Columbus®

Once you *know* how...

ANNUAL REPORT **2014**

CONTENTS

COLUMBUS CONTINUES RECORD HIGH EARNINGS

Columbus delivered an increase of 13.2% in EBITDA[1] to DKK 81,6m and a growth in net result after tax of 142.5% constituting DKK 52,7m and thereby delivered another record year in the Company's history for the second year in a row.

Columbus is in its fourth year of executing the Columbus*15* strategy with the key focus on changing Columbus from being an IT reseller to becoming a global consultancy with industry expertise and own software while increasing earnings. The execution of the strategy has been successful and Columbus continues to improve the results and strategic positioning.

Customers want to engage with industry experts who address their specific needs and challenges. A strong focus on industry expertise and solutions to customers within the food, retail and manufacturing segments has strengthened Columbus' market position. In 2014, Columbus grew revenue from key industries, which now constitutes 77% of the total revenue.

It is important for Columbus to improve the value and quality of services through a 100% industry focus. In 2014, Columbus continued the strong focus on optimizing our services business by improving risk management, project management and resource allocation. Today, Columbus' services business represents a very profitable part of the Company with growth in revenue and earnings.

It is essential for our customers to have access to global support 24 hours a day. In 2012, we therefore established a Global Delivery Center in India, which has increased Columbus' support and delivery capacity and at the same time decreased costs in relation to delivery of consultancy and products. Today, the Global Delivery Center employs 97 highly skilled consultants and continues to expand the capacity.

Columbus continuously develops and improves solutions to our key industries, and with the acquisition of Omnica in the UK and Dynamics Anywhere in Holland, we further strengthened our offerings and competencies within e-commerce and mobile business solutions. Columbus is experiencing an increasing demand from customers seeking new digital solutions such as mobile, social and cloud, and this fast-growing market will be an interesting area for Columbus in servicing our customers and growing our business.

While most of Columbus' subsidiaries deliver positive results, Columbus faced challenges in the subsidiaries in Norway and the US, which resulted in a decline in revenue and earnings in both subsidiaries. Columbus is currently executing recovery plans in both subsidiaries, and I am confident that they will gradually improve their performance during 2015. Despite these challenges, Columbus achieved the strongest year ever.

Overall, 2014 has been characterized by great progress in Columbus. The Company reached important milestones, and today Columbus is recognized as a global consultancy delivering industry specific value to customers.

Entering the final year of this four-year strategy period, Columbus stands stronger than ever. While being 100% focused on reaching the goals of the Columbus*15* strategy, Columbus will start preparing for the next journey beyond 2015. With a strong team, a profitable and growing ERP business as a solid foundation and a strong focus on next generation digital trends, I am convinced that Columbus can handle the challenges we have had in some markets. Recently, we completed the acquisition of InterDyn BMI in the US, which gives us a substantial growth opportunity. Overall, I am sure, that Columbus is on its way to become an even more successful Company.

Ib Kunøe
Chairman of the Board

[1] EBITDA before share-based payment

Columbus' mission

Columbus maximizes productivity for organizations by implementing leading end-to-end industry solutions.

Columbus' vision

Our best practice services and repeatable industry solutions will change the way organizations implement and use business applications.

Columbus aspires to be the leading global value provider in selected industries.

COLUMBUS' BUSINESS AND STRATEGY

Business and strategy; Columbus*15*

Columbus*15* comprises five elements:

- Extend industry leadership
- Sell more Columbus Software
- Optimize global delivery
- Geographical focus
- Improve Services Profits (ISP)

In the following, we briefly outline the transformation and the five strategic elements.

Columbus*15*®

Transformation in a global perspective

In 2011, Columbus set a new direction for the future of the Company. Columbus*15* was formed with the sole goal of creating a profitable global consultancy with own industry software.

The shift towards a global consultancy means that we focus on innovation and development of our industry-focused software as key differentiators. The ambition is to have the best industry consultants in the market, and therefore we employ and educate consultants within these industries on a global level, and we strive to provide our employees with the best working conditions and opportunities for career development.

Becoming a profitable global consultancy requires a strong performance and an extreme focus on building industry knowledge, technologies and geographies. It also requires a strong focus on increasing income, reducing costs and managing risks. In short, extreme focus drives profitability.

Maintaining a strong industry leadership in food, retail and manufacturing

Columbus aspires to be the leading global value provider in the food, retail and manufacturing industries. In order to reach this goal, we focus all our investments on developing our software, solutions and expertise to serve our key customer segments.

The industry leadership lead to reduced cost of sales and delivery, since we understand our key industries well and thereby are able to optimize sales and delivery processes. Our industry expertise means that we are able to demonstrate the value for the customer and thereby improving the chance of closing sales.

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

Columbus software drives competitiveness

Columbus develops and sells industry-specific business applications, which complement standard software in the market. Columbus' software helps streamline companies' business processes. This industry software makes Columbus capable of delivering more value to our customers, strengthening our competitive advantage and contributing to improved earnings.

The combination of industry software and industry knowledge contributes to a far more efficient sales and delivery process, and is thereby contributing to increased profitability.

Columbus ADM® Columbus F&B® Columbus BIS®

Columbus RapidValue® Columbus BaseCloud®

Columbus Care® Columbus eCom® Columbus SCS®

Columbus MCR® Columbus Webstore® Columbus Mobility®

In 2014, Columbus added the following new products to the portfolio of industry solutions:

- Columbus e-commerce solutions – Webstore and MCR
- Columbus mobile business solutions

Professional service delivery on the global scale

Columbus' global delivery model provides customers worldwide with industry-specific consulting services, support and development services. The global delivery model consists of the local consultant teams and the skilled consultants in our Global Delivery Center in India.

Columbus' global delivery model helps customers make critical business applications more efficient and cost effective.

ColumbusCare is our global support concept, which provides first class support to our customers 24 hours a day. ColumbusCare offers customer support on several levels.

Columbus' global delivery model provides customers worldwide with industry-specific consulting services, support and development services. The global delivery model consists of the local consultant teams and the skilled consultants in our Global Delivery Center in India.

All Columbus' consultants are trained and certified in SureStep+, which is our global standard for implementations. This ensures that all consultants, independent of location, use the same methodology and thereby ensures quality and efficiency to the benefit of our customers worldwide.

Our goal is to expand the level and variety of services in the global teams.

Geographical focus creates more scale

Columbus strives to grow organically as well as through acquisition of companies with a profile similar to Columbus within our key industries and in selected geographical areas.

Better project delivery improves services profits

Improving our services earnings through stronger risk management, cost and project management and resource allocation is a key requirement for better customer satisfaction. The strategic focus area, called Improve Services Profits (ISP), is implemented in the entire organization and ensures transparency in the subsidiaries in order to adjust inexpedient behavior, optimize internal processes and routines and improve risk management. The objective is to ensure increased customer satisfaction and at the same time increase earnings.

The program Improve Services Profits has already had a substantial impact on Columbus' profitability. We estimate that for each percentage point of hours that are moved from non-chargeable work to chargeable work, earnings before depreciation (EBITDA) will increase approximately DKK 10m per year, other things being equal.

2014 OUTLINED

Another year with record high earnings with an EBITDA[2] of DKK 81.6m, a 13% increase year over year, and a corresponding high net result after taxes of DKK 52.7m, an increase of 142% compared to 2013.

Expectations at the beginning of 2014

- Expectation of increased IT investments in companies in order to improve efficiency.
- Continued macroeconomic uncertainty.
- Demographic changes and shift in economic power.

Targets for 2014

- Increase sale of Columbus Software by 17% compared to 2013.
- Increase the delivery capacity in our Global Delivery Center to at least 95 consultants.
- Increase the portion of revenue from our three industry solutions to minimum 70% of the total revenue.
- Increase chargeable hours in the consultancy business to 55%.
- Deliver revenue in the level of DKK 900m and EBITDA[2] in the level of DKK 80m.

Management initiatives

- Continued extreme focus on execution of Columbus*15*.
- Optimization and expansion of our global delivery model.
- Implementation of global career and competence program.
- Acquisition of Omnica Ltd in the UK.
- Acquisition of Dynamics Anywhere in Holland.

Challenges in 2014

Columbus' faced challenges with sales execution in Columbus US and a high unwanted attrition in Columbus Norway due to a competitor targeting Columbus employees. Compared to 2013 these countries have declined DKK 30m in EBITDA.

Financial statements for 2014

The revenue amounted to DKK 878.3m in 2014 which is the same level as in 2013. In local currency the revenue increased by 2%. EBITDA[2] amounted to a record high level of DKK 81.6m, corresponding to a growth of 13.2%. Revenue and EBITDA[2] are in line with the announced expectations.

The revenue from our industry solutions; retail, food and manufacturing increased to 77%, and is in line with our expectations.

The revenue from consultancy increased by 5.2% and compensates for the decrease in revenue from external software.

The revenue from external software licenses decreased by 16.3%. The decline is caused by discontinued sale of software with low margins and without related service revenue, the declining ruble and lack of sales in the US. The sale of external software subscriptions declined by 11.3%. The reason for the decline is sale of three-year subscriptions in previous years, which consequently did not have to be renewed in 2014. The total sale of Columbus Software, licenses and subscription, was on the same level as in 2013.

Chargeable hours in the consultancy business increased to 54%.

The delivery capacity in GDC increased to 97 consultants.

EBITDA after share-based payment amounted to DKK 78.7m in 2014, corresponding to an increase of 12.2%.

The net result amounted to a profit of DKK 52.7m in 2014 (2013: DKK 21.7m), and is considered satisfactory.

Dividend

In line with Columbus' dividend policy, the Board of Directors proposes a dividend of 10% of the nominal share capital, corresponding to DKK 0.125 per share, to be adopted at the General Meeting.

[2] EBITDA before share-based payment

HIGHLIGHTS

Revenue
DKK 878.3m

Revenue amounted to **DKK 878.3m** in 2014 which is the same level as in 2013.

EBITDA
DKK 81.6m

EBITDA before share-based payment amounted to a record high level of DKK 81.6m, corresponding to a growth of 13%.

Industry solutions
77%

The revenue from our industry solutions; retail, food and manufacturing increased to 77%.

Consultancy
5% up

The revenue from consultancy increased by 5%.

Net result
DKK 52.7m

The net result amounted to a profit of DKK 52.7m in 2014 (2013: DKK 21.7m).

KEY FIGURES AND RATIOS

DKK ´000	2014	2013	2012	2011	2010
Income statement					
Net revenues	878,291	879,805	881,185	793,563	807,595
External project costs	-204,491	-216,278	-240,337	-199,748	-211,155
Gross profit	**673,800**	**663,527**	**640,848**	**593,815**	**596,440**
EBITDA before share-based payment	**81,591**	**72,084**	**58,152**	**30,979**	**63,051**
Share-based payment	-2,887	-1,960	-1,200	-314	0
EBITDA	**78,704**	**70,124**	**56,952**	**30,665**	**63,051**
Depreciation excl. goodwill	-25,811	-25,352	-27,924	-23,948	-22,226
EBITA	**52,893**	**44,772**	**29,028**	**6,717**	**40,825**
Amortization and write down of goodwill	0	0	0	0	0
EBIT	**52,893**	**44,772**	**29,028**	**6,717**	**40,825**
Result in associates	0	-4,109	-3,781	1,305	-241
Net financial items	5,807	-3,933	-1,989	-1,722	-797
Pre-tax earnings	**58,700**	**36,730**	**23,258**	**6,300**	**39,787**
Tax on the result for the year	-6,003	-9,334	-15,750	565	-12,550
Result for the year, continued operations	**52,697**	**27,396**	**7,508**	**6,865**	**27,237**
Result for the year, discontinued operations	0	-5,662	-7,363	-16,929	-13,644
Result for the year	**52,697**	**21,734**	**145**	**-10,064**	**13,593**
Allocated to:					
Shareholders of Columbus A/S	50,822	18,597	-3,739	-11,248	11,381
Minority interests	1,875	3,137	3,884	1,184	2,212
	52,697	**21,734**	**145**	**-10,064**	**13,593**
Balance sheet					
Long-term assets	277,441	245,104	258,221	254,732	239,315
Short-term assets	272,777	238,600	241,837	235,691	290,022
Total assets	**550,218**	**483,704**	**500,058**	**490,423**	**529,337**
Group shareholder equity	325,901	280,332	273,026	275,352	287,847
Minority interests	4,233	3,646	7,507	7,642	12,176
Debt	220,084	199,726	219,525	207,429	229,314
Total liabilities	**550,218**	**483,704**	**500,058**	**490,423**	**529,337**
Investments in tangible assets	**3,819**	**3,817**	**7,485**	**7,005**	**2,842**
Cash flow					
Cash flow from continuing operations	75,023	72,665	46,496	54,427	20,074
Cash flow from discontinued operations	0	-3,047	-4,874	-19,339	-10,619
Net cash flow from investments	-36,285	-29,579	-39,776	-36,414	-3,010
Cash flow from financing activities	-9,625	-905	-10,346	-18,602	-7,562
Total cash flow	**29,113**	**39,134**	**-8,500**	**-19,928**	**-1,117**
Key ratios					
EBITDA-margin	9.0%	8.0%	6.5%	3.9%	7.8%
Operating profit margin (EBIT-margin)	6.0%	5.1%	3.3%	0.8%	5.1%
Equity ratio	59.2%	58.0%	54.6%	57.7%	54.4%
Return on equity	15.6%	6.6%	-1.4%	-4.1%	4.0%
Number of shares, in thousands	110,264	106,234	105,739	105,739	105,739
Average number of shares, in thousands	109,343	106,108	105,739	105,739	92,385
Net asset value per share (BVPS)	2.96	2.64	2.58	2.60	2.72
Earnings per share (EPS)	0.46	0.18	-0.04	-0.11	0.12
Cash flow per share	0.66	0.67	0.44	0.33	0.10
Share price, end of period	4.70	3.80	1.69	1.40	2.46
Average headcount at the end of the period	889	842	845	880	893

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 2012 have been corrected so that discontinued operations are presented separately, Comparison figures for earlier years than 2012 have not been corrected to present earnings from discontinued operations separately, 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,

2014: RECORD HIGH EARNINGS, AGAIN

Columbus continued the progress and for the second year in a row delivered the best result in the Company's history. EBITDA[3] amounted to DKK 81.6m, corresponding to a growth of 13%. Net result after tax grew by 142% to DKK 52.7m.

For Columbus, 2014 was a year dominated by positive development. The customers' need for replacing old legacy systems with modern integrated real-time and social solutions, their focus on optimizing core business processes and the interest in investigating new digital trends, have dominated market demands.

In 2014, Columbus invested in extending our industry offerings. With the acquisition of Omnica and Dynamics Anywhere, Columbus added e-commerce and mobile business solutions to our industry software portfolio.

Additionally, we have reached important milestones in improving quality in customer projects and optimizing processes in our services organization. This has resulted in a more profitable services business.

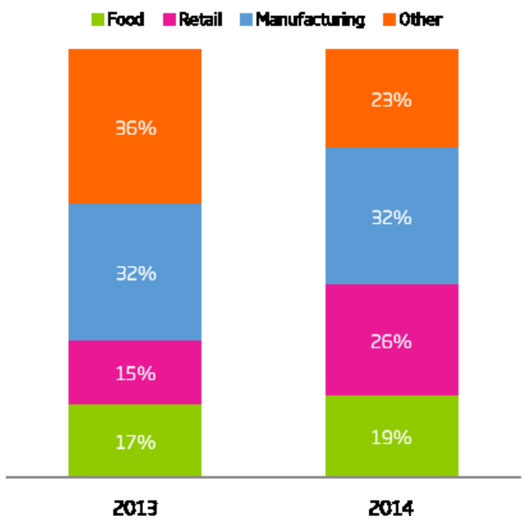
Despite challenges in the Norwegian and US subsidiaries and the decrease in Russian rubles, Columbus improved EBITDA in line with expectations. Further, the net result after tax of DKK 52.7m is the best result in the Company's 25-year history.

Customers seek industry professionals

Customers want to engage with business partners who address their specific needs and challenges. Columbus' focus on industry solutions and knowledge within our key industries manufacturing, retail and food, has strengthened our position in the market.

In 2014, revenue from Columbus' industry solutions in manufacturing, food and retail increased from 64% to 77%, which is in line with our expectations.

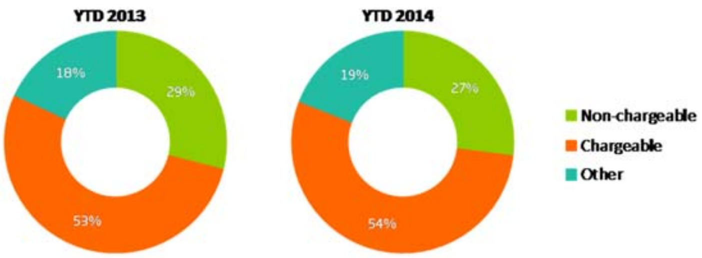
All industry solutions grew, however manufacturing is still our leading industry with 32% of the total revenue. The success is primarily due to the sale of Columbus RapidValue and our Advanced Discrete Manufacturing software, which are some of our strongest software products. Industry solutions for retail also grew considerably, which is primarily due to the acquisition of Omnica.



