Interim Financial Report

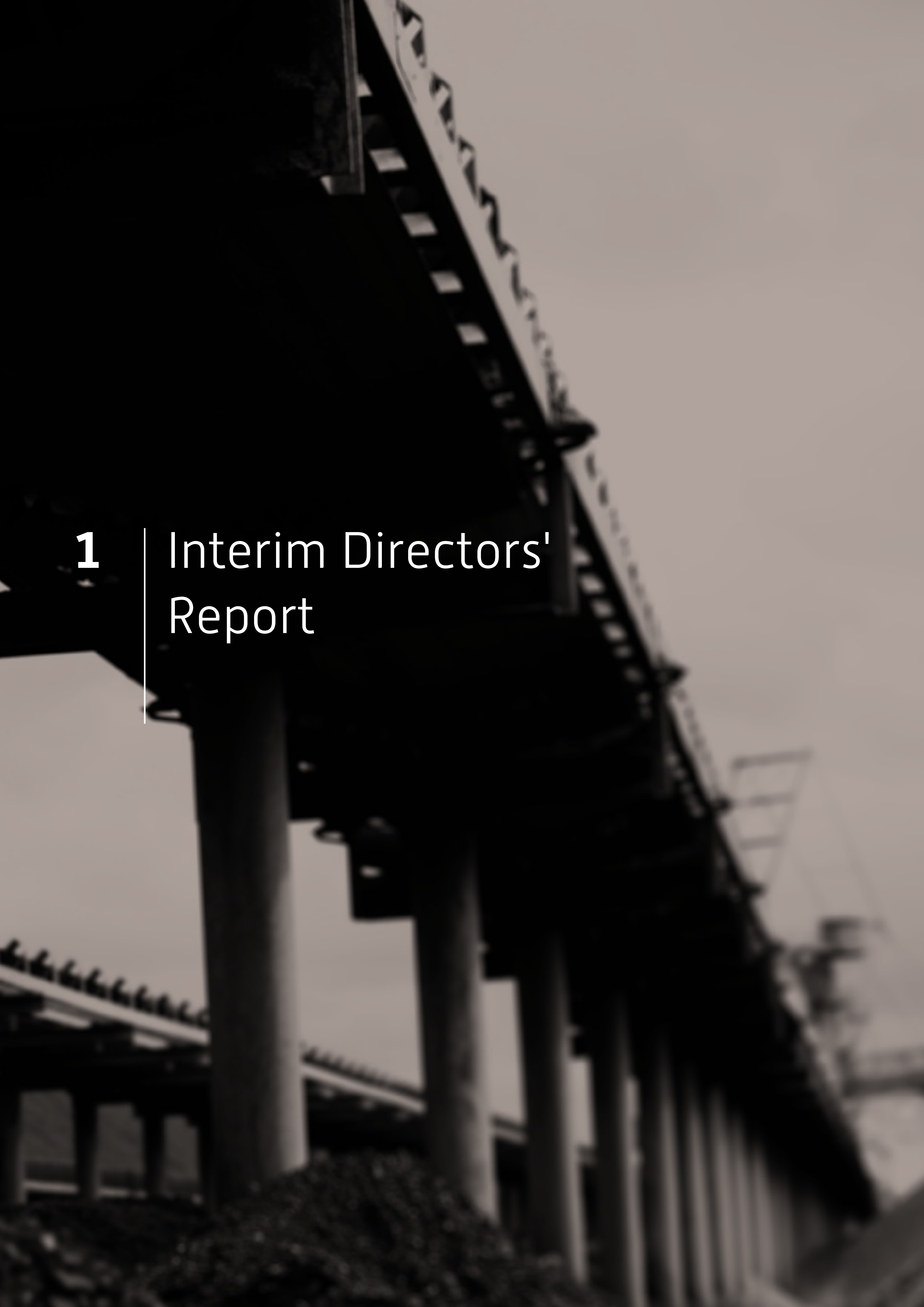
of the Board of Managing Directors | for the six months ended June 30, 2012

Exact Holding N.V.

And it all comes together.

Table of contents


HILUX
TOYOTA



1 Interim Directors' Report

1.1 Interim Directors' Report

Exact reports 3.2% revenue growth and 7.6% EBITDA growth in H1 2012

Realignment of internal organization to return to long-term sustainable growth and improved customer focus

Key financial highlights

- Total revenue increased by 3.2% from € 105.9 million in H1 2011 to € 109.3 million in H1 2012, primarily driven by maintenance and service revenue. Total revenue on an operational[1] basis increased by 0.7%.
- EBITDA increased by 7.6%, from € 21.4 million in H1 2011 to € 23.1 million in H1 2012, representing an EBITDA margin of 21.1% (H1 2011: 20.2%). On a like for like basis (excluding one-time effects, excluding currency) EBITDA was flat year on year.
- Ongoing strong growth of Exact Online, with the number of commercial administrations up by 40.9% and the related committed annual revenue by 45.0%. Revenue for Exact Online grew by 48.1% to € 6.6 million. The Exact Online Trade and Time & Billing propositions in the Benelux show ongoing momentum. Exact Online Manufacturing and CRM are planned for launch in H2 2012.
- Recurring revenue increased by 3.5% on an operational basis to € 71.9 million (H1 2011: € 69.5 million) and increased to 65.8% of total revenue (H1 2011: 64.0%).
- For FY 2012 a restructuring charge of € 9.1 million is foreseen. € 1.7 million of this charge has already been recorded in Q2. Expected annual saving of € 8 million to be largely reinvested in our fast-growing Exact Online business.
- In addition to the restructuring charge, € 4.4 million of one-time charges have been recorded in Q2 due to the anticipated sale of Orisoft, recycling of a cashflow hedge, and the revaluation of deferred tax positions (below EBITDA).
- Earnings per share (EPS) amount to € 0.44 (H1 2011: € 0.59), a decrease of 25.4%. In line with dividend policy, an interim dividend of € 0.44 per share will be paid on September 19, 2012, close of business.

Key strategic highlights

- First steps in installing new Board of Managing Directors taken with appointment of Erik van der Meijden as CEO on April 26 and Onno Krap as CFO on June 21.
- Simplification of internal organization with creation of two new business units to reflect focus and to improve accountability: Cloud Solutions and Business Solutions (on-premise/hosted).
- Securing long-term growth by realigning resources around Cloud Solutions: one-off overall restructuring charge for FY 2012 of € 9.1 million of which € 1.7 million in Q2.
- Strategic review also resulted in a realignment of the Americas businesses and initiation of divestment process for Orisoft as a non-core business activity. This led to a one-off charge of € 1.2 million in Q2 for the Americas (included in the € 1.7 million mentioned previously) and € 2.2 million for Orisoft.
- As announced in a separate press release today, Mr. Peter van Haasteren, Mr. Evert Kooistra and Mr. Willem Cramer will be appointed as new members of the Supervisory Board during an Extraordinary General Meeting of Shareholders, which will be held on September 19, 2012. Mr. Rolf Deves will resign as Chairman of the Supervisory Board on the same date. Mr. Deves believes that with the upcoming expiration of his term of appointment in April 2013, this is the right time to step back and appoint a new chairman to provide continuity in the cooperation with the new Board of Managing Directors to execute the company's plans. Mr. Thierry Schaap will assume the role of chairman of the Supervisory Board.

