NEDSENSE

enterprises n.v.

ANNUAL REPORT

2009

Please note that while this annual report refers to the company as NedSense enterprises n.v. (NedSense), the operating name in the reported year 2009 was still officially Blue Fox Enterprises N.V. (Blue Fox).

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001 Message from the CEO

Dear Stakeholder,

The past year has been both exciting and demanding as the first stages of the transition from Blue Fox to NedSense were completed. The results of a new creative and proactive mindset were soon apparent as innovation and sales initiatives took on the generally slow business conditions of the textile and apparel industry. Successes included the development and launch within just six months of a totally new technology for the home decoration, interior design, and retail market, and the signing up of its first customers. What's more, an organizational change has made the company more effective and more able to draw on its knowledge heritage, so that we can better reach out to our partners in the market.

Throughout 2009, the NedSense company strategy focused on a four-component value triangle, comprising revenue growth, performance improvement, sustainability and market development. As 2009 progressed, NedGraphics took on the core of the responsibility for market development as it worked on new product and market initiatives. Meanwhile, NedSense changed its structure to that of a centralized networked organization, developing its collaboration with clients, development partners, and universities and cultivating an ambassador network. The successful emission of new shares and the renegotiation of the financers' loan helped finance this transition and strengthened the working capital.

In September 2009, we launched LOFT™, a new technology platform that enables our clients to interact more closely with their customers by providing tools such as an online showroom experience. It offers designers and manufacturers opportunities to develop new product-market combinations, and will enhance their ability to anticipate future trends in lifestyles and customer choices. The first sale of the design platform was made within a month of the launch, and initial interest from the market has been enthusiastic.

The success of LOFT™ has provided the inspiration for further developments that will take NedSense beyond its niche market of software for the textile and apparel industry,

NedSense is better able to reach out to its partners in the market and into providing solutions for a diversity of needs. With a company heritage stretching back over 30 years, we possess the skills and knowledge to spread our wings in all areas of software solutions for the textile and apparel industry. We are proud of the strong foundations NedSense is built upon. Now we are working on building a strong structure and future-proof portfolio.

On behalf of the Board of Directors, I would like to thank our stakeholders for their commitment. Their constant efforts and trust over this past period have been of great value to us as the market slowly emerges from the recession, and NedSense launches its new philosophy and strategy. We would also like to thank our clients, business partners, Supervisory Board and employees for their contribution and loyalty. We are looking forward to continuing fruitful relationships and exploring new partnerships.

Vianen, April 26, 2010

Pieter Aarts, Chief Executive Officer

NedSense is built on strong foundations

Now we're also building a strong structure and future-proof portfolio

002 Key figures

	2009	2008
Results from continued operations (in thousands of euros)		
Net revenue	**8.123**	9.809
Operating result	**(1.574)**	(2.268)
Net result	**(1.680)**	(6.182)
Cash flow	**(973)**	1.268
Employees (in FTE's)		
Average number of staff in continued operations, including staff hired out	**112**	120
Balance sheet information (in thousands of euros)		
Balance sheet total	**12.674**	14.520
Shareholders' equity	**4.316**	4.048
Guarantee capital	**4.316**	4.898
Ratios (in %)		
Operating result / net revenue	**(19,4)**	(23,1)
Net result / net revenue	**(20,7)**	(63,0)
Solvency (based on guarantee capital)	**34,1**	33,7
Liquidity	**1,0**	1,7
Figures per share (amounts in euros)		
Average number of shares outstanding	**7.884.917**	4.433.702
Result per share	**(0,21)**	(1,39)
Cash flow per share	**(0,12)**	0,29


CREATES

003 Profile

003 Profile

Our profile

NedSense is a global provider of high-quality software solutions and services for manufacturers and designers of the products, designs and brands which surround us in our day-to-day lives, from fashion items and accessories to carpets and other woven materials.

The NedSense portfolio ranges from market leading CAD CAM technology to the recently announced LOFT™ platform. Our aim is to offer solutions that make sense and create tangible value to the commercial activities of existing and new customers.

History

NedSense was founded as Blue Fox in early 1999 and has been listed at Euronext Amsterdam NV since 21 May 1999. The company grew rapidly as a result of its buy-and-build strategy until it encountered financial challenges in 2006. As a means of thwarting these challenges, the company initiated a new strategic direction and disposed of non-core activities. In 2009, Blue Fox underwent a complete transformation program to prepare the company, and our market, for a new era as NedSense.

Current situation

NedSense enterprises n.v. serves more than 3.500 customers through a global network of over 42 resellers and agents. Its 14 offices are ideally located in the leading textile, fashion and production centers of the world.
Blue Fox Enterprises N.V. changed its name to NedSense enterprises n.v. in January 2010 following a major organizational and cultural transformation in 2009. As the operating company, NedSense has three main wholly owned subsidiaries, namely NedSense NedGraphics b.v., NedSense LOFT b.v. and Dynamics Perspective Inc.

Our mission

In today's experience economy, customer experiences are transformed when reality transcends into virtuality and back into reality. It is this transformation that creates economic value for designers, producers, retailers, resellers and consumers. NedSense is cultivating a leading role in providing innovative IT solutions that orchestrate these experiences for its customers.

Our mission is to provide solutions that make sense and create tangible value to

NedGraphics is the only supplier of completely integrated software solutions for the global textile and apparel industry the commercial activities of our customers, leveraging our key assets in combination with today's market and technology innovations.

Our main subsidiaries

NedSense NedGraphics b.v.
NedGraphics forms our core business entity delivering CAD/CAM software solutions to the textile and apparel industry and leading the innovation program by continually investing in highly qualified staff, market research, and product development.

NedGraphics has over 30 years of experience in developing, marketing and supporting the leading CAD/CAM software for thousands of companies. Our products are seen as A-brand in the market because of their continuous innovativeness, optimal functionality and broad applicability. They enable our clients to improve their sales through minimizing time to market, optimizing product development flow, and reducing sampling costs. Each software solution is offered in a fully integrated modular system to guarantee current and future operational performance.

NedGraphics' integrated software solutions are used around the world in three main market segments:
• Fashion design
• Floor coverings
• Home furnishings

In all segments, the NedGraphics software actively supports customers throughout the entire textile value chain, from freelance designers to large-scale production facilities and from yarn manufacturing to weaving and pattern.

NedSense LOFT b.v.
LOFT b.v. has been formed to take on the sales of the LOFT™ suite of products as of the second quarter of 2010. Until then, the LOFT™ products are being developed and sold through NedGraphics.

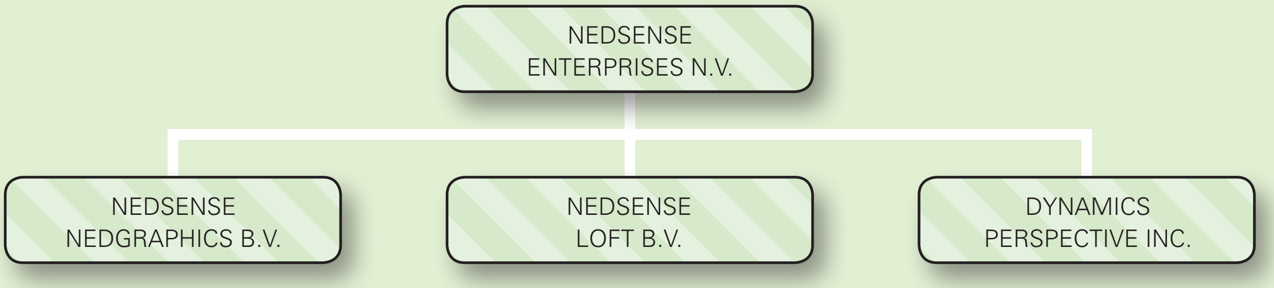
Dynamics Perspective Inc.
Dynamics Perspective provides integrated end-to-end ERP software solutions for the textile & apparel industry. Its tools facilitate creativity, speed to market, and operational excellence for thousands of clients worldwide in almost every segment of the trade,

Solutions that make sense
and create tangible value

including vertical producers (fiber to finished garment) and importers of apparel, footwear, textile, home furnishings, outdoor and fashion accessories.

Dynamics Perspective boasts a worldwide presence with local focus, assuring clients the security of knowing their local and global needs will be met. Its suite of applications help organizations optimize activities and results associated with:

- forecasting
- planning and scheduling
- product development
- production monitoring
- sales and order management
- sourcing
- supply chain



A networked organization offering a multiverse experience

004 Composition of the Boards

Board of Directors

Mr. Pieter Aarts (1967, Dutch, male), Chairman of the Board of Directors (since January 2009)
Mr. Aarts graduated from the Technical University Eindhoven (NL) in 1989 before obtaining a Master in Business Administration from Kingston University in London (UK). He started his professional career in 1989 with one of the PinkRoccade Group subsidiaries as a consultant in logistics. In 1994, Mr. Aarts was made Managing Director of PinkRoccade Industry, and continued in various Managing and Executive positions, including member of the Board of Directors, within PinkRoccade until 2004. He then moved to Hewlett-Packard Netherlands as member of the Board of Directors before continuing as an interim manager for companies such as Inter Access and Ordina. Since 2002, Mr. Aarts has held a number of advisory management positions with a variety of organizations, mainly in the ICT industry.

Mr. Jan-Hein Pullens (1972, Dutch, male), Member of the Board of Directors (since January 2009)
Mr. Pullens graduated from the Faculty of Economics and Management at the University of Applied Sciences in Utrecht in 1997 having already started his professional career in the previous year as an Account Manager in the software industry. He was then recruited by Unisys Netherlands where he held various management and sales executive positions within Unisys' Global Industry and Global Infrastructure divisions. In 2004, Mr. Pullens became Division Director for Outsourcing at Inter Access, where he led the development and growth of this new division. Three years later, in 2007, he joined Hewlett-Packard's EMEA Strategic Outsourcing team as an Engagement Lead focusing on the large international IT outsourcing deals. Since 2005, Mr. Pullens has held various advisory management positions with a number of organizations.

Supervisory Board

Mr. Servaas L.M. Houtakkers (1959, Dutch, male), Chairman Supervisory Board (since August 2005)
Mr. Houtakkers graduated from Nijmegen University and started his professional career as a corporate lawyer at Hendrix International, now better known as Nutreco NV, before moving to the legal department of MeesPierson NV in Amsterdam. In the early 1990s, he pioneered the banking and trust activities of MeesPierson in Belgium, before being appointed Managing Director of MeesPierson Trust Luxembourg in 1994, and subsequently Managing Director of MeesPierson (Luxembourg) Banquiers. After a brief appointment as Chief Operating Officer of EASDAQ NV/SA, he returned to Amsterdam in 1998 to continue his career at

Merrill Lynch NV. In 2001, he was appointed managing partner with a Brussels-based corporate services company which was later sold to an international trust company. Mr. Houtakkers has been active as a corporate consultant since January 2005. He is a member of the advisory board of Greening International Partners and was a member of the managing board of Burani Designer Holding BV until February 2007. He was Chairman of the Board of Directors of Prolion Holding NV from 2002 until September 2004, and of Interbanca International Holding SA from 2003 until March 2005.

Mr. Henk Huisman (1944, Dutch, male), Member Supervisory Board (since May 2009)

Mr. Huisman worked from the mid-sixties till his retirement in 2002 in the IT industry, fulfilling several positions at management level within Dutch and international companies. During the last ten years before his retirement, Mr. Huisman was a member of the Executive Board of PinkRoccade. In addition to his position as consultant, Mr. Huisman is also a member of the Supervisory Board of ConQuaestor B.V. and Total Specific Solutions B.V.

Mr. Dirk Lindenbergh (1949, Dutch, male), Member Supervisory Board (since January 2009)

Mr. Lindenbergh has been an entrepreneur throughout his career, founding an international operating business in the gaming industry which he later, in 2000, sold to ABN Amro equity and NPM Capital. He continued as board member for the newly formed company for another six years.

Mr. Lindenbergh studied philosophy part-time at Groningen University, and Business Valuation at Erasmus University Rotterdam. He is also a graduate in Business Administration from Nyenrode University. In 2004, he followed the Advanced Management Program at Nyenrode University and returned in 2005 to follow a strategic course for non-executive board members. He has been a member of the board of Docdata N.V. since 2006, joined the board of Midlin N.V. in 2007, and in 2008 became board member at Astor Participaties (Private equity). In 2009 he joined the non-executive board of BE Semiconductor Industries N.V.
Mr. Lindenbergh is a shareholder of the Company since fall 2007. Mr. Lindenbergh indirectly holds over 10% of the shares in the Company and is, as such, not independent according to the Dutch Corporate Governance Code.

005 Report of the Board of Directors

005 Report of the Board of Directors

The NedSense Strategy

NedSense enterprises n.v. is the result of a strategic transition program that ran throughout 2009. As the new Board of Directors appointed in the December of 2008, our task was to ensure the survival of the company then still operating as Blue Fox Enterprises N.V.. We quickly launched a contingency business plan based on a value triangle comprised of four components, namely revenue growth, performance improvement, sustainability and market development.

In 2009, the textile and apparel market was still suffering from the effects of the economic crisis, and Blue Fox Enterprises N.V. was no less affected. The company had to deal with a drop in turnover and ended the financial year with a loss. It was soon apparent that our value triangle business plan needed to concentrate primarily on the contingency measures aimed at pulling Blue Fox out of rough waters, and preparing it for smoother sailing as NedSense. The company's knowledge heritage was, and is, a valuable asset and by tapping into this and the solid reputation of our subsidiary NedGraphics, we became confident that the company would be able to embrace the challenges ahead, and lead the market with its innovative solutions. The objectives for 2009 were essentially threefold:

1. to manage cash flow
2. to implement the value triangle strategy
3. to initiate a company evolution program.

