Blue Fox Enterprises N.V.

Interim Financial Statements

30 June 2009

Blue Fox Enterprises N.V.
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Board of Directors' statement on the condensed half-yearly financial statements and the interim management report

We have prepared the half-yearly financial report 2009 of Blue Fox Enterprises N.V. and the undertakings included in the consolidation taken as a whole in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional Dutch disclosure requirements for half-yearly financial reports.

To the best of our knowledge the condensed financial statements in this half-yearly financial report 2009 give a true and fair view of our assets and liabilities, financial position at June 30, 2009, and of the result of our consolidated operations for the first half year of 2009.

The interim management report in this half-yearly financial report includes a fair review of the development and performance of the businesses and the position of Blue Fox Enterprises N.V. and the undertakings included in the consolidation taken as a whole for the first half year and describes the principle risks and uncertainties faced by Blue Fox Enterprises N.V, and the undertakings.

Vianen, August 26th, 2009

The Board of Management

Pieter Aarts	*Chief Executive Officer*
Jan-Hein Pullens	*Chief Operating Officer*

Report by the Board of Directors

First Half 2009

Operational. As of 1 January 2009, we have been appointed as directors of the company, to take responsibility for the organisation, and create and implement a long-term vision for its future.

Our focus has been the independent future of Blue Fox; a future in which NedGraphics is the key player, and in which we continue to innovate with new products and new markets. Currently, NedGraphics has a leading position in the textile and apparel markets resulting from its knowledge and expertise in these areas. For that reason, the organisation's strategic development will be further shaped on the basis of "product leadership".

The business plan of the new Board of Directors is built around the Value Triangle. In addition to actions geared towards performance improvement and revenue growth, it also describes plans for structural market development. We continue to fine-tune this plan in light of existing business conditions. NedGraphics' key asset is CAD/CAM software development and deployment in the textile and apparel markets. Leveraging this key asset in combination with today's market and technology innovations will enable NedGraphics to maintain its global leadership position in its market niche, and develop additional market-spanning products.

On 9 September 2009, NedGraphics will launch the new LOFT™ product line. LOFT™ is a new, online suite of products consisting of 'Customer Experience' generating tools that will allow our clients to visually depict their customers' personal experiences online and otherwise. The first product release will be the Customer Experience Engine with the core user functionality to map various real life products into a customer's own personal environment, simply and easily. After the official launch, NedGraphics will continue to update the market on new functionalities and application areas for existing and new clients of this innovative product. NedGraphics' website (www.nedgraphics.com) will provide regular updates on the overall development progress. With the LOFT™ program, the Company expects to increase their market share over the next three years.

Financial results. Blue Fox ended the first half of 2009 with a net loss of € 1.5 million (first half 2008: € 4.1 million loss). The improved result of H1 2009 was mainly due to the sale in 2008 of the Porini activities, which generated a loss of € 3.7 million from operations and disposal in H1 2008. The operating result for H1 2009 amounted to € 1.4 million negative (H1 2008: € 0.3 million negative).

The financial statements have been restated to remove the Porini activities from the results of the first quarter of 2008. The Porini loss from operations and disposal is classified as 'Discontinued Operations' in the financial statements.

The continued activities include the CAD/CAM activities of NedGraphics and the ERP activities of Dynamics Perspective. The net revenue of NedGraphics decreased considerably by 25.5%, to € 3.4 million (H1 2008: € 4.6 million) as a result of ongoing weak global economic business conditions. The lower revenue had an immediate impact on the operating result, which decreased from € 0.4 million in H1 2008 to a loss of € 0.6 million in H1 2009. The revenue from the ERP activities of Dynamics Perspective decreased from € 0.48 million in H1 2008 to € 0.44 million in H1 2009. The operating result of Dynamics Perspective declined from a loss of € 0.06 million in H1 2008 to a loss of € 0.1 million in H1 2009.

The holding company has been reduced to a small but effective team. Operating expenses in H1 2009 were € 0.71 million (H1 2008: € 0.63 million), however, the H1 2008 operating expenses included the release of a prior year provision in the amount of € 0.12 million, and the H1 2009 operating expenses included € 0.33 million in expenses for the new Loft line. The operating loss for H1 2009 was € 1.4 million (H1 2008: € 0.3 million).

