

## **Exact reports EBITDA growth of 2.0% to € 58.2 million for FY 2008**

*Total revenue at constant currencies grew by 5.3% to € 265.4 million*

Delft, February 12, 2009 – Exact Holding N.V. (Exact) announces its results for FY 2008.

### **Financial Highlights**

- Total revenue at constant currencies grew by 5.3% to € 265.4 million (FY 2007: € 252.1 million). Including a negative foreign exchange rate effect of € 4.4 million, total revenue grew by 3.5% to € 261.0 million (FY 2007: € 252.1 million).
- Total organic<sup>1</sup> revenue declined by 0.6% to € 250.5 million (FY 2007: € 252.1 million).
- EBITDA increased to € 58.2 million (FY 2007: € 57.0 million), representing an EBITDA margin of 22.3% (FY 2007: 22.6%). Organically and excluding a one-off charge of € 0.6 million<sup>2</sup>, the EBITDA margin increased to 23.3% (FY 2007: 22.6%).
- EBIT amounted to € 49.4 million (FY 2007: € 49.8 million), representing an EBIT margin of 18.9% (FY 2007: 19.8%). Organically and excluding a one-off charge<sup>2</sup>, the EBIT margin amounted to 20.1%.
- Net income decreased by 5.8% to € 36.8 million (FY 2007: € 39.1 million) mainly due to lower financial income and an increased average tax rate.
- Despite deteriorating economic conditions in 2008, operating cash flow remained high at € 47.1 million (FY 2007: € 48.6 million).
- With a net cash position of € 44.7 million as per December 31, 2008, Exact continues to have a very strong and virtually debt free balance sheet.
- EPS amounted to € 1.54 (FY 2007: € 1.59), representing a decrease of 3.1%.
- A final dividend payout of € 0.87 per share will be proposed in addition to the interim dividend of € 0.69 per share paid on August 27, 2008, amounting to a total dividend for 2008 of € 1.56. This represents a 100% payout of net income in line with dividend policy.
- During the period of July 28 through September 24, 2008, Exact executed a share buyback program and acquired 1,219,995 (representing 5%) of its own shares.
- By paying € 36.5 million as final dividend for 2007 and interim dividend for 2008 and € 25.1 million for the share buyback program, Exact returned € 61.5 million to shareholders in 2008.

### **Strategic and Operational Highlights**

- Exact has prepared early for and reacted swiftly to the downturn in the economic climate and aligned the company's cost structure to the current market conditions, which is already partly reflected in the FY 2008 results.
- As a result of a further organizational alignment and a global recruitment stop as per August 2008, the total number of employees has been reduced by approximately 10% to fewer than 2,500.
- Despite difficult economic conditions, Exact Synergy-related revenue grew 4% across all targeted segments.
- Exact's parenting strategy focusing on international companies remains especially strong and resilient in challenging times, confirmed by an organic license revenue growth<sup>1</sup> of 2.5% in the EMEA region.
- In its first year as a division of Exact, Longview has more than doubled license order intake and achieved group average in terms of profitability.
- Total number of Exact Online subscriptions in the Netherlands grew by more than 50% to over 7,500. Approximately 1,500 bookkeeping offices already use Exact Online, and recommend it to their customers.
- Major contract wins: Freia Science Services, Uniglobe Travel, Del Monte Foods, Mercuri International, American Foods Group, Eastman Industries.

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1) Organic revenue growth is defined as revenue development at constant currencies excluding the contribution of acquisitions.

2) Costs related to discussions with investment firms confirmed in a press release on January 14, 2008 and announced to be terminated in a press release on March 20, 2008 amounted to € 0.6 million.

## Outlook

In light of the continued uncertain economic and business environment, the company does not provide a specific guidance. Exact 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. Swift actions taken early in 2008 to align the company's cost structure without structural layoffs have led to a reduction in headcount of approximately 10% and to substantial cost savings partly realized in 2008 and expected to have a full effect in 2009. The benefits of early action enable us to execute our strategy, including incremental investments into our business in anticipation of the rebound.

