

PRESS RELEASE

Delft, 2 February 2015

Exact to enter new era

Full Year 2014 Results¹

Financial² and strategic highlights

- Total revenues in Q4 up 6.0% to € 50.9 million; on an operational basis³ up 3.5%
- Total revenues FY2014 up 4.0% to € 188.1 million, up 4.1% on operational basis
- Operating expenses include € 6.5 million of one-time items, primarily reflecting expenses related to the public Offer
- Adjusted for one-time items EBITDA amounted to € 43.5m in 2014, at the higher end of guidance
- FY2014 EBITDA down 19.0%; adjusted for one-time items down 4.8% compared to the prior year
- Net income up 17.4% to € 37.4 million in 2014, reflecting the book gain realized on divestitures, partly offset by higher one-time expenses
- No final dividend proposed for 2014

Cloud Solutions

- Cloud Solutions revenues up 45.8% to € 8.5 million in Q4; up 46.2% to € 30.2 million in 2014
- Annualized recurring revenues up 42.3% to € 34.1 million at year-end
- 184,702 paying companies at year-end; an increase of 13,480 in Q4 and 43,780 in 2014
- International rollout in UK and Germany on track, US improving but still challenging; France in controlled release of Exact Online

Business Solutions

- Business Solutions revenues down 6.8% to € 28.7 million in Q4; down 4.5% to € 109.7 million in 2014
- License revenues down 16.0% to € 5.5 million in Q4; down 9.7% to € 17.8 million in 2014
- Subscription-based revenue amounted to € 0.2 million in Q4; and € 0.8 million in 2014
- Attrition amounted to 7.9% in FY2014, an improvement of 0.5 percentage points compared to 2013, particularly driven by strong improvement in Q4

Specialized Solutions

- Specialized Solutions revenues up 20.4% to € 13.7 million in Q4; on an operational basis up 10.7%
- FY2014 revenues up 6.2% to € 48.3 million; up 6.3% on an operational basis
- Longview and Lohn successfully divested in 2014

¹ The 2014 results in this press release are unaudited.

² Accounting for discontinued operations: the key financials below exclude the revenues and OPEX for Longview and Lohn. The financial results for Longview and Lohn are presented as discontinued operation in a single line item net of tax.

³ Operational financial figures consider the impact of foreign exchange rates by translating prior year's results at current year's exchange rates.

Group highlights

Amounts in € '000

	Q4 2014	Q4 2013	%	% Op'l*	FY 2014	FY 2013	%	% Op'l*
Cloud Solutions	8,464	5,807	45.8	45.8	30,203	20,658	46.2	46.2
Business Solutions	28,743	30,841	(6.8)	(7.3)	109,667	114,864	(4.5)	(4.4)
Specialized Solutions	13,706	11,379	20.4	10.7	48,254	45,437	6.2	6.3
Total revenue	50,913	48,027	6.0	3.5	188,124	180,959	4.0	4.1
OPEX excluding D&A	44,667	34,667	28.8	25.8	151,160	135,321	11.7	12.0
EBITDA	6,246	13,360	(53.2)	(54.3)	36,964	45,638	(19.0)	(19.2)
<i>EBITDA margin</i>	12.3%	27.8%			19.6%	25.2%		
Depreciation and amortization	2,000	1,551	28.9	27.2	7,677	6,124	25.4	25.5
EBIT	4,246	11,809	(64.0)	(64.9)	29,287	39,514	(25.9)	(26.1)
<i>EBIT margin</i>	8.3%	24.6%			15.6%	21.8%		
Net finance expenses	(454)	(270)	68.1	116.2	(1,029)	(99)	939.4	802.6
Income tax expense	2,086	2,058	1.4	(4.2)	7,079	6,820	3.8	2.5
Profit (loss) from discontinued operation, net of tax	(316)	29			14,157	(950)		
Net Income	2,298	10,050	(77.1)	(77.2)	37,394	31,843	17.4	16.7
EPS (in €)	0.10	0.44	-	-	1.64	1.40	-	-

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

Erik van der Meijden, CEO:

"2014 has been a remarkable year for Exact and I am pleased with the progress we made this past year. Our growth strategy continued to deliver on its promise with a second year of revenue growth. Exact has reported 4.0% revenue growth in 2014. Adjusted for one-time expenses we also achieved our EBITDA target.

