# ARE YOU READY FOR TOMORROW?

# 2011 ANNUAL REPORT

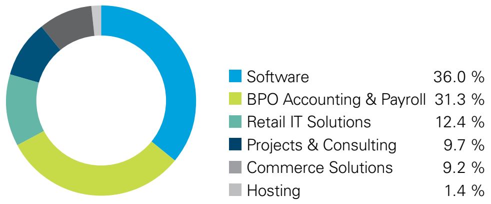
VISMA®

# 11 STEPS OF PURSUING SUCCESS

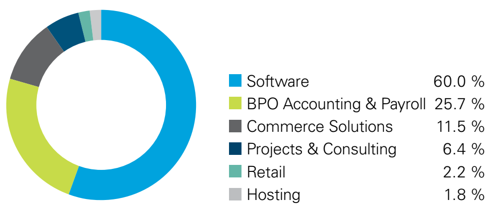
Content Page



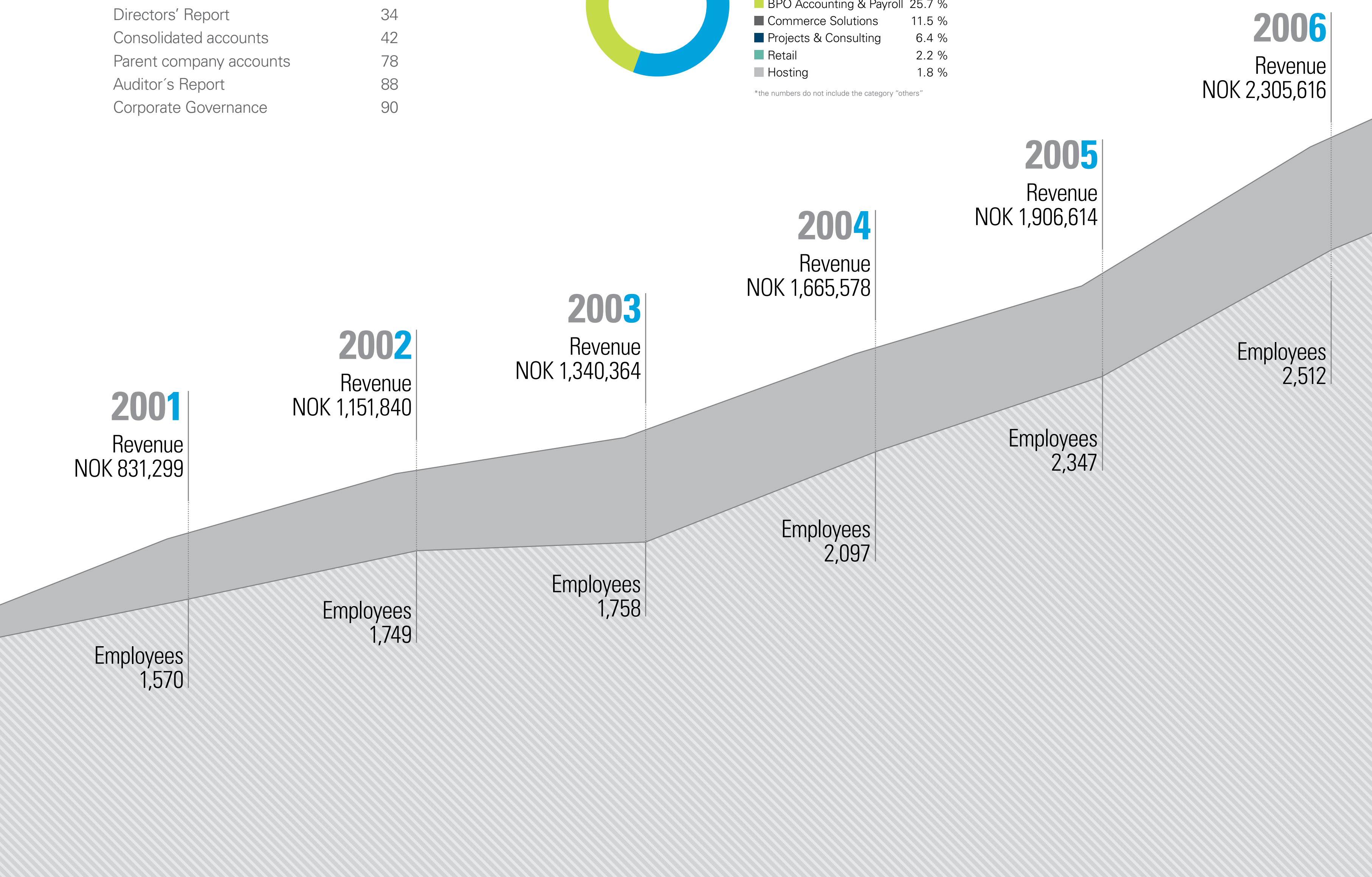
Revenue by segment

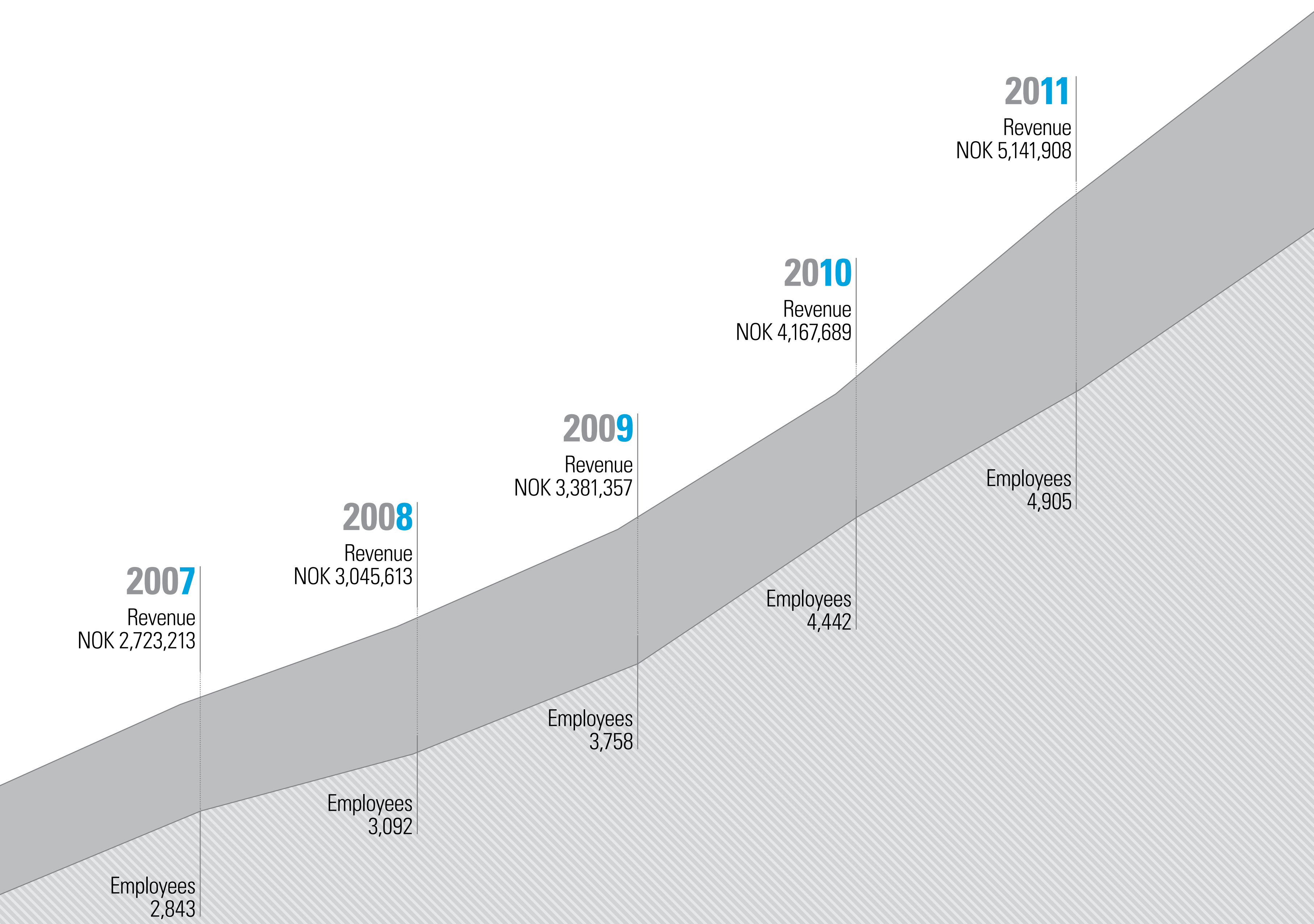



Profit by segment




*the numbers do not include the category "others"






## Key figures - 2007–2011

| (NOK 1,000) | 2011 | 2010 | 2009 | 2008 | 2007 |
|---|---|---|---|---|---|
| Operating revenues | 5 141 908 | 4 167 689 | 3 381 357 | 3 045 613 | 2 723 213 |
| Growth | 23,4% | 37% | 11% | 12% | 18% |
| EBITDA | 934 104 | 815 103 | 684 179 | 555 395 | 489 969 |
| Profit/(loss) after minority interests | 307 519 | 374 405 | 275 370 | 297 027 | 154 998 |
| Total assets | 7 570 315 | 5 663 295 | 4 071 409 | 3 996 833 | 3 525 327 |
| Current liabilities | 1 884 110 | 1 328 543 | 1 071 555 | 1 384 773 | 1 015 251 |
| Long-term liabilities | 4 412 101 | 3 164 445 | 2 029 640 | 2 061 191 | 1 741 283 |
| Equity | 1 274 104 | 1 170 307 | 970 213 | 550 869 | 768 793 |

Comments by Øystein Moan

# 1 A cloud of opportunities pursue efficiency of tomorrow

2011 was a year of several strategic acquisitions in Visma. Revenue increased by 23.4 percent. The largest acquisitions were Mamut in Norway and Passeli/Netvisor in Finland. Through these acquisitions, Visma had more than 330,000 business customers, in addition to over 300,000 hosting customers. The group had more than 4,900 employees.

2011 has been a year of steady, but somewhat subdued development in the markets where Visma is active. As the former financial crises faded out the new, sovereign debt crisis developed, and financial crisis seems to be the new normal. As such, the negative effects were limited and Visma saw healthy demand for the products and services at the end of 2011 continuing into 2012.

In 2012, more companies are expected to increase the head-count which drives the need for more software licenses. Particularly in the Swedish market, the number of newly established companies increased sharply. The growth in new companies is important for continued growth of Visma. We expect companies to increase their investment budgets somewhat during 2012.

Visma's revenues increased by 23.4 percent in 2011 and EBITDA improved by 15 percent compared to 2010. The EBITDA margin of 18.2 percent was lower compared to 2010 (19.6 percent). The explanation is mainly related to acquisitions of some companies with lower margins, and associated one-time integration expenses. While Mamut is of strategic importance, the margins were lower than Visma and changes of accounting practices, relative to those of Visma, resulted in lower margins in the second half of 2011. However, strong market and cost synergies are anticipated during 2012 and Mamut will have a positive contribution to the performance of Visma.

This healthy performance is partly explained by the well diversified business of Visma, with more than 330,000 customers. This includes small and larger enterprises, customers in private, non-profit and government organisations, and customers in any key vertical segments like retail. Visma supplies "must-have" products at high quality and at relatively low cost. Visma´s vision is to cost-effectively provide Nordic CFO's with all the productivity enhancing tools and services that are important for their business. The long-term effort to ensure high quality and high customer satisfaction contributed to an all-time low customer churn in 2011.

Visma concentrates its operations to the Nordic and Dutch markets. This focus has made it possible to achieve strong market positions, high brand-awareness, operational efficiencies and competitiveness. Visma´s ambition is to be the country and regional leader in its product categories in order to achieve a local scale that also results in competitive advantage versus global competitors. Rather than over-extending and spreading resources too thin, Visma tries to be the strongest and most profitable supplier in the few markets where we operate. There are still a multitude of growth opportunities, and the current market size allows for at least a doubling of Visma.

Investments in product development and innovation are key success factors for Visma. The willingness to invest in these areas will continue. Visma has maintained development at high levels through 2011, and R&D spend was approximately 18.3 percent of the Software Division's revenue. Visma launched several new product families in 2011, particularly within Software as a Service (SaaS). The new products included Visma's first on-demand ERP system, Visma Avendo eAccounting.

Visma had a very limited SaaS offering only three years ago, but has now grown its SaaS revenues to over NOK 300 million in 2011, a growth of 31 percent. The SaaS solutions are particularly provided, through the Software, BPO and Commerce Solution divisions of Visma, as an integrated and important part of the product and service offerings to Visma customers. For our customers, SaaS means a faster way to get access to advanced software without large investments. We see a clear market trend that customers are moving away from capital expenditures over to operational expenses based on usage. In 2012, Visma will launch new and ground-breaking SaaS ERP and Payroll systems.

2011 has proven that Visma continues to grow and that there continue to be numerous strategic acquisition opportunities. Visma has the financial and management capacity to acquire and integrate over 10 companies and businesses per year. With total growth in 2011 of 23.4 percent, Visma's overall revenue growth and its EBITDA growth has been greater than its peers and the overall market for 2011. We believe that this superior growth is a result of consistent investment over the last decade in product development and innovation, a dedication to superior customer support and

> Visma's mission is to help companies and government bodies maintain their competitive edge through the automation of administrative processes.

service, and long-term investment in our people and systems. Because of these long-term investments Visma will be able to sustain consistent growth in the future as well. Visma has as an ambition to double its revenue from 2011 to 2015.

Visma's mission is to help North European companies and government bodies maintain their competitive edge through the automation of administrative processes. Even with higher labour costs and a high tax level, Northern European companies have achieved world-class productivity through their investments in modern ERP, HRM and CRM solutions.

2012 will be a year with focus on organic growth and launch of new SaaS product offerings. There will likely be acquisitions, but less than 2011, as energy will be focused on realizing the substantial synergies from the acquisitions made during 2011.

The economies where Visma operates are in relatively good health, and Visma will act upon growth opportunities while controlling costs at the same time. Customer satisfaction and retention, as well as, acquisition of new customers will be main themes for Visma in 2012.

Øystein Moan
CEO, Visma

Visma in Brief

# 2 Building a growth strategy on a platform of success

Visma knows the value of being ready for tomorrow. For Visma important success factors have been strategic willpower and operational excellence combined with good timing and calculated risk assessments. The difference is that tomorrow is constantly getting closer. Looking back it seems obvious. Now we have it at our fingertips. Tomorrow is here now.

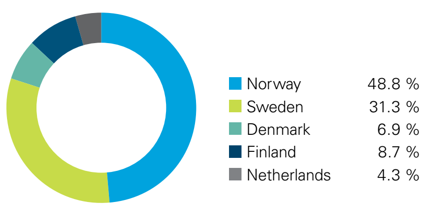
Visma has always looked ahead and tried to foresee what it means to be ready for tomorrow. On that basis, the company's top management decided to change the strategic path of Visma during the late 1990's. The result was one of the largest divestments and business sales within the Norwegian IT industry up until that time. For Visma this proved to be a path of determination and effectiveness going forward, as the new liquidity fueled a series of acquisitions and mergers throughout several years, building a leading footprint in a series of new industries and verticals. It also formed a new portfolio of integrated solutions and services offered as combined solutions. The result is the Visma we see today, more than a decade later. Today, Visma is a solid and fast growing group comprising six business areas with operations across the Nordic region as well as the Netherlands with more than 4,900 employees. The ability to prepare for the future has been an effective strategy for Visma.

Visma's modern history started in 2000, after a comprehensive process of restructuring and divesting non-core businesses in the Group. At the time, the continuing business operations represented annual revenue of NOK 150 million, and after all non-core assets were sold, Visma had a net cash position of approximately NOK 800 million. Combined with the stock market collapse, after the dot-com boom and corresponding attractive pricing of enterprises, it put Visma in an attractive position. In brief, Visma had made itself ready for tomorrow. Visma utilized the new era to create fast and substantial growth both organically and structurally. On this basis, it is fair to say that Visma knows the true value of preparing for the future. The difference is that tomorrow is constantly getting closer. In comparison, the future is here now.

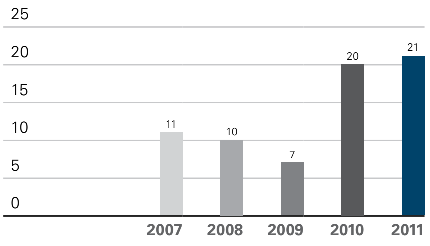
One of the key driving forces behind Visma's success has been the ability to divest and acquire businesses that, by itself or as a part of an integrated mix of solutions and services, contribute to make Visma ready for tomorrow. The merger with SPCS, is an example of this. SPCS was Visma's main competitor in Norway and a leading player in the Swedish SME market. The merger, in July 2001, made Visma one of the largest software enterprises in the Nordic region. During the period 2000-2011, Visma carried out close to 80 acquisitions. In brief, it is the journey of growing to become the largest provider of business solutions in the Nordic region to more than 330,000 businesses and their millions of users.

In 2001, Visma moved into a new vertical based on the strategy to diversify its business. The aim was to create synergies between offering solutions and services within related areas and to utilize Visma's already market leading software within ERP and accounting as a part of the service offering to customers looking to outsource their accounting and payroll processes. Thus, Økonomipartner AS was acquired and a new

## Revenue by country for the Group




## Acquisitions 2007-2011



division within BPO accounting and Payroll was established. In 2003, Visma established its division for Commerce Solutions, providing customers procurement and administration services and solutions. By 2009, Visma's retail business had grown into a separate division. Thus, the retail companies were separated from Visma's Software division, creating a new division. After acquiring the Nordic IT consultancy company Sirius IT in 2010, Visma established a fifth division, Visma Projects & Consulting. This division strengthened Visma's resource capacity and considerably increased the Group's access to IT competence in the Nordic region.

In 2011, Visma acquired Mamut ASA, a market leading provider of ERP software and Hosting solutions in the Nordic region. As a result, Visma's sixth division was born. Visma hosting was established following its demerger from Mamut after the acquisition in 2011. Mamut´s hosting businesses, Active24 and Loopia, formed Visma Hosting. In addition, Visma acquired the Finnish ERP software vendors Passeli and Netvisor in 2011. This made Visma the number one provider of enterprise resource planning (ERP) software to small and medium sized companies in Finland, and it strengthened the company's position as the largest ERP software supplier in the Nordics.

In brief, this showcases how Visma constantly is preparing for tomorrow through building additional value within each division as well as creating an expanding suite of solutions and services working separately or together – tailored for each and every customers specific needs.

In 2006, HgCapital offered to acquire the majority of the shares in Visma ASA. The acquisition, together with the related debt and equity financing, closed on May 15, 2006. This resulted in Visma's de-listing from the Oslo Stock Exchange in August 2006. Visma ASA changed its name to Visma AS, as the company was no longer public.

In September 2010, the leading global assets manager Kohlberg Kravis Roberts (KKR), acquired the stock majority in Visma from HgCapital. HgCapital retained a significant majority ownership, while Visma's management substantially increased its ownership in the company.

Visma has, throughout the last decade, worked dedicatedly towards what Visma is truly best at; namely preparing itself and its customers for tomorrow. In short, Visma delivers improved efficiency through a broad range of products and services, both for the Group itself, as well as for its customers. In this sense, Visma also contribute in preparing a lot of enterprises and its workforce for tomorrow. Visma simplifies the work processes and creates a more efficient business environment with flexibility, scalability and availability through the use of its solutions and services. Going forward, Visma will continue to make sure businesses are ready for tomorrow.

"Visma has always looked ahead and tried to foresee what it means to be ready for tomorrow. The ability to prepare for the future has been an effective strategy for Visma. In brief, it has formed a platform of success. The pursuit of efficiency, today and tomorrow, has contributed in upholding Visma´s drive towards growth and profitability."

A timeline of success

# Creating a remarkable business potential

Visma's journey during the last decade has been remarkable. After restructuring the business during the late 1990's, and divesting non-core business operations in 2000, Visma was in a position to attack and utilize its strategic power to consolidate and create new business opportunities within established verticals.

## 2000

***After restructuring and divesting non-core businesses in 2000, Visma was positioned for strong growth. It initiated a decade of strategic acquisitions and organic growth.***

### Software

Visma offers a wide range of specialized business software solutions within Enterprise Resource Planning (ERP), Customer Relationship Management (CRM), Human Resource Management (HRM) and payroll.The solutions can be delivered as a service (SaaS) and enable businesses to streamline their operations, work smarter and more efficiently. Additionally, Visma offers a range of tailor-made and industry specific solutions covering enterprise software for the public sector and health care, small enterprises and accounting agencies. As a local software developer with nearly 25 years of experience in Northern Europe, Visma's aim has always been to combine the best of Nordic design and culture with state of the art performance by utilizing Nordic colors and style when developing simplistic, user-friendly and interaction based business applications.

Visma Software has 1,622 employees in cities across Sweden, Norway, Denmark, Finland, the Netherlands, Romania and the UK.

## 2001

***In 2001, Visma moved into a new vertical based on its strategy to diversify. BPO Accounting & Payroll was formed as a new division after the acquisition of Økonomipartner.***

### BPO Accounting & Payroll

Visma is the leading provider with a complete suite of outsourcing services within accounting, payroll, administration, financial reporting and consultancy in the Nordic region. This gives Visma's customers an experience of increased competitiveness as it enables them to focus on their core business and corresponding business opportunities. Based on the combination of technology and expertise, Visma enables its customers to take advantage of increased automation related to accounting and payroll throughout the workflow. A dedicated knowledge of rules and regulations, as well as the use of Visma's latest technology, make it possible to work even faster and deliver better quality. Visma does both, on behalf of its customers, making it easier to adapt to changing needs through utilizing Visma's leading pool of competence within accounting and payroll.

Visma BPO Accounting & Payroll has 1,972 employees in cities across Sweden, Norway, Denmark,Finland and Romania.

## 2003

***In order to provide our customers with procurement and administration services and solutions, Visma established the division Commerce Solutions in 2003.***

### Commerce Solutions

Visma is by far the leading provider of online procurement and collecting solutions in the Nordic region. Everyday, Visma assists businesses in renewing the way they deal with both suppliers and customers through a range of solutions that simplify the way businesses deal with each other. The solutions cover all the steps in the process of buying and selling, in which Visma provides a complete set up for streamlining and automating the processes within and between businesses in the private and public sectors. The wide range of online capabilities makes it possible to carry out tasks and procedures strictly electronic or partly automated, depending on individual needs. This enables businesses to experience more affordable purchasing agreements, better cost control, as well as an expanding customer base and faster payment upon delivery.

Visma Commerce Solutions has 330 employees spread throughout cities across Sweden, Norway and Denmark.

Visma's journey has taken the company and its customers far beyond the horizon a decade ago. The growth strategy forms an appealing timeline.

This timeline shows how Visma has been working on becoming ready for tomorrow ever since entering a new decade in 2000. This is the story of Visma – looking at its potential – going back and looking ahead. This is Visma in the past, in the present and in the future.

In brief, this showcases how Visma constantly is preparing for tomorrow through building additional value within each division as well as creating an expanding suite of solutions and services working separately or together – tailored for each and every customers specific needs.

## 2009

***Visma's retail businesses had grown substantially, and were separated into the Retail division in 2009.***

### Retail

Visma knows how to create added-value for both small and large retailers. As the leading provider of tailor-made solutions and services for retail chains and retail businesses in the Nordic region, Visma offers a complete suite of software and services, including fully integrated point-of-sale solutions (POS) covering all needs within retail. Retailers know that the most important aspect of running a profitable retail business is the customer. Thus, Visma's approach is to develop cutting-edge IT solutions that support the retailers' business through focusing on further improving the customers' experience, while at the same time support administration and logistics related to running a retail business. Automated logistics and supply chain management are key focus areas for retail chains in pursuit of increased profitability.

Visma Retail has 447 employees spread throughout cities across Sweden, Norway and Denmark.

## 2010

***In 2010, Visma established a fifth division, Projects & Consulting, after acquiring the Nordic IT consultancy company Sirius IT.***

### Projects & Consulting

Visma Projects & Consulting provides value-adding IT solutions to the public sector as well as chosen businesses in the private sector in the Nordic region. Visma delivers consulting, system development, integration, process design, support, product development and software for enterprises and employees. Through customer tailored and business-critical IT solutions, Visma put emphasis in fully understanding and advising about IT solutions that best support the business, either through investement in new solutions or by creating even better integration beween existing IT solutions. This makes it possible for Visma to convert a business challenge into a value-adding customized IT solution. In addition, Visma also offers application management to support the future optimization, support and management of IT solutions.

Visma Projects & Consulting has 413 employees spread throughout cities across Sweden, Norway and Denmark.

## 2011

***In 2011, Visma acquired Mamut ASA contributing to the establishment of Visma's sixth division, Visma Hosting.***

### Hosting

A sixth division within the Visma group, Visma Hosting, was established after the acquisition of Mamut. At the end of 2011, the Hosting division was restructured and reorganized according to geographical presence consisting of two different brands; Active 24 and Loopia.

Active 24 has a presence across the Nordics and Europe, with particularly strong positioning in Sweden, Norway and the Netherlands. New premium hosting services were introduced, making it possible to benefit from modern production platforms. In 2011, Visma experienced growth as a part of its Its Central European operations in Czech Republic, Poland and Slovakia. This trend is expected to continue in 2012. Loopia holds a leading position within the Swedish mass-market for hosting services, and a strong position in Serbia.

Visma Hosting has 121 employees in Norway, Sweden, Serbia, Poland, Czech Republic and Spain serving 12 European markets.

# 3 New business thinking is the future of innovation

Innovation creates change. It is often called evolution. In fact, it is a way of pursuing opportunities of tomorrow. For Visma innovative thinking has created an evolution of growth and profitability. Looking back it is clear they saw ahead. Just like today.

Visma has found a winning recipe for organizing its pursuit of innovation, from top management and all the way out to the dedicated and competent employees in all countries. In today´s transparent business climate, with open organisational structures, good ideas often come from various parts of the organisational landscape. Management is not a question of top-down, nor bottom-up. It is a question of fueling engagement and innovation as key driving forces of business development and success of tomorrow. It has become a management priority to make sure everyone contributes in the evolution of creating a more efficient tomorrow. For Visma it is a priority to lead the evolution.

It has always been core for Visma to provide efficiency. Our solution has been to create an efficient evolution through sustainability, growth and profitability based on a solid business platform and a stable management team. In Visma, we like to call this the efficiency evolution. New business thinking, creative ideas, professional insight, technological innovation and entrepreneurial spirit create a whole new approach to established perceptions. In short, Visma has created a new integrated offering to the market through a new way of combining different business areas and efficient solutions for its customers. A key factor will always be expertise and knowledge. Today and tomorrow.

In fact, for Visma innovative thinking has created an evolution of growth and profitability. It is obvious. Innovation creates change and it is often called evolution. The key is to look ahead and pursue innovative thinking. Always.

**Chief Executive Officer Øystein Moan,** born in 1959, is educated Cand. Scient at the University in Oslo with computer science as main subject. Moan is earlier founder and Managing Director of Cinet AS, and has been CEO of Visma Group since October 1997.

**Chief Financial Officer Tore Bjerkan,** born in 1958, is the founder of Multisoft, one of the companies that through merger became Visma. Bjerkan had positions as Director of Research and Development and Managing Director of Multisoft ASA, and Business Developer of Visma ASA. Mr. Bjerkan has been CFO of Visma Group since July 1997.

**Division Director, Visma Software, Bjørn A. Ingier,** born in 1954, is Bachelor of Economy from Nhh in Bergen. Ingier had positions like Controller in Dyno Industries, chemical division, MD of SchlagerForlaget, and joint owner and MD of MultiData before he became the MD of Multisoft Norway AS, which was one of the companies that through merger became Visma. As of October 1999 Ingier has been Division Director of Visma Software.

**Division Director, Visma Commerce Solutions, Eivind Gundersen,** born in 1970, is Bachelor of Business Administration from California Lutheran University, and Master of Science in Energy Management from Norwegian School of Management. Gundersen has previously worked as Senior Consultant in PricewaterhouseCoopers Consulting and Managing Director in Massmarket (Acquired by Visma in fall 2002). As of January 2008 Gundersen has been Division Director of Visma Commerce Solutions.

**Division Director, Visma Retail, Peter Fischer,** born 1964 in Stockholm, is Division director of Visma Retail. Peter has extensive experience in structuring work within organization and sales within retail. He has, among other things, served as president of Axlon Holding as well as a number of senior positions at Fujitsu Siemens and Tektronix in hardware sales, in supply and distribution. Fischer has been Division Director since 2008.

**Division Director Visma BPO Accounting & Payroll, Peter Lauring,** born 1959 is Graduate Diploma in Business Administration, MSc in Business Economics and Auditing from Copenhagen Buisness School and is State Authorized Public Accountant. In 1987, Lauring became partner and shareholder of Info:Revision A/S. In 1995 he founded Bogholderi & Administration A/S. Visma acquired Bogholderi & Adminsitration A/S by 50.05% in 2002, and in 2006 Mr. Lauring moved with his familiy to Norway and became Division Director of Visma BPO Accounting & Payroll.

**Division Director, Visma Projects & Consulting, Carsten Boje Møller,** born in 1962, is Bachelor of Science in Mechanical Engineering from the Technical University of Denmark and has studied business and computer science at University of Colorado, Boulder, USA. He was co-founder and Managing Director of Sirius IT which was acquired by Visma in 2010. Prior, he held a number of positions as General Manager for TietoEnator in Denmark. He has also lived six years in the USA and worked as a senior consultant for Ingres Corporation and CA and as manager of it-development at the Eli Witt Company. Boje Møller became Division Director in 2011.

**Øystein Moan**
Chief Executive Officer

**Tore Bjerkan**
Chief Financial Officer

**Bjørn A. Ingier**
Visma Software

**Peter Lauring**
Visma BPO Accounting & Payroll

**Eivind Gundersen**
Visma Commerce Solutions

**Peter Fischer**
Visma Retail

**Carsten Boje Møller**
Visma Projects & Consulting

# VISMA'S **EFFICIENCY** EXPERTS LEADING THE **EVOLUTION**

A decade of brand building

# 4 Use your heart to humanize the soul of your brand

Visma's brand has travelled far following a decade of great momentum. The brand value has increased substantially as a result of long-term investments in building a leading brand of tomorrow. Through a clear strategy and dedicated approach, the brand is being humanized based on Visma's corporate culture and delivery of flexibility, scalability and increased efficiency. This process has given birth to a brand that is united in heart and soul.

This is not only the story about Visma's heart and soul. It is actually an interesting and relevant story behind success as Visma has made mergers and acquisitions easier as well as the strategic, operational and technological bridging process more efficient. At the intersection of Visma's growth strategy during the last decade is the ability to unite organizational and structural growth. In order to deliver operationally, it has been of great value that Visma's brand stands strong; stronger than ever, actually.

This is the story of a decade of dedicated brand building based on the idea of creating a brand platform of tomorrow. The result has been the creation of an appealing master brand that makes it easier to enter new industries and verticals along the way. In short, the brand building process has produced one of the strongest single brands within Visma's areas of business, both cross-borders, but also in individual markets Visma operates.

The journey has taken Visma from being a new brand within a limited part of the software industry to becoming a truly respected master brand covering a number of verticals in several Nordic and European markets. Throughout the journey Visma has created significant brand value and increased brand awareness. Our dedicated activities within employee branding have also increased the awareness of Visma among new and potential employees, making Visma an even more attractive employer. In order to track the attractiveness among customers, Visma has implemented Net Promoter Score, making the development in brand value transparent and measureable. It is a question of understanding the customers today, in order to deliver on their expectations tomorrow.

Visma's master brand strategy is based on the objective of growing fast both organically and structurally within new areas and new markets. It was early identified as a cost-efficient way of making sure the brand value was built on an overall level as it is strategically and operationally smart to come together as one brand across markets, verticals and organizational structures. At the same time, it makes Visma stand out from the competition as a vendor and brand. While utilizing the uniqueness within each division and marketplace, we at the same time creating value and clarity on behalf of the Group showcasing the potential of combining solutions and services from Visma. Cross-selling and increased sales to the existing customer base are key focus areas going forward. The brand strategy supports this.

