

COLUMBUS



ANNUAL REPORT 2011

Columbus

Columbus®
Once you *know* how...

This English language version of the Annual Report 2011 has not been audited. This document is a translation of the Danish version and does not include notes to the accounts. In the event of any inconsistency between this document and the Danish language version, the Danish language version shall be the governing version.

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COLUMBUS READY FOR PROFITABLE GROWTH AFTER DIFFICULT READJUSTMENT YEAR THAT INCLUDED AN OVERLY AMBITIOUS STARTING POINT

Columbus entered 2011 geared for growth, and the plan was to grow in the wake of the recovering economy. Columbus therefore invested heavily in executing the strategy, including developing new solutions to the strategic verticals within food, manufacturing and retail, which will make Columbus more competitive.

In the light of the economic recession, Columbus launched too many initiatives in 2010 and 2011 which caused a general increase in the Group's costs. During 2011 the new corporate management started scaling down ongoing projects and focusing on fewer initiatives.

The recession affected several of Columbus' customers who chose to either stop or postpone important strategic initiatives and projects due to the uncertainty in the world. The demand for Columbus' services, solutions and software therefore declined correspondingly during 2011. Affected most were the markets in Southern Europe where the demand stopped completely during the summer, and consequently Columbus chose to divest the subsidiaries in France and Spain and to terminate the franchise agreement in Italy later in 2011. Columbus is still capable of serving customers in these markets as the company has entered into a strategic cooperation agreement with local partners.


Due to the declining demand for Columbus' services and solutions and the costs related to scaling down investments in the company, the result for the year for Columbus must be considered unsatisfactory compared to the expectations in

the beginning of the year. However, compared to the market situation and our competitors the result may be considered a little more positively.

Columbus will enter 2012 as a lean company in which investments have been reduced to an appropriate level, and in which the organization has been adjusted to the new economic reality.

The strategy remains fundamentally unchanged, and Columbus will continue developing industry knowledge and industry solutions within the food, manufacturing and retail segments, but in several stages in accordance with the economic resources. In 2012 we will pursue the same objective of profitable growth as in 2011. The strategy is described in detail in the management's report later in the Annual Report.

Columbus is on the right path after a difficult readjustment year. We have a solid strategy, a strong economy and a strong management team, and the Board of Directors and I are convinced that we will see a positive development in the company in 2012.



Ib Kundø
Chairman of the Board

COLUMBUS' BUSINESS AND STRATEGY

The strategy remains fundamentally unchanged from the strategy established in 2010, but we have intensified our focus and implemented the strategy in several stages to ensure a clear, complete and successful implementation.

Business and strategy

Columbus is pursuing a strategy adopted in connection with the capital increase in 2010, which aims to secure our position as the leading and most innovative supplier of business systems for companies in the manufacturing, food and retail industries. This strategy is still in place, but has now been revised to sharpen its focus due to the general economic slowdown in 2011. The revised strategy is called Columbus¹⁵.

Columbus¹⁵[®]

Growing market

The fragile state of the global economy means that companies increasingly want to invest in business systems for reducing costs, managing risk, improving efficiency and finding new growth areas. According to the research firm IDC, the total market for business systems in 2011 amounted to USD 37.9BN. IDC predicts growth in 2012 of 6.3%, which is on a par with growth in 2010¹. Although growth is expected to remain at a conservative level, considerable potential exists in the market for Columbus' services and software.

The market for business systems comprises two primary segments:

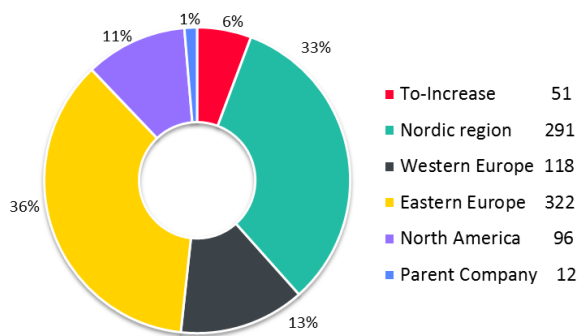
- New implementations
- Expansions of existing implementations

According to Forrester Research, 7% of all companies expect to invest in new business systems in 2012. In contrast, 20% of companies expect to upgrade or expand their utilisation of existing implementations². Columbus' business model is targeted at both segments; during 2012, our main focus will be on developing business with existing clients, which represents the largest segment. Columbus will also maintain its focus on securing new clients in the manufacturing, food and retail industries.

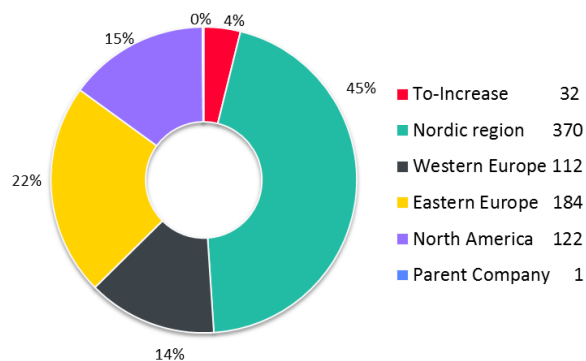


¹ Source: IDC Worldwide Semiannual Enterprise Resource Management Application tracker, 22 December 2011

² Source: Foresight Software Survey Q42010



Geographical distribution of employees 2011



Allocation of revenues 2011 (DKKm)

Clients with large experience base

Columbus' clients are primarily medium-sized (from 100 to 5,000 employees) and international companies in the manufacturing, food and retail industries. Today, most of these types of companies have gone through at least two generations of business systems, gaining experience with the implementation of new workflows in advanced software systems and building up a very good understanding of their unique needs and requirements for business systems. Thus, Columbus operates in markets with highly mature clients who need advanced systems, and require Columbus to possess extensive industry and implementation knowledge.

Consolidating competitors matures the market

Columbus' primary competitors are consulting companies in the manufacturing, food and retail industries that base their solutions on Microsoft technology. Columbus also encounters competition from other producers of ERP software, such as SAP, Oracle and their partner networks.

During 2010 and 2011, we saw suppliers consolidating, resulting in fewer yet stronger competitors in the market. Columbus sees these developments as positive, as they help to mature and professionalise the market's capacity to deliver solutions to clients.

The organization - decisions made close to the client

The client's decision to acquire or update a business system is a lengthy and comprehensive process. The client's selection criteria are often a combination of industry knowledge, delivery capacity and quality, risk, budget and local presence.

Columbus' organisation is optimised according to principles of proximity to the client and ensuring that our country organisations are capable of making the correct and quick decisions without always having to consult headquarters. Therefore, business is conducted and managed locally.

However, functions such as finance, IT and marketing are optimised towards more centralised administration to reduce risk and ensure consistency throughout the organisation.

Our global delivery model, based in India, enables Columbus to deliver and provide support globally, which benefits our clients.

Geographical distribution

Columbus services clients globally and we have subsidiaries in many countries. We have 31 offices worldwide. Our global delivery model, based in India, enables Columbus to deliver and provide support globally, which benefits our clients.

In countries where Columbus is not represented by a subsidiary, typically we have partnerships with selected leading local suppliers. The combination of local presence, global delivery model and strategic partnerships enables Columbus to deliver optimum customer service and to deliver larger and more complex projects than our competitors.

// Columbus' RapidValue provides immediate value to our clients. We are able to show that a standard process solution can handle the client's expected requirements, and the implementation team can then focus on the key functional areas that provide actual value added".

Thomas Hauge, General Manager, Columbus USA



Comprehensive solutions and services

Columbus offers five types of services which, combined with our global presence, make Columbus' solutions unique and competitive.

- *Turnkey projects:* Columbus takes overall responsibility for well-defined and comprehensive project deliveries. Deliveries will typically comprise a variety of services, software, templates and support.
- *Hourly-based services:* These range from consulting and project management, to configuration and setup, development and testing. The services are often industry-based, where Columbus' consultants help clients to set up the business system so that it meets individual needs and wishes.
- *Support & Hosting:* When the client requires assistance with operating and optimising the business system following implementation.
- *Software:* Columbus primarily delivers projects based on Microsoft Dynamics AX and NAV. In addition, we develop industry-specific standard software and integration software.
- *Industry best-practice templates:* These are predefined workflows that are typically used in a given industry (for example, in manufacturing, food or retail companies). Columbus documents and "packages" the workflows so that they can easily be used in other projects. Clients purchase these templates to ensure better and quicker implementations and see this service as a guarantee of industry expertise.

Continued focus on investment

During 2010 and 2011, Columbus invested heavily in concept and product development. In 2011, this resulted in the introduction of many ad-

vanced products, such as new software solutions for the food industry and manufacturing industry, and solutions for mobile employees. We continue to develop these solutions and our other industry solutions, ensuring that they remain competitive and up to date.

