

P R E S S R E L A S E

Ctac records 44% rise in net profit in 2013

Upward trend continuing in 2014

's-Hertogenbosch (the Netherlands), 12 March 2014 – ICT solution provider Ctac N.V. (Ctac) (NYSE Euronext Amsterdam: CTAC) today announces its full-year results for 2013.

Key figures

€ mln (unless otherwise stated)	2013	2012	%	Q4 2013	Q4 2012	%
Turnover	77.0	79.9	(3.5)	20.8	21.5	(3.2)
Operating result	2.2	2.0		1.3	0.8	
Net result	1.2	0.8	44.1	0.6	0.2	
Net earnings per share	0.09	0.07				
Employees at year-end (headcount)	464	466				

Highlights

- Ctac strategy has positive impact on 2013 results
- Turnover down 3.5% at EUR 77.0 million in 2013
- Operating result up 9% at EUR 2.2 million in 2013
- Net profit rises to EUR 1.2 million, from EUR 0.8 million
- Reduction of (net) bank debt by EUR 1.1 million to EUR 3.4 million at year-end 2013, from EUR 4.5 million at year-end 2012
- Solvency improved to 24.9% at year-end 2013, from 17.5% at year-end 2012

Henny Hilgerdenaar, Ctac Chief Executive Officer:

"In 2013, Ctac continued the upward trend, despite the challenging market for ICT services. Our strong focus on margins and cost controls helped us to improve the operating result by almost 9% to EUR 2.2 million. Thanks to our strategy and the continued development of our market know-how and specific expertise, we were able to optimise our solutions and templates further. The continued integration of various parts of the company also had a positive impact on our results. Some notable developments on this front were the new agreements reached with Persity and IFS Probit in 2013.

The improvement in operational performance in 2013 was felt primarily in the second half of the year, when the operating result rose to EUR 1.8 million, compared with EUR 0.3 million in the first half of 2013. The progress booked in this period gives us a solid basis for the continuation of this positive trend in 2014. We expect the overall result for 2014 to exceed that of 2013."

FINANCIAL DEVELOPMENTS

Turnover and gross margin

Total net turnover came in at EUR 77.0 million in 2013, a decline of 3.5% compared with the EUR 79.9 million reported in 2012.

Turnover from consultancy, hosting and management dropped 3.2% to EUR 64.6 million in 2013, from EUR 66.7 million in 2012. Due to the fact that the cost of external hires fell by 11.7% to EUR 11.9 million in 2013, from EUR 13.4 million in 2012, the gross margin declined by only 1.0% to EUR 51.8 million, from 52.3 million in 2012.

Turnover from software also fell, by 25.5% to EUR 5.1 million in 2013, from EUR 6.9 million the previous year. Thanks to an increase in the contribution from software developed in-house in 2013, the decline in gross margin was limited to 17.3%. The gross margin from these revenues came in at EUR 2.2 million in 2013, compared with EUR 2.7 million in 2012.

Turnover from maintenance contracts rose by 16.3% to EUR 7.3 million in 2013, from EUR 6.3 million in 2012, which led to an increase of EUR 0.3 million in gross margin on these activities to EUR 2.9 million.

Revenue per employee (based on the average number of FTEs on an annual basis) dropped to EUR 175,300 in 2013, from EUR 178,300 in 2012.

Turnover per division and per segment (in € x 1,000)

	2013	2012	%
Netherlands			
Ctac Managed Services	26,506	21,942	21%
Ctac SAP Consulting	25,271	32,940	(23%)
Ctac Microsoft	5,595	5,273	6%
Other	4,539	3,028	50%
Intercompany revenues	941	2,669	-
Total Netherlands	62,852	65,852	(5%)
Belgium	15,006	15,836	(5%)
Other activities	1,260	3,003	(58%)
Elimination intercompany revenues	(2,090)	(4,830)	-
Total	77,028	79,861	(4)%

Costs

In 2013, personnel costs fell on balance by EUR 0.4 million, or 0.9%, compared with the previous year. The average number of FTEs dropped to 439 in 2013, from 448 in 2012.