## Financial Results

### Key financial figures

(in € thousands)	at constant currencies					
	<b>FY 2008</b>	<b>FY 2007</b>	<b>Change</b>	<b>FY 2008</b>	<b>FY 2007</b>	<b>Change</b>
License revenue	74,257	77,399	(4.1%)	75,532	77,399	(2.4%)
Maintenance revenue	129,630	125,213	3.5%	131,617	125,213	5.1%
Service revenue	57,086	49,497	15.3%	58,202	49,497	17.6%
<b>Total revenue</b>	<b>260,973</b>	<b>252,109</b>	<b>3.5%</b>	<b>265,351</b>	<b>252,109</b>	<b>5.3%</b>
EBITDA	58,203	57,036	2.0%	59,117	57,036	3.6%
EBITDA margin (in %)	22.3%	22.6%	(0.3 pts.)	22.3%	22.6%	(0.3 pts.)
<b>EBIT</b>	<b>49,373</b>	<b>49,792</b>	<b>(0.8%)</b>	<b>50,200</b>	<b>49,792</b>	<b>0.8%</b>
<b>EBIT margin (in %)</b>	<b>18.9%</b>	<b>19.8%</b>	<b>(0.9 pts.)</b>	<b>18.9%</b>	<b>19.8%</b>	<b>(0.9 pts.)</b>
Net income after tax	36,825	39,112	(5.8%)	37,228	39,112	(4.8%)
Net income margin (in %)	14.1%	15.5%	(1.4 pts.)	14.0%	15.5%	(1.5 pts.)
<b>Diluted EPS* (in €)</b>	<b>1.54</b>	<b>1.59</b>	<b>(3.1%)</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>
Diluted cash EPS* (in €)	2.00	2.02	(1.0%)	n.a.	n.a.	n.a.

\*Based on average diluted number of shares outstanding (2008: 23.62 million; 2007: 24.03 million)

### Rajesh Patel, CEO Exact Holding N.V.:

2008 was clouded by the beginning of a dramatic global crisis in the financial markets, substantially impacting the economy and leading to incomparable uncertainties in the business environment.

Since the beginning of 2008 the Board has been prepared for a downturn in the economic climate and aligned the company's cost structure to the current market conditions. As a result of a further organizational alignment within the Americas and Netherlands regions and a global recruitment stop as per August 2008, the total number of employees has been reduced by approximately 10% to fewer than 2,500. In addition, cost-saving programs in the areas of travel and general expenses were implemented early in the year.

Despite the deteriorating economic environment, we had a solid performance in most of the regions up to the third quarter. Although we saw a decline in license revenue from new customers, an early shift of focus enabled us to compensate that to a large extent with additional revenue from existing customers. October was the first month in which we experienced a noticeable impact from the current economic conditions on license revenue. Worsening conditions in November and December led to Q4 revenues substantially below the previous year.

With a majority of our revenues coming from our existing customer base, Exact has a limited exposure to the development of new business intake, which is typically hit first in a downturn economy. Together with timely action and diligent execution of cost-saving measures and despite dramatic market conditions in Q4, we were able to exceed last year's EBITDA and to keep our cash flow at a comparable, very high level.

Exact has also reacted swiftly to the current economic environment in terms of solution offering in order to capture the market opportunities related to the economic downturn. Under the umbrella "Exact Solutions for Challenging Times" several specific solutions were already defined before summer 2008 to help customers weather a tough economic climate. These solutions address the specific challenges of small to medium-sized companies in an economic downturn and are targeted to increase business insight and control, reduce costs, maximize cash flow and improve customer relations.

Especially our parenting strategy remains strong and resilient in challenging times, as it offers international companies the ability to improve control and to gain efficiencies by standardizing their business software solutions for small to medium-sized operations. Furthermore, despite the economic downturn we have seen continuous strong performance of our SaaS offering Exact Online, confirming our focus and investments in that area.