We also updated many of our products to work with the latest versions of Microsoft Dynamics AX and NAV, which involved significant costs. We will complete this work during 2012 and it will enable us to sell our products in combination with Microsoft's tools, which is a major competitive advantage for Columbus.

In the 2010 annual report, we described the Industry Solution Set (ISS) concept in detail, which we call RapidValue in our marketing activities. RapidValue is a unique concept and constitutes a clear competitive advantage. The concept is firmly embedded in Columbus' investment plan for the next couple of years, where we will update, expand and refine it on the basis of client feedback and earnings potential.

RapidValue

- ✓ RapidValue is a novel approach to sell and implement Microsoft Dynamics AX 2012 solutions, driven by Customer Strategy and Business Processes instead of IT departments
- ✓ RapidValue is designed to shorten Time-to-Value for customers and increasing the software revenue per consulting hour, hence increasing gross margin for partners
- ✓ RapidValue documents and demonstrates how solution capability supports customer strategy and processes
- ✓ RapidValue was released in January 2012, and we already booked various orders. The pipeline is growing rapidly
- ✓ RapidValue helps standardizing ERP implementations



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

Columbus15 - the way forward for Columbus

The strategy remains fundamentally unchanged from the strategy established in 2010, but we have intensified our focus and implemented the strategy in several stages to ensure a clear, complete and successful implementation.

Columbus15 comprises four elements: vertical growth, sale of own software, a global delivery model and growth through acquisitions.

Vertical growth

As described above, clients demand a high level of industry expertise when choosing business systems and they expect that the business system supplier has thorough knowledge of the unique challenges, problems and potential solutions in their industry.

Our clients choose us primarily because of our in-depth industry expertise, which is therefore the core of our strategy.

Columbus grows the business vertically by:

- Hiring and training industry experts to be part of our global network of employees, where industry-specific initiatives are discussed and implemented.
- Continuing to invest in collecting implementation experience that can be reused in other client projects. We call this concept, launched on 1 January 2012, RapidValue.
- Investing extensively in building industry-specific software solutions that are sold in combination with Microsoft's broader software components.

Sale of own software

In contrast to other suppliers in the market, Columbus makes substantial investments in product development and possesses a comprehensive portfolio of own software. All of Columbus' software complements Microsoft's functionality and makes the value to clients more complete.

Columbus has four categories of software:

- Industry-specific standard software for the food, retail and manufacturing industries for Microsoft AX
- Industry-specific standard software for the food, manufacturing and service industries for Microsoft NAV
- Business integration software for development and system integration with Microsoft AX and Microsoft NAV
- RapidValue software, which is used to reduce implementation time, costs and risk





The advantage for clients using these software components in connection with the deployment of business systems is that they increase the functionality of the solution, while reducing the need for costly modifications, which typically make projects more complex and risky. Market trends increasingly point towards clients structuring their business according to the industry-specific standard software instead of adapting their software to their own processes.

We have initiated a program under Columbus¹⁵ to increase the sales of our own software. This includes new partner programmes and revised forms of payment and distribution.

Implementation of a global delivery model

During 2011, Columbus conducted a comprehensive deployment of its implementation model, Surestep+. We wanted a uniform and efficient project method that can be used for all projects. Our consultants are now trained and certified in this method. This means that we can staff projects with consultants from all of Columbus' companies, while ensuring a high level of cooperation, quality and continuity. This leads to high project efficiency, satisfied clients and more profitable projects.

Columbus' strength lies in our size, geographic distribution and experience, which enables us to take on larger and more complex projects than our competitors. The natural next step is the establishment of a global delivery model. In January 2012, we commenced a partnership with an Indian company to establish a global delivery centre. We strive to ensure that, in the future, all projects and components are delivered to

our clients with a combination of global and local consultants, as proximity to the client remains essential. This model will generate greater flexibility, capacity and profitability. Within three years, we expect to have approx. 200 consultants in the global delivery centre in India.

The objectives of the global delivery model are as follows:

- Access to talented consultants in many of the markets where we operate has become more difficult. In India, access to trained and skilled consultants is significantly better - therefore, it will be advantageous for us to expand our delivery capacity in India.
- Collecting components of our deliveries in one location provides greater uniformity and quality in the projects. Combining tasks such as updating, development and testing in one location can provide economies of scale.
- Clients demand competitive conditions. Columbus' global delivery model helps to secure a competitive edge and profitability.

Growth through acquisitions

In addition to organic growth, Columbus also wants to grow through acquisitions. We follow an acquisition plan that focuses on purchasing companies with a consultant profile similar to Columbus within selected industries and geographical regions.

2011 OUTLINED

Columbus fulfills the announced expectations for 2011

Conditions and changes in 2011

Expectations in the beginning of 2011:

- Optimistic expectations to the world economy
- Gearing for growth
- Considerable investments in verticalization
- Expectations to general strong growth
- Growth in revenues and EBITDA

Management initiatives:

- Divestment of subsidiaries in Spain and France
- Considerable reduction of the Group's costs
- Identification of growth areas, including acquisitions

Financial statements 2011

Revenues for the continued operations (excluding France and Spain) amounted to DKK 820.6M in 2011 (2010: DKK 807.6M), corresponding to an increase of 2%. The moderate growth in revenues is negatively affected by the decline in revenues in the Nordic region of 7% and in To-Increase of 13%. However, a satisfactory growth in revenues of 13% in Western Europe, 14% in Eastern Europe and 8% in North America has been realized. The result is in line with the expectations announced in November 2011.

Earnings before depreciation (EBITDA) amounted to DKK 27.0M in 2011 (2010: DKK 63.1M), corresponding to a decrease of 57%. The result is negatively affected by the investments in verticalization of DKK 10M and the declining revenues in the Nordic region and To-Increase. The result is in line with the announced expectations.

The deficit in the discontinued operations, the subsidiaries in France and Spain, amounted to net DKK 13.9M.

By the end of 2011 the Group's net interest bearing deposits amounted to DKK 43.0M compared to DKK 52.5M in 2010.

The management has focused on reducing funds tied up in work in progress and accounts receivable. Hence, despite the negative result for the year, the Group still has solid cash resources, as the Group's credit facilities remain unchanged compared to 2010.

The Group's total equity decreased to DKK 283.0M in 2011 (2010: DKK 300.0M). The equity ratio increased to 55.9% (2010: 54.4%).

KEY FIGURES AND RATIOS

DKKm	2011	2010	2009	2008	2007
Income statement					
Net revenues	820.6	807.6	835.7	990.6	892.4
External project costs	-206.6	-211.2	-214.9	-259.1	-250.2
Gross earnings	614.0	596.4	620.8	731.4	642.2
Staff expenses	-452.6	-416.2	-440.9	-494.9	-438.0
Other external costs	-135.4	-119.8	-145.2	-172.8	-153.8
Other operating income	2.2	2.5	1.0	1.4	1.0
Other operating costs	-1.2	0.1	-0.4	-4.6	-0.3
EBITDA	27.0	63.1	35.4	60.6	51.0
Depreciation excl. goodwill	-24.2	-22.2	-23.1	-24.9	-18.6
EBITA	2.8	40.8	12.2	35.7	32.4
Amortization and write down of goodwill	0.0	0.0	-17.5	-11.8	-1.5
EBIT	2.8	40.8	-5.3	23.9	31.0
Result in associated companies	1.3	-0.2	0.2	0.3	0.3
Net financial items	-1.7	-0.8	-4.9	-7.9	-6.1
Pre-tax earnings	2.5	39.8	-10.0	16.3	25.1
Tax on the result for the year	1.3	-12.6	-7.6	6.9	-4.4
Result for the year, continued operations	3.8	27.2	-17.6	23.3	20.7
Result for the year, discontinued operations	-13.9	-13.6	0.0	0.0	-15.0
Result for the year	-10.1	13.6	-17.6	23.3	5.7
Allocated thus:					
Shareholders of Columbus IT Partner A/S	-11.2	25.0	-18.6	24.4	5.3
Minority interests	1.2	2.2	1.0	-1.1	0.4
	-10.1	27.2	-17.6	23.3	5.7
Balance sheet					
Long-term assets	254.7	239.3	245.6	259.8	250.0
Short-term assets	235.7	290.0	269.3	300.5	326.3
Total assets	490.4	529.3	515.0	560.3	576.3
Group shareholder equity	275.4	287.8	222.1	234.4	214.0
Minority interests	7.6	12.2	10.1	9.8	11.6
Debt	207.4	229.3	282.8	316.1	350.7
Total liabilities	490.4	529.3	515.0	560.3	576.3
Investments in tangible assets	7.1	2.8	2.9	5.4	11.3
Cash flow					
Cash flow from continuing operations	29.2	20.1	65.0	15.2	38.8
Cash flow from discontinued operations	-18.9	-10.6	0.0	0.0	-13.3
Net cash from investments	-11.6	-3.0	-8.9	-34.9	-7.8
Cash flow from financing activities	-18.7	-7.6	-46.0	15.7	-1.7
Total cash flow	-19.9	-1.1	10.1	-4.0	16.0
Key ratios					
Gross margin II	3.3%	7.8%	4.2%	6.1%	5.7%
Operating profit margin (EBIT-margin)	0.3%	5.1%	-0.6%	3.3%	3.5%
Equity ratio	56.1%	54.4%	43.1%	41.8%	37.1%
Return on equity	-4.2%	4.7%	-8.2%	11.8%	2.6%
Average number of shares, in thousands	105,738	92,385	77,656	77,040	76,160
Net asset value per share (BVPS)	2.60	2.72	2.72	3.01	2.73
Earnings per share (EPS)	-0.11	0.12	-0.23	0.31	0.07
Cash Flow per share	0.01	0.10	0.82	0.49	0.49
Share price, end of period	1.40	2.46	2.30	2.40	6.15
Headcount at the end of the period	890	824	934	1,050	1,124

