

Release no. 2/2010



COLUMBUS IT

Annual Report and Financial Statements

2009

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.

Revenues and earnings in line with expectations

CEO, Claus Hansen:

"For Columbus IT, as for the rest of the industry, 2009 became a year affected by the economic recession on our main markets. Adjusted for the sold-off subsidiaries and foreign currency translation revenues decreased by 6%, but revenues as well as EBITDA remained within the announced level of expectations. In 2009 we have with great success had focus on improvement of our cash position, and we managed to improve the cash flow from operating activities by DKK 49.8M to a surplus of DKK 65.0M. Besides, we have worked intensively on adjusting the capacity in the entire Group and in 2009 we came a long way with the development of the foundation of the Company's long-term success".

- Revenues in 2009 totaled DKK 835.7M (DKK 990.6m in 2008), corresponding to a decrease of 16%. Adjusted for the sold-off subsidiaries as well as for foreign currency translation revenues decreased by 6%. The result is in line with the management's expectations, cf. release no. 9 of September 22nd 2009.
- Earnings before depreciation (EBITDA) totaled DKK 35.4M in 2009 (DKK 60.6M in 2008), corresponding to a decrease of 42% compared to 2008. The result is in line with the announced expectations.
- Revenues in the *Nordic* region amounted to DKK 384M in 2009 (DKK 380M in 2008). EBITDA for the period totaled DKK 41.2M (DKK 45.0M in 2008).
- Revenues in *Western Europe* amounted to DKK 134M in 2009 (DKK 180M in 2008). EBITDA for the period totaled DKK 0.1M (DKK 6.7M in 2008).
- Revenues in *Eastern Europe* amounted to DKK 164M in 2009 (DKK 226M in 2008). EBITDA for the period totaled DKK 0.4M (DKK 12.9M in 2008).
- Revenues in *North and South America* amounted to DKK 96M in 2009 (DKK 170M in 2008). EBITDA for the period totaled DKK -2.0M (DKK 13.6M in 2008).
- The Group's software development company, *To-Increase*, had gross revenues of DKK 58M in 2009 (DKK 35M in 2008). EBITDA for the period amounted to DKK 25.9M (DKK 17.6M in 2008). Results in To-Increase in 2009 are affected by the sale of the company's retail industry solution, RCM, to Microsoft for USD 5M, with earnings of DKK 12M.
- Based on impairment tests on goodwill and long-term assets the management has in 2009 written down goodwill by DKK 17.5M in total in relation to the subsidiaries in France, Lithuania, the Netherlands and Poland.
- Through targeted efforts in relation to optimization of cash flow in the Group, we have managed – through a considerable improvement of the Group's net working capital, among other things – to reduce the net interest-bearing debts to DKK 4.5M by the end of 2009 (DKK 61.2M by the end of 2008).
- Total equity decreased to DKK 232.2M in 2009 (DKK 244.2M in 2008), resulting in a solvency ratio of 45.1% (43.6% by the end of 2008).
- In 2010 Columbus IT will continue developing the foundation for the Company's long-term success. We expect status quo or a slight increase in demand on the Group's main markets, and we expect that the industry will still be affected by some excess capacity in the first half year causing increased pressure on prices. Consequently, Columbus IT expects revenues in the level of DKK 890M and EBITDA of DKK 50-55M.

Ib Kunøe
Chairman
Columbus IT Partner A/S

Claus Hansen
CEO
Columbus IT Partner A/S

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The Annual Report for 2009 will be available at: www.columbusit.com/2009 during week 15.