Cloud Solutions continued to grow strongly, increasing its business by more than 42% in annualized recurring revenues and an increase of 43,480 paying companies to a total of almost 185,000. The business unit achieved a number of significant milestones in geographical expansion and product development. We launched Exact Online in Germany in the first quarter of last year and opened an office in France, where we went into controlled release in the fourth quarter of 2014. Overall we are pleased with initial market and customer responses in newly entered markets. The US offered a more challenging start. We have accelerated our US entry strategy by actively using JobBOSS to sell Exact Online and we are expanding the scope of offered solutions to include the accounting functionality, now scheduled in 2015. We also made further progress in the development of the software propositions for Exact Online. The modular approach allows our customers to choose the software best suited to their business and functionality needs. At the same time, our partner ecosystem offers our customers an extremely broad suite of complementary software solutions. The Exact App Center now includes more than 210 Exact Online partner applications.

Business Solutions faced a challenging year and fell short of our expectations. We continue to focus on two key value drivers: increasing customer retention and growing our business by winning new customers, specifically in the medium-sized business segment (more than 100 employees). We were able to keep customers and reduce attrition by 0.5 percentage points to 7.9% in 2014. A dedicated business sales team, concentrating on winning new customers in the Netherlands, was able to increase the average deal size in 2014.

In early 2014, we finalized our review of the individual business units in Specialized Solutions. The key element in this evaluation was their strategic fit with the other units, plus their financial performance and longer-term financial projections operating on a stand-alone basis. We concluded that both Longview and

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Lohn offered limited strategic value to Exact. We were able to divest both businesses in 2014. We continue to see value in the remaining units in the US which will support our cloud strategy in the US.

Looking ahead, I believe that under private ownership Exact will enter a new and exciting era of growth. In 2015 and in the years ahead, we will be able to increase investments in our businesses and accelerate the execution of our growth strategy. We will continue to face some major challenges, as the pace of change is accelerating in many areas. I believe we have a tremendous opportunity to serve our existing customers, as well as many new customers, even more effectively for years to come."

Revenues

Total revenue for the fourth quarter amounted to € 50.9 million, up 6.0% (operational 3.5%) compared to Q4 last year. Total revenue for FY2014 amounted to € 188.1 million, up 4.0% (operational 4.1%) compared to last year.

Cloud Solutions

Cloud Solutions continued to report sharp revenue growth. In Q4, online revenue increased by 41.1% compared to Q4 last year to an amount of € 8.1 million. Online revenue in FY2014 amounted to € 29.2 million, an increase of 43.1%.

Total revenue, including services revenue increased by 45.8% to € 8.5 million in Q4. Total revenue increased 46.2% to € 30.2 million FY2014. Annualized recurring revenue from Exact Online amounted to € 34.1 million at the end of the fourth quarter.

During the fourth quarter of 2014 the number of paying companies increased 13,480 to 184,702. The increase is particularly driven by strong sales in the Netherlands and Belgium. Overall, the international expansion is on track. At the end of 2014, the US, UK and Germany combined served 1,262 paying companies.

Business Solutions

Total revenue for Business Solutions amounted to € 28.7 million in the fourth quarter, a decline of 6.8% (operational 7.3%) compared to Q4 last year. Total revenue for FY2014 amounted to € 109.7 million, a decline of 4.5% (operational 4.4%) compared to the prior year. The decline is reflecting lower revenue in license and maintenance.

License revenues amounted to € 5.5 million in the fourth quarter, a decline of 16.0% (operational 16.5%) compared to Q4 in 2013. License revenue for FY2014 amounted to € 17.8 million, a decline of 9.7% (operational 9.6%) compared to the prior year.