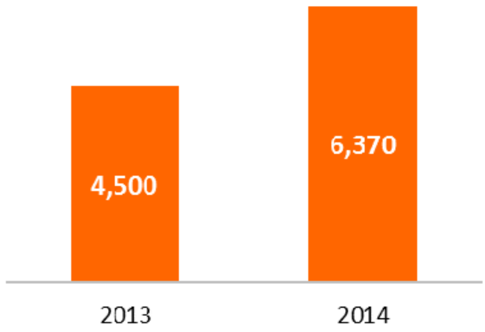
Development in revenue from our industry solutions

[3] EBITDA before share-based payment

Improvement in the consultancy business



Days of customer work from GDC



Strong improvement in the services business
Columbus continuously focuses on increasing earnings in the services business by improving risk management, project management and resource allocation.

Improved project management increases customer satisfaction while ensuring higher earnings; Customers benefit from improved project management resulting in completion of projects at the agreed deadline, quality and price while minimizing non-chargeable hours.

In 2014, we gained strong improvement in the services business. Service revenue grew by 5.2%. Productivity also increased, and consequently chargeable hours increased from 53% to 54%, reducing customer free work by almost 7,000 hours. The progress in the services business is 1 percentage point lower than expected but is impacted by the decline in Columbus US and Columbus Norway.

Increased capacity in Columbus' Global Delivery Center
The optimization and expansion of Columbus' Global Delivery Center in India continued as planned. In 2014, we welcomed 28 team members, adding up to 97 highly skilled consultants.

During the year, the team has worked on more than 190 customers and has delivered 6,370 days of customer work. This is an increase of 41.6% and a very satisfying result.

Columbus' support offering, ColumbusCare has shown good progress. In 2014, we welcomed 68 new ColumbusCare customers.

Expanding our business
Columbus follows an acquisition strategy targeting of companies within our key industries and in selected geographical regions. In 2014, Columbus acquired two companies: In January, we acquired Omnica, a leading retail consultancy based in the UK. In November, we acquired Dynamics Anywhere, a mobility software company based in Holland.

The integration of the two companies are progressing as planned.

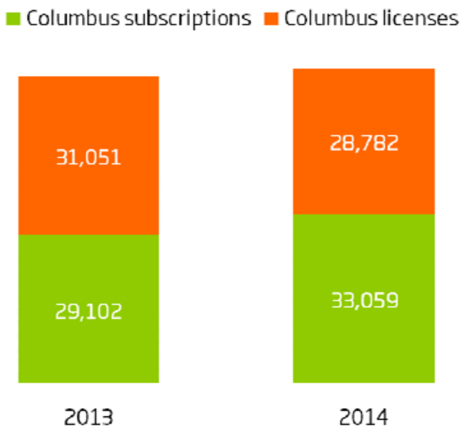
Acceleration of Columbus Software portfolio
Columbus constantly develops and improves software solutions to our key industries. Columbus' new software within e-commerce comprises the products ColumbusWebstore and ColumbusMCR. These products meet the increasing demand from customers, who want to reap the business opportunities within e-commerce.

With the acquisition of Dynamics Anywhere, Columbus has added a number of mobile applications to our offerings, which support critical business processes in enterprises.

Further, Columbus RapidValue was enhanced with RapidValue Interact, which is a social business process management application that provides personalized visibility of process models and content, and acts as a platform for social interaction between colleagues.

Columbus Software is sold through Columbus' companies and through the partner network via Columbus' software development Company, To-Increase. Revenue from Columbus Software consist partly of software licenses and sale of software subscriptions. In 2014, Columbus Software sales increased by 3%.

The overall development in sale of Columbus Software is below our expectations but is significantly impacted by the lack of sales execution in Columbus US. Consequently, group management are currently executing plans to improve the quality of sales execution.



Development in sale of Columbus Software

Increased earnings in Russia despite decrease in Russian rubles

In Columbus Russia, products sales decreased by 47.0%, primarily due to discontinued sale of low margin third party software. However, a strong focus on optimizing the efficiency in the services business has resulted in a corresponding growth in services revenue. This is a very strong performance and a shift away from the dependency on sale of third party software.

As Columbus generally operates in local currency regarding revenue and costs, the decrease in Russian rubles did not have a significant effect on the group results.

Income statement

Columbus' net revenue amounted to DKK 878.3m in 2014 (2013: DKK 879.8m), which is at the same level as last year. In local currency, revenue increased by 2%.

Revenue was affected by significant growth in our Western European businesses, partly affected by the acquisition of Omnica 31 January 2014. Eastern Europe delivered a strong improvement in service revenue of 13.0%. However, the total revenue in Eastern Europe declined primarily due to the discontinuation of sales of licenses with low margins, but was

	Revenue (DKKm)		EBITDA (DKKm)		Average headcount	
	2014	2013	2014	2013	2014	2013
To-Increase	47.4	33.7	34.5	27.4	61	45
Western Europe	523.3	493.4	52.8	51.6	411	358
Eastern Europe	157.8	178.9	16.3	15.5	283	284
North America	149.6	174.0	1.4	18.1	119	140
Parent company	0.2	-0.2	-26.2	-42.4	15	15
Total	878.3	879.8	78.7	70.1	889	842

also affected by the decline in the Russian ruble. North America suffered from the lack of sales execution and therefore experienced a decline in both software and consultancy revenue.

Revenues	2014 DKKm	2013 DKKm	Development 2013-2014
Columbus licenses	28.8	31.1	-7%
Columbus subscriptions	33.1	29.1	14%
External licenses	73.9	88.3	-16%
External subscriptions	124.4	140.3	-11%
Consultancy	596.9	567.6	5%
Other	21.3	23.5	-10%
Total	878.3	879.8	0%

Staff costs increased to DKK 479.5m in 2014 (2013: DKK 478.2m), corresponding to an increase of only 0.3%. In local currency, the increase was 3%. The development in staff cost is in line with our expectations. Staff costs were affected by higher consultancy revenue and acquisition of both Omnica and Dynamics Anywhere during 2014. The lower activity in US and Norway reduced the commission payments and therefore lowered the staff cost. Average numbers of employees grew to 889 in 2014 (2013: 842).

Other external costs increased to DKK 117.0m in 2014 (2013: DKK 116.1m), corresponding to a 0.7% increase. The development is in line with expectations.

Earnings before depreciation (EBITDA) and share-based payment increased to DKK 81.6m in 2014 (2013: DKK 72.1m), corresponding to an increase of 13.2%.

Tax on total income for the year and regulation of deferred tax in the Group amounted to a net cost of DKK -6.0m (2013: DKK -9.3m).

The net result amounted to a profit of DKK 52.7m (2013: DKK 21.7m). Management considers the result of 2014 as satisfactory.

Balance sheet

Goodwill amounted to DKK 198.6m as of 31 December 2014 (2013: DKK 167.7m). Acquisitions of Dynamics Anywhere, Omnica and Columbus CoMakeIT India Pvt. Ltd have increased the goodwill by DKK 26.4m.

Trade receivables amounted to DKK 144.1m as of 31 December 2014 (2013: DKK 138.9m), corresponding to an increase of 3.7%. A strong closing of 2014 in Western Europe increased our total trade receivables at year-end.

Contract work in progress amounted to DKK 39.8m as of 31 December 2014 (2013: DKK 51.1m), corresponding to a decline of 22%. The continuous decline is a direct result of our focus on faster invoicing, risk and project management.

The total equity amounted to DKK 330.1m at year-end 2014 (2013: DKK 284.0m). The equity ratio increased to 59.2% as of 31 December 2014 compared to 58.0% at year-end 2013. The Board of Directors proposes a dividend payment of 10% of the nominal share capital to be adopted at the General Meeting.

Latest developments

There have been no events since 31 December 2014, which could significantly affect the evaluation of the Group's financial position and revenue. Earnings in January and February 2015 are in line with the Company's expectations.

As of 2 February 2015, Columbus has acquired the consultancy InterDyn BMI in USA. The acquisition strengthens the Groups focus on industry solutions and improves our market position in addition to our existing US activity. The acquisition is expected to contribute to the Group revenue in the level of DKK 180m in 2015 and contribute with EBITDA in the level of DKK 8m.

EXPECTATIONS FOR 2015

Entering the final year of the Columbus*15* strategy, Columbus stands strong. With a profitable and more agile ERP business, Columbus has a solid platform to increase both revenue and EBITDA in 2015. The group expect revenue in the level of DKK 1bn and EBITDA[4] in the level of DKK 90m.

The digital impact is profound for all businesses
Changes in technology impact businesses, in all industries, all sizes and in all stages of the value chain. Technology will become an even more essential part of the core business and so profound that all businesses, from the smallest family business to the largest multinational businesses, need to consider the impact and execute accordingly in order to stay competitive.

According to the technology research company, Gartner, the top five CEO technology investments in the next five years will be around digital marketing, e-commerce, customer experience management, business analytics and cloud business[5].

The trends in the consumer market have a direct impact on businesses. More and more companies will adopt e-commerce or web channel to their businesses, being the primary way they sell and communicate with customers, partners and employees. According to the technology research company, Gartner, the top five CEO technology investments in the next five years will be around digital marketing, e-commerce, customer experience management, business analytics and cloud business[4]. ERP-systems will increasingly be extended with customer-facing functions like e-commerce capabilities and mobile business solutions in order to strengthen and increase customer engagement.

Columbus is, with a strong position in the ERP market and a growing business within e-commerce, cloud and mobility, well positioned to help our customers succeed in the new digital age.

Talented employees are the key to success
Columbus' most important asset is our employees. We are a people business and the competencies, knowledge and engagement of our employees are essential to Columbus' success. We therefore aim to attract, retain and develop the best employees in the industry.

Therefore, we invest a large amount in education and training of our people each year, and in 2015, we will continue training people in RapidValue – our business process tool and Sure-Step+ – our global implementation methodology and refine our sales and consulting skills accordingly.

Further, we have enrolled all employees in our global "Competence and Career Framework" (CCF), and we have implemented uniform compensation levels globally. In 2015, we will continue to refine and develop these programs.

[4] EBITDA before share-based payment

[5] Source: Gartner, CEO Concerns 2014: Business Gets Digital

Recovery of US and Norway

In 2014, Columbus faced challenges in our US and Norwegian subsidiaries, and we are currently executing recovery plans for both subsidiaries in order to get them back on track. We expect both subsidiaries to recover gradually during 2015. In Norway, we recently appointed a new Country Manager with great experience within sales, marketing and consulting, who will join Columbus in the spring 2015.

Following closure of the 2014 financial year, Columbus acquired a leading US consultancy, InterDyn BMI. The company has 125 employees and increased the Columbus footprint in the US to 23 offices.

The final year of the Columbus*15* strategy

Columbus has entered the final year of the Columbus*15* strategy. We call the last year of Columbus*15*, "The Sprint", as we are approaching the finishing line of our four-year strategy.

Columbus' strategy has proven to be a success and we have come much closer to our goal of transforming our business from being an IT company to becoming a global consultancy with development and sale of our own software to selected industries.

While being 100% focused on executing and reaching our goals of Columbus*15*, we will start preparing for the journey beyond 2015 that will take Columbus to the next level.

Specific targets for 2015:

- Maintain revenue from industry solutions above 75% of total revenue.
- Increase the revenue of Columbus Software to DKK 80m.
- Increase delivery center capacity in our Global Delivery Center to 125 consultants.
- Increase the number of chargeable hours to 55% by optimizing resource allocation and project management and focusing on risk management.
- Revenue in the level of DKK 1bn
- EBITDA[6] in the level of DKK 90m

Revenue guidance is in line with the long-term expectations announced in November 2013. However, due to the operational challenges in Columbus US and Columbus Norway, we lower the EBITDA long-term guidance from the level of DKK 100m to the level of DKK 90m.

[6] EBITDA before share-based payment

Columbus' strategy has proven to be a success and we have come much closer to our goal of transforming our business from being an IT company to becoming a global consultancy with development and sale of our own software to selected industries.

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 is 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, 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 should they arise.

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 Board of Directors evaluate 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, investments, 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, investments and 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.

RISK ISSUES AND ACTIONS

Access to Microsoft's products	Columbus' business foundation is to a wide extent 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	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. 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.
Project and contract risks	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. 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.
Insurance	The Company's insurance policy sets the overall guidelines for the scope and management of the Company's risks in terms of insurance. 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.
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	A considerable part of Columbus' revenue is invoiced in currencies other than DKK. Other currencies are mainly GBP, RUB, NOK and USD. In relation to 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. Despite this, greater fluctuations in the most important currencies will have an influence on the financial position as well as the competitive ability. With the increased fluctuation in currencies and increased earnings in foreign entities, the currency risk has increased during 2014. The financial instruments in foreign currencies are all essentially composed of receivables and debt, as well as bank deposits. The Group has not entered into any forward exchange transactions.
Credit risk	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. 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.
Cash flow risk	Columbus ensures the necessary cash flow through cash management and tight local monitoring of cash flow in subsidiaries.

CORPORATE GOVERNANCE

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, customers, employees, authorities, as well as other interested parties. In this process, Columbus uses the corporate governance recommendations from NASDAQ Copenhagen A/S as an important source of inspiration. The recommendations can be found at www.corporategovernance.dk.

The Board of Directors is fundamentally in compliance with the Danish Recommendations on Corporate Governance as adopted by NASDAQ Copenhagen in its Rules for Issuers of Shares. Columbus endeavors to follow the relevant recommendations for the Company, which support the business and ensure value for the Company's interested parties.

In the statutory report on Corporate Governance, cf. section 107b of the Financial Statements Act., Columbus fulfils the obligation either by complying with the recommendations or by explaining the reasons for non-compliance. The statutory report also contains a detailed description of Columbus' management structure, including the responsibilities and authorizations of the Board of Directors and the Executive Board.

The statutory report is available at the Company's website: www.columbusglobal.com/Investor/Corporate_Governance/Statutory_report

Key developments in 2014

Diversity

In 2013 Columbus determined the following targets for the gender distribution in Columbus:

- Obtain a distribution of both genders in the Board of Directors in Columbus of minimum 40% in 2017
- Obtain a distribution of both genders at management level of minimum 20% in 2015 in Columbus globally

In 2014 the only female Board member left the Board of Directors. In this relation, the Board of Directors assessed that the composition and competencies of the Board of Directors with the remaining four Board members is such that constructive discussions and efficient decision-making process can be ensured during Board meetings. Thus, the female Board member was not replaced in 2014.

Diversity will be discussed in connection with assessments of new Board candidates. However, this goal must not compromise other recruitment criteria.

The target of minimum 40% women in the Board of Directors by the end of 2017 is maintained.

At management level, the diversity target of 20% women by the end of 2015 was met in 2014.

Columbus' updated targets and action plan for more female managers is available on the Company's website: www.columbusglobal.com/Investor/Corporate_Governance/Targets_and_action_plan


Gareth Williams, Columbus UK


Dmitry Kanakov, Columbus RU

Dialogue with shareholders and other stakeholders

Columbus endeavors to continuously enhance the open and active dialogue with shareholders and other stakeholders. Thus, in 2014, Columbus started hosting conference calls after publication of financial statements. The calls can be followed directly via the Company's website, and webcasts are available at the website after the conference calls. During these conference calls participants have the opportunity to ask questions to the Group management.

Evaluation of the performance of the Board of Directors and the Executive Board

The Chairman of the Board is responsible for conducting an annual evaluation of the performance of the Board of Directors and the Executive Board.

In June 2014 Columbus' Board of Directors performed an evaluation of the competencies of the Board of Directors, the cooperation between the Board of Directors and the Executive Board and the work and results of the Board of Directors and the Executive Board, including the areas operation, finance, strategy, organization and management.

The results of the evaluation were discussed by the Board. Based on the evaluation, it was concluded that the work of the Board of Directors and Executive Board is efficient, and that the composition of the Board of Directors is appropriate in terms of professional experience and relevant special competences to perform the tasks of the Board of Directors.

CORPORATE SOCIAL RESPONSIBILITY

Columbus' Corporate Social Responsibility report is prepared in accordance with the Danish Financial Statements Act, section 99 a.

Transparency and credibility

In Columbus, we are committed to show complete openness towards customers, employees, shareholders, suppliers and other stakeholders. It is essential that their understanding of our services and products is accurate, updated and truthful. Therefore, there is no incongruence between what we communicate within the Company and what we communicate externally. Among other things, we show this by adding our internal newsletters to employees on our website, where they are publicly available.

Anti-corruption

We will not tolerate corruption, money laundering, bribery or other illegal or unethical business activity. Our performance and competitiveness are strengthened solely through lawful conduct. The Group's anti-corruption position has been clearly communicated to all subsidiaries. Furthermore, we have implemented Columbus Authorization and Risk Management Rules (CARMR), which encompasses rules on the authorization hierarchy and ensures the senior management's and/or the Board's involvement in major contracts and investments.

Multiplicity and non-discrimination

All employees in Columbus are carefully selected based on professional competencies without regard to religion, race, skin colour, disability, gender, age or sexual or political orientation. We regard multiplicity as a strength and we will not tolerate discrimination or harassment.

Taking care of employees

In Columbus, we want to attract the most competent employees and we wish to retain them. Therefore, we strive to create a healthy and safe work environment. In addition, we aim to create high quality and stimulating working conditions for all employees globally. This is ensured through policies in our employee well-being handbooks as well as our competence development program, Columbus Competence and Career Framework and our monthly employee satisfaction survey, Heartbeat.