Cash flow, investments, financing. The operational cash flow in H1 2009 amounted to € 0.4 million negative (H1 2008: €1.6 million positive). The decline from H1 2008 is mainly due to the ongoing weak economic conditions. The cash flow from investments in H1 2009 was € 0.9 million negative (H1 2008: € 1.7 million negative). The improvement in H1 2009 is mainly due to the H1 2008 sale of the Porini activities.

Subsequent to H1 2009, in July 2009, an additional € 1 million in cash was received from the issue of 2.5 million new shares at € 0.40 per share.

The total change in cash and cash equivalents in H1 2009 amounted to € 1.2 million negative (H1 2008: € 0.1 million negative).

Balance sheet. From 31 December 2008 fixed assets increased slightly from € 8.3 million to € 8.4 million. This is mainly due to the capitalization of developed software for the new Loft product line to be launched in September 2009.

Due to the negative results in the past few years, Blue Fox has losses that may be carried forward. These tax assets are not shown on the face of the balance sheet, because management is currently insufficiently certain that sufficient taxable profits will be made in the near future to realise the value of these tax assets.

Shareholders' equity decreased from € 4.05 million as of 31 December 2008 to € 3.55 million as of 30 June 2009. This € 0.5 million decrease is mainly caused by the net loss in H1 2009 of € 1.5 million, the conversion of the convertible loan plus interest of € .87 million to shares, and the € .12 million fair value of the share options granted 30 June 2009. As a result of these changes including the conversion of the note from debt to equity, solvency increased to 32.1% at 30 June 2009, from 27.9% at 31 December 2008. Based on guarantee capital (equity including the mandatory convertible loan) solvency amounted to 33.7% at the end of 2008.

The number of outstanding ordinary shares, with a nominal value of € 0.10 each, was 7,331,354 as of 30 June 2009.

Please see the accompanying financial statements and the notes to those statements for additional information.

Outlook. Currently our research and development activities in respect of the CAD/CAM software and the new developments for LOFT™ are located in Vianen (the Netherlands) and in Bucharest (Romania). Apart from the investments being made in LOFT™, the forecasted investments in fixed assets will not differ significantly from the 2008 investments.

As there are very few synergies between NedGraphics' CAD/CAM business and Dynamics Perspective's ERP business, Blue Fox still intends to sell off Dynamics Perspective. Dynamics Perspective is a provider of ERP software and related services for the apparel industry, has a solid customer base, and is currently making the transfer to selling MS Axapta systems.

In the current, challenging economic conditions, it remains quite difficult to make accurate forecasts for the remainder of 2009 and for 2010.

The Board of Directors
26 August 2009

Contents

Condensed consolidated statement of financial position at 30 June 2009

In thousands of euro

	30 June 2009	31 December 2008
Assets		
Property, plant and equipment [1.4]	147	175
Intangible assets [1.4, 1.9]	8,242	8,088
Other investments [1.4]	-	15
Total non-current assets	**8,389**	**8,278**
Inventories [1.4]	7	7
Work in progress [1.4]	46	131
Trade and other receivables [1.4]	2,147	4,372
Corporate income tax [1.4]	-	12
Cash and cash equivalents [1.4]	480	1,720
Total current assets	**2,680**	**6,242**
Total assets	**11,069**	**14,520**
Equity		
Issued capital [1.4, 1.10]	733	8,867
Share premium [1.4, 1.10]	31,713	22,709
Legal reserves [1.4]	3,753	3,499
Translation reserves [1.4]	(50)	(71)
Retained earnings [1.4, 1.12]	(32,596)	(30,956)
Total equity	**3,553**	**4,048**
Liabilities		
Interest-bearing loans and borrowings [1.4, 1.13]	2,100	2,100
Employee benefits [1.4]	88	72
Total non-current liabilities	**2,188**	**2,172**
Interest-bearing loans and borrowings [1.4, 1.10, 1.11]	-	850
Trade and other payables [1.4]	2,215	2,728
Deferred income [1.4]	3,113	4,722
Total current liabilities	**5,328**	**8,300**
Total liabilities	**7,516**	**10,472**
Total equity and liabilities	**11,069**	**14,520**