Value Triangle: phase 1

The first phase of the business plan focused on sustainability and quick wins for the first 100 days of 2009. The sustainability and quick win efforts concerned changes that could be made easily and that would have an instant effect on cash flow and on safeguarding the continuation of the company. Increased attention to sales in general, a revival of the sales culture in the EMEA and APAC regions, and an injection of energy into sales practices in the US region quickly turned the sales force into a more proactive and vigorous team where the emphasis lay not on selling merely a product, but on providing a service and offering a total solution.

Similarly, marketing efforts were boosted to support sales, and strengthen customer

For NedSense, performance improvement was a result of a change in mentality loyalty. We are proud to boast a list of clients in a niche market that have been with us since the company's founding in 1977, and we have been keen to ensure they, and all our clients, feel our appreciation. They play an important role in our product development and inspire us to translate our knowledge into products for different markets.

Phase 1 of the value triangle business plan also included the assessment of the validity of the strategy for the rest of the year. Once this was confirmed, and the first successes of the sustainability and quick win efforts achieved, we were able to embark on the second phase of the value triangle.

Value Triangle: phase 2

The second phase of the value triangle was deployed in the second quarter of 2009. With sustainability now providing a constant, the focus was shifted to structural performance improvement, revenue growth, and market development.

The most notable change across the board concerned the reorganization of the regions to a functional-based structure. Common departments were centralized and a new operational management brought about a cultural change within the company aimed at increasing accountability and enforcing a sense of drive. With the organization now being much flatter, communication lines became

Highlights

- Initiated transformation program and attained sustainability under extreme market conditions
- Emitted new shares and renegotiated financiers' loan
- Developed & launched new product LOFT™
- Won 1st LOFT™ customer and started building sales funnel
- Rebranded holding name to NedSense enterprises n.v.
- Implemented Value Triangle Stages 1 & 2 and deployed company evolution plan
- Sustained maintenance income and reduced costs in 2009 by 18%
- Attained a positive cash position with support from major shareholders

Revenue growth involves translating our knowledge for use in different markets shorter and processes more transparent. This in turn provided insights into areas in which costs could be reduced and performance improved, so that changes could be made that were relevant, applicable and intelligent.

In the June of 2009, an agreement was reached with the company´s major shareholders on a private issuance of shares, and the credit facility renegotiated with the company´s financier. Our proposals to structurally increase turnover and enter new markets, build on the company´s know-how, and launch new products in new and existing markets demanded a stronger capital structure that would finance the required working capital and facilitate the strategic growth plan. NedSense agreed a share price of € 0,40 per share with the major shareholders in order to obtain extra capital of € 1 million. The nominal value was € 0,10 per share. In addition to the major shareholders, the members of the board of directors also took part in the issuance.

NedSense and its financier agreed that NedSense would acquire an option to convert a maximum of € 550.000 of the outstanding loan of € 2,1 million into NedSense shares. There are no costs attached to this option and it is valid until December 31, 2010. Conversion is only possible if NedSense pays off the remainder of the loan at the same time. The financier also agreed to lower the interest payments on the loan, on the condition that if the outstanding loan is not redeemed before July 1, 2010, the interest costs will increase.

Further, and in fact continuous, development of the NedSense sales force is a key element for revenue growth with professional sales management practices, forecast management and transparency playing essential roles. Our

The NedSense name

In December 2008, Blue Fox Enterprises N.V. embarked on a new strategic direction, combining the strengths of the company with a drive for innovation. We felt a name change would underline our commitment to this new strategy, and strengthen our position in the textile and apparel market. As NedSense enterprises n.v., we maintain the name recognition and reputation our core business entity NedGraphics enjoys in the market, and illustrate our aim to offer solutions that truly make sense to our customers. NedSense enterprises n.v. will serve as the umbrella brand for all company activities.

The NedSense philosophy

Experience your design

Our company knowledge revolves around means of merging reality and virtuality to create software platforms that create real economic value for our customers. No matter how real the virtuality in software may appear, we maintain a pragmatic nature as a company with both feet truly on the ground. By listening carefully to our customer's needs, we can provide solutions that make sense and create tangible value.

strategy also included new pricing strategies so as to gain market share, and boosting and rewarding dynamic and entrepreneurial efforts. In 2009, we also started examining high potential countries, and looking at how we could enter new markets with existing products. In the coming three years, we will be developing initiatives such as: bringing NedSense to wallpaper producers and designers, and glass producers and designers; expanding our presence in Hong Kong and Italy; and exploring markets in India, Russia, Japan and Brazil.

It was apparent very early on in 2009, that we would be able to take NedSense to a new level if we reached out to our partners in the market. The transformation of the company into a networked organization would enable us to draw on the expertise and resources of partner institutions, including a number of universities, as well as create an ambassador network that would recommend our products to the market. Maintaining our client, product and distribution base would sustain us, but we felt NedSense could do more by choosing a path of innovation. The introduction of volume-driven business models and short development cycles aims to generate a creative environment which fosters new initiatives.

Market development is the core of our company's evolution

LOFT™

Ideas had been sparked in the first quarter of 2009 for a new product that actually had no place in the sustainability phase the company was then going through. The new product was clearly innovative and represented unfamiliar territory for NedSense. As the development took seed within NedGraphics in the second quarter of 2009, it not only showed promise but also set an example for future market development initiatives.

It took just six months to take the LOFT™ idea from its initial concept inception and definition of the business scope in April 2009 to market release in September 2009. The software industry is developing at breakneck speed and fast concept-to-market processes are essential. With LOFT™, we were able to draw on NedSense's in-house knowledge, our corporate intelligence, and our partner's insights and network. We used this to meet an industry demand for greater creativity and flexibility in using internet as a medium, and for technologies that boost company revenue.

Staff and organization

The human resources policy at NedSense focuses on skills and talent development, and stimulates entrepreneurship throughout the organization. Most of NedSense's operating companies are organized into smaller units and operate with a certain level of autonomy. The directors of the operating companies are responsible for the commercial and financial developments of their company and report to the NedSense Board of Directors. This management approach creates a mentality of speed, flexibility and leadership with short communication lines. It aims to make the best possible use of the knowledge and know-how of NedSense's people, and of the quality and reputation of its products and services.

Each operating company has an interest in the training and development of its personnel. Internal and external training courses are provided on a group basis, and individual employees are encouraged to follow external training courses that benefit the position they hold. The HR policy comprises a competitive remuneration policy, a sound career development and the introduction of a mobility policy, as well as the implementation of a worldwide performance management system.

Management development and succession planning are also points of attention.

NedSense has an international workforce, with personnel from approximately 23 different countries. Roughly 70% of the company's total employee base works in Europe, with 25% working in the Netherlands. Those employees working outside of Europe are mainly based in the USA and China.

No major changes in the composition of the workforce are expected for 2010.

We can expand beyond the niche we currently operate in

Financial results 2009

Report by the Board of Directors – Financial Information 2009

Financial results

NedSense ended 2009 with a net loss of € 1,68 million (2008: € 6,18 million loss). The improved result of 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 2008. The operating result for 2009 amounted to € 1,57 million negative (2008: € 2,27 million negative).

Continued activities include the CAD/CAM activities of NedGraphics and the ERP activities of Dynamics Perspective. The net revenue of NedGraphics decreased by 16,0%, to € 7,35 million (2008: € 8,75 million) as a result of ongoing weak, although improving, global economic business conditions. The lower revenue had an immediate impact on the operating result, which decreased from € 0,36 million in 2008 to a loss of € 0,1 million in 2009. The revenue from the ERP activities of Dynamics Perspective decreased from € 1,06 million in 2008 to € 0,76 million in 2009. The operating result of Dynamics Perspective declined from a loss of € 0,73 million in 2008 to a loss of € 0,14 million in 2009. The holding company has been reduced to a small but effective team. Operating expenses in 2009 were € 1,09 million (2008: € 1,15 million), however, the 2009 operating expenses included € 0,23 million in expenses for the new LOFT™ line (2008: € 0), and € 0,049 million for share-based, equity settled payments (2008: € 0). The operating loss for 2009 was € 1,33 million (2008: € 2,56 million negative) with the 2008 loss including a goodwill impairment charge of € 1,2 million.

Cash flow, investments, financing

The operational cash flow in 2009 amounted to € 0,06 million negative (2008: € 1,39 million positive). The decline from 2008 is mainly due to the ongoing weak economic conditions and the decreased revenue. The cash flow from investments in 2009 was € 1,93 million negative (2008: € 1,60 million negative). The decline in 2009 is mainly due to the investments made in the software development of the new LOFT™ product line. The cash flow from financing in 2009 was € 1,02 million positive (2008: € 1,48 million positive).
The total change in cash and cash equivalents in 2009 amounted to € 0,97 million negative (2008: € 1,27 million positive).

Balance sheet

From 31 December 2008 fixed assets increased from € 8,28 million to € 8,64 million. This 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 increased from € 4,05 million as of 31 December 2008 to € 4,32 million as of 31 December 2009. This € 0,27 million increase is mainly caused by the net loss in 2009 of € 1,68 million, the conversion to shares of the mandatory convertible loan plus interest of € 0,87 million, the issue of new shares to the amount of € 1 million, and the € 0,049 million for share-based, equity settled payments. As a result of these changes, solvency increased to 34,1% at 31 December 2009, from 33,7% at 31 December 2008 (with the end of 2008 equity including the mandatory convertible loan).

The number of outstanding ordinary shares, with a nominal value of € 0,10 each, was 9.831.354 as of 31 December 2009.
Please see the accompanying financial statements and the notes to those statements for additional information.

Value triangle phase 3
2010 will see the deployment of phase 3 of the value triangle business plan. We aim to be able to expand within and beyond our current markets, and invent, dictate and define where we are going. The transition phase of 2009 was fast-paced and comprehensive, and the mentality that is now developing within NedSense is far more pro-active and aggressive. The foundations on which NedSense is built are strong, but we are only now starting to see ways in which we can use the full potential of our products. The coming year will no doubt be equally full of challenges as we come to grips with our new strengths. We will work towards an increased level of flexibility in our strategy and its execution; we will balance revenue and cost, deploying contingency measures where necessary; and we will embrace the opportunities presented by the slow recovery of our industry.
Financing will continue to be one of our top priorities in 2010. The Company's loan of € 2,1 million matures on December 31, 2010. As the operating cash flow is insufficient to redeem this debt, the loan has to be refinanced. Given preliminary discussions, we are confident that the loan can be successfully refinanced before the maturity date.

Our strategy will continue to develop our sales and marketing efforts, consolidate our market knowledge and sustain our customer base and maintenance contracts, but we will also look for more opportunities to expand beyond the niche we currently operate in. Consultancy and hosting services are potential digressions that will be further investigated in 2010. We want to build on our knowledge heritage, investing in this knowledge even when market conditions are slow, so that we can innovate and lead, and create real economic value for our customers.

Pieter Aarts
Jan-Hein Pullens

Vianen, April 26, 2010

006 Report of the Supervisory Board

006 Report of the Supervisory Board

This annual report includes the financial statements for the financial year 2009 as prepared by the Board of Directors and adopted by the Supervisory Board, as well as other information concerning NedSense enterprises n.v.

The financial statements for 2009 have been audited by KPMG Accountants N.V. An unqualified auditor's report with an emphasis of matter has been issued. The financial statements and the auditor's report were discussed in the meetings of the Supervisory Board and the Board of Directors in the presence of the auditor on March 23, 2010 and April 21, 2010.

We advise the Annual General Meeting of Shareholders on May 25, 2010 to approve the financial statements for 2009, and grant discharge to the Board of Directors with respect to its management and the Supervisory Board with respect to its supervision.

Composition of the Supervisory Board
The Company's Articles of Association stipulate that the Supervisory Board must be composed of a minimum of two members. In order to more closely reflect the new strategy and market positioning the company was taking under the new management, the Supervisory Board felt that its composition needed to be adjusted with particular attention being paid to market knowledge and expertise in the field of IT. During the Extraordinary Meeting of Shareholders held on December 12, 2008, the shareholders approved the nomination of Mr. Dirk Lindenbergh (1949) as a member of the Supervisory Board. He has been nominated for a 3-year term starting January 1, 2009.

During the Annual General Meeting of Shareholders in May 2009, Mr. Leon van den Boom resigned from the Supervisory Board and was replaced by Mr. Henk Huisman (1944). Mr. van den Boom had served as Supervisory Board member since August 2005, and his efforts have contributed to the company being able to endure the past few difficult years. We would like to thank Mr. van den Boom for his work. The Supervisory Board feels that Mr. Henk Huisman's nomination fills the position opened by Mr. Leon van den Boom's resignation. Mr. Huisman's background and expertise have meant that he has already been able to positively contribute to the development and strategy of the company since the beginning of his appointment. Mr. Huisman has been appointed for a period of three years.

Mr. Servaas Houtakkers (1959) has been chairman of the Supervisory Board since the Annual General Meeting of Shareholders of May 2005 and was re-elected for 3 years in the 2009 Annual General Meeting of Shareholders.

The members of the Supervisory Board fully comply with the new profile drawn up in consultation with the Board of Directors. More information on the members of the Supervisory Board can be found on the company's website www.nedsense.com.

Terms of reference

A member of the Supervisory Board will not be available for appointment or reappointment if that member has already served three consecutive periods of 3 years as a board member.

