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**Exact Holding N.V.**  
*Interim Financial Report For the six months ended June 30, 2009*  
*Based on International Financial Reporting Standards*





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# 1. Interim Director's Report

## Board of Managing Directors



Delft, August 27, 2009

R. Patel, CEO Exact Holding N.V.

### EXACT'S FIRST HALF YEAR RESULTS 2009

The worldwide economic crisis has impacted revenue developments of Exact and resulted in a decline in license revenue during the first half of 2009 in line with management's expectations. Revenue was negatively impacted across all regions, resulting in a total decline of revenue by 9.6% to € 117.6 million (H1 2008: € 130.1 million), caused by a decline in license and service revenue, which was partly offset by an increase in maintenance revenue. The impact was mainly visible in sales cycles with new customers where continued postponements have been seen, while add-on license sales to existing customers showed less impact. Operating in particularly challenging market conditions, North America was most affected, while H1 revenue developments in all other regions were in line with management's expectations.

In anticipation of such revenue developments, Exact's Managing Board of Directors has been preparing for a downturn in the economic climate since the beginning of 2008 and aligned the company's cost structure to the current market conditions during the course of last year.

Exact was well prepared for the economic downturn and the top priority was EBITDA protection and cash flow, which is clearly demonstrated in the H1 results: cashflow increased by 15.2% to € 27.7 million (H1 2008: € 24.1 million) and EBITDA amounted to € 23.7 million (H1 2008: € 26.9 million), representing an EBITDA margin of 20.1% (H1 2008: 20.7%). The revenue impact across all regions, especially the Americas, is disappointing though expected. However, the Board of Managing Directors is satisfied with Exact's agility and the flexibility of our people, which enabled the early

alignment of the company's cost structure to the current economic conditions. Total operating costs have been reduced by € 9.6 million to € 117.6 million (H1 2008: € 107.8 million), representing a decrease of 8.9%. As a result, we have been able to mitigate a significant impact of the global economic downturn on our profitability.

Exact has been further optimized structurally and is financially fit to invest. Firstly in areas where we see growth opportunities in challenging times, such as our parenting strategy, offering solutions to international companies to ascertain control and gain efficiencies, and the leveraging of our installed base with Exact Synergy. Secondly, we increase investment in areas where we expect significant growth to resume post-economic crisis, such as our SaaS offering, Exact Online, which independent of the challenging times continues to show significant growth.

In light of the continued uncertain economic and business environment, we do not provide a specific guidance. Exact expects the effects of global economic downturn to slow down during the next 12 months and further expects that the global economy will as of mid 2010 gradually, but slowly increase over the 24 months thereafter. Therefore the company will continue to focus on EBITDA protection and cash flow and will remain very cost prudent until clear signs of an improvement of the current economic situation are visible.

The results contribution of H1 2009 on a regional level together with some operational highlights can be found in the press release issued on July 23, 2009 (available at Exact's corporate website [www.exactsoftware.com](http://www.exactsoftware.com))



## RISK MANAGEMENT

Pages 59 through 62 of the Annual Report 2008 contain a summary of the risk assessment that was carried out in 2008 by Exact. The assessment concerns the identification of strategic, operational and financial risks. In our view, the nature and potential impact of the risks in these groups are not materially different for the second half of 2009.

We will continue to monitor the key risk areas closely and manage our internal control systems as new risks may emerge and current risks may change in the second half of 2009. Exact expects the effects of global economic downturn to slow down during the next 12 months and further expects that the global economy will as of mid 2010 gradually, but slowly increase over the 24 months thereafter.

harmd by disclosure, with particular attention for the investments, and the circumstances of which the development of revenues and profitability are dependant.

## AUDITORS' INVOLVEMENT

The content of this Interim Financial Report has not been audited by an external auditor.