It is quite clear. Visma's master brand strategy makes it more efficient to present a broad range of Visma's offering, which in turn makes it even easier for the customers to understand how each company can utilize Visma and its cloud services based on their specific needs. In today's business environment core trends in society, technology and work come together in new solutions and services making the businesses more efficient through increased flexibility, scalability and availability among its employees and towards key stakeholders. Technology plays an important part in this development and for Visma it comes natural to take a lead in making sure businesses are able to benefit from this evolution. That is why our master brand strategy is even more solid when businesses utilize the flexibility, scalability and availability of cloud solutions and services. Tomorrow it will be even more important to trust your partner. Visma's brand is based on a promise of making it possible to tap into tomorrow's efficiency already today.

Going forward, our customers will experience Visma's solutions and services in new ways, just like they will encounter our brand as a part of new circumstances. Not only since Visma is developing fast as a company and as a brand, but also because the social business environment around us is rapidly changing. One of the key shifts is happening right now. Visma is about to be regarded as a company and brand offering cloud solutions and expertise as well as Software as a Service (SaaS). This evolution works for Visma, as it is possible to continue to build on the solid brand platform, when exploring new markets, new technologies and new ways of deliver efficiency to our customers. This evolution creates substantial possibilities for Visma as a company and Visma as a brand. A new Visma is in the shaping. It is not only a question of Visma as a brand, but as a company and a culture, geared for tomorrow. One thing is certain. Tomorrow will not be like yesterday. Not even today.


# A brand supporting the vision

**Aase Settevik**
Director of Brand & Communication

"Visma´s brand is based on a promise of making it possible to tap into efficiency of tomorrow already today. Building on this solid platform, our brand will evolve and represent innovative business processes in the cloud,as we leap into the reality of tomorrow."

Visma's vision is to lead the field in the automation and integration of business processes. Since company's structures and needs are various, we offer freedom of choice within a wide range of products, services, and combinations of these. The ambition is, through our leading market position to make our existing and potential customers, champions in their own business processes.

The Visma brand, as we know it today, was born in 2000 after restructuring and divesting non-core business operations. The journey has made Visma well-known in our markets. Even though, Visma brand is still a youngster, eagerly pursuing opportunities of tomorrow.

In Visma, we seek to humanize our brand through various means and activities, such as employee branding and dedicated brand building towards key stakeholders. Our focus is to create emotional connections and feelings of the company culture and the brand.

We engage and interact with the people standing behind the brand. The digital and social business landscape has contributed substantially to this development in recent years. That is one reason why humanizing brands makes a stable brand development and anchoring. It makes it easier to take an interest in the company and its offering of solutions and services if you can feel its heart and soul. Visma's brand is early in its human lifecycle. Even though it might seem like Visma has come far in our initial lifespan, this is just the beginning of a lifetime for Visma as a company and as a brand. Visma is close to 5,000 individuals engaging, supporting and making sure to give our culture and brand additional color. This is what forms our values of today and hopes for tomorrow.

At the same time, it makes it easier to understand our competitive edge when we create additional value for our customers; today and tomorrow. Together we pursue a united mission; to have fun and create increased efficiency. With our lifetime ahead and with a strong brand appealing to employees and customers, the journey will become even more encouraging. That is why we believe in being truthful and human, as this approach gives our brand heart and soul.

# 5 Committing to a competitive business philosophy

Visma's business philosophy was formed more than a decade ago. It is a philosophy geared for tomorrow, creating competitiveness today. Committing to it has made Visma a pioneer in creating increased efficiency and possibilities. As a commitment to its customers, it has been a competitive business philosophy for Visma.

Having efficiency in mind is key to improved profits. So, when building a business around the concept of efficiency, you build a business on the essence of what running a business is all about. Nothing is as important as having the right way of thinking. A clear philosophy makes desicion-making easier, as well as making it easier to become competitive and profitable. In an increasingly competitive business environment, Visma's philosophy is to enable customers to benefit from being efficient and productive. A competitor with a strong philosophy is usually a strong competitor. Visma makes it easier to become a winner of today and tomorrow. On Visma's behalf, this philosophy has proven to successfully generate strong growth and profits over the decades. Visma's culture, and way of thinking, has formed a philosophy that has made it possible to benefit from the development and growing focus on efficiency-increasing solutions in the past, today and for tomorrow.

When planning for tomorrow, it is useful to be aware of where you are coming from. Visma's philosophy has been stable throughout the last couple of decades. Ever since Visma was formed in 1996 as the Group we know today, the core focus has been on providing solutions making it easier for customers to become even more efficient. The reason is that the future is becoming increasingly competitive. However, increased efficiency makes it easier to stay competitive as it supports improved profits. That is why it is important. And that is why Visma's unique approach has created substantial value for its customers as new business areas has been integrated throughout the years.

Visma has formed a new way of thinking when it comes to pursuing the need of becoming efficient within a broad range of areas. Visma has changed an industry by integrating different solutions and services within a broad range of areas, making it possible to stand out as an innovative player with a truly new approach to formerly separate needs. By merging solutions and services, Visma is making it easier for its customers to choose its own philosophy when it comes to integrating and utilising the integrated offering from partners such as Visma.

The Visma philosophy has proven to be both robust and successful. Visma has established a complete concept around supporting its customers in becoming even more efficient. Globalisation and rapid development makes it even more important for businesses to secure efficiency and productivity throughout the value chain. Through the utilisation of Visma's portfolio of solutions and services, over 330,000 businesses have succeeded in their pursuit of becoming competitive today and tomorrow.

A key part of Visma's philosophy has also been to deliver strong growth and solid results. As a part of this. Visma has in recent years carried out record-breaking acquisitions, both in terms of number of businesses and total investements. This has made it possible for Visma to add additional areas of expertise with new solutions and services to its customers. The development is expected to continue.

Based on the philosophy, and through its execution, Visma has become an effiency expert. In short, Visma and its employees are considered to be "the efficiency experts". This is a position that has been earned based on Visma's vision and mission.

Looking back, it is clear that Visma was a pioneer when the philosophy was formed over 15 years ago. A lot of business leaders and employees have realised that they need to work smarter through streamlining the workflow and routines in order to be prepared for tomorrow. For Visma, it primarily comes down to developing and delivering technology-based solutions and services that makes the customers more competitive.

Visma's philosophy is based on the simple fact that all businesses need to be profitable, or at least productive in one way or another. At the same time, we experience a new era with increased speed, dynamic development and competitiveness in today's business environment. The need for staying on the edge and looking ahead is more important than ever. The winners of tomorrow are those who prepare for the future today. Visma makes it possible to do so. In fact, Visma encourages its customers to prepare for tomorrow through taking advantage of Visma's solutions and services. Based on this philosophy, the customers can increase their competitiveness and make sure that the primary focus is on their own core business.

Visma
as a Service

# 6 Seeking success with Visma delivered as a Service

Visma offers an increasing number of solutions as a service. Our customers can easily utilize Visma as a service tailored to their needs at any time. The result is increased scalability, flexibility and embedded automation – making the business processes even more efficient. We call it Visma as a Service, offered today, making the enterprise ready for tomorrow.

Visma focus on making new and existing solutions available as a service - making it possible for each business to choose the unique combination of hosted solutions and outsourced services that offers the right mix of flexibility, scalability and embedded automation benefits. Today and tomorrow.

Freedom of choice between solutions and services, or a combination utilizing the best within software and services, is Visma's promise to its customers. It has always been important, and it keeps getting even more important, as it enables enterprises to take advantage of the best solutions available regardless of how the software or services traditionally have been offered. In short, Visma offers a vast number of solutions and services – as a service – making it easy, flexible and cost-effective to find a successful mix tailored your needs. In Visma, we call it efficiency of tomorrow, delivered today.

### Tomorrow is here today

Visma's portfolio of solutions and services is unique, not just due to its broad range and the ability to meet the needs of a diversified customer base in different markets, but it also consists of solutions that are connected and linked to each other. On this basis, Visma offers an increasing number of solutions as a service, to the benefit of a vast number of customers and their employees as well as other internal and external stakeholders who are involved in the work processes and corresponding collaboration. Visma's strategy includes pursuing a reality where software and services come together in solutions that are offered as a service. Eventually, it will include seamless access and utilization - from various units, such as mobile phones and tablets - wherever and whenever the need to collaborate or participate in the work processes arises. Thus, Visma is able to offer real efficiency-increasing solutions as a service.

### Efficiency tools

Visma's aim to support the transformation of the traditional way of doing things into a more flexible and efficient way adapted to the needs and realities of tomorrow. For Visma it is a question of delivering solutions, either as software or services, that individually and together creates a platform for additional efficiency for its customers. It is not only a question of delivering Software as a Service, even though it is core part of Visma's strategy related to its increasing focus on service. It is a question of delivering the software and services as solutions which are accessable as services, making it easy to become more efficient. Visma's objective is to assist in opening up new possibilities within existing organizational structures and work processes. Today, technology leads way in almost all kinds of transformation. In fact, relevant technology tools contribute to integrate business processes at an increasing pace. At the core of Visma's service-oriented focus, is the determination to offer more efficient business processes through a number of outsourcing services. Based on this, it is Visma's promise

## Solutions offered as a Service

+ ERP
+ CRM
+ Invoicing
+ Collecting
+ Payroll
+ Project management
+ Procurement

to support modern organizational structures with innovative tools and services for making the business even more efficient.

### Expertise as a Service

Visma and its employees are considered to be "the efficiency experts" of today. This position has been earned based on Visma's vision and mission throughout the last couple of decades. Still it is the platform of Visma's approach to development of new solutions and services across the Group's different divisions. It also tells a story about Visma's basis for creating efficient solutions and services - whether it is offered individually or as a combination.

In short, Visma offers efficiency expertise through its solutions and services. Going forward, an increasing amount of these solutions will be offered as a service. The reason is simple. Visma wants to simplify the ability to utilize the efficiency expertise. In order to do so, the access and interaction of such solutions also have to be tailored to the needs of the businesses and its users. The result is not only easier access and simplified business processes. The result is also increased efficiency tailored to the needs of each individual business and each of its employees. That is why it is important to offer efficiency expertise today, tailored for the needs of tomorrow.

### Efficiency as a Service

Visma sets out to be a leading provider of efficiency. This philosophy has provided Visma's customers with increased competitiveness. Basically, just as it will continue going forward. In short, Visma is also its own efficiency expert.

The use of Visma's solutions and services make people and businesses more efficient. Employees collaborate better both internally and externally, due to smart workflow solutions. As a result, the focus shifts to increasing productivity further, since manual work processes and administrative tasks are automated. This is how it is today. Tomorrow will be even more about creating a difference, as a company and as an employee. In short, Visma makes the employees of its customers the everyday efficiency experts.

### The essence of expertise

It is quite obvious. The essence of efficiency and expertise is gathered within Visma, as Visma's employees are experts in efficiency within their fields of competence. They assist the customers in becoming even more efficient and profitable. After years of strong growth, the numbers of employees have steadily increased, forming a community of nearly 5,000 experts at the end of 2011. In short, Visma's employees are the true efficiency experts, for Visma and its customers.

> "The essence of efficiency and expertise is gathered within Visma. On this basis, an increasing number of customers benefit from Visma as a Service. In short, Visma makes the employees of its customers the everyday efficiency experts."

# 7 Tapping into efficiency optimizing business potential

It has never been easier to tap into the reality of tomorrow. Software as a Service (SaaS) has been a core focus for Visma throughout years. As a result, Visma offers a large number of SaaS solutions. Going forward, even further solutions will be launched. Now Visma.net is here and it marks a new era.

Today, Visma´s SaaS solutions cover several business areas. In the future, an increasing portion of solutions from Visma will be delivered as SaaS solutions. Visma.net is a new and comprehensive solution from Visma. It is a SaaS solution, like many more to come, and it changes the way businesses utilize cutting-edge ERP functionality. In brief, it makes it easier to take advantage of new technology and a new way of working even more efficiently. For many it is the reality of today. For others it is the choice of tomorrow. For Visma it is a way of delivering efficiency. Today and tomorrow.

### Increased SaaS portfolio

Looking back only a few years, Visma's revenue stream and offering within SaaS solutions were quite limited. There have been exceptions, like within Commerce Solutions, where the overall offering of SaaS solutions has been substantial for several years. In fourth quarter of 2011, almost 40 percent of Visma's overall revenue related to SaaS originated within Commerce Solutions. SaaS based procurement solutions is rapidly increasing.

### Increasing demand for SaaS

There is a new reality, also in terms of SaaS as a part of Visma. The total SaaS footprint within Visma will increase, across divisions and markets. In 2011, SaaS revenues came in above NOK 300 million, and it will continue to increase at fast pace going forward.
Visma offers SaaS solutions as an integrated and important part of the product and service offerings to its customers. For the customers, SaaS provides faster access to advanced software without large investments. The trend is clear. Visma will continue to roll-out additional SaaS solutions as customers are moving away from capital expenditures to operational expenses based on usage. In 2012, Visma will launch new and ground-breaking SaaS solutions.

### Easy to become efficient

A key aspect of increasing efficiency is utilization of modern business technology. It makes it easier for the individual enterprise to choose an appropriate combination of software and services in order to integrate and automate routines and processes. Many tasks are still performed manually in many businesses, even though it is carried out digitally. Still too many enter the same information into different systems or manually move data from one system to another. This is the reality of today. Through an integrated offering of solutions and services, while offering an increasing number of solutions as a services, each and every business can decide its own perfect match in order to automate the processes and the tasks related to the flow of data. The result is an efficient workflow comprising the entire value chain for the individual business, both internally and externally.

### Tap into the reality of tomorrow

The future is about working smarter and becoming more efficient. It is as certain as technology has changed our lives until this day. Visma's overall objective is to contribute in making it even easier to increase productivity and competiveness through the use of its broad range of software solutions. In short, Visma makes it easy to be efficient today and in the future.

Visma's Solutions

# 8 Utilizing the cloud also when combining services

## Software Solutions

### In brief, Visma provides increased efficiency

Visma's overall objective is to contribute in increasing both enterprise and employee performance through automation of the way we do business tomorrow. The ambition is to help businesses achieve a more efficient working day, as well as increased productivity and competetiveness. As the leading provider of business software and solutions for enterprises and employees within the private and public sector in Northern Europe, Visma plays a key role in providing efficiency-increasing business software solutions based on cutting-edge technology to over 230,000 businesses and their millions of users. Through an increasingly broad range of user-friendly applications, Visma offers its customers even more efficient and streamlined processes and workflows throughout their value chains.

Innovation is of importance to Visma. As is trustworthiness. Thus, an increasing number of businesses turn to Visma in order to be become efficient and prepared for the opportunities and challenges of tomorrow. In addition, Visma turns to its customers as the demand for modern and flexible SaaS solutions are increasing. Thus, more than 50 percent of Visma's R&D spend is now in value-adding SaaS services and platforms.

As a software developer with nearly 25 years of experience in Northern Europe, Visma's aim has always been to marry the best of Nordic design and culture with state of the art performance by utilizing Nordic colors and style when developing simplistic, user-friendly and interaction based business applications.

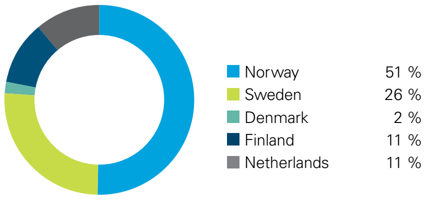
Visma offers a wide range of specialized business software solutions within Enterprise Resource Planning (ERP), Customer Relationship Management (CRM), Human Payroll Management (HPM) and payroll. The solutions enable businesses, small and large, to streamline their operations and work smarter and more efficiently. Additionally, Visma offers a range of tailor-made and industry specific solutions covering enterprise software for the public sector and health care, small enterprises and accounting agencies.

In 2011, the demand for Visma's SaaS solutions increased. Businesses request flexible solutions that keep investments at a minimum. Many prefer to pay as they go. During fourth quarter of 2011, recurring revenue from software delivered as SaaS increased by 35.1 percent compared with the same period in 2010, accounting for 6.7 percent of the total software revenue. Recurring revenue from sales of traditional software licenses for installation increased by 42.7 percent in fourth quarter of 2011, compared with the same period in 2010, accounting for 65.8 percent of the total software revenue in the period. Visma has balanced the current value proposition with the customers' requirements of tomorrow. Thus, Visma enters 2012 with a substantial growth potential within SaaS solutions and platforms.

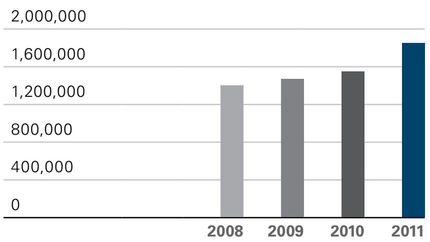
Visma has, throughout the last decade, strengthened its market share substantially within several software segments, especially within Enterprise Resource Planning (ERP). Hence, Visma har become the largest supplier of ERP software in the Nordic region. This is the result of rapid growth during several years, as Visma's portfolio of software solutions has become increasingly demanded across the entire region.

Visma Software is the largest business area within the Visma Group representing 36.0 percent of the total revenue and 60.0 percent of EBITDA in 2011.

### Revenue by country




### Revenue




### Software Solutions

- Enterprise Resource Planning (ERP)
- Customer Relationship Management (CRM)
- Human Resource Management (HRM)
- Payroll
- Time/Project
- eCommerce

# BPO Accounting & Payroll

**In brief, Visma provides further flexibility**

The way of doing business tomorrow is all about working smarter and becoming more flexible. Visma contributes to this through Business Process Outsourcing (BPO) within accounting and payroll. Visma is the leading service provider in this area with a complete suite of outsourcing services within accounting, payroll, administration, financial reporting and consultancy in the Nordic region. This gives Visma's customers an experience of increased competitiveness as it enables them to focus on their core business and corresponding business opportunities.

Based on the combination of technology and expertise, Visma enables its customers to take advantage of increased automation related to accounting and payroll throughout the workflow. A dedicated knowledge of rules and regulations, as well as the use of Visma's latest technology, make it possible to work even faster and deliver better quality. Visma does both, on behalf of its customers, making it easier to adapt to changing needs through utilizing Visma's leading pool of competence within accounting and payroll.

There is a number of reasons why an increasing number of businesses turn to Visma for assistance with accounting and payroll administration and services. A majority pursue reduced costs as most company's are able to save money on outsourcing of the whole workflow or parts of it, providing businesses the experience of financial and administrational benefits. These trends fuels the increasing growth of within BPO services. There are many reasons for performing accounting and payroll tasks in-house. However, if the aim for the individual business is to reduce costs and increase quality, and at the same time experience increased control and better flexibility, more and more choose BPO.

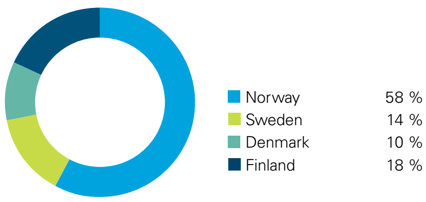
The BPO Accounting and Payroll market is steadily growing. Many businesses have experienced the difficulty of establishing and upholding a high level of competence within all necessary areas related to rules and legislation related to accounting and payroll. For many, this means having to build and maintain a large number of experts in-house. However, in several of the Nordic markets, changes to mandatory audit requirements for smaller companies were experienced in 2011. This means that several thousand companies is no longer in need of an audit. How this effects Visma in the long run is uncertain. However, what Visma is certain of is the possibility for this to increase the demand for qualified providers of outsourced accounting services. Visma is well-positioned to benefit from such effects.

Visma offers on-demand access to experts and support on a cost-efficient basis as BPO services from Visma are based on economies of scale and in-depth expertise. In addition, Visma also offers outsourcing of other HR related processes, such as temp services, recruiting staffing and competence development. By delivering high-quality services based on a long track-record of best-practice, Visma has become the largest and fastest growing provider of outsourcing services within accounting, payroll and consultancy.

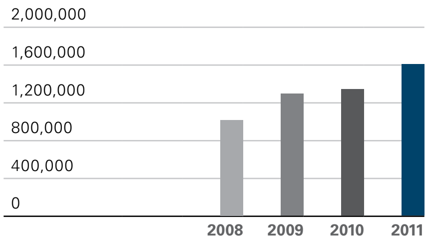
Visma BPO Accounting & Payroll has a very strong presence with more than 1,900 employees at more than 90 offices and 28,200 customers across the Nordic countries.

BPO Accounting & Payroll is the second largest business area within the Visma Group, representing 31.3 percent of the total revenue and 25.7 percent of EBITDA in 2011.

## Revenue by country




## Revenue




## BPO Accounting & Payroll

- Payroll
- Accounting
- Financial reporting and consulting
- Staffing
- Legal Services

Visma's Solutions

# Commerce Solutions

## In brief, Visma provides additional competitiveness

Doing business tomorrow is all about working smarter and becoming more competitive. Visma makes is possible for more than 34,000 customers across the Nordic region to take advantage of joining forces within non-strategic procurements and administrative purchases, as well as automating the procurement processes. Through this, customers ensure better supplier agreements, while at the same time, purchasing itself is made easier and more efficient.

Visma is by far the leading provider of online procurement and collecting solutions in the Nordic region. Everyday, Visma assists businesses in renewing the way they deal with both suppliers and customers through a range of solutions that simplify the way businesses deal with each other. The solutions cover all the steps in the process of buying and selling, in which Visma provides a complete set up for streamlining and automating the processes within and between businesses in the private and public sectors. The wide range of online capabilities makes it possible to carry out tasks and procedures strictly electronic or partly automated, depending on individual needs. This enables businesses to experience more affordable purchasing agreements, better cost control, as well as an expanding customer base and faster payment upon delivery.

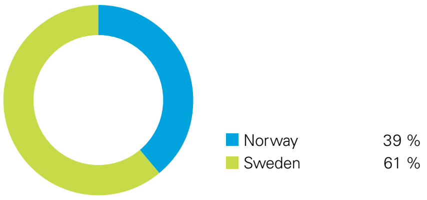
In pursuit of the best supplier, businesses can either use Visma's tool for tender invitation on the internet, or take advantage of Visma's one-stop-shop online solution for companies chasing good deals on everyday purchases of products and services as Visma has pre-negotiated supplier agreements within a broad range of areas. Visma offers great advantages through a seamless procurement process, in addition to leading end-to-end solutions. As the leading supplier of purchase-to-pay solutions and services, Visma offers several different solutions to streamline invoicing procedures, such as digitization of invoices and an automated flow of electronic invoices.

In addition, Visma offers solutions that covers the other part of doing business, namely selling products and services. Many companies spend a lot of resources in pursuit of new customers and prospects. It is usually time-consuming to conduct market research and clarify prospects in order to get in position to bid and potentially start delivering. Visma offers solutions making it easier for companies to sell their products and services. Visma monitor calls for tenders from government agencies and private companies. This enables the possibility to deliver tailor-made sales cases straight to the company's inbox. In addition, Visma provides online solutions for better market knowledge and selection tools for marketing activities. The integrated suite of financial and productivity increasing services also comprise debt collection and cash management, including web-based solutions for collection, credit information, purchase of recievables and consulting assistance to prevent losses.

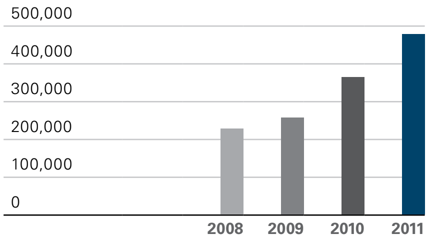
Visma's online solutions for commerce has in recent years gained further market shares, especially in Sweden and Norway as the demand for SaaS based procurement solutions is rapidly increasing in these markets. The public sector is increasingly determined to obtain efficiency gains in sourcing, procurement and cash management. In fourth quarter of 2011, SaaS solutions within the business area accounted for close to 40 percent of the total Visma Group SaaS revenues.

Commerce Solutions is the fifth largest business area within the Visma Group, representing 9.2 percent of the total revenue and 11.5 percent of EBITDA in 2011.

### Revenue by country




### Revenue




### Commerce Solutions

- Full-scale procurement solutions
- Outsourcing services for administrative procurement
- Tendering services
- Billing
- Cash Management
- Debt collection


# Retail IT Solutions

## In brief, Visma provides a more joyful shopping experience

Tomorrow's way of doing business is all about working smarter and making everyday life easier. As part of this, Visma delivers retail solutions making it even more enjoyable for people to shop, while at the same time retailers experience increased efficiency and sales. These aspects are linked tightly together as a good shopping experience results in better sales. Visma Retail is the Nordic region's leading provider of solutions and services for retail chains and retail businesses. Customers include several of the region's largest and most successful retail chains.

On an everyday basis, we spend quite a lot of time shopping, even though the way we shop has been more or less identical for several decades. Technology and IT solutions are, however, changing the shopping experience for both shoppers and retailers. Visma's objective is to assist retailers in creating an improved shopping experince for the customer, as well as automating the flow of information and process of accounting throughout the value chain. Thus, Visma assists retailers in becoming more competitive and profitable, as the implementation of smart retail solutions generates increased sales and profits.

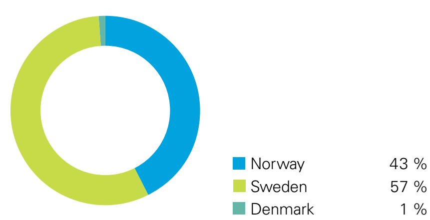
Visma knows how to create added-value for both small and large retailers. Visma offers a complete suite of software and services, including fully integrated point-of-sale solutions (POS) covering all needs within retail. Retailers know that the most important aspect of running a profitable retail business is the customer. Thus, Visma's approach is to develop cutting-edge IT solutions that support the retailers' business through focussing on further improving the customers' experience, while at the same time support administration and logistics. Automated logistics and supply chain management are key focus areas for retail chains in pursuit of increased profitability.

As the leading specialist within software and services for the retail industry, Visma offers end-to-end solutions integrating Visma's well-known business software covering accounting, supply chain and logistics. In addition, Visma offers corresponding services such as consulting and assistance with implementation, including installation, support, service and operations support on an ongoing basis. Also, large retail operations outsource accounting and payroll to Visma, as a part of an integrated concept specifically developed across the Nordic region. The specialized software suite for retail chains covers both chain management and individual stores, in addition to accounting, payroll and financing services. The retail software and POS solutions are implemented at more than 7,000 stores in the Nordic region, making Visma the largest provider of such solutions and services to the retail industry in the region. Visma also provides a unique service offering which includes on-site assistance related to roll-out, installation and training, as well as service related to after-sales and in-store equipment.

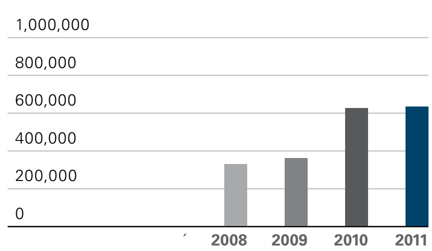
Visma has a long track-record of successful IT projects for retail chains in the Nordic countires. In addition, Visma offers a range of retail experts that, through know-how and experience, are able to develop cutting-edge digital and mobile applications. Visma has, for more than 20 years, been simplifying the everyday life of retailers and store employees, as well as for their customers. Visma's focus on innovation and intuitive solutions contributes in changing the shopping experience of tomorrow.

Retail IT Solutions is the third largest business area within the Visma Group, representing 12.4 percent of the total revenue and 2.2 percent of EBITDA in 2011.

### Revenue by country




### Revenue




### Retail IT Solutions

- Point-of-sale systems
- Service desk
- Mobile/portable solutions
- Administration solutions
- Logistics
- Business Intelligence
- Self service solutions
- Media and digital signage
- E-Commerce
- IT-security
- Temperature surveillance
- Installation
- On-site service

# Projects & Consulting

**In brief, Visma provides value adding IT expertise**

The way of doing business tomorrow is all about working smarter and becoming more of an expert. Through Visma's Projects & Consulting division, customers across Scandinavia are able to take advantage of Vismas expertise in pursuit of optimized business processes and well-functioning IT solutions. Visma Projects & Consulting provides value-adding IT solutions to the public sector and life pension, as well as chosen businesses in the private sector in the Nordic region. Visma delivers consulting, system development, integration, process design, support, product development and software for enterprises and employees.

Through customer tailored and business-critical IT solutions, Visma put emphasis in fully understanding and advising about IT solutions that best support the business, either through investement in new solutions or by creating even better integration beween existing IT solutions. This makes it possible for Visma to convert a business challenge into a value-adding customized IT solution. In addition, Visma also offers application management to support the future optimization, support and management of IT solutions.

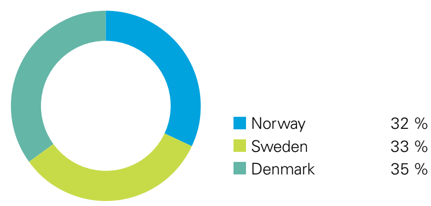
Visma analyze and optimize business processes to ensure the customers' full value of the suggested IT solution. As a part of this, Visma develops IT solutions as add-ons to existing solutions, or as new solutions, either from scratch or based on existing technologies or software. The focus is always to optimize the process from a strategic perspective, and all the way to the end-user. The consultant's are specialized in automation, integration and self-service solutions. This, in addition to their skills in enterprise architecture, ensure the customers an understanding of their specific needs in developing an IT-solution for tomorrow.

There are several reasons why this is important. One of them is the aging population and fewer hands to support an increasing number of citizens outside the work force. The pressure on the public sector is huge, as well as on private service companies, to work more efficiently and at the same time meet the increasing demand for excellence in the services offered. Visma is in the lead with respect to web and app-based self-service solutions, as well as efficient internal systems supporting service production in the public sector and selected private service sectors like retail, pension and insurance.

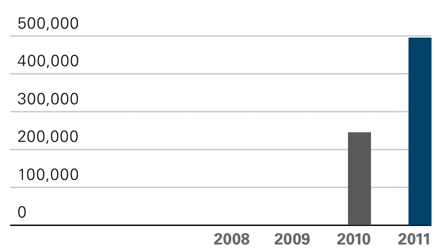
Visma Projects & Consulting develop IT solutions as add-ons to existing solutions, or as new leading-edge solutions. The IT solutions integrate information and business logics from separated systems. Matters of efficiency and need for improvement often hold inspiration for innovation. Visma Projects & Consulting has more than 400 specialized employees who take pride in delivering projects that utilize this in-depth knowledge, experience and technological expertise.

Projects & Consulting is the fourth largest business area within the Visma Group, representing 9.7 percent of the total revenue and 6.4 percent of EBITDA in 2011. This represented a growth of 2.3 percent from 2010. Projects & Consulting experience stabile growth in the Nordic region. During 2011, and so far in 2012, several important development contracts has been signed in Norway, Sweden and Denmark.

## Revenue by country




## Revenue




## Projects & Consulting:

- IT Architecture
- Information Management
- Self-service
- Application Management
- Business process consulting
- Solutions in selected areas

# Hosting

## In brief, Visma provides increased scalability

Doing business tomorrow is all about working smarter and becoming more efficient today. Ensuring Visma continues to provide the best in efficiency, the company successfully established a sixth business unit within the Visma Group in 2011. Visma Hosting was established after Visma acquired the Mamut Group in July 2011. Historically, the Mamut hosting business was completely integrated within Mamut software business. As of January 1st, 2012, Mamut hosting business was restructured into its own separate division within the Visma group. Visma Hosting provides leading hosting services across Europe.

The creation of the stand-alone hosting unit has throughout 2011 been executed according to plan. As with any acquisition and integration of new business areas, the process has required significant resources within the organization, as well as accumulating several one-off costs.

Going forward, we looking forward to concentrate on customers and operations. The mass hosting market in Europe is expected to grow substantially in the coming years and Visma Hosting is well-positioned to take part in this growth to further increase and improve the results by scaling the business.

