

PRESS RELEASE

's-Hertogenbosch (the Netherlands), 29 August 2013

Ctac records drop in turnover, profit in first half 2013

Key figures

€ million (unless stated otherwise)	H1 13	H1 12		Q2 13	Q2 12		Q1 13	Q1 12
Turnover	37.7	39.6		18.8	20.2		18.9	19.4
Operating result	0.3	1.0		0.0	0.3		0.3	0.7
Net profit	0.3	0.5		0.1	0.1		0.3	0.4

Net earnings per share (€)	0.03	0.05
Employees at end of period (number)	476	482

Key developments first half 2013

- Turnover down 4.7% at EUR 37.7 million
- Operating result down at EUR 0.3 million, from EUR 1.0 million
- Net profit dropped to EUR 0.3 million, from EUR 0.5 million
- Balance sheet ratios continue to improve

Outlook 2013

- Difficult conditions in IT market expected to continue in second half of 2013.
- Based on positive developments in the order book, especially in the field of management activities, we also expect to end the second half of 2013 in profit.

Henny Hilgerdenaar, CEO of Ctac:

"The first half of 2013 was still marked by a stagnating ICT market. The willingness to invest in ICT projects declined even further in some markets. In the Retail sector in particular, we have noticed that our (potential) clients are being badly affected by economically difficult times and are putting projects on hold. This, combined with the effects of three fewer working days, led to a decline in turnover of 4.7% to EUR 37.7 million in the first half of the year. This resulted in a drop of the gross margin of EUR 2.0 million to EUR 27.8 million.

Due to the fact that we managed to cut cost levels by EUR 1.3 million to EUR 27.5 million, we were able to limit the drop in operating result to EUR 0.3 million in the first half of 2013, from EUR 1.0 million in the first half of 2012. The financial result improved by EUR 0.2 million, while taxes fell by EUR 0.2 million. As a result of the above, the net profit dropped to EUR 0.3 million in the first half of the year, from EUR 0.5 million in the year-earlier period. The second quarter was also negatively impacted by a large number of vacation days and therefore fewer billable (consultancy) hours.

Of the drop in turnover, EUR 1.0 million came from Ctac's Belgian activities. Due in part to this drop, the operating result in Belgium declined to a loss of EUR 0.2 million. In

consultation with the Belgian management, we have taken structural measures to get profitability back to acceptable levels.

The balance sheet once again improved substantially. A drop in the balance sheet total and an increase in shareholders' equity led to a further increase in the solvency ratio to 21.9%.

Cash flow improved considerably in the first half of 2013, to minus EUR 0.6 million, from minus EUR 2.2 million in the first half of 2012. It should be noted in this context that holiday pay and bonuses for the previous year are paid out in the first half of the year.

Partly on the back of various currently running and recently completed commercial processes, we expect to be in a position to resume an upward trend in the second half of the year. An additional reason for this optimistic outlook is that Ctac is now increasingly reaping the benefits of its investments in innovative solutions and technologies. In fields such as Cloud technology and Cloud software in particular, we are seeing that our innovative approach is putting us in a much better position to offer our clients the solutions they demand.

The persistent difficult market conditions make it not possible to provide a more specific profit forecast for the full year 2013."

PROFIT AND LOSS ACCOUNT

Turnover and gross margin

Turnover in the first half of 2013 dropped by EUR 1.9 million or 4.7% to EUR 37.7 million, from EUR 39.6 million in the first half of 2012. The drop in turnover came largely from Consultancy. In Other, we saw turnover increase by 24% to EUR 4.2 million, from EUR 3.4 million in the same period of last year, largely driven by an increase in hosting activities. The drop in turnover in Belgium was greater (in relative terms) than the drop in the Netherlands.

The gross margin fell by EUR 2.0 million or 6.7% in the first half of 2013 to EUR 27.8 million, from EUR 29.8 million in the first half of 2012. This was largely due to the fact that we were unable to offset the drop in consultancy turnover with the reduction in the required hiring of relatively expensive external hires.

Operating expenses

Operating expenses fell by EUR 1.3 million to EUR 27.5 million in the first half of 2013, from EUR 28.8 million in the same period of 2012.

