UNIT4: Significant License Growth and Improved Outlook

Sliedrecht, 26 August 2010

1st Half Year 2010

- **Total revenue increased by 7% to €199.3 million (H1 2009: €187.1 million)**
- **License sales grew 18% to €29.8 million (H1 2009: €25.3 million)**
- **Recurring revenue (contracts) increased by 11% to €97.6 million (H1 2009: €88.2 million) and is now 49% of total revenue (H1 2009: 47%)**
- **EBITDA rose by 23% to €35.4 million (H1 2009: €28.8 million)**
- **Without exceptional[1] costs, EBITDA increased by 19% to €40.3 million (H1 2009: €34.0 million)**
- **Without exceptional[1] costs, EBITDA margin improved to 20.2% (H1 2009: 18.2%)**
- **Net profit before goodwill increased by 31% to €13.9 million (H1 2009: €10.6 million)**
- **Strong increase in operating cash flow (+ 16%) through effective working capital management: + €55.2 million (H1 2009: + €47.7 million)**
- **Improved cash position by €61.5 million to €76.2 million (H1 2009: + €14.7 million)**
- **Net debt position reduced to €62.6million (H1 2009: + €146.8 million)**

2nd Quarter 2010

- **Total revenue increased by 7% to €102.5 million (Q2 2009: €96.1 million)**
- **License sales grew 11% to €16.1 million (Q2 2009: €14.5 million)**
- **Recurring revenue (contracts) increased by 11% to €50.1 million (Q2 2009: €45.3 million)**
- **EBITDA rose by 8% to €20.0 million (Q2 2009: €18.6 million)**
- **Without exceptional[1] costs, EBITDA increased by 10% to €23.3million (H1 2009: €21.1 million)**
- **Without exceptional[1] costs, EBITDA margin improved to 22.7% (H1 2009: 22.0%)**

[1] Exceptional costs include restructuring costs, branding costs (name change), due diligence/legal costs relating to the bid for Teta S.A. (IFRS3R) and additional investment in FinancialForce.com

amounts in € 1 million, unless otherwise stated	H1 2010	H1 2009	Δ%
Revenue	**199.3**	**187.1**	**7%**
Gross margin	183.2	170.5	7%
Gross margin%	91.9%	91.1%	0.8 pts
Personnel costs	123.9	121.7	2%
Other operating expenses	23.9	20.0	19%
EBITDA	**35.4**	**28.8**	**23%**
Exceptional items	4.9	5.2	-6%
EBITDA before exceptional items	**40.3**	**34.0**	**19%**
EBITDA margin	17.8%	15.4%	2.4 pts
EBITDA margin before exceptional items	20.2%	18.2%	2.0 pts

Revenue development

UNIT4 witnessed a strong order intake in the second quarter of 2010 including large customer orders in Germany, the United Kingdom, North America and Spain. A healthy level of activity was also recorded in the Benelux, Sweden and Norway. Compared with the first quarter of 2010, license sales increased by 18% and compared with the second quarter of 2009, license revenue increased by 11%. Two large health care institution orders (>€ 1 million) were signed in Spain. In the UK several public sector orders were signed, including one with Save the Children for € 1.6 million. The largest order secured was a landmark deal with the Queensland Government Department of Education and Training in Australia (> € 6 million), which will see UNIT4 play a significant role in the transformation of student management across more than 1,250 schools in the coming years.

In the first half year license revenue increased by 18% to €29.8 million (H1 2009: €25.3 million), thanks to new license sales of Agresso Business World, CODA financial management software, ekon (Spain) and other solutions sold in the Benelux.

Total revenue increased by 7%, to €199.3 million (H1 2009: €187.1 million) and due to more effective sales the gross margin improved to a level of 91.9% (H1 2009: 91,1%). Organic revenue growth was 4%.

Service revenue declined by 2% to €71.9 million (H1 2009: €73.6 million), principally due to capacity reduction as a result of restructuring in 2009. The worldwide number of in-house consultants was reduced by 2%. However, as a result of improved license sales, it is expected that consulting capacity will grow in the second half of 2010.

A positive outcome from H1, was that contract revenue again rose strongly. Customer attrition remained very low at less than 3%. Revenue from contracts (maintenance and subscriptions) rose by 11% to €97.6 million (H1 2009: €88.2 million) and the share of contracts in total revenue rose to 49% (H1 2009: 47%). More and more customers are choosing subscription licenses and having their software delivered as a service. The growth in subscription in the first half of 2010 was around 25%. The annual run rate went up from €21.0 million (June 2009) to €26.5 million as of June 2010.

Improved operating margin

Excluding exceptional costs, EBITDA increased by 19% to €40.3 million (H1 2009: €34.0 million).
The EBITDA margin improved from 18.2% in the first half year of 2009 to 20.2% in H1 2010.

The EBITDA margin (including exceptional costs) improved to 17.8% (H1 2009: 15.4%). Total EBITDA (including exceptional costs) increased 23% to an amount of €35.4 million (H1 2009: €28.8million). Personnel costs increased by 2% due to inflow of personnel at FinancialForce.com and the acquisition of Consist B.V. (IBS) in February. Excluding Agresso France (divested in Q2), employee levels increased by 3% to 3,428 (FTE). In the first half of 2010 €1.2 million was spent on reorganization (H1 2009: €5.2 million).

In the first half of 2010, other operating expenditure increased by €3.9 million, primarily due to extra investments in branding (name change) and transaction costs such as due diligence costs relating to the acquisitions of Teta S.A. and Consist B.V.

In total €4.9million was spent on exceptional items and extra investments (compared with H1 2009) in FinancialForce.com.