## DIRECTORS' 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:

the Interim Consolidated Financial Statements for the six months ended June 30, 2009 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

the Interim Directors' Report gives a true and fair view of:

- the position of Exact Holding N.V. and its consolidated companies as at June 30, 2009,
- the development and performance of the business during the first six months of the financial year of Exact Holding N.V. and its consolidated companies, and
- the expected development and performance of the business, provided that the interests of Exact Holding N.V. and its consolidated companies are not



## 2. Interim Consolidated Financial Statements

### 2.1 Interim Consolidated IFRS Income Statement For the six months ended June 30

(in thousands of euros)

	Note	2009 June 30, Unaudited	2008 June 30, Unaudited
Licenses		26,017	37,387
Maintenance		67,861	64,204
Services		23,734	28,543
<b>Total revenue</b>	<b>2.12</b>	<b>117,612</b>	<b>130,134</b>
Revenue-related costs		8,318	9,049
Employee benefit expenses		61,894	69,667
Other operating expenses		17,083	17,586
Marketing and sales		6,634	6,899
<b>Total operating expenses before depreciation and amortization</b>		<b>93,929</b>	<b>103,201</b>
<b>EBITDA*</b>		<b>23,683</b>	<b>26,933</b>
Depreciation and amortization expense		(4,205)	(4,570)
<b>Earning before interest and tax (EBIT)</b>		<b>19,478</b>	<b>22,363</b>
<b>Finance income and expenses</b>			
Interest income and other financial income		969	1,805
Interest expenses and other financial expenses		(621)	(977)
<b>Total finance income</b>		<b>348</b>	<b>828</b>
<b>Income before taxes</b>		<b>19,826</b>	<b>23,191</b>
Income tax expense	<b>2.13</b>	(4,827)	(6,137)
<b>Net income after taxes</b>		<b>14,999</b>	<b>17,054</b>
Attributable to:			
Equity holders of Exact		14,969	16,628
Minority interest		30	426
Average number of shares outstanding basic (in thousands)**		22,812	24,032
Average number of shares outstanding diluted (in thousands)**		22,812	24,032
Earnings per share (in euros)		0.66	0.69
Diluted earnings per share (in euros)		0.66	0.69

\* EBITDA = Earnings before interest, tax, depreciation and amortization

\*\* Dividend entitled

The notes on page 10 to page 20 are an integral part of these interim consolidated financial statements.



## 2.2 Interim Consolidated IFRS Balance Sheet For the six months ended June 30

(in thousands of euros)	Note	2009 June 30, Unaudited	2008 December 31, Audited	2008 June 30, Unaudited
<b>ASSETS</b>				
<b>Non-current assets</b>				
Intangible fixed assets	2.7	118,576	115,783	116,103
Property, plant and equipment	2.8	13,616	14,887	17,078
Deferred tax assets		3,599	4,754	4,774
Derivative financial instruments		-	266	1,502
<b>Total non-current assets</b>		<b>135,791</b>	<b>135,690</b>	<b>139,457</b>
<b>Current assets</b>				
Non-current assets held for sale		327	327	-
Inventory		260	414	834
Trade receivables	2.9	40,754	49,799	47,164
Corporate income tax		531	-	-
Other receivables and prepaid expenses		7,871	7,587	8,201
Short-term investments	2.4	15,731	25,834	50,425
Cash and cash equivalents	2.4	27,541	18,910	17,846
<b>Total current assets</b>		<b>93,015</b>	<b>102,871</b>	<b>124,470</b>
<b>Total assets</b>		<b>228,806</b>	<b>238,561</b>	<b>263,927</b>

The notes on page 10 to page 20 are an integral part of these interim consolidated financial statements.



