

INTERIM REPORT
H1/2015



Columbus®

Once you *know* how...

Columbus A/S, CVR no. 13228345

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KEY FIGURES AND RATIOS

DKK '000	H1 2015	H1 2014	2014
Net revenue	548,445	436,418	878,291
Gross profit	414,045	338,625	673,800
EBITDA before share-based payment	39,353	36,283	81,591
EBITDA	38,724	34,989	78,704
EBITA	24,672	23,243	52,893
EBIT	24,672	23,243	52,893
Profit before tax	31,508	22,752	58,700
Profit after tax	25,460	17,213	52,697
Allocated to:			
Shareholders of Columbus A/S	26,082	16,130	50,822
Minority interests	-622	1,083	1,875
	25,460	17,213	52,697
Balance sheet			
Long-term assets	419,833	259,122	277,441
Short-term assets	277,122	240,958	272,777
Total assets	696,955	500,080	550,218
Group shareholder equity	348,771	293,459	325,901
Minority interests	1,977	3,446	4,233
Total liabilities	346,207	203,175	220,084
Total equity and liabilities	696,955	500,080	550,218
Investments in tangible assets	2,677	669	3,819
Cash flow			
Cash flow from operating activities	38,880	37,438	75,023
Cash flow from investing activities	-85,559	-17,453	-36,285
Cash flow from financing activities	20,514	-8,974	-9,625
Total cash flow	-26,165	11,011	29,113
Key ratios			
EBITDA-margin	7.1%	8.0%	9.0%
Operating profit margin (EBIT-margin)	4.5%	5.3%	6.0%
Equity ratio	50.0%	58.7%	59.2%
Return on equity	7.5%	5.5%	15.6%
Number of shares, in thousands	113,699	110,264	110,264
Average number of shares, in thousands	112,144	108,227	109,343
Net asset value per share (BVPS)	3.07	2.66	2.96
Earnings per share (EPS)	0.23	0.15	0.46
Cash flow per share	0.34	0.35	0.66
Share price, end of period	5.05	5.60	4.70
Average headcount at the end of the period	1,055	890	889

The key figures and financial ratios above have been calculated in accordance with the Danish Society of Financial Analysts' "Recommendations and Key Figures 2015".

26% REVENUE GROWTH AND 8% EBITDA¹ INCREASE

The revenue increased by 26% compared to H1 2014. A significant growth in Columbus Software revenue of 57% and acquisitions are driving the revenue increase. EBITDA¹ increased by 8% to DKK 39.4m.

Final year of Columbus¹⁵ execution

Columbus continues the execution of the strategy; focus on selling Columbus Software and consultancy services to companies within the food, manufacturing and retail industries, while optimizing the services business, reducing costs and managing risks in the entire organization.

Acquisitions and sale of Columbus Software increased revenue in first half of 2015

The revenue amounted to DKK 548.4m in the first half of 2015, an increase of 26% compared to H1 2014. The revenue increase is primarily driven by the acquisition of InterDyn BMI (Business Microvar Inc.) in the US. However, the increase in revenue from Columbus Software has contributed to the revenue growth by 3.5 percentage points. The revenue from Columbus Software increased both through Columbus entities and through external partners.

EBITDA¹ increased by 8% to DKK 39.4m which does not reflect the revenue growth. This is caused by a negative

EBITDA in Norway due to the operational challenges previously announced. This offsets the positive trends in EBITDA from the business in general. Excluding Norway EBITDA¹ increased by 54%. Thus, in general the development in the group was positive in terms of both revenue and EBITDA.

The net result increased by 48% to DKK 25.5m compared to H1 2014. The increase is primarily due to the increase in EBITDA and positive financial income from currency adjustments of intercompany balances.

Recovery and trimming of Columbus Norway

The recovery of Columbus Norway takes longer than initially expected. However, in April 2015 a new Country Manager with a solid experience from the ERP business came on board. Despite the current financial and operational challenges we are confident that the team in Norway will gradually complete the recovery of the company through 2015 and 2016.

DKK '000	H1 2015	H1 2014	2014
Columbus licenses	23,913	11,416	28,782
Columbus subscriptions	18,130	15,423	33,059
External licenses	49,438	32,114	73,891
External subscriptions	92,495	58,413	124,350
Consultancy	354,712	309,720	596,942
Other	9,757	9,332	21,267
Net revenue	548,445	436,418	878,291
EBITDA before share-based compensation	39,353	36,283	81,591
Share-based compensation	-629	-1,294	-2,887
EBITDA	38,724	34,989	78,704

¹ EBITDA before share-based compensation



Solid cash flow

Cash flow from primary activities amounted to DKK 44.5m which is an increase of 3% compared to H1 2014.

Columbus maintains expectations for 2015

The announced expectations for 2015 are being maintained and Columbus expects revenue in the level of DKK 1,030m and EBITDA¹ in the level of DKK 94m.

Acquisitions strengthen the market position in US and Denmark

In January, Columbus acquired the US consultancy InterDyn BMI with more than 130 employees and geographical reach across the US.

In May, Columbus acquired the Danish consultancy MW data A/S and MW solutions A/S with highly specialized competency and industry solutions within complex manufacturing, logistics and food processing.

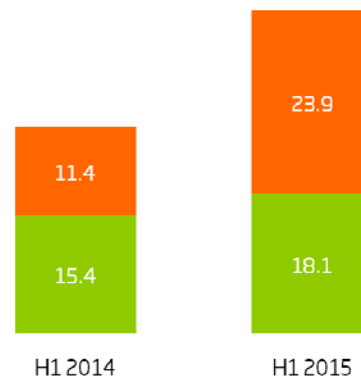
These acquisitions strengthen Columbus' market position and allow us to serve customers within our key industries even better.

