COLUMBUS*15*
HALF WAY HOME

Columbus®

All figures in this document regarding forward-looking statements for 2013-2015 solely represent the Company's internal long-term strategic plans and not official expectations for 2013-2015. Official expectations will be announced at the same time as the annual reports and only for the present year. Thus the previously announced expectations for 2013 have not been changed.

Expectations, forward-looking statements etc. are based on current plans, estimates and projections. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific. The Company cautions that a number of important factors could cause actual results to differ materially from those contemplated in any forward-looking statements. Reference is also made to risk factors etc. as described in the Company's latest annual report.

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WE ARE HALFWAY HOME

Thomas Honoré
Columbus, CEO

Columbus is an industry consultancy and we service customers worldwide within the food, retail and manufacturing industries, with our consultancy services and industry focused software.

In 2011 we launched our new strategy Columbus*15* in order to improve our financial performance and to take the entire organization through a major transformation from an IT company into an international industry consultancy. Currently, we are finding ourselves in the midst of this transformation, which will continue until 2015 – but we are halfway home now.

The heart of our business is the same as it has always been: We are helping our customers to do what they do best – better: Improve productivity, efficiency and growth. Or put differently, to deliver excellent value to our customers. Columbus*15* is about how we do it.

Since our Columbus*15* strategy was launched we have taken huge strides by remarkably improving our Earnings before depreciation (EBITDA). A milestone was our turnaround in 2012, and since then we have experienced growth in the entire organization. This has also entailed that Columbus' share on Copenhagen Stock Exchange has risen close to 100% during the last year.

This document is created to give investors and other stakeholders a unique and thorough insight into our strategy and our business' development and goals. This is in line with our policy about full transparency.

Columbus*15* ®

Columbus15 comprises five strategic, mutually reinforcing actions:

1.   *Extend Industry Leadership*

2.   *Sell More Own Software*

3.   *Optimize Global Delivery*

4.   *Improve Services Profits (ISP)*

5.   *Grow In Key Industries and Geographies*

ʺ *One of the reasons why we chose to work with Columbus, is that they don't just know software, they also understand business.* **ʺ**

ANDREA HALL*, Information Systems Director, Stonewall Kitchen, US*

A WORLD-CLASS
INDUSTRY CONSULTANCY

OUR VISION & MISSION

The vision underlying Columbus*15* is that we strive to become a world-class consultancy and a leading value provider for businesses worldwide within the food, retail and manufacturing segments.

This position enables us to service our customer segments better, improve our competitiveness, increase our earnings and attract the best employees globally.

Our aim is not to be among the largest providers of business solutions, and we will not be in 2015.

Instead, our major strength is that we provide our own unique business solutions and skills of very high quality, and that we continuously do our utmost to develop and optimize these solutions and our product portfolio to become among the best in the world to service our customer segments.

WHY WE LAUNCHED COLUMBUS*15*

In Columbus, we have always been ambitious and set high standards for our services and products. More than 20 years ago we started as an IT company in Denmark selling and implementing ERP systems, which later evolved into Microsoft Dynamics AX and NAV. The business grew and we established subsidiaries in several countries.

Our focus solely on standard solutions was a successful strategy on the contemporary market, where ERP and business solutions were still relatively new technologies. But the world of technology evolved rapidly, global competition increased, and our customer segments matured and demanded more value. Even though we did our best to adapt to these changes and started building industry expertise, our business and competitiveness weakened.

Our focus and positioning was clearly not strong enough, and this called for an update of our strategy.

In 2011 Columbus*15* was built from the outside in. We spoke to our customers and asked them how we could deliver more value to them.

They told us they wanted us to be proactive, challenging their old habits and ways. Sure, they looked to us for technical expertise but more importantly we should consult and guide on the most pervasive industry challenges they had.

ONCE YOU KNOW HOW

Our customer interactions led us to the conclusion that we needed to go deep into industry expertise in order to grow and stay competitive.

This also meant that we needed to leave both our "IT positioning" and our focus on pushing standard Microsoft business solutions, because this prevented us from unfolding our potential as industry experts, and from fully meeting the challenges and opportunities our customers faced.