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	2005	2006	2007	2008	2009
Income statement					
Net revenues	629.9	735.7	892.4	990.6	835.7
External project costs	-176.4	-204.9	-250.2	-259.1	-214.9
Gross earnings I	453.5	530.8	642.2	731.4	620.8
Staff expenses	-311.1	-360.9	-438.0	-494.9	-440.9
Other external costs	-118.5	-147.8	-153.8	-172.8	-145.2
Other operating income	0.6	14.8	1.0	1.4	1.0
Other operating costs	-0.2	-0.7	-0.3	-4.6	-0.4
EBITDA	24.3	36.2	51.0	60.6	35.4
Depreciation excl. goodwill	-11.7	-14.0	-18.6	-24.9	-23.1
EBITA	12.6	22.2	32.4	35.7	12.2
Amortization and write down of goodwill	-7.3	-1.8	-1.5	-11.8	-17.5
EBIT	5.3	20.4	31.0	23.9	-5.3
Result in associated companies	-0.1	-0.1	0.3	0.3	0.2
Net financial items	-2.2	-5.2	-6.1	-7.9	-4.9
Pre-tax earnings	3.0	15.1	25.1	16.3	-10.0
Tax on the result for the year	-7.1	12.0	-4.4	6.9	-7.6
Result for the year, continued operations	-4.1	27.1	20.7	23.3	-17.6
Result for the year, discontinued operations	-2.0	-6.9	-15.0	0.0	0.0
Result for the year	-6.1	20.2	5.7	23.3	-17.6
Allocated thus:					
Shareholders of Columbus IT Partner A/S	-10	21.2	5.3	24.4	-18.6
Minority interests	3.9	-1.0	0.4	-1.1	1.0
	-6.1	20.2	5.7	23.3	-17.6
Balance sheet					
Long-term assets	229.7	256.1	250.0	259.8	245.6
Short-term assets	256.6	287.7	326.3	300.5	269.3
Total assets	486.3	543.8	576.3	560.3	515.0
Group shareholders' equity	147.3	201.1	214.0	234.4	222.1
Minority interests	11.9	10.9	11.6	9.8	10.1
Debt	327.1	331.8	350.7	316.1	282.8
Total liabilities	486.3	543.8	576.3	560.3	515.0
Cash flow					
Cash flow from operations, continuing operations	29.9	16.9	38.8	15.2	65.0
Cash flow from discontinued operations	-6.7	-5.2	-13.3	0.0	0.0
Net cash flow for investments	-94.6	-29.6	-7.8	-34.9	-8.9
Cash flow from financing activities	70.2	27.2	-1.7	15.7	-46.0
Total cash flow	-1.2	9.3	16.0	-4.0	10.1
Key ratios					
Gross margin II	3.9%	4.9%	5.7%	6.1%	4.2%
Operating profit margin (EBIT-margin)	0.8%	2.8%	3.5%	3.3%	-0.6%
Equity ratio	32.7%	38.8%	39.1%	43.9%	45.4%
Return on equity	-10.1%	13.9%	2.6%	11.8%	-8.2%
Average number of shares, in thousands	59,918	72,529	76,160	77,040	77,656
Net asset value per share (BV)	2.46	2.77	2.81	3.1	2.8
Earnings per share (EPS)	-0.17	0.29	0.07	0.32	-0.24
Cash flow per share	0.3	0.4	0.5	0.5	0.84
Share price, end of period	10.20	8.10	6.15	2.40	2.3
Headcount at the end of the period	943	1,024	1,124	1,050	934

The key figures and financial ratios above have been calculated in accordance with the Danish Society of Financial Analysts' "Recommendations and Key Figures 2005". Comparison figures for earlier years have been corrected to present earnings from discontinued operations separately, and due to changes in practice in relation to cash flow statements, comparison figures have also been corrected in the cash flow statements. As a result of the directed rights issue at a price of DKK 3 per share in April 2005, the key figures for "Earnings per share" (EPS) and "Cash flow per share" have been calculated after applying a factor of 0.79.

Significant events

For Columbus IT, as for the rest of the industry, 2009 became a year affected by the economic recession. Adjusted for the sold-off subsidiaries and the exchange rate translation revenues decreased by 6% to DKK 836M in 2009. EBITDA of the Group amounted to DKK 35.4M in 2009 compared to DKK 60.6M in 2008. Revenues as well as EBITDA are in line with expectations.

In the Nordic region, there was a marginal increase in revenues from DKK 380M in 2008 to DKK 384 in 2009, while EBITDA decreased by 8% to DKK 41.2M. The Nordic region accounted for 46% of the Group's total revenues in 2009. Revenues in Western Europe decreased to DKK 134M in 2009 from DKK 180M in 2008, while EBITDA in the region decreased from DKK 6.7M to DKK 0.1M in 2009. Western Europe accounted for 16% of the Group's total revenues in 2009. Revenues in Eastern Europe decreased from DKK 226M in 2008 to DKK 164M in 2009, while EBITDA in the region decreased from DKK 12.9M in 2008 to DKK 0.4M in 2009. Eastern Europe accounted for 20% of the Group's total revenues in 2009. Revenues in North and South America amounted to DKK 96M in 2009 compared to DKK 170M in 2008, while EBITDA in the region decreased from DKK 13.6M in 2008 to DKK -2.0M in 2009. North and South America accounted for 11% of the Group's total revenues in 2009.

During the past few years Columbus IT has made targeted efforts on developing a software development division under the name of To-Increase. The development of To-Increase continued in 2009.

To-Increase pursues two sales models, one being channel based distribution through more than 200 partners, which sell solutions developed by To-Increase worldwide. The other sales model is sale of IP. In 2009 we managed to sell our retail industry solution, RCM, to Microsoft for USD 5 millions. During the past four years the software development of the RCM module in To-Increase has taken place in close cooperation with Microsoft Business Solutions – Axapta Industry Builder Initiative.

As part of the sale a strategic cooperation and marketing agreement was made with Microsoft for the retail market and Microsoft Dynamics AX. Columbus IT will, through To-Increase, assist Microsoft with the migration of the To-Increase retail solution to the next Microsoft Dynamics AX retail solution. Part of this assistance consists in integration of RCM into a new retail version under Microsoft AX 6.0, which includes a strong Microsoft based POS functionality. It is Columbus IT's future aim to be able to sell IP to Microsoft every 3 to 4 years in average. In 2009 revenues in the software development division, To-Increase, increased by 66% to DKK 58M, while EBITDA increased by 47% to DKK 25.9M.

