

Stock Exchange Release no. 03/2004



## **Annual Review and Financial Statements 2003**

**PROFILE:**

*Columbus IT Partner operates as a system integrator in the market for integrated IT solutions based on Microsoft Business Solutions – primarily for small and mid-sized international enterprises. Columbus IT Partner is a service organization with more than 850 staff with operations in 26 countries. It has an overall customer base of more than 6,000 small and mid-sized companies and units of large companies.*

[www.columbusit.com](http://www.columbusit.com).



## Successful Hands integration concludes a difficult year

- Columbus IT Partner reported revenues of DKK 543m (DKK 607m in 2002), which was in line with the Company's most recent forecasts for DKK 540m, cf. Stock Exchange Release of 14 November 2003 (No. 20/2003.)
- Earnings from operation (EBITDA) were DKK 11m (DKK 8m in 2002). The Company also realized DKK 8.4m from disposal of unbooked assets deriving from the acquisition of Hands Danmark A/S, although in accordance with Danish accounting guidelines, these were not booked as income but transferred to the opening balance. The November forecast for EBITDA of DKK 20-25m included these disposals.
- On 1 July 2003, Columbus IT Partner sold its Icelandic subsidiary, with the gains of DKK 17m making positive impact on EBITDA.
- 2003 results improved by DKK 60m to a deficit of DKK -40m, primarily as a result of sizeable goodwill amortization payments in 2002.
- The Company's rights issue concluded on 2 July 2003, with the proceeds of DKK 80.5m being used in part to reduce indebtedness to Nordea Bank Danmark A/S and Gaardboe Holding ApS.
- Hands Danmark A/S was acquired on 1 October 2003, also by way of a rights issue for Hands ASA. The acquisition consolidated Columbus IT Partner's position as the largest reseller of Microsoft Business Solutions in terms of revenues, number of staff, number of installations and global coverage.
- For 2004, Columbus IT Partner is forecasting revenues of approx. DKK 625m and EBITDA to more than double to around DKK 30m, with modest pre-tax earnings.

Niels Heering  
Chairman of the Board  
Columbus IT Partner A/S

Carsten Dilling  
Chief Executive Officer  
Columbus IT Partner A/S

### For further information, please contact:

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## Key figures and ratios

DKKm	1999	2000	2001	2002	2003
<b>Income statement</b>					
Net revenues	582.2	561.6	648.9	607.0	543.2
Capitalized development costs	0.0	0.0	14.8	10.0	2.1
External project costs	-135.8	-140.5	-160.7	-150.3	-143.4
Gross profit I	446.4	421.1	503.0	466.7	401.9
Employment costs	-275.3	-309.5	-348.9	-327.0	-292.5
Gross profit II	171.1	111.6	154.1	139.7	109.4
Other external costs	-115.9	-147.6	-178.4	-140.7	-112.2
Other operating income	0.0	0.0	15.1	10.2	17.0
Other operating costs	0.0	0.0	0.0	-1.2	-3.2
EBITDA	55.2	-36.0	-9.2	8.0	11.0
Depreciation excl. goodwill	-17.1	-22.6	-25.9	-20.7	-20.0
EBITA	38.1	-58.6	-35.1	-12.7	-9.0
Amortization and write-down of goodwill	-3.5	-10.7	-53.1	-63.1	-11.5
EBIT	34.6	-69.3	-88.2	-75.8	-20.5
Net financials	7.3	-4.7	-16.4	-14.4	-10.3
Earnings before tax	41.9	-74.0	-104.6	-90.2	-30.8
Tax on earnings 2003	-12.2	6.4	-0.7	-9.7	-6.8
Minorities	-2.1	7.3	-13.8	0.0	-2.7
<b>Net earnings 2003</b>	<b>27.6</b>	<b>-60.3</b>	<b>-119.1</b>	<b>-99.9</b>	<b>-40.3</b>
<b>Dividend</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Balance Sheet</b>					
Fixed assets	110.1	210.5	191.6	126.4	124.7
Current assets	274.0	309.7	326.1	227.7	213.4
<b>Total assets</b>	<b>384.1</b>	<b>520.2</b>	<b>517.7</b>	<b>354.0</b>	<b>338.1</b>
Shareholders' equity	158.5	149.4	86.1	-15.3	31.9
Minorities	10.6	5.7	15.8	15.3	21.5
Debt and other provisions	215.0	365.1	415.8	354.0	284.7
<b>Total liabilities</b>	<b>384.1</b>	<b>520.2</b>	<b>517.7</b>	<b>354.0</b>	<b>338.1</b>
<b>Cash Flow</b>					
Cash flow from operations	21.7	-112.7	-0.7	24.0	-11.9
Net cash flow to investment	-72.4	-39.6	-51.8	-5.7	-13.3
of which invested in tangible fixed assets	-22.8	-11.6	-19.6	-10.2	-5.0
Cash flow from financing operations	20.0	105.1	73.3	-29.6	31.2
<b>Total cash flow</b>	<b>-30.7</b>	<b>-47.2</b>	<b>20.8</b>	<b>-11.3</b>	<b>6.0</b>
<b>Key ratios</b>					
Gross margin II	29.4%	19.9%	23.7%	23.0%	20.9%
Operating profit margin	5.9%	-12.3%	-13.6%	-12.5%	-2.7%
Return on investment III	14.5%	-13.2%	-14.3%	-14.8%	-1.4%
Return on equity	19.1%	-46.0%	-98.0%	-282.3%	-317.0%
Equity ratio	41.3%	28.7%	16.6%	-4.3%	10.5%
Earnings per share (EPS)	3.8	-8.6	-12.9	-9.8	-1.7
Dividend per share	0.0	0.0	0.0	0.0	0.0
Net asset value per share (BV)	27.9	23.5	10.7	-1.9	1.0
Employee, year-end	847	1018	932	829	854
Cash flow per share	3.0	-15.5	-0.1	2.4	-0.6