Exceptional items	H1 2010	H1 2009
Restructuring costs	1.2	5.2
Branding costs (name change)	1.2	0.0
Transaction costs (IFRS 3R)	0.9	0.0
FinancialForce.com (extra investment compared with H1 2009)	1.6	0.0
Total	**4.9**	**5.2**

Net profit

amounts in € 1 million, unless otherwise stated	H1 2010	H1 2009	Δ%
EBITDA before exceptional items	**40.3**	**34.0**	**19%**
Exceptional items	4.9	5.2	-6%
Depreciation on goodwill related items	10.2	10.1	1%
Depreciation on intangible fixed assets, property, plant and equipment	9.8	9.1	8%
Finance costs	4.5	5.4	-17%
Profit before tax continuing operations	**10.9**	**4.2**	**160%**
Income tax	2.9	0.7	314%
Income tax %	26.6%	16.7%	9.9 pts
Profit after tax continuing operations	**8.0**	**3.5**	**129%**
Discontinued operations	-1.5	-0.1	pm
Net profit	**6.5**	**3.4**	**91%**
Net profit (before goodwill related items)	13.9	10.6	31%
Earnings per share (in €)			
EPS (basic)	0.23	0.12	93%
EPS (before goodwill)	0.50	0.40	24%

Net profit increased by 91% to €6.5 million and net profit before goodwill increased by 31% to €13.9 million. Earnings per share (before goodwill) grew by 24% to €0.50.

Discontinued operations in the first half of this year consisted of Agresso France S.A., which was divested on June 15, 2010.

Earnings per share of continuing operations, excluding exceptional costs and goodwill related items, amounted to €0.69 at the end of June 2010.

Liquidity position and cash flow

Operating cash flow increased by 16% to €55.2 million (H1 2009: + €47.7 million) through effective working capital management. Due to improved cash collection and more upfront payments (contracts), UNIT4 improved its working capital by €27.0 million.

At the 26th of April 2010 UNIT4 raised additional capital for acquisitions. At this date 2.850.000 ordinary shares were issued at a price of €19.75 per share. The proceeds (approx. €50 million) were used for the acquisition of Teta SA in the second half of the year.

The net liquidity position increased by €61.5 million to €76.2 million (H1 2009: + €14.7 million) and the syndicated loan was valued at €138.8 million as of June 30, 2010. As a result, the net debt position was reduced to €62.6 million (H1 2009: €146.8 million). Without the proceeds of the share issue (€50 million), the net liquidity position would have been €26.2 million and the net debt position €112.6 million.

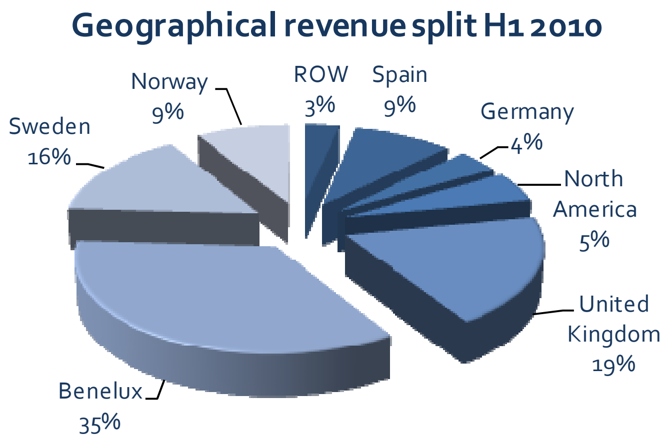
All covenants relating to bank loans were amply covered.

International growth

Performance exceeded market levels in UNIT4's five most important markets, namely Benelux, United Kingdom, Norway, Sweden and Spain. Revenue in the Benelux countries rose by 13%, including a 32% license growth. In addition to sales of Agresso Business World and CODA, important contributions to the increase were also made by other Group products covering accounting and office administration, salary processing and health care. In Sweden, private sector sales were strong and total revenues grew by 15% including a 23% growth in licenses. Norway also increased revenues by 15% including a significant license performance (+12%) in the public sector and a strong SaaS order intake. After the restructuring in 2009 in the UK and Spain, service revenues were at a lower level, because of the reduced capacity. In the UK, total revenues were steady, but license sales were strong and saw a 20% increase. Total revenues in Spain decreased (- 6%) due to a significantly smaller consulting team, but license revenue grew considerably, by 35%. Through one of its partners, the Spanish operation sold ekon Salus (its vertical healthcare solution) to SUMA Intermutual, a public institution that manages 3 hospitals, 250 medical clinics and 3 rehabilitation centers in the country, in a deal worth €1.0 million. We also closed a significant deal in H1 with a group of wholesale suppliers worth €2.0 million.

In North America revenue stabilized primarily due to the fact that in the first half of 2009 some large contracts were secured.
The largest order signed in Europe this year was a government sector contract signed in June in Germany but this was booked as a subscription (>5 year) and therefore does not immediately contribute to earnings. In total, revenues in Germany declined by 4%. More new license sales are expected in the second half of the year.

In the ROW, business in France was weak with few license sales. However, performance in Asia improved significantly, with a 300% increase in revenue from new license sales. Further investment is planned in the region. Eastern Europe (Hungary and Czech) also reported a 10% increase in license growth.



FinancialForce.com

FinancialForce.com was founded at the end of September 2009, with its head office in San Mateo (California). FinancialForce.com is focused on developing, selling, implementing and supporting cloud based (SaaS) accounting solutions. FinancialForce Accounting is built natively on the Force.com platform from salesforce.com and uses salesforce.com's infrastructure to deliver its service. FinancialForce.com's focus for the end of 2009 and the early part of 2010 was to build a referenceable client base to prove the stability and added value of the new product line. Since the launch, many clients have selected FinancialForce Accounting, not only because of its seamless integration with the salesforce.com Sales and Service clouds, but also for its unique and dynamic, real-time accounting functionality, delivered in a flexible and cost-effective, multi-tenant infrastructure.

Having built essential references, FinancialForce.com is seeing a consistently increasing pipeline including an increasing number of significant prospects. In the second half of 2010 we will continue to investment in sales, marketing and customer success, to build on our early traction. The expectation is that FinancialForce.com will have around 55 employees by the end of 2010.

Acquisitions

Consist

In February 2010 UNIT4 acquired Consist. Consist has built up a strong position in the Dutch market for 30 plus years in the areas of financial management and human resources management software, with products such as FIS, FMS and EMIS. Consist has established a client base of 600 medium-sized businesses and organizations.
Consist expects revenues of € 15 million in 2010 (full year), with an EBITDA margin of approx. 25%. Recurring revenue contributes approximately 50% of the total revenue. The cost of the acquisition was fully funded from UNIT4's internal cash resources.

