

Release no. 30/2014

Interim Management Statement for Q3 2014

Columbus delivers strong result improvements in EBITDA (10%) and profit before tax (127%) and maintains expectations for the year

In accordance with the regulations for listed companies' submission of interim statements, Columbus A/S hereby submits the interim management statement for the period 01.01.2014-30.09.2014 (9 months).

Profit before tax increased from DKK 13.3 to 30.1m in Q3 YTD

Revenue in Q3 YTD amounted to DKK 627.1m (2013: 636.2m), corresponding to a decrease of 1%. In local currency revenues increased by 1%. EBITDA¹ amounted to DKK 45.5m (2013: 41.3m), corresponding to an increase of 10% compared to Q3 YTD 2013.

Profit before tax² YTD improved by 127% compared to the same period last year. The improved result is a consequence of three elements: 1) EBITDA increase of 10%. 2) A significant financial income primarily due to the increase in USD. 3) The completed closure of the Middle East activities in 2013.

Focus on the execution of Columbus¹⁵

Columbus is now in the third year of executing the Columbus¹⁵ strategy and continues the strong focus on selling Columbus software, consulting and services to the industries food, retail and manufacturing, optimizing the services business and reducing costs and managing risk in the entire organization. The execution of Columbus¹⁵ is successful and Columbus continues to execute the strategy.

Recovering of the subsidiaries in US and Norway

Columbus' subsidiary in the US is facing challenges in sales execution, which consequently means a decline in both revenue and earnings. Columbus US is currently executing recovery plans comprising a re-organization of their senior management structure, and a strengthening of the sales management and the sales team.

In Columbus Norway, we lost a large number of consultants in Q2 due to headhunting activities from a competitor. This has led to extraordinary legal fees, recruiting costs and free work when completing projects with new consultants. Columbus Norway is executing recovery plans including a re-organization of their senior management structure.

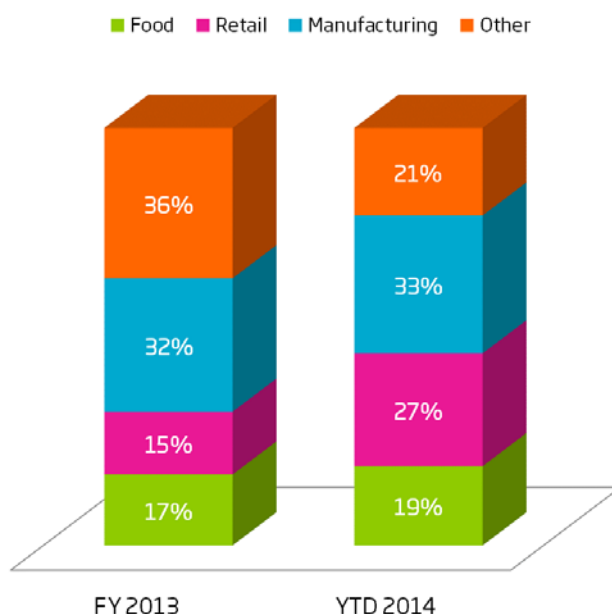
We expect that both subsidiaries will gradually improve performance during 2015.

¹ EBITDA before share-based compensation

² Profit before tax, from continuing operations

Strong focus on industry solutions continues

The strong focus on customers in the industries food, retail and manufacturing is successful. Revenues from key industries increased to 79% of total revenues in Q3 YTD. The retail segment has experienced the greatest development with an increase of 12 percentage points. The acquisition of Omnica in January, a leading retail and eCommerce company in the UK, means that Columbus has strengthened its offerings to this segment.



Revenue decline of 1%

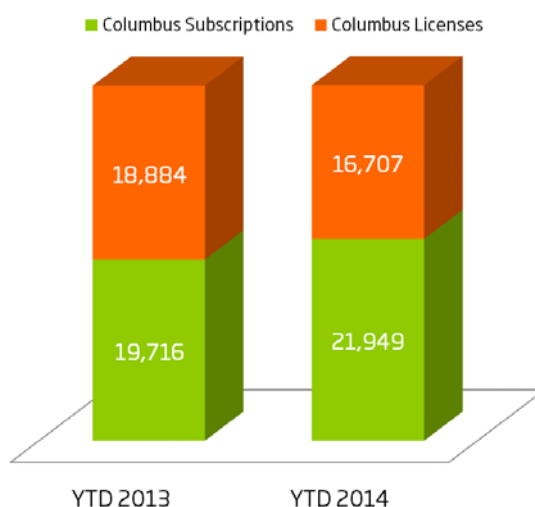
Revenue declined by 1% despite a 7% increase in consultancy revenue. The decline is due to lower external software sales, declining by DKK 35.2m corresponding to 21%. The decline in sales is primarily due to discontinued sales of low margin software in Russia and secondarily due to the lack of sales in US.