[1] Figures adjusted to take into account the impact of foreign exchange rates.

(in € thousands)	H1 2012	Reported H1 2011	Reported Change	Operational H1 2011	Operational Change
License revenue	18,762	20,356	(7.8%)	21,064	(10.9%)
Maintenance revenue	71,105	67,683	5.1%	68,971	3.1%
Service revenue	19,423	17,852	8.8%	18,544	4.7%
Total revenue	**109,290**	**105,891**	**3.2%**	**108,578**	**0.7%**
EBITDA	23,061	21,431	7.6%	21,761	6.0%
EBIT	16,323	17,419	(6.3%)	17,690	(7.7%)
Profit for the year	10,040	13,424	(25.2%)		
EPS (in €)	0.44	0.59			

Erik van der Meijden, CEO Exact Holding: *"The results for the first half of 2012 were at the lower end of our expectations – we do see hesitance with customers across all our markets in relation to ERP investment decisions. Exact Online continued to show strong growth and our new market-segment-specific propositions for Trade and Time & Billing have shown solid traction.*

After the accomplishments we booked in 2011, a transformational year for Exact, the first half of 2012 saw us focus on assessing our options for sustainable growth. As a result, we have decided to apply more focus and organize the company around two business units: Cloud Solutions and Business Solutions. This simplified structure will ensure we have better customer focus, a more effective organization, and it will enable us to target our investments on those areas with the biggest growth potential.

In addition to these two business units, we will establish a group called Specialized Solutions. This group will contain Longview, Lohn XL, and our US-based manufacturing solutions MGS, JobBOSS and MAX.

The strategic review also concluded that the activities of Orisoft, one of the companies currently in that group, no longer complement the core business of Exact. We have therefore begun a divestment process.

The realignment of our organization will put us in a strong position to benefit from the potential in our markets. For instance, we will now be able to focus on cloud solutions like Exact Online more than we could in the past, and we plan to introduce Exact Online into new international markets. In the same vein, we are also planning to launch Exact Online Manufacturing and CRM in the second half of 2012. This new direction, increased focus, simpler structure, and strengthened innovation will put us in a better position to create future growth."

Strategy update: realignment of organizational structure to return to growth

We worked hard in 2011 to transform our organization to restore organic revenue growth. Following on from this we have spent the first half of this year making a careful assessment of the options for future growth. The constantly changing business dynamics of the markets in which we operate demonstrate that innovation is crucial to our success. Our forthcoming innovations will therefore reflect the key trends we see in the market, in particular the demand for the 'consumerization' of enterprise applications, with app stores and increasing mobile use (smartphone and tablet); the demand for flexible pricing structures and subscription-based models; and the move to cloud solutions. We anticipate launching an app store, including partner apps to offer a one-stop shop for SMBs, before the end of 2012.

The decision to simplify our organizational structure has resulted in a focus on two business units: Cloud Solutions, which are ready-to-use online solutions, and Business Solutions, consisting of customer-specific, hosted and on-premise solutions.

Cloud Solutions

We are market leader in the Benelux for cloud business in the SMB market, with an unmatched breadth in our portfolio. Within the small companies segment (up to 20 employees), we see ample opportunity for further market penetration. At the same time, we wish to strengthen our relationships with accountants as one of our primary channels for accounting solutions.

In addition, we will start targeting a broader client group, for whom the role of specialized value-adding partners is essential. The products and services we offer are also very suited to larger companies and so we will start actively targeting companies of up to 100 employees as well. We believe that the market for business software for these companies will gradually change from on-premise/hosted to cloud solutions. With Exact Online, we have a growth strategy based on adding functionalities to serve companies with more employees, with more processes, and with more complex processes.

To further accelerate our growth in this area, we will roll out our propositions in Europe and in selected markets in the US (US: manufacturing and wholesale). We see an ongoing trend of harmonization and cooperation throughout Europe. With the ever-growing availability and usage of internet, factors such as infrastructure, time, and place become less important in today's IT solutions. We are confident that, based on our knowledge of solutions, services, the needs of SMB customers, and our international client relationships, our success in the Benelux market can be replicated in other markets.

Business Solutions

Our traditional product lines, which include among others Exact Globe Next, Exact Synergy and Exact Financials, represent a substantial part of our revenue. Although there will be migration from Business Solutions to Cloud Solutions, we expect that a large number of these companies will continue to use business solutions (on-premise/hosted) in the future. We will therefore maintain our focus on our business solutions and continue to invest in our research, development and sales capabilities. On top of that, we will further strengthen our business solutions for larger companies with 50 to 2,500 employees. We will work closely with our partners to create value for our customers and to continue to provide excellent service.

The cloud solutions pricing model is leading customers to demand a comparable OPEX-based pricing model in the business solutions market. We will therefore increasingly offer our business solutions with flexible pricing models based on monthly subscription pricing. As a result, we expect that upfront licensing fees will decrease further.

Alignment of our internal organization

Our ambition regarding cloud solutions is to realize year-on-year growth of 30-50%. The Cloud Solutions business requires significant investments to realize its full potential, while Business Solutions is expected to continue to yield healthy margins. We have a solid financial base that will enable us to make the necessary commercial and R&D investments to drive future growth.

Going forward, we will realign our internal and customer-facing organizations to reflect these dynamics, enhancing a return to solid growth. We will change our current matrix organizational model for one that is more straightforward and simple, organized around our two focal areas: Cloud Solutions and Business Solutions. The business units will be overseen directly by the Board of Managing Directors, and we intend to appoint two new members to the Board, each of whom will be responsible for one of the business units.

Finally, we will continue to operate our current Specialized Solutions group as a separate unit, and will incorporate our current activities in the Americas region, consisting of three manufacturing software solutions (MGS, JobBOSS, MAX). The dynamics of the activities within this division require a different approach and therefore do not fit within our two new business units. Our Specialized Solutions group will furthermore include Lohn XL, our payroll software business in Germany, and Longview, our corporate performance management (CPM) solutions and tax data management business. Longview and Lohn XL have cutting edge products and services, are recognized leaders in clearly defined, expanding market segments, and have significant opportunities to drive further revenue growth and expand market share.

Our Business Solutions and Specialized Solutions units operate in more mature markets. We expect these units to grow with low single digits.

Consequences and financial impact

2012 will be another year of change. Our strategic review showed that further optimization of the organization would realign the business for sustainable growth going forward. As a result, we will be able to better anticipate market trends, increase customer intimacy, and benefit from the many opportunities in the markets we operate in. The one-off charges associated with the realignment of the organization are expected to total € 9.1 million, of which € 1.7 million has been reported in our Q2 results. The change to a simpler business model, through merging the Benelux business unit and the International business unit, will affect around 8% of our staff. The savings we will achieve with this operation will enable us to make investments in knowledge and skills in those parts of the organization that will lead to further growth.

