Interim Financial Report

of the Board of Managing Directors for the six months ended June 30, 2013

Exact Holding N.V.

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Interim Directors' Report

1 Interim Directors' Report

Exact: Execution of strategy to achieve longer term growth in full swing

Exact Holding N.V. ("Exact") has seen significant progress on the execution of its strategy 'Growth through focus, innovation and simplicity'. This is leading to excellent growth for its Cloud Solutions business. The organizational changes implemented over the last year position the company for longer term growth. Market circumstances in traditional businesses remain challenging, the impact of the organizational restructuring 2012 is visible in the results of Business Solutions.

- Reported revenues are € 105.3 million in H1 2013 , compared to € 109.3 million in H1 2012 (decline of 3.7%, or 3.2% on an operational[1] basis). Adjusted for the divestment of Orisoft, revenues on an operational basis declined by 2.2%.

- EBITDA increased by 1.3% to € 23.4 million in H1 2013 from € 23.1 million in H1 2012 as savings accomplished by last year's restructuring materialized.

- Net income increased by 52.6% to € 15.3 million and earnings per share (EPS) increased to € 0.67 in H1 2013 from € 0.44 in H1 2012, which will be fully distributed as dividends.

- Significant progress on the strategy execution led to several major milestones, such as the controlled release of the portfolio of Cloud Solutions in the UK and US and the opening of offices in these countries, as well as in Germany.

- Cloud Solutions grew Annualized Recurring Revenues for Exact Online by 43.9% to € 20.3 million. Revenues over the first half of 2013 for this business unit grew by 39.5%, with the number of paying companies increasing by 41.3% to 120,591 on June 30, 2013 compared to June 30, 2012.

- Business Solutions showed revenue decline, while we do see recovery of underlying results with reduced attrition and higher average deal size as a result of the new strategy. Overall revenues on a reported basis declined by 6.6% to € 56.9 million.

- Revenues for Specialized Solutions declined by 6.5% to € 38.9 million, with declines in all businesses except Lohn in Germany. Part of the declines were due to the trend towards subscription based pricing. Attrition is showing a positive trend.

1) Operational financial data consider the impact of foreign exchange rates by translating prior year's results at current year's exchange rates.

Erik van der Meijden, CEO Exact Holding: "Last year we announced our new strategy: 'Growth through focus, innovation and simplicity'. Increased focus has led to increased investments in our Cloud Solutions business, resulting in continued strong growth. We achieved major milestones in the international roll out of Cloud Solutions, with opening of offices in the UK, US and Germany and the controlled release of Exact Online in the US and the UK. The results of Business Solutions show a decline compared to H1 2012, which was partially due to last year's organizational restructuring that was completed in the third quarter of 2012, but we do see improvement in attrition rates and increasing deal value in new business wins. The economic climate remains tough in all our traditional businesses. Our Specialized Solutions show mixed results, but the longer term outlook in the specific niche markets remains firm."

Group Performance – Key figures

(in € '000)	H1 2013	H1 2012	Change	Operational change [1]
Cloud Solutions	9,535	6,835	39.5%	39.5%
Business Solutions	56,855	60,856	-6.6%	-6.5%
Specialized Solutions	38,900	41,599	-6.5%	-5.5%
Total revenues	**105,290**	**109,290**	**-3.7%**	**-3.2%**
OPEX	81,919	86,229	-5.0%	-4.5%
EBITDA	23,371	23,061	1.3%	1.4%
EBITDA margin %	*22.2%*	*21.1%*		
EBIT	**18,567**	**16,323**	**13.8%**	**13.7%**
Net Income	**15,323**	**10,040**	**52.6%**	**52.5%**
EPS (in €)	€0.67	€0.44		€0.67

1) Operational change considers the impact of foreign exchange rates by translating prior year's results at current year's exchange rates.

Financial review

Revenues
Reported revenue decreased by 3.7% to € 105.3 million, compared to € 109.3 million in H1 2012 (operational basis: -/- 3.2%). Adjusted for the divestment of Orisoft, revenues on an operational basis declined by 2.2%.

Cloud Solutions continued to grow revenues with a clear momentum for the cloud based offerings (H1 2013: + 39.5%).