*The key figures and ratios given above have been calculated in accordance with the Danish Financial Analysts Association's "Recommendations and key figures 1997". The figures for Earnings per Share (EPS) and Cash Flow per Share are from the adjusted rights issue made at a rate of DKK 3 per share in June 2003 and are derived by applying an adjusting factor of 0.80. The comparative figures have been adjusted accordingly.*

## Significant events

On 1 October 2003, Columbus IT Partner acquired Hands ASA's Danish company, Hands Danmark A/S. The acquisition has given Columbus IT Partner a significantly stronger market position as the leading reseller in Microsoft Business Solutions for small and mid-sized companies in the Danish market. The acquisition also contributed to much-needed sector consolidation.

In 2003, the Company succeeded in making a break through for the really big international customers, with a large number of contracts being signed for completion over the next 1-3 years, a development borne by Columbus IT Partner's own internationalization and by Microsoft Business Solutions' acquisition of Navision.

Columbus IT Partner's results for 2002 and write-down of goodwill led to the need for a capital injection. Recapitalization was achieved by way of a successful rights issue in July 2003, which also saw the Group's lead banker Nordea become shareholders in Columbus IT Partner. The Board is currently empowered to issue shares at a nominal value of DKK 4,339,005. Following the rights issue and the Hands Danmark A/S acquisition, the Company has seen its shares being traded in significantly greater volumes. Average daily trades following the transaction amounted to about 127,000 shares compared to approx. 39,000 shares a day between January - October 2003. Shareholders rose in 2003 by more than 700 to around 3,700.

As part of its continuing focus strategy, Columbus IT Partner also divested a series of non-core companies, business areas and products. The most significant of these was the disposal of Icelandic subsidiary AX Business Intelligence, which was successfully sold on attractive terms, while retaining proprietorship of the Retail Suite product portfolio. A competency center in Denmark is undertaking its continuing development.

In 2003, the subsidiaries in UK and France, which had been reporting operating losses for some years, saw the results of the turnaround process and reported growth and consistent profits throughout the year, and this is set to continue in 2004.

The Group's North American activities, which had been operated via three separate companies with local management as minority shareholders, were amalgamated with effect from 2004 into a single company with just the one management and administration. Columbus IT Partner A/S owns just on 75% of the new company.

As a result of the efficiency drive throughout the organization, the Company succeeded in cutting parent company costs by more than 33% and central administration headcount by more than 40% in 2003. The efficiency drive has now been completed and the parent company has also taken on a considerable amount of administrative duties for all the Nordic countries.

The efficiency process will continue in 2004, in part by further roll-out of the IT platform so as to handle the operations of increasing numbers of subsidiaries centrally. This reduces costs significantly and makes for greater stability and certainty in reporting. It also makes it possible to reallocate Group R&D to other subsidiaries with a low payroll structure. At year-end 2003, six companies were being operated via the Company's central IT platform.