## Revenue

Total revenue at constant currencies grew from € 252.1 million in FY 2007 to € 265.4 million in FY 2008, representing an increase of 5.3%. Including a negative foreign exchange rate effect of € 4.4 million, total revenue grew from € 252.1 million in FY 2007 to € 261.0 million in FY 2008, representing an increase of 3.5%. The acquisition of Longview Solutions executed in November 2007 added € 18.5 million to the total revenue. The organic revenue – defined as total revenue development at constant currencies excluding the contribution of acquisitions – declined by 0.6%. Revenue related to Exact Synergy grew by 4% to € 32.9 million (FY 2007: € 31.5 million).

License revenue decreased by 4.1% to € 74.3 million (FY 2007: € 77.4 million), primarily driven by a substantial impact from the current economic conditions, resulting in a license revenue drop in Q4 2008 compared to a very strong performance in Q4 2007. Organic license revenue declined by 5.9% (FY 2007: 7.5% increase). Longview Solutions contributed € 4.4 million to the license revenue.

Maintenance revenue increased by 3.5% to € 129.6 million (FY 2007: € 125.2 million). The increase of 3.5% included a contribution of € 4.7 million from Longview Solutions, which was diluted by a negative foreign exchange rate impact on maintenance revenue of € 2.0 million. Excluding negative foreign exchange rate impact the maintenance revenue grew 5.1%.

Service revenue increased by 15.3% to € 57.1 million (FY 2007: € 49.5 million), driven by the contribution of Longview Solutions representing € 9.4 million. Excluding foreign exchange rate effects that negatively impacted service revenue by € 1.1 million, service revenue grew by 17.6% to € 58.2 million (FY 2007: € 49.5 million).

## EBITDA and EBIT

As result of an early alignment of the company's cost structure to the current market conditions EBITDA increased to € 58.2 million (FY 2007: € 57.0 million), representing an EBITDA margin of 22.3% (FY 2007: 22.6%). This included a one-off charge of € 0.6 million for costs related to discussions with investment firms confirmed in a press release on January 14, 2008 and announced to be terminated in a press release on March 20, 2008.

The acquisition of Longview Solutions contributed € 4.3 million to the EBITDA, which reflects an EBITDA margin of 23.5%. Organically and excluding a one-off charge of € 0.6 million, the EBITDA margin increased to 23.3% (FY 2007: 22.6%).

EBIT amounted to € 49.4 million (FY 2007: € 49.8 million) representing an EBIT margin of 18.9% (FY 2007: 19.8%). Organically and excluding a one-off charge of € 0.6 million, EBIT amounted to € 50.4 million (FY 2007: € 49.8 million) representing an EBIT margin of 20.1% (2007: 19.8%).

Total operating expenses increased by 4.6% to € 211.6 million (FY 2007: € 202.3 million). Personnel expenses amounted to € 135.7 million (FY 2007: € 126.8 million) representing an increase of 7.0%. The acquisition of Longview Solutions added € 11.9 million to personnel expenses. Excluding acquisitions and a positive foreign exchange rate impact of € 2.5 million, personnel expenses remained at the same level as in 2007. Marketing and sales expenses decrease by 10.6% to € 13.2 million (FY 2007: € 14.8 million), mainly as a result of reduced sponsorship activities.

Corporate costs including research and development (R&D) costs for corporate product lines and Holding costs increased by € 6.9 million to € 27.4 million (FY 2007: € 20.5 million). This includes a one-off charge of € 0.6 million for costs related to discussions with investment firms and an increase of amortization of

intangible assets of € 1.4 million. The remaining increase of € 4.9 million was caused by the expanded corporate infrastructure as result of the organizational realignment from strategic groups to geographical regions, leading to a decrease in regional costs and increased operational efficiencies.

## **Interest and Tax**

The total financial income amounted to € 0.8 million, a decrease of € 1.8 million (FY 2007: € 2.6 million). This was mainly the result of a decreased excess cash balance by the acquisition of Longview Solutions, dividend payments for 2007 and interim dividend 2008, and the execution of a share buy back program. The average tax rate increased from 25.4% to 26.6%, mainly as a result of the increased profitability in the Americas region.

