

Release no. 13/2014

Interim Management Statement for Q1 2014

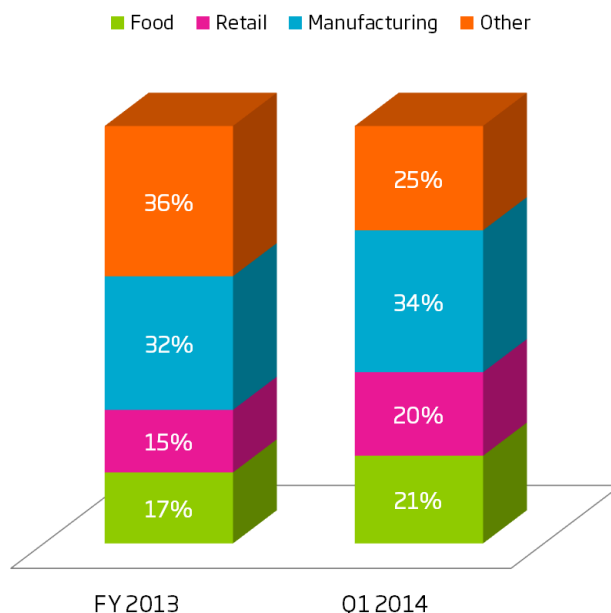
Columbus continues growth in earnings with a 69% growth in EBITDA¹ and maintains expectations for the year

In accordance with the regulations for listed companies' submission of interim statements, Columbus A/S hereby submits the interim management statement for the period 01.01.2014-31.03.2014 (3 months).

Revenues in Q1 amounted to DKK 207.5m (2013: DKK 203.3), corresponding to an increase of 2%. Adjusted for foreign currency translation revenues increased by 6%. EBITDA¹ amounted to DKK 12.8m (2013: DKK 7.6m), corresponding to an increase of 69%.

Growth in all industry solutions

Columbus continues the focus on sale of industry solutions. Revenues from Columbus' key industries increased to 75% of total revenues. There was a solid increase in sale of all three industry solutions. Industry focus strengthens Columbus' ability to deliver more value to customers, strengthens our competitive advantage and contributes to improved earnings from sale of own software and in our consultancy business.



¹ EBITDA before share-based compensation

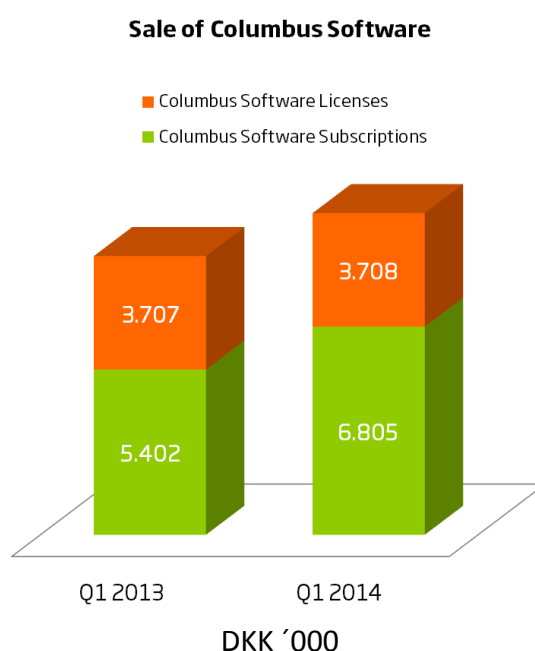
Development in revenues

Revenues from consultancy increased by 11%, which is mainly caused by an increase in invoiceable work from 55% to 58%. Revenues from external software licenses have declined by 33%. The main reason for this is that our main supplier, Microsoft, is changing their sales model. The most significant change in the sales model is that Columbus is not responsible for invoicing and does not carry the debtor risk. Instead Columbus receives a sales commission. Moreover, the sales commission is earned over three years instead of one. This development is expected. Columbus considers this development a possibility to increase the sale of consultancy services and own software, as the total initial investment in business systems for customers becomes smaller.

