Report of the Board of Directors

First Half 2010

In the first half of 2010, NedSense enterprises n.v. (the 'Company') has performed on par with expectations, with results strongly improved as compared to the first half of 2009. The textile and apparel markets, in which we primarily operate, experienced an improved economic climate.

The Company continues to deploy the business plan launched in 2009, based on a value triangle with four components: revenue growth, performance improvement, sustainability, and market development. In addition, the Company's existing and extensive know-how is being successfully leveraged in our new LOFT division, along with the solid reputation of our NedGraphics division. We are confident that the Company will overcome the challenges ahead, and lead the market with its innovative solutions.

In June of 2010, an agreement was reached with the Company's major shareholders and new investors on a private issuance of shares in July 2010, and the credit facility was renegotiated with the Company's financier. This stronger capital structure is required to finance and facilitate the strategic growth plan to bring the LOFT start-up division to its full potential. NedSense agreed a share price of €0.40 per share for the issuance in order to obtain extra capital of €1,500 thousand.

NedSense and its financier agreed to extend the repayment terms of the loan, and to cancel the option to convert a portion of the outstanding loan of €2,100 thousand into NedSense shares. The loan is now repayable as follows: €500 thousand by 1 January 2012, €1,000 thousand by 1 January 2013, and €600 thousand by 31 December 2013.

LOFT™. From initial concept in April 2009 to market release in September 2009, LOFT continues to develop rapidly in 2010. The LOFT customer experience engine, using 3D scan technology, enables customers to speed their concept-to-market processes online, and is poised to become an essential internet tool. In 2010, the division will be launched in the U.S. to help meet the demand for greater creativity and flexibility in using the internet as a medium with our technologies that boost company revenue.

Financial results. NedSense ended the first half of 2010 with a net loss of €658 thousand (first half 2009: €1,506 thousand loss). The improved result of the first half of 2010 was mainly due to a 17% increase in net revenue and a 6% decrease in operating expenses as compared to the first half of 2009. This decrease in operating expenses has been achieved despite the additional expenses of developing the new

LOFT division. The operating result for the first half of 2010 amounted to €423 thousand negative (first half 2009: €1,385 thousand negative).

The activities of the Company include the CAD/CAM activities of NedGraphics, the ERP/PLM activities of Dynamics Perspective, and the recently launched LOFT customer experience division.

In the first half of 2010, net revenue of NedGraphics increased by 16% to €3,962 thousand (first half 2009: €3,410 thousand), driven by a 61% increase in software sales as a result of the new go-to-market strategy and improving economic business conditions. The increase in revenue had an immediate impact on the segment's earnings before tax, which increased from €545 thousand loss in the first half of 2009 to a profit of €209 thousand in the first half of 2010.

The revenue from the ERP activities of Dynamics Perspective increased from €440 thousand in the first half of 2009 to €474 thousand in the first half of 2010. The segment's earnings before tax increased from €116 thousand loss in the first half of 2009 to a profit of €55 thousand in the first half of 2010.

The start-up LOFT activities are currently included with the holding company in the segment Other. The revenue for this segment has increased to €58 thousand in the first half of 2010 from €0 in the first half of 2009. Segment earnings before tax decreased from €843 thousand loss in the first half of 2009 to €900 thousand loss in the first half of 2010 largely as a result of a €103 thousand charge to net finance costs to reflect the revised terms of the renegotiated loan of €2,100 thousand including cancellation of the conversion option valued at €103 thousand in December 2009. Operating expenses of this segment in the first half of 2010 included €127 thousand for share-based, equity settled payments (first half 2009: €120 thousand).

Cash flow: The operational cash flow in the first half of 2010 amounted to €686 thousand positive (first half 2009: €394 thousand negative). The increase from the first half of 2009 is mainly due to the increased revenue and decreased operating expenses. The cash flow from investments in the first half of 2010 was €1,054 thousand negative (first half 2009: €881 thousand negative). The decline in the first half of 2010 is mainly due to US$ / € exchange rate fluctuations and the effect on the carrying value of US subsidiaries. The cash flow from financing in the first half of 2010 was €0 (first half 2009: €35 thousand positive). The total change in cash and cash equivalents in the first half of 2010 amounted to €368 thousand negative (first half 2009: €1,240 thousand negative).

