



Annual Report 2000

UNIT 4 **AGRESSO**



► INTRODUCTION

It has been a difficult year for the information technology market, and the level of investment has decreased throughout the sector following the millennium boom. I am therefore happy to find that the year 2000 was a successful year for Unit 4 Agresso. The year has not only been a financial success, as indicated by the extremely good financial results, but also at an organisational level a number of successful changes have been carried out.

The most important event of the previous year has been the acquisition of the Norwegian company Agresso. To emphasize the importance of the acquisition and to make optimal use of the good reputations of both companies, the name of the company was changed into Unit 4 Agresso N.V. The new organisation is an international business of about 1300 professionals. Moreover, with more than 20,000 installations and 140,000 users a firm foundation has been laid for further international expansion.

A lot of attention has been given to the integration of the activities of both organisations, and this will continue to progress throughout this year. Decisiveness, efficiency and looking to the future are the core requirements for being able to accomplish the ambitious goals we have set for ourselves. The integration of the organisations is progressing well, and the co-operation has already led to the realisation of several large orders.

For the Internet business, the year 2000 was a turbulent year. Whilst many consumer-oriented Internet companies lost their attractiveness to investors during the past year, the integration of the Internet into the daily company management has grown rapidly. Unit 4 Agresso Internet & Security has successfully taken advantage of this, and has managed to maintain the unstoppable growth of the previous years. The expectations for this division remain optimistic.

It remains difficult to find qualified professionals in a strongly competitive market. Luckily, the strong growth, the excellent results and the first-class working climate make Unit 4 Agresso very attractive to new employees. In the past year we have again managed to find enough professionals to be able to continue with our planned growth. I am happy to find that, despite the increase in the number of employees, staff turnover and absenteeism due to illness has remained low.

All in all I find that Unit 4 Agresso has excellent prospects for continuing the expansion strategy in Europe. The excellent developments of the past year have further increased the confidence in a successful future.

With kind regards,

Chris Ouwinga
Chief Executive Officer

Notice to the reader

The Underlying Annual Report of Unit 4 Agresso N.V. is an unofficial translation of the Dutch version (Jaarverslag Unit 4 Agresso). We have audited the official Dutch version of the Annual Report of Unit 4 Agresso N.V. for the year 2000.

Ernst & Young Accountants

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▼ ▲ **Efficient** working methods and a high **involvement** of the personnel are strongly imbedded in the organisation



► **MESSAGE FROM THE SUPERVISORY BOARD**

The Supervisory Board discussed the annual accounts prepared by the Management Board of Unit 4 Agresso N.V. in the presence of the company's external auditors. The annual accounts were examined by Ernst & Young Accountants, Rotterdam. The auditor's report, dated 7 March 2001 is included on page 40 of this document.

We advise the General Meeting of Shareholders to approve the 2000 annual accounts and to adopt the proposed appropriation of result as stated on page 40. The discharge of the Management Board for their management in 2000 and of the Supervisory Board for their supervision is included in the agenda of the General Meeting of Shareholders as a separate item.

During the year under review the Supervisory Board discussed the business progress of Unit 4 Agresso N.V. regularly and in depth. To this end the Supervisory Board met formally seven times. There was also informal contact between the Management Board and the Supervisory Board. A regulation specifying the working method and profile of the Supervisory Board was adopted. This regulation is available on request from the company's office. The members of the Supervisory Board do not own options on the shares of Unit 4 Agresso N.V.

The most important events for Unit 4 Agresso N.V. in the year 2000 were the acquisition of all shares of the Norwegian company Agresso Group ASA, quoted on the Norwegian stock exchange, and the second stock exchange quotation at the Oslo Stock Exchange. This acquisition is in line with the objectives of Unit 4 Agresso N.V. with regard to the international growth of the activities in the areas in which Unit 4 Agresso N.V. is active. Other acquisitions have strengthened the position of Unit 4 Agresso N.V. in the domestic markets. A lot of effort has been put into ensuring a successful merging of the acquired companies into Unit 4 Agresso N.V.

We are pleased to state that during 2000 revenue and result once again developed well. We would like to take this opportunity to express our appreciation to the Management Board and all the employees for their efforts, which have led to this growth of Unit 4 Agresso N.V.

Sliedrecht, 7 maart 2001

Drs. Th.J. van der Raadt, Chairman
Prof. Th.J. Mulder
R. van Kampen
Ø. Tvenge

► COMPANY PROFILE

Unit 4 Agresso N.V. is a software company which operates at an international level and aims to provide its customers with the opportunity to manage their companies efficiently and securely. We offer a distinguished solution: advanced business software combined with optimum security of the company information.

In the Benelux countries, Unit 4 Agresso N.V. is one of the largest suppliers of business software, and market leader with regard to Internet and security software. The 'one-stop-shop' concept gives the customers the opportunity to obtain their business software and Internet and security software from one reliable source, which offers many advantages with regard to the integration of the various solutions and the provision of support.

The result is a very powerful, fully integrated complete solution offering genuine support for the end user's company management.

Unit 4 Agresso N.V., which has its head office in The Netherlands, has quotations on the Dutch as well as the Norwegian stock exchanges and has about 1300 employees. Altogether the two companies realised a turnover of about € 168 million in the year 2000.

Currently the organisation has offices in The Netherlands, Belgium, France, the United Kingdom, Norway, Sweden and Germany. Unit 4 Agresso N.V. offers its customers worldwide support through its subsidiaries and distributors in countries such as the United States of America, Canada, Italy and Spain.

The organisation consists of two divisions: Internet & Security and Business Software.

The Internet & Security division supplies advanced solutions for security and e-business and is currently the Benelux market leader in this field.

The Business Software division supplies software for the control and improvement of company management in the broadest sense of the word, and operates from local organisations in various countries. The Benelux countries are dealt with primarily by Unit 4, and the former Agresso organisation deals with the other European countries, which allows for a promising cross selling of products and services.

▶ ACTIVITIES UNIT 4 AGRASSO N.V.

Unit 4 Agresso N.V. is a provider of integrated business management software and Internet and security solutions. In view of the continuing expansion it has been decided to give the new organisation a flat and well-ordered structure. The holding consists of two divisions, which include the main activities:

- Business Software
- Internet & Security.

BUSINESS SOFTWARE

The Business Software division produces, sells, implements and supports software used for the control and improvement of company management in the broadest sense. This includes financial and administrative packages, logistics software and production software, but also software for information management and reports. This software is also known as ERP software (Enterprise Resource Planning).

The Business Software division carries two labels: Unit 4 and Agresso. Products and services offered under those labels complement each other and are aimed at different sectors, which means there is a good synergy potential.

The geographical overlap is also minimal: so far, Unit 4 has worked mainly in the Benelux countries, while subsidiaries carrying the Agresso label mainly operate in Norway, Sweden, the United Kingdom, Germany and France.

Unit 4 has achieved leading positions in, amongst others, the following sectors:

- Accountancy
- Wholesale & Distribution
- Production
- Health.

Agresso mainly concentrates on the following sectors:

- Professional Services
- Government
- Education.

The Business Software division will keep concentrating on the vertical markets mentioned above. Consultancy plays an important part in this, since a thorough knowledge of the customer's specific sector is essential if one wants to give the customer the best possible service.

Unit 4 Agresso N.V.'s business software is increasingly supplemented with functionality and techniques which improve the efficiency and effectiveness of company management. Internet technology, mobile communication, business intelligence and security measures are increasingly incorporated into the business software. Therefore, as a versatile specialist which possesses all required knowledge and activities, Unit 4 Agresso N.V. can take care of the entire e-business process: from consultancy to implementation and support of the use of products and services. To achieve this, integration and perfect co-operation between the various components is essential. This one-stop-shop concept means Unit 4 Agresso N.V. is a supplier who delivers complete automation, including all necessary services.

INTERNET & SECURITY

In a time where the business market increasingly uses the Internet for the exchange of critical company information, such as orders or customer details, viruses and hackers pose a real threat. Therefore, in order to guarantee the true success of e-business, a thorough security system is essential.

The Internet & Security division meets this requirement by offering secure solutions with regard to e-business. The division aims at the full extent of the market, from one-person companies to multinationals, and distinguishes itself through an integrated approach and the sale and implementation of carefully selected solutions from leading suppliers. Throughout the past three years, the Internet & Security division has developed into one of the largest suppliers with regard to the Internet and security. This growth has continued during the past year, with the realisation of a further increase in turnover well over 100 percent, accompanied by a corresponding increase in the existing market share.

