UNIT4 N.V. 2012 interim consolidated financial statements.

Results 2012 on track, both SaaS and license revenues show solid growth

Sliedrecht, 15th August 2012

Restatement of historic financial statements (Poland)

UNIT4 has identified adjustments related to its previous financial statements. Internal governance systems have discovered irregularities in the financial reporting of UNIT4's Polish operating company (UNIT4 Teta), one of UNIT4's operating companies. The accounting irregularities relate to a number of historic transactions with external partners and which were not, or incorrectly recognized in the financial statements. The first of these transactions relate to the period well before UNIT4 acquired Teta S.A. in July 2010.

On further uncovering the issue, UNIT4 replaced the CEO of its Polish operating company and took further effective actions to avoid any repetition in the future. The company has also initiated a comprehensive investigation by external forensic experts with regard to potential off-balance sheet exposure. This investigation is still ongoing.

UNIT4 has retroactively restated, in accordance with the IFRS requirements for prior period error adjustment, the fair value of the acquired assets and liabilities related to these transactions at the date of acquisition. All transactions after the acquisition date have been retroactively adjusted (see: paragraph 6.5 page 14).

For comparison purposes the income statement for 2011 is adjusted as follows:

in € 1 million	Q1 2011	Q2 2011	H1 2011	Q3 2011	Q4 2011	FY 2011
Revenues	-1.9	-2.0	-3.9	-2.5	-2.5	-8.9
EBITDA	-1.0	-1.1	-2.1	-1.1	-1.1	-4.3

As a result of the prior year's error adjustments explained above, the goodwill for the cash-generating unit Teta increased with €10.2 million (balance as per 31 December 2011).

The issue described above does not affect the Polish subsidiary's ability to continue its normal course of business and did not lead to an impairment charge as per 30 June 2012.

1st Half Year 2012 (compared with restated 2011)

- **Total revenue increased by 4% to €230.8 million (H1 2011: €222.0 million)**
- **Product (license) sales increased 5% to €36.0 million (H1 2011: €34.3 million)**
- **Recurring revenue (contracts & SaaS / subscriptions) increased by 8.3% to €118.2 million (H1 2011: €109.1 million)**
- **SaaS / subscription revenues grew 20.1% from €18.9 million to €22.7 million**
- **Services and other revenues decreased by 2.5% to €76.6 million (H1 2011: €78.6 million)**
- **Cloud applications specialist FinancialForce.com grew strongly with monthly revenue run rate up of more than 100% (compared with June 2011)**
- **Personnel and other operating costs increased by more than 6% due to investments in sales and marketing which should support growth in the 2nd half year 2012 and beyond**
- **EBITDA rose by 3.1% to €37.0 million (H1 2011: €35.9 million)**
- **Excluding FinancialForce.com, EBITDA increased 4.3% to €40.9 million (H1 2011: €39.2 million)**
- **Net profit before goodwill decreased by 19.9% to €15.3 million (H1 2011: €19.1 million) due to higher depreciation and revaluation of the interest swap.**

Highlights

amounts in € 1 million, unless otherwise stated	H1 2012	H1 2011 restated	Δ%
Revenue	**230.8**	**222.0**	**4.0%**
Gross margin	213.4	201.3	6.0%
Gross margin%	92.5%	90.7%	+1.8 pts
Personnel costs	149.6	140.3	6.6%
Other operating expenses	26.8	25.1	6.8%
EBITDA	**37.0**	**35.9**	**3.1%**
FinancialForce.com investment	3.9	3.3	18.2%
EBITDA before FinancialForce.com investment	**40.9**	**39.2**	**4.3%**
EBITDA margin	16.0%	16.2%	-0.2 pts
EBITDA margin before FinancialForce.com investment	17.7%	17.7%	0.0 pts

UNIT4's business operations in the first half year of 2012 were positive with strong growth of 20% in SaaS & Subscriptions along with growth of 5% in products (licenses) of which almost 3% was organic. Especially strong performances were realized in the UK, Norway, North America and Asia. Total revenue increased with 4% €230.8 million (H1 2011: €222.0 million).

With large orders in Q2 2012 (especially in the UK, Sweden and Benelux, within public and private sector) the product revenue of Q2 grew with almost 2% to €18.5 million (Q2 2011: €18.2 million). Total Q2 revenue increased more than 3% to €115.5 million (Q2 2011: €111.8 million).

EBITDA increased with 5.6% from €18.0 million in Q2 2011 to €19.0 million in Q2 2012. Excluding the effect of the FinancialForce.com investment EBITDA for the quarter also increased by 5.6% from €19.8 million to €20.9 million.

Revenue split

amounts in millions of €	H1 2012	H1 2011 restated	∆%
Products	36.0	34.3	5.0%
Services & others	76.6	78.6	-2.5%
Contracts	95.5	90.2	5.9%
SaaS & subscriptions	22.7	18.9	20.1%
Net revenues	**230.8**	**222.0**	**4.0%**

