

Press release

BLUE FOX FIRST-HALF RESULTS 2008

Vianen, 01 September 2008

Key figures first-half results 2008

- **Net loss € 4.1 million (H1 2007: a profit of € 5.8 million), mainly due negative result on the sale of Porini**
- **Operating result of continued activities improved to a loss of € 0.6 million (H1 2007: loss of €1.0 million) as a result of the reduction of holding costs**
- **Revenue of continued activities down 10% compared with the same period of last year**
- **Exploratory conversations with potential buyers have so far not yielded results**

Key figures H1 2008			
(x € 1 million unless stated otherwise)	H1 2008	H1 2007 adj	H1 2007
Net revenue	6,3	7,0	18,2
Operating result	-0,6	-1,0	-0,3
Net result	-4,1	5,2	5,8
Cash flow	0,5	6,5	6,5
Earnings per share (€)	-0,93	1,48	1,65
	30 Jun. 2008		31 Dec. 2007
Solvency	39,7%		47,6%

1) *The comparable figures for the first half of 2007 have been adjusted for completed disinvestments. The results of the activities of CAD/GIS and Pollux have been excluded from the comparable figures entirely and the results of Porini (disinvested as per 1 April 2008) have been included in the profit and loss account for the period January through March.*

Course of events in the first half of 2008

As previously announced, Blue Fox Enterprises N.V. (Blue Fox) has a two-track policy with respect to scenarios for the future. It focuses on an independent continuation of operations, while at the same time exploring the possibilities of a buy-and-build strategy or the sale of additional operations. Conversations are ongoing with a number of parties in this context.

During the extraordinary general meeting of shareholders (EGM) on 29 April last, the shareholders approved the sale of Porini. The continuing financing needs laid such a claim on the working capital of the other Blue Fox activities that further investments in Porini could no longer be justified. Blue Fox believes that Porini's potential with respect to the Microsoft software can be exploited better now that Porini has become part of the Italian holding company Gruppo 300sessanta. Following this sale, only one operating company (Dynamics Perspective) remains in the field of ERP software. This is a small activity which has no material effect on the results.

Blue Fox's other core activity, the CAD/CAM software of Nedgraphics, recorded a positive result in the first half of 2008. However, revenue in the eastern European and Asian markets in particular was disappointing. Several measures have been introduced which will allow Nedgraphics to operate more effectively in those areas. The cost-reduction measures introduced in 2006 and 2007 limited the operational costs to the level of the first half of 2007, which is in line with expectations.

Financial overview

Results

In the first half of 2008, Blue Fox recorded a net loss of € 4.1 million (H1 2007: € 5.8 million positive). The net result comprises primarily the € 3.4 million negative result on the sale of Porini and an operating loss of € 0.6 million (H1 2007: € 1.0 million negative).

The results of Porini have been consolidated in the Blue Fox figures for the months January through March. In that period, Porini booked revenue of € 1.2 million (H1 2007: € 1.1 million), with an operating loss of € 0.2 million (H1 2007: € 0.3 negative). A limited acquisition sum has been agreed for Porini and the buyer has taken on the bank debts of the operating company. The € 3.4 million negative result on the transaction relates primarily to the software developed in-house.

The continued core activity of Blue Fox, the CAD/CAM software of Nedgraphics, had a difficult first half of the year. The CAD/CAM division saw its revenue drop by € 0.7 million compared to the same period of last year. Despite the revenue drop, the division was still able to record a net profit of € 0.4 million (H1 2007: € 1.0 million). Costs remained at the same level as in 2007.

Although the holding costs were lower in the first half of 2008 than in the previous year, these costs remained relatively high in view of the size of the company. Following the sale of Porini, the holding has been reduced to a small but effective team, which has greatly reduced the costs and that is more in proportion to the size of the remaining activities.

Cash flow, investments and financing

In the first half of 2008, total cash flow was € 0.5 million (H1 2007: € 6.5 million). Despite the operating loss, operational cash flow in the first half of 2008 was positive at € 1.4 million (H1 2007: € 1.4 million). As a result of the small positive cash flow from the sale of Porini and the investment in software developed in-house, the cash flow from investments was € 0.9 million negative on balance (H1 2007: € 5.6 million positive).

Balance sheet

Fixed assets fell to € 9.6 million from € 13.0 million, primarily due to the sale of the software developed in-house which was part of the sold-off Porini activities.

Due to the negative results in the past few years, Blue Fox has losses that may be carried forward. To the extent that this deferred tax asset due to losses carried forward exceeds the deferred tax liabilities (on balance approximately € 5.1 million), these are not valued, since there is no certainty that they may be compensated in the near future with taxable profits.

Shareholders equity dropped to € 6.2 million as per 30 June 2008, from € 10.3 million at year-end 2007. The drop of € 4.1 million represents the net loss of the first half of 2008. This reduced the solvency ratio to 39.7% (47.6% at year-end 2007).

Outlook

Following the sale of Porini, the holding costs have been reduced to a level that is more appropriate to the size of our company. In view of the level of the holding costs in the first months of 2008, these costs will continue to have a disproportionate effect of the operating result for the full year. The remaining activities have a positive cash flow, which make a stand-alone scenario also an option for Blue Fox.

