



QUARTERLY REPORT 2014

Report for the 3rd quarter of 2014





CONTENTS

The quarter in brief	3
Highlights	
Key figures	
Financial review	
Outlook	
Business areas	
Visma Software GLA	5
Visma Software SMB	7
Visma BPO	9
Condensed interim financial information	
Consolidated statement of income	11
Consolidated statement of comprehensive income	11
Consolidated statement of financial position	12
Consolidated statement of cash flows	13
Consolidated statement of changes in equity	14
Notes to the consolidated interim financial statements	15

Continued Growth and Baltic Region Expansion

HIGHLIGHTS, THIRD QUARTER 2014

- Revenue of NOK 1615 million, an increase of 6.6%
- EBITDA of NOK 399 million, an increase of 10.1%
- EBITDA Margin reached a record high 24.7% for the quarter
- SaaS revenue continued its high growth achieving 36% year-on-year pace
- Further SaaS investment with the acquisition of InfoConsensus, web-based information portal providing regulatory information and training to education and elderly care sectors in Norway

Visma had another strong quarter and continued with very good top-line revenue and profit growth. Total revenue growth was 6.6% and currency adjusted organic revenue growth was 2.2%. EBITDA improved 10.1% over Q3 2013 to reach NOK 399 million, yielding a record EBITDA margin of 24.7%.

Visma continues to grow organically with the strongest growth coming from the two Software divisions. Software GLA and Software SMB together achieved 9% growth (6% currency adjusted) for the third quarter compared to a year ago. SaaS and SaaS transactions continue to be the strongest driver of growth in Visma and revenue exceeded a quarterly 200 million for the first time reaching NOK 206 million. BPO division had rather flat growth while consolidating operation, but significantly improving EBITDA grew by 23%

Acquisition activity continued with the acquisition of InfoConsensus in July. InfoConsensus is the leading provider of SaaS/on-line regulatory information and training services to the education and elderly care sectors in Norway. This acquisition further strengthens Visma's position as the leading software provider to Norwegian municipalities.

KEY FIGURES (NOK in millions)	3rd quarter			First three quarters			Year
	2014	2013		2014	2013		2013
	Actual	Actual	Growth	Actual	Actual	Growth	Actual
Revenue	1 615	1 516	6,6 %	5 212	4 687	11,2 %	6 452
EBITDA	399	363	10,1 %	1 106	965	14,6 %	1 325
EBITDA margin	24,7 %	23,9 %		21,2 %	20,6 %		20,5 %
EBITA	375	341	10,0 %	1 034	897	15,3 %	1 216
EBIT	291	269	8,1 %	789	697	13,2 %	952
Net profit	171	136	25,3 %	440	388	13,4 %	567
Operational cash flow	199	207	-3,5 %	1 088	878	23,8 %	1 224

FINANCIAL REVIEW – GROUP (THIRD QUARTER 2013 IN BRACKETS)

Revenue amounted to NOK 1 615 million (1 516) and EBITDA to NOK 399 million (363) in the third quarter of 2014. Revenue increased 6.6% over Q3 2013. The currency adjusted organic revenue growth of 2.2%.

Group EBITA amounted to NOK 375 million in the third quarter (341), whereas net gain from associated companies amounted to NOK 0.9 million (2.2). Net financial items were NOK -62 million (-88). Consequently, profit before taxes was NOK 230 million (183). Taxes amounted to NOK 60 million (47), and net income resulted in NOK 171 million (136) in the third quarter.

Cash flow from operations after tax amounted to NOK 199 million (207) in the third quarter 2014. Cash outflow from investments was NOK 100 million (236) in the third quarter, which is fixed assets, software R&D and investment in acquired businesses. At the end of the third quarter, the cash position of Visma was NOK 2 365 million (2 004).

Equity amounted to NOK 2 224 million at the end of the third quarter (1817), corresponding to an equity ratio of 24.0% (20.9). Interest bearing debt amounted to NOK 3 829 million (4 152). The debt-facilities have maturity dates in the 4th quarter 2019.

OUTLOOK

The Nordic markets where Visma has 96% of revenues continue to be stable and have above average growth rates compared to Europe overall. The public finances in the markets where Visma operates are in relatively good shape. Norway and Sweden (80% of Visma revenue) currently operate with budget surpluses, and the public debt levels, as a percentage of GDP, are amongst the lowest in the OECD. Finland is being more affected by the Ukrainian crisis and associated Russian sanctions and we see some slowdown in some of Visma's Finnish businesses. Regardless of the macroeconomic environment there are plenty of opportunities that will allow Visma to continue to achieve good organic growth.

The demand for SaaS services is steadily increasing. The growth in SaaS revenue was 36% for the third quarter 2014 compared to Q3 2013. Visma continues to invest considerably in SaaS and to lead the transition to SaaS in Visma's core SMB Software products and services. Visma's R&D focus and acquisition strategies are concentrated on SaaS.

Visma continues its strategy of organic and acquisitive growth. Visma has several interesting acquisition dialogues in process, some of which may be signed during the fourth quarter of 2014.

Visma Software SMB is the largest business area, contributing 42% of the Revenue and 61% of the EBITDA in the third quarter 2014. Visma Software GLA accounted for 33% of Revenue and 29% of EBITDA. Visma BPO accounted for 24% of Revenue and 10% of EBITDA. Revenue growth in the third quarter was 6.6% for the overall Visma Group. Software SMB grew by 8.7%, BPO by 0.3% and Software GLA grew by 8.9%.

During Q3 2014, EBITDA in Visma grew 10% and EBITDA-margins achieved record levels climbing to 24.7% for the Group. This is especially satisfying given the continuing investments in SaaS business areas and products. Software SMB EBITDA grew by 8.7% and achieved an excellent margin of 35.8%. Software GLA EBITDA development was flat due to integration of acquisitions and some restructuring in Visma Retail. Visma BPO EBITDA rebounded significantly from a weaker 2013 and grew by 23.2% and achieving a 9.7% margin.

MARKETS

Visma expects even more customer interest in Software as a Service vs traditional On-Premises Windows software. Visma is steadily launching new SaaS products, and heavy investment in SaaS continues. Services like procurement, accounting, payroll, debt collection and software consultancy are increasingly based on SaaS, and Visma is in the middle of a process of moving all our activities to a SaaS model. Our customers increasingly prefer subscription type of cost-models vs. large up-front investments.