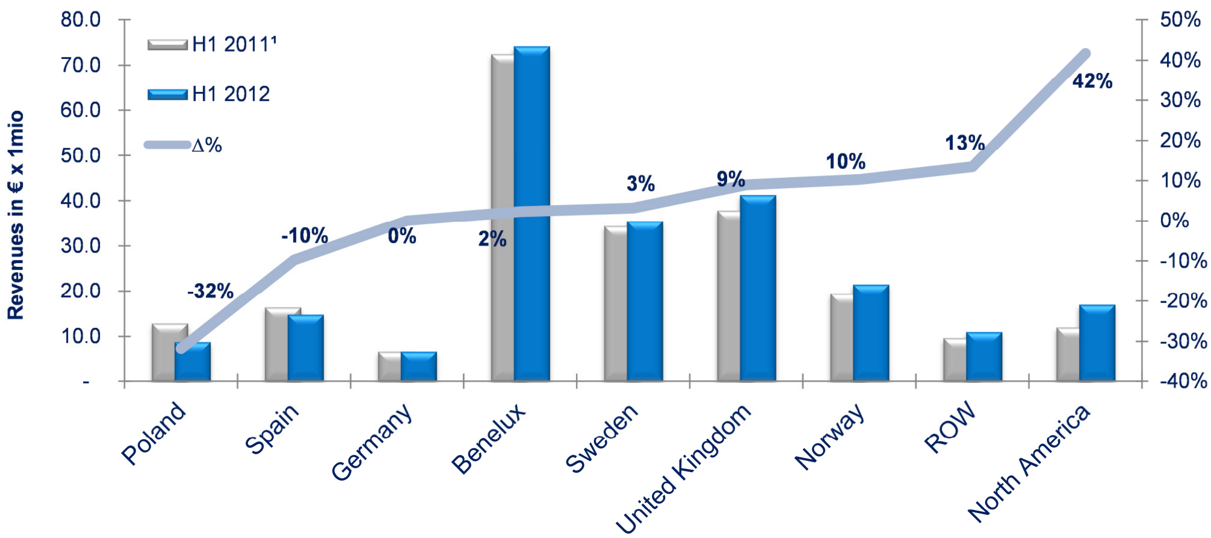
Product revenue for the first half year increased with 5.0% to €36.0 million with significant growth in Sweden (+23%), UK (+19%), North America (+25%) and Asia (>300%).
The Benelux region also performed well with 5% product revenue growth and an especially strong performance in the healthcare business unit.

Revenues from 'Services and others' declined 2.5% to €76.6 million, the reasons being reduced capacity in Spain (due to reorganizations) and the fact that there were some delays in license related services in Sweden and UK due to deals which slipped from 2011 to 2012.

Contract revenues enjoyed healthy growth. Recurring revenues (contracts & SaaS / subscriptions) rose by more than 8% to €118.2 million (H1 2011: €109.1 million). The share of contracts in total revenue increased to 51% (H1 2011: 49%).

A positive outcome of the first half year was the development of SaaS / subscription revenues, despite the loss of a €1.2 million annual subscription contract in Hungary (a government services contract). More and more customers are choosing the subscription model, with their software delivered as a service. In total the SaaS / subscription revenues grew 20.1% to €22.7 million (H1 2011 €18.9 million). The annual run rate went up from €39.6 million (June 2011) to €46.8 million as of June 2012, which reflects a growth of €7.2 million or approximately 20%.

Total revenues increased by 4% with most countries showing respectable organic growth. Only Spain (reorganizations) and Poland (the effect of a PLN 11 million local government (mainly hardware) deal in H1 2011) were below the revenues for the first half year of 2011. Germany was flat in the first half year 2012, but in July 2012 closed a large 6-year subscription deal with the state of Berlin which will contribute in the 2nd half of 2012.



Operating margin

The EBITDA over the first half year 2012 was better than expected. The EBITDA excluding FinancialForce.com increased by 4.3% to €40.9 million. Including the extra investments in FinancialForce.com, the EBITDA rose 3.1% to €37.0 million (H1 2011: €35.9 million).

The growth in EBITDA is slightly understated because of extra investments in 2012 in marketing and sales in Asia, North America, Germany and in the “UNIT4 Business Analytics” business unit (formerly “Exie”). These investments are in areas where UNIT4 perceives prospective growth and they are expected to contribute to higher sales in the second half of 2012 and onwards.

Net profit

amounts in € 1 million, unless otherwise stated	H1 2012	H1 2011 restated	Δ%
EBITDA before FinancialForce.com investment	**40.9**	**39.2**	**4.3%**
FinancialForce.com investment	3.9	3.3	18.2%
Depreciation on goodwill related items	13.3	14.8	-10.1%
Depreciation on intangible fixed assets, property, plant and equipment	13.2	9.8	34.7%
Interest SWAP revaluation	1.8	-1.4	-228.6%
Net Finance charges (excl. Interest SWAP revaluation)	2.4	3.1	-22.6%
Profit before tax continuing operations	**6.3**	**9.6**	**-34.4%**
Income tax	1.4	1.8	-22.2%
Income tax %	22.2%	18.8%	+3.4 pts
Profit after tax continuing operations	**4.9**	**7.8**	**-37.2%**
Discontinued operations	0.0	0.0	pm
Net profit	**4.9**	**7.8**	**-37.2%**
Net profit (before goodwill related items)	15.3	19.1	-19.9%
Earnings per share (in €)			
EPS (basic)	0.17	0.27	-37.0%
EPS (before goodwill)	0.52	0.65	-20.0%

Net profit before goodwill decreased by 19.9% to €15.3 million. Earnings per share (before goodwill) declined by 20% to €0.52. The reasons for this declining net profit are higher depreciation and the revaluation of the interest swap as a result of the refinancing in early 2012.

Early in 2012 UNIT4 refinanced its syndicated loan with the same banking consortium, consisting of ABN AMRO, ING and Rabobank. At the refinancing date the old interest SWAP had a negative fair value which has been included in a new interest SWAP for the full duration of the new syndicated loan (5 years). Due to market interest developments in the first half year, the negative value of the interest SWAP has increased while in the first half year of 2011 the old interest SWAP showed an improved value which was also partly the effect of the reduced time value. The combined effect had a negative impact of € 3.2 million on the development of the profit before tax from H1 2011 to H1 2012.

Liquidity position and cash flow

Operating cash flow declined by 9.7% to €43.9 million (H1 2011: €48.6 million) due to a lower improvement of working capital in H1 2012 compared with H1 2011.

Cash position at the end of June 2012 was € -7.2 million (31 December 2011: € -10.1 million) and the net debt position was €113.0 million (31 December 2011: €117.3 million).

FinancialForce.com

The strong growth experienced by FinancialForce.com in 2011 has accelerated in the first half of 2012. The monthly revenue run rate in June 2012 grew over 100% compared to June 2011. The annual revenue run rate (including services) was over $12 million by the end of June 2012.

Dedicated to creating, selling and supporting cloud applications on the Force.com platform the company is increasing subscriptions strongly and seeing the customer size and deal size growing rapidly.