The members of the Supervisory Board will retire according to the following schedule:

	Year elected	Term end
Mr. S.L.M Houtakkers	2005	2011
Mr. D. Lindenbergh	2009	2012
Mr. H. Huisman	2009	2012

The NedSense Supervisory Board terms of reference set the regulations for the Supervisory Board regarding its duties and responsibilities. The regulations are designed to ensure that NedSense is operated and managed in a manner consistent with the best interests of the company and the best interests of its shareholders and other stakeholders. The NedSense Supervisory Board regulations stipulate that:

- The role of the Supervisory Board is to supervise the policies of the Board of Directors and the general affairs of NedSense
- Members of the Supervisory Board have full and free access to NedSense management and, as necessary and appropriate, independent advisors
- The Supervisory Board and its committees will conduct a self-evaluation at least annually

An evaluation of the composition of the Supervisory Board took place in the first quarter of 2009. This resulted in a change in the desired profile of individual members as the new business plan clearly demands more expertise in the field of IT and concerning market knowledge. Consequently, Mr. Leon van den Boom stepped down as Supervisory Board member and Mr. Henk Huisman, with a background in IT, was elected in May 2009. The current composition of the Supervisory Board has been in place since May 2009 and a first evaluation of its work, accomplishments and composition will take place in 2010.

Independence of the Supervisory Board

Mr. Henk Huisman and Mr. Servaas Houtakkers are independent Supervisory Board members in compliance with provision III.2.1 of the Dutch Corporate Governance Code.

Mr. Dirk Lindenbergh has been a shareholder of the company since fall 2007. He holds over 10% of the shares in NedSense enterprises n.v. and is, as such, not to be considered independent under the terms of that provision.

Report on 2009

The Supervisory Board and the Board of Directors met ten times during 2009. In addition, there have been formal telephone conferences and various informal contacts, both between the Supervisory Board and the Board of Directors and between the members of the Supervisory Board. The Board convened an Extraordinary Meeting of Shareholders on July 20 and December 17, as well as the Annual General Meeting of Shareholders on May 26, 2009.

Points on the agenda included:

- General strategy
- Process of reconfirming the strategy as discussed during the Extraordinary Meeting of Shareholders of December 12, 2008
- Financial and business performance
- Funding of NedSense
- Operational changes in the organization
- The performance and internal division of tasks of the Board of Directors
- Potential strategic alliances
- General risks associated with the operations of the company
- Composition of the Supervisory Board and its succession planning
- Assessment and review provided by the Board of Directors of the structure and operation of the company's subsidiaries NedGraphics b.v. in the Netherlands, and Dynamics Perspective Inc. in the USA

The Chairman of the Supervisory Board and the members of the company's Board of Directors met on a regular basis and had frequent contact during the year.

For the Supervisory Board, 2009 was a year of change. When the new Board of Directors took office on January 1, 2009, it signaled the end of a period of successive changes in its composition. The strategy presented by the Board of Directors became a common denominator of the combined meetings of the Board of Directors and the Supervisory Board, and product developments based on existing software were key elements when outlining the future of the company. The development and launch of the new product LOFT™ was frequently on the agenda of both combined meetings and informal discussions.

The financing of the working capital and the company´s liquidity continued to present challenges in 2009. Consequently, a private issuance of shares from the company´s major shareholders was approved in the Extraordinary Meeting of Shareholders on 20 July 2009. The further development and the launch of the new product LOFT™ were partly financed by this emission.

The Supervisory Board also adopted a new remuneration policy in 2009, which was submitted by the Supervisory Board for adoption in the Annual General Meeting of Shareholders on May 26, 2009 in Amsterdam. The policy was placed in a report on the company´s website.

The aim of the remuneration policy is to provide the members of the Board of Directors, both jointly and individually, and certain, yet to be confirmed, key employees of NedSense enterprises n.v. with a level of compensation that:

- Aligns performance with the financial targets and the strategy of NedSense and its subsidiaries
- Attracts and retains top managers as management of NedSense enterprises n.v.

The Supervisory Board sets the level of remuneration for the Board of Directors in line with the approved remuneration policy. Remuneration for the chairman and other members of the Supervisory Board is set by the Annual General Meeting of Shareholders.

The remuneration policy for the members of the NedSense Board of Directors has four elements:

- Base salary (including pension scheme)
- Variable income
- Long term incentive plan
- Secondary employment conditions

The long term incentive plan comprises an option plan for the members of the Board of Directors and key employees. Assuming 30% of the outstanding shares between 2009 and 2011 are granted to the Board of Directors and key employees in the form of share options, two-thirds of this 30% will be given to the Board of Directors as a bonus based on the principles of their variable income scheme.

The Board of Directors will receive an options package granting them the right to 20% of NedSense outstanding share capital following the conversion of the convertible loan of € 850.000 issued in December 2008. The options package will be distributed equally amongst the Board of Directors and issued by NedSense on the day the Board of Directors takes up its duties.

A maximum of 10% of the outstanding shares will be granted to the Board of Directors and those NedSense employees that have had a particular effect on the company's strategy and its implementation (in other words key personnel) in 2009, 2010 and 2011 provided the criteria is attained. The Supervisory Board will grant the options to the Board of Directors, and the Board of Directors will grant options to key personnel on the Supervisory Board's approval.

A detailed report of the remuneration policy can be found on the company website www.nedsense.com.

In accordance with the provision of the remuneration policy, the Supervisory Board has, as of June 30, 2009, granted each member of the Board of Directors 2,5% of the outstanding shares following the emission in December 2008, provided the objectives have been attained and the 100-day plan realised. In the case of further emissions or should the number of outstanding shares change, for instance as a result of the Company buying back shares, a provision has been included in the remuneration policy that provides for the options to be granted to be adjusted proportionately.

The Supervisory Board discussed the plenary financial reports with the Board of Directors in detail. In addition to discussions on sales and margin developments, operating expenses, divestments results, balance sheet ratios, budgets and outlook, the restructuring of the sales organization featured on the agenda.

The Supervisory Board met twice in the absence of the Board of Directors. KPMG Accountants N.V. briefed the Supervisory Board on the findings of the 2009 audit in its meetings of March 23 and April 21, 2010.

Committees of the Supervisory Board

Under the Dutch Corporate Governance Code, it is usual for the Supervisory Board to appoint a number of permanent committees. Due to the size of the company and the limited number of members of the Supervisory Board it was decided not to delegate tasks but to carry out the task related to the Audit Committee, Remuneration Committee and the Selection & Nomination Committee in collegiality.

Remuneration

The Supervisory Board determines the remuneration of the Members of the Board of Directors. The policy is aimed at attracting and retaining qualified managers against market conditions for an international listed company with activities in the field of software development (see above).

Selection and nomination

Pieter Aarts en Jan-Hein Pullens were elected members of the Board of Directors as of January 1, 2009, for a period of four years.

External Auditor

KPMG Accountants N.V., represented by its partners Willem Riegman and Frank van het Kaar, acted as auditor of the company. Its nomination was approved by the Annual General Meeting of Shareholders on May 26, 2009. The Supervisory Board wishes to thank KPMG Accountants N.V. for its constructive contributions and work in 2009.

In conclusion

The continuation of the global credit crisis that started mid-2008 demanded considerable attention in 2009. The repeated postponement of orders not only led to a drop in turnover, but also had a drastic effect on cost control and process efficiency. The Supervisory Board wishes to thank the members of the Board of Directors for their efforts in getting the company to where it is today. In addition, the Supervisory Board would like to explicitly include the employees of NedSense enterprises n.v. in its thanks. Despite the difficult circumstances, they have continued to show their dedication, and we wish them every success in continuing the development of our company's market position. Naturally, a word of thanks is also extended to our stakeholders and others who, despite the many setbacks of the past few years, have continued to show their faith in the company and its management.

Servaas Houtakkers (Chairman)
Dirk Lindenbergh
Henk Huisman

Vianen, April 26, 2010

007 Corporate Governance

General
NedSense enterprises n.v. attaches great importance to corporate governance. In recent years, we have discussed in detail the Dutch Code on Corporate Governance. The Board of Directors and the Supervisory Board of NedSense endorse the Code. Within the framework of this Code, the company's stakeholders include staff members, shareholders and other providers of capital, financiers, suppliers, customers, as well as government authorities, social groups and factions. The Board of Directors and the Supervisory Board of NedSense are responsible for striking a balance between the interests of these stakeholders, while taking into account the continuity of the company. Therefore, best practice principles with regard to corporate governance are reflected in the management structure and the company's Articles of Association, as far as these are deemed applicable and are in the interest of all stakeholders.

The NedSense enterprises' ordinary shares are listed on Euronext Amsterdam by NYSE Euronext. Accordingly, the company complies with all applicable listing rules of Euronext Amsterdam.

In accordance with the recommendation of the Dutch Corporate Governance Code Monitoring Committee to 'comply or explain', NedSense's corporate governance practice was placed on the agenda of the Annual General Meeting of Shareholders in prior years, in order to give shareholders the opportunity to voice their opinion on the way the company interprets compliance with the Code. A description of NedSense's corporate governance policy, including the relevant regulations and reports, can be found on the website. For the application of the NedSense Code, we follow to the greatest extent possible the guidance provisions provided by the Dutch Corporate Governance Code Monitoring Committee in its reports on compliance with the Dutch Corporate Governance Code. The Corporate Governance Code is posted on our website at www.nedsense.com.

Corporate Governance Structure

Board of Directors
The Board of Directors is responsible for the day-to-day management of the Company, and is accountable to the Supervisory Board and to the shareholders of the Company. It is responsible for ensuring that NedSense is achieving its operational, strategic and financial goals, for overseeing our compliance with all applicable rules and regulations that govern the Company, for managing the risks associated with our business activities, and for ensuring that the Company is properly capitalized. The Board of Directors informs the Supervisory Board of internal risk management and control systems, and any updates or developments related thereto. Any conflicts of interest or apparent conflicts of interest between the Company and members of

the Board of Directors shall be avoided. Any transaction that would give rise to a conflict of interest or appearance of a conflict of interest requires the approval of the Supervisory Board.

The Board of Directors takes into account the interests of the Company and its affiliated enterprises as well as the interests of NedSense's shareholders and other stakeholders when taking decisions about the operation of the business. Members of the Board of Directors are required to put the interests of the Company ahead of their own interests and to act critically and independently when carrying out their responsibilities. The Board of Directors is also charged with providing the Supervisory Board all material information required to permit the Supervisory Board to exercise its duties. The NedSense Articles of Association provide that certain resolutions of the Board of Directors require prior approval of the Supervisory Board. Pursuant to Dutch law and the Articles of Association, decisions taken by the Board of Directors involving a major change in the Company's identity or character are subject to the approval of the General Meeting of Shareholders.

Supervisory Board

The role of the Supervisory Board is to supervise the Board of Directors and oversee the general affairs of the Company and its affiliated enterprises. The Supervisory Board annually evaluates its own performance. Supervisory Board members are required to put the best interests of NedSense enterprises n.v. ahead of their own interests and to act critically and independently when carrying out their responsibilities as Supervisory Board members. The NedSense Corporate Governance Code exempts no more than one Supervisory Board member from being independent. Each Supervisory Board member has the expertise required to fulfill the duties assigned to the role designated to him within the framework of the Supervisory Board profile, and the composition of the Supervisory Board shall be such that it is able to carry out its duties properly. A Supervisory Board member shall be reappointed only after careful consideration. The profile criteria referred to above shall also be fulfilled in the event of a reappointment. The Supervisory Board regulations are posted on our website at www.nedsense.com.

Any conflicts of interest or apparent conflicts of interest between the Company and Supervisory Board members shall be avoided. The Supervisory Board must approve any arrangement that would give rise to a conflict of interest or the appearance of a conflict of interest, provided that a member of the Supervisory Board with an interest in such matter shall not participate in determining or granting such approval. The Supervisory Board is responsible for deciding how conflicts of interest are resolved between members of the Board of Directors, members of the Supervisory Board, major shareholders or the external auditor on the one hand, and the Company on the other hand.

Shareholders and the General Meeting of Shareholders

Good corporate governance requires the full participation of shareholders. It is in the interest of the Company that as many shareholders as possible participate in the Company's decision-making at the Annual General Meeting of Shareholders or at any Extraordinary General Meeting of Shareholders.

Pursuant to Dutch law, any decisions taken by the Board of Directors on a major change in the identity or character of the Company or its enterprise shall be subject to the approval of the General Meeting of Shareholders. The Board of Directors or the Supervisory Board provides shareholders and other parties in the financial markets with equal and simultaneous information about matters that may influence the company's share price. Contacts between the Board of Directors on the one hand and the press and analysts on the other hand are carefully handled and structured, and the Company is prohibited from engaging in any acts that compromise the independence of analysts in relation to the Company and vice versa. The Board of Directors and the Supervisory Board shall provide the General Meeting of Shareholders with the information that it requires for the exercise of its powers, subject to such limitations as are allowed under Dutch law. If price sensitive information is provided during a General Meeting of Shareholders or if a response to a shareholder's question results in the disclosure of price-sensitive information, then such information will be made public without delay.

External Audit and Internal Control

The Board of Directors is primarily responsible for the quality and completeness of publicly disclosed financial reports. The Supervisory Board oversees the Board of Directors as it fulfills this responsibility. The General Meeting of Shareholders appoints the external auditor after recommendation for appointment by the Supervisory Board and nomination of the Supervisory Board to the shareholders.
The Supervisory Board also approves the remuneration of the external auditor and instructions to the external auditor with respect to non-audit services.

The Company's internal control function plays an important role in assessing and testing our internal risk management and control systems. This function operates under the responsibility of the Board of Directors, and consists of a formal framework defining key risks and key controls over financial reporting.