57% growth in Columbus Software revenue

Columbus Software increased by 57% compared to H1 2014, and amounted to DKK 42.0m. Especially, the sale of Columbus licenses grew significantly by 109% compared to H1 2014. The increase is executed through Columbus' own entities, but also through external partners.

Columbus Software is an important part of Columbus' revenue mix, as it complements the solutions we deliver to our customers within our focus industries and generates subsequent recurring revenue in terms of subscriptions.

■ Columbus Subscriptions ■ Columbus Licenses



Columbus Software highlights

Columbus experienced significant progress within several software products in H1 2015.

Columbus' Advanced Discrete Manufacturing (ADM) suite constituted the highest revenue growth within Columbus Software with a 435% growth compared to the same period last year. The growth primarily comes from large enterprises, which increasingly demand solutions enabling agile change management, enterprise collaboration and data management which creates a lean environment.

Columbus Mobility Solutions contributed with the second largest revenue within Columbus Software in the first half of 2015. With the acquisition of Dynamics Anywhere in 2014, Columbus was able to add AX Anywhere and NAV Anywhere to the Mobility suite to the benefit of our customers enabling them to access Microsoft Dynamics AX/NAV at any time from almost any mobile device.

Columbus RapidValue, our business process management solution, is still one of Columbus' strongest solutions and constituted the third largest revenue within Columbus Software



Evelyn Mardus, Columbus Estonia



Ashley Doust, Columbus UK

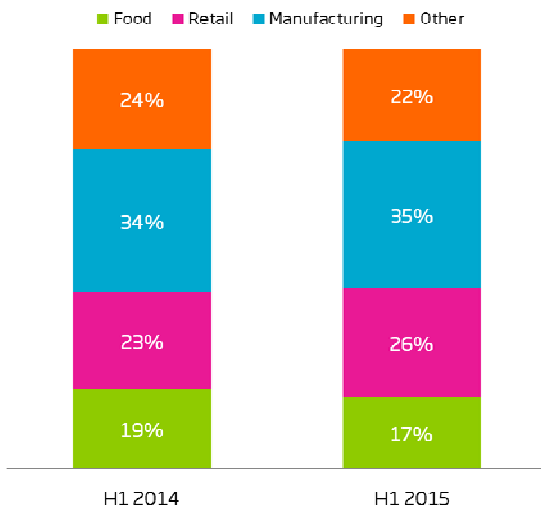
in the first half of 2015. Columbus RapidValue is closely followed by Columbus Business Integration Solutions (BIS), which helps enterprises share, automate and maintain data across the value chain.

Columbus' Food Solution and IEM products for Microsoft NAV also showed strong progress in the first half of 2015 with a growth of 41%.

Continued growth in sale of industry solutions

The revenue from industry solutions increased to 78% of the total revenue in H1 2015 compared to 76% in H1 2014.

The progress is primarily coming from the manufacturing and retail segments, where the sale of software and solutions has increased considerably. The growth is in line with expectations.

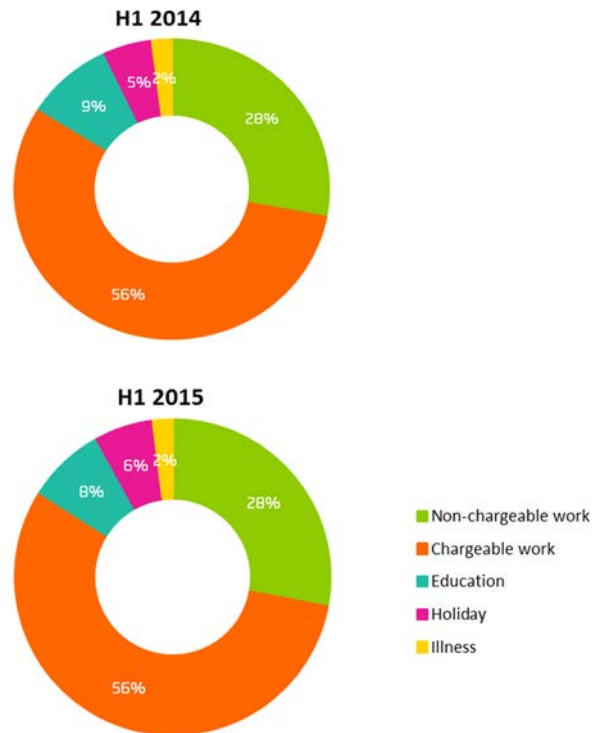


Development in revenue within our focus industries

Growth in consultancy revenue

The consultancy revenue increased by 15% compared to H1 2014, which is mainly due to acquisitions. However, the chargeability in the consulting business is at the same level as in H1 2014, despite a declining chargeability in Norway.

The expected level of chargeability by the end of 2015 is 55%.





Ekaterina Bragina, Columbus Russia

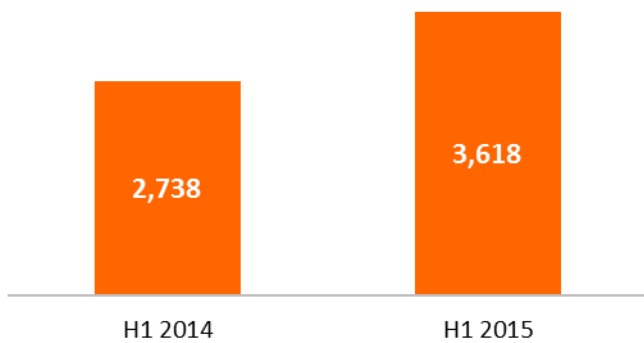


Aleksandr Stankevici, Columbus Lithuania

Increased capacity and productivity in Columbus' Global Delivery Center

Columbus' Global Delivery Center expanded as planned. Today, the Global Delivery Center employs 99 consultants working on customer projects and with customer support.