Teta

UNIT4 has acquired the company – by a public offer for 100% of the shares – for an amount of €40.0 million. The offer price and €12.5 million debt represents a total enterprise value of €52.5 million.

Hence, the implied EV/ EBITDA multiple is around 8. At 5 July, UNIT4 purchased 93% of the shares and via a squeeze out, the remaining 7% were acquired at the 5th of August. Teta will be delisted from the Warsaw Stock Exchange as of 26 August 2010.

The acquisition of Teta will give UNIT4 a larger stake in the growing eastern European market.

Teta is a leading ERP and HR software provider in Poland, with a strong presence in HR software in Hungary, with a portfolio of more than 2,000 customers. The acquisition will provide UNIT4 with a leading position in the Polish ERP and HR software market and the Hungarian HR software market, and a platform for expansion in Central and Eastern Europe, where the ERP software market is growing at a faster pace than in Western Europe. For Teta, an internationally recognized brand and increased critical mass will enable the company to compete more effectively for larger deals, further invest in new products and more actively engage in expected market consolidation. The company has been listed on the Warsaw Stock Exchange since November 2005.

For the full year 2010 Teta expects to deliver around €26.0 million in revenue with an EBITDA of more than €6.5 million (representing an EBITDA margin of 25%). These results include a contribution from Teta's 35% shareholding in Insert S.A. ("InsERT"). InsERT is a leading provider of SME ERP software in Poland.

Outlook

The original outlook for 2010 represented a total EBITDA of around €76 million.
This is equal to an EBITDA of €80 million based upon 2-5% organic growth and an EBITDA margin of approximately 20%, excluding additional investments/costs associated with FinancialForce.com of approximately €4 million.

Based upon the latest estimate and the expected contributions from acquisitions the EBITDA outlook for 2010 has been revised and is now improved to an amount of approximately €82 - 85 million[2], including the additional investments in FinancialForce.com (full year) and the other exceptional costs, out of the first half year (branding costs, restructuring and transaction costs). Excluding these additional investments and costs, the EBITDA would exceed an amount of €90 million.

[2] based upon stable economic circumstances, constant currencies and excluding extra-ordinary items in H2

Risks and uncertainties

The risks and uncertainties, including the risk management, did not substantially change during the last reporting period and changes are not expected to occur in the next 6 months. Reference is made to a description of the risks and uncertainties in chapter "Risks and risk management" included in the annual report 2009 (starting from page 56).

This document contains certain future expectations about the financial state of affairs and results of the activities of UNIT4 as well as certain related plans and objectives. Such expectations for the future are naturally associated with risks and uncertainties because they relate to future events, and as such depend on certain circumstances that may not arise in future. Various factors can cause real results and developments to deviate considerably from explicitly or implicitly made statements about future expectations. Such factors may for instance be changes in expenditure by companies in important economies, statutory changes and changes in financial markets, in pension costs, in the salary levels of employees, in future exchange and interest rates, in future takeovers or divestitures and the pace of technological developments. UNIT4 therefore cannot guarantee that the expectations will be realized. UNIT4 also refuses to accept any obligation to update statements made in this document.

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About UNIT4 – www.unit4.com

UNIT4 is a global business software and services company aimed at helping dynamic organizations to embrace change simply, quickly and cost effectively in a market sector it calls 'Businesses Living IN Change' (BLINC)™. The Group incorporates a number of the world's leading change embracing software brands including Agresso Business World and CODA financial management software.

UNIT4 is a top six mid-market ERP software player globally and the 2nd largest European ERP supplier. With offices in 15 European countries, as well as 6 countries across North America, Asia Pacific and Africa and sales activities in several other countries, a revenue of €379.4 million was realized in 2009. UNIT4 is headquartered in Sliedrecht, the Netherlands. The company has 3,428 employees (30 June 2010).

UNIT4 is listed on Euronext Amsterdam by NYSE Euronext and is included in the Amsterdam Smallcap Index (AScX). For more information on UNIT4 or any of its operating companies, please visit the website at www.unit4.com.

Unaudited interim condensed consolidated financial statements

30 June 2010

1. INTERIM CONSOLIDATED INCOME STATEMENT
For the 6-month period ending 30 June

(€ x 1,000)	Notes	2010	2009
Continuing operations			
Products		29,813	25,302
Services and other		71,893	73,576
Contracts and subscriptions		97,543	88,222
Revenue		**199,249**	**187,100**
Cost of sales		16,090	16,577
Gross profit		**183,159**	**170,523**
Employee costs		123,796	121,692
Other operating expenses		23,915	20,016
Operating result before depreciation and impairment (EBITDA)		**35,448**	**28,815**
Depreciation of property, plant and equipment and amortization of intangible assets		20,044	19,161
Operating result (EBIT)		**15,404**	**9,654**
Finance costs		5,805	8,791
Finance income		1,266	3,386
Share of profit of an associate		83	0
Profit before tax		**10,948**	**4,249**
Income tax	6.8	2,904	714
Profit for the period from continuing operations		**8,044**	**3,535**
Discontinued operations			
Result for the period from discontinued operations	6.9	-1,445	-112
Profit for the period		**6,599**	**3,423**
Attributable to:			
Shareholders of UNIT4		6,474	3,245
Non-controlling interests		125	178
		6,599	3,423
Earning per share in € (attributable to shareholders of UNIT4)			
- Basic earnings per share		0.23	0.12
- Basic earnings per share attributable to continuing operations		0.29	0.13
- Diluted earnings per share		0.23	0.12
- Diluted earnings per share attributable to continuing operations		0.29	0.13

Profit after tax before goodwill related items and impairments[1]	**13,854**	**10,640**
Earning per share in € (attributable to shareholders of UNIT4)		
- Basic earnings per share (before goodwill related items)[1]	0.50	0.40
- Diluted earnings per share (before goodwill related items)[1]	0.50	0.40

[1] including amortization of customer contracts, acquired software development costs and trademarks

2. INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the 6-month period ending 30 June

(€ x 1,000)	2010	2009
Profit after tax	**6,599**	**3,423**
Currency translation differences on translation of foreign operations[1]	22,515	24,427
Currency translation differences on hedge of net investment[1]	-3,996	-4,347
Other comprehensive income after taxes	**18,519**	**20,080**
Total comprehensive income after taxes	**25,118**	**23,503**
Attributable to:		
Shareholders of UNIT4	25,188	23,325
Non-controlling interests	-70	178
	25,118	23,503

[1] Income tax is not applicable for these items within the period

3. INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2010

(€ x 1,000)	Notes	30 June 2010	31 December 2009
Assets			
Non-current assets			
Intangible assets	6.12	325,819	292,728
Property, plant and equipment	6.13	32,631	31,491
Investment in associates and joint ventures		74	79
Other financial assets		1,445	987
Deferred tax asset		15,114	13,266
		375,083	**338,551**
Current assets			
Inventories		712	402
Trade and other receivables		102,285	85,574
Income tax asset		687	1,193
Other taxes		755	722
Cash and cash equivalents	6.15	76,241	44,011
		180,680	**131,902**
Assets held for sale	6.9	0	3,944
Total assets		**555,763**	**474,397**
Equity and liabilities			
Equity			
Issued capital		1,455	1,318
Share premium		309,435	257,274
Currency translation differences reserve		-15,060	-33,774
Accumulated deficit		-90,139	-91,250
Equity attributable to UNIT4		**205,691**	**133,568**
Non-controlling interests		1,279	1,349
Total equity		**206,970**	**134,917**
Non-current liabilities			
Interest-bearing loans and borrowings		121,619	127,909
Pension obligations		244	484
Deferred tax liability		41,934	37,643
Provisions		3,499	3,602
		167,296	**169,638**
Current liabilities			
Provisions		1,249	2,569
Trade and other payables		11,069	13,694
Interest-bearing loans and borrowings	6.15	23,004	51,802
Income tax payable		9,666	9,879
Other taxes		16,121	17,515
Other liabilities, accruals and deferred income		120,388	70,169
		181,497	**165,628**
Liabilities concerning assets held for sale	6.9	0	4,214
Total equity and liabilities		**555,763**	**474,397**

4. INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the 6-month period ending 30 June 2010

(€ x 1,000)	Issued capital	Share premium	Currency translation differences reserve	Accumulated deficit	Total	Non-controlling interests	Total equity
	Attributable to shareholders of UNIT4						
1 January 2010	**1,318**	**257,274**	**-33,774**	**-91,250**	**133,568**	**1,349**	**134,917**
Profit reporting period (after tax)				6,474	6,474	125	6,599
Other comprehensive income (after tax)			18,714		18,714	-195	18,519
Total comprehensive income after tax	**0**	**0**	**18,714**	**6,474**	**25,188**	**-70**	**25,118**
Appropriation of result 2009					0		0
Issue of share capital	129	50,826			50,955		50,955
Transaction costs[1]		-890			-890		-890
Dividend				-5,534	-5,534		-5,534
Exercise of options	8	2,225			2,233		2,233
Share-based payment[2]				171	171		171
30 June 2010	**1,455**	**309,435**	**-15,060**	**-90,139**	**205,691**	**1,279**	**206,970**

For the 6-month period ending 30 June 2009

(€ x 1,000)	Issued capital	Share premium	Currency translation differences reserve	Accumulated deficit	Total	Non-controlling interests	Total equity
	Attributable to shareholders of UNIT4						
1 January 2009	**1,313**	**255,866**	**-47,900**	**-111,759**	**97,520**	**220**	**97,740**
Profit reporting period (after tax)				3,245	3,245	178	3,423
Other comprehensive income (after tax)			20,080		20,080		20,080
Total comprehensive income after tax	**0**	**0**	**20,080**	**3,245**	**23,325**	**178**	**23,503**
Appropriation of result 2008					0		0
Share-based payment[2]				90	90		90
30 June 2009	**1,313**	**255,866**	**-27,820**	**-108,424**	**120,935**	**398**	**121,333**

[1] IAS 32.35 requires transaction costs of an equity transaction to be accounted for as a deduction from equity, but does not specify where in equity this should be recognized.
The Group has chosen to recognize the charge as a reduction of share premium.

[2] For equity settled share based payment transaction IFRS 2.7 requires to recognise an increase in equity but does not specify where in equity this should be recognized.
The Group has chosen to recognize the credit in Accumulated deficit.

5. INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the 6-month period ending 30 June

(€ x 1,000)	Notes	2010	2009
Cash Flows from operating activities			
Operating result (EBIT) from continuing operations		15,404	9,654
Operating result (EBIT) from discontinued operations		-1,326	-1,108
Operating result (EBIT)		**14,078**	**8,546**
Adjustments for:			
Depreciation and impairment		20,065	19,194
Share-based payments		171	90
Changes in provisions		-2,013	-877
Changes in operating capital		29,019	30,238
Cash flows from operations		**61,320**	**57,191**
Interest paid and received		-712	-2,380
Income tax paid		-5,425	-7,117
Cash flows from operating activities		**55,183**	**47,694**
Cash flows from investing activities			
Investments in intangible assets		-9,015	-7,334
Acquisition and divestments of subsidiaries, net of cash and cash equivalents acquired		-15,280	-488
Divestments of other financial assets		0	0
Repayment of other financial assets		-520	-219
Investments in property, plant and equipment		-3,242	-2,325
Divestments of property, plant and equipment		0	80
Cash flows from investing activities		**-28,057**	**-10,286**
Cash flows from financing activities			
Proceeds from issue of shares		52,298	0
Proceeds from non-controlling interest			0
Payments of borrowings		-11,500	-11,627
Dividends paid		-5,534	0
Interest paid		-3,124	-3,956
Cash flows from financing activities		**32,140**	**-15,583**
Net cash flows		59,266	21,825
Currency translation differences		2,262	1,549
Cash and cash equivalents at 1 January		14,709	-8,670
Cash and cash equivalents at 30 June	6.15	**76,237**	**14,704**

6. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6.1 Corporate information

The interim condensed consolidated financial statements of UNIT4 N.V. for the 6 months ended 30 June 2010 were authorized for issue in accordance with the resolution of the Board of directors and the Supervisory Board of 25 August 2010. UNIT4 N.V. is a listed company established and domiciled in the Netherlands whose shares are publicly traded at the NYSE Euronext Amsterdam. UNIT4 N.V. and its subsidiaries (jointly 'UNIT4' or 'Group') operate as international producer of business software. The head office is based in Sliedrecht, the Netherlands.