We are responsible for the development, implementation and operating effectiveness of the risk management and control systems aligned to our business activities. These systems are designed with a view to identifying significant risks in a timely manner and managing them as adequately as possible. They provide insight with reasonable assurance of the extent to which strategic, operational and financial objectives will be attained, financial reporting is reliable, and relevant statutory and regulatory requirements are complied with. These systems have been developed on the basis of the COSO framework.

For a description of our risk management and risk profile we refer to the section 'Risk & Control'. The periodic risk assessments and the discussions with the management are an integral part of our risk management approach. Once a year, we discuss the overall design and operating effectiveness of our risk management and control systems as well as any significant shortcomings identified and improvement measures already implemented or intended.

We believe that our risk management and control systems provide reasonable assurance that the financial reporting does not contain any errors of material importance, and that the risk management and control systems relating to financial reporting risks operated properly in the year under review.

The external auditor attends meetings of the Supervisory Board, at which the annual accounts results are reviewed for subsequent approval by the Supervisory Board. The external auditor reports its findings from the audit of the financial statements and issues management letters if required.

Deviations from the Dutch Corporate Governance Code

NedSense enterprises n.v. complies with the majority of the main recommendations and provisions of the Code. The main deviations from best practice provisions are listed below.

- *Provision III.4.3: company secretary*
  The Supervisory Board believes such organizational and administrative support of its work is currently unnecessary.

- *Provision IV.3.1: advance announcements of Investor Relations Meetings*
  The NedSense Investor Relations policy is aimed at complying with the best practice provisions in the code. However, the cost associated with the use of the infrastructure required for this are deemed to be disproportionate in view of the size of the company and the limited number of investors who are expected to actually use these facilities.

008 Shareholders Information

General

The shares of NedSense enterprises n.v. have been listed on Euronext Amsterdam by NYSE Euronext since 21 May 1999. As of 31 December 2009, the number of outstanding shares was 9.831.354 (2008: 4.433.702).

In March 2009, the nominal value of the shares was decreased from € 2,00 to € 0,10 per share. The reason for this decrease was that the stock price of the shares had been below the nominal value preventing additional share issues. Immediately after the nominal value decrease occurred, the € 850.000 convertible bond issued in 2008, plus interest at 10% per annum payable in shares, was converted to 2.897.652 new shares.

In July 2009, additional capital was raised to fund the Company's growth strategy. An additional € 1.000.000 was raised and 2.500.000 new shares were issued.

The number of shares outstanding as of 31 December 2009 was therefore 9.831.354 with a nominal value of € 0,10, resulting in a share capital of € 983.135 at the end of 2009. Share premium as of 31 December 2009 was € 32.462.696.

As far as NedSense can ascertain, most of the shares are held by Dutch institutional and private investors.

Pursuant to the 'Wet Melding Zeggenschap' (WMZ, the Act on Disclosure of Major Holdings in Listed Companies), an interest of 5% or more in the capital of Dutch listed companies must be reported. In addition, the passing of certain boundaries of percentage ranges in shareholdings must be reported. The following table is a review of the interests as of 31 December 2009, based on the latest information received.

Shareholders	**31-12-2009**
Todlin N.V.	19,2%
D. Lindenbergh (through Blikkenburg B.V.)	14,8%
F.L.H. van Delft (through Bibiana Beheer B.V.)	10,7%
Via Finis Invest B.V. (formerly De Kolk Beheer B.V.)	6,6%
Florijn Investments BV (formerly Driessen Beleggingen B.V.)	6,5%
West-End B.V.	5,9%
Generali Holding Vienna AG (through BV Algemene Holding en Financierings Maatschappij)	5,7%

Key figures per share (based on average number of outstanding shares)	**2009**	**2008**
Net result	(€ 0,21)	(€ 1,39)
Shareholders' equity	€ 0,55	€ 0,91
Highest share price	€ 1,01	€ 2,75
Lowest share price	€ 0,34	€ 0,40
Closing price as of December 31	€ 0,60	€ 0,53
P/E ratio as of December 31	(2,86)	(0,38)
Market capitalization as of December 31	5.898.812	2.349.862
Average trading volume per day	16.852	12.122
Average number of outstanding shares	7.884.917	4.433.702
Number of shares at December 31	9.831.354	4.433.702

Staff Options

The table below presents an overview of option rights granted and outstanding options at year-end 2009. In chapter 11, Notes to the company annual accounts, detailed information is provided on the outstanding options.

Options

31-12-2008

Date granted	**Term**	**Issued options**	**Outstanding options**	**Forfeited**	**Exercise price (€)**
May 2004	2009	27.400	0	27.400	6,34
Total		**27.400**	**0**	**27.400**	

31-12-2009

Date granted	**Granted to**	**Term**	**Issued options**	**Outstanding options**	**Forfeited**	**Exercise price (€)**
June 2009	Pieter Aarts	2014	183.284	183.284	0	0,64
June 2009	Jan-Hein Pullens	2014	183.284	183.284	0	0,64
December 2009*	Pieter Aarts	2014	245.784	245.784	0	0,64
December 2009*	Jan-Hein Pullens	2014	245.784	245.784	0	0,64
December 2009*	Key employees	2014	294.941	294.941	0	0,53
Total			**1.153.077**	**1.153.077**	**0**	

*Formally to be approved by Supervisory Board and Shareholders. For more details on this matter we kindly refer to note 29 of the notes to the consolidated financial statements.

The Amsterdam Effecten Kantoor (AEK) acts as liquidity provider for NedSense shares.

Contact details

Amsterdam Effecten Kantoor (AEK)
Herengracht 208-214
1016 BS Amsterdam
The Netherlands
Telephone + 31 (0)20 530 63 00

Dividend policy

In view of NedSense's situation, the company has paid no dividends in the past year. A healthy balance between the company's capital and borrowings, in relation to the assets that can be financed within the company, is of great importance in this respect. Given the current solvency and financing structure, it is prudent for the company not to pay out a dividend.

Prevention of insider trading

NedSense has drawn up Insider Trading Regulations in accordance with the model of the VEUO (Vereniging van Effecten Uitgevende Organisaties – the association of share issuing organizations), which has been approved by the Netherlands Authority for the Financial Markets (AFM).

NedSense has made a large group of staff members and advisors sign the Insider Trading Regulations. The Insider Trading Regulations of NedSense include a ban on trading in NedSense shares during an eight-week period prior the first publication of full-year results and a three-week period prior to the publication of half-year results. There is also a ban on reversing a transaction within six months, in order to reduce or eliminate the risk. An exemption in writing from this ban can be given by the Compliance Officer. No exemptions were given during 2009.

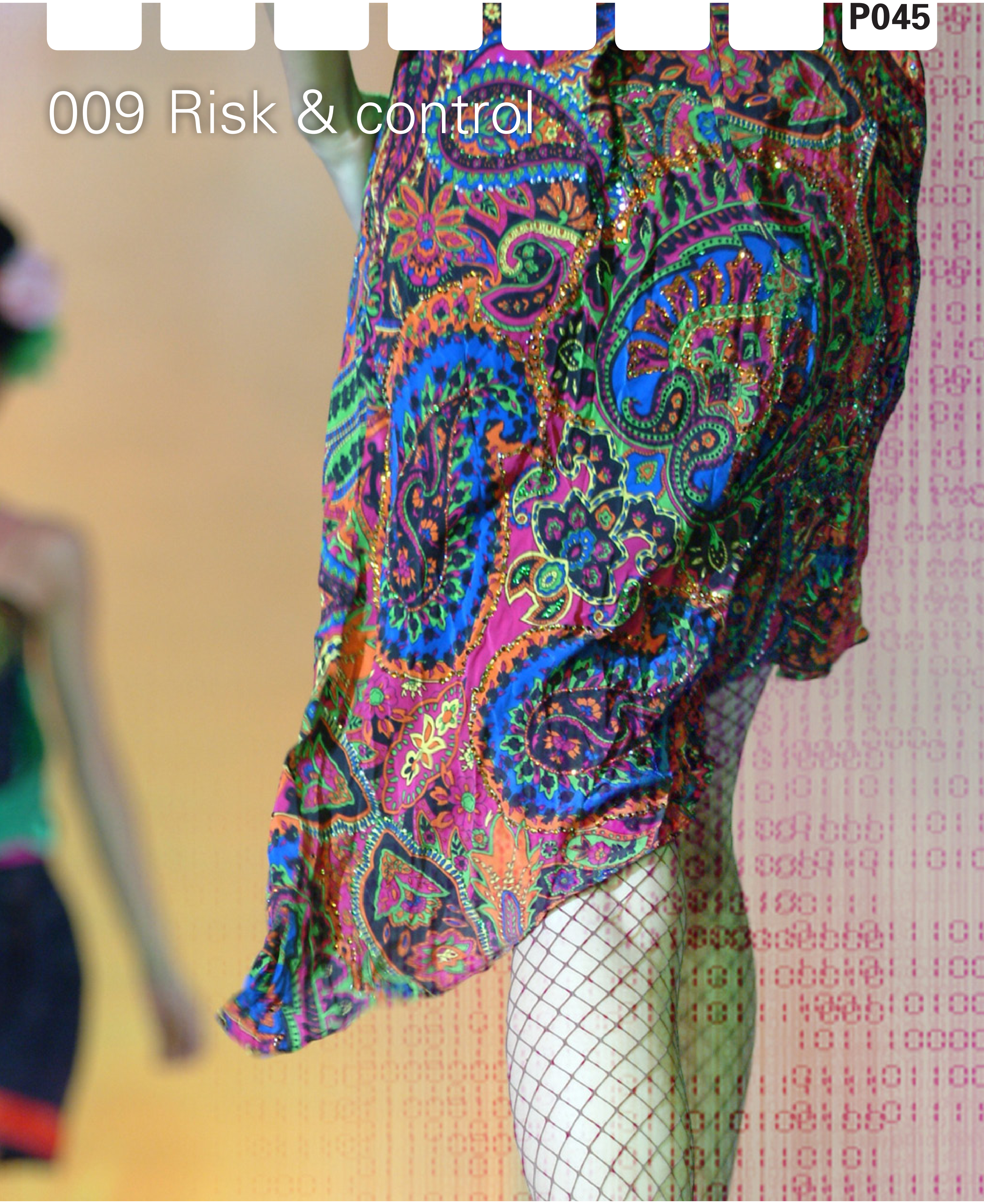
Investor relations

NedSense greatly values a good relationship with its shareholders. In the interest of fair disclosure, all new material information is disclosed through the timely and simultaneous distribution of press releases on relevant issues concerning NedSense. In addition to the financial results, the company also provides much information on its strategic choices and objectives. NedSense observes a 'silent' period during which it holds no road shows or interviews with potential or current investors. For the annual figures, this period covers the eight-week period prior to the first publication of full-year results and a three-week period prior to the publication of half-year results. Relevant information for potential and current shareholders may be found on the NedSense website under the link 'Investor Relations'. Direct questions from investors may be directed by e-mail to info@nedsense.com.

Important dates

Presentation full-year results 2009	27 April 2010*
Annual General Meeting of Shareholders 2010	25 May 2010
Presentation first half-year results 2010	1 September 2010*/**

*) before trading hours
**) provisional



009 Risk & control

009 Risk & control

NedSense has internal risk management processes and control systems in place that aim to minimize operational and financial risks for the Company, and limit the extent to which unexpected events may adversely affect the balance sheet and profit.

NedSense sees risk management as an ongoing activity, and embedding such control systems and processes is essential at every level of the organization. The Company has manuals in use containing guidelines regarding the procedure and structure for financial reporting, and the binding instructions and procedures for staff concerning financial activities. The further improvement and development of internal control systems is a continuous process, and NedSense is confident that the risk management and internal control measures in place are adequate and effective.

Important elements of the risk management and internal control processes are budget control forecasting, cash forecasting, project monitoring procedures, and monthly financial reporting of both the development and the results of the Company's operations. In addition, NedSense has an employee evaluation and assessment system in place.

All of the activities concerning internal risk management and control are discussed regularly with the Supervisory Board. The Company distinguishes the following main areas of risk:

- **Economics and market developments**
  General economic developments have affected our clients' business. Investment decisions and R&D budgets have come under pressure due to disappointing results, or have been postponed or cut, which adversely influenced our markets. It cannot be denied that the global credit crisis had an effect on the demand for NedSense products in 2009.

- **Technological developments**
  Fast technological developments, changing customer demands and evolving software standards are typical of the software market. NedSense's success depends on its ability to adapt to these changes and keep its employees knowledge up to date. The development of LOFT™ is an example of how the Company is taking advantage of the market's fast-moving technological developments. Protecting know-how and products necessitates constant attention and priority.

- **Software piracy**
  The illegal copying of software developed by NedSense forms a persistent threat. Product development, processes and security are set up with the highest possible levels of protection, but illegal copying cannot be completely avoided.

- **Employee dependency**
  In order to carry out its business operations and expand as intended, NedSense is to a large extent dependent on the availability of sufficient personnel, in particular sufficient highly-qualified personnel.

Financial risks and policies
The Company's financial risk policy focuses on managing risks such as interest, currency, liquidity and credit.

- **Credit risk**
  The solvency and creditworthiness of the majority of NedSense's customers mean that debtor's risk for the Company is average. Nonetheless, the consequences of the global credit crisis have meant that clients are taking longer to meet their obligations. Proper attention to debtors' payment performance is therefore a priority.

- **Interest risk**
  Interest risk is estimated to be at a minimum. The company is anticipating to the level of the contracted maximum interest rate assuming the outstanding loan will not be redeemed before July 1, 2010.