During our strategic review we have decided to simplify the US businesses and this has resulted in the closing of the Boston head office. MGS, MAX and JobBOSS will now report directly to the CEO. Annualized cost savings will amount to € 1.0 million from 2013 onwards, while the one-off costs associated with this amount to € 1.2 million (included in H1 2012 results as part of the €1.7 million). We have furthermore concluded that Orisoft, one of the companies in our Specialized Solutions group, does not fit the focus of Exact going forward and a divestment process has therefore been initiated. The impairment associated with this amounts to € 2.2 million, which is also reported in our Q2 results.

Outlook

In December 2010 Exact expressed its ambition to, over a three-year period, restore organic revenue growth to a level of 4-6% per year (i.e., a performance in line with the expected market growth). In 2011 and H1 2012, due in part to the economic climate, Exact realized a modest operational growth of almost 1%. We have identified investments in R&D and commercial route to market in order to push revenue growth towards the envisaged 4-7% in the coming years. We expect that Exact Online will grow with 30 – 50% in the coming years. For Business Solutions and Specialized Solutions we aim at a low single digit growth in more mature markets.

Total FY impact of restructuring and one-time events on net income is expected to amount to € 13.5 million of which € 6.1 million has been recognized in H1 2012. The ongoing annual savings are estimated to be € 8.0 million.

For FY 2012 Exact expects full-year flat to low single digit like for like revenue growth and like for like EBITDA to be approximately flat versus the previous year.

Financial review

Revenue

Total revenue on a reported basis increased by 3.2% to € 109.3 million in H1 2012 (H1 2011: € 105.9 million). The increase was driven by Exact Online and service revenues. On an operational basis, total revenue increased by 0.7% to € 109.3 million (H1 2011: € 108.6 million).

Recurring revenue increased on an operational basis from € 69.5 million in H1 2011 to € 71.9 million in H1 2012, equaling 65.8% of total revenue (H1 2011: 64.0%). The increase in recurring revenue was primarily driven by the growth of Exact Online in the Benelux. Committed annual revenue of Exact Online as at June 30, 2012 amounted to € 14.1 million (June 30, 2011: € 9.7 million). Exact Online revenue increased from € 4.4 million to € 6.6 million, an increase of 48.1%.

License revenue on an operational basis decreased by 10.9% to € 18.8 million (H1 2011: € 21.1 million). This decrease was mainly driven by our Benelux and International region and was caused by customers taking a cautious approach to ERP investments. In the International region, license revenue was also impacted by the 2011 restructuring program. Longview and Lohn XL showed strong license growth following the introduction of new propositions.

Maintenance revenue on an operational basis increased by 3.1% to € 71.1 million (H1 2011: € 69.0 million). The growth was mainly driven by the strong growth of Exact Online in the Benelux, combined with some modest price increases in Benelux, International and Americas. Maintenance revenue for Lohn XL and Longview also showed healthy growth, caused by low attrition rates and an expanding customer base.

Service revenue on an operational basis increased by 4.7% to € 19.4 million (H1 2011: € 18.5 million). In the Benelux, service revenue decreased by 6.3% as a result of lower license revenue. Service revenue declined by 20.8% in the International region as a result of the 2011 restructuring. Service revenue of Lohn XL and Longview showed a very strong increase of 44.3%, primarily driven by increased business momentum as a result of the launch of new product propositions and growth of BPO activities.

EBITDA and EBIT

Reported operating expenses (excluding depreciation and amortization) increased by € 1.8 million to € 86.2 million (H1 2011: € 84.5 million). The operating expenses were negatively impacted by € 2.4 million as a result of exchange rates and higher investments in Longview and Lohn XL offset by savings in the International region (2011 restructuring).

The increased revenue exceeded the increase in operating expenses, resulting in an increase in EBITDA of 7.6% to € 23.1 million (H1 2011: € 21.4 million). On an operational basis, EBITDA increased by 6.0% (H1 2011: € 21.8 million). Like for like (excluding FX and one-time events) EBITDA remained flat versus the previous year.

The costs of research and development increased to € 13.2 million (H1 2011: € 11.5 million), which represents 12.0% of revenue (H1 2011: 10.9%).

The EBIT amounted to € 16.3 million (H1 2011: € 17.4 million). This includes a one-time charge of € 2.2 million for the impairment of Orisoft as well as higher depreciation of internally generated software. The 2011 numbers contained a € 0.3 million one-time gain due to the sale of certain fixed assets.

Interest and tax

Total finance expenses amounted to € 2,0 million as a result of a one-time correction of a cash flow hedge (€ 1.6 million, non-cash). The average tax rate increased from 23.1% in H1 2011 to 29.9 % in H1 2012, mainly as a result of the impairment of Orisoft (non-tax event) as well as a revaluation of our deferred tax position.

Cash flow

The net cash position increased to € 53.9 million as at June 30, 2012 (June 30, 2011: € 46.6 million).

The continued focus on cash collection resulted in a further improvement of the average days sales outstanding to 53.9 (H1 2011: 57.5).

Net income and EPS

Net income attributable to shareholders amounted to € 10.0 million (H1 2011: € 13.4 million). Earnings per share (EPS) amounted to € 0.44 (H1 2011: € 0.59).

Exact will pay an interim cash dividend of € 0.44 per share, which is in line with the dividend policy of a 100% payout of net result in any year in which the company does not execute a material acquisition.
The dividend will be payable to holders of ordinary shares on August 15, 2012 close of business. The shares will go ex-dividend on July 27, 2012.

The regions: operational results

Benelux

(in € thousands)	H1 2012	Reported H1 2011	Change	Operational H1 2011	Change
Total revenue	48,857	48,256	1.2%	48,256	1.2%
EBITDA	20,153	19,748	2.1%	19,748	2.1%
EBITDA margin	41.2%	40.9%	0.3 pts	40.9%	0.3 pts

Total revenue on an operational basis increased by 1.2% from € 48.3 million in H1 2011 to € 48.9 million in H1 2012.

	2011				2012	
(in € thousands)	Q1	Q2	Q3	Q4	Q1	Q2
Revenue Exact Online	2,120	2,329	2,508	2,708	3,132	3,454
Revenue growth					47.7%	48.3%

Exact Online continued its strong growth, with the number of commercial administrations as at June 30, 2012 standing at 86,800, and the committed annual revenue as at June 30, 2012 amounting to € 14.1 million (June 30, 2011: € 9.7 million). Exact Online revenue grew by 48.1% to € 6.6 million. The Exact Online propositions for companies with up to 20 employees in the Wholesale & Distribution and Professional Services segments were launched in 2011 and these contributed to the increase in committed annual revenue. We will launch the Exact Online Manufacturing and CRM propositions in the second half of 2012.