For more information:

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Addenda:

- Consolidated balance sheet as of 30 June 2008
- Consolidated profit and loss account for the first half of 2008
- Consolidated cash flow statement for the first half of 2008
- Shareholders equity, capital and reserves

The valuation principles are available on the Blue Fox Enterprises N.V. website (www.bluefox.nl)

Consolidated balance sheet

As per June 30th, 2008 (before appropriation of result)

(in thousands of euros)

	<u>30 Jun. 2008</u>	<u>31 Dec. 2007</u>
Non-current assets	9.619	13.049
Current assets	6.063	8.590
Total assets	15.682	21.639
Equity attributable to equity holders of the parent	6.229	10.297
Minority interest	-	18
Total equity	6.229	10.315
Non-current liabilities	1.566	2.130
Current liabilities	7.887	9.194
Total liabilities	9.453	11.324
Total equity and liabilities	15.682	21.639

Consolidated profit and loss account for H1 2008

(in thousands of euros)

	H1 2008	H1 2007 adj. ¹⁾	H1 2007
Net revenue	6.286	6.954	18.203
Other operating income	-	-	130
Total operating income	6.286	6.954	18.333
Raw materials and consumables used	405	510	7.778
Changes in inventories	13	-20	680
Wages and salaries	3.989	4.487	6.542
Social security charges	691	687	1.009
Amortization and depreciation	1.172	1.119	1.501
Other operating costs	1.669	2.064	2.645
Capitalized production	-1.079	-904	-1.496
Total operating costs	6.860	7.943	18.659
Operating result	-574	-989	-326
Financial income	32	101	106
Financial expenses	-120	-315	-366
Result from sale of subsidiaries	-3.388	6.468	6.468
Result before income tax	-4.050	5.265	5.882
Income tax expense	-51	-78	-36
Result for the period	-4.101	5.187	5.846
Attributable to:			
Equity holders of the parent company	-4.106	5.193	5.864
Minority interest	5	-6	-18
	-4.101	5.187	5.846
Basic earnings per share (in euros)	-0,93	1,48	1,65
Diluted earnings per share (in euros)	-0,92	1,47	1,61

1) The comparable figures for the first half of 2007 have been adjusted for completed disinvestments. The results of the activities of CAD/GIS and Pollux have been excluded from the comparable figures entirely and the results of Porini (disinvested as per 1 April 2008) have been included in the profit and loss account for the period January through March.

Consolidated cash flow statement

(in thousands of euros)

	H1 2008	H1 2007
Operating result	-574	-326
Depreciation and amortization	1.172	1.501
Change in inventories and work in progress	-79	77
Change in trade and other receivables	100	-1.971
Change in trade and other payables	912	3.573
Changes in provisions/employee benefits	-13	-1.222
Interest paid	-110	-269
Corporate income tax	-43	-11
Cash flow from operating activities	1.365	1.352
Investments:		
Intangible assets	-1.079	-1.508
Property, plant and equipment	-74	-79
Disposals:		
Property, plant and equipment	-	35
Other investments	-	-
Sale of subsidiaries (including cash and cash equivalents)	222	7.065
Exchange rate differences	38	43
Cash flow from investment activities	-893	5.556
Net proceeds from issue of shares	-	2.425
Granted loans	-	-
Redemption loans	-	-2.879
Cash flow from financing activities	-	-454
Change in liquid assets	472	6.454
Cash and cash equivalents	1.059	3.747
Bank overdraft	-607	-7.448
Balance at 1 January	452	-3.701
Cash and cash equivalents	2.229	3.427
Bank overdraft	-1.305	-674
Balance at 30 June	924	2.753
Change in liquid assets	472	6.454

Shareholders' equity

(in thousands of euros)

	Share capital	Share premium	Legal reserves	Translation reserves	Accumulated deficit	Unallocated current year's result	Total	Minority Interest	Total equity
Balance as at 1 January 2007	7.024	22.128	8.060	-52	-27.380	-6.560	3.220	48	3.268
Issue of new shares	1.843	581	-	-	-	-	2.424	-	2.424
Other movements	-	-	-	-	-11	-	-11	-13	-24
Appropriation of result	-	-	-	-	-6.560	6.560	-	-	-
Exchange rate differences participations	-	-	-	48	-	-	48	-	48
Transfer from other reserves	-	-	-1.360	-	1.360	-	-	-	-
Result financial year	-	-	-	-	-	4.616	4.616	-17	4.599
Balance as at 31 December 2007	8.867	22.709	6.700	-4	-32.591	4.616	10.297	18	10.315
Issue of new shares	-	-	-	-	-	-	-	-	-
Divestment of minority participations	-	-	-	-	-	-	-	-23	-23
Other movements	-	-	-	-	11	-	11	-	11
Appropriation of result	-	-	-	-	4.616	-4.616	-	-	-
Exchange rate differences participations	-	-	-	27	-	-	27	-	27
Transfer from other reserves	-	-	-3.237	-	3.237	-	-	-	-
Result financial year	-	-	-	-	-	-4.106	-4.106	5	-4.101
Balance as at 30 June 2008	8.867	22.709	3.463	23	-24.727	-4.106	6.229	-	6.229