



Total number of pages: 9

PRESS RELEASE

's-Hertogenbosch, 9 March 2006

Ctac books strong increase in turnover and profit in 2005

- Turnover up 74% at EUR 22.7 million; organic growth +35%
- Net profit rises to EUR 1.0 million
- Deliberate choice for specialist niches bears fruit
- Successful launch for Re-Spect and Alphalogic and substantial growth for mYuice

EUR million (unless otherwise stated)	2005	2004	%
Turnover	22.7	13.0	74
Operating profit	1.8	0.2	↑
Net profit	1.0	0.1	↑
Net earnings per share (in EUR)	0.12	0.02	↑
Dividend per share (in EUR)	0.12	0.02	↑

SAP-services provider Ctac, partly as a result of a strong fourth quarter, booked net profit of EUR 1.0 million in 2005, from EUR 0.1 million in 2004. Net earnings per share were EUR 0.12. Turnover was up 74% to EUR 22.7 million, which means the strong growth in the first half of the year also continued in the second half. In all activities, capacity utilisation increased and results improved.

Wil Huijben, Chairman of the Board of Directors and CEO of Ctac: "During the whole of 2005, we noted an increasing willingness among our clients to invest in ICT. The strong growth in the small and medium-sized business segment and the fact that we added new specialisations to our 'Powerhouse' business model enabled Ctac to strengthen its market position in 2005. This is notable in both a substantial increase in our turnover, 74% in total and 35% organic, and in an improvement of the results in all our business units."

Turnover and profit: improved results in all business units

Turnover

In the past year, all Ctac business units saw their activity level increase. This has resulted in a total increase in turnover of 74%. Organic growth was 35%. The successful launch of the new business units Re-Spect and Alphalogic and the substantial growth seen at mYuice, launched last year, played an important role in this respect. The further development of these new business units, each with their own expertise for a specialist niche in the SAP market, is a core part of the "Powerhouse" concept with which Ctac is increasingly positioning itself in the market.

Turnover in 2005 rose to EUR 22.7 million, from EUR 13.0 million in 2004. The average number of chargeable employees increased to 132 in 2005 from 91 in 2004. Turnover per



chargeable employee grew to EUR 172,000 in 2005, from EUR 143,000 the previous year. Consultant tariffs on average remained fairly stable across the board.

Turnover per business unit

(in EUR x 1,000)	2005	2004
Application Management & Improvements, Integration Management, Blgrip, Ytool	15,368	11,750
mYuice	2,226	1,269
Yanta	475	
Re-Spect	3,375	-
Alphalogic	1,260	-
Total	22,704	13,019

Purchase value

The composition of turnover in 2005 changed compared with the previous year. The purchase cost for software licences and maintenance contracts increased to EUR 2.3 million in 2005, from EUR 1.1 million in 2004. In addition, as a result of the strong increase in demand on projects, more external resources were used (2005: for EUR 2.9 million, from EUR 1.4 million in 2004), which also led to an increase in the purchase value of turnover.

Costs and capacity utilisation level

With effective cost controls, total operating expenses increased by 51%, less rapidly than turnover. Personnel costs were up 55%. This increase was largely due to the acquisitions of Alphalogic (51% stake) and the Engineering and Maintenance activities of PDM group, and to staff expansion at all business units. In total, the number of employees at Ctac increased by 32% to 191 at year-end 2005, from 145 at year-end 2004. Personnel costs also increased as a result of ordinary wage cost increases, higher training costs and higher selection costs. The capacity utilisation improved at all business units.

Operating result

Ctac realised an operating profit of EUR 1.8 million in 2005, from EUR 0.2 million in 2004. The improvement in the profit is a direct consequence of the improved capacity utilisation at group level.

Net profit and earnings per share

Net profit after deduction of taxes and third-party shares (related to the majority stakes in mYuice, Re-Spect and Alphalogic) came in at EUR 1.0 million, which means net earnings per share of EUR 0.12.