As demand for cloud applications continues to increase FinancialForce.com is recruiting both in North America and Europe to expand its sales and marketing capacity and cope with growing demand.

The first half of 2012 saw more partnerships which expanded the functional capabilities and market reach of the FinancialForce solutions. The company moved its head office from San Mateo to larger premises in downtown San Francisco. It also appointed Steve Cakebread, a prominent person in the cloud computing sector who is currently EVP and CFO of Pandora Media, to the FinancialForce.com board as the first independent director.

Outlook

Based upon current estimates, pipeline and very strong financial performance in July, UNIT4 management maintains its previously communicated target for the full year of 2012, being single digit growth in both revenues and EBITDA in 2012[1].

Risks and uncertainties

The risks are described in annual report 2011 (page 59 and further). In addition, UNIT4 has engaged independent forensic and legal expertise and is currently investigating whether there are any additional risks related to the Polish situation. At this moment UNIT4 has made adjustments to

[1] Excluding extraordinary items

its financial statements to the extent the results of the investigation to date allow for such adjustments. For more detailed information we refer to paragraph 6.5 on page 14.

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 cloud-focused business software and services company aimed at helping dynamic public sector and commercial services organisations to embrace change simply, quickly and cost effectively. The Group incorporates a number of the world's leading change embracing software brands including Agresso Business World, our flagship ERP suite for mid-sized services intensive organisations; Coda, our best-of-class financial management software; and FinancialForce.com, the cloud applications company formed with investment from salesforce.com.

With operations in 24 countries across Europe, North America, Asia Pacific and Africa and sales activities in several other countries, revenue of €454.7 million was realized in 2011.

UNIT4 is headquartered in Sliedrecht, the Netherlands and has over 4,200 employees. It is listed on Euronext Amsterdam and is included in the Amsterdam Midcap Index (AMX). For more information on UNIT4 or any of its operating companies, please visit the website at www.unit4.com, follow us on Twitter @UNIT4_Group or join us on Facebook at www.facebook.com/UNIT4BusinessSoftwareNV

Unaudited interim condensed consolidated financial statements

30 June 2012

1. INTERIM CONSOLIDATED INCOME STATEMENT

For the 6-month period ending 30 June

(€ 000)	Notes	2012	2011 (restated [1])
Continuing operations			
Products		36,004	34,225
Services and other		76,628	78,605
Contracts and subscriptions		95,522	90,247
SaaS and Subscriptions		22,698	18,884
Revenue		**230,852**	**221,961**
Cost of sales		17,485	20,614
Gross profit		**213,367**	**201,347**
Employee costs		149,576	140,292
Other operating expenses		26,797	25,161
Operating result before depreciation and impairment (EBITDA)		**36,994**	**35,894**
Depreciation of property, plant and equipment and amortization of intangible assets		26,520	24,537
Operating result (EBIT)		**10,474**	**11,357**
Finance costs		9,558	5,620
Finance income		5,120	3,823
Share of profit of an associate		213	54
Profit before tax		**6,249**	**9,614**
Income tax	6.9	1,355	1,797
Profit for the period		**4,894**	**7,817**
Attributable to:			
Shareholders of UNIT4		5,079	7,898
Non-controlling interests		-185	-81
		4,894	7,817
Earning per share in € (attributable to shareholders of UNIT4)			
- Basic earnings per share		0.17	0.27
- Diluted earnings per share		0.17	0.27

[1] Certain amounts here do not correspond to the Group's interim condensed consolidated financial statements as at 30 June 2011 and include adjustments for errors in previous periods as described in Note 6.5.

2. INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the 6-month period ending 30 June

(€ 000)	2012	2011 (restated [1])
Profit after tax	**4,894**	**7,817**
Currency translation differences on translation of foreign operations[2]	10,175	-4,380
Currency translation differences on hedge of net investment[2]	-25	-1,803
Other comprehensive income after taxes	**10,150**	**-6,183**
Total comprehensive income after taxes	**15,044**	**1,634**
Attributable to:		
Shareholders of UNIT4	14,812	1,569
Non-controlling interests	232	65
	15,044	1,634

[1] Certain amounts here do not correspond to the Group's interim condensed consolidated financial statements as at 30 June 2011 and include adjustments for errors in previous periods as described in Note 6.5.

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

3. INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2012

(€ 000)	Notes	30 June 2012	31 December 2011 (restated [1])	1 January 2011 (restated [1])
Assets				
Non-current assets				
Goodwill	6.13	182,415	177,827	178,672
Intangible assets (excluding goodwill)	6.13	191,311	188,706	195,107
Property, plant and equipment	6.15	37,519	35,357	35,456
Investment in associates and joint ventures		5,425	5,212	90
Other financial assets		4,133	4,030	2,269
Deferred tax asset		25,021	21,073	13,782
		445,824	**432,205**	**425,376**
Current assets				
Inventories		2,154	911	849
Trade and other receivables	6.16	110,586	87,030	98,617
Income tax asset		206	457	1,691
Other taxes		611	754	1,066
Cash and cash equivalents		20,754	21,366	36,007
		134,311	**110,518**	**138,230**
Total assets		**580,135**	**542,723**	**563,606**
Equity and liabilities				
Equity				
Issued capital	6.10	1,467	1,465	1,461
Share premium		312,160	311,406	310,313
Currency translation differences reserve		-9,512	-19,245	-21,060
Accumulated deficit		-74,838	-68,622	-78,528
Equity attributable to UNIT4		**229,277**	**225,004**	**212,186**
Non-controlling interests		8,316	8,240	11,252
Total equity		**237,593**	**233,244**	**223,438**
Non-current liabilities				
Interest-bearing loans and borrowings	6.17	95,805	84,631	106,473
Pension obligations		4,278	4,278	2,553
Deferred tax liability		35,283	37,163	39,546
Provisions		1,713	1,962	2,903
		137,079	**128,034**	**151,475**
Current liabilities				
Provisions		2,367	1,986	2,065
Trade and other payables		16,257	14,477	16,069
Interest-bearing loans and borrowings	6.17	37,929	54,480	57,847
Income tax payable		7,422	8,025	12,169
Other taxes		15,495	20,529	21,250
Other liabilities, accruals and deferred income		125,993	81,948	79,293
		205,463	**181,445**	**188,693**
Total equity and liabilities		**580,135**	**542,723**	**563,606**

[1] Certain amounts here do not correspond to the Group's annual financial statements as at 31 December 2011 and include adjustments for errors in previous periods as described in Note 6.5.

4. INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the 6-month period ending 30 June 2012

	Attributable to shareholders of UNIT4						
(€ 000)	Issued capital	Share premium	Currency translation differences reserve	Accumulated deficit	Total	Non-controlling interests	Total equity
1 January 2012	**1,465**	**311,406**	**-19,245**	**-68,622**	**225,004**	**8,240**	**233,244**
Profit reporting period (after tax)	0	0	0	5,079	5,079	-185	4,894
Other comprehensive income (after tax)	0	0	9,733	0	9,733	417	10,150
Total comprehensive income after tax	**0**	**0**	**9,733**	**5,079**	**14,812**	**232**	**15,044**
Dividend	0	0	0	-11,731	-11,731	-123	-11,854
Change in ownership non-controlling interest	0	0	0	50	50	-33	17
Issue of share capital	2	754	0	0	756	0	756
Share-based payment[1]	0	0	0	386	386	0	386
30 June 2012	**1,467**	**312,160**	**-9,512**	**-74,838**	**229,277**	**8,316**	**237,593**

For the 6-month period ending 30 June 2011 (restated [2])

	Attributable to shareholders of UNIT4						
(€ 000)	Issued capital	Share premium	Currency translation differences reserve	Accumulated deficit	Total	Non-controlling interests	Total equity
1 January 2011	**1,461**	**310,313**	**-20,651**	**-75,404**	**215,719**	**11,252**	**226,971**
Adjustment of previous period errors[2]	0	0	-409	-3,124	-3,533	0	-3,533
1 January 2011 (restated)	**1,461**	**310,313**	**-21,060**	**-78,528**	**212,186**	**11,252**	**223,438**
Profit reporting period (after tax)	0	0	0	7,898	7,898	-81	7,817
Other comprehensive income (after tax)	0	0	-6,329	0	-6,329	146	-6,183
Total comprehensive income after tax	**0**	**0**	**-6,329**	**7,898**	**1,569**	**65**	**1,634**
Dividend	0	0	0	-7,319	-7,319	-313	-7,632
Acquisition of shares existing subsidiaries[3]	0	0	0	-5,544	-5,544	-1,130	-6,674
Issue of share capital	3	893	0	0	896	0	896
Share-based payment[1]	0	0	0	171	171	0	171
30 June 2011	**1,464**	**311,206**	**-27,389**	**-83,322**	**201,959**	**9,874**	**211,833**

[1] For equity settled share based payment transaction IFRS 2.7 requires to recognize 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.

[2] Certain amounts here do not correspond to the Group's interim condensed consolidated financial statements as at 30 June 2011 and include adjustments for errors in previous periods as described in Note 6.5.

[3] The movement in equity regarding acquisition of shares existing subsidiaries mainly relates to acquisition of the remaining non-controlling shareholding in I-Signaal B.V.

5. INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the 6-month period ending 30 June

(€ 000)	2012	2011 (restated [1])
Cash flows from operating activities		
Operating result (EBIT)	**10,474**	**11,357**
Adjustments for:		
Depreciation and impairment	26,520	24,537
Share-based payment transaction expense	445	171
Changes in provisions	-246	-739
Changes in operating capital	15,243	25,296
Cash flows from operations	**52,436**	**60,622**
Interest paid	-4,561	-4,062
Interest received	4,949	3,521
Income tax paid	-8,964	-11,509
Cash flows from operating activities	**43,860**	**48,572**
Cash flows from investing activities		
Investments in intangible assets	-13,942	-11,658
Acquisition and divestments of subsidiaries, net of cash and cash equivalents acquired	-4,467	0
Investments in other financial assets	-997	-685
Dividend from securities	0	38
Investments in property, plant and equipment	-5,012	-3,233
Cash flows from investing activities	**-24,418**	**-15,538**
Cash flows from financing activities		
Proceeds from issue of shares	755	896
Proceeds from non-controlling interest	17	319
Acquisition of non-controlling interest	0	-3,748
Payments of borrowings	-110,204	-11,591
Proceeds from borrowings	103,899	0
Dividends paid	-11,731	-7,632
Interest paid	-1,865	-2,640
Cash flows from financing activities	**-19,129**	**-24,396**
Net cash flows	313	8,638
Currency translation differences	2,626	-3,675
Cash and cash equivalents at 1 January	-10,114	1,160
Cash and cash equivalents at 30 June	**-7,175**	**6,123**
Reconciliation with items on the statement of financial position:		
Cash and cash equivalents	20,754	25,196
Included in Interest bearing loans and borrowings	-27,929	-19,073
Cash and cash equivalents at 30 June	**-7,175**	**6,123**

[1] Certain amounts here do not correspond to the Group's interim condensed consolidated financial statements as at 30 June 2011 and include adjustments for errors in previous periods as described in Note 6.5.

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 2012 were authorized for issue in accordance with the resolution of the Board of directors and the Supervisory Board of 15 August 2012. 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 2012 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 2012 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 2011.

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 2011, except for the adoption of new standards and interpretations as of 1 January 2011 noted below.

The Group has adopted the following new and amended IFRS and IFRIC interpretations as of 1 January 2012, which did not have any impact on the accounting policies, financial position or performance of the Group:

- IAS 12 Deferred Tax: Recovery of Underlying Assets (Amendment)

This amendment to IAS 12 includes a rebuttable presumption that the carrying amount of investment property measured using the fair value model in IAS 40 will be recovered through sale and, accordingly, that any related deferred tax should be measured on a sale basis. The presumption is rebutted if the investment property is depreciable and it is held within a business model whose objective is to consume substantially all of the economic benefits in the investment property over time, rather than through sale. Specifically, IAS 12 will require that deferred tax arising from a non-depreciable asset measured using the revaluation model in IAS 16 should always reflect the tax consequences of recovering the carrying amount of the underlying asset through sale. Effective implementation date is for annual periods beginning on or after 1 January 2012.