(in thousands of euros)

	Note	2009 June 30, Unaudited	2008 December 31, Audited	2008 June 30, Unaudited
<b>EQUITY AND LIABILITIES</b>				
Share capital		488	488	488
Capital surplus		64,758	64,750	89,802
Retained earnings		59,325	42,789	59,413
Net income		14,969	36,446	16,628
Cash flow hedge reserve		(1,709)	(2,036)	(2,003)
Cumulative translation adjustment		(4,259)	(4,513)	(7,708)
<b>Shareholders' equity</b>		<b>133,572</b>	<b>137,924</b>	<b>156,620</b>
Minority interest		1,595	1,459	2,404
<b>Total equity</b>	<b>2.3</b>	<b>135,167</b>	<b>139,383</b>	<b>159,024</b>
<b>Non-current liabilities</b>				
Earnout provisions and related liabilities	<b>2.11</b>	739	4,907	12,821
Provision for other liabilities and charges		2,049	1,958	2,381
Long-term loans		614	635	656
Deferred tax liabilities		6,026	5,870	5,101
Derivative financial instruments		646	1,087	-
<b>Total non-current liabilities</b>		<b>10,074</b>	<b>14,457</b>	<b>20,959</b>
<b>Current liabilities</b>				
Deferred revenue		66,154	63,174	62,910
Accounts payable and other liabilities		4,907	5,328	4,782
Corporate income tax		-	297	1,891
Other taxes and social securities		2,575	5,940	4,180
Accrued liabilities		9,929	9,982	10,181
<b>Total current liabilities</b>		<b>83,565</b>	<b>84,721</b>	<b>83,944</b>
<b>Total liabilities</b>		<b>93,639</b>	<b>99,178</b>	<b>104,903</b>
<b>Total equity and liabilities</b>		<b>228,806</b>	<b>238,561</b>	<b>263,927</b>

The notes on page 10 to page 20 are an integral part of these interim consolidated financial statements.

## 2.3 Interim Consolidated Statement of Changes in Equity

(in thousands)	Common shares	Treasury shares	Share capital €	Capital surplus €	Retained earnings €	Cash flow hedge reserve €	Cumulative translation adjustment €	Sharehold- ers' equity €	Minority interest €	Total equity €
<b>Balances at January 1, 2008</b>	24,400	368	488	89,802	79,359	(1,876)	(4,834)	162,939	2,704	165,643
Cash flow hedges	-	-	-	-	-	(160)	-	(160)	-	(160)
Currency translation adjustment	-	-	-	-	-	-	321	321	-	321
<b>Total income and expense for the period recog- nized directly in equity</b>	-	-	-	-	-	(160)	321	161	-	161
Net income	-	-	-	-	36,446	-	-	36,446	379	36,825
<b>Total income and expense for the period</b>	-	-	-	-	36,446	(160)	321	36,607	379	36,986
Dividend related to 2007	-	-	-	-	(19,946)	-	-	(19,946)	-	(19,946)
Interim dividend 2008	-	-	-	-	(16,582)	-	-	(16,582)	-	(16,582)
Repurchase of shares	-	-	-	(25,052)	-	-	-	(25,052)	-	(25,052)
Movement minority interest related to acqui- sitions	-	-	-	-	-	-	-	-	(1,624)	(1,624)
Long-term incen- tive plan	-	-	-	-	(42)	-	-	(42)	-	(42)
<b>Balances at December 31, 2008</b>	24,400	1,588	488	64,750	79,235*	(2,036)	(4,513)	137,924	1,459	139,383

\* Payout of the retained earnings will be restricted for the negative amount of the cumulative translation adjustment of € 4,513 and the cash flow hedge reserve of € 2,036.

The notes on page 10 to page 20 are an integral part of these interim consolidated financial statements.