Latest developments

There have been no events since December 31st 2009 which could significantly affect the evaluation of the Group's financial position and revenues. Earnings in January and February 2009 are in line with the company's expectations.

Outlook for 2010

In 2010 Columbus IT will continue to position ourselves as the leading, global Microsoft Business Solutions partner.

It is Columbus IT's objective to develop and implement business solutions which makes it possible to improve the efficiency, market position and consequently the profitability of customers. Accordingly, Columbus IT will invest in development of complete industry specific solutions within food manufacturing and production, retail/distribution and industrial equipment manufacturing in the coming years. The aim is to offer unique and complete solutions composed by Columbus IT's own industry solutions from To-Increase and Microsoft technologies, so that the standard software will support 80-90% of the customer's value chain and primary business processes with few customizations.

The development work is planned, performed and coordinated in close cooperation with the Microsoft Business Solutions management team from the headquarters in Redmond, US.

These industry solutions are expected to provide Columbus IT and To-Increase with a considerable competitive advantage as a global provider of software and services. Consequently, Columbus It will

invest in a strengthening of its position in the North American market, which by far represents the largest part of the global mid market for business solutions.

The extensive investments reflect Columbus IT's customers' demand for standard industry solutions based on Microsoft infrastructure with an attractive price/performance point. For Columbus IT this offers the opportunity to optimize the supply chain across countries. At the same time standard solutions offer possibilities for considerable global organic growth with larger gross margin and scalability in relation with acquisitions.

The objective is to offer international customers the opportunity of global implementation of Columbus IT's industry specific business solutions, therefore Columbus IT wishes to have critical mass in the most important countries in North America, Western Europe and Eastern Europe.

Columbus IT expects customers to continue the reluctance towards IT investments in the first half year of 2010, although the Company experienced considerable sale of projects to both existing and new customers in the US and Russia in the end of 2009. In Western Europe Columbus IT experienced moderate growth, and in Eastern Europe opportunities are clearly improving, but closely related to EU funding.

Columbus IT expects this trend to continue through the first half year of 2010, and that orders will be closed during third and fourth quarter. However, we expect that customers' competencies to sign orders are closely related to the regional and the world's financial outlook.

In 2010 Columbus IT will continue developing the foundation for the Company's long-term success. We expect status quo or a slight increase in demand on the Group's main markets, and we expect that the industry will still be characterized by some excess capacity in the first half year causing increased pressure on prices. Consequently, Columbus IT expects revenues in the level of DKK 890M and EBITDA of DKK 50-55M.

Comments to the Annual Report 2009

Accounting policies

The annual report for Columbus IT Partner A/S has been drawn up in accordance with International Financial Reporting Standards (IFRS) as adopted by EU, and the IFRS-order issued pursuant to the order of the Company Accounts Act.

Apart from the following new and changed standards in interpretations, the applied accounting principles are unchanged from principles applied in 2008 which is in accordance with International Financial Reporting Standards (IFRS) as adopted by EU and furthermore, Danish disclosure requirement to annual financial reports for listed companies.

With effect from 2009 Columbus IT has implemented the following new and changed standards and interpretations:

- IFRS 2, Share-based Payment
- IFRS 8, Operating Segments
- IAS 1, Presentation of Financial Statements
- IAS 7, Cash flow statement
- IAS 23, Borrowing Costs
- IAS 32, Financial Instruments: Presentation
- Minor changes of various standards in accordance with IASB's annual improvements

The implementation of the new and changed standards and interpretations has not affected recognition and measurement. The implementation of IFRS 8, Operating Segments has implied changes in the disclosure in the note about segments, cf. Note 1.

The implementation of IAS 1, Presentation of Financial Statements, has implied changes in the presentation of the primary financial reporting as a comprehensive income statement has been included.

As a consequence of the update of IAS 7 and the inclusion of sale of software licenses (capitalized as development projects) in the net revenues, the management of the company have assessed that it will give a more true and fair view to present the development activities in the cash flow statement as part of the operating activities and no longer as part of the investing activities. Comparative figures for 2008 have been adjusted so that cash flow from operating activities in 2008 has been reduced by DKK 20.2M and cash flow from investing activities has been increased by the same amount.

Income statement

Columbus IT's net revenues amounted to DKK 835.7M in 2009 compared to DKK 990.6M in 2008, corresponding to a decrease of 16%.

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 in relation to customers' use of these systems. To this comes "other" revenue, primarily from sale of own software and from re-invoicing of expenses as well as sale of e.g. hardware to customers.

