611	170,480	166,577

All trade receivables are due for payment within 1 year.

Allowance for doubtful debts is recognized in the income statement under “Other external costs”. Allowance for doubtful debts are made based on individual impairments of trade receivables.