The new business area is organized by geography under two different brands, Active 24 and Loopia. Three business units serve the different regions in which Visma Hosting operates, namely Western Europe, Central Europe and Loopia (operating in Sweden and Serbia).

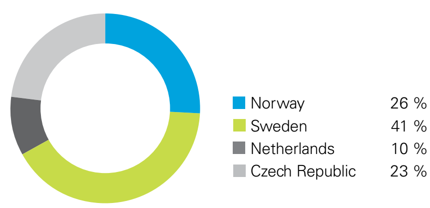
The Western European region includes Norway, the Netherlands, UK, Germany and Spain. In this region, Visma Hosting has 74,000 customers, with an especially strong foothold in Norway and the Netherlands. With the new premium hosting services introduced in 2011, which includes improved features and leading edge technology. Visma Hosting is looking forward to benefit from modern production platforms in 2012.

The Central European region includes Czech Republic, Poland and Slovakia, and has 77,000 customers. The region experienced solid growth in the fourth quarter of 2011. Visma is confident that the growth in this region will continue for Visma Hosting going forward into 2012.

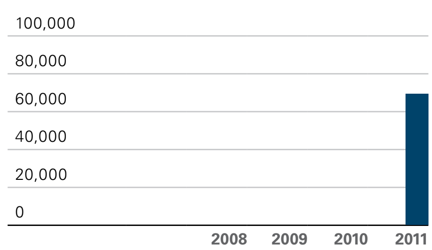
Loopia is the current leading provider in the Swedish mass hosting market, and has a solid position in the Serbian market. Loopia has a total of 178,000 customers in these two markets. Effective from first quarter of 2012, the Active 24 hosting units within Mamut Sweden and Mamut Denmark will be included under the Loopia business unit. This will have positive effects, as more logical operational synergies can be identified.

Hosting is the sixth largest business area within the Visma Group, representing 1.4 percent of the total revenue and 1.8 percent of EBITDA in 2011.

### Revenue by country




### Revenue




### Hosting

+ Domain
+ E-mail
+ Home page
+ Web shop
+ Productivity tools

# 9 Believing in a greener outlook and footprint

Visma leaves green footprints providing customers with environmentally friendly solutions and technologies has also always been a part of Visma's committment to a sustainable tomorrow.

Green IT and sustainability have always been a core focus for Visma. At the same time, Visma has a strong social responsibility towards its surroundings. One of the greatest environmental contributions Visma conducts is through its software solutions and outsourcing services as it makes its customers able to reduce their footprints. Even though, Visma believes it is possible to do more. Thus, additional initiatives are being pursued for the future.

Visma's dedicated focus on building green footprints on behalf of our customers has resulted in the development of environmentally friendly products, services and technologies. This makes it possible for Visma and our customers to reduce energy consumption and carbon footprint. For Visma the solution for the future is to make it possible to work smarter and more efficiently. This will have a great impact throughout the value chain of Visma's more than 330,000 business customers. Thus, environmental responsibility for Visma comes down to making a contribution on our own behalf as well as creating a greener footprint for our customers.

Visma's management is committed by the Group's established policies to paying attention to the environmental impact of our activities, social responsibility and corporate governance issues. The main priorities in Visma's efforts for sustainability and green footprint include:

- Improved workflow efficiency with efficient solutions
- Green IT and energy saving
- Reduced carbon footprint

Visma contributes to the competitiveness of enterprises and government bodies through automation of administrative processes. Visma's investments in modern solutions are enabling enterprises to achieve productivity levels surpassing most others, despite generally high labor costs, high tax levels and restrictive barriers for outsourcing to other countries. The Group's overall business idea is to provide solutions that improve and increase the level of efficiency of a wide range of processes within administration and finance to our customers.

### Visma's contribution to a Green Footprint

A key area in Visma's overall responsibility program is the emphasis on the Group's environmental strategy. The environmental strategy is focused on the areas that reflect Visma's most substantial environmental impacts, such as Green IT, energy saving solutions and consolidated server and software solutions. Visma's solutions help enterprises to improve the efficiency and reduce the usage of paper and electricity. This also describes the internal measures at Visma that help to increase the Group's own green footprint. Visma's green footprint, though, is not only about the environment. The green footprint is also a way of building value through strategic measures and management of environmental impacts, which in turn increases efficiency, reduces expenses and boosts the bottom line.

Visma continuously develops solutions specifically designed to improve the efficiency of a growing number of administrative procedures. By making such processes more efficient the work and energy usage decreases considerably. In addition, running Visma's software over the Internet enables more enterprises to use thin clients, which in turn require less energy both in production and use. Visma supplies a range of systems that communicate with one another through seamless integration, as well as offering wireless technologies to monitor the electricity usage; hence improving the efficiency of the operations. Many of Visma's own servers are virtualized, enabling the reduction of servers and energy consumption for production, electricity and cooling, making this one of our contributions to increasing the green footprint.

Visma's solutions also enable a significant reduction in paper usage and postage. Web-based data capture is growing within many areas in private and public enterprises. Large amounts of paper, such as pay slips, time sheets, budget proposals and reports are today distributed internally and externally. For Visma and our customers it would require hundreds of tons of paper each year to give every employee their pay slip in paper format. Through Visma's solutions receiving pay slips electronically reduces the paper usage

significantly. Still, many employees receive their salary based on time sheets, which also result in the usage of large quantities of paper. With Visma's solutions the time sheet registry can be digitalized, thus reducing the total paper usage in many of the administrative processes.

An increasing number of suppliers and enterprises order and invoice electronically utilizing Visma's solutions. In example, more than half of Norway's municipalities have the possibility to send electronic invoices using Visma's financial software solutions. Thus, our solutions for electronic document flow reduce printing and copying as well as internal mailing. For Visma it is natural to focus on improving the efficiency of internal processes and procedures in the same way as for our customers. To help reduce the internal paper consumption, we utilize our own solutions where suitable. In addition, environmental concerns and considerations always form a part of Visma's assessment processes when purchasing goods and services.

Visma contributes to enterprises' reduction in travel time by supplying mobile solutions and handheld terminals that are integrated with the business systems used by trade companies and municipal services. These solutions remove the need to travel during the work day. In addition, many of Visma's over 330,000 customers need to be trained and kept up to date on a regular basis. As a leading provider of courses, Visma ensures that an increasing amount of the courses take place over the Internet, thus reducing the need to travel to a course provided through traditional classroom teaching. In addition, Visma's solutions for video conferencing are an important contribution to decreasing the amount of business travel required.

In many of the towns where Visma has offices, the employees work in shared office buildings, primarily modern, newly-built and adapted for less energy usage. All of Visma's employees in Stockholm moved into a new head office with a green profile in the fall of 2011. The green profile means energy-saving light sensors in all meeting rooms, as well as piped spring water rather than more energy-consuming bottled drinking water. Visma has also initiated a project introducing the use of technology that demands a physical presence to obtain printouts. This project is expected to reduce the amount of paper forgotten and left in printers.

The great environmental responsibility through encouraging the development and distribution of environmentally friendly solutions, services and technologies has always been a main priority for Visma.

"The focus on environmental and social responsibility comes down to making a contribution on our own behalf, as well as doing our outmost in assisting our 330,000 customers in creating a greener footprint on their own behalf."

Structural growth and Risk control

# 10 Creating value through mergers of thoughts and acquisitions

For Visma, 2011 was a record year in terms of proactively committing to the acquisition strategy. Going forward, strategic investments in leading SaaS and ERP companies will become an important part of Visma's future SaaS platform. Visma maintains its fundamental strategy of proactively pursuing aquisitions as the company sees substantial acquisition opportunities in the markets Visma operates.

Visma has a very proactive acquisition strategy. Having made over 100 acquisitions, large and small, over the last decade. During that time, Visma has transformed itself from a company with 180 employees and annual revenues of NOK 944 million to the Visma of today of 4,905 employees and annual revenues in excess of NOK 5 billion.

2011 was a record year for Visma in terms of total acquisition volume. With the support of KKR as new owners, Visma was able to accelerate the acquisition pace and make a number of important strategic acquisitions during the year. During July, Visma completed the acquisition of Mamut. This acquisition was very significant and complements Visma´s position in the Norwegian ERP Software market by adding Mamut´s leading position in the micro and smaller SME customer segment.

In October, Visma acquired Passeli and Netvisor in Finland. Together, these companies are the leading ERP/accounting software companies for smaller and medium-sized businesses in Finland. In fact, Passeli is the number one recognized financial software brand in Finland. Together with Visma´s existing software businesses, these acquisitions during 2011 have materially strengthened Visma's position as the number one ERP Software provider, for micro and SME customers, across the Nordic region.

The BPO division did not make any large acquisitions, but continued with its steady strategy of consolidation and made 10 smaller acquisitions during the year. The division will continue to proactively look for additional add-on businesses. The BPO division will also look to take its successful business-building strategy into the Dutch market as well during 2012 and 2013.

Visma also sees acquisitions as a method to complement Visma´s internal Research & Development by acquiring or investing in smaller innovative companies. During 2011, Visma made a strategic investment in a leading edge SaaS/ERP company that will become an important part of Visma´s future SaaS product platform. In addition, Visma acquired a small Nordic company with a leading-edge electronic invoicing platform. As electronic invoicing is growing rapidly, this product technology acquired is being integrated into many Visma products and being spread to all Visma geographies.

Looking forward into 2012, the pace of acquisitions will be lower as Visma will prioritize integrating the recently acquired companies and focus on realizing the substantial strategic and financial synergies. However, Visma maintains its fundamental strategy of proactively pursuing acquisitions. Visma has been, and will continue to be, a consolidator in the markets and sectors where it operates. Visma will look to complement its strong organic growth with similarly strong growth via acquisition. Visma sees substantial acquisition opportunities within Visma´s current five core geographies and within Visma´s core business areas.

## Key acquisitions

+ Nätti Oy, Finland, January 2011
+ GainCom A/S, Denmark, January 2011
+ Maventa Oy, Finland, February 2011
+ Egersund Regnskap AS, Norway, in February 2011
+ Stavanger Regnskap AS, Norway, in February 2011
+ ABC Kredittstyring AS, Norway, in March 2011
+ Tilihoune Oy, Finland, April 2011
+ NGGi Aps, Denmark, April 2011
+ EVA Accounting Oy, Finland, April 2011.
+ Project X International Ltd, by 10,0% share, July 2011.
+ Regnskapspartner Nygaard & Co AS, Norway, July 2011.
+ Mamut ASA, Norway, July 2011.
+ Opiin A/S, Denmark, September 2011.
+ Navicom A/S, Denmark, October 2011.
+ Doxylon AS, Norway, October 2011.
+ Passeli Ohjelmat Oy and Netvisor Oy. Finland, October 2011

# Risk control within Visma

**Mikael Männik**
Director, M&A - IRO

" Investments through mergers and acquisitions have always been a driving force of Visma's development as a Group. Thus, strategic investments are a core priority both when it comes to building new business areas, as well as taking advantage of existing business opportunities. "

Visma could be affected by a number of risks, which might have a material adverse effect on our reputation, operations and financial performance. The management of risks is planned and carried out according to the recommendations described in the ISO 31000 standards. The Group's risk management process helps Group management to identify, assess, prioritize and mitigate risk.

The process involves the identification and prioritization of key risks, together with associated controls and plans for mitigation, through an ongoing program of workshops, facilitated by the risk management function. The managing directors of the Group's subsidiaries acts as risk managers and are responsible for assessment and treatment of market risks, business operational risks and legal risks for their respective entity or business unit. The risks identified are collated and reported through appointed divisional risk controllers to the Group Director of Risk Management and Internal Control. This culminates in the identification of the Group's key business, financial, operational and compliance risks with associated action plans and controls to mitigate them where possible (and to the extent deemed appropriate taking account of costs and benefits).

As part of this process, Group management confirms to the Audit Committee, once per year, that these key risks are being managed appropriately within their operations and that controls have been examined and are effective. Responsibility for managing each key risk and the associated mitigating controls are allocated to an individual manager within each division. Changes in the status of the key risks are reported regularly to Group management and to the Board.

Our overall success as a business depends, in part, upon our ability to succeed in different economic, social and political environments and to manage and to mitigate these risks. Visma believes that business related uncertainty which the Group is exposed to, is managed properly throughout the organization. Visma is certified according to the ISO 9001, ISO 20000, and ISAE 3402 standard. ISO 27001 certification is in progress and is to be accomplished in 2012.

Visma's Board of Directors

# 11 Continuing a successful strategy and direction

Visma's Board of Directors continues the targeted efforts to pursue further growth in markets full of new business opportunities. After a decade of strong performance and growth in the Group, the pace going forward is steadily increasing.

**Chairman of the Board, Gunnar Bjørkavåg,** born 1960, is B. Sc. from BI, Norway, MBA from Henley Collecge/Oxford and AMP from Harvard Business School. Bjørkavåg is former CEO of Comma Dataservice, Managing Director of Telenor Plus and Country Manager of Compaq Computers. Bjørkavåg has since year 2000 been CEO of NHST Media Group - owner of among others Dagens Næringsliv, a leading financial newspaper seated in Oslo.

**Director, Nic Humphries** is Chief Executive of HgCapital. He has 20 years experience of the private equity and venture capital industry, and joined HgCapital in 2001. He started his career at 3i plc. Humphries' investment experience has focused on the TMT sector. His lead investments have included Visma, IRIS Software & CS Group plc, Rolfe & Nolan, Geneva Technology and Next-GenTel. He co-led investments in Addison Software and SiTel Semiconductor.

**Director, Jan Pieter Dekker** joined HgCapital in 2008 from GE, where he was responsible for developing and implementing strategic growth projects across a range of businesses. Before GE, Dekker worked at Morgan Stanley, where he was part of the investment banking division focused on financial institution clients. He started his career at ABN AMRO in the corporate finance department.As a member of Hg's portfolio management team, Dekker is a director of Epyx Ltd, Visma AS and Stepstone Solutions Ltd.

**Director, Mateusz M. Szeszkowski** joined KKR in 2007. Prior to joining KKR, Szeszkowski was a Vice President at Goldman Sachs in London in the Investment Banking Division where he was engaged in merger advisory and execution of financing transactions for TMT clients. Prior to that, Szeszkowski was a Principal at Orange Ventures in London, Boston and San Francisco where he made venture capital investments in the TMT sector. He was also a consultant at The Boston Consulting Group.

**Director, Herald Y. Chen** rejoined KKR in 2007, having previously worked for the Firm from 1995 to 1997, and has been directly involved with the investments in Kodak, Sun Microsystems, Kindercare Learning Centers and Walter Industries. Prior to joining KKR, Chen was a Managing Director with Fox Paine & Company focusing on management buyouts including ACMI Corporation, where he also served as CEO. Prior to completing his M.B.A, Chen was employed by KKR and Goldman, Sachs & Co.

**Director, Jacques Garaïalde** has been a Partner and Managing Director at Kohlberg Kravis Roberts & Co. since 2003. Prior to joining KKR & Co., Garaïalde was a partner at Carlyle, in charge of Europe Venture Partners Fund. Garaïalde also serves as Chairman of PagesJaunes Group, Member of the Supervisory Board of Tarkett and a Director on the boards of Nexans, Société d'Investissement Familiale (SIF), Legrand, Médiannuaire Holding and Visma.

**Director, Stanislas de Joussineau** joined KKR in 2009. He has been working on several investment opportunities in Europe, more specifically in the Technology sector as well as opportunities in France, and has been actively involved with investments in Visma and PagesJaunes, the leading French Yellow Pages and local advertising business. Prior to joining KKR, de Joussineau spent four years at J.P. Morgan in London in the Investment Banking Division where he was engaged in Mergers and Acquisitions advisory and Leveraged Finance transactions. de Joussineau holds a M.Sc. from Ecole Nationale des Ponts et Chaussées (ENPC) in Paris, France.

"Our goal is to guide Visma in its pursuit of further growth and profitability to the benefit of its customers, employees and partners. We believe in a bright tomorrow for Visma."

**From left to right:**
Nic Humphries (Director), Gunnar Bjørkavåg (Chairman of the Board), Stanislas de Joussineau (Director), Jan Pieter Dekker (Director), Øystein Moan (Chief Executive Officer), Herald Y. Chen (Director) and Mateusz M. Szeszkowski (Director). Jacques Garaïalde (Director) was not present.

Directors Report

# DIRECTORS' REPORT 2011

As the Nordic and Dutch economies gradually improved, the Visma Group showed solid performance in 2011. The year was highlighted by substantial strategic acquisitions in Visma´s core Software Division. These acquisitions strengthened Visma´s position as the leading supplier of critical ERP software applications in the Nordic countries.

The acquisitions brings Visma`s number of customers to 300,460 in its core software and services businesses in addition to 333,200 hosting customers – in total 633,660. The majority ownership in Visma was acquired by KKR December 2010. This brought Visma a new owner with significant experience in global business and a vast international network, as one of the largest private equity funds in the world.

Total revenue increased by 23.4 per cent to NOK 5,142 million in 2011. Organic growth was 3.0 per cent, which compares well with benchmark competitors. EBITDA increased by 14.6 per cent to NOK 934.1 million, organic growth of EBITDA was -4.6 per cent. Overall the financial performance was in accordance with the expectations set forth in the Director's report for 2010.

After a solid bounce-back after the financial crisis, the Nordic and Dutch economies still are affected by the macroeconomic uncertainties related to European sovereign debt crisis. However, Visma´s geographic markets have remained as some of the strongest in Europe. This has allowed Visma to have solid organic growth during the year. The significant growth during 2011 has come from the high level of acquisition activities. Visma acquired over 15 businesses for consideration in access of NOK 1.5 billion.

Visma now has 300,460 customers in its core software and services businesses. Visma continues to offers its customers products and services that help to manage businesses and improve efficiency. The essential and business critical nature of the product and services offering combined with the potential for cross-selling products and services across divisions and national borders, Visma believes its strong customer base provides a solid basis for continued growth in 2012.

## HIGHLIGHTS

The economies where Visma operates were generally in good health during 2011. Particularly the Swedish and Norwegian economies showed strength.

2011 was a year of significant acquisition activity for Visma. It was highlighted by two significant software acquisitions in the Nordic market. In July, Visma acquired Mamut ASA, a public listed company. Mamut gives Visma a leading position in the Norwegian Micro and smaller SME market in Norway. In October, Visma acquired the Passeli and Netvisor software businesses in Finland. This acquisition gives Visma a leading position in the Finnish Mirco ERP segment, as well as, the leading SaaS ERP business in Finland.

As a result of these acquisitions, Visma strengthened its position as the leading ERP software provider in the Nordic region. In addition, Visma became the number one Nordic ERP provider for the Micro segment across the Nordic region with the leading market positions in Norway, Sweden, and Finland. During 2012, Visma will focus on realizing the substantial synergies available as a result of these acquisitions. This will provide an expanded platform for further cross-sales, organic growth, and margin improvement.

## ACQUISITIONS

Visma acquired the following entities in 2011:

- Nätti Oy, Finland, January 2011
- GainCom A/S, Denmark, January 2011
- Maventa Oy, Finland, February 2011
- Egersund Regnskap AS, Norway, February 2011
- Stavanger Regnskap AS, Norway, February 2011
- ABC Kredittstyring AS, Norway, March 2011
- Tilihoune Oy, Finland, April 2011
- NGGi Aps, Denmark, April 2011
- EVA Accounting Oy, Finland, April 2011.
- ProjectX International Ltd, by 10,0% share, July 2011.
- Regnskapspartner Nygaard & Co AS, Norway, July 2011.
- Mamut ASA, Norway, July 2011.
- Opiin A/S, Denmark, September 2011.
- Navicom A/S, Denmark, October 2011.
- Doxylon AS, Norway, October 2011.
- Passeli Ohjelmat Oy and Netvisor Oy. Finland, October 2011

## ASSESSMENT OF FINANCIAL STATEMENTS

The financial statements for the year have been presented on the assumption that the company is a going concern, and based on

" The significant growth during 2011 has come from the high level of acquisition activities. Visma acquired over 15 businesses for consideration in access of NOK 1.5 billion."

the financial statements and earnings forecasts for 2012 the Board of Directors confirms that this assumption is applicable.

Visma reports in accordance with International Financial Reporting Standards (IFRS) : as adopted by the EU. The financial statements for the parent company have been prepared in accordance with the Norwegian Accounting Act 1998, generally accepted accounting principles (NGAAP). The paragraph below describes the full year 2011 figures, with corresponding figures for 2010 in brackets.

### INCOME STATEMENT

The Visma Group achieved revenue growth of 23.4 per cent to NOK 5,142 million in 2011 (4,168). Organic growth was 3.0 per cent (10.6), which was satisfying given the subdued market development.

Visma Software remained the largest revenue contributor and accounted for 36.0 per cent of revenue, followed by Visma BPO Accounting & Payroll at 31.3 per cent, Visma Retail at 12.4, Visma Project and Consulting at 9.6 per cent, Visma Commerce Solutions at 9.2 and Visma Hosting at 1.4 per cent of overall revenue.

Most business segments reported organic revenue growth for 2011, ranging from -9.7 per cent in Visma Retail to 6.7 per cent in Visma BPO Accounting & Payroll.

Earnings before interest, depreciation and amortization (EBITDA) increased by 14.6 per cent to NOK 934.1 million (815.1), the EBITDA margin increased to 18.2 per cent (19.6).

Visma Software accounted for 59.8 per cent of total EBITDA, followed by Visma BPO Accounting & Payroll at 25.7 per cent, Visma Commerce Solutions at 11.5 per cent, Visma Projects and Consulting at 6.4 per cent, Visma Retail at 2.2 per cent and Visma Hosting at 1.7 per cent.

Depreciation and amortization amounted to NOK 311.6 million in 2011 (182.4), with the increase primarily explained by acquisitions adding to the asset base.

EBIT decreased by 1.6 per cent to NOK 622 million (633).

Net financial items increased as a result of increased interest expenses, and profit before tax decreased by 14.5 per cent to NOK 439.8 million (514.3).

Taxes amounted to NOK 129 million (135), generating a profit after tax and minority interests of NOK 307.5 million (374.4).

In the Board's opinion, the financial statements for the year give a true and fair view of the Group's financial position and results for 2011.

In 2011, the parent company Visma AS had a profit of NOK 181.1 million (164.8).

### PROPOSED ALLOCATION OF THE PROFIT FOR THE YEAR (NOK 1,000)

| | |
|---|---|
| Transferred to retained earnings | 181,161 |
| Total allocated | 181,161 |
| Distributable reserves of Visma AS at 31 December 2011 | 661,131 |

### CASH FLOW AND BALANCE SHEET

Visma generated a strong cash flow of NOK 836.6 million from operational activities in 2011 (752.7), supported by sound financial management and improvements in working capital.
Cash flow from investing activities was NOK 1,579 million (1,048), of which NOK 2,993 million related to acquisitions (981.9).

Net free cash flow before financing increased to NOK 742.4 million (295.3).

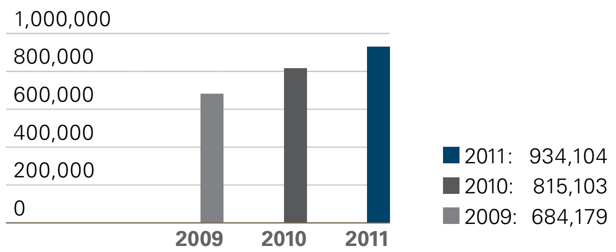
Cash flow from financing activities amounted to NOK 900.6 million (660.7)

As a part of the acquisition by KKR in 2010, Visma negotiated a new senior debt facility with DnB and Danske Bank of NOK 5,200 million. This facility has 5 years duration, and part of it has in beginning of 2011 been syndicated to SEB and Nykredit. During 2012, this facility have been extended to a total of 6,600 million.

Cash and cash equivalents increased to NOK 1,162.7 million (1,007.2), which the Board of

Directors Report

EBITDA (numbers in NOK 1.000)




Directors considers to be sufficient given the current and expected activity level.
Total assets increased to NOK 7,570 million at the end of 2011 (5,663), mostly related to businesses acquired during the year and to variance in currency exchange rates.

The majority share of the equity increased to NOK 1,258.7 million at the end of 2011 (1,160.0), mainly reflecting the profit for the year and payment of group contribution to Archangel AS. The equity ratio decreased to 16.6 per cent (20.5).

Net working capital increased during the year. Accounts receivable totalled NOK 790.7 million at 31 December, 2011 (641.1). Customers' average credit period increased to 38 days in the fourth quarter 2011 from 34 days in the fourth quarter 2010.

Visma has made provisions of 3.3 per cent of accounts receivable (excluding VAT), to cover potential losses on doubtful receivable. The allocation covers all trade receivables older than 180 days. The company closely monitors accounts receivable, and the provision is considered adequate given that the company's average credit period is below the IT-industry average.

## REVIEW OF THE BUSINESS AREAS

**Visma Software** supplies ERP, CRM, HR/payroll, and e-commerce software to small and medium-sized enterprises in Denmark, Finland, the Netherlands, Norway, and Sweden. Visma Software also provides tailored solutions within the verticals of retailing, the public sector, accounting firms and various contracting verticals.

At the end of the year, Visma Software had 1,622 employees, servicing the 229,680 enterprises that are using Visma's software. The majority of these customers have signed annual maintenance and support agreements.

Revenue in Visma Software increased 17.4 per cent to NOK 1,853 million in 2011 (1,579). Organic growth was 5.8 per cent (5.5). This was above the software industry in general and Visma Software continues to take market share. 70.3 per cent of sales originated from annual maintenance and support contracts, 13.3 per cent from new sales of software, 8.5 per cent from consulting services and 8.0 per cent from training and third-party products.

EBITDA in Visma Software amounted to NOK 559 million (469), corresponding to an EBITDA-margin of 30.2 per cent (29.7).

Visma R&D is shifting is main focus over to SaaS solutions. In 2011 more than 50% of the R&D effort was on SaaS and web-based solutions. This trend will continue into 2012 as Visma will launch several new SaaS products.

During 2011 Visma Spcs obtained more than 14,000 new users on its various online/SaaS offerings. In total 36,200 users are now working on the solutions.

Innovative product development is of vital importance to retain existing and attract new customers to Visma. Visma´s development centre in Romania has at year end 126 programmers.

In our efforts to keep existing customers, customer support also plays a key role, and Visma's energetic and competent sales force is an absolutely crucial element in the company's ongoing endeavour to create growth. The primary focus in Visma Software in 2011 will be to improve the ability of this sales force to cross-sell products and services, win new customers, and increase sales of add-on modules to existing customers.

In 2011, total R&D expenses in Visma Software amounted to NOK 340 million, versus NOK 307 million in 2010. At 18.3 per cent of total software division revenue, Visma Software's R&D expense is substantially ahead of that of most of its competitor peers, allowing it to drive greater innovation and thereby greater organic revenue growth over a sustained period into the future.

**Visma BPO Accounting & Payroll** provides outsourcing services for accounting and payroll in Norway, Sweden, Denmark and Finland, and is the only pan-Nordic provider of these services. The company also offers temp services and recruitment, in particular accounting professionals. At the end of the year, the division had 1,972 employees.

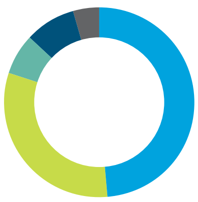
Visma BPO Accounting & Payroll has more than 28,200 companies as customers, and more than 180 of these companies buy services in more than one country. The company attracted further payroll customers on a pan-Nordic basis in 2011, and the good growth in pan-Nordic payroll engagements is expected to continue.

Revenue in Visma BPO Accounting & Payroll increased by 7.7 per cent to NOK 1,357 million in 2011 (1,260). Organic growth was 6.7 per cent (4.7). While the growth was rather slow in the first half of 2011 as the effects of the financial crisis were still strongly felt, the revenue growth in the second half of 2011 was above 10 per cent.

The growth is evidence of the strong demand for outsourcing services in the market but also shows that Visma BPO Accounting & Payroll has established a position as the leading quality provider in the Nordic countries.

EBITDA in Visma BPO Accounting & Payroll amounted to NOK 184.9 million in 2011 (183.7) corresponding to an increase of 0.6 per cent from 2010. EBITDA-margin decreased to 13.6 per cent (14.6). The decrease is partly the effect of the slow first half year

## Net sales by country for the Group



| | |
|---|---|
| Norway | 48.8 % |
| Sweden | 31.3 % |
| Denmark | 6.9 % |
| Finland | 8.7 % |
| Netherlands | 4.3 % |

of 2011, but also start-up expenses of several large account projects.

The growth trend is satisfactory, and overall revenue growth is expected to be healthy in 2012.The EBITDA margin is also expected to improve over 2012.

**Visma Commerce Solutions** provides services in administration and collection of accounts receivable, factoring, administrative purchasing spend management, and tender management. The main business is in Norway and Sweden, although the company also has some collection business in Denmark. At the end of 2011 the Visma Commerce Solutions division had 330 employees and some 34,370 customers.

Visma Commerce Solutions offers a relatively high number of additional services to customers of Visma Software and Visma BPO Accounting & Payroll, and the division therefore represents an important component in the cross-selling strategy across the divisions in Visma.

Revenue increased 44.7 per cent to NOK 371.0 million in 2011 (250.0), and the organic growth of 10.6 per cent (7.7) is evidence of an increasing need for such value-added services by our customers. The growth is expected to continue in 2012.

EBITDA increased by 27.5 per cent to NOK 82.1 million in 2011 (64.4), corresponding to an EBITDA margin of 22.7 per cent (25.8).

**Visma Retail** provides complete turn-key solutions for the Retail market. The product offering includes point-of-sales (POS) solutions, supply-chain management solutions, installation and field-service, consultancy, and hosting of servers. At the end of the year, the division had 447 employees and 7,670 customers.

Around 60.0 per cent of Norwegian fast moving consumer goods and food is managed through solutions from Visma Retail, and about one-third of the Swedish market.

Revenue increased by 69.8 per cent to NOK 627.4 million in 2011 (369.5), with a strong organic growth at 42.0 per cent. EBITDA increased to NOK 70.4 million (30.3), and the EBITDA-margin increased to 11.2 per cent (8.2).

In 2011, total R&D expenses in Visma Retail amounted to NOK 78.0 million, versus NOK 83.0 million in 2009.

**Visma Projects & Consulting** is a leading provider of IT and consultancy services. The company's focus is primarily on public sector and the retail industry. Visma P&C offers development and project management, application management, automated workflow management and case processing solutions as well as system development and system integration. At the end of the year, the division had 413 employees and 540 large customers.

In second half of 2011 revenue in Visma Projects and Consulting increased by 3.8 per cent to NOK 241.9 (232.8) in 2011. Compared to proforma numbers organic growth was 2.4 per cent.

EBITDA increased to NOK 44.4 million (41.4), and the EBITDA-margin increased to 18.4 per cent (17.8).

**Visma Hosting** was during last part of 2011 established successfully as a new division within Visma. Visma Hosting is a leading European hosting provider, delivering premium packages of domains, web hosting and other value-added services. The main customers are predominantly SMEs (Small Medium Enterprises), SOHOs (Small Office/Small Home) and also private consumers.

The hosting business was acquired in July 2011 as a part of the Mamut Group acquisition. Over the years, the hosting business has been completely integrated with the Mamut software business. The re-structuring to achieve a stand-alone unit has been executed in 2011 according to plan. Visma Hosting is now looking forward to focus on customers and operations under two brands, Active 24 in Western and Central Europe, and Loopia in Sweden and Serbia.

As of 1 January 2012, the division also has been re-structured into separate, stand-alone legal subsidiaries with a total of 121 employees and 333,200 customers.