Business Solutions made further progress in scaling up its target market to larger companies. The new logo sales team recorded total sales of € 1.2 million (up € 220k) and an average deal size of € 45.6 thousand (up 74%) in 2014.

Maintenance & support revenue in the fourth quarter amounted to € 19.8 million, a decline of 4.2% (operational 4.6%) compared to Q4 last year. Maintenance & support revenue for FY 2014 amounted to € 79.3 million, a decline of 4.4% (operational 4.2%) compared to the prior year. The decrease is driven by lower license sales, migration to Exact Online, discontinuation of DOS-based products as well as regular attrition. Attrition amounted to 7.9% in 2014 compared to 8.4% reported in 2013 driven by the customer

retention programs. The total value of contract cancelations amounted to € 6.3 million in 2014, compared to € 7.2 million last year.

Services revenue in the fourth quarter amounted € 3.3 million, a decrease of 8.4% (operational 9.2%) compared to Q4 in 2013. Services revenue for FY2014 amounted to € 11.9 million, a decrease of 0.9% (operational 0.6%) compared to last year.

Business Solutions experienced a substantial increase in subscription based revenue. In the fourth quarter subscription based revenues doubled to € 0.2 million. FY2014 Subscription based revenue amounted to € 0.8 million, more than doubling in 2014. Subscription based sales represented a license equivalent of € 1.4 million (or 7.3% of total license-intake in 2014).

Specialized Solutions

Total revenues for Specialized Solutions (excluding Longview and Lohn) increased 20.4% (operational 10.7%) to € 13.7 million in the fourth quarter of 2014. Total revenue for FY2014 amounted to € 48.3 million, an increase of 6.2% (operational 6.3%) compared to prior year. The recent weakness of the Euro against the dollar is supporting the reported revenue from the US units, particularly in Q4.

On 30 June 2014, Exact announced the divestiture of Longview for an amount of \$ 31.8 million in cash. On 15 September 2014, Exact announced the completion of the divestiture of Lohn for an amount of € 16.3 million in cash.

Operating expenses

Operating expenses (excluding depreciation and amortization) amounted to € 44.7 million in Q4, an increase of 28.8% (operational 25.8%) compared to Q4 last year. Operating expenses for FY2014 amounted to € 151.2 million, an increase of 11.7% (operational 12.0%) compared to last year. The increase primarily reflects the development and international expansion of our Cloud organization during 2013, which resulted in a steadily increase in the level of expenses. Additionally, FY2014 Operating expenses include € 6.5 million of one-time items, primarily reflecting expenses related to the public Offer.

Research and development expenses amounted to € 22.8 million in 2014, representing 12.1% of reported revenues, compared to 12.3% last year. The decline in R&D expenses as percentage of revenues reflects delays experienced in the recruitment for Cloud Solutions. Capitalization of R&D expenses amounted to € 7.0 million, an increase of € 0.1 million compared to last year.

Earnings before interest, tax, depreciation and amortization (EBITDA)

EBITDA in Q4 amounted to € 6.2 million, a decrease of 53.2% (operational 54.3%) compared to Q4 last year. For FY2014 EBITDA amounted to € 37.0 million, a decline of 19.0% (operational 19.2%) compared to the prior year. The EBITDA margin was 19.6% over 2014. Adjusted for the one-time items in operating expenses in 2014 EBITDA amounted to € 43.5 million, which is on the higher end of the € 41 – 44 million range we indicated with half-year results.

Earnings before Interest and Tax (EBIT)

Depreciation and amortization amounted to € 7.7 million, an increase of 25.4% compared to the prior year. Reported EBIT decreased by 25.9% to € 29.3 million in 2014, reflecting the one-time items in operating expenses and higher depreciation and amortization.

Interest and tax

Total finance income and expenses for 2014 amounted to an income of € 1.0 million compared to € 0.1 million in 2013. The increase reflect primarily exchange rate revaluation driven particularly by the appreciation of the US dollar versus the euro.