6.2 General accounting principles

Basis of preparation

The interim condensed consolidated financial statements for the 6 months ended 30 June 2010 have been prepared in accordance with IAS 34 Interim Financial Reporting, as adopted within the European Union. The interim condensed consolidated financial statements are presented in euro (x 1,000) and are prepared based on historical costs taking into account that the derivatives are measured at fair value. The interim condensed consolidated financial statements for the 6 months ended 30 June 2010 do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2009.

Significant accounting policies

The accounting principles adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2009, except for the adoption of new standards and interpretations as of 1 January 2010 noted below:

The Group has adopted the following new and amended IFRS and IFRIC interpretations as of 1 January 2010:

- IFRS 1 First-Time Adoption of IFRS (Revised), effective 1 January 2010
- IFRS 1 First-Time Adoption of IFRS – Additional Exemptions for First-time Adopters, effective 1 January 2010
- IFRS 2 Share-based Payment – Group Cash-settled Share-based Payment Arrangements, effective 1 January 2010
- IFRS 3 Business Combinations (Revised) and IAS 27 Consolidated and Separate Financial Statements (Amended), effective 1 July 2009
- IAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items, effective 1 July 2009
- IFRIC 12 Service Concession Arrangements, effective 1 April 2009
- IFRIC 15 Agreements for the Construction of Real Estate, effective 1 January 2010
- IFRIC 16 Hedges of a Net Investment in a Foreign Operation, effective 1 July 2009
- IFRIC 17 Distributions on Non-cash Assets to Owners, effective 1 November 2009
- IFRIC 18 Transfers of Assets from Customers, effective 1 November 2009
- Improvements to IFRSs (Issued May 2008), effective 1 January 2010
- Improvements to IFRSs (Issued April 2009), effective 1 January 2010

When the adoption of the standard or interpretation is deemed to have an impact on the financial statements or the performance of the Group, its impact is described below:

<u>IFRS 2 Share-based Payment – Group Cash-settled Share-based Payment Arrangements</u>

The amendment clarifies the scope and the accounting for group cash-settled share-based payment transactions. The Group has concluded that the amendment will have no impact on the financial position or the performance of the Group.

IFRS 3 Business Combinations (Revised) and IAS 27 Consolidated and Separate Financial Statements (Amended)

IFRS 3 Business Combinations (Revised) and IAS 27 Consolidated and Separate Financial Statements (Amended) are applicable to business combinations for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 July 2009. IFRS 3 (Revised) introduces significant changes in the accounting for business combinations occurring after this date. Changes affect the valuation of non-controlling interest, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognized, the reported results in the period that an acquisition occurs and future reported results. IAS 27 (Amended) requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as a transaction with owners in their capacity as owners. Therefore, such transactions will no longer give rise to goodwill, nor will it give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. The changes by IFRS 3 (Revised) and IAS 27 (Amended) will be applied prospectively and will affect future business combinations or loss of control of subsidiaries and transactions with non-controlling interests.

IAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items

The amendment clarifies that an entity is permitted to designate a portion of the fair value changes or cash flow variability of a financial instrument as a hedged item. This also covers the designation of inflation as a hedged risk or portion in particular situations. The Group has concluded that the amendment will have no impact on the financial position or the performance of the Group, as the Group has not entered into any such hedges.

IFRIC 16 Hedges of a Net Investment in a Foreign Operation

IFRIC 16 provides guidance on the accounting for a hedge of a net investment. As such it provides guidance on identifying the foreign currency risks that qualify for hedge accounting in the hedge of a net investment, where within the group the hedging instruments can be held in the hedge of a net investment and how an entity should determine the amount of foreign currency gain or loss, relating to both the net investment and the hedging instrument, to be recycled on disposal of the net investment. The adoption of this interpretation will have no impact on the financial position or the performance of the Group.

IFRIC 17 Distributions on Non-cash Assets to Owners

The Interpretation provides guidance on how to account for non-cash distributions to owners. It clarifies when to recognize a liability, how to measure it and the associated assets, and when to derecognize the asset and liability. The Group does not expect IFRC 17 to have an impact on the consolidated financial statements as the Group has not made non-cash distributions to shareholders in the past.

Improvements to IFRSs (Issued May 2008)

In May 2008, the IASB issued its first omnibus of amendments to its standards. All amendments issued are effective for UNIT4 N.V. as at 31 December 2009 and resulted in changes to accounting policies but did not have any impact on the financial position or performance of the group.

Improvements to IFRSs (Issued April 2009)

In April 2009, the IASB issued a second omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. The adoption of the following amendments resulted in changes to accounting policies but did not have any impact on the financial position or performance of the group.

- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations: Clarifies that the disclosures required in respect of non-current assets and disposal groups classified as held for sale or discontinued operations are only those set out in IFRS 5. The disclosure requirements of other IFRSs only apply if specifically required for such non-current assets or discontinued operations. As a result of this amendment, the Group amended its disclosures in Note 6.8 Discontinued operations.

- IFRS 8 Operating Segment Information: Clarifies that segment assets and liabilities need only be reported when those assets and liabilities are included in measures that are used by the chief operating decision maker. As the Group's chief operating decision maker does review segment assets and liabilities, the Group has continued to disclose this information in Note 6.5.
- IAS 7 Statement of Cash Flows: Explicitly states that only expenditure that results in recognizing an asset can be classified as a cash flow from investing activities. This amendment will impact the presentation in the statement of cash flows of the contingent consideration on the business combination completed in 2009 upon cash settlement.
- IAS 18 Revenue: The IASB has added guidance (which accompanies the standard) to determine whether an entity is acting as a principal or as an agent. The features to consider are whether the entity:
    - Has primary responsibility for providing the goods or service
    - Has inventory risk
    - Has discretion in establishing prices
    - Bears the credit risk

  The Group has assessed its revenue arrangements against these criteria and concluded that it is acting as principal in all arrangements. The revenue recognition accounting policy has been updated accordingly.
- IAS 36 Impairment of Assets: Furthermore, the amendment clarifies that the largest unit permitted for allocating goodwill, acquired in a business combination, is the operating segment as defined in IFRS 8 before aggregation for reporting purposes. This amendment has no impact on the Group as the annual impairment test is performed before aggregation.