(in thousands)	Common shares	Treasury shares	Share capital €	Capital surplus €	Retained earnings €	Cash flow hedge reserve €	Cumulative translation adjustment €	Share- holders' equity €	Minority interest €	Total equity €
<b>Balances at January 1, 2009</b>	24,400	1,588	488	64,750	79,235	(2,036)	(4,513)	137,924	1,459	139,383
Settlement earnout	-	-	-	(48)	-	-	-	(48)	-	(48)
Cash flow hedges	-	-	-	-	-	327	-	327	-	327
Currency translation adjustment	-	-	-	-	-	-	254	254	-	254
<b>Total income and expense for the period recog- nized directly in equity</b>	-	-	-	(48)	-	327	254	533	-	533
Net income	-	-	-	-	14,969	-	-	14,969	30	14,999
<b>Total income and expense for the period</b>	-	-	-	(48)	14,969	327	254	15,502	30	15,532
Dividend related to 2008	-	-	-	-	(19,847)	-	-	(19,847)	-	(19,847)
Movement minority interest related to acqui- sitions	-	-	-	-	-	-	-	-	106	106
Long-term incen- tive plan	-	-	-	56	(63)	-	-	(7)	-	(7)
<b>Balances at June 30, 2009</b>	24,400	1,588	488	64,758	74,294*	(1,709)	(4,259)	133,572	1,595	135,167

\* Payout of the retained earnings will be restricted for the negative amount of the cumulative translation adjustment of € 4,259 and the cash flow hedge reserve of € 1,709.

The notes on page 10 to page 20 are an integral part of these interim consolidated financial statements.



## 2.4 Interim Consolidated Statements of Cash Flows For the six months ended June 30

(in thousands of euros)

	Note	2009 June 30, Unaudited	2008 June 30, Unaudited
Net income after taxes		14,999	17,054
Amortization, depreciation of property, plant and equipment, and impairment losses		4,205	4,570
Other non-cash items		(80)	273
Increase/decrease in non current liabilities excluding earnouts		181	470
Increase/decrease in deferred tax asset		1,063	432
Increase/decrease in deferred revenue		2,493	4,624
Increase/decrease in current assets and current liabilities excluding tax		5,729	(2,419)
Increase/decrease in taxes payable		(853)	(937)
<b>Cash flow provided by operations</b>		<b>27,737</b>	<b>24,067</b>
<b>Cash flow used in investing activities</b>			
Acquisition of group companies, net of cash acquired	2.6	(2,031)	(864)
Proceeds from disinvestments in group companies		-	86
Capital expenditures on intangible assets	2.7	(1,507)	(153)
Capital expenditures on property, plant and equipment	2.8	(1,043)	(1,976)
Proceeds from disposal of property, plant and equipment		174	270
Earnout payments	2.11	(4,249)	(633)
<b>Cash flow used in investing activities</b>		<b>(8,656)</b>	<b>(3,270)</b>
<b>Cash flow used in financing activities</b>			
Dividend paid	2.14	(19,847)	(19,946)
Repayment long-term loans		(21)	(723)
<b>Cash flow used in financing activities</b>		<b>(19,868)</b>	<b>(20,669)</b>
<b>Net increase/(decrease) in cash, cash equivalents</b>		<b>(787)</b>	<b>128</b>
Opening balance cash and cash equivalents		44,744	69,031
Exchange rate differences		(685)	(888)
<b>Closing balance cash and cash equivalents</b>		<b>43,272</b>	<b>68,271</b>

The notes on page 10 to page 20 are an integral part of these interim consolidated financial statements.



Cash and cash equivalents include the following for the purpose of the cash flow statement:

	Note	2009 June 30, Unaudited	2008 June 30, Unaudited
Cash and cash equivalents		27,541	17,846
Short-term investments		15,731	50,425
<b>Total</b>		<b>43,272</b>	<b>68,271</b>

## 2.5 Notes to the Interim Consolidated IFRS Financial Statements

### General information and summary of significant accounting policies

#### 2.5.1 Corporate Information

Exact Holding N.V. (hereafter referred to as Exact), is domiciled in Delft, the Netherlands. Exact, as head of a group of subsidiaries (hereafter also referred to as Exact), 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 Euronext Stock Exchange in Amsterdam since 1999.

#### 2.5.2 Basis of preparation

The interim consolidated financial statements for the six months ended June 30, 2009 have been prepared in accordance with IAS 34 "Interim Financial Reporting". The interim consolidated 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 December 31, 2008. 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. The financial statements have been prepared on a historical cost basis, except for derivative financial instruments, which are recorded at fair value.