As a fundamental aspect of our operation, all employees are encouraged to participate in teamwork and share knowledge across borders.

Our CSR focus in 2014

In 2014, we continued the focus on employees' working conditions as our main CSR effort. The employee handbooks in our subsidiaries cover local policies on working conditions, employee well-being and employee development. In our CSR efforts, we have focused on current initiatives, which apply to all employees globally.

Employee development

In 2014, we implemented our Columbus Competence and Career Framework, which is a program designed to ensure a targeted and structured effort on our employees' competence and career development. In addition, all our consultants globally have been certified in our unique business concepts such as SureStep+, Columbus RapidValue and other technologies and methodologies.


Mountain biking team, Columbus Estonia


Jesper Gaihede, Columbus A/S

Employee well-being
We measure the employee satisfaction globally each month, with a survey called Heartbeat. The purpose of Heartbeat is to continuously improve the employee satisfaction in Columbus. Our goal is also to continue to increase the response rate of Heartbeat, and in 2014, we achieved an average response rate of 84%.

Employee recognition
In Columbus, we are proud of our many talented employees, and therefore we launched the portal Faces of Columbus in 2012, where all employees are encouraged to share portraits of themselves. This is of course entirely voluntary. We use the pictures in both our internal and external communications. We have launched an annual awards program, Columbus Awards, which on a global level celebrates and recognizes teams in Columbus who have made a special effort delivering extraordinary performances to our customers. The teams and subsidiary receive special internal recognition and certificates for their exceptional performance.

Employee dialogue
We strive to grow dialogue with our employees and dialogue between employees in Columbus across borders in order to strengthen our community. Our global social and digital forum, Yammer, is a central point of communication where all employees have the opportunity to debate with each other, ask questions, post inspirational messages and follow each other's achievements. Yammer facilitates an informal dialogue between employees, teams and management.

Each month, we publish a global newsletter, with the purpose of communicating our common goals, giving updates on the business and acting as inspiration and motivation for employees.

Social commitment in subsidiaries
It is important for Columbus to be involved in charity work. In 2014, Columbus supported several charitable organizations and some of our subsidiaries have started their own local initiatives to raise money for charity.

United Nations Global Compact
In 2012, we joined the United Nations Global Compact to show internally and externally, that we support and enact ten general principles of corporate social responsibility. These principles are based on internationally recognized conventions on human rights, labour standards, environment and anticorruption.

Each year we will evaluate our CSR efforts and report this to United Nations Global Compact.

Columbus' CSR report for 2014 is available here:

www.columbusglobal.com/Investor/Corporate_Governance/CSR_report_2014

In 2012, we joined the United Nations Global Compact to show internally and externally, that we support and enact ten general principles of corporate social responsibility. These principles are based on internationally recognized conventions on human rights, labour standards, environment and anticorruption.

THE BOARD OF DIRECTORS AND EXECUTIVE BOARD

Board of Directors

Ib Kunøe

Born 1943
Chairman of the Board
Member of the Board since 2004, re-elected in 2014, term expires 2015
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, DAN-Palletiser A/S, DAN-Palletiser Holding A/S, Netop Solutions A/S, Iteo Consulting AS, X-Yacht A/S, X-Yacht Holding A/S, Sparresholm Jagtselskab ApS and Freemantle Ltd.

Member of the Board for:
Atrium Partner A/S

Special competencies:
Company management, including management of IT companies, development of and dealing with companies

Ownership in Columbus A/S	Number	Changes in fiscal year
Shares	56,658,055	120,000
Options	0	0
Warrants	60,000	120,000

Jørgen Cadovius

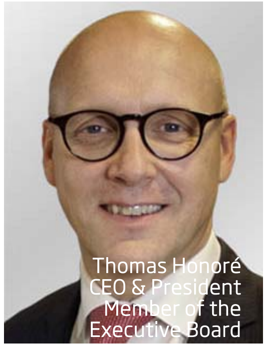
Born 1945
Deputy Chairman of the Board
Member of the Board since 2004, re-elected in 2014, term expires 2015
Solicitor
Fulfills the Committee of Corporate Governance definition of independency

Chairman of the Board for:
Frese Holding ApS and its three subsidiaries, John Olsen Holding ApS and its six subsidiaries, Inter Express Transport A/S, Rosenkæret ApS and J. K.. C. Trading & Invest ApS.

Member of the Board for:
Jørgen Schultz Holding A/S, Theodor Lund & Petersen Holding A/S, Carliis ApS and Monark Automotive GmbH.

Special competencies:
General management, legal and company law

Ownership in Columbus A/S	Number	Changes in Fiscal year
Shares	410,000	204,000
Options	0	0
Warrants	60,000	120,000



Sven Madsen

Born 1964
Member of the Board since 2007, re-elected in 2014, term expires 2015
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:
CHV IV A/S and CHV III A/S

Member of the Board for:
Atea ASA, Consolidated Holdings A/S, core:workers AB, core:workers Holding A/S, core:workers A/S, X-Yachts A/S, X-Yachts Holding ApS, Netop Solutions A/S, Ejendomsaktieselskabet af 1920 A/S, DAN-Palletiser Holding A/S, DAN-Palletiser A/S, DAN-Palletiser Finans A/S, Northern Link PR ApS and Columbus NSC A/S.

Special competencies:
General management, M&A, business development, economic and financial issues.

Ownership in Columbus A/S	Number	Changes in fiscal year
Shares	528,529	120,000
Options	0	0
Warrants	60,000	120,000

Peter Skov Hansen

Born 1951
Member of the Board since 2012, re-elected in 2014, term expires 2015
Completed State Authorized Public Accountant education in 1980, registered as non-practicing
Chairman of the Audit Committee
Fulfills the Committee of Corporate Governance definition of independency

Member of the Board for:
X-Yachts Holding ApS, X-Yachts A/S, Netop Solutions A/S and Robotek Gruppen A/S

Special competencies:
Business development and financial, accounting and tax related issues

Ownership in Columbus A/S	Number	Changes in fiscal year
Shares	160,000	120,000
Options	0	0
Warrants	60,000	120,000

Executive Board

Thomas Honoré

Born 1969
Joined as CEO & President in May 2011

Ownership in Columbus A/S	Number	Changes in fiscal year
Shares	1,555,997	1,299,999
Options	0	0
Warrants	915,200	1,299,999

SHAREHOLDER INFORMATION

Shareholder information

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

At the end of 2014, the price of the Columbus A/S share was DKK 4.70, while at the end of 2013 it was DKK 3.80 – an increase of 23.68% (2013: 124.85%).

Share price development

In 2014, a total of 39.4m shares were sold corresponding to 35.7% of the total number of shares at the end of 2014 (2013: 33.0%). The average revenue per business day in 2014 was DKK 0.76m (2013: DKK 0.38m).

The Company's market value amounted to DKK 518.2m at the end of 2014 against DKK 403.7m at the end of 2013.

Share capital

At the end of 2014 the share capital in Columbus A/S comprised of 110,264,492 shares at DKK 1.25 corresponding to nominal share capital of DKK 137,830,615 (2013: 106,234,493 shares at DKK 1,25, corresponding to nominal share capital of DKK 132,793,116).

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 2014 Columbus A/S had 5,283 registered shareholders, which together owned 96.57% of the total share capital.

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

	No. of shares	%
Consolidated Holdings A/S	56,538,055	51.27

Members of Columbus A/S' Board of Directors and Executive Board owned in total 53.79% of the share capital at the end of 2014.

Dividends

The Company's dividend policy is to distribute dividend of minimum 10% of the nominal share capital each year, corresponding to DKK 0.125 per share. Besides, the Board of Directors may decide to propose to the General Meeting that this dividend be supplemented with an extraordinary dividend for a specific fiscal year.

However, it is decisive for Columbus to reduce debts and improve financial resources in order to be able to seize any positive development opportunities for continued strengthening of the long-term value creation for the Company. The Board of Directors may therefore decide to deviate from the dividend policy and propose to the General Meeting that dividend is not distributed for a specific fiscal year.

Rachelle Enemark Christensen, Columbus Denmark


Christina Borge, Columbus Norway

The Board of Director proposes that the Annual General Meeting adopts ordinary dividends to shareholders of 10% of the nominal value in line with the dividend policy.

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 open and active dialogue with shareholders, share analysts, the press and the public in order to ensure the necessary insight and thereby the best possibility to evaluate the Company. This will be obtained in accordance with rules and legislation for companies listed on NASDAQ OMX Copenhagen and in accordance with Columbus' Investor Relations and Information policy. 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.

Columbus hosts a conference call after publication of financial statements. The call and presentations can be followed directly via the Company's website.

Analysts

The Danish share analyst, Aktieinfo, covers Columbus and four times a year they publish a share analysis with recommendations about the Columbus share based on the Company's results and factors that may influence the Company's business and future share price development.

Contact

The CFO handles the daily contact with investors and analysts:

Columbus
Lautrupvang 6
2750 Ballerup
Tel: +45 7020 5000
Contact person: CFO, Hans Henrik Thrane
Email: hht@columbusglobal.com

General Meeting

The Company's Annual General Meeting will be held on 23 April 2015 at 10.00 a.m. on the Company's address at: Lautrupvang 6, 2750 Ballerup.

Development in share capital

Development in share capital in Columbus A/S since 1 January 2014	Capital increase (DKK nom.)	Total share capital (DKK nom.)	No. of shares of DKK 1.25 (nom)
Capital increase 4 April*	5,037,498.75	137,830,615	110,264,492

* Capital increase as a consequence of the exercise of warrants by members of the Board of Directors, Executive Board and a number of senior executives. The warrants were granted as part of the Company's warrant program. The subscription price for the new shares is DKK 1.43 for 380,000 shares, DKK 1.48 for 1,420,000 shares, DKK 2.14 for 930,000 shares and DKK 2.45 for 1,299,999 shares .

NOTIFICATIONS TO NASDAQ COPENHAGEN

2014

1	13 January	Columbus upgrades earnings expectations for 2013
2	31 January	Columbus acquires Retail consultancy
3	13 March	Invitation to Columbus webcast and conference call 18 March 2014
4	18 March	Annual Report 2013
5	18 March	Columbus delivers record high earnings
6	24 March	Notice to convene Annual General Meeting
7	26 March	Trading in Columbus A/S shares by insiders
8	2 April	Columbus issues new shares as a result of warrant exercise
9	2 April	Subscription for shares by exercising of warrants
10	2 April	Capital increase registered - new articles of association
11	15 April	Trading in Columbus A/S shares by insiders
12	22 April	Invitation to Columbus webcast and conference call 25 April 2014
13	25 April	Interim management statement Q1 1014
14	25 April	Passing of Annual General Meeting and subsequent constitution of the Board of Directors
15	25 April	Columbus distributes dividend
16	1 May	Amendment of Articles of Association
17	6 June	Incentive Scheme
18	10 June	Amendment of Articles of Association
19	28 July	Merger plan for Columbus A/S and Columbus Danmark A/S
20	13 August	Invitation to Columbus webcast and conference call 15 August 2014
21	15 August	Columbus A/S interim report H1 2014
22	15 August	Significant improvement in net result in first half 2014
23	20 August	Trading in Columbus A/S shares by insiders
24	22 August	Trading in Columbus A/S shares by insiders
25	22 August	Trading in Columbus A/S shares by insiders
26	10 September	Merger of Columbus A/S and Columbus Danmark A/S
27	3 October	Columbus acquires leading mobility software company
28	20 October	Amendment of Articles of Association
29	31 October	Invitation to Columbus webcast and conference call 4 November 2014
30	4 November	Interim management statement Q3 2014
31	4 December	Financial calendar 2015

Financial calendar

Interim Management Statement Q1	23 April 2015
Interim Report 2014	20 August 2015
Interim Management Statement Q3	3 November 2015

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

GROUP OVERVIEW

Company	Country	Ownership by Columbus A/S,%	Columbus A/S's share of voting right,%	Average no. of employees
Columbus A/S	Denmark			180
Subsidiaries				
Western Europe				
Columbus NSC A/S	Denmark	100	100	33
Columbus Norway AS	Norway	100	100	96
Columbus Global (UK) Ltd	England	100	100	118
Omnica Ltd	England	100	100	0
To-Increase B.V.	Netherlands	100	100	61
To-Increase Holding	Netherlands	100	100	0
Eastern Europe				
ZAO Columbus IT Partner	Russia	100	100	137
OOO Columbus IT Partner	Russia	100	100	12
Columbus IT Partner Ukraine	Ukraine	100	100	1
Columbus IT Partner Kazakhstan	Kazakhstan	100	100	2
Columbus IT Partner (Russia) Ltd.	Cyprus	100	100	0
UAB Columbus Lietuva	Lithuania	100	100	53
Columbus Eesti AS	Estonia	51	51	53
Columbus IT Partner SIA *	Latvia	33	33	24
North America				
Columbus US Inc.	USA	100	100	119
Asia				
Columbus CoMakeIT India Pvt. Ltd.	India	100	100	**

Note: The overview only contains the Group's operative companies.
* Columbus Eesti AS owns 63% of Columbus IT Partner SIA. Columbus 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 Eesti AS.

**Employees in Columbus CoMakeIT India Pvt. Ltd. are allocated to the other individual subsidiaries.

MANAGEMENT REPORT

The Board of Directors and the Executive Board have today considered and approved the Annual Report of Columbus A/S for the financial year 1 January 2014 – 31 December 2014.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU, and the financial statements of the parent company have been prepared in accordance with the Danish Financial Statements Act. In addition, the Annual Report has been prepared in accordance with Danish disclosure requirements for listed companies.

In our opinion, the accounting policies applied to be appropriate to the effect that the Annual Report gives a true and fair view of the Group's assets, liabilities and financial position at 31 December 2014, and of the results of the Group's operations and cash flows during 2014.

We consider the annual report to give a true and fair view of the development in the Group's business activities and financial situation, the financial result for the period and the Group's financial position as a whole together with a true and fair description of the significant risks and uncertainty factors which the Group faces.

We recommend the annual report for adoption at the annual general meeting.

Ballerup, 17 March 2015

Executive Board

Thomas Honoré
CEO

Board of Directors

Ib Kunøe	**Jørgen Cadovius**	**Peter Skov Hansen**	**Sven Madsen**
Chairman	Deputy Chairman		

INDEPENDENT AUDITOR'S REPORTS

To the shareholders of Columbus A/S

Report on the consolidated financial statements and parent financial statements

We have audited the consolidated financial statements and parent financial statements of Columbus A/S for the financial year 01.01.2014 - 31.12.2014, which comprise the consolidated statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including the accounting policies, for the Group as well as for the Parent. The consolidated financial statements and parent financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

Management's responsibility for the consolidated financial statements and parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies and for such internal control as Management determines is necessary to enable the preparation and fair presentation of consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the consolidated financial statements and parent financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements and parent financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and parent financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the consolidated financial statements and parent financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements and parent financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as the overall presentation of the consolidated financial statements and parent financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the consolidated financial statements and parent financial statements give a true and fair view of the Group's and the parent's financial position at 31.12.2014, and of the results of their operations and cash flows for the financial year 01.01.2014 - 31.12.2014 in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

Statement on the management commentary

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the consolidated financial statements and parent financial statements.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the consolidated financial statements and parent financial statements.