Other operating costs continued to drop in 2013, and came in EUR 0.3 million, or 2.3%, lower at EUR 12.6 million, compared with EUR 12.9 million in 2012.

Depreciations fell to EUR 1.3 million in 2013, from EUR 1.5 million the previous year. Depreciations on intangible fixed assets were down EUR 0.4 million due to the fact that the software developed in-house had been fully depreciated by the end of 2012. Depreciations on tangible fixed assets increased by EUR 0.2 million in 2013, due to a book profit of EUR 0.2 million in 2012.

Operating result

The operating result came in at EUR 2.2 million in 2013, from EUR 2.0 million in 2012. The 9% increase in operating result compared with 2012 is the result of a EUR 0.7 million decline in gross margin and a reduction in operating costs of EUR 0.9 million.

The operating result came in at EUR 1.3 million in the fourth quarter of 2013. The increase from EUR 0.8 million in the fourth quarter of 2012, was in line with the gradual improvement in the underlying results noted in the second half of 2013.

Financial income and expenses

At year-end 2013, the net bank debt stood at EUR 3.4 million, down from EUR 4.5 million a year earlier. The related interest charges were unchanged at around EUR 0.2 million.

The addition to the earn-out commitments included in this item dropped to EUR 0.3 million in 2013, from EUR 0.7 million in 2012.

The above resulted in expenses of EUR 0.5 million in 2013, compared with expenses of EUR 0.8 million (including income from participations of EUR 0.1 million) in 2012.

Taxes

The tax rate was 30.8% in 2013, compared with 35.7% in 2012. The tax rate was higher than the nominal rate largely because of the non-deductibility or limited deductibility of certain items in the Netherlands and Belgium.

Net result and earnings per share

Net profit for 2013 came in at EUR 1.2 million, from EUR 0.8 million in 2012. This translated into earnings per share of EUR 0.09 based on a weighted average number of 12,089,519 outstanding ordinary shares. The total number of outstanding ordinary shares stood at 12,195,497 at 31 December 2013.

Balance sheet structure

The shareholders' equity increased by EUR 1.9 million to EUR 8.9 million at year-end 2013, as a result of the addition of net profit of EUR 1.1 million for 2013, the issue of shares related to earn-out commitments of EUR 0.3 million and a EUR 0.5 million transaction with a minority shareholder.

Trade and other receivables declined by EUR 3.2 million to EUR 17.3 million by year-end 2013. The balance sheet total dropped by EUR 4.0 million to EUR 35.9 million by year-end 2013, from EUR 39.9 million a year earlier.

The solvency ratio (shareholders' equity / total capital) improved to 24.9% at year-end 2013, from 17.5% at end-2012.

Active working capital management reduced the net bank debt to EUR 3.4 million by the end of 2013, from EUR 4.5 million at year-end 2012. The facility agreed with ABN AMRO Bank stood at EUR 8.2 million at year-end 2013. Ctac issued a right of lien on receivables, operating equipment and IP rights as surety.

Cash flow and investments

Ctac recorded a positive cash flow from ordinary operations of EUR 4.1 million in 2013, compared with a positive EUR 4.4 million in 2012.

In 2013, EUR 1.0 million was invested in tangible fixed assets, compared with EUR 1.4 million in 2012. These investments were primarily in replacement of ICT infrastructure and new computers. In 2012, Ctac also invested in the new offices to which it moved in the spring of 2012. The cash flow from financing activities was primarily related to the payment of earn-

out commitments of EUR 1.1 million (2012: EUR 0.5 million). Net cash flow came in at a positive EUR 0.9 million in 2013, compared with a EUR 1.6 million positive in 2012.