## **Balance Sheet and Cash Flow**

Exact continues to have a strong balance sheet. After paying € 36.5 million as final dividend for 2007 and interim dividend for 2008 and € 25.1 million for the share buyback program, the net cash position amounts to € 44.7 million as per December 31, 2008.

An increased focus on cash collection compensated the effects of the current economic conditions and kept the average days sales outstanding stable at 62 (2007: 62).

Despite deteriorating economic conditions in 2008, operating cash flow remained high at € 47.1 million (FY 2007: € 48.6 million).

## **Net Income and Dividend**

Net income amounted to € 36.8 million (FY 2007: € 39.1 million), representing a decrease of 5.8% mainly driven by the lower financial income and the increased average tax rate. EPS decreased by 3.1% to € 1.54 (FY 2007: € 1.59).

Based on the continued strong cash flow and the company's track record of converting profit into cash, the management proposes a 100% payout of net income for 2008 despite the current economic climate.

As a result of the share buyback program in 2008, the number of dividend entitled outstanding shares at year end has decreased, resulting in an additional dividend payment of € 0.02 per share compared to the EPS. A final dividend payout of € 0.87 per share will be proposed at the General Meeting of Shareholders on April 23, 2009, in addition to the interim dividend of € 0.69 per share paid on August 27, 2008. This amounts to a total dividend for 2008 of € 1.56 per share, and represents a 100% payout of net income in line with dividend policy.

## **Acquisition of Own Shares**

Based on the authorization granted by the General Meeting of Shareholders on April 24, 2008 and with approval of the Supervisory Board, Exact initiated a share buyback program which was announced on July 24, 2008.

During the period of July 28 through September 24, 2008, Exact acquired 1,219,995 (representing 5%) of its own shares pursuant to the share buyback program, at an average price of EUR 20.53 per share.

The program was executed by ING Wholesale Banking, which made its trading decisions in relation to Exact's shares independently of Exact and without influence by Exact with regard to the timing of the purchases.

The shares purchased are held in treasury for general company purposes and are non-voting and have no dividend entitlement. The latter has a positive effect on the EPS of the remaining shares outstanding.

## Operational Results in Regions

The results contribution of FY 2008 on a regional level together with some operational highlights can be found below. Corporate costs including the R&D costs for the corporate product lines and the Holding costs are not included in the EBITDA of the regions (FY 2008: € 27.4 million, 2007: € 20.5 million).

### Netherlands

(in € million)	FY 2008	Change	FY 2008 at constant currencies	Change	FY 2007
<b>Total revenue</b>	106.9	(2.9%)	106.9	(2.9%)	110.1
<b>EBITDA</b>	47.0	(3.9%)	47.0	(3.9%)	48.9
<b>EBITDA margin (in %)</b>	44.0%	(0.4 pts.)	44.0%	(0.4 pts.)	44.4%

Corporate costs are not included in EBITDA of the regions.

- After strong H1 results, Q4 license and service revenue have been substantially impacted by the current economic conditions, resulting in revenue decline in Q4 2008 compared to a very strong performance in Q4 2007. Therefore, total organic revenue decreased by 2.9% to € 106.9 million (FY 2007: € 110.1 million).
- Continued focus on customer retention resulted in a maintenance revenue increase of 1.5%.
- As part of a further alignment the organizational structure was changed from a divisional to a functional model, resulting in an improved go-to-market strategy, driving further costs efficiencies and leading to a substantial decrease in headcount.
- Cost-saving measures have been put in place to secure the high level of profitability. Excluding one-off costs of € 0.45 million for restructuring, the EBITDA margin remained with 44.4% at the high level of 2007.
- The total number of Exact Online subscriptions grew by more than 50% to over 7,500. Approximately 1,500 accountants and bookkeeping offices already use Exact Online, and recommend it to their customers.
- Despite deteriorating market conditions, channel license revenue remained at the same level as in 2007, reconfirming partner loyalty and confidence.
- Several new business partners selling other ERP solutions were contracted for Exact Synergy in 2008.
- Exact was selected as one of the Top IT employers in the Netherlands by CRF.
- Important contract wins: Cordaid, Freia Science Services, VTL, Uniglobe Travel.