The continued difficult market circumstances affected our traditional software businesses. We experienced effects from the economic circumstances across the markets in which we operate with customers postponing investment decisions, leading to lower revenues. The effects of the realignment of the internal organization, that was completed in the third quarter of 2012, also depressed revenues in Business Solutions compared to the first half of 2012. Within Specialized Solutions our US manufacturing units showed a decline as customers are delaying investment decisions. Longview sales results were in line with expectations, but due to a stronger than expected shift towards subscription based models, revenues declined year on year. This was particularly true for our tax offering. In the short term this has a negative impact on revenues, but should not affect the overall long term value of the transactions. Our Payroll software provider Lohn in Germany continued to show growth.

Operating expenses
Operating expenses (excluding depreciation and amortization) on a reported basis decreased by 5.0% to € 81.9 million in H1 2013, from € 86.2 million in H1 2012 (operational basis: -/- 4.5%).

Prior year operating expenses included one-time charges of € 1.7 million and operating expenses for Orisoft of € 1.0 million. Following the completion of the restructuring carried out in the second half of 2012, we also saw operating expenses decrease further due to cost-savings effects.

EBITDA and EBIT
EBITDA on a reported basis increased by 1.3% to € 23.4 million in H1 2013 from € 23.1 million in H1 2012 (operational basis: + 1.4%). The decrease in operating expenses fully compensated the decrease in revenues.

EBIT on a reported basis increased by 13.8% to € 18.6 million in H1 2013 from € 16.3 million in H1 2012 (operational basis: + 13.7%). EBIT for H1 2012 included a one-time charge for the impairment of Orisoft in the amount of € 2.2 million. Depreciation and amortization (excluding impairments) increased slightly to € 4.8 million (H1 2012: € 4.5 million).

Interest and tax
Total finance income and expenses for the first half year were close to nil compared to € 2.0 million expenses in the same period prior year, which included a one-time correction of a cash flow hedge of € 1.6 million. The effective tax rate decreased from 30.0% in H1 2012 to 17.3% in H1 2013, which is mainly the result of significant one-time charges in H1 2012. The tax rate in the comparable period last year included the negative financial impact of the reassessment of our deferred tax position in relation to innovation tax facilities and the impairment of Orisoft (not deductible for tax purposes).

Net income and EPS
Net income attributable to shareholders amounted to € 15.3 million (H1 2012: € 10.0 million). Earnings per share (EPS) are € 0.67 (H1 2012: € 0.44). Exact's H1 2012 results were impacted by total one-time charges that had a negative impact of € 6.1 million.

Exact will pay an interim cash dividend of € 0.67 per share, which is in line with the dividend policy to issue dividends at 100% of net income unless the year-end cash position drops below € 40.0 million or in case of significant acquisitions. The dividend will be payable to holders of ordinary shares on August 7, 2013 close of business. The shares will go ex-dividend on August 1, 2013.

Cash flow
The cash position increased by € 2.7 million to € 60.9 million compared to December 31, 2012 (€ 58.2 million).

Net cash from operating activities in H1 2013 decreased by € 2.5 million compared to H1 2012. Although profit before tax increased by € 4.2 million in H1 2013 compared to H1 2012, the comparative period included significant non-cash charges including the impairment of Orisoft for € 2.2 million, the recycling of a cash flow hedge for € 1.6 million and changes in working capital, mainly a reduction of trade receivables, which more than offset the profit increase. Net cash used in investment activities in H1 2013 increased by € 1.9 million compared to H1 2012, which is driven by increased capitalization of R&D expenses of € 2.1 million. Net cash used in financing activities in H1 2013 decreased by € 7.3 million compared to H1 2012. In H1 2013 a dividend was paid in the amount of € 12.8 million compared to € 19.9 million in H1 2012.

The average days sales outstanding increased to 54.8 days (H1 2012: 53.9 days).

Segment information

In the third quarter of 2012, the organization was transformed from a geographical matrix organization into an organization with end-to-end business units. As of January 1, 2013, Exact presents its segment reporting in line with the new Business Unit structure, comprising Cloud, Business and Specialized Solutions. The comparative numbers for the first half of 2012 have been restated to reflect the changes in operating segments.

The sum of the EBITDA's in H1 2013 reconciles to the consolidated EBITDA if an amount of -/- € 4.2 million (H1 2012: -/- € 4.8 million) for Corporate functions is taken into account . These amounts were not allocated to the specific segments.