#### *Adoption of New and Revised International Financial Reporting Standards*

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of Exact's annual financial statement for the year ended December 31, 2008, except for the adoption of new Standards and interpretations as of January 1, 2009, noted below:

#### *IFRS 2 Share-based Payment – Vesting Conditions and Cancellations*

The IASB issued an amendment to IFRS 2 in January 2008 that clarifies the definition of a vesting condition and prescribes the treatment for an award that is effectively cancelled. The adoption of this amendment did not have any impact on the financial position or performance of Exact.

#### *IFRS 7 Financial Instruments: Disclosures*

The amended standard requires additional disclosures about fair value measurement and liquidity risk. Fair value measurements are to be disclosed by source of inputs using a three level hierarchy for each class of financial instrument. In addition, a reconciliation between the beginning and ending balance for Level 3 fair value measurements is now required, as well significant transfers between Level 1 and Level 2 fair value measurements. The amendments also clarify the requirements for liquidity risk disclosures. The IFRS 7 amendments issued in March 2009 did not amend IAS 34, therefore there are no disclosure requirements for interim statements. Exact has assessed that the disclosures required for the annual statements are not material to an understanding of the interim consolidated financial statements.

#### *IFRS 8 Operating Segments*

IFRS 8 replaces IAS 14 Segment Reporting (IAS 14) upon its effective date. This standard requires disclosure of information about Exact's operating segments and replaces the requirement to determine primary (business) and secondary (geographical) reporting segments of Exact. Adoption of this Standard did not have any effect on the financial position or performance of Exact. Exact determined that the operating segments were the same as the business segments previously identified under IAS 14 Segment Reporting. Additional disclosures will be included in the consolidated financial statements for the year of December 31, 2009, expanded to product line segments.

#### *IAS 1 Revised Presentation of Financial Statements (Endorsed by European Union)*

The revised standard was issued in September 2007 and becomes effective for financial years beginning on or after 1 January 2009. The Standard separates owner and non-owner changes in equity. The statement of changes in equity will include only details of transactions with owners, with non-owner changes in equity presented as a single line. In addition, the Standard introduces the statement of comprehensive income: it presents all items of recognized income and expense, either in one single statement, or in two linked statements. Exact elected to present one statement.



#### *IAS 23 Borrowing Costs (Revised)*

The revised IAS 23 requires capitalization of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. The new requirements do not affect the financial position or performance of Exact and do not have an impact on the interim consolidated financial statements.

#### *IFRS 3R Business Combinations and IAS 27R Consolidated and Separate Financial Statements*

The revised standards were issued in January 2008 and become effective for financial years beginning on or after 1 July 2009. IFRS 3R introduces a number of changes in the accounting for business combinations occurring after this date that will impact the amount of goodwill recognized, the reported results in the period that an acquisition occurs, and future reported results. IAS 27R requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as an equity transaction. Therefore, such transactions will no longer give rise to goodwill, nor will it give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. The changes by IFRS 3R and IAS 27R will affect future acquisitions or loss of control, and transactions with minority interests. The standards may be early applied. However, Exact elected not to take advantage of this possibility.

The following IFRIC's have been issued and are effective as of January 1, 2009. The following IFRIC's have no impact on the financial position or performance of Exact, as they do not apply to Exact's operations.

#### *IFRIC 15 Agreement for the Construction of Real Estate*

IFRIC 15 was issued in July 2008 and becomes effective for financial years beginning on or after January 1, 2009. The interpretation is to be applied retroactively. It clarifies when and how revenue and related expenses from the sale of a real estate unit should be recognized if an agreement between a developer and a buyer is reached before the construction of the real estate is completed. Furthermore, the interpretation provides guidance on how to determine whether an agreement is within the scope of IAS 11 or IAS 18. IFRIC 15 will not have an impact on the interim consolidated financial statement because Exact does not conduct such activity.