License revenue on an operational basis declined by 8.7% to € 6.9 million (H1 2011: € 7.5 million) mainly due to softness in the direct channel. Maintenance revenue on an operational basis increased by 4.0% to € 38.5 million (H1 2011: € 37.0 million), primarily driven by the growth of Exact Online. Service revenue on an operational basis decreased by 6.3% to € 3.5 million (H1 2011: € 3.7 million), mainly due to the decreased license revenue generated by Exact's direct sales force.

Operating expenses on an operational basis increased slightly from € 28.5 million to € 28.7 million. EBITDA increased by 2.1% to 20.2 million (H1 2011: € 19.7 million).

International

(in € thousands)	H1 2012	Reported H1 2011	Change	Operational H1 2011	Change
Total revenue	19,433	21,436	(9.3%)	21,656	(10.3%)
EBITDA	399	408	(2.2%)	388	2.8%
EBITDA margin	2.1%	1.9%	0.2 pts	1.8%	0.3 pts

Total revenue on an operational basis decreased by 10.3% from € 21.7 million in H1 2011 to € 19.4 million in H1 2012. Following the completion of the rationalization of International's route to market, in 2011, the focus in H1 2012 has been on developing propositions for the selected market segments (Wholesale & Distribution, Professional Services, and Manufacturing) that are geared towards customers with an international scope. We have not, however, made enough progress to return to growth.

On an operational basis, license revenue declined by 26.0% to € 3.8 million (H1 2011: € 5.1 million). Maintenance revenue increased by 0.7% to € 12.0 million (H1 2011: € 11.9 million) on an operational basis, and service revenue decreased by 20.8% to € 3.7 million (H1 2011: € 4.7 million) on an operational basis.

Operating expenses decreased by € 2.2 million on an operational basis, primarily as a result of the full-year saving effect of the 2011 restructuring program.

Americas

		Reported		Operational	
(in € thousands)	**H1 2012**	**H1 2011**	**Change**	**H1 2011**	**Change**
Total revenue	23,533	22,062	6.7%	23.856	(1.4%)
EBITDA	5,162	5,659	(8.8%)	6,124	(15.7%)
EBITDA margin	21.9%	25.7%	-3.8 pts	25.7%	-3.8 pts

Total revenue on an operational basis decreased by 1.4% from € 23.9 million to € 23.5 million.

License revenue on an operational basis decreased by 11.2% to € 5.1 million (H1 2011: € 5.7 million). Although there was weakness in the license revenue of Macola and MAX in H1 2012, maintenance revenue on an operational basis increased by 1.8% to € 13.2 million (H1 2011: € 13.0 million). The increase was the result of a modest price increase in some product ranges as of January 1, 2012, as well as ongoing stable attrition rates. Service revenue on an operational basis increased by 1.7% to € 5.3 million (H1 2011: € 5.2 million)

Operating expenses included a one-time restructuring expense of € 1.7 million and increased by 3.6% to € 18.4 million (H1 2011: € 17.7 million). EBITDA on an operational basis decreased by 15.7% to € 5.2 million (H1 2011: € 6.1 million).

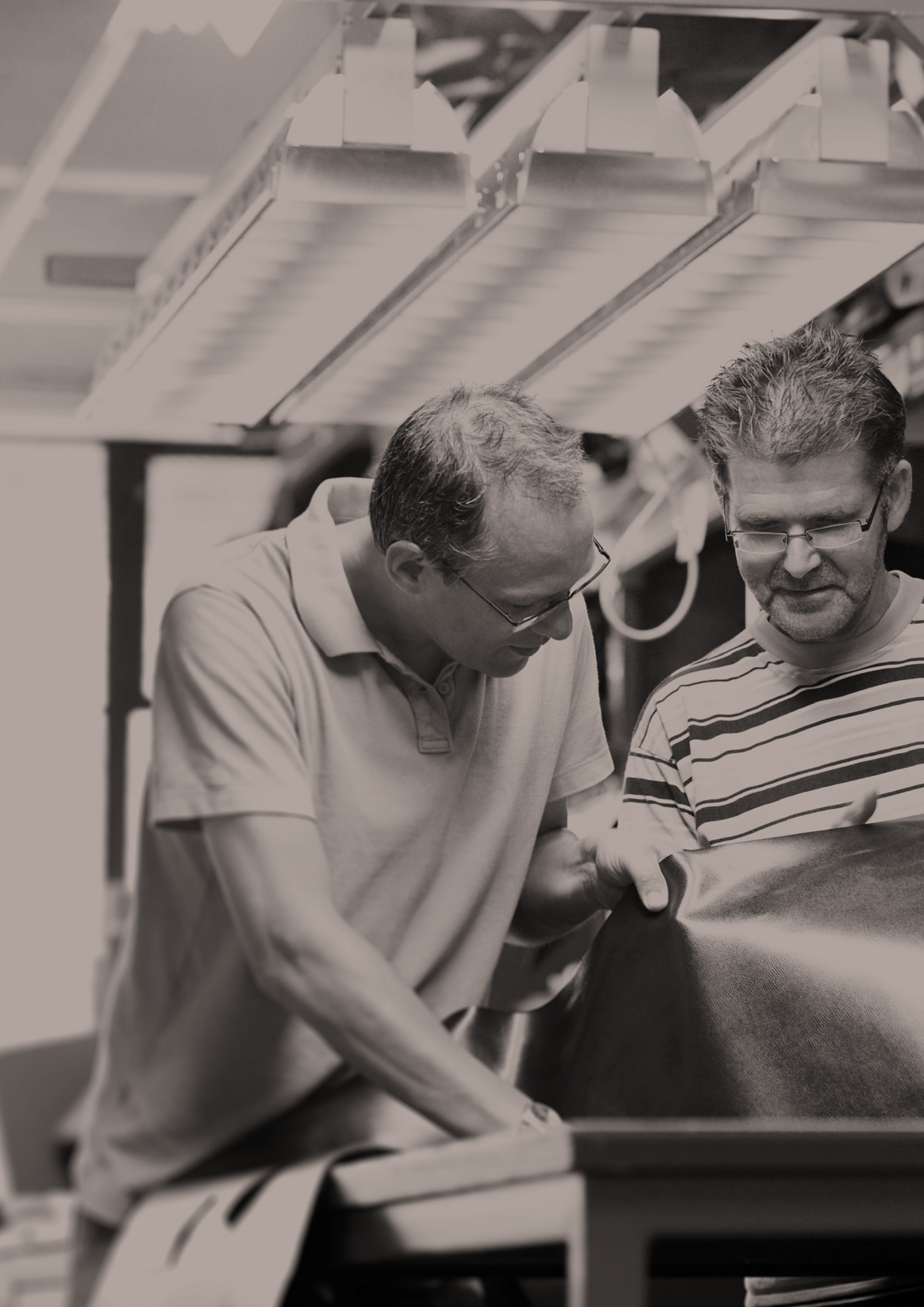
Specialized Solutions (Longview, Lohn XL and Orisoft)

