UNIT4 N.V. reports continued growth in FY2011
Group well positioned as move to Saas/Subscription accelerates

Sliedrecht, 21 February 2012: UNIT4 N.V., the international Business Software group listed on the Amsterdam Stock Exchange, today announced its Financial Results for 2011. UNIT4 specializes in software for fast-changing organizations in the public and private sectors.

Full year 2011

- **Total revenue increased 8% to €454.7 million (2010: €421.7 million)**
- **EBITDA, including Financialforce.com, rose 2.1% to €87.9 million (2010: €86.1 million)**
- **EBITDA, excluding Financialforce.com, increased 2.2% to €94.0 million (2010: €92.0 million)**
- **Net profit before goodwill increased 11.1% to €48.0 million (2010: €43.2 million)**
- **Earnings per share (before goodwill-related items) rose 7.9% to €1.64**
- **Product revenue increased 10.0% to €80.0 million (2010: €72.7 million)**
- **SaaS & subscription revenue grew 45.1%**
- **Significant increase in dividend: €0.40 per share (2010: €0.25 per share)**
- **Operating cash flow improved by 9% to €91.1 million (2010: €84.1 million)**
- **Strong performance from FinancialForce.com, with excellent prospects for further high growth**
- **Acquisitions in the year have positioned the company to enter the business analytics market aggressively and to extend market reach in Asia**

Revenues

amounts in millions of €	2011	2010	Δ%
Products	80.0	72.7	10.0%
Services & others	154.5	146.0	5.8%
Contracts	181.6	176.4	2.9%
SaaS & subscriptions	38.6	26.6	45.1%
Net revenues	**454.7**	**421.7**	**7.8%**

In a difficult year for the global economy UNIT4 showed good growth in most key areas and the UNIT4 management feels it is well placed for further growth in 2012. SaaS & subscription revenues continued a very strong upward trend and overall product revenue enjoyed double digit growth. Regionally we performed particularly well in Scandinavia, North America and Asia. FinancialForce.com, our cloud applications company, is well positioned in a rapidly growing market and is on a fast growth trajectory.

The first half of 2011 saw particularly strong performance, while in the second half the group felt some impact of the economic downturn with investment decisions being reviewed or delayed in certain regions. However the delays appeared temporary; although a number of deals did not close as expected in October and November, December was a record month. We see this as encouraging because the delay in decision making was shorter than in the 2009 downturn, suggesting companies and managers are realizing the short and long term benefits of investing in technology to make their organizations more efficient and responsive to change.

In 2011 total revenue grew by 7.8% to €454.7 million (2010: €421.7 million), proving the resilience of our business model in a difficult global market. This is in part because a significant amount of our revenues are recurring, and also thanks to a number of our key operations putting in good growth figures.

An increasing number of customers are choosing the subscription model, with their software delivered as a service. SaaS & subscription revenues grew by an impressive 45.1% to €38.6 million (2010: €26.6 million), even faster than in the previous year. The annual run rate increased from € 30.3 million in December 2010 to € 43.5 million in December 2011, an increase of €13.2 million, or approximately 44%. FinancialForce.com performed particularly strongly and is set to accelerate growth in 2012.

Although subscriptions grew strongly product revenue also performed well, increasing 10% to €80.0 million (2010: €72.7 million). We were particularly pleased to see the number of significant deals (above €1 million) growing, a sure sign that we are competing and winning against the large ‘tier 1’ players in the market. Large deals included: Addis Ababa Water and Sewerage Authority in Ethiopia (via Sweden); the City of Oslo in Norway; and Magnox in the UK. Two major subscription deals were signed, each worth more than €3 million: one in the Netherlands with Achmea Vitale; and one in Germany in the local government sector.

Service revenue grew 5.8% to €154.5 million (2010: €146.0 million).

Revenues from contracts (maintenance) rose almost 3% to €181.6 million (2010: €176.4 million).