Other amendments resulting from Improvements to IFRSs to the following standards did not have any impact on the accounting policies, financial position or the performance of the Group:
- IFRS 2 Share-based payment
- IAS 17 Leases
- IAS 36 Impairment of Assets

6.3 Seasonal pattern
As a consequence of the various market conditions which effect the decisions of (potential) clients to buy our products or services in a broad sense, the results are strongly depending on a seasonal pattern. The precise consequences are not predictable. Historical information is showing higher revenues in the months June and December compared to the other months. It also shows that in the second half of a year the results are often higher than in the first half of a year.

6.4 Exchange rates

The closing exchange rates used are (foreign currency compared to 1 €):	30 June	
	2010	2009
Australian dollar (AUD)	1.44000	1.73300
Canadian dollar (CAD)	1.28700	1.62600
Czech krone (CZK)	25.68000	25.88000
Danish krone (DKK)	7.44700	7.44600
Estonian krone (EEK)	15.64000	15.50000
Hungarian forint (HUF)	285.00000	272.25000
Malaysian ringgit (MYR)	3.97590	4.97020
Norwegian krone (NOK)	7.95500	9.03000
Pound Sterling (GBP)	0.81700	0.85120
Singapore dollar (SGD)	1.71400	2.04200
Swedish krone (SEK)	9.53000	10.82000
US dollar (USD)	1.23000	1.41410

The average exchange rates used are (foreign currency compared to 1 €):	for the 6-month period ending 30 June	
	2010	2009
Australian dollar (AUD)	1.48589	1.89006
Canadian dollar (CAD)	1.37800	1.60744
Czech krone (CZK)	25.70444	27.20389
Danish krone (DKK)	7.44225	7.44917
Estonian krone (EEK)	15.63622	15.57778
Hungarian forint (HUF)	270.73611	290.18056
Malaysian ringgit (MYR)	4.40521	4.85539
Norwegian krone (NOK)	8.01056	8.94750
Pound Sterling (GBP)	0.87042	0.89488
Singapore dollar (SGD)	1.85767	1.98689
Swedish krone (SEK)	9.78764	10.87639
US dollar (USD)	1.33240	1.33408

6.5 Business combinations

6.5.1 Business combinations for the 6 months ended 30 June 2010

Consist B.V.

On 22 February 2010 the Group acquired 100% of the (voting) shares in Consist B.V., an unlisted company based in Nieuwegein (the Netherlands) specialized in the development, implementation and support of Enterprise Resource Planning and Human Resource Management & Processing software. At the date of the acquisition the company employed 87 people. The acquisition is recognized in the Group's accounts according to the acquisition method. Consequently, the consolidated financial statements include the results of Consist B.V. as from the acquisition on 22 February 2010. The acquisition has contributed to €2.7 million goodwill, after revaluation of the balance sheet to fair values. From the date of the acquisition, Consist B.V. has contributed to the Group revenues of €5.2 million and a net result of €0.7 million. The transaction costs have been expensed and are included in Other operating expenses in the income statement and are part of operating cash flows in the statement of cash flows.

	Fair values	Carrying amount
Intangible assets	13,783	0
Property, plant and equipment	66	66
Trade and other receivables	8,621	8,621
Cash and cash equivalents	4,941	4,941
Non-current liabilities	-318	-318
Deferred corporate income tax	-3,514	0
Current liabilities	-10,446	-10,446
Net identified assets and liabilities	13,133	2,864
Goodwill	2,695	
Cost price	15,828	
Acquired cash and cash equivalents	4,941	
Cost price net of cash and cash equivalents	10,887	
The cost price can be itemized as follows:		
Consideration paid	15,828	
Consideration estimated	0	
	15,828	

People Partners B.V.

On 28 April 2010 the Group acquired 100% of the (voting) shares in People Partners B.V., an unlisted company based in Rotterdam (the Netherlands) specialized in the development, implementation and support of Human Resource Management & Processing software. At the date of the acquisition the company employed 4 people. The acquisition is recognized in the Group's accounts according to the acquisition method. Consequently, the consolidated financial statements include the results of People Partners B.V. as from the acquisition on 28 April 2010. The acquisition has not contributed to goodwill, after revaluation of the balance sheet to fair values. From the date of the acquisition, People Partners B.V. has contributed to the Group revenues of €0 million and a net result of €-0.2 million. The transaction costs have been expensed and are included in Other operating expenses in the income statement and are part of operating cash flows in the statement of cash flows.

	Fair values	Carrying amount
Intangible assets	4,850	1,617
Property, plant and equipment	160	160
Trade and other receivables	173	173
Cash and cash equivalents	-443	-443
Non-current liabilities	0	0
Deferred corporate income tax	-1,236	-412
Current liabilities	-543	-543
Net identified assets and liabilities	2,961	552
Goodwill	0	
Cost price	2,961	
Acquired cash and cash equivalents	-443	
Cost price net of cash and cash equivalents	3,404	
The cost price can be itemized as follows:		
Consideration paid	1,500	
Consideration estimated	1,461	
	2,961	

6.5.2 Business combinations in previous year

During the first half year of 2009 no business combinations took place.