- IFRS 7 Disclosures - Transfers of financial assets (Amendment)

The IASB issued an amendment to IFRS 7 that enhances disclosures for financial assets. These disclosures relate to assets transferred (as defined under IAS 39). If the assets transferred are not derecognized entirely in the financial statements, an entity has to disclose information that enables users of financial statements to understand the relationship between those assets which are not derecognised and their associated liabilities. If those assets are derecognized entirely, but the entity retains a continuing involvement, disclosures have to be provided that enable users of financial statements to evaluate the nature of, and risks associated with, the entity's continuing involvement in those derecognized assets. Effective implementation date is for annual periods beginning on or after 1 July 2011 with no comparative requirements.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

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 depending on a seasonal pattern. The precise consequences are however 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 Estimates

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2011, with the exception of changes in the estimates used in the value-in-use calculation regarding impairment of goodwill. (See Note 6.9)

6.5 Adjustment of previous period errors

In the first half year of 2012 UNIT4 has investigated certain sales and procurement transactions within its group company UNIT4 Teta S.A. (Poland). The investigation has revealed that the transactions were not compliant with the UNIT4 internal management regulations and UNIT4 accounting principles (based on the International Financial Reporting Standards).

Most of these transactions originate from the period before UNIT4 acquired Teta S.A. in July 2010. Therefore the Group has retrospectively restated, in accordance with the IFRS requirements, the fair value of the acquired assets and liabilities related to these transactions at the date of acquisition (IFRS 3.50). All transactions after the acquisition date have been retrospectively reversed (IAS 8).

UNIT4 has taken the necessary steps to prevent future recurrence of such transactions. In addition, independent forensic and legal expertise has been engaged to investigate whether there are additional risks related to this matter.

The following adjustments have been made to the comparative figures:

As of 1 January 2011 (in € 000)	
Increase in intangible assets (Goodwill)	11,105
Decrease in intangible assets (Acquired R&D)	3,349
Decrease in deferred tax asset	1,489
Decrease in inventories	2,894
Decrease in trade and other receivables	8,681
Decrease in trade and other payables	1,775
Decrease in currency translation differences reserve	409
Decrease in opening accumulated deficit	**3,124**

For the period ended 30 June 2011 (in € 000)	
Decrease in revenue products	2,052
Decrease in revenue services and others	1,886
Decrease in cost of sales	2,352
Increase in other operating expenses	489
Decrease in depreciation and amortization	487
Net decrease in profit after tax	**1,588**
Increase in currency translation differences (comprehensive income)	415
Net decrease in total comprehensive income after tax	**1,173**

As of and for the year ended 31 December 2011 (in € 000)	
Decrease in revenue products	4,655
Decrease in revenue services and others	4,279
Decrease in cost of sales	6,134
Increase in other operating expenses	1,545
Decrease in depreciation and amortization	1,004
Net decrease in profit after tax	**3,341**
Increase in currency translation differences (comprehensive income)	999
Net decrease in total comprehensive income after tax	**2,342**
Decrease in intangible assets (Goodwill)	919
Increase in intangible assets (Acquired R&D)	224
Increase in deferred tax asset	169
Increase in inventories	75
Decrease in trade and other receivables	2,121
Decrease in trade and other payables	230

The cumulative effect on the opening balance for 2012 can be specified as follows:

(€ 000)	**Impact on opening balance 2011**	**Cumulative Impact on opening balance 2012**
Increase in intangible assets (Goodwill)	11,105	10,186
Decrease in intangible assets (Acquired R&D)	3,349	3,125
Decrease in deferred tax asset	1,489	1,320
Decrease in inventories	2,894	2,819
Decrease in trade and other receivables	8,681	10,802
Decrease in trade and other payables	1,775	2,005
Decrease resp. Increase in currency translation differences	409	590
Decrease in accumulated deficit	**3,124**	**6,465**

The effect on earnings per share related to the restatement is as follows:

	Restated	**Decrease**
For the 6-month period ending 30 June 2011		
Basic earnings per share	€ 0.27	€ 0.05
Diluted earnings per share	€ 0.27	€ 0.05
For the year ending 31 December 2011		
Basic earnings per share	€ 0.81	€ 0.12
Diluted earnings per share	€ 0.81	€ 0.11

See note 6.12 for more information on the calculation of earnings per share.

6.6 Exchange rates

The closing exchange rates used are (foreign currency compared to 1 €):

	30 June 2012	31 December 2011
Australian dollar (AUD)	1.2350	1.2720
Canadian dollar (CAD)	1.2860	1.3180
Czech krone (CZK)	25.6100	25.7700
Danish krone (DKK)	7.4330	7.4333
Hungarian forint (HUF)	287.2500	313.0000
Malaysian ringgit (MYR)	3.9948	4.1128
Norwegian krone (NOK)	7.5400	7.7700
Polish zloty (PLN)	4.2540	4.4630
Pound Sterling (GBP)	0.8053	0.8353
Singapore dollar (SGD)	1.5950	1.6810
Swedish krone (SEK)	8.7650	8.9100
US dollar (USD)	1.2575	1.2933

The average exchange rates used are (foreign currency compared to 1 €):

	for the 6-month period ending 30 June	
	2012	2011
Australian dollar (AUD)	1.2545	1.3576
Canadian dollar (CAD)	1.3028	1.3726
Czech krone (CZK)	25.1622	24.3650
Danish krone (DKK)	7.4349	7.4553
Hungarian forint (HUF)	294.5694	269.1530
Malaysian ringgit (MYR)	3.9973	4.2671
Norwegian krone (NOK)	7.5783	7.8185
Polish zloty (PLN)	4.2418	3.9542
Pound Sterling (GBP)	0.8226	0.8695
Singapore dollar (SGD)	1.6392	1.7677
Swedish krone (SEK)	8.8796	8.9206
US dollar (USD)	1.2995	1.4068

6.7 Business combinations

The following business combination effected during the first half year of 2012:

MentecPlus Integrated Solutions Ltd

On 1 February 2012 the Group acquired 100% of the (voting) shares in MentecPlus Integrated Solutions Ltd, an unlisted software company based in Dublin, Ireland. MentecPlus is a provider of integrated IT business solutions to organizations in the SME and Public Sectors and sole distributor of Agresso Business World in Ireland.
In addition, the company sells its own M+ suite of products which are widely used throughout the UK & Ireland and internationally.