Revenues	2009 DKKm	2008 DKKm	Revenues	2009 DKKm	2008 DKKm
Software	152	186	Dynamics AX	557	664
Maintenance	144	153	Dynamics NAV	177	212
Consultancy	522	625	Other MBS products	40	63
Other	18	27	Other products	62	52
Total	836	991	Total	836	991

Revenues from sale of software licenses decreased to DKK 152M in 2009 compared to DKK 186M in 2008. The relative large decrease in the sale of software licenses reflects a hesitation in the market in 2009 towards new purchases of licenses due to the economic recession. Revenues from sale of maintenance contracts decreased to DKK 144M in 2009 from DKK 153M in 2008. Revenues from consultancy amounted to DKK 522M in 2009 compared to DKK 625M in 2008. The Group's Microsoft Dynamics AX related revenues decreased by 16% to DKK 557M in 2009, corresponding to 67% of the Group's total revenues in 2009. Microsoft Dynamics NAV related revenues dropped by 17% to DKK 177M in 2009, corresponding to 21% of the Group's total revenues. Revenues related to other MBS products amounted to DKK 40M in 2009, corresponding to 5% of the Group's total revenues, while revenues related to other products totaled DKK 62M in 2009, corresponding to 7% of the Group's total revenues.

	Revenues (DKKm)		EBITDA (DKKm)		Headcount (as of December 31 st)	
	2009	2008	2009	2008	2009	2008
Nordic region	384	380	41.2	45.0	321	313
Western Europe	134	180	0.1	6.7	136	149
Eastern Europe	164	226	0.4	12.9	341	450
North and South America	96	170	-2.0	13.6	77	92
To-Increase	58	35	25.9	17.6	46	38
Parent Company	0	0	-30.2	-35.2	13	8
	836	991	35.4	60.6	934	1,050

Note: Revenue figures state the revenue generated outside the Group in the segments. 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.

Earnings before depreciation, EBITDA, totaled DKK 35.4M in 2009 compared to DKK 60.6M in 2008, corresponding to a decrease of 42%. Profits before write-down of goodwill, EBITA, totaled DKK 12.2M in 2009 compared to DKK 35.7M in 2008, corresponding to a decrease of 66%. Write-down of goodwill increased to DKK 17.5M in 2009 compared to DKK 11.8M in 2008.

The Group's financials show net expenses of DKK 4.9M in 2009 compared to DKK 7.9M in 2008.

Corporation tax in profit-making foreign subsidiaries as well as Danish joint taxation rules mean that the total calculated tax for Columbus IT amounted to a net expense of DKK 7.6M compared to a net income of DKK 6.9M in 2008.

Total earnings of the year amounted to DKK -17.6M in 2009 compared to a total of DKK 23.3M in 2008.

Balance sheet

The Group's total balance as at December 31st 2009 amounted to DKK 515,0M, and is thereby reduced by 8% compared to year-end 2008.

The Group's total goodwill amounted to DKK 154.5M as at December 31st 2009, corresponding to a decrease of DKK 6.3M compared to 2008. As a result of an impairment test of goodwill and other long-term assets as at December 31st 2009 the management has written down goodwill by DKK 17.5M in total. The write down of goodwill concerns the subsidiaries in France, Lithuania, the Netherlands and Poland.

As at December 31st 2009 the Group's trade receivables and net contract work in progress amounted to DKK 175.2M, corresponding to 34% of the total assets, which is a decrease of DKK 43.7M compared to year-end 2008.

Equity

Total equity amounted to DKK 232.2M at year-end 2009 (DKK 244.2M in 2008), resulting in a solvency ratio of 45.1% compared to 43.6% at the end of 2008.

In October 2009 Columbus IT issued shares in Columbus IT Partner A/S to settle the purchase price for 100% of the shares in Guideix A/S. Please refer to release no. 11 of October 14th 2009. Accordingly, a total of 2,665,245 shares were issued in 2009, which had a positive net impact on the equity of DKK 6M.

At the end of 2009 Columbus IT owned 1,749 own shares corresponding to 0.02‰ of the share capital.

Cash flow and liquidity status

Cash flow from operating activities constituted DKK 65.0M in 2009 compared to DKK 15.2M in 2008. This increase is mainly due to an improvement of the Group's working capital.

Cash flow from investing activities amounted to DKK -9.0M in 2009 compared to DKK -34.8M in 2008. The improvement is mainly due to a considerably lower level of acquisitions of subsidiaries and activities.

Cash flow from financing activities amounted to DKK -46M in 2009 compared to DKK 15.7M in 2009. In 2009 the Group's total credits were reduced by DKK 51.2M.

Columbus IT held cash funds of DKK 66.3M as at December 31st 2009 compared to DKK 54.1M at the same time 2008.

Regional development

VAR – Nordic region	2009	2008
Revenues	DKKm	DKKm
Software	37	46
Maintenance	67	67
Consultancy	273	257
Other	7	10
Total	384	380

VAR – Nordic region	2009	2008
Revenues	DKKm	DKKm
Dynamics AX	254	236
Dynamics NAV	80	102
Other MBS products	35	42
Other products	15	0
Total	384	380

Revenues for the **Nordic region** increased to DKK 384M in 2009 compared to DKK 380M in 2008. The level of activity in the Danish subsidiary decreased by 2% compared to 2008, while revenues in the Norwegian subsidiary increased by 7% compared to 2008 (adjusted for foreign currency translation, revenues grew by 12% in the subsidiary). The Nordic region accounted for 46% of the Group's total revenues in 2009.