Dividend

Partly in view of its strong financial position, Ctac proposes to pay out the full net profit for the financial year 2005 to the shareholders. This translates into a dividend of EUR 0.12, to be paid in cash, which is equivalent to a 100% pay-out ratio.

Balance sheet

Ctac's balance sheet remains strong. The shareholders' equity expressed as a percentage of the total capital as per year-end 2005 was 56%, from 64% in 2004. Ctac has only short term debts and no long-term obligations. The item current assets increased to EUR 5.0



million, from EUR 2.3 million at year-end 2004. The strong balance sheet position gives Ctac sufficient potential to further develop its "Powerhouse" concept in the years to come.

Cash flow

The cash flow from operational activities was positive at EUR 2.8 million in 2005, from EUR 0.6 million in 2004. In 2005, Ctac invested EUR 1.1 million in fixed assets. Net cash flow in 2005 was EUR 2.6 million, from EUR 0.1 million in 2004.

IFRS

Ctac is reporting its 2005 annual results, including comparable figures for 2004, according to IFRS (International Financial Reporting Standards). To this end, a new opening balance sheet has been drawn up for 2005, to show the differences in capital under Dutch accounting standards and under IFRS. With the exception of financial fixed assets, there were no major effects. The item financial fixed assets includes a deferred tax claim based on losses which is tax compensable in the Netherlands. This deferred liability was previously included in the consolidated balance sheet and valued at cash value. IFRS prescribes valuation at nominal value. The effect is a higher valuation of the financial fixed assets on the 2005 opening balance sheet. As a result, the balance sheet total increased to EUR 10.5 million, from EUR 9.5 million, and shareholders' equity rose to EUR 6.7 million, from EUR 5.7 million. As a result of this change in accounting standards, the solvency changed to 64% from 60% as per 1 January 2005.

Developments per business unit

Application Management & Improvements

Turnover from Ctac's SAP management activities increased. Various SAP management contracts have been extended and new multi-year management and hosting contracts have been closed. In addition, an increase was noted in demand for SAP optimisation projects. The data centre in Den Bosch has been fitted with a new infrastructure, which allows Ctac to offer services in the fields of data communication facilities, storage solutions and availability concepts at a higher quality level. This has resulted in a number of large clients deciding to contract out their entire SAP environment to Ctac. Intensive cooperation with mYuice, Re-Spect and Alphalogic has resulted in new management clients in these segments.

Integration management

The growing demand for the integration of ICT systems and organisations is resulting in a greater demand in the market for integration tools. Ctac was awarded contracts particularly in the field of integration and EDI. In the field of SAP Enterprise Portals, Ctac also notes increasing interest in the possibilities of implementing a portal. Portals enable users to use a variety of software applications efficiently, which in turn lead to a spin-off towards integration projects.

Blgrip

Ctac notes increasing interest among its clients in the field of Business Intelligence. With the increasing complexity and speed of doing business, there is a growing need for faster and accurate management data. Blgrip offers a diverse package of solutions in the field of Business Intelligence. Herewith, companies are given the possibility to thoroughly analyse available data and present these in a structured manner to all layers of management within an organisation, improving the quality and speed of decision-making.



Ytool (Engineering and Maintenance)

As per 1 September 2005, Ctac acquired the "SAP-system integration activities" of PDM Group ("PDM"). The SAP activities acquired have been placed in a new business unit, named Ytool, which focuses on the engineering and maintenance sector. This makes these activities the seventh business unit within Ctac's "SAP Powerhouse" model. The new group of professionals has unique expertise in the field of engineering and maintenance and is one of the few in this field to have developed a strong track record through SAP-certified partners. In 2005, the turnover generated by the acquired activities was still limited. The activities were consolidated as per 1 September 2005.

mYuice / Yanta

The activities of mYuice, which focuses specifically on SAP solutions for the small and medium-sized enterprises segment (SME) with SAP All in One and SAP Business One implementations, have more than doubled. In addition to being a partner for SAP All-In-One, mYuice also became a reseller for SAP Business One in 2005. Moreover, Deloitte Touche Tohmatsu and SAP have chosen mYuice as a partner for the Food and Beverage markets. This means mYuice now has solutions for the following markets: Discreet production, Wholesale, Consumer products: Food and Non-Food. Yanta is a new subsidiary of mYuice which focuses specifically on logistical processes in mYuice's SAP All in One products.