- **Currency risk**
  Currency risk for NedSense concerns mainly US dollar and Euro exchange rate fluctuations. No currency contracts have been closed to cover currency fluctuations.

- **Liquidity risk**
  The Company's liquidity position is tight and continuously monitored. The liquidity position is strongly dependent on the development of results, which are highly dependent on the market developments.

- **Refinancing of current loan facility**
  The current loan facility of € 2,1 million will expire on December 31, 2010. The company is currently in discussion with various parties in order to refinance the current loan in full or in parts. The Company is fully aware of the importance of attaining this finance. Following the successful turnaround carried out between 2006 and 2009, the newly appointed Board of Directors rolled out the company's new strategy in 2009. The market and shareholders have welcomed this new strategy very positively and the Company is confident that the refinancing of the current loan will be completed successfully, despite these challenging circumstances.

010 Management statement

In accordance with the EU Transparency Directive as incorporated in chapter 5.3 of the Dutch Financial Supervision Act (Wet op het financieel toezicht), the Board of Directors and the Supervisory Board confirm to the best of its knowledge that:

- the annual financial statements for the year ended 31 December 2009 give a true and fair view of the assets, liabilities, financial position and profit and loss of NedSense enterprises n.v. and its consolidated companies;
- the additional management information presented in the annual report gives a true and fair view of NedSense enterprises n.v. and its consolidated companies as at 31 December 2009;
- the additional management information presented in the annual report gives a true and fair view of the state of affairs at NedSense enterprises n.v. and its consolidated companies during the financial year to which the report relates;
- the annual report describes the principal risks facing NedSense enterprises n.v. these are described in detail in chapter 9.

Vianen, April 26, 2010

Pieter Aarts,
Chief Executive Officer

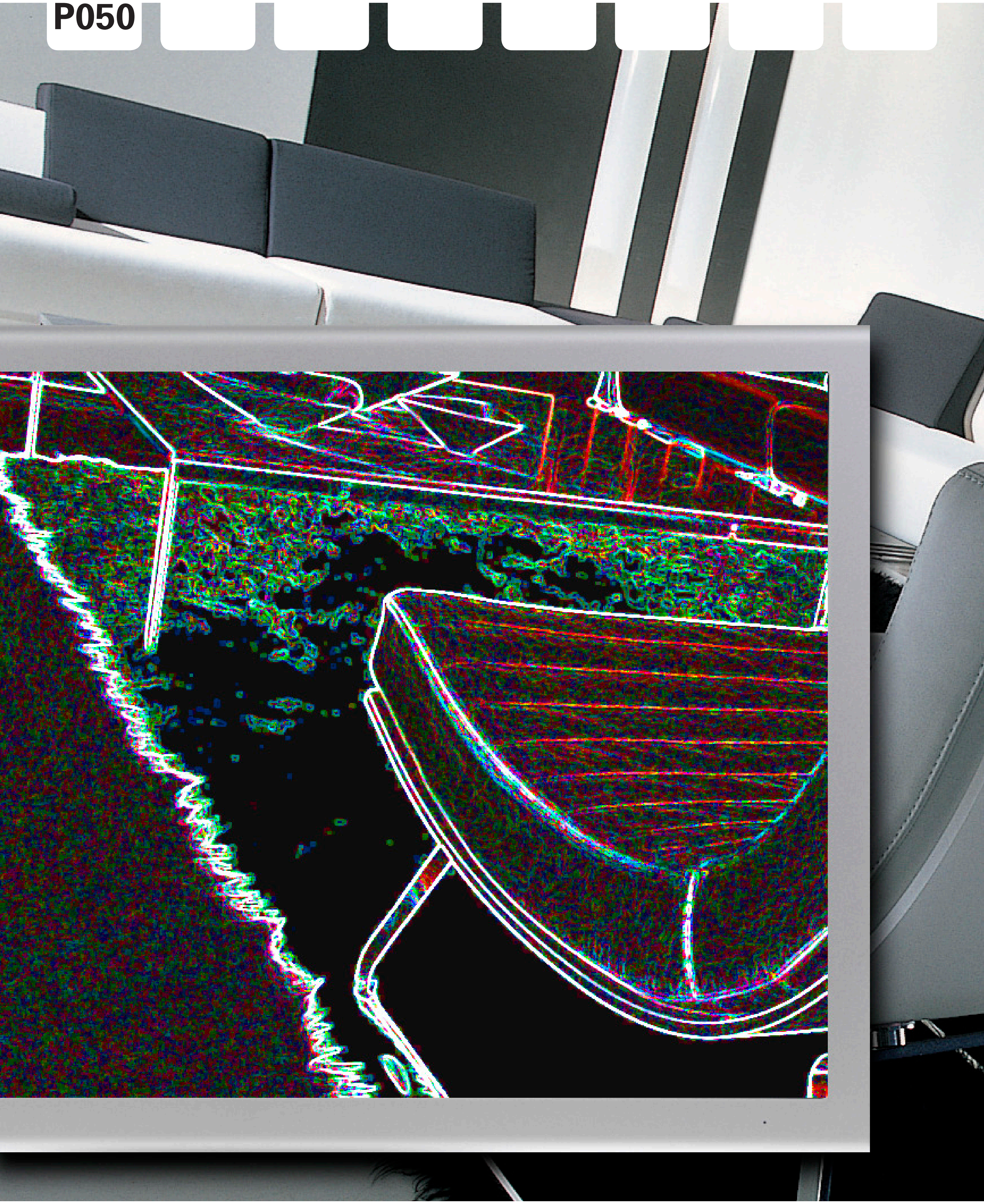
Jan-Hein Pullens,
Chief Operating Officer

Servaas Houtakkers,
Chairman of the Supervisory Board

Henk Huisman,
Member of the Supervisory Board

Dirk Lindenbergh,
Member of the Supervisory Board

NedSense is better able to
reach out to its partners in the market.



011 Financial Statements

011 Financial statements 2009

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Consolidated statement of financial position

As of 31 December

In thousands of euros

	Notes	2009	2008
Assets			
Property, plant, and equipment	12	118	175
Intangible fixed assets	11	8.520	8.088
Other investments	13	0	15
Total non-current assets		**8.638**	**8.278**
Inventories	15	5	7
Work in progress	16	99	131
Trade and other receivables	17	3.184	4.372
Corporate income tax	14	1	12
Cash and cash equivalents	18	747	1.720
Total current assets		**4.036**	**6.242**
Total assets	**6**	**12.674**	**14.520**
Equity			
Issued capital		983	8.867
Share premium		32.463	22.709
Legal reserves		4.131	3.499
Translation reserves		(42)	(71)
Accumulated deficit		(31.539)	(24.774)
Current year's result		(1.680)	(6.182)
Total equity	19	**4.316**	**4.048**
Liabilities			
Interest-bearing loans and borrowings	22	0	2.100
Employee benefits	23	88	72
Total non-current liabilities		**88**	**2.172**
Interest-bearing loans and borrowings	22	1.997	850
Trade and other payables	26	2.218	2.728
Deferred income	26	4.055	4.722
Total current liabilities		**8.270**	**8.300**
Total liabilities	**6**	**8.358**	**10.472**
Total equity and liabilities		**12.674**	**14.520**

The notes are an integral part of these consolidated financial statements

Consolidated statement of comprehensive income

For the year ended 31 December

In thousands of euros

	Notes	2009	2008
Continuing operations			
Net revenue	6	8.123	9.809
Cost of sales		(316)	(497)
Gross profit		**7.807**	**9.312**
Wages and salaries	8	5.107	5.283
Social security charges	8	886	1.213
Amortization and depreciation	11, 12	1.586	1.682
Impairment of goodwill	11	0	1.200
Other operating costs	9	3.257	3.584
Capitalized production	11	(1.455)	(1.382)
Profit (loss) from operations		**(1.574)**	**(2.268)**
Finance income		33	92
Finance costs	22	(116)	(248)
Net finance costs		**(83)**	**(156)**
Profit (loss) before income tax		**(1.657)**	**(2.424)**
Income tax expense	10	23	54
Profit (loss) from continuing operations		**(1.680)**	**(2.478)**
Discontinued operation			
Income (loss) from discontinued operation (net of income tax)	7	0	(3.704)
Profit (loss) for the period		**(1.680)**	**(6.182)**
Other comprehensive income			
Foreign currency translation differences for foreign operations	19	29	(67)
Other income through equity	19	0	(23)
Other comprehensive income for the period, net of income tax		**29**	**(90)**
Total comprehensive income (loss) for the period		**(1.651)**	**(6.272)**
Profit (loss) attributable to:			
Owners of the Company		(1.680)	(6.182)
Minority interest		0	0
Profit (loss) for the period	**19**	**(1.680)**	**(6.182)**
Total comprehensive income (loss) attributable to:			
Owners of the Company		(1.651)	(6.254)
Minority interest		0	(18)
Total comprehensive income (loss) for the period		**(1.651)**	**(6.272)**
Earnings per share			
Basic earnings per share (in euros)	20	(0,21)	(1,39)
Diluted earnings per share (in euros)	21	(0,21)	(1,39)
Earnings per share continued operations			
Basic earnings per share (in euros)	20	(0,21)	(0,56)
Diluted earnings per share (in euros)	21	(0,21)	(0,56)

The notes are an integral part of these consolidated financial statements

Consolidated statement of changes in equity

In thousands of euros

	Notes	Share capital	Share premium
Balance at 1 January 2008		8.867	22.709
Appropriation of result		0	0
Total comprehensive income (loss) for the period			
Profit or (loss)		0	0
Other comprehensive income			
Foreign currency translation differences		0	0
Total other comprehensive income		0	0
Total comprehensive income (loss) for the period		0	0
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	7	0	0
Total changes in ownership interests in subsidiaries		0	0
Total transactions with owners		0	0
Transfer from other reserves		0	0
Balance at 31 December 2008		8.867	22.709
Balance at 1 January 2009		8.867	22.709
Appropriation of result		0	0
Total comprehensive income (loss) for the period			
Profit or (loss)		0	0
Other comprehensive income			
Foreign currency translation differences		0	0
Total other comprehensive income		0	0
Total comprehensive income (loss) for the period		0	0
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		(8.424)	8.424
Issue of convertible notes (net of tax)	22	290	580
Issue of new shares		250	750
Share-based payments	29	0	0
Total contributions by and distributions to owners		(7.884)	9.754
Total transactions with owners		(7.884)	9.754
Transfer from other reserves		0	0
Balance at 31 December 2009		983	32.463

The notes are an integral part of these consolidated financial statements

Translation reserve	Accumulated deficit	Unallocated current year's result	Other legal reserves	Total	Minority interest	Total equity
(4)	(32.591)	4.616	6.700	10.297	18	10.315
0	4.616	(4.616)	0	0	0	0
0	0	(6.182)	0	(6.182)	5	(6.177)
(67)	0	0	0	(67)	0	(67)
(67)	0	0	0	(67)	0	(67)
(67)	0	(6.182)	0	(6.249)	5	(6.244)
0	0	0	0	0	(23)	(23)
0	0	0	0	0	(23)	(23)
0	0	0	0	0	(23)	(23)
0	3.201	0	(3.201)	0	0	0
(71)	(24.774)	(6.182)	3.499	4.048	0	4.048
(71)	(24.774)	(6.182)	3.499	4.048	0	4.048
0	(6.182)	6.182	0	0	0	0
0	0	(1.680)	0	(1.680)	0	(1.680)
29	0	0	0	29	0	29
29	0	0	0	29	0	29
29	0	(1.680)	0	(1.651)	0	(1.651)
0	0	0	0	0	0	0
0	0	0	0	870	0	870
0	0	0	0	1.000	0	1.000
0	49	0	0	49	0	49
0	49	0	0	1.919	0	1.919
0	49	0	0	1.919	0	1.919
0	(632)	0	632	0	0	0
(42)	(31.539)	(1.680)	4.131	4.316	0	4.316

Consolidated statement of cash flows

For the year ended 31 December

In thousands of euros

	Notes	2009	2008
Profit (loss) from operations		(1.574)	(2.530)
Adjustments for:			
Amortization and depreciation	11	1.586	1.978
Impairment losses on goodwill	11	0	1.200
Change in inventories and work in progress		34	27
Change in trade and other receivables		1.188	(772)
Change in trade and other payables		(510)	1.123
Change in provisions and employee benefits		16	(6)
Change in deferred income		(667)	657
Equity settled share based payment	29	49	0
Net finance costs		(166)	(202)
Corporate income tax		(12)	(87)
Cash flow from (used in) operating activities	**30**	**(56)**	**1.388**
Investments:			
Intangible fixed assets		(1.911)	(1.728)
Property, plant, and equipment		(54)	(117)
Disposals:			
Property, plant, and equipment		2	0
Sale of subsidiaries (including cash and cash equivalents)	7	0	300
Exchange rate differences		31	(55)
Cash flow from (used in) investment activities	**31**	**(1.932)**	**(1.600)**
Net proceeds from issuance of shares	2	1.000	0
Granted loans	2	0	1.450
Redemption loans	13	15	30
Cash flow from (used in) financing activities	**32**	**1.015**	**1.480**
Change in liquid assets		**(973)**	**1.268**
Cash and cash equivalents		1.720	1.059
Bank overdraft		0	(607)
Balance related to assets held for sale		0	0
Balance at 1 January		**1.720**	**452**
Cash and cash equivalents		747	1.720
Bank overdraft		0	0
Balance related to assets held for sale		0	0
Balance at 31 December		**747**	**1.720**
Change in liquid assets		**(973)**	**1.268**

The notes are an integral part of these consolidated financial statements

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Notes to the consolidated 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. Tuijnmanweg 10, 4131 PN Vianen, the Netherlands. The consolidated financial statements of the Company as of and for the year ended 31 December 2009 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interests in associates and jointly controlled entities.