### EMEA

(in € million)	FY 2008	Change	FY 2008 at constant currencies	Change	FY 2007
<b>Total revenue</b>	67.2	3.0%	67.7	3.8%	65.3
<b>EBITDA</b>	15.8	20.8%	15.9	22.0%	13.0
<b>EBITDA margin (in %)</b>	23.5%	3.5 pts.	23.5%	3.5 pts.	20.0%

Corporate costs are not included in EBITDA of the regions. Numbers include UK-based office of Longview.

- Exact's parenting strategy focusing on international companies remains especially strong and resilient in challenging times, confirmed by an organic license revenue growth<sup>1)</sup> of 2.5% in the EMEA region.
- Exact Synergy plays an increasingly important role within the parenting strategy and has resulted in Exact Synergy-related revenue growth of 10.4%, representing a 15.2% contribution of total revenue.
- The organizational realignment in 2007 has led to productivity and efficiency gains throughout the region. Together with the cost-saving measures put in place in 2008, this has resulted in a substantial EBITDA increase of 20.8% to € 15.8 million (2007: € 13.0 million), representing an EBITDA margin of 23.5% (2007: 20.0%).

- The UK-based office of Longview Solutions has been integrated into the EMEA region and operates as competence center to cross-sell Longview Solutions into the EMEA region. This has already resulted in several contract wins.
- Important contract wins: Del Monte Foods, Pyroban, Trinity, Consafe Logistics, Mercuri International.

## Americas (excluding Longview)

(in € million)	FY 2008	Change	FY 2008 at constant currencies	Change	FY 2007
<b>Total revenue</b>	60.1	(8.2%)	63.8	(2.5%)	65.5
<b>EBITDA</b>	13.0	18.6%	13.8	26.3%	11.0
<b>EBITDA margin (in %)</b>	21.6%	4.9 pts.	21.7%	5.0 pts.	16.7%

Corporate costs are not included in EBITDA of the regions.

- Americas has been the first region impacted by the deteriorating economic conditions, leading the decline in total organic revenue by 3.2%.
- Organic maintenance revenue increased by 2.1% as a result of increased focus on customer intimacy and diligent execution of customer win-back programs.
- Based on Exact's corporate strategy, new strategic growth initiatives were established in 2008 with a strong focus on the corporate product lines Exact Globe, Exact Synergy and Exact Business Analytics, including the introduction of Exact's parenting strategy to the Americas region.
- As part of a further alignment the organizational structure has been changed from a regional, divisional model to a nationwide, functional model. Together with the cost-saving measures put in place early in 2008, this has resulted in a substantial EBITDA increase of 18.6% to € 13.0 million (2007: € 11.0 million), representing an EBITDA margin of 21.6% (2007: 16.7%).
- Important contract wins: ITW Sexton, American Foods Group, Ace Manufacturing, Spectrum Lighting, Eastman Industries and Neurotherm.

## APAC

(in € million)	FY 2008	Change	FY 2008 at constant currencies	Change	FY 2007
<b>Total revenue</b>	9.0	(0.7%)	9.2	1.8%	9.0
<b>EBITDA</b>	1.5	(20.0%)	1.5	(18.7%)	1.9
<b>EBITDA margin (in %)</b>	16.7%	(4.1 pts.)	16.6%	(4.2 pts.)	20.8%

Corporate costs are not included in EBITDA of the regions.

- Total organic revenue increased by 1.8%, as APAC was the last region impacted by the deteriorating economic conditions.
- Service revenue increased by 15.9% as a result of strong license revenue growth in H2 2007 and H1 2008.
- Based on the growth opportunities in the region and limited risk profile of the region, cost-saving measures were implemented more leniently in summer 2008. In combination with Q4 revenues below initial expectations this has resulted in a lower EBITDA margin of 16.7% (2007: 20.8%). Additional cost-saving measures to secure an improved profitability in 2009 have subsequently been taken.
- A central second line customer support organization has been established in Kuala Lumpur, Malaysia to offer better and more efficient support services to customers in APAC region.
- In November 2008 Exact submitted a public offer to purchase all shares of Orisoft Technology, a key Asian HRM software company based in Kuala Lumpur, Malaysia. The public offer was closed on January 16, 2009 after 94.64% of the outstanding shares of Orisoft were tendered to Exact. The acquisition is expected to be closed end of February 2009.
- Important contract wins: Horwath Malaysia, Senpac Industries, RDA Microelectronics, Smith Interconnect Components, Sumicarrier Singapore.