Operating margin

amounts in € 1 million, unless otherwise stated	**2011**	**2010**	**Δ%**
Revenue	**454.7**	**421.7**	**7.8%**
Gross margin	410.7	385.5	6.5%
Gross margin%	90.3%	91.4%	-1.1 pts
Personnel costs	273.8	250.3	9.4%
Other operating expenses	49.0	49.1	-0.2%
EBITDA	**87.9**	**86.1**	**2.1%**
FinancialForce.com investment	6.1	5.9	3.4%
EBITDA before FinancialForce.com investment	**94.0**	**92.0**	**2.2%**
EBITDA margin	19.3%	20.4%	-1.1 pts
EBITDA margin before FinancialForce.com investment	20.7%	21.8%	-1.1 pts

In a year that saw increased investment in FinancialForce.com and more restructuring costs (Spain, R&D), EBITDA still grew by 2.1% to €87.9 million (2010: €86.1 million). The EBITDA margin declined from 20.4% to 19.3%, which can be attributed mainly to a large order in Poland that included a third party hardware element with lower margins, and the trend towards the SaaS & subscription billing model.

As announced in our 2011 outlook, reorganizations took place across several R&D locations in line with on our strategic plan to increase cost-effectiveness of our R&D activities and grow our R&D center in Granada, Spain. We also restructured our operations in Germany and Spain. In total reorganization costs were €5.0 million (2010: €3.3 million).

Excluding exceptional items (FinancialForce.com and restructuring), EBITDA increased by almost 4% to €99.0 million (2010: €95.3 million), representing an EBITDA margin of 22.7%

Personnel costs across the group increased by 9.4% driven by growth at FinancialForce.com as we continue to recruit to meet market demand, the full year consolidation of Teta in Poland and two other small acquisitions in 2011. The (average) number of employees increased by 10.4% to 4,048 FTEs.

Net profit

amounts in € 1 million, unless otherwise stated	2011	2010	∆%
EBITDA before FinancialForce.com investment	**94.0**	**92.0**	**2.2%**
FinancialForce.com investment	6.1	5.9	3.4%
Depreciation on goodwill related items	27.5	25.8	6.6%
Depreciation on intangible fixed assets, property, plant and equipment	21.8	20.2	7.9%
Net Finance charges	4.1	6.4	-35.9%
Profit before tax continuing operations	**34.5**	**33.7**	**2.4%**
Income tax	8.0	8.0	0.0%
Income tax %	23.2%	23.7%	-0.5 pts
Profit after tax continuing operations	**26.5**	**25.7**	**3.1%**
Discontinued operations	0.0	-1.6	pm
Net profit	**26.5**	**24.1**	**10.0%**
Net profit (before goodwill related items)	48.0	43.2	11.1%
Earnings per share (in €)			
EPS (basic)	0.93	0.82	13.4%
EPS (before goodwill)	1.64	1.52	7.9%

Net profit increased by 10.0% to €26.5 million, and net profit before goodwill increased by 11.1% to €48.0 million. Earnings per share (before goodwill) grew by 7.9% to €1.64.

The depreciation on goodwill related items increased primarily because of acquisitions.

Income tax in 2011 was flat, while finance costs were lower due to a revaluation of the interest hedges.