The Internet activities of the division are research into, implementation of and optimisation of the possibilities offered by the Internet. The division specialises in, amongst other things, building (e-commerce) web sites, hosting sites and integrating Internet communication within the daily management of the company. New technologies are investigated for their value to the users of the solutions of Unit 4 Agresso, and are subsequently integrated in a user-friendly way with the business software of Unit 4 Agresso.

The security activities are aimed at creating and maintaining an environment in which (company) critical information can be used and sent securely, both at PC level (for example with finger print recognition and iris scanning) and at network level (such as fire walls, e-mail content filters and internet monitoring).

As one of the few specialists, Unit 4 Agresso can take care of the entire security package, from carrying out a risk analysis of the weak areas in the system to implementing and optimising the security measures. Besides that, Unit 4 Agresso is specialized in remote managed services, which means managing security products and services from a distance. The new business unit 4Sure.IT will bring these activities to the market at the beginning of 2001.

Service is becoming increasingly important in this market, which translates to an increase in the number of consultancy hours and the number of support contracts. This is a direct result of the strategy of Unit 4 Agresso, which aims to deliver a higher added value than is usual elsewhere in this market.

Moreover, in the short term the division can start taking advantage of the synergistic advantages offered by the acquisition of Agresso. The Internet and security activities will increasingly use Agresso's international infrastructure.

Unit 4 Agresso expects the turnover from security software to keep increasing over the next year, although the emphasis will shift. Anti-virus software is becoming a commodity product, and the emphasis will increasingly fall on, on the one side, preventive (network) access security using fire-walls, content scanners and secure applications, and, on the other, company-specific tailor-made security. Unit 4 Agresso takes advantage of this by offering an extensive range of advanced quality products and high quality additional services, which make Unit 4 Agresso stand out significantly in this fast growing market.



When it comes to employees, customers and shareholders, a **solid** and **transparent** strategy is most important



► OBJECTIVES OF UNIT 4 AGRESSO N.V.

Unit 4 Agresso N.V. operates in two branches: Business Software and Internet & Security, which corresponds with the two divisions of the company. The objective of both divisions is to become leading suppliers in their respective markets at a European level.

Shareholders

Unit 4 Agresso N.V. aims at maximising its value to shareholders by:

- Realising an annual growth in turnover
- Maintaining an active acquisition policy
- Focusing on European expansion and becoming a market leader in the middle segment of the ERP market and the Internet and security market
- Aiming at an EBIT margin that lies between 16 and 18%.

Customers

Unit 4 Agresso N.V. aims for an excellent relationship with its customers by:

- Developing products and services which best suit the requirements of our target groups
- Implementing innovative Internet technology
- Providing complete solutions by integrating Business Software and Internet & Security solutions
- Strategic collaboration with partners that deal with business software, such as Microsoft, Compaq, IBM and Oracle
- Strategic collaborations with partners that deal with Internet and security, such as NAI, Checkpoint and Symantec.

Employees

Unit 4 Agresso N.V. aims to be a good employer by:

- Offering flexible conditions of employment and a good reward structure, including an option provision
- Offering development opportunities so that everyone can use his/her capabilities to the full
- Continually investing in the level of knowledge of our employees
- Having confidence in the employees and giving them responsibilities which suit the current and desired future situation
- Offering an informal and stimulating working environment that gets the best out of the employees.

▶ FINANCIAL INFORMATION FOR SHAREHOLDERS

In a year in which the financial climate was generally bad, and for IT companies extremely so, the Unit 4 Agresso shares have done well. So well, in fact, that the Unit 4 Agresso share was the best performing IT share in The Netherlands.

From opening at € 25.45 on the 2nd January 2000 to closing at € 43.45 on the 29th December, the share prices increased by 70.73%. This is proof that the investors and shareholders have confidence in the capabilities of Unit 4 Agresso. The directors hereby wish to thank you for your confidence demonstrated in Unit 4 Agresso.

Acquisition of Agresso

The condition for the acquisition of Agresso was that a minimum of 90% of the shares had to be filed with Unit 4. On 21st November 2000 51,233,442 shares had been filed at Unit 4, which comes to some 92% of the total share capital issued by the Agresso Group. The remaining shares were filed with Unit 4 later that year. Following the acquisition the Unit 4 shareholders obtained an interest in the combined group of about 72%. With the acquisition, the share capital of Unit 4 increased by about 39%.

Issues

In the last year the number of shares issued by Unit 4 has increased to 11,770,000 compared with 7,948,000 in 1999 (fully diluted). The average number of shares has increased from 7,566,000 at the end of 1999 to 8,116,000.

Important events after closure of the financial year

At the Extraordinary General Meeting of Shareholders of 23rd January 2001 the shareholders present have agreed on changing the name Unit 4 N.V. into Unit 4 Agresso N.V. and a 'two-for-one' split of shares of Unit 4 shares, including the denomination of Dutch guilders to euro.

Expectations for the year 2001 concerning the shares are, once again, excellent. The fact that Unit 4 Agresso has been accepted on the Midkap index with effect from 1st March 2001 is a confirmation of the confidence in Unit 4 Agresso.

► **KEY FIGURES***

In € x 1.000	Pro forma 2000	2000	1999	1998
GENERAL				
Net turnover	168,298	121,394	70,975	41,034
Turnover growth in % compared to previous year	137.1%	71.0%	73.0%	148.1%
Net turnover per division				
Business Software	121,182	74,278	51,025	32,734
Internet & Security	47,116	47,116	19,950	8,300
Net turnover per product line				
Software licences	78,862	64,797	26,392	15,300
Maintenance	34,123	21,835	17,605	11,300
Services & other	55,313	34,762	26,978	14,434
Gross profit	125,360	82,713	51,903	32,826
Operating profit	18,449	20,063	11,870	7,307
Profit before taxation	15,623	20,400	12,035	7,408
Net profit	11,645	15,003	8,728	5,140
Cash flow	15,757	17,414	10,224	6,185
Expenditure on R&D	29,411	12,596	8,214	5,090
FINANCIAL FIGURES PER SHARE				
Average number of shares issued	11,390,140	8,616,344	7,556,089	6,554,932
Number of shares issued as of 31/12	11,769,624	11,769,624	7,948,048	7,200,000
Earnings per share based on average number of shares issued	1.02	1.74	1.16	0.78
Earnings per shares as of 31/12	0.99	1.27	1.10	0.71
EMPLOYEES / ACTIVITY RATIOS				
Number of employees at the end of the financial year	1,299	1,299	701	405
Average number of employees	1,300	866	542	367
Net turnover per employee	129	140	131	112
Gross profit per employee	96	96	96	89
FINANCING RATIOS				
Group equity	22,815	22,815	6,795	6,508
% Group equity in total equity	24.3%	24.3%	22.5%	30.2%
Liquidity				
Quick ratio	133.5%	133.5%	107.5%	110.6%
Current ratio	143.3%	143.3%	112.2%	122.1%
RENTABILITY RATIOS				
Gross profit / net turnover	74.5%	68.1%	73.1%	80.0%
Operating profit / net turnover	11.0%	16.5%	16.7%	17.8%
Net profit / net turnover	6.9%	12.4%	12.3%	12.5%
Operating profit / gross profit	14.7%	24.3%	22.9%	22.3%
Net profit / gross profit	9.3%	18.1%	16.8%	15.7%

* These figures represent the consolidated positions of Unit 4 and Agresso as at 31 December 2000. To allow for a comparison with previous years, pro forma figures have been included, representing the situation as if the merger had taken place on 1 January 2000.

Report of the Board of Directors

Chris Ouwinga **Chief Executive Officer**



Sverre Kjenne **Chief Operations Officer**



Harry de Smedt **Chief Operations Officer**



Edwin van Leeuwen **Finance Director**



▶ INTRODUCTION

For Unit 4 the year 2000 has been the year in which, through the acquisitions of the Agresso Group, Omegon, Comsol and SWAT, Unit 4 has taken a big step towards the achievement of a number of important objectives, namely:

- Becoming the most important participant in Europe in information and communication technology
- To grow further as a supplier of added value in the Internet and security sector
- To become the market leader in The Netherlands in the accountancy sector.

The various acquisitions in 2000 have all been concluded successfully and the integration process between the acquisition partners is currently in progress.

Based upon a turnover of € 121.4 million, a net profit of € 15 million and its presence in seven European countries, Unit 4 Agresso is one of the most important participants in the business software and Internet & security sectors in Europe.

