



The Copenhagen Stock Exchange

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Columbus IT Partner sells municipal activities to KMD and adjusts expectations upward.

Columbus IT Partner A/S today has entered into an agreement to sell the activities in the division that works with the municipal market in Denmark, to KMD (previously called Kommunedata A/S) for DKK 50 million, together with a 5-year agreement on cooperation.

The sale of these activities is a link in the Columbus IT Partner strategy for an increased focus on international, scalable, "own-developed" products and solutions based on Navision software targeted specifically toward chosen industries. The international element's greater prioritization in the company's strategic plans for 2002-2003 – especially after the Microsoft purchase offer to Navision shareholders - has proven to be a justified focus area, and the sale of the municipal activities will contribute to ensuring maximum drive in the international orientation of the Concern.

Columbus IT Partner will transfer the Navision Axapta-based standard Municipal solution that includes 27 modules, customer contracts, and ongoing work on the solution. Furthermore 28 staff will be offered employment in KMD.

On the date of transfer, 1 June 2002, there will be a one-time payment in the amount of DKK 50 million to Columbus IT Partner. In addition, the companies have entered into a 5-year agreement of cooperation with Columbus IT Partner as KMD's Axapta technology partner, which will ensure Columbus IT Partner royalties from the sale of the Axapta-based municipal solution and additional sales of Axapta software to KMD's customers in the municipal sector.

The agreement also includes a series of conditions regarding activities with Farum Municipality, where KMD and Columbus IT Partner have mutual interests in resolving the new IT tasks of that situation with its current political conflicts.

On the basis of the sale of these activities, the previously announced expectations for 2002 are adjusted. Therefore, it is expected there will be net sales between DKK 650-675 million



and EBITDA at the level of DKK 70 million. These changed expectations shall be seen in light of the following four conditions: 1) a large part of the expected net sales and income from the sold activities from 1 June 2002 to the end of the year will be lost, 2) reverse entry of capitalized development costs, 3) the buy-back of products from Gaardboe Holding, 4) the costs connected with carrying out the transaction.

The transaction, which has a marked positive effect on liquidity, finances further the closing phase of the restructuring process that has been initiated in Columbus IT Partner.

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