

Annual Results 2008 – Qurius NV

12 MARCH 2009 – TOPLINE GROWTH, BUT GOODWILL IMPAIRMENT CHARGES AND NON-RECURRING RESTRUCTURING COSTS CAUSE SIGNIFICANT LOSS

Financial highlights

(in EUR x 1,000)	2008	2007 ⁱ
Net sales	143,888	114,758
EBIT (excl. restructuring costs and impairment charges)	1,937	4,729
Non-recurring restructuring costs	-1,430	0
Impairment charges	-19,004	0
EBIT	-18,497	4,729

2008 Developments

- At EUR 143.9 million 2008 revenue increases 25.4% (2007: EUR 114.8 million).
- License revenue decreases slightly by 4.4% to EUR 18.8 million (2007: EUR 19.7 million).
- Strong increase in maintenance and services revenue to EUR 113.8 million (2007: EUR 86.7 million).
- Gross margin increases to EUR 98.9 million (2007: EUR 81.7 million).
- Recurring EBIT (excl. restructuring costs and impairment charges) for 2008 amounts to EUR 1.9 million or 1.3% (2007: EUR 4.7 million or 4.1%). This recurring EBIT figures excludes restructuring costs incurred in Germany, Spain, Sweden and at corporate head quarters, and excludes exceptional diminutions in value such as goodwill impairments.
- Changing economic conditions and lower than expected earnings have resulted in a goodwill impairment charge of EUR 19.0 million for some operations acquired in 2005, 2006 and 2007.
- Including the exceptional items and the non recurring restructuring costs, Qurius reports a net loss amounting to EUR 22.5 million for 2008 (Net profit 2007: EUR 2.9 million).
- The net debt position at 31.12.2008 amounts to EUR 17.9 million. The EBIT development meant that some of the currently prevailing financial covenants of the loan facility were not met. Qurius and NIBC are working constructively to restructure the present facility.

Fourth Quarter 2008 Developments

- In Q4, 2008 revenue increases 3.9% to 37.7 million (2007: EUR 36.3 million).
- Gross margin amounts to EUR 24.0 million (2007: EUR 26.9 million).
- Operating costs amount to EUR 23.6 million (2007: EUR 22.7 million).
- EBIT (excl. restructuring costs and impairment charges) amounts to EUR 0.4 million (2007: EUR 3.3 million).

Looking ahead to 2009

- Strong economic turbulence makes it extremely challenging to predict market developments.
- We see a continuing need for our ERP solutions based on the Microsoft Dynamics suite. Unlocking cost savings potential will help our customers reduce costs in these challenging economic circumstances.
- Increased customer focus on 'total cost of ownership', 'return on investment' and 'payback time' has the right fit with our product positioning and sales & delivery-model.
- Recent customer wins of BDO International, Zorggroep Noord- en Midden-Limburg, IBN-Group, Chiesi (Spain) and Istobal SA (Spain) confirm our continued strong market presence.
- Our diversified market presence, both geographically and in various vertical market segments, has a mitigating effect on exposure to demand shortfall in recession-hit markets.
- The 2008 restructuring measures at some of our operations have created a stronger base for the future, with particular benefits at our Spanish and German operations.
- We expect a positive EBIT for the first quarter of 2009.

Fred Hermans, CEO, on the developments of 2008 and 2009

"In 2008 Qurius absorbed the acquisitions made in 2006 and 2007 and saw its top line net sales grow to EUR 144 million. The integration of the acquired companies required significant management attention. Even though our net result shows a loss for 2008, the basis of our operations going forward is cash positive. Net result has suffered from impairment charges and non-recurring restructuring costs. We believe that adequate corrective actions have been taken in Germany and Spain, and that we have created a stronger foundation for the future in those countries. In the current economic downturn, companies will be looking for IT solutions and services that can help improve the efficiency of their organisation and consequently save costs. This is exactly what Qurius offers its customers. In addition, our strong installed base presents us with lots of business opportunities. The economic outlook obviously remains uncertain for both our customers as well as for us. Management will response quickly if further measures would be necessary."