■ Global Delivery Days



In first half of 2015, the Global Delivery Center delivered 3,618 days of customer work corresponding to an increase of 32% compared to first half of 2014.

MANAGEMENT REPORT

We have today considered and approved the interim financial report for the period 1 January 2015 - 30 June 2015 for Columbus 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 30 June 2015, and of the results of the Group's operations and cash flows during the first half of 2015.

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, 20 August 2015

Executive Board



Thomas Honoré
CEO

Board of Directors



Ib Kunøe
Chairman



Jørgen Cadovius
Deputy Chairman



Peter Skov Hansen



Sven Madsen



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COMPREHENSIVE INCOME

DKK '000	Note	H1 2015	H1 2014	2014
Net revenue	3	548,445	436,418	878,291
External project costs		-134,400	-97,793	-204,491
Gross profit		414,045	338,625	673,800
Staff expenses and remuneration	4	-306,623	-245,120	-476,614
Other external costs		-70,453	-57,625	-117,035
Other operating income		2,384	403	1,440
EBITDA before share-based payment		39,353	36,283	81,591
Share-based payment		-629	-1,294	-2,887
EBITDA		38,724	34,989	78,704
Depreciation		-14,052	-11,746	-25,811
Earnings before write down of goodwill (EBITA)		24,672	23,243	52,893
Write down of goodwill		0	0	0
Operating profit (EBIT)		24,672	23,243	52,893
Financial income		7,028	204	6,371
Financial expense		-192	-695	-564
Profit before tax		31,508	22,752	58,700
Corporate tax		-6,048	-5,539	-6,003
Profit after tax		25,460	17,213	52,697
Currency adjustments of investments in subsidiaries		3,759	1,662	-2,189
Other comprehensive income		3,759	1,662	-2,189
Total comprehensive income		29,219	18,875	50,508
Allocated to:				
Shareholders in Columbus A/S		26,082	16,130	50,822
Minority interests		-622	1,083	1,875
		25,460	17,213	52,697
Total comprehensive income allocated to:				
Shareholders Columbus A/S		29,830	17,796	48,644
Minority interests		-611	1,079	1,864
		29,219	18,875	50,508
Earnings per share of DKK 1.25 (EPS)		0.23	0.15	0.46
Earnings per share of DKK 1.25, diluted (EPS-D)		0.23	0.14	0.45

BALANCE SHEET

DKK '000	Note	H1 2015	H1 2014	2014
ASSETS				
Goodwill		308,452	183,971	198,622
Other intangible assets		23,177	2,809	2,568
Development projects finalized		44,968	39,387	46,970
Development projects in progress		8,066	7,027	1,233
Intangible assets		384,663	233,194	249,393
Leasehold improvements		122	175	148
Plant and operating equipment		12,894	7,959	8,500
Tangible assets		13,016	8,134	8,648
Deferred tax assets		22,154	17,794	19,400
Total long-term assets		419,833	259,122	277,441
Inventories		272	62	270
Trade receivables	5	157,629	125,868	144,091
Contract work in progress	6	17,062	12,405	8,491
Corporate tax		4,873	40	4,106
Other receivables		10,780	5,011	8,024
Prepayments		9,796	10,983	8,777
Receivables		200,140	154,307	173,489
Cash		76,710	86,589	99,018
Total short-term assets		277,122	240,958	272,777
TOTAL ASSETS		696,955	500,080	550,218

BALANCE SHEET

DKK '000	Note	H1 2015	H1 2014	2014
EQUITY AND LIABILITIES				
Share capital		142,123	137,831	137,831
Reserves on foreign currency translation		-8,945	-8,850	-12,693
Retained profit		215,593	164,478	186,980
Proposed dividends		0	0	13,783
Group shareholders equity		348,771	293,459	325,901
Minority interests		1,977	3,446	4,233
Equity		350,748	296,905	330,134
Deferred tax		431	201	281
Provisions		21,580	6,185	5,172
Other liabilities		0	1,270	1,270
Non-current liabilities		22,011	7,656	6,723
Debt to credit institutions		35,691	19	6
Debt to subsidiaries		0	0	0
Client prepayments		26,214	20,503	19,542
Trade accounts payable		77,088	54,524	58,620
Corporate tax		8,928	5,670	7,430
Other liabilities		144,761	94,083	102,399
Accruals		31,514	20,720	25,364
Current liabilities		324,196	195,519	213,361
Total liabilities		346,207	203,175	220,084
TOTAL EQUITY AND LIABILITIES		696,955	500,080	550,218