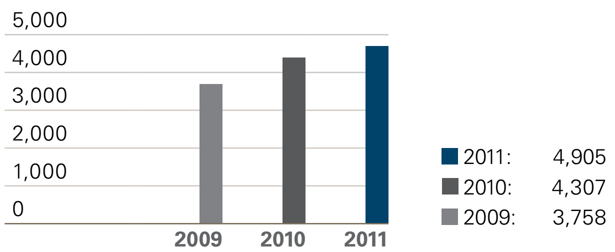
Western Europe includes Norway, the Netherlands, UK, Germany and Spain. Visma Hosting has 74.000 customers throughout Western Europe with especially strong positions in Norway and the Netherlands. Central Europe includes Czech Republic, Poland and Slovakia. Central Europe now has 77.000 customers and the region experienced solid growth during 4th quarter 2011.
Loopia currently has the leading position in the Swedish mass hosting market and a strong position in Serbia with 178.000 customers.

With new premium hosting services introduced in 2011, including improved features and leading edge technology, Visma Hosting is looking forward to benefit from modern production platforms in 2012. The mass hosting market in Europe is expected to have strong growth in the years to come, and Visma is well-positioned to take part of this growth and further improve its results by scaling the business.

### ORGANIZATION, WORK ENVIRONMENT AND EQUALITY OF OPPORTUNITIES

Visma is headquartered in Oslo, but has further 166 locations distributed in Norway (70), Sweden (37), Finland (39), Denmark (7), the Nether-

Increase in number of employees in the Group




lands (3), Romania (2), United Kingdom (1), Lithuania (1), Ireland (1), Spain (1), Czech Republic (1), Poland (1), Serbia (1) and Germany (1).

The business operations of the Visma Group are carried out through 98 wholly and partly owned subsidiaries, whereas the Group for reporting purposes is organized in the divisions, Visma Software, Visma BPO Accounting & Payroll, Visma Commerce Solutions, Visma Projects and Consulting, Visma Retail and Visma Hosting. The divisions have responsibility for their business areas, regardless of geography or other factors.

At the end of 2011 Visma had 4,905 employees, which was an increase from 4,307 at the end of 2010. 2,601 of these were employed outside of Norway.

Visma is a complex enterprise, and its employees hold the key to further progress as it is their unique competencies that create value for customers and shareholders.

Visma is continuously working to develop skilled and dedicated employees, through offering courses and other training to its staff. Visma strives to offer career opportunities for dedicated and ambitious employees, and has a well-established management training programme for young potential future managers in Visma as well as other carrier development programmes, including also a senior programme. The fifth group of management trainees started on the programme autumn 2011. All managers in the Group are responsible for designating and training their successors.

Visma emphasizes activities within HSE (health, safety and the environment) and has designated HSE groups and a head safety delegate. HSE procedures form part of Visma's ISO 9000 approved quality system. Total sick leave for the Group averaged 3.14 per cent in 2011 (3.21). No injuries or accidents occurred in connection with work tasks undertaken at Visma during 2011.

Visma conducts every year a joint, international survey of the work climate during the third quarter. In collaboration with the Managing Director, each department shall establish target figures for the individual areas of focus for each year. The knowledge our managers obtain from such surveys is necessary to facilitate the development and further improvement of the environment and corporate culture.

When the results are available the report is reviewed and presented in respective departments. All questions that have negative variances in relation to the objective are reviewed, and an action plan is set up to address the issues. The action plan shall include clear references to what is to be done, who has the responsibility, and the deadlines for implementation.

The action plan is on the agenda at management meetings, and is followed up until the issues in the action plan have been resolved. The results of the survey in the third quarter 2011 shows, that our employees are well familiar with the group's goals and strategies, our financial goals and our products and services. The average employee is satisfied with the respective manager and the daily feedback, contributes to cross sales, makes extra efforts in satisfying our customers and believes that Visma treats its customers well. With respect to working conditions, the employees have the required competence to complete respective tasks and thinks that working in Visma develops the individual competence.

The survey consists of 5 questions and the answers are given by choosing on a scale from 1 to 5. The average result for all questions and for all employees international was 4.15 in 2011. Working conditions are overall regarded as good.

Visma's staff' is overall relatively balanced between the genders, with a slight majority of 53.0 per cent women. However, there are large gender differences between the divisions. At the end of 2011, the proportion of women in Visma BPO Accounting & Payroll was 72.9 per cent (74.7), whereas the equivalent figure in Visma Software was 41.0 per cent (41.9). At the end of the year, the proportion of women in Visma Commerce Solutions was 52.7 per cent (51.3) and the proportion in Retail 22.3 per cent (19.7).

In the holding company, Visma AS, three of twelve employees are women. The proportion of women in other management and middle management is 44.3 per cent. Visma aims to improve the balance in the executive group, although the primary criteria remain to secure the right competence in all types of positions in the divisions.

As of 31 December 2011, the group's Board of Directors comprises 7 men.

Visma believes that a relatively balanced gender ratio contributes to a better working environment, greater creativity and adaptability, and better results in the long run. To promote the principle of equal opportunity for both genders, Visma has implemented the following measures to strengthen and secure the gender balance:

- If qualifications are the same in other respects, the underrepresented gender will appointed when hiring new employees or filling vacant positions.
- Opportunities for training and promotion are independent of gender.
- Guidelines on equal opportunities have been sent to all managers in the Group and have been reviewed in management meetings.
- Visma Services offers management development programmes where most of the

Balance between the genders in the Group


participants are women. The objective is to increase the recruitment of women to management roles.

Visma's compensation policy is based on equal pay for equal work, meaning that women and men in the same positions have the same salaries if all other conditions are the same. However, average salary levels are also influenced by age, length of service, specialization, and the proportion of managers. All of these factors contribute to an average salary which in 2011 was 17.5 per cent (17.9) higher for men than for women. Average salary levels in the software industry are somewhat higher than in the accounting and the outsourcing sectors.

In recruitment processes, Visma seeks candidates with the best professional qualifications and emphasises real skills testing in for example practical accounting or real programming. This skills-based focus creates equal opportunities regardless of gender, nationality or background. On a general level, the Group seeks to obtain a gender ratio within the 40-60.0 per cent range in each department and each category of position.

The company also promotes employment of personnel of different nationalities and cultural backgrounds, and is recruiting professionals from all over the world.

Visma strives to create a working environment that enables employees of both genders to combine work and family life. At the end of 2011, 227 employees were on leave of absence, of which 77.3 per cent were women.

Visma also seeks to provide a working environment offering opportunities for the disabled. The company has recently moved into several new buildings, where the company has have demanded easy access also for employees using wheelchairs and other disabled. Work in Visma is in general not physically demanding, and people with physical disabilities thus have good opportunities in Visma.
On the basis of the current status and measures already implemented, the Board of Directors at Visma AS considers that further actions to promote equal opportunities in the Visma Group are not necessary.

## THE ENVIRONMENT

It is the opinion of the Board of Directors at Visma AS that the company's activities do not significantly affect the environment.

In the broader context, Visma's financial and logistics products contribute to greater productivity for the company's customers, and thereby to reduced wastage of economic and material resources. Visma's solutions help businesses improved their efficiency, reduce paper and electricity usage, reduce travelling time and costs, and generally reduce their carbon footprint through electronic business operation.

Visma's environmental strategy is a key area in the company's overall responsibility program, with a special focus on areas where Visma can have the most impact on the environment: Green IT, energy saving, and consolidated server solutions. Further details are described in the separate review of our environmental strategies in this Annual Report, which also offers a short description of internal measures that are designed to reduce Visma's already modest carbon footprint.
Certain parts of Visma is certified according to the ISO14000 standard (Visma Esscom of the Retail division), and Visma Unique has been awarded the Norwegian standard "Miljøfyrtårn".

## ASSESSMENT OF RISK FACTORS AND UNCERTAINTIES

**Market and technology risks**

As all companies, Visma is exposed to general economical fluctuations and GDP developments in the five different countries where Visma is selling its products and services.

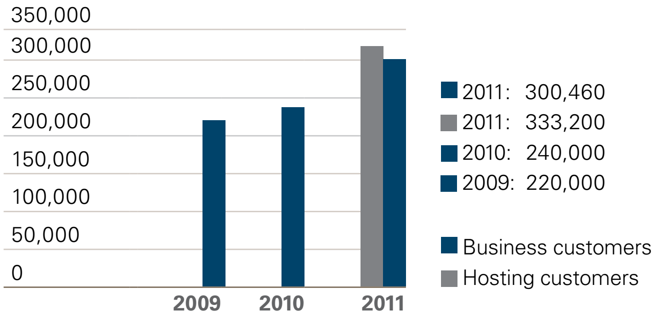
As a technology company, Visma is also exposed to risks associated with dramatic shifts in technology, and resulting changes in the competitive landscape. The competition can mainly be divided into two groups; large international companies, and smaller, local competitors. The strongest international competitors for Visma Software are SAP, Oracle and Microsoft. These companies have been present in our markets for many years and although Visma is used the competition it remains a constant challenge to preserve and gain market shares. All the business segments in Visma also face numerous local competitors but although some of these may be aggressive in certain areas, their potential impact on the whole Visma-group is regarded as limited.

Visma has tried to limit its exposure to the market and technology risks in the following manner:

- The products and services provided to a large degree cater to requirements that are mandatory and necessary regardless of the economical cycle
- Visma has 633,660 customers in different countries, and in many different verticals. This lowers the exposure to events affecting a single country or vertical market. Visma has many small customers, which simplifies the projects and lowers implementation risks
- Visma has a wider range of products and services than its competitors, which provides more opportunities for cross-selling, more product sales to each customer, and less churn
- Visma utilises both Microsoft based technology and Open Source/Java technology
- Visma systematically collects information about customer satisfaction through "net-promoter-score" research. Based on feed-back from the customers, Visma both

Directors' Report

Increase in number of customers




addresses individual customer problems, and need for process-changes

**Interest rate risk**

Visma is exposed to interest rate risk, as its interest bearing debt carries floating interest rates. However, the company has entered into interest contracts covering 49 per cent of the loan amounts. Hedges through interest rate swaps are expected to offset the changes in expected cash flows due to fluctuations in interest rates over the life of the debt.

For 2011, a 100 basis-points change in the interest rate level would have had an estimated effect of approximately NOK 12.9 million on the profit before tax.

**Exchange rate risks**

Visma is exposed to changes in the value of NOK, relative to other currencies, in particular SEK, DKK and EURO. This reflects both production and sales in other countries, and effects on the translation of earnings and cash flows into NOK. The Group has loans in several currencies to match underlying cash flows in the operations.

In 2011, a 5.0 per cent change in exchange rates versus NOK would have had an estimated effect of NOK 44.5 million on the profit before tax.

**Credit risks**

Visma sells almost 100.0 per cent of its products and services to other businesses at a credit and is hence exposed to credit risks.

In 2011, the company expenses bad debts corresponding to approximately 0.6 per cent of revenue and 3.7 per cent of total accounts receivable. Credit risk is limited through:

- Credit checks before establishment of new customer relations
- Low average invoice due to the large number of small customers
- Expedient follow up of unpaid due invoices
- A high-quality products and services offering and customer satisfaction among the highest in the markets where Visma operates

Furthermore, Visma's in-house debt collection operation in Visma Collectors has the highest resolution rate among Nordic debt collection companies.

**Cash-flow risks**

As a leveraged company Visma has debt service obligations and depends on continuous cash conversion of its revenue. Visma has very limited cost of goods sold and hardly carry any inventory, and capital expenditure is normally less than 10.0 per cent of EBITDA.

Net cash flow from operating activities has historically been above 90.0 per cent of EBITDA. Any cash-flow risk is hence closely related with EBITDA-performance.

**Liquidity risks**

Visma seeks to manage liquidity to ensure that is has sufficient liquidity to meet its financial obligations under any circumstances without incurring unacceptable losses or risking damage to the reputation. Excess liquidity is primarily invested in bank deposits. The Board of Directors considers the cash level at the end of 2011 to be sufficient given the current and expected activity level.

Please also refer to note 20 – Financial instruments for further description of risk factors and measures to manage risk.

**Legal risks**

Several parts of Visma perform professional services, especially within BPO Accounting & Payroll and Collectors. Parts of Visma Software are also involved in complex implementation projects.

With 4,905 employees and 633,660 customers, Visma's international master insurance programme for general responsibilities is constructed to cover the liability and exposure. The management of Visma consider Visma's coverage sufficient for the projects where Visma is involved.

**IT risks**

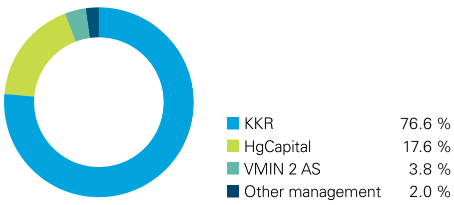
As a technology company Visma is heavily dependent on it IT-operations and infrastructure. The outsourcing activities of Visma utilise software and IT-automation for its production, and even a few hours of downtime at the Visma IT-centre may have a short-term impact on the financial results of Visma and potential long-term consequences for customer-relationships.

Software development and customer support are also using Visma IT extensively, and, like in most modern companies, almost all activities stop without IT. As an industry-leading high-tech company Visma is probably also a likely target for industrial espionage and hacking.

To limit and control the risks associated with the dependence on IT, Visma has organised its IT operations in a separate legal entity; Visma IT & Communications (VITC). VITC operates a central data-centre on two independent locations with fail-over functions. VITC is certified according to ISO20000 and is in the process of certifying according to ISO27000. Several parts of Visma BPO Accounting & Payroll are certified according to SAS70.

The top management of Visma recognizes the need to limit IT-related risks, and has supported Visma's extensive investments in hardware, premises, certifications, competence and software to prevent intrusion and ensure the continuity of its IT operations.

## Ownership in Visma




### OUTLOOK FOR 2012

The public debt uncertainty in the Euro-zone is expected to continue throughout 2012 and will, to some extent, have a dampening effect on economic development even in Visma´s, otherwise healthy, markets. However, Visma assumes that this to some extent is factored into most businesses outlook and investment budgets, and Visma expects a moderate positive economic development in the markets where we operate.

The company expects increased demand for ERP solutions and outsourcings services. While many enterprises will continue with tight cost-control and productivity measures, Visma expects that most companies also will continue to look for solutions to promote and support renewed growth.

Visma expects increasing demand for SaaS (Software as a Service) offerings in Visma´s product areas. With strategic acquisitions made during 2011, Visma intends to be a leader in the SaaS product development in its markets. During 2012, Visma will launch some new and innovative SaaS ERP products that Visma believes will provide leading-edge software solutions to its customers and markets. The SaaS offerings will both attract new groups of users, and will also provide growth opportunities through enhancement of existing products already installed at the customers' sites.

Organic growth will continue to be driven by good opportunities for cross-selling and bundling of products and services across divisions and national borders.

2011 was a year of significant structural growth for Visma. 2012 will primarily be focused on growing organically and realizing synergy and cross-sale potential from the 20+ business acquired during the last 18 months.

Relative to the high level of acquisition activity in 2011, the pace of acquisitions in 2012 will be more moderate. Visma Management will continue to regularly evaluate strategic acquisitions, primarily in markets where Visma already operates.

Oslo, 18 April 2012

Gunnar Bjørkavåg
Chairman of the Board

Jacques Garaïalde
Director

Nic Humphries
Director

Jan Pieter Dekker
Director

Mateusz M. Szeszkowski
Director

Stanislas De Joussineau
Director

Herald Y. Chen
Director

Øystein Moan
CEO

# Consolidated Annual Accounts

## Content

# Income Statement

1 January – 31 December

| VISMA AS - CONSOLIDATED (NOK 1,000) | Note | 2011 | 2010 |
|---|---|---|---|
| **Operating revenue** | | | |
| Sales revenue | 2 | 5 141 908 | 4 167 689 |
| **Total operating revenue** | | **5 141 908** | **4 167 689** |
| | | | |
| **Operating expenses** | | | |
| Sales and distribution cost | | 720 361 | 618 899 |
| Payroll and personnel expenses | 3.16 | 2 684 401 | 2 111 221 |
| Depreciation and amortisation expenses | 4.5 | 311 625 | 182 447 |
| Other operating expenses | 8.16 | 803 041 | 622 466 |
| **Total operating expenses** | | **4 519 429** | **3 535 034** |
| | | | |
| **Operating profit** | | **622 479** | **632 655** |
| | | | |
| **Result from associated companies** | **24** | **(763)** | **(1 856)** |
| | | | |
| **Financial items** | | | |
| Financial income | 9 | 29 184 | 17 203 |
| Financial expenses | 9 | (211 139) | (133 679) |
| Net financial items | | (181 955) | (116 475) |
| | | | |
| **Profit before taxes** | | **439 761** | **514 324** |
| | | | |
| **Taxes** | **10** | **129 030** | **135 271** |
| | | | |
| **Profit for the year** | | **310 731** | **379 053** |
| | | | |
| **Attributable to:** | | | |
| Equity holders of Visma AS | | 307 519 | 374 405 |
| Non-controlling interests | | 3 212 | 4 648 |
| | | | |
| **Earnings pr share in TNOK** | | | |
| Basic earnings per share | 19 | 307 519 | 374 405 |
| Diluted earnings per share | 19 | 307 519 | 374 405 |

| CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (NOK 1,000) | | | |
|---|---|---|---|
| **Profit for the year** | | **310 731** | **379 053** |
| | | | |
| **Other comprehensive income** | | | |
| Net gain (loss) on financial hedging instruments | 20 | (61 369) | 10 635 |
| Income tax | | 17 183 | (2 978) |
| | | | |
| Exchange differences on translation of foreign operations | 2 | (3 199) | (82 631) |
| Income tax | | 896 | 23 137 |
| | | | |
| **Other comprehensive income (loss) for the period, net of tax** | | **(46 489)** | **(51 837)** |
| | | | |
| **Total comprehensive income for the period** | | **264 243** | **327 216** |
| | | | |
| **Total comprehensive income attributable to:** | | | |
| Equity holders of Visma AS | | 261 031 | 322 568 |
| Non-controlling interests | | 3 212 | 4 648 |

# Statement of Financial Position

31 December

| VISMA AS - CONSOLIDATED (NOK 1,000) | Note | 2011 | 2010 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Deferred tax assets | 10 | 174 325 | 36 325 |
| Goodwill | 4,23 | 3 462 456 | 2 611 798 |
| Other intangible assets | 4 | 673 434 | 386 883 |
| Contracts & Customer relationships | 4 | 720 410 | 497 350 |
| Property | 5 | 19 207 | 29 116 |
| Machinery and equipment | 5 | 133 623 | 111 067 |
| Shares classified as available for sale | 21 | 40 159 | 12 531 |
| Investment in associated companies | 24 | 74 943 | 75 706 |
| Long-term receivables in Group companies | 7 | 110 568 | 76 580 |
| Other long-term receivables | | 14 791 | 12 529 |
| **Total non-current assets** | | **5 423 917** | **3 849 885** |
| **Current assets** | | | |
| Inventory | | 39 791 | 26 003 |
| Accounts receivables | 6 | 790 667 | 641 095 |
| Other current receivables | 7 | 153 285 | 139 120 |
| Cash and cash equivalents | 12 | 1 162 654 | 1 007 192 |
| **Total current assets** | | **2 146 398** | **1 813 410** |
| **TOTAL ASSETS** | | **7 570 315** | **5 663 295** |

| (NOK 1,000) | Note | 2011 | 2010 |
|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Paid-in capital | 14,15 | 165 000 | 165 000 |
| Other reserves | 13 | -41 587 | 4 902 |
| Retained earnings | | 1 135 248 | 990 500 |
| Equity attributable to equity holders of the parent | | 1 258 661 | 1 160 402 |
| Non-controlling interests | | 15 443 | 9 905 |
| **Total equity** | | **1 274 104** | **1 170 307** |
| **Non-current liabilities** | | | |
| Pension liabilities | 3 | (5 082) | 2 036 |
| Deferred tax liability | 10 | 542 302 | 415 329 |
| Financial hedging Instruments | 20 | 102 594 | 41 225 |
| Other long-term interest bearing loans and borrowings | 12 | 3 772 287 | 2 705 854 |
| **Total non-current liabilities** | | **4 412 101** | **3 164 445** |
| **Current liabilities** | | | |
| Revolving credit facility | 22 | 200 222 | 0 |
| Trade creditors | | 182 052 | 146 882 |
| Public duties payable | | 307 195 | 269 701 |
| Tax payable | | 9 792 | 38 133 |
| Other current liabilities | 22 | 1 184 848 | 873 827 |
| **Total current liabilities** | | **1 884 110** | **1 328 543** |
| **Total liabilities** | | **6 296 210** | **4 492 988** |
| **TOTAL EQUITY AND LIABILITIES** | | **7 570 315** | **5 663 295** |
| Secured liabilities and guarantees | 17 | | |

Oslo, 18 April 2012

Gunnar Bjørkavåg
Chairman of the Board

Jacques Garaïalde
Director

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Director

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Director

Mateusz M. Szeszkowski
Director

Stanislas De Joussineau
Director

Herald Y. Chen
Director

Øystein Moan
CEO

# Statement of Cash Flows

1 January – 31 December

VISMA AS - CONSOLIDATED

| (NOK 1,000) | Note | 2011 | 2010 |
|---|---|---|---|
| **Profit before taxes** | | **439 761** | **514 324** |
| Depreciation and amortisation expenses | | 311 625 | 182 447 |
| Taxes paid | | (92 447) | (67 611) |
| Changes in debtors | | (149 572) | (169 883) |
| Changes in inventory and trade creditors | | 21 382 | 34 084 |
| Changes in public duties payable | | 37 494 | 79 448 |
| Changes in deferred revenue | | 255 892 | 140 414 |
| Non-cash related financial items | | 18 649 | 35 213 |
| Change in other accruals | | (6 235) | 4 239 |
| **Net cash flow from operations** | | **836 550** | **752 675** |
| Sale of (investment in) businesses | 1 | (1 394 977) | (920 730) |
| Investment in R&D software related to business combinations | | (55 896) | (36 858) |
| Investment in tangible fixed assets related to business combinations | | (35 686) | (24 332) |
| Capitalised development cost | 4 | (31 457) | (23 179) |
| Investment in tangible fixed assets | 5 | (33 299) | (44 527) |
| Sale of (investment in) shares | | (27 627) | 1 666 |
| **Net cash flow from investments** | | **(1 578 942)** | **(1 047 960)** |
| Repayments of interest bearing loans | | (145 000) | (2 293 104) |
| Proceeds from interest bearing loans | | 1 224 480 | 3 191 661 |
| Change in revolving credit facility | | 200 222 | (100 000) |
| Change in long-term receivables | | (36 250) | 115 220 |
| Payment of group contribution | | (226 072) | (159 555) |
| Cash inflow from dividends | | 5 420 | 1 620 |
| Cash inflow from interest | | 21 886 | 15 583 |
| Cash outflow from interest | | (140 875) | (110 774) |
| **Net cash flow from financing activities** | | **903 812** | **660 652** |
| **Net cash flow for the year** | | **158 239** | **365 367** |
| Cash and cash equivalents 1.1 | | 1 007 192 | 642 147 |
| Net foreign exchange difference | | (2 777) | (322) |
| **Cash and cash equivalents 31.12** | **12** | **1 162 654** | **1 007 192** |

# Statement of Changes in Equity

VISMA AS - CONSOLIDATED

| (NOK 1,000) | Note | Paid-in share capital | Share premium reserve | Other reserves | Retained earnings | Majority's share of equity | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|---|---|
| | Note | 14 | | 13 | | | | |
| **Equity as at 01.01.2010** | | **165 000** | **0** | **56 739** | **730 975** | **952 714** | **17 500** | **970 213** |
| Total comprehensive income for the period | | | | (51 837) | 374 405 | 322 568 | 4 648 | 327 216 |
| Group contribution | | | | | (114 880) | (114 880) | | (114 880) |
| Net changes non-controlling interests* | | | | | | | (12 243) | (12 243) |
| **Equity as at 31.12.2010** | | **165 000** | **0** | **4 902** | **990 500** | **1 160 403** | **9 905** | **1 170 305** |
| | | | | | | | | |
| **Equity as at 01.01.2011** | | **165 000** | **0** | **4 902** | **990 500** | **1 160 403** | **9 905** | **1 170 305** |
| Total comprehensive income for the period | | | | -46 489 | 307 519 | 261 031 | 3 212 | 264 243 |
| Group contribution | | | | | (162 772) | (162 772) | | (162 772) |
| Net changes non-controlling interests | | | | | | | 2 326 | 2 326 |
| **Equity as at 31.12.2011** | | **165 000** | **0** | **(41 587)** | **1 135 248** | **1 258 662** | **15 443** | **1 274 104** |

The calculation of income tax payable for 2011 is based on providing a group contribution of MNOK 252 to the parent company Archangel AS. The group contribution is not accounted for until the general meeting in the subsequent period has approved such contribution. The group contribution will in 2012 reduce retained earnings by MNOK 182. Reference is made to note 6 in Visma AS accounts.

# IFRS Accounting Policies 2011

## CORPORTATE INFORMATION
The consolidated financial statements of Visma AS, for the year ended 31 December 2011 were authorised for issue in accordance with a resolution of the Board of Directors on 18 April 2012. Visma AS (hereafter the 'Company' or 'Visma' or the 'Group') is a limited liability company incorporated and domiciled in Oslo, Norway. The registered office of Visma AS is Karenslyst allé 56, 0277 Oslo, Norway. The Company is 100 % owned by Archangel AS. Information on its ultimate parent is presented in note11.

The Groups activities are described in note 2.

## STATEMENT OF COMPLIANCE
The consolidated financial statements of Visma AS including all its subsidiaries have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

## BASIS OF PREPARATION
The consolidated financial statements have been prepared on a historical cost basis, except for available-for-sale investments (primarily shares owned less than 20%) and interest rate swaps that have been measured at fair value.

The consolidated financial statements have been prepared on the basis of uniform accounting principles for similar transactions and events under otherwise similar circumstances.

The consolidated financial statements are presented in NOK and all values are rounded to the nearest thousand (NOK 1,000) except when otherwise indicated.

## BASIS FOR CONSOLIDATION
The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December each year.

**Basis for consolidation and non-controlling interest**
Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-group balances, transactions, unrealised gains and losses from intra-group transactions and dividends are eliminated in full.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interest
- Derecognises the cumulative translation differences, recorded in other comprehensive income
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
**Segment reporting**
For management purposes, the Group is organised into five divisions according to range of products/services. These divisions comprise the basis for primary segment reporting. The financial information relating to segments and geographical distribution is presented in note 2.

The internal gain on sales between the various segments is eliminated in the segment reporting.

**Functional currency and presentation currency**
The consolidated financial statements are presented in NOK, which is Visma AS's functional currency. Transactions in foreign currencies are initially recorded in the functional currency at the exchange rate the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. All exchange differences are recognised in the income statement with the exception of exchange differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity, or monetary items that are regarded as a part of the net investments. These exchange differences are recognised as a separate component of other comprehensive income until the disposal of the net investment, at which time they are recognised in the income statement. Tax charges and credits attributable to exchange differences on those borrowings are also recorded in other comprehensive income. Non-monetary items that are measured at historical cost in foreign currency are translated using the exchange rates at the dates of the initial transactions.

The Group has foreign entities with functional currency other than NOK. At the reporting date, the assets and liabilities of foreign entities with functional currencies other than NOK are translated into NOK at the rate of exchange at the reporting date and their income statements are translated at the average exchange rates for the year. The translation differences arising from the translation are recognised in other comprehensive income until the disposal of the net investment, at which time they are recognised in the income statement.

**Business combinations**
Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

***Impairment***

Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

As at the acquisition date, any goodwill acquired is allocated to each of the cash-generating units, or groups of cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities are assigned to those units or groups of units. A cash-generating unit to which goodwill has been allocated will be tested for impairment annually, and whenever there is an indication that the unit may be impaired, by comparing the carrying amount of the unit, including the goodwill, with the recoverable amount of the unit.

Where recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised. The recoverable amount of a cash-generating unit is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the cash-generating unit.

**Cash-generating units**

A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. In identifying whether cash inflows from an asset (or group of assets) are largely independent of the cash inflows from other assets (or groups of assets), the management considers various factors including how management monitors the entity's operations (such as by product or service lines, businesses, geographical areas). The group of cash-generating units is in any case not larger than an operating segment determined in accordance with IFRS 8 Operating Segment.

**Intangible assets**

***Research and development cost***

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognised as an intangible asset when the Group can demonstrate:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete and its ability to use it sell the asset;
- how the asset will generate future economic benefits;
- the availability of resources to complete the asset; and
- the ability to measure reliably the expenditure during development.

Following the initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Any expenditure carried forward is amortised over the period of the expected future sales from the related project. Amortisation starts when the development process is completed.

The carrying value of development costs is reviewed for impairment annually when the asset is not yet in use or more frequently when an indicator of impairment arises during the reporting year indicating that the carrying value may not be recoverable.

Gains and losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

Internally generated intangible assets, excluding capitalised development costs, are not capitalised but are expensed as occurred.

***Identifiable intangible assets acquired in business combinations***

The cost of intangible assets acquired in a business combination is fair value as at the date of acquisition.

Values related to contracts and customer relationships are identified and recorded as identifiable intangible assets. The fair value of contracts and customer relationships are calculated considering the estimated future recurring revenues from the customers in the acquired operations at the date of the acquisition. The value related to contracts and customer relationships are calculated on a 100 % basis, including the share of any non-controlling interest. The fair value of tax amortizations are considered in the recorded value of contracts and customer relationships. Any deferred tax liabilities related to the recorded contracts and customer relationships are calculated at nominal values and the difference between the fair value of the tax amortizations and the corresponding deferred tax liabilities are recorded as a part of goodwill.

Purchased rights and contracts and customer relationships acquired are capitalised at fair value as at the date of acquisition. Following initial recognition, the cost model is applied to this class of intangible assets. Purchased rights and contract and customer relationships have 4 – 15 years of useful life and are amortized on a straight-line basis over their useful life. The depreciable amount is determined after deducting its residual value (only where there is an active market for the asset). Useful life and residual value are reviewed at least annually and reflect the pattern in which the benefits associated with the asset are consumed. A change in the useful life or depreciation method is accounted for prospectively as a change in accounting estimate.

Trademark with indefinite lives are not amortised but are tested for impairment annually, either individually or at the cash generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

The carrying values of intangible assets with finite useful life are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount of intangible assets is the greater of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognised in the income statement.

An item of intangible assets is derecognised upon disposal or when no future economics benefits are expected to arise from the continued use of the asset. Gains or losses on the sale or disposal of intangible assets are recorded as other operating revenues and other operating costs respectively in the year the item is derecognised.

**Current/non-current classification**

All assets and liabilities related to the operating cycle are classified as current/short-term. For receivables and liabilities outside the operating cycle, the current/non-current distinction is determined based on a one year maturity-rule as from the acquisition date.

**Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is recognized gross unless required to be recognised net by a Standard or Interpretation (IAS 1.32).

***Visma Software***

Visma Software supplies, ERP, CRM, HR/payroll, and e-commerce software to small and medium-sized enterprises.

In Visma Software the most common types of revenue streams are:

- Licence fees
- Revenue from maintenance agreements
- Revenue from support agreements
- Revenue from Software as a Service solutions
- Revenue from services and other consulting services

***License and maintenance fees***

Licence fees related to software are recognized as revenue when the software is delivered. A delivery has taken place when the risk and control related to the software in all significant aspects have been transferred to the customer. Risk in this relation means the profit and loss potential related to the software. Control is related to the delivery of the software. At what time a delivery has taken place will therefore depend on the conditions included in the specific sales arrangement.

Initial licence fees are recognised when:
A non cancellable licence agreement has been signed;
- The software and related documentation have been shipped;
- No material uncertainties regarding customer acceptance exists;
- Collection of the resulting receivable is deemed probable.

Visma has two separate relationships related to their software licences and related maintenance contracts; one software licence contract and one maintenance contract. In addition Visma and/or the distributor enters into separate contracts with the end-user regarding installation, implementation, support and other consultancy services related to the software. Most of this work is performed by a distributor.

Visma account for licence fee and maintenance fee separately. Licence fee is recognised when shipped to the customer when the criteria in IAS 18.14 are met. Maintenance fees are charged annually and recognised on a straight line basis over the contract period. Customers normally have the right to cancel their utilization rights at the latest (three to twelve) months prior to the next renewal period. Failing cancellation in due time, customers are obliged to pay for the next period. Such revenue from maintenance is recognised over the lifetime of the contract.