The key figures and financial ratios above have been calculated in accordance with the Danish Society of Financial Analysts' "Recommendations and Key Figures 2010". 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, the cash flow statements have also been corrected. As a result of the directed rights issue at a price of DKK 1.9 per share in July 2010, the key figures for "Earnings per share" (EPS) and "Cash flow per share" have been calculated after applying a factor of 0.97.

DEVELOPMENT IN 2011

Conditions and changes in 2011

When entering 2011 the management of Columbus expected that the world economy was recovering. Columbus therefore invested DKK 19M in projects targeted at the Group's verticalization. In addition management expected considerable growth in the markets in North America and Western Europe as well as moderate progress in the other markets. In total Columbus expected revenues in the level of DKK 930M and EBITDA in the level of DKK 55M for 2011.

However, economic growth was replaced by recession, which in particular affected Southern Europe. This resulted in a declining demand in the Spanish and French subsidiaries. Likewise, Columbus experienced considerable postponement of investments by clients in Denmark. Consequently, revenues and earnings declined considerably in Denmark. Furthermore, several other subsidiaries did not realize the growth expected at the beginning of the year.

As a consequence of the changed market conditions, Columbus divested the subsidiaries in France and Spain and terminated the franchise agreement in Italy. Columbus is still capable of serving customers in these markets as the company has entered into a strategic cooperation with Prodware, which bought the companies in France and Spain. The investments in verticalization were scaled down, and moreover Columbus has reduced costs in order to ensure improved earnings in 2012.

On 9 November 2011, management adjusted the Group's expectations for 2011 from the level of DKK 930M to the level of DKK 830M. Besides, Group expectations to EBITDA for the continuing operations were reduced to the level of DKK 30M. This adjustment was partly a consequence of the decision to divest the subsidiaries in France and Spain, and partly due to the fact that revenues in a number of subsidiaries declined compared to expectations at the beginning of the year.

The divestment of the subsidiaries in France and Spain is handled as discontinued operations in the Annual Report, and therefore comparison figures for 2010 have been corrected in the total income statement and the cash flow statement.

Income statement

Columbus' net revenues amounted to DKK 820.6M (2010: DKK 807.6M), corresponding to an increase of 2%.

The Group's revenues primarily derive from sale of consultancy services, sale of software licenses and maintenance contracts related to Microsoft's business systems as well as sale of own software and software subscriptions related to the software sales.

Revenues	2011 DKKm	2010 DKKm	Development 2010-2011
Software	139.5	131.7	6%
Maintenance	149.6	153.0	-2%
Consultancy	519.1	508.9	2%
Other	12.4	14.0	-11%
Total	820.6	807.6	2%

Revenues from sale of software licenses increased to DKK 139.5M in 2011 (2010: DKK 131.7M), corresponding to an increase of 6%. The increase is affected by a considerable increase in sale of software licenses in Eastern Europe of 30%. The increase is primarily driven by growth in Russia where Columbus also sells Microsoft Classic products, although the margin on these are lower than on other Microsoft Dynamics products.

Revenues from sale of maintenance contracts decreased to DKK 149.6M in 2011 (2010: DKK 153.0M), corresponding to a decrease of 2%.



Revenues from sale of consultancy services increased to DKK 519.1 in 2011 (2010: DKK 508.9), corresponding to an increase of 2%. The increase in consultancy services is caused partly by considerable increases in consultancy services in Western Europe, Eastern Europe and North America; however, there has been a considerable decrease in the Nordic region and in To-Increase.

Staff expenses increased to DKK 452.6M in 2011 (2010: DKK 416.2M), corresponding to an increase of 9%.

The average number of employees increased to 880 in 2011 from 825 in 2010, corresponding to an increase of 7%.

Staff expenses were affected by severance pay in the Danish subsidiaries, reduction of employees and by replacement of CEO in the parent company and the General Manager in the Danish NSC company.

Other external costs increased to DKK 135.4M in 2011 (2010: DKK 119.8M), corresponding to an increase of 13%.

Earnings before depreciation (EBITDA) decreased to DKK 27.0M in 2011 (2010: DKK 63.1M), corresponding to a decrease of 57%.

Operating profits (EBIT) totaled DKK 2.8M in 2011 (2010: DKK 40.8M), corresponding to a decrease of 93%. Results in associated companies increased to DKK 1.3M in 2011 (2010: DKK -0.2M). Primarily, the company in the United Arab Emirates has experienced increase in earnings in 2011.

The Group's financials show net expenses of DKK 1.7M in 2011 (2010: DKK -0.8M), corresponding to an increase of 108%. The increase is partly caused by increased interest expenses due to larger utilization of credit facilities during the year, and partly by increased currency translation adjustment on debt and claims in foreign currencies.

Tax on total income for the year and regulation of deferred tax for the Group results in calculated taxes for Columbus in 2011 amounting to a net income of DKK 1.3M (2010: DKK -12.6M).

The positive tax in the continuing operations is primarily caused by a tax loss in the Danish companies. Columbus expects to be able to use tax losses from previous years as well as the tax loss for 2011, and therefore the tax base is capitalized.

	Revenues (DKKm)		EBITDA (DKKm)		Headcount (as of 31 December)	
	2011	2010	2011	2010	2011	2010
To-Increase	31.7	36.4	11.3	18.4	51	52
Nordic region	370.0	396.7	15.3	42.9	291	294
Western Europe	112.0	98.9	18.4	15.8	118	94
Eastern Europe	183.8	161.1	10.6	6.9	322	291
North America	121.9	112.5	9.9	10.8	96	78
Parent Company	1.2	2.0	-38.5	-31.7	12	15
Total	820.6	807.6	27.0	63.1	890	824

LATEST DEVELOPMENTS

There have been no events since 31 December 2011 which could significantly affect the evaluation of the Group's financial position and revenues. Earnings in January and February 2012 are in line with the company's expectations.

The result for the year for discontinued operations, the subsidiaries in France and Spain, amounted to DKK -13.9M (2010: DKK -13.6M). The result for the year for discontinued operations is specified in note 13 and relates to the period 1 January 2011 to 10 November 2011, when the management of the companies was passed on to the purchaser, Prodware SA. When calculating the net result of the discontinued operations, write-down of goodwill of DKK 1.3M regarding the subsidiaries in Spain has been recognized.

Total earnings amounted to DKK -10.1M in 2011 (2010: DKK 13.6M).

Balance sheet

The Group's total balance as at 31 December 2011 amounted to DKK 490.4M (2010: DKK 529.3M), corresponding to a decrease of 7%. The main reason for the decline in the total balance is the sale of the subsidiaries in France and Spain. Besides, management has focused on consolidation of the Group's cash funds, and consequently cash funds and short-term debts have been reduced considerably.

The Group's total goodwill amounted to DKK 156.3M as at 31 December 2011 (2010: DKK 157.3M). In connection with the sale of Spain and France, a disposal of DKK 1.3M has been realized.

Development projects amounted to DKK 54.4M as at 31 December 2011 (2010: DKK 46.7M), corresponding to an increase of 16%. The Group's development projects are



primarily carried out in the Group's development company, To-Increase.

The main reason for the increase in development projects is investments in the following:

- New software solutions targeted at food and manufacturing industries.
- Update of the software portfolio in order to be able to work together with the latest versions of Microsoft Dynamics AX and NAV. These investments are expected to be finalized in 2012.
- Investment in Industry Solution Set (ISS), marketed as RapidValue.

