11th November 2004

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Quarterly Report

Q1 – 3 / 2004

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 more than 800 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.

Continuing efficiency drive in the Group but reduced whole year forecasts

- Columbus IT Partner's Q1-3 revenues totaled DKK 416m (DKK 369m in 2003), up 13% on the same period in 2003, due amongst other things to the acquisition of Hands Danmark A/S.
- Q1-3 earnings (EBITDA) were DKK 10.2m (DKK 12.9m in 2003). Corrected for the disposal of activities, EBITDA improved by DKK 17.0m in the period.
- Pretax results were a deficit of DKK -16.1m, which was an improvement of DKK 0.3m.
- Considerable progress in Russia, USA, France, UK and the Baltic countries.
- Forecast revenues for the whole of 2004 are being cut from DKK 625m to around DKK 580m. The forecast for EBITDA is being reduced from DKK 30m to approximately DKK 20m. The Company is forecasting pre-tax results of a deficit of between DKK -10m - DKK -15m (DKK -31m in 2003).
- Before year-end, the Board will be calling an extraordinary general meeting to report on details of the plans to reconstitute the Company's share capital and to propose an extension of the present authorization to increase the Company's share capital.

Niels Heering	Carsten Dilling
Chairman of the Board	Chief Executive Officer
Columbus IT Partner A/S	Columbus IT Partner A/S

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The Company's investor presentation is expected to be released as a web-cast during Friday 12th November 2004.

COLUMBUS IT Partner

Key figures and ratios

DKKm	Q3 2003	Q3 2004	Q1-3/2003	Q1-3/2004	2003
Income statement					
Net revenues	104.4	122.9	369.4	416.2	543.2
Own work stated under assets	0.4	0.5	1.2	2.1	2.1
External project costs	-24.9	-26.2	-90.8	-97.5	-143.4
Gross earnings I	79.9	97.2	279.8	320.8	401.9
Staff expenses	-56.6	-67.1	-204.5	-226.6	-292.5
Gross earnings II	23.3	30.1	75.3	94.2	109.4
Other external costs	-24.6	-27.4	-76.2	-83.4	-112.2
Other operating income	17.0	0.0	17.0	0.0	17.0
Other operating costs	0.0	0.0	-3.2	-0.6	-3.2
EBITDA	15.7	2.7	12.9	10.2	11.0
Depreciation excl. goodwill	-4.0	-3.3	-12.7	-10.4	-20.0
EBITA	11.7	-0.6	0.2	-0.2	-9.0
Depreciation and amortization of goodwill	-3.1	-5.6	-8.8	-10.7	-11.5
EBIT	8.6	-6.2	-8.6	-10.9	-20.5
Net financials	-0.9	-1.8	-7.8	-5.2	-10.3
Earnings before tax	7.7	-8.0	-16.4	-16.1	-30.8
Tax on earnings in the period	-0.8	-1.4	-3.2	-6.1	-6.8
Minority interests	-0.8	-1.5	-2.1	-4.4	-2.7
Earnings Q1-3	6.1	-10.9	-21.7	-26.6	-40.3
Dividends	0.0	0.0	0.0	0.0	0.0
Balance Sheet					
Fixed assets			92.1	112.8	124.7
Current assets			196.8	197.2	213.4
Total assets			288.9	310.0	338.1
Shareholders' equity			36.2	10.8	31.9
Minority interests			15.8	16.5	21.5
Debt and other provisions			236.9	282.7	284.7
Total liabilities			288.9	310.0	338.1
Cash flow					
Cash flow from operations			-2.7	-18.3	-23.9
Cash flow to investments, net			1.7	-6.4	-13.3
of which for investment in tangible fixed assets			-4.0	-6.1	-5.0
Cash flow from financing activities			18.9	24.0	31.2
Total cash flow			17.9	-0.7	-6.0
Key ratios					
Gross margin II			20.4%	22.6%	20.1%
Operating profit margin			-2.3%	-2.6%	-3.8%
Return on investment III			-0.4%	-1.3%	-2.8%
Return on equity			-624.1%	-131.8%	-562.4%
Equity ratio			12.5%	3.5%	9.4%
Earnings per share (EPS)			-1.4	-0.7	-1.9
Dividend per share			0.0	0.0	0.0
Net asset value share (BV)			1.0	0.3	0.9
Employees, end Q3			692	801	865
Cash flow per share			-0.2	-0.5	-1.1

The key figures and financial ratios above have been calculated in accordance with the Danish Society of Financial Analysts "Recommendations and Key Figures 1997".