Condensed consolidated statement of comprehensive income for the six months ended 30 June

In thousands of euro

	2009	2008 restated*
Continued operations		
Net revenue	3,850	5,058
Cost of sales	(167)	(249)
Gross profit	**3,683**	**4,809**
Wages and salaries	3,013	3,020
Social security charges	462	535
Amortization and depreciation	776	876
Other operating costs	1,544	1,425
Capitalized production	(727)	(734)
Profit (loss) from operations	**(1,385)**	**(313)**
Financial income	31	32
Financial expense	(150)	(83)
Net finance costs	**(119)**	**(51)**
Profit (loss) before income tax	**(1,504)**	**(364)**
Income tax expense	(2)	(38)
Profit (loss) from continued operations	**(1,506)**	**(402)**
Discontinued operations		
Income (loss) from discontinued operations (net of income tax)	-	(3,704)
Profit (loss) for the period	**(1,506)**	**(4,106)**
Other comprehensive income		
Foreign currency translation differences for foreign operations	21	38
Other comprehensive income for the period, net of income tax	**21**	**38**
Total comprehensive income (loss) for the period	**(1,485)**	**(4,068)**
Profit (loss) attributable to:		
Owners of the Company	(1,506)	(4,106)
Minority interest	-	-
Profit (loss) for the period	**(1,506)**	**(4,106)**
Total comprehensive income (loss) attributable to:		
Owners of the Company	(1,485)	(4,068)
Minority interest	-	-
Total comprehensive income (loss) for the period	**(1,485)**	**(4,068)**
Earning per share		
Basic earnings per share (in euros)	(0.24)	(0.93)
Diluted earnings per share (in euros)	(0.24)	(0.92)
Earning per share continued operations		
Basic earnings per share (in euros)	(0.24)	(0.09)
Diluted earnings per share (in euros)	(0.24)	(0.09)

*See discontinued operations – note 1.8

Condensed consolidated statement of changes in equity

For the six months ended 30 June 2008

In thousands of euro	*Note*	Attributable to equity holders of the Company											
		Share capital	**Share premium**	**Translation reserve**	**Hedging reserve**	**Fair value reserve**	**Revaluation reserve**	**Reserve for own shares**	**Retained earnings**	**Other legal reserves**	**Total**	**Minority interest**	**Total equity**
Balance at 1 January 2008		8,867	22,709	(4)	-	-	-	-	(27,975)	6,700	10,297	18	10,315
Total comprehensive income (loss) for the period													
Profit or (loss)		-	-	-	-	-	-	-	(4,106)	-	(4,106)	-	(4,106)
Other comprehensive income													
Foreign currency translation differences		-	-	38	-	-	-	-	-	-	38	-	38
Total other comprehensive income		-	-	38	-	-	-	-	-	-	38	-	38
Total comprehensive income (loss) for the period		-	-	38	-	-	-	-	(4,106)	-	(4,068)	-	(4,068)
Transactions with owners, recorded directly in equity													
Changes in ownership interests in subsidiaries that do not result in a loss of control													
Divestment of minority participations		-	-	-	-	-	-	-	-	-	-	(18)	(18)
Total changes in ownership interests in subsidiaries		-	-	-	-	-	-	-	-	-	-	(18)	(18)
Total transactions with owners		-	-	-	-	-	-	-	-	-	-	(18)	(18)
Transfer from other reserves		-	-	-	-	-	-	-	3,237	(3,237)	-	-	-
Balance at 30 June 2008		8,867	22,709	34	-	-	-	-	(28,844)	3,463	6,229	-	6,229

Condensed consolidated statement of changes in equity (continued)