The Company is a holding company, which holds 100% of companies providing integrated, specialized design, production, and planning software to the textile and apparel industries globally. In January 2010, the Company legally changed its name to NedSense enterprises n.v.

2. Basis of preparation

(a) Statement of compliance
The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code.

The consolidated financial statements were authorized for publication by the Board of Directors on 26 April 2010.

(b) Basis of measurement
The consolidated financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position:
• derivative financial instruments are measured at fair value

Going concern
In 2009, the obligatory convertible loan of € 850 thousand plus interest was converted (March 2009). Additional funding of € 1.000 thousand was raised through the issue of 2,5 million new shares (July 2009). The outstanding loan of € 2.100 thousand was renegotiated to reduce the interest rate and include the option to convert up to € 550.000 if certain conditions are met. As of the end of the year, the Company had equity of € 4.316 thousand, interest bearing loans of € 2.100 thousand, and a solvency rate of 34,1%.

The Company's loan of € 2.100 thousand matures on 31 December 2010. As the operating cash flow is insufficient to redeem this debt, the loan has to be refinanced. Following preliminary discussions with several relevant parties, management is confident that the loan can be successfully refinanced.

Based on the Company's financial position, the planned additional funding, its assets and the current outlook of the financial performance for the forthcoming year, management believes the Company will be able to continue as a going concern.

Share issues

The shares of the Company have been listed on the official market of Euronext Amsterdam N.V. since 21 May 1999. As of 31 December 2009, the number of outstanding shares was 9.831.354 (2008: 4.433.702).

In March 2009, the nominal value of the shares was decreased from € 2,00 to € 0,10 per share. The reason for this decrease was that the stock price of the shares had been below the nominal value preventing additional share issues. Immediately after the nominal value decrease occurred, the € 850.000 convertible bond issued in 2008, plus interest at 10% per annum payable in shares, was converted to 2.897.652 new shares.

In July 2009, additional capital was raised to fund the Company's growth strategy. An additional € 1.000.000 was raised and 2.500.000 new shares were issued.

The number of shares outstanding as of 31 December 2009 was therefore 9.831.354 with a nominal value of € 0,10, resulting in a share capital of € 983.135 at the end of 2009. Share premium as of 31 December 2009 was € 32.462.696.

Changes in Group entities in 2009

No sales or acquisitions of Group entities were made in 2009.

Changes in Group entities in 2008

In the first half of 2008 the Company sold Blue Fox Porini Srl (wholly owned), Blue Fox Porini Lda (51% shareholding), Blue Fox Porini Textile, Inc. (wholly owned), and the Microsoft-certified ERP software developed in Blue Fox MDP B.V. (together referred to as the "Porini activities"). With this transaction, a book loss of € 3,7 million was recorded. The results of these former subsidiaries for the first quarter of 2008 have been included in the financial statements under 'discontinued operations'.

(c) Functional and presentation currency

These consolidated financial statements are presented in euro, which is the Company's functional currency. All financial information presented in euro has been rounded to the nearest thousand unless otherwise stated.

(d) Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with IFRSs requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 11 – Impairment test for intangible assets
- Note 14 – Deferred tax assets and liabilities

(e) Changes in accounting policies

(I) Overview

Starting as of 1 January 2009, the Group has changed its accounting policies in the following areas:

- Accounting for borrowing costs
- Presentation of financial statements

(II) Accounting for borrowing costs

In respect of borrowing costs relating to qualifying assets for which the commencement date for capitalization is on or after 1 January 2009, the policy of the Group is to capitalize borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. Previously the policy of the Group was to immediately recognize all borrowing costs as an expense. This change in accounting policy was due to the adoption of

IAS 23 *Borrowing Costs* (2007) effective 1 January 2009. Comparative figures have not been restated; no such costs were incurred during the periods presented. The change in accounting policy therefore had no impact on earnings per share.

(III) Presentation of financial statements

The Group applies revised IAS 1 *Presentation of Financial Statements* (2007), which became effective as of 1 January 2009. As a result, the Group presents in the consolidated statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the consolidated statement of comprehensive income.

Comparative information has been re-presented so that it also is in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on earnings per share.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group entities.

(a) Basis of consolidation
(I) Subsidiaries
Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

The consolidation includes NedSense enterprises n.v. and the following Group entities:

Consolidation criteria

		2009	2008
NedSense enterprises b.v. (fka Blue Fox Enterprises B.V.)	the Netherlands (Vianen)	100%	100%
NedSense IPR B.V. (fka Blue Fox IPR B.V.)	the Netherlands (Vianen)	100%	100%
NedSense NedGraphics B.V. (fka Blue Fox NedGraphics B.V.)	the Netherlands (Vianen)	100%	100%
NedSense LOFT B.V. (fka Blue Fox MDP B.V.)	the Netherlands (Vianen)	100%	100%
TOPCAD B.V.	the Netherlands (Vianen)	100%	100%
NedGraphics CAD/GIS B.V.	the Netherlands (Vianen)	100%	100%
NedGraphics BvBa (fka BLUE FOX NedGraphics BvBa)	Belgium (Deerlijk)	100%	100%
NedGraphics SA (fka Blue Fox NedGraphics SA)	France (Paris)	100%	100%
NedGraphics Ltd. (fka Blue Fox NedGraphics Ltd.)	UK (Dukinfield)	100%	100%
NedGraphics Srl (fka Blue Fox NedGraphics Srl)	Italy (Lomazzo)	100%	100%
NedSense Srl (fka Blue Fox Srl)	Romania (Bucharest)	100%	100%
NedGraphics, Inc. (fka Blue Fox NedGraphics, Inc.)	USA (New York)	100%	100%
NedGraphics of Tennessee, Inc. (fka Blue Fox NedGraphics of Tennessee, Inc.)	USA (Chattanooga)	100%	100%
NedGraphics (Shanghai) Software for Textile and Fashion Co., Ltd.	China (Shanghai)	100%	-
Dynamics Perspective Inc.	USA (Los Angeles)	100%	100%

Formerly Known As (fka)

(II) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(b) Foreign currency

(I) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency (euro) at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the end of the reporting period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognized in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

(II) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to euro at exchange rates at the reporting date. The income and expenses of foreign operations are translated to euro at exchange rates at the dates of the transactions.

Foreign currency differences are recognized in other comprehensive income. Since 1 January 2004, the Group’s date of transition to IFRSs, such differences have been recognized in the foreign currency translation reserve (translation reserve, or FCTR). When a foreign operation is disposed of, in part or in full, the relevant amount in the FCTR is transferred to profit or loss as part of the profit or loss on disposal.

Net investment in foreign operations

Exchange differences arising from the translation of the net investment in foreign operations, and of related hedges are recognized in the FCTR. When a net investment is disposed of, the relevant amount in the FCTR is transferred to profit or loss as part of the profit or loss on disposal.

(c) Financial instruments

(I) Non-derivative financial assets

The Group initially recognizes loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognized initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Group has the following non-derivative financial assets: loans and receivables.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Loans and receivables comprise trade and other receivables and other investments.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group’s cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(II) Non-derivative financial liabilities

The Group initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognized initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Group has the following non-derivative financial liabilities: trade and other payables.

Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

(III) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

Repurchase of share capital (treasury shares)

When share capital recognized as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a deduction from total equity. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to / from retained earnings.

(IV) Compound financial instruments

Compound financial instruments issued by the Group comprise convertible notes that can be converted to share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value.

The liability component of a compound financial instrument is recognized initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is

recognized initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and other equity components in proportion to their initial carrying amounts.
Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition.

Interest, dividends, losses and gains relating to the financial liability are recognized in profit or loss. Distributions to the equity holders are recognized in equity, net of any tax benefit.

(V) Derivative financial instruments
The Group holds a derivative financial instrument (conversion option) in interest-bearing loans and borrowings.

Derivatives are recognized initially at fair value; attributable transaction costs are recognized in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

Separable embedded derivatives
Changes in the fair value of separable embedded derivatives are recognized immediately in profit or loss, and the carrying amount of the derivative is adjusted.

(d) Property, plant and equipment
(I) Recognition and measurement
Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalized borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

(II) Subsequent costs
The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

(III) Depreciation
Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

Depreciation methods, useful lives, and residual values are reviewed at each financial year-end and adjusted if appropriate.

(e) Intangible assets
(I) Goodwill
Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets.

All business combinations are accounted for by applying the purchase accounting method. Goodwill represents amounts arising on the acquisition of subsidiaries, associates and joint ventures. In respect of business acquisitions that have occurred since 1 January 2004, goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired.

In respect of acquisitions prior to this date, goodwill is included on the basis of its deemed cost, which represents the amount recorded under previous GAAP. The classification and accounting treatment of business combinations that occurred prior to 1 January 2004 has not been reconsidered in preparing the Group's opening IFRS balance sheet at 1 January 2004.

Goodwill is measured at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested annually for impairment.

Negative goodwill arising on an acquisition is recognized directly in profit or loss.

(II) Research and development
Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized in profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalized only if development cost can be measured reliably, the product of process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalized includes the cost of materials, direct labor, overhead costs that are directly attributable to preparing the asset for its intended use, and capitalized borrowing costs. Other development expenditure is recognized in profit or loss as incurred.

Capitalized development expenditure is measured at cost less accumulated amortization and accumulated impairment losses.

(III) Other intangible assets
Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses.

(IV) Subsequent expenditure
Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(V) Amortization

Amortization is calculated over the cost of the asset, or other amount substituted for cost, less its residual value.
Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Amortization methods, useful lives, and residual values are reviewed at each financial year-end and adjusted if appropriate.

(f) Leased assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and the leased assets are not recognized in the Group's statement of financial position. Investment property held under an operating lease is recognized in the Group's statement of financial position at its fair value.

(g) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition.
Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(h) Work in progress

Work in progress represents the gross unbilled amount expected to be collected from customers for contract work performed to date. It is measured at cost plus profit recognized to date less progress billings and recognized losses. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Group's contract activities based on normal operating capacity.

If progress billings exceed costs incurred plus recognized profits, then the difference is presented as deferred income in the statement of financial position.

(i) Impairment

(I) Financial assets (including receivables)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

The Group considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

In assessing collective impairment the Group uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognized through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is revised through profit or loss.

(II) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU"). Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(j) Non-current assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group, are re-measured in accordance with the Group's accounting policies. Thereafter generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group first is allocated to goodwill, and then to remaining assets and liabilities on *pro rata* basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property and biological assets which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on re-measurement are recognized in profit or loss. Gains are not recognized in excess of any cumulative impairment loss.

(k) Employee benefits

(I) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in profit or loss in the periods during which services are rendered by employees. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are due more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

(II) Share-based payment transactions

The grant date fair value of share-based payment awards, including share appreciation rights, granted to employees is recognized as an employee expense, with a corresponding increase in equity. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date.

(l) Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

(I) Restructuring
A provision for restructuring is recognized when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for.

(II) Onerous contracts
A provision for onerous contracts is recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognizes any impairment loss on the assets associated with that contract.

(m) Revenue
Net revenue from sales in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts, volume rebates, agents' commissions, bonuses, and sales taxes. Revenue is recognized when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible returns can be estimated reliably, there is no continuing management involvement with the goods, software and services sold, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognized as a reduction of revenue as the sales are recognized.

The timing of the transfers of risks and rewards varies depending on the individual terms of the contract of sale. For sales of goods, software, and services that do not involve significant modifications or customization, transfer occurs upon shipment of the goods or software, and upon provision of services. Profit on work in progress is recognized *pro rata* to the progress of the project ('percentage of completion method'). The performance achieved during the reporting period, including the costs of supplied raw materials, directly and indirectly attributable wage and overhead costs as well as a mark-up for profit *pro rata* to the progress of the project are stated as sales.

A large part of net revenue concerns income from the selling of software licenses, as well as providing related services such as maintenance, support, and training with regard to in-house developed software. In addition, revenue is generated by performing and supervising software and hardware implementations as well as tailoring in-house developed software to specific customers' needs.

Software and related services sales range from those that provide a license for a single software product ('standard software') to those that, in addition to the delivery of software or a software system, require significant modification or customization of the software. If a sale to deliver software or a software system, either alone or together with other products or services, requires significant modification or customization of the software, the entire sale has to be accounted for in conformity with contract-accounting (for construction contracts).

(I) Sale of software

License fee revenue from standard software is recognized in the income statement when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognized if there are significant uncertainties regarding recovery of the consideration due, associated costs, or the possible return of the software.

The license fee income from standard software is recognized when all of the following conditions are met:

- the software license contract has been signed;
- the software and accompanying documentation have been delivered;
- there are no material uncertainties regarding customer acceptance; and
- there are no material uncertainties regarding payment of the account receivable.

(II) Software services

If a sale to deliver software or a software system requires significant modification or customization of the software, revenue is recognized using the 'percentage of completion' method. The actual delivery of the non-standard software is therefore not regarded as the realization moment for software that requires significant modification or customization. Revenue related to the delivery of non-standard software is accounted for *pro rata* to the progress of the project, which comprises the complete installation, modification and customizing of the software in the client's environment.

When the outcome of a project can be estimated reliably, contract revenue and expenses are recognized in profit or loss in proportion to the stage of completion of the contact. The stage of completion is assessed by reference to surveys of work performed. If such estimates can not be made reliably or surveys regarding the work performed are not available, all contract revenue is deferred and is accounted for on the basis of completed contract.
No revenue is recognized if there are significant uncertainties regarding recovery of the consideration due, associated costs, or the possible return of the software. An expected loss on a contract is immediately recognized in profit or loss.