Overall drawings on Group credit lines fell by DKK 51m, mainly by way of debt conversion but partly as a result of divestment.

Costs of employment and other external costs amounted to DKK 405m in 2003, down DKK 63m on 2002. This was due to the headcount reduction of 70 (excl. Hands Danmark A/S) and the impact of greater efficiency on general costs, including lower office rents.

### **Latest developments**

Revenues and earnings in January 2004 were in line with Company expectations. Apart from the matters described in this report, no events have occurred since 31 December 2003 which could be significant for assessing the Group's financial position.

### **Outlook for 2004**

The level of activity in the first months of 2004 gives grounds for cautious optimism for improvements in the poor trading conditions noted in recent years. This applies specially to the increased number of international projects and greater customer interest in solutions developed by Columbus IT Partner itself.

The acquisition of Hands ASA's business activities in Denmark form a significant element in the Company's ambitions to take the lead in an overdue consolidation of the sector so as to boost competitiveness whilst also ensuring critical mass for Columbus IT Partner's most important markets.

In 2003, the Group succeeded in making a breakthrough to the really big international customers, with a large number of contracts being signed for completion over the next one-three years. This development has been borne by Columbus IT Partner's own internationalization and by Microsoft Business Solutions' acquisition of Navision. These new big international customers include Esselte, Georg Jensen, SIKA, GEA, etc.

Columbus IT Partner has continued its implementation of the second main phase out of three in the action plan for the Group which focuses on improving Group profitability. Individual initiatives, including the acquisition of Hands Danmark A/S, are actually growth promoters and belong in the final main phase of the action plan.

The main thrust of the shorter term element of the Group's action plan for 2004 is:

- More sales calls on potential internationally-oriented customers
- Greater customer focus by enhanced Key Account Management
- Better utilization and efficiency as a result of completed internal projects and use of the DIAMOND implementation model and development of employee competencies
- Insourcing of R&D tasking from all subsidiaries to Group subsidiaries in Eastern Europe
- Closer collaboration with Microsoft Business Solutions on major customer projects in and across all local markets in which Columbus IT Partner has a presence
- Sharper focus and input targeted at the Navision sector and also on solutions for retailing and lean manufacturing

In 2003, the Group noted significant growth in Russia, USA and South America and this is expected to continue in 2004. In the Nordic countries and Western Europe, expectations are for revenues to remain unchanged except for Denmark following the Hands Danmark A/S acquisition. Accordingly, the forecast is for total consolidated revenues for 2004 to be of the order of DKK 625m, with EBITDA more than doubling to about DKK 30m and modest pre-tax earnings. The improvement in EBITDA compared to 2003 should be viewed in the light of the completion of the integration of Hands Danmark A/S and the Group's ongoing restructuring process.

### **Capital resources, etc.**

Columbus IT Partner reduced overall bank borrowings during 2003 by DKK 51m net to a total of DKK 72m at year-end 2003. The Danish company has factoring operations in place with Nordea Finans A/S (DKK 35m) and Aktiv Kapital A/S (DKK 20m) respectively.

This overall reduction was achieved mainly by way of debt conversion and partly as the result of divestment.

Columbus IT Partner operates in volatile markets and the market trends and the outlook for continuing growth in investment in IT are not clear. Group revenues have in the past seen, and may in future again see, seasonal fluctuations affected by customer procurement patterns for IT, and most revenue and earnings come in the second half of the year.

As a result in part of the successful integration of Hands Danmark A/S, the Board feels that, with the current credit lines, Columbus IT Partner's capital resources are sufficient to meet ongoing capital requirements within the framework of the budgets for 2004, although liquidity will remain tight.

Current budgets indicate that the share capital will not have been fully reconstituted by year-end 2004. The Board currently has authorization to issue shares at a nominal value of DKK 4,339,005; as previously, this is an instrument for raising capital.

Columbus IT Partner will continue to match its business activities to the markets, amongst other things by way of further consolidation and by completing turnaround operations in selected subsidiaries.

The preconditions for achieving the targets and budgets for 2004 are that the continuing drive for greater efficiency in Group business operations ensures that revenue from sales per unit will more than exceed unit costs, that the market trends for the sale of business solutions continue to improve and that a turnaround can be achieved for companies reporting poor results in 2003.