Despite the fact that the year 2000 was a difficult year for the entire ERP market, Unit 4 Agresso has managed to realise a significant growth in returns as well as in net profit. The turnover increased to exceed € 121 million in 2000, which is a growth of 71% compared with € 71 million in 1999. The net profit was € 15.0 million, a growth of 72% compared with the previous figure of € 8.7 million over 1999.

This means Unit 4 Agresso has managed to meet all expectations. The profit per share increased by 50% from € 1.16 in 1999 to € 1.74 in 2000. The solvency increased from 22.5% at the end of 1999 to 24.3% in 2000. In the short term, Unit 4 Agresso aims at a solvency of 30%. The number of employees increased by 85% to a total of 1299 as of the 31st December 2000, compared with 701 at the end of 1999.

The speed of growth of the activities in the Benelux countries with regard to business software (mainly on the side of Unit 4) slowed down significantly in the year 2000. However, the results over 2000 were considerably better than the market average. The activities outside the Benelux countries, especially on the side of Agresso, showed a very satisfactory increase.

The Internet & Security division has managed to maintain the exceptional growth of the previous years and expects to further strengthen its position in Europe in the coming years through a significant growth in turnover of advanced security products and a strong increase in services.

The new Unit 4 Agresso's strategy is aimed at further expansion in Europe, by means of organic growth as well through well-considered alliances.

The existing network of Agresso offices in Norway, Sweden, the United Kingdom, France and Germany forms an excellent operational base for cross selling to the traditional markets of Unit 4. The strong position of Unit 4 in the Benelux countries offers opportunities for the approach of traditional Agresso markets.

EXPLANATORY NOTES TO ANNUAL ACCOUNTS

71% RISE IN TURNOVER

Unit 4 Agresso's consolidated turnover for 2000 was € 121.4 million, an increase of 71% compared with 1999. The pro forma turnover was € 168.3 million, an increase of 137% compared with 1999.

EXCELLENT RESULTS IN THE INTERNET & SECURITY DIVISION

The total turnover of the Internet & Security division rose steeply, to € 47.1 million, an increase of 136%. The organic growth within this division was also very healthy, at 31%. The share of Internet & Security in the overall turnover rose from 28% in 1999 to 39% in 2000.

The pro forma share of Internet & Security has remained constant compared with last year, since the former Agresso company did not count these activities among its core activities.

The value added services showed the biggest increase (an increase of 213% compared with 1999), a sign that the strategy to deliver more added value is bearing fruit.

Turnover per division (in € x 1.000.000)

	Pro forma 2000	2000	1999	Increase in 2000 vs 1999	Pro forma increase 2000 vs 1999
Business Software	121.2	74.3	51.0	46%	138%
Internet & Security	47.1	47.1	20.0	136%	136%
Total	168.3	121.4	71.0	71%	137%

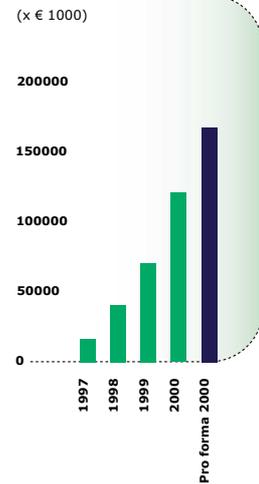
STABLE PROFITABILITY IN BUSINESS SOFTWARE

The Business Software division's turnover rose by 46% in 2000 to € 74.3 million (pro forma by 138% to € 121.2 million). Although there was little autonomous growth in the division, profitability was stable, thanks to, among other things, more effective deployment of consultants and less hiring in of third parties.

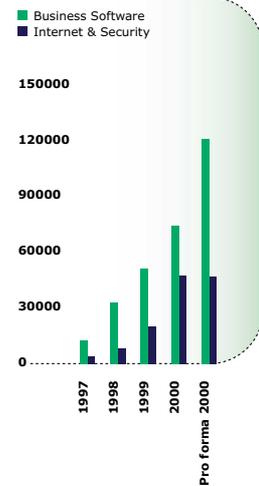
Total turnover per product line (in € x 1.000.000)

	Pro forma 2000	2000	1999	Increase 2000 vs 1999	Pro forma increase 2000 vs 1999
Turnover					
Software Licences	78.9	64.8	26.4	146%	199%
Maintenance	34.1	21.8	17.6	24%	94%
Services & other	55.3	34.8	27.0	29%	105%
Total	168.3	121.4	71.0	71%	137%

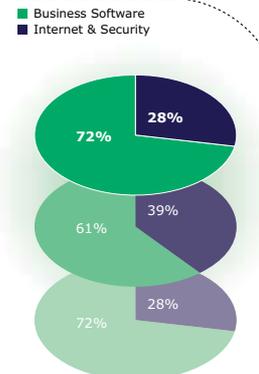
Turnover



Turnover per division (x € 1000)



Turnover Business Software vs Internet & Security



LICENCES TURNOVER

Turnover in software licences rose from € 26.4 million in 1999 to € 64.8 million in 2000. Pro forma turnover rose to € 78.9 million, an increase of 199% compared with 1999.

The share of licences in the overall turnover rose from 37% to 53% (pro forma 2000: 47%). This increase is due in particular to the strong growth in sales of security licences, which illustrates the growth of Unit 4 Agresso's share in this market.

MAINTENANCE TURNOVER

Maintenance turnover rose by 24% over 1999 to a total turnover of € 21.8 million in 2000. The share of maintenance contracts in the overall turnover is thus 18% (pro forma: 20%).

SERVICES & MISCELLANEOUS TURNOVER

The turnover of 'Services & Miscellaneous' rose by 29% to € 34.8 million. The share of 'Services & Miscellaneous' in the overall turnover is thus 29%.

While there was strong growth in the turnover in services, the share in the total of the 'Services & Miscellaneous' product line has decreased. This can be largely attributed to the diminishing share of hardware sales.

GEOGRAPHIC BREAKDOWN OF TURNOVER

The acquisition of Agresso brings Unit 4 Agresso nearer to its objective of building up a good position in the major European markets. In 1999 16% of total turnover was achieved outside the Netherlands. This rose pro forma to 51% in 2000, and the expectation is that this share will increase in the coming years.

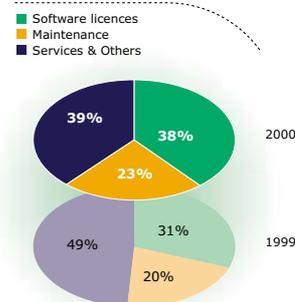
GROSS OPERATING PROFIT

	Pro forma 2000	2000	1999
Gross operating profit			
Turnover Business Software	121.2	74.3	51.0
Turnover Internet & Security	47.1	47.1	20.0
Total turnover	168.3	121.4	71.0
Gross profit Business Software	106.0	63.3	40.8
Gross profit Internet & Security	19.4	19.4	11.1
Total gross profit	125.4	82.7	51.9
Gross profit in % of turnover, Business Software	87%	85%	80%
Gross profit in % of turnover, Internet & Security	41%	41%	56%
Total gross profit in % of total turnover	75%	68%	73%

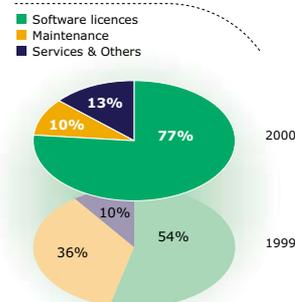
Total added value decreased in 2000 from 73% to 68%. This was offset by savings in personnel costs and other operating costs.

The EBIT margin has scarcely changed: 16.5% in 2000 compared with 16.7% in 1999. The total gross margin of Internet & Security was 41% in 2000 (1999: 56%). The slight drop is caused by, among other things, the increase in the number of large orders; these orders achieve a smaller margin.

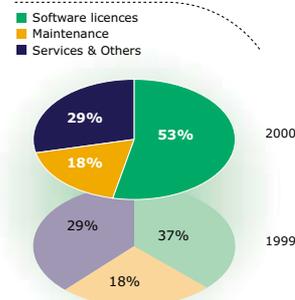
Business Software



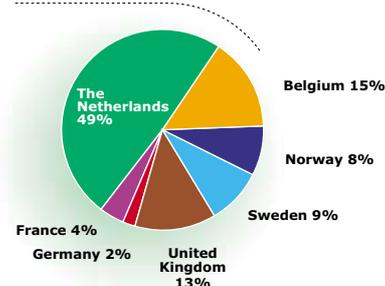
Internet & Security



Total



Turnover per country pro forma 2000



The management of Unit 4 Agresso N.V. expects this margin to stabilise at this level due to the increasing demand for specialist services and increasing sales via the Internet.