The region's EBITDA decreased by 9% compared to 2008 to DKK 41.2M in 2009.

VAR – Western Europe	2009	2008
Revenues	DKKm	DKKm
Software	20	30
Maintenance	20	27
Consultancy	88	117
Other	5	6
Total	134	180

VAR – Western Europe	2009	2008
Revenues	DKKm	DKKm
Dynamics AX	106	144
Dynamics NAV	24	32
Other MBS products	2	2
Other products	2	4
Total	134	180

In **Western Europe** revenues amounted to DKK 134M in 2009 compared to DKK 180M in 2008. Revenues in the British subsidiary amounted to DKK 51.4M in 2009 (DKK 49.0M in 2008). Adjusted for foreign currency translation, revenues in the company grew by 22%. Revenues in the Group's French subsidiary decreased by 30% compared to 2008 to DKK 43.9M in 2009. Revenues in the Dutch consulting unit dropped by 27% to DKK 21.5M in 2009, while revenues in the Spanish subsidiary increased by 16% to DKK 17M. The region accounted for 16% of the Group's total revenues in 2009.

EBITDA for the region decreased to DKK 0.1M in 2009 compared to DKK 6.7M in 2008. EBITDA in the British subsidiary amounted to 10.6M in 2009 (DKK 8.7M in 2008). Adjusted for foreign currency translation EBITDA in the company grew by 36% compared to 2008. EBITDA in the French subsidiary dropped to DKK 11.3M in 2009. A new Country Manager was employed in the middle of 2009, and targeted efforts are made to improve profitability in the company.

VAR – Eastern Europe	2009	2008
Revenues	DKKm	DKKm
Software	37	61
Maintenance	24	24
Consultancy	100	137
Other	3	4
Total	164	226

VAR – Eastern Europe	2009	2008
Revenues	DKKm	DKKm
Dynamics AX	104	141
Dynamics NAV	31	35
Other MBS products	3	5
Other products	26	45
Total	164	226

Revenues in **Eastern Europe** amounted to DKK 164M in 2009 compared to DKK 226M in 2008. Revenues in the Russian subsidiary decreased by 37% to DKK 79.7M in 2009. Adjusted for foreign currency translation, revenues in the subsidiary dropped by 24%. Revenues of the Lithuanian subsidiary decreased by 30% to DKK 29.9M in 2009. Revenues in the Estonian subsidiary dropped by 6% to DKK 27M in 2009, while revenues in the Polish subsidiary dropped by 18% to DKK 17.1M in 2009. Adjusted for foreign currency translation, revenues in the Polish subsidiary grew by 2%. The region accounted for 20% of the Group's total revenues in 2009.

The region's EBITDA totaled DKK 0.4M in 2009 compared to DKK 12.9M in 2008. The region has been badly affected by the financial crisis, and the Lithuanian subsidiary ended 2009 with an EBITDA of DKK -3.4M.

VAR – North and South America	2009	2008
Revenues	DKKm	DKKm
Software	17	33
Maintenance	21	25
Consultancy	55	106
Other	3	6
Total	96	170

VAR – North and South America	2009	2008
Revenues	DKKm	DKKm
Dynamics AX	64	121
Dynamics NAV	32	32
Other MBS products	0	14
Other products	0	3
Total	96	170

In **North and South America** total revenues in 2009 amounted to DKK 96M compared to DKK 170M in 2008. Adjusted for foreign currency translation and the sold-off subsidiaries with effect from December 1st 2008, revenues in the subsidiary decreased by 27%. The region accounted for 11% of the Group's total revenues in 2009.

EBITDA in the region amounted to DKK -2.0M in 2009 compared to DKK 13.6M in 2008.

ISV – To-Increase	2009	2008
Revenues	DKKm	DKKm
Software	41	16
Maintenance	11	10
Consultancy	6	8
Other	0	1
Total	58	35

ISV – To-Increase	2009	2008
Revenues	DKKm	DKKm
Dynamics AX	29	22
Dynamics NAV	10	11
Other MBS products	0	0
Other products	19	2
Total	58	35

Before billing subsidiaries for costs, the EBITDA of the **Parent Company** amounted to DKK -30.2M in 2009, compared to DKK -35.2M in 2008.

Annual General Meeting

The Company's Annual General Meeting will be held on April 26th, 2010 at 10.00, at Lautrupvang 6, 2750 Ballerup.

The following Management report is expected to be made in the annual report:

Management Report

The Boards of Directors and Management have today approved the annual report for the period January 1st – December 31st 2009 for Columbus IT Group and the Parent Company.

The annual report has been drawn up in accordance with the provisions in International Financial Reporting Standards as adopted by EU and additional Danish reporting requirements for the presentation of financial statements by listed companies.