A new era in the history of Columbus was about to begin. Clear cut focus and high level industry expertise were the keywords: We were going to transform into an industry consultancy, and we wanted to be the best.

Obviously, this new role is extremely ambitious, and it places great demands on us - on our knowledge and expertise and our ability to convert this knowledge and expertise into value for our customers.

OUR THREE KEY DIFFERENTIATORS

Transforming into an industry consultancy means that we sharpened the focus on our core and differentiating competencies:

First of all, we have a long history of providing both consultancy services and software development. This is quite unique and at the same time, a major advantage for our customers. So we stay on this path, but enhance the industry and customer focus on both fronts significantly.

For years we have been servicing customers in many different segments, but are exceptionally strong in servicing customers in the food, retail and manufacturing industries. Naturally these three industries are the main focus in our new strategy. Choosing only three industries, means that we can invest all our energy on building expertise and skills to service them even better.

We are present in many countries around the world. This means that we are able to service customers with both local and international reach, and ensure that we speak their language. We have extended these competencies into a global delivery model. This means that we can concentrate on selected geographies and at the same time increase the teamwork and processes across Columbus.

"I WORK IN AN INDUSTRY CONSULTANCY"

The transformation into an industry consultancy fundamentally changes the way we perceive ourselves, the way we operate, our focus and our positioning towards our customers, shareholders and other stakeholders.

Obviously, the transformation influences the whole organization, across borders and across professions:

We increase the innovation and development of our own industry-focused software. We encourage and educate our consultants to become industry experts, and Columbus' software and services brands are a part of our marketing communication and selling initiatives.

We no longer say: "I work in an IT Company selling and implementing Microsoft Dynamics AX and NAV". Now, we state: "I work in an industry consultancy providing expert consulting services and industry-focused software to customers in the food, retail and manufacturing segments".

Becoming an industry consultancy is a continuous process and we cannot change a 20-year-old company's DNA overnight. But we have made huge strides in the right direction, and we are proud of our achievements, who we are and who we are striving to become.

MANIACAL FOCUS DRIVES PROFITABILITY

The primary goal of transforming Columbus from an IT Company into an industry consultancy is to create an increasingly profitable and competitive business, now and in the future, to the benefit of both our customers and our employees: We strive to be a world-class business partner for our customers globally, always being able to deliver the best industry solutions and expert services. Likewise, we strive to provide our employees with the best working conditions and outstanding opportunities for career development - worldwide.

Becoming an increasingly profitable and competitive international business in today's globalized market requires a strong performance and a maniacal focus: Focus on core industries, technologies and geographies, and equally important, a strong focus on continuously increasing income, reducing costs and managing risks. In other words, maniacal focus drives profitability, and this is the core of Columbus.

Despite of the past years' fragile state of the global economy and the increased global competition within our field we have achieved a remarkable improvement in our Earnings before depreciation (EBITDA).

Earnings Before Depreciation
(EBITDA in DKK)

■ Achieved ■ Expectation

2011	2012	2013	2015
27	52	60	100

It has not been an easy ride. All employees in Columbus have worked hard to achieve this. Furthermore, we have had to discontinue our activities in more countries, where our business was not profitable, and the potential for growth was too weak. This meant that we had to say goodbye to many dedicated colleagues. However, our new partnerships with local consultancies in these countries meant that several of our former employees got new job opportunities, and that our customers were offered to engage with strong local business partners.

MANAGING BUSINESS RISKS

Business always holds risk, and most often the level of risk increases proportionally with the size of projects and the potential win. This is indeed true for our business. Naturally, our greatest aim is to deliver healthy, profitable quality projects to our customers, and consequently it is vital that we have a strong focus on risk management.

One of the most important internal initiatives we have launched to reduce risk in our business is Columbus Authority and Risk Management Rules, CARMR. With CARMR we ensure uniform levels in investments and costumer obligations globally, and as a result we are able to keep a close eye on risks in all investments and customer obligations. This means that we are more capable than ever of delivering projects on time and at the agreed costs.

Moving forward, we will continuously increase our focus on risk management, because it is essential, that our customers can count on us, always.