DKK '000	Q1 2014	Q1 2013	2013
Columbus Software licenses	3,708	3,707	31,052
Columbus Software subscriptions	6,805	5,402	29,102
External software licenses	12,491	18,700	88,270
External software subscriptions	22,521	29,234	140,258
Consultancy	157,295	140,938	567,614
Other	4,645	5,335	23,509
Net revenues	207,465	203,316	879,805
EBITDA before share-based compensation	12,825	7,580	72,084
Share-based compensation	-644	-168	-1,960
EBITDA	12,181	7,412	70,124

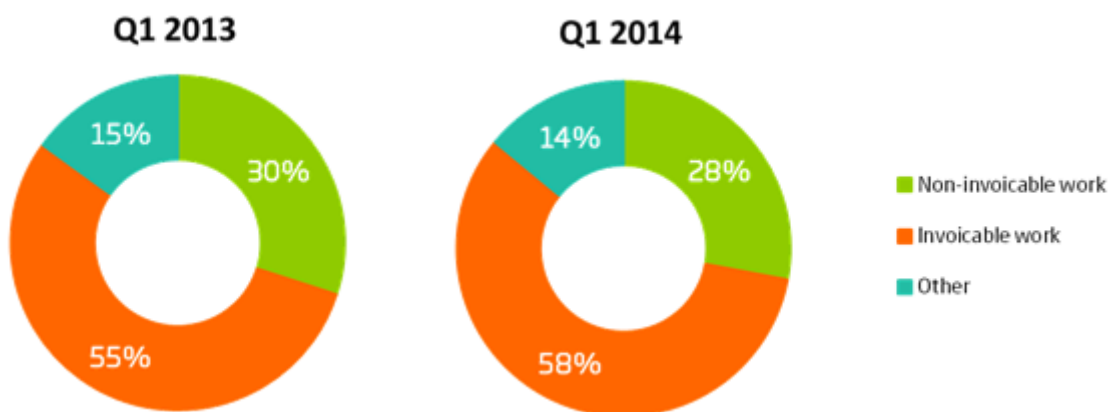
Columbus Software increased by 15% YTD

In total, revenues from Columbus Software licenses and subscriptions increased by DKK 1.4m in Q1, corresponding to an increase of 15% compared to the same period last year. The increase mainly relates to Columbus subscriptions, which is recurring revenue.



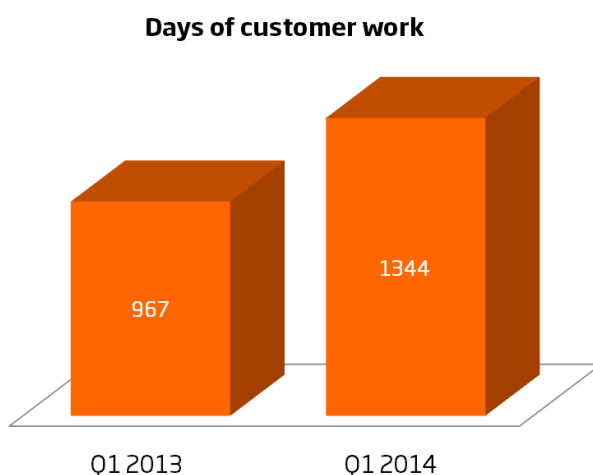
Invoiceable work increased from 55% to 58%

The sale of consultancy services increased by 11% in Q1. At the same time the productivity in the consultancy business increased, and consequently invoiceable hours increased from 55% to 58%. The development is satisfactory and is the primary reason for the considerable increase in EBITDA.



Continued optimization in the Columbus Global Delivery Center

The optimization of Columbus' Global Delivery Center in India continues. In Q1 the Global Delivery Center has delivered 1,344 days of customer support and implementations, corresponding to an increase of 39% compared to Q1 2013.



Acquisition of consultancy

At the end of January Columbus acquired the consultancy Omnica, a leading retail and e-commerce company based in the UK. The acquisition is a strategic move in line with Columbus' ambition to further strengthen its global position as an innovative consultancy to the retail industry.

Since Omnica was founded in 2007, the company has consistently increased its market share within e-commerce and multichannel retail business and showed a continuous growth in revenues and profit.

The integration of Omnica into the existing UK subsidiary is progressing according to the plan.

Expectations to revenues and EBITDA are being maintained

The announced expectations to 2014 are being maintained, and thus Columbus expects revenues in the level of DKK 900m and an EBITDA¹ 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
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CEO
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Translation: In the event of any inconsistency between this document and the Danish language version, the Danish language version shall be the governing version.