When the software is delivered electronically, the delivery criterion for revenue recognition is met when the customer has the reasonable ability to access the licensed software. This condition is generally met when:
- Visma provides the necessary access codes to the customer to allow the customer to commence download of the licensed software and
- Visma's server is functioning.

In some cases Visma is selling customized software implying development of new functionality. When delivering customised software, the percentage of completion method is applied.

***Revenue from support agreement***

Revenue from support agreements is recognised when the support is performed. Fixed price support contracts are recognized on a straight-line basis over the support period.

**Software as a Service (SaaS)**

Revenue from SaaS solutions normally has two components – an up-front payment to cover the licence and set-up fee, and an ongoing service fee to cover hosting. Visma recognize the portion of the fee related to the licence and set-up on delivery, with the portion of the fee related to the hosting element being recognized on a straight-line basis over the contract period as the service is provided. If the two components cannot be separated, the license fee is recognized over the contract period (normally on a straight-line basis).

***Revenue from other services including consulting services***

Revenue from services provided in connection with the supply of standard software and other consulting services are recognized when the services are performed according to the percentage of completion method. These services could include installation, implementation, reporting and database building, training of the customer etc.

**Visma BPO Accounting & Payroll**

Visma BPO Accounting & Payroll is a service provider for their customer with a complete suite of outsourcing services within accounting, payroll administration, financial reporting and consultancy.

- In Visma BPO Accounting & Payroll the most common types of revenue streams are:
- Revenue from transaction-based agreements
- Revenue from fixed price agreements
- Revenue from personnel for hire
- Revenue from consulting by the hour

***Revenue from transaction-based agreements***

Agreements based on transactions have usually three elements; a basic fee, a transaction based fee and a fee per hour for additional services. Revenue related to accounting and payroll services are earned when the services have been provided. Revenue is recognized as the services are provided. Work performed, but not yet invoiced, is recognised and capitalised as accrued income. Work invoiced, but not yet performed, is capitalised as deferred revenue.

***Revenue from fixed price service agreements***

Revenue is recognised as the corresponding work is performed. If the work for the most part is performed on a continuous basis, a linear recognition of revenue over the contract period is applied, unless there is evidence that some other method better represents the stage of completion. Estimated loss on the contracts is recognised immediately when a loss contract is identified.

***Revenue from personnel for hire***

There are normally two services delivered to the customers; temporary staff contracting services and recruitment services. Agreements on temporary staff services are usually based on delivered hours and net hourly rates. Revenue is recognised in accordance with the delivered hours and realised net hourly rates. At the balance sheet date, work performed but not invoiced are recognised and capitalised as accrued income, while work invoiced but not performed is capitalised as deferred revenue.

Agreements on recruitment services are usually a fixed fee that is cleared in advance with the customer. Revenue is recognised when the recruitment process is finished, and the candidate or service is delivered.

***Revenue from hourly based consulting***

Revenue from hourly based consulting is recognised when services have been provided. It is based on delivered hours and net hourly rates.

**Visma Commerce Solutions**

Visma Commerce Solutions provides services related to administration and collection of accounts receivables, factoring, administrative purchasing spend management and tender management.

In Visma Commerce Solutions the most common types of revenue streams are:
- Revenue from procurement pooling services
- Revenue from suppliers
- Revenue from services in administration and collections of accounts receivables
- Revenue from third party's portfolios of loans and receivables

***Revenue from procurement pooling services***

Revenue from procurement pooling services (SaaS solutions) has two components – an up-front payment to cover the licence and set-up fee, and an ongoing service fee to cover hosting. Visma recognize the portion of the fee related to the licence and set-up on delivery, with the portion of the fee related to the hosting element being recognized on a straight-line basis over the contract period as the service is provided. If the two components cannot be separated, the license fee is recognized as earned over the contract period (normally on a straight-line basis).

***Revenue from suppliers***

Agreements with the suppliers in the purchasing pool are defined with a kick-back bonus according to sales volume to customers. These bonuses are recognised as revenue when earned.

***Revenue from services in administration and collections of accounts receivables***

Agreements regarding services in administration of accounts receivables are usually based on a transaction fee. Revenue is normally recognized as they are performed based upon transactions handled and hours used.

Revenue from surveillance portfolios are based on specific agreements with clients and normally include a predefined percentage of payments made by the debtor. Such income is recognised when Visma receives payment from the underlying debtor. In addition the agreements normally include a predefined percentage of the delayed payment fee.

Revenue related to issuance of payment reminders and debt collection on behalf of customers is normally being recognized when the debtor has made a payment and thus the fee is earned. An accrual is also made for debt collection fee based on ongoing debt collection matters.

In some countries revenues related to debt collection services is based on policies issued by the local regulators.

**Visma Retail**

Visma Retail provides complete turn-key solutions for the Retail market. The product offering includes point-of-sales (POS) solutions, supply-chain management solutions, installation and field-service, consultancy, and hosting of servers.

In Visma Retail the most common types of revenue streams are:

- Licence fees
- Hardware sale
- Revenue from on-sight services and consulting services
- Revenue from maintenance agreements

### *Licence fees*

Licence fees related to software is recognized as revenue when the software is delivered. Reference is also made to the above description concerning Visma Software.

### *Hardware sales*

Revenue related to hardware acquired in from third party's is earned when the hardware is delivered and the control has been transferred to the customer.

### *Revenue from on-sight services and consulting services*

Revenue from services provided in connection with the supply of standard software and other consulting services is recognized when the services are performed. These services include installation, on-sign services, implementation, reporting and database building, and consulting services etc.

### *Revenue from maintenance agreements*

Revenue from fixed price maintenance agreements is recognized on a straight-line basis over the maintenance period. Reference is also made to the above description concerning Visma Software.

**Visma Projects & Consulting**

Visma Projects & Consulting provides IT and consultancy services, as development and project management, application management, automated workflow management and case processing solutions as well as system development and system integration.

In Visma Project and Consulting the most common types of revenue streams are:

- Revenue from hourly based agreements
- Revenue from fixed price agreements
- Revenue from maintenance agreements

### *Revenue from hourly based agreements*

Hourly based agreements are defined with a fee per hour, and are usual small projects. Revenue related to project and consulting is earned when the services have been provided. At the balance sheet date work performed, but not yet invoiced, is recognised and capitalised as accrued income. Work invoiced, but not yet performed, is capitalised as deferred revenue.

### *Revenue from fixed price service agreements*

Fixed price service agreements are usually larger projects. They are based on fixed fee or max and min fee and sometimes a defined target fee. As revenue from hour-based agreements, the revenue from fixed price agreements are also earned when the services have been provided.

Some fixed price service contracts will be invoiced upfront. The payment is capitalised as prepayments from customers and the revenue is recognised as the corresponding work is performed. If the work for the most part is performed on a continuous basis, a linear recognition of revenue over the contract period can be justified, unless there is evidence that some other method better represents the stage of completion. An estimated loss is accounted for immediately when a loss contract is identified.

### *Revenue from maintenance agreements*

Revenue from fixed price maintenance agreements is recognized on a straight-line basis over the maintenance period. Advance payments are recognized as a liability (deferred revenue) in the balance sheet.

### *Other types of revenues within the Group*

### *Interest income*

Revenue is recognised as interest accrues (using the effective interest method). Interest income is included in finance revenue in the income statement.

### *Dividends*

Dividend is recognised in the income statement when the shareholders' right to receive dividend has been determined by the general meeting.

### *Pensions*

The Group have pension schemes where the company's commitment is to contribute to the individual employee's pension scheme (contribution plans). Contributions paid to the pension plans are expensed.

### *Income tax*

The tax expense consists of the tax payable and changes to deferred tax.

### *Tax payable*

Taxes payable assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Taxes payable are recognised directly in equity to the extent that they relate to equity transactions.

### *Deferred taxes*

Deferred income tax is provided using the liability method on temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised except:

- - where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- - in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred taxes are recognised directly in equity to the extent that they relate to equity transactions.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**Property and equipment**

Property and equipment acquired by Group companies are stated at historical cost, except the assets of acquired subsidiaries that were stated at the fair values at the date of acquisition. Depreciation is charged on a straight-line basis over the estimated useful life of the assets. The amount to be depreciated is the carrying amount less the asset's residual value.

Useful life and residual value are reviewed at least annually and reflect the pattern in which the benefits associated with the asset are consumed. A change in the useful life or depreciation method is accounted for prospectively as a change in accounting estimate.

Each part of an item of property and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

Ordinary repair and maintenance (day-to-day servicing) of tangible assets is recorded as an operating cost, whereas improvements are capitalised and depreciated over its useful life. An item of property and equipment is derecognised upon disposal or when no future economics benefits are expected to arise from the continued use of the asset. Gains or losses on the sale or disposal of fixed assets are recorded as other operating revenues or other operating costs respectively in the year the item is derecognised.

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of property and equipment is the greater of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognised in the income statement.

**Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as interest cost.

**Inventories**

Inventories are valued at the lower of cost and net realisable value. The original cost of purchased goods is the purchase price and is based on the FIFO principle. The original cost of work in progress and own manufactured goods are the direct cost of production plus a share of the indirect cost of production based on normal operating capacity but excluding borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Inventories are reduced for estimated obsolescence.

**Trade receivables**

Trade receivables are recognised at their cost minus any write downs.

**Cash and cash equivalents**

Cash and cash equivalents comprise bank deposits, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Restricted cash is included as cash and cash equivalents. Bank overdrafts are included within borrowings in current liabilities on the statement of financial position.

For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net outstanding bank overdraft.

**Earnings per share**

Earnings per share is calculated by dividing the majority shareholders share of the profit/loss for the period by the weighted average number of ordinary shares outstanding over the course of the period. When calculating diluted earnings per share, the average number of shares outstanding is adjusted for all share options that have a potential dilutive effect. Options that have a dilutive effect are treated as shares from the date they are issued.

**Leases**

Finance leases, which transfer to the Group substantially all the risk and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

**Cash flow**

The cash flow statement has been drawn up in accordance with the indirect method and report cash flows during the period classified by operating, investing and financing activities. Cash and cash equivalents consist of cash and cash equivalents as defined under cash and cash equivalents, net outstanding bank overdraft.

**Investment in an associate**

The Group's investment in its associate is accounted for using the equity method of accounting. An associate is an entity in which the Group has significant influence.

Under the equity method, the investment in the associate is carried in the statement of financial position at cost plus post acquisition changes in the Group's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The income statement reflects the share of the results of operations of the associate. Where there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes and discloses this, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The share of profit of associates is shown on the face of the income statement. This is the profit attributable to equity holders of the associate and therefore is profit after tax and non-controlling interests in the subsidiaries of the associates.

The financial statements of the associate are prepared for the same reporting period as the parent company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates. The Group determines at each balance sheet date whether there is any objective evidence that the investment in the associate is impaired. If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of the associate' and its carrying value and recognises the amount in the income statement.

Upon loss of significant influence over the associate, the Group measures and recognizes any retaining investments at its fair value. Any differences between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss.

**Interests in joint ventures**

The Group's interest in joint ventures is accounted for using the equity method of accounting from the date when joint control is achieved and until joint control ceases.

A joint venture is an activity over which the Group has joint control through a contractual agreement between the parties. A jointly controlled enterprise involves the creation of a separate entity in which each of the parties has its ownership interest and which is under joint control.

**Financial instruments**

In accordance with IAS 39, Financial instruments: Recognition and measurement, financial instruments within the scope of IAS 39 are classified in the following categories: at fair value with changes in value through profit or loss, loans and receivables, available-for-sale financial assets and other liabilities.

Financial assets with fixed or determinable cash flows that are not quoted in an active market are classified as loans and receivables.

Financial liabilities that do not form part of the held for trading purposes category and which have not been designated as being at fair value with changes in value through profit or loss are classified as other liabilities.

Financial instruments that are held to maturity are included in fixed asset investments unless the redemption date is less than 12 months after the balance sheet date. Financial instruments in the held for trading purposes group are classified as current assets. Financial instruments that are available for sale are presented as current assets if the management has decided to sell the instrument within the 12-month period following the balance sheet date.

Investments that are held to maturity, loans and receivables and other liabilities are recognised at their amortised cost using the effective interest method.

Trade receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified. Financial instruments that are classified as available for sale and held for trading purposes are recognised at their fair value, as observed in the market on the balance sheet date, without deducting costs linked to a sale.

The gain or loss resulting from changes in the fair value of financial investments that are classified as available for sale is recognised in other comprehensive income. When the investment is sold, the accumulated gain or loss on the financial instrument that has previously been recognised in other comprehensive income is reversed and the gain or loss is recognised in the income statement.

Changes in the fair value of financial instruments classified as held for trading purposes or designated as being at fair value with changes in value through profit or loss are recognised in the income statement and presented as a financial income/expense.

**Derivative financial instruments and hedge accounting**

Initial recognition and subsequent measurement

The Group uses derivative financial instruments such as interest rate swaps to hedge its interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The Group's criteria for classifying a derivative or other financial instrument as a hedging instrument are as follows:

**(1)** the hedge is expected to be very effective in that it counteracts changes in the fair value of or cash flows to an identified asset - a hedging efficiency of 80-125% is expected,

**(2)** the effectiveness of the hedge can be reliably measured,

**(3)** there is adequate documentation when the hedge is entered into that the hedge is effective, among other things,

**(4)** for cash-flow hedges, the forthcoming transaction must be probable, and

**(5)** the hedge is evaluated regularly and has proven to be effective.

**Cash-flow hedges**

The effective portion of the gain or loss on the hedging instrument is recognized directly as other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognized immediately in the income statement in other operating expenses.

Amounts recognized as other comprehensive income are transferred to the income statement when hedged transaction affects profit or loss, such as when the hedged income or financial expense is recognized or when a forecast sale occurs. Where the hedged item is the cost of a non-financial assets or non-financial liability, the amounts recognized as other comprehensive income are transferred to the initial carrying amount of the non-financial assets or liability.

For cash-flow hedges other than those mentioned above, associated accumulated gains and losses are reclassified from equity to the income statement during the same period(s) as the hedged expected transaction affects the profit or loss.

When a hedging instrument expires or is sold, terminated or exercised, or the enterprise cancels the hedging relationship despite the fact that the hedged transaction is still expected to take place, the accumulated gains or losses at that time remain in equity and are recognised in the income statement in accordance with the above guidelines when the transaction takes place.

Should the hedging relationship no longer meet the criteria for hedge accounting as specified above, accumulated gains and losses that are recognised in equity up to this date remain in equity and are recognised in the income statement in accordance with the above guidelines when the transaction takes place.

If the hedged transaction is no longer expected to take place, accumulated unrealised gains or losses on the hedging instrument that have previously been recognised directly in equity are recognised in the income statement immediately.

**Equity**

***Equity and liabilities***

Financial instruments are classified as liabilities or equity in accordance with the underlying economical realities.

Interest, dividend, gains and losses relating to a financial instrument classified as a liability will be presented as an expense or income. Amounts distributed to holders of financial instruments that are classified as equity will be recorded directly in equity.

***Costs of equity transactions***

Transaction costs directly related to an equity transaction are recognised directly in equity after deducting tax expenses.

***Other equity***

**(a)** Reserve

This reserve contains the total net increase in the fair value of non-current assets that have been revalued at an amount which exceeds their cost. The reserve also contains total net changes in the fair value of financial instruments classified as available for sale until the investment has been sold or it has been determined that the investment is of no value.

**(b)** Translation differences

Translation differences arise in connection with exchange-rate differences of consolidated foreign entities.

Exchange-rate differences in monetary amounts (liabilities or receivables) which are in reality a part of a company's net investment in a foreign entity are also included as translation differences.

If a foreign entity is sold, the accumulated translation difference linked to the entity is reversed and recognised in the income statement in the same period as the gain or loss on the sale is recognised.

**Adoption of new and revised accounting standards and interpretations**

The accounting policies adopted are consistent with those of the previous financial year except for the following new and amended IFRS and IFRIC interpretations effective as of 1 January 2011:.

- IAS 24 Related Party Disclosures (amendment) effective 1 January 2011
- IAS 32 Financial Instruments: Presentation (amendment) effective 1 February 2010
- IFRIC 14 Prepayments of a Minimum Funding Requirement (amendment) effective 1 January 2011
- Improvements to IFRS (May 2010)

The Group has not early adopted any Standards or Interpretations in 2011. The adoption of the standards or interpretation had no materially impact on the financial position or performance of the Group.

**Standards and Interpretations issued but not yet effective.**

The following new (revised) standards and Amendments are not yet effective at the date of authorization of these financial statements for period commencing 1 January 2012 or after:

The Group anticipates that all of the below Standards, amendments and Interpretations will be adopted in the Group's financial statements for the period commencing 1 January 2012 or after and that the adoption of those Interpretations will have no material impact on the financial statements of the Group in the period of initial application:

**IFRS 7 Financial Instruments – Disclosures (amendment)**

The amendment relates to disclosure requirements for financial assets that are derecognised in their entirety, but where the entity has a continuing involvement. The amended IFRS 7 is effective for annual periods beginning on or after 1 July 2011. The Group expects to implement the amended IFRS 7 as of 1 January 2012. The amendment affects disclosure only and has no impact on the Group's financial position or performance.

**IFRS 7 Financial Instruments – Disclosures (amendment)**

The IASB has introduced new disclosure requirements in IFRS 7. These disclosures, which are similar to the new US GAAP requirements. The amended IFRS 7 is effective for annual periods beginning on or after 1 January 2013, but the amendment is not yet approved by the EU. The Group expects to implement the amended IFRS 7 as of 1 January 2013. The amendment affects disclosure only and has no impact on the Group's financial position or performance.

**IFRS 9 Financial Instruments**

IFRS 9 as issued reflects the first phase of the IASBs work on replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. IFRS 9 is effective for annual periods beginning on or after 1 January 2015, but the standard is not yet approved by the EU. The Group expects to apply IFRS 9 as of 1 January 2015.

**IFRS 10 Consolidated Financial Statements**

IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. It also includes the issues raised in SIC-12 Consolidation — Special Purpose Entities. IFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by IFRS 10 will require management to exercise significant judgement to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in IAS 27. This standard becomes effective for annual periods beginning on or after 1 January 2013, but is not yet approved by the EU. The Group expects to apply IFRS 10 as of 1 January 2013.

**IFRS 11 Joint Arrangements**

IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities — Non-monetary Contributions by Venturers. IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method. This standard becomes effective for annual periods beginning on or after 1 January 2013, but is not yet approved by the EU. The Group expects to apply IFRS 11 as of 1 January 2013.

**IFRS 12 Disclosure of Involvement with Other Entities**

IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required. This standard becomes effective for annual periods beginning on or after 1 January 2013, but is not yet approved by the EU. The Group expects to apply IFRS 12 as of 1 January 2013.

**IFRS 13 Fair Value Measurement**

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The Group is currently assessing the impact that this standard will have on the financial position and performance. This standard becomes effective for annual periods beginning on or after 1 January 2013, but is not yet approved by the EU. The Group expects to apply IFRS 13 as of 1 January 2013.

**IAS 1 Financial Statement Presentation (amendment)**

The amendments to IAS 1 change the grouping of items presented in other comprehensive income (OCI). Items that could be reclassified (or 'recycled') to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items that will never be reclassified. The amendment affects presentation only and has there no impact on the Group's financial position or performance. The amendment becomes effective for annual periods beginning on or after 1 July 2012, but is not yet approved by the EU. The Group expects to apply the amended IAS 1 as of 1 January 2013.

**IAS 19 Employee Benefits (amendment)**
The IASB has issued numerous amendments to IAS 19. These range from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and re-wording. The amended standard becomes effective for annual periods beginning on or after 1 January 2013, but has not yet been approved by the EU. The Group expects to implement the amended IAS 19 as of 1 January 2013.

**IAS 27 Separate Financial Statements (as revised in 2011)**
As a consequence of the new IFRS 10 and IFRS 12, what remains of IAS 27 is limited to accounting for subsidiaries, jointly controlled entities, and associates in separate financial statements. IAS 27 as revised in 2011 becomes effective for annual periods beginning on or after 1 January 2013, but the revised standard has not yet been approved by the EU. The Group expects to implement the revised IAS 27 as of 1 January 2013.

**IAS 28 Investments in Associates and Joint Ventures (as revised in 2011)**
As a consequence of the new IFRS 11 and IFRS 12, IAS 28 has been renamed IAS 28 Investments in Associates and Joint Ventures, and describes the application of the equity method to investments in joint ventures in addition to associates. IAS 28 as revised in 2011 becomes effective for annual periods beginning on or after 1 January 2013, but the revised standard has not yet been approved by the EU. The Group expects to implement the revised IAS 28 as of 1 January 2013.

**Significant accounting judgements, estimates and assumptions**
The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

**Judgements**
In the process of applying the Group's accounting policies, management has made the following judgments which have the most significant effect on the amounts recognised in the consolidated financial statements:

***Impairment of goodwill***
The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

***Deferred tax assets***
Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

***Fair value of financial instruments***
Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flows model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing faire values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported faire value of financial instruments.

***Events after the balance sheet date***
New information on the company's financial position on the statement of financial position which becomes known after the balance sheet date and which provides evidence of conditions that existed at the balance sheet date is recorded in the annual accounts. Events after the balance date sheet date that are indicative of conditions that arose after the balance sheet date and that do not affect the company's financial position on the statement of financial position but which will affect the Company's financial position in the future are disclosed if significant.

# Note 1

## Acquisitions of busines and assets

(NOK 1,000)

| Name | Description | Acquisition date | Percentage of voting equity instruments acquired | Cost price | Cost associated with the acquisition 1) | Consideration total |
|---|---|---|---|---|---|---|
| Gaincom AS | BPO Business | 1/1/2011 | 0,00% | 6 602 | - | 6 602 |
| Tili- ja isännöinti Riitta Nätti (Saarijärvi) | BPO Assets | 1/1/2011 | 0,00% | 516 | - | 516 |
| Maventa OY | BPO SaaS business | 2/23/2011 | 51,00% | 10 688 | - | 10 688 |
| Prodiem | BPO SaaS business | 2/28/2011 | 0,00% | 882 | - | 882 |
| Stavanger regnskap AS | BPO Business | 3/1/2011 | 100,00% | 13 075 | 75 | 13 150 |
| Egersund regnskap AS | BPO Business | 3/1/2011 | 100,00% | 9 000 | 75 | 9 075 |
| ABC Kredittstyring AS,N | CS Collecting business | 3/8/2011 | 100,00% | 41 298 | 316 | 41 614 |
| NGGI retail software | Retail Assets | 4/18/2011 | 0,00% | 2 087 | - | 2 087 |
| Tilihuone | BPO Assets | 4/1/2011 | 0,00% | 24 163 | - | 24 163 |
| Visma DevTrend AB | Earn Out | 5/3/2011 | 0,00% | 784 | - | 784 |
| Eva accounting OY | BPO Assets | 5/1/2011 | 0,00% | 2 179 | - | 2 179 |
| Min KioNor | CS Procurement business | 6/1/2011 | 49,90% | 6 618 | 14 | 6 632 |
| Mamut ASA | SW / Hosting Business | 7/14/2011 | 100,00% | 959 825 | 18 389 | 978 214 |
| Nygaard & co AS | BPO Business | 7/1/2011 | 100,00% | 11 204 | 82 | 11 286 |
| Opiin | BPO Assets | 9/15/2011 | 0,00% | 2 306 | - | 2 306 |
| Navicom | BPO Assets | 10/2/2011 | 0,00% | 10 721 | - | 10 721 |
| Solanum OY | SW Business | 10/10/2011 | 100,00% | 399 061 | 1 069 | 400 129 |
| Tabula Estimated EO addition | BPO Assets | 12/31/2011 | 0,00% | 469 | - | 469 |
| Doxylon AS | BPO Assets / Software | 12/5/2011 | 0,00% | 3 246 | - | 3 246 |
| 4Keys A/S | BPO Assets / CB | 12/31/2011 | 0,00% | 1 572 | - | 1 572 |
| **Total** | | | | **1 506 295** | **20 020** | **1 526 315** |

| **The cash outflow on acquisition are as follows:** | |
|---|---|
| Cost price (excluded costs associated with the acq.) | 1 506 295 |
| Last year earn-out, paid this year | 92 174 |
| Change in estimated earn-out | (3 426) |
| Deferred payment | (8 772) |
| **Cash paid** | **(1 586 271)** |
| Net cash acquired with the acquisitions | 99 713 |
| **Net cash (outflow)/inflow** | **(1 486 558)** |
| Other intangible assets acquired | 55 896 |
| Machinery and equipment acquired | 35 686 |
| **Net investment in businesses** | **(1 394 977)** |

1) All costs associated with the acquisition are expensed as "Other operating expenses", including reimbursements to the acquiree for bearing some of the acquisition costs.

Consideration for the acquisition includes the acquisition-date fair value of contingent consideration. Changes to contingent consideration resulting from events after the acquisition date are recognised in profit or loss.

Estimated earn out in the balance sheet for most entities, are considered at the best estimate.
Companies acquired are valued on a mix of revenue, EBITDA, growth, cash-flow, product and market and due dilligence. The primary reasons for doing acquisitions are to achieve growth, consolidate the market and improve the competitive position.

**Acquisition of Mamut ASA Group**
In July 2011, Visma acquired 100% of the voting shares of Mamut ASA, which at that time was a company listed at the Oslo Stock Exchange. Mamut is a leading European provider of complete, integrated software and internet services for SMEs. Mamut offers complete and user-friendly solutions at the best value for money integrating CRM, sales force, logistics, accounting, e-commerce, domains, e-mail, web hosting and security.

**Acquisition of Solanum/Netvisor Oy group**
In October 2011, Visma acquired 100% of the voting shares of Solanum OY. Solanum OY is the ultimate parent for Passeli OY and Netvisor OY, both companies are market leaders in the Finnish micro segment of the ERP software market for their respective geographies, and complements Visma's existing business in Finland.

The aggregated fair value of identifiable assets and liabilities and the goodwill arising at the date of acquisition for material transactions are:

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| (NOK 1,000) | Solanum OY | Mamut Group |
|---|---|---|
| Deferred tax assets | 1 789 | 105 538 |
| Shares | 1 348 | 0 |
| Other intangible assets | 5 289 | 49 709 |
| Machinery and equipment | 1 559 | 31 654 |
| Property | 485 | 0 |
| Other long-term receivables | 13 | 3 748 |
| Inventories | 190 | 1 597 |
| Trade receivables | 10 600 | 73 803 |
| Other short term receivables | 4 220 | 12 548 |
| Cash and cash equivalents | 32 231 | 42 439 |
| **Assets** | **57 723** | **321 035** |
| | | |
| Other long-term liabilities | 444 | 145 000 |
| Trade creditors | 1 689 | 19 153 |
| Public duties payable | 3 193 | 25 699 |
| Tax payable | 0 | 631 |
| Other current liabilities | 10 291 | 222 825 |
| **Liabilities** | **15 616** | **413 308** |
| | | |
| **Fair value of net assets** | **42 107** | **(92 273)** |
| Non-controlling interests | 0 | 0 |
| | | |
| Goodwill arising on acquisition | 209 301 | 827 537 |
| Other intangible assets | 39 906 | 191 191 |
| Contracts and customer relationship arising on acquisition | 159 624 | 120 700 |
| Deferred tax liability | (51 878) | **(87 330)** |
| **Consideration total** | **399 061** | **959 825** |
| | | |
| Revenue for the year | 80 572 | 587 543 |
| Revenue for the period before acquisition | 58 261 | 371 510 |
| Revenue contribution to the Visma Group | 22 310 | 216 033 |
| Profit for the year | (633) | 455 005 |
| Profit for the period before acquisition | (3 083) | 459 731 |
| Profit contribution to the Visma Group | 2 449 | (4 727) |

The goodwill arising on these acquisitions are attributable to the anticipated profitability of the operations and to the anticipated synergies. Goodwill arising on the acquisitions is usually not tax deductible.

For further comments on goodwill arising from acquisitions, please see Note 4.

**Acquisitions after the balance sheet date.**

| Name | Description | Acquisition date | Percentage of voting equity instruments acquired | Cost price | Cost associated with the acquisition | Consideration total |
|---|---|---|---|---|---|---|
| Økonomistyring Drammen AS | BPO Business | 1/5/2012 | 100% | 13 000 | | 13 000 |
| Agda Lön AB | BPO / SW Business | 4/2/2012 | 100% | 174 185 | | 174 185 |

The initial accounting for the business combination is incomplete at the time these financial statements are authorised for issue. Hence disclosures related to purchase price allocation is not provided.

# Note 2

## SEGMENT INFORMATION

### CONSOLIDATED

The Group's primary reporting format is business segments and its secondary format is geographical segments.

The definitions of operating segments are based on the company's internal reporting and are strategic segments that offer different products and services with different risk and rates of returns. The company has six reportable segments: Visma Software (Software), Visma BPO Accounting and Payroll (BPO), Visma Commerce Solutions (CS), Visma Retail (Retail), Visma Projects & Consulting (P&C) and Visma Hosting (Hosting). Visma AS and national holding companies are disclosed under "Other".

The acquired Mamut Group has been split between the Software and Hosting division.

Visma Software is the leading provider of business software and solutions for enterprises and employees within the private and public sector in the Nordic region.

Visma BPO Accounting and Payroll, is the leading business process outsourcing provider within accounting, payroll administration, financial reporting and consultancy in the Nordics.

Visma Commerce Solutions is the leading provider of services and solutions within full-scale procurement systems, as well as, outsourcing services for administrative procurement, billing, cash management and debt collection in the Nordic region.

Visma Retail is the leading provider of tailor made solutions and services for retail chains and retail businesses in the Nordic region. Visma offers a complete suite of software and services including fully integrated point of sales (POS) solutions covering all needs within retail.

Visma Projects & Consulting is a leading provider of IT and consultancy services focusing on public sector and the retail industry. Visma P&C offers development and project management, application management, automated workflow management and case processing solutions as well as system development and system integration.

Visma Hosting is a leading European hosting provider, delivering preminum packages of domains, web hosting and other value-added services. The main customers are predominately SMEs, SOHOs and also private customers.

Transfer prices between business segments are set at an arm's length basis in a manner similar to transactions with third parties.
The Group's geographical segments are determined by the entity's country of domicile.