The Group has acquired MentecPlus Integrated Solutions Ltd to further strengthen its presence in the Irish market.

(€ 000)	Fair values	Carrying amount
Assets		
Intangible assets	5,678	1,925
Property, plant and equipment	21	21
Trade and other receivables	1,232	1,232
Cash and cash equivalents	535	535
	7,466	**3,713**
Liabilities		
Non-current liabilities	-4,753	-4,753
Deferred corporate income tax	-710	0
Current liabilities	-1,754	-1,715
	-7,217	**-6,468**
Total identifiable net assets at fair value	**249**	
Goodwill arising on acquisition	0	
Purchase consideration transferred	**249**	

The fair value of the trade receivables amounts to €1.2 million. The gross amount of trade receivables is €1.2 million. €17,000 of the trade receivables have been impaired.

The acquisition has not contributed to goodwill, after revaluation of the balance sheet to fair value.

Purchase consideration	€000
Consideration paid in cash	249
Total consideration	**249**

Analysis of cash flows on acquisition	€000
Transaction costs of the acquisition (included in cash flows from operating activities)	-184
Net cash acquired with the subsidiary (included in cash flows from investing activities)	535
Interest-bearing loans repaid at completion (included in cash flows from investing activities)	-4,753
Consideration paid in cash (included in cash flows from investing activities)	-249
Net cash flow on acquisition	**-4,651**

At the date of the acquisition the company employed 26 people.

6.8 Segment information

Operating segments

The Group is organized in legal entities linked to the type of activities (e.g. Sales, Research & Development), the product (e.g. ABW, Coda), market sector (e.g. Accountancy, Healthcare) or the geographical location. The financial reporting structure is where possible linked to the legal entity structure.

Operational responsibilities within the Group are linked to the financial results of the specific legal entities. This can be more than one legal entity per responsible operational manager. Furthermore more than one reporting segment can exist per country that are evaluated separately.

The Management Board evaluates the results of the various business operations within the Group on a periodic basis. Based on their operational responsibilities or size, the legal entities are consolidated into one or more reporting units per country. The Management Board separates the following reporting segments:

- Benelux
- FinancialForce.com
- United Kingdom
- Germany
- Norway
- Sweden
- Central R&D

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 those reporting segments. Transfer prices between operating segments are on an arm's length basis.

The following tables present the revenues and results of the operational segments of the Group.

For the 6-months ended 30 June 2012

(€ 000)	Benelux	Financial Force.com	United Kingdom	Germany	Norway	Sweden	Central R&D	All other operating segments	Elimination and adjustments	Total
Revenues third parties	74,206	3,991	38,746	6,658	21,487	35,563	15	50,186	0	230,852
Revenues inter-segment	5,837	0	658	70	533	752	21,311	1,729	-30,890 [1]	0
Total revenues	**80,043**	**3,991**	**39,404**	**6,728**	**22,020**	**36,315**	**21,326**	**51,915**	**-30,890**	**230,852**
EBITDA	**15,681**	**-3,901**	**6,736**	**-2,995**	**3,139**	**4,349**	**13,304**	**681**	**0**	**36,994**
Depreciation of (in)tangible assets	5,138	549	5,841	887	757	825	5,256	6,640	0	25,893
Impairment charges	196	0	0	0	0	0	0	431	0	627

[1] Inter-segment deliveries are eliminated

For the 6-months ended 30 June 2011 (restated [2])

(€ 000)	Benelux	Financial Force.com	United Kingdom	Germany	Norway	Sweden	Central R&D	All other operating segments	Elimination and adjustments	Total
Revenues third parties	72,517	1,770	37,606	6,707	19,505	34,449	13	49,394	0	221,961
Revenues inter-segment	5,504	0	1,120	44	311	332	18,810	794	-26,915 [1]	0
Total revenues	**78,021**	**1,770**	**38,726**	**6,751**	**19,816**	**34,781**	**18,823**	**50,188**	**-26,915**	**221,961**
EBITDA	**14,989**	**-3,335**	**8,145**	**-1,364**	**4,321**	**4,379**	**7,807**	**952**	**0**	**35,894**
Depreciation of (in)tangible assets	5,302	399	5,885	947	436	784	4,247	5,709	0	23,709
Impairment charges	231	0	0	0	0	0	0	597	0	828

[1] Inter-segment deliveries are eliminated

[2] Certain amounts here do not correspond to the Group's interim condensed consolidated financial statements as at 30 June 2011 and include adjustments for errors in previous periods as described in Note 6.5

The following table presents the assets of the operational segments of the Group.

(€ 000)	Benelux	Financial Force.com	United Kingdom	Germany	Norway	Sweden	Central R&D	All other operating segments	Elimination and adjustments	Total
At 30 June 2012	125,850	27,992	221,670	14,646	41,643	33,837	103,313	492,239	-510,209	550,981
At 31 December 2011 (restated [3])	123,598	17,836	259,381	14,916	29,209	37,818	98,183	516,705	-580,026	517,620

[3] Certain amounts here do not correspond to the Group's annual financial statements as at 31 December 2011 and include adjustments for errors in previous periods as described in Note 6.5.

