

UNIT4AGRESSO

Unit 4 Agresso realizes important organic turnover growth (+14%) in 2007

Slidrecht, the Netherlands, 26 February 2008

- Total turnover increases with 39% to € 320.5 million (2006: € 230.7 million**)
- EBITDA increases with 29% to € 54.9 million (2006: € 42.4 million**)
- Turnover from maintenance contracts again shows sizeable growth: +44%
- Earnings per share* increase with 34% to € 1.50
- Organic growth requires substantial investments in personnel

* Excluding goodwill related impairment charges and depreciations.

** Because of the intended divestment of certain activities of Agresso France, the results of these activities are categorized, in accordance with IFRS, under "discontinued operations". The comparing figures for 2006 were adjusted accordingly.

General

Unit 4 Agresso realized a healthy turnover growth in 2007 in accordance with expectations and a strong growth of the earnings per share* of 34%. Both the turnover and profit growth were supported throughout the organization. In addition to the good performance of Agresso Business World in a large number of countries, our product offering in the Benelux contributed considerably to the results. The intended acquisition of the British Coda Plc, announced on 31 January 2008, is the next step in the execution of our growth strategy.

Growth

With an organic growth of 14% Unit 4 Agresso again outperformed the market for business software. Total turnover increased from € 230.7 million to € 320.5 million (+39%), also due to the complete consolidation of the German and Spanish activities acquired in 2006. Among others the strong demand for our international product Agresso Business World led to a strong organic growth of approx. 14%. In the first half of the year the growth was driven mainly by license sales, in the second half of the year the focus was on implementing and finalizing these projects. The positive side of this development is that never has the order book been so well filled at the beginning of a year.

Turnover spread by category

Turnover from products (licenses) showed a steady growth in 2007 and increased by 26% to € 67.6 million (2006: € 53.8 million). The organic turnover growth of Agresso Business World licenses amounted to 9%.

Both existing and new customers form the growing and solid base for our turnover from maintenance contracts, that rose by 44% to € 130.4 million (2006: € 90.8 million). As a percentage of the total, the turnover from maintenance contracts increased to a level of 40.7% (2006: 39.4%). This turnover category is particularly important due to its recurring nature. Besides that, the growth factor is related directly to the license turnover and the satisfaction of existing customers. The consistent rise in the share of turnover from maintenance and services means an improvement of Unit 4 Agresso's risk profile since it diminishes the dependence on the economic climate and the market's willingness to invest.

Turnover from services rose by 42%. The largest part of these services consists of the implementation of the software at our clients. The development of the turnover from these services is closely connected with the development of license turnover. Unit 4 Agresso invested substantially in additional personnel in 2007 to keep up with the rising demand for software implementation. The average number of employees (FTE) rose by 32% to 2,702.

Intended acquisition of Coda

On 31 January 2008 the intention was announced to acquire the British company Coda. Coda provides high-quality financial management software and realized a turnover of approx. € 72.0 million in 2006 with 570 employees. The new combination, which will benefit customers, shareholders and employees, will result in an expansion of our product offering and produce substantial economies of scale. The market positions in the United Kingdom, Spain, the Scandinavian countries, the Benelux, France, Germany and the United States will be strengthened. Besides that Coda will provide an entrance into the emerging markets in Central and Eastern Europe and Asia. The different verticals and countries Unit 4 Agresso and Coda operate in, will offer good cross selling opportunities in the coming years.

BLINC proposition catches on

In 2007 Agresso Business World continued to be the driving force behind our international growth. The positioning, sharpened in 2006, as the solution for Businesses Living IN Change, BLINC organizations, bore fruit. We increasingly succeed in founding our advice and sales arguments on the specific business operations and objectives of our customers and prospects. We explain the operational and strategic advantages of Agresso Business World to managers of BLINC organizations and can present them with the financial advantages most precisely. The high flexibility after implementation is what makes Agresso Business World perfectly suitable for organizations where changes to the business model or the business processes are essential. This competitive advantage will keep on stimulating our international growth. The strong organic turnover growth in the United Kingdom (+15%), Sweden (+21%), Norway (+15%) and the US (+62%) is almost entirely attributable to the sales of Agresso Business World. We notice that Agresso Business World reaches more and more vertical markets and increasingly larger organizations as well. The past year we received large orders from, among others, the Dutch dredging company Van Oord and from Skilled Group, a leading supplier of personnel services in Australia.

Broad growth basis

The basis for our growth is broader than just Agresso Business World. With local products, especially in the Benelux and Spain, we often attain strong and profitable (niche) positions, which, in addition, can form a basis for national and international cross selling.

The turnover growth of our Benelux activities illustrates this. The turnover increased from € 84.0 million to € 100.2 million (+19%), approx. 31% of our total turnover. In the accountancy market, the payroll market and the market for small and medium-sized enterprises Unit 4 Agresso has extensive market knowledge, a strong network and innovative products which leads to frequent cross-selling between these three markets. Currently 75% of the Dutch accountancy firms and administrative offices work with Unit 4 Agresso software. In the payroll market we strengthened our position through good organic growth and the acquisition of payroll software specialist Lopac, resulting in a 20% market share. The number of customers of our SME product Unit 4 Multivers, recommended by many accountants, rose to over 17,000. The strong turnover growth of Agresso Business World, which up till now had a modest position in the Benelux, contributed considerably as well. Our products for wholesale and distribution, health care and the insurance and mortgage intermediary also developed well in the Benelux.