For the six months ended 30 June 2009

In thousands of euro	*Note*	Share capital	Share premium	Translation reserve	Hedging reserve	Fair value reserve	Revaluation reserve	Reserve for own shares	Retained earnings	Other legal reserves	Total	Minority interest	Total equity
		Attributable to equity holders of the Company											
Balance at 1 January 2009		8,867	22,709	(71)	-	-	-	-	(30,956)	3,499	4,048	-	**4,048**
Total comprehensive income (loss) for the period													
Profit or (loss)		-	-	-	-	-	-	-	(1,506)	-	(1,506)	-	**(1,506)**
Other comprehensive income													
Foreign currency translation differences		-	-	21	-	-	-	-	-	-	21	-	**21**
Total other comprehensive income		-	-	21	-	-	-	-	-	-	21	-	**21**
Total comprehensive income (loss) for the period		-	-	21	-	-	-	-	(1,506)	-	(1,485)	-	**(1,485)**
Transactions with owners, recorded directly in equity													
Contributions by and distributions to owners													
Reduction of nominal value of the shares from EUR 2.00 to EUR 0.10 per share	*1.10*	(8,424)	8,424	-	-	-	-	-	-	-	-	-	**-**
Issue of convertible notes (net of tax)	*1.10*	290	580	-	-	-	-	-	-	-	870	-	**870**
Share-based payments	*1.12*	-	-	-	-	-	-	-	120	-	120	-	**120**
Total contributions by and distributions to owners		(8,134)	9,004	-	-	-	-	-	120	-	990	-	**990**
Total transactions with owners		(8,134)	9,004	-	-	-	-	-	120	-	990	-	**990**
Transfer to other reserves		-	-	-	-	-	-	-	(254)	254	-	-	**-**
Balance at 30 June 2009		733	31,713	(50)	-	-	-	-	(32,596)	3,753	3,553	-	**3,553**

Condensed consolidated statement of cash flows for the six months ended 30 June

In thousands of euro

	2009	**2008 restated***
Profit (loss) from operations	(1,385)	(313)
Depreciation and amortization	776	876
Change in inventories and work in progress	85	(83)
Change in trade and other receivables	2,225	1,968
Change in trade and other payables	(513)	249
Change in provisions / employee benefits	(1,593)	(1,020)
Equity settled share based payment	120	-
Interest paid	(119)	(51)
Corporate income tax	10	(36)
Cash flow from (used in) operating activities	**(394)**	**1,590**
Investments:		
Intangible assets	(873)	(734)
Property, plant and equipment	(31)	(72)
Disposals:		
Property, plant and equipment	2	
Sale of subsidiaries (including cash and cash equivalents)	-	(912)
Exchange rate differences	21	27
Cash flow from (used in) investment activities	**(881)**	**(1,691)**
Net proceeds from issue of shares	870	-
Granted loans	(850)	-
Redemption loans	15	-
Cash flow from (used in) financing activities	**35**	**-**
Change in liquid assets	**(1,240)**	**(101)**
Cash and cash equivalents	1,720	1,025
Bank overdraft	-	-
Balance related to assets held for sale	-	-
Balance at 1 January	**1,720**	**1,025**
Cash and cash equivalents	480	2,229
Bank overdraft	-	(1,305)
Balance related to assets held for sale	-	-
Balance at 30 June	**480**	**924**
Change in liquid assets	**(1,240)**	**(101)**

*See discontinued operations – note 1.8

1 Notes to the consolidated interim financial statements

1.1 The company

The company was incorporated on 10 May 1999. Its founders were the shareholders of Blue Fox Enterprises B.V., who brought in the share capital of Blue Fox Enterprises B.V. Blue Fox Enterprises N.V. is a holding company, which holds 100% participations in a number of companies. Blue Fox is a global provider of integrated specialized design, production and planning software for the textile and apparel industry.

Blue Fox Enterprises N.V. (the “Company”) is a company domiciled in The Netherlands. The condensed consolidated interim financial statements of the Company as of and for the six months ended 30 June 2009 comprise the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in associates and jointly controlled entities. The consolidated financial statements of the Group as of and for the year ended 31 December 2008 are available upon request from the Company’s registered office and on the Group’s website www.bluefox.nl.

1.2 Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as of and for the year ended 31 December 2008. These condensed consolidated interim financial statements were approved by the Board of Directors on 26 August 2009.

The interim financial statements are presented in euros, which is the company’s functional currency, rounded to the nearest thousand. They are prepared on the historical cost basis, unless otherwise stated.