Cash flow from operations 2003 was amended with the transition to uniform classification of factoring arrangements.

Developments in Q1-3/2004

Columbus IT Partner's revenues for Q1-3 amounted to DKK 416m, up 13% on the DKK 369m reported for the same period last year. Q1-3/2003 included revenues of DKK 23m from Icelandic subsidiary AX Business Intelligence, which was sold as at 1st July 2003. Q1-3/2004 included revenues from the acquired Danish business activities of Hands ASA, which have now been fully integrated in Columbus IT Partner.

Columbus IT Partner's strategy of being oriented towards international customer projects and continuing sector orientation of its consultancy business are important for its focus on the market for solutions based on MBS-Axapta which is facing ever increasing competition. The Company is working closer with Microsoft's sales departments on international orders, which means that in time Columbus IT Partner will gain more efficient utilization of its capacity. Because of the pressure on pricing and the level of costs in the Group's traditional markets, the focus has been switched to structural activities which means transferring resources to the growth markets of USA, Eastern Europe and selected Central European markets.

Revenues based on sales of Axapta projects amounted to DKK 303m and these thus remain Columbus IT Partner's largest business. The Group is the largest globally in the sector. It is on this basis that Microsoft Business Solutions awarded Columbus IT Partner the "Global Axapta Excellence Award" and invited the parent company and subsidiaries in Denmark, Russia, USA and Costa Rica into the prestigious "Microsoft Inner Circle".

Revenue distribution Q1-3

	2003	2004
Hardware	2%	2%
Software	32%	30%
Services	66%	68%
Total	**100%**	**100%**

	2003	2004
Axapta	75%	73%
Navision	4%	7%
XAL	16%	12%
Other	5%	8%
Total	**100%**	**100%**

Operating results (EBITDA) in Q1-3 amounted to DKK 10.2m (DKK 12.9m in 2003). Q1-3/2003 figures included EBITDA of DKK 2.7m from Icelandic disposal AX Business Intelligence and the proceeds of DKK 17.0m from the sale of the company. Adjusted for this, EBITDA for the first nine months of 2004 improved by DKK 17m. The improvement in EBITDA was mainly due to the continuing drive to improve the efficiency of the Group and better margins on sales of Microsoft software from the third quarter. The profit margin for Q1-3/2004 fell to -2.6% compared to -2.3% for Q1-3/2003.

Other operating costs totaled DKK 0.6m and derived from losses on the disposal of holdings in one of the American subsidiaries. The disposal was part of the process of consolidating our American business in Q1/2004 which saw the parent company increasing its holding in the company.

Depreciation and amortization of goodwill in Q1-3/2004 were DKK 10.7m, up DKK 1.9m on the same period last year. This included a DKK 3.0m write-down of the Norwegian subsidiary.

Net financials for the Group showed net expenses of DKK 5.2m, down DKK 2.6m on the same period last year.

Tax on earnings in the period was DKK 6.1m and related to profits reported by subsidiaries.

Regional developments

(Q1-3)	Revenues (DKKm)		EBITDA (DKKm)		Staff (at 30/9)	
	2003	2004	2003	2004	2003	2004
Nordic *	139	187	-11	3	175	246
Western Europe	96	95	2	3	153	154
Eastern Europe	66	80	6	10	255	285
Rest of World**	45	54	8	8	80	91
Parent company***	0	0	-11	-14	29	25
	346	416	-6	10	692	801

The figures above have been adjusted for terminating activities as noted below.

Total terminating activities						
*Ax Iceland	23	0	3	0	0	0
** Columbus IT Partner South Africa	0	0	-1	0	0	0
*** Profit on Ax Iceland disposal	0	0	17	0	0	0
Total	23	0	19	0	0	0

In Q1-3/2004 **Nordic** revenues were up DKK 48m (35%) on the same period last year. The increase was chiefly due to the acquisition of Hands Danmark A/S by the Danish subsidiary, which was partly offset by the 2003 disposal of the Icelandic operations. In general, all the Nordic markets continue to be subject to intense competition with associated pressure on pricing. Compared to the same period last year, EBITDA improved from DKK -11m to DKK 3m. This was mainly due to positive developments in the subsidiaries in Denmark. It was decided to write-down Group goodwill by DKK 3.0m related to the Norwegian subsidiary, which brings the residual goodwill for the Norwegian company down to DKK 8.0m. This was due to trading conditions in Norway which remain uncertain and difficult and led to the company reporting a deficit of approx. DKK 6.1m in Q1-3/2004.