The effective tax rate increased from 17.2% in 2013 to 23.3% in 2014. While still below the statutory rate of 25%, the increase is driven by several one-time items impacting withholding-tax.

Net income, Earnings per share and Dividend

Net income amounted to € 37.4 million in 2014, an increase of 17.4% compared to € 31.8 million in 2013. The increase primarily reflects the book gain realized on divestitures, partly offset by higher one-time expenses. Earnings per share (EPS) amount to € 1.64 compared to € 1.40 in 2013.

Exact paid an interim dividend of € 0.60 per share. Exact will not propose a final dividend for FY2014.

Cash position

The cash position amounted to € 89.9 million at the end of 2014. The increase in the cash balance compared to a year ago is driven primarily by the cash proceeds from the divestitures of Longview and Lohn (in total € 29.5 million).

Trade receivables, adjusted for Longview and Lohn, increased by € 2.3 million. The increase primarily reflects translation of US dollar receivables to euro (€ 1.2 million) as well as higher trade receivables in the US due to strong close of the year for Macola and JB (€ 0.8 million).

The average number of days sales outstanding improved to 31.9 from 36.9 in the prior year. The reduction in days sales outstanding is driven by a more effective credit collection process of regional credit collection teams.

Subsequent developments

Exact and Eiger Acquisition B.V. (a wholly owned subsidiary of certain funds advised by Apax Partners) have reached agreement on a recommended full public offer for all of Exact's issued and outstanding shares of EUR 32.00 (cum dividend) in cash per share.

For further information on the offer as well as the resolutions of the extraordinary general meeting of shareholders, which was held on 27 January 2015, we refer to our website www.exact.com.

Additional segment information

Cloud Solutions

Amounts in € '000	Q4 2014	Q4 2013	%	% operat'l	FY 2014	FY 2013	%	% operat'l
Online	8,070	5,721	41.1	41.1	29,176	20,382	43.1	43.1
Service	394	86	358.1	358.1	1,027	276	272.1	272.1
Total revenue	8,464	5,807	45.8	45.8	30,203	20,658	46.2	46.2
OPEX	11,231	9,063	23.9	22.0	41,877	32,323	29.6	29.1
EBITDA	(2,767)	(3,256)	-	-	(11,674)	(11,665)	-	-
<i>EBITDA margin</i>	<i>(32.7%)</i>	<i>(56.1%)</i>	-	-	<i>(38.7%)</i>	<i>(56.5%)</i>	-	-
Depreciation and amortization	867	500	73.4	73.4	3,259	1,751	86.1	86.1
EBIT	(3,634)	(3,756)	-	-	(14,933)	(13,416)	-	-
<i>EBIT margin</i>	<i>(42.9%)</i>	<i>(64.7%)</i>	-	-	<i>(49.4%)</i>	<i>(64.9%)</i>	-	-

Amounts in € '000	Revenue Q4 2014	Revenue Q4 2013	Revenue growth	Number of paying companies	Annualized Recurring Revenues
Netherlands	7,578	5,262	44.0%	163,255	30,720
Belgium	749	544	37.7%	20,185	2,904
UK	66	1		607	180
Germany	35			580	120
Americas	36			75	156
Total	8,464	5,807	45.8%	184,702	34,080

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Business Solutions

Amounts in € '000	Q4 2014	Q4 2013	%	% operat'l	FY 2014	FY 2013	%	% operat'l
License	5,486	6,530	(16.0)	(16.5)	17,758	19,669	(9.7)	(9.6)
Maintenance	19,771	20,631	(4.2)	(4.6)	79,280	82,890	(4.4)	(4.2)
Service	3,255	3,555	(8.4)	(9.2)	11,863	11,973	(0.9)	(0.6)
Subscription based revenue	231	125	84.8	84.8	766	332	130.7	130.7
Total revenue	28,743	30,841	(6.8)	(7.3)	109,667	114,864	(4.5)	(4.4)
OPEX	14,982	15,272	(1.9)	(2.6)	59,211	61,414	(3.6)	(3.3)
EBITDA	13,761	15,569	(11.6)	(11.9)	50,456	53,450	(5.6)	(5.6)
<i>EBITDA margin</i>	47.9%	50.5%	-		46.0%	46.5%	-	
Depreciation and amortization	871	868	0.3	0.3	3,508	3,646	(3.8)	(3.8)
EBIT	12,890	14,701	(12.3)	(12.6)	46,948	49,804	(5.7)	(5.7)
<i>EBIT margin</i>	44.8%	47.7%	-	-	42.8%	43.4%	-	-