In the pro forma figures the total gross margin has risen to 75% due to the increasing share of the business software turnover.

OPERATING COSTS AND OPERATING PROFIT

	Pro forma 2000	2000	1999
Operating costs			
Gross margin	125.4	82.7	51.9
Personnel costs	81.7	48.0	27.9
Other costs	21.1	12.2	10.7
Depreciation	4.1	2.4	1.5
Operating profit	18.4	20.1	11.9
Turnover	168.3	121.4	71.0
EBIT %	11.0%	16.5%	16.7%
Personnel costs : turnover	48.6%	39.5%	39.3%
Other costs : turnover	12.5%	10.0%	15.0%

Operating profit has kept stable, despite the decrease in the gross margin (68% in 2000). In addition, in contrast to market trends, the share of personnel costs in the total turnover has scarcely increased at all (39.6 % in 2000 compared with 39.3% in 1999), which is mainly due to more efficient working practices.

By making good use of its increased scale, Unit 4 Agresso was able to reduce its other operational expenditure to 10% of turnover (1999: 15%). This decrease is a clear example of the advantages of synergy yielded by the acquisitions in recent years.

Operating costs come out at € 21.1 million in the pro forma figures, and these include the costs of Agresso for the entire year. The Agresso organisation incurred extra expenditure at the start of the year for successful restructuring into a healthy and profitable organisation.

Unit 4 Agresso aims at an EBIT margin stabilizing between 16 and 18% over the coming years.

FINANCIAL INCOME AND CHARGES

The proceeds from financial income and charges rose by 104% in 2000 to a figure of € 337,186. This includes the profit from the disposal of interests. In 2000 the company's holding in Optima B.V. in Groningen was sold to the management, and an agreement was made that Optima B.V. would continue to work for Unit 4 Agresso as a dealer in the Northern Netherlands.

Financial charges have risen steeply owing to the fact that at the time of the takeover negotiations with Agresso ASA, Unit 4 was unable to issue shares for the acquisition of Omegon Computer Systems B.V.

The latter acquisition was financed entirely with loan capital, which led to a rise in interest costs.

PRE-TAX AND NET PROFITS

Pre-tax profits rose by 70% over 1999. Thanks to a lower tax liability and the earnings from minority shareholdings, net profits increased by 72% from € 8.7 million to € 15 million in 2000.

This sharp increase resulted in a net profit margin of 12.4% in 2000 (1999: 12.3%).

The earnings per share rose by € 0.58 (an increase of 50% compared with 1999) to € 1.74.

FINANCIAL POSITION

The board proposes to the Annual General Meeting of Shareholders not to pay a dividend and to add the net profit to the reserves.

In 2000 the company issued shares for € 197.3 million and brought in € 193.6 million goodwill at the expense of shareholders' equity. This brought the group capital up to € 22.8 million per 31 December 2000, which is equal to 24.3% of total assets (was 22.5% per 31 December 1999). Following the adaptation of the valuation principles of Unit 4 the shareholders' equity of Agresso was adapted on consolidation.

At the same time a provision was formed for the costs of the merger. This provision incorporates anticipated costs in the area of integration of product lines, external legal and financial advisors, branding and other merger-related costs.

The ratio of current assets to current liabilities came to 143.3% per end December 2000.

Working capital (excluding liquid assets) amounted to € 2.7 at the end of December compared with € - 0.5 million a year earlier.

Liquid assets increased by € 19 million to € 22.3 million.

Cash flow from normal operations improved by € 10.2 million to € 17.4 million. The stocks rose sharply to € 5.6 million as a result of advance payment on stocks related to the distribution of security products and services via the Internet by the new business unit, 4Sure.IT.

Accounts receivable showed a rise of € 29.6 million. The majority of this increase was the result of the acquisition of Agresso (Agresso's balance of accounts receivable was € 20.9 million per 31 December). The remainder of the increase is explained by the increases in turnover and a relative strengthening of the seasonal pattern compared with last year due to the increased sales in December.

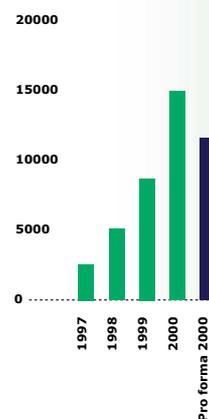
The ratio of accounts receivable to annual turnover has remained reasonably stable. In 1999 the ratio turnover / accounts receivable was 3.9; in 2000 it is 3.6.

This factor is calculated in respect of the pro forma figures because while the total accounts receivable position of Agresso is included in the consolidated figures, they only include two months' turnover. Capital investments amounted to € 2 million in 2000, compared with € 1.6 million in 1999.

Considering the strong improvement in the financial cash flow and the liquidity position of the organisation, the management has the utmost confidence that a solid base has been formed for the anticipated growth in the coming years.

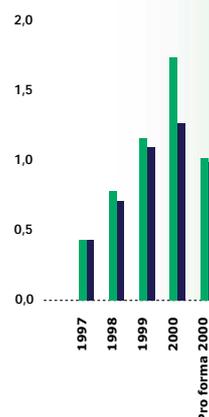
Net Profit

(x € 1000)



Earnings per share

■ Average
■ After dilution



ACQUISITION POLICY

Unit 4 Agresso's acquisition policy is aimed at the realisation of growth within the framework of the formulated objectives. In the short term this means we will strengthen our presence in among others Germany and the South of Europe.

However, geographical expansion elsewhere in Europe is most definitely not out of the question. Moreover, we will keep strengthening our position in the domestic markets in the Benelux countries, the United Kingdom and Norway. In all these cases our areas of interest will remain focused on the defined markets.

The most important acquisition of the past year was that of the Norwegian company Agresso.

Agresso markets the product AGRESSO Business World and related services to customers in Europe and North America. The solution has been optimised for companies in the medium and large-sized business markets, which are subject to a high degree of change, and require a solution which can both flex very easily as well as supply up-to-the-minute management information.

The solution is suitable for many target groups, but is mainly aimed at Professional Services, Central and Local Government and Education.

AGRESSO Business World is based on the award-winning AGRESSO back office system and offers integrated services for web and mobile users. By using the latest XML technology the application is ready for Internet and e-business use.

Agresso works closely with a number of strategic partners. During the past year, Agresso became both an Oracle Certified Solution Partner as well as one of the first Microsoft Gold Partners. These collaborations will continue to be expanded.

In the first half of 2000, Agresso implemented a successful reorganisation in continuing efforts to streamline the business and serve customers better.

The prospects for Agresso as part of Unit 4 Agresso are good. The added value of AGRESSO Business World is excellent, and the reaction of the target groups has been enthusiastic. In addition, the acquisition offers many synergetic advantages, because the solutions complement those of Unit 4, the target groups are different and the geographical overlap is minimal. In addition to the acquisition of Agresso, Unit 4 performed several other acquisitions in the year 2000. In the past year Omegon Computer Systemen B.V., Comsol and Swat were acquired, and investments were made in Arge Consultancy.

Through the acquisition in April 2000 of branch specialist Omegon Computer Systemen B.V. from Veenendaal, Unit 4 Agresso has become the market leader in the accountancy sector. This acquisition had an immediate synergetic effect on all the accountancy activities, especially on the joint product development and marketing. The new combination that was thus created, Unit 4 Accountancy, has already acquired around 1,500 accountancy organisations in its customer base.

Within the Internet & Security division two acquisitions and one participation took place on 29th February 2000. The Belgian market leader Comsol, active since 1988 in the field of Internet, intranet and related security solutions, was acquired. It has offices in Brussels and Lisse. Through these offices Comsol offers solutions for the higher market segments in The Netherlands and Belgium. The company focuses on consultancy, training and value added distribution and therefore fits in with the existing product portfolio.

The acquisition of Comsol has strongly increased Unit 4 Agresso's value-adding capacity and product portfolio. It can therefore focus better on specialised services and products that deal with Internet security and e-business utilities.

The second acquisition was that of the Dutch Software Account Team (SWAT), located in Amstelveen, which successfully focuses on the sale and support of the Internet security products of Network Associates. With this acquisition Unit 4 Agresso has considerably expanded its customer base for security solutions, and has obtained an experienced team of service providers who deal with guiding and supporting thousands of small and medium sized businesses and large organisations in their daily use of security software.