As at 31 December 2011 trade receivables amounted to DKK 153.6M (2010: DKK 173.8M), corresponding to a decrease of 12%. Of these 11% relates to the divestment of the subsidiaries in France and Spain. The Group still focuses on reducing trade receivables, and this will continue in 2012.

Contract work in progress amounted to DKK 15.8M as at 31 December 2011 (2010: DKK 21.4M), corresponding to a decrease of 26%. Of these 0.1% relates to the divestment of the subsidiaries in France and Spain, as these companies pre-invoiced clients, and the value of this preinvoicing was by and large equivalent to the value of contract work in progress. Management has focused on reducing funds tied up in contract work in progress by invoicing clients. This focus will remain in 2012. The primary reason for the decline is a decrease in Denmark caused by less contract work in progress and a higher degree of pre-invoicing. However, contract work in progress in Poland increased by DKK 2.0M, primarily due to a considerable project with an invoicing plan resulting in considerable funds tied up in contract work in progress.

Corporation tax receivable amounted to DKK 2.6M as at 31 December 2011 (2010: DKK 3.1M), corresponding to a de-

crease of 16%. The decrease is mainly caused by a decrease in the US of DKK 0.9M compared to last year. Corporation tax receivable as at 31 December 2011 is primarily related to the Netherlands and the US.

Other receivables as at 31 December 2011 amounted to DKK 10.1M (2010: 13.3M), corresponding to a decrease of 24%. The disposal of the discontinued operations amounted to DKK 3.7M, corresponding to 28%. Other receivables for the continuing operations increased by DKK 2.4M, corresponding to 18%. The increase in other receivables for the continuing operations primarily relates to VAT receivable and other receivables. The increase mainly relates to the Group's software company, To-Increase.

Prepayments amounted to DKK 5.5M as at 31 December 2011 (2010: DKK 9.2M), corresponding to a decrease of 40%. The decline is caused by a decrease in prepayments for costs related to leasing, insurance and office rent, primarily in Denmark and To-Increase.

Total equity amounted to DKK 283.0M at year-end 2011 (2010: DKK 300.0M), corresponding to a decrease of 6%. The equity ratio increased to 56.1% as at 31 December 2011 compared to 54.4% at year-end 2010. The decrease in equity is mainly due to the deficit for the year and dividend payments related to previous years in companies with minority shareholders.

Client prepayments amounted to DKK 22.9 as at 31 December 2011 (2010: DKK 24.5M), corresponding to a decrease of 7%. Client prepayments as at 31 December 2011 related to discontinued operations amounted to DKK 4.0M, corresponding to 16%.

Trade accounts payable amounted to DKK 71.3M as at 31 December 2011 (2010: DKK 63.8M), corresponding to an increase of 12%. Trade accounts payable related to the



discontinued operations amounted to DKK 9.2M, corresponding to 14%. Isolated, trade accounts receivable for the continuing operations increased by 31%. The increase primarily relates to Eastern Europe where Russia in December realized an extraordinary large sale of licenses.

Corporation tax payable amounted to DKK 4.6M as at 31 December 2011 (2010: DKK 6.7M), corresponding to a decrease of 31%. The decrease is caused by a decline in corporation tax payable in the Danish companies due to the development in earnings compared to last year.

Other debt amounted to DKK 99.2M as at 31 December 2011 (2010: DKK 110.9M), corresponding to a decrease of 11%. The most significant liabilities are related to staff. However, the decrease in liabilities is mainly caused by a decline in VAT payable.

Accruals amounted to DKK 3.3M as at 31 December 2011 (2010: DKK 5.8M), corresponding to a decrease of 42%. The decrease is caused by a decline in accrued software and hot-line subscriptions compared to 31 December 2010.

Cash flow and liquidity status

The cash flow statement is in accordance with IFRS 5 adjusted for discontinued operations.

Cash flow from operating activities amounted to DKK 29.2M in 2011 (2010: DKK 20.1M), corresponding to an increase of 46%. Cash flow is negatively affected by the significantly lower operating profit (EBIT) in 2011 of DKK 2.8M (2010: DKK 40.8M).

The net additions on development projects affected the cash flow negatively by DKK 25.0M (2010: DKK 18.4M). The increase of DKK 6.6M is attributable to the previously mentioned investments in development projects.

The cash flow is positively affected by the changes in the working capital, which in 2011 amounted to DKK 32.9M compared to a negative impact in 2010 of DKK 25.3M. The changes in the net working capital are primarily caused by an increase in trade accounts payable and other liabilities in the continuing operations.

Cash flow from investing activities amounted to DKK -11.6M in 2011 (2010: DKK -3.0M). The increase in investing activities primarily relates to investments in PC's and change of server in the Danish companies. In addition investments were made in a new web portal, www.columbusglobal.com, as part of an improved client service, and as part of the rebranding of the Group. The sales proceeds from the discontinued operations, adjusted for cash funds in France and Spain at the time of the divestment, affect the cash flow from investing activities negatively by DKK 0.2M.

Cash flow from financing activities amounted to DKK -18.7M in 2011 (2010: DKK -7.6M). A substantial part of the cash flow relates to dividend to minority interests. During the year the management has focused on consolidating the Group's cash funds. Consequently, utilization of credit facilities were reduced to DKK 12.9M. Columbus' cash funds amounted to DKK 46.1M in 2011 (2010: DKK 68.4M), corresponding to a decrease of 33%, primarily due to the deficit for the year.

The Group's cash resources as at 31 December 2011 exceed DKK 110M and remain solid, as the Group's credit facilities remain unchanged compared to 2010.

REGIONAL DEVELOPMENT

Nordic region	2011	2010	Development
Revenues	DKKm	DKKm	2010-2011
Software	32.5	37.3	-13%
Maintenance	63.3	69.4	-9%
Consultancy	273.1	286.4	-5%
Other	1.1	3.6	-68%
Total	370.0	396.7	-7%

Revenues for the Nordic region decreased to DKK 370.0M in 2011 (2010: DKK 396.7M), corresponding to a decrease of 7%. The Norwegian subsidiary realized a satisfactory growth in revenues of 9%. Revenues for the Nordic region are negative due to the development in the Danish subsidiaries. As a consequence of the decline in revenues in the Nordic region, the average number of employees declined by 3% from 304 to 294. In the Norwegian subsidiary the average number of employees increased from 62 to 75 due to the planned growth. In the Danish companies Columbus NSC and Columbus DK the average number of employees was reduced by 22, corresponding to 9%, as management has focused tightly on reducing costs.

When entering 2011 the Danish operation for Microsoft Dynamics NAV was spun off in a separate company, Columbus NSC A/S. The overall strategy with the spin-off was to establish a team focused on serving smaller clients, for whom Microsoft Dynamics NAV is the right choice, and to consolidate the Danish market of NAV consultants. However, the company did not succeed in preparing and executing a clear strategy quickly enough. The management in the company was replaced in October 2011.

The region accounted for 45% of the Group's total revenues in 2011 (2010: 49%).

The region's EBITDA decreased to DKK 15.3M in 2011 (2010: DKK 42.9M). The Norwegian and the Danish companies contribute to the decrease in EBITDA. In the Danish companies the main reason for the decline is lack of sales and lack of assignments to the consultancies. In the Norwegian com-

pany, EBITDA is affected by an investment in an induction model for younger employees as well as challenges delivering three large projects.

Western Europe	2011	2010	Development
Revenues	DKKm	DKKm	2010-2011
Software	20,9	18,3	14%
Maintenance	17,3	16,2	7%
Consultancy	71,3	62,3	14%
Other	2,5	2,0	22%
Total	112,0	98,8	13%

The regional figures for Western Europe have been adjusted for the discontinued operations in France and Spain. Revenues in Western Europe increased to DKK 112M in 2011 (2010: DKK 98.8M), corresponding to an increase of 13%. The locomotive behind the increased revenues in Western Europe is the English subsidiary with a growth of 16%.

The region accounted for 14% of the Group's total revenues in 2011 (2010: 12%).

The region's EBITDA increased to DKK 18.4M in 2011 (2010: DKK 15.8M), corresponding to an increase of 16%. The development is negatively affected by a considerable decrease in EBITDA in the Dutch subsidiary due to guaranteed work on a large project as well as lack of sales. However, the English subsidiary realized a considerable increase in EBITDA.

Eastern Europe	2011	2010	Development
Revenues	DKKm	DKKm	2010-2011
Software	52.4	40.2	30%
Maintenance	30.9	30.5	1%
Consultancy	97.6	87.9	11%
Other	2.9	2.5	16%
Total	183.8	161.1	14%

Revenues in Eastern Europe increased to DKK 183.8M in 2011 (2010: DKK 161.1M), corresponding to an increase of 14%. The Russian subsidiary accounted for the most signifi-



cant increase in revenues, while the subsidiaries in Poland and Latvia both realized a decrease in revenues.