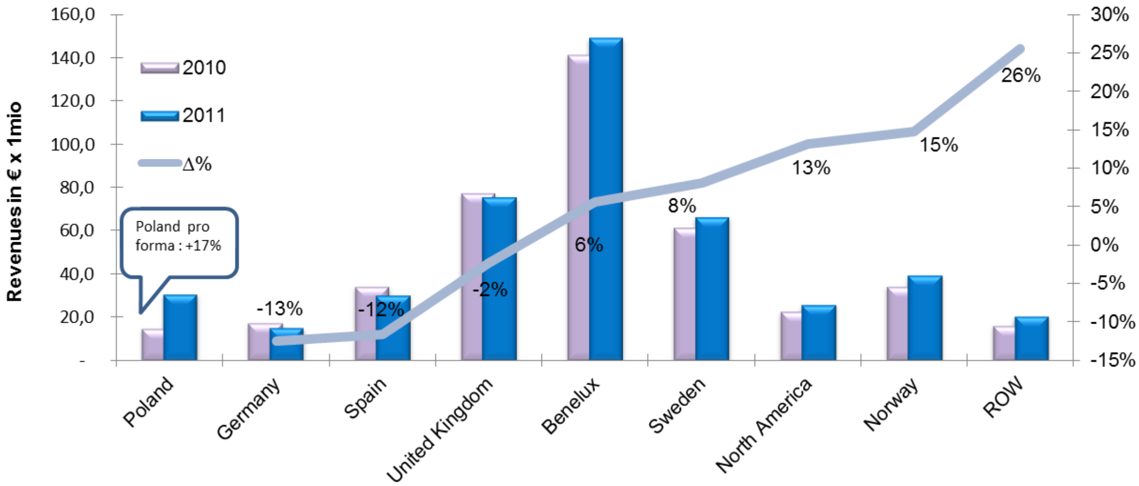
Liquidity position and cash flow

Operating cash flow improved by 9% to €91.9 million (2010: €84.1 million), primarily due to the improved operating results. The working capital development (+€4.7 million) is the result of continuous attention towards credit management and assumed general satisfaction of our customer base.

The free cash flow (operating cash flow minus capital expenditure, tax and interest) grew by 11% to €34.2 million (2010: €31.5 million).

The cash position at the end of December 2011 was an overdraft of €10.1 million, while the net debt position was €117.3 million.

International growth



Positive revenue growth in a number of countries exceeded market levels, namely Singapore (+20%) (included in RoW), Norway (+15%), North America (+13%), Sweden (+8%) and Benelux (+6%). There was strong activity in both the private and the public sector in these regions.

The Benelux region grew by 6%, with good performance in the general business software market (ABW, Coda and Wholesale & Distribution), the SME market (Multivers On-line), and software for auditors and healthcare institutions. In total revenue grew by 6% in the Benelux region.

The UK's performance (minus 2%) was impacted in the third quarter by the sluggish economy. Although most deals were finally closed in December, a number of deals slipped into 2012. Additionally, the move towards SaaS/shared services in the public sector put pressure on revenue growth though UNIT4 is well positioned to benefit from this growing market over the coming years.

The economic climate in Spain remains challenging and the business was reorganized during 2011. The revenue in this region declined by 12%. In Germany, a management reorganization in the first half of the year resulted in a temporary revenue decline of 13%. A number of strong deals were closed in the second half, including a large subscription deal that could not be fully recognized in 2011.

Our 2010 acquisition in Poland, Teta, performed well with pro forma revenue growth of 17%.

FinancialForce.com

FinancialForce.com, our US-based cloud applications company formed with minority investment from salesforce.com, grew strongly in 2011. It was an important year for the team who succeeded in significantly extending the customer reference base and created a solid basis for further growth and investments.

The annual revenue run rate (including services) was over $9 million by December 2011.

The launch in early 2011 of FinancialForce Professional Service Automation (PSA) added significant value, both in terms of revenue and the strategic direction of the company. The product line has contributed strongly to the growth in new customers and in the size of new deals.

A pleasing trend is the increasing number of customers taking both Accounting and Professional Services Automation (PSA) applications, driving larger average deal sizes. The largest deal secured to date had a total multi-year contract value of almost $1 million. FinancialForce.com has staff in US, UK and Spain. FinancialForce.com has customers in more than 25 countries and users in more than 45 countries.

Acquisitions

Exie

In 2011 we acquired Exie AS, a Norwegian software company known for its visionary and change embracing ‘people driven’ performance management solutions.

The technology behind Exie’s unique solutions originated in Oslo University. The highly advanced corporate performance management (CPM) capabilities are designed specifically for rapid and widespread adoption across organizations serving dynamic markets. It drives financial outcomes and accountability across the enterprise and thus effectively involves the entire organization in analyzing the business and delivering strategy. Exie technology can be used to deliver budgeting, forecasting, analytics, CPM, financial and management reporting solutions.