Reconciliation of Assets

	30 June 2012	31 December 2011
Segment Assets	**550,981**	**517,620**
Deferred tax assets	25,021	21,073
Other financial assets	4,133	4,030
Group Assets	**580,135**	**542,723**

6.9 Income tax expense

(€ 000)	for the 6-month period ending 30 June 2012	2011
Current income tax charge		
Current financial year	8,163	7,886
Amendments for preceding years	535	-119
	8,698	7,767
Deferred taxes		
Temporary differences between fiscal and commercial valuation	-3,065	-3,518
Change in tax rates	-545	-647
Recognized losses	-3,733	-1,805
	-7,343	-5,970
Income tax expense	**1,355**	**1,797**

6.10 Issued capital

The authorized share capital at 30 June 2012 encompasses 40,000,000 (30 June 2011: 40,000,000) ordinary shares and 40,000,000 (30 June 2011: 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.

At the reporting date 29,328,642 ordinary shares (30 June 2011: 29,277,397) were issued and paid up. The changes (in numbers) in the share capital can be presented as follows:

	30 June	
	2012	**2011**
Balance at 1 January	29,292,396	29,217,316
Issue of share capital	36,246	0
Excercise of options	0	60,081
	29,328,642	**29,277,397**

6.11 Dividends paid

At 21 February 2012 UNIT4 management proposed a cash dividend of €0.40 (40 cents) per share. The General Meeting of Shareholders as at 23 May 2012 approved this proposal.

(€ 000)	30 June	
	2012	**2011**
Dividends declared and paid during the six-month period:		
Final dividend for 2011 (€0.40 per share)	11,731	0
Final dividend for 2010 (€0.25 per share)	0	7,319

6.12 Earnings per share

The earnings per share can be specified as follows:

For the 6-month period ending 30 June (in numbers x 1,000)		**2012**		**2011**
Basic earnings per share (A/X)	€	0.17	€	0.27
Diluted earnings per share (B/Y)	€	0.17	€	0.27
Basic earnings per share before goodwill related items and impairment (D/X)	€	0.52	€	0.65
Diluted earnings per share before goodwill related items and impairment (C/Y)	€	0.52	€	0.65

Basic earnings per share is calculated by dividing the net profit for the 6-month period attributable to ordinary shareholders by the weighted average number of shares outstanding during the 6-month period.

Diluted earnings per share is calculated by dividing the net profit for the 6-month period attributable to ordinary shareholders (after adjusting for outstanding option rights (after tax)) by the weighted average number of shares outstanding during the 6-month period plus the weighted average number of shares that would be issued on conversion of all the potential dilutive ordinary shares.

The basic and diluted earnings per share before goodwill related items and impairments are calculated by using the net profit for the 6-month period attributable to ordinary shareholders without goodwill impairment, amortization of customer contracts, acquired software development costs and trademarks instead of the net profit for the 6-month period attributable to ordinary shareholders.

The calculation can be specified as follows:

For the 6-month period ending 30 June (€ 000)	2012	2011 (restated [1])
Net profit attributable to ordinary shareholders (A)	**5,079**	**7,898**
Effect of outstanding option rights (after tax)	0	0
Net profit attributable to ordinary shareholders (after dilution) (B)	**5,079**	**7,898**
Goodwill related items and impairments	10,212	11,249
Net profit attributable to ordinary shareholders before goodwill related items and impairments (after dilution) (C)	**15,291**	**19,147**
Net profit attributable to ordinary shareholders (A)	**5,079**	**7,898**
Goodwill related items and impairments	10,212	11,249
Net profit attributable to ordinary shareholders before goodwill related items and impairments (D)	**15,291**	**19,147**

[1] Certain amounts here do not correspond to the Group's annual financial statements as at 30 June 2011 and include adjustments for errors in previous periods as described in Note 6.5.

For the 6-month period ending 30 June (in numbers x 1,000)	2012	2011
Weighted average number of shares during the period (X)	**29,310**	**29,265**
Effect of uitstanding option rights	124	163
Weighted average number of shares during the period adjusted for the effect of dilution (Y)	**29,434**	**29,428**

6.13 Intangible assets

At 30 June 2012	Goodwill	Internally developed software	Acquired software	Customer contracts	Other intangible assets	Total
	€000	€000	€000	€000	€000	€000
Carrying amount at 1 January	177,827	62,170	39,389	78,718	8,429	366,533
Adjustments preceding financial years	0	83	-14	0	-69	0
Acquisition of subsidiaries	0	0	0	5,678	0	5,678
Internally developed intangible assets	0	14,089	0	0	0	14,089
Investments	0	0	0	0	7	7
Divestments (cost price)	0	-29	0	-72	0	-101
Divestments (accumulated depreciation and impairment)	0	29	0	60	0	89
Depreciation & amortization	0	-9,412	-5,569	-6,812	-338	-22,131
Impairment	-627	0	0	0	0	-627
Currency translation differences	5,215	1,351	1,439	1,796	388	10,189
Carrying amount at 30 June	**182,415**	**68,281**	**35,245**	**79,368**	**8,417**	**373,726**
1 January 2012						
Cost price	188,280	140,795	75,413	133,070	11,564	549,122
Accumulated depreciation & amortization	-3,426	-78,625	-35,810	-54,352	-3,135	-175,348
Accumulated impairment	-7,027	0	-214	0	0	-7,241
Carrying amount	**177,827**	**62,170**	**39,389**	**78,718**	**8,429**	**366,533**
30 June 2012						
Cost price	193,589	157,910	78,204	141,458	12,061	583,222
Accumulated depreciation & amortization	-3,426	-89,629	-42,735	-62,090	-3,644	-201,524
Accumulated impairment	-7,748	0	-224	0	0	-7,972
Carrying amount	**182,415**	**68,281**	**35,245**	**79,368**	**8,417**	**373,726**

At 31 December 2011 (restated[1])