The region's EBITDA increased to DKK 10.6M in 2011 (2010: DKK 6.9M). The increase in EBITDA is primarily driven by the subsidiaries in Russia, Estonia and Lithuania (however, Lithuania still experienced a small negative EBITDA, but has reduced the negative EBITDA of DKK 2.3M in 2010.). Poland and Latvia realize a decrease in EBITDA due to lack of sales.

North America	2011	2010	Development
Revenues	DKKm	DKKm	2010-2011
Software	21.1	22.4	-6%
Maintenance	24.2	24.8	-3%
Consultancy	71.9	61.8	16%
Other	4.7	3.5	34%
Total	121.9	112.5	8%

Revenues in North America increased to DKK 121.9M in 2011 (2010: DKK 112.5M), corresponding to an increase of 8%.

Adjusted for foreign currency translation, revenues increased by 13%. The region accounted for 15% of the Group's total revenues in 2011 (2010: 14%).

The region's EBITDA decreased to DKK 9.9M in 2011 (2010: DKK 10.8M). Earnings decreased despite the increase in revenues due to a large increase of new employees with a lower efficiency. The average number of employees increased from 75 to 90, corresponding to an increase of 20%. In addition, the region experienced a considerable increase of subcontractors.

To-Increase	2011	2010	Development
Revenues	DKKm	DKKm	2010-2011
Software	12.6	13.5	-7%
Maintenance	13.7	12.1	14%
Consultancy	5.3	10.5	-50%
Other	0.1	0.3	-65%
Total	31.7	36.4	-13%

Revenues in the Group's software company, To-Increase, decreased to DKK 31.7M in 2011 (2010: DKK 36.4M), corresponding to a decrease of 13%. The company has realized a considerable decrease in sale of own software, partly due to the general market situation, but also partly because clients have been reluctant to buy due to new versions of Microsoft Dynamics products, primarily Dynamics AX 2012. Besides, sale of the product "e-Con" of DKK 3.0M to an associated company is included in the revenues. The product was sold as it had no strategic importance to To-Increase.

Revenues related to consultancy services decreased partly due to the company's focus on upgrading the product portfolio to the next generation of Microsoft Dynamics AX, but also partly due to the lower demand in the market.

The company accounted for 4% of the Group's total revenues in 2011 (2010: 5 %).

EBITDA in To-Increase decreased to DKK 11.3M in 2011 (2010: DKK 18.4M), corresponding to a decrease of 39%. The decrease in EBITDA is primarily caused by the declining consultancy revenues.

EXPECTATIONS TO 2012

In 2012 Columbus will continue executing the strategy which was established in 2010. The strategy focuses on: vertical growth, sale of own software, a global delivery model and growth through acquisitions.

The state of the global economy is still fragile, and companies in some of Columbus' markets remain reluctant to make investments.

According to Forrester Research, 7% of all companies expect to invest in new business systems in 2012. In contrast, 20% of companies expect to upgrade or expand their utilization of existing implementations³. Columbus' business model is targeted at both segments; during 2012, our main focus will be on developing business with existing clients, which represents the largest segment. At the same time Columbus will maintain its focus on securing new clients in the manufacturing, food and retail industries.

As part of the vertical and geographical focus, Columbus acquired the Detroit, US-based company First Tech Direct on 1 March 2012. The company is a leading manufacturing consultancy.

In 2012 the Group will focus on establishing a global delivery model for a wider and more secure delivery capability which at the same time makes it possible to improve earnings in the consultancy business. The ambition for 2012 is to establish critical mass in the global delivery center and to obtain experience so that Columbus will be ready to gain the financial potential in the following year. The global delivery center is therefore not expected to affect the result for 2012 considerably.

The vertical growth will continue and be supported by intensified focus on software in the subsidiary To-Increase targeted at Columbus' vertical focus: manufacturing, food and retail.

After a difficult readjustment year, Columbus expects to enter 2012 as a more lean and focused company. With the acquisition of First Tech Direct, Columbus expects revenues in the level of DKK 900M and earnings (EBITDA) in the level of DKK 50M.

³ Source: Foresight Software Survey Q42010

RISK ISSUES

Columbus attaches the utmost significance to conducting ongoing risk monitoring and management. The overall goal of risk management is to ensure that the company is run with a level of risk, which is in a sensible ratio to the activity level, the nature of the business, and the company's expected earnings and equity

Columbus' potential to realize the company's strategic and operational objectives are subject to a number of commercial and financial risks. Columbus is constantly working on identifying risks that can negatively impact the company's future growth, activities, financial position and results. To the largest extent possible, Columbus tries to accommodate and limit the risks which the company can affect through its own actions.

Below, some of the risk factors management considers as being of special importance to the Group are described in no specific order.

Columbus attaches the utmost significance to conducting ongoing risk monitoring and management. The overall goal of risk management is to ensure that the company is run with a level of risk approved by the Board of Directors, which is in a sensible ratio to the activity level, the nature of the business, and the company's expected earnings and equity.

Strategic and operational risks

All companies in the Columbus Group report financial and operational data to the head office on a monthly basis. The reporting includes comments to the financial and business development. Based on this reporting the Group's financial statements are consolidated and reported to the Group management. As part of this process, monthly business reviews and controlling meetings are held, and control visits to all operational companies in the Group are performed on an ongoing basis in order to ensure that considerable errors in the financial reporting are discouraged, discovered and corrected.

Responsibilities, authorities and procedures relating to essential areas are defined in a Group policy which is approved by the Executive Board. The responsibility for maintaining efficient internal controls and a risk management system in connection with the financial reporting lies with the Executive Board which in cooperation with the audit committee evaluates the control system of the Group annually.

Financial risks

Columbus' international activities entail that the company's earnings and equity are affected by a number of financial risks and it is the company's policy to identify and cover these risks pursuant to the guidelines set by the Board of Directors and the Executive Board.

The finance policy sets up guidelines for the Group's currency, investment, financing and credit risks in relation to financial counterparts. The overall goal with risk management is to reduce the sensitivity of earnings to fluctuations in economic trends. The overall guidelines for the management of the financial and commercial risks are outlined by the Board of Directors annually with the basis in a low risk profile so that currency and interest risks only emerge in commercial conditions.

As a result of its operation, its investments and its financing, the Group is exposed to changes in currency rates and interest level. The parent company controls the financial risks in the Group centrally and coordinates the Group's liquidity management, including provision of capital and placement of excess liquidity.

Commercial risks and actions in Columbus

Access to Microsoft's products	Columbus' business foundation is primarily based on the development and implementation of customer solutions based on Microsoft Dynamics. Access to the onward sale of Microsoft Dynamics is therefore of crucial importance to the implementation of Columbus' business strategy and Columbus works with focus on retaining the good relation and the high partner status with Microsoft.
Software development and product innovation	<p>The company's future success, including the opportunities to ensure growth, depends on the ability to continue improving existing solutions, as well as developing new solutions and products adapted to the latest technology and the clients' needs.</p> <p>Columbus has many years of experience developing industry-related solutions and has chosen to separate development activities into a separate company, To-Increase. This will focus resources and make a broader sale of these products possible.</p>
Project and contract risks	<p>It is crucial to Columbus' consulting projects, to be able to execute high quality at the agreed time and price. Risks are attached to the Sale, Analysis and Design, Development, Implementation and Commissioning phases. Columbus has carefully defined the individual phases, activities, and tools contained therein, with a view to active risk management and effective implementation. By focusing on the sales phase, we are striving towards a majority of repetition in solving the customer problems and the procedures by which these problems are managed.</p> <p>Through project reviews and ongoing analyses before, during, and after initiation, Columbus tries to ensure that fixed price contracts are entered into with the correct pricing.</p>
Insurance	<p>The company's insurance policy sets the overall guidelines for the scope and management of the company's risks in terms of insurance.</p> <p>Columbus has taken policies for the compulsory and relevant insurance, which arise ordinarily purchased by comparable companies. Included is insurance for operating material and inventory. Management assessments indicate that the necessary and relevant precautions have been taken to thoroughly cover insurance issues. Columbus' insurance policy is revised annually in consultation with the Board of Directors.</p>
Employee dependency	Columbus is a knowledge intensive company and in order to continuously offer optimal solutions, develop innovative products, and ensure satisfactory financial results, it is necessary to attract and develop the right employees. Columbus has the goal of being an attractive workplace and achieves this through incentive programs, attractive working conditions, employee and manager development, and placing great importance on the company culture
Foreign exchange rate risk	<p>In 2011 app. 58% of Columbus' revenue was billed in currency other than DKK and EUR (2010: 52%). This part of the revenue is distributed primarily in the currencies GBP, RUB, NOK and USD.</p> <p>In the area of currency risk, Columbus strives to match expenses against income and liabilities against assets. Furthermore, as many expenses and liabilities as possible are denominated in DKK and EUR. The actual currency risk is therefore limited to the cash flow that is not in DKK and EUR. In connection with international contracts, foreign currency risks are limited primarily through servicing from the local companies so that the Group's income and costs in foreign currency correspond as much as possible.</p> <p>Despite this, greater fluctuations in the most important currencies will have an influence on the financial position as well as the competitive ability.</p> <p>The financial instruments in foreign currency are all essentially composed of receivables and debt, as well as bank deposits.</p> <p>The Group has not entered into any forward exchange transactions.</p>
Interest risk	<p>Fluctuation in the interest level has a limited effect on the Columbus Group's financial instruments. By the end of 2011 an increase of 0.5 percentage points would increase the value of the Columbus Group's financial obligations by DKK 0.0M (2010: DKK 0.1M).</p> <p>The financial obligations included in the sensitivity analysis consist of long-term and short-term debt to credit institutions. The larger part of the Group's excess cash flow is placed in short-term deposits at a variable interest.</p>