Re-Spect

Re-Spect, founded on 1 January 2005, (majority interest; 50.02%) developed well in 2005. Re-Spect focuses entirely on SAP solutions for the retail sector. Re-Spect got off to a good start with various new contracts in 2005. In addition to these new contracts, Re-Spect also carried out follow-up projects for existing clients.

Alphalogic

The acquisition of Alphalogic (majority interest; 51%), which focuses specifically on SAP solutions for complex logistical processes, was completed in the course of the first half of the year. Alphalogic, which was consolidated from 1 January 2005, received various contracts in 2005. Alphalogic's template "Run4Less" was used in a number of these projects. This template provides an integral SAP solution for decentralised warehouses.

Strategy and outlook

In the past year, Ctac took important steps to further develop the Ctac "Powerhouse" business model. In 2006 and the years beyond, Ctac wants to use its specialist SAP expertise combined with specific market know-how to focus on promising niche markets. The growth will be partly organic, but will also be generated through new strategic alliances and acquisitions in attractive niche markets. Ctac will continue to keep a critical eye on the available in-house competencies and the extent to which these can be used to take advantage of opportunities which arise in the market.

In early 2006, Ctac started the eighth business unit, C-Value, aimed specifically at solutions for Customer Relationship Management (CRM). In addition, a declaration of intent was signed in early January for the acquisition of 51% of the shares in Alpha Belgium. Based on the existing Alpha Belgium structure, Ctac aims to set up a business model for Belgian clients comparable to the one in the Netherlands. Alpha Belgium has 11 employees and realised a profitable turnover of EUR 0.6 million in 2005. If the transaction is completed successfully, these activities will be consolidated as per 1 January 2006.



In the coming years, the market for small and medium-sized businesses, which is Ctac's main focus, will be further penetrated by SAP. The development of new specialist applications, for smaller companies in particular in the form of new templates, will contribute to this. In addition, the general trend towards the outsourcing of application management will also continue.

Ctac strengthened its market position in 2005. For 2006, Ctac expects a further recovery of the ICT market for medium-sized companies. With its strong financial base, Ctac remains optimistic about the growth potential in the short and longer term. In 2006, Ctac will continue to focus on further strengthening its market positions and expects a further increase in turnover and improvement of profitability.

/ / / / / / / / / /

Profile Ctac

Ctac N.V. is an ICT services provider specialising in SAP solutions. Activities include implementation, integration and management of SAP systems and related activities such as system upgrades and system optimisations. The company is a SAP Service Partner and the largest SAP reseller for medium-sized enterprises in the Netherlands. Ctac's clients include more than 200 organisations in trade and industry, business services, (semi) government organisations and universities.

Ctac employed 191 people at 31 December 2005. The company is based in 's-Hertogenbosch (the Netherlands).

Ctac is listed on the Eurolist by Euronext Amsterdam and included in the Next Economy segment of Euronext.

PRESS CONFERENCE / ANALYST MEETING

The combined press conference/analyst meeting will be held **today** at **13:30** at the offices of **Citigate First Financial, Assumburg 152a in Amsterdam.**

For more information:

Ctac N.V.