6.6 Segment information

Operating segments

The Group is organized in legal entities linked to the type of business, market or geographical location. The financial reporting structure is where possible linked to the legal entity structure. Operational responsibilities within the Group are linked to the results of the specific legal entities. This can be more than one entity per responsible operational manager. Furthermore more than one reporting segment can exist per country which are evaluated separately, as a result of which the reporting segment is not the same as the geographical split elsewhere in this document. The Management Board evaluates the results of the legal entities within the Group on a periodic basis. Based on their operational responsibilities or size legal entities are consolidated into one or more reporting units per country. The Management Board separates the following important reporting segments:

- Germany
- Norway
- Spain
- Sweden
- United Kingdom
- Benelux

All reporting segments mentioned above are generating revenues through the sale, implementation and support of business software for the monitoring, control and optimization of business processes and management. Besides the software that some reporting units develop themselves, the standard functionality of the product group Agresso Business World is developed by UNIT4 Agresso R&D AS. The standard functionality of the product group CODA Financials is developed by CODA R&D United Kingdom. These two entities are owners of the respective product groups and primarily have inter-segment revenues. Both R&D activities are included in the total of all other operating segments. The reporting segments, divided per country, focus primarily on the sale and support of business software (Agresso and/or CODA and/or other products).

No operational segments have been consolidated to come to the reporting segments mentioned above. The Management Board evaluates the results for the whole Group on a periodic basis including in particular the operating results (EBITDA) of these reporting segments. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

The following tables present the revenues, results and assets of the operational segments of the Group. This operating segment information does not include Discontinued operations.

For the 6-months ended 30 June 2010

(€ x 1,000)	Germany	Norway	Spain	Sweden	United Kingdom	Benelux	All other operating segments	Eliminations and adjustments	Total
Revenues third parties	8,230	17,269	18,540	30,661	37,766	69,587	17,196	0	199,249
Revenues inter-segment	65	43	991	358	0	257	16,805	-18,519 [1]	0
Total revenues	**8,295**	**17,312**	**19,531**	**31,019**	**37,766**	**69,844**	**34,001**	**-18,519**	**199,249**
EBITDA	**577**	**2,591**	**2,272**	**3,352**	**7,767**	**13,968**	**4,921**	**0**	**35,448**
Depreciation and impairment of tangible and intangible assets	905	324	2,108	705	6,379	4,302	5,321	0	20,044
Restructuring costs	40	0	516	0	10	322	288	0	1,176
Rebranding costs	19	81	127	58	126	770	11	0	1,192
EBITDA before restructuring and rebranding costs	636	2,672	2,915	3,410	7,903	15,060	5,220	0	37,816

[1] Inter-segment deliveries are eliminated in the consolidated statements

Segment assets	**16,153**	**28,784**	**49,851**	**31,547**	**267,373**	**126,485**	**353,167**	**-317,597** [2]	**555,763**
Acquisition of associates	0	0	0	0	0	0	0	0	0
Purchase of intangible assets and property, plant and equipment	374	213	2,754	105	545	23,081	7,364	0	34,436

[2] The segment assets do not contain Deferred tax assets, Other financial assets and Derivates as these items are managed on Group level.

For the 6-months ended 30 June 2009

(€ x 1,000)	Germany	Norway	Spain	Sweden	United Kingdom	Benelux	All other operating segments	Eliminations and adjustments	Total
Revenues third parties	8,480	14,966	19,730	25,175	35,250	61,702	21,797	0	187,100
Revenues inter-segment	123	199	602	167	257	411	20,481	-22,240 [1]	0
Total revenues	**8,603**	**15,165**	**20,332**	**25,342**	**35,507**	**62,113**	**42,278**	**-22,240**	**187,100**
EBITDA	**-528**	**2,860**	**0**	**3,294**	**2,723**	**11,516**	**8,950**	**0**	**28,815**
Depreciation and impairment of tangible and intangible assets	914	480	2,319	665	6,739	3,473	4,571	0	19,161
Restructuring costs	707	0	2,973	0	1,140	170	205	0	5,195
EBITDA before restructuring costs	179	2,860	2,973	3,294	3,863	11,686	9,155	0	34,010

[1] Inter-segment delivires are eliminated in the consolidated statements

(€ x 1,000)	Germany	Norway	Spain	Sweden	United Kingdom	Benelux	All other operating segments	Eliminations and adjustments	Total
Segment assets	**17,215**	**22,390**	**70,587**	**30,163**	**331,929**	**97,427**	**372,112**	**-451,846 [2]**	**489,977 [3]**
Investment in associates	0	0	80	6	0	0	0	0	86
Investment in (in)tangible assets	51	203	1,721	179	927	2,082	4,920	0	10,083

[2] The segment assets do not contain Deferred tax assets, Other financial assets and Derivates as these items are managed on Group level.

[3] Excluding € 3.9 million assets classified as held for sale

Geographic information

The revenues in the table below were generated from external customers attributed to the entity's country of domicile (in alphabetical order). The non-current assets other than financial instruments, deferred tax assets, post-employment benefit assets and rights arising under insurance contracts located in the entity's country of domicile.

(€ x 1,000)	30 June 2010		30 June 2009	
	Revenues	Non-current assets	Revenues	Non-current assets
Australia	12	0	7	0
Benelux	69,587	80,779	61,702	62,974
Cyprus	0	0	0	0
Czech Republic	35	0	11	0
Denmark	325	11	538	9
Estonia	0	4	0	12
France	3,762	4,763	4,462	7,538
Germany	8,230	11,265	8,480	12,092
Hungary	1,164	4	821	9
Ireland	-14	0	603	1
Italy	0	638	0	0
Malaysia	292	11	235	11
Norway	17,278	26,290	14,992	22,502
Portugal	169	78	272	70
Singapore	631	22	555	36
Spain	18,540	35,374	19,730	35,275
Sweden	30,661	11,660	26,750	10,963
United Kingdom	38,025	185,475	37,309	188,620
United States/Canada	10,552	2,150	10,633	1,152
	199,249	358,524	187,100	341,264

6.7 Impairments

Goodwill

Goodwill is tested for impairment annually (as at 1 December) and when circumstances indicate the carrying value may be impaired. The Group's impairment test for goodwill and intangible assets with indefinite lives is based on value-in-use calculations that use a discounted cash flow model. The key assumptions used to determine the recoverable amount for the different cash generating units were discussed in the annual financial statements for the year ended 31 December 2009.

Up to 30 June 2010 the Group has not observed indications from which an early impairment test is required.