## Longview Solutions

In November 2007 Exact acquired Longview Solutions (CAN), a leading provider of corporate performance management (CPM) software solutions. Being the largest in Exact's history, this strategic acquisition strengthens Exact's business empowerment software portfolio by adding Longview's powerful CPM platform, and accelerates Exact's expansion into the higher end of the mid-market. In turn, Longview Solutions benefits from Exact's financial strength and geographic footprint as it continues to deliver best-in-class CPM software and services to the enterprise market and further expands into the mid-market.

(in € million)	<b>FY 2008</b>	<b>FY 2008</b> at constant currencies
<b>Total revenue</b>	<b>17.8</b>	17.6
<b>EBITDA</b>	<b>4.2</b>	4.3
<b>EBITDA margin (in %)</b>	<b>23.7%</b>	24.3%

Corporate costs are not included in EBITDA of the regions.

Numbers exclude Longview UK, which is reported under EMEA.

Longview Solutions was acquired in November 2007.

The following financial and operational achievements can be reported for 2008:

- In its first full year as a division of Exact, Longview Solutions' total revenue amounted to € 17.8 million.
- License revenue order intake in 2008 more than doubled compared to previous year. This is a result of continued investment from existing customers and strong generation of new customers, especially around Longview's tax solution.
- As a result of a prudent revenue recognition policy, the increase in order intake is not fully reflected in the 2008 revenue.
- With an EBITDA of € 4.2 million representing an EBITDA margin of 23.7%, Longview has reached a committed group average in terms of margin.
- Sound cross-selling activities established between Longview Solutions and Exact EMEA resulted in some initial success.
- Integration activities of Longview's back office into Americas region in line with plan.
- A first pilot customer of Khalix 7, the new version of Longview Solutions' CPM suite, started implementation in Q4 2008.
- Longview Solutions was recognized in the "Visionaries" Quadrant for Corporate Performance Management Suites by leading analyst firm Gartner Inc.
- Major contract wins: Edgen Murray, HD Supply, Integrys Energy Group, Imperial Tobacco Group.

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## About Exact Software

Established in 1984, Exact Software is one of the world's leading providers of business software solutions. Its integrated solutions comprise traditional enterprise resource planning (ERP) as well as related software solutions such as human resource management (HRM), customer relationship management (CRM), corporate performance management (CPM), project management and electronic workflow.

Exact is headquartered in Delft, the Netherlands and has offices in Europe, the Middle East, North, Central and South America, Asia, Australia and Africa. With around 2,500 employees, subsidiaries in more than 40 countries, and solutions available in 40 languages, Exact currently serves customers in more than 125 countries.

Revenues in 2008 amounted to € 261.0 million. Exact Holding N.V. has been listed on Euronext Amsterdam since June 1999.

**For further information:**

Media Relations

Leoni Janssen

*Edelman*

Tel: +31 (0)20 3010980

e-mail: [leoni.janssen@edelman.com](mailto:leoni.janssen@edelman.com)

Investor Relations

Jeroen Bruins Slot

Tel: +31 (0)15 7501408

e-mail: [ir@exactsoftware.com](mailto:ir@exactsoftware.com)

Exact Holding N.V.

Poortweg 6

2612 PA Delft

P.O. Box 5066

2600 GB Delft

The Netherlands

The analyst meeting today at 10.00 hrs will be webcasted via the corporate website of Exact Software ([www.exactsoftware.com](http://www.exactsoftware.com)).

*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.*

## UNAUDITED CONSOLIDATED FINANCIAL INFORMATION UNDER IFRS

### Basis of preparation and accounting policies

#### **Basis of preparation**

The consolidated balance sheet, statement of income, cash flow statement and statement of changes in equity included in this press release do not include all the information and disclosures that will be included in the 2008 IFRS annual accounts.