Proposal profit distribution

After considering of the impact on shareholders' equity, the composition of same and the other balance sheet components, Ctac will propose to the General Meeting of Shareholders not to pay out a dividend over the 2013 financial year and that the entire result be added to the (negative) other reserves, included under shareholders' equity.

STRATEGY AND MANAGEMENT OF THE ORGANISATION

Ctac believes its mission is to make its client's ambitions possible by translating every possible information technology option into business value for its clients, while also taking into account the ambitions of its employees.

Ctac has defined the following targets in this respect:

- enabling (international) customers in the (larger) small and medium-sized enterprise sector to focus on their own core business by providing suitable and reliable ICT solutions at acceptable costs. These solutions should also make a substantial contribution to customers' profitability and the continuity of their operations;
- continued transformation from an ERP services provider into a distinctive and recognisable provider of combined ICT solutions (solution provider);
- to align the Ctac organisation with market opportunities and safeguard continuity for all stakeholders.

In recent years, Ctac has realigned its organisation and increased the focus of its strategy in such a way that the company has been able to transform itself into a leading ICT Solution Provider. In the coming years, the company will continue to focus on - market and/or know-how focused - integrated business units optimally designed to provide customers with advanced specialist solutions. Ctac has structured its organisation to give the management team in the Netherlands direct control of the organisation and its operations.

The structure of the organisation is such that in both countries, the management team provides central, integrated management for all sales and delivery activities.

In the Netherlands, the services have been divided into three sectors: SAP Consultancy, Managed Services en Microsoft Consultancy.

Ctac manages all sales activities across these sectors centrally.

OUTLOOK

Ctac's improved financial position, the operational progress booked in 2013 and the improvement in results, especially in the second half of 2013, put the company in a better starting position in 2014. While a full recovery in ICT-services markets in 2014 is not yet expected, the company has good reason to believe it can continue the upward trend in 2014.

Barring unforeseen circumstances beyond its control, Ctac expects its profit for the full year 2014 to be higher than in 2013.

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 December 2013, Ctac employs a staff of 464. The head office is located in 's-Hertogenbosch, the Netherlands. The company is also active in Belgium and France. For more information: www.ctac.nl.

For more information:

Ctac N.V.
Meerendonkweg 11
5216 TZ 's-Hertogenbosch

Postbus 773
5201 AT 's-Hertogenbosch
www.ctac.nl

Henny Hilgerdenaar – CEO
Douwe van der Werf – CFO
T. 073-692 06 92
E. info@ctac.nl

Financial agenda 2014

2 April 2014	Publication annual report
14 May 2014	Publication trading update first quarter 2014
14 May 2014	General Meeting of Shareholders
28 August 2014	Publication half year results 2014
6 November 2014	Publication trading update third quarter 2014

Do you wish to stop receiving press releases or to change your preferences? Click [here](#).

Addenda:

Key figures 2013
Consolidated balance sheet 2013
Consolidated statement of income 2013 / Consolidated statement of total income 2013
Consolidated cash flow statement 2013
Consolidated statement of changes in shareholders' equity 2013 and 2012
Information per segment 2013 and 2012

CTAC N.V.

KEY FIGURES	<u>2013</u>	<u>2012</u>
<u>PROFIT & LOSS ACCOUNT</u>		
Net turnover	77,0 m	79,9 m
Gross margin	56,9 m	57,6 m
Operating result	2,2 m	2,0 m
Result from ordinary operations before taxes	1,7 m	1,2 m
Net result	1,2 m	0,8 m
<u>EMPLOYEES (FTE)</u>		
As per 31 December	438	438
Average over the year	439	448
Turnover per employee	175 K	178 K
Turnover per direct employee	193 K	197 K
<u>RATIOS</u>		
Operating result/net turnover	2,8 %	2,5 %
Net profit/net turnover	1,5 %	1,0 %
Net profit/average shareholders' equity	14,6 %	12,3 %
Shareholders' equity/total capital	24,9 %	17,5 %
<u>DATA PER SHARE (NOMINAL VALUE OF EUR 0.24)</u>		
Number of outstanding weighted average ordinary shares	12.089.519	11.731.147
Net profit	0,09	0,07
Cash flow	0,20	0,19
Shareholders' equity	0,74	0,60