The national economies in both Norway and Sweden continue their stable and solid development. The Swedish elections temporarily slowed some public sector decision-making. The Danish and Dutch economies are improving. The Finnish market is experiencing more macroeconomic challenges. Finland is especially feeling the effects of the Russian sanctions. Despite a few isolated macroeconomic challenges, Visma's core businesses in these markets generally continue to take marketshares and show solid growth.

OWNERSHIP

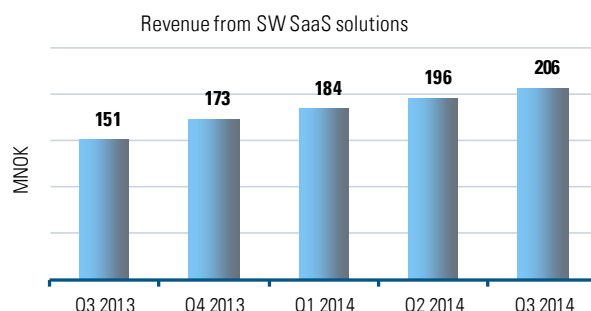
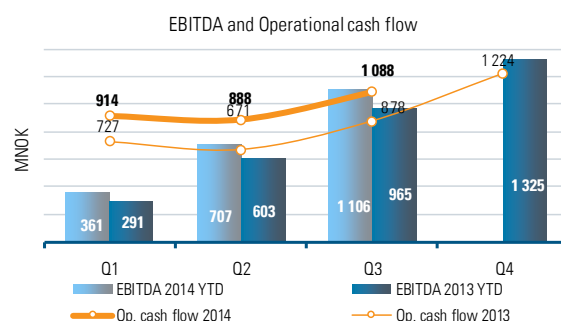
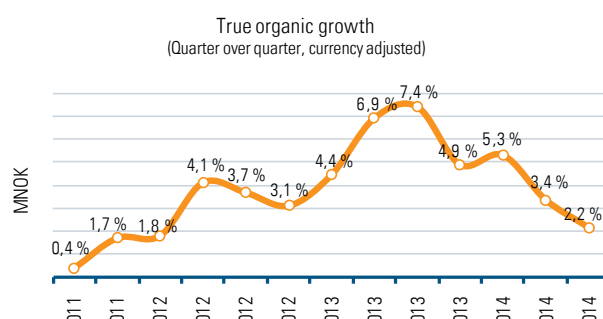
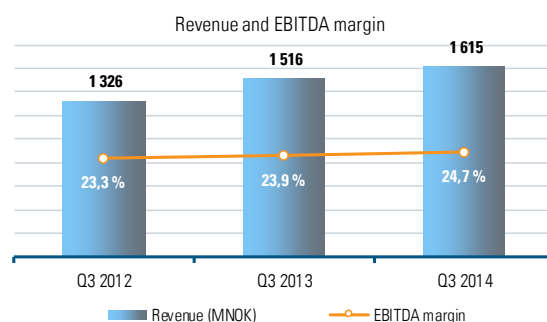
In mid April 2014 Visma announced changes in its ownership. KKR has reduced its shareholding from 76% to 31.3%, HgCapital has increased from 16% to 31.3%, and a new shareholder, Cinven, has acquired 31.3%. Management remains at around 6% of the shareholder equity in Visma. As all three funds owning Visma have more than 5 years to maturity, the new constellation will contribute to a stable ownership situation for the rest of the decade.

RISKS

Visma is exposed to the general economic climate in the countries where the company operates. However, the business risk is limited by the company's diversified customer base and a reasonably priced, high-quality portfolio of products and services. Although Visma is also involved in some very large IT projects, Visma believes associated risk is well counter-balanced as 70-80% of total Visma revenue is generated in the well-diversified SMB segment.

DISCLAIMER

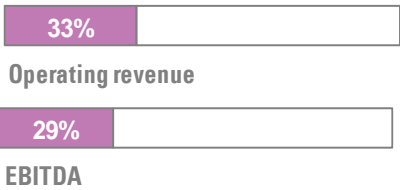
This report contains forward-looking statements that reflect management's current views with respect to future events. All such statements are subject to inherent risks and uncertainties, and many factors can lead to developments deviating from what has been expressed or implied in such statements.



VISMA SOFTWARE GLA

(NOK in millions)	3rd quarter			First three quarters			Year
	2014	2013	Δ	2014	2013	Δ	2013
Segment revenue							
Software	280	263	6,2%	845	767	10,2%	1 045
Transaction Services	9	3	174,1%	23	14	70,9%	21
Consulting Services	201	186	8,1%	691	567	21,9%	814
Hosting and Infrastructure as a Service	12	0	-	38	0		0
Other	36	42	-12,5%	165	127	29,7%	199
Total operating revenue	538	494	8,9%	1 762	1 475	19,5%	2 079
Growth	8,9%			19,5%			
EBITDA	116	117	-0,7%	309	275	12,2%	383
EBITDA margin	21,6%	23,7%		17,5%	18,6%		
EBITDA growth	-0,7%			12,2%			

SHARE OF GROUP



Comments on the third quarter

Revenue in Visma GLA increased by NOK 44 million or 8.9 % compared to Q3 2013. Although a somewhat lower growth than previous quarters, the division is still showing a very positive development. Significant consulting contracts signed during the quarter also lays a foundation for further growth in time to come. For the first three quarters of the year combined, the growth remains high with a positive development in all countries.

Third quarter EBITDA development in Visma GLA was rather flat due to integration of acquisitions and some restructuring in Visma Retail.

KEY FIGURES

Revenue	538 MNOK
Growth, QoQ	8,9 %
EBITDA	116 MNOK
EBITDA margin	21,6 %
FTE	1 839
Headcount	2 021

Enterprise Solutions

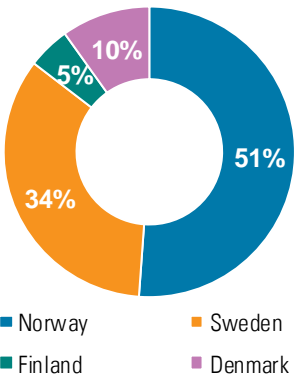
After a very strong last quarter in Enterprise Solutions, Q3 was a period with moderate growth in total revenues due to high up-front license fees last year, but with more than 8% growth in recurring revenues compared to last year. Recurring revenues account for more than 2/3 of the revenues in Enterprise Solutions, and the SaaS share is more than 30% and increasing. Margin development is healthy and on target.