The factors noted above mean that there is considerable uncertainty about the outlook for 2004, and hence Columbus IT Partner's capital resources and accordingly the annual review will include an auditor's report giving further details.

### **Safe Harbor statement**

*The statements about the future made in this report reflect the management's current expectations for certain future events and financial results. By their very nature, some uncertainties attach to statements about the future and the results finally achieved could therefore vary considerably from the expectations expressed. Further, some expectations are based on assumptions about future events which may turn out to be incorrect.*

*Factors that could mean that the results achieved differ significantly from the expectations expressed include, but are not restricted to, developments in trading conditions and the financial markets and the fiscal impact of unforeseen events, changes in regulations and legislation; rising competition for business solutions in Denmark and abroad; trends for demand, product composition and pricing for business solutions; the development of Columbus IT Partner's international activities to which some political risks are attached and investment in, and disposal of, national and international companies.*

## Financial Report 2003

Columbus IT Partner's total net revenues amounted to DKK 543m in 2003 compared to DKK 607m the previous year. The 2002 figures included approx. DKK 46m from the disposal of the municipality activities. Following the disposal of the Icelandic subsidiary AX Business Intelligence, their revenues of about DKK 23m were not included for the whole second half of 2003, whilst the acquisition of Hands Danmark A/S in Q4/2003 represented revenues of about DKK 41m.

Revenues	2002	2003	Revenues	2002	2003
Hardware	3%	2%	Axapta	70%	73%
Software	21%	22%	Navision	4%	6%
Services	76%	76%	XAL	23%	16%
			Other	3%	5%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>Total</b>	<b>100%</b>	<b>100%</b>

The figures above have been calculated exclusive of the sale of the municipality activities in 2002, the disposal of the Icelandic subsidiary and winding up the South African subsidiary in 2003.

EBITDA was DKK 11m compared to DKK 8m in 2002. There was also DKK 8.4m in proceeds from the disposal of three former Hand's businesses which were not included in results for the year in line with Danish accounting guidelines. Due in part to continuing poor trading conditions and longer decision-making processes, the Company proved unable to live up to the forecasts for EBITDA made at the beginning of 2003. At -3.8%, the operating profit margin was up in 2003 from the 2002 figure of -12.5%.

Other operating income amounted to DKK 17m (DKK 10m in 2002) and derived from the proceeds of the disposal of the Icelandic subsidiary. Other operating costs totaled DKK -3m (DKK -1m in 2002) as a result of an adverse decision in arbitration proceedings in Norway, with the addition of approximately DKK 2m paid in costs.

Amortization and depreciation of goodwill amounted to DKK 11m in 2003 compared to DKK 63m in 2002. The 2002 figures were affected by a separate DKK 40m write-down on goodwill.

The Group's financials showed net outgoings of DKK 10m, down from DKK 14m net in 2002. Adjustments for deferred tax assets in Denmark and corporation tax in foreign subsidiaries that reported profits meant that the total tax charge for Columbus IT Partner was DKK -7m. At the beginning of 2003, management had estimated tax assets at DKK 12,5m with DKK 27m at year-end 2003. The change was mainly due to the acquisition of Hands Danmark A/S. The result of 2003 was a deficit of DKK -40m, which was a DKK 60m improvement on 2002, primarily as a result of the considerable write-down of goodwill made in 2002. Results were not satisfactory.

## Regional development

	Revenues (DKKm)		EBITDA (DKKm)		Employees (year-end)	
	2002	2003	2002	2003	2002	2003
Nordic countries	230	232	-9	-9	224	318
Western Europe	123	133	-15	1	162	154
Eastern Europe	84	93	3	8	248	277
Rest of world	69	62	10	9	80	79
Parent company	0	0	-18	-17	41	26
	506	520	-29	-8	755	854
<i>The figures above have been adjusted for terminating activities, as below.</i>						
Total terminating activities	101	23	38	19	74	0
Total	607	543	8	11	829	854

**Nordic** Region revenues amounted to DKK 232m in 2003, which was in line with 2002. Hands Danmark A/S figures in the financial statements from and including Q4/2003 with revenues of DKK 41m and EBITDA of DKK -1m. At year-end 2003, there were 318 employees in the region, which was down on 2002 (excl. Hands Danmark A/S). The Nordic Region accounted for 45% of Group revenues.