Cloud Solutions

[in € '000]	H1 2013	H1 2012	Change	Operational change
Online	9,394	6,587	42.6%	42.6%
Service	141	248	-43.2%	-43.2%
Total revenues	**9,535**	**6,835**	**39.5%**	**39.5%**
OPEX	14,726	9,719	51.5%	51.6%
EBITDA	-5,191	-2,884	-80.0%	-80.4%
EBITDA margin %	*-54.4%*	*-42.2%*		

[in € '000]	Revenues	Revenue growth	Number of paying companies	Annualized Recurring Revenues
Netherlands	8,670	37.9%	110,541	18,639
Belgium	865	47.7%	10,050	1,705
Total H1 2013	**9,535**	**39.5%**	**120,591**	**20,344**
Total H1 2012	**6,835**	**49.9%**	**85,339**	**14,136**

Total revenue on a reported basis for Cloud Solutions increased by 39.5% to € 9.5 million in H1 2013 from € 6.8 million in H1 2012 (operational basis: + 39.5%). The growth in revenue was driven by Exact Online, with the number of paying companies increasing to 120,591 and the Annualized Recurring Revenues as at June 30, 2013 amounting to € 20.3 million (June 30, 2012: € 14.1 million).

Cloud Solutions showed continued strong growth in revenues and Annualized Recurring Revenues, with a particular strong inflow for industry solutions in the Netherlands as well as a continued strong performance of accountancy solutions in both the Netherlands and Belgium. The international roll-out is progressing well, with the controlled release in the UK and US on track and the opening of offices in London and Boston. General availability for both the UK and US is planned for Q4 of this year. We also opened an office in Frankfurt and will start the controlled release in Germany in Q3. We released various product innovations that play into the key trends in the market, in particular the demand for the 'consumerization' of enterprise applications and the strong trend towards mobility through mobile devices. We have launched a new Wholesale Distribution Advanced product, improved our mobile apps for IOS and Android based smart phones and introduced Exact Online for use on the iPad.

Operating expenses increased by € 5.0 million or 51,5% to € 14.7 million in H1 2013 compared to € 9.7 million in H1 2012. The increase in operating expenses is driven by the growth of the development organization and the cost for the international roll-out. The increase is partially offset by increased capitalization of R&D.

Business Solutions

(in € '000)	H1 2013	H1 2012	Change	Operational change
License	9,098	10,515	-13.5%	-13.4%
Maintenance	41,862	43,589	-4.0%	-3.9%
Service	5,895	6,752	-12.7%	-12.6%
Total revenues	**56,855**	**60,856**	**-6.6%**	**-6.5%**
OPEX	30,394	37,579	-19.1%	-19.0%
EBITDA	26,461	23,277	13.7%	13.7%
EBITDA margin %	*46.5%*	*38.3%*		

Total revenue on a reported basis for Business Solutions fell by 6.6% to € 56.9 million in H1 2013, from € 60.9 million in H1 2012 (operational basis: -/- 6.5%). The decline in operational revenue was primarily caused by the challenging economic circumstances and the effect of the realignment of the internal organization that was completed in the third quarter of 2012. Although Business Solutions continued to feel the pressure from the organizational restructuring, the underlying results began to show clear progress as attrition declined and average deal size increased. Revenue declined in line with expectations, with a growing appetite for the subscription based pricing models that were introduced last year.

Last year's reorganization not only reduced costs, but also reduced non-profitable revenues in the international organization. We increased our focus on new business with larger customers, and were able to close key client contracts and partnerships.

We recently established a partnership with Qlikview, a market leader in both ERP and Business Intelligence (BI), which enables customers throughout an organization to meet their reporting needs. In a newly established cooperation with Preactor, Exact supports specific needs of bigger manufacturing companies, enabling Exact to expand its existing ERP offering to a wide range of manufacturers adding access to advanced planning solutions. Exact continues to put significant efforts in the partner channel, and although the difficult economic circumstances impact the current results, we are confident this will reap results in the longer term. The customer intimacy programs we initiated in Q1 2013 to reduce attrition, show the first encouraging results. Attrition went down from 8.7% in H1 2012 to 7.5% in H1 2013.

Specialized Solutions

(in € '000)	H1 2013 Americas	H1 2013 Lohn	H1 2013 Longview	H1 2013	H1 2012[1]	Change	Operational change
License	4,440	505	1,987	6,932	8,247	-15.9%	-14.8%
Maintenance	13,296	3,501	3,886	20,683	20,929	-1.2%	-0.2%
Service	5,110	1,533	4,642	11,285	12,423	-9.2%	-8.3%
Total	**22,846**	**5,539**	**10,515**	**38,900**	**41,599**	**-6.5%**	**-5.5%**
OPEX	16,224	5,206	11,210	32,640	34,152	-4.4%	-3.6%
EBITDA	6,622	333	-695	6,260	7,447	-15.9%	-14.4%
EBITDA margin	*29.0%*	*6.0%*	*-6.6%*	*16.1%*	*17.9%*		

1) H1 2012 revenues include €1.0 million revenues and € 1.0 million operating expenses related to orisoft, which was divested in the second half of 2012.