DRIVE DOWN COST

Equally important is a strong focus on cost management. In particular external costs have our attention, such as rent and IT. During the past 2.5 years we have launched several local and global initiatives to reduce external costs. Among these initiatives is the global internal project Lean IT. Another is the new headquarter in Denmark, which has entailed a very large rent reduction.

Internal costs such as staff costs are also on the agenda. Naturally, we wish to attract and maintain the best employees globally, and we continuously strive to create healthy proportions between salaries and the performance and expertise of our employees.

We will continuously strive to have a distinctive margin between our expenses and our income. This is essential to maintain a healthy business with the resources necessary for growth and innovation.

CONTINUOUS IMPROVEMENT IN CASH-FLOW

In our business it is vital to keep a strong focus on reducing contract work in progress and trade receivables. There is a great time span from our very first customer encounter to the final go-live of a project, and in the intervening period, we invest a lot of value in our customers. Naturally, these are the conditions in our field. But we have taken initiatives to reduce the time between investments and invoice in order to increase our cash-flow and hereby create a much healthier, more sustainable and competitive business. This has led to a considerable improvement of cash flow from primary activities, which increased to DKK 44.2m in H1/2013. This corresponds to an increase of 360.4% compared to H1/2012.

COLUMBUS*15* : ACHIEVEMENTS, PROGRESS AND GOALS

We are half way home, and Columbus*15* has already proven to be a successful strategy for Columbus: It has improved our ability to deliver excellent customer value, sharpened our competitiveness and enhanced our earnings. There has been a large influx of new customers from our key industries, we have increased our market share, and in 2012, we made a turnaround in our business.

Legend: Food | Retail | Manufacturing | Verticals | Other

2011: Other 69%, Manufacturing 11%, Retail 11%, Food 9%
2012: Other 52%, Manufacturing 21%, Retail 13%, Food 14%
2015: Other 25%, Verticals 75%
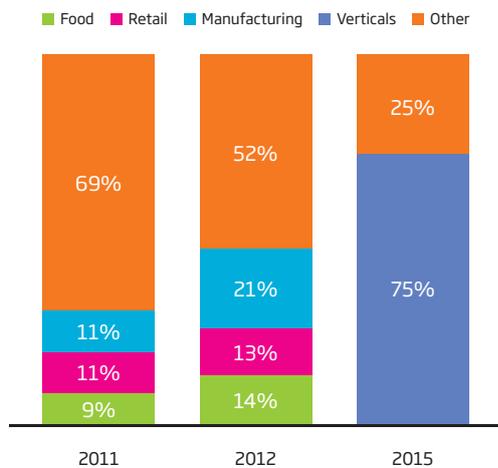
Development in revenues within our focus industries

We have increased our focus on what matters to our customers. By concentrating on the areas that enable our manufacturing customers to improve their competitive advantage, we ensure we are bringing value in our client engagements. Bringing our industry experience to our customers enables this."

Norman Carmichael,
Manufacturing Practice Director, Columbus US

Below we summarize the five strategic actions which comprise Columbus*15*, we catch up on our main achievements and progress and take a look into the future.

EXTEND INDUSTRY LEADERSHIP
Extending our industry leadership means that we continuously strive to develop our skills and expertise and products to better serve our key customer segments; companies in the food, retail and manufacturing industries.

Columbus*Food*®
Columbus*Manufacturing*®
Columbus*Retail*®

With the launch of Columbus*15*, we created our industry solutions ColumbusFood, ColumbusRetail and ColumbusManufacturing. These solutions have been warmly welcomed by the market, and brought us closer to global industry leadership within our field.

Among other things, we are proud that Columbus UK was invited as a presenter at the prestigious Meat Management Awards 2013, and that two of our customers won awards. This proves our reputation as industry experts.

RapidValue is the most important product in our industry solutions: RapidValue is built from best practices in our key industries, and the tool is constantly enhanced with new content. In order to fuel RapidValue's positioning in the market, we have certified all employees globally in RapidValue.

Darya Kulikova, Columbus Russia

Aneel Sane, Columbus GDC

"RapidValue has truly opened our eyes and is helping us maximize the assets we have all across the business, be it ERP solution, people or processes."