In Germany (+50%) and Spain (+259%) turnover developed according to expectations, although the license sales for Agresso Business World in the public sector in Spain lagged behind. Following the 2006 acquisitions, integrations and organizational adjustments took place, creating better growth potential for 2008. In Sweden (+24%) and Norway (+15%) the total turnover growth was largely realized through the sales of additional products and services to existing customers. The United Kingdom performed (+15%) particularly well in the private sector and profited from several large international projects. In France (-9%) the focus was on the completion of a number of very large orders from 2006. Eventually it was decided to sell our French organization to the current management, which will continue the sale of our products in the role of distributor. The activities relating to maintenance contracts and product development will be continued by Unit 4 Agresso. Turnover from these (continuing) activities rose by 8% in 2007.

Capacity enables growth

The demand for Agresso products in some regions is such that the waiting periods for implementation are becoming relatively long. In the current tight labour market it is a challenge to expand our capacity. In 2008 extra investments will be done to recruit new partner organizations for the marketing, sales, implementation and maintenance of our products. This way the shortage of consultants can be limited and growth can be stimulated and accelerated in a cost effective manner. Unit 4 Agresso's reputation in the market has gained in strength in the past years and the growth potential is becoming increasingly clear to all parties. This makes it attractive to partners to invest in knowledge of the Agresso product. In 2007 a partnership was set up with AH Consulting, an organization with an extensive network in Africa and the Middle East. We will yield the first results from this partnership in 2008.

Operational result

The operational costs rose from € 164.2 million to € 222.1 million (+35%). The main reasons for this were the acquisitions, especially in Spain and Germany, the extra hiring of external staff and the large number of newly hired employees. The EBITDA margin decreased to 17.1% (2006: 18.4%) due to investments in personnel and because some of the companies acquired in 2006 (CCS, Dogro, Kirp and Amedia) have a margin that is below that of the Unit 4 Agresso Group. Synergy and cooperation will improve the margins of the acquisitions in the coming years. Because of the increasing demand for Unit 4 Agresso's products a need for substantial expansion of our (implementation) capacity arises. Compared to the first half of 2006 we organically took on approx. 300 (+16%) additional employees, mainly consultants. These employees need to receive training first before they can contribute to the result. The advantages already became apparent in the second half of the year. In the first half of 2007 many external employees were hired as well, which is reflected in a decrease of the gross margin (2007: 86.4% and 2006: 89.5%).

Net earnings per share: +34%

The earnings per share before depreciations and impairment related to acquisitions increased by 34% to € 1.50. This includes, among other things, the result of the sale of the NOXS activities, the loss of NOXS in the first three months of 2007 and the results of the adjusted distribution structure in France. The net result rose by 37% to € 25.0 million (2006: € 18.3 million). The net result of the continuing operations amounted to € 23.8 million (2006: € 20.5 million). The goodwill related impairment and depreciations amounted to € 14.0 million in 2007 (2006: € 10.6 million).

Net result attributable to minority interests

Since 15 December 2007 Unit 4 Agresso has a 100% call option on a software company, specialized in governments, in Central/Eastern Europe. Currently a due diligence exercise is in progress and the decision will have to be taken if and at what conditions the acquisition will take shape. In accordance with IFRS regulations, the result of this organization in the period 15 December 2007 - 31 December 2007 is consolidated and also incorporated in the 'Net result attributable to minority interests' (€ 2.4 million). 50% of the net result regarding the 50% interest in Amedia is categorized in this category as well.

Balance sheet

The group equity (attributable to shareholders of Unit 4 Agresso) rose to the amount of € 137.1 million. The solvency improved from 35% to 37%. The net cash position increased to a level of € 15.4 million positive (2006: € 17.3 million negative).

Prospects

The prospects for 2008 are promising, especially with the intended entry of Coda into the group in April. Management is currently working on the integration plans. As far as the organic growth is concerned, again we expect to be able to outperform the market. We hold on to an organic growth in the range of 7-10% in 2008. We are also positive about the development of the operational results in 2008. The main reason for the acquisition of Coda is to strengthen the market position of the company as a whole and further increase the profitability. For the medium term (2-5 years) the synergy (positive effect on EBITDA) should come out to at least € 4 million per year, phased in time. Another objective will be to increase the EBITDA margin to a level of at least 20% during this period.

Dividend

Over 2006 an ordinary dividend was paid out of € 0.25 per share. Following the sale of the NOXS activities an extraordinary dividend of € 0.50 was paid. Following this policy a dividend of € 0.25 over 2007 will be proposed as well*.

* Should any important strategic acquisitions occur prior to the date of the General Meeting of Shareholders, management reserves the right to adjust the dividend proposal

This document contains certain expectations for the future concerning the financial position and results of Unit 4 Agresso's activities and certain plans and objectives related to this. It is in the nature of such expectations that they entail certain risks and uncertainties, since they relate to future events and are thus dependent on whether certain conditions actually will occur in the future. Several factors can cause the actual results and developments to differ considerably from statements made about the future explicitly or implicitly. Examples of such factors are a change in spending of companies operating in important economies, changes in legislation, in financial markets, pension costs, salaries of employees, future exchange rates and interest, future takeovers or divestments and the speed of technological developments. Therefore, Unit 4 Agresso cannot guarantee that expectations will come true. Furthermore, Unit 4 Agresso dismisses every obligation to actualize statements made in this document.

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Unit 4 Agresso is a leading international producer of business software for service companies and organizations. With offices in 10 European countries, the United States and Canada and sales activities in several other countries a turnover of € 321 million was realized in 2007. Unit 4 Agresso is headquartered in Sliedrecht, the Netherlands. Year-end 2007 Unit 4 Agresso had 2,904 employees.