Transition to cloud is our most important growth enabler in years ahead, and we experience good progress on Visma.net products. We are on track with Visma.net Payroll in the Netherlands, and the basic payroll core (pay slip) will be integrated with eAccounting and the Visma Online platform to establish a complete business solution for the micro segment. Delivery of the payroll core is planned in Q4 this year.

Visma.net Expense is now in production in all segments in Norway and in SMB/Micro in Finland. The Expense service is integrated with existing OnPrem Payroll, and is an important part of the hybrid strategy to gain necessary growth on existing customer base. The first competitive expense service in Sweden will be released in Q1 2015.

A joint project between development in Norway and FMS in Latvia to establish a standardized, cloud offered "Enterprise Performance Management system" for municipalities in Norway has been initiated. This is an area with a high growth potential. The plan is to have a pilot before the end of 2014, and first release late in Q1 2015.

SALES BY GEOGRAPHY



VISMA SOFTWARE GLA- continued

Software GLA at a glance

Management:

- Øystein Moan, Director GLA Division
- Jan Ivar Borgersen, Managing Director Enterprise Solutions
- Carsten Boje Møller, Managing Director Consulting
- Peter Fischer, Managing Director Retail
- Espen Håkonsen, Managing Director IT&C

Target market:

- Central and local government, institutions and organizations providing education, welfare services, and healthcare services. Non-profit and non-government organizations.
- Large enterprises and retailers

Products and services:

- Mobile and cloud solutions for schools and childcare
- Mobile and dataflow solutions within healthcare
- Software solutions for large amounts of data
- Software project delivery
- System development and integration
- Application management
- eGovernment solutions and 24/7 Self Service
- Tailored IT solutions for BPM, document flow and mobile
- ERP and financial systems
- Supply and logistics software
- HRM and payroll administration and notification
- ERP integrated with retail data solutions
- Retail store software, hardware and IT infrastructure
- Retail signage and electronic shelf labels
- Mobile and handheld units and applications
- Retail consultancy, installation and training
- Retail Security System and Environmental Monitoring System

Consulting

Q3 continued to be a strong quarter for Visma Consulting. YTD results show a very healthy growth and profits for the Division. Revenue has grown 15% and EDITDA 25% since last year. All countries are performing above expectations except from Sweden where we have some challenges with utilization due to expiration of the contract with key customer "City of Stockholm". We expect this situation to improve gradually in the coming months.

All Companies in the Visma Consulting have been working on important large tenders and some important deals are already closed, highlighted by a 50 – 80 MDKK Application Management (AM) contract over 4 years in Denmark with the Danish Maritime Authority ("Søfartsstyrelsen") - and in Norway we have taken over responsibility of the Capgemini's system portfolio at UDI (*The Norwegian Directorate of Immigration*), a 20 MNOK AM contract that further expands our strategic customer relationship. In Finland we won several 100 – 200 KEUR projects amongst them University of Finland, City of Jyväskylä, Keski-suomalainen (large newspaper), Kela (*The social insurance department of Finland*) and a 1000 KEUR contract with the Finnish transport agency. Important deals were closed in Sweden as well.

Both our customer satisfaction NPS and our employee engagement eNPS have improved significantly in the Division. The main/semi annual employee engagement survey was concluded end-of-Q3 with an average score eNPS = 28.

Retail

Q3 was a very exciting quarter and the markets interest for mobile and omni-channel solutions are just growing. Retail's strong position in the Nordics as an innovative retail software and service provider for Enterprise and SMB/Longtail segment turns increasingly evident.

Retail facilitated a very successful customer Nordic VIP event with mobile/omni-channel focus. The outcome from the event is clear, there is a shift in the market and Retail is a strategic partner for our customers on that journey.

We are in the final negotiations with our next Retail Suite customer. This will further strengthen our market position within FMCG food retailing.

IT & Communications

Q3 2014 marked the start of designing the new service delivery platform design for Visma ITC. In this program several specific projects were initiated - all aiming at consolidating, tuning and automating our provisioning and operations processes.

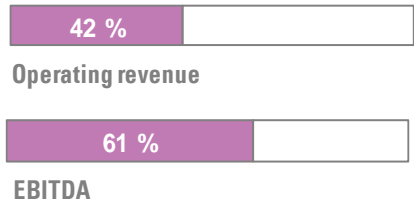
The automation project is mapping processes as is, processes to be and evaluating how these can be automated. As the progress advances we will design and implement solutions for automating "everything" from service request responses to provisioning complete system architectures based on pre-designed templates.

In Q3 we also migrated customers from our traditional infrastructure architecture to our new high end architecture. Pure Storage - our new flash based storage array - reports performance numbers like nothing we have seen before. As a direct result we now deliver a faster and more reliable service than ever - for a great number of customers.

VISMA SOFTWARE SMB

(NOK in millions)	3rd quarter			First three quarters			Year
	2014	2013	Δ	2014	2013	Δ	2013
Segment revenue							
Software	488	443	10,2%	1 461	1 304	12,0%	1 796
Transaction Services	108	99	8,7%	340	299	13,4%	427
Consulting Services	21	19	9,0%	81	66	23,1%	100
Hosting and Infrastructure as a Service	46	45	2,8%	139	132	5,4%	178
Other	22	24	-9,0%	68	75	-9,7%	101
Total operating revenue	685	630	8,7%	2 088	1 877	11,3%	2 601
Growth	8,7%			11,3%			
EBITDA	245	226	8,7%	645	579	11,4%	794
EBITDA margin	35,8%	35,8%		30,9%	30,8%		
EBITDA growth	8,7%			11,4%			

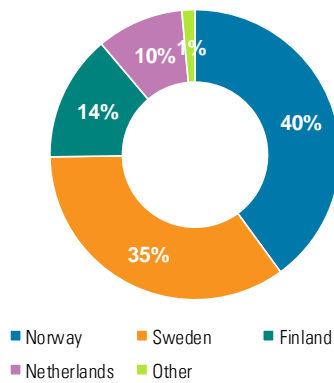
SHARE OF GROUP



KEY FIGURES

Revenue	685 MNOK
Growth, QoQ	8,7 %
EBITDA	245 MNOK
EBITDA margin	35,8 %
FTE	1 943
Headcount	2 038

SALES BY GEOGRAPHY



Comments on third quarter

The Software SMB division delivered 8,7% growth in Q3 2014. Currency adjusted organic growth in Q3 ended at 5,9%. Software as a Service (SaaS) including e-invoicing grew 22% pro forma, as we added 4800 net new SaaS contracts to our recurring base this quarter, in addition to upsell and transactions. Our strong foundation in repeatable revenue, making up 88% of turnover, coupled high growth in our SaaS offering and a broad product portfolio, gives us confidence in a continued strong growth trajectory.