We regard that the annual report gives a true and fair view of the Group's and Parent's assets, liabilities and financial position as at December 31st 2009, and of the results of the Group's and Parent's activities and cash flow for the period January 1st – December 31st 2009.

Furthermore, we regard that the management's report gives a true and fair presentation of the development in the Group's and the Parent's activities and financial position, the results for the period and of the financial position in general and describes the most significant risks and uncertainties that may affect the Group.

The annual report is submitted for approval by the shareholders at the Annual General Meeting.

Ballerup, March 29th 2009

Board of Management



Claus Hansen
CEO

Board of Directors



Ib Kunøe
Chairman



Jørgen Cadovius
Deputy Chairman



Claus Hougesen



Sven Madsen



Carsten Gottschalck

Total income statement

DKK '000	2009	2008
Net revenue	835,738	990,577
External project costs	-214,920	-259,134
Gross earnings	620,818	731,443
Staff expenses	-440,859	-494,913
Other external costs	-145,197	-172,775
Other operating income	993	1,407
Other operating costs	-376	-4,563
Earnings before depreciation (EBITDA)	35,379	60,600
Depreciation	-23,142	-24,862
Earnings before write down of goodwill (EBITA)	12,237	35,738
Write down of goodwill	-17,507	-11,823
Operating profit (EBIT)	-5,270	23,915
Results in associated companies	151	298
Financial income	4,965	7,711
Financial expense	-9,848	-15,611
Pre-tax earnings	-10,002	16,313
Tax on the result for the year	-7,599	6,942
Result for the year	-17,601	23,255
Foreign exchange rate translation re. subsidiaries	40	-10,226
Total income for the year	-17,561	13,029
Result for the year allocated thus:		
Shareholders of Columbus IT Partner A/S	-18,575	24,364
Minority interests	974	-1,109
	-17,601	23,255
Other total income allocated thus:	-39	-8,805
Shareholders of Columbus IT Partner A/S	79	-1,421
Minority interests	40	10,226

Balance sheet

DKK '000

Assets

	2009	2008
Goodwill	154,498	160,828
Development projects finalized	41,362	43,033
Development projects in progress	1,952	3,680
Other intangible assets	5,022	3,322
Intangible assets	202,834	210,863
Leasehold improvement	509	873
Plant and operating equipment	9,010	11,287
Tangible assets	9,519	12,160
Holdings in associated companies	1,233	1,047
Financial assets	1,233	1,047
Deferred tax assets	32,057	35,719
Total long-term assets	245,643	259,789
Inventories	774	1,932
Trade receivable	152,611	195,908
Contract work in progress	22,619	23,024
Corporation tax	1,234	3,093
Other receivables	13,904	14,028
Accruals	11,834	8,366
Receivables	202,202	244,420
Cash	66,346	54,121
Total short-term assets	269,322	300,473
Total assets	514,965	560,262

Balance sheet

DKK '000

Liabilities

	2009	2008
Share capital	99,131	96,466
Reserves on foreign currency translation	-14,157	-14,118
Retained profit	137,139	152,035
Group shareholders' equity	222,113	234,383
Minority interests	10,059	9,753
Total equity	232,173	244,136
Deferred tax	816	778
Credit institutions	948	150
Financial leasing obligations	4,086	9,224
Other debt	1,270	4,234
Long-term debt	7,120	14,386
Credit institutions	60,499	96,822
Financial leasing obligations	5,003	4,892
Client prepayments	25,082	28,796
Trade accounts payable	59,804	60,777
Corporation tax	13	62
Other debt	115,987	106,276
Accruals	9,284	4,114
Short-term debt	275,672	301,740
Total debt	282,792	316,126
Total liabilities	514,965	560,262

Consolidated statement of changes in equity

DKK '000

Group 2009	Share capital	Reserves on foreign currency translation	Retained profit	Minority interest	Equity
Balance at January 1st 2009	96,466	-14,118	152,035	9,753	244,136
Total recognised income and expense		-39	-18,575	1,053	-17,561
Capital increase	2,665		3,335		6,000
Issue of share warrant scheme			345		345
Payment of dividends				-746	-746
Balance at December 31st 2009	99,131	-14,157	137,139	10,059	232,173

Group 2008	Share capital	Reserves on foreign currency translation	Retained profit	Minority interest	Equity
Balance at January 1st 2008	95,580	-5,313	123,714	11,558	225,539
Total recognised income and expense		-8,805	24,364	-2,530	13,029
Capital increase	886		3,957		4,843
Addition of minority interests				897	897
Payment of dividends				-172	-172
Balance at December 31st 2008	96,466	-14,118	152,035	9,753	244,136