Tony Carlisle,
Group IT Manager, Fairfax Meadow, UK

In order to reach the goal of becoming world-class industry experts, we have to increase our focus on our key industries even more. We need to pay attention to the trends and challenges within these industries, through dialogue with our customers, and through training and education of our colleagues as well as hiring new employees directly from our key industries. In addition, we need to keep a strong focus on innovation of our services and our software.

Our goal is that in 2015 more than 75% of revenues stem from our focus industries.

SELL MORE OWN SOFTWARE
Our software is truly differentiating Columbus and bringing more value to our customers. Naturally, we sell our own software as a key ingredient in our business solutions.

In 2012 we invested DKK 16.5m in developing new software targeted at our key industries, and since the launch of Columbus15, we have brought several new software brands to market:

Our most successful product by far is our best practice solution RapidValue for food, retail and manufacturing companies. RapidValue is designed to help businesses identify and optimize workflows, when they implement a new business system.

Columbus RapidValue®

If there is one product which embodies the heart of our business, it is RapidValue: Here, 20 years of technology know how comes together with industry expertise in a world class best practice solution. Until now 29 new customers invested in RapidValue, and in the future it will be an inseparable part of our industry solutions.

Columbus SCS®

ColumbusSCS (Supply Chain Solutions) helps retailers, manufacturers, and distributors automate and streamline processes in the supply chain.

Columbus ADM®

ColumbusADM (Advanced Discrete Manufacturing) connects, automates and streamlines internal processes in manufacturing companies, from brainstorm through production to after-sales service.

Columbus BIS®

ColumbusBIS (Business Integration Solution) supports and optimizes companies' data migration.

Columbus F&B®

ColumbusF&B (Food & beverage) is tailored to companies in the food industry, to meet needs and challenges specific for this industry which the standard business applications are not geared for.

Andreas Kold Therkildsen, Columbus Denmark

Kathrine Vinstrup, Columbus Global

Columbus *eCom*®

Columbus eCom is our web store application for companies that want to use the web to better communicate, manage and support sales with consumers and B2B customers.

Columbus *BaseCloud*®

Furthermore, we have launched cloud-based business solutions, which are tailored to companies within the food and production industries. These new industry-focused solutions are branded Columbus BaseCloud.

The market reaction to our new products has been very positive, and in 2012 we increased sale of our own software by 83%, from DKK 19.0m to DKK 34.8m. Our goal is that revenues from own software 2015 will be DKK 100m.

Naturally, we train all our consultants in our software: In January 2012 we launched our internal enablement program, which is dealing with education of our consultants as well as providing help and inspiration to presales activities and consultancy services to our customers. In 2012 we invested DKK 3m in the program, and in 2013 we invest DKK 4m.

Integration Solution (BIS), we now see how we can quickly and easily develop a number of key interfaces in our business to improve our global supply chain integration/ automation and global master data management processes. ColumbusBIS also significantly reduces our reliance on external development resources and the associated costs and risks."

Ben Hancock,
Group Head of ERP, Britax Group Ltd., UK

For each percentage point of total revenue we increase sale of own software it will have an EBITDA impact of approximately DKK 6m per year. Sale of own software is very profitable for Columbus and to accelerate the sale and to make it very attractive for our sales representatives and sales directors to exceed the targets for selling more of our own software we have launched internal SMOS (Sell More Own Software) competitions.

In order to smooth the process of distributing and selling our software, we have introduced our internal program Golden Disc. Golden Disc makes our software easily accessible for our consultants globally, and this results in faster and better service to our customers.

Morten Skogbrott, Columbus Norway


Deborah Vermillion, Columbus US

Innovation and development are among our top priorities, and the internal Product Advisory Boards (PAB) have been created to support this. The Product Advisory Boards consists of members from all countries in Columbus. The Product Advisory Boards are organized by industry solution or product: Supply Chain Solutions, Advanced Discrete Manufacturing, Food & Beverage, Business Integration and RapidValue.

The PAB members provide and share requirements from our consultants and customers, they review and prioritize requirements, discuss and participate in the development of new features. Furthermore, the PAB members inspire innovation throughout the organization and encourage that new ideas are discussed as soon as they arise.