CHANGES IN EQUITY

DKK '000	Shareholders in Columbus A/S					Equity
	Share capital	Reserves on foreign currency translation	Retained profits	Proposed dividends	Minority interests	
H1 2015						
Balance at 1 January 2015	137,831	-12,693	186,980	13,783	4,233	330,134
Profit after tax	0	0	26,082	0	-622	25,460
Currency adjustments of investments in subsidiaries	0	3,748	0	0	11	3,759
Total comprehensive income	0	3,748	26,082	0	-611	29,219
Adjustment to prior year	0	0	-429	429	0	0
Capital increase	4,292	0	2,331	0	0	6,623
Share-based payment, cf. note 4	0	0	629	0	0	629
Payment of dividend	0	0	0	-14,212	-1,645	-15,857
Balance at 30 June 2015	142,123	-8,945	215,593	0	1,977	350,748
H1 2014						
Balance at 1 January 2014	132,793	-10,680	144,940	13,279	3,646	283,978
Profit after tax	0	0	16,130	0	1,083	17,213
Currency adjustments of investments in subsidiaries	0	1,830	-165	0	-4	1,661
Total comprehensive income	0	1,830	15,965	0	1,079	18,874
Adjustments to prior year	0	0	-504	504	0	0
Capital increase	5,038	0	2,783	0	0	7,820
Share-based payment cf. note 4	0	0	1,294	0	0	1,294
Payment of dividend	0	0	0	-13,783	-1,279	-15,062
Balance at 30 June 2014	137,831	-8,850	164,478	0	3,446	296,905
2014						
Balance at 1 January 2014	132,793	-10,680	144,940	13,279	3,646	283,978
Profit after tax	0	0	37,039	13,783	1,875	52,697
Currency adjustments of investments in subsidiaries	0	-2,013	-165	0	-11	-2,189
Total comprehensive income	0	-2,013	36,874	13,783	1,864	50,508
Capital increase	5,038	0	2,782	0	0	7,820
Dividend on capital increase	0	0	-504	504	0	0
Share-based payment	0	0	2,887	0	0	2,887
Payment of dividend	0	0	0	-13,783	-1,277	-15,060
Balance at 31 December 2014	137,831	-12,693	186,980	13,783	4,233	330,134

CASH FLOW

DKK '000	Note	H1 2015	H1 2014	2014
Operating profit (EBIT)		24,672	23,243	52,893
Depreciations and amortizations		14,052	11,746	25,811
Cost of incentive scheme	4	629	1,294	2,887
Changes in net working capital		5,176	6,814	-905
Cash flow from primary activities		44,529	43,097	80,686
Interest received, etc.		928	204	4,224
Interest paid, etc.		-192	-695	-564
Corporate tax paid		-6,385	-5,168	-9,323
Cash flow from operating activities		38,880	37,438	75,023
Net increase in development projects		-9,411	-6,968	-15,249
Acquisition of tangible assets		-2,677	-669	-3,819
Acquisition of intangible assets		0	0	-44
Disposal of tangible assets		40	32	612
Acquisition of subsidiaries and activities		-73,511	-9,848	-17,785
Cash flow from investing activities		-85,559	-17,453	-36,285
Proceeds from capital increase		6,623	7,820	7,820
Overdraft facilities		29,748	-2,372	-2,385
Dividends paid		-15,857	-14,422	-15,060
Loan to associates		0	0	0
Cash flow from financing activities		20,514	-8,974	-9,625
Total cash flow		-26,165	11,011	29,113
Cash funds at the beginning of the year		99,018	75,410	75,410
Exchange rate adjustments		3,857	168	-5,505
Cash funds at the end of the period		76,710	86,589	99,018

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NOTES

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. 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 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 and is unchanged compared to 2014. For more information on the accounting policies, we refer to our Annual Report for 2014.

Note 2: Segment data

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 industry-specific software within Columbus' three focus industries: Retail, food and manufacturing	No specific area
		Western Europe
		Eastern Europe
Consultancy	Sale and implementation of standard business systems.	North America

Information about the Group's segment is stated below.

DKK '000	ISV	Consultancy				Total
		Western Europe	Eastern Europe	North America	HQ, GDC and eliminations	
H1 2015						
Columbus licenses	18,234	8,339	1,590	3,197	-7,447	23,913
Columbus subscriptions	15,733	6,164	663	2,131	-6,561	18,130
External licenses	0	16,502	7,881	24,571	484	49,438
External subscriptions	-93	33,712	14,452	45,387	-963	92,495
Consultancy	8,593	202,529	46,691	106,161	-9,262	354,712
Other	357	4,293	737	4,429	-59	9,757
Total net revenue	42,824	271,539	72,014	185,876	-23,808	548,445
Gross profit	37,102	204,521	50,257	115,132	7,033	414,045
EBITDA	22,394	21,908	4,313	5,973	-15,864	38,724
Operating result (EBIT)	10,597	4,880	266	-2,888	11,817	24,672
Profit before tax	11,319	4,218	-212	-4,735	20,918	31,508
Profit after tax	11,319	905	-1,754	-5,781	20,771	25,460
Segment assets	113,604	287,282	89,640	267,482	-61,053	696,955
Segment liabilities	35,697	120,661	35,997	81,362	72,490	346,207
Long-term assets	93,848	131,289	37,346	208,529	-51,179	419,833
Capital investments	9,589	1,758	258	344	548	12,497
Depreciation	-9,334	-2,526	-251	-1,768	-173	-14,052
Average number of employees	72	431	285	243	24	1,055

The accounting policy used to state segment data is the same as the Groups' accounting policy.

Note 2: Segment data, continued

DKK '000	ISV	Consultancy				Total
		Western Europe	Eastern Europe	North America	HQ, GDC and eliminations	
H1 2014						
Columbus licenses	8,215	5,808	1,393	466	-4,466	11,416
Columbus subscriptions	13,435	4,154	519	1,323	-4,008	15,423
External licenses	0	16,377	9,871	6,024	-158	32,114
External subscriptions	245	26,907	13,707	17,903	-349	58,413
Consultancy	7,238	207,232	52,792	48,560	-6,102	309,720
Other	413	5,803	1,154	1,821	141	9,332
Total net revenue	29,546	266,281	79,436	76,097	-14,942	436,418
Gross profit	26,729	201,408	57,839	51,430	1,219	338,625
EBITDA	12,845	24,201	7,445	1,766	-11,268	34,989
Operating result (EBIT)	3,647	19,854	6,650	941	-7,849	23,243
Profit before tax	2,918	19,096	6,347	-843	-4,766	22,752
Profit after tax	2,471	16,363	5,522	-841	-6,302	17,213
Segment assets	95,461	237,624	95,528	66,050	5,417	500,080
Segment liabilities	23,033	119,976	37,197	19,078	3,891	203,175
Long-term assets	80,226	90,838	37,568	45,667	4,823	259,122
Capital investments	12,815	322	132	-4,461	-4,626	4,182
Depreciation	-8,559	-1,797	-281	-311	-798	-11,746
Average number of employees	55	411	281	128	15	890