Consolidated cash flow statement

DKK '000	2009	2008
Operating profit (EBIT)	-5,270	23,915
Depreciation and amortization	40,649	36,685
Net adjustment of intangible assets	-8,388	-20,218
Changes in working capital	38,396	-23,126
Cash flow from primary activities	65,387	17,256
Interest received, etc.	7,162	7,711
Interest paid, etc.	-8,387	-15,612
Corporation tax paid	852	5,838
Cash flow from operating activities	65,014	15,193
Acquisition of tangible assets	-2,912	-5,448
Acquisition of subsidiaries and activities	-5,996	-31,098
Disposal of subsidiaries and activities	0	1,839
Acquisition of associated companies	-49	-162
Cash flow from investing activities	-8,957	-34,869
Proceeds from capital increase	6,000	4,843
Redemption of debt to shareholders	0	-6,843
Overdraft facilities	-51,242	17,533
Dividends paid to minority shareholders	-746	-195
Cash flow from financing activities	-45,988	15,690
Cash flow	10,070	-3,986
Cash funds at the beginning of the year	54,121	60,959
Exchange rate adjustments	2,155	-2,852
Cash funds at the end of the year	66,346	54,121
Cash flow from operating activities	65,014	15,193
Cash flow from investing activities	-8,957	-34,869
Cash flow from financing activities	-45,988	15,690
Cash funds at the end of the year	10,070	-3,986

Note 1: Segment data

The new IFRS 8, Operating Segments, requires operating segments to be identified on the basis of internal reports, which are regularly reviewed by the chief operating decision maker, i.e. typically the Board of Directors of the Parent Company, in order to support its decisions about allocation of resources to the segments and assessment of performance. The previous standards for operating segment reporting - IAS 14, Segment Reporting – required an entity to identify two sets of segments (business and geographical) using a risks and rewards approach.

Due to these changes the implementation of IFRS 8 has implied a change in the identification of the Group's operating segments, which based on IFRS 8, have been defined as a software development segment (ISV business) and a consultancy and service segment (VAR business).

Strategic business segments	Description	Geographical segment
ISV (Independent Software Vendor)	Development and sale of own ERP software products to vendors and strategic partners.	No segmentation
VAR (Value Added Reseller)	Sale and implementation of standard ERP software products to end users.	Nordic region Western Europe Eastern Europe North and South America

DKK '000 - 2009	ISV To-Increase	VAR				Parent	Total
		Nordic region	Western Europe	Eastern Europe	North and South America		
Gross revenues	79,898	385,466	138,779	167,652	100,576	0	872,371
Intercompany revenues	-21,468	-1,418	-5,016	-3,715	-5,017	0	-36,634
Net revenues	58,430	384,048	133,763	163,937	95,559	0	835,737
Gross profit	54,212	282,343	95,209	117,796	71,257	0	620,818
Operating profit (EBIT)	12,442	28,071	-6,176	-7,736	-7,776	-24,095	-5,270
Results in associated companies	0	0	0	0	0	151	151
Pretax earnings	12,155	31,011	-6,142	-9,857	-8,663	-28,506	-10,002
Result for the year	10,107	20,844	-11,749	-9,944	-8,677	-18,184	-17,602
Segment assets	107,268	28,943	52,954	82,823	47,717	195,260	514,965
Segment liabilities	20,710	88,161	52,084	55,375	30,409	38,098	284,838
Capital investments	18,224	1,333	533	639	1,330	3,051	25,110
Depreciation	-12,117	-3,731	-1,303	-3,277	-1,591	-1,123	-23,142
Amortization	0	0	-11,542	-5,965	0	0	-17,507
Holdings in associated companies	0	0	0	0	0	1,233	1,233
Average number of employees	44	306	143	409	83	12	996

Note 1: Segment data, continued

DKK '000 - 2008	ISV	VAR					Total
	To-Increase	Nordic region	Western Europe	Eastern Europe	North and South America	Parent	
Gross revenues	42,726	387,491	187,078	231,650	174,231	0	1,023,177
Intercompany revenues	-8,007	-6,994	-7,219	-5,970	-4,410	0	-32,600
Net revenues	34,719	380,497	179,859	225,680	169,821	0	990,577
Gross profit	41,889	281,010	125,038	160,246	123,259	0	731,443
Operating profit (EBIT)	2,996	32,978	-817	2,944	7,078	-21,263	23,915
Results in associated companies	0	0	0	0	0	298	298
Pretax earnings	905	34,337	-958	1,965	2,177	-22,112	16,313
Result for the year	1,141	26,380	-1,549	1,164	2,515	-6,395	23,255
Segment assets	66,428	157,623	72,899	111,416	39,778	112,118	560,262
Segment liabilities	25,562	30,544	57,013	62,044	34,353	106,610	316,126
Capital investments	20,218	3,166	701	1,295	0	286	25,666
Depreciation	-13,149	-2,939	-2,474	-3,447	-1,752	-1,101	-24,862
Amortization	0	0	0	-274	0	-11,549	-11,823
Holdings in associated companies	0	0	0	0	0	1,033	1,033
Average number of employees	43	301	174	456	229	9	1,213

Note 2: Net Revenue

DKK '000	2009	2008
Sale of products:		
Software licenses	151,415	185,120
Maintenance, service and hotline subscriptions	144,283	153,328
Other products	3,364	7,346
Total sale of products	299,062	345,794
Sale of services:		
Support	31,048	32,305
Sales value of finished projects	474,619	600,027
Change in contract work in progress	31,009	12,450
Total sale of services	536,676	644,783
Total net sales	835,738	990,577
Contract work in progress at beginning of the period	-54,140	-41,690
Contract work in progress at end of the period	85,149	54,140
Total change in contract work in progress	31,009	12,450

Note 3: 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 0.8M that will be expended in 2009, 2010 and 2011.