Specialized Solutions

Amounts in € '000	Q4 2014	Q4 2013	%	% operat'l	FY 2014	FY 2013	%	% operat'l
Online	7				8			
License	3,617	2,522	43.4	31.3	10,862	9,141	18.8	18.4
Maintenance	7,174	6,505	10.3	1.4	26,690	26,372	1.2	1.4
Service	2,899	2,352	23.3	13.4	10,680	9,924	7.6	8.1
Subscription based revenue	9				14			
Total revenue	13,706	11,379	20.4	10.7	48,254	45,437	6.2	6.3
OPEX	9,632	7,794	23.6	15.0	32,502	32,311	0.6	0.7
EBITDA	4,074	3,585	13.6	1.6	15,752	13,126	20.0	20.1
<i>EBITDA margin</i>	29.7%	31.5%	-	-	32.6%	28.9%	-	-
Depreciation and amortization	205	202	1.5	(4.2)	769	821	(6.3)	(6.3)
EBIT	3,869	3,383	14.4	1.9	14,983	12,305	21.8	21.8
<i>EBIT margin</i>	28.2%	29.7%	-	-	31.1%	27.1%	-	-

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Consolidated statement of comprehensive income

	Full Year 2014 (Unaudited)	Full Year 2013 (Unaudited)
(in € thousands)		
Online	29,184	20,382
License	28,620	28,810
Maintenance and support	105,970	109,262
Service	23,570	22,173
Subscription based	780	332
Revenue	188,124	180,959
Revenue-related expenses	(13,485)	(12,030)
Personnel expenses	(102,905)	(93,648)
Marketing and sales	(11,919)	(9,858)
Other operating expenses other than depreciation and amortization	(22,851)	(19,785)
Operating result before interest, tax, depreciation, amortization and impairment EBITDA	36,964	45,638
Depreciation, amortization and impairment	(7,677)	(6,124)
Operating result before interest and tax EBIT	29,287	39,514
Net finance income/(expenses)	1,029	99
Profit before tax	30,316	39,613
Income tax expense	(7,079)	(6,820)
Profit from continuing operations	23,237	32,793
Discontinued operations		
Profit (loss) from discontinued operation, net of tax	14,157	(950)
Profit for the period	37,394	31,843
Other comprehensive income		
<i>Items that are or may be reclassified to profit or loss:</i>		
Release translation differences to the profit (loss) from discontinued operations.	2,297	-
Foreign currency translation differences of foreign operations	3,918	(2,724)
Other comprehensive income for the year, net of tax	6,215	(2,724)
Total comprehensive income for the year	43,609	29,119
Profit for the year attributable to:		
Average number of shares outstanding basic (in thousands)	22,817	22,817
Average number of shares outstanding diluted (in thousands)	22,886	22,863
Earnings per share		
Basic earnings per share (in €)	1.64	1.40
Diluted earnings per share (in €)	1.63	1.39
Earnings per share - continuing operations		
Basic earnings per share (in €)	1.02	1.44
Diluted earnings per share (in €)	1.02	1.43

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Consolidated statement of financial position

