



Stock Exchange Release no. 26/2005

Columbus IT Partner A/S acquires software development company against payment in shares

As announced in Stock Exchange Release no. 21, Columbus IT Partner was appointed by Microsoft Business Solutions responsible for development of a global retail solution, which will be included in Microsoft Business Solutions Axapta – known as the Axapta Industry Builder Initiative, an independent software vendor (ISV) initiative designed to deliver business management solutions to companies with industry-specific needs.

To ensure the best development environment possible both in relation to development of the retail solution included in the Industry Builder agreement, as well as of future software development projects, Columbus IT Partner has on 4 November 2005 acquired 100% of the share capital in the Dutch company To-Increase BV. The company will be incorporated in the Columbus Group at 1 November 2005.

To-Increase is an international company focused on developing add-on solutions for Microsoft Dynamics AX and Microsoft Dynamics NAV (Axapta and Navision) for more than 7 years. The company has 30 employees and is solely based in Holland. It is based on a 100% indirect sales model by distributing its solutions through more than 40 partners worldwide. To-Increase is a part of Microsoft Industry Builder Initiative and participates in Microsoft advisory boards for the next versions of Axapta 5.0 and Navision 5.0. It is a profitable organization with its main business focus in product development and partners support.

Development strategy

The acquisition is a part of Columbus strategy to develop a global ISV company, which will function together with the company's core consulting business. The acquisition will make Columbus IT the biggest development house for Microsoft Dynamics worldwide providing customers with high quality global industry solutions based on Microsoft Dynamics AX.

The Industry Builder initiative has been launched by Microsoft in May with the purpose of involving the most experienced partners in developing Global Industry Solutions based on Microsoft Dynamics. In July 2005, Columbus signed a first Industry builder agreement with Microsoft and became responsible for developing a global solution for the Retail trade in Microsoft Dynamics AX (Microsoft Axapta). To-Increase has a similar Industry Builder agreement with Microsoft in the Industrial Manufacturing sector.

On group level, Columbus IT Partner is thus the only Microsoft Partner who has entered into 2 Industry Builder agreements. Microsoft has entered into 8 Industry Builder agreements worldwide.



Conditions of the transaction

The consideration for the shares in the company is by way of a basic purchase sum with the option of an additional amount conditional on the earnings of the company in 2006 and 2007. The basic purchase sum totals EUR 2.70m (approx. DKK 20.1m), whereas the conditional sum over a 2 year period can total maximum EUR 2.80m (approx. DKK 20.9m). All considerations are paid with shares in Columbus IT Partner A/S, issued in maximum 4 tranches, all at the current market rates on the trading day prior to due date. The first tranche alone regarding the basic purchase sum is issued now at the end rate on 3 November 2005 of DKK 10.00 per share.

Columbus IT Partner A/S will be covering the basic purchase sum by issuing 2,015,280 shares, equivalent to about 2.9% of Columbus IT Partner's total share capital after the share issue, which will be for 70,498,235 shares of DKK 1.25 (nom.) or a total of DKK 88,122,794 (nom.). An amount of EUR 0.4m of the basic purchase sum will be held on an escrow account and released provided that in the year 2006 the company can be financed by its own operations. It is anticipated that the Board will approve the capital increase on 15 November and complete the issuance of shares. A valuation report has been drawn up since the acquisition is for a non-cash consideration for To-Increase BV.

The possible conditional amount is due 1 March 2007 and 1 March 2008 respectively, after approval of the audited accounts for 2006 (including November and December 2005) and 2007 respectively. The conditional amount comprises 10% of revenue and 31% of net profit after tax and can not exceed EUR 2.80m. The conditional sum includes a bonus amount of EUR 0.15m, which is payable if the company prior to 31 December 2007 has entered into three Industry Builder Agreements. Both conditional amounts are conditional upon management's employment by the company. They will lose any entitlements to performance based amounts should they terminate their employment by own will.

The capital increases are being made by the Board exercising its authorization in Art. 5.1 of the Articles of Association, according to which the Board is empowered until 20 April 2010 to increase the Company's share capital in one of more tranches by up to DKK 30,715,385 (nom.). Following the first of the above-mentioned issues, DKK 28,196,285 (nom.) of the Board's authorization will remain. In increasing the share capital at market rates, the Board may decide that the capital increase shall be without pre-emptive rights for the Company's existing shareholders. Similarly, the Board can decide that the increase should be made wholly or partially other than by cash payment. The new shares will have the same rights as the existing shares. The new shares will be negotiable instruments and there are no restrictions on their negotiability. Immediately after registration of the capital increase at the Danish Commerce & Companies Agency, the new shares will be listed under the same funds code as hitherto.

The transaction does not result in changes regarding the outlook for 2005 already expressed by Columbus IT Partner A/S, as the company only will be incorporated in the Columbus Group at 1 November 2005. Please see Stock Exchange Release no. 24/2005.



Share capital trends after the capital increase:

	Share capital	Shares
	DKK nom.	DKK 1.25 nom.
Share capital before 4/11 2005	85,603,693.75	68,482,955
Capital increase at DKK 10,00	2,519,100.00	2,015,280
New share capital	88,122,793.75	70,498,235

Ownership after the capital increase:

	Holdings before the capital increase		Holdings after the capital increase	
	Shares	%	Shares	%
Consolidated Holdings A/S	25,163,161	36.74%	25,163,161	35.69%
Michael Gaardboe	13,012,461	19.00%	13,012,461	18.46%
Nordea A/S	4,357,985	6.36%	4,357,985	6.18%
Other shareholders	25,949,348	37.90%	27,964,628	39.67%
Total	68,482,955	100.00%	70,498,235	100.00%

Ib Kunøe
Chairman of the Board
Columbus IT Partner A/S

Vladislav Martynov
Chief Executive Officer
Columbus IT Partner A/S

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Appendix: Valuation report by Deloitte

To the shareholders of Columbus IT Partner A/S, CVR no.: 13 22 83 45

As assessors appointed pursuant to s.6b Companies Act, we have in accordance with s.33 Companies Act valued the below-identified assets which are being assigned to the Company as part of the planned capital increase.

- 100% of the shares in To-Increase B.V., cf. Agreement for the acquisition of 4 November 2005.

The Company's management are responsible for determining the value of the assigned assets. Our responsibility is to give an opinion on the value of the assigned assets on the basis of our valuation.

Valuation procedure

Assets are valued at current market value which is not expected to exceed the utility value for Columbus IT Partner A/S. It should be noted that the value has been determined as a result of negotiation between independent parties with knowledge of the sector.

The total consideration being assigned is based on one fixed amount and two additional performance based amounts:

The fixed amount totals DKK 20,152,800 for which 2,015,280 DKK 1.25 (DKK 2,519,100.00 nom.) shares will be issued at DKK 10.00 per share.

The first performance based amount is calculated as 10% of the revenue for 2006 and 2007 and 31% of the net result after tax (NAT) for 2006 and 2007. The amount is maximised at EUR 2.65 million.

The second performance based amount is maximum EUR 0.15 million and conditional upon the company entering at least 3 specific agreements prior to 31 December 2007.

Both performance based amounts are conditional upon managements employment by the company. They will lose any entitlements to performance based amounts should they terminate their employment by own will.

Opinion

On the basis of the above, we state that in our opinion the value of the assigned assets is a least equivalent to the agreed fixed consideration and the expected additional considerations, including the face value of the shares and the share premium, which are to be issued as part of the capital increase.

Copenhagen 4 November 2005

Deloitte

Statsautoriseret Revisionsaktieselskab

Anders O. Gjelstrup
State Authorized Accountant