Finally, an investment interest was obtained in the Dutch company Arge, which focuses on web design, consultancy and hosting. In collaboration with Arge, the hosting facility Unit 4 Agresso offers to its customers will be greatly expanded. In addition, Arge's infrastructure is used in such a way that both existing and potential Unit 4 Agresso customers can be offered a complete ASP solution.

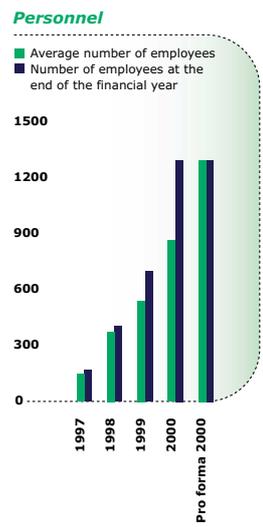
PERSONNEL MANAGEMENT

During recent years, Unit 4 has experienced a tremendous growth in personnel, to around 1300 employees as of the 31st of December 2000, of which about 100 work for the Internet & Security division. In comparison with the 1999 figures, this means a growth of 85% of the work force.

This large increase is due primarily to the merger with Agresso, but other acquisitions, as well as a successful recruitment policy, have contributed to this growth as well. Despite the fact that IT professionals are currently difficult to find on the employment market, Unit 4 once again succeeded in appealing to these scarce ICT professionals during the past year. Just as in the previous years, the objective set in 2000 with regard to the intake of new, highly qualified and enthusiastic employees was achieved. An increase in the market's awareness of our name through our registration with the Midkap index and further internationalisation, will probably enhance this success in 2001. Therefore, Unit 4 Agresso has confidence in the future.

The good results and the excellent working climate make Unit 4 Agresso an attractive employer. As a flat, decentralised organisation with an informal working atmosphere and a no-nonsense culture we stand out positively in a strongly competitive market.

Therefore, maintaining the amicable working atmosphere and the short lines of communication during the strong growth of our organisation is an important challenge for the future.



The personnel management of Unit 4 Agresso focuses on stimulating the involvement and personal development of all personnel, which means internal career planning forms an important part of the management. The strong growth of Unit 4 Agresso offers the employees many opportunities for internal mobility. Moreover, the new European expansion strategy adds an attractive international dimension to the career prospects.

Unit 4 Agresso offers competitive primary and secondary conditions of employment, supplemented with the opportunity to take part in an option plan for personnel.

The Unit 4 Agresso employees are exceptionally well motivated. Absenteeism through illness and staff turnover have again remained low throughout last year. For years, staff turnover has been below 10%, when elsewhere in the IT sector percentages above 20% are considered normal.

It goes without saying that the Board of Directors is happy with these positive developments in personnel management. In times of growth, the continuation and increase of employee satisfaction is a challenge the Board of Directors gladly takes on.

Finally, the Board of Directors again wishes to express its appreciation for the dedication of all employees during the past year. After all, Unit 4 Agresso's biggest strength lies mostly in the professionalism and the motivation of its employees.

RESEARCH AND DEVELOPMENT (R&D)

In 2000 the company invested € 12.6 million in R&D, pro forma € 29.4 million. In 1999 the investment was € 8.2 million.

The share of the R&D expenses as a percentage of the total turnover decreased from 11.6% to 10.4%. However, to achieve a more realistic comparison, this share should be calculated as a percentage of the turnover of the Business Software division, excluding the Internet & Security turnover. In 2000, this share increased from 16.1% to 17.0%, (24.3% pro forma). This is mainly a result of the investments in the development of AGRESSO Business World, which were made in the first half of 2000.

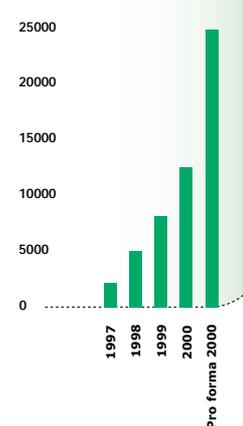
The merger of Unit 4 and Agresso has resulted in an internationally-oriented R&D department. In the short period of time that was left after the merger last year, the process of exchanging knowledge and experience between the merged R&D departments was started.

It is expected that in 2001, through the integration of the R&D activities of Unit 4 and Agresso, further synergistic advantages will be achieved with regard to product development and internationally oriented R&D activities. The advantages of large-scale work mean that, without increases in the cost, better and more integrated product functionality can be realised.

The focus of the R&D department will be on the international product line. In addition, where technology is concerned, the R&D department will play a leading part with regard to the R&D of specific products for domestic markets, which will again result in advantages where costs are concerned.

Research & Development

(x € 1000)

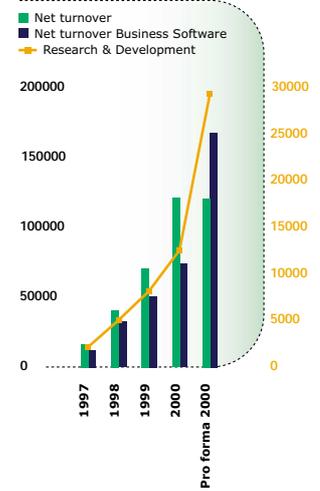


The specific knowledge and experience of Unit 4 with regard to logistic services, trade, accountancy, health and (customer order controlled) production and the specialisation of Agresso in professional services, education and government will be combined for further development and expansion of company-wide solutions.

In 2001 the R&D efforts will be mainly focused on the creation and addition of company-wide solutions, the integration of components of acquired software into existing software platforms and the development of new product/market combinations, including the opportunities offered by the web. Agresso has distinguished itself as a pioneer in the use of the Internet for application areas such as e-procurement, e-commerce and the integration of company processes.

Unit 4 Agresso intends to continue playing a leading role, anticipating the latest developments and integrating these in Unit 4 Agresso's software.

R&D vs Turnover (x € 1000)



CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2000 (after proposed appropriation of profit)

Assets (amounts in €)

31-12-00

31-12-99

FIXED ASSETS

Tangible fixed assets

Computer equipment	3,456,246	1,366,813
Other tangible fixed assets	3,648,669	2,316,345
	<u>7,104,915</u>	<u>3,683,158</u>

Financial fixed assets

Participating interests and other investments	2,385,326	244,246
Other receivables	1,622,405	0
	<u>4,007,731</u>	<u>244,246</u>

CURRENT ASSETS

Stocks	5,652,177	1,117,320
---------------	-----------	-----------

Debtors

Trade debtors	47,484,127	17,879,490
Other debtors, prepayments and accrued income	7,209,410	3,994,978
	<u>54,693,537</u>	<u>21,874,468</u>

Cash at bank and in hand	22,301,380	3,306,762
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Total	<u>93,759,740</u>	<u>30,225,954</u>
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CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR 2000

(amounts in €)

2000
1999

Net revenues	121,393,701	70,974,637
Change in work in progress	369,265	24,831
Operating income	121,762,966	70,999,468
Cost of sales	39,049,448	19,096,784
Gross profit	82,713,518	51,902,684
Operating expenses		
Personnel costs	48,014,255	27,859,147
Depreciation	2,410,436	1,496,812
Other operating expenses	12,225,768	10,676,663
Total operating expenses	62,650,459	40,032,622
Operating profit	20,063,059	11,870,062
Financial income and charges	337,186	165,458
Profit on ordinary operations before taxation	20,400,245	12,035,520
Taxation	5,381,042	3,413,472
Profit on ordinary operations after taxation	15,019,203	8,622,048
Third party interest	-16,613	105,488
Net profit	15,002,590	8,727,536
Earnings per share		
Average	1.74	1.16
At the end of the financial year	1.27	1.10
Fully diluted	1.19	1.04
Number of shares used in calculating earnings per share		
Average	8,616,344	7,556,089
At the end of the financial year	11,769,624	7,948,048
Fully diluted	12,639,166	8,385,548

(amounts in €)

2000

1999

CASHFLOW FROM OPERATIONAL ACTIVITIES

Operating result 20,063,059 11,870,062

Amendments for:

Depreciation 2,410,436 1,496,812

Changes in deferred income 1,641,415 315,460

Changes in provisions 7,841,803 0

Changes in operating capital -3,027,553 336,702

Cashflow from business operations 28,929,160 14,019,036

Financial income and charges -25,326 165,458

Taxation on profit -5,381,042 -3,413,472

Cashflow from operating activities 23,522,792 10,771,022

CASHFLOW FROM INVESTMENT ACTIVITIES

Acquisition of group companies -211,710,147 -22,895,516

Acquisition of other interests 825,948 880,207

Divestment of group companies 362,512 0

Investments in tangible fixed assets -2,002,473 -1,612,511

Cashflow from investment activities -212,524,160 -23,627,820

CASHFLOW FROM FINANCING ACTIVITIES

Receipts from shares issued 197,374,081 12,720,305

Issue costs paid -1,919,196 -166,495

Change in long-term receivables -1,622,405 0

Change in long-term debts 6,806,702 -1,583,382

Cashflow from financing activities 200,639,182 10,970,428

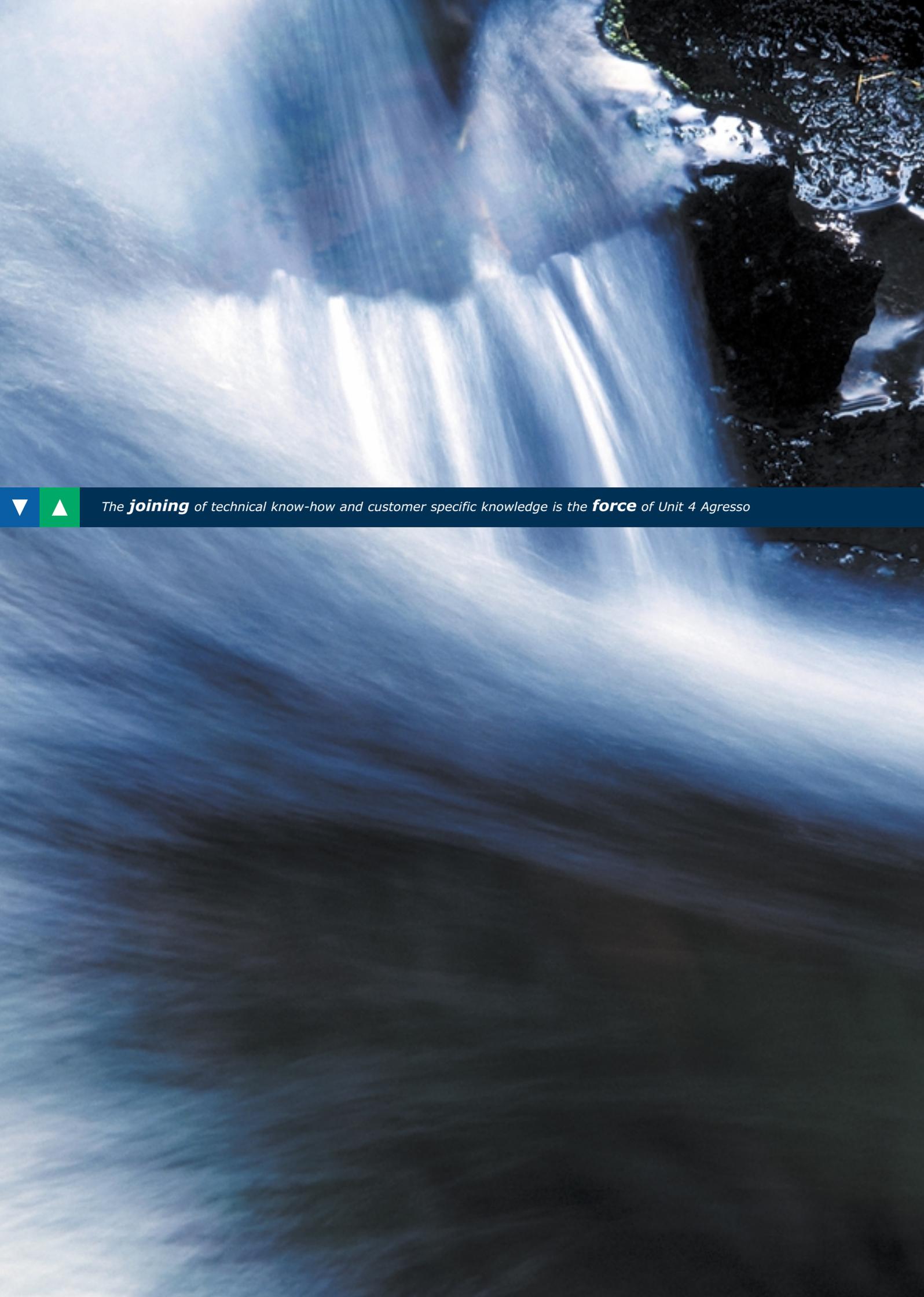
NET CASHFLOW

11,637,814 -1,886,370

Cash at bank and in hand on 1 January 3,306,762 4,199,576

Cash at bank and in hand of the new consolidations on 1 January 7,356,804 993,556

Cash at bank and in hand on 31 December 22,301,380 3,306,762



The **joining** of technical know-how and customer specific knowledge is the **force** of Unit 4 Agresso

▶ PRINCIPLES FOR THE FINANCIAL STATEMENT

Consolidation principles

The consolidated accounts includes the financial data of Unit 4 Agresso N.V. and its direct and indirect group companies. As group companies are considered those companies where the group has a decisive influence on the policy pursued. The share of third parties in the group equity and results is shown separately on the consolidated balance sheet and profit and loss account as 'third party interest'. Results of participating interests are incorporated in the consolidation from the date of acquisition or establishment.

Group companies	Statutory Seat	Interest (direct or indirect)
Unit 4 Holding B.V.	Sliedrecht	100%
Unit 4 Belgium N.V.	Antwerp	100%
Netpoint N.V.	Ghent	100%
Impakt N.V.	Ghent	100%
Comsol N.V. *	Brussels	100%
Comsol B.V. *	Lisse	100%
Data Holding Sliedrecht B.V.	Sliedrecht	100%
Data Alert International B.V.	The Hague	100%
Compusec N.V.	Brussels	90%
Unit 4 Security Solutions B.V.	Haaksbergen	100%
Unit 4 Software B.V.	Sliedrecht	100%
Unit 4 Noord-Nederland	Roden	80%
Unit 4 Business Solutions B.V.	Rosmalen	100%
Unit 4 Oost-Nederland B.V.	Hengelo	100%
Optima Holding B.V. **	Groningen	100%
Optima Automatisering B.V. **	Groningen	100%
Bestdata Holding B.V.	The Hague	100%
Bestdata B.V.	The Hague	100%
Unit 4 Bestmate B.V.	Den Bosch	100%
Diheco Software B.V.	Gouda	100%
Diheco Implementation Services B.V.	Gouda	100%
DiGiS B.V.	Nieuwegein	100%
Omegon Computer Systemen B.V. *	Veenendaal	100%
Software Account Team B.V.	Amstelveen	100%
Isah B.V.	Tilburg	100%
Agresso Group ASA ***		
Agresso AS ***	Oslo, Norway	100%
Agresso AB ***	Stockholm, Sweden	100%
AgressoNet AB ***	Stockholm, Sweden	100%
Agresso Ltd. ***	Bristol, UK	100%
Agresso Business Solutions SA ***	Paris, France	100%
Agresso GmbH ***	Munich, Germany	100%

* Included in consolidation from 1 January 2000

** Results in 2000 are included in the consolidation, balance sheet as at 31 December 2000 not included

*** Included in consolidation from 1 November 2000

Guarantee statement

Unit 4 Agresso N.V. has issued statements in accordance with the provisions in Section 403 Book 2 Part 9 of the Netherlands Civil Code with respect to the aforementioned (intermediate) Dutch holding company and operational companies. These companies are therefore exempted from the regulations to the presentation and publication of the financial statements.

Principles for currency translation

All assets and liabilities denominated in foreign currencies have been converted at the applicable exchange rates at the balance sheet date. Transactions in foreign currencies are incorporated at the applicable exchange rates at the date of the transaction. Exchange rate fluctuations during the year are taken directly to the result. The exchange results due to the conversion of foreign participating interests are taken directly to the other reserves.

▶ VALUATION PRINCIPLES FOR ASSETS AND LIABILITIES

General

The principles for valuation of assets and liabilities and for determining the result have not changed in relation to last year. Unless stated otherwise valuation is at nominal value.

Tangible fixed assets

Tangible fixed assets are valued at purchase price less straight-line depreciation. Depreciation is based on the estimated economic life span.