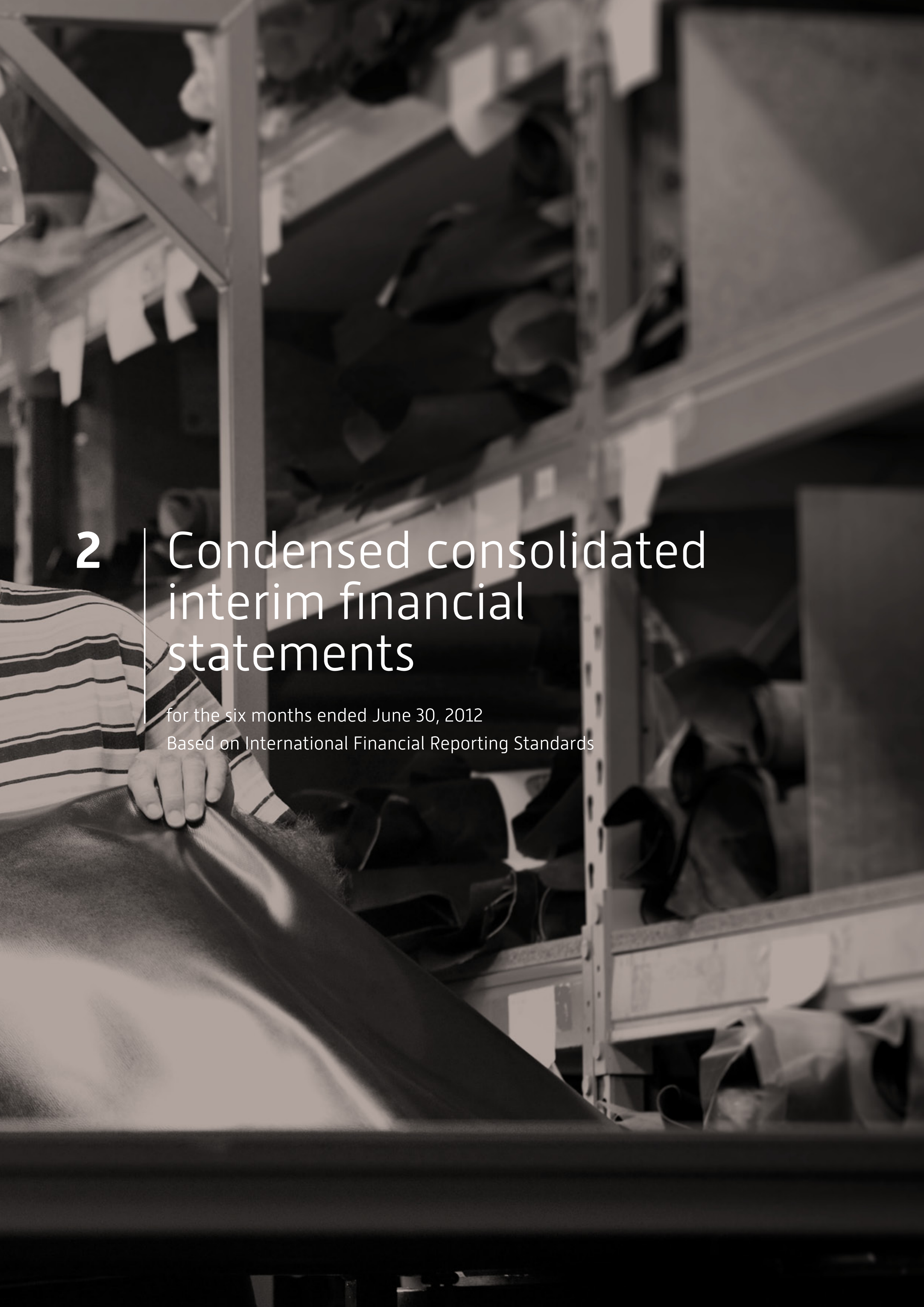
		Reported		Operational	
(in € thousands)	**H1 2012**	**H1 2011**	**Change**	**H1 2011**	**Change**
Total revenue	17,467	14,147	23.5%	14,820	17.9%
EBITDA	314	1,933	(83.8%)	2,115	(85.2%)
EBITDA margin	1.8%	13.7%	-11.9 pts	14.3%	-12.5 pts

Total revenue on an operational basis increased by 17.9% to € 17.5 million (H1 2011: € 14.8 million). Longview showed ongoing revenue momentum, with license revenue growth on an operational basis of 12.9%, driven by new logo deals in CPM as well as Tax. The new IFRS Longview Tax proposition, aimed at companies over € 250 million in revenues, has been launched. Investments in the route to market in Europe have been made in H1 2012 and are expected to have an impact in the second half of 2012. Lohn XL showed 8.7% revenue growth in H1 2012. The revenue growth resulted from our investment in route to market and marketing, as well as from the next generation Lohn XL proposition that was launched in Q2 2012. The initiatives we have taken regarding hosted solutions and BPO (outsourced payroll services) are gaining traction and are expected to grow further in the near future.

On an operational basis, license revenue for this segment increased by 11.7% from € 2.7 million in H1 2011 to € 3.1 million in H1 2012. Maintenance revenue increased on an operational basis by 4.7% to € 7.5 million (H1 2011: € 7.1 million), driven by an increase in the customer base of Longview and stable, low attrition rates. Service revenues increased by 40.2 % to € 6.9 million (H1 2011: € 5.0 million).

Operating expenses, excluding depreciation and amortization, increased by 35.0% from € 12.7 million to € 17.2 million. This included the investment in the new IFRS Longview Tax proposition, launched in H1 2012. As a result, the EBITDA on an operational basis decreased by 85.1% from € 2.1 million in H1 2011 to € 0.3 million in H1 2012.