Credit risk	<p>The credit risk is the risk of a counterpart neglecting to fulfill its contractual obligations and in so doing imposing a loss on Columbus. The credit risk is monitored centrally.</p> <p>The Group's credit risk originates mainly from receivables from the sale of products and services as well as deposits in financial institutions. Receivables from the sale of products and services are split between many customers and geographic areas. A systematic credit rating of all customers in the individual companies is conducted as well as considering the Group's internal guidelines in this area. Likewise, the rating forms the basis for the payment terms offered to the individual customer.</p>
Cash flow risk	<p>Lack of cash management may cause operational risks for companies. Columbus ensures the necessary cash flow through cash management and tight local monitoring of cash flow in subsidiaries.</p>
Capital risk	<p>The Group's management evaluates on an ongoing basis whether the Group's capital structure is in accordance with the Group's and the shareholders' interests. The overall objective is to ensure a capital structure that supports a long-term economic growth and simultaneously maximizes the return to the Group's interested parties by an optimization of the ratio between equity and debt. The Group's overall strategy is unchanged in relation to earlier years.</p> <p>The Group's capital structure comprises debt, which includes financial obligations in the form of bank debt, financial leasing obligations and due corporate tax, cash in bank and on hand and equity including share capital, reserve for foreign currency translation adjustment as well as transferred income.</p>

CORPORATE GOVERNANCE

Columbus' management model and organization are adapted on an ongoing basis to ensure we are equipped to manage to our utmost all obligations to shareholders, clients, employees, authorities, as well as other interested parties. In this process, Columbus uses the corporate governance recommendations from NASDAQ OMX Copenhagen as an important source of inspiration. The recommendations can be found at www.corporategovernance.dk.

The Board of Directors is fundamentally in total agreement with NASDAQ OMX Copenhagen's recommendations about good company management. Columbus endeavors to follow the relevant recommendations for the company, which support the business and ensure value for the company's interested parties.

The statutory report on Corporate Governance, cf. section 107b of the Danish Financial Statements Act, is available on the Company's website:
[www.columbusglobal.com/Investor/Corporate Governance](http://www.columbusglobal.com/Investor/Corporate%20Governance)

The description of internal controls and risk management in connection with the financial statements can be found under the section "Risk issues" on page 20.

The Board of Directors in Columbus consists of five members elected by the general meeting. The board members are elected for one year at a time with the option for re-election. The number of board members is considered adequate by the Board of Directors, and likewise the composition of the board is considered appropriate in terms of professional experience and relevant special competences to perform the tasks of the Board of Directors. The Board of Directors continuously assesses whether the competences and expertise of members need to be updated. None of the board members participates in the day-to-day operation of the Group. For more details about the members of the Board of Directors and the mem-

bers of the audit committee, please see "Board of Directors and Executive Board" on page 26.

The Board of Directors ensures that the Executive Board observes the objectives, strategies and business processes agreed by the Board of Directors. Information from the Executive Board occurs systematically as well as at meetings and in written and verbal ongoing reporting. The reporting contains information about the financial development as well as profitability.

The Board of Directors holds at least eight meetings a year according to a meeting schedule planned one year in advance. The Executive Board ensures that the Board of Directors is informed about the Group's results and financial development in between the regular meetings, and extraordinary general meetings are held if necessary. In 2011, eight board meetings were held.

Among other things, the Board of Directors makes decisions about acquisitions, large investments and divestments, size and composition of capital base, long-term debt, controlling, auditing and considerable operational circumstances. The rules of procedure lay down guidelines for reporting from the Executive Board to the Board of Directors and for the communication between the parties. The rules of procedure are reviewed once a year with a view to match the current needs of the company.

The Board of Directors appoints the CEO and other members of the Executive Board. Under the leadership of the CEO, the Executive Board is responsible for planning and executing the strategy. The members of the Executive Board are not members of the Board of Directors, but normally they participate in board meetings.



The general meeting has the final authority over the company. The Board of Directors emphasize that the shareholders are given detailed information and an adequate basis for the decisions to be made by the general meeting.

At the time of submission of the Annual Report 2011, the Board of Directors is authorized to increase the share capital by up to 16,000,000 shares of DKK 1.25 in one or more tranches. In addition to this authorization, the Board of Directors is authorized to increase the share capital by up to DKK 607,500 in one or more tranches as part of issuing new shares in favor of employees of Company and subsidiaries.

With respect to any new shares subscribed in accordance with this authorization, the same rules apply as those applying to existing shares in the Company.

The Board of Directors is authorized to acquire up to 10% of the Company's share capital against payment which must not vary more than +/- 10% of the price quoted at NASDAQ OMX Copenhagen A/S for the shares immediately prior to the acquisition.

CORPORATE SOCIAL RESPONSIBILITY

All the companies in the Columbus Group are expected to uphold the current legislation and rules in the countries where the companies operate. No formal Group policy for corporate social responsibility has been adopted as part of the companies' strategy and activities.

Corporate social responsibility receives great attention from all sides and the company's management continuously considers whether procedures and politics should be prepared.

THE BOARD OF DIRECTORS AND EXECUTIVE BOARD

Board of Directors

Ib Kunøe

Born 1943

Chairman of the Board

Joined the Board in 2004

Does not fulfill the Committee of Corporate Governance definition of independency

Chairman of the Board for:

Atea ASA, CDRator A/S, Consolidated Holdings A/S, core:workers A/S, DAN-Palletiser A/S, DAN-Palletiser Holding A/S, Morsing PR ApS and Netop Solutions A/S

Member of the Board for:

Atrium Partner A/S and Primare Systems AB

Special competences:

Company management, including management of IT companies as well as dealing with companies

Ownership in Columbus IT Partner A/S	Number	Changes in fiscal year
Shares	51,296,421	42,390
Options	0	0
Warrants	0	0

Jørgen Cadovius

Born 1945

Joined the Board in 2004

Solicitor

Does fulfill the Committee on Corporate Governance definition of independency

Chairman of the Board for:

A&C Catering A/S, Frese A/S, Frese Metal- og Stålstøberi A/S, Frugtring A/S, Inter Express Transport A/S, Objective A/S, Lille Smørum Krydderurter A/S and Europa Frugt Økologi A/S

Member of the Board for:

Jørgen Schultz Holding A/S, Theodor Lund & Petersen Holding A/S, JS af 14.11.2003 A/S, Schultz Shipping A/S and Schultz Stevedoring A/S

Special competencies:

General management as well as legal and company law

Ownership in Columbus IT Partner A/S	Number	Changes in fiscal year
Shares	24,000	0
Options	0	0
Warrants	0	0

Claus True Hougesen

Born 1963

Joined the Board in 2004

President & CEO in Atea ASA

Does not fulfill the Committee of Corporate Governance definition of independency

Chairman of the Board for:

Atea AB, Atea OY, Atea AS, Atea A/S and Atea UAB

Special competencies:

International sales and management of IT companies

Ownership in Columbus IT Partner A/S	Number	Changes in fiscal year
Shares	0	0
Options	0	0
Warrants	0	0

Sven Madsen



Ib Kunøe
Chairman of the Board of Directors



Jørgen Cadovius
Deputy chairman of the Board of Directors



Claus Hougesen
Member of the Board of Directors



Sven Madsen
Member of the Board of Directors



Ulla Krossteig
Member of the Board of Directors



Thomas Honoré
CEO and member of the Executive Board

Born 1964

Joined the Board in 2007

CFO in Consolidated Holdings A/S

Member of the Audit Committee

Does not fulfill the Committee of Corporate Governance definition of independency