The following depreciation rates apply:

Computer equipment 33 $\frac{1}{3}$ -50%

Other tangible fixed assets 10 - 50%

Financial fixed assets

Group companies and subsidiaries in which significant influence is exerted on financial and strategic issues are valued at net asset value. All interests in companies in which no significant influence is exerted on financial and strategic issues are valued at purchase price. Receivables entered under financial fixed assets are valued against nominal value and corrected for possible irrecoverability.

Stocks

Work in progress is valued at the direct hours worked and products and services bought for the projects in progress as at the balance sheet date. Direct hours are valued at cost price based on the costs that can be attributed directly to the projects. Products and services bought are valued at the purchase price paid; Losses are taken when foreseeable. Costs already charged to projects are deducted from the capitalised costs of these projects. Trade goods are valued at the most recent prevailing purchase prices or lower market value.

Receivables

Debtors are carried at nominal value net of provision for doubtful debts as considered appropriate.

► **VALUATION PRINCIPLES FOR DETERMINATION OF RESULTS**

Net revenues

Net revenues comprise of proceeds, exclusive of sales tax, of services and products delivered to third parties during the year under review. The results of the projects with a fixed contract sum are accounted for in proportion to the performances rendered. Losses are recognised when foreseeable.

Costs of sales

The costs of sales is charged to the result in the year in which the related proceeds have been recognised.

Depreciation

Depreciation is based on the estimated economic life and is calculated on the basis of purchase price less the estimated residual value.

Taxation

Taxes are calculated on the result stated in the annual accounts based on the tax rates applicable in the different countries.

► **NOTES TO THE CONSOLIDATED BALANCE SHEET**

TANGIBLE FIXED ASSETS

This is analysed as follows:

	Computer equipment (in €)	Other tangible fixed assets (in €)	Total (in €)
Book value as at 1 January	1,366,813	2,316,345	3,683,158
Fixed assets of acquired group companies	2,270,903	1,558,817	3,829,720
Investments minus divestments	1,387,086	774,487	2,161,573
Depreciation	-1,472,419	-937,989	-2,410,408
Exchange differences	-96,137	-62,991	-159,128
Book value as at 31 December	3,456,246	3,648,669	7,104,915

The composition of the tangible fixed assets at 31 December 2000 is as follows:

Purchase price	13,597,881	8,705,704	22,303,585
Cumulative depreciation	-10,141,635	-5,057,035	-15,198,670
Book value as at 31 December	3,456,246	3,648,669	7,104,915

FINANCIAL FIXED ASSETS

	Participating interests and other investments (in €)	Other receivables (in €)	Total (in €)
Book value as at 1 January 2000	244,246	0	244,246
Acquired participating interests and other investments	31,400	0	31,400
Fixed assets of acquired group companies	2,109,680	1,622,405	3,732,085
Book value as at 31 December 2000	2,385,326	1,622,405	4,007,731

Participating interests and other investments contains the following companies:

SER Mega GmbH	Dortmund, Germany	49.9%
Unit 4 ASP B.V.	Sliedrecht	49%
Arge consultancy B.V.	Maassluis	49%
Isah Engineering Software B.V.	Breda	40%
Van der Kleij automatisering B.V.	Nijmegen	30%
Agresso Corp., inc.,	Mountain View, USA	16%
Concept E-solutions SA	Paris, France	10%

STOCKS

The stocks consist of:

	2000 (in €)	1999 (in €)
Work in progress	-44,699	177,473
Trade goods	5,696,876	939,847
	5,652,177	1,117,320

CASH AT BANK AND IN HAND

The cash at bank and in hand is at free disposal of the group.

GROUP EQUITY

Shareholders' funds

For the composition of the shareholders' funds and the changes in the individual components see 'Notes to the company balance sheet'.

Third party interest

This contains a 20% third party interest in Unit 4 Noord-Nederland B.V. and a 10% third party interest in Compusec N.V.

PROVISIONS

The provisions consist of:

	2000 (in €)	1999 (in €)
Provision for restructuring and integration	8,204,012	0
Pensions	75,963	0
	8,279,975	0

The provision for restructuring and integration is due within one year.

DEFERRED INCOME

Invoiced terms of contracts for prolongation licences, maintenance and other services that are taken to result according to the expiration of the contract terms.

LONG-TERM DEBTS

A subordinated convertible loan of € 6,806,702 subordinated with banks and other creditors.

A sum of € 453,780 is paid off quarterly. The interest on the loan is based on AIBOR/ EURIBOR plus an increase in accordance with the market rate. The remaining term of the loan is less than four years. The repayment due in 2001 amounts to € 1,815,120 and is included in the short-term liabilities. Quarterly repayments can be done in money or in shares.

On a conversion of shares the number of shares depends on the share price on the first five of the six days prior to the issue date.

SHORT-TERM DEBTS

Other liabilities, accruals and deferred income

The item other liabilities, accruals and deferred income includes earn-out payments for several acquisitions, dependent on the results achieved.

► **COMMITMENTS NOT DISCLOSED IN THE CONSOLIDATED BALANCE SHEET**

Banks

ING bank granted a credit facility worth € 12,000,000. The right of lien on trade debtors as well as rights pursuant to credit insurance have been granted as surety.

Rental obligations

The group has taken on rental obligations amounting to € 1,885,614 per annum (1999: 1,830,314).

Leasing

The group has taken on leasing obligations for which the remaining instalments amount to € 4,712,471 (1999: 4,663,926). The remaining terms of the leasing obligations average three years.

Securities

Securities issued by the group on behalf of third parties amount to € 6,109,075 (1999: 61,543).

Bank guarantees

Current guarantees amount to € 13,492,569 (1999: 432,963) as from balance sheet date. This includes a guarantee for the shareholders of Agresso regarding the cash payment of € 11,064,845, a guarantee of ING for New Edition Software SA of € 2,427,724, and other bank guarantees of € 170,841.

Guarantee statement

Unit 4 Agresso N.V. has issued statements in accordance with the provisions in Section 403 Book 2 Part 9 of the Netherlands' Civil Code with respect to the aforementioned (intermediate) Dutch holding company and operational companies. These companies are therefore exempted from the regulations to the presentation and publication of the financial statements.

Legal procedures

Relating to the business activities of the group, the company is involved in a number of legal procedures. In the opinion of the board of directors, this will be of no significant influence on the group's financial position.

OPTION SCHEME

Year granted	Exercise Period	Initial number of options	Exercised	Exercise price average (in €)
1997	t/m 2002	327225	175069	6.81
1999	t/m 2003	122200	2000	21.95
2000	t/m 2001	38927	0	43.85
2000	t/m 2002	171253	0	27.08
2000	t/m 2003	59622	0	39.54
2000	t/m 2004	191250	0	49.00

No options were issued to members of the Supervisory Board of the company. All of the stock option plans of Agresso have been converted to Unit 4 stock option plans in November 2000.

► **NOTES TO THE CONSOLIDATED PROFIT AND LOSS ACCOUNT**

The segmentation, based on products and activities, corresponds with the market approach.

NET TURNOVER

Business Software	2000 (in €)	1999 (in €)
Licences	28,742,566	15,643,495
Maintenance	17,055,645	10,410,396
Services & Others	28,479,516	24,971,338
	74,277,727	51,025,229

Internet & Security	2000 (in €)	1999 (in €)
Licences	36,054,369	10,748,296
Maintenance	4,778,809	7,194,779
Services & Others	6,282,796	2,006,333
	47,115,974	19,949,408

Total	2000 (in €)	1999 (in €)
Licences	64,796,935	26,391,791
Maintenance	21,834,454	17,605,175
Services & Others	34,762,312	26,977,671
	121,393,701	70,974,637

The turnover is realised in the following areas:

	2000 (in €)	1999 (in €)
The Netherlands	80,878,473	59,592,449
Other countries inside the EU	33,610,767	11,382,188
Other countries outside the EU	6,904,461	0
	121,393,701	70,974,637

GROSS MARGIN

Total	2000 (in €)	1999 (in €)
Licences	33,425,452	16,306,087
Maintenance	20,463,935	15,870,274
Services & Others	28,454,866	19,701,492
	82,344,253	51,877,853
Change in work in progress	369,265	24,831
	82,713,518	51,902,684

Investments in R&D have led to several large orders in 2000 that contribute to the turnover and profit. The turnover shows a seasonal pattern.