Copenhagen, 17 March 2015

Deloitte
Statsautoriseret Revisionspartnerselskab

Anders O. Gjelstrup	**Christian Sanderhage**
State Authorised Public Accountant	State Authorised Public Accountant

Financial Statements

STATEMENT OF COMPREHENSIVE INCOME

DKK ´000	Note	Group 2014	Group 2013	Parent Company 2014	Parent Company 2013
Net revenue	4	878,291	879,805	215,427	211,735
External project costs		-204,491	-216,278	-59,298	-63,375
Gross profit		**673,800**	**663,527**	**156,129**	**148,360**
Staff expenses and remuneration	5	-476,614	-476,207	-130,645	-129,825
Other external costs		-117,004	-116,145	-33,768	-34,852
Other operating income		1,440	914	24,911	20,529
Other operating costs		-31	-5	0	-17,229
EBITDA before share-based payment		**81,591**	**72,084**	**16,627**	**-13,017**
Share-based payment	5	-2,887	-1,960	765	-1,960
EBITDA		**78,704**	**70,124**	**17,392**	**-14,977**
Depreciation	9, 10	-25,811	-25,352	-4,227	-4,515
Earnings before write down of goodwill (EBITA)		**52,893**	**44,772**	**13,165**	**-19,492**
Write down of goodwill	9, 11	0	0	0	0
Operating profit (EBIT)		**52,893**	**44,772**	**13,165**	**-19,492**
Results in subsidiaries		0	0	14,776	43,765
Results in associates	13	0	-4,109	0	0
Financial income	6	6,371	190	8,840	2,510
Financial expense	6	-564	-4,123	-554	-2,861
Pre-tax earnings, continuing operations		**58,700**	**36,730**	**36,227**	**23,922**
Tax on result for the year, continuing operations	7	-6,003	-9,334	-3,702	-1,034
Result for the year, continuing operations		**52,697**	**27,396**	**32,525**	**22,888**
Result for the year, discontinued operations	12	**0**	**-5,662**	**0**	**0**
Result for the year		**52,697**	**21,734**	**32,525**	**22,888**
Foreign exchange adjustments of subsidiaries		-2,189	-3,525	0	0
Other comprehensive income		**-2,189**	**-3,525**	**0**	**0**
Total income for the year		**50,508**	**18,209**	**32,525**	**22,888**
Allocated to:					
Shareholders in Columbus A/S		50,822	18,597		
Minority interests		1,875	3,137		
		52,697	**21,734**		
Other comprehensive income allocated to:					
Shareholders Columbus A/S		48,644	15,072		
Minority interests		1,864	3,137		
		50,508	**18,209**		
Earnings per share of DKK 1.25 (EPS)	8	0.46	0.18		
Earnings per share of DKK 1.25, diluted (EPS-D)	8	0.45	0.17		
Result of continuing operations per share of DKK 1.25 (EPS)	8	0.48	0.26		
Result of continuing operations per share of DKK 1.25, dilluted (EPS-D)	8	0.47	0.25		

BALANCE SHEET

DKK ´000	Note	Group 2014	Group 2013	Parent Company 2014	Parent Company 2013
ASSETS					
Goodwill		198,622	167,705	45,003	45,003
Other intangible assets		2,568	1,446	0	892
Development projects finalized		46,970	43,288	70	510
Development projects in progress		1,233	3,593	0	0
Intagible assets	9	**249,393**	**216,032**	**45,073**	**46,405**
Leasehold improvements		148	781	0	0
Plant and operating equipment		8,500	8,873	4,650	6,269
Tangible assets	10	**8,648**	**9,654**	**4,650**	**6,269**
Investments in subsidiaries	11	0	0	180,307	175,519
Investments in associates	13	0	0	0	0
Financial assets		**0**	**0**	**180,307**	**175,519**
Deferred tax assets	7	19,400	19,418	7,057	10,824
Total long-term assets		**277,441**	**245,104**	**237,087**	**239,017**
Inventories		270	40	0	0
Trade receivables	14	144,091	138,929	40,690	38,504
Contract work in progress	15	8,491	9,471	619	1,253
Receivables from subsidiaries	16	0	0	93,399	63,143
Corporate tax	7	4,106	40	0	40
Other receivables		8,024	5,232	4,207	2,020
Prepayments		8,777	9,478	2,843	1,941
Receivables		**173,488**	**163,150**	**141,758**	**106,901**
Cash		99,018	75,410	28,808	17,440
Total short-term assets		**272,777**	**238,600**	**170,566**	**124,341**
TOTAL ASSETS		**550,218**	**483,704**	**407,653**	**363,358**

BALANCE SHEET

		Group		Parent Company	
DKK ´000	Note	2014	2013	2014	2013
EQUITY AND LIABILITIES					
Share capital	17	137,831	132,793	137,831	132,793
Reserves on foreign currency translation		-12,693	-10,680	0	0
Retained profit		186,980	144,940	196,431	172,523
Proposed dividends		13,783	13,279	13,783	13,279
Group shareholders equity		**325,901**	**280,332**	**348,045**	**318,595**
Minority interests		4,233	3,646	0	0
Equity		**330,134**	**283,978**	**348,045**	**318,595**
Deferred tax	7	281	74	0	0
Provisions		5,172	121	241	121
Debt to credit institutions		0	6	0	0
Other liabilities	18	1,270	1,270	1,270	1,270
Non-current liabilities		**6,723**	**1,471**	**1,511**	**1,391**
Debt to credit institutions		6	2,385	0	0
Debt to subsidiaries		0	0	5,656	887
Client prepayments		19,542	14,946	2,121	4,048
Trade accounts payable		58,620	52,694	21,546	14,491
Corporate tax	7	7,430	5,235	0	0
Other liabilities	18	102,399	103,704	27,404	23,233
Accruals		25,364	19,291	1,370	713
Current liabilities		**213,361**	**198,255**	**58,097**	**43,372**
Total liabilities		**220,084**	**199,726**	**59,608**	**44,763**
TOTAL EQUITY AND LIABILITIES		**550,218**	**483,704**	**407,653**	**363,358**

STATEMENT OF CHANGES IN EQUITY - GROUP

DKK ´000	Share capital	Reserves on foreign currency translation	Retained profits	Proposed dividends	Minority interests	Equity
	Shareholders in Columbus A/S					
Group 2014						
Balance at 1 January 2014	**132,793**	**-10,680**	**144,940**	**13,279**	**3,646**	**283,978**
Result for the year	0	0	37,039	13,783	1,875	52,697
Other comprehensive income (foreign currency translation re. foreign enter-prises)	0	-2,013	-165	0	-11	-2,189
Total income for the year	**0**	**-2,013**	**36,874**	**13,783**	**1,864**	**50,508**
Capital increase, cf. note 17	5,038	0	2,782	0	0	7,820
Dividend on capital increase	0	0	-504	504	0	0
Share-based payment, cf. note 5	0	0	2,887	0	0	2,887
Payment of dividend	0	0	0	-13,783	-1,277	-15,060
Balance at 31 December 2014	**137,831**	**-12,693**	**186,980**	**13,783**	**4,233**	**330,134**
Group 2013						
Balance at 1 January 2013	**132,174**	**-7,300**	**148,152**	**0**	**7,507**	**280,533**
Result for the year	0	0	5,318	13,279	3,137	21,734
Other comprehensive income (foreign currency translation re. foreign enter-prises)	0	-3,380	-145	0	0	-3,525
Total income for the year	**0**	**-3,380**	**5,173**	**13,279**	**3,137**	**18,209**
Capital increase, cf. note 17	619	0	105	0	0	724
Share-based payment	0	0	1,960	0	0	1,960
Acquisition of minority interests	0	0	-10,450	0	-5,444	-15,894
Payment of dividend	0	0	0	0	-1,554	-1,554
Balance at 31 December 2013	**132,793**	**-10,680**	**144,940**	**13,279**	**3,646**	**283,978**

STATEMENT OF CHANGES IN EQUITY – PARENT COMPANY

DKK ´000	Share capital	Retained profits	Proposed dividends	Equity
Parent 2014				
Balance at 1 January 2014	**132,793**	**172,523**	**13,279**	**318,595**
Total income for the year	0	18,742	13,783	32,525
Capital increase, cf. note 17	5,038	2,782	0	7,820
Dividend on capital increase	0	-504	504	0
Share-based payment, cf. note 5	0	2,887	0	2,887
Payment of dividend	0	0	-13,783	-13,783
Balance at 31 December 2014	**137,831**	**196,431**	**13,783**	**348,045**
Parent 2013				
Balance at 1 January 2013	**132,174**	**160,849**	**0**	**293,023**
Total income for the year	0	9,609	13,279	22,888
Capital increase, cf. note 17	619	105	0	724
Share-based payment	0	1,960	0	1,960
Acquisition of minority interests	0	0	0	0
Balance at 31 December 2013	**132,793**	**172,523**	**13,279**	**318,595**

CASH FLOW STATEMENT

		Group		Parent Company	
DKK ´000	Note	2014	2013	2014	2013
Operating profit (EBIT)		52,893	44,772	13,165	-19,492
Depreciations and amortizations	9, 10	25,811	25,352	4,227	4,515
Cost of incentive scheme	5	2,887	1,960	2,887	1,960
Changes in net working capital	24	-905	13,266	-20,052	-1,977
Cash flow from primary activities		**80,686**	**85,350**	**227**	**-14,994**
Interest received, etc.		4,224	190	8,840	2,510
Interest paid, etc.		-564	-4,123	-554	-2,861
Corporate tax paid	7	-9,323	-8,751	105	0
Cash flow from operating activities		**75,023**	**72,666**	**8,618**	**-15,345**
Investment in development projects		-15,249	-15,089	0	0
Acquisition of tangible assets	10	-3,819	-3,817	-1,275	-2,278
Acquisition of intangible assets	9	-44	0	0	0
Disposal of tangible assets		612	23	0	0
Acquisition of subsidiaries	20	-17,785	0	-4,788	0
Disposal of subsidiaries	20	0	3,766	0	3,766
Disposal of associates		0	1,432	0	0
Acquisition of minority interests		0	-15,894	0	-15,894
Dividends received from subsidiaries		0	0	14,776	43,765
Cash flow from investing activities		**-36,285**	**-29,579**	**8,713**	**29,359**
Proceeds from capital increase		7,820	724	7,820	724
Overdraft facilities		-2,385	2,326	0	0
Dividends paid		-15,060	-1,554	-13,783	0
Loan to associates		0	-2,401	0	0
Cash flow from financing activities		**-9,625**	**-905**	**-5,963**	**724**
Cash flow from continuing operations		**29,113**	**42,182**	**11,368**	**14,738**
Cash flow from discontinued operations		**0**	**-3,047**	**0**	**0**
Cash funds at the beginning of the year		75,410	38,812	17,440	2,702
Exchange rate adjustments		-5,505	-2,537	0	0
Cash funds at the end of the year		**99,018**	**75,410**	**28,808**	**17,440**

NOTES

NOTES

Note 1: Changes in accounting principles

The financial statements for 2014 for Columbus, which include financial statements for the Parent Company Columbus A/S and consolidated financial statements for the Columbus Group have been prepared in compliance with International Financial Reporting Standards (IFRS) as adopted by the EU and Danish disclosure requirements for annual reports prepared after reporting class D (listed), cf. IFRS Executive Order issued pursuant to the Financial Statements Act. Columbus is a public limited company seated in Denmark.

The consolidated and Parent Company's financial statements are presented in Danish kroner (DKK), which is the presentation currency for the Group's activities and the functional currency of the parent.

The consolidated and Parent Company's financial statements have been prepared based on historical cost. The main elements of the accounting policies and changes compared to last year due to new and amended standards are described below. The accounting principles are also disclosed in note 29.

Due to the merger in 2014 between Columbus A/S and Columbus Danmark A/S, all figures for 2013 and 1 January 2014 have been changed accordingly in the Parent Company. The consolidation method has been applied as the merger is Group internal.

The effect of new accounting standards

All new and revised standards, which entered into force with effect from fiscal periods beginning at January 1st 2014, and interpretations that are relevant to the Columbus Group are used in preparing the financial statements.

Adoption of new and revised standards and interpretation contributions have not resulted in changes in the financial statements 2014 or previous years, and the Groups accounting principles are unchanged compared to 2013.

A number of new or amended standards and interpretations are at the time of publication of the consolidated and Parent Company's financial statements not yet in force. It is management's assessment that these standards and interpretations will not have a significant impact on the financial statements for the years going forward.

Significant accounting principles

In preparing the consolidated and Parent Company's financial statements, the management makes various accounting assessments that forms the basis of presentation, recognition and measurement of the Parent Company and the Group's assets and liabilities. The most significant estimates and assessments are presented in note 2.

Note 2: Significant accounting estimates and assessments

By applying the Group's accounting principles as described in note 29, it is necessary that the management perform assessments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The performed estimates and assumptions are based on historical experience and other factors that management considers reasonable under the circumstances, but which are inherently uncertain and unpredictable. The assumptions may be incomplete or inaccurate, and unexpected events or circumstances may occur. The Company is also subject to risks and uncertainties that may cause actual results to differ from these estimates. Specific risks for the Columbus Group are described in the "Risk Issues", cf. page 18.

The estimates and underlying assumptions are reviewed regularly. Changes to accounting estimates are recognized in the accounting period in which the change occurs and in future periods if the change affects both the period in which the change occurs and subsequent accounting periods.

Recoverability and intangible assets generated internally in the Group

The management's assessment regarding completed development projects that are amortized over a 3 to 5-year useful life, is that there a no impairment indicators in excess of the amortization made.

At the annual impairment test of ongoing development projects, or when there is indication of impairment, an estimate is made of how the parts of the business (cash-generating units) that ongoing development projects are related to will be able to generate sufficient cash flows in the future to support the value of ongoing development projects and other net assets in the relevant part of the business. Management closely monitors developments in the ongoing development projects, and will make adjustments to the carrying amounts if required as a result of the development.

Recoverable amount of goodwill

The determination of impairment of recognized goodwill requires determination of the value of the cash-generating units to which the goodwill are distributed. Determination of the value requires an estimate of expected future cash flows of each cash-generating unit and a reasonable discount rate. At 31 December 2014, the carrying value of goodwill is DKK 198,622k. For a detailed description of discount factors, etc. see note 9.

Evaluation of revenue recognition of contracts

The stage of completion, forming the basis for the current recognition of revenue at the Company's use of the production method of contracts, is determined on the basis of the relationship between the entity's resources in relation to recent total estimate of resource consumption. The degree of completion is assessed regularly by the responsible employees and the area is closely monitored by management, and further adjustments are made to the stage of completion, etc., if deemed necessary.

Utilization of deferred tax asset

Deferred tax assets are recognized for all unused tax losses and difference values to the extent it is deemed likely that within the foreseeable future taxable profits will be realized in which the losses and the difference values can be utilized. Determining the size of the amount that can be recognized for deferred tax assets, is based on management's estimate of the likely time and amount of future taxable profits. At 31 December 2014, the carrying value of recognized tax was DKK 19,400k, which is estimated to be realized in a foreseeable future.

Note 3: Segment data

In order to support decisions about allocation of resources and assessment of performance of the segments, the Group's internal reporting to the Board of Directors of the Parent Company is based on the following grouping of operating segments:

Strategic business areas	Description	Geographical segment
ISV (Independent Software Vendor)	Development and sale of industry-specific software within Columbus' three focus industries: Retail, food and manufacturing	No specific area
Consultancy	Sale and implementation of standard business systems.	Western Europe Eastern Europe North America

Information about the Group's segment is stated below.

		Consultancy				
DKK ´000	ISV	Western Europe	Eastern Europe	North America	Headquarter/ Eliminations	Total
2014						
Columbus licenses	21,245	11,971	2,680	2,551	-9,665	28,782
Columbus subscriptions	27,894	10,953	1,062	3,236	-10,086	33,059
External licenses	0	38,338	19,463	16,248	-158	73,891
External subscriptions	334	69,797	22,926	31,749	-456	124,350
Consultancy	15,818	390,755	112,770	92,379	-14,780	596,942
Other	4,599	10,714	2,351	3,397	206	21,267
Total net revenue	**69,890**	**532,528**	**161,252**	**149,560**	**-34,939**	**878,291**
Gross profit	64,358	386,984	120,472	100,347	1,639	673,800
EBITDA	34,478	52,776	16,257	1,437	-26,244	78,704
Operating result (EBIT)	13,966	46,593	14,965	578	-23,209	52,893
Result in associates	0	0	0	0	0	0
Pre-tax earnings	13,246	45,028	16,826	-1,704	-14,696	58,700
Result for the period, continuing operations	**10,925**	**40,608**	**14,995**	**3,584**	**-17,415**	**52,697**
Segment assets	114,056	227,592	83,356	81,933	43,281	550,218
Segment liabilities	38,057	126,709	28,318	19,945	7,055	220,084
Long-term assets	88,957	88,488	37,255	51,333	11,408	277,441
Capital investments	44,845	1,880	343	600	-10,904	36,764
Depreciation	-19,872	-3,634	-540	-345	-1,420	-25,811
Average number of employees	**61**	**411**	**283**	**119**	**15**	**889**

The accounting policy used to state segment data is the same as the Groups' accounting policy.

Note 3: Segment data, continued

DKK ´000	ISV	Consultancy Western Europe	Consultancy Eastern Europe	Consultancy North America	Headquarter/ Eliminations	Total
2013						
Columbus licenses	20,798	14,920	3,502	2,796	-10,964	31,052
Columbus subscriptions	23,855	9,619	1,079	3,451	-8,902	29,102
External licenses	19	30,478	40,094	17,887	-208	88,270
External subscriptions	1,410	70,332	33,479	36,163	-1,126	140,258
Consultancy	13,649	358,312	99,838	117,046	-21,231	567,614
Other	544	10,799	4,354	4,741	3,071	23,509
Total net revenue	**60,275**	**494,460**	**182,346**	**182,084**	**-39,360**	**879,805**
Gross earnings	54,579	371,342	118,248	129,648	-10,290	663,527
EBITDA	27,359	51,585	15,469	18,090	-42,379	70,124
Operating result (EBIT)	9,762	47,224	14,967	16,896	-44,077	44,772
Result in associates	-352	-410	0	-5,370	2,023	-4,109
Pre-tax earnings	8,309	46,417	14,995	9,521	-42,512	36,730
Result for the period, continuing operations	**7,953**	**41,322**	**13,707**	**8,674**	**-44,260**	**27,396**
Segment assets	96,673	218,020	91,398	64,431	13,182	483,704
Segment liabilities	23,820	112,590	35,132	22,324	5,860	199,726
Long-term assets	80,497	74,194	37,766	45,490	7,157	245,104
Capital investments	15,327	2,825	624	129	1	18,906
Depreciation	-17,597	-4,360	-502	-1,193	-1,700	-25,352
Average number of employees	**45**	**358**	**284**	**140**	**15**	**842**

In order to be able to estimate the results of the segments and allocate resources between these, the Board of Directors also monitors the tangible, intangible and financial assets related to each segment.

Note 3: Segment data, continued

Revenue and long-term assets distributed in geographic areas
The Group's revenue from external customers and long-term assets distribution in geographical areas are specified below. Revenue is distributed according to the registered addresses of the customers, and the long-term assets are distributed according to location and legal relation.