Balance sheet. From 31 December 2009 fixed assets increased from €8,638 thousand to €8,792 thousand. This increase is mainly due to the capitalization of developed software for the new LOFT product line launched in September 2009.

Due to the negative results in the past few years, NedSense has losses that may be carried forward. These tax assets are not capitalized in the balance sheet as management is currently not certain that sufficient taxable profits will be made in the near future to realize the value of these tax assets.

Shareholders' equity decreased from €4,316 thousand as of 31 December 2009 to €3,689 thousand as of 30 June 2010. This €627 thousand decrease is mainly caused by the net loss in the first half of 2010 of €658 thousand, the foreign currency translation differences resulting from US$ / € exchange rate fluctuations and their effect on the carrying value of US subsidiaries, and the €127 thousand for share-based, equity settled compensation expenses. As a result of these changes, solvency decreased to 33.3% at 30 June 2010, from 34.1% at 31 December 2009.

The number of outstanding ordinary shares, with a nominal value of €0.10 each, was 9,831,354 as of 30 June 2010.

Outlook. In the second half of 2010, we continue the deployment of the third phase of our value triangle business plan, working toward expanding within and beyond our current markets, and toward inventing, dictating and defining our future. We continue to refine our plan, adjusting to global conditions as we implement, balancing revenues and costs, and using contingency measures where necessary.

We expect the Company, with the exception of the LOFT division, to be break-even by the end of 2010. We also expect our investments in research and development to continue at the same pace for the rest of 2010. No major changes in the composition of the Company's workforce, with the exception of the LOFT division, are planned. For the start-up LOFT division, we expect to further grow the workforce in the second half of 2010 to fuel the sales funnel and to accelerate product developments.

Our strategy is to continue to develop our sales and marketing efforts, maintain our market knowledge, and sustain our customer base and maintenance contracts, while looking for more opportunities to expand beyond the niche in which we currently operate. We're building on our knowledge heritage, and investing in this knowledge, so that we can innovate, lead, and create true economic value for our customers.

Pieter Aarts
Jan-Hein Pullens
Vianen, 30 August 2010

Board of Directors' statement on the condensed consolidated half-yearly financial statements and the interim management report

We have prepared the half-yearly financial report 2010 of NedSense 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 it is our opinion that the condensed financial statements in this half-yearly financial report 2010 give a true and fair view of our assets and liabilities, financial position at 30 June 2010, and of the result of our consolidated operations for the first half year of 2010.

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 NedSense 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 NedSense enterprises n.v., and its undertakings.

Vianen, 30 August 2010

The Board of Management

Pieter Aarts, *Chief Executive Officer*

Jan-Hein Pullens, *Chief Operating Officer*

Condensed consolidated statement of financial position

In thousands of euro

	Notes	30 June 2010	31 December 2009
Assets			
Property, plant, and equipment	8	147	118
Intangible fixed assets	9	8,645	8,520
Total non-current assets		8,792	8,638
Inventories		14	5
Work in progress		75	99
Trade and other receivables		1,808	3,184
Corporate income tax		3	1
Cash and cash equivalents		379	747
Total current assets		2,279	4,036
Total assets	7	11,071	12,674
Equity			
Issued capital	10, 14	983	983
Share premium	10, 14	32,463	32,463
Legal reserves		4,325	4,131
Translation reserves		(138)	(42)
Retained earnings	11, 12	(33,944)	(33,219)
Total equity		3,689	4,316
Liabilities			
Interest-bearing loans and borrowings	11	2,100	0
Employee benefits		97	88
Total non-current liabilities		2,197	88
Interest-bearing loans and borrowings	11	0	1,997
Trade and other payables		2,045	2,218
Deferred income		3,104	4,055
Corporate income tax		36	0
Total current liabilities		5,185	8,270
Total liabilities		7,382	8,358
Total equity and liabilities		11,071	12,674

The notes are an integral part of these condensed consolidated financial statements