Specification of outstanding warrants	Senior executives	Total	Exercise rate per warrant
	No.	No.	DKK
Outstanding at January 1 st 2009	0	0	0.00
Granted during the period	1,150,000	1,150,000	2.51
Used	0	0	0.00
Annulled during the period	0	0	0.00
Outstanding at December 31st 2009	1,150,000	1,150,000	2.51
Outstanding at January 1 st 2008	720,000	720,000	7.44
Granted during the period	0	0	0.00
Used	0	0	0.00
Annulled during the period	-720,000	-720,000	7.44
Outstanding at December 31st 2008	0	0	0

Note 4: Trade Receivable

DKK '000	2009	2008
Receivables (gross) at December 31 st	171,259	216,835
Allowance for doubtful debts at January 1 st	20,927	13,699
Change in allowance for doubtful debts during the period	7,360	10,781
Loss realized during the period	-9,638	-3,553
Allowance for doubtful debts at December 31 st	18,648	20,927
Balance at December 31st	152,611	195,908

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.

Note 5: Intangible assets

2009 - DKK '000	Goodwill	Licenses	Development projects, finalized	Development projects, in progress	Total
Cost price January 1st 2009	229,955	9,164	86,321	3,680	329,120
Currency translation to closing price	1,620	125	48	491	2,284
Additions during the year	2,051	165	6,064	13,918	22,198
Additions during the year, acquisition of activities	11,692	2,879	6,054	0	20,625
Disposals during the year	-2,947	-47	-15,454	0	-18,448
Development projects, finalized	0	0	16,137	-16,137	0
Cost price December 31st 2009	242,371	12,286	99,170	1,952	355,779
Depreciation and amortization January 1st 2009	69,127	5,842	43,288	0	118,257
Currency translation to closing price	1,239	129	125	0	1,493
Amortization	0	1,340	16,039	0	17,379
Reversal on disposals	0	-47	-1,644	0	-1,691
Depreciation	17,507	0	0	0	17,507
Depreciation and amortization December 31st 2009	87,873	7,264	57,808	0	152,945
Net value December 31st 2009	154,498	5,022	41,362	1,952	202,834
Cost price December 31st 2009	242,371	12,286	99,170	1,952	355,779
Depreciation and amortization December 31st 2009	87,873	7,264	57,808	0	152,945
Net value December 31st 2009	154,498	5,022	41,362	1,952	202,834

2008 - DKK '000	Goodwill	Licenses	Development projects, finalized	Development projects, in progress	Total
Cost price January 1st 2008	214,588	5,672	67,205	4,145	291,610
Currency translation to closing price	-2,567	-612	-200	-8	-3,387
Additions during the year	0	841	0	19,377	20,218
Additions during the year, acquisition of activities	28,747	3,288	0	0	32,035
Disposals during the year, discontinued activities	-10,813	-25	-518	0	-11,356
Development projects, finalized	0	0	19,834	-19,834	0
Cost price December 31st 2008	229,955	9,164	86,321	3,680	329,120
Depreciation and amortization January 1 st 2008	63,211	5,531	29,089	0	97,831
Currency translation to closing price	-1,751	-610	-1,580	0	-3,941
Amortization	0	939	15,779	0	16,718
Reversal on disposals	-4,156	-18	0	0	-4,174
Depreciation	11,823	0	0	0	11,823
Depreciation and amortization December 31st 2008	69,127	5,842	43,288	0	118,257
Net value December 31st 2008	160,828	3,322	43,033	3,680	210,863
Cost price December 31st 2008	229,955	9,164	86,321	3,680	329,120
Depreciation and amortization December 31st 2008	69,127	5,842	43,288	0	118,257
Net value December 31st 2008	160,828	3,322	43,033	3,680	210,863

The management performs an impairment test of the net value of goodwill, development projects and other long-term assets minimum once a year and more frequently in case of indication of impairment. The annual impairment test is performed as at December 31st. In 2009 the write-down goodwill by DKK

17.5M in total was performed in relation to the subsidiaries in France, Lithuania, the Netherlands and Poland.

Calculation of the net present value of the cash generating units is based on the cash flow appearing from the latest budgets and outlooks approved by the Board of Directors for the coming five financial years as well as a residual value based on an average presumption of future growth before inflation of 2.5% (2008: 2.5%), WACC before tax of 10.5% (2008: 10.5%). The used growth rates do not exceed the average expected long-term growth rate on the concerned markets.