2 Condensed consolidated interim financial statements

for the six months ended June 30, 2012

Based on International Financial Reporting Standards

2 Financial statements

Index of the financial statements

2.1 Condensed consolidated interim statement of comprehensive income

(in € thousands)	Note	2012 June 30 Unaudited	2011 June 30 Unaudited
Licenses		18,762	20,356
Maintenance and support		71,105	67,683
Services		19,423	17,852
Total revenue	2.5.7	**109,290**	**105,891**
Revenue-related expenses		6,583	6,482
Personnel expenses		61,124	58,624
Marketing and sales		4,216	5,128
Other operating expenses other than depreciation and amortization		14,306	14,226
Operating result before interest, tax, depreciation, amortization and impairment of intangible assets (EBITDA)		**23,061**	**21,431**
Depreciation and amortization expenses and impairment		(6,738)	(4,012)
Operating result before interest and tax (EBIT)		**16,323**	**17,419**
Finance income		577	543
Finance expenses		(2,567)	(503)
Net finance income / (expenses)		**(1,990)**	**40**
Share in result of joint ventures		-	(3)
Profit before tax		**14,333**	**17,456**
Income tax expense	2.5.8	(4,293)	(4,032)
Profit for the year		**10,040**	**13,424**
Other comprehensive income			
Foreign currency translation differences of foreign operations		1,817	(5,462)
Net change in fair value of cash flow hedges reclassified to profit or loss		1,597	-
Effective portion of changes in the fair value of cash flow hedges		87	(8)
Income tax relating to cash flow hedge		(26)	3
Other comprehensive income for the year, net of tax		**3,475**	**(5,467)**
Total comprehensive income for the year		**13,515**	**7,957**
Profit for the year attributable to:			
Equity holders of Exact	2.3	10,040	13,424
Non-controlling interest	2.3	-	-
Total comprehensive income for the year attributable to:	2.3		
Equity holders of Exact		13,515	7,957
Non-controlling interests		-	-
Average number of shares outstanding basic (in thousands)		22,817	22,817
Average number of shares outstanding diluted (in thousands)		22,817	22,817
Basic earnings per share (in €)		0.44	0.59
Diluted earnings per share (in €)		0.44	0.59

The notes on pages 23-29 are an integral part of these condensed consolidated interim financial statements.

2.2 Condensed consolidated interim statement of financial position

(in € thousands)	Note	2012 June 30 Unaudited	2011 December 31 Audited	2011 June 30 Unaudited
ASSETS				
Non-current assets				
Property, plant and equipment	2.5.9	10,989	10,379	9,743
Intangible assets and goodwill	2.5.10	96,192	97,961	111,643
Deferred tax assets		4,486	3,114	3,602
Long-term receivables and prepaid expenses		2,145	2,160	3,896
Total non-current assets		**113,812**	**113,614**	**128,884**
Current assets				
Inventory		42	9	336
Trade receivables		28,209	33,469	28,147
Other receivables and prepaid expenses		5,838	6,997	6,041
Current tax assets		7,362	4,896	3,380
Cash and cash equivalents		53,934	53,786	46,649
Assets held for sale		1,843	-	1,392
Total current assets		**97,228**	**99,157**	**85,945**
Total assets		**211,040**	**212,771**	**214,829**

The notes on pages 23-29 are an integral part of these condensed consolidated interim financial statements.

(in € thousands)	Note	2012 June 30 Unaudited	2011 December 31 Audited	2011 June 30 Unaudited
EQUITY AND LIABILITIES				
Share capital		488	488	488
Share premium		64,758	64,758	64,758
Reserves		20,775	15,748	6,222
Retained earnings		21,479	32,936	47,338
Shareholders' equity		**107,500**	**113,930**	**118,806**
Non-controlling interest		-	-	-
Total equity	2.3	**107,500**	**113,930**	**118,806**
Non-current liabilities				
Loans and borrowings	2.5.12	3,030	2,353	1,903
Provisions		1,494	1,227	1,131
Deferred tax liabilities		8,490	5,239	5,225
Derivative liability		-	-	22
Total non-current liabilities		**13,014**	**8,819**	**8,281**
Current liabilities				
Deferred revenue		65,778	62,081	63,163
Provisions	2.5.13	1,688	263	383
Derivative liability		794	470	-
Loans and borrowings	2.5.12	1,344	1,233	705
Accounts payable and other liabilities		3,521	4,930	5,435
Other taxes and social securities		5,491	9,529	6,265
Accrued liabilities		11,267	11,516	11,791
Liabilities held for sale		643	-	-
Total current liabilities		**90,526**	**90,022**	**87,742**
Total liabilities		**103,540**	**98,841**	**96,023**
Total equity and liabilities		**211,040**	**212,771**	**214,829**

The notes on pages 23-29 are an integral part of these condensed consolidated interim financial statements.

2.3 Condensed consolidated interim statement of changes in equity

(in € thousands)	Share capital	Share premium	Translation reserve	Hedging reserve	Other reserves	Retained earnings	Share-holders' equity	Non-controlling interest	Total equity
Balances at January 1, 2011	**488**	**64,758**	**904**	**(1,614)**	**10,513**	**70,070**	**145,119**	**1,102**	**146,221**
Profit for the year	-	-	-	-	-	13,424	**13,424**	-	**13,424**
Other comprehensive income	-	-	(5,462)	(5)	-	-	**(5,467)**	-	**(5,467)**
Total comprehensive income	**-**	**-**	**(5,462)**	**(5)**	**-**	**13,424**	**7,957**	**-**	**7,957**
Reserve for capitalized R&D	-	-	-	-	1,838	(1,838)	**-**	-	**-**
Dividend related to 2010	-	-	-	-	-	(34,225)	**(34,225)**	-	**(34,225)**
Acquisitions of non-controlling interests without a change in control	-	-	-	-	-	(93)	**(93)**	(33)	**(126)**
Movement non-controlling interest related to divestments	-	-	-	-	-	-	**-**	(1,069)	**(1,069)**
Long-term incentive plan	-	-	-	-	48	-	**48**	-	**48**
Balances at June 30, 2011	**488**	**64,758**	**(4,558)**	**(1,619)**	**12,399**	**47,338**	**118,806**	**-**	**118,806**

The notes on pages 23-29 are an integral part of these condensed consolidated interim financial statements.

(in € thousands)	Share capital	Share premium	Translation reserve	Hedging reserve	Other reserves	Retained earnings	Share-holders' equity	Non-controlling interest	Total equity
Balances at January 1, 2012	**488**	**64,758**	**2,566**	**(1,610)**	**14,792**	**32,936**	**113,930**	**-**	**113,930**
Profit for the year	-	-	-	-	-	10,040	**10,040**	-	**10,040**
Other comprehensive income	-	-	1,817	1,658	-	-	**3,475**	-	**3,475**
Total comprehensive income	**-**	**-**	**1,817**	**1,658**	**-**	**10,040**	**13,515**	**-**	**13,515**
Reserve for capitalized R&D	-	-	-	-	195	(195)	**-**	-	**-**
Dividend related to 2011	-	-	-	-	-	(19,851)	**(19,851)**	-	**(19,851)**
Acquisitions of non-controlling interests without a change in control	-	-	-	-	-	-	**-**	-	**-**
Movement non-controlling interest related to divestments	-	-	-	-	-	-	**-**	-	**-**
Long-term incentive plan	-	-	-	-	(94)	-	**(94)**	-	**(94)**
Balances at June 30, 2012	**488**	**64,758**	**4,383**	**48**	**14,893**	**22,930**	**107,500**	**-**	**107,500**

The notes on pages 23-29 are an integral part of these condensed consolidated interim financial statements.

2.4 Condensed consolidated interim statement of cash flows

(in € thousands)	2012 June 30 Unaudited	2011 June 30 Unaudited
Net cash from operating activities	23,287	23,798
Net cash used in investment activities	(2,886)	(4,170)
Cash flow from (used in) financing activities	(20,497)	(29,866)
Net increase/(decrease) in cash and cash equivalents	**(96)**	**(10,238)**
Cash and cash equivalents at January 1	53,786	58,098
Effect of exchange rate fluctuations on cash held	244	(1,211)
Closing balance cash and cash equivalents	**53,934**	**46,649**

The notes on pages 23-29 are an integral part of these condensed consolidated interim financial statements.