Furthermore, on our internal social platform Yammer, we have several communities discussing and giving input to new features and products. This has created a living dialogue of passionate people in Columbus, who are dedicated to create more value to our customers.

Looking forward, we must keep on this path innovating and selling more of our own software to meet the needs, challenges and wants of our customers – and exceed their expectations. We must also pay close attention to the development within the technology field, such as Cloud, Big Data, Apps and Mobile. But our key focus will always be on our customers and their needs, and our most important aim is to ensure excellent customer value.

Development of sale of own products (DKK '000)

■ Licenses ■ Maintenance ■ Licenses & Maintenance

	2011	2012	2015
Maintenance	22,772	26,236	
Licenses	19,041	34,744	
Licenses & Maintenance			100,000
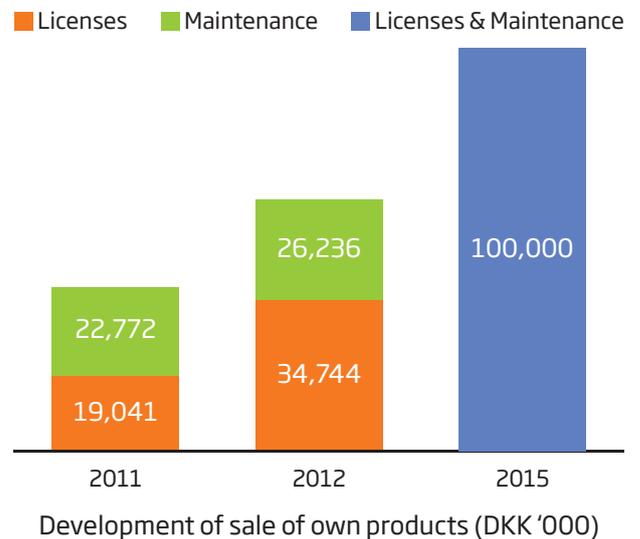
Ivo Suursoo, Columbus Estonia
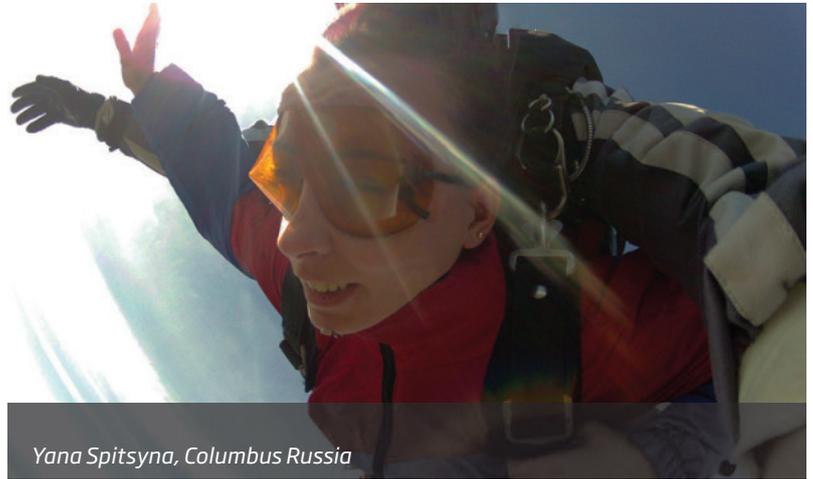
Yana Spitsyna, Columbus Russia

OPTIMIZE GLOBAL DELIVERY

Columbus´ Global Delivery Model provides companies worldwide with the right people, skills and expertise to deliver industry consulting services, support and development services. This method provides scale, accelerates projects, shortens the time to value and ensures that we put the absolute best resources on our customers' projects.

Our Global Delivery Model is about enabling seamless collaboration across borders and across skills in Columbus for fast, efficient and cost effective projects.

Our vision is that in 2015 20% of our services capacity works in global teams, so that we are able to build core projects in one country, which seamlessly draws on resources from other Columbus countries. As part of this, all our projects will include the RapidValue tool and our common implementation model SureStep+.