Revenue development Q4

In the fourth quarter Qurius reported net sales amounting to EUR 37.7 million (2007: EUR 36.3 million). In the course of the fourth quarter we experienced increasing customer caution and delayed decision making on IT investments in some of our markets. This lead to net license revenue undershooting our initial expectations.

Revenue segmentation full year 2008:

By category	2008	2007ⁱ	% Change
Licenses	18,844	19,720	-4%
Maintenance	24,198	19,043	27%
Services	89,601	67,685	32%
Hardware	11,245	8,310	35%
	143,888	114,758	25%

By country	2008	2007ⁱ	% Change
Germany	29,529	12,742	132%
Netherlands	62,991	59,954	5%
Spain	15,596	13,898	12%
Other	35,772	28,164	27%
	143,888	114,758	25%

Total revenue growth for 2008 amounted to EUR 29.1 million or 25%, including 7% organic growth. Organic growth was achieved mainly in the first half of 2008 in the Netherlands and Spain. In our traditionally strong home market, the Netherlands, we experienced further revenue growth to EUR 63.0 million (2007: EUR 60.0 million). Following consolidation of our recent acquisitions of Wilhelm + Zeller and Cabus, the German operation realised sales growth to EUR 29.5 million (2007: EUR 12.7 million). Our Spanish operation grew to EUR 15.6 million (2007: EUR 13.9 million).

Recurring EBIT margin (excl. restructuring costs and impairment charges)

	2008	2007ⁱ
Germany	-240	128
Netherlands	3,289	5,195
Spain	-309	-198
Other	-803	-396
	1,937	4,729

Excluding non-recurring restructuring costs and impairment charges, the recurring EBIT margin (excl. restructuring costs and impairment charges) realised in 2008 amounted to EUR 1.9 million (2007: EUR 4.7 million). The decrease in this recurring EBIT margin was caused by lower license revenue in 2008 as well as service delivery issues at some of our operations. We are investing in harmonisation of service delivery and have put in place a uniform modular method for serving our customers. We will continue to invest in service delivery and expect to see the benefits of our investments in this area in improved EBIT margins in 2009 and beyond.

Non-recurring restructuring costs

Non-recurring restructuring costs have impacted EBIT for an amount of EUR 1.4 million (2007: EUR 0 million). These costs, which were incurred in operational restructuring in Germany, Spain, Sweden and at the corporate head quarters, comprised of one-off severance payments for rightsizing the respective operations, and management replacements.

Impairment charges

Changing economic conditions and lower than expected earnings resulted in an impairment charge of EUR 19.0 million on the carrying value of some of our operations acquired in 2005, 2006 and 2007. The main reason for this impairment charge was the lower long-term growth rates due to the deterioration of the overall economic situation.

Tax charges

Lower than expected earnings have resulted in a derecognition of part of the Deferred Tax Assets. This charge amounts to EUR 2.2 million and has been accounted for in the tax line in the Profit and Loss account.

Net debt position

On 31 December 2008, our net debt position amounted to EUR 17.9 million. In the course of the second half of 2008, the development of our EBIT meant that Qurius was unable to meet all of its financial debt covenant ratios. This situation was monitored closely by our lender (NIBC) and Qurius. The current facility has initially been set up to finance the Watermark acquisition and may not be best fitted to the needs of the business going forward. Both parties are working constructively to restructure the current facility, taking into account the current operational performance of Qurius.

Bíndar acquisition, Spain

Following our information sent out in October of 2008, the acquisition process of Bíndar in Spain is on hold until further notice.

Employees

<i>FTE as at 31 December</i>	2008	2007
Germany	216	223
Netherlands	402	386
Spain	160	150
Other countries	296	301
	1,074	1,060

On 31 December 2008 Qurius employed 1,074 FTEs (2007: 1,060 FTEs). The total number of employees was broadly stable throughout 2008. The drive towards an integrated organisation with increased sales effectiveness and operational efficiency led to reorganisations in the Spanish, German and Swedish operations. Besides the retention and recruitment of high-quality staff, other top priorities have been the correct staff allocation, an improved utilization rate and a better ratio of fee earners to overhead staff.