2.5 Notes to the condensed consolidated interim financial statements

2.5.1 Reporting entity and corporate information

Exact Holding N.V. is domiciled in Delft, the Netherlands. The condensed consolidated interim financial statements as at and for the six months ended June 30, 2012 comprise Exact Holding N.V. and its subsidiaries (together referred to as 'Exact') and Exacts' interests in associates and jointly controlled entities.

Exact Holding N.V., as head of a group of subsidiaries is engaged in holding, financing and managing its subsidiaries and other participations. The activities relate primarily to the development, distribution and marketing of business software, end-user support, training and consultancy.

Exact has been listed on the NYSE Euronext Stock Exchange in Amsterdam since 1999.

2.5.2 Basis of preparation

Statement of compliance

These condensed consolidated interim financial statements as at and for the six months ended June 30, 2012 have been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU. The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended December 31, 2011.
The condensed consolidated interim financial statements were approved by the Board of Managing Directors on July 25, 2012.

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 expenses. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying Exact's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended December 31, 2011.

2.5.3 Significant accounting policies

The accounting policies applied by Exact in these condensed consolidated interim financial statements are the same as those applied by Exact in its consolidated financial statements as at and for the year ended December 31, 2011.

The financial statements are presented in thousands of euros, unless stated otherwise. The euro is the predominant functional currency and the presentation currency of Exact.

2.5.4 Risk management

In the Annual Report 2011 (pages 45-53) Exact has outlined its strategic, operational, financial and compliance risks; the risk management and control mechanisms Exact has in place as well as the risk analysis and assessments Exact conducts regularly. Exact believes that the nature and potential impact of these risks have not materially changed in the first half year of 2012. Therefore, continuing corporate policy, Exact decided to partially mitigate the foreign exchange risk by hedging an amount of USD 1.0 million per month as of July 27, 2012, using a fixed forward hedge contract. The hedge contract ends per December 28, 2012.

Furthermore, management is continuously monitoring Exact's business model and organizational structure to address the still challenging economic environment. This has led to a commitment by management to restructure the Americas region (refer to paragraph 2.5.13) and management's plan to realign the internal organization in the second half of 2012.

We will continue to monitor the key risks closely and manage our internal control systems as new risks may emerge and current risks may change in the second half of 2012.

2.5.5 Seasonality of operations

Exact's business is not subject to seasonal fluctuation.

2.5.6 Business combinations

There were no acquisitions during the six months ended June 30, 2012.

Disposal group held for sale

Business unit Orisoft (part of the Specialty Brands segment) is presented as a disposal group held for sale following the commitment of Exact's management in June 2012 to a plan to sell the business unit. Efforts to sell the disposal group have commenced and management expects to finalize the transaction in the second half year of 2012 at an estimated sales price of € 1,200.

Based on the estimated sales price, an impairment loss of € 2,231 has been recognized writing down the carrying amount of the disposal group to the lower of its carrying amount and its fair value less costs to sell. The impairment loss has been included in the following line items in the condensed consolidated interim statement of comprehensive income:

	2012 June 30
(in € thousands)	**Unaudited**
Depreciation and amortization expenses and impairment	1,976
Other operating expenses other than depreciation and amortization	244
Income tax expense	11
Total	**2,231**

As at June 30, 2012 the disposal group comprised assets of € 1,843 less liabilities of € 643 detailed as follows:

	2012 June 30
(in € thousands)	**Unaudited**
Inventory	46
Trade receivables	893
Other receivables and prepaid expenses	330
Current tax assets	122
Cash and cash equivalents	452
Deferred revenue	(370)
Accounts payable and other liabilities	(30)
Other taxes and social securities	(13)
Accrued liabilities	(230)
Total	**1,200**

2.5.7 Operating segments

Information about reportable segments

Segment performance is evaluated by Exact's Board of Managing Directors (the chief operating decision maker) based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. Transfer prices between operating segments are at an arm's length basis in a manner similar to transactions with third parties. Intersegment revenues are not material and therefore not separately disclosed.

The segment information for the half year ended June 30, 2012 is as follows:

(in € thousands)	2012 June 30			2011 June 30		
	Revenue	EBITDA	Margin	Revenue	EBITDA	Margin
Benelux	48,857	20,153	41.2%	48,256	19,748	40.9%
International	19,433	399	2.1%	21,436	408	1.9%
Americas	23,533	5,162	21.9%	22,062	5,659	25.7%
Specialty Brands	17,467	314	1.8%	14,147	1,933	13.7%
Corporate	-	(2,967)	N/A	(10)	(6,317)	N/A
Total	**109,290**	**23,061**	**21.1%**	**105,891**	**21,431**	**20.2%**

Segment assets	2012 June 30	2011 December 31
(in € thousands)	Unaudited	Audited
Benelux	30,192	31,796
International	17,204	19,379
Americas	60,517	64,008
Specialty Brands	17,604	19,853
Corporate	73,675	69,725
Total	**199,192**	**204,761**

Reconciliation of reportable segment profit or loss with statement of comprehensive income

	2012 June 30	2011 June 30
(in € thousands)	Unaudited	Unaudited
EBITDA operating segments	23,061	21,431
Depreciation and amortization expenses	(6,738)	(4,012)
Total finance income / (expenses)	(1,990)	40
Share in result of joint ventures	-	(3)
Profit before tax	**14,333**	**17,456**

Reconciliation of reportable segment assets with statement of financial position

	2012 June 30	2011 December 31
(in € thousands)	Unaudited	Audited
Total assets on balance sheet	211,040	212,771
Less:		
Corporate income tax (deferred and current)	(11,848)	(8,010)
Total assets in segmentation	**199,192**	**204,761**

2.5.8 Income tax expense

The activities of Exact are subject to corporate income taxes in all countries where Exact has an active subsidiary or conducts business. The applicable statutory tax rates vary between 10.0% and 38.8%. Recognition of deferred income tax assets, tax losses carried forward, non-deductible expenses and changes in tax rate cause the effective tax rate to differ from the expected tax using Exact's domestic tax rate. Moreover, changes in tax rate and the impairment on Orisoft result in an effective tax rate based on income before taxes of 29.9 % (H1 2011: 23.1%). The effective tax rate for the interim period would be 26.0% if the impairment is excluded from the calculation.

The income tax expense is recognized based on management's best estimate of the weighted annual average income tax rate expected for the full financial year applied to the pre-tax income of the interim period (excluding changes in tax rate which have been accounted for in the interim period).