Note 2: Segment data, continued

DKK '000	ISV	Consultancy				Total
		Western Europe	Eastern Europe	North America	HQ, GDC and eliminations	
2014						
Columbus licenses	21,245	11,971	2,680	2,551	-9,665	28,782
Columbus subscriptions	27,894	10,953	1,062	3,236	-10,086	33,059
External licenses	0	38,338	19,463	16,248	-158	73,891
External subscriptions	334	69,797	22,926	31,749	-456	124,350
Consultancy	15,818	390,755	112,770	92,379	-14,780	596,942
Other	4,599	10,714	2,351	3,397	206	21,267
Total net revenue	69,890	532,528	161,252	149,560	-34,939	878,291
Gross earnings	64,358	386,984	120,472	100,347	1,639	673,800
EBITDA	34,478	52,776	16,257	1,437	-26,244	78,704
Operating result (EBIT)	13,966	46,593	14,965	578	-23,209	52,893
Profit before tax	13,246	45,028	16,826	-1,704	-14,696	58,700
Profit after tax	10,925	40,608	14,995	3,584	-17,415	52,697
Segment assets	114,056	227,592	83,356	81,933	43,281	550,218
Segment liabilities	38,057	126,709	28,318	19,945	7,055	220,084
Long-term assets	88,957	88,488	37,255	51,333	11,408	277,441
Capital investments	44,845	1,880	343	600	-10,904	36,764
Depreciation	-19,872	-3,634	-540	-345	-1,420	-25,811
Average number of employees	61	411	283	119	15	889

In order to be able to estimate the results of the segments and allocate resources between these, the Board of Directors also monitors the tangible, intangible and financial assets related to each segment.

Note 2: Segment data, continued

Note 3: Net revenue

Note 2: Segment data, continued

Revenue and long-term assets distributed in geographic areas

The Group's revenue from external customers and long-term assets distribution in geographical areas are specified below. Revenue is distributed according to the registered address of the customers, and the long-term assets are distributed according to location and legal relation.

DKK '000	Net revenue from external customers			Long-term assets		
	H1 2015	H1 2014	2014	H1 2015	H1 2014	2014
Denmark	141,568	124,838	258,390	113,412	65,016	136,216
Norway	33,984	59,345	106,020	7,742	9,998	7,694
United Kingdom	91,484	77,716	159,078	23,936	20,650	21,023
USA	184,581	76,097	149,560	200,996	45,667	43,800
Russia	38,263	44,641	91,069	190	31,324	210
The rest of the world	58,565	53,781	114,174	73,557	86,467	68,498
Total	548,445	436,418	878,291	419,833	259,122	277,441

Note 3: Net revenue

DKK '000	H1 2015	H1 2014	2014
Sale of products:			
Columbus licenses	23,913	11,416	28,782
Columbus subscriptions	18,130	15,423	33,059
External licenses	49,438	32,114	73,891
External subscriptions	92,495	58,413	124,350
Other	517	47	351
Total sale of products	184,493	117,413	260,433
Sale of services:			
Sales value of finished projects	338,587	310,147	608,220
Change in contract work in progress	16,125	-427	-11,278
Other services	9,240	9,285	20,916
Total sale of services in the period	363,952	319,005	617,858
Total net revenue	548,445	436,418	878,291
Contract work in progress, beginning of period	-39,811	-51,089	-51,089
Contract work in progress, end of period	55,936	50,662	39,811
Total change in contract work in progress	16,125	-427	-11,278

The group does not hedge revenue by the use derivative financial instruments.

Note 4: Staff expenses and remuneration

DKK '000	H1 2015	H1 2014	2014
Staff expenses			
Salary and wages	268,724	216,191	425,339
Other social security costs	18,795	15,164	29,325
Other staff expenses	19,104	13,765	21,950
Staff costs before share-based payment	306,623	245,120	476,614
Share-based payment	629	1,294	2,887
Staff expenses	307,252	246,414	479,501
Average number of employees	1,055	890	889

The parent company's Executive Board and Board of Directors are remunerated as follows:

DKK '000	Board of Directors	Executive board	Other senior employees
H1 2015			
Salary and wages	175	1,600	9,207
Share-based payment	0	102	241
	175	1,702	9,448
H1 2014			
Salary and wages	175	1,500	8,734
Share-based payment	19	208	552
	194	1,708	9,286
2014			
Salary and wages	350	3,440	17,165
Share-based payment	39	452	1,293
	389	3,892	18,458

Other senior employees are defined as those employees involved in management of the parent company, as well as the Managing Directors of the parent company's subsidiaries.

The Executive Board and a number of senior employees in the Parent Company as well as the Group, are subject to special bonuses depending on individually defined performance targets. The arrangements are essentially unchanged compared to last year.

Note 4: Staff expenses and remuneration, continued

Defined contribution plans

The Group finances defined contribution plans through continuous premium payments to independent pension and insurance companies, which are responsible for the pension liabilities. After payment of pension contribution to defined contribution plans, the Group has no further pension liabilities towards employees or resigned employees in relation to the future development in interest rates, inflation, mortality, disability etc. with regards to the amount to be paid to employees at a later time.