Total revenue on a reported basis for Specialized Solutions fell by 6.5% to € 38.9 in H1 2013 from € 41.6 million in H1 2012 (operational basis: -/- 5.5%). The decline in operational revenue was primarily caused by the challenging economic circumstances, the effect of the divestment of Orisoft in the second half of 2012 (revenues of € 1.0 million in H1 2012) and the trend towards subscription based pricing.

Within Specialized Solutions, results showed a mixed picture. The manufacturing solutions in the US faced challenges on the licence and service area, however attrition levels came down. After a strong 2012 revenues for JobBOSS were somewhat disappointing. The established businesses operate in profitable niches, and their strong position is a basis for the expansion of Exact with the Online proposition. Longview revenue declined slightly as we see a trend towards subscription based models, especially for our tax offering. Revenue within Exact Lohn continued to grow with attrition well under control.

Outlook 2013

Exact is making significant progress on the execution of its strategy 'Growth through focus, innovation and simplicity'. There is a strong focus on innovation, with significant investments in R&D to play into the key trends in the market. We expect Cloud Solutions continuing to grow by 30 to 50% per year in the coming years, as our customer base expands and the international rollout gets traction. For Business Solutions and Specialized Solutions, we are aiming for a low single-digit growth in more mature markets. All in all, we expect to grow revenue over time with a growth level of 4 – 7%.

The challenging economic climate in which we operate continues to put pressure on results in Exact's traditional software businesses. The performance in the first half year was in line with management expectations. Management reiterates the full-year outlook, as given at the announcement of the 2012 results in February of this year, of EBITDA between € 47 million and € 52 million.

2

Condensed Consolidated Interim Financial Statements

for the six months ended June 30, 2013

Based on International Financial Reporting Standards

2.1 Condensed Consolidated Interim Statement of Comprehensive Income

(in € thousands)	Note	For the period ended June 30, 2013 (unaudited)	For the period ended June 30, 2012 (unaudited)
Online revenues [1]		**9,394**	6,587
Licenses		**16,030**	18,762
Maintenance and support [1]		**62,545**	64,518
Services		**17,321**	19,423
Total revenue	2.5.7	**105,290**	109,290
Revenue-related expenses		**6,217**	6,583
Personnel expenses		**57,434**	61,124
Marketing and sales		**5,474**	4,216
Other operating expenses other than depreciation and amortization		**12,794**	14,306
Operating result before interest, tax, depreciation, amortization and impairment of intangible assets (EBITDA)	2.5.7	**23,371**	23,061
Depreciation and amortization expenses		**(4,804)**	(6,738)
Operating result before interest and tax (EBIT)		**18,567**	16,323
Finance income		**296**	577
Finance expenses		**(339)**	(2,567)
Net finance income/ (expenses)		**(43)**	(1,990)
Profit before tax		**18,524**	14,333
Income tax expense	2.5.8	**(3,201)**	(4,293)
Profit for the year		**15,323**	10,040
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences of foreign operations		**437**	1,817
Net change in fair value of cash flow hedges reclassified to profit or loss		**-**	1,658
Items that are or may be reclassified subsequently to profit or loss for the year		**437**	3,475
Total comprehensive income for the year		**15,760**	13,515
Profit for the year attributable to:			
Equity holders of Exact	2.3	**15,323**	10,040
Total comprehensive income for the year attributable to:	2.3		
Equity holders of Exact		**15,760**	13,515
Average number of shares outstanding basic (in thousands)		**22,817**	22,817
Average number of shares outstanding diluted (in thousands)		**22,846**	22,817
Basic earnings per share (in €)		**0.67**	0.44
Diluted earnings per share (in €)		**0.67**	0.44

(1) Restated for Comparison purposes (refer to note 2.5.3)

The notes on pages 17 - 23 are an integral part of these condensed consolidated interim financial statements.