71% of the operating revenue in the SMB division is derived from Software sales, of which NOK 30 million is one-off license fees, the remaining being contracted or repeatable. 78% of revenue in the «Transaction Services» category is repeatable Debt Collection revenue, growing at 6,5% pro forma.

The EBITDA improvement is a result of continued improvement in operational efficiency by using our own technology, while also nearshoring some operations where labour cost is lower. During Q3 we acquired one of our Support Centres in Poland, enabling us to build a stronger basis for telephone- and email support for our customers from a lower cost country. In Poland we can tap into a well educated and Scandinavian speaking labour market. Our strong profitability enables us to continue to invest in the full range of our existing product portfolio and within new offerings within SaaS and e-invoicing.

Software Entry level & Mid-range

The Visma SaaS transition continued in Q3 with strong uptake and 90% growth of Visma eAccounting customers in the entry-level segment. The mid-range Visma.net SaaS offerings continued to grow and integration with more Visma ERPs was implemented to assure future growth. The growth of SaaS Committed Revenue (CMRR) value was 31,9% for the past 12 months, reaching 69 000 customer contracts on SaaS solutions in both segments. Several growth improvement measures have been initiated, and R&D investments in SaaS product development has surpassed the On-Premises investments in the third quarter. The ongoing near-shoring transition expanded to include product development, support of entry level ERP-solutions and NPS measurements, with further expansion planned in 2015.

In Norway, Visma is the market leader in the SMB segments for accounting software with the Visma eAccounting, Visma.net, Visma Business, Visma Mamut One and Visma daTax product lines. Main trends are growth for entry level SaaS accounting, electronic invoicing, and online HRM add-ons such as expense management. During last 12 months, the number of Visma eAccounting customers in Norway have nearly doubled, making the product the market leader in its segment in Norway. The number of Visma.net and Visma SaaS certified partners are increasing, providing a solid foundation for continued growth

Software SMB - continued

Software SMB at a glance

Management:

- Eivind Gundersen, Director SMB Division
- Eilert G. Hanoa, Managing Director Entry level and mid-range
- John Hugosson, Managing Director Hosting

Target market:

- Small & medium sized businesses

Products and services:

- Cloud-based financial solutions
- ERP and financial systems
- CRM
- Cloud-based expense management
- Cloud-based invoicing and payment solutions
- Invoicing, dunning and debt collection services
- HRM and payroll administration systems
- Solutions for artisans and other industries
- Cloud-based project management
- Non-strategic and administrative purchases
- Training
- Web hosting, communication and collaboration solutions
- Customer collaboration for accounting practices
- Practice management for accounting practices
- Business automation for accounting practices

In Sweden, the entry-level solution Visma eAccounting had 90% growth in customers the last 12 months, further strengthening Visma's market leader position in the entry level and lower SMB segment with 130 000 customers. In the SMB midmarket segment with the Visma.net SaaS services, Visma Business and Visma PX/Control, Visma has the broadest and most feature rich offering from a single vendor in the Swedish SMB segment. Growth in SaaS customer contracts continued for both the accounting office solution Visma Advisor and for transaction based e-invoicing services.

In Finland, Visma, Netvisor, Visma Severa, Visma Passeli and Finnvalli (acquired in Q1) make up the strong portfolio of brand names in the Finnish SMB segment and assures Visma's market leader position for accounting office software solutions. The strong revenue growth continues with more than 30% growth in SaaS customer contracts during the last 12 months and provides a good foundation for continued organic growth in the tougher Finnish economic climate in the wake of the Ukraine crisis sanctions.

In the Netherlands, Visma's SMB portfolio of Visma.net SaaS based solutions and AccountView On-Premises and rental solutions signed several significant new contracts in Q3. Additional new SaaS services, ERP-integrations and accounting office solutions will be launched in the Netherlands in 2015, including Visma eAccounting. Together with the acquired Teleboekhouden SaaS entry-level accounting solution, this will provide a strong platform for further growth in the Netherlands.

Business Transactions

Business Transactions includes Visma's activities within Debt Collection, Pooled Procurement and e-Invoicing. All areas had strong organic revenue growth and profitability in the third quarter. This was mainly driven by new customer acquisitions and strong demand, especially within debt collection and e-Invoicing solutions in Norway, Sweden and Finland.

Accounts receivables management

The strong development from Q2 continued throughout Q3, with good growth and profitability development, especially in Norway and Sweden. Finland has struggled with the growth this year, but Q3 has shown a positive trend towards stronger growth. In Norway, the growth is mainly due to increased productivity and increased activities on existing customers and strong growth in certain verticals such as collection for toll roads. The Swedish debt collection operations have a steady growth of new debt collection cases and process close to 25 % of all collection claims in Sweden. The frame-agreement with the Swedish public sector continue to be a strong contributor to the growth.

E-invoicing

The growth in electronic invoicing accelerated further in Q3. Number of monthly transactions exceeded 1,8 million in September, representing more than 80 % growth over last year. As expected, Visma in Norway has gained significant momentum and are the second largest issuer of electronic invoices in the Peppol statistics. In Sweden, the uptake of electronic invoices in Visma's entry level solutions has increased rapidly after the summer and more than 75 000 Visma customers are now part of the electronic invoicing platform. We expect the rapid growth in electronic invoices to grow further and Visma will continue to invest in technology, customer acquisitions and added services.

Hosting

Visma is offering web hosting communication and collaboration solutions under two different brands: Active 24 in Western and Central Europe and Loopia in Sweden and Serbia. As market leader, Loopia has continued to strengthen its position in the Swedish market in Q3 2014 compared to Q3 2013 through good growth, high customer satisfaction and a strong brand name. The hosting business has been through an upgrade in platforms in order to automate the sales and billing processes. This work will continue throughout 2014 and position the hosting business for further growth in 2015.