1.3 Going concern

For 2009 there are no loans repayable, nor are there bank overdrafts to take into account. It should be noted, however, that the company still finds itself in a challenging financial position with holding costs weighing heavily on operational results. The current market conditions require resourcefulness and good contingency plans. Yet, in the adopted stand-alone scenario, Blue Fox is fit to face these challenges and is expected to be able to respond to market conditions in a swift and adequate way. Based on the Group’s financial position, its assets, its current development of a new line of products (Loft Customer Experience products), and the outlook of the financial performance for the forthcoming year, management is confident that Blue Fox will be able to continue as a going concern.

1.4 Summary of accounting policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as of and for the year ended 31 December 2008.

1.5 Estimates

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. Except as described below, in preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as of and for the year ended 31 December 2008.

1.6 Financial risk management

Credit risk – Financing

As a result of the deteriorating economic circumstances in 2008 and 2009, the Company has experienced difficulties in obtaining credit facilities.

1.7 Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

Blue Fox management uses the operating companies to steer and allocate resources to the different divisions. This leads to the following segmentation:

• NedGraphics EMEA: makes and sells CAD/CAM software and related services for the textile and apparel industry in Europe, Middle East and Asia
• NedGraphics USA: makes and sells CAD/CAM software and related services for the textile and apparel industry in the Americas
• Dynamics Perspective (DPI): sells ERP software and related services for the apparel industry

The 'other' segment comprises the results of the holding. Mentioned segments differ as to products, customers, market approach and business risks. The table below shows the results per segment. Inter-segment pricing is determined on an arm's length basis. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly income-earning assets and revenue, interest-bearing loans, borrowings and expenses, and corporate assets and expenses. The segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

Business segment reporting
in thousands of euros

	EMEA	**USA**	**DPI**	**Other**	**Total**
External revenue	1,765	1,645	440	-	**3,850**
Result before income tax	(524)	(21)	(117)	(842)	**(1,504)**
Total assets	6,209	1,721	327	2,812	**11,069**

1.8 Discontinued operations

The results of the Porini activities have been deconsolidated as of April 2008. With the current segmentation in place, the Porini activities represent an entire segment and therefore, the results of the Porini activities have been recognized under 'discontinued operations' in the income statement. The comparative figures for 2008 have been adjusted accordingly. The income statement below has been re-presented to show the discontinued operations separately from continuing operations.

Results of discontinued operations	
in thousands of euros	
Revenue	1,228
Expenses	1,551
Result on Product Development	62
Profit (loss) from operations	**(261)**
Interest income (expense)	(37)
Income tax expense	13
Minority interest	5
Profit (loss) from operating activities, net of income tax	**(316)**
Gain on sale of discontinued operation	(3,388)
Profit (loss) for the period	**(3,704)**
Basic earnings (loss) per share (€)	(0.84)
Diluted earnings (loss) per share (€)	(0.84)

Cash flows from (used in) discontinued operations	
in thousands of euros	
Net cash from operating activities	316
Net cash from investing activities	(78)
Net cash from financing activities	-
Net cash from (used in) discontinued operations	**238**

Effect of disposal on the financial position of the group	
in thousands of euros	
Property, plant, equipment	(75)
Inventories	(27)
Intangible fixed assets	(3,332)
Trade and other receivables	(3,747)
Cash and cash equivalents	456

Trade and other payables	2,906
Provisions	552
Net assets and liabilities	**(3,267)**
Consideration received, satisfied in cash	(156)
Cash disposed of	456
Net cash outflow	**300**

1.9 Intangible assets

Impairment test for intangible fixed assets

The carrying amounts of the Group's assets, other than inventories and deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill, assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date, or when there is an indication of impairment. An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in the income statement. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units (group of units) and then, to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis. When a decline in the fair value of an available-for-sale financial asset has been recognized directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognized directly in equity is recognized in profit or loss even though the financial asset has not been derecognized. The amount of the cumulative loss that is recognized in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognized in profit or loss.

1.10 Share capital

Share issues

The shares of Blue Fox Enterprises N.V. have been listed on the Official Market of Euronext Amsterdam N.V. since 21 May 1999.