2.2

Condensed Consolidated Interim Statement of Financial Position

(in € thousands)	Note	June 30, 2013 (unaudited)	December 31, 2012 (audited)	June 30, 2012 (unaudited)
Assets				
Non-current assets				
Property, plant and equipment	2.5.9	**10,064**	10,492	10,989
Intangible assets and goodwill	2.5.10	**92,210**	91,181	96,192
Deferred tax assets [1]		**5,553**	5,529	3,836
Long-term receivables and prepaid expenses		**1,587**	1,605	2,145
Total non-current assets		**109,414**	108,807	113,162
Current assets				
Inventory		**50**	20	42
Trade receivables		**28,532**	30,436	28,209
Other receivables and prepaid expenses		**6,300**	6,203	5,838
Current tax assets [1]		**3,143**	1,989	8,793
Cash and cash equivalents		**60,947**	58,156	53,934
Assets held for sale		-	-	1,843
Total current assets		**98,972**	96,804	98,659
Total assets		**208,386**	205,611	211,821

(1) Restated for Comparison purposes (refer to note 2.5.3)

The notes on pages 17 - 23 are an integral part of these condensed consolidated interim financial statements.

(in € thousands)	Note	June 30, 2013 (unaudited)	December 31, 2012 (audited)	June 30, 2012 (unaudited)
Equity and liabilities				
Share capital		**488**	488	488
Share premium		**64,758**	64,758	64,758
Reserves		**18,862**	15,398	19,324
Retained earnings		**20,363**	20,721	22,930
Total equity	2.3	**104,471**	101,365	107,500
Non-current liabilities				
Loans and borrowings	2.5.12	**3,566**	3,482	3,030
Provisions		**560**	683	1,494
Deferred tax liabilities [1]		**6,209**	5,514	7,840
Total non-current liabilities		**10,335**	9,679	12,364
Current liabilities				
Deferred revenue		**63,470**	59,841	65,778
Provisions	2.5.13	**3,736**	6,180	1,688
Derivative liability		**-**	-	794
Loans and borrowings	2.5.12	**988**	1,293	1,344
Accounts payable and other liabilities		**3,932**	3,353	3,521
Current tax liabilities [1]		**4,302**	4,043	1,431
Other taxes and social securities		**5,500**	10,148	5,491
Accrued liabilities		**11,652**	9,709	11,267
Liabilities held for sale		**-**	-	643
Total current liabilities		**93,580**	94,567	91,957
Total liabilities		**103,915**	104,246	104, 321
Total equity and liabilities		**208,386**	205,611	211,821

(1) Restated for Comparison purposes (refer to note 2.5.3)

The notes on pages 17 - 23 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	Total equity
Balances at January 1, 2012	**488**	**64,758**	**2,566**	**(1,610)**	**14,792**	**32,936**	**113,930**
Profit for the year	-	-	-	-	-	10,040	10,040
Other comprehensive income	-	-	1,817	1,658	-	-	3,475
Total comprehensive income	**-**	**-**	**1,817**	**1,658**	**-**	**10,040**	**13,515**
Reserve for capitalized R&D	-	-	-	-	195	(195)	-
Dividend related to 2011	-	-	-	-	-	(19,851)	(19,851)
Long-term incentive plan	-	-	-	-	(94)	-	(94)
Balances at June 30, 2012	488	64,758	4,383	48	14,893	22,930	107,500

(in € thousands)	Share capital	Share premium	Translation reserve	Hedging reserve	Other reserves	Retained earnings	Total equity
Balances at January 1, 2013	**488**	**64,758**	**(341)**	**-**	**15,739**	**20,721**	**101,365**
Profit for the year	-	-	-	-	-	15,323	15,323
Other comprehensive income	-	-	437	-	-	-	437
Total comprehensive income	**-**	**-**	**437**	**-**	**-**	**15,323**	**15,760**
Reserve for capitalized R&D	-	-	-	-	2,904	(2,904)	-
Dividend related to 2012	-	-	-	-	-	(12,777)	(12,777)
Long-term incentive plan	-	-	-	-	123	-	123
Balances at June 30, 2013	488	64,758	96	-	18,766	20,363	104,471

The notes on pages 17 - 23 are an integral part of these condensed consolidated interim financial statements.