VISMA BPO

(NOK in millions)	3rd quarter			First three quarters			Year
	2014	2013	Δ	2014	2013	Δ	2013
Segment revenue							
Software	10	7	46,1%	28	20	37,7%	29
Transaction Services	216	208	4,0%	704	663	6,3%	891
Consulting Services	163	173	-5,5%	615	638	-3,5%	832
Hosting and Infrastructure as a Service	0	0		0	0		0
Other	4	5	-15,7%	15	15	-5,0%	21
Total operating revenue	392	391	0,3%	1 362	1 336	2,0%	1 773
Growth	0,3%			2,0%			
EBITDA	38	31	23,3%	161	141	14,0%	187
EBITDA margin	9,7%	7,9%		11,8%	10,6%		
EBITDA growth	23,3%			14,0%			

SHARE OF GROUP



KEY FIGURES

Revenue 392 MNOK
Growth, QoQ 0,3 %

EBITDA 38 MNOK
EBITDA margin 9,7 %

FTE 2 175
Headcount 2 267

Comments on third quarter

Revenues in Visma BPO increased by NOK 1.0 million, or 0.3% compared to Q3 2013. Year to date revenues has increased by NOK 26.0 million or 2.0% compared to 2013.

Third quarter EBITDA increased by NOK 7.0 million, or 23.3% compared to Q3 2013. EBITDA-margin has increased from 7.9% in Q3 2013 to 9.7% in Q3 2014. Year to date EBITDA has increased by NOK 20.0 million compared to 2013, and EBITDA-margin has increased from 10.6% to 11.8%.

BPO Norway

Q3 is traditionally a slow quarter in the BPO industry. For BPO Norway Q3 was in line with last year revenue wise and September was a positive month with 8% organic revenue growth. The revenue growth in September is much related to a positive development in advisory hours, regulatory changes related to Payroll reporting, revenue effects from sales in first half year and one extra day compared to September 2013. In general, we start to see a positive sales development within Payroll and Accounting, which should support a positive revenue development last quarter of 2014 and going into 2015.

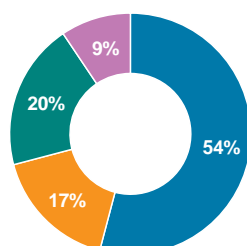
On the EBITDA side, Norway continues to perform well. Year-to-date, the division's largest entity Services Norway has improved EBITDA by 23% compared to last year, and EBITDA margin by 2pp. Much is related to effects of continued transfer of activities near shore and advisory development.

BPO Sweden

Third quarter in Sweden has been relatively positive revenue and sales wise, with several new Payroll customer startups in H2-14. Full effects of the startups will come in 2015. Accounting is continuing to perform fairly well, but we see some challenges in maintaining a satisfactory pipeline for new customers in LA Accounting.

On the EBITDA side, Sweden is not performing as expected and EBITDA YTD has decreased by 23% compared to last year. We have initiated several actions to reduce employee costs, external hires and Sweden is undergoing organizational changes right now. Our focus is to reduce people turnover in Payroll and taking out the effects of near-shoring in LA. So far, the number of hours produced near-shore has increased steadily, but onshore hours has not decreased accordingly. The same experience, we had previously in Norway. Some of the changes will impact EBITDA additionally in 2014, but will lead to a sounder business in 2015. The change process will continue throughout 2015.

SALES BY GEOGRAPHY



■ Norway ■ Sweden ■ Finland ■ Denmark

BPO- continued

BPO at a glance

Management:

- Roar Wiik Andreassen, Director BPO Division
- Rune Norbakk, Managing Director BPO Norway
- Magnus Hedlund, Managing Director BPO Sweden
- John Roitto, Managing Director BPO Finland
- June Mejlgaard Jensen, Managing Director BPO Denmark
- Rita Irgens, Managing Director, Visma Personell Norway (Temp and Recruitment services)
- Rune Skåren, Managing Director, Visma Kollektor (Scanning & Workflow solutions)

Target market:

- Enterprises of all sizes looking to outsource parts of – or their – administrative processes

Products and services:

- Accounting services
 - Payroll services
 - Accounting, Payroll and HR advisory
 - Online accounting services
 - Staffing, recruitment and temp services
-

BPO Finland

Finland is performing relatively well in a challenging macro environment. Year to date, Revenues and EBITDA are on par with last year. SMB revenues are under pressure, since local businesses especially close the Russian border, start to experience the effects of reduced trade with Russia. On the other hand, Services in Finland are growing their revenues with larger SMB clients, both for Payroll and Accounting in the bigger cities. Finland has closed some bigger contracts in both Q2 and Q3 this year, which we will see effects from going into 2015.

Finland will also begin their first near-shore deliveries in Q4, starting with larger Payroll customers and International clients. Although not the same salary arbitrage as in Norway, over time it should support additional growth in Finland and margin improvements.

BPO Denmark

Denmark is continuing the positive development in Q3-14 as we have seen throughout the year. The market is still tough, but some positive signals are evident in the market, hence there should be opportunities to increase the sales pipeline in Q4 and going into 2015. Revenue is growing year to date and EBITDA YTD has improved by 20% compared to last year. EBITDA margin has improved by 2pp, which is solid.

CONDENSED INTERIM FINANCIAL INFORMATION

CONSOLIDATED STATEMENT OF INCOME

(NOK in thousands)	3rd quarter		First three quarters		Year
	2014	2013	2014	2013	2013
OPERATING REVENUE					
Sales revenue	1 615 107	1 515 727	5 212 032	4 686 913	6 452 354
Total operating revenue	1 615 107	1 515 727	5 212 032	4 686 913	6 452 354
OPERATING EXPENSES					
Sales and distribution costs (COGS)	233 232	216 987	772 229	661 013	926 275
Gross profit	1 381 875	1 298 740	4 439 804	4 025 899	5 526 079
Payroll and personnel expenses	755 616	708 521	2 627 473	2 405 786	3 316 412
Bad debts	8 241	8 825	16 754	20 671	29 519
Other operating expenses	218 099	217 268	687 689	632 197	852 871
Total operating expenses	981 956	934 614	3 331 917	3 058 655	4 198 802
EBITDA before M&A expenses	399 919	364 127	1 107 887	967 245	1 327 277
M&A expenses	657	1 565	1 805	1 997	2 132
EBITDA	399 262	362 562	1 106 082	965 248	1 325 145
Depreciation tangible assets and capitalised R&D	24 205	21 455	71 984	68 728	109 303
EBITA	375 057	341 107	1 034 098	896 520	1 215 842
Amortisation intangible assets	83 880	71 658	244 694	199 025	263 992
Operating profit EBIT	291 177	269 449	789 404	697 496	951 850
Result from associated companies	933	2 238	(175)	2 785	5 393
FINANCIAL ITEMS					
Financial income	8 034	8 207	28 890	28 330	34 746
Financial expenses	(69 776)	(96 599)	(223 522)	(205 257)	(267 773)
Net financial items	(61 742)	(88 392)	(194 631)	(176 927)	(233 027)
Profit before taxes	230 368	183 295	594 597	523 354	724 217
Taxes	59 653	47 075	154 641	135 348	157 109
Net income	170 715	136 220	439 956	388 006	567 107
ATTRIBUTABLE TO:					
Equity holders of Visma AS	169 929	134 773	438 613	386 201	564 207
Non-controlling interests	786	1 447	1 343	1 805	2 900
EARNINGS PR SHARE					
Basic earnings per share (NOK in thousands)	169 929	134 773	438 613	386 201	564 207
Diluted earnings per share (NOK in thousands)	169 929	134 773	438 613	386 201	564 207
EBITDA margin	24,7 %	23,9 %	21,2 %	20,6 %	20,5 %