Incentive schemes

In May 2011 Columbus established a warrant program for the CEO. The program, which can only be exercised by purchasing the shares in question, grants the right to subscribe a number of shares in the parent company at a price agreed in advance. The vesting period corresponds to the fiscal year with the final grant at 31 December 2013. At the grant date the market value of the shares was DKK 954,781. The exercise periods are scheduled to the first 14 days after publication of the Company's Annual Report. Warrants not exercised within the last exercise period will be lost. The warrant program is contingent on employment in the Company.

In January 2012 Columbus established a warrant program for senior executives. The program, which can only be exercised by purchasing the shares in question, grants the right to subscribe a number of shares in the parent company at a price agreed in advance. The vesting period corresponds to the fiscal year with the final grant at 31 December 2014. At the grant date the market value of the shares was DKK 452,219. The exercise periods are scheduled to the first 14 days after publication of the Company's Annual Report. Warrants not exercised within the last exercise period will be lost. The warrant program is contingent on employment in the Company.

In May 2012 Columbus established a warrant program for the Board of Directors, senior executives and a number of other employees. The program, which can only be exercised by purchasing the shares in question, grants the right to subscribe a number of shares in the parent company at a price agreed in advance. The vesting period corresponds to the fiscal year with the final grant at 31 December 2014. At the grant date the market value of the shares was DKK 1,787,312. The exercise periods are scheduled to the first 14 days after publication of the Company's Annual Report. Warrants not exercised within the last exercise period will be lost. The warrant program is contingent on employment in the Company.

In August 2012 Columbus established a warrant program for senior executives and a number of other employees. The program, which can only be exercised by purchasing the shares in question, grants the right to subscribe a number of shares in the parent company at a price agreed in advance. The vesting period corresponds to the fiscal year with the final grant at 31 December 2014. At the grant date the market value of the shares was DKK 204,799. The exercise periods are scheduled to the first 14 days after publication of the Company's Annual Report. Warrants not exercised within the last exercise period will be lost. The warrant program is contingent on employment in the Company.

In June 2013 Columbus established a warrant program for senior executives and a number of other employees. The program, which can only be exercised by purchasing the shares in question, grants the right to subscribe a number of shares in the parent company at a price agreed in advance. The vesting period corresponds to the fiscal year with the final grant at 31 December 2015. At the grant date the market value of the shares was DKK 2,296,745. The exercise periods are scheduled to the first 14 days after publication of the Company's Annual Report. Warrants not exercised within the last exercise period will be lost. The warrant program is contingent on employment in the Company.

In December 2013 Columbus established a warrant program for senior executives and a number of other employees. The program, which can only be exercised by purchasing the shares in question, grants the right to subscribe a number of shares in the parent company at a price agreed in advance. The vesting period corresponds to the fiscal year with the final grant at 31 December 2016. At the grant date the market value of the shares was DKK 3,062,903. The exercise periods are scheduled to the first 14 days after publication of the Company's Annual Report. Warrants not exercised within the last exercise period will be lost. The warrant program is contingent on employment in the Company, and the Company's achievement of certain goals for earnings based on the period of employment as vesting criteria.

Note 4: Staff expenses and remuneration, continued

In May 2014 Columbus established a warrant program for senior executives and a number of other employees. The program, which can only be exercised by purchasing the shares in question, grants the right to subscribe a number of shares in the parent company at a price agreed in advance. The vesting period corresponds to the fiscal year with the final grant at 31 December 2016. At the grant date the market value of the shares was DKK 1,239,386. The exercise periods are scheduled to the first 14 days after publication of the Company's Annual Report. Warrants not exercised within the last exercise period will be lost. The warrant program is contingent on employment in the Company, and the Company's achievement of certain goals for earnings based on the period of employment as vesting criteria.

If all warrants are exercised the outstanding warrants correspond to 4% of the total number of shares.

The development in outstanding warrants can be specified as follows:

	Number of warrants		Avg. exercise rate per warrant	
	H1 2015	H1 2014	H1 2015	H1 2014
Outstanding 1 January	8,609,500	12,914,999	2.92	2.38
Granted during the period	0	996,000	0.00	5.60
Lost due to termination of employment	-206,860	-630,000	4.17	2.38
Exercised during the period	-3,434,080	-4,029,999	1.93	1.94
Expired during the period	0	0	0.00	0.00
Annulled during the period	0	0	0.00	0.00
Outstanding end of period	4,968,560	9,251,000	3.57	2.92
Number of warrants which can be exercised at balance sheet date	1,255,560	1,250,000		
Weighted average exercise rate	3.58	1.77		

The incentive scheme is based on Black & Scholes' calculations for the estimated market value at the time of allocation. The assessment is based on the following assumptions:

	Share price at grant date (DKK per share)	Exercise price (DKK per share)	Estimated volatility (%) [*]	Risk free interest (%)	Estimated return rate (%)	Expiry (number of years)
Warrants June 2015						
Granted May 2011	2.45	2.45	40.11%	2.90%	0%	0.0
Granted January 2012	1.43	1.43	43.73%	1.28%	0%	0.0
Granted May 2012	1.48	1.48	46.70%	1.49%	0%	0.0
Granted August 2012	1.48	1.48	46.70%	1.49%	0%	0.0
Granted June 2013	2.14	2.14	32.44%	0.54%	0%	0.8
Granted December 2013	3.93	3.93	36.99%	0.54%	0%	1.8
Granted June 2014	5.60	5.60	32.62%	0.34%	0%	1.8

* The expected volatility is calculated based on the historic volatility during the past year until the grant of the warrant programs.