2.4

Condensed Consolidated Interim Statement of Cash Flows

(in € thousands)	**For the period ended June 30, 2013 (unaudited)**	For the period ended June 30, 2012 (unaudited)
Profit before tax	**18,524**	14,333
Adjustments	**2,227**	8,954
Net cash from operating activities	**20,751**	23,287
Net cash used in investment activities	**(4,779)**	(2,886)
Net cash used in financing activities	**(13,236)**	(20,497)
Net increase/(decrease) in cash and cash equivalents	**2,736**	(96)
Cash and cash equivalents at January 1	**58,156**	53,786
Effect of exchange rate fluctuations on cash held	**55**	244
Closing balance cash and cash equivalents	**60,947**	53,934

The notes on pages 17 - 23 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, 2013 comprise Exact Holding N.V. and its subsidiaries (together referred to as 'Exact') and Exacts' interests in associates.

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, 2013 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, 2012.

The condensed consolidated interim financial statements were approved by the Board of Managing Directors on July 30, 2013.

Functional and presentation currency
The functional and presentation currency of Exact is the Euro. All values are rounded to the nearest thousand (€ 1,000), unless indicated otherwise. Items included in the financial statement of each of Exact's entities are measured using the currency of the primary economic environment in which the entity operates.

Estimates
The preparation of condensed consolidated 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, 2012.

2.5.3 **Significant accounting policies**

In the 2012 financial statements the following changes were made in the presentation of Exact's figures. These changes in the presentation are also reflected in Exact's 2013 condensed consolidated interim financial statements. The comparative information as at the end of and for the comparable interim reporting period was restated.

- Revenue from online subscriptions is classified as a separate revenue line and no longer forms part of maintenance and support revenue. Resulting in a decrease of maintenance and support revenue of € 6,587 in the first half year of 2012.
- Tax assets and liabilities are offset (if a legally enforceable right exists) resulting in a decrease of deferred tax assets and deferred tax liabilities as per June 30, 2012 of € 650 and an increase of current tax assets and current tax liabilities as per June 30, 2012 of € 1,431.

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, 2012, except those listed below.

The Group has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of January 1, 2013.
- IFRS 13 Fair Value Measurement
- Presentation of Items of Other Comprehensive Income (Amendments to IAS 1)
- Annual Improvements to IFRS 2009–2011 Cycle – Segment information

Not all standards and amendments to standards, including any consequential amendments to other standards are listed above as these are not expected to have a significant impact on the financial statements of the Group. The nature and the effect of the changes are further explained below.

Fair value measurement
IFRS 13 establishes a single framework for measuring fair value and making disclosures about fair value measurements, when such measurements are required or permitted by other IFRSs. In particular, it unifies the definition of fair value, but it also replaces and expands the disclosure requirements about fair value measurements in other IFRSs, including IFRS 7 Financial Instruments: Disclosures. Some of these disclosures are specifically required in interim financial statements for financial instruments; accordingly, the Group has included additional disclosures in this regard.

In accordance with the transitional provisions of IFRS 13, the Group has applied the new fair value measurement guidance prospectively, and has not provided any comparative information for new disclosures. Notwithstanding the above, the change had no significant impact on the measurements of the Group's assets and liabilities.

Presentation of items of other comprehensive income
As a result of the amendments to IAS 1, companies are required to present separately items that would be reclassified to profit or loss in the future from those that would never be. The Group has modified the presentation of items of other comprehensive income in its condensed consolidated statement of profit or loss and other comprehensive income, although currently all items would classify as items that may be reclassified to profit or loss.

Segment information
The amendment to IAS 34 clarifies that the Group needs to disclose the measures of total assets and liabilities for a particular reportable segment only if the amounts are regularly provided to the Group's chief operating decision maker, and there has been a material change from the amount disclosed in the last annual financial statements for that reportable segment. As a result of this amendment, the Group has excluded the measurement of assets and liabilities for the reportable segments as these are not regularly provided to the Group's chief operating decision maker.

2.5.4 **Risk management**

Exact's risk management and control system provides the Management Board with an understanding of Exact's key business risks and the management practices in place to mitigate these risks.

A description of Exact's risk management practices, principal risks and how they impact Exact's business is provided in our 2012 Annual Report (pages 39-45). 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 2013. 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 2013.

2.5.5 **Seasonality of operations**

Exact's business is not subject to seasonal fluctuation.

2.5.6 **Business combinations**

There were no acquisitions or disposals during the six months ended June 30, 2013.

On October 9, 2012 Exact sold its 100% participation in Orisoft as it no longer fitted Exact's strategy. In the comparative figures for the first half of 2012, Orisoft was presented as a disposal group held for sale and include the results for the first half year. As at June 30, 2012 the disposal group comprised assets of € 1,843 less liabilities of € 643.