#### *IFRIC 16 Hedges of a Net Investment in a Foreign Operation*

IFRIC 16 was issued in July 2008 and becomes effective for financial years beginning on or after October 1, 2008. The interpretation is to be applied prospectively. IFRIC 16 provides guidance on the accounting for a hedge of a net investment. As such, it provides guidance on identifying the foreign currency risks that qualify for hedge accounting in the hedge of a net investment, where within the group the hedging instruments can be held in the hedge of a net investment and how an entity should determine the amount of foreign currency gain or loss, relating to both the net investment and the hedging instrument, to be recycled on disposal of the net investment. The amendments to the standards will have no impact on the financial position or performance of Exact, as Exact has not issued such instruments.



## 2.6 Business Combinations

### Acquisitions 2009

#### *Orisoft Technology ("Orisoft")*

On January 22, 2009 Exact acquired 100% of the share capital of the HRM provider Orisoft Technology based in Kuala Lumpur, Malaysia. The acquisition has been integrated into Exact's APAC region. Orisoft will enable Exact to further strengthen its HRM solution offering in the Asia and Pacific region. The purchase price, paid in cash, amounts to € 2.9 million (including € 981 cash acquired). The acquisition has been accounted for using the purchase method of accounting. The purchase price allocation of the preliminary estimates of fair values made at the date of acquisition of the tangible and intangible assets may be adjusted as a result of obtaining additional information during the measurement period. The interim consolidated financial statements include the result of Orisoft for the months from the acquisition date. From the date of acquisition, Orisoft has contributed € 1.1 million to the revenue of Exact.

Details of net assets acquired and goodwill are as follows:

<b>Purchase consideration</b>	
Cash paid	2,879
Direct costs relating to acquisition	133
<b>Total purchase price consideration</b>	<b>3,012</b>
Fair value of net assets acquired	1,578
<b>Goodwill</b>	<b>1,434</b>

The goodwill is attributable to the significant synergies expected to be realized after Exact's acquisition of Orisoft.



The fair value of the identifiable assets and liabilities of Orisoft at the date of acquisition were:

	Fair value	Acquiree's carrying amount
Cash	981	981
Property, plant and equipment	39	39
Intellectual property	406	-
Customer base	307	-
Trade and other receivables	261	321
Account payable and other liabilities	(287)	(242)
Deferred tax liability Intellectual property	(52)	-
Deferred tax liability Customer Base	(77)	-
<b>Net assets</b>	<b>1,578</b>	<b>1,099</b>
Purchase consideration settled in cash		2,879
Cash and cash equivalents acquired		(981)
<b>Cash outflow on acquisition</b>		<b>1,898</b>

The amortization costs of the intangible assets recognized in profit and loss for the period from January 22, 2009 to June 30, 2009 amounted to € 56.



## 2.7 Intangible Fixed Assets

### *Impairment tests for goodwill*

Goodwill is tested for impairment annually (as at December) and when circumstances indicate the carrying value may be impaired. Goodwill is allocated to Exact's cash-generating units (CGUs), which have been identified according to the business segment structure. The key assumptions used to determine the recoverable amount for the different cash generating units were discussed in the consolidated financial statements for the year ended December 31, 2008.

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

	2009 June 30, Unaudited	2008 December 31, Audited
Netherlands	14,344	14,166
Americas	43,037	42,890
EMEA	5,513	5,513
APAC	2,157	725
Longview	22,201	21,692
<b>Total</b>	<b>87,252</b>	<b>84,986</b>

For 2009 and 2008, the recoverable amount of a CGU was determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond a five-year period are extrapolated by using the estimated growth rates as stated in the consolidated audited financial statements for the year ended December 31, 2008.

### *Sensitivity to changes in assumptions*

With regard to the assessment of value-in-use calculations, there are no significant changes to the sensitivity information disclosed at year end. Growth rate has been maintained at 1.5%. The discount rate reflects the current market assessments of the risks as disclosed at year end and has therefore not been adjusted. In the future a change in the discount rate may be necessary to reflect changing risks for the industry and changes to the weighted average cost of capital.