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(NOK in thousands)	3rd quarter		First three quarters		Year
	2014	2013	2014	2013	2013
Net income	170 715	136 220	439 956	388 006	567 107
Net gain (loss) on financial hedging instruments, net of tax	(6 981)	(18 399)	(42 905)	(3 592)	(10 135)
Exchange differences on translation of foreign operations, net of tax	(27 834)	35 941	(25 033)	68 630	81 757
Net gain (loss) on defined benefit plan, net of tax	134	0	284	0	(4 520)
Other comprehensive income (loss) for the period, net of tax	(34 680)	17 542	(67 654)	65 038	67 102
Total comprehensive income for the period	136 035	153 762	372 302	453 044	634 209
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Equity holders of Visma AS	135 248	152 315	370 959	451 239	631 309
Non-controlling interests	786	1 447	1 343	1 805	2 900

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(NOK in thousands)	30 September 2014	30 June 2014	30 September 2013	31 December 2013
ASSETS				
Deferred tax assets	87 187	85 247	127 404	75 300
Patents and other intangible assets	504 265	520 723	470 563	465 621
Capitalised R&D cost own software	132 854	128 863	142 131	125 664
Contracts and customer relationships	713 382	748 644	692 911	671 327
Goodwill	4 148 010	4 195 190	3 941 568	3 986 940
Property, land and buildings	20 753	20 815	20 857	20 884
Machinery and equipment	130 990	136 082	134 706	133 487
Financial assets/Shares	37 920	38 094	35 982	36 142
Investment in associated companies	85 985	85 052	83 552	86 160
Other long-term receivables	10 693	10 151	9 394	9 788
Long term receivables from group companies	0	0	0	0
Total non-current assets	5 872 038	5 968 861	5 659 068	5 611 313
Inventory	37 061	39 089	48 532	45 307
Accounts receivables	716 482	781 053	771 219	920 320
Other current receivables	266 347	236 105	203 335	180 412
Cash and cash equivalents	2 365 459	2 438 128	2 004 254	2 246 384
Total current assets	3 385 349	3 494 375	3 027 341	3 392 423
TOTAL ASSETS	9 257 387	9 463 235	8 686 408	9 003 736
EQUITY AND LIABILITIES				
Paid-in capital	165 000	165 000	165 000	165 000
Other reserves	(63 868)	(29 188)	1 722	3 786
Retained earnings	2 117 165	1 947 235	1 639 009	1 783 532
Equity attributable to equity holders of Visma AS	2 218 298	2 083 047	1 805 732	1 952 318
Non-controlling interests	5 222	4 485	11 000	4 489
Total equity	2 223 519	2 087 532	1 816 732	1 956 807
Pension liabilities	(4 237)	(4 541)	(7 363)	(4 136)
Deferred tax liability	629 749	580 256	601 438	501 644
Financial hedging Instruments	172 142	162 709	108 111	116 953
Long-term interest bearing bank loans	3 829 438	3 974 045	4 151 752	4 217 757
Accrued funding fees	(21 069)	(25 583)	(39 128)	(39 128)
Other long-term non interest bearing liabilities	192 595	198 637	98 459	114 667
Long-term liabilities to group companies	0	(0)	69 686	0
Total non-current liabilities	4 798 619	4 885 522	4 982 955	4 912 271
Bank overdraft	162 368	168 070	0	0
Short-term interest bearing bank loans	100 000	100 000	100 000	100 000
Trade creditors	194 599	194 644	189 965	194 214
Public duties payable	329 156	310 637	323 074	351 121
Tax payable	(7 564)	4 773	(10 005)	50 977
Deferred revenue	864 976	968 390	789 372	839 356
Other current liabilities	591 714	743 667	494 315	598 989
Total current liabilities	2 235 249	2 490 180	1 886 720	2 134 657
Total liabilities	7 033 868	7 375 702	6 869 676	7 046 929
TOTAL EQUITY AND LIABILITIES	9 257 387	9 463 235	8 686 408	9 003 736