Personnel costs fell by EUR 0.3 million, or 1.7%, to EUR 20.7 million, from 21.0 million in the same period of last year. Other operating expenses were also down at EUR 6.2 million, a drop of EUR 0.7 million from the EUR 6.9 million posted in the first half of 2012.

Net result

Net result came in at EUR 0.3 million in the first half of 2013, compared with EUR 0.5 million in the first half of 2012, a drop of EUR 0.2 million. Based on the average number of outstanding ordinary shares of 11,983,542, this net profit translates into net earnings per ordinary share of EUR 0.03.

BALANCE SHEET

The balance sheet total dropped to EUR 37.2 million at 30 June 2013, down EUR 2.7 million from EUR 39.9 million at year-end 2012. On the asset side of the balance sheet, this drop is largely due to a decline of EUR 0.2 million in intangible fixed assets and a drop of EUR 2.5 million in trade receivables and other receivables. Partly due to seasonal patterns, the net bank debt increased to EUR 5.0 million at 30 June 2013, a rise of EUR 0.6 million compared with year-end 2012 (30 June 2012: EUR 8.6 million).

Shareholders' equity increased by EUR 1.2 million as a result of the addition of the net profit of EUR 0.3 million, the issue of shares (EUR 0.3 million) and a transaction with minority shareholders (EUR 0.5 million). The third party share increased by EUR 0.7 million to EUR 0.7 million as a result of an additional agreement with minority shareholders with respect to an existing earn-out agreement. The earn-out obligation dropped to EUR 4.2 million in the first half of 2013, from EUR 6.9 million. As a result of the above, the solvency ratio improved to 21.9% at 30 June 2013, from 17.5% at year-end 2012.

The increase in the number of shares was due to the issue of 423,911 shares to meet the earn-out obligations. As a result, the number of outstanding ordinary shares stood at 12,195,497 as of 30 June 2013.

CASH FLOW

The cash flow in the first half of 2013 amounted to minus EUR 0.6 million, a clear improvement on the minus EUR 2.2 million in the first half of 2012. We should note in this context that seasonal effects, such as payments of holiday and other bonuses, always have a downward impact on cash flow in the first half of the year.

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About Ctac

As an innovative ICT Solution Provider, Ctac helps customers realize their ambitions. We do so by developing and implementing industry-focused solutions that fully address customer's needs and business processes in various markets. With a passion for technology and a sharp eye for business processes, we work at the crossroads of business and ICT on a daily basis. Our industry-focused solutions for among others retail, wholesale, real estate and charity are being developed in close cooperation with our customers. We complement our industry-specific *composed solutions* with a comprehensive range of services, varying from business consultancy to managed services and software development, mobility, in-memory computing and cloud. For this, we always take a professional approach, with an innovative angle and a focus on transparent personal contact.

Ctac is listed at Euronext Amsterdam (ticker: CTAC). As per end of June 2013, Ctac employs a staff of 476. The head office is located in 's-Hertogenbosch, the Netherlands. Ctac is also active in Belgium and France. For more information: www.ctac.nl.

For more information:

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Financial agenda

7 November 2013 : Publication results third quarter 2013
12 March 2014 : Publication annual results 2013
14 May 2014 : Annual General Meeting of Shareholders

Addenda:

Condensed consolidated profit & loss account
Condensed consolidated balance sheet
Condensed consolidated cash flow statement
Condensed consolidated statement of changes in equity
Segmented results per country
Segmented results per product group
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Review report

CONDENSED CONSOLIDATED PROFIT & LOSS ACCOUNT
 (* EURO 000)

	H1 2013	H1 2012
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Net turnover	37.704	39.555
Purchase value of turnover	<u>-9.917</u>	<u>-9.786</u>
Gross margin	27.787	29.769
Personnel costs	20.665	21.024
Depreciation and amortization	612	870
Operating costs	<u>6.202</u>	<u>6.921</u>
	27.479	28.815
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OPERATING RESULT	308	954
FINANCIAL INCOME AND EXPENSE	44	-187
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RESULT FROM ORDINARY OPERATIONS BEFORE TAXES	352	767
Taxes	-3	-237
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NET RESULT	349	530
Third party share	-34	1
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Net result attributable to shareholders	<u>315</u>	<u>531</u>
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CONDENSED CONSOLIDATED BALANCE SHEET
 (* EURO 000)