## 2.8 Property, Plant and Equipment

During the six months ended June 30, 2009, Exact acquired assets through a business combination (see note 2.6) with a book value of € 39. Assets with a net book value of € 158 were disposed of by Exact during the six months ended June 30, 2009, resulting in a net gain on disposals of €16.

## 2.9 Trade Receivables

	2009 June 30, Unaudited	2008 December 31, Audited
Trade receivables	48,801	55,569
Provision for trade receivables	(8,047)	(5,770)
<b>Net trade receivables</b>	<b>40,754</b>	<b>49,799</b>

The provision for impairment of trade receivables is excluding VAT. VAT on uncollectable receivables can be reimbursed. The ageing analysis of trade receivables is as follows:

	Total	Neither past due nor impaired	Past due but not impaired			
			< 30 days	30 – 90 days	91 – 360 days	> 360 days
<b>June 30, 2009</b>	40,754	16,044	4,547	6,500	11,900	1,763
<b>December 31, 2008</b>	49,799	26,366	7,061	3,636	10,346	2,390



## 2.10 Currencies of Importance

	Average YTD June 2008	Average 2008	Average YTD June 2009
EUR / USD	1.53	1.47	1.33
EUR / GBP	0.77	0.79	0.90
EUR / MYR	4.93	4.90	4.80
EUR / PLN	3.55	3.53	4.45

## 2.11 Provision for Earnouts and Related Liabilities

The provisions for earnouts and related liabilities relates to future liabilities from acquisitions by Exact. The provision can be specified as follows:

	2009 June 30, Unaudited	2008 December 31, Audited
Runservicenet Ltd.	739	720
AllLicense Holding B.V.	-	430
Modulair Easy Access B.V.	-	3,757
<b>Total</b>	<b>739</b>	<b>4,907</b>

### *Runservicenet Ltd.*

Runservicenet Ltd. was acquired by Longview Solutions Inc. in 2006. Under the terms of the Share Purchase Agreement between Longview Inc. and the former Runservicenet shareholders, the former shareholders are entitled to earn additional contingent consideration of US\$ 5,500 predicated on the attainment of certain software sales objectives and on the achievement of certain development and integration milestones over a period of four years commencing upon achievement of certain milestones.

### *AllLicense Holding B.V.*

In July 2008, Exact acquired, in accordance with the provisions in the Share Purchase Agreement from 2005, the remaining 30% shares of the AllLicense Holding B.V. for a provisional purchase price of € 2,936. The final purchase price was determined by an independent panel of arbitrators in 2009 and set at € 3,591 including costs. The final earnout payment was settled in May 2009 which resulted in a goodwill adjustment of € 225.

### *Modulair Easy Access B.V.*

Exact and the shareholders of Modulair Easy Access B.V. agreed upon an option to purchase, respectively sell the remaining shares (40%) before July 1, 2009, if and when conditions as specified in the stock purchase agreement are met. The price for the remaining shares is mainly based upon the revenue for the year 2008. In April 2009 the earnout provision was settled when Exact purchased the remaining shares for an amount of € 3,658. As result of the purchase of the remaining shares, an amount of € 49 has been credited to the goodwill.

## 2.12 Segment Reporting

### 2.12.1 Business Segments

Since 2007, Exact has organized its business into four regions: the Netherlands, the Americas, EMEA and APAC. Longview, which was acquired in the last quarter of 2007, has not been integrated into the regions and is currently managed on a stand-alone basis, with exception of the back-office activities which have been integrated with the Americas. The reportable segments are based on Exact's internal structure and internal reporting to the CEO.