#### **Accounting policies**

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the annual financial statements for the year ended December 31, 2008. The figures in this press release are based on IFRS standards and are unaudited.

### Interim Financial Information

<b>Consolidated balance sheet (unaudited)</b>	<b>December 31, 2008</b>	<b>December 31, 2007</b>
(in thousands of €)		
<b>ASSETS</b>		
<b>Non-current assets</b>		
Intangible fixed assets	115,783	122,683
Property, plant and equipment	14,887	17,864
Deferred income tax assets	4,754	5,225
Derivative financial instruments	266	826
<b>Total non-current assets</b>	<b>135,690</b>	<b>146,598</b>
<b>Current assets</b>		
Non-current assets held for sale	327	0
Inventory	414	627
Trade receivables	49,799	53,122
Other receivables and prepaid expenses	7,587	5,646
Short-term investments	25,834	50,650
Cash and cash equivalents	18,910	18,381
<b>Total current assets</b>	<b>102,871</b>	<b>128,426</b>
<b>Total assets</b>	<b>238,561</b>	<b>275,024</b>

<b>Consolidated balance sheet (unaudited)</b>	<b>December 31, 2008</b>	<b>December 31, 2007</b>
(in thousand of €)		
<b>EQUITY</b>		
Share capital	488	488
Capital surplus	64,750	89,802
Cumulative translation adjustment	(4,513)	(4,834)
Cash flow hedge reserve	(2,036)	(1,876)
Retained earnings	42,789	41,148
Net income	36,446	38,211
<b>Shareholders' equity</b>	<b>137,924</b>	<b>162,939</b>
Minority interest	1,459	2,704
<b>Total equity</b>	<b>139,383</b>	<b>165,643</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Earnout provisions and related liabilities	4,907	13,432
Provision for other liabilities and charges	1,958	2,626
Long-term loans	635	1,382
Deferred tax liabilities	5,870	5,573
Derivative financial instruments	1,087	154
<b>Total non-current liabilities</b>	<b>14,457</b>	<b>23,167</b>
<b>Current liabilities</b>		
Deferred revenue	63,174	59,640
Accounts payable and other liabilities	5,328	6,178
Corporate income tax	297	2,915
Other taxes and social securities	5,940	6,694
Accrued liabilities	9,982	10,787
<b>Total current liabilities</b>	<b>84,721</b>	<b>86,214</b>
<b>Total liabilities</b>	<b>99,178</b>	<b>109,381</b>
<b>Total equity and liabilities</b>	<b>238,561</b>	<b>275,024</b>

<b>Consolidated statement of income (unaudited)</b>		
(in thousands of €)	<b>2008</b>	<b>2007</b>
Licenses	74,257	77,399
Maintenance	129,630	125,213
Services	57,086	49,497
<b>Total revenue</b>	<b>260,973</b>	<b>252,109</b>
Revenue-related costs	18,700	18,556
Employee benefit expenses	135,698	126,827
Other operating expenses	35,158	34,915
Marketing and sales	13,214	14,775
<b>Total operating expenses before depreciation and amortization</b>	<b>202,770</b>	<b>195,073</b>
<b>EBITDA*</b>	<b>58,203</b>	<b>57,036</b>
Depreciation and amortization expense	8,830	7,244
<b>Operating income (EBIT)</b>	<b>49,373</b>	<b>49,792</b>
<b>Finance income</b>		
Interest income and other financial income	2,905	4,127
Interest expenses and other financial expenses	(2,113)	(1,486)
<b>Total finance income</b>	<b>792</b>	<b>2,641</b>
<b>Income before taxes</b>	<b>50,165</b>	<b>52,433</b>
Income tax expense	(13,340)	(13,321)
<b>Net income after taxes</b>	<b>36,825</b>	<b>39,112</b>
<b>Attributable to:</b>		
Equity holders of Exact	36,446	38,211
Minority interest	379	901