	Net revenue from external customers		Long-term assets	
DKK ´000	2014	2013	31 December 2014	31 December 2013
Denmark	258,390	252,414	136,216	139,153
Norway	106,020	126,291	7,694	5,237
United Kingdom	159,078	114,491	21,023	2,515
USA	149,560	173,962	43,800	37,953
Russia	91,069	116,114	210	465
The rest of the world	114,174	96,533	68,498	59,781
Total	**878,291**	**879,805**	**277,441**	**245,104**

Note 4: Net revenue

	Group		Parent Company	
DKK ´000	2014	2013	2014	2013
Sale of products:				
Columbus licenses	28,782	31,052	3,563	5,588
Columbus subscriptions	33,059	29,102	2,939	3,754
External licenses	73,891	88,270	17,537	16,000
External subscriptions	124,350	140,258	36,492	37,129
Other	351	335	26	140
Total sale of products	**260,433**	**289,017**	**60,557**	**62,611**
Sale of services:				
Sales value of finished projects	608,220	599,949	163,305	154,791
Change in contract work in progress	-11,278	-32,335	-12,321	-13,138
Other services	20,916	23,174	3,886	7,471
Total sale of services in the period	**617,858**	**590,788**	**154,870**	**149,124**
Total net revenue	**878,291**	**879,805**	**215,427**	**211,735**
Contract work in progress, beginning of period	-51,089	-83,424	-32,209	-45,237
Contract work in progress, end of period	39,811	51,089	19,888	32,209
Total change in contract work in progress	**-11,278**	**-32,335**	**-12,321**	**-13,028**

The group does not hedge revenue by the use derivative financial instruments.

Note 5: Staff expenses and remuneration

	Group		Parent Company	
DKK ´000	2014	2013	2014	2013
Staff expenses				
Salary and wages	425,339	425,435	122,317	125,030
Other social security costs	29,325	29,283	0	1,213
Other staff expenses	21,950	21,489	8,328	3,582
Staff costs before share-based payment	**476,614**	**476,207**	**130,645**	**129,825**
Share-based payment	2,887	1,960	-765	1,960
Staff expenses	**479,501**	**478,167**	**129,880**	**131,785**
Average number of employees	889	842	180	182

The parent company's Executive Board and Board of Directors are remunerated as follows:

DKK ´000	Board of Directors	Executive Board	Other senior employees
2014			
Salary and wages	350	3,440	17,165
Share-based payment	39	452	1,293
	389	**3,892**	**18,458**
2013			
Salary and wages	350	3,500	17,216
Share-based payment	141	121	508
	491	**3,621**	**17,724**

Other senior employees are defined as those employees involved in management of the parent company, as well as the Managing Directors of the parent company's subsidiaries.

The Executive Board and a number of senior employees in the Parent Company as well as the Group, are subject to special bonusses depending on individually defined performance targets. The arrangements are essentially unchanged compared to last year.

Note 5: Staff expenses and remuneration, continued

Defined contribution plans

The Group finances defined contribution plans through continuous premium payments to independent pension and insurance companies, which are responsible for the pension liabilities. After payment of pension contribution to defined contribution plans, the Group has no further pension liabilities towards employees or resigned employees in relation to the future development in interest rates, inflation, mortality, disability etc. with regards to the amount to be paid to employees at a later time.

Share-based schemes

In May 2011 Columbus established a warrant program for the CEO. The program, which can only be exercised by purchasing the shares in question, grants the right to subscribe a number of shares in the parent company at a price agreed in advance. The vesting period corresponds to the fiscal year with the final grant at 31 December 2013. At the grant date the market value of the shares was DKK 954,781. The exercise periods are scheduled to the first 14 days after publication of the Company's Annual Report. Warrants not exercised within the last exercise period will be lost. The warrant program is contingent on employment in the Company.

In January 2012 Columbus established a warrant program for senior executives. The program, which can only be exercised by purchasing the shares in question, grants the right to subscribe a number of shares in the parent company at a price agreed in advance. The vesting period corresponds to the fiscal year with the final grant at 31 December 2014. At the grant date the market value of the shares was DKK 452,219. The exercise periods are scheduled to the first 14 days after publication of the Company's Annual Report. Warrants not exercised within the last exercise period will be lost. The warrant program is contingent on employment in the Company.

In May 2012 Columbus established a warrant program for the Board of Directors, senior executives and a number of other employees. The program, which can only be exercised by purchasing the shares in question, grants the right to subscribe a number of shares in the parent company at a price agreed in advance. The vesting period corresponds to the fiscal year with the final grant at 31 December 2014. At the grant date the market value of the shares was DKK 1,787,312. The exercise periods are scheduled to the first 14 days after publication of the Company's Annual Report. Warrants not exercised within the last exercise period will be lost. The warrant program is contingent on employment in the Company.

In August 2012 Columbus established a warrant program for senior executives and a number of other employees. The program, which can only be exercised by purchasing the shares in question, grants the right to subscribe a number of shares in the parent company at a price agreed in advance. The vesting period corresponds to the fiscal year with the final grant at 31 December 2014. At the grant date the market value of the shares was DKK 204,799. The exercise periods are scheduled to the first 14 days after publication of the Company's Annual Report. Warrants not exercised within the last exercise period will be lost. The warrant program is contingent on employment in the Company.

In June 2013 Columbus established a warrant program for senior executives and a number of other employees. The program, which can only be exercised by purchasing the shares in question, grants the right to subscribe a number of shares in the parent company at a price agreed in advance. The vesting period corresponds to the fiscal year with the final grant at 31 December 2015. At the grant date the market value of the shares was DKK 2,296,745. The exercise periods are scheduled to the first 14 days after publication of the Company's Annual Report. Warrants not exercised within the last exercise period will be lost. The warrant program is contingent on employment in the Company.

In December 2013 Columbus established a warrant program for senior executives and a number of other employees. The program, which can only be exercised by purchasing the shares in question, grants the right to subscribe a number of shares in the parent company at a price agreed in advance. The vesting period corresponds to the fiscal year with the final grant at 31 December 2016. At the grant date the market value of the shares was DKK 3,062,903. The exercise periods are scheduled to the first 14 days after publication of the Company's Annual Report. Warrants not exercised within the last exercise period will be lost. The warrant program is contingent on employment in the Company, and the Company's achievement of certain goals for earnings based on the period of employment as vesting criteria.

Note 5: Staff expenses and remuneration, continued

In May 2014 Columbus established a warrant program for senior executives and a number of other employees. The program, which can only be exercised by purchasing the shares in question, grants the right to subscribe a number of shares in the parent company at a price agreed in advance. The vesting period corresponds to the fiscal year with the final grant at 31 December 2016. At the grant date the market value of the shares was DKK 1,239,386. The exercise periods are scheduled to the first 14 days after publication of the Company's Annual Report. Warrants not exercised within the last exercise period will be lost. The warrant program is contingent on employment in the Company, and the Company's achievement of certain goals for earnings based on the period of employment as vesting criteria.

Outstanding warrants correspond to 8% of the share capital, if all warrants are exercised.

The development in outstanding warrants can be specified as follows:

	Number of warrants		Avg. exercise rate per warrant	
	2014	2013	2014	2013
Outstanding 1 January	12,915,000	6,610,000	2,38	1,66
Granted during the period	996,000	7,980,000	5,60	2,80
Lost due to termination of employment	-1,271,500	-1,180,000	2,62	1,60
Exercised during the period	-4,029,999	-495,000	1,94	1,46
Expired during the period	0	0	0,00	0,00
Annulled during the period	0	0	0,00	0,00
Outstanding end of period	**8,609,501**	**12,915,000**	**2,92**	**2,38**

Number of warrants which can be exercised at balance sheet date	1,175,000	1,976,666
Weighted average exercise rate	1.78	1.90

The share-based scheme is based on Black & Scholes' calculations for the estimated market value at the time of allocation. The assessment is based on the following assumptions:

Warrants 2014	Share price at grant date (DKK per share)	Exercise price (DKK per share)	Estimated volatility (%)*	Risk free interest (%)	Estimated return rate (%)	Expiry (number of years)
Granted May 2011	2.45	2.45	40.11%	2.90%	0%	0.0
Granted January 2012	1.43	1.43	43.73%	1.28%	0%	0.3
Granted May 2012	1.48	1.48	46.70%	1.49%	0%	0.3
Granted August 2012	1.48	1.48	46.70%	1.49%	0%	0.3
Granted June 2013	2.14	2.14	32.44%	0.54%	0%	1.3
Granted December 2013	3.93	3.93	36.99%	0.54%	0%	2.3
Granted June 2014	5.60	5.60	32.62%	0.34%	0%	2.3

* The expected volatility is calculated based on the historic volatility during the past year until the grant of the warrant programs.

	Group		Parent Company	
DKK ´000	2014	2013	2014	2013
Expensed share-based payment related to equity instruments	2,887	1,960	-765	1,960

Note 6: Financial income and expenses

	Group		Parent Company	
DKK ´000	2014	2013	2014	2013
Financial income				
Interest income from subsidiaries	0	0	3,597	2,481
Interest income on bank deposits, etc.	281	148	425	0
Other interest income	117	42	10	29
Interest income on financial assets not measured at fair value in the result	**398**	**190**	**4,032**	**2,510**
Foreign exchange gains	5,973	0	4,808	0
Total financial income	**6,371**	**190**	**8,840**	**2,510**
Financial expenses				
Interests expense to subsidiaries	0	0	0	11
Interest expense on bank loans	531	411	542	154
Other interest expense	33	122	12	95
Interest expense from financial liabilities that are not measured at fair value in the result	**564**	**533**	**554**	**260**
Foreign exchange loss	0	3,590	0	2,601
Total financial expenses	**564**	**4,123**	**554**	**2,861**

Note 7: Corporate tax

	Group		Parent Company	
DKK ´000	2014	2013	2014	2013
Tax on result for the year				
Current tax	7,462	8,742	-65	0
Change in deferred tax	-415	2,095	3,767	2,062
Adjustment to previous years	-1,044	-1,503	0	-1,028
	6,003	**9,334**	**3,702**	**1,034**
Tax on result for the year explained as follows:				
Calculated 24,5% on pre-tax earnings on continuing operations (25% 2013)	14,382	7,767	8,876	5,981
Tax effect of:				
Adjustment to tax concerning previous years	-2,424	-1,277	435	-1,695
Adjustment to tax rates in foreign subsidiaries relative to 24.5%	-2,731	-304	0	0
Non-capitalized tax value of losses	-344	135	0	0
Impairment on tax due to changed rules on loss carryforwards	0	1,367	-1,024	1,367
Effect of reduced corporate tax rate	-178	1,885	295	1,885
Not taxable income	-3,614	0	-4,872	-11,223
Not taxable expenses	969	1,768	0	5,050
Other temporary differences	-57	-2,007	-8	-331
	6,003	**9,334**	**3,702**	**1,034**
Effective tax rate (%)	**10.23**	**30.04**	**10.22**	**8.75**
Corporate tax receivable (net)				
Balance at 1 January	5,195	5,894	-40	0
Currency adjustment	2,107	394	0	0
Adjustment to previous years	-2,117	-1,084	0	-40
Current tax for the year	7,462	8,742	-65	0
Tax paid on account for the year	-5,773	-4,439	0	0
Corporate tax paid during the year	-3,550	-4,312	105	0
Disposals due to divestments of subsidiaries	0	0	0	0
Additions due to acquisitions of subsidiaries	0	0	0	0
Balance at 31 December	**3,325**	**5,195**	**0**	**-40**
Corporate tax receivable	-4,106	-40	0	-40
Corporate tax payable	7,430	5,235	0	0
	3,325	**5,195**	**0**	**-40**

Note 7: Corporate tax, continued

	Group		Parent Company	
DKK ´000	2014	2013	2014	2013
Deferred tax asset:				
Balance at 1 January	19,418	21,077	10,824	12,886
Adjusted defered tax assets 1 January	**19,418**	**21,077**	**10,824**	**12,886**
Currency adjustments	437	-8	0	0
Impairment on tax due to changed rules on loss carryforwards	0	-1,367	0	-1,367
Effect of reduced corporate tax rate	0	-1,885	0	-1,910
Adjustment to previous years	-1,051	-419	0	667
This years change in deferred tax	595	2,020	-3,767	549
Balance at 31 December	**19,400**	**19,418**	**7,057**	**10,824**
Deferred tax asset relates to:				
Intagible assets	2,235	2,063	1,725	1,962
Tangible assets	11,522	4,924	4,816	4,295
Current assets	-2,915	1,484	27	60
Loss carryforward	8,558	10,947	489	4,507
	19,400	**19,418**	**7,057**	**10,824**

The group has made a reversal of impairment of the tax asset in the Danish joint taxation of DKK 1.0 mio. as a result of the changes in utilization of tax losses from previous years, due to the merger with Columbus Denmark A/S.
Based on the managements assesment of future income tax assets are expected to be utilized within a 5-year period.

	Group		Parent Company	
DKK ´000	2014	2013	2014	2013
Deferred tax liability:				
Balance at 1 January	74	312	0	0
Effect of reduced corporate tax rate	0	0	0	0
Adjusted deffered tax liability 1 January	**74**	**312**	**0**	**0**
Currency adjustment	5	-1	0	0
Adjustment to previous years	22	0	0	0
This year's change in deferred tax	180	-237	0	0
Disposals due to divestments of subsidiaries	0	0		
Balance 31 December	**281**	**74**	**0**	**0**
Deferred tax liablity relates to:				
Intagible assets	0	0	0	0
Tangible assets	281	74	0	0
Current assets	0	0	0	0
Liabilities	0	0	0	0
Loss carryforward	0	0	0	0
	281	**74**	**0**	**0**

The groups non-capitalized tax amounts to DKK 12m (2013: DKK 10m).

Note 8: Earnings per share

The calculation of earnings per share is based on the following:

	Group	
DKK ´000	2014	2013
Result for the year, continuing operations	52,697	27,396
Result for the year, discontinued operations	0	-5,662
Result for the year	52,697	21,734
Minority interests' share of the result for the year	1,875	3,137
Result used for calculating earnings per share, diluted (DKK k)	**50,822**	**18,597**
Average number of shares listed on NASDAQ OMX Copenhagen (pcs.)	109,342,913	106,108,023
Average number of treasury shares (pcs.)	0	0
Number of shares used to calculate earnings per share (pcs.)	**109,342,913**	**106,108,023**
Average dilutive effect on outstanding supscription rights (pcs.)	3,494,758	2,824,524
Number of shares used to calculate earnings per share, diluted (pcs.)	**112,837,671**	**108,932,547**
Earnings per share of DKK 1.25 (EPS)	0.46	0.18
Earnings per share of DKK 1.25, diluted (EPS-D)	0.45	0.17
Earnings per share on continuing operations of DKK 1.25 (EPS)	0.48	0.26
Earnings per share on continuing operations of DKK 1.25, diluted (EPS-D)	0.47	0.25
Earnings per share on discontinued operations of DKK 1.25 (EPS)	0.00	-0.05
Earnings per share on discontinued operations of DKK 1.25, diluted (EPS-D)	0.00	-0.05

Note 9: Intangible assets

DKK ´000	Goodwill	Other intangible assets	Development projects finalized	Development projects in progress	Total
Group 2014					
Balance at 1 January 2014	255,051	16,182	169,102	3,593	443,928
Foreign currency translation, year end exchange rate	4,516	-96	548	-8	4,960
Additions	0	44	0	15,274	15,318
Additions relating to acquisitions	26,401	1,918	5,843	0	34,162
Development projects, finalized	0	0	17,626	-17,626	0
Balance at 31 December 2014	**285,968**	**18,048**	**193,119**	**1,233**	**498,368**
Amortization and impairment at 1 January 2014	87,346	14,736	125,814	0	227,896
Foreign currency translation, year end exchange rate	0	-166	365	0	199
Amortization	0	910	19,970	0	20,880
Amortization and impairment at 31 December 2014	**87,346**	**15,480**	**146,149**	**0**	**248,975**
Carrying amount at 31 December 2014	**198,622**	**2,568**	**46,970**	**1,233**	**249,393**
Group 2013					
Balance at 1 January 2013	260,025	16,303	152,114	6,738	435,180
Foreign currency translation, year end exchange rate	-3,495	-121	-993	-31	-4,640
Additions	0	0	0	14,867	14,867
Disposals relating to divestments	-1,479	0	0	0	-1,479
Development projects, finalized	0	0	17,981	-17,981	0
Balance at 31 December 2013	**255,051**	**16,182**	**169,102**	**3,593**	**443,928**
Amortization and impairment at 1 January 2013	88,829	13,192	108,430	0	210,451
Foreign currency translation, year end exchange rate	-1,284	-82	-958	0	-2,324
Amortization	0	1,626	18,342	0	19,968
Reversed amortization on disposals relating to divestments	-199	0	0	0	-199
Amortization and impairment at 31 December 2013	**87,346**	**14,736**	**125,814**	**0**	**227,896**
Carrying amount at 31 December 2013	**167,705**	**1,446**	**43,288**	**3,593**	**216,032**

Except for goodwill, economic life of all intangible assets is expected to be limited.