Chairman of the Board for:

Columbus IT Partner Finance A/S, CHV IV A/S and CHV III A/S

Member of the Board for:

Consolidated Holdings A/S, core:workers AB, core:workers A/S, Ejendomsaktieselskabet af 1920 A/S, Primare Systems AB, Thrust IT A/S, DAN-Palletiser Holding A/S, DAN-Palletiser A/S, DAN-Palletiser Finans A/S, PokerOffice Holding Limited, PokerOffice AB, Northern Link PR ApS and Atea ASA

Special competences:

General management as well as economical and financial issues

Ownership in Columbus IT Partner A/S	Number	Changes in fiscal year
Shares	408,529	0
Options	0	0
Warrants	0	0

Ulla Krossteig

Born 1948

Joined the Board in 2011

Chairman of the Audit Committee

Does fulfill the Committee of Corporate Governance definition of independency

Member of the Board for:

Svendborg Importfirma A/S, AT af 1. juni 2010 A/S and Limpopo web A/S

Special competences:

Economic and financial issues

Ownership in Columbus IT Partner A/S	Number	Changes in fiscal year
Shares	0	0
Options	0	0
Warrants	0	0

Executive Board

Thomas Honoré

Born 1969

Joined as CEO in May 2011

Ownership in Columbus IT Partner A/S	Number	Changes in fiscal year
Shares	100,000	100,000
Options	0	0
Warrants	0	0

SHAREHOLDER INFORMATION

Shareholder information

Columbus IT Partner A/S's shares have been listed on NASDAQ OMX Copenhagen since May 1998 and have ID code DK0010268366 and abbreviated name COLUM. Columbus IT Partner A/S is included in the Small Cap index.

At the end of 2011, the price of the Columbus IT Partner A/S share was DKK 1.40, whilst at the end of 2010 it was DKK 2.46 – a decrease of 43.1% (2010: +7.0%). In comparison the Copenhagen Software & Computer Services PI (CX9530) on NASDAQ OMX Copenhagen increased by 0.3% in the same period (2010: 12%).

In 2011, a total of 18.5M shares were sold corresponding to 18% of the total number of shares at the end of 2011 (2010: 32%). The average revenue per business day in 2011 comprised at DKK 0.16M (2010: DKK 0.33M).

The company's market value amounted to DKK 148M at the end of 2011 against DKK 260M at the end of 2010.

At the end of 2011 the share capital in Columbus IT Partner A/S comprised of 105,739,493 shares at DKK 1,25 corresponding to nominal share capital of DKK 132,174,366M (2010: 105,739,493 shares at DKK 1,25, corresponding to nominal share capital of DKK 132,174,366M).

Each share provides one vote. The shares are marketable securities and no restrictions have been set for the shares' negotiability. The shares must be named and noted in the company's share register.

Ownership

At the end of 2011 Columbus IT had 6,067 registered shareholders, which together owned 95.56% of the total share capital.

The following shareholders have informed Columbus IT Partner A/S of possession of 5% or above of the share capital:

	Number of shares	%
Consolidated Holdings	51,296,421	48.51%

Members of Columbus IT Partner A/S's Board of Directors and Executive Board owned in total 49.07% of the share capital at the end of 2011.

At the end of 2011 Columbus IT Partner A/S owned 1,749 shares.

Dividends

Columbus IT Partner A/S has not yet paid a dividend and one is not expected to occur in the next few years.

The timing and size of possible dividends depends on the Company's future earnings.

Development in share capital

Development in share capital in Columbus IT Partner A/S since 1 January 2011	Total share capital (DKK nom.)	No. of shares at nom. DKK 1.25
There has been no development in the number of shares during the financial year 2011.	132,174,366	105,739,493

Investor Relations

Columbus endeavors to provide a high and consistent level of information to our shareholders and other interested parties. A company goal is to have an active dialogue with shareholders, share analyst, the press and the public as a whole. Communication with interested parties takes place via the ongoing publication of notifications, investor presentations and individual meetings.

The website www.columbusglobal.com is the primary source of information for interested parties. It is updated constantly with new information about Columbus' results, activities and strategy. Shareholders, analysts, investors, stockbrokers as well as other interested parties who have questions regarding Columbus are requested to inquire at:

Columbus

Lautrupvang 6
2750 Ballerup
Contact person: CFO, Hans Henrik Thrane
Phone: +45 70 20 50 00
e-mail: hht@columbusglobal.com

General meeting

The company's general meeting will be held on 27 April 2011 at 10.00 a.m. in the auditorium, Lautrupvang 6, 2750 Ballerup.

NOTIFICATIONS TO NASDAQ OMX COPENHAGEN

2011

1	2 February	Columbus IT wins its largest order for the retail industry ever
2	17 March	Columbus IT wins yet another strategically large order for the retail industry - and is now the largest in the Baltics
	29 March	Annual Report 2010
3	4 April	Notice to convene Annual General Meeting
4	28 April	Thomas Honoré new CEO of Columbus IT
5	29 April	Passing of Columbus IT Partner A/S Annual General Meeting held on April 29 th 2011 and subsequent constitution of the Board of Directors
6	29 April	Interim management statement Q1 2011
7	2 May	Incentive scheme for senior executive
8	9 June	Columbus IT wins major deal in Russia with one of the region's largest retail chains
9	18 August	Interim Report 2011
10	23 August	Trading in Columbus IT Partner A/S shares by insiders
11	23 August	Trading in Columbus IT Partner A/S shares by insiders
12	9 November	Interim management statement Q3 2011
13	10 November	Columbus has today entered into an agreement about sale of the Group's subsidiaries in France and Spain to Prodware SA, and enters into a strategic cooperation agreement
14	6 December	Financial calendar 2012
15	15 December	Columbus has today formally concluded agreement with Prodware SA about sale of the Group's subsidiaries in France and Spain

Expected publication of financial information

Interim management statement Q1 2012	27 April 2012
Interim report 2012	16 August 2012
Interim management statement Q3 2012	31 October 2012

Immediately following the publication, the notifications will be available on Columbus' website: www.columbusglobal.com.

GROUP OVERVIEW

Company	Country	Ownership by Columbus IT Partner A /S, %	Columbus IT Partner A/S's share of voting right, %	No. employees 31/12 2011
Columbus IT Partner A/S	Denmark			
Affiliated companies				
Nordic region				
Columbus IT Partner Danmark A/S	Denmark	100	100	171
Columbus NSC A/S	Denmark	100	100	36
To-Increase Denmark	Denmark	100	100	4
Columbus IT Partner Norge AS	Norway	73	73	84
Western Europe				
Columbus IT Partner (UK) Ltd	England	100	100	88
To-Increase B.V.	Netherlands	100	100	47
Columbus IT Partner B.V.	Netherlands	100	100	30
Eastern Europe				
ZAO Columbus IT Partner	Rusia	100	100	130
Columbus IT Partner Ukraine	Ukraine	100	100	4
Columbus IT Partner Kazakhstan	Kazakhstan	100	100	5
Columbus IT Partner LT	Lithuania	88	88	66
Columbus IT Partner Eesti AS	Estonia	51	51	56
Columbus Polska Sp. z o.o.	Poland	57	57	39
Columbus IT Partner SIA *	Latvia	33	33	23
North America				
Columbus IT Partner USA Inc.	USA	100	100	78
Associated companies				
Rest of the world				
Columbus IT Middle East FZ-LLC	United Arab Emirates	23	23	46
Columbus IT Saudi Arabia FZC	Saudi Arabia	23	23	22
Columbus IT - Qatar W.L.L.	Qatar	17	17	8
Columbus IT Private Limited	India	20	20	50
e-Con Solutions B.V.	Netherlands	33	33	8

Note: The overview only contains the Group's operative companies.

* Columbus IT Partner Eesti AS owns 63% of Columbus IT Partner SIA. Columbus IT Partner A/S is controlling shareholder in Columbus IT Partner SIA by indirect disposal of the voting right through control of the majority in the ownership of Columbus IT Partner Eesti AS.