CTAC N.V.
CONSOLIDATED BALANCE SHEET AS PER 31 DECEMBER
(in EUR 1,000)

	<u>2013</u>	<u>2012</u>
ASSETS		
FIXED ASSETS		
Intangible fixed assets	15.516	16.057
Tangible fixed assets	2.385	2.218
Deferred tax assets	558	979
	<u>18.459</u>	<u>19.254</u>
CURRENT ASSETS		
Trade receivables and other receivables	17.299	20.528
Cash and cash equivalents	95	111
	<u>17.394</u>	<u>20.639</u>
	-----	-----
	35.853	39.893
	=====	=====
LIABILITIES		
Paod and called up capital	2.927	2.825
Share premium reserve	11.232	10.986
Other reserves	- 6.327	- 7.631
Result financial year	1.098	809
SHAREHOLDERS' EQUITY	<u>8.930</u>	<u>6.989</u>
THIRD PARTY SHARE	737	52
LONG-TERM LIABILITIES		
Bank liabilities	215	399
Other liabilities	1.028	2.369
Deferred tax liabilities	325	465
	<u>1.568</u>	<u>3.233</u>
SHORT-TERM LIABILITIES		
Bank liabilities	3.297	4.204
Provisions	681	636
Trade creditors and other liabilities	20.237	24.331
Corporate tax payable	403	448
	<u>24.618</u>	<u>29.619</u>
	-----	-----
	35.853	39.893
	=====	=====

CTAC N.V.

	<u>2013</u>	<u>2012</u>
CONSOLIDATED PROFIT AND LOSS ACCOUNT (in EUR 1,000)		
Net turnover	77.028	79.861
Purchase value hardware and software	8.267	8.868
Outsourced work	<u>11.871</u>	<u>13.437</u>
TOTAL COSTS OF SALES	- 20.138	22.305
GROSS MARGIN	56.890	57.556
Personnel costs	40.840	41.220
Depreciation and amortisation	1.304	1.473
Other operating costs	<u>12.579</u>	<u>12.873</u>
Total operating expenses	54.723	55.566
OPERATING RESULT	2.167	1.990
Interest income and similar income	48	2
Interest expenses and similar expenses	-254	- 189
Result from participations	0	93
Other financial expenses	<u>-284</u>	<u>- 696</u>
FINANCIAL INCOME AND EXPENSES	- 490	- 790
RESULT FROM ORDINARY ACTIVITIES		
BEFORE TAXES	1.677	1.200
Taxes	- 517	- 395
NET RESULT	1.160	805
Third party share	- 62	4
ATTRIBUTABLE TO GROUP SHAREHOLDERS	1.098	809
	=====	=====
Number of shares outstanding at year-end	12.195.497	11.771.586
Number of outstanding weighted shares	12.089.519	11.731.147
Average number of outstanding weighted shares for the calculation of the diluted earnings per share	14.905.761	17.538.645

CTAC N.V.

	<u>2013</u>	<u>2012</u>
CONSOLIDATED STATEMENT OF TOTAL RESULT (in EUR 1, 000)		
Net result directly accounted for in the shareholders' equity	-	-
Net result for the financial year	<u>1.160</u>	<u>805</u>
TOTAL RESULT FOR THE FINANCIAL YEAR	1.160	805
	=====	=====

CTAC N.V.
CONSOLIDATED CASH FLOW STATEMENT 2013
 (in EUR 1,000)