Columbus Care®

Currently, The Global Delivery Model consists of the global country teams and the skilled consultants in the Global Delivery Center, the ColumbusCare brand, SureStep+ and RapidValue.

Until now we have built five country teams, a To-Increase team, an upgrade team and a support team. In all, 65 consultants are employed in our Global Delivery Center, and they handle 10% of our services operation.

All our Global Delivery teams are certified in SureStep+. This ensures that geographically dispersed team members are aligned and work towards the same goals and expectations. This increases quality and efficiency to the benefit of our customers worldwide. Furthermore, all teams are also certified in RapidValue.

We have developed multiple packaged services under the ColumbusCare brand. ColumbusCare Support Services enable us to better support our customers, as they will get a dedicated, well trained team to help them make critical business applications more efficient, cost effective and risk resistant. In ColumbusCare consultants can assist customers worldwide, 24 hours a day.

Furthermore, we have expanded ColumbusCare with Columbus Upgrade Services, which simplifies challenges and reduces costs for complex software upgrades: ColumbusCare Upgrade Services helps our customers quickly determine whether they should upgrade, if so when, and what is the best approach to meet their needs at the best price point.

Moving forward, we will invest in continuously improving our Global Delivery Model and develop additional packaged services in order to meet and exceed the needs and wants of our customers. To pursue this aim, we will increase the number of consultants in our Global Delivery Center and we will build more global teams. Everyone will be re-certified in SureStep+, and there will be recurring reviews of implementation skills.

Edgaras Bencevicius, Columbus Lithuania

Chris Green, Columbus MSSC

Our Global Delivery Model is of immense importance to Columbus' global positioning and competitiveness. It demands a focused effort from all colleagues to pay attention to the global network through certification in RapidValue and SureStep+. The Global Delivery Model offers great opportunities for everyone in Columbus to develop new skills and to teamwork with colleagues and customers all over the world.

As part of our Global Delivery strategy Columbus has established our own Global Delivery Center in India with very qualified local resources, highly utilized at a low cost. Columbus plan is to continue growing our Global Delivery Center the coming years.

**GROW IN KEY INDUSTRIES AND GEOGRAPHIES**

Columbus strives to grow organically and through acquisitions to expand our industry expertise and strengthen our global position. As part of Columbus*15* we follow an acquisition plan that focuses on the acquisition of companies with a consultant profile similar to Columbus' within our key industries and in selected geographical areas.

Our Global Delivery Model and our strategic partnerships with local consultancies ensure that we optimize our competence to service customers worldwide.

Since we launched Columbus*15*, we have reduced the number of subsidiaries in Columbus, because we focus our business in geographies where we see potential for growth.

Our goal is that our business is characterized by a healthy growth everywhere we are present, and that we have strong relationships to our partners around the world.

Total services provided by Global Delivery Center in India

■ Total services provided by Global Delivery Center

2011	2012	2013	2015
0%	3%	10%	20%
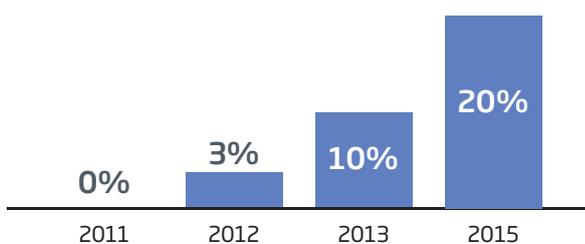
Number of Employees in Global Delivery Center in India

■ Employees

2011	2012	2013	2015
15	46	75	125
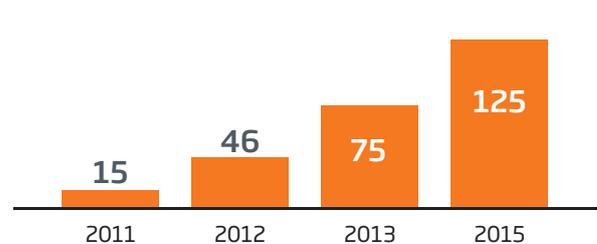
Mark Weiss , Columbus US

Jacob Lobner, Columbus Denmark

IMPROVE SERVICES PROFITS (ISP)

Industry expertise is one key focus in our consultancy business. So is improving our services earnings through stronger risk management, cost and project management and resource allocation. This is why we have launched our internal program Improve Services Profits in the whole organization.