Wil Huijben (CEO) / Jan Willem Wienbelt (CFO), tel: 073 – 692 0692

Ctac N.V.
Goudsbloemvallei 30
P.O. Box 773
5201 AT 's-Hertogenbosch
Tel. + 31 (0)73-6920692
Internet: www.ctac.nl
E-mail: info@ctac.nl

Important dates:

13 April	2006	Publication annual report 2005
23 May	2006	General Meeting of Shareholders
23 May	2006	Press release Q1 2006



31 August	2006	Press release half-year results 2006
2 November	2006	Press release Q3 2006
8 March	2007	Press release full-year results 2006
24 May	2007	General Meeting of Shareholders

Enclosed:

Consolidated profit and loss account 2005
Consolidated balance sheet 2005
Consolidated cash flow statement 2005



CONSOLIDATED PROFIT AND LOSS ACCOUNT 2005
(amounts in EUR 1,000)

		<u>2005</u>	<u>2004</u>
NET TURNOVER	22,704	13,019	
Purchase value of turnover	<u>(5,207)</u>	<u>(2,489)</u>	
GROSS MARGIN		17,497	10,530
Personnel costs	11,320	7,297	
Depreciations	510	450	
Other operating costs	<u>3,833</u>	<u>2,609</u>	
TOTAL OPERATING COSTS		<u>15,663</u>	<u>10,356</u>
OPERATING RESULT		1,834	174
Interest revenue and similar income	43	26	
Interest expenses and similar costs	(13)	(13)	
		<u>30</u>	<u>13</u>
RESULT FROM ORDINARY OPERATIONS BEFORE TAXES		1,864	187
Taxes on result from ordinary operations		<u>(560)</u>	<u>(5)</u>
RESULT FROM ORDINARY OPERATIONS AFTER TAXES		1,304	182
EXTRAORDINARY RESULT AFTER TAXES		-	-
Third-party share		<u>(281)</u>	<u>(50)</u>
NET PROFIT		<u><u>1,023</u></u>	<u><u>132</u></u>



CONSOLIDATED BALANCE SHEET (per end 2005)
(amounts in EUR 1,000)

		<u>2005</u>	<u>2004</u>
ASSETS			
FIXED ASSETS			
Intangible fixed assets	558	-	
Tangible fixed assets	1,179	721	
Financial fixed assets	1,933	2,291	
		<u>3,670</u>	<u>3,012</u>
CURRENT ASSETS			
Receivables	6,538	5,127	
Cash and Cash equivalents	4,958	2,315	
		<u>11,496</u>	<u>7,442</u>
		15,166	10,454
		=====	=====
LIABILITIES			
GROUP EQUITY			
Shareholders' equity	8,534	6,703	
Third-party share	<u>512</u>	<u>62</u>	
		9,046	6,765
SHORT-TERM DEBTS		<u>6,120</u>	<u>3,689</u>
		15,166	10,454
		=====	=====
		<u>Year-end 2005</u>	<u>Year-end 2004</u>
Number of outstanding ordinary shares		8,830,879	8,330,012
Net earnings per share (Amount in * EUR 1)		0.12	0.02



CONSOLIDATED CASH FLOW STATEMENT 2005

According to the indirect method (amounts in EUR 1,000)

	<u>2005</u>	<u>2004</u>
CASH FLOW FROM OPERATIONAL ACTIVITIES		
Operating result	1,834	174
Depreciation on tangible fixed assets	<u>479</u>	<u>425</u>
	2,313	599
Changes in working capital	<u>1,020</u>	<u>(24)</u>
Cash flow from business operations	3,333	575
Interest received/ interest paid	30	13
Profit tax paid	(560)	(5)
Extraordinary charges after taxes	–	–
	<u>(530)</u>	<u>8</u>
Cash flow from operational activities	2,803	583
CASHFLOW FROM INVESTMENTS ACTIVITIES		
Cash flow from investment activities	(1,137)	(362)
CASH FLOW FROM FINANCING ACTIVITIES		
Cash flow from financing activities	<u>977</u>	<u>(155)</u>
NET CASH FLOW	<u>2,643</u>	<u>66</u>