(III) Maintenance and support revenue
Services with regard to performing maintenance and support of licensed software are provided to customers per agreement. Maintenance and support includes support provided over the telephone by a helpdesk, and upgrades (new versions) and updates of licensed software. Revenue from maintenance and support is recognized over and attributed to the period to which the revenue relates. This period is generally a 12-month period. Unrealized revenue, consisting of the unrealized and therefore deferred part of the revenue from maintenance and support is presented under deferred income in the statement of financial position.

(IV) Goods sold and services rendered
Revenue from the sale of goods is recognized in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from the sale of goods and services is recognized in profit or loss in proportion to the stage of completion of the transaction. The stage of completion is assessed by reference to surveys of work performed. No revenue is recognized if there are significant uncertainties regarding recovery of the consideration due, associated costs, the possible return of goods, or continuing management involvement with the goods.

(n) Capitalized production for own company
The income from capitalized production for own company relates to the capitalization of software development costs with regard to in-house developed software and is accounted for in operating costs.

(o) Lease payments
Payments made under operating leases are recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(p) Finance income and finance costs

Finance income comprises interest income on funds invested (including available-for-sale financial assets), dividend income, gains on the disposal of available-for-sale financial assets, and changes in the fair value of financial assets at fair value through profit or loss. Interest income is recognized as it accrues in profit or loss, using the effective interest method. Dividend income is recognized in profit or loss on the date that the Group's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, dividend on preference shares classified as liabilities, changes in the fair value of financial assets at fair value through profit or loss, and impairment losses recognized on financial assets. Borrowing costs that are not directly attributable to the acquisition, construction, or production of a qualifying asset are recognized in profit or loss using the effective interest method.

(q) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(r) Discontinued operations
A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative income is re-presented as if the operation had been discontinued from the start of the comparative period.

(s) Earnings per share
The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

(t) Segment reporting
An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's CEO to make decisions about resources to be

allocated to the segment and assess its performance, and for which discrete financial information is available.

(u) New standards and interpretations not yet adopted
A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2009, and have not been applied in preparing these consolidated financial statements. None of these are expected to have a significant impact on the consolidated financial statements.

4. Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(I) Intangible assets
The fair value of intangible assets is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

(II) Trade and other receivables
The fair value of trade and other receivables, including work in progress, is not materially different from the carrying amounts presented in the statement of financial position.

(III) Derivatives
The fair value of the embedded derivative (conversion option) in the interest bearing loan is assessed at the reporting date using the Binomial model. The Binomial model is an open form, inductive model allowing for multiple (theoretically unlimited) branches of possible outcomes on a 'tree' of possible price movements, and induces the conversion option's fair value. The most important assumptions used in the model are: historical stock prices, valuation date, share price, number of periods, exercise price, time aspects of the option, risk free rate, volatility, and dividend.

(IV) Non-derivative financial liabilities

The fair value of trade and other payables is not materially different from the carrying amounts presented in the statement of financial position.

(V) Deferred income

The fair value of deferred income is not materially different from the carrying amounts presented in the statement of financial position.

(VI) Share-based payment transactions

The fair value of services received in return for share options granted is based on the fair value of share options granted, assessed at the reporting date using the Black-Scholes model. The Black-Scholes model is a so-called closed form model that evaluates options via a formula based on fixed data, including start and end dates to estimate the option's present value. The most important assumptions used in the model are: historical stock prices, share price, exercise price, valuation date, time to maturity, risk free rate, volatility, dividend, and forfeiture rate.

5. Financial risk management

Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk
- operational risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk, particularly in the currently weak economic circumstances.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed or advanced down payments are requested on all customers requiring credit over a certain amount. The Group does not require collateral in respect of financial assets.

At the reporting date, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. The current liquidity is not sufficient to redeem the loan of € 2.100 thousand that is due as of 31 December 2010 (we refer to note 22 for more information regarding this loan).

Market risk
Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income.

Foreign currency risk
The Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the euro. The currency giving rise to this risk is primarily the U.S. dollar.

In respect of other monetary assets and liabilities held in currencies other than the euro, the Group ensures that the net exposure is kept to an acceptable level, by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances.

The Group has not entered into forward exchange contracts hedging forecasted transactions.

Interest rate risk
Interest-bearing loans and borrowings have a fixed interest rate. The Group has not entered into interest rate swaps to mitigate the risk of interest rate fluctuations.

Operational risk
Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risks arise from all of the Group's operations.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

Capital management
The primary objective when managing capital is to safeguard the Group's ability to continue as a going concern. In light of the successful turnaround process completed in 2009, the Board of Directors appointed 1 January 2009 rolled out the Company's new strategy in 2009. The Company does not have an explicit return on capital policy. There have been no changes in the capital management policies during the year. Capital is considered by the Company to be equity as shown in the statement of financial position.

The Company monitors capital on the basis of cash flow prognoses and the solvency and liquidity ratio. The solvency ratio is calculated as total equity attributable to equity holders of the parent divided by the balance sheet total. The liquidity ratio is calculated as current assets divided by current liabilities excluding deferred income. During the year, the solvency ratio increased from 33,7% to 34,1%, and the liquidity ratio decreased from 1,7 to 1,0. The increase in solvency is primarily due to the raising of additional capital. The decrease in liquidity is primarily due to the loss sustained in 2009.

6. Operating segments

The Group now has two reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Group's CEO reviews internal management reports on a monthly basis. The following summary describes the operations in each of the Group's reportable segments:
- NedGraphics makes and sells CAD/CAM software for the textile and apparel industries
- Dynamics Perspective sells ERP software and related services for the apparel industry

Other operations include the results of the holding company, the start-up LOFT activities, and for 2008, the now divested Porini assets and liabilities. These segments do not meet the quantitative thresholds for determining reportable segments in 2009 or 2008. The accounting policies of the reportable segments are the same as described in notes 2 and 3.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment operating profit (loss), as included in the internal management reports that are viewed by the Group's CEO. Segment operating profit (loss) is used to measure performance as management believes that such information is the most relevant in evaluating

the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.
The operating segments operate on a global scale. Revenue from external customers in the Netherlands was € 184 thousand in 2009 (2008: € 214 thousand). Non-current assets related to the Netherlands amounted to € 8.733 thousand (2008: € 8.579 thousand). Revenue from external customers in the United States of America was € 3.925 thousand in 2009 (2008: € 4.546 thousand). Non-current assets related to the United States of America amounted to € 37 thousand (2008: € 52 thousand). The Company and its operating segments have a diverse customer base of over 3.500 customers in many countries and of various sizes. The Company and its segments do not rely on a single customer or a single group of customers for its operations.

Business segment reporting

In thousands of euros

Operating segments **Profit, loss, assets and liabilities**	**NedGraphics** **2009**	**2008**	**DPI** **2009**	**2008**
Software	2.704	3.569	25	151
Maintenance	4.182	4.323	506	496
Other	460	857	230	413
External revenues	**7.346**	**8.749**	**761**	**1.060**
Inter-segment revenue	0	0	0	0
Cost of sales	262	361	48	136
Operating expenses	7.309	7.939	855	991
Capitalized production	(1.455)	(1.382)	0	0
Depreciation and amortization	1.333	1.468	2	6
Impairment of segment assets	0	0	0	0
Segment operating profit (loss)	(103)	363	(144)	(73)
Interest revenue	19	31	0	0
Interest expense	(2)	(4)	0	(24)
Segment profit (loss) before tax	(86)	390	(144)	(97)
Corporate income tax	22	53	1	1
Intangible segment assets	4.197	3.975	0	0
Other segment assets	5.668	6.178	78	447
Segment liabilities	6.096	6.305	1.144	1.360
Revenue external customers Netherlands	184	214	0	0
Non-current assets Netherlands	4.272	4.045	0	0

Other 2009	Other 2008	Total 2009	Total 2008
4	0	2.733	3.720
0	0	4.688	4.819
12	0	702	1.270
16	**0**	**8.123**	**9.809**
0	0	0	0
6	0	316	497
1.086	1.150	9.250	10.080
0	0	(1.455)	(1.382)
251	208	1.586	1.682
0	1.200	0	1.200
(1.327)	(2.558)	(1.574)	(2.268)
14	61	33	92
(114)	(220)	(116)	(248)
(1.427)	(2.717)	(1.657)	(2.424)
0	0	23	54
4.323	4.113	8.520	8.088
1.473	4.822	4.154	6.432
4.183	7.752	8.358	10.472
0	0	184	214
4.327	4.137	8.598	8.182

7. Discontinued operations

The results of the Porini activities in the first quarter of 2008 have been recognized under 'discontinued operations' in the income statement.

The income statement below has been provided to show the discontinued operations separately from continuing operations.

Results of discontinued operations

In thousands of euros

	2009	2008
Results of discontinued operations		
Revenue	0	1.228
Expenses	0	1.551
Result on Product Development	0	62
Operating result	**0**	**(261)**
Interest income (expense)	0	(37)
Income tax expense	0	13
Minority interest	0	5
Result from operating activities, net of income tax	**0**	**(316)**
Gain on sale of discontinued operations	0	(3.388)
Result for the period	**0**	**(3.704)**
Basic earnings (loss) per share (€)	0,00	(0,84)
Diluted earnings (loss) per share (€)	0,00	(0,84)
Cash flows from (used in) discontinued operations		
Net cash from operating activities	0	316
Net cash from investing activities	0	(78)
Net cash from financing activities	0	0
Net cash from (used in) discontinued operations	**0**	**238**
Effect of disposal on the financial position of the group		
Property, plant, equipment	0	(75)
Inventories	0	(27)
Intangible fixed assets	0	(3.332)
Trade and other receivables	0	(3.747)
Cash and cash equivalents	0	456
Trade and other payables	0	2.906
Provisions	0	552
Net assets and liabilities	**0**	**(3.267)**
Consideration received, satisfied in cash	0	(156)
Cash disposed of	0	456
Net cash outflow	**0**	**300**

8. Wages and salaries and social security charges

In thousands of euros

	2009	2008
Wages and salaries	5.107	5.283
Social security charges	767	799
Contribution to defined contribution plans	103	408
Increase in liability for long service benefits	16	6
Total wages and salaries and social security charges	**5.993**	**6.496**

For the remuneration of key management we refer to note 46.

Staff

During 2009, the group had an average of 112 staff members (2008: 120). This staff can be divided as follows over the various divisions:

Staff over various divisions

In average FTE

	2009	2008 restated	2008
Management and staff holding company	3	3	3
Textile and Apparel Software division (CAD/CAM)	101	107	107
Textile and Apparel Software division (ERP)	8	10	28
Total number of staff members	**112**	**120**	**138**
Netherlands	33	36	36
Rest of Europe	44	43	59
USA	29	33	35
Asia	6	8	8
	112	**120**	**138**

2008 has been restated to remove the FTEs of the divested Porini activities.

9. Other operating costs

The other operating costs can be specified as follows:

In thousands of euros

	2009	2008
Sales costs	355	229
Housing costs	847	827
Car costs	294	270
Other staff costs	378	538
General costs	1.364	1.814
Currency and exchange rate differences	19	-94
Total other operating costs	**3.257**	**3.584**

10. Income tax expense

The activities of the Company group are subject to corporate income taxes of various countries, with tax rates between 21,4% and 40%. In the case of a relatively low nominal tax rate, not all the costs incurred are tax deductible. The various tax rates and the presence of unrealized tax loss carry forwards are the cause of a deviation of the actual weighted tax pressure and the nominal tax rate in the Netherlands (25,5%).

For the fiscal unit for corporate income tax with respect to the Dutch entities all years up until 2006 have been filed and accepted. 2007 has been filed but not yet accepted.

The reconciliation of the nominal and the effective tax pressure is as follows:

Income tax expense

In thousands of euros

	2009	2008 restated	2008
Result from ordinary activities before taxation	**(1.657)**	**(6.110)**	**(6.110)**
Amortization of acquisition goodwill (non-deductible)	0	1.200	1.200
Result sale of participating interests	0	3.388	3.388
Of which related to taxable result on asset sale	0	(1.856)	(1.856)
Taxable income	**(1.657)**	**(3.378)**	**(3.378)**
Weighted average taxation	(519)	(1.141)	(1.128)
Valuation adjustment fiscal losses carryforward	473	1.072	1.072
Non deductible items	69	123	123
Tax for the year	**23**	**54**	**67**
Current year tax	23	54	67
Deferred tax	0	0	0
Total tax for the year	**23**	**54**	**67**

2008 has been restated to remove the income tax expense of the divested Porini activities.

Deferred tax assets have been recognized in the annual accounts for as far as they can be reasonably expected to be realized within the foreseeable future. The deferred tax effect on the tax charge for the year relates to changes in (un-)recognized temporary differences.

11. Intangible fixed assets

Movements were as follows:

In thousands of euros

	Goodwill	Costs of software development	Costs of obtained rights and patents	Total 2009	Total 2008
Costs 1 January	21.106	16.925	43	38.074	39.678
Accumulated amortization 1 January	(17.052)	(12.891)	(43)	(29.986)	(26.986)
Book value as of 1 January	**4.054**	**4.034**	**0**	**8.088**	**12.692**
Changes:					
Investments	0	1.911	0	1.911	1.728
Disposals	0	0	0	0	(3.332)
Amortization	0	(1.479)	0	(1.479)	(1.517)
Amortization on disposals	0	0	0	0	(283)
Impairment	0	-	0	0	(1.200)
	0	**432**	**0**	**432**	**(4.604)**
Costs 31 December	21.106	18.836	43	39.985	38.074
Accumulated amortization 31 December	(17.052)	(14.370)	(43)	(31.465)	(29.986)
Book value as of 31 December	**4.054**	**4.466**	**0**	**8.520**	**8.088**

Investments in 2009 include capitalized production of € 1.455 thousand and third party of € 456 thousand.