2.5.7 **Operating 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.

Changes in the basis of segmentation

In the third quarter of 2012, the organization was transformed from a geographical matrix organization, into an organization with end-to-end business units. As of January 1, 2013, Exact presents its segment reporting in line with the new Business Unit structure, comprising Cloud Solutions and Business Solutions. The comparative information for the comparable interim reporting period was restated.

In the first half of 2012, Specialty Brands was recognized as a separate operating segment. As of the third quarter of 2012, in line with the internal management reporting structure, this reportable segment has been split into Longview and Other, which includes Orisoft and Lohn. Orisoft was subsequently divested in Q3 2012. The comparative information for the comparable interim reporting period was restated.

In the first half of 2012, Americas was identified as one operating segment. Following the closure of the regional headquarters in Boston and the absence of an Americas unit in the internal management reporting, Exact JobBOSS, Exact MAX and Exact Macola businesses were identified as separate operating segments as of year-end 2012. Goodwill has been allocated to these separate operating segments based on their relative fair values. The three new operating segments were aggregated into one reportable segment based on economic characteristics, products and regulatory environment.

(in € thousands)	For the period ended June 30, 2013 (unaudited)			For the period ended June 30, 2012 (unaudited)		
	Revenue	**EBITDA**	**Margin**	**Revenue**	**EBITDA**	**Margin**
Cloud Solutions	**9,535**	**(5,191)**	**(54.4%)**	6,835	(2,884)	(42.2%)
Business Solutions	**56,855**	**26,461**	**46.5%**	60,856	23,277	38.3%
Americas	**22,846**	**6,622**	**29.0%**	24,133	7,232	30.0%
Longview	**10,515**	**(695)**	**(6.6%)**	10,963	(622)	(5.7%)
Other	**5,539**	**333**	**6.0%**	6,503	837	12.9%
Global Functions	**-**	**(4,159)**	**-**	-	(4,779)	-
Total	**105,290**	**23,371**	**22.2%**	109,290	23,061	21.1%

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

(in € thousands)	**For the period ended June 30, 2013 (unaudited)**	For the period ended June 30, 2012 (unaudited)
EBITDA operating segments	**23,371**	23,061
Depreciation and amortization expenses	**(4,804)**	(6,738)
Total finance income / (expenses)	**(43)**	(1,990)
Profit before tax	**18,524**	14,333

2.5.8 Income tax expense

For the first half year of 2013 Exact's effective tax rate amounted to 17.3% compared to 30.0% in the same period in the prior year. In 2012, Exact's tax rate was impacted negatively by several one-time charges mainly due to a reassessment of our deferred tax position in relation to innovation tax facilities and the impairment of Orisoft (not deductible for tax purposes).

Exact's Dutch statutory tax rate is 25%, but Exact is subject to corporate income taxes in all jurisdictions where it conducts business. The applicable statutory tax rates in these countries range from 16.5% to 40.1%. The statutory tax rate differences amounted to a tax charge of € 0.2 million in H1 2013 (+ 1.3% on effective tax rate) compared to € 0.4 million in H1 2012. As of 2008, Exact has benefited from Dutch innovation based tax incentives. As a result of the application of the so called Dutch Innovation Box, 40% of the Dutch eligible EBIT is taxable at 5% instead of at the statutory rate, which had a positive effect on taxes of € 1.2 million (- 6.3% on effective tax rate). A part of financial income qualifies as tax exempt under the Dutch participation exemption and reduces the tax charge by € 0.6 million (- 3.3% on effective tax rate).

2.5.9 Property, plant and equipment

During the six months ended June 30, 2013 Exact made investments in fixed assets for a total amount of € 1.3 million (H1 2012: € 2.3 million).

2.5.10 Intangible assets and goodwill

R&D expenditures increased by € 0.6 million to € 13.8 million from € 13.2 million. Capitalization of R&D expenses increased by € 2.1 million to € 3.6 million compared to € 1.5 million in H1 2012. The increase in capitalization was primarily driven by R&D expenses for the development of Exact Online, including the internationalization and the move-up in depth of our portfolio.

Impairment tests for goodwill

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 CGU's were disclosed in the consolidated financial statements as at and for the year ended December 31, 2012. There were no indications for impairment during the first six months ended June 30, 2013. Consequently, no impairment tests were performed.