Condensed consolidated statement of comprehensive income

For the six months ended 30 June

In thousands of euro

	Notes	2010	2009
Continuing operations			
Net revenue	7	4,494	3,850
Cost of sales		(128)	(167)
Gross profit		**4,366**	**3,683**
Wages and salaries	13	2,599	2,713
Social security charges		592	462
Amortization and depreciation		804	776
Other operating costs	13	1,643	1,844
Capitalized production		(849)	(727)
Profit (loss) from operations		**(423)**	**(1,385)**
Finance income		2	31
Finance costs		(215)	(150)
Net finance costs		**(213)**	**(119)**
Profit (loss) before income tax	7	**(636)**	**(1,504)**
Income tax expense		22	2
Profit (loss) from continuing operations		**(658)**	**(1,506)**
Other comprehensive income			
Foreign currency translation differences for foreign operations		(96)	21
Other comprehensive income (loss) for the period, net of income tax		**(96)**	**21**
Total comprehensive income (loss) for the period		**(754)**	**(1,485)**
Profit (loss) attributable to:			
Owners of the Company		(658)	(1,506)
Profit (loss) for the period		**(658)**	**(1,506)**
Total comprehensive income (loss) attributable to:			
Owners of the Company		(754)	(1,485)
Total comprehensive income (loss) for the period		**(754)**	**(1,485)**
Earnings per share			
Basic earnings per share (in euros)		(0.07)	(0.24)
Diluted earnings per share (in euros)		(0.06)	(0.24)
Earnings per share continued operations			
Basic earnings per share (in euros)		(0.07)	(0.24)
Diluted earnings per share (in euros)		(0.06)	(0.24)

The notes are an integral part of these condensed consolidated financial statements

Condensed consolidated statement of changes in equity

For the six months ended 30 June 2009

In thousands of euro

	Notes	Attributable to equity holders of the Company					
		Share capital	Share premium	Translation reserve	Retained earnings	Other legal reserves	Total equity
Balance at 1 January 2009		8,867	22,709	(71)	(30,956)	3,499	4,048
Total comprehensive income (loss) for the period							
Profit or (loss)		0	0	0	(1,506)	0	(1,506)
Other comprehensive income							
Foreign currency translation differences		0	0	21	0	0	21
Total other comprehensive income		0	0	21	0	0	21
Total comprehensive income (loss) for the period		0	0	21	(1,506)	0	(1,485)
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Reduction of nominal value of the shares from € 2.00 to € 0.10 per share		(8,424)	8,424	0	0	0	0
Issue of convertible notes (net of tax)		290	580	0	0	0	870
Share-based payments	12	0	0	0	120	0	120
Total changes in ownership interests in subsidiaries		(8,134)	9,004	0	120	0	990
Total transactions with owners		(8,134)	9,004	0	120	0	990
Transfer from other reserves		0	0	0	(254)	254	0
Balance at 30 June 2009		733	31,713	(50)	(32,596)	3,753	3,553

The notes are an integral part of these condensed consolidated financial statements

Condensed consolidated statement of changes in equity

For the six months ended 30 June 2010

In thousands of euro

	Notes	Attributable to equity holders of the Company					
		Share capital	Share premium	Translation reserve	Retained earnings	Other legal reserves	Total equity
Balance at 1 January 2010		983	32,463	(42)	(33,219)	4,131	4,316
Total comprehensive income (loss) for the period							
Profit or (loss)		0	0	0	(658)	0	(658)
Other comprehensive income							
Foreign currency translation differences		0	0	(96)	0	0	(96)
Total other comprehensive income		0	0	(96)	0	0	(96)
Total comprehensive income (loss) for the period		0	0	(96)	(658)	0	(754)
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Share-based payments	12	0	0	0	127	0	127
Total contributions by and distributions to owners		0	0	0	127	0	127
Total transactions with owners		0	0	0	127	0	127
Transfer from other reserves		0	0	0	(194)	194	0
Balance at 30 June 2010		983	32,463	(138)	(33,944)	4,325	3,689

The notes are an integral part of these condensed consolidated financial statements