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

	<b>2008</b>	<b>2007</b>
Average number of shares outstanding (in thousands)	23,618	24,032
Average number of shares outstanding diluted (in thousands)	23,618	24,032
Earnings per share (in €)	1.54	1.59
Diluted earnings per share (in €)	1.54	1.59

<b>Consolidated Cash Flow Statement (unaudited)</b>		
	<b>2008</b>	<b>2007</b>
(in thousands of €)		
Net income	36,825	39,112
Amortization of intangibles and depreciation of property, plant and equipment	8,830	7,244
Other non-cash items	466	0
Increase/decrease in non current liabilities, excluding earnouts	(344)	(1,144)
Increase/decrease in deferred income tax assets	1,690	(150)
Increase/decrease in deferred revenue	3,616	369
Increase/decrease in current assets and current liabilities, (excluding tax)	(1,347)	2,752
Increase/decrease in income taxes payable	(2,609)	444
<b>Cash flow provided by operations</b>	<b>47,127</b>	<b>48,627</b>
<b>Cash flow used in investing activities</b>		
Acquisition of group companies, net of cash acquired	(863)	(40,944)
Proceeds from disinvestments in group companies	86	0
Capital expenditures on intangible assets	(2,785)	(2,574)
Capital expenditures on property, plant and equipment	(2,868)	(5,500)
Proceeds from disposal of property, plant and equipment	605	697
Earnout payments	(3,569)	(1,819)
<b>Cash flow used in investing activities</b>	<b>(9,394)</b>	<b>(50,140)</b>
<b>Cash flow used in financing activities</b>		
Dividend paid	(36,529)	(52,391)
Repurchase of shares	(25,052)	0
Repayment long-term loans	(744)	(2,351)
<b>Cash flow used in financing activities</b>	<b>(62,325)</b>	<b>(54,742)</b>
<b>Net increase / (decrease) in cash, cash equivalents</b>		
Opening balance cash and cash equivalents	69,031	127,813
Exchange rate differences	305	(2,527)
<b>Closing balance cash and cash equivalents</b>	<b>44,744</b>	<b>69,031</b>

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

	<b>December 31, 2008</b>	<b>December 31, 2007</b>
Cash and cash equivalents	18,910	18,381
Short-term investments	25,834	50,650
	<b>44,744</b>	<b>69,031</b>

**Consolidated statement of changes in equity (unaudited)**

<b>(in thousands of €)</b>	Share capital	Capital surplus	Cash flow hedge reserve	Cumulative translation adjustment	Retained earnings	<b>Shareholders equity</b>	Minority interest	<b>Total equity</b>
<b>Balances as at January 1, 2008</b>	<b>488</b>	<b>89,802</b>	<b>(1,876)</b>	<b>(4,834)</b>	<b>79,359</b>	<b>162,939</b>	<b>2,704</b>	<b>165,643</b>
Cash flow hedges			(160)			(160)		(160)
Currency translation adjustment				321		321		321
<b>Total income and expense for the period recognized directly in equity</b>	<b>0</b>	<b>0</b>	<b>(160)</b>	<b>321</b>	<b>0</b>	<b>161</b>	<b>0</b>	<b>161</b>
Net income					36,446	36,446	379	36,825
<b>Total income and expense for the period</b>	<b>0</b>	<b>0</b>	<b>(160)</b>	<b>321</b>	<b>36,446</b>	<b>36,607</b>	<b>379</b>	<b>36,986</b>
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 acquisitions						0	(1,624)	(1,624)
Long-term incentive plan					(42)	(42)		(42)
<b>Balances as at December 31, 2008</b>	<b>488</b>	<b>64,750</b>	<b>(2,036)</b>	<b>(4,513)</b>	<b>79,235</b>	<b>137,924</b>	<b>1,459</b>	<b>139,383</b>

#### Currency table (key exchange rates)

	<b>Average 2008</b>	<b>Average 2007</b>
<b>EUR / USD</b>	1.47	1.37
<b>EUR / GBP</b>	0.79	0.68
<b>EUR / MYR</b>	4.90	4.73
<b>EUR / PLN</b>	3.53	3.80