PERSONNEL COSTS

The personnel costs include:

	2000 (in €)	1999 (in €)
Wages and salaries	32,160,790	18,614,830
Social security charges	4,787,733	2,053,824
Pension premiums	1,214,228	655,701
Contracted personnel	2,974,456	3,836,195
Other personnel costs	6,877,048	2,698,597
	48,014,255	27,859,147

NUMBER OF PERSONS EMPLOYED

	Ultimo	Average
Sales	214	153
Consultancy	390	228
Research & development	303	213
Support	156	84
Other	236	188
	1.299	866

FINANCIAL INCOME AND CHARGES

	2000 (in €)	1999 (in €)
Profit on disposal of interests	362,512	0
Interest charges	778,874	58,409
Interest income	753,548	223,867
	337,186	165,458

RESEARCH AND DEVELOPMENT

The costs of research and development that have been charged to the result in the past few years:

1996: € 1.655.000
 1997: € 2.227.000
 1998: € 5.090.000
 1999: € 8.214.000
 2000: € 12.596.000

EMOLUMENTS SUPERVISORY BOARD

In 2000 emoluments for the members of the Supervisory Board amounted to € 30,000 (1999: € 30,000).

TAX

The table below provides the reconciliation of nominal tax and tax charges in the profit and loss account. In calculating the tax charges against nominal rate, the applicable rates in the different countries were taken into account.

Profit before tax (x € 1000)	20,400
Calculated tax costs (35%)	7,140
Ruling tax authorities	(630)
Elements exempt from taxation	(550)
Different effective tax rates of other countries	(270)
Tax adjustment for permanent differences	(240)
Various	(69)
Tax costs this year	5,381

► **CASHFLOW STATEMENT**

The cashflow statement has been prepared according to the indirect method. The cost price of all companies acquired has been listed under cashflow from investment activities, after the deduction of available cash. The changes in assets and liabilities caused by new consolidations have been removed from relevant cashflow items and were then incorporated into the cashflow for investment activities listed under acquisitions of group companies.

COMPANY BALANCE SHEET AS AT 31 DECEMBER 2000 (after proposed appropriation of profit)

Assets (amounts in €)

31-12-2000

31-12-1999

FIXED ASSETS

Financial fixed assets

Interests in group companies	42,180,565	13,246,655
Participating interests and other investments	262,940	244,246
Receivables on group companies	1,565,542	1,225,207
	<u>44,009,047</u>	<u>14,716,108</u>

CURRENT ASSETS

Trade receivables	30,802	0
Receivables on participating interests and other investments	462,303	0
Taxes and social security premiums	3,925,233	0
Other receivables, prepayments and accrued income	28,132	234,483
	<u>4,446,470</u>	<u>234,483</u>

Cash	9,232,783	1,123,122
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Total	<u>57,688,300</u>	<u>16,073,713</u>
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Equity & liabilities (amounts in €)**31-12-2000****31-12-1999****EQUITY**

Capital paid up and called up	1,068,165	721,334
Share premium reserve	230,570,867	33,543,617
Currency translation reserve	-821,906	0
Other reserves	-207,906,965	-27,353,168
	<u>22,910,161</u>	<u>6,911,783</u>

Provisions

8,204,012 0

Long-term debt

4,991,582 0

Short-term liabilities

Short term part of long term debts	1,815,120	0
Trade creditors	197,480	142,831
Payables to group companies	7,714,032	1,968,131
Taxes and social security premiums	0	1,299,659
Other liabilities, accruals and deferred income	11,855,913	5,751,309
	<u>21,582,545</u>	<u>9,161,930</u>

Total**57,688,300 16,073,713**

► **COMPANY PROFIT AND LOSS ACCOUNT**

	2000 (in €)	1999 (in €)
Company result after taxation	-454,884	10,173
Result group companies	15,457,474	8,717,363
	15,002,590	8,727,536

► **NOTES TO THE COMPANY BALANCE SHEET**

General

Unless stated otherwise the accounting principles referred to in respect of the consolidated financial statements also apply to the corporate financial statements.

FINANCIAL FIXED ASSETS

	Interests in group companies (in €)	Participating interests and other investments (in €)	Receivables on group companies (in €)	Total (in €)
Book value on 1 January 2000	13,246,655	244,246	1,225,207	14,716,108
<i>Changes during financial year:</i>				
Acquisitions of companies	14,298,342	18,694	0	14,317,036
Exchange differences	-821,906	0	0	-821,906
Results group companies	15,457,474	0	0	15,457,474
Loan issued	0	0	340,335	340,335
	28,933,910	18,694	340,335	29,292,939
Book value on 31 December 2000	42,180,565	262,940	1,565,542	44,009,047

SHAREHOLDERS' EQUITY

	Paid and called up share capital (in €)	Share premium reserve (in €)	Currency translation reserves (in €)	Other reserves (in €)	Total (in €)
Balance on 1 January 2000	721,334	33,543,617	0	-27,353,168	6,911,783
<i>Changes during financial year:</i>					
Share issues	346,831	197,027,250	0	0	197,374,081
Share issue costs	0	0	0	-1,919,196	-1,919,196
Exchange differences	0	0	-821,906	0	-821,906
Goodwill	0	0	0	-193,637,191	-193,637,191
Net result	0	0	0	15,002,590	15,002,590
	346,831	197,027,250	-821,906	-180,553,797	15,998,378
Balance on 31 December 2000	1,068,165	230,570,867	-821,906	-207,906,965	22,910,161

Authorised share capital

The authorised share capital amounts to 20,000,000 ordinary shares and 20,000,000 preference shares, both with a nominal value of 9.08 eurocent.

Issued and paid up capital

As of the balance sheet date, 11,769,624 ordinary shares have been issued. The change in issued and paid up capital is as follows:

	Number of shares	in €
Balance as at 31 December 1999	7,948,048	721,333
Plus: share issue acquisition Agresso ASA	3,254,465	295,362
Plus: share issue other acquisitions	494,090	44,842
Plus: share issue exercised options	73,021	6,627
Balance as at 31 December 2000	11,769,624	1,068,165

With respect to option rights and shares to be issued, we refer to the information listed in commitments not shown in the balance sheet.

▶ NOTE TO THE COMPANY PROFIT AND LOSS ACCOUNT

As permitted under Section 402 Book 2 Part 9 of the Netherlands Civil Code, the profit and loss account of Unit 4 Agresso N.V. is presented in abridged form.

Sliedrecht, 7 March 2001

Statutory management

C. Ouwinga

S. Kjenne

H.P. de Smedt

Supervisory Board

Drs. Th.J. van der Raadt

Prof. Th.J. Mulder

R. van Kampen

Ø. Tvenge

▶ OTHER INFORMATION

AUDITORS' REPORT

Introduction

We have audited the 2000 financial statements of Unit 4 Agresso N.V., Sliedrecht. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Scope

We conducted our audit in accordance with auditing standards generally accepted in the Netherlands. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2000 and of the result for the year then ended in accordance with accounting principles generally accepted in the Netherlands and comply with the financial reporting requirements included in Part 9, Book 2 of the Netherlands Civil Code.

Rotterdam, 7 March 2001
Ernst & Young Accountants

REGULATIONS IN THE ARTICLES OF ASSOCIATION CONCERNING THE APPROPRIATION OF RESULT

Under article 28.4 of the Articles of Association the result is at the free disposal of the General Meeting of Shareholders. It should be mentioned here that, in compliance with Article 28 and with the approval of the Supervisory Board, the management is empowered to reserve all or some of the profit remaining after deducting the rights due to holders of preference shares.

PROPOSED APPROPRIATION OF THE RESULT 2000

It is proposed to add the result over 2000 to the other reserves. In anticipation of the decision by the General Meeting of Shareholders this proposal has already been incorporated in the financial statements.

THE STICHTING CONTINUÏTEIT UNIT 4

The objective of the Stichting Continuïteit Unit 4, based in Sliedrecht, is to protect the interests of the group in such a way that the interests of the group, its subsidiaries and all parties involved will be safeguarded in the best possible way and that influences that might affect the independence and/or continuity and/or identity of the aforementioned companies are kept off, as well as performing all tasks related to or beneficial to the foregoing. The foundation seeks to attain its objective by acquiring preference shares in the capital of the company and by exerting all rights connected with these preference shares.

The management of the foundation is formed by:

F.A.G. Collot d'Escury | A. Offers | Th.J. van der Raadt | J. Thierry | R.D. Vriesendorp.

In this composition the foundation has sufficient independence in order to obtain the aforementioned objectives.



***Streamlining** and guiding the **business processes** of the customer is our core business*



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* As from 1 April the visiting address changes to: Patrijsweg 90, 2289 EX Rijswijk.



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