Summarised financial information concerning each of the Company's reportable business segments is as follows:

### OPERATING SEGMENTS

| | | | | | | | | 2011 |
|---|---|---|---|---|---|---|---|---|
| (NOK 1,000) | Software | BPO Accounting & Payroll | Commerce Solutions | Retail | Projects & Consulting | Hosting | Other | Total |
| **Revenues** | | | | | | | | |
| **Total segment revenues** | **2 184 121** | **1 758 327** | **481 819** | **697 826** | **534 097** | **59 453** | **54 305** | **5 769 948** |
| Internal revenues | 331 343 | 150 585 | 7 038 | 58 110 | 37 785 | -11 126 | 54 305 | 628 040 |
| **External revenues on each group of similar products and services** | | | | | | | | |
| License and recurring | 1 548 573 | 48 677 | 175 633 | 252 833 | 77 678 | -13 | 0 | 2 103 382 |
| Transactions | 62 958 | 796 045 | 287 350 | 14 | 15 | 0 | 0 | 1 146 382 |
| Accounting serv. & consulting | 156 794 | 738 097 | 9 317 | 274 169 | 416 595 | 0 | 0 | 1 594 972 |
| Other | 84 453 | 24 923 | 2 481 | 112 699 | 2 023 | 70 592 | 0 | 297 171 |
| **External revenues** | **1 852 778** | **1 607 742** | **474 781** | **639 716** | **496 312** | **70 580** | **0** | **5 141 908** |
| Actual growth (external) % | 17,4 % | 18,4 % | 31,3 % | 2,0 % | 105,2 % | | | 23,4 % |
| Curr. adj. organic growth (external) % | 4,6 % | 6,7 % | 6,4 % | -9,9 % | 2,4 % | 5,5 % | | 3,1 % |
| **EBITDA** | **559 285** | **239 705** | **107 050** | **20 639** | **59 926** | **16 478** | **-68 980** | **934 104** |
| EBITDA margin | 30,2 % | 14,9 % | 22,5 % | 3,2 % | 12,1 % | 23,3 % | | 18,2 % |
| **Profit before tax** | **428 324** | **183 869** | **70 629** | **2 420** | **25 739** | **10 946** | **-282 165** | **439 761** |
| **Assets** | **4 068 937** | **1 422 437** | **657 397** | **646 139** | **790 529** | **527 797** | **-542 921** | **7 570 315** |

| (NOK 1,000) | Software | BPO Accounting & Payroll | Commerce Solutions | Retail | Projects & Consult-ing | Hosting | Other | Total |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | | 2010 |
| **Revenues** | | | | | | | | |
| **Total segment revenues** | **1 687 222** | **1 418 250** | **371 541** | **681 202** | **280 927** | **0** | **134 075** | **4 573 217** |
| Internal revenues | 108 678 | 60 733 | 9 976 | 53 810 | 39 030 | 0 | 133 301 | 405 528 |
| **External revenues on each group of similar products and services** | | | | | | | | |
| License and recurring | 1 303 463 | 9 140 | 129 566 | 232 712 | 39 925 | 0 | 0 | 1 714 806 |
| Transactions | 57 135 | 700 861 | 223 138 | 246 | 17 | 0 | 0 | 981 397 |
| Accounting serv. & consulting | 161 425 | 627 547 | 7 594 | 220 396 | 201 355 | 0 | 740 | 1 219 058 |
| Other | 56 520 | 19 969 | 1 268 | 174 037 | 600 | 0 | 34 | 252 428 |
| **External revenues** | **1 578 543** | **1 357 517** | **361 566** | **627 391** | **241 897** | **0** | **774** | **4 167 689** |
| **Pro forma external revenues *** | **1 801 821** | **1 505 107** | **446 463** | **666 859** | **485 350** | **0** | **774** | **4 906 373** |
| **EBITDA** | **468 862** | **184 883** | **82 054** | **70 413** | **44 430** | **0** | **-35 541** | **815 103** |
| EBITDA margin | 29,7 % | 13,6 % | 22,7 % | 11,2 % | 18,4 % | | | 19,6 % |
| **Profit before tax** | **397 504** | **153 820** | **60 909** | **58 010** | **25 293** | **0** | **-181 212** | **514 324** |
| **Assets** | **2 466 630** | **1 219 725** | **619 045** | **642 467** | **823 895** | **0** | **-111 646** | **5 663 296** |

| Reconciliation | 2011 | 2010 |
|---|---|---|
| Profit before taxes | 439 761 | 514 324 |
| Net financial items | 181 955 | 116 475 |
| Result from associated companies | 763 | 1 856 |
| Depreciations and amortisations | 311 625 | 182 447 |
| **EBITDA from operating segments** | **934 104** | **815 103** |
| **EBITDA** | **934 104** | **815 103** |

Assets for associated companies are disclosed under "Other".

* Pro forma 2010 revenues include revenues from acquired companies for the corresponding months included in 2011 figures.

## GEOGRAPHICAL AREAS

| | 2011 | | | 2010 | | |
|---|---|---|---|---|---|---|
| | Net sales | % of net sales | * Long lived assets | Net sales | % of net sales | Long lived assets |
| Norway | 2 510 924 | 48,8 % | 2 306 545 | 2 048 258 | 49,1 % | 1 263 967 |
| Sweden | 1 608 113 | 31,3 % | 747 366 | 1 340 467 | 32,2 % | 784 133 |
| Denmark | 352 970 | 6,9 % | 271 539 | 253 084 | 6,1 % | 280 594 |
| Finland | 446 704 | 8,7 % | 872 471 | 387 167 | 9,3 % | 451 540 |
| Netherlands | 223 197 | 4,3 % | 658 379 | 138 714 | 3,3 % | 715 797 |
| **Total** | **5 141 908** | **100,0 %** | **4 856 301** | **4 167 689** | **100,0 %** | **3 496 031** |

*Long lived assets is defined as intangible assets, less deffered tax assets.

Assets and liabilities in foreign operations, including goodwill and fair value adjustments, are translated into NOK using the exchange rate applicable at the end of the reporting period. Income and expenses relating to foreign operations are translated into NOK using the average exchange rate. Exchange-rate differences are recognised in other comprehensive income.

# Note 3

## Payroll and personell expenses

CONSOLIDATED

| (NOK 1,000) | 2011 | 2010 |
|---|---|---|
| Salaries | 2 142 117 | 1 644 456 |
| Employer's national insurance contributions | 344 328 | 285 902 |
| Pension expenses | 123 019 | 95 373 |
| Other personnel expenses | 74 937 | 85 491 |
| **Total** | **2 684 401** | **2 111 221** |
| | | |
| Average number of man-years | 5 049 | 4 442 |

**Pensions**
Visma has contribution-based schemes in Denmark, Finland, Sweden and Norway. The company is for the Norwegian employees required to have an occupational pension scheme in accordance with the Norwegian law on required occupational pension ('lov om obligatorisk tjenestepensjon'). The company's pension scheme meets the requirements of that law. The annual contribution to the scheme is expensed as the year's pension expenses. Visma has no obligation beyond the annual contribution. The Group's recognized pension liabilities of TNOK -5,082 originating from acquired entities. Expenses related to the contribution plan were TNOK 123,019 in 2011 and 95,373 in 2010

# Note 4

## Goodwill and other intangible assets

CONSOLIDATED

| (NOK 1,000) | Trademark 1) | Technology 1) | Purchased rights 1) | Internally generated and acquired intangible assets | Contracts & Customer relationships 1) | Goodwill 1) |
|---|---|---|---|---|---|---|
| Cost as at 1 January 2011, net of accumulated amortisation | 2 839 | 70 258 | 228 772 | 85 014 | 497 350 | 2 611 799 |
| Acquisitions | 0 | 0 | 227 709 | 55 896 | 357 635 | 886 508 |
| Additions | 0 | 0 | 1 063 | 24 525 | 0 | 0 |
| Disposal | 0 | 0 | 0 | 0 | 0 | 0 |
| Amortisation | (340) | (9 111) | (42 628) | (31 324) | (133 630) | 0 |
| Exchange adjustments | (20) | (480) | 61 261 | 0 | (945) | (35 851) |
| **Balance at 31 December 2011** | **2 480** | **60 667** | **476 177** | **134 111** | **720 410** | **3 462 456** |
| | | | | | | |
| **Carrying amount at 1 January 2011** | | | | | | |
| Cost | 4 878 | 126 537 | 417 221 | 107 468 | 847 411 | 2 743 002 |
| Accumulated amortisation and impairment | (2 039) | (56 279) | (188 449) | (22 454) | (350 061) | (131 203) |
| **Carrying amount at 1 January 2011** | **2 839** | **70 258** | **228 772** | **85 014** | **497 350** | **2 611 799** |
| | | | | | | |
| **Carrying amount at 31 December 2010** | | | | | | |
| Cost | 4 858 | 126 057 | 707 254 | 187 889 | 1 204 102 | 3 593 659 |
| Accumulated amortisation and impairment | (2 379) | (65 390) | (231 077) | (53 778) | (483 691) | (131 203) |
| **Carrying amount at 31 December 2011** | **2 480** | **60 667** | **476 177** | **134 111** | **720 410** | **3 462 456** |

1) Purchased as part of business combinations

Contracts and Customer relationships represent intangible assets purchased through the effect of business combinations. The useful lives of these intangible assets were estimated as having a finite life and is amortised under the straight-line method over a period of 4-7 years. These assets are tested for impairment where an indicator on impairment arises.

Purchased rights represent intangible assets purchased through the effect of business combinations. The useful lives of these intangible assets were estimated as having a finite life and is amortised under the straight-line method over a period of 4-15 years. These assets are tested for impairment where an indicator on impairment arises.

Technology represents intangible assets purchased through the effect of business combinations. The useful lives of these intangible assets were estimated as having a finite life and is amortised by using the declining balance method.

Trademark represents intangible assets purchased through the effect of business combinations and is amortised with 12% by using the declining balance method.

Development costs are internally generated and amortised under the straight-line method over a period of 4 years.

Goodwill represents intangible assets purchased through the effect of business combinations. These assets are not amortised, but are anually tested for impairment or if an indicator on impairment arises. Reference is made to Note 23.

### Investment in purchased rights, goodwill, contracts and customer relationships

| (NOK 1,000) | Acquired (year) | Purchased rights 1) | Internally generated and acquired intangible assets | Contracts & Customer relationships 1) | Goodwill 1) |
|---|---|---|---|---|---|
| Gaincom AS | 2011 | - | - | 5 659 | 2 415 |
| Tili- ja isännöinti Riitta Nätti (Saarijärvi) | 2011 | - | - | 430 | 198 |
| Maventa OY | 2011 | 6 250 | 898 | 3 906 | 4 186 |
| Prodiem | 2011 | - | - | - | 882 |
| Stavanger regnskap AS | 2011 | - | - | 6 500 | 3 502 |
| Egersund regnskap AS | 2011 | - | - | 4 500 | 3 113 |
| ABC Kredittstyring AS,N | 2011 | - | - | 25 000 | 17 950 |
| NGGI retail software | 2011 | - | - | - | 1 044 |
| Tilihuone | 2011 | - | - | 13 619 | 14 085 |
| Visma DevTrend AB | 2011 | - | - | - | 784 |
| Eva accounting OY | 2011 | - | - | 872 | 1 534 |
| Min KioNor | 2011 | - | - | - | 4 802 |
| Mamut ASA | 2011 | 177 100 | 49 709 | 120 700 | 610 904 |
| Nygaard & co AS | 2011 | - | - | 4 482 | 5 273 |
| Opiin | 2011 | 2 306 | - | - | 576 |
| Navicom | 2011 | - | - | 9 673 | 3 563 |
| Solanum OY | 2011 | 39 906 | 5 289 | 159 624 | 211 040 |
| Tabula Estimated EO addition | 2011 | - | - | - | 469 |
| Doxylon AS | 2011 | 1 623 | - | 1 623 | - |
| 4Keys A/S | 2011 | 524 | - | 1 048 | 393 |
| Visma OPIC AB | | - | - | - | -112 |
| EO Økonmen | | - | - | - | -91 |
| **Total** | | **227 709** | **55 896** | **357 635** | **886 508** |

For further comments on acquisitions, please see Note 1.

| (NOK 1,000) | Trademark 1) | Technology 1) | Purchased rights 1) | Internally generated and acquired intangible assets | Contracts & Customer relationships 1) | Goodwill 1) |
|---|---|---|---|---|---|---|
| **Balance 1 January 2010** | **3 434** | **85 950** | **170 600** | **36 719** | **185 005** | **1 966 677** |
| Acquisition of subsidiary | 0 | 0 | 101 785 | 36 858 | 381 692 | 664 038 |
| Additions | 0 | 0 | 0 | 23 179 | 0 | 0 |
| Amortisation | (397) | (10 759) | (44 706) | (11 742) | (70 526) | 0 |
| Exchange adjustments | (198) | (4 934) | 1 092 | 0 | 1 179 | (18 916) |
| **At 31 December 2010** | **2 839** | **70 258** | **228 772** | **85 014** | **497 350** | **2 611 799** |
| **Carrying amount at 1 January 2010** | | | | | | |
| Cost | 5 076 | 131 471 | 314 344 | 47 431 | 464 540 | 2 097 880 |
| Accumulated amortisation and impairment | (1 642) | (45 520) | (143 744) | (10 712) | (279 535) | (131 203) |
| **Carrying amount at 1 January 2010** | **3 434** | **85 950** | **170 600** | **36 719** | **185 005** | **1 966 677** |
| **Carrying amount at 31 December 2010** | | | | | | |
| Cost | 4 878 | 126 537 | 417 221 | 107 468 | 847 411 | 2 743 002 |
| Accumulated amortisation and impairment | (2 039) | (56 279) | (188 449) | (22 454) | (350 061) | (131 203) |
| **Carrying amount at 31 December 2010** | **2 839** | **70 258** | **228 772** | **85 014** | **497 350** | **2 611 799** |

1) Purchased as part of business combinations

| | 2011 | 2010 |
|---|---|---|
| The Group has incurred the following software research and development expenses | 337 314 | 307 299 |

Research and development expenses include salaries for employees in the Group's development department and an estimate of the development department's proportional share of the operating expenses. Development expenses have been assessed by the Group in accordance with IAS 38.

# Note 5

Tangible fixed assets

CONSOLIDATED

| (NOK 1,000) | Machinery and equipment | Property** | Total |
|---|---|---|---|
| **At 1 January 2011** | **111 067** | **29 116** | **140 183** |
| Investment | 33 299 | 0 | 33 299 |
| Investment from acquisition of subsidiary | 33 000 | 2 685 | 35 686 |
| Depreciation for the year | (52 661) | (3 676) | (56 337) |
| **At 31 December 2011** | **133 623** | **19 207** | **152 831** |
| | | | |
| **At 1 January 2011** | | | |
| Cost | 463 691 | 33 189 | 496 880 |
| Accum. depreciation | (354 318) | (2 380) | (356 698) |
| **At 1 January 2011** | **111 067** | **29 116** | **140 183** |
| | | | |
| **At 31 December 2011** | | | |
| Cost | 538 909 | 26 955 | 565 865 |
| Accum. depreciation | (406 979) | (6 056) | (413 035) |
| **At 31 December 2011** | **133 623** | **19 207** | **152 831** |
| | | | |
| Depreciation rates (straight line method) | 10-33.33% | 0 - 4% | |

| (NOK 1,000) | Machinery and equipment | Property** | Total |
|---|---|---|---|
| **At 1 January 2010** | **88 203** | **27 439** | **115 642** |
| Investment | 44 527 | 0 | 44 527 |
| Investment from acquisition of subsidiary | 21 647 | 2 685 | 24 332 |
| Depreciation for the year | (43 310) | (1 008) | (44 318) |
| **At 31 December 2010** | **111 067** | **29 116** | **140 183** |
| | | | |
| **At 1 January 2010** | | | |
| Cost | 397 517 | 30 504 | 428 021 |
| Accum. depreciation | (311 007) | (1 372) | (312 379) |
| **At 31 December 2010** | **88 203** | **27 439** | **115 642** |
| | | | |
| **At 31 December 2010** | | | |
| Cost | 463 691 | 33 189 | 496 881 |
| Accum. depreciation | (354 318) | (2 380) | (356 698) |
| **At 31 December 2010** | **111 067** | **29 116** | **140 183** |
| | | | |
| Depreciation rates (straight line method) | 10-33.33% | 0 - 4% | |

** Properties that are not depreciated are tested for impairment where an indicator of impairment arise.

# Note 6

## Accounts receivables

| (NOK 1,000) | 2011 | 2010 |
|---|---|---|
| Accounts receivables | 817 782 | 652 335 |
| Provision for bad debt | -27 116 | -11 240 |
| **Accounts receivables** | **790 667** | **641 095** |

On a consolidated basis the provision for bad debts at 31.12.2011 is NOK 27,116,000 while at 31.12.2010 it was NOK 11,240,000.

### Changes in provisions for bad debts

| | 2011 | 2010 |
|---|---|---|
| Provisions for bad debts 1 January | 11 240 | 8 867 |
| Effect from (disposals) and acquisitions of business | 10 697 | 997 |
| Bad debts recognised as expense (expense reduction) | 7 697 | 1 878 |
| Recovered amounts previously written off | (2 519) | (503) |
| Provisions for bad debts 31 December | 27 116 | 11 240 |

### Age distribution of accounts receivables from invoiced date

| | Current, 0-30 days | 31-60 days | 61-90 days | 91-180 days | 181+ days | Year end | Provisions | Total |
|---|---|---|---|---|---|---|---|---|
| Trade receivables 2011 | 681 478 | 77 492 | 17 784 | 15 958 | 25 071 | 817 782 | -27 116 | 790 667 |
| Trade receivables 2010 | 553 853 | 59 378 | 20 081 | 7 016 | 12 006 | 652 335 | -11 240 | 641 095 |

The bad debt provisions is estimated based on historically incurred losses or events. The Group's accounts receivable which have been due for more than 180 days, excluding VAT, amount to TNOK 20,057 (TNOK 9,605 in 2010). Credit days varies between 15 and 30 days. There were no material individual items. The company considers the provision for bad debt to be adequate.

# Note 7

## Other current and long-term receivables

### CONSOLIDATED

**Other current receivables**

| (NOK 1,000) | 2011 | 2010 |
|---|---|---|
| Prepaid expenses | 27 843 | 41 106 |
| Other short term receivables | 87 531 | 50 248 |
| Prepaid taxes | 9 067 | 230 |
| Revenues recognized not invoiced / work in progress | 28 844 | 47 536 |
| **Total other short term receivables** | **153 285** | **139 120** |

**Other long term receivables**

The parent company of Visma AS, Archangel AS' draw in the cash-pool facility amounts to TNOK 110,568.

The ultimate parent company of Visma AS, Chamuel Topco AS', is not a part in the the cash-pool facility.

# Note 8

## Other operating expenses

CONSOLIDATED

| (NOK 1,000) | 2011 | 2010 |
|---|---|---|
| Rent | 247 307 | 179 932 |
| Other office expenses | 118 121 | 114 662 |
| Telecom, postage and IT | 92 599 | 45 300 |
| Travel expenses | 62 321 | 56 497 |
| Car expenses incl leasing | 19 107 | 15 051 |
| Leasing expenses on office equipment | 0 | 4 556 |
| Sales and marketing | 98 357 | 83 404 |
| Audit, lawyers' fees and other consulting services | 134 717 | 114 237 |
| Bad debts | 30 514 | 8 827 |
| **Total other operating expenses** | **803 041** | **622 466** |

# Note 9

## Financial income and expenses

CONSOLIDATED

| (NOK 1,000) | 2011 | 2010 |
|---|---|---|
| Financial income includes the following items: | | |
| Dividend/transfer from investments | 5 420 | 1 620 |
| Other interest income | 21 886 | 15 583 |
| Foreign exchange gains* | 1 878 | 0 |
| **Total financial income** | **29 184** | **17 203** |

| Financial expenses include: | 2011 | 2010 |
|---|---|---|
| Interest expense | 189 124 | 97 448 |
| Foreign exchange losses * | 0 | 1 277 |
| Other financial expenses ** | 22 015 | 34 954 |
| **Total financial expenses** | **211 139** | **133 679** |

* Foreign exchange gains/losses are in all material respects associated with inter-company items that represent foreign exchange risk for the Group that is not considered part of a net investment.

** Other financial expenses includes funding fees expensed in connection with the refinancing of loans.

# Note 10

## Tax on ordinary profits

CONSOLIDATED

Major components of income tax expense for the years ended 31 December 2011 and 2010 are:

| (NOK 1,000) | 2011 | 2010 |
|---|---|---|
| Tax payable | 64 107 | 69 129 |
| Changes in deferred taxes | 64 923 | 66 142 |
| **Income tax expense** | **129 030** | **135 271** |

Below is an explanation of why the tax expense for the year does not make up 28% of the pre-tax profit. 28% is the tax rate of the group parent company Visma AS.

| (NOK 1,000) | 2011 | 2010 |
|---|---|---|
| **Ordinary profit before tax** | **439 761** | **514 324** |
| | | |
| 28% tax on ordinary profit before tax | 123 133 | 144 011 |
| Permanent differences | 10 696 | (474) |
| Different tax rate in some group companies | (3 542) | (5 429) |
| Loss (profit) from associated company | 214 | 520 |
| Dividend received | (1 120) | (454) |
| Recognised previous unrecognised tax loss | (351) | (2 903) |
| **Tax expense** | **129 030** | **135 271** |
| Effective tax rate | 29,3 % | 26,3 % |

**Deferred tax and deferred tax assets**

| | Consolidated statement of financial position | | Consolidated income statement | |
|---|---|---|---|---|
| (NOK 1,000) | 2011 | 2010 | 2011 | 2010 |
| | | | | |
| Current assets/liabilities | 68 820 | 61 385 | (179) | (622) |
| Fixed assets/long term liabilities | 422 110 | 330 834 | 91 276 | 79 602 |
| Losses carried forward | (122 952) | (13 215) | (26 173) | (12 838) |
| **Net deferred tax liability / (asset)** | **367 978** | **379 005** | **64 924** | **66 143** |
| | | | | |
| Recognised deferred tax asset | (174 325) | (36 325) | | |
| Recognised deferred tax liability | 542 302 | 415 329 | | |
| **Net deferred tax liability / (asset)** | **367 978** | **379 005** | | |

Change in deferred tax in the statement of financial position includes deferred tax assets/liabilites related to fair value of FX interest rate swaps, tax effect of group contribution to Archangel AS (payable in 2012) and aquisitions of companies that have not been recognized through profit and loss.

Dividend payments to the share holders of Visma AS do neither effect the group's current nor deferred tax.

Tax authorities has inquired about a previous aquisition in Norway, where this entitiy had material tax losses of about MNOK 500 carried forward from the period 2004 -2008.

In 2010 the local tax authorities made a ruling that prevented Visma from using these tax losses carried forward. Visma has disputed this decision and the case is still pending with the central tax authorities in Norway. As at 31.12.2011 no final ruling has been made by the central tax authorities. As a consequence of the ruling made by the local tax authorities, local legislation in Norway requires Visma to either pay according to the ruling or issue a parent company guarantee regardless of the final outcome of the case. Visma therefore issued a gurantee in the amount of MNOK 139 in January 2012.

In the 2011 or 2010 accounts, no provision has been made, as management and the board see the case as remote and with no final ruling being made by tax authorities.

# Note 11

## Related party disclosures

The consolidated financial statements include the financial statements of Visma AS and the subsidiaries listed in the following table:

| Visma AS | Registered office | Holding % ** | Carrying value *** |
|---|---|---|---|
| Visma Danmark Holding A/S * | Copenhagen | 100,00% | 156 155 |
| Visma Finland Holding OY * | Helsinki | 100,00% | 276 978 |
| Visma Nederland Holding BV * | Amsterdam | 100,00% | 115 525 |
| Visma Norge Holding AS * | Oslo | 100,00% | 426 386 |
| Visma Sverige Holding AB * | Växjö | 100,00% | 6 080 |
| Active 24 AS* | Oslo | 100,00% | 471 400 |
| Mamut Software Ltd* | London | 100,00% | 22 700 |
| Mamut Ltd* | Dublin | 100,00% | 0 |
| **Total (TNOK)** | | | **1 475 223** |

| Visma Norge Holding AS | Registered office | Holding % ** | Carrying value *** |
|---|---|---|---|
| Nygaard & CO AS | Ski | 100,00% | 11 286 |
| Gestor AS | Oslo | 100,00% | 350 |
| Kollektor AS | Limingen | 50,10% | 9 500 |
| Visma Vestrum & Ydse AS | Larvik | 100,00% | 10 867 |
| Visma Advantage AS * | Oslo | 100,00% | 59 464 |
| Visma Academy AS | Oslo | 100,00% | 0 |
| Visma Avendo AS | Oslo | 100,00% | 4 554 |
| Visma Collectors AS * | Trondheim | 100,00% | 93 968 |
| Visma Retail Software AS | Baråker | 100,00% | 500 |
| Visma IT & Communications AS | Oslo | 100,00% | 26 327 |
| Visma KioNor Anbudsservice AS | Oslo | 51,00% | 12 846 |
| Visma Personnel AS | Oslo | 100,00% | 14 315 |
| Visma Retail AS * | Barkåker | 100,00% | 301 878 |
| Visma Services Norge AS * | Bergen | 100,00% | 145 577 |
| Visma Sirius AS | Oslo | 100,00% | 214 663 |
| Visma Software AS | Oslo | 100,00% | 48 738 |
| Visma Software International AS * | Oslo | 100,00% | 106 146 |
| Visma Unique AS | Oslo | 100,00% | 114 569 |
| Visma Økonomipartner AS * | Skien | 100,00% | 27 449 |
| Mamut AS * | Oslo | 100,00% | 624 000 |
| **Total (TNOK)** | | | **1 826 996** |

| Visma Sverige Holding AB | Registered office | Holding % ** | Carrying value *** |
|---|---|---|---|
| Visma Actit AB | Stockholm | 100,00% | 17 500 |
| Allego AB * | Falun | 100,00% | 820 |
| Visma Esscom AB | Bromman | 100,00% | 130 817 |
| Kommuninfo i Sverige AB | Umeå | 100,00% | 120 |
| Opic Systems AB | Linköping | 100,00% | 100 |
| Visma Advantage AB | Stockholm | 100,00% | 30 674 |
| Visma Collectors AB | Helsingborg | 100,00% | 240 386 |
| Visma DevTrend AB | Stockholm | 100,00% | 5 825 |
| Visma ITSirius AB | Kista | 100,00% | 250 967 |
| Visma OPIC AB * | Linköping | 100,00% | 143 801 |
| Visma Pharma Solutions AB | Solna | 100,00% | 16 000 |
| Visma Proceedo AB | Stockholm | 100,00% | 41 562 |
| Visma Retail AB | Norrtälje | 100,00% | 98 766 |
| Visma Services AB | Stockholm | 100,00% | 109 863 |
| Visma Software AB | Malmø | 100,00% | 104 330 |
| Visma SPCS AB * | Växjö | 100,00% | 870 674 |
| Visma Lindhagen AB | Stockholm | 100,00% | 1 000 |
| Allego Upphandling AB | Falun | 100,00% | 296 |
| Mamut AB | Stockholm | 100,00% | 46 746 |
| **Total (TSEK)** | | | **2 110 248** |

| Visma Danmark Holding A/S | Registered office | Holding % ** | Carrying value *** |
|---|---|---|---|
| Visma Avendo A/S,DK | Copenhagen | 100,00% | 8 000 |
| Visma Collectors A/S | Copenhagen | 100,00% | 8 420 |
| Visma Retail A/S | Copenhagen | 100,00% | 9 500 |
| Visma Services Danmark A/S * | Copenhagen | 100,00% | 105 273 |
| Visma Sirius A/S * | Hellerup | 100,00% | 171 425 |
| Visma Software A/S | Copenhagen | 100,00% | 28 000 |
| Mamut A/S | Copenhagen | 100,00% | 19 946 |
| **Total (TDKK)** | | | **350 564** |

| Visma Finland Holding OY | Registered office | Holding % ** | Carrying value *** |
|---|---|---|---|
| Visma Services Oy * | Helsinki | 100,00% | 13 924 |
| Visma Avendo Oy | Espo | 100,00% | 400 |
| Visma Services Teemuaho Oy* | Lappeenranta | 100,00% | 20 978 |
| Visma Severa Oy | Lappeenranta | 100,00% | 8 776 |
| Visma Software Oy | Espoo | 100,00% | 25 692 |
| Maventa Oy | Helsinki | 51,00% | 1 374 |
| Solanum Oy * | Pori | 100,00% | 51 955 |
| **Total (TEUR)** | | | **123 099** |

| Visma Nederland Holding BV | Registered office | Holding % ** | Carrying value *** |
|---|---|---|---|
| AccountView BV | Amsterdam | 100,00% | 76 966 |
| Visma DBS BV | Amersfoort | 100,00% | 17 974 |
| DBS Distributie BV | Amersfoort | 100,00% | 74 |
| Visma DBS Ltd. | Cork, Ireland | 100,00% | 1 548 |
| Mamut Software BV | Schiphol-Rijk | 100,00% | 4 412 |
| **Total (TEUR)** | | | **100 973** |

* Parent company in subgroup
** For all Group companies, the holding is equal to the proportion of voting capital.
*** Carrying value in the company accounts of the individual company in the Group. In the company accounts shares in subsidiaries are recognized according to the cost method.

Reference is made to Note 24 for an overview of the equity interest in each of the related companies.

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

| (NOK 1,000) | Sales to related parties | Purchases from related parties | Amounts owed by related parties | Amounts owed to related parties | Loans to related parties | Loans from related parties |
|---|---|---|---|---|---|---|
| **Associates** | | | | | | |
| SuperInvest AS - Group | 1 510 | 3 441 | 0 | 405 | 0 | 0 |
| Key managment personnel of the group: | 0 | 0 | 0 | 0 | 0 | 0 |

Reference is made to Note 16 for information about compensation of key management personnel of the group

Reference is made to the "Statement of changes in equity" note for information about group contribution to Archangel AS.

Reference is made to Note 7 note for information about draw/deposits in the cash pool for Archangel AS.

### The ultimate parent

Chamuel Topco AS is the ultimate parent entity of the group.
Other than administrative services, there were no transactions between the Visma group and Chamuel Topco AS during the financial year.

### Terms and conditions of transactions with related parties.

The sales to and purchases from related parties are made at terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured, interest free and settlement occurs in cash.

There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2011, the Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

# Note 12

## Bank deposits and loans

### CONSOLIDATED

The consolidated accounts include cash and bank deposits of TNOK 1,162,654 (TNOK 1,007,192 in 2010). Of this, restricted cash amounts to TNOK 166,071 (TNOK 120,023 in 2010), whereof TNOK 121,221 relates to guarantee liabilities.

### Group account facilities

In the nordic countries, Visma has a group facility with Fokus Bank, in which all units participate. The group account facility has been established to promote optimal cash flow management. In the agreement with Fokus Bank, a cash-pool agreement is included were all affiliated entities accounts are zero-balanced. A tool for cash management and interest simplifies the financial control of the groups capital. The agreement gives an opportunity to enter limit appertaining to an entities account, which gives excellent detailed control on unit level.

### Interest bearing loans

The debt facilities were re-structured in December 2010 as part of the KKR acquisition of Visma. Loans in Visma AS and Archangel AS was refinanced and replaced with new loan agreements with DNB Nor and Danske bank as lead banks. New facilities was also entered in October 2011 and together with Danske bank, DNB Nor has committed to underwrite MNOK 6,600. The financing benefits Visma with increased operational flexibility

Senior facility loans are nominated in NOK, SEK, EUR and DKK

No form of compliance certificates is established on the Visma Group level. On the Archangel Group, form of compliance certificates were established on 03.12.2010. There were no breach of these covenants in 2011, and the group is expected to pass all covenant-hurdles in the future.

| (Amounts in 1,000) | Interest* | Interest margin | Interest | | Interest accrued | Nominal value 31.12.2011 | Due in 2012 | 2013 | 2014 | 2015 |
|---|---|---|---|---|---|---|---|---|---|---|
| Senior, Visma Sverige Holding AB | 2,61% | 1,75% | 4,36% | SEK | 18 889 | 1 333 000 | 0 | 0 | 0 | 1 333 000 |
| Senior, Visma Danmark Holding A/S | 1,72% | 1,75% | 3,47% | DKK | 2 436 | 216 000 | 0 | 0 | 0 | 216 000 |
| Senior, Visma Nederland Holding BV | 1,75% | 1,75% | 3,50% | EUR | 637 | 56 000 | 0 | 0 | 0 | 56 000 |
| Senior, Visma Finland Holding OY | 1,75% | 1,75% | 3,50% | EUR | 500 | 44 000 | 0 | 0 | 0 | 44 000 |
| Senior, Visma Norge Holding AS | 3,37% | 1,75% | 5,12% | NOK | 7 122 | 428 000 | 0 | 0 | 0 | 428 000 |
| Senior, Visma AS | 3,37% | 1,75% | 5,12% | NOK | 2 496 | 150 000 | 0 | 0 | 0 | 150 000 |
| Revolving credit fac., Visma AS | 3,37% | 1,75% | 5,12% | NOK | 3 328 | 200 000 | 200 000 | 0 | 0 | 0 |
| Revolving credit fac., Visma AS | 3,21% | 3,50% | 6,71% | NOK | 11 351 | 700 000 | 0 | 0 | 0 | 700 000 |
| Revolving credit fac., Visma Finland Holding Oy | 1,66% | 3,75% | 5,41% | EUR | 641 | 52 000 | 0 | 0 | 0 | 52 000 |
| **Total Visma group translated to NOK** | | | | **NOK** | **57 057** | **4 041 739** | **200 000** | **0** | **0** | **1 586 245** |
| Expected interests to be payed | | | | NOK | | | 224 000 | 241 000 | 237 000 | 295 000 |
| | | | | | | | | | | |
| Interest swap, Visma Sverige Holding AB | | | | SEK | 690 | 900 000 | | | | |
| Interest swap, Visma Danmark Holding A/S | | | | DKK | 52 000 | 100 000 | | | | |
| Interest swap, Visma Danmark Holding A/S | | | | DKK | 0 | 75 000 | | | | |
| Interest swap, Visma Finland Holding OY | | | | EUR | 641 | 31 000 | | | | |
| Interest swap, Visma Nederland Holding BV | | | | EUR | 348 | 17 040 | | | | |
| Interest swap, Visma Nederland Holding BV | | | | EUR | 0 | 32 000 | | | | |
| **Total Visma group translated to NOK** | | | | **NOK** | **62 052** | **1 586 245** | | | | |

*Interest; For loans in NOK NIBOR - SEK STIBOR - EUR EURIBOR - DKK CIBOR

Reference is made to Note 20 for information about termination date and interest rate on interest swap agreements.

| Average effective interest rate on financial instruments | 2011 | 2010 |
|---|---|---|
| Interest bearing deposits | 2,02% | 1,89% |
| Revolving credit facility | 3,46% | 1,97% |
| Loan secured by mortgage | 5,84% | 4,39% |

| Acquisition financing Visma AS | |
|---|---|
| Acquisition financing national holding companies | 3 841 739 |
| Capitalised borrowing cost | -95 698 |
| Other none interest bearing long term borrowings | 26 246 |
| **Total** | **3 772 287** |

Reference is made to note 20 for information about interest risk and interest hedging instruments.