The reconciliation between the tax charge on the basis of the weighted average tax rate and the effective tax rate can be specified as follows:

	2012 June 30	2012 June 30	2011 June 30	2011 June 30
(in € millions)	Unaudited	Unaudited	Unaudited	Unaudited
Profit for the year	10.0		13.4	
Total tax expense	4.3		4.0	
Profit excluding tax	**14.3**		**17.4**	
Expected tax using Exact's domestic tax rate	3.6	25.0%	4.4	25.0%
Effect of tax rates in foreign jurisdictions	0.4	3.0%	0.6	3.2%
Impairment on Orisoft	0.4	2.7%	0	0.0%
Effect of application of Dutch innovation box incentive	(0.9)	(6.0%)	(0.6)	(3.4%)
Non-deductible expenses	0.1	0.7%	0.0	0.5%
Changes in tax rate	3.3	22.9%	0.0	0.0%
Changes in recognized deductible temporary differences	(0.2)	(1.1)%	(0.2)	(1.3%)
Movement in previously (un)recognized tax losses	(1.3)	(9.1%)	0.0	0.0%
Adjustments previous years	(0.3)	(2.1%)	(0.0)	(0.3%)
Exempt income	(0.6)	(4.4%)	(0.1)	(0.8%)
Other	(0.2)	(1.7%)	0.0	0.2%
Effective tax rate	**4.3**	**29.9%**	**4.0**	**23.1%**
Effective tax rate excluding impairment	**4.3**	**26.0%**	**4.0**	**23.1%**

The changes in tax rate relate to the inclusion of the Dutch innovation box incentive in the prior years' enacted tax rate used for Dutch deferred tax positions. Going forward, the statutory Dutch tax rate is used for the determination of these positions.

As at June 30, 2012, Exact had estimated tax losses carried forward of € 10 million (per December 31, 2011: € 5 million) among several subsidiaries outside the Netherlands for which a deferred tax asset is recognized. Management made a fair assessment as to which part of these losses will likely be offset by taxable profits in the foreseeable future. For this assessment Exact took the forecasted operating income for the next years into account at the respective tax rates (varying between statutory tax rates of 24% and 33%).

Exact did not recognize deferred tax assets for tax losses amounting to € 13 million (per December 31, 2011: € 18 million), including € 5 million (per December 31, 2011: € 6 million) related to divisions that are in the process of being liquidated. The deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which Exact can utilize the benefits therefrom. The tax losses will expire in the range of seventeen years to indefinitely. Any losses of the divisions which are in the process of being liquidated will expire as of the effectuated liquidation date.

2.5.9 Property, plant and equipment

During the six months ended June 30, 2012 Exact made investments in fixed assets for a total amount of € 2.3 million (H1 2011: € 0.9 million).

No assets were acquired through business combinations (H1 2011: € 0).

2.5.10 Intangible assets and goodwill

Impairment tests for goodwill

Goodwill is allocated to Exact's cash-generating units (CGUs), which have been identified according to the operating segment structure.

Goodwill is tested for impairment annually as per December 1, irrespective of whether there is any indication of impairment and when circumstances indicate that the carrying value may be impaired. The key assumptions used to determine the recoverable amount for the different CGUs were disclosed in the consolidated financial statements as at and for the year ended December 31, 2011.

Other than management's commitment to sell the Orisoft business unit (refer to paragraph 2.5.6) there were no indications for impairment during the first six months ended June 30, 2012. Consequently, no impairment tests were performed.

A regional segment-level summary of the goodwill allocation is given below.

	2012 June 30	2011 December 31
(in € thousands)	**Unaudited**	**Audited**
Benelux	13,393	13,393
Americas	47,266	45,908
International	2,036	2,036
Specialty Brands:		
• Longview	1,752	1,675
• Orisoft	-	1,492
Total	**64,447**	**64,504**

2.5.11 Capital and reserves

	2012 June 30	2011 June 30
(in € thousands)	**Unaudited**	**Unaudited**
Dividends on shares declared and paid during the six-month period: final dividend for 2011: € 0.87 per share (2010: € 1.50 per share)	19,851	34,225
Interim dividends on shares proposed for approval (not recognized as a liability as at June 30, 2012): earnings per share for H1 2012: € 0.44 per share (H1 2011: € 0.59 per share)	10,040	13,462

In the second quarter of 2012 Exact fully paid the total final dividend over 2011 amounting to € 19,851 which included the one-time additional dividend.

2.5.12 Loans and borrowings

Lease liability

In the six months ended June 30, 2012 Exact's finance lease liability increased by an amount of € 1.2 million due to the conclusion of new finance lease contracts and decreased by an amount of € 0.4 million due to contractual repayments of finance lease liabilities.

Credit facility

Exact has renewed its revolving credit facilities by signing an agreement for a revolving credit facility with one single bank. This credit facility is committed and unsecured for an amount of € 10 million and uncommitted and unsecured for an amount of € 30 million. The revolving credit facility can be used for general corporate purposes, including acquisitions, investments, transaction costs and dividend payments. The agreement has a term of 3 years and will expire on December 31, 2014.

In addition to the revolving credit facility, Exact has also renewed its uncommitted credit facilities (i.e. overdraft facility and bank guarantee facility) for an amount of € 10 million in total. These facilities will be available up until December 31, 2014. The purpose of the bank guarantee facility is to issue bank guarantees and (standby) letters of credit. The overdraft facility can be used for general corporate purposes, including acquisitions, investments, transaction costs and dividend payments.

2.5.13 Restructuring

A provision of € 711 was recognized during the first half year of 2012 in respect of Exact's committed restructuring of the Americas region. The restructuring is aimed at realignment of the Americas region in order to achieve a more agile organization and healthy growth. This restructuring resulted in the closure of the region's head office and several employees becoming redundant. The restructuring has already been started in June 2012 and is expected to be completed before the end of 2012.

2.5.14 Contingencies

In the six months ended June 30, 2012 there were no material changes to Exact's commitments and contingent liabilities from those disclosed in the consolidated financial statements as at and for the year ended December 31, 2011.

2.5.15 Subsequent events

There were no events after the balance sheet date that are relevant to the condensed consolidated interim financial statements.

2.5.16 Related party transactions

There is a related party relationship between Exact Holding N.V. and its subsidiaries, their managing directors and the Supervisory Board. All transactions with related parties are conducted at arm's length.

2.5.17 Auditors' involvement

This Interim Financial Report has not been audited by our external auditor.

2.5.18 Directors' responsibility management

The members of the Board of Managing Directors, as required by section 5:25d paragraph 2 under c of the Dutch Financial Supervision Act (Wet op het financieel toezicht), confirm that to the best of their knowledge:

1. the condensed consolidated interim financial statements for the six months ended June 30, 2012 give a true and fair view of the assets, liabilities, financial position and profit or loss of Exact Holding N.V. and its consolidated companies, and

2. the Interim Financial Report of the Board of Managing Directors for the six months ended June 30, 2012 gives a fair view of the information required pursuant to section 5:25d, subsection 8 and subsection 9 of the Dutch Financial Markets Supervision Act (Wet op het financieel toezicht).

Delft, July 25, 2012

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