2.5.11 Capital and reserves

	June 30, 2013 (unaudited)	June 30, 2012 (unaudited)
Dividends on shares declared and paid during the six-month period: final dividend for 2012: € 0.56 per share (2011: € 0.87 per share)	**12,777**	19,851
Interim dividends on shares proposed for approval (not recognized as a liability as at June 30, 2013): earnings per share for H1 2013: € 0.67 per share (H1 2012: € 0.44 per share)	**15,323**	10,040

2.5.12 Loans and borrowings

In the six months ended June 30, 2013 Exact's finance lease liability increased by net investments of € 0.3 million and decreased by an amount of € 0.5 million due to contractual repayments of finance lease liabilities.

2.5.13 Provisions

In the six months ended June 30, 2013 Exact's provisions decreased by € 2.6 million to € 4.3 million from € 6.9 million, which was mainly caused by a reduction of the restructuring provision by € 2.0 million. In 2012, Exact initiated a restructuring program to realize the realignment of the organization from a geographical organization with a matrix structure to end-to-end business units. As per year-end a provision of € 2.4 million was outstanding. During the first half of 2013 an amount of € 0.5 million was charged to restructuring related activities. In the first half of 2013 an amount of € 2.5 million was paid.

2.5.14 Contingencies

In the six months ended June 30, 2013 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, 2012.

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 Accounting classifications and fair values

Fair values and carrying amounts

Set out below is a comparison by category and fair values of all of Exact's financial instruments that are carried in the financial statements as at June 30, 2013.

June 30, 2013	Loans and receivables	Other financial liabilities	Total carrying amount	Fair value
Assets				
Cash and cash equivalents	60,947	-	60,947	60,947
Trade and other receivables [1]	30,675	-	30,675	30,675
Total	91,622	-	91,622	91,622
Liabilities				
Finance lease liability [2]	-	4,554	4,554	4,554
Accounts payable and other liabilities	-	3,932	3,932	3,932
Earn-out provision	-	133	133	133
Total	-	8,619	8,619	8,619

(1) Other receivables amount to € 2,143 and are included in the line item 'other receivables and prepaid expenses'.

(2) The Finance lease liability is presented in the line 'Loans and borrowings' (current and non-current).

The following methods and assumptions were used to estimate fair values:
- Cash and cash equivalents, trade and other receivables, accounts payable and other liabilities approximate their carrying amount largely due to the short-term nature of these instruments.
- Long-term receivables are evaluated based on parameters such as interest rates and individual creditworthiness of the vendor. As June 30, 2013 the carrying amount of the long-term receivables was not different from their fair value.

Fair value hierarchy

As at June 30, 2013 Exact had no financial instruments carried at fair value.

Exact uses the following hierarchy for 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 which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly
Level 3: techniques that use inputs that have a significant effect on the recorded fair value

There were no transfers between Level 1 to Level 2 of the fair value hierarchy during the six months ended 30 June 2013.

2.5.18 **Auditor's involvement**

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

2.5.19 **Director's responsibility statement**

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, 2013 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, 2013 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 30, 2013

The Board of Managing Directors,
Erik van der Meijden - CEO
Onno Krap - CFO
Hartmut Wagner – Managing Director Exact Cloud Solutions
Marinus ter Laak – Managing Director Exact Business Solutions

Exact. And it all comes together.

Exact is a leading global supplier of business software. Since we began in 1984, our focus has shifted from supporting financial processes to providing a complete ERP offering for small and medium-sized businesses. Innovative solutions such as Exact Globe, Exact Synergy and Exact Online support over 100,000 customers – local and international companies – in the daily management of their business.

Exact develops industry-specific on-premise and cloud solutions for manufacturing, wholesale and distribution, professional services and accountancy. Exact is headquartered in Delft, the Netherlands, and has been listed on the NYSE Euronext Amsterdam since June 1999. The company booked revenue of € 217.1 million in 2012.

For further information about Exact, visit www.exact.com.

For further information

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This document contains certain statements and expectations that are forward looking, and which are based on information and plans that are currently available. By their nature, such forward looking statements and expectations generate risk and uncertainty because they concern factors and events in the future and depend on circumstances which may not occur.

Unforeseen factors that could influence the statements and expectations may for instance be changes in expenditure by companies in the markets we operate in; economic, political and foreign exchange fluctuations; possible statutory changes; changes in salary levels of employees; future take over and divestitures.

Exact can therefore not guarantee that such statements and expectations are accurate and complete, nor that such statements and expectations will be realized. Actual results may differ materially. Exact refuses to accept any obligation to update statements made in this document.

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