	Goodwill	Internally developed software	Acquired software	Customer contracts	Other intangible assets	Total
	€000	€000	€000	€000	€000	€000
Carrying amount at 1 January	167,567	53,333	46,424	89,145	9,554	366,023
Adjustment of previous period errors[1]	11,105	0	-3,349	0	0	7,756
Carrying amount at 1 January (restated)	178,672	53,333	43,075	89,145	9,554	373,779
Adjustments preceding financial years	23	101	-87	-78	2	-39
Acquisition of subsidiaries[1]	0	0	7,082	3,087	0	10,169
Internally developed intangible assets	0	24,036	0	0	0	24,036
Investments	0	0	0	299	455	754
Divestments (cost price)	0	-475	-6,005	-5,401	-176	-12,057
Divestments (accumulated depreciation and impairment)	0	293	6,005	5,401	176	11,875
Depreciation & amortization	0	-15,322	-10,572	-14,045	-842	-40,781
Impairment	-1,206	0	0	0	0	-1,206
Currency translation differences	338	204	-109	310	-740	3
Carrying amount at 31 December[1]	**177,827**	**62,170**	**39,389**	**78,718**	**8,429**	**366,533**
1 January 2011						
Cost price[1]	189,919	116,268	74,387	134,520	12,080	527,174
Accumulated depreciation & amortization	-3,748	-62,935	-31,071	-45,375	-2,526	-145,655
Accumulated impairment	-7,499	0	-241	0	0	-7,740
Carrying amount[1]	**178,672**	**53,333**	**43,075**	**89,145**	**9,554**	**373,779**
31 December 2011						
Cost price	188,280	140,795	75,413	133,070	11,564	549,122
Accumulated depreciation & amortization	-3,426	-78,625	-35,810	-54,352	-3,135	-175,348
Accumulated impairment	-7,027	0	-214	0		-7,241
Carrying amount	**177,827**	**62,170**	**39,389**	**78,718**	**8,429**	**366,533**

[1] Certain amounts here do not correspond to the Group's annual financial statements as at 31 December 2011 and include adjustments for errors in previous periods as described in Note 6.5.

6.14 Impairment

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 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 2011.

For the following cash-generating units the Group observed indications for a potential impairment of goodwill. As a result, management performed an impairment calculation as at 30 June 2012.

Cash-generating unit Van der Kley automatisering
Management expects that the activities of Van der Kley automatisering will generate revenue up to and including 2015. Therefor the calculation of the recoverable amount of Van der Kley automatisering is updated to reflect the shorter remaining period. As a result of this analysis, management has recognized an impairment charge of €196,000 against goodwill previously carried at €612,000.

Cash-generating unit Agresso France Maintenance & Services SA (Fininfor business)
Management expects that the activities of Fininfor will generate revenue up to and including 2016. Therefor the projected cash flows were updated to reflect an expected decreased level of product and contract revenues for the products of Fininfor. All other assumptions remained consistent with those disclosed in the annual statements for the year ended 31 December 2011. As a result of this analysis, management has recognized an impairment charge of €431,000 against goodwill previously carried at €846,000.

Cash-generating unit Teta
As a result of the prior year's error adjustments explained in note 6.5, the goodwill for the cash-generating unit Teta increased with €10.2 million (balance as per 31 December 2011). Therefor management performed an impairment calculation as at 30 June 2012.

The key assumptions used for this value-in-use calculation are as follows:

	30 June 2012	31 December 2011
Gross profit growth	3%	4%
Employee and other expenses growth	2%	2%
Discount rate	12.4%	12.4%

The recoverable amount calculated still exceeds the carrying value of the unit. Therefor no impairment has been recognized. Management currently expects that no reasonable possible change in any of the key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

Other Cash-generating units
For the other cash generating units the Group has not observed indications from which an early impairment test is required.

6.15 Tangible assets

During the first half year the Group has invested in tangible assets a total amount of €5.0 million (2011: €3.2 million).

6.16 Trade and other receivables

(€ 000)	30 June 2012	31 December 2011 (restated [1])	1 January 2011 (restated [1])
Trade receivables	67,450	64,622	71,176
Other receivables	43,136	22,408	27,441
	110,586	87,030	98,617

[1] Certain amounts here do not correspond to the Group's annual financial statements as at 31 December 2011 and include adjustments for errors in previous periods as described in Note 6.5.

6.17 Interest-bearing loans and borrowings

On 1 February 2012 UNIT4 signed a € 150,000,000 Senior Facilities agreement together with a € 30,000,000 accordion option. This new facility replaces the original loan facility which remaining balance would have become due in the first quarter of 2013. These extra funds will increase UNIT4's financial strength, support the company's growth strategy and secure future dividend payments. The new loan can be divided in a term loan of € 50,000,000, which will be repaid in instalments of € 2,500,000 per quarter, and a Revolving facility of € 100,000,000. The term of the loan is 3 years with 2 extension options to extend to a period of 5 years in total.

The interest period is 3 months and floating (EURIBOR) and is with the use of an interest swap converted into a fixed 5 year rate for the amount of € 100,000,000. This 5 year rate has been fixed on 2.2475% (excluding margin) and includes the close out of the (former) existing 2 interest swaps.

6.18 Financial Risk Management

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:
Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2: other techniques for that all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
Level 3: techniques that use inputs which have a significant effect on the recorded fair value and that are not based on observable market data.

As at 30 June 2012, the Group held the following financial instruments measured at fair value through profit or loss:

(€ 000)	Total	Level 1	Level 2	Level 3
Liabilities measured at fair value				
Derivatives (currency and interest SWAP's)	4,622	0	4,622	0
	4,622	**0**	**4,622**	**0**

As at 31 December 2011, the Group held the following financial instruments measured at fair value through profit or loss:

(€ 000)	Total	Level 1	Level 2	Level 3
Liabilities measured at fair value				
Derivatives (currency and interest SWAP's)	3,135	0	3,135	0
	3,135	**0**	**3,135**	**0**

During the reporting period, there were no transfers between Level 1 and Level 2 fair value measurements.

6.19 Events after the reporting period

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

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 important events of the past six-month period and their impact on the interim consolidated financial statements, as well as the principal risks and uncertainties for the six-month period to come and the most important related party transactions.
– 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, 15 August 2012

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