Trade payables are non-interest bearing and are normally settled on terms between 15 and 60 days.

# Note 13

## Other reserves

CONSOLIDATED

| (NOK 1,000) | Financial hedging instruments | Exchange differences on translation of foreign operations | Other changes | Total other reserves |
|---|---|---|---|---|
| **As at 1 January 2010** | **-37 339** | **42 366** | **51 713** | **56 739** |
| Changes in 2010 | 7 658 | -59 494 | -0 | -51 837 |
| **At 31 December 2010** | **-29 682** | **-17 128** | **51 712** | **4 902** |
| Changes in 2011 | -44 186 | -2 303 | 0 | -46 489 |
| **At 31 December 2011** | **-73 867** | **-19 432** | **51 712** | **-41 586** |

**The following describes the nature of the equity component of other reserves:**

### Other changes
SuperInvest AS went from being classified as "shares available for sale" to an associated company in August 2008. Fair value of the investment of MNOK 62 was considered as deemed cost at the date SuperInvest AS became an associate and no adjustment has been made to reverse previous fair value adjustments within other reserves.

### Financial hedging instruments
This includes fair value changes of interest swap contracts (ref. note 20)

### Exchange differences on translation of foreign operations
Foreign currency translation includes exchange differences arising from the translation of the financial statements of foreign subsidiaries.

# Note 14

## Share capital and shareholder issues

At 31.12.2011, the company's share capital consists of 1 share with a nominal value of NOK 165,000,310 fully paid.
One share entitles the holder to one vote. No changes to the number of shares has taken place in 2011

| Shareholders at 31.12.2011 | Holding (%) |
|---|---|
| Archangel AS | 100,00% |
| **Total** | **100,00%** |

# Note 15

## Shares owned by the Board and Executive employees

At the end of the financial year, members of the Board and executive employees owned the following shares in the ultimate parent company, Chamuel Topco AS.

| | Holding |
|---|---|
| **Board of Directors:** | **0,03%** |
| **Executive employees** | |
| Øystein Moan (CEO) | 0,86% |
| Tore Bjerkan (CFO) | 0,36% |
| Bjørn A.Ingier (Division Director, Software) | 0,30% |
| Peter Lauring (Division Director, BPO Accounting & Payroll) | 0,25% |
| Eivind Gundersen (Division Director, Commerce Solutions) | 0,06% |
| Peter Fisher (Division Director, Retail) | 0,05% |
| **Total** | **1,92%** |

**Chamuel Topco AS**

| Shareholder/Nominee | Ordinary A-shares | Preference B-shares | Total # Shares | % |
|---|---|---|---|---|
| KKR funds | 41 141 309 | 5 627 616 236 | 5 668 757 545 | 76,6% |
| Hg Capital | 9 434 819 | 1 290 565 180 | 1 299 999 999 | 17,6% |
| VMIN 2 AS | 6 184 884 | 274 151 203 | 280 336 087 | 3,8% |
| Other management | 5 903 341 | 143 816 839 | 149 720 180 | 2,0% |
| **Total** | **62 664 353** | **7 336 149 458** | **7 398 813 811** | **100,0%** |

Only ordinary A-shares have voting rights

# Note 16

## Compensation of key management personell of the Group

| (NOK 1,000) | 2011 | 2010 |
|---|---|---|
| **CEO salary and other remuneration** | | |
| Salaries and benefits in kind | 4 928 | 4 807 |
| Bonus | 6 000 | 6 000 |
| Other | 245 | 293 |
| **Total remuneration** | **11 173** | **11 100** |

The CEO's contract of employment provides for a termination payment equivalent to 18 months' salary.
The CEO has a bonus agreement that is subject to achieved revenue and EBTIDA.
Payment to the pension contribution plan amounted to NOK 62,753 in 2011.

| (NOK 1,000) | 2011 | 2010 |
|---|---|---|
| **Remuneration to the management** | | |
| (does not include CEO) | | |
| Salaries and benefits in kind | 11 995 | 11 043 |
| Bonus | 7 900 | 6 300 |
| Other | 1 003 | 1 485 |
| **Total remuneration** | **20 899** | **18 829** |

The executive management contract of employment provides for a termination payment between 6 and 12 months' salary.
The executive management has a bonus agreement that is subject to achieved EBITDA.
No loans have been granted to or security pledged for members of the management group.

### Loans to employees
In some countries, employees are entitled to loans from the Group. The interest on loans to employees is not lower than the market interest rate. The other borrowing terms and conditions are generally the same as normal market terms and conditions. Loans to employees comprised in 2011 to TNOK 295 compared to TNOK 285 in 2010.

### Remuneration to the board of directors
The Board will propose to the general meeting that the Board's remuneration for 2011 is set at TNOK 550 (TNOK 550) to the chairman of the Board.

| Remuneration to the Auditors | | | | 2011 | | | | 2010 |
|---|---|---|---|---|---|---|---|---|
| (NOK 1,000) | Visma AS | Other Group companies | Other Auditors | Total | Visma AS | Other Group companies | Other Auditors | Total |
| Audit services | 515 | 6 227 | 1 190 | 7 932 | 504 | 5 064 | 579 | 6 147 |
| Other attestation services | 55 | 656 | 524 | 1 235 | 28 | 0 | 0 | 28 |
| Tax services | 1 856 | 263 | 221 | 2 340 | 231 | 774 | 0 | 1 005 |
| Other services | 747 | 3 716 | 0 | 4 463 | 233 | 3 797 | 3 211 | 7 241 |
| **Total** | **3 173** | **10 862** | **1 935** | **15 970** | **996** | **9 635** | **3 790** | **14 421** |

All fees are exclusive of VAT

# Note 17
## Secured debt and guarantee liabilities

| Debtor | Actual guarantee debtor | Creditor | Type of guarantee | | Guarantee limit |
|---|---|---|---|---|---|
| Visma Norge Holding AS | Visma Norge Holding AS | Rein Eiendom AS | lease of premises | TNOK | 68 136 |
| Visma Norge Holding AS | Visma Collectors AS | Kjeldsberg Sluppen ANS | lease of premises | TNOK | 2 071 |
| Visma Norge Holding AS | Visma Retail AS | Fekjan 13 AS | lease of premises | TNOK | 257 |
| Visma Danmark Holding A/S | Visma Services Danmark A/S | Ejendomsselskabet Mileparken 38 ApS | lease of premises | TDKK | 3 738 |
| Visma Norge Holding AS | Visma Services Norge AS | Hans Gaarder Eiendom AS | lease of premises | TNOK | 286 |
| Visma Norge Holding AS | Visma Services Norge AS | Moengården AS | lease of premises | TNOK | 156 |
| Visma Norge Holding AS | Visma Software Internatiional AS | Fredriksborg eiendom AS | lease of premises | TNOK | 1 205 |
| Visma AS | Visma Collectors A/S, Dk | Rigspolitiet | collection services | TDKK | 1 000 |
| Visma AS | Visma Software OY, Fi | Rentals of premises | lease of premises | TEUR | 138 |
| **Total guarantees** | | | | **TNOK** | **123 349** |

Security is granted for loans as described in note 12 as follows:

### Shares
Visma AS has pledged shares in the respective national holding companies. The national holding companies have pledged it's share holdings in subsidiaries. Refer to note 11 which describe the group structure.

### Bank accounts
The group's top level accounts in the cash pool system in Danske Bank, are pledged as security.

### Account receivables
Pledges on account receivables are established in most countries

### Operating assets
Pledges on operating assets are established in most Norwegian companies.

All securities granted will always be subject to local law.

# Note 18

## Commitments

### CONSOLIDATED

#### Operating lease commitments - Group as lessee

The Group has entered into commercial leases on certain motor vehicles and IT machinery. These leases have an average duration of between 1 and 5 years with no renewal options included in the contracts. There are no restrictions placed upon the lessee by entering theses leases

**Future minimum rentals payable under non-cancellable operating leases at 31 December are as follows:**

| (NOK 1,000) | 2011 | 2010 |
|---|---|---|
| Within one year | 61 827 | 48 733 |
| After one year but no more than five years | 185 480 | 146 199 |
| More than five years | 0 | 0 |

In addition the Group has entered into commercial property leases related to the Group's office buildings. These leases have remaining terms of between 1 and 5 years. As of 31.12.2011, 2,096 square meters in the headquarter in Skøyen is subleased, at a yearly value of MNOK 6.5.

**Future minimum rentals payable under non-cancellable operating leases as at 31 December are as follows:**

| (NOK 1,000) | 2011 | 2010 |
|---|---|---|
| Within one year | 247 307 | 194 932 |
| After one year but no more than four years | 741 920 | 629 795 |
| More than five years | 455 000 | 455 000 |

Total lease expenses in 2011 amounted to TNOK 247,307

# Note 19

## Information on calculation of earnings per share

### CONSOLIDATED

**The calculation is based on the following information:**

| | 2011 | 2010 |
|---|---|---|
| Majority's share of the Group's profit/loss for the year (NOK 1,000) | 307 519 | 374 405 |
| Time-weighted average number of shares 31 December | 1,00 | 1,00 |
| **Earnings per share (NOK)** | **307 519 467** | **374 405 004** |
| Effect of dilution: | | |
| Share options | - | - |
| Time-weighted average number of shares 31.12 including options | 1,00 | 1,00 |
| **Diluted earnings per share (NOK)** | **307 519 467** | **374 405 004** |

Earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent company by the weighted average number of ordinary shares outstanding during the year plus the effect of all dilutive potential ordinary shares.

# Note 20

Financial instruments

### Market and technology risks

As all companies, Visma is exposed to general economical fluctuations and GDP developments in the different countries where Visma is selling its products and services. As a technology company, Visma is also exposed to risks associated with dramatic shifts in technology, and resulting changes in the competitive landscape. Competition have been present in our markets for many years and although Visma is used the competition it remains a constant challenge to preserve and gain market shares.

The market and technology risk exposure is however limited by the following factors:

- The products and services provided to a large degree cater to requirements that are mandatory and necessary regardless of the economical cycle
- Visma has many customers in different countries, and in many different verticals. This lowers the exposure to events affecting a single country or vertical market. Visma has many small customers, which simplifies the projects are simpler and lowers implementation risks
- Visma has a wider range of products and services than its competitors, which provides more opportunities for cross-selling, more product sales to each customer, and less churn
- Visma utilises both Microsoft based technology and Open Source/Java technology

### Financial risk

The Group's principal financial liabilities comprise loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group has loan and other receivables, trade and other receivables, and cash and short-term deposits that arrive directly from its operations. The Group has also entered into derivative instruments for hedging purposes. The Group does not use financial instruments, including financial derivatives, for trading purposes. The Group's senior management oversees the management of these risks.

Guidelines for risk-management have been approved by the board.

The most significant financial risks for the Group are interest rate risk, liquidity risk, credit risk and exchange rate risk. The board and Management continuously evaluate these risks and determine policies related to how these risks are to be handled within the Group.

### Credit risk

The Group are exposed to credit risk primarily related to accounts receivable and other current assets. The Group limits the exposure to credit risk through credits evaluation of its customers before credit are given.

The Group has no significant credit risk linked to an individual customer or several customers that can be regarded as a group due to similarities in the credit risk. The risk is limited due to the large number of customers and small amounts beeing invoiced to each customer.

The Group has guidelines for ensuring that sales are only made to customers that have not experienced any significant payment problems, and that outstanding amounts do not exceed certain credit limits.

The Group has not provided any guarantees for third parties liabilities.

The maximum risk exposure is represented by the carrying amount of the financial assets in the balance sheet. The Group regards its maximum credit risk exposure to the carrying amount of trade receivables (see Note 6) and other current assets (see Note 7).

### Interest-rate risk

The Group is exposed to interest-rate risk through its funding activities (see Note 12). All of the interest bearing debt has floating interest rate conditions which make the Group influenced by changes in the market rate.

The objective for the interest rate management is to minimize interest costs and at the same time keep the volatility of future interest payments within acceptable limits. The Group has loans in NOK, DKK, SEK and EUR giving a natural hedge for the interest rate risk to the underlying cash flow in the companies.

### Derivative instruments designated as cash flow hedging instruments

Parts of the groups cash flow are related to interest rate risk. As a part of the refinancing in 2010, the group entered into interest rate contracts covering 49% of the loan amounts. Interest rate for loans with floating rate has been hedged using interest rate swaps, where the group receives floating rate and pays fixed rate. The hedge is expected to exactly offset changes in expected cash flows due to fluctuations in the interest rate over the term of the debt. The effectiveness of the hedge relationship will be periodically assessed during the life of the hedge by comparing the current terms of the swap and the debt to assure they continue to coincide.

The table below shows the fair value of the interest swap contracts.

| (NOK 1,000) | Fixed interest | | Nominal value | Market to market adjustment (NOK) * |
|---|---|---|---|---|
| Visma Sverige Holding AB , from 03.12.10 to 03.12.15 | 3,82% | SEK | 900 000 | -58 921 |
| Visma Danmark Holding A/S , from 05.12.10 to 05.12.15 | 2,79% | DKK | 100 000 | -5 958 |
| Visma Danmark Holding A/S , from 05.09.08 to 05.03.13 | 4,55% | DKK | 75 000 | -3 147 |
| Visma Finland Holding OY, from 06.12.10 to 05.12.15 | 2,51% | EUR | 31 000 | -9 665 |
| Visma Nederland Holding BV, from 05.09.08 to 05.03.13 | 4,42% | EUR | 17 040 | -4 821 |
| Visma Nederland Holding BV , from 06.12.10 to 05.12.15 | 2,51% | EUR | 32 000 | -9 977 |
| Visma Danmark Holding A/S , from 05.03.13 to 05.12.15 | 3,41% | DKK | 75 000 | -4 281 |
| Visma Nederland Holding BV , from 05.03.13 to 05.12.15 | 3,16% | DKK | 17 000 | -5 824 |
| | | | | -102 594 |

* Fair value adjustment as market to market value at year end 2011, for the remaining life of the contracts.

The following table shows the Group's sensitivity for fluctuations in interest rates. The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to float interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of the hedge designations in place at 31 December 2011.

| | Adjustments in interest rate level in basis points | Effect on profit before tax (NOK 1000) |
|---|---|---|
| 2011 | ± 100 | ± 11627 |
| 2010 | ± 100 | ± -1467 |

Based on the present financial instruments, a 1% increase in interest rate will result in a reduced profit before tax of TNOK -11,627 (2010: TNOK -1,467). The impact on the Group's equity would be affected by the tax rate of the group, and the effect of a new market to market value on the interest swap contracts.

| **The average interest rate on financial instruments (including interest swap agreements) was as follows:** | 2011 | 2010 |
|---|---|---|
| Overdraft facility | 3,46% | 3,36% |
| Loans secured by collateral | 5,84% | 8,52% |

### Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due (reference is made to Note 12 for the loan repayment schedule). The Groups approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Groups reputation (reference is made to Note 12 for presentation of unused portions of the credit facilities). Surplus liquidity is primarily invested in bank deposits.

### Exchange rate risk

The Group is exposed to changes in the value of NOK relative to other currencies (SEK, DKK and EURO), due to production and sales operations in foreign entities with different functional currencies. The net income of the Group is also affected by changes in exchange rates, as the profit and loss from foreign operations are translated into NOK using the weighted average exchange rate for the period. The Group has loans denominated in SEK, DKK and EUR to reduce the cash flow risk in foreign currency.

The following table sets the Group's sensitivity for potential adjustments in NOK exchange rate, with all the other variables kept constant. The calculation is based on equal adjustments towards all relevant currency. The effect in the profit is a result of adjustments in monetary items.

| | Adjustment in exchange rate | Effect on profit before tax, TNOK |
|---|---|---|
| 2011 | ± 5 % | ± -44537 |
| 2010 | ± 5 % | ± 17358 |

### Capital structure and equity

The primary focus of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratio in order to support its business and maximise shareholders value. The group manages its capital structure and makes adjustment to it, in ligth of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives policies or processes during the financial year.

The Group monitors capital according to covenants described in note 12, and a measure of the ratio of net debt divided by total capital plus net debt as shown below.

| | 2011 | 2010 |
|---|---|---|
| Interest-bearing debt | 1 586 245 | 2 746 261 |
| Less cash and cash equivalents | 1 162 654 | 1 007 192 |
| Net debt | 423 591 | 1 739 069 |
| Majority's equity | 1 258 661 | 1 160 402 |
| **Total equity and net debt** | **1 682 252** | **2 899 472** |
| Debt ratio | 25% | 60% |

### Determination of fair value

The fair value of financial assets classified as "available for sale" is determined by reference to published price quotations in an active market. For unquoted financial assets the fair value has been estimated using a valuation technique based on assumptions that are not supported by observable market prices.

The following of the Group's financial instruments are not measured at fair value: cash and cash equivalents, trade receivables, other current receivables, overdraft facilities and long-term debts.

The carrying amount of cash and cash equivalents and overdraft facilities is approximately equal to fair value since these instruments have a short term to maturity. Similarly, the carrying amount of trade receivables and trade payables is approximately equal to fair value since they are entered into on "normal" terms and conditions.

The fair value of loan notes have been calculated using market interest rates.

Set out below is a comparison by category of carrying amounts and fair values of all of the Group's financial instruments.

| | 2011 | | 2010 | |
|---|---|---|---|---|
| | Carrying amount | Fair value | Carrying amount | Fair value |
| **Financial assets** | | | | |
| Cash and cash equivalents | 1 162 654 | 1 162 654 | 1 007 192 | 1 007 192 |
| Trade receivables | 790 667 | 790 667 | 641 095 | 641 095 |
| Available-for-sale investments | 40 159 | 40 159 | 12 531 | 12 531 |
| Other non-current assets | 125 359 | 125 359 | 89 109 | 89 109 |
| **Financial liabilities** | | | | |
| Revolving credit facility | 200 222 | 200 222 | 0 | 0 |
| Trade and other payables | 182 052 | 182 052 | 146 882 | 146 882 |
| Financial hedging instruments | 102 594 | 102 594 | 41 225 | 41 225 |
| **Interest-bearing loans and borrowings:** | | | | |
| Bank loans | 1 586 245 | 1 586 245 | 2 746 261 | 2 746 261 |

**Fair value hierarchy**

As at 31 December 2011, the Group held the following financial instruments measured at fair value:

| | 31 Dec. 2011 | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|
| **Assets measured at fair value** | | | | |
| Available-for-sale investments | 40 159 | | | 40 159 |
| Liabilities measured at fair value | | | | |
| **Financial hedging instruments** | **102 594** | | **102 594** | |

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:
Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

# Note 21

## Avaiable-for-sale financial assets

CONSOLIDATED

| (NOK 1,000) | Fair value 01.01.2011 IFRS | Additions and reductions | Fair value adjustments | 2011 |
|---|---|---|---|---|
| Shares unlisted | | | | |
| Shares held by Visma Retail AS | 6 436 | (32) | 1 | 6 405 |
| Project X International Ltd | 0 | 27 442 | 0 | 27 442 |
| Others | 6 094 | 218 | 0 | 6 312 |
| **Total** | **12 531** | **27 627** | **1** | **40 159** |

Available-for-sale financial assets consist of investments in ordinary shares, and therefore have no fixed maturity date or coupon rate. The fair value of the unlisted shares has been estimated using a valuation technique based on assumptions that are not supported by observable market prices or rates. Management believes the estimated fair values resulting from the valuation technique which are recorded in the statement of financial position are reasonable and the most appropriate at the balance sheet date.

# Note 22

## Current liabilities

CONSOLIDATED

**OTHER CURRENT LIABILITIES**

| | 2011 | 2010 |
|---|---|---|
| Deferred revenue | 678 444 | 422 552 |
| Loan under 1 year | 0 | 0 |
| Accrued interests | 62 502 | 11 343 |
| Deferred payment | 8 772 | 8 772 |
| Other short-term liabilities | 435 129 | 431 160 |
| **Total other current liabilities** | **1 184 848** | **873 827** |

**SHORT TERM INTEREST BEARING DEBT**

| | 2011 | 2010 |
|---|---|---|
| **Revolving credit facility** | **200 222** | **0** |
| **Total** | **200 222** | **0** |

Ref. note 17 for security to guarantee short term debt

# Note 23

## Impairment testing of goodwill

Goodwill acquired through business combinations has been allocated to 6 cash generating units for impairment testing as follows:

1 Software division
2 BPO Accounting & Payroll division
3 Commerce Solutions division
4 Retail division
5 Projects & Consulting division
6 Hosting division

### Key assumptions used in value-in-use calculations

The recoverable amount of the segments units has been determined based on a value in use calculation. To calculate this, cash flow projections are based on financial budgets and long-term projections approved by senior management covering a five-year period (2012-2016). The cash flow projection is based on budget for 2012 and long-term projections for the years 2013-2016. Budget is based on historical performance adjusted for the expected improvements. The long-term projection assumes a 3% growth on revenue for the whole period, a 0.5% increase in EBITDA-margins for the years 2013-2015 and EBITDA margins kept unchanged for the period after 2015. Management expects the Group's share of the market to be stable over the budget period. The discount rate applied to cash flow is 7.1 % (2010: 7.1 %) and cash flows beyond the 5-year period are extrapolated using a 0 % growth rate (2010: 0 %). Based upon the similarity of market conditions within the Nordic market, the same method for determining recoverable amounts has been applied across the different countries.

**Carrying amount of goodwill**

| (NOK 1,000) | 2011 | 2010 |
|---|---|---|
| Software division | 1 502 211 | 974 019 |
| BPO Accounting & Payroll division | 640 601 | 587 564 |
| Commerce Solutions division | 297 871 | 249 398 |
| Retail division | 386 422 | 380 206 |
| Projects & Consulting division | 396 020 | 420 611 |
| Hosting division | 239 331 | |
| **Total** | **3 462 456** | **2 611 798** |

The recoverable amounts for the different cash generating units are higher than the carrying amounts and no impairment loss is recognised in 2011. With regard to the assessment of value-in-use of the different cash generating units above, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the units to materially exceed its recoverable amounts. Estimated cash flows and growth rates used in determining the value in use exclude any estimated future cash inflows or outflows expected to arise from future restructuring or from improving or enhancing the asset's performance.

# Note 24

## Investments in associated companies and joint ventures

CONSOLIDATED

(NOK 1,000)

Investments in associates are accounted for under the equity method. These are investments of a strategic nature in companies in which the Group has significant influence by virtue of its ownership interest.

**Visma AS has the following investments in associates:**

| Entity | Country | Ownership interest | Carrying amount 31.12.2010 | Investments and reductions | Net profit (loss) 2011* | Carrying amount 31.12.2011 | Fair value |
|---|---|---|---|---|---|---|---|
| SuperInvest AS - Group | Norway | 22,2 % | 75 706 | | -763 | 74 943 | 74 943 |
| **Totalt** | | | **75 706** | | **-763** | **74 943** | **74 943** |

* Adjusted for changes in the company's earnings in 2010, occurred after the presentation of Visma's consolidated financial statements.

SuperInvest AS is an unlisted company, and fair value is based on the offer price when de-listed, adjusted for Visma's share of net profit (loss).

**A summary of the financial information on the individual associated companies, based on 100% figures:**

| Entity | Assets | Liabilities | Equity | Revenues | Profit (loss) for the year |
|---|---|---|---|---|---|
| SuperInvest AS - Group * | 734 413 | 372 020 | 362 393 | 313 221 | 29 821 |
| **Totalt** | **734 413** | **372 020** | **362 393** | **313 221** | **29 821** |

* Unaudited numbers 2011

# Note 25

## Events after the balance sheet date

CONSOLIDATED

(NOK 1,000)

Significant events after the balance sheet date that occur before the Board of Directors has approved the financial statements may make it necessary to change the annual financial statements or to disclose the matter in the notes to the financial statements. If new information emerges regarding a matter that existed on the balance sheet date, and the matter is significant, the financial statements must be changed. If events concern matters that arose after the balance sheet date, the matters may have to be disclosed in a note.

Visma AS has acquired Økonomistyring Drammen AS and Agda Lön AB in 2012, please refer to note 1 for more information.

Visma has issued a parent company guarantee in the amount of MNOK 139 in January 2012, please refer to note 10 for more information.

No other events have taken place after the reporting period that would have affected the financial statements or any assessments carried out.

# Parent Company Annual Accounts

## Content

# Profit and Loss Statement

1 January – 31 December

| VISMA AS | | | |
|---|---|---|---|
| | | NGAAP | NGAAP |
| (NOK 1,000) | Note | 2011 | 2010 |
| **Operating revenue** | | | |
| Other revenue | 1 | 23 071 | 19 634 |
| **Total operating revenue** | | **23 071** | **19 634** |
| **Operating expenses** | | | |
| Payroll and personnel expenses | 2 | 33 797 | 33 561 |
| Depreciation and amortisation expenses | | 527 | 168 |
| Other operating expenses | 3 | 34 502 | 16 946 |
| Total operating expenses | | 68 826 | 50 675 |
| **Operating profit** | | **(45 755)** | **(31 041)** |
| **Financial items** | | | |
| Financial income | 4 | 372 736 | 332 518 |
| Financial expenses | 4 | (69 903) | (72 625) |
| **Net financial items** | | **302 833** | **259 893** |
| **Profit before taxes** | | **257 078** | **228 852** |
| **Taxes** | **5** | **75 917** | **64 090** |
| **Profit for the year** | | **181 161** | **164 762** |
| **Profit for the year** | | **181 161** | **164 762** |
| **Transfers and allocations** | | | |
| Transferred to / (from) retained earnings | | 181 161 | 164 762 |
| **Total transfers and allocations** | **6** | **181 161** | **164 762** |
| Group contribution paid (net after tax) | | 201 819 | 181 952 |

# Balance Sheet

1 January – 31 December

VISMA AS

| (NOK 1,000) | Note | NGAAP 2011 | NGAAP 2010 |
|---|---|---|---|
| **ASSETS** | | | |
| **Tangible fixed assets** | | | |
| Property | 7 | 17 372 | 13 676 |
| Machinery and equipment | | 2 109 | 250 |
| **Total tangible fixed assets** | | **19 480** | **13 926** |
| **Financial assets** | | | |
| Shares in subsidiaries | 7 | 1 475 223 | 977 798 |
| Investment in associated companies | 7 | 89 442 | 62 000 |
| **Total financial fixed assets** | | **1 564 665** | **1 039 798** |
| **Total non-current assets** | | **1 584 145** | **1 053 725** |
| **Current assets** | | | |
| Receivables | | 5 954 | 467 |
| Inter-company receivables | | 388 022 | 407 711 |
| **Total receivables** | | **463 446** | **408 178** |
| Cash and cash equivalents | | 238 345 | 11 445 |
| **Total current assets** | | **632 321** | **419 623** |
| **TOTAL ASSETS** | | **2 216 466** | **1 473 348** |

VISMA AS

| (NOK 1,000) | | NGAAP 2011 | NGAAP 2010 |
|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | |
| Equity attributable to equity holders of the parent | | | |
| Paid-in capital | | | |
| Share capital | | 165 000 | 165 000 |
| **Total paid-in capital** | **6** | **165 000** | **165 000** |
| **Retained earnings** | | | |
| Retained earnings | | 717 777 | 718 194 |
| **Total equity** | **6** | **882 778** | **883 195** |
| Non-current liabilities | | | |
| Deferred tax liability | 5 | 6 920 | 2 910 |
| Other long-term interest bearing loans and borrowings | | 825 072 | 139 298 |
| **Total non-current liabilities** | | **831 992** | **142 208** |
| **Current liabilities** | | | |
| Short-term bank loans | | 200 000 | 175 950 |
| Short term liabilities to group companies | | 28 113 | 252 711 |
| Trade creditors | | 1 739 | 877 |
| Public duties payable | | 685 | 617 |
| Other current liabilities | | 271 160 | 17 790 |
| **Total current liabilities** | | **501 696** | **447 945** |
| **Total liabilities** | | **1 333 688** | **590 153** |
| **TOTAL EQUITY AND LIABILITIES** | | **2 216 466** | **1 473 348** |
| Secured liabilities and guarantees | 7 | | |

Oslo, 18 April 2012

Gunnar Bjørkavåg
Chairman of the Board

Jacques Garaïalde
Director

Nic Humphries
Director

Jan Pieter Dekker
Director

Mateusz M. Szeszkowski
Director

Stanislas De Joussineau
Director

Herald Y. Chen
Director

Øystein Moan
CEO

# Cash Flow Statement

1 January – 31 December

VISMA AS

| (NOK 1,000) | NGAAP 2011 | NGAAP 2010 |
|---|---|---|
| **Ordinary profit / loss before tax** | **257 078** | **228 852** |
| Depreciation and amortisation expenses | 527 | 168 |
| **Cash flow from operations** | **257 605** | **229 020** |
| Changes in debtors | (862) | (691) |
| Change in other accruals | (507 514) | (132 706) |
| **Net cash flow from operations** | **(250 771)** | **95 623** |
| Investment in tangible fixed assets | (6 081) | (30) |
| Sale of (investment in) businesses | | (123 508) |
| **Net cash flow from investments** | **(6 081)** | **(123 538)** |
| Change in long-term liabilities | 685 774 | (188 472) |
| Change in long-term receivables | 0 | 324 285 |
| Change in revolving credit facility | 24 050 | 62 359 |
| Payment of dividend/group contribution | (226 072) | (159 555) |
| **Net cash flow from financing activities** | **483 752** | **38 617** |
| **Net cash flow for the year** | **226 900** | **10 701** |
| Cash and cash equivalents 1.1 | 11 445 | 744 |
| **Cash and cash equivalents 31.12** | **238 345** | **11 445** |

# Accounting Principles

The annual accounts for Visma AS are prepared according to the Norwegian Accounting Act 1998, generally accepted accounting principles and apply for the period 1 January to 31 December 2011.

### SUBSIDIARIES AND INVESTMENT IN ASSOCIATE

Subsidiaries and investments in associate are valued by the cost method in the company accounts. The investment is valued as cost of acquiring shares in the subsidiary, providing that write down is not required. Write down to fair value will be carried out if the reduction in value is caused by circumstances which may not be regarded as incidental, and deemed necessary by generally accepted accounting principles. Write downs are reversed when the cause of the initial write down are no longer present. Dividends and other distributions are recognized in the same year as appropriated in the subsidiary accounts. If dividends exceed withheld profits after acquisition, the exceeding amount represents reimbursement of invested capital, and the distribution will be subtracted from the value of the acquisition in the balance sheet.