Condensed consolidated statement of cash flows

For the six months ended 30 June

In thousands of euro

	2010	2009
Profit (loss) from operations	(423)	(1,385)
Adjustments for:		
Amortization and depreciation	804	776
Change in inventories and work in progress	15	85
Change in trade and other receivables	1,376	2,225
Change in trade and other payables	(173)	(513)
Change in provisions and employee benefits	9	16
Change in deferred income	(951)	(1,609)
Equity settled share based payment	127	120
Net finance costs	(110)	(119)
Corporate income tax	12	10
Cash flow from (used in) operating activities	686	(394)
Investments:		
Intangible fixed assets	(883)	(873)
Property, plant, and equipment	(70)	(31)
Disposals:		
Property, plant, and equipment	0	2
Exchange rate differences	(101)	21
Cash flow from (used in) investment activities	(1,054)	(881)
Net proceeds from issue of shares	0	870
Granted loans	0	(850)
Redemption loans	0	15
Cash flow from (used in) financing activities	0	35
Change in liquid assets	(368)	(1,240)
Cash and cash equivalents	747	1,720
Balance at 1 January	747	1,720
Cash and cash equivalents	379	480
Balance at 30 June	379	480
Change in liquid assets	(368)	(1,240)

The notes are an integral part of these condensed consolidated financial statements

Notes to the condensed consolidated interim financial statements

1. Reporting entity

NedSense enterprises n.v. formerly known as Blue Fox Enterprises N.V. (the "Company") is domiciled in the Netherlands with registered office at Ir. D.S. Tuijmanweg 10, 4131 PN Vianen, the Netherlands. The condensed consolidated interim financial statements of the Company as of and for the six months ended 30 June 2010 comprise the Company and its subsidiaries (together referred to as the "Group"). The Company is a holding company which holds 100% of companies providing integrated, specialized design, production, and planning software to the global textile and apparel industries. In January 2010, the Company legally changed its name to NedSense enterprises n.v.

The consolidated financial statements of the Group as of and for the year ended 31 December 2009 are available at www.nedsense.com.

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 2009.

These condensed consolidated interim financial statements were approved by the Board of Directors on 30 August 2010.

3. Going concern

For 2010 the loan repayable to Dinvest Holding II B.V. has been successfully renegotiated, deferring repayment until 2012 through 2013. There are no bank overdrafts or credit lines. Financial conditions have been improving strongly in 2010 and the Company is prepared to respond to market conditions swiftly and adequately. Based on the Group's financial position, assets, current development of the new line of products (Loft Customer Experience products), and the outlook of the financial performance for the forthcoming year, management is confident that the Company will be able to continue as a going concern.

4. Significant 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 2009. These condensed consolidated interim financial statements are not audited.

Management has analyzed new IFRS standards and determined that they do not impact the Group.

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.

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 2009.

6. Financial risk management

Credit risk – Financing

As a result of difficult economic circumstances, the Company has experienced difficulties in obtaining credit facilities.

Other aspects of the Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as of and for the year ended 31 December 2009.

7. Operating segments

Information about reportable segments
For the six months ended 30 June

	NedGraphics		DPI		Other		Total	
In thousands of euro	2010	2009	2010	2009	2010	2009	2010	2009
External revenues	3,962	3,410	474	440	58	0	4,494	3,850
Segment profit (loss) before income tax	209	(545)	55	(116)	(900)	(843)	(636)	(1,504)
Total assets*	9,122	7,825	121	327	1,828	2,917	11,071	11,069

**as of 30 June 2010 and 31 December 2009*

8. Property, plant and equipment

Acquisitions and disposals

During the six months ended 30 June 2010 the Group acquired assets with a cost of €70 thousand (six months ended 30 June 2009: €31 thousand).

No assets with a carrying amount were disposed of during the six months ended 30 June 2010 (carrying amount disposed of during the six months ended 30 June 2009: €2 thousand). No gains or losses on disposals were realized during the six months ended 30 June 2010 or 30 June 2009.

9. Intangible fixed assets

Investments for the six months ended 30 June 2010 include capitalized production of €849 thousand (six months ended 30 June 2009: €728 thousand) and third party expenses of €34 thousand (six months ended 30 June 2009: €145 thousand).