The limited sum received for the Porini activities and the expectations for the second half of 2008 were reasons for Blue Fox to raise additional funding of € 850,000. On an extraordinary meeting of shareholders, held on 12 December 2008, it was decided to raise this capital through a new share issue by means of a convertible loan, with issue price of € 0.30. In order to realize this the nominal value had to be decreased from € 2.00 to € 0.10. Such a decrease is subject to a two-month objection period deferring the actual issue into 2009. Therefore, it was decided to issue a convertible loan of € 850,000 to cover the time between capital requirement and the effectuation of the issue. The loan, with the obligation to convert as soon as the nominal value of the Blue Fox shares had been reduced, had a conversion price of € 0.30 and was fully paid up by Blue Fox' main shareholders. The nominal loan of € 850,000, together with the accrued interest of approximately € 20,000 was converted in shares on 5 March 2009, resulting in the issuance of 2,897,652 new shares.

The number of shares outstanding per 31 December 2008 was 4,433,702 with a nominal value of € 2.00, resulting in a share capital of € 8,867,404 at the end of 2008. After decreasing the nominal value of the Blue Fox shares to € 0.10 and issuing the new shares in 2009, the new share capital as of 30 June 2009 was € 733,135 and the new share premium € 31,712,696.

1.11 Convertible notes

On 5 March 2009 the convertible loan of € 850,000 was converted to shares for a price of € 0.30.

1.12 Share-based payments

During the six-month period ended on 30 June 2009 the Company issued the following share-based payments:

Share option program (equity settled)

Since the shareholders have asked an extra effort of the management and key personnel, the Company established a share option program on 25 May 2009 that entitles management and key personnel to purchase shares in the Company. The terms and conditions relating to these grants of the share option are as follows; all options are to be settled by physical delivery of shares:

During the years 2009-2011, options are granted to key management based on performance criteria as set by the supervisory board of the Company. There is a separate plan for management ("Plan C") and key personnel ("Plan D"). The basis of the plan is that the Company will issue a maximum of 30% of the outstanding shares available to: the management 20% ("Plan C") and key personnel 10% ("Plan D"). Both option plans are divided into several packages. Each package will be granted if the Group reaches certain targets. Targets have been set for the years 2009, 2010 and 2011 as defined in the remuneration policy.

For Plan C, the first package was granted to the management in June 2009 and the content of that package consists of 5% of the outstanding shares of the Company. The remaining option packages will be granted on the following dates: 30 December 2009, 30 December 2010, and 30 December 2011.

In accordance with this program, options are exercisable at the average price of shares of the Company during a period 15 trading days before and 15 trading days after 27 November 2008.

The options issued the Board of Directors in June 2009 had a fair value of approximately € 120,000 and the compensating costs have been recognized in the six-months period ended 30 June 2009.

The fair value of services received in return for share options granted is based on the fair value *47(a)(i), IAS 1.125* of share options granted, measured using the Black-Scholes formula.

1.13 Subsequent events

Issuance of shares

On 20 July 2009, the general meeting of shareholders accepted the resolution regarding the issue of 2,500,000 new shares to existing shareholders and management board at € 0.40 per share. The Company's total outstanding shares after the issuance is 9,831,354, the new share capital € 983,135 and new share premium € 32,462,696.

Interest-bearing loans and borrowings

On 25 June 2009 the € 2.1 million loan agreement with Dinvest Holding II B.V. was amended subject to approval of the shareholders. On 20 July 2009, the general meeting of the shareholders accepted the amended agreement with Dinvest.

The amendment states that a maximum of € 550,000 of the loan can be converted for shares at the highest of € 0.40 per share or the average stock exchange rate of the last 5 trading days before the conversion date with a discount of 29.80%, and that the interest rate on the € 2.1 million loan has been reduced to 6%. The conversion right is conditional that the remainder of the loan has to be repaid at the conversion date. The conversion right will lapse at 31 December 2010. If not exercised before 1 July 2010 the interest rate on the € 2.1 million loan will retroactively be increased from 6% to 8.50% till 1 July 2010 and 10% from 1 July 2010 until 31 December 2010.