### BALANCE SHEET CLASSIFICATION

Net current assets comprise creditors due within one year, and entries related to goods circulation. Other entries are classified as fixed assets and/or long term creditors. Current assets are valued at the lower of acquisition cost and fair value. Short term creditors are recognized at nominal value. Fixed assets are valued by the cost of acquisition, in the case of non incidental reduction in value the asset will be written down to the fair value amount. Long term creditors are recognized at nominal value.

### TRADE AND OTHER RECEIVABLES

Trade receivables and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful debts. Provisions for doubtful debts are calculated on the basis of individual assessments. In addition, for the remainder of accounts receivables outstanding balances, a general provision is carried out based on expected loss.

### FOREIGN CURRENCY TRANSLATION

Foreign currency transactions are translated using the year end exchange rates.

### SHORT TERM INVESTMENTS

Short term investments (stocks and shares are valued as current assets) are valued at the lower of acquisition cost and fair value at the balance sheet date. Dividends and other distributions are recognized as other investment income.

### PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is capitalized and depreciated over the estimated useful economic life. Direct maintenance costs are expensed as incurred, whereas improvements and upgrading are assigned to the acquisition cost and depreciated along with the asset. If carrying value of a non current asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value.

### PENSIONS

The company has pension schemes where the company's commitment is to contribute to the individual employee's pension schemes (contribution plans)

### INCOME TAX

Tax expenses in the profit and loss account comprise both tax payable for the accounting period and changes in deferred tax. Deferred tax is calculated at 28 percent on the basis of existing temporary differences between accounting profit and taxable profit together with tax deductible deficits at the year end. Temporary differences both positive and negative are balanced out within the same period. Deferred tax assets are recorded in the balance sheet to the extent it is more likely than not that the tax assets will be utilized. To what extent group contribution not is registered in the profit and loss, the tax effect of group contribution is posted directly against the investment in the balance.

### CASH FLOW STATEMENT

The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short term highly liquid placement with original maturities of three months or less.

### USE OF ESTIMATES

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts in the profit and loss statement, the measurement of assets and liabilities and the disclosure of contingent assets and liabilities on the balance sheet date. Actual results can differ from these estimates.

Contingent losses that are probable and quantifiable are expensed as occurred.

# Note 1

Revenues

VISMA AS

Revenues of TNOK 23 071 relates to management services provided by Visma AS to the group companies.

# Note 2

Payroll and personnel expenses

VISMA AS

| (NOK 1,000) | 2011 | 2010 |
|---|---|---|
| Salaries | 28 903 | 28 041 |
| Employer's national insurance contributions | 4 369 | 4 313 |
| Pension expenses | 525 | 394 |
| Other personnel expenses | 0 | 813 |
| **Total** | **33 797** | **33 561** |
| | | |
| Average number of man-years | 10 | 10 |

For further information regarding compensation of key management, loans to employees and pensions, see note 3 and 16 in the consolidated accounts.

# Note 3

Other operating expenses

VISMA AS

| (NOK 1,000) | 2011 | 2010 |
|---|---|---|
| Rent | 23 639 | 2 608 |
| Other office expenses | 1 120 | 713 |
| Telecom, postage and IT | 577 | 211 |
| Travel expenses | 722 | 886 |
| Car expenses incl leasing | 904 | 805 |
| Sales and marketing | 1 165 | 6 858 |
| Audit, lawyers' fees and other consulting services | 6 375 | 4 864 |
| **Total other operating expenses** | **34 502** | **16 946** |

# Note 4

## Financial income and expenses

VISMA AS

| (NOK 1,000) | 2011 | 2010 |
|---|---|---|
| **Financial income includes the following items:** | | |
| Dividend/transfer from investments | 4 000 | 0 |
| Other interest income | 4 232 | 16 102 |
| Foreign exchange gains | 1 878 | 0 |
| Group contribution | 362 626 | 316 416 |
| **Total financial income** | **372 736** | **332 518** |
| **Financial expenses include:** | | |
| Interest expense | 46 979 | 36 692 |
| Write-down of shares | 19 014 | 0 |
| Foreign exchange losses | 0 | 1 277 |
| Other financial expenses | 3 910 | 34 656 |
| **Total financial expenses** | **69 903** | **72 625** |

# Note 5

## Tax on ordinary profits

**VISMA AS**

Deferred tax liabilities and assets are calculated on the basis of the temporary differences between book values and tax-related values in the balance sheet. All calculations are based on a nominal tax rate in respective tax-area.

| (NOK 1,000) | 2011 | 2010 |
|---|---|---|
| Tax payable | 0 | 0 |
| Changes in deferred taxes | 4 010 | (3 228) |
| Effect of Group contribution | 71 907 | 67 318 |
| **Income tax expense** | **75 917** | **64 090** |

Summary of temporary differences making up the basis for the deferred asset/deferred tax liability

| (NOK 1,000) | 2011 | 2010 |
|---|---|---|
| Current assets/liabilities | (89) | (309) |
| Fixed assets/long term liabilities | 24 928 | 10 702 |
| **Net temporary differences** | **24 839** | **10 393** |
| | | |
| Net deferred tax liability / (asset) | 6 920 | 2 910 |

Visma AS's tax payable for the year has been computed as follows:

| (NOK 1,000) | 2011 | 2010 |
|---|---|---|
| Ordinary profit before tax | 257 078 | 228 852 |
| Permanent differences | 18 053 | 40 |
| Change in temporary differences | (14 321) | 11 528 |
| Dividend received from Norwegian subsidiaries | (4 000) | 0 |
| Net group contribution received / (paid) | (256 810) | (240 420) |
| **Taxable profit** | **0** | **(0)** |

Explanation of why the tax expense for the year does not make up 28% of the pre-tax profit

| (NOK 1,000) | 2011 | 2010 |
|---|---|---|
| Ordinary profit before tax | 257 078 | 228 852 |
| 28% tax on ordinary profit before tax | 71 982 | 64 079 |
| Permanent differences | 5 055 | 11 |
| Dividend and group contributions received from Norwegian companies | (1 120) | 0 |
| **Tax expense** | **75 917** | **64 090** |

# Note 6

## Movement in equity

VISMA AS

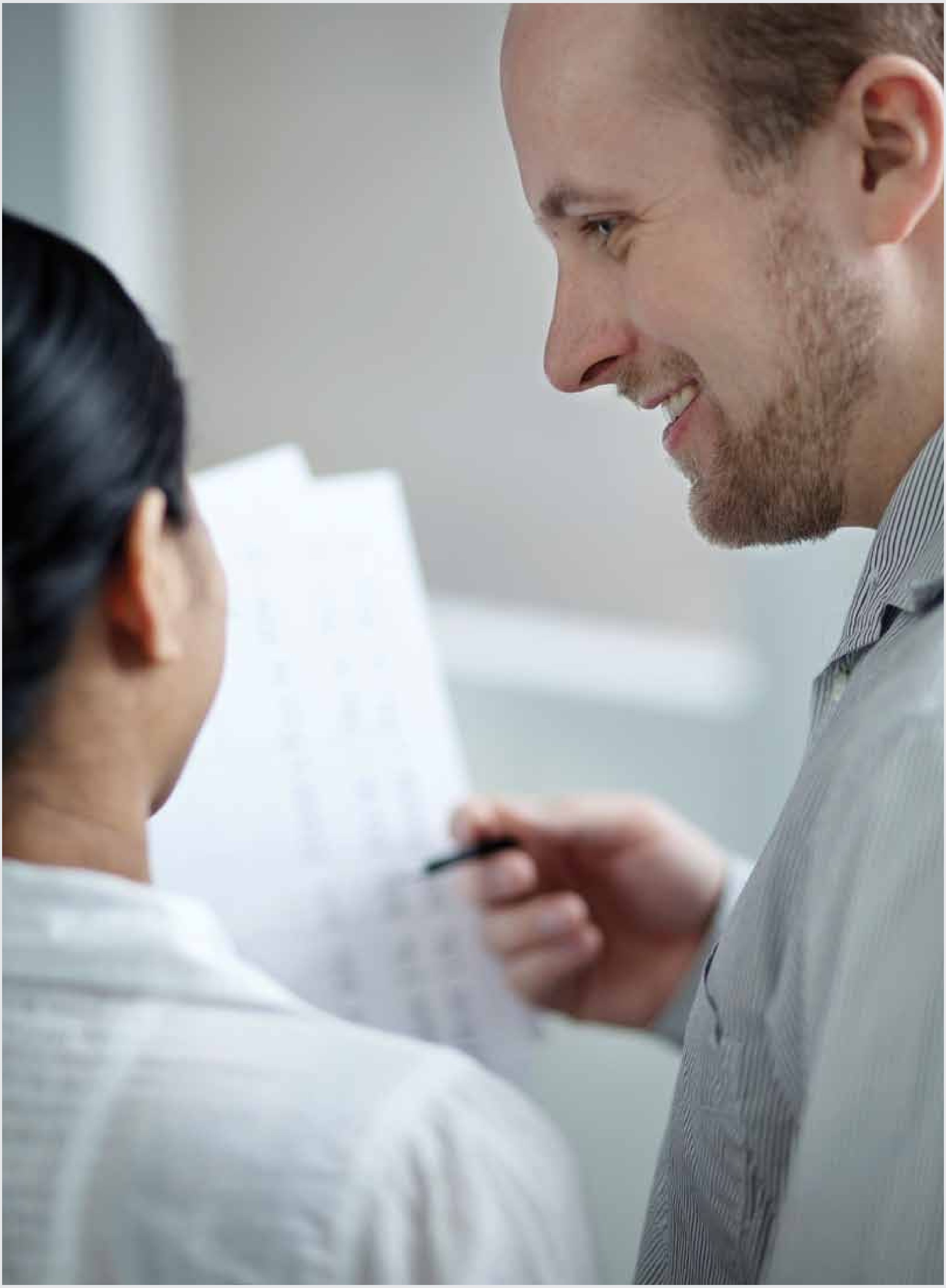
| (NOK 1,000) | Paid-in share capital | Share premium reserve | Retained earnings | Total equity |
|---|---|---|---|---|
| Equity as at 01.01.2011 | 165 000 | 0 | 718 194 | 883 195 |
| Pay back of Share premium reserve | | | | 0 |
| Realisation own shares | | | | 0 |
| Profit (loss) for the period | | | 181 161 | 181 161 |
| Group contribution | | | (181 578) | (181 578) |
| **Equity as at 31.12.2011** | **165 000** | **0** | **717 777** | **882 778** |

# Note 7

## Other matters

For further information regarding share capital, shareholder isssues and shares owned by the board and executive employees, see note 14 and 15 in the consolidated accounts.

For further information regarding notes, see notes 5,7,11,12,17 and 21 to the consolidated accounts.



ERNST & YOUNG

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To the Annual Shareholders' Meeting of Visma AS

## AUDITOR'S REPORT

### Report on the financial statements

We have audited the accompanying financial statements of Visma AS, comprising the financial statements for the Parent Company and the Group. The financial statements of the Parent Company comprise the balance sheet as at 31 December 2011, the statements of income and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information. The financial statements of the Group comprise the consolidated statement of financial position as at 31 December 2011, the statements of income, comprehensive income, cash flows and changes in equity for the year then ended as well as a summary of significant accounting policies and other explanatory information.

*The Board of Directors' and Chief Executive Officer's responsibility for the financial statements*

The Board of Directors and Chief Executive Officer are responsible for the preparation and fair presentation of these financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway for the financial statements of the Parent Company and the International Financial Reporting Standards as adopted by the EU for the financial statements of the Group, and for such internal control as the Board of Directors and Chief Executive Officer determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

*Auditor's responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements for the Parent Company and the Group.

*Opinion on the financial statements of the Parent Company*

In our opinion, the financial statements of Visma AS have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company as of 31 December 2011 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

*Opinion on the financial statements of the Group*

In our opinion, the financial statements of the Group have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Group as of 31 December 2011 and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the EU.

**Report on other legal and regulatory requirements**

*Opinion on the Board of Directors' report*

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Directors' report concerning the financial statements and the going concern assumption is consistent with the financial statements and complies with the law and regulations.

*Opinion on registration and documentation*

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that the Board of Directors and Chief Executive Officer have fulfilled their duty to ensure that the Company's accounting information is properly recorded and documented as required by law and generally accepted bookkeeping practice in Norway.

Oslo, 30 April 2012
ERNST & YOUNG AS

Vegard Stevning
State Authorised Public Accountant (Norway)

# Corporate Governance

Visma's is committed to good corporate governance practices that will strengthen the confidence in the company and thereby contribute to long-term value creation to the benefit of shareholders, employees and other stakeholders. The objective of corporate governance is to regulate the division of roles between shareholders, the Board of Directors (the Board) and executive personnel more comprehensively than is required by legislation.

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The Norwegian Corporate Governance Board (NCGB) has issued the Norwegian Code of Practice for Corporate Governance (the Code). Adherence to the Code is based on the "comply or explain" principle, which means that a company must comply with the recommendations of the Code or explain why it has chosen an alternative approach to specific recommendations.

The Code is principally intended for companies listed at the Oslo Stock Exchange (OSE), and the OSE requires listed companies to publish an annual statement of their policy on corporate governance in accordance with the Code in force at the time.

Where applicable, Visma seeks to comply with the Code of 21 October 2010. The Code can be found at www.ncgb.no.

The main principles for corporate governance in Visma are:

- Visma's Board is independent of the company's management
- Structures are implemented to ensure the separation of roles and to provide the Board with effective measures to execute its functions. Visma's communication with its stakeholders shall be open and reliable both with regards to the development of the company and all issues related to corporate governance.

## *1. Implementation and reporting on corporate governance*

Visma's corporate governance comprises the framework of guidelines and principles used to regulate the division of roles and tasks between the shareholders, the Board and the executive personnel of the Visma Group. The Board of Visma is responsible for implementation of sound corporate governance in the company. The Board and executive personnel carry out an annual review of the corporate governance in the company. Visma provides information about corporate governance in the company's annual report and the company's web site at www.visma.com

**Corporate values and ethical guidelines**

The Board of Visma has defined the company's corporate values and these values are well distributed and known in the Visma group. The values are as follows;

**Respect**

Show respect for colleagues, clients and their businesses.

Always represent Visma in an appropriate manner.

**Reliability**

Be loyal to Visma's directives and honour the agreements that have been made with clients, colleagues and others. Surprise in a positive way.

**Innovation**

Quickly adopt new solutions when they enable greater productivity in your own work. Contribute to improving the efficiency of the client's business processes.

**Competence**

Rely on your own competence, and be eager to learn as well as to help colleagues to learn. Ensure that you have great competence in your own products and services combined with a focus on the client's processes.

**Team spirit**

Share knowledge and resources with others, and help to make it possible for the strengths of your colleagues to be used in the best interests of the company as well. Our team spirit must benefit our customer relationships.

The company has a code of conduct and a corporate culture that is based on these corporate values.

**Sustainability and responsibility**

Visma object is to serve to maintain the competitive edge of North European companies and government bodies through automation of administrative processes. By also giving attention and respect to ethical operation and environment in addition to commitment to positive social impact, Visma defines its responsibility as the way the company's business objectives are fulfilled.

Visma continuously develops its operations through innovation in technology and applicable skills. The company's main objective is to provide its customers with the best competence available. As such, responsibility is in

"Visma object is to serve to maintain the competitive edge of North European companies and government bodies through automation of administrative processes."

Visma intertwined with the company's core purpose of securing and managing the customers' everyday business processes.

In addition, Visma has established policies to secure that managers and employees in all parts of the group work against corruption in all its forms, including extortion and bribery. For further and more detailed information on sustainability, see our statement on sustainability and responsibility.

**Visma's code of conduct**
Visma's code of conduct shall function as a support for all staff members, and shall provide guidelines for behaviour in relation to the outside world as well as within the organization. The code of conduct also applies to those who take on assignments and thus act on behalf of Visma, including members of the Board, auditors, resellers, partners, consultants and other incidental and more widely varying contractors. All actions and decisions at Visma shall be consistent with the code of conduct. In the cases for which no rules are available, actions and decisions shall fulfil the highest possible standards for ethical conduct.

Visma's code of conduct is well communicated and understood in all entities in the group. All Managing Directors have signed the code to ensure that they have implemented the code in all parts and departments in the Visma companies they manage. All Managers and employees are obliged to report incidents that occur which are not according to the code.

**The Code in short:**
*Complete confidentiality shall be maintained with respect to information about colleagues, clients, and business connections.*

*Respect shall be shown in all relationships, external as well as internal, based on principles such as equal treatment and diversity.*

*Situations that might create external or internal conflicts of interest shall be avoided.*

*Visma cares about diversity in the appointment of people from different cultural, ethnic and religious backgrounds. As a workplace, Visma has a neutral attitude to religion and philosophy of life. In order to avoid conflicts in the work context, no form of religious preaching, agitation, or religious provocation is permitted.*

*Zero tolerance applies to benefits or gifts that could be regarded as improper or could create a sense of obligation to return the favour.*

*Actions and decisions shall be handled in such a way that they tolerate both external and internal investigation.*

*Employees, management or their close families must not receive loans or obtain other benefits from clients and suppliers.*

*Employees or management must not use any knowledge they may obtain about clients' trade secrets or clientele to their own advantage.*

*Employees or management shall not work with matters or have direct or indirect financial interests, appointments or positions in Visma's business counterparties.*

Each employee and manager is personally responsible for disclosing partiality and for presenting cases of doubt to his/her superior.

***2. Business***
Visma's business is clearly defined in the company's Articles of Association section 3; "The objective of the company is to own and manage shares in other companies, including companies that work with the development and sale of software, the sale of consulting services, commerce, agencies and other business activities, or that participate in other companies in connection with the above, and all related matters." The Articles of Association can be found on the company's website, www.visma.com.

Within the scope of Articles of Association, the Board of Directors has in collaboration with the executive personnel developed clear objectives and strategies for its business activities.

**Vision**
Visma's vision is to lead the field in the automation and integration of business processes. This means that Visma delivers an extensive offering of products and services, which can all contribute to making business processes more effective. Products and services can contribute to automating business processes and linking them together in effective integration. Since organizations are different, we offer freedom of choice within a wide range of products, services, and combinations of these. Our ambition is to make our clients leaders in the field of automation and integration of business processes through our own leadership in this area.

**Concept**

Visma's business concept is to supply software and services related to finance and administration to the private and public sectors in Europe. Our deliveries are done directly to end customers and through a large international network of distributors and resellers. An ever-increasing proportion of the deliveries of functionality take place over the Internet as On-Demand solutions.

**Objective**

Visma's objective is, in addition to being an attractive workplace for our employees, to have earnings that will make Visma an attractive investment.

### *3. Equity and dividends*

**Equity**

Visma grows fairly rapidly through acquisition and consolidation and needs a strong and liquid balance sheet. The company's most important assets are goodwill associated with the business and software and the intellectual assets in an IT company are primarily of value as long as the company is doing well and is financially independent, and Visma therefore needs a higher level of shareholders' equity than companies in more traditional industries.

Visma's equity capital amounted to NOK 1,259 million at 31 December 2011, corresponding to an equity ratio of 16.7 percent. Visma's business activities are by nature relatively capital light in terms of capital expenditure requirements in non-current assets although the organic growth of the company entails increasing working capital requirements. The company is also growing inorganically through acquisitions, and the company seeks to hold a capital buffer to maintain its flexibility in terms of investments. The equity level and ratio at the end of 2012 is considered appropriate in relations to the company's objectives, strategy and risk profile both in absolute and relative terms.

**Dividend policy**

Evaluating dividend payment, the Board emphasizes a stable development, the company's dividend capacity and the requirements for sound equity capital as well as for adequate financial resources to enable future growth. Under Norwegian regulations, dividends are taxable for foreign shareholders and the company is obliged to deduct tax at source.

**Capital increase**

Since 2006 Visma has been a privately held company. During this period, the General Meeting has granted the Board mandates to increase the share capital only for defined purposes. All mandates are limited in time until the following ordinary General Meeting. KKR completed its acquisition of 78 percent of the equity in Visma during December 2010. The reminding shares in Visma are held by HgCapital (17.7 percent) and the management. A total of 300 Visma's managers have invested in equity in parallel with KKR. The widespread investment program was initiated in order to ensure dedication and management stability for the future.

### *4. Equal treatment of shareholders and transactions with close associates*

Visma emphasizes independence and neutrality in all relationships between the Board, the management and shareholders. This policy also applies to the relationships with other interest groups, such as customers, suppliers, banks and other business partners. Visma's objective is that all shareholders will have equal rights. Visma has one class of shares, and each share carries one vote at the General Meeting. The shares are freely transferable, and there are no barriers to acquisitions. All shareholders in Visma have equal rights to dividends. All shareholders have equal rights in connection with any capital increases.

**Equal treatment**

Visma is currently a privately held company, and the shares are thus not traded on any stock exchange. If the company carries out a transaction in its own shares, the company will always strive to ensure equal treatment of all shareholders.

**Transactions with close associates**

In the event of any not immaterial transactions between Visma and any of its Board members, executive personnel or close associates of any such parties, the Board will arrange for a valuation from an independent third party, unless the transaction is subject to approval by the General Meeting. As a part of the equity-based acquisition in Visma made by KKR in 2010, the management also increased its ownership from 2.4 percent to 5.3 percent, including investments from a total of 300 managers in Visma made in parallel with KKR's acquisition of shares from HgCaptial.

The Board will also arrange for an independent valuation for transactions between companies in the Visma Group if any of the companies have minority shareholders. No such transactions took place in 2011.

### *5. Freely negotiable shares*

Visma is currently a privately held company. The company's shares are freely negotiable. No form of restriction has been included in the company's Articles of Association.

### *6. General Meetings*

The shareholders exercise the highest authority in Visma through the General Meeting. The Board of Visma strives to ensure that the General Meetings are effective forums for communication between shareholders and the Board.

The notice calling the General Meeting is distributed to the shareholders and posted on the company's website no later than 14 days prior to the meeting, as required by the Norwegian law. The notice includes all the necessary information for shareholders to form a view on the matters to be considered, including deadline for notice of intention to attend and a proxy form.

The General Meeting is open to all shareholders and all shares carry equal voting rights. All shareholders can participate in person or through a proxy. There are no limitations on ownership or known shareholders' agreements.

**Agenda and conduct of the AGM**

The Board decides the agenda for the General Meeting. The main agenda items are determined by the requirements of the Public Limited Liability Companies Act and of the Articles of Association.

### *7. Nomination Committee*

Visma is currently a privately held company and does not have a nomination committee. If the company applies for a public listing, the company will establish the nomination committee before listing. In such a case, it is recommendable that the AGM stipulate guidelines for the duties of the nomination committee.

### *8. Corporate Assembly and Board of Directors: composition and independence*

**Board of Directors' composition**

The Board of Visma reflects that the company is currently privately held and owned by a few foreign shareholders, in addition to key executive personnel. The composition of the Board has been made to cover the company's need for expertise, capacity and diversity and to ensure that the Board functions well as a collegiate body.

According to the Articles of Association, the Board of Visma shall consist of between 3 and 8 members. The Board of Visma currently consists of 7 members, all elected by the shareholders through the General Meeting. None of the Board members are women. The company is seeking to expand the Board with female members. The Board members are elected for a period of 1 year.

**The Board has the following members:**

- Gunnar Bjørkavåg, Chairman of the Board
- Nic Humphries
- Jan Pieter Dekker
- Mateusz M. Szeszowski
- Herald Y. Chen
- Jacques Garaïalde
- Stanislas de Joussineau

**Board independence**

Composition of the Board should reflect the company's ownership structure. The company's management is not represented in the Board and all the Board members are independent of the executive personnel and material business contacts.

The composition of the Board also ensures that it can operate independently of special interests. Four of the Board members are Managers of KKR and two of the Board members are Managers of HgCapital, the second largest shareholder of the company, while the other Chairman of the Board are independent of the company's main shareholders.

**Employee council**

Visma strives to have a good relationship of trust and communication between management and employees. To formalize this, a joint employee council has been established where managers and employees at Visma are represented. The objective of an employee council is to provide a platform for information and discussions about issues that are of particular interest for the staff. The employee council is not a decision-making body.

The representatives can raise points of view and/or elements that can contribute to improved job satisfaction for employees and efficiency for the company.

Both employee representatives and the employee council shall function as a communication channel for employees and for management when relevant issues should be discussed. The groups do not have a decision-making mandate, but can contribute to ensuring that the best solution is chosen. Issues to be raised should be relevant to all employees in Visma.

**CEO**

As of 31 December 2011, the CEO of Visma ASA, Øystein Moan, is the Chairman of the Board of the following wholly owned entities in Visma:

- Visma Norge Holding AS, Active 24 AS, Active 24 Holding AS
- Visma Sverige Holding AB
- Visma Danmark Holding A/S
- Visma Finland Holding Oy
- Visma Nederland BV

## *9. The work of the Board*

**Instructions for the Board**

The Board of Visma has the overall responsibility for the management of Visma and implementation of the company's strategy, including monitoring and supervision of operations. The Board of Directors annually produces a plan for its work, focused on implementing strategies to realize the company objectives.

**Financial reporting**

The Board receives on monthly basis the complete accounts and balance sheet for the company as well as both divisional and consolidated management reports that describes the details and trends of the past month.

**Board evaluation of its own work**

The Board will evaluate its work on an annual basis.

**Meeting structure**

The Board has board meetings every second month. Meetings are held through telephone and video conferences, in order to be efficient and to save travel expenses. In two extended Board meetings per year, the company's strategy is reviewed and discussed.

**Board Committees**

As of 31 December 2011, Visma AS has Board committees as follows:

Remuneration committee:
Gunnar Bjørkavåg (Chair), Mateusz Michal Szeszkowski, Jacques Raymond Garaialde and Jan Pieter Dekker

Audit committee:
Mateusz Michal Szeszkowski , Stanislas de Joussineau and Jan Pieter Dekker

## *10. Risk management and Internal Control*

The risks fall into the following major groups:

- Contractual risks
- Professional mal-practice
- Cash-flow risk
- Risk of general market disruption

To reduce risk in general, Visma is still divided into several legal entities in each country with representation. For each entity there is monthly detailed reporting and monthly Board meetings. The reporting is early on the 5th work-day. The division into many legal entities reduces the contractual risks. Most Visma contracts are quite small and hence the risk is very limited. Still Visma is involved in some very large projects as well. In those cases formal projects with steering-committees are established, and divisional and top management for Visma participates. A large part of Visma is certified according to ISO9001, ISO20000 or ISO27001. While such certification does not remove contractual risks, at least it provides a formal network for managing and limiting risks.

With more than 4,900 employees, professional mal-practice may occur. Visma seeks to limit this through thorough processes when hiring people, as well as through training, quality systems and codes of conduct. Even with such measures, professional malpractice may occur and Visma has liability insurance covering such incidents.

As a leveraged company Visma has debt service obligations, and depends on a steady cash-flow. Since Visma has very limited COGS, Visma hardly carry any inventory. Visma has rather conservative principles for income recognition, and net cash-flow from operation has historically been more than 90 percent of EBITDA. Capital expenditure is normally less than 10 percent of EBITDA. Thus any cash-flow risk is then closely related with EBITDA-performance. As long as Visma has sufficient EBITDA, the cash-flow risk is very limited. Visma manages its cash through multi-currency, realtime cash-management system. This system is under the control of the CFO of Visma, and makes it possible to monitor and control larger movement in cash-flow.

As all companies, Visma is exposed to general economical fluctuations and GDP developments in the five different countries where

Visma is operating. In addition, Visma as a technology company is exposed to risks associated with dramatic changes in technology. Furthermore, strong competitors may pose a risk. The competition can be divided into large international companies, and smaller local. The strongest international competitors for Visma Software are SAP, Oracle and Microsoft. These companies have been in the market for many years, and Visma is used to compete with them. However, it is a constant struggle to preserve and gain market-share. There are numerous local competitors to all parts of Visma, but while some of these may be aggressive in certain areas their potential impact on the whole Visma-group is limited.

Visma has tried to limits it's exposure to such market and technology risks in the following manner:

- The products and services provided are to a large degree mandatory and necessary regardless of the economical cycle
- Visma has 330,000 customers in Northern Europe utilize our products and services, and an additional 333,200 use us as a hosting partner
- Visma is utilising both Microsoft based technology and Open Source/Java technology
- Visma has a wider range of products and services than it's competitors, hence there is more opportunities for cross-selling, more product with each customer and hence less churn

The system for internal control and risk management is under further development, partly related to the preparations for participating in KKR's green portfolio program. Thus, guidelines for corporate social responsibility are under evaluation and further development.

### *11. Remuneration of the Board, Audit Committee and Nomination Committee*

Remuneration of the Board shall be at a competitive level to ensure the desired composition of the Board. The remuneration of the Board is not performance related and there are no option programmes for the members of the Board as of 31 December 2011.

None of the committees receive any remuneration. Details regarding remuneration of the Board are included in the notes to the financial statements.

### *12. Remuneration of Executive Personnel*

The Board of Visma has established guidelines for the remuneration of the Executive personnel. The guidelines have been communicated to the General Meeting.

Visma emphasizes being an attractive employer and wishes to attract executive employees with relevant experience. The company will therefore seek to offer competitive compensation packages to its executive personnel.

Incentive plans are linked to the company's earnings performance.

Details regarding compensation to executive personnel are included in notes to the financial statements.

### *13. Information and Communication*

Reporting of financial and other information Visma strives to report quarterly figures and other price-sensitive information as early as possible. Early reporting reduces the possibility of leaks of information and contributes to equal treatment of all shareholders.

**Dialogue with shareholders and the financial market**

Visma AS's management is responsible for informing shareholders and investors about the company's commercial and financial performance, and although Visma is not a listed company, the management is committed to ensure that the participants in the financial markets receive the same information at the same time. Visma strives to continuously disclose all relevant information to the market in a timely, efficient and a non-discriminatory manner. All news from the company will be available on the company's website, as well as through notices to the press. The company's management has regular meetings with large shareholders, where topics such as corporate governance and overall strategy in particular are discussed. The importance of not discussing subjects that may be perceived as price-sensitive is highlighted.

### *14. Takeovers*

In the event of a take-over bid, the Board of Visma's primary responsibility is to maximize the return on investment for all shareholders. The Board of Visma is committed to equal treatment of shareholders, and will ensure openness in respect of any takeover of the company. Any transaction that can be perceived as a sale of the company's main business will be put forward to the General Meeting.

The Board has however not drawn up formal guidelines for its conduct in the event that any bid is made for the company.

**Evaluation of a bid**

If a formal bid is made for Visma, the Board will normally seek to attract competing bids. This will not apply if the Board is able to unequivocally recommend a bid received, or if the process of seeking to attract a competing bid would cause a bid already made to be withdrawn or expire.

If a bid is received for the company's shares, the Board will issue a statement evaluating the bid together with a recommendation on whether shareholders should or should not accept the bid. If the Board finds that it is unable to recommend whether or not shareholders should accept the bid, it will explain its reasons for not making a recommendation. If the Board's statement is not the unanimous view of the Board, this will be explained.

The Board should arrange a valuation from an independent expert. The Board will also make a recommendation to shareholders on whether or not to accept the offer.

### *15. Auditor*

The Group uses the same audit firm in all subsidiaries in all markets where the company is present. The total audit agreement is approved only by the CFO. No agreements may be made with local auditors.

The auditor is used extensively as a consultant in financial due diligence in connection with the acquisition of new business and in tax issues. The auditor is not used as a consultant in strategic questions, or in tasks related to operations in the company. Only the CFO in consultation with the CEO approves consulting assignments.

Details of the auditor's compensation is reported at the annual general meeting and included in the notes to the financial accounts.

**Relationship between Board of Directors and Auditor**

The auditor participates in the Board meeting which deals with the financial statements. At the same meeting, the auditor explains his/her view on the company's accounting policies, risk areas, internal control routines and accounting processes.

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