Exie’s technology has allowed us to create a series of strategically important product developments. It forms the basis for a new line of strategic products called UNIT4 Business Analytics, giving us our own performance management tools which will be available internationally and linked with Agresso Business World and Coda Financials, amongst others. Potentially even more significant is a radical new approach to the business analytic market which will see UNIT4 develop focused analytic applications for specific markets and business areas, delivered via an online applications store, that will be faster to implement, less costly and quicker to deliver a return on investment for our clients than traditional alternatives.

Prosoft

In order to continue expanding in Asia, in August 2011, we acquired Singapore-based Professional Software Systems Pte Ltd (Prosoft). Prosoft specializes in human resources (HR) software solutions, servicing around 300 customer organizations across Singapore, Malaysia, Indonesia, Thailand, Philippines, Japan, Hong Kong and the United Arab Emirates.

Revenues over 2011 were approximately €3.0 million, and profitability is in line with UNIT4 as a whole. Prosoft and its 46 staff will continue to support the company’s extensive customer base and develop its own solutions, which will be integrated with UNIT4’s business software solutions, leading to significant synergies.

Outlook
While 2012 is again expected to be a challenging year, we are confident that we remain relatively resilient to economic headwinds, especially given our recurring revenues and flexible cost structure. The main uncertainty in the immediate future is the speed at which the market will shift from traditional licenses towards SaaS/subscription billing. Although the traditional license model – especially in the business software market (ERP) – will certainly continue in the coming years, the degree and speed with which the market will move towards subscription billing is difficult to estimate. Against this background UNIT4 management expects growth in the single digit range in both revenues and EBITDA in 2012.

Dividend
We propose to make a dividend payment of €0.40 per share (2010: €0.25 per share) over the financial year 2011. This emphasizes our confidence in the company's financial position.

Risks and uncertainties
The risks and uncertainties, including the measures undertaken to control risk, did not change substantially during the last reporting period, nor are changes expected in the coming six months. An extensive description of the risks and uncertainties can be found in the 'Risks and risk management' section of the 2011 annual report.

This document contains certain future expectations about the financial state of affairs and results of the activities of UNIT4 as well as certain related plans and objectives. Such expectations for the future are naturally associated with risks and uncertainties because they relate to future events, and as such depend on certain circumstances that may not arise in the future. Various factors can cause real results and developments to deviate considerably from explicitly or implicitly made statements about future expectations. Such factors may for instance be changes in expenditure by companies in important economies, statutory changes and changes in financial markets, in pension costs, in the salary levels of employees, in future exchange and interest rates, in future takeovers or divestitures and the pace of technological developments. UNIT4 therefore cannot guarantee that the expectations will be realized. UNIT4 also will not accept any obligation to update statements made in this document.

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About UNIT4 www.unit4.com
UNIT4 is a global business software and services company aimed at helping dynamic public sector, and commercial services organizations to embrace change simply, quickly and cost effectively.

The Group incorporates a number of the world's leading change embracing software brands including Agresso Business World, our flagship ERP suite for mid-sized services intensive organizations and Coda, our best-of-class financial management software.

With operations in 17 European countries, as well as 7 countries across North America, Asia Pacific and Africa and sales activities in several other countries, its revenue was €454.7 million in 2011.

UNIT4 is headquartered in Sliedrecht, the Netherlands and has over 4,200 employees. It is listed on Euronext Amsterdam and is included in the Amsterdam Midcap Index (AMX). For more information on UNIT4 or any of its operating companies, please visit the website at www.unit4.com, follow us on Twitter @UNIT4_Group or join us on Facebook at www.facebook.com/UNIT4BusinessSoftwareNV.

1. CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2011

(€ x 1,000)	2011	2010
Continuing operations		
Products	79,922	72,687
Services and other	154,526	146,027
Contracts	181,659	176,409
SaaS and Subscriptions	38,522	26,615
Revenue	**454,629**	**421,738**
Cost of sales	43,913	36,212
Gross profit	**410,716**	**385,526**
Employee costs	273,852	250,352
Other operating expenses	49,005	49,090
Operating result before depreciation and impairment (EBITDA)	**87,859**	**86,084**
Depreciation of property, plant and equipment and amortisation of intangible assets	49,248	46,023
Operating result (EBIT)	**38,611**	**40,061**
Finance costs	11,517	10,424
Finance income	7,486	3,995
Share of profit of an associate	-77	4
Profit before tax	**34,503**	**33,636**
Income tax	8,012	7,938
Profit for the year from continuing operations	**26,491**	**25,698**
Discontinued operations		
Result for the year from discontinued operations	0	-1,634
Profit for the year	**26,491**	**24,064**
Attributable to:		
Shareholders of UNIT4	27,080	23,406
Non-controlling interests	-589	658
	26,491	24,064

2. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2011

(€ x 1,000)	31 December 2011	31 December 2010 [1]
Assets		
Non-current assets		
Intangible assets	359,472	366,023
Property, plant and equipment	35,357	35,456
Investment in associates and joint ventures	5,212	90
Other financial assets	4,030	2,269
Deferred tax asset	22,393	15,271
	426,464	**419,109**
Current assets		
Inventories	3,730	3,743
Trade and other receivables	97,832	107,298
Income tax asset	457	1,691
Other taxes	754	1,066
Cash and cash equivalents	21,366	36,007
	124,139	**149,805**
Total assets	**550,603**	**568,914**
Equity and liabilities		
Equity		
Issued capital	1,465	1,461
Share premium	311,406	310,313
Currency translation differences reserve	-19,835	-20,651
Retained earnings	-89,237	-98,810
Profit for the year	27,080	23,406
Equity attributable to UNIT4	**230,879**	**215,719**
Non-controlling interests	8,240	11,252
Total equity	**239,119**	**226,971**
Non-current liabilities		
Interest-bearing loans and borrowings	84,631	106,473
Pension obligations	4,278	2,553
Deferred tax liability	37,163	39,546
Provisions	1,962	2,903
	128,034	**151,475**
Current liabilities		
Provisions	1,986	2,065
Trade and other payables	16,482	17,844
Interest-bearing loans and borrowings	54,480	57,847
Income tax payable	8,025	12,169
Other taxes	20,529	21,250
Other liabilities, accruals and deferred income	81,948	79,293
	183,450	**190,468**
Total equity and liabilities	**550,603**	**568,914**

[1] In line with IFRS 3.45 the statement of financial position as per 31 December 2010 has been restated.

3. CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2011

(€ x 1,000)	2011	2010
Cash flows from operating activities		
Operating result (EBIT) from continued operations	38,611	40,061
Operating result (EBIT) from discontinued operations	0	-2,372
Operating result (EBIT)	**38,611**	**37,689**
Adjustments for:		
Depreciation and impairment	49,248	46,044
Share-based payments	631	343
Changes in provisions	-691	-538
Changes in operating capital	4,115	622
Cash flows from operations	**91,914**	**84,160**
Interest paid and received	-1,657	-4,254
Income tax paid	-19,325	-15,524
Cash flows from operating activities	**70,932**	**64,382**
Cash flows from investing activities		
Investments in intangible assets	-25,408	-21,142
Acquisition and divestment of subsidiaries, net of cash and cash equivalents acquired	-11,194	-69,875
Investment in derivatives	0	-1,345
Investment in associates	-5,199	0
Investments in other financial assets	-1,551	-1,031
Repayment of other financial assets	814	121
Dividend from securities	38	135
Investments in property, plant and equipment	-6,232	-5,744
Cash flows from investing activities	**-48,732**	**-98,881**
Cash flows from financing activities		
Proceeds from issue of shares	1,097	53,181
Payments of borrowings	-23,223	-23,232
Dividends paid	-7,596	-5,447
Interest paid	-5,116	-5,975
Proceeds from borrowings	846	728
Acquisition of non-controlling interest	-3,748	0
Cash flows from financing activities	**-37,740**	**19,255**
Net cash flows	-15,540	-15,244
Currency translation differences	4,266	1,695
Cash and cash equivalents at 1 January	1,160	14,709
Cash and cash equivalents at 31 December	**-10,114**	**1,160**