In **Western Europe,** revenues were DKK 95m in Q1-3/2004, down DKK 1m on the same period last year. EBITDA in Western Europe was up DKK 1m on Q1-3/2003 at DKK 3m.The subsidiaries in France and UK are enjoying significant development and reported the best Q1-3/2004 results in the region. The German subsidiary continued to report poor results and further measures to restructure the company are in hand.

Revenues in **Eastern Europe** were DKK 80m in Q1-3, up DKK 14m or 21% in on the same period last year. This improvement in revenues was mainly attributable to Russia and the Baltic countries. EBITDA for the region was up DKK 4m at DKK 10m in Q1-3. At the Russian subsidiary alone, revenues totaled DKK 46.9m, with EBITDA of DKK 7.2m. The company now has a staff of 171 at four locations in Moscow, St. Petersburg, Kiev (Ukraine) and Almaty (Kazakstan).

In the **Rest of the World** region, total Q1-3 revenues were DKK 54m, up DKK 9m on the same period last year. EBITDA for the region was unchanged on the same period last year at DKK 8m. The US company reported a satisfactory EBITDA of DKK 6.5m in Q1-3/2004. After adjusting for the falling USD compared to 2003, the actual increase in revenues was 19.9%, with 8.8% for EBITDA. In South and Central America, Columbus IT Partner sold its majority holding in the small Oracle-based company Solutiones Casee S.A. with effect from 1st October 2004. Columbus IT Partner continues to own 51% of the shares in the subsidiaries in Costa Rica and Colombia, which sell and provide solutions based on MBS Axapta.

EBITDA in the **parent company** in Q1-3/2004 was DKK -14m (DKK -11m in 2003), after partially rebilling costs to the subsidiaries. The fewer units in the Group means less cover for costs. Gross costs in the parent company have been cut by some DKK 2m compared to the same period in 2003.

Outlook for 2004

Lower than forecast growth in the sale of solutions from Microsoft Business Solutions in the Company's traditional markets and general trends in the marketplace taken together with the continuing focus on increased profitability mean that revenues for the first nine months of the year were not completely in line with budget. Lower growth rates in these markets are forecast to continue in Q4 which means that forecasts for revenues for the whole of 2004 are being cut from DKK 625m to around DKK 580m. The forecast for EBITDA is being reduced from DKK 30m to approximately DKK 20m. The Company is forecasting pre-tax results of DKK -10m to DKK -15m (DKK -31m in 2003).

Capital structure

At 30th September 2004, shareholders' equity was about 23% of the share capital. As previously stated, the share capital will not have been fully reconstituted by year-end 2004.

On this basis, a plan has been drawn up based on specific activities aimed at reconstituting the share capital in the course of 2005. The main elements are:

- The Board's authorization to issue shares will be used to boost the Group's capital resources and to strengthen the Company's position in growth markets, amongst other things by acquiring minority holdings in selected subsidiaries.
- The Group's business plan for continuing improvements to the profitability of operations contains a range of structural and operational activities, including retention of the focus of its activities and actions that could include mergers, closure and disposal of non-strategic activities and disposal of products.
- The focus will additionally be on selling product rights for a series of products developed by the Group to selected markets where it is not represented.

Until 28th April 2009, the Board is authorized to increase the share capital in one or more tranches by up to DKK 6,250,000 (nom.), of which DKK 4,911,998.75 (nom.) corresponding to 3,929,599 shares is still available. Before year-end, the Board will be calling an extraordinary general meeting to report on details of the plans to reconstitute the Company's share capital, and propose an extension of the present authorization to increase the Company's share capital.

Accounting policies

This Quarterly Report is presented in accordance with the provisions of the Company Accounts Act for Class D enterprises, Danish accounting guidelines and the requirements of Copenhagen Stock Exchange for the presentation of accounts for listed companies.

Accounting policies are unchanged from 2003.