Note 9: Intangible assets, continued

Goodwill

The carrying amount of goodwill after impairment is distributed on cash-generating units as shown below:

DKK ´000	Country	Segment	31 December 2014	31 December 2013
Columbus A/S	DK	VAR	45,003	45,003
ZAO Columbus IT Partner	RU	VAR	30,944	30,944
Columbus US Inc.	US	VAR	47,861	43,195
Columbus Norway AS	NO	VAR	7,878	8,134
UAB Columbus Lietuva	LT	VAR	4,699	4,710
Columbus Global (UK) Ltd	UK	VAR	18,306	1,933
Columbus Eesti AS	EE	VAR	54	54
Columbus CoMakeIt India Pvt Ltd	IN	VAR	3,721	0
Total consultancy			**158,466**	**133,973**
To-Increase B.V.	NL	ISV	40,156	33,732
Total ISV segment			**40,156**	**33,732**
			198,622	**167,705**

The management performs an impairment test of the carrying amount of goodwill, development projects and other long-term assets at least annually and more frequently if there are indicators of impairment. The annual impairment test is performed on the 31 December.

The recoverable amount of the individual cash-generating units to which the goodwill amounts to, is calculated based on the calculations of capital value. The most significant uncertainties are connected to the determination of discount rates, growth rates and expected changes in costs in the budget and terminal periods.

The determined discount factors reflect the market assesment of the temporal value of money expresses as a risk-free rate and the specific risks associated with each cash-generating unit. The discount rate is basically determined on an "after tax" basis on the assessed Weighted Average Costs of Capital (WACC). As a result of the uncertainty in the capital market, an extra risk premium is added to the WACC. The risk premium reflect the managements assesment, and constitutes 3% in the Eastern Europe and Norwegian segments.

For the calculation of the cash-generating units' capital value is used the cash flows, which is indicated in the approved budget for 2015 and a three year projections thereof. Growth rates used in the terminal period do not exceed the average expected long-term rate of growth for the countries concerned.

When calculating the recoverable amounts is used an average assumption of future growth in the terminal period before inflation of 1.0% (2013: 1.0%) and WACC after tax including the risk premium of between 8.8% and 11.8% (2013: 8.8%-11.8%).

Note 9: Intangible assets, continued

DKK ´000	Goodwill	Other intangible assets	Finalized development projects	Total
Parent 2014				
Balance at 1 January 2014	45,987	9,513	21,764	77,264
Additions	0	0	0	0
Balance at 31 December 2014	**45,987**	**9,513**	**21,764**	**77,264**
Amortization and impairment at 1 January 2014	984	8,621	21,254	30,859
Amortization	0	892	440	1,332
Amortization and impairment at 31 December 2014	**984**	**9,513**	**21,694**	**32,191**
Carrying amount at 31 December 2014	**45,003**	**0**	**70**	**45,073**
Parent 2013				
Balance at 1 January 2013	45,987	9,513	21,764	77,264
Additions	0	0	0	0
Balance at 31 December 2013	**45,987**	**9,513**	**21,764**	**77,264**
Amortization and impairment at 1 January 2013	984	7,398	20,728	29,110
Amortization	0	1,223	526	1,749
Amortization and impairment at 31 December 2013	**984**	**8,621**	**21,254**	**30,859**
Carrying amount at 31 December 2013	**45,003**	**892**	**510**	**46,405**

Note 10: Tangible assets

DKK ´000	Leasehold improvements	Fixtures and equipment	Total
Group 2014			
Balance at 1 January 2014	3,702	57,732	61,434
Foreign currency translation, year-end exchange rate	-2	416	414
Additions	0	3,819	3,819
Additions related to acquisitions	0	809	809
Disposals	-1,085	-12	-1,097
Disposals relating to divestments	0	-71	-71
Balance at 31 December 2014	**2,615**	**62,693**	**65,308**
Depreciation and write-downs at 1 January 2014	2,921	48,859	51,780
Foreign currency translation, year end exchange rate	-2	507	505
Depreciation	53	4,878	4,931
Reversed depreciation on disposals	-505	-12	-517
Reversed depreciation on disposals relating to divestments	0	-39	-39
Depreciation and write-downs at 31 December 2014	**2,467**	**54,193**	**56,660**
Carrying amount at 31 December 2014	**148**	**8,500**	**8,648**
Group 2013			
Balance at 1 January 2013	3,282	58,359	61,641
Foreign currency translation, year end exchange rate	-16	-1,645	-1,661
Additions	453	3,364	3,817
Additions relating to acquisitions	0	0	0
Disposals	-17	-585	-602
Disposals relating to divestments	0	-1,761	-1,761
Balance at 31 December 2013	**3,702**	**57,732**	**61,434**
Depreciation and write-downs at 1 January 2013	2,349	47,848	50,197
Foreign currency translation, year end exchange rate	6	-1,503	-1,497
Depreciation on continuing operations	443	4,940	5,383
Reversed depreciation on disposals	129	-710	-581
Reversed depreciation on disposals relating to divestments	-6	-1,716	-1,722
Depreciation and write-downs at 31 December 2013	**2,921**	**48,859**	**51,780**
Carrying amount at 31 December 2013	**781**	**8,873**	**9,654**

Note 10: Tangible assets, continued

DKK ´000	Leasehold improvements	Fixtures and equipment	Total
Parent 2014			
Balance at 1 January 2014	1,034	35,664	36,698
Additions	0	1,275	1,275
Balance at 31 December 2014	**1,034**	**36,939**	**37,973**
Depreciation and write-downs at 1 January 2014	1,034	29,395	30,429
Depreciation	0	2,894	2,894
Depreciation and write-downs at 31 December 2014	**1,034**	**32,289**	**33,323**
Carrying amount at 31 December 2014	**0**	**4,650**	**4,650**
Parent 2013			
Balance at 1 January 2013	1,034	33,386	34,420
Additions	0	2,278	2,278
Balance at 31 December 2013	**1,034**	**35,664**	**36,698**
Depreciation and write-downs at 1 January 2013	1,034	26,630	27,664
Depreciation	0	2,765	2,765
Depreciation and write-downs at 31 December 2013	**1,034**	**29,395**	**30,429**
Carrying amount at 31 December 2013	**0**	**6,269**	**6,269**

Note 11: Investments in subsidiaries

	Parent Company	
DKK ´000	2014	2013
Balance at 1 January	226,954	291,562
Adjustments	0	-32,896
Addition	4,788	15,894
Disposal	0	-47,606
Balance at 31 December	**231,742**	**226,954**
Amortization and write-downs at 1 January	-51,435	-90,212
Adjustments	0	32,896
Write-down	0	0
Reversal of impairmment	0	5,881
Amortization and write-downs at 31 December	**-51,435**	**-51,435**
Carrying amount 31 December	**180,307**	**175,519**

Additions of investments in subsidiaries in 2014 relate to the acquisition of Columbus CoMakeIt India Pvt Ltd.

Additions of investments in subsidiaries in 2013 relate to acquisition of minority interests in Columbus Norway AS.

Disposals of investments in subsidiaries in 2013 are related to the divestment of Columbus Polska Sp. Z.o.o and the liquidation of Guideix A/S, To Increase Denmark A/S and Columbus IT Partner Finance A/S.

Note 12: Discontinued operations

Discontinued operations in 2014
The Group has no discontinued operations in 2014.

Discontinued operations in 2013
Due to continual operating losses in Poland, the Group implemented several initiatives in order to make the company profitable. As these efforts did not have the expected effect, discontinuation was initiated.

The Polish operation was part of the Eastern European segment.

	Group	
DKK ´000	2014	2013
Operating profit	0	-712
Tax on profit for the year	0	0
Net loss/gain on sale of discontinued operations	0	-4,202
Adjustment of discontinued operations, prior years	0	-748
Impact on net profit for the year	**0**	**-5,662**
Operating profit for the period up until handover of control can be specified as follows:		
Revenue	0	1,481
External project cost	0	-525
Gross profit	**0**	**956**
Staff cost	0	-1,204
Other external costs	0	-268
Other operating income	0	0
Other operating costs	0	0
EBITDA	**0**	**-516**
Depreciation	0	-3
EBITA	**0**	**-519**
Operating profit (EBIT)	**0**	**-519**
Financial income	0	29
Financial expenses	0	-222
Profit before tax	**0**	**-712**
Income tax expense	0	0
Discontinued activities	**0**	**-712**

Note 12: Discontinued operations, continued

	Group	
DKK ´000	2014	2013
Impact on cash flow statement:		
Net cash inflows from operating activities	0	-3,047
Net cash inflows from investing activities	0	0
Net cash inflows from financing activities	0	0
Cash flow from discontinued operations	**0**	**-3,047**

DKK ´000	2014	2013
The sale of discontinued operations is specified as follows:		
Carrying amount of net assets	0	2,922
Goodwill resulting from the activity	0	1,280
	0	**4,202**
Loss on divestments	0	4,202
Total proceeds	**0**	**0**

Note 13: Investments in associates

	Group		Parent Company	
DKK ´000	2014	2013	2014	2013
Balance at 1 January	0	527	0	527
Additions	0	0	0	0
Disposals	0	-527	0	-527
Balance at 31 December	**0**	**0**	**0**	**0**
Amortization and write-downs at 1 January	0	444	0	0
Foreign currency translation, year end exchange rate	0	0	0	0
Share of profit after tax	0	-4,109	0	0
Disposals	0	3,665	0	0
Negative value of investments set off against receivables from associates	0	0	0	0
Amortization and write-downs at 31 December	**0**	**0**	**0**	**0**
Carrying amount at 31 December	**0**	**0**	**0**	**0**
Goodwill recognised in the carrying amount at 31 December	0	0	0	0

In the Group's balance sheet investments in associates are measured by the equity method, less any impairment.

Disposals for the year 2013 are related to divestment of Columbus IT Middle East FZ-LLC, Columbus IT India Private Limited og E-Con Solutions B.V.

Note 14: Trade receivables

	Group		Parent Company	
DKK ´000	2014	2013	2014	2013
Receivables (gross) at 31 December	**149,029**	**142,467**	**40,728**	**38,643**
Provisions for bad debt 1 January	3,538	4,337	139	457
Change in provisions for bad debt during the period	3,064	3,963	-21	-87
Loss realized during the period	-1,664	-4,762	-80	-231
Provisions for bad debt 31 December	**4,938**	**3,538**	**38**	**139**
Carrying amount at 31 December	**144,091**	**138,929**	**40,690**	**38,504**

Provisions for bad debt are made if it is assessed that the individual debtors ability to pay is reduced, e.g. in the event of administrative orders, insolvency, etc.

Note 15: Contract work in progress

	Group		Parent Company	
DKK ´000	2014	2013	2014	2013
Contract work in progress	39,811	51,089	19,888	32,209
On account billing and prepayments	-39,482	-51,354	-21,391	-35,005
	329	**-265**	**-1,503**	**-2,796**
The net value is included in the balance as follows:				
Contract work in progress (assets)	8,491	9,471	619	1,253
Client prepayments (liabilities)	-8,162	-9,736	-2,122	-4,049
	329	**-265**	**-1,503**	**-2,796**

Note 16: Receivables from subsidiaries

	Parent Company	
DKK ´000	2014	2013
Receivables (gross) at 31 December	**93,399**	**63,143**
Provisions for bad debt at 1 January	0	1,672
Reversed provisions for bad debt	0	-1,672
Provisions for bad debt at 31 December	**0**	**0**
Carrying amount at 31 December	**93,399**	**63,143**

Provisions for bad debt are made if it is assessed that the individual debtors ability to pay is reduced, e.g. in the event of administrative orders, insolvency, etc.

Note 17: Share capital

The share capital consists of 110,264,492 shares of DKK 1.25, corresponding to DKK 137,831m (nom.). The shares are not divided into classes, and no shares have any special rights. The share capital is fully paid up.

In 2014 the Company increased the capital by 4,029,999 shares of DKK 1.25, corresponding to DKK 5,037k (nom.) as a result of exercised warrant programs.

In 2013 the Company increased the capital by 495,000 shares of DKK 1.25, corresponding to DKK 619k (nom.) as a result of exercised warrant programs.

	Parent Company	
	2014	2013
Number of shares at the beginning of the year	106,234,493	105,739,493
Capital increase	4,029,999	495,000
Number of shares at the end of the year	**110,264,492**	**106,234,493**

Note 18: Other liabilities

DKK ´000	Group 2014	Group 2013	Parent Company 2014	Parent Company 2013
Non-current				
Employee bonds	1,270	1,270	1,270	1,270
	1,270	**1,270**	**1,270**	**1,270**
Current				
Payroll cost, payroll tax, retirement benefit obligations etc.	24,017	18,925	136	178
Holiday pay etc.	30,957	30,475	15,481	14,365
VAT payable	14,891	20,767	3,253	3,264
Other liabilities	32,534	33,537	8,534	5,426
	102,399	**103,704**	**27,404**	**23,233**

The carrying amount of other liabilities matches the fair value of the liabilities.

The holiday pay obligation represents the Groups obligation to pay salary during employees' holiday, which they have earned the right to in the following financial year.

Note 19: Contingent liabilities and commitments for expenditures

Group

Contractual obligations
Group companies have entered into various housing lease agreements, and the total lease obligation in the interminable part of the lease period amounts to DKK 32.1m (2013: DKK 36.5m).

Further, various leasing agreements (primarily cars) have been entered into in relation to operating equipment, and total liabilities amount to DKK 7.4m (2013: DKK 5.9m).

Parent Company

Contractual obligations
The Parent Company has entered into various housing lease agreements, and the total lease obligation in the interminable part of the lease period amounts to DKK 15.5m (2013: DKK 18.7m).

Further, various leasing agreements (primarily cars) have been entered into in relation to operating equipment, and total liabilities amount to DKK 2.0m (2013: DKK 2.4m).

Contingent liabilities
The Company is jointly VAT registered with Columbus NSC A/S and is jointly and severally liable for VAT.

The Danish jointly taxed companies are jointly and severally liable for tax on joint taxation income.

The Company is included in Danish jointly taxation with Consolidated Holdings A/S as controlling company. Thus, the Company is, in accordance with the Danish Corporation Tax Act, from financial year 2013 liable for income tax etc. for the jointly taxed companies and from 1 July 2012 also for potential liabilities, including withholding tax on interest, royalties and profits for these companies..

Commitments for expenditures
The Company has guaranteed payment of banking arrangements in Nordea for subsidiaries. As at 31 December 2014 the maximum liability is DKK 6k (2013: DKK 2,391k).

The Company's shares in subsidiaries are provided as security for the parent company's arrangement with the main bank, total amount DKK 21.0m.

Note 19: Contingent liabilities and commitments for expenditures, continued

Rental and lease commitments
Future rental and lease commitments are as follows:

DKK ´000	2014			2013		
Group	Buildings	Fixtures and operating equipment	Total	Buildings	Fixtures and operating equipment	Total
Less than 1 year	9,688	3,193	12,881	8,582	2,720	11,302
Between 1 and 5 years	27,751	4,162	31,913	24,997	3,223	28,220
More than 5 years	19,959	0	19,959	23,673	0	23,673
	57,398	**7,355**	**64,753**	**57,252**	**5,943**	**63,195**

The Group leases operating equipment and inventory on operational lease agreements. The lease period is usually between 2 and 7 years with the possibility of renewal on expiry. None of the lease agreements include conditional rental.

DKK ´000	2014			2013		
Parent Company	Buildings	Fixtures and operating equipment	Total	Buildings	Fixtures and operating equipment	Total
Less than 1 year	3,243	1,003	4,246	3,179	1,356	4,535
Between 1 and 5 years	13,632	1,065	14,697	13,365	1,051	14,416
More than 5 years	18,632	0	18,632	22,142	0	22,142
	35,507	**2,068**	**37,575**	**38,686**	**2,407**	**41,093**

The Parent company leases operating equipment and inventory on operational lease agreements. The lease period is usually between 2 and 7 years with the possibility of renewal on expiry. None of the lease agreements include conditional rental.

Note 20: Business combinations

Acquisition of companies in 2015
The Group has per 1 February 2015 acquired shares in InterDyn BMI. The acquisition of InterDyn BMI will strengthen the position in the retail marked in the United States' segment and is thus in line with Columbus' strategy.

The opening balance has not yet been fully completed, and the disclosed acquired assets, liabilities and goodwill is based on preliminary values.

It has not been possible to calculate revenue and net result as if the acquisition was made by 1 January 2014.

DKK ´000	InterDyn BMI, Preliminary values	Total
Development projects, finalized	0	0
Other intangible assets	21,425	21,425
Operating equipment	2,214	2,214
Total long-term assets	**23,639**	**23,639**
		0
Trade receivables	13,530	13,530
Other receivables	3,393	3,393
Cash	3,936	3,936
Total short-term assets	**20,859**	**20,859**
		0
Trade accounts payable	12,247	12,247
Corporation tax and deferred tax	0	0
Other debt	31,415	31,415
Total short-term debt	**43,662**	**43,662**
		0
Net assets acquired	**836**	**836**
		0
Goodwill	60,193	60,193
Purchase price	**61,029**	**61,029**
Paid in 2015	48,971	48,971
Aquired cash funds	-3,936	-3,936
Net cash effect	**45,035**	**45,035**

Note 20: Business Combinations, continued

Acquisition of companies in 2014
The Group has acquired the following companies in 2014:

Name	Primary activity	Acquisition date	Acquired ownership	Acquired votes	Purchase price DKK '000
Omnica Ltd	Distribution and implementation of standardised business solutions.	31 January	100%	100%	22,848
Dynamics Anywhere International B.V	Vendor of state-of-the-art mobile solutions for business applications	3 October	100%	100%	9,092
Columbus CoMakeIt India Pvt Ltd	Global Delivery Center	30 December	100%	100%	4,788
Total					36,728

The acquisition of Omnica Ltd has strengthened the industry focus and competencies in retail and has complemented the software portfolio with MCR and Webstore.