DKK '000	H1 2015	H1 2014	2014
Expensed share-based payment related to equity instruments	629	1,294	2,887

Note 5: Trade receivables

Note 6: Contract work in progress

Note 5: Trade receivables

DKK '000	H1 2015	H1 2014	2014
Receivables (gross) at 30 June	164,457	127,684	149,029
Provisions for bad debt at 1 January	1,816	3,538	3,538
Change in provisions for bad debt during the period	6,686	-1,702	3,064
Loss realized during the period	-1,674	-20	-1,664
Provisions for bad debt at 30 June	6,828	1,816	4,938
Carrying amount at 30 June	157,629	125,868	144,091

Provisions for bad debt are made if it is assessed that the individual debtors ability to pay is reduced, e.g. in the event of administrative orders, insolvency, etc.

Note 6: Contract work in progress

DKK '000	H1 2015	H1 2014	2014
Contract work in progress	55,936	50,662	39,811
On account billing and prepayments	-45,672	-45,472	-39,482
	10,264	5,190	329
The net value is included in the balance as follows:			
Contract work in progress (assets)	17,062	12,405	8,491
Client prepayments (liabilities)	-6,798	-7,215	-8,162
	10,264	5,190	329

Note 7: Business combinations

Acquisition of companies in H1 2015

The Group has per 1 February 2015 acquired 100% shares in Business Microvar Inc. (InterDyn BMI) and per 4 May 2015 acquired 100% shares in MW data A/S and MW Solutions A/S.

Name	Primary activity	Date of control gained	Acquired ownership	Acquired voting rights	Total consideration DKK '000
Business Microvar Inc.	Distribution and implementation of standardised business solutions.	1st February	100%	100%	62,225
MW data A/S and MW Solution A/S	Distribution and implementation of standardised business solutions.	4th May	100%	100%	51,500
Total					

The acquisition of Business Microvar Inc. has strengthened the position as a value provider of industry specific consultancy and business solutions to companies within the retail, manufacturing and food industries.

The acquisition of MW data A/S and MW Solutions A/S has strengthened the focus within the company's key industries, and thereby the global position as an innovative solution provider.

DKK '000	Business Microvar Inc.	MW data A/S and MW Solutions A/S	Total
Development projects, finalized	0	4,496	4,496
Other intangible assets	16,462	5,376	21,838
Operating equipment	3,299	1,228	4,527
Total long-term assets	19,761	11,100	30,861
Trade receivables	12,583	7,604	20,187
Other receivables	5,643	153	5,796
Cash	3,253	11,924	15,177
Total short-term assets	21,479	19,681	41,160
Trade accounts payable	-16,159	-2,767	-18,926
Corporation tax and deferred tax	2,476	-972	1,504
Other debt	-33,451	-9,593	-43,044
Total short-term debt	-47,134	-13,332	-60,466
Net assets acquired	-5,894	17,449	11,555
Goodwill	68,119	34,051	102,170
Total consideration	62,225	51,500	113,725
Acquired cash funds	11,056	-11,924	-868
Contingent consideration	-13,169	-14,144	-27,313
Cash consideration	60,112	25,432	85,544

Note 7: Business combinations, continued

After recognition of identifiable assets, liabilities and contingent liabilities at fair value, goodwill in relation to the acquisitions were assessed to DKK 102m. The goodwill represents the value of assets where the fair value cannot be measured reliably, the value of the acquired staff and knowhow, expected synergies from the merger of acquired companies and the existing activities in Columbus as well as the value of access to new markets.

Tax deductibility on goodwill for the Business Microvar Inc. acquisition is DKK 68.7m.

Contingent consideration for Business Microvar Inc. is DKK 13.2m. The contingent consideration is determined by revenue and EBITDA thresholds in 2015 and 2016 for the acquired business. The consideration is recognized as if these thresholds will be met.

Contingent consideration for MW data A/S and MW Solutions A/S is DKK 14.1m. The contingent consideration is determined by retaining certain key customers and key employees and certain revenue thresholds during 2015. Further contingent payments are determined by consulting profitability thresholds during 2015, 2016 and 2017. The consideration is recognized as if these thresholds will be met.

DKK '000	Business Microvar Inc.	MW data A/S and MW Solu- tions A/S	Total
Fair value calculation on trade receivables			
Trade receivables, gross amount	15,039	7,718	22,757
Trade receivables, not expected to be collected	-2,456	-114	-2,570
Trade receivables, fair value	12,583	7,604	20,187

Business Microvar Inc., MW data A/S and MW Solutions A/S has been included completely in the books and a separation of the businesses is impractical. We have therefore not separately stated the amount of revenue and profit or loss, for the period from the acquisition date as well as for the year 2015.

Acquisition of companies in 2014

The Group has acquired the following companies in 2014:

Name	Primary activity	Acquisition date	Acquired ownership	Acquired votes	Purchase price DKK '000
Omnica Ltd	Distribution and implementation of standardised business solutions.	31 January	100%	100%	22,848
Dynamics Anywhere International B.V	Vendor of state-of-the-art mobile solutions for business applications	3 October	100%	100%	9,092
Columbus CoMakelt India Pvt Ltd	Global Delivery Center	30 December	100%	100%	4,788
Total					36,728

The acquisition of Omnica Ltd has strengthened the industry focus and competencies in retail and has complemented the software portfolio with MCR and Webstore.

The acquisition of Dynamics Anywhere has strengthened the development of capabilities and complemented the product portfolio with Mobility.

As of 30 December 2014 Columbus exercised a call option and formally acquired the established Global Delivery Center in India. The acquisition will impact the classification of cost in the 2015 accounts.