¹ EBITDA before share-based compensation

Income statement

DKK '000	Group		
	Q1 2014	Q1 2013	2013
Net revenues	207,465	203,316	879,805
External project costs	-41,000	-47,152	-216,278
Gross earnings	166,465	156,164	663,527
Staff expenses before share-based compensation	-124,754	-118,947	-476,207
Other external costs	-28,884	-29,884	-116,145
Other operating income	0	248	914
Other operating costs	-2	-1	-5
EBITDA before share-based payment	12,825	7,580	72,084
Share-based compensation	-644	-168	-1,960
EBITDA	12,181	7,412	70,124
Depreciation	-5,744	-6,396	-25,352
Earnings before write down of goodwill (EBITA)	6,437	1,016	44,772
Write down of goodwill	0	0	0
Operating profit (EBIT)	6,437	1,016	44,772
Results in associated companies	0	461	-4,109
Financial income	722	69	190
Financial expense	-337	-795	-4,123
Pre-tax earnings, continuing operations	6,822	751	36,730

Balance sheet

DKK '000	Group balance sheet		
	Q1 2014	Q1 2013	2013
ASSETS			
Goodwill	183,821	172,177	167,705
Other intangible assets	3,023	2,796	1,446
Development projects finalized	39,236	45,041	43,288
Development projects in progress	8,387	4,964	3,593
Intangible assets	234,467	224,978	216,032
Leasehold improvement	188	858	781
Plant and operating equipment	8,951	9,856	8,873
Tangible assets	9,139	10,714	9,654
Deferred tax assets	19,429	21,062	19,418
Total long-term assets	263,035	256,754	245,104
Inventories	219	303	40
Trade receivables	136,231	133,089	138,929
Contract work in progress	10,766	32,981	9,471
Corporation tax	40	1,160	40
Other receivables	4,624	11,867	5,232
Prepayments	13,598	14,776	9,478
Receivables	165,259	193,873	163,150
Cash	60,168	36,162	75,410
Total short-term assets	225,646	230,338	238,600
TOTAL ASSETS	488,681	487,092	483,704

Balance sheet

DKK '000	Group balance sheet		
	Q1 2014	Q1 2013	2013
LIABILITIES			
Share capital	132,793	132,174	132,793
Reserves on foreign currency translation	-10,018	-6,191	-10,680
Retained profit	150,485	147,397	144,940
Proposed dividends	13,279	0	13,279
Group shareholders equity	286,539	273,380	280,332
Minority interests	4,278	8,006	3,646
Equity	290,817	281,386	283,978
Deferred tax	330	91	74
Provisions	6,461	507	121
Debt to credit institutions	5	21	6
Other debt	1,270	1,270	1,270
Long-term debt	8,066	1,889	1,471
Credit institutions	6,340	15,721	2,385
Client prepayments	22,393	18,924	14,946
Trade accounts payable	28,064	41,374	52,694
Corporation tax	4,855	5,638	5,235
Other debt	106,644	106,648	103,704
Accruals	21,502	15,512	19,291
Short-term debt	189,798	203,817	198,255
Total debt	197,864	205,706	199,726
TOTAL LIABILITIES	488,681	487,092	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 Western Europe Eastern Europe
Consultancy	Sale and implementation of standard business systems.	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
Q1 2014						
Columbus Software licenses	2,759	969	529	466	-1,015	3,708
Columbus Software subscriptions	5,975	1,662	210	829	-1,871	6,805
External software licenses	0	7,110	2,548	3,023	-190	12,491
External software subscriptions	115	9,316	4,312	8,777	1	22,521
Consultancy	3,010	108,801	25,995	25,699	-6,210	157,295
Other	157	3,104	484	839	61	4,645
Net revenues	12,016	130,962	34,078	39,633	-9,224	207,465
Gross earnings	10,823	102,719	26,679	27,579	-1,335	166,465
EBITDA	4,084	12,943	1,991	1,137	-7,974	12,181

Konsulentforretning

DKK '000	ISV	Western Europe	Eastern Europe	North America	Parent company/ Eliminations	Total
Q1 2013						
Columbus Software licenses	2,277	988	936	356	-850	3,707
Columbus Software subscriptions	4,686	1,003	216	734	-1,237	5,402
External software licenses	19	4,397	10,312	3,972	0	18,700
External software subscriptions	299	12,928	7,485	8,522	0	29,234
Consultancy	3,365	88,081	22,945	31,970	-5,423	140,938
Other	148	2,991	795	1,250	151	5,335
Net revenues	10,794	110,388	42,689	46,804	-7,359	203,316
Gross earnings	9,965	85,522	27,002	34,197	-522	156,164
EBITDA	3,626	5,158	2,695	5,090	-9,157	7,412