DKK '000	YTD 2014	YTD 2013	Q3 2014	Q3 2013
Columbus licenses	16,707	18,884	5,291	6,031
Columbus subscriptions	21,949	19,716	6,527	5,226
External licenses	46,277	60,980	14,163	10,381
External subscriptions	83,054	103,521	24,640	26,761
Consultancy	445,935	417,713	136,216	129,464
Other	13,153	15,387	3,820	4,748
Net revenues	627,075	636,201	190,657	182,611
EBITDA before share-based compensation	45,521	41,288	9,238	6,630
Share-based compensation	-2,136	-1,179	-842	-781
EBITDA	43,385	40,109	8,396	5,849

Columbus Software at the same level as in 2013

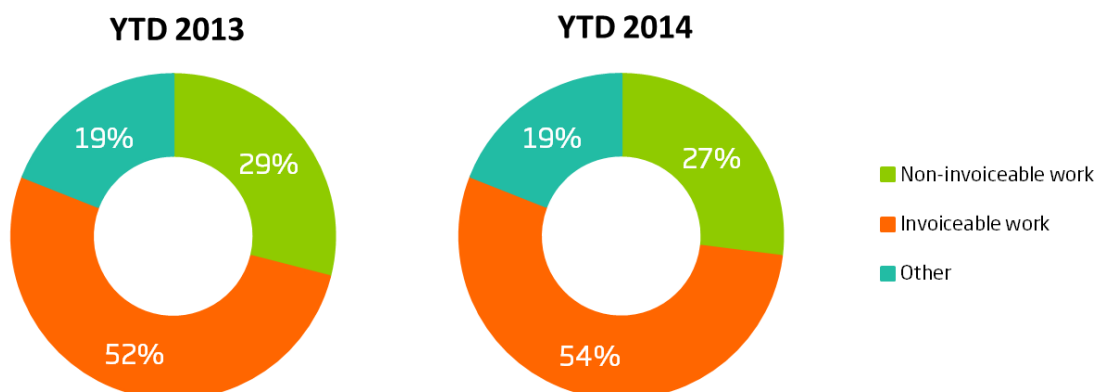
Revenue from Columbus Software amounted to DKK 38.7m in Q3 YTD, which is in line with 2013. However, Columbus subscriptions increased by 11% compared to 2013. This is recurring revenue, which is an important part of ensuring continuous earnings.

Sale of Columbus Software (DKK '000)



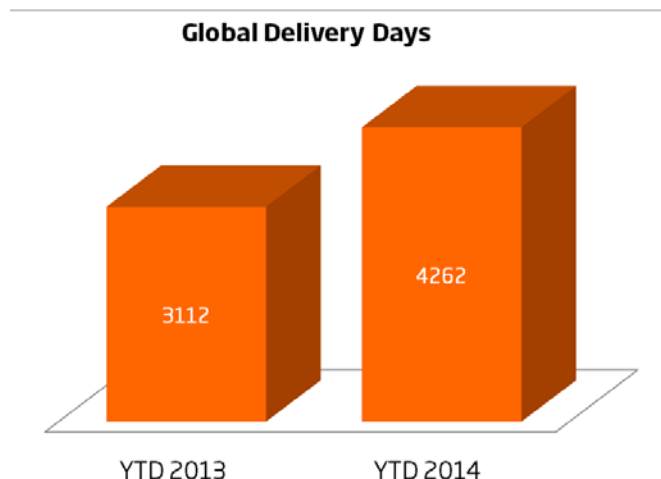
Continuous improvement of the consultancy business

The sale of consultancy services increased by 7% in Q3 YTD due to an increase in productivity in the consultancy business, consequently invoiceable hours increased from 52% to 54%. The positive development is in line with expectations.



Global Delivery continues the positive trend

Columbus Global Delivery Center continues to expand the capacity and delivered 4,262 days of customer support and implementations in Q3 YTD. This corresponds to an increase of 37% compared to the same period last year.



Expectations to revenue and EBITDA are maintained

The announced expectations to 2014 are being maintained, and thus Columbus expects revenue in the level of DKK 900m and an EBITDA³ in the level of DKK 80m.

Latest developments

No events or transactions with a material effect on the company's financial position have occurred since the balance sheet date.

Ib Kunøe
Chairman
Columbus A/S

Thomas Honoré
CEO & President
Columbus A/S

For further information, please contact:

CEO Thomas Honoré, T: +45 70 20 50 00.