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TOTAL INCOME STATEMENT

DKK '000	Note	Group		Parent Company	
		2011	2010	2011	2010
Net revenues	4	820,603	807,595	33,050	28,608
External project costs		-206,568	-211,155	0	0
Gross earnings		614,035	596,440	33,050	28,608
Staff expenses	5	-452,589	-416,157	-20,989	-16,069
Other external costs		-135,359	-119,821	-20,240	-27,307
Other operating income		2,155	2,469	1,945	944
Other operating costs		-1,238	120	-18,074	0
Earnings before depreciation (EBITDA)		27,004	63,051	-24,308	-13,824
Depreciation	10, 11	-24,170	-22,226	-757	-1,083
Earnings before write down of goodwill (EBITA)		2,834	40,825	-25,065	-14,907
Write down of goodwill	10, 12	0	0	0	-3,487
Operating profit (EBIT)		2,834	40,825	-25,065	-18,394
Results in affiliated companies		0	0	37,535	9,183
Results in associated companies	6	1,305	-241	0	0
Financial income	7	8,179	9,621	1,034	2,397
Financial expense	7	-9,838	-10,418	-3,069	-3,122
Pre-tax earnings, continuing operations		2,480	39,787	10,435	-9,936
Tax on result for the year, continuing operations	8	1,308	-12,550	1,393	2,777
Result for the year, continuing operations		3,788	27,237	11,828	-7,159
Result for the year, discontinued operations	13	-13,852	-13,643		
Result for the year		-10,064	13,593	11,828	-7,159
Foreign exchange rate translation re. subsidiaries		-547	7,187	0	0
Other total income		-547	7,187	0	0
Total income for the year		-10,611	20,780	11,828	-7,159
Allocated thus:					
Shareholders in Columbus IT Partners A/S		-11,248	11,381		
Minority interests		1,184	2,212		
		-10,064	13,593		
Other total income allocated thus:					
Shareholders Columbus IT Partner A/S		-12,042	18,080		
Minority interests		1,431	2,700		
		-10,611	20,780		
Earnings per share of DKK 1.25 (EPS)	9	-0.11	0.12		
Earnings per share of DKK 1.25, diluted (EPS-D)	9	-0.11	0.12		

BALANCE SHEET

DKK '000	Note	Group		Parent Company	
		2011	2010	2011	2010
ASSETS					
Goodwill		156,286	157,312	0	0
Royalties		5,035	3,285	0	0
Development projects finalized		45,824	44,915	3,491	985
Development projects in progress		8,538	1,786	0	0
Intangible assets	10	215,683	207,298	3,491	985
Leasehold improvement		1,101	297	0	0
Plant and operating equipment		7,903	7,016	1,052	15
Tangible assets	11	9,004	7,313	1,052	15
Holdings in affiliated companies	12	0	0	257,455	249,611
Holdings in associated companies	14	2,363	1,152	527	527
Financial assets		2,363	1,152	257,982	250,138
Deferred tax assets	8	27,682	23,552	14,232	12,839
Total long-term assets		254,732	239,315	276,757	263,977
Inventories	15	2,035	913	0	0
Trade receivable	16	153,632	173,790	599	549
Contract work in progress	17	15,809	21,356	0	0
Receivables from affiliated companies	18	0	0	81,392	50,809
Corporation tax	8	2,579	3,084	0	0
Other receivables	19	10,070	13,278	1,292	9,090
Prepayments	20	5,481	9,155	375	1,072
Receivables		187,571	220,662	83,659	61,520
Cash		46,086	68,447	3,937	62
Total short-term assets		235,692	290,022	87,596	61,582
TOTAL ASSETS		490,423	529,337	364,353	325,559

BALANCE SHEET

DKK '000	Note	Group		Parent Company	
		2011	2010	2011	2010
LIABILITIES					
Share capital	21	132,174	132,174	132,174	132,174
Reserves on foreign currency translation		-8,252	-7,458	0	0
Retained profit		151,430	163,131	140,919	129,804
Group shareholders equity		275,352	287,847	273,093	261,978
Minority interests		7,642	12,176	0	0
Equity		282,993	300,023	273,093	261,978
Deferred tax	8	432	439	0	0
Provisions	24	1,415	0	0	0
Financial leasing obligations	30	60	110	0	0
Other debt	23	1,270	1,270	0	0
Long-term debt		3,177	1,819	0	0
Credit institutions	22	2,828	11,855	0	7,095
Financial leasing obligations	30	155	4,026	0	0
Debt to affiliated companies		0	0	83,399	52,249
Client prepayments		22,853	24,468	0	0
Trade accounts payable		71,315	63,782	2,477	1,069
Corporation tax	8	4,587	6,667	0	0
Other debt	23	99,205	110,942	5,384	3,168
Accruals	25	3,310	5,755	0	0
Short-term debt		204,253	227,495	91,260	63,581
Total debt		207,430	229,314	91,260	63,581
TOTAL LIABILITIES		490,423	529,337	364,353	325,559

STATEMENT OF CHANGES IN EQUITY - GROUP

DKK '000	Shareholders in Columbus IT Partner A/S				
	Share capital	Reserves on foreign currency translation	Retained profit	Minority Interests	Equity
Group 2011					
Balance at 1 January 2011	132,174	-7,458	163,131	12,176	300,023
Result for the year	0	0	-11,248	1,184	-10,064
Other comprehensive income (foreign currency translation re. foreign enterprises)	0	-794	0	247	-547
Total recognized income and expense	0	-794	-11,248	1,431	-10,611
Incentive scheme	0	0	314	0	314
Acquisition of minority interests	0	0	-767	-260	-1,027
Payment of dividends	0	0	0	-5,706	-5,706
Balance at 31 December 2011	132,174	-8,252	151,430	7,642	282,993
Group 2010					
Balance at 1 January 2010	99,131	-14,157	137,140	10,060	232,173
Result for the year	0	0	11,381	2,212	13,593
Other comprehensive income (foreign currency translation re. foreign enterprises)	0	6,699	0	488	7,187
Total recognized income and expense	0	6,699	11,381	2,700	20,780
Capital increase	33,043	0	17,183	0	50,226
Costs relating to capital increase	0	0	-2,807	0	-2,807
Incentive scheme	0	0	234	0	234
Payment of dividends	0	0	0	-584	-584
Balance at 31 December 2010	132,174	-7,458	163,131	12,176	300,023

STATEMENT OF CHANGES IN EQUITY – PARENT COMPANY

DKK '000	Share capital	Reserves on foreign currency translation	Retained profit	Equity
Parent company 2011				
Balance at 1 January 2011	132,174	0	129,804	261,978
Total recognized income and expense	0	0	11,828	11,828
Incentive scheme	0	0	314	314
Addition/disposal of minority interests	0	0	-1,027	-1,027
Balance at 31 December 2011	132,174	0	140,919	273,093
Parent company 2010				
Balance at 1 January 2010	99,131	0	122,353	221,484
Total recognized income and expense	0	0	-7,159	-7,159
Capital increase	33,043	0	17,183	50,226
Costs relating to capital increase	0	0	-2,807	-2,807
Incentive scheme	0	0	234	234
Balance at 31 December 2010	132,174	0	129,804	261,978

CASH FLOW STATEMENT

DKK '000	Note	Group		Parent company	
		2011	2010	2011	2010
Operating profit (EBIT)		2,834	40,826	-25,064	-18,393
Depreciations and amortizations	10, 11	24,170	22,227	756	4,570
Incentive scheme	5	314	234	314	234
Net additions on development projects	10	-24,972	-18,395	0	0
Changes in net working capital	32	32,933	-25,318	13,136	-39,717
Cash flow from primary activities		35,278	19,574	-10,858	-53,307
Interest received, etc.	7	8,179	9,621	1,034	2,397
Interest paid, etc.	7	-9,837	-10,418	-3,069	-3,122
Corporation tax paid	8	-4,399	1,297	0	0
Cash flow from operating activities		29,222	20,074	-12,894	-54,032
Acquisition of tangible assets	11	-7,144	-2,842	-1,050	0
Acquisition of intangible assets	10	-3,588	-112	-3,249	0
Disposal of tangible assets	11	113	104	0	0
Capital increase in affiliated companies		0	0	-10,469	-9,535
Disposal of affiliated companies	13, 27	-196	0	1,863	0
Acquisition of associated companies	14	0	-160	0	-160
Acquisition of minority interests		-767	0	-767	0
Dividends received from affiliated companies		0	0	37,535	9,183
Cash flow from investing activities		-11,582	-3,010	23,862	-512
Proceeds from capital increase		0	47,419	0	47,419
Overdraft facilities		-12,949	-54,397	-7,095	7,095
Dividends paid to minority shareholders		-5,706	-584	0	0
Cash flow from financing activities		-18,655	-7,562	-7,095	54,514
Cash flow from continuing operations		-1,016	9,502	3,875	-30
Cash flow from discontinued operations	13	-18,913	-10,619	0	0
Cash funds at the beginning of the year		68,447	66,346	62	92
Exchange rate adjustments		-2,434	3,218	0	0
Cash funds at the end of the year		46,086	68,447	3,937	62

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