The acquisition of Dynamics Anywhere has strengthened the development of capabilities complemented the product portfolio with Mobility.

As of 30 December 2014 Columbus exercised a call option and formally acquired the established Global Delivery Center in India. The acquisition will impact the classification of cost in the 2015 accounts.

It has not been possible to calculate revenue and net result as if the acquisitions was made by 1 January 2014.

Note 20: Business Combinations, continued

DKK ´000	Omnica Ltd	Dynamics Anywhere	Columbus CoMakeIt India Pvt Ltd	Total
Development projects, finalized	1,116	4,727	0	5,843
Other intangible assets	1,918	0	0	1,918
Operating equipment	297	0	512	809
Total long-term assets	**3,331**	**4,727**	**512**	**8,570**
Trade receivables	3,808	0	0	3,808
Other receivables	228	350	626	1,203
Cash	9,280	0	194	9,474
Total short-term assets	**13,316**	**350**	**820**	**14,486**
Trade accounts payable	1,305	0	11	1,316
Corporation tax and deferred tax	1,006	0	76	1,082
Other debt	7,359	2,418	178	9,955
Total short-term debt	**9,670**	**2,418**	**265**	**12,353**
Net assets acquired	**6,977**	**2,659**	**1,067**	**10,703**
Goodwill	16,240	6,439	3,721	26,401
Purchase price	**22,848**	**9,092**	**4,788**	**37,104**
Paid in 2014	19,128	3,343	4,788	27,259
Aquired cash funds	-9,280	0	-194	-9,474
Net cash effect	**9,848**	**3,343**	**4,594**	**17,785**

After recognition of identifiable assets, liabilities and contingent liabilities at fair value, goodwill in relation to the acquisition was assessed to DKK 26m. The goodwill represents the value of assets where the fair value cannot be measured reliably, the value of the acquired staff and knowhow, expected synergies from the merger of acquired company and the existing activities in Columbus as well as the value of access to new markets.

Acquisition of companies in 2013

The Group has not made any acquisitions during the year. However, the Group has acquired the remaining shares of 27.5% of Columbus Norge A/S and now owns 100% of the company.

Discontinued companies and activities i 2014

The Group has no discontinued companies or activities in 2014.

Discontinued companies and activities i 2013

The Group has no discontinued companies or activities in 2013. However proceeds from the sale of companies in 2012 was received during 2013, total amount of DKK 3.8m.

Note 21: Related parties

Consolidated Holdings A/S has a controlling interest in the Columbus Group, including Columbus A/S.

Other related parties with significant influence in the Columbus Group are the Company's Board of Directors, Executive Board and certain executives and their related parties. Furthermore, related parties are companies in which the above persons have significant interests.

Related parties with controlling interest

Consolidated Holdings A/S (Fredheimvej 9, 2950 Vedbæk)
Consolidated Holdings A/S owns 53.33% of the shares in Columbus A/S. Consolidated Holdings A/S has a controlling interest in Columbus A/S, as Consolidated Holdings A/S, through its shareholding, controls the majority of the votes at the annual general meeting. Transactions with the company takes are made on an arm's length basis. Ib Kunøe is the ultimate owner of Consolidated Holdings A/S.

Related parties with significant influence

ATEA (Lautrupvang 6, 2750 Ballerup)
Transactions with the company are made on an arm's length basis. In 2014 Columbus bought products and services from ATEA for DKK 7.7m (2013: DKK 9.5m). Besides, the Columbus Group has run an implementation project at ATEA with revenue of DKK 37k in 2014 (2013: DKK 3m.). Consolidated Holdings A/S has significant influence in ATEA, and certain dual roles in the management are filled by the same persons in ATEA and the Columbus Group.

Netop Solutions A/S (Netop, Bregnerødvej 127, 3460 Birkerød)
Transactions with the company are made on an arm's length basis. In 2014 the Columbus Group has sold licenses and services to the company for DKK 31k (2013: DKK 31k), Consolidated Holdings A/S has controlling interest in Netop Solutions A/S, and certain dual roles in the management are filled by the same persons in Netop Solutions A/S and the Columbus Group.

Dan-Palletiser A/S (Borgergade 17, 4241 Vemmelev)
Transactions with the company are made on an arm's length basis. In 2014 the Columbus Group has sold licenses and services to the company for DKK 2.7m (2013: 1.2m). Consolidated Holdings A/S has controlling interest in Dan-Palletiser A/S, and certain dual roles in the management are filled by the same persons in Dan-Palletiser A/S and the Columbus Group.

Other related parties

Maatschap de Baksteen (T.a.v. de heer R. Hardeman, Utrechtseweg 28, 3927AV Renswoude, Holland)
Transactions with the company are made on an arm's length basis. In 2014 the Columbus Group bought services related to office rent for DKK 0.9m (2013: DKK 0.8m). The company is a related party to the Columbus Group as an executive in the Columbus Group is a part owner of the company.

Related parties in Columbus also comprise the subsidiaries in which the Company has controlling interest, cf. the Group overview.

Note 21: Related parties, continued

Executive Board and Board of Directors
Remuneration of the Executive Board, the Board of Directors and executives appears from note 5.

Subsidiaries and associates
Trading with subsidiaries and associates was as follows:

	Parent Company	
DKK ´000	2014	2013
Service and tools fee, subsidiaries	21,338	20,529

Transactions with subsidiaries are eliminated in the consolidated financial statements in accordance with applied accounting policies.

Outstanding accounts with subsidiaries and associates.
Columbus' outstanding accounts with subsidiaries and associates are shown directly in the balance sheet. Outstanding accounts are interest-bearing. The interest payment of outstanding accounts is shown in note 6. Payment terms for regular outstanding accounts are invoice month + 30 days. Columbus has determined the need for provisions for bad debt regarding these outstanding accounts, cf. note 14 and 16.

Note 22: Fee to the Group's auditor elected by the annual general meeting

	Group		Parent Company	
DKK ´000	2014	2013	2014	2013
Auditor elected by the annual general meeting:				
Statutory audit	1,048	1,359	448	655
Other assurance agreements	31	0	0	0
Tax and VAT advisory services	15	59	0	0
Other services	52	39	0	0
	1,146	**1,457**	**448**	**655**
Other auditors:				
Statutory audit	183	227	0	0
Other assurance agreements	0	11	0	0
Tax and VAT advisory services	101	90	0	0
Other services	5	15	0	0
	289	**343**	**0**	**0**
Total audit fee	**1,435**	**1,800**	**448**	**655**

Note 23: Financial risks and financial instruments

Primary financial instruments

DKK ´000	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Group 2014				
Financial assets				
Loans and receivables				
Trade receivables	144,091	0	0	144,091
Other receivables	8,024	0	0	8,024
Accruals	8,777	0	0	8,777
Cash and bank balances	99,018	0	0	99,018
Total financial assets	**259,910**	**0**	**0**	**259,910**
Financial liabilities				
Debt measured at amortised cost				
Debt to credit institutions	6	0	0	6
Client prepayments	11,379	0	0	11,379
Trade payables	58,620	0	0	58,620
Other liabilities	102,399	1,270	0	103,669
Accruals	25,364	0	0	25,364
Total financial liabilities	**197,768**	**1,270**	**0**	**199,038**
Group 2013				
Financial assets				
Loans and receivables				
Trade receivables	138,929	0	0	138,929
Other receivables	5,232	0	0	5,232
Accruals	9,478	0	0	9,478
Cash and bank balances	75,410	0	0	75,410
Total financial assets	**229,049**	**0**	**0**	**229,049**
Financial liabilities				
Debt measured at amortised cost				
Debt to credit institutions	2,385	6	0	2,391
Client prepayments	5,210	0	0	5,210
Trade payables	52,694	0	0	52,694
Other liabilities	103,704	1,270	0	104,974
Accruals	19,291	0	0	19,291
Total financial liabilities	**193,020**	**1,276**	**0**	**194,296**

Note 23: Financial risks and financial instruments, continued

The Group has no financial instruments measured at fair value.

The above maturity analysis is based on undiscounted cash flow, and the method of accounting is equivalent to Columbus' cash flow exposure going forward. The maturity analysis is based on a worst case scenario, thus repayment of debt is recognized at the earliest possible time where the counterparty may require the debt to be paid.

Below is a more detailed maturity analysis covering the two most important items under financial assets and financial liabilities, trade receivables and trade payables. The date of maturity is distributed between the ranges used for the Group's cash management. Items with no specified agreement about maturity is registered as "less than 1 year".

Primary financial instruments

	Group	
DKK ´000	2014	2013
Trade receivables		
Not due	94,403	93,243
Less than 30 days	39,187	35,644
Between 30-60 days	7,736	6,362
Between 60-90 days	2,879	2,517
Between 90-180 days	2,703	2,127
Between 180-270 days	1,702	1,059
Between 270-360 days	241	205
More than 360 days	179	1,310
	149,030	**142,467**
Provisions for bad debt		
Not due	0	0
Less than 30 days	0	0
Between 30-60 days	0	0
Between 60-90 days	0	0
Between 90-180 days	-676	-532
Between 180-270 days	-851	-530
Between 270-360 days	-181	-154
More than 360 days	-179	-1,310
	-1,887	**-2,526**
Individual provisions for bad debt	**-3,052**	**-1,012**
Recognised value of trade receivables	**144,091**	**138,929**
Trade payables		
Not due	48,654	46,493
Less than 30 days	8,317	5,322
Between 30-60 days	1,317	555
Between 60-90 days	664	142
Between 90-180 days	-387	-58
Between 180-270 days	47	163
Between 270-360 days	28	27
More than 360 days	-20	50
Recognised value of trade payables	**58,620**	**52,694**

Note 23: Financial risks and financial instruments, continued

For all the primary financial instruments, the carrying amounts are approximately estimated to be equivalent to the fair value. The Group's cash reserves consist of cash and unused credits.

	Group	
DKK ´000	2014	2013
Cash and bank balances	99,018	75,410
Unused credits	60,562	66,913
	159,580	**142,323**

Foreign exchange rate risk, interest rate risk and use of financial instruments
As a consequence of the operation, investments and financing, the Group is exposed to changes in foreign exchange rates and interest rates. The Parent company controls the financial risks in the Group centrally and coordinates the cash management, including cash generation and excess liquidity. The Group follows a finance policy approved by the Board of Directors, and operates with a low risk profile, in order to ensure that foreign exchange rate risks and interest risks only occur in commercial situations.

Fluctuations in foreign exchange rates have an effect on the Group's revenue and results as approx. 58% of the revenue comes from NOK, GBP, USD and RUB. Foreign exchange rate fluctuations compared to DKK of 1% on these foreign exchange rates will cause a total effect of approx. 0.6% of the Group's revenue. The foreign exchange rate risk for EUR is considered to be minimal, despite the increased pressure in Q1 2015 on the DKK.

Fluctuations in interest rates have a limited effect on the Group's financial instruments. By the end of 2014 an increase in interest rates of half a percentage point would increase the value of the Group's financial liabilities by DKK 0k (2013: DKK 15k). The financial liabilities included in the sensitivity analysis include long-term and short-term debt to credit institutions.

The Group uses no derivative financial instruments.

Credit risks
The Group's credit risks primarily derive from trade receivables and bank deposits. Trade receivables are distributed between many customers and geographical areas. A systematic credit rating is performed of all customers in the individual companies, and possible provisions for bad debt are performed based on this credit rating. Payment terms offered to the individual customers are also based on these credit ratings.

The maximum credit risk on the balance sheet date equals the carrying amount.

Optimization of capital structure
The Group management continously estimates whether the capital structure is in accordance with the interests of the Company and shareholders. The overall goal is to ensure a capital structure which supports long-term financial growth, and at the same time maximises the return to the Group's stakeholders through optimization of the debt and equity balance. The Group's capital structure consists of debt, comprising financial liabilities such as bank loans, financial leasing, corporation tax payable, cash and equity, including share capital, reserves for foreign exchange adjustments and profit/loss carried forward.

Breach of loan agreements
The Group has neither in the financial year 2014 nor in 2013 failed to perform or defaulted on any loan agreements.

Note 24: Changes in working capital

	Group		Parent Company	
DKK ´000	2014	2013	2014	2013
Change in receivables and contract work in progress	-1,274	25,486	-34,899	17,640
Change in inventories	-230	887	0	0
Change in trade accounts payable	4,580	-8,526	14,847	-19,617
Change in other liabilities	-3,981	-4,581	0	0
Cash flow from changes in working capital	**-905**	**13,266**	**-20,052**	**-1,977**

Note 25: Board of Directors and Executive Board

See section "Board of Directors and Executive Board" in the Management's Report, page 25.

Note 26: Shareholder information

See section "Shareholder information" in the Management's Report, page 27.

Note 27: Events after the reporting period

There have been no events since 31 December 2014 which could significantly affect the evaluation of the Group's financial position and revenue at 31 December 2014. Earnings in January and February 2015 are in line with the Company's expectations.

Note 28: Approval of publication of the Annual Report

On the Board meeting on 17 March 2015 the Board of Directors approved publication of the Annual Report 2014. The Annual Report 2014 will be submitted for approval by the shareholders of Columbus A/S on the Annual General Meeting on 23 April 2015.

Note 29: Accounting principles

In addition to the description in Note 1, the accounting principles are as described below.

The consolidated financial statements

The consolidated financial statements include Columbus A/S and the companies in which the Group holds more than 50% of the voting rights, or otherwise has the power to govern the financial and operating policies for achieving returns or other benefits from its activities.

Principles of consolidation

The consolidated financial statements are prepared based on financial reporting for Columbus A/S and its subsidiaries. The consolidated financial statements are prepared by combining financial statement uniform items. The financial reporting that are used for the consolidation are prepared in accordance with the Group's accounting policies.

On consolidation, intercompany income and expenses, intercompany accounts and dividends, and gains and losses on transactions between the consolidated companies are eliminated.

In the consolidated financial statements items of subsidiaries are included 100%.

Minority interests

On initial recognition, minority interests are measured at fair value or at their proportionate share of the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. The adopted method is selected for each transaction. Minority interests are subsequently adjusted for their proportionate share of changes in equity of the subsidiaries. Comprehensive income is allocated to minority interests regardless of whether the minority interest thus may be negative.

Purchase and sale of minority shares in a subsidiary that do not result in a loss of control are treated in the consolidated financial statements as an equity transaction and the difference between the consideration and the carrying amount is allocated to the Parent Company's share of equity.

Business combinations

Newly acquired or newly established subsidiaries are consolidated from the date of acquisition or formation. The acquisition date is the date on which the Columbus Group obtains control of the acquiree. Divested companies are included in the consolidated financial statements until the date of disposal or winding up. Disposal is the date when control is actually transferred to third parties.

Acquisition of new companies or activities in which the Group obtains control of the acquisition decision acquired business will be accounted for under the purchase method, so that the identified assets, liabilities and contingent liabilities are measured at fair value at the acquisition date. Identified intangible assets are recognized separately from goodwill if they are separable or arise from a contractual right and the fair value can be measured reliably. Non-current assets which are held for sale are measured at fair value less estimated selling costs. Restructuring liabilities are only recognized in the acquisition balance sheet if they represent a liability to the acquired company. Account is taken for the tax effect of the restatements.

The purchase consideration for a company is the fair value of the consideration paid for the acquired company. If the final determination is subject to one or more future events, these fair values are recognized at the acquisition date. Costs directly attributable to the acquisition are recognized directly in profit or loss as incurred.

Positive differences (goodwill) between, on one hand, the purchase price of an acquired company, the value of non-controlling interests in the acquiree and the fair value of previously held equity interests, and on the other hand, the fair value of the identifiable assets, liabilities and contingent liabilities is recognized as goodwill under intangible fixed assets. Goodwill is not amortized but is tested annually for impairment. The first impairment test is performed before the end of the year of acquisition. Upon acquisition, goodwill is allocated to the cash-generating units, which subsequently form the basis of the impairment test. The determination of cash-generating units follows the management structure and internal financial control and reporting of the Group. If the carrying amount of an asset exceeds its recoverable amount it is written down to its recoverable amount.

In case of negative differences (negative goodwill), the calculated fair values, the calculated purchase consideration for the company, the value of non-controlling interests in the acquiree and the fair value of previously held equity interests is reassessed. If the difference is still negative, the difference is recognized as income in the result.

If at the time of acquisition there is a uncertainty about the identification or measurement of acquired assets, liabilities or contingent liabilities or the determination of the consideration, initial recognition is based on preliminary fair values. The preliminary calculated amounts can be adjusted, or additional assets or liabilities can be recognized until one year after the purchase date, if new information on conditions that existed at the acquisition date is obtained, which would have affected the calculation of values at the acquisition date, had the information been known.

Changes in estimates of contingent consideration are generally recognized directly in profit.