	<u>2013</u>	<u>2012</u>
Operating result	2.167	1.990
Depreciations	<u>1.328</u>	<u>1.685</u>
	3.495	3.675
Changes in working capital		
Receivables	3.229	- 3.823
Short-term debts	<u>- 2.642</u>	<u>4.517</u>
	<u>587</u>	<u>694</u>
Cash flow from operations	4.082	4.369
Interest received	48	2
Interest paid	- 256	- 189
Profit tax paid	<u>- 349</u>	<u>- 486</u>
	<u>- 557</u>	<u>- 673</u>
Cash flow from operating activities	3.525	3.696
Investments in tangible fixed assets	- 954	- 1.476
Repayments/withdrawals of long term financing	- 184	9
Paid earn out obligations	- 1.067	- 518
Dividend third parties	- 429	-
Divestment subsidiaries	<u>-</u>	<u>- 60</u>
Cash flow from financing activities	- 1.680	- 569
	891	1.651
	=====	=====
Cash and cash equivalents	111	349
Short-term bank debts	<u>- 4.204</u>	<u>- 6.093</u>
Balance of cash and cash equivalents as per 1 January	- 4.093	- 5.744
Cash and cash equivalents	95	111
Short-term bank debts	<u>- 3.297</u>	<u>- 4.204</u>
Balance of cash and cash equivalents as per 31 December	- 3.202	- 4.093
	891	1.651
	=====	=====

CTAC N.V.

	Issued capital	Share premium reserves	Other reserves	Undistributed profit	Attributable to group shareholders	Third party share	Group equity
Balance as per 1 January 2013	2.825	10.986	- 6.822		6.989	52	7.041
Share issue	102	246			348		348
Transaction/dividend minority shareholders			495		495	623	1.118
Net result	-	-	-	1.098	1.098	62	1.160
Balance as per 31 December 2013	2.927	11.232	- 6.327	1.098	8.930	737	9.667

	Issued capital	Share premium reserves	Other reserves	Undistributed profit	Attributable to group shareholders	Third party share	Group equity
Balance as per 1 January 2012	2.796	10.920	- 7.631		6.085	71	6.156
Share issue	29	66			95		95
Transaction/dividend minority shareholders					- -	15 -	15
Net result	-	-	-	809	809	- 4	805
Balance as per 31 December 2012	2.825	10.986	- 7.631	809	6.989	52	7.041

CTAC N.V.
Segmented results 2013

(in EUR 1,000)

	The Netherlands	Belgium	Other	Elimination	Consolidated
Turnover	62.852	15.006	1.260	- 2.090	77.028
Operating result	3.811	- 240	- 1.404		2.167
Financial income	-	81	144	- 177	48
Financial expenses	- 161	- 172	- 382	177	- 538
Result before tax	3.650	- 331	- 1.642		1.677
Tax	- 931	11	403		- 517
Result after tax	2.719	- 320	- 1.239		1.160

DEPRECIATION 2013

Intangible fixed assets	421	120	-		541
Tangible fixed assets	353	34	400		787
Total depreciation	774	154	400		1.328

INVESTMENTS 2013

Intangible fixed assets	-	-	-		-
Tangible fixed assets	627	4	323		954
Total investments	627	4	323		954

Segmented results 2012

(in EUR 1,000)

	The Netherlands	Belgium	Other	Elimination	Consolidated
Turnover	65.852	15.836	3.003	- 4.830	79.861
Operating result	3.942	182	- 2.134		1.990
Financial income	3	139	97	- 144	95
Financial expenses	- 57	- 146	- 826	144	- 885
Result before tax	3.888	175	- 2.863		1.200
Taxes	- 907	- 116	628		- 395
Net result	2.981	59	- 2.235		805

DEPRECIATION 2012

Intangible fixed assets	392	120	390		902
Tangible fixed assets	301	36	446		783
Total depreciation	693	156	836		1.685

INVESTMENTS 2012

Intangible fixed assets	-	-	- 73		- 73
Tangible fixed assets	471	58	947		1.476
Total investments	471	58	874		1.403