CONSOLIDATED STATEMENT OF CASH FLOWS

(NOK in thousands)	3rd quarter		First three quarters		Year
	2014	2013	2014	2013	2013
Ordinary profit before tax	230 368	183 295	594 597	523 354	724 217
Depreciation tangible assets	14 826	13 084	43 338	40 552	58 848
Depreciation capitalised R&D cost	9 379	8 370	28 645	28 175	50 455
Amortisation patents and other intangible assets	32 472	30 837	94 410	87 396	108 441
Amortisation contracts and customer relationships	51 407	40 821	150 284	111 629	155 551
Tax paid	(25 500)	(14 274)	(105 718)	(69 682)	(62 812)
Changes in debtors	64 571	17 050	203 838	18 648	(130 453)
Changes in inventory and trade creditors	1 983	1 684	8 631	1 297	8 771
Changes in public duties payable	18 519	33 024	(21 965)	8 964	37 011
Changes in deferred revenue	(103 413)	(104 340)	25 620	51 750	101 735
Changes in other accruals	(95 131)	(2 760)	65 964	76 193	172 687
Net cash flow from operations	199 482	206 791	1 087 645	878 275	1 224 450
Sale of (investment in) tangible fixed assets	(8 288)	(13 687)	(34 965)	(43 108)	(60 213)
Sale of (investment in) R&D own software	(7 583)	(8 072)	(27 735)	(18 707)	(24 520)
Net cash flow from investments	(15 871)	(21 759)	(62 700)	(61 816)	(84 733)
Investment in tangible fixed assets related to business combinations	(1 384)	(7 570)	(5 744)	(8 112)	(8 112)
Investment in R&D software related to business combinations	(5 787)	(23 448)	(8 100)	(23 448)	(23 448)
Sale of (investment in) businesses	(77 066)	(188 702)	(380 448)	(258 398)	(295 256)
Sale of (investment in) shares	174	5 165	(1 778)	2 275	2 115
Net cash flow from investments related to business combinations	(84 063)	(214 555)	(396 071)	(287 683)	(324 701)
Repayments of interest bearing loans	(49 899)	(50 389)	(244 713)	(50 389)	(50 389)
Changes in bank overdraft	(5 702)	0	162 368	0	0
Changes in long term receivables/payables	(542)	311 059	(905)	222 402	152 322
Payment of Group contribution	0	0	(145 807)	(159 896)	(159 896)
Cash inflow from dividends	0	0	4 000	3 300	3 300
Cash inflow from interest	8 034	7 336	24 890	23 063	29 267
Cash outflow from interest and fees	(83 047)	(123 576)	(244 891)	(224 226)	(244 688)
Net cash flow from financing activities	(131 156)	144 429	(445 059)	(185 747)	(270 083)
Net cash flow	(31 608)	114 907	183 815	343 030	544 933
Cash and cash equivalents, beginning of period	2 438 128	1 855 387	2 246 384	1 559 376	1 559 376
Net foreign exchange differences	(41 062)	33 961	(64 742)	101 848	142 074
Cash and cash equivalents, end of period	2 365 457	2 004 254	2 365 457	2 004 254	2 246 384
EBITDA to net cash flow from operations	50,0 %	57,0 %	98,3 %	91,0 %	92,4 %

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(NOK in thousands)	Attributable to equity holders of Visma AS					Total equity
	Paid-in share capital	Other reserves	Retained earnings	Majority's share of equity	Non-controlling interests	
Equity as at 01.01.2013	165 000	(63 316)	1 367 934	1 469 618	8 974	1 478 591
Profit for the period			564 207	564 207	2 900	567 107
<i>Net gain (loss) on financial hedging instruments, net of tax</i>		(10 135)		(10 135)		(10 135)
<i>Exchange differences on translation of foreign operations, net of tax</i>		81 757		81 757		81 757
<i>Net gain (loss) on defined benefit plan, net of tax</i>		(4 520)		(4 520)		(4 520)
Total comprehensive income for the period		67 102	564 207	631 309	2 900	634 209
Group contribution to parent company			(115 125)	(115 125)		(115 125)
Changes to non-controlling interest; acquisition and arising on business combination			(33 484)	(33 484)	(7 385)	(40 869)
Equity as at 31.12.2013	165 000	3 786	1 783 532	1 952 318	4 489	1 956 807
Equity as at 01.01.2014	165 000	3 786	1 783 532	1 952 318	4 489	1 956 807
Profit for the period			268 684	268 684		268 684
<i>Net gain (loss) on financial hedging instruments, net of tax</i>		(35 924)		(35 924)		(35 924)
<i>Exchange differences on translation of foreign operations, net of tax</i>		2 801		2 801		2 801
<i>Net gain (loss) on defined benefit plan, net of tax</i>		150		150		
Total comprehensive income for the period		(32 974)	268 684	235 711		235 711
Group contribution			(104 981)	(104 981)		(104 981)
Changes to non-controlling interest; acquisition and arising on business combination			73		73	73
Equity at end of period	165 000	(29 188)	1 947 308	2 083 047	4 562	2 087 609

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

NOTE 1 – ORGANISATION AND BASIS OF PREPARATION

General information and organisation

Visma (the Group) consists of Visma AS (the Company) and its subsidiaries. Visma AS is a limited liability company, incorporated in Norway. The address of its registered office is Karenslyst allé 56, N-0214 Oslo, Norway.

The Visma Group's business consist principally of the Small and Medium, the Government and Large Accounts and the Business Process Outsourcing Business.

Visma's condensed interim financial statements for the third quarter of 2014 were authorised for issue by the board of directors on **October 23 2014**.

Basis of preparation

These condensed interim financial statements are prepared in accordance with International Reporting Standard IAS 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union (EU). The condensed interim financial statements do not include all the information and disclosures required by Financial Reporting Standards (IFRSs) for a complete set of financial statements, and these condensed interim financial statements should be read in conjunction with the Visma annual financial statements. A description of the significant accounting policies applied is included in the Visma annual financial statements for 2013 and applies to these condensed interim financial statements, except for the adoption of new standards and interpretations as of January 1, 2014.

The condensed interim financial statements reflect all adjustments which are, in the opinion of management, necessary for a fair statement of the financial position, results of operations and cash flows for the dates and interim periods presented. Interim period results are not necessary indicative of results of operations or cash flows for an annual period. Certain amounts in the comparable periods have been restated to conform to current period presentation.

The condensed interim financial statements are unaudited.

Changes to significant accounting policies in the current period

With effect from the first quarter 2014, Visma changed its operating segments to reflect the changes to the organisation structure implemented 1 January 2014. In line with realignment of the strategic focus of the Group, the financial reporting structure of the Group has been changed to mirror the new customer centric structure.

The change has been applied retrospectively in these condensed interim financial statements including the notes. The change in accounting policy is immaterial to the Consolidated statement of income for the periods covered by these condensed interim financial statements. There is no impact on Net operating income, Net income, the Consolidated statement of financial positions or the Consolidated statement of cash flows from this policy change.

There have been no other significant changes to accounting policies in the first three quarters of 2014 compared to the annual financial statements for 2013.

Use of estimates

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis, considering the current and expected future market conditions. A change in an accounting estimates is recognised in the period in which the estimate is revised if the revision affect only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

NOTE 2 – SEGMENT INFORMATION

Visma's operations are managed through the following operating segments: Software Entry level, Software Mid-range, Accounts Receivables Management, Hosting, Enterprise Solutions, Consulting, Retail, Visma IT& Communications and Business Process Outsourcing.

Visma reports its business through three reporting segments, Government and Large Accounts (Visma Software GLA), The Small and Medium Business (Software SMB) and Business Process Outsourcing (Visma BPO).