10. Share capital

Issuance of ordinary shares

On 30 June 2010 an Extraordinary General Meeting of Shareholders decided on the issuance of 3,749,990 ordinary shares at an exercise price of €0.40 per share (2009: nil). All shares were issued and fully paid in July 2010.

11. Loans and borrowings

In June 2010 the €2,100 thousand loan agreement with Dinvest Holding II B.V. was again amended, and this amendment was approved by the shareholders at the extraordinary meeting of shareholders in June 2010. This new amendment deletes the changes made in the amendment of June 2009. In addition, the new amendment states that:

- the interest rate will be retroactively increased from 6% to 8.5% for the period 9 July 2009 through 30 June 2010;
- the interest rate payable will be 8% effective 1 July 2010;
- the loan is to be repaid according to the following schedule:
    - 1 January 2012 €500 thousand
    - 1 January 2013 €1,000 thousand
    - 31 December 2013 €600 thousand;
- additional interest at the rate of 2% will be paid at the time of each repayment, on the amount repaid, for the period 1 July 2010 through the date of repayment, if the loan is repaid according to the schedule;
- additional interest at the rate of 1% will be paid at the time of each repayment, on the amount repaid, for the period 1 July 2010 through the date of repayment, if the loan is repaid in advance of the schedule; and
- no additional interest will be paid at the time of repayment, if the entire loan is repaid no later than 31 December 2011.

The interest increase of 2.5% for the period 9 July 2009 through 30 June 2010 has been recognized in these condensed consolidated interim financial statements as of and for the period ending 30 June 2010.

The deletion in June 2010 of the amendment of June 2009 removed the option to convert any portion of the loan to shares. The 31 December 2009 derivative conversion option fair value of €103 thousand positive has therefore been reduced to zero, and the carrying amount of the loan as of 30 June 2010 has increased to €2,100 thousand. Finance costs in profit and loss were increased by the same amount.

12. Share-based payment

At 30 June 2010 the Group has the following share-based payment arrangements:

Share option program (equity settled)

Plan C (Management)

For Plan C, in 2009 the first package (in June 2009), amounting to 5% of the outstanding shares of the Company, was granted to management. 50% of the second package (in December 2009), amounting to 2.5% of the outstanding shares of the Company, was granted to management by formal approval of the Supervisory Board and Shareholders at the Annual General Meeting of Shareholders in May 2010. The remaining option packages may be granted on the following dates after approval by the supervisory board: 31 December 2010 (5% of outstanding shares) and 31 December 2011 (5% of outstanding shares). These options have a remaining vesting period of 18 months (until 31 December 2011).

The expected costs of the Plan C options are valued using the Black-Scholes model and amortized over the vesting period, resulting in an expense in the current period of approximately €127 thousand.

Plan D (Key employees)
For Plan D, in 2009 the first package was granted to key employees by formal approval of the Supervisory Board and Shareholders at the Annual General Meeting of Shareholders in May 2010. The content of this package consists of 3% of the outstanding shares of the Company. The remaining option packages may be granted on the following dates after approval by the supervisory board: 31 December 2010 (3% of outstanding shares) and 31 December 2011 (4% of outstanding shares). These options have a vesting period of 3 years.

In accordance with this program, options granted in 2009 are exercisable at the average price of shares of the Company during a period of 15 trading days that starts on the second day of trading after the Annual General Meeting of Shareholders on 25 May 2010. The average closing share price in the period 27 May 2010 through 17 June 2010 was €0.46, which is the exercise price for the options granted in 2009.

The expected costs of the Plan D options are valued using the Black-Scholes model and amortized over the vesting period. As these options have not yet begun to vest, there is no expense in the current period.

13. Adjusted for comparison purposes

Other staff costs in 2009 have been moved from Wages and salaries to Other operating costs for a better comparison with 2010.

14. Subsequent events

Issuance of shares

Subsequent to the Extraordinary General Meeting of Shareholders on 30 June 2010 approving the issuance of 3,749,990 ordinary shares at an exercise price of €0.40 per share, all shares were issued and fully paid in July 2010. The Company's total outstanding shares after the issuance is 13,581,344, the new share capital €1,358,134 and new share premium €33,477,322 net of transaction costs of approximately €110 thousand.