³ EBITDA before share-based compensation

Income statement

DKK '000	YTD 2014	YTD 2013	2013
Net revenue	627,075	636,201	879,805
External project costs	-139,176	-156,601	-216,278
Gross profit	487,899	479,600	663,527
Staff expenses	-355,284	-351,013	-476,207
Other external costs	-87,677	-87,985	-116,145
Other operating income	604	686	914
Other operating costs	-21	0	-5
EBITDA before share-based payment	45,521	41,288	72,084
Share-based payment	-2,136	-1,179	-1,960
EBITDA	43,385	40,109	70,124
Depreciation	-17,555	-19,037	-25,352
Earnings before write down of goodwill (EBITA)	25,830	21,072	44,772
Write down of goodwill	0	0	0
Operating profit (EBIT)	25,830	21,072	44,772
Results in associated companies	0	-4,109	-4,109
Financial income	4,942	45	190
Financial expense	-684	-3,734	-4,123
Profit before tax, continuing operations	30,088	13,274	36,730

Balance sheet

DKK '000	YTD 2014	YTD 2013	2013
ASSETS			
Goodwill	187,606	168,564	167,705
Other intangible assets	2,640	2,128	1,446
Development projects finalized	35,116	35,686	43,288
Development projects in progress	11,018	11,895	3,593
Intangible assets	236,380	218,273	216,032
Leasehold improvements	161	912	781
Plant and operating equipment	7,683	8,818	8,873
Tangible assets	7,844	9,730	9,654
Deferred tax assets	17,885	19,733	19,418
Total long-term assets	262,109	247,736	245,104
Inventories	153	225	40
Trade receivables	117,400	117,445	138,929
Contract work in progress	13,133	17,374	9,471
Corporation tax	40	1,081	40
Other receivables	5,718	7,649	5,232
Prepayments	8,090	9,778	9,478
Receivables	144,381	153,327	163,150
Cash	81,788	49,105	75,410
Total short-term assets	226,322	202,657	238,600
TOTAL ASSETS	488,431	450,393	483,704

Balance sheet

DKK '000	YTD 2014	YTD 2013	2013
LIABILITIES			
Share capital	137,831	132,793	132,793
Reserves on foreign currency translation	-9,794	-8,968	-10,680
Retained profit	171,096	149,445	144,940
Proposed dividends	0	0	13,279
Group shareholders equity	299,133	273,270	280,332
Minority interests	3,357	7,820	3,646
Equity	302,490	281,090	283,978
Deferred tax	207	90	74
Provisions	5,696	507	121
Debt to credit institutions	0	21	6
Other debt	1,270	1,270	1,270
Long-term debt	7,173	1,888	1,471
Credit institutions	7,403	6,112	2,385
Prepayments received from customers	20,339	12,405	14,946
Trade accounts payable	35,267	33,392	52,694
Corporation tax	4,606	6,540	5,235
Other debt	91,049	92,942	103,704
Accruals	20,104	16,024	19,291
Short-term debt	178,768	167,415	198,255
Total debt	185,941	169,303	199,726
TOTAL LIABILITIES	488,431	450,393	483,704

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
Consultancy	Sale and implementation of standard business systems.	Western Europe Eastern Europe North America

Information about the Group's segment is stated below.

Consultancy						
DKK '000	ISV	Western Europe	Eastern Europe	North America	Parent company/ Eliminations	Total
YTD 2014						
Columbus licenses	11,807	7,599	1,835	1,583	-6,117	16,707
Columbus subscriptions	18,739	6,066	642	2,464	-5,962	21,949
External licenses	0	23,108	13,305	10,022	-158	46,277
External subscriptions	241	43,992	15,253	24,707	-1,139	83,054
Consultancy	10,471	294,025	81,689	68,573	-8,823	445,935
Other	625	7,788	2,026	2,539	175	13,153
Total net revenue	41,883	382,578	114,750	109,888	-22,024	627,075
Gross earnings	38,029	286,548	86,949	74,171	2,202	487,899
EBITDA	17,516	33,959	10,281	1,129	-19,500	43,385

Consultancy						
DKK '000	ISV	Western Europe	Eastern Europe	North America	Parent company/ Eliminations	Total
YTD 2013						
Columbus licenses	12,626	8,530	2,093	2,018	-6,383	18,884
Columbus subscriptions	16,481	4,947	675	2,782	-5,169	19,716
External licenses	19	19,935	27,399	13,668	-41	60,980
External subscriptions	1,123	50,579	23,587	28,333	-101	103,521
Consultancy	9,758	257,312	70,659	89,431	-9,447	417,713
Other	449	7,659	2,385	3,379	1,515	15,387
Total net revenue	40,456	348,962	126,798	139,611	-19,626	636,201
Gross earnings	36,460	266,053	82,294	99,357	-4,564	479,600
EBITDA	15,600	29,545	7,686	12,552	-25,274	40,109