Annual report, first quarter results and AGM

Qurius will publish its digital 2008 annual report on 3 April 2009 and its first quarter results on 23 April 2009. The Annual General Meeting of Shareholders will take place on 24 April, at 10.00 a.m. in Grand Hotel Karel V in Utrecht. Under the current practice rules of chartered accountants, the company reports that the annual results have not been audited. The consultations with the accountant give no reason to expect material changes.

End of press release

Qurius N.V.

Qurius provides architecture, realisation and systems management of Microsoft technology based business and IT solutions, including infrastructures. Qurius has over 1,000 staff members and is headquartered in Zaltbommel, the Netherlands. Its offices in Belgium, Denmark, Germany, Italy, the Netherlands, Norway, Spain, Sweden and the United Kingdom serve over 2,800 clients. Qurius has been publicly listed on Euronext Amsterdam since 1998 and is included in the AScX-index. Currently Qurius has 105,432,619 listed shares. Qurius was recognised by Microsoft as the 2007 global Microsoft Dynamics Partner of the Year. For more information, visit www.qurius.com.

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Qurius Annual Results 2008 – APPENDIX
Consolidated profit & loss account

<i>(in EUR x 1,000, except percentages)</i>	2008	2007ⁱ	Change
Net sales	143,888	114,758	25%
Cost of sales	-45,019	-33,096	36%
Gross margin (as % of net sales)	98,869 69%	81,662 71%	21%
Costs of personnel	79,320	63,474	25%
Other operating expenses	13,883	10,570	31%
Sales result of Magnus Management Consultants	0	-50	
Operating expenses	-93,203	-73,994	26%
EBITDA (as % of net sales)	5,666 3.9%	7,668 6.7%	-26%
Depreciation and amortisation	-3,729	-2,939	27%
EBIT (excl. restructuring and impairment charges) (as % of net sales)	1,937 1.3%	4,729 4.1%	-59%
Restructuring costs	-1,430	0	
Amortisation of goodwill	-19,004	0	
EBIT	-18,497	4,729	
Financial income and expenses	-1,508	-1,126	34%
Result before taxation	-20,005	3,603	
Taxation	-2,451	-976	151%
Third party interest	-39	-22	76%
Net result (as % of net sales)	-22,495 -15.6%	2,605 2.3%	

Consolidated balance sheet

(in EUR x 1,000)	31 December 2008	31 December 2007 ⁱ
ASSETS		
<i>Fixed assets</i>		
Intangible fixed assets	48,448	69,419
Tangible fixed assets	5,385	4,176
Financial fixed assets	6,047	8,138
	59,880	81,733
<i>Current assets</i>		
Receivables	54,724	52,747
Liquid funds	3,759	4,375
	58,483	57,122
TOTAL ASSETS	118,363	138,855
EQUITY AND LIABILITIES		
<i>Group equity</i>		
Group equity	48,547	71,140
Third party interests	144	177
Group equity	48,691	71,317
<i>Provisions</i>		
	1,618	1,930
<i>Long term liabilities</i>		
	5,480	10,362
<i>Current liabilities</i>		
	62,574	55,246
TOTAL EQUITY AND LIABILITIES	118,363	138,855

Cash flow statement

(in EUR x 1,000)	2008	2007 ⁱ
Net profit	-22,495	2,605
Depreciation and amortisation	22,741	-2,939
Movements in provisions	-312	79
Gross cash flow	-66	-255
Adjustments for movements in working capital	-722	-3,191
Cash flow from operating activities	-788	-3,446
Cash flow from investment activities	-6,057	-17,168
Cash flow from financing activities	6,229	20,169
	-616	-445

ⁱ 2007 figures have been adjusted