Gains and losses on divestments or dissolvement of subsidiaries or associates

Gains or losses on divestments or dissolvements of subsidiaries and associates are stated as the difference between the sales price or settlement price and the fair value of any remaining equity and the book value of net assets on the time of sale or winding up, including goodwill, less any minority interests. Gains or losses are recognized in profit or loss as well as accumulated foreign currency translation adjustments previously recognized in other comprehensive income.

Foreign currency translation

Transactions in currencies other than the Group's functional currency are translated initially at the transaction date. Receivables and payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated at the closing rate. Gains and losses arising from the difference between the exchange and the transaction date are recognized in profit or loss as financial items. Tangible and intangible assets, inventories and other non-monetary assets acquired in foreign currency and measured at historical cost are translated at the transaction date. Non-monetary items revalued at fair value are translated using the exchange rate at the date of revaluation.

Translation of foreign subsidiaries

On recognition in the consolidated financial statements of foreign subsidiaries with a functional currency other than Danish kroner (DKK), income statements are translated at average exchange rates for the months unless these deviate significantly from the actual exchange rates at the transaction dates. In the latter case, the actual exchange rates are used. Balance sheet items are translated at the closing exchange rates. Goodwill is considered to belong to the acquired entity and is translated at the closing rate.

Foreign exchange differences arising from the translation of foreign company balance sheet items at the beginning of the closing exchange rates, and on translation of foreign entities' income statements from average rates to closing rates are recognized in other comprehensive income. Similarly, exchange differences arising as a result of changes made directly in the foreign enterprise's equity, are also recognized in other comprehensive income. Adjustment of receivables or debt to subsidiaries which are considered part of the Parent Company's overall investment in the subsidiary in question are recognized in other comprehensive income in the consolidated financial statements, whereas they are recognized in the profit of the Parent Company.

Translation of foreign associates

On recognition in the consolidated financial statements of associates with a functional currency other than DKK, the share of the profit at average exchange rates is translated, and the share of equity including goodwill is translated at closing rates.

Comprehensive income statement

Revenue
Revenue is recognized in the income statement when delivery and transfer of ownership has taken place before year-end, if the income can be reliably measured and payment is expected to be received. Revenue is recognized net of VAT, taxes etc. collected on behalf of third parties and discounts.

Income from subscription agreements, where the Group must fulfill a service is recognized on a straight line basis over the subscription period, while other subscriptions (upgrades etc.) are recognized at the time of invoicing.

Contract work in progress is recognized as the production of each project is carried out, whereby revenue corresponds to the sales value of the work in progress (completion method). Revenue is recognized when total income and expenses of the projects and completion at the balance sheet date can be measured reliably and it is probable that the economic benefits including payments will flow to the Group.

Compound contracts
Columbus typically enters into contracts that include a combination of software licenses and consulting services. These contracts are classified either as multiple element contracts or compound contracts.

Multiple element contracts are contracts where price and other significant issues in the contract are negotiated independently. In this group of contracts each element is recognized individually, so that the sale of software and consulting services are recognized separately in accordance with the above practices.

Compound contracts are contracts where price and other essential items are negotiated together and cannot be disassembled. These types of contracts are recognized jointly by the practices that are applicable to the main element of the contract, which is typically the consultancy.

Royalty
Royalty is recognized on a straight line basis over the period during which the royalty agreement covers.

External project costs
External projects costs include the expenses excluding wages and salaries that are directly incurred to achieve revenue for the year and include the cost of licenses, subcontractors, etc. External project costs are recognized as the project progresses.

Other external costs
Other external costs include expenses of premises, sale and distribution, office expenses, etc.

Other operating income and expenses
Other operating income and expenses includes income and expenses of a secondary nature to the Group's primary activities, including gains and losses on disposal of intangible and tangible assets. Gains and losses on disposal of intangible and tangible assets are calculated as the selling price less selling costs and the carrying amount at the time of sale.

Dividends from subsidiaries and associates
Dividends from investments are recognized in the Parent Company's profit in the accounting period, where the right for the dividend is earned.

Financial items
Financial items include interest income and expenses, the interest portion of finance lease payments, gains and losses on foreign currency transactions and surcharges and allowances under the account tax scheme.

Tax
Income tax for the year comprises current tax and movements in deferred tax is recognized in profit by the portion attributable to the profit and directly in equity or in other comprehensive income to the extent that it relates to items

recognized directly in equity and in other comprehensive income. Exchange adjustments of deferred tax is recognized as part of the adjustment of deferred tax.

Current tax liabilities and receivables are recognized in the balance sheet as estimated tax on the taxable income, adjusted for prepaid tax.

When calculating the current tax, the applicable tax rates and rules on the balance sheet date is used.

Deferred tax is recognized using the balance sheet liability method on all temporary differences between accounting and tax values of assets and liabilities, except for deferred taxes on temporary differences arising on the initial recognition of goodwill or from the initial recognition of a transaction that is not a business combination, and where the temporary difference identified by the initial recognition affects neither the accounting profit nor the taxable income. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, unless the parent is able to control when the deferred tax is realized, and it is probable that the deferred tax will not crystalize as current tax in the foreseeable future.

Deferred tax is calculated based on the planned use of each asset and settlement of each liability.

Deferred tax is measured based on the tax rules and rates in the respective countries, based on enacted or in reality enacted laws at the balance sheet date that are expected to apply when the deferred tax is expected to crystallize as current tax. Changes in deferred tax due to changes in tax rates or rules are recognized in profit or loss unless the deferred tax is attributable to transactions previously recognized directly in equity or in other comprehensive income. In the latter case, the change is also recognized in equity, respectively, in other comprehensive income.

Deferred tax assets, including the tax value of tax loss carry forwards, are recognized at the value at which they are expected to be realized, either as net assets to offset against future taxable income or against deferred tax liabilities in the same legal tax entity and jurisdiction. It is assessed at each reporting date whether it is likely that in future there will be sufficient taxable profits against which the deferred tax asset can be utilized.

The Parent Company is part of a mandatory Danish joint taxation with all Danish companies controlled by Consolidated Holdings A/S. The calculated Danish tax on the joint taxable income is distributed among the jointly taxed companies in proportion to their taxable income (full allocation with credit for tax losses).

Balance sheet

Intangible assets

Goodwill

Goodwill is recognized and measured at initial recognition as the difference between the cost and the net assets of the acquired company. The net assets of the acquired company based on the fair value of assets and liabilities at the acquisition date. On recognition of goodwill, the goodwill is allocated to each of the Group's activities that generate separate cash flows (cash generating units). The determination of cash-generating units follows the management structure and internal financial management and reporting of the Group.

Goodwill is not amortized, but is tested annually for impairment.

Development projects

Development projects are projects that are clearly defined and identifiable, where the technical feasibility, adequate resources and a potential future market or application in the group can be demonstrated and where the intention is to produce, promote or use the project. Development projects are recognized as intangible assets if the cost can be measured reliably and there is sufficient assurance that future earnings or the net selling price will cover production, sales, administration and development costs. Other development costs are recognized in profit or loss as incurred.

Development costs are measured at cost less accumulated depreciation and impairment losses. The cost includes wages, salaries, services, depreciation and other costs directly attributable to the Group's development and which are necessary to complete the project, from the time when the development project first qualifies for recognition as an asset. After completion of the development project development costs are amortized straight-line basis over the estimated useful life. The amortization period is usually 3-5 years.

Development projects are reviewed annually to determine whether there are indications of impairment. If such an indication exists, the asset's recoverable amount is calculated. If the recoverable amount is lower than the carrying value, the development projects are impaired to this value. Development projects in progress are tested at least annually for impairment.

Licensing rights

Acquired license rights comprise software. These are measured at cost less accumulated depreciation and impairment losses.

License rights are amortized over the expected life or expiry of the contract, whichever is shortest. The amortization period is usually 5 years.

Acquired license rights are impaired to the recoverable amount if this is lower than the carrying value.

Tangible assets

Fixtures and equipment etc.

This item includes fixtures and equipment as well as leasehold improvements. These are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date the asset is ready for use.

For financial leased assets, cost is the lower of the fair value or the present value of the future minimum lease payments.

In calculating the present value of leases the internal interest rate of the leasing agreement or the incremental borrowing rate is applied as the discount rate.

Fixtures and equipment are depreciated over 3 to 5 years, equal to the assets' estimated useful life. Leasehold improvements are amortized over the lease period not exceeding 5 years.

The basis for depreciation is determined taking into account the residual value less impairment losses. The value is impaired to the recoverable amount if this is lower than the carrying value. The residual value is determined at the acquisition date and reassessed annually. Depreciation is discontinued if the residual value exceeds the carrying amount.

In amendment of the depreciation period or the residual value the effect is recognized prospectively as a change in accounting estimates.

Financial assets

Investments in subsidiaries and associates in the Parent Company's financial statement

Investments in subsidiaries and associates are measured in the Parent Company's financial statements at historical cost. If the historical cost exceeds the recoverable amount the costs are impaired to the lower value.

When dividend distributed exceeds the accumulated earnings after the acquisition date this is considered as an indication of impairment.

If the Parent Company has a legal or constructive obligation to cover a subsidiary's deficit, a provision is recognized to the extent that it exceeds amounts owed by the subsidiary. Gains and losses on disposal of subsidiaries are calculated as the difference between the sale or liquidation amount and the carrying amount at the time of sale less costs to sell. Gains or losses are recognized in profit or loss under "Other operating income" and "Other operating expenses".

Investments in associates in the consolidated financial statements

Investments in associates are recognized and measured in the consolidated financial statements using the equity method. This means that investments are measured at the proportionate share of the companies' equity value, applying the Group's accounting policies, deducting and adding proportionate intercompany profits and losses and plus the carrying amount of goodwill.

The profit includes the proportionate share of the associate' profit after tax and elimination of unrealized internal gains and losses and less any impairment of goodwill.

Investments in associates of negative equity are measured at DKK 0. Receivables and other non-current financial assets that are considered to be part of the total investment in the associate are impaired to any remaining negative equity value. Receivables from sales of goods and services as well as other receivables are impaired only if they are considered uncollectible.

Provision is only recognized to cover the remaining equity if the group has a legal or constructive obligation to cover the Company's obligations.

Acquisitions of associates is conducted using the purchase method, cf. description above under consolidated financial statements.

Impairment of tangible and intangible assets as well as investments in subsidiaries and associates

The carrying values of tangible and intangible assets of definite useful lives as well as investments in subsidiaries and associates are reviewed at each balance sheet date to determine any indications of impairment. If this is the case, the asset's recoverable value is determined to identify any need for impairment and the extent thereof.

If the asset does not generate cash flow independent of other assets, the recoverable amount of the smallest cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset is the higher of net selling price and capital value.

For cash-generating units, the impairment is firstly distributed on goodwill, and then any remaining impairment is distributed to other assets in the unit.

Impairment losses are recognized in profit or loss. On any subsequent reversal of impairment losses resulting from changes in the assumptions used to determine the recoverable amount, the asset and the cash-generating unit's carrying amount is increased to the adjusted recoverable amount, however not exceeding the carrying value of the asset or cash-generating excluding impairment. Impairment of goodwill is not reversed.

Deferred tax assets are reviewed annually and recognized only to the extent that it is probable for utilization.

Inventories

Finished goods, consisting primarily of software are measured at cost using the FIFO method or net realizable value, whichever is lower.

The cost of goods comprises the purchase price.

The net realizable value of inventories is calculated as the selling price less costs incurred to execute the sale and is determined taking into account marketability, obsolescence and expected selling price development.

Receivables

Receivables consist of receivables from sales of products and services and other receivables.

Receivables are measured at initial recognition at fair value and subsequently at amortized cost, which usually corresponds to nominal value less provisions for bad debts.

Impairment losses are calculated based on an individual assessment of each receivable.

Contract work in progress

Contract work in progress is measured at the sales value of the work performed less progress billings and expected losses. Market value is measured based on completion at the balance sheet date and the total expected income from the contract. The stage of completion is determined as the ratio between the resources spent and the total estimated resource for the project. For some projects where the consumption of resources cannot be used as a base the measurement is instead based on the ratio between completed sub activities and the total project.

When it is probable that total costs will exceed total revenue on a contract work in progress, the expected loss on the contract is taken immediately as an expense and a provision.

When the outcome of a contract cannot be estimated reliably, the selling price is only recognized at cost, to the extent that it is probable, they will be recovered.

Contract work in progress is recognized in the balance sheet under receivables or liabilities, depending on whether net value is a receivable or liability.

Costs of sales work and securing contracts are recognized in profit as incurred.

Prepayments

Prepayments recognized under assets include expenses paid concerning subsequent financial years and are measured at cost.

Dividend

Proposed dividends are recognized as a liability at the time of approval by the general meeting (time of declaration).

Treasury shares

Acquisition, disposal and dividends on treasury shares are recognized directly in retained earnings in equity.

Translation reserve

The translation reserve comprises foreign exchange differences arising from translation of the financial report for entities with a different functional currency than Danish kroner.

Provisions for liabilities

Provisions are recognized as a result of events occurring before or at the balance sheet date that has a legal or constructive obligation and it is probable that settlement of the obligation will result in an outflow of economic resources.

Provisions are measured at management's best estimate of the amount required to settle the obligation. Provisions with an expected maturity more than one year from the balance sheet date are measured at present value.

Pensions

Contributions to defined contribution plans are recognized in profit or loss in the period to which they relate and any contributions payable are recognized in the balance sheet under other payables.

Share option schemes

Equity-settled share options are measured at fair value at allotment date and recognized in the income statement under staff costs over the period in which the final right of the options vest. The balancing item is recognized directly in equity.

On initial recognition of share options, the number of options expected to vest at expiry is estimated. Subsequently revised for changes in the estimated number of vested options, so that the total recognition is based on the actual number of vested options.

The fair value of the options granted is estimated using the Black-Scholes model with the parameters stated in Note 5.

Other financial liabilities

Other financial liabilities include bank loans, trade payables and other payables to public authorities, etc. Other financial liabilities are initially measured at fair value, less any transaction costs. In subsequent periods, financial liabilities are measured at amortized cost using the "effective interest method" so that the difference between the proceeds and the nominal value is recognized in the income statement under financial expenses over the loan period.

Other liabilities are measured at amortized cost.

Leasing

Lease obligations are operating leases. Lease payments under operating leases are recognized in the profit or loss over the lease term.

Deferred income

Deferred income recognized under liabilities comprises payments received concerning income in subsequent years measured at cost.

The cash flow statement

The cash flow statement is presented using the indirect method based on net operating profit.

The cash flow statement shows cash flows for the year, the change in cash, as well as the balance of cash at the beginning and end of the year.

Cash flow from operating activities

Cash flow from operating activities is calculated as profit before tax adjusted for noncash operating items, changes in working capital, interests received and paid, and corporation tax paid.

Cash flow from investment activities

Cash flows from investment activities comprise payments relating to purchase and divestment of businesses and activities, purchase and divestment of intangible and other long-term assets as well purchase and divestment of securities not recognized as cash and dividends received. Cash flow from acquired companies is included from the date of acquisition, while cash flow from divestments is recognized until the time of sale.

Cash flow from financing activities

Cash flows from financing activities comprise changes in size or composition of share capital and related costs as well as raising and repayment of loans repayment of interest-bearing debt, purchase and divestment of treasury shares and payment of dividend to minority shareholders.

Inception of financial leases are treated as non-cash transactions. Cash flows realign to financial leases are recognized as payments of interest and repayment of debt.

Cash

Cash comprise cash less any overdraft facilities that are an integral part of cash management.

Cash flows in currencies other than the functional currency are translated using average exchange rates unless these deviate significantly from the transaction date.

Segment data

Segment data are prepared in accordance with the Group's accounting policies and the Group's internal management reporting.

Segment income and expenses and segment assets and liabilities include items directly attributable to a segment and items that can be allocated to the individual segments on a reliable basis.

Assets in the segments comprise assets used directly in segment operations, including intangible and tangible fixed assets, investments in associates, inventories, receivables from sales of goods and services, other receivables, prepayments and cash.

Liabilities related to the segments comprise liabilities derived from segment operations, including debts to suppliers of goods and services, provisions and other payables.

Earnings per share (EPS) and diluted earnings per share (EPS-D) are calculated in accordance with IAS 33.

Other ratios are calculated in accordance with the Danish Society of Financial Analysts Recommendations & Financial Ratios 2010"
The financial ratios stated are calculated as follows:

EBITDA-margin	$\frac{\text{Result before depreciation and amortization (EBITDA)}}{\text{Net revenue}}$	
Operatin margin	$\frac{\text{Operating profit (EBIT)}}{\text{Net revenue}}$	
Return of equity	$\frac{\text{Result after tax and minority interests}}{\text{Equity excl. minority interests}}$	
Equity ratio	$\frac{\text{Equity excl. minority interests}}{\text{Total liabilities}}$	
Earnings per share (EPS)	$\frac{\text{Result after tax and minority interests}}{\text{Average number of shares}}$	x f
Book value per share (BV)	$\frac{\text{Equity excl. minority interests end of year x 100}}{\text{Number of shares end of year}}$	x f
Cash flow per share	$\frac{\text{Cash flow from from operations}}{\text{Average number of shares}}$	x f
Adjustment factor (f)	$\frac{\text{Theoretical rate}}{\text{Listed price of stock the day before the subscription and/or stock right cease}}$	

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