Optimized project management is to the benefit of both our consultants and our customers: Our consultants are ensured uniform working conditions, and our customers are ensured that projects are accomplished at agreed-upon time, quality and price. In other words, Improved Services Profits ensures healthy projects and excellent customer service

Each country has developed local plans in the ISP program. The local plans fit the overall goals of the program as well as they have a strong focus on addressing local challenges.

To support ISP, we launched our internal, monthly Club25 competition. The winners of Club25 are the 25 consultants, who have entered most invoiceable hours to our customers during the past month. Obviously, this is one aspect of being a successful consultant in Columbus. Equally important is the teamwork with colleagues and delivering outstanding service to our customers.

We have improved the management of our projects since the launch of ISP to the benefit of our customers. At the same time, we have improved our services profits significantly and increased the amount of invoiced hours.

We expect that the program Improve Service Profit (ISP) will have a substantial impact on Columbus' profitability. For each percentage point of hours that are moved from non-billable work to billable work Earnings before depreciation (EBITDA) will increase approximately DKK 10m per year, with other variables being equal.

In 2015 our goal is to reach an outstanding level of delivering healthy, profitable projects and – that our customers worldwide know, that we are able to deliver at the expected time and price, always.

2011

- Non-billable work (35%)
- Billable work (51%)
- Education (7%)
- Holiday (5%)
- Illness (2%)
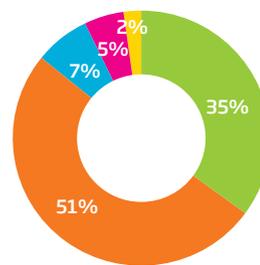
2012
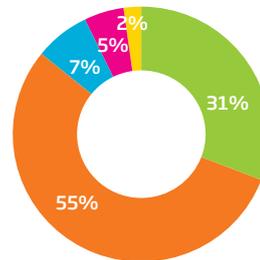
- Non-billable work (31%)
- Billable work (55%)
- Education (7%)
- Holiday (5%)
- Illness (2%)
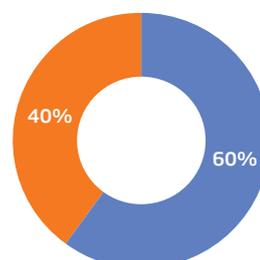
2015

- Billable work (60%)
- Other (40%)

> **"** *Great team with an extensive knowledge base of the manufacturing industry and processes involved, and very friendly and approachable attitude towards helping the business forward. Every company should plan a service contract with the Columbus Team after implementing Dynamics AX."*
>
> Dex Rimington, Romag Ltd, UK

THE BACKBONE: PEOPLE OF COLUMBUS

We are a people business: Our colleagues across borders and across professions are our most important asset. They make Columbus what we are and without their dedication, talent and expertise, neither Columbus15 nor realizing our vision of becoming a world class industry consultancy, is possible.

Consequently, employee wellbeing and development is the very foundation of executing our strategy.

We have launched two global initiatives to strengthen our continuous focus on our colleagues: Competence and Career Framework and Heartbeat.

Furthermore, we have launched the internal programs CSC and CSI (Common Sales Compensation and Common Services Incentive) in order to ensure transparency and uniform bonus levels globally. Both incentive programs support and motivate the organization to focus on improving service profits (ISP), sale of own software (SMOS) and use of Global Delivery Center.