From 2005, Columbus IT Partner will be presenting its accounts in accordance with IFRS. The financial statements for 2004 have been arranged so as to match internal processes and procedures to conform to IFRS requirements so as to enable IFRS comparative figures to be stated in the annual report for 2005.

Cash flow from operations

Cash flow from operations for 2003 was changed as a result of a transition to uniform classification of Group factoring arrangements, with DKK 12m from factoring facilities being reclassified from cash funds to accounts receivable from sales and services.

Investments

Total investment in tangible and intangible fixed assets, excluding goodwill, was DKK 8.3m in Q1-3/2004, compared to DKK 4m in the same period in 2003. DKK 2.2m may be ascribed to investment in development project for repeat solutions, whilst the remaining DKK 6.1m related to the acquisition of tangible fixed assets.

Liquidity status

Columbus IT Partner's liquidity continued to be tight during the period. Since New Year, cash funds fell by DKK 1m to DKK 23m. Liquidity is mainly placed with a series of foreign subsidiaries with minority interests.

Forex

The Group has not entered into any hedging contacts so far this year. 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.

Developments in equity

Development in equity (DKKm)	2003	2004
Equity, 1st January	-15.3	31.9
Capital increase	80.5	7.5
Costs of capital increase	-6.7	-0.3
Tax on employee shares	2.2	-
Currency adjustments for foreign subsidiaries, etc.	-2.8	-1.7
Earnings Q1-3	-21.7	-20.6
Equity 30th September	36.2	10.8

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 regulations and legislation; 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.

Income Statement

DKK 1000	**1/1 – 30/9 2003**	**1/1 – 30/9 2004**
Net revenues	369,414	416,207
Own work stated under assets	1,226	2,088
External project costs	-90,813	-97,497
Gross earnings	279,827	320,798
Other external costs	-76,182	-83,350
Staff expenses	-204,468	-226,633
Other operating income	16,969	-
Other operating costs	-3,201	-637
Earnings before depreciation/amortization (EBITDA)	12,945	10,178
Depreciation excl. goodwill	-12,710	-10,380
Earnings before interest, tax and amortization (EBITA)	235	-202
Amortization and write-down of goodwill	-8,767	-10,690
Operating income (EBIT)	-8,532	-10,892
Financial income	7,247	6,531
Financial expenses	-15,147	-11,704
Earnings before tax	-16,432	-16,065
Tax on earnings in the period	-3,175	-6,051
Earnings Q1-3	-19,607	-22,116
Minority interests	-2,138	-4,479
Columbus IT Partner's share of earnings in the period	**-21,745**	**-26,595**

Balance Sheet

DKK 1000	30/09 2003	30/09 2004
Assets		
Development projects completed	2,602	6,259
Royalties	114	642
Goodwill	51,210	60,868
Development projects in progress	1,234	795
Intangible fixed assets	55,160	68,564
Operating equipment and fixtures	23,689	16,896
Tangible fixed assets under construction	770	-
Tangible fixed assets	24,459	16,896
Deferred tax assets	12,500	27,313
Financial fixed assets	12,500	27,364
Total fixed assets	92,119	112,773
Stocks of goods for sale	5,599	1,441
Inventories	5,599	1,441
Accounts receivable – sales and services	105,141	119,125
Contract work in progress	13,113	12,093
Receivables from shareholders	6,564	4,789
Corporation tax	2,033	1,450
Other receivables	11,720	21,274
Accruals	5,619	13,210
Receievables	144,190	171,941
Other securities and holdings	0	360
Securities and holdings	0	360
Cash funds	46,990	23,458
Total current assets	196,779	197,200
Total assets	**288,898**	**309,973**

Balance Sheet

DKK 1000	30/09 2003	30/09 2004
Liabilities		
Share capital	43,606	47,569
Retained profit	-7,366	-36,758
Equity	-36,240	10,821
Minority interests	15,778	16,463
Deferred tax	999	1,430
Provisions	999	1,430
Subordinated loan capital	17,829	17,841
Mortgage lenders	2,529	3,227
Long-term debt	20,358	21,068
Short term part of long-term debt	4,856	960
Mortgage lenders	78,659	97,460
Customer prepayments	12,528	8,176
Trade accounts payable	37,767	57,090
Corporation tax	5,308	4,521
Other debt	71,075	86,118
Accruals	5,330	5,866
Short-term debt	215,523	260,191
Debt	235,881	281,259
Total liabilities	**288,898**	**309,973**