EBITDA for the region was DKK -9m, which was in line with 2002. EBITDA for the Nordic Region was hit by lower revenues in Q4 as a result of the integration of Hands Danmark A/S and costs of the order of DKK 5m, associated with an adverse ruling in an arbitration case in the Norwegian subsidiary. Apart from this, the region reported a modest positive contribution to EBITDA that was up almost DKK 10m on 2002.

**Western Europe** revenues were up by DKK 10m at DKK 133m, with EBITDA for the region of DKK 1m, which was a satisfactory improvement of DKK 16m on 2002. At year-end 2003, there was a headcount of 154 in the region. Western Europe accounted for 26% of Group revenues.

**Eastern Europe** revenues rose from DKK 84m in 2002 to DKK 93m in 2003 with a marked improvement in EBITDA in consequence, up from DKK 3m in 2002 to DKK 8m in 2003. As a result, headcount rose by 29 to a total of 277 at year-end 2003. Eastern Europe accounted for 18% of total revenues. In 2003, revenues in Russia were up 25% at DKK 51m, with EBITDA up at DKK 7m. At year-end, the company had a headcount of 160.

EBITDA in the **Rest of the World** Region was DKK 9m, which was highly satisfactory given the USD being sharply down in the second half of 2003. In USD terms, revenues remained unchanged on 2002, but the fall in the exchange rate led to revenues in DKK falling by DKK 7m compared to 2002. The companies contributed 12% of total revenues. At year-end 2003, there was a headcount of 79 in the region.

Total **parent company** costs fell by DKK 10mm due to a sharp reduction in headcount, including the central sales force, and a sharp focus on improving internal work procedures and central administrative processes and operations.



## General comments on the Annual Review

### Accounting policies

The financial statements have been prepared in accordance with the provisions of the Danish Company Accounts Act for Class D enterprises, Danish accounting guidelines and Copenhagen Stock Exchange requirements for the presentation of accounts by listed companies.

Accounting policies have not been changed since 2002.

### Investments

Total investment in tangible and intangible fixed assets, excluding goodwill, was DKK 8m in 2003 compared to DKK 21m in 2002. Investment in 2003 was mainly for R&D projects for customer purposes and the acquisition of tangible fixed assets.

### Liquidity

In 2002, the Group's liquid funds increased by DKK 5m to DKK 36m. Cash flows from operations made a negative net contribution of DKK -1m. The result of investment operations saw negative liquidity of DKK -13m, mainly as a result of the acquisition of Hands Danmark A/S in the autumn of 2003. Liquidity from financing operations was a net surplus of DKK 31m due to the capital increase in the spring of 2003 and the subsequent capital increase associated with the acquisition of Hands Danmark A/S.

### Foreign exchange

The Group did not enter into any significant hedging contracts last year. Exchange risk on international contracts is limited by servicing from the Group's local companies so that the Group's income and expenses in foreign currencies are matched insofar as possible.

### Equity - trends

Equity – trends (DKKm)	2002	2003
Equity 1 January	86.1	-15.3
Capital increases	-	90.8
Adjustment for minorities with negative equity	-	-2.2
Tax charge - employee stock options	-	2.2
Currency adjustment for foreign subsidiaries, etc.	-1.5	-3.3
Earnings 2003	-99.9	-40.3
Shareholders' equity, year-end	-15.3	31.9

### Transactions with related parties

Inter-company services are charged at commercial rates or at cost. Business is done on the basis of contractual agreements by the companies unless the transactions are minor.

**Nordea AB** has a 39.5% holding in Columbus IT Partner and is also the Company's lead banker. In addition to standard credit lines, Nordea has given Columbus IT Partner a subordinated loan of DKK 17.7m

**Gaardboe Holding ApS**, Julsøvej 1, 8240 Risskov, has a 37.2% holding in Columbus IT Partner. The company has provided funding to Columbus IT Partner and has also had transactions with the Group and has supported it as below:

- Columbus IT Partner A/S has a tenancy contract until the end of March 2004 in the premises on Krudtløbsvej 1, DK-1439 Copenhagen K. The property is partly owned by Gaardboe Holding.
- Gaardboe Holding ApS has given Columbus IT Partner a subordinated loan of DKK 4m, which can be converted into shares in the Company as per stock exchange release no. 18/2003 of 20 October 2003.

Apart from the above, the Group had no significant transactions with related parties in 2003.