	30-jun 2013	31-dec 2012
ASSETS		
FIXED ASSETS		
Intangible fixed assets	15.820	16.057
Tangible fixed assets	2.404	2.218
Deferred tax assets	<u>961</u>	<u>979</u>
	19.185	19.254
CURRENT ASSETS		
Trade receivables and other receivables	17.996	20.528
Cash and cash equivalents	<u>43</u>	<u>111</u>
	18.039	20.639
	<u>37.224</u>	<u>39.893</u>
	=====	=====
LIABILITIES		
GROUP EQUITY	8.147	6.989
Third party share	712	52
LONG-TERM LIABILITIES		
Bank debt	307	399
Other liabilities	2.475	2.369
Deferred tax liabilities	<u>375</u>	<u>465</u>
	3.157	3.233
SHORT-TERM LIABILITIES		
Bank debt	4.704	4.204
Provisions	589	636
Trade creditors and other liabilities	19.474	24.331
Corporate income tax to be paid	<u>441</u>	<u>448</u>
	25.208	29.619
	<u>37.224</u>	<u>39.893</u>
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CONDENSED CONSOLIDATED CASH FLOW STATEMENT (1st HALF YEAR)

According to the indirect method

(* EURO 000)

	H1 2013	H1 2012
CASH FLOW FROM OPERATING ACTIVITIES	1.079	274
Investments in tangible fixed assets	-561	-2.146
Paid earn out obligations	-568	-494
Pay-out third party share	-426	-60
CASH FLOW FROM INVESTING ACTIVITIES	-1.555	-2.700
Withdrawals/repayments of long term financing	-92	193
CASH FLOW FROM FINANCING ACTIVITIES	-92	193
NET CASH FLOW	-568	-2.233
Liquid assets per 1 January	-4.093	-5.744
Liquid assets per 30 June	-4.661	-7.977
	-568	-2.233

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(* EURO 000)

	Issued share capital	Share premium	Other reserves	Undivided profit	Total
Balance per 1 January 2013	2.825	10.986	-6.822	-	6.989
Net result				315	315
Issue of shares	102	246			348
Transaction minority shareholders			495		495
Balance per 30 June 2013	2.927	11.232	-6.327	315	8.147
	Issued share capital	Share premium	Other reserves	Undivided profit	Total
Balance per 1 January 2012	2.796	10.920	-7.631		6.085
Change in intangible assets					-
Net result				531	531
Issue of shares	29	66			95
Balance per 30 June 2012	2.825	10.986	-7.631	531	6.711

**SEGMENTED RESULTS PER COUNTRY
 (* EURO 000)**

1st half year 2013	NETHERLANDS	BELGIUM	OTHER	Elimination	CONSOLIDATED
Turnover	30.984	7.319	426	-1.025	37.704
Operating result	563	-210	-45	-	308
Financial income and expense	98	-54	-	-	44
Result before taxes	661	-264	-45	-	352
1st half year 2012	NETHERLANDS	BELGIUM	OTHER	Elimination	CONSOLIDATED
Turnover	31.676	8.345	846	-1.312	39.555
Operating result	801	168	-15	-	954
Financial income and expense	-209	22	-	-	-187
Result before taxes	592	190	-15	-	767

SEGMENTED RESULTS PER PRODUCT GROUP
(* EURO 000)

	<u>H1 2013</u>				<u>H1 2012</u>			
	Turnover	Purchase v	Gross Margin	%	Turnover	Purchase v	Gross Margin	%
Consultancy	27.826	-5.990	21.836	78,5	30.224	-6.119	24.105	79,8
Software	2.165	-1.352	813	37,6	2.626	-1.393	1.233	47,0
Maintenance contracts	3.516	-2.107	1.409	40,1	3.323	-1.919	1.404	42,3
Other	4.197	-468	3.729	88,8	3.382	-355	3.027	89,5
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	37.704	-9.917	27.787	73,7	39.555	-9.786	29.769	75,3
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NOTES TO THE CONSOLIDATED HALF YEAR REPORT

General information about Ctac

Ctac N.V. is a limited company, established and situated in the Netherlands, with its head offices and statutory seat at Meerendonk 11 5216 TZ in 's Hertogenbosch (the Netherlands). The consolidated first-half year report comprises the company and all its subsidiaries (together referred to as "Ctac").