The segment information for the half year ended June 30, 2009 is as follows:

	Netherlands	Americas	EMEA	APAC	Longview	Total
Revenue	48,896	26,851	28,496	5,312	8,057	117,612
Earning before Interest and tax (EBIT)	9,062	3,259	6,284	387	486	19,478
Net income after taxes	7,586	1,671	4,117	86	1,539	14,999
Depreciation	1,308	383	409	78	69	2,247
Amortization	1,435	296	91	34	118	1,974
Impairment of trade receivables	667	327	1,007	595	72	2,668
Assets	113,446	66,387	32,114	10,556	28,962	251,465
Liabilities	32,911	40,572	22,413	7,797	6,661	110,354
Investments	5,044	259	86	80	71	5,540

The segment information for the year ended June 30, 2008 is as follows:

	Netherlands	Americas	EMEA	APAC	Longview	Total
Revenue	53,661	30,084	32,976	4,468	8,945	130,134
Earning before Interest and tax (EBIT)	8,724	6,361	6,402	475	401	22,363
Net income after taxes	8,200	3,964	4,109	(202)	983	17,054
Depreciation	1,421	377	492	75	66	2,431
Amortization	1,378	221	91	39	479	2,208
Impairment of trade receivables	134	334	964	326	-	1,758
Assets	161,928	60,262	39,245	8,433	28,361	298,229
Liabilities	34,573	39,367	37,083	7,871	3,737	122,631
Investments	1,281	455	1,019	123	127	3,005

Segment assets consist primarily of property, plant and equipment, intangible assets, inventories, receivables and cash and cash equivalents. They exclude (deferred) taxation and derivative financial instruments.



Reconciliation assets with balance sheet	2009 June 30, Unaudited	2008 June 30, Unaudited
Total assets in balance sheet	228,806	263,927
Less:		
Deferred tax assets	(3,599)	(4,774)
Corporate income tax	(531)	(1,502)
Intercompany receivables	26,789	40,578
Total assets in segmentation	251,465	298,229

Segment liabilities comprise operating liabilities. They exclude items such as (deferred) taxation, provisions and long-term loans.

Reconciliation liabilities with balance sheet	2009 June 30, Unaudited	2008 June 30, Unaudited
Total current liabilities in balance sheet	83,565	83,944
Less:		
Corporate income tax	-	(1,891)
Intercompany payables	26,789	40,578
Total liabilities in segmentation	110,354	122,631

Investments comprise additions to intangible assets, property, plant and equipment as well as the additions resulting from acquisitions through business combinations.

## 2.13 Income Tax

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:

(in %)	2009 June 30, Unaudited	2008 December 31, Audited
Weighted average tax rate	28.3%	29.7%
Non-deductible expenses	0.8%	0.4%
Deferred tax assets and tax losses carry forward	(0.2%)	1.6%
Adjustments previous years	(1.9%)	(2.4%)
Exempt income	(2.4%)	(2.3%)
Other	(0.3%)	(0.4%)
Effective tax rate	24.3%	26.6%

## 2.14 Dividends Paid and Proposed

	2009 June 30, Unaudited	2008 December 31, Audited
Dividends on shares declared and paid during the six month period:		
Final dividend for 2008: € 0.87 per share (2007: € 0.83 per share)	19,847	19,946
Interim dividends on shares proposed for approval (not recognized as a liability as at June 30, 2009):		
Earnings per share for 2009: € 0.66 per share ( 2008: € 0.69 per share)	15,059	16,582

In the second quarter, Exact paid the final dividend for 2008, for a total of € 19,847 (incl. dividend tax).

## 2.15 Contingencies

In the first half of 2009 there were no material changes to Exact's commitments and contingent liabilities from those disclosed in the Consolidated Financial Statements for the year ended December 31, 2008.

## 2.16 Events after the Balance Sheet Date

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

Certain statements in this document constitute forward looking information. By their nature, such information generates risk and uncertainty because it concerns events in the future and depends on circumstances which then apply. Actual results could materially differ.



Exact 25 YEARS

Exact Holding N.V.  
PO Box 5066  
2600 GB Delft  
The Netherlands  
T +31 15 261 37 14  
F +31 15 262 54 61

[www.exactsoftware.com](http://www.exactsoftware.com)

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