6.8 Income tax expense

(€ x 1,000)	for the 6-month period ending 30 June	
	2010	**2009**
Current income tax charge		
Current financial year	5,572	3,798
Amendments for preceding years	236	-59
	5,808	3,739
Deferred taxes		
Temporary differences between fiscal and commercial valuation	-2,830	-2,611
Change in tax rates	85	-12
Recognized losses	-268	-384
	-3,013	-3,007
Income tax expense	**2,795**	**732**
Taxes divided into:		
Continuing operations	2,904	714
Discontinued operations	-109	18
	2,795	732

6.9 Discontinued operations

In the final quarter of 2007 it was decided to sell the sales and implementation activities of Agresso France SA. The company was split into two, a part that will remain and a part that will be sold. As per 15 June 2010 the sale was effectuated.

(€ x 1,000)	for the 6-month period ending 30 June	
	2010	**2009**
Revenues	1,162	2,074
Operational costs	3,416	3,182
Operating result (EBIT)	**-2,254**	**-1,108**
Finance costs	17	195
Result discontinued operations	717	1,209
Profit before tax	**-1,554**	**-94**
Taxes:	109	-18
Profit after tax	**-1,445**	**-112**
Earnings per share in €		
- Basic earnings per share attributable to discontinued operations	-0.05	0.00
- Diluted earnings per share attributable to discontinued operations	-0.05	0.00
Cash flow statement		
Cash flow from operating activities	88	-200
Cash flow from investing activities	-17	-39
Cash flow from discontinued activities	473	454
Cash flow from financing activities	0	0
Net cash flow	**544**	**215**

The assets and liabilities of these companies that are held for sale, are at 30 June:

(€ x 1,000)	30 June	
Assets	**2010**	**2009**
Tangible assets	0	137
Other financial assets	0	124
Inventories	0	13
Trade and other receivables	0	3,257
Cash and cash equivalents	0	357
Assets held for sale	**0**	**3,888**
Liabilities		
Provisions	0	116
Short-term liabilities	0	2,448
Liabilities held for sale	**0**	**2,564**
Net assets held for sale	0	1,324

6.10 Issued capital

The authorized share capital at 30 June 2010 encompasses 40,000,000 (30 June 2009: 40,000,000) ordinary shares and 40,000,000 (30 June 2009: 40,000,000) preference shares, both with a nominal value of €0.05. No preference shares have been issued. The holders of ordinary shares have one vote per share at UNIT4's shareholders' meeting.

In April 2010 UNIT4 issued 2,580,000 ordinary shares at a price of €19.75 per share, representing less than 10% of the Company's issued ordinary share capital by that time. The proceeds of the issue (€50,955,000) less transactions costs (€890,000) will be used to finance future acquisitions and will enable UNIT4 to act swiftly on acquisition opportunities.

At the reporting date 29,108,587 ordinary shares (30 June 2009: 26,263,899) were issued and paid up. The changes (in numbers) in the share capital can be presented as follows:

	30 June	
	2010	2009
Balance at 1 January	26,366,808	26,263,899
Issue of share capital	2,580,000	0
Excercise of options	161,779	0
	29,108,587	**26,263,899**

6.11 Dividends paid

At 23 February 2010 UNIT4 management proposed a cash dividend of €0.19 (19 cents) per share. This dividend is equal to 25% of the net profit over the financial year 2009. The General Meeting of Shareholders as at 12 May 2010 approved this proposal.

6.12 Intangible assets

During the first half year the Group has invested in intangible assets a total amount of €30.9 million (2009: €7.8 million), of which €9.3 million (2009: €7.7 million) is capitalized as a consequence of internally developed software.

6.13 Tangible assets

During the first half year the Group has invested in tangible assets a total amount of €3.4 million (2009: €2.3 million).

6.14 Other financial assets and liabilities

Net investment hedge

In 2008 a loan was drawn in Pounds Sterling. As this loan qualifies as a net investment hedged on an investment in an entity with the Pounds Sterling as functional currency the currency exchange differences on this loan flow through the equity (currency translation differences reserve). During the first 6 months of 2010 an amount of €4.0 million is withdrawn from (H1 2009: €4.3 million withdrawn) the currency translation differences reserve as a consequence of revaluation (H1 2009: revaluation) of the Pounds Sterling.

6.15 Cash and cash equivalents

Reconciliation between cash and cash equivalents as mentioned in the cash flow statement are shown:

(€ x 1,000)	30 June	
	2010	2009
Cash and cash equivalents	76,241	44,984
Included in Interest-bearing loans and borrowings	-4	-24,288
	76,237	20,696
Cash and cash equivalents recognized as assets and liabilities and held for sale	0	-5,992
Cash and cash equivalents according to the cash flow statement	76,237	14,704

6.16 Events after the reporting period

No significant events, other than explained below, occurred in the period between balance sheet date and the composition of the financial statements which could be of influence on the economic decisions made by users of these interim financial statements.

6.17.1 Offer on shares Teta S.A.

On 31 May 2010 the Group made a public tender offer on 100% of the shares of the Polish listed company Teta S.A. The price finally offered was PLN 14.00 per share, valuing all outstanding shares in Teta at PLN 165.6 million (approximately EUR 40.0 million). At 6 July UNIT4 announced that it had received subscriptions for 93% of the shares. The remaining 7% were acquired at the 5th of August. The offer is financed through existing cash balances.

Consequently, 5 July 2010 is the date on which the Group obtained control, meaning that as of this date the Teta Group figures will be consolidated in the Group's figures. The acquisition will be recognized in the accounts according to the acquisition method.

Management declaration

In accordance with the Dutch Financial Supervision Act, section 5:25d, the Board of Directors declares that, to the best of our knowledge:

– The semi-annual Management Board report gives a true and fair view of the situation on balance sheet date, the course of events during the 6-month period ending June 2010 of UNIT4 and related entities which are consolidated into the interim financial statements, and the expected course of events; and
– The interim consolidated financial statements, which have been prepared in accordance with IAS 34 Interim Financial Reporting, give a true and fair view of the assets, the liabilities, the financial position and the profit of UNIT4 and the companies included in the consolidation.

Sliedrecht, 25 August 2010

C. Ouwinga, chairman
E.T.S. van Leeuwen,