Employee Roles
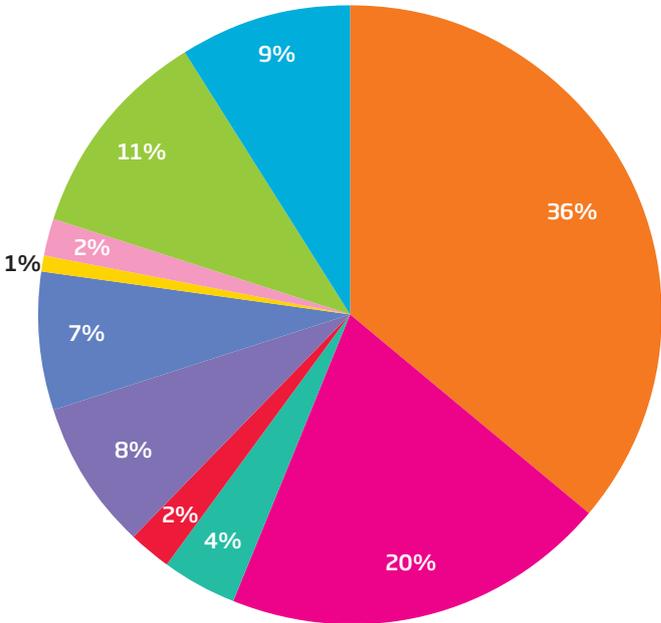
ROLES

- Business Consultant – *36%*
- Developer – *20%*
- Technical Consultant – *4%*
- Support – *2%*
- Project Manager – *8%*
- Sales Person – *7%*
- Pre-sales Person – *1%*
- Marketing Person – *2%*
- Internal Client Services – *11%*
- Manager – *9%*

Sandra Kanapienyte, Columbus Lithuania

Dmitry Kanakov, Columbus Russia

COMPETENCE AND CAREER FRAMEWORK

We have rolled out Columbus Competence and Career Framework, which is designed to ensure a targeted and structured system for competence and career development. Every colleague in Columbus globally will, on the basis of seniority and competencies, be enrolled in Columbus Competence and Career Framework, and together with their line manager, they will frame a plan with a well-defined career path and specific skills and attributes that should be developed for career advancement. Likewise, the framework will provide managers with well-organized tools to coach and motivate their employees. Competence and Career Framework has been launched globally in Columbus, and it will be implemented locally. This means that the content of the framework is designed locally, with a strong focus on the local challenges, needs and wishes. Competence & Career Framework will create more uniformity in regards to focus and ambition level, and the goal is equally to motivate everyone in Columbus to see new opportunities for growth. The vision of Competence and Career Framework is to ensure that we develop the optimal platform for the growth of Columbus employees.

HEARTBEAT

We wish to ensure a healthy work environment in Columbus, where all colleagues thrive and feel motivated. This is why we have launched Heartbeat, our global employee satisfaction survey, which is conducted on a monthly basis.

Heartbeat is a simple survey, where colleagues only are asked to answer one question, which will be repeated every month: "On a scale from one to ten, how would you rate your job satisfaction in Columbus?"

Columbus ᴧᴧ heartbeat

The purpose of Heartbeat is to continuously improve employee satisfaction in Columbus. The high frequency of the survey provides an exact and up-to-date picture of the employee satisfaction by geography and profession. The results of the surveys create the basis for specific initiatives and improvements, and based on our policy about full transparency, are published in our internal global newsletter and on our public website.
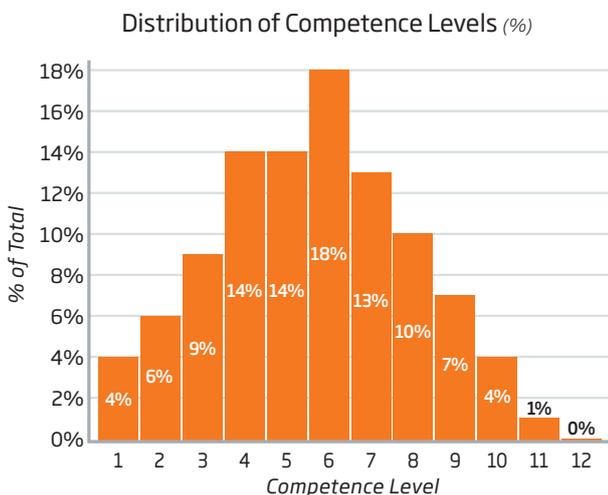
> *" Columbus Heartbeat is a fantastic initiative to enable us to monitor and improve the satisfaction of our greatest asset, our people. And adding this information to the website is an excellent message to the outside world that demonstrates our unique transparency."*
>
> *Chris Green,*
> *Marketing Manager, Columbus MSSC*

Distribution of Competence Levels *(%)*

Columbus®

Once you *know* how...