	31-Dec 2014 (Unaudited)	31-Dec 2013 (Audited)
(in € thousands)		
Assets		
Non-current assets		
Property, plant and equipment	7,663	9,494
Intangible assets and goodwill	81,606	90,018
Deferred tax assets	1,363	4,456
Long-term receivables and prepayments	632	966
Total non-current assets	91,264	104,934
Current assets		
Inventories	82	14
Trade receivables	23,667	28,536
Other receivables and prepaid expenses	9,929	5,575
Current tax assets	2,202	1,585
Cash and cash equivalents	89,895	63,990
Total current assets	125,775	99,700
Total assets	217,039	204,634
Equity and liabilities		
Shareholders' equity	114,477	102,590
Non-current liabilities		
Loans and borrowings	2,685	3,061
Provisions	697	786
Deferred tax liabilities	6,435	6,549
Total non-current liabilities	9,817	10,396
Current liabilities		
Deferred revenue	53,858	57,846
Provisions	4,290	2,598
Derivatives	120	-
Loans and borrowings	1,132	1,288
Accounts payable and other liabilities	5,828	3,976
Current tax liabilities	594	3,670
Other taxes and social securities	10,034	10,656
Accrued liabilities	16,889	11,614
Total current liabilities	92,745	91,648
Total liabilities	102,562	102,044
Total equity and liabilities	217,039	204,634

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Consolidated statement of cash flows

	Full Year 2014 (Unaudited)	Full Year 2013 (Audited)
(in € thousands)		
Cash flow from operating activities		
Profit before tax	46,940	37,962
Adjustments for:		
Depreciation of property, plant and equipment	2,959	2,986
Amortization of intangible assets	6,331	6,720
Result on sale of property, plant and equipment	43	(108)
Result of divestments	(17,134)	-
Impairment loss on trade receivables	1,045	1,400
Changes in provisions (excluding income taxes)	1,721	(3,288)
Net finance costs	210	(326)
Share based payments	316	170
Other non-cash items	57	48
Changes in:		
Deferred revenue	2,788	(671)
Other current assets and liabilities, excluding income tax	979	1,964
Cash generated from operating activities	46,255	46,857
Interest received	410	866
Interest paid	(251)	(255)
Taxes paid	(11,672)	(4,542)
Net cash from operating activities	34,742	42,926
Cash flows from investment activities		
Proceeds of group companies disposed, net of cash	29,500	-
Capital expenditures on intangible assets	(7,208)	(7,994)
Capital expenditures on property, plant and equipment	(1,108)	(1,518)
Proceeds from disposal of property, plant and equipment		162
Proceeds from long-term receivables	105	2,027
Net cash used in investment activities	21,289	(7,323)
Cash flows from financing activities		
Dividend paid	(30,346)	(28,064)
Payment of finance lease liabilities	(918)	(1,074)
Cash flow from (used in) financing activities	(31,264)	(29,138)
Net increase/(decrease) in cash and cash equivalents	24,767	6,465
Cash and cash equivalents at January 1	63,990	58,156
Effect of exchange rate fluctuations on cash held	1,138	(631)
Closing balance cash and cash equivalents	89,895	63,990

ADDITIONAL INFORMATION

Monday, 2 February 2015

Analyst & Investor Q&A

14.00 CET (08.00 EST)

Conference call (for analysts and investors)

Conference ID: 3613588

Dial-in numbers

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The Netherlands: +31(0)20 716 8256

Two hours after the conference call, a replay will be available on www.exact.com

Presentations

Presentations will be available on www.exact.com at 7:30 a.m. CET

Important dates

10 February	Acceptance Closing Date
20 February 2015	Publication Annual Report 2014
February 2015	Settlement (expected)
March 20125	Delisting (expected)
May 2015	Annual General Meeting of Shareholders

About Exact

Vigorous business software. That's what Exact builds. For more than 200,000 businesses around the world. For entrepreneurial doers who dare and, if they fall, always get up again. Exact breathes that same spirit. Thirty years ago a garage start-up by six students, now a global company, employing 1,550 people in 15 countries with revenues of € 188 million in 2014.

With Exact, businesses can quickly respond to shifting market conditions and grasp opportunities with both hands when they arise. Our business software enables customers to focus on their next goal, and look ahead to the next challenge.

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

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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.

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