Visma BPO corresponds to the operating segment BPO, whereas Software SMB correspond to the aggregations of Software Entry level, Software Mid-range, Accounts Receivables Management and Hosting into one reporting segment and Software GLA correspond to the aggregations of Enterprise Solutions, Consulting, Retail and Visma IT& Communications into one reporting segment. These aggregations has its basis in similar economic characteristics, the nature of products, services and the type and class of customers and the market their customer operates in.

NOTE 2 – SEGMENT INFORMATION continued

Transfer prices between segments are set at an arm's length basis in a manner similar to transactions with third parties.

Visma AS and national holding companies are disclosed under Other.

Segment data for the third quarter of 2014 and 2013 are presented below. The measurement basis of segments profit is Net operating income. Deferred tax assets, pension assets and non-current financial assets are not allocated to the segments.

OPERATING SEGMENTS

3rd quarter

(NOK in thousands)	2014					2013				
	SOFTWARE SMB	BPO	SOFTWARE GLA	OTHER	TOTAL	SOFTWARE SMB	BPO	SOFTWARE GLA	OTHER	TOTAL
Revenue										
Total segment revenue	819 119	421 175	682 512	27 363	1 950 169	754 724	411 570	642 657	24 591	1 833 543
Internal revenue	134 167	28 734	144 798	27 363	335 062	124 343	20 163	148 719	24 591	317 815
External revenue on each group of similar products and services										
Software	488 069	9 639	279 646	0	777 353	442 881	6 598	263 282	0	712 761
Transaction Services	108 003	215 745	8 921	0	332 669	99 370	207 509	3 255	0	310 134
Consulting Services	20 620	163 239	200 744	0	384 602	18 909	172 771	185 779	0	377 459
Hosting and infrastructure as a service	45 988	0	12 002	0	57 990	44 745	0	0	0	44 745
Other	22 273	3 818	36 400	0	62 492	24 475	4 530	41 622	0	70 627
External revenue	684 952	392 441	537 714	0	1 615 107	630 381	391 408	493 938	0	1 515 727
Actual growth (external) %	8,7 %	0,3 %	8,9 %		6,6 %					
Curr adj. organic growth (external) %	4,3 %	-3,7 %	8,2 %		2,2 %					
EBITDA	245 212	38 259	116 363	(571)	399 262	225 627	31 033	117 232	(11 331)	362 562
EBITDA margin	35,8 %	9,7 %	21,6 %		24,7 %	35,8 %	7,9 %	23,7 %		23,9 %

First three quarters

(NOK in thousands)	2014					2013				
	SOFTWARE SMB	BPO	SOFTWARE GLA	OTHER	TOTAL	SOFTWARE SMB	BPO	SOFTWARE GLA	OTHER	TOTAL
Revenue										
Total segment revenue	2 489 246	1 450 040	2 209 568	83 257	6 232 112	2 244 764	1 394 729	1 890 481	73 500	5 603 474
Internal revenue	401 139	88 299	447 384	83 257	1 020 079	368 048	59 112	415 901	73 500	916 561
External revenue on each group of similar products and services										
Software	1 460 602	27 514	845 059	0	2 333 175	1 304 479	19 980	766 912	0	2 091 371
Transaction Services	339 605	704 277	23 241	0	1 067 123	299 422	662 623	13 598	0	975 643
Consulting Services	80 907	615 277	690 861	0	1 387 044	65 736	637 575	566 847	0	1 270 158
Hosting and infrastructure as a service	139 235	0	37 962	0	177 197	132 045	0	0	0	132 045
Other	67 759	14 673	165 062	0	247 494	75 034	15 439	127 222	0	217 695
External revenue	2 088 107	1 361 741	1 762 184	0	5 212 032	1 876 716	1 335 617	1 474 580	0	4 686 913
Actual growth (external) %	11,3 %	2,0 %	19,5 %		11,2 %					
Curr adj. organic growth (external) %	4,2 %	-1,2 %	4,5 %		4,5 %					
EBITDA	645 032	161 101	308 545	(8 596)	1 106 082	578 822	141 280	274 954	(29 808)	965 248
EBITDA margin	30,9 %	11,8 %	17,5 %		21,2 %	30,8 %	10,6 %	18,6 %		20,6 %

Reconciliation	3rd quarter		First three quarters	
	2014	2013	2014	2013
Profit before taxes	230 368	183 295	594 597	523 354
Net financial items	61 742	88 392	194 631	176 927
Result from associated companies	(933)	(2 238)	175	(2 785)
Depreciations and amortisations	108 085	93 113	316 678	267 752
EBITDA	399 262	362 562	1 106 082	965 248
EBITDA in operating segments	399 262	362 562	1 106 082	965 248

GEOGRAPHICAL AREAS

(NOK in thousands)	2014			2013		
	Net sales	%	Long lived assets	Net sales	%	Long lived assets
Norway	2 469 743	47,4 %	2 050 194	2 305 627	49,2 %	2 055 068
Sweden	1 608 367	30,9 %	1 373 122	1 506 503	32,1 %	1 463 143
Denmark	305 691	5,9 %	355 596	261 488	5,6 %	250 275
Finland	633 030	12,1 %	1 114 116	440 601	9,4 %	878 063
Netherlands	195 202	3,7 %	605 482	172 693	3,7 %	600 624
Total	5 212 032	100,0 %	5 498 511	4 686 913	100 %	5 247 172

NOTE 3 – BUSINESS COMBINATION

A total of NOK 108.1 million in acquisition payments were made during first quarter.

The payments refer to earn-out of NOK 4.5 million, the acquisition of FMS group of 48.5 million and the acquisition of Info Consensus AS of NOK 55.1 million.

Software GLA Division

On August 10th, Visma acquired 100 % of the voting shares of Info Consensus AS. Info Consensus is a leading provider of information - , and e-learning systems to Norwegian municipalities. The acquisition strengthens Visma's market position in the Norwegian public sector. The interim condensed consolidated financial statements include the results for the period from the acquisition date.

Visma acquired 100% of the voting shares of FMS Group. FMS Group is the leading provider of ERP (Enterprise Resource Planning) and BI (Business Intelligence) software as well as software consulting in Latvia. The acquisition is the first in Latvia and will expand Visma's overall presence in the Baltic region substantially. The result from FMS group is included in the interim condensed consolidated financial statements from the period beginning in July 2014.

Visma AS

Karenslyst allé 56
P.O. Box 733 Skøyen
NO-0214 OSLO

Tel +47 46 40 40 00
Fax +47 22 43 45 61
www.visma.com