The group financial year follows the calendar year. The consolidated half year results for the first 6 months, ending 30 June 2013, were approved for publication by both the Executive Board and the Supervisory Board on 26 August 2013. The accountant has audited the results. A review report drawn up by the accountant is included at the end of this report.

Statement of compliance

This consolidated half year report regarding the first 6 months of the year, ending 30 June 2013, was prepared in line with IAS 34 "Interim financial reporting" and does not comprise all information and explanatory notes required for drawing up full annual accounts. The consolidated half year report should be viewed in combination with the consolidated annual accounts for 2012, which were drawn up in accordance with IFRS as accepted within the European Union.

Accounting principles (condensed)

The accounting principles for financial reporting as applied in this half year report and the calculation methods used are the same as those in the consolidated accounts for the 2012 financial year.

The impact of the difference in numbers of working days between the quarters, means that the company's activities have a slightly seasonal character, which is mainly reflected in turnover from consultancy activities.

Impairment test

Ctac conducts an impairment test once a year in February. The realized results over the first half year and the expectations for the development of results do not give cause for a second impairment test within the year.

Risk profile

Ctac identifies various financial risks, such as market risk, credit risk and liquidity risk. The general risk management within Ctac, steered from the Executive Board, extends further to a broader field than financial risks. For a more detailed explanation of this subject, see the risk section of the 2012 annual accounts. Risk management focuses on identifying and cataloguing the most significant risks and the management of same on the basis of guidelines, procedures, systems, best practises, checks and audits.

The most important current risk is the impact of the general economic economy climate on opportunities and the willingness of our (potential) clients to invest in their IT environment. In this respect, a lot of attention is devoted to limiting the risk related to non-collectable receivables.

Related parties

Parties related to Ctac include the group companies, the members of the Supervisory Board and the members of the Executive Board. Transactions with related parties are conducted on a professional basis.

"Forward looking statements"

The half year report contains information, as required by articles 5:59 in juxtaposition with 5:53, 5:25d and 5:25w of the Act on Financial Supervision (Wet op Financieel Toezicht). Forward looking statements, which could form a part of this report refer to future events and can be expressed in a variety of ways.

Ctac has based these forward looking statements on its current expectations and projections with respect to future events. Ctac's expectations and projections could change and Ctac's actual results could differ from the results indicated or implied by these forward looking statements, as a result of the potential risks and uncertainties and other significant factors which Ctac can neither control, nor predict, and certain risks and uncertainties outside Ctac's sphere of influence.

Due to these uncertainties, Ctac cannot with any certainty predict its future results or financial position.

Statement by the Executive Board

The Executive Board of Ctac declares, in accordance with the requirements of article 5:25d of the Act on Financial Supervision, that to the best of its knowledge:

'the consolidated half year report gives a true picture of the assets, liabilities and the financial position as per 30 June 2013 and of the result of our consolidated activities in the first half of 2013 and those of the businesses included in the consolidation'; and 'that the consolidated half year report gives a true picture of the financial position as per 30 June 2013, of the course of events in the first half of 2013 within the company and in the businesses included in the consolidation, and of the expected risks and developments in the remaining months of 2013.

's-Hertogenbosch, 29 August 2013

Henny Hilgerdenaar - CEO
Douwe van der Werf - CFO

REVIEW REPORT

To: the general meeting of shareholders and the Management of Ctac N.V.

Introduction

We have reviewed the accompanying condensed consolidated interim financial information of Ctac N.V., 's-Hertogenbosch, which comprises the statement of financial position as at 30 June 2013, the statements of comprehensive income, changes in equity, and cash flows for the six-month period then ended, and the notes.

Management is responsible for the preparation and presentation of this consolidated interim financial information in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope

We conducted our review in accordance with Dutch law including standard 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Dutch Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information for the six-month period ended 30 June 2013 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting', as adopted by the European Union.

Eindhoven (the Netherlands), 29 August 2013

BDO Audit & Assurance B.V.
on behalf of it,

sgd. P.P.J.G. Saasen RA