Note 7: Business combinations, continued

DKK '000	Omnicia Ltd	Dynamics Anywhere	Columbus CoMakelt India Pvt Ltd	Total
Development projects, finalized	1,116	4,727	0	5,843
Other intangible assets	1,918	0	0	1,918
Operating equipment	297	0	512	809
Total long-term assets	3,331	4,727	512	8,570
Trade receivables	3,808	0	0	3,808
Other receivables	228	350	626	1,204
Cash	9,280	0	194	9,474
Total short-term assets	13,316	350	820	14,486
Trade accounts payable	-1,305	0	-11	-1,316
Corporation tax and deferred tax	-1,006	0	-76	-1,082
Other debt	-7,359	-2,418	-178	-9,955
Total short-term debt	-9,670	-2,418	-265	-12,353
Net assets acquired	6,977	2,659	1,067	10,703
Goodwill	16,240	6,439	3,721	26,401
Purchase price	22,848	9,092	4,788	37,104
Acquired cash funds	-9,280	0	-194	-9,474
Contingent consideration	-3,660	-5,732	0	
Cash consideration	9,908	3,359	4,594	27,630

After recognition of identifiable assets, liabilities and contingent liabilities at fair value, goodwill in relation to the acquisition was assessed to DKK 26m. The goodwill represents the value of assets where the fair value cannot be measured reliably, the value of the acquired staff and knowhow, expected synergies from the merger of acquired company and the existing activities in Columbus as well as the value of access to new markets.

Contingent consideration for Omnicia Ltd. is DKK 3.6m. The contingent consideration is determined by retaining certain key customers and key employees and certain revenue thresholds during 2015. The consideration is recognized as if these thresholds will be met.

Contingent consideration for Dynmaics Anywhere is DKK 5.7m. The contingent consideration is determined by revenue thresholds in 2014 and 2015 for the acquired business. The consideration is recognized as if these thresholds will be met.

Note 7: Business combinations, continued

DKK '000	Omnicia Ltd	Dynamics Anywhere	Columbus Co-Makelt India Pvt Ltd	Total
Fair value calculation on trade receivables				
Trade receivables, gross amount	3,815	-	-	3,815
Trade receivables, not expected to be collected	-7	-	-	-7
Trade receivables, fair value	3,808	-	-	3,808

Omnicia Ltd., Dynamics Anywhere and Columbus CoMakelt India Pvt. Ltd. have been included completely in the books and a separation of the businesses is impractical. We have therefore not separately stated the amount of revenue and profit or loss, for the period from the acquisition date as well as for the year 2014.

Discontinued companies and activities i 2015

The Group has no discontinued companies or activities in 2015.

Discontinued companies and activities i 2014

The Group has no discontinued companies or activities in 2014.

Note 8: Intangible assets, supplement to annual report 2014

Management performs an annual impairment test of the carrying amount of goodwill, and more frequently if there are indicators of impairment.

The recoverable amount of goodwill related to the individual cash generating units are calculated based on the Capital Asset Pricing Model (CAPM model)

Future Cash Flows

The future cash flows from the individual cash generation units are based on the following:

Budget for the subsequent fiscal year, a 3-year projection period and an assumed growth after the 3-year projection period in order to calculate a terminal value.

Budget for the individual cash generating units is based on a bottom up process. The key assumptions for the budget are expected development in efficiency (number of chargeable hours compared to total hours) in the consultancy business and expected revenue and gross profits from sale of software and general development in cost. The budget process takes place in October through November and takes into consideration the historical performance and current condition and performance of the cash generating unit in terms of pipeline, order book and current capacity in terms of consultants.

The 3-year projection period is based on individual and conservative assumptions for the three main revenue streams in Columbus i.e. Consultancy, External Software and Columbus Software. In generating a terminal value, a conservative real growth in revenue and cost of 1% is applied.

With regards to staff cost a real growth of 2% is expected in both the 3 year interim period and in generating the terminal value.

To accommodate for different risks in the individual cash generating units the applied discount rates are adjusted accordingly as an extra premium for the specific cash generating unit.

Columbus is operating in a market where the development has low sensitivity to market development in general and to the development in general IT spending by companies.

Note 8: Intangible assets, supplement to annual report 2014

Discount rate

The determined discount factors reflect the market assessment of the time value of money in the countries, where the cash generating units operate expressed as a risk-free rate and the specific risks associated with each cash generating unit. The discount rate is determined on an "after tax" basis on the assessed Weighted Average Costs of Capital (WACC).

The discount rate used to calculate the present value of expected future cash flow is between 8.8% and 11.8% after tax, representing 8.9% and 11.8% pre tax. The reason for the insignificant difference between after tax and pre-tax discount rates is due to a very low debt to equity ratio and due to the fact that Columbus has significant tax losses carry forwards to offset tax payments. The discount rate has been determined based on the Capital Asset Pricing Model and comprise a risk-free interest rate, the market risk premium and a beta factor, covering systematic market risk and also a company premium. The values for the risk-free interest rate, the market risk premium and the beta factor are determined using external sources. The group applies the same discount rates for all cash generating units, as the risk of the individual cash generating units are reflected in their estimated cash flows. However, to accommodate for higher assessed risk in the future, cash flows in Norway and Eastern Europe, a 3% higher discount factor has been applied for these markets.

Most important assumptions for the impairment test

With the applied method for the annual impairment test, the growth rate applied in the terminal value and the WACC becomes the most important assumptions for the net present value of the future cash flows.

Overall, the impairment based on the above assumptions demonstrates that the present value of the future cash flows from the cash generating units comfortably exceeds the carrying amount of goodwill. Management has applied conservative growth rates for the projection period and for the period following the projection period, developed for the purpose of the impairment test.



ABOUT COLUMBUS:

Columbus is the preferred business partner for ambitious companies worldwide within the food, retail and manufacturing industries. We exceed 20 years of experience and 6,000 successful business cases, and we're proud to offer our customers solid industry know-how, high performance solutions and global reach.

Columbus[®]

Once you *know* how...