### **Incentive scheme**

In 2001, Columbus IT Partner introduced a three year employee-only warrant scheme at an exercise price of DKK 60 for more than 300 employees in the parent company and wholly-owned subsidiaries. The scheme may be exercised for a period of up to three weeks after release of the Company's financial statements for 2003. No warrants have been issued to the Board of Directors. In 2001, an incentive scheme has been set up for management, consisting of a total of 80,000 warrants with an exercise price of DKK 60 and 160,000 options with an exercise price of DKK 37. The management scheme has a value over a three year period of not less than DKK 10m. Senior staff have been allocated about 165,000 warrants and other staff have been allocated about 130,000 warrants. None of the warrants or options has been exercised.

### **Auditors**

The majority of the Group's companies are audited by one of the two international accountants, PricewaterhouseCoopers and Deloitte, appointed as the Group's accounting companies.

Some of the smaller subsidiaries are audited by local accountants.

### **Allocation of profit**

At the Annual General Meeting, the Board of Directors will propose that the DKK -40m deficit for the year be carried forward and be set against retained profits.

### **Investors**

The following had holdings of more than 5% of the Company's shares at year-end 2003:

- Nordea AB (Sweden) 39.5%
- Gaardboe Holding ApS (Risskov) 37.2%

### **Annual General Meeting**

The Company's Annual General Meeting will be held on 28 April 2004 at 3.0 p.m. at the Dansk Arkitektur Center, Gammel Dok, Strandgade 27B, 1401 Copenhagen K.



**The Annual Review will include the following auditor's report:**

**To the shareholders of Columbus IT Partner A/S**

We have audited the annual financial statements for Columbus IT Partner A/S for fiscal 2003.

The Company's management is responsible for the annual report and financial statements. It is our responsibility to express an opinion on the annual report and financial statements on the basis of our audit.

**Basis of opinion**

We have conducted our audit in accordance with Danish auditing standards. These require us to plan and conduct our audit so as to obtain a high level of certainty that the accounts have no significant errors or deficiencies. During our audit, we have, on the basis of significance and risk, included an examination of evidence supporting the amounts and disclosures stated in the financial statements. We have also assessed the accounting policies applied and the estimates made by management, and have assessed whether the information provided in the accounts as a whole is complete. Our view is that our audit has given sufficient grounds for our opinion.

Our audit has not given cause for qualification.

**Opinion**

It is our view that the annual financial statements and the consolidated accounts are presented in conformity with Danish statutory provisions and Copenhagen Stock Exchange requirements and that they give a true and fair view of the assets and liabilities, the financial position of the parent company and Group at year-end 2003 and the results of the Group and the parent company's business and cash flow for fiscal 2003.

**Supplementary information**

We refer to the section on "Capital status, etc" in the business report in which management reports on the considerable uncertainty in the outlook for 2004 and hence the Company's capital status.

Copenhagen 4 March 2004

**PRICEWATERHOUSECOOPERS**

*State Authorized Accounting Firm*

Allan Vestergaard Andersen

*State Authorized Accountant*

Leif Ulbæk Jensen

*State Authorized Accountant*

**DELOITTE**

*State Authorized Public Accountants*

Anders O. Gjelstrup

*State Authorized Accountant*

Jesper Jørgensen

*State Authorized Accountant*

## Income Statement

### Group

DKK 1000	2002	2003
Net revenues	606,956	543,273
Capitalized development expenses	10,085	2,105
External project costs	-150,306	-143,421
<b>Gross earnings</b>	<b>466,735</b>	<b>401,957</b>
Other external costs	-140,664	-112,229
Employment costs	-327,026	-292,536
Other operating income	10,179	16,969
Other operating costs	-1,180	-3,201
<b>EBITDA</b>	<b>8,044</b>	<b>10,960</b>
Depreciation excl. goodwill	-20,762	-20,029
<b>EBITA</b>	<b>-12,718</b>	<b>-9,069</b>
Depreciation and amortization of goodwill	-63,078	-11,440
<b>EBIT</b>	<b>-75,796</b>	<b>-20,509</b>
Pre-tax results of affiliated companies		
Financial income	11,096	10,983
Financial expenses	-25,464	-21,304
<b>Earnings before tax</b>	<b>-90,164</b>	<b>-30,830</b>
Tax on earnings 2003	-9,673	-6,770
<b>Net earnings 2003</b>	<b>-99,837</b>	<b>-37,600</b>
Minorities	-80	-2,666
<b>Columbus IT Partner's share of earnings 2003</b>	<b>-99,917</b>	<b>-40,266</b>

## Balance Sheet

DKK 1000	Group	
	2002	2003
<b>Assets</b>		
Development projects completed	2,982	5,582
Royalties	266	107
Goodwill	75,000	70,859
Development projects in progress	1,989	795
<b>Intangible fixed assets</b>	<b>80,237</b>	<b>77,343</b>
Plant and operating equipment	32,861	20,161
Tangible fixed assets under construction	770	0
<b>Tangible fixed assets</b>	<b>33,631</b>	<b>20,161</b>
Holdings in affiliated companies	0	0
Deferred tax assets	12,500	27,190
Financial fixed assets	12,500	27,190
<b>Total fixed assets</b>	<b>126,368</b>	<b>124,694</b>
Stocks of goods for sale	9,184	3,081
<b>Inventories</b>	<b>9,184</b>	<b>3,081</b>
Trade accounts receivable, goods and services	148,550	133,888
Contract work in progress	12,582	8,476
Receivables, affiliated companies	7,335	0
Receivables, shareholders	0	4,558
Corporation tax	951	2,349
Other receivables	12,399	12,624
Accruals	5,838	7,347
<b>Receivables</b>	<b>187,655</b>	<b>169,242</b>
Holdings in associated companies	0	5,000
Other securities and holdings	0	5,000
Cash funds	30,830	36,054
<b>Total current assets</b>	<b>227,669</b>	<b>213,377</b>
<b>Total assets</b>	<b>354,037</b>	<b>338,071</b>

## Balance Sheet

DKK 1000	Group	
	2002	2003
<b>Liabilities</b>		
Corporation tax	40,180	46,231
Retained profit	-55,514	-14,350
<b>Shareholders' equity</b>	<b>-15,334</b>	<b>31,881</b>
<b>Minorities</b>	<b>15,304</b>	<b>21,535</b>
Deferred tax	1,130	1,952
Provisions	0	2,533
<b>Provisions</b>	<b>1,130</b>	<b>4,485</b>
Subordinated loan capital	0	17,840
Mortgage lenders	24,750	2,090
Long-term debt	24,750	19,930
Subordinated loan capital	0	4,000
Short-term part of long-term debt	13,131	3,476
Mortgage lenders	123,007	71,865
Customer pre-payments	11,050	19,679
Trade accounts payable	48,284	62,271
Debt to affiliated companies	23,500	0
Corporation tax	8,927	3,754
Other debt	91,832	87,894
Accruals	8,456	7,301
Short-term debt	328,187	260,240
<b>Total debt</b>	<b>352,937</b>	<b>280,170</b>
<b>Total liabilities</b>	<b>354,037</b>	<b>338,071</b>

## Consolidated Cash Flow Statement

DKK 1000	31/12 2002	31/12 2003
Net earnings	-99,917	-40,266
Adjustments	108,232	34,312
Changes in working capital	34,562	15,582
<b>Cash flow from operations before net financials</b>	<b>42,877</b>	<b>9,628</b>
Interest received, etc.	11,096	10,983
Interest paid, etc.	-25,464	-21,303
<b>Cash flow from operations</b>	<b>28,509</b>	<b>-692</b>
Corporation tax paid	-4,476	-11,183
<b>Cash flow from operations</b>	<b>24,033</b>	<b>-11,875</b>
Acquisition of intangible fixed assets	-6,379	-2,055
Acquisition of tangible fixed assets	-14,163	-5,492
Disposal of intangible fixed assets	14,104	5,707
Disposal of tangible fixed assets	3,954	480
Acquisition/disposal of subsidiaries and activities	-3,203	-11,958
<b>Cash flow from financing operations</b>	<b>-5,687</b>	<b>-13,318</b>
Capital increase, rights issue	0	97,473
Capital increase – expenses	0	-6,666
incl. conversion of debt/loans	0	-67,324
Tax refund, employee shares	0	2,199
Change in debt to mortgage lenders	-20,464	10,358
Loans	5,754	4,164
Redemption of loans	-14,925	-9,035
<b>Cash flow from financing operations</b>	<b>-29,635</b>	<b>31,169</b>
<b>Changes in cash funds</b>	<b>-11,289</b>	<b>5,976</b>
Cash funds, opening balance	44,165	30,830
Exchange rate adjustments	-2,046	-752
<b>Cash funds, year-end</b>	<b>30,830</b>	<b>36,054</b>