The following amortization/depreciation percentages are used:

Amortization percentages

Costs of software development	10-20%
Costs of obtaining rights and patents	20%

Costs of software development include an amount of € 2.000 thousand, relating to the software obtained by the acquisition of NedGraphics. Contrary to in-house developed software, which is depreciated in five years, this third-party obtained software is depreciated in ten years (carrying value: € 333 thousand).

Impairment test for intangible assets
Intangible assets primarily comprise software and goodwill on NedGraphics. The recoverable amount of cash-generating units (CGU's) is based on value-in-use calculations. This calculation is based on the budget for 2010. Cash flows for further periods are extrapolated using a 5% growth rate for 2011 through 2014 and 2% for 2015 and forward in the case of gross margin, and a 2% growth rate for 2011 through 2014 and also 2% for 2015 and forward in the case of operating expenses. A pre-tax discount rate of 14,9% (2008: 13,6%) has been used in discounting the projected cash flows. Allocated holding expenses have also been incorporated in the calculations. Key assumption in the 2010 budget is that revenue will recover substantially post-recession, and if not, that sufficient cost savings can be achieved compared to the budget 2010, so that the effect of lower revenue will be offset.

Management's approach in determining the key revenue assumption in the 2010 budget noted above is based on trends noted in the marketplace in late 2009 and early 2010. The Group has directly experienced an improving economic climate during this timeframe, and this experience is also reflected in media reports on the broader economy. Other key assumptions are the expected growth rate of revenues and operating expenses.

A minor adverse change in the key assumptions would result in an impairment charge. The revenue growth assumptions have resulted in a positive NedGraphics CGU value using discounted cash flows of approximately € 6.400 thousand as compared to a carrying value of approximately € 5.900 thousand.

Based on the impairment test as described above, the recoverable amount of this cash-generating unit is not lower than the carrying amount. As a result, no impairment has been recorded in 2009.

12. Property, plant and equipment

Movements were as follows:

In thousands of euros

	Total 2009	Total 2008
Costs 1 January	5.554	5.512
Accumulated depreciation 1 January	(5.379)	(5.200)
Book value as of 1 January	**175**	**312**
Changes:		
Investments	54	117
Disposals	(2)	(75)
Depreciation	(106)	(166)
Depreciation on disposals	0	(13)
Currency influences	(3)	0
	(57)	(137)
Costs 31 December	5.606	5.554
Accumulated depreciation 31 December	(5.488)	(5.379)
Book value as of 31 December	**118**	**175**

The following depreciation percentages are used:

Depreciation percentages

Refurbishing	10-12%
Computer equipment and programs	33%
Other assets	33%

13. Other investments

Other investments wholly relates to financial assets. Movements were as follows:

In thousands of euros

	2009	2008
Book value as of 1 January	**15**	**45**
Changes:		
Redemption on loans granted	(15)	(30)
Total changes	(15)	(30)
Book value as of 31 December	**0**	**15**

In October 2003, the company issued a loan of € 90.000 to Secundo B.V., the holding company of CMedia Productions B.V. The loan was subordinated to all Secundo's obligations to its bank. The interest on this loan on an annual basis was 6% and the loan had to be repaid in two equal installments, on 1 October 2007 and 1 October 2008. By the end of 2008 € 75.000 had been collected. Renegotiations with Secundo B.V. resulted in postponed repayment of the last € 15.000 until January 2009. The carrying amount as per 31 December 2009 is € 0 (2008: € 15.000).

14. Deferred tax assets and liabilities

The corporate income tax assets on the consolidated statement of financial position relate to current corporate income tax receivables.

Deferred tax assets and liabilities are attributable to the following:

Recognized deferred tax assets and liabilities

In thousands of euros

	Assets 2009	Assets 2008	Liabilities 2009	Liabilities 2008	Net 2009	Net 2008
Intangible assets	0	0	(85)	(154)	(85)	(154)
Interest-bearing loans and borrowings	0	0	0	0	0	0
Tax value of loss carryforward recognized	85	154	0	0	85	154
Tax assets/liabilities	**85**	**154**	**(85)**	**(154)**	**0**	**0**
Netting of tax	(85)	(154)	85	154	0	0
Net tax assets and liabilities	**0**	**0**	**0**	**0**	**0**	**0**

Deferred tax assets have not been recognized in respect of the following items:

Unrecognized deferred tax assets

In thousands of euros

	2009	2008
Tax Losses	5.890	5.417

The tax losses expire in the period from 2010 through 2018. Deferred tax assets have only been recognized to the level of deferred tax liabilities which are available to offset the deferred tax assets within the same fiscal unit for corporate income tax purposes. The amount of deferred tax assets that exist in excess of these deferred tax liabilities has not been recognized for the time being, as management is insufficiently certain that taxable profit will be available in the near future against which the temporary difference can be utilized.

Movement in deferred tax during the year

In thousands of euros

	1 Jan. 2009	Recognized in income	Recognized in equity	Balance 31 Dec. 2009
Intangible assets	(154)	69	0	(85)
Employee benefits	0	0	0	0
Interest-bearing loans and borrowings	0	0	0	0
Tax value of loss carryforward utilized	154	(69)	0	85
	0	**0**	**0**	**0**

	1 Jan. 2008	Recognized in income	Recognized in equity	Balance 31 Dec. 2008
Intangible assets	(661)	507	0	(154)
Employee benefits	0	0	0	0
Interest-bearing loans and borrowings	0	0	0	0
Tax value of loss carryforward utilized	661	(507)	0	154
	0	**0**	**0**	**0**

15. Inventories

In thousands of euros

	31 Dec. 2009	31 Dec. 2008
Trade goods	5	7
	5	**7**

The valuation of inventories on the basis of net realizable value is not materially different from the valuation above.

The Company only sells software licenses and related services. Any hardware that is sold, belongs to third parties for which the Company holds no inventories. Inventories mentioned in this table relate to the small hardware devices through which our software can be distributed.

16. Work in progress

In thousands of euros

	31 Dec. 2009	31 Dec. 2008
Work in progress	99	131
	99	**131**

The valuation of work in progress includes losses and possible future losses, as far as these can be foreseen as of balance sheet date. The stage of completion of contracts has been determined based on hours worked and realized production.

17. Trade and other receivables

In thousands of euros

	31 Dec. 2009	31 Dec. 2008
Trade receivables	2.731	3.582
Prepaid expenses	263	543
Other receivables and accrued income	190	247
	3.184	**4.372**

Aging of the trade receivables as of 31 December

In thousands of euros

	2009			2008		
	Gross trade debtors	**Impairment**	**Net trade debtors**	**Gross trade debtors**	**Impairment**	**Net trade debtors**
Number of days outstanding						
0 - 30 days	1.266	0	1.266	1.770	0	1.770
31 - 60 days	215	0	215	165	0	165
61 - 90 days	217	0	217	344	0	344
> 90 days	1.120	(87)	1.033	1.583	(280)	1.303
Total	**2.818**	**(87)**	**2.731**	**3.862**	**(280)**	**3.582**

Movement in the allowance for impairment in respect of trade receivables during the year

In thousands of euros

	2009	2008
Balance at 1 January	**280**	**529**
Impairment loss recognized	(193)	40
Disposal of participations	0	(289)
Balance at 31 December	**87**	**280**

18. Cash and cash equivalents

With the exception of the bank guarantees discussed in note 27, the cash and cash equivalents are at the free disposal of the Company.

In thousands of euros

	31 Dec. 2009	31 Dec. 2008
Bank balances	746	1.718
Cash and cash equivalents	1	2
	747	**1.720**

19. Shareholders' equity capital and reserves

Share capital and share premium

At 31 December 2009, the issued share capital comprised 9.831.354 ordinary shares (2008: 4.433.702) with nominal value € 0,10, which have been fully paid up.

Legal reserves

In conformity with the Netherlands Civil Code, a legal reserve is recognized for the carrying amount of internally developed capitalized software development costs at the statement of financial position date.

Translation reserves

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations that are not integral to the operations of the company, as well as – for as far applicable – from the translation of liabilities that hedge the Company's net investment in a foreign subsidiary.

20. Earnings per share

The calculation of earnings per share at 31 December 2009 was based on the result attributable to ordinary shareholders of € 1.680 thousand negative (2008: € 6.182 thousand negative) and a weighted average number of ordinary shares outstanding during the year ended 31 December 2009 of 7.884.917 (2008: 4.433.702), calculated as follows:

Weighted average number of ordinary shares

Number of shares

	31 Dec. 2009	31 Dec. 2008
Issued ordinary shares at 1 January	4.433.702	4.433.702
New shares issued (March 2009)	2.897.652	0
New shares issued (July 2009)	2.500.000	0
Issued ordinary shares at 31 December	**9.831.354**	**4.433.702**
Issued ordinary shares at 1 January	4.433.702	4.433.702
Effect of shares issued in March 2009	2.389.571	0
Effect of shares issued in July 2009	1.061.644	0
Weighted average number of ordinary shares	**7.884.917**	**4.433.702**
Profit (loss) for the period	(1.680)	(6.182)
Profit (loss) attributable to ordinary shareholders	**(1.680)**	**(6.182)**
Earnings per share	**(€ 0,21)**	**(€ 1,39)**

21. Diluted earnings per share

In 2009 and 2008, instruments that could potentially dilute earnings per share in the future were not included in the calculation of diluted earnings per share, because they were not dilutive for the period presented.

The diluted weighted average number of ordinary shares can be calculated as follows:

Weighted average number of ordinary shares (diluted)

In thousands of euros

	31 Dec. 2009	31 Dec. 2008
Weighted average number of ordinary shares at 31 December	7.884.917	4.433.702
Effect of conversion of convertible notes	0	2.897.652
Effect of share options on issue	184.790	4.930
Weighted average number of ordinary shares (diluted) at 31 December	**8.069.707**	**7.336.284**
Profit attributable to ordinary shareholders	(1.680)	(6.182)
After-tax effect of interest on convertible loans	0	14
Profit attributable to ordinary shareholders	**(1.680)**	**(6.168)**
Diluted earnings per share	**(€ 0,21)**	**(€ 0,84)**

22. Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings. For more information about the Group's exposure to interest rate and foreign currency risk, see notes on interest risk and foreign currency risk.

Interest-bearing loans and borrowings

In thousands of euros

	31 Dec. 2009	31 Dec. 2008
Non-current liabilities		
Secured loans	0	2.100
	0	**2.100**
Current liabilities		
Current portion of secured loans	1.997	0
Convertible notes	0	850
	1.997	**850**
Convertible notes		
Nominal value	0	850
Carrying amount of liability as of 31 December	**0**	**850**

Terms and debt repayment schedule

The long term loan of € 2.100 thousand, originally bearing interest at the rate of 10%, re-payable by 31 December 2010, and securitized with a lien on the shares, receivables and intellectual property rights of NedSense NedGraphics b.v. and NedSense IPR b.v., was renegotiated in 2009.

On 25 June 2009 this 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.

The amendment states that a maximum of € 550.000 of the loan can be converted into 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 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 loan will retroactively be increased from 6% to 8,50% till 1 July 2010 and 10% from 1 July 2010 until 31 December 2010. All other terms remain the same.

This loan includes an embedded derivative and the fair value of the derivative at the reporting date has been calculated (see note 4(iii)). The conversion option fair value of positive € 103 thousand at 31 December 2009 has been netted with the carrying amount of the loan at the reporting date, resulting in the adjusted carrying amount of € 1.997 thousand. Finance costs in profit and loss were reduced by the same amount.

The € 850 thousand convertible loan issued at the end of December 2008, plus interest, was converted to shares on 5 March 2009 for the mandatory price of € 0,30 per share. The entire loan was funded by the Company's main shareholders.

23. Employee benefits

In thousands of euros

	31 Dec. 2009	31 Dec. 2008
Liability for long service benefits	88	72
	88	**72**

Movement in the net liability for employee benefits

In thousands of euros

	31 Dec. 2009	31 Dec. 2008
Net liability for employee benefits at 1 January	72	630
Disposal of participations	0	(564)
Expense recognized in the income statement	16	6
Net liability for employee benefits at 31 December	**88**	**72**

24. Provisions

In thousands of euros

	Total 2009	Total 2008
Balance at 1 January	0	124
Provisions released during the year	0	(124)
Balance at 31 December	**0**	**0**

25. Bank overdraft

As of 31 December 2009, the Group has no current account credit facilities (2008: none).

26. Trade and other payables

In thousands of euros

	31 Dec. 2009	31 Dec. 2008
Trade creditors	646	1.093
Tax and social security charges	269	254
Accrued staff expenses	599	587
Accrued sales expenses	25	3
Other debts and accruals	679	791
	2.218	**2.728**

All short-term debts have a term of less than one year.

Maturity date financial liabilities

In thousands of euros

31-12-2009	Book-value	Contractual amounts	<6 months
Secured loans	1.997	2.100	0
Convertible loans	0	0	0
Bank overdrafts	0	0	0
Deferred income	4.055	4.055	2.003
Trade and other payables	2.218	2.218	2.218
	8.270	**8.373**	**4.221**

31-12-2008	Book-value	Contractual amounts	<6 months
Secured loans	2.100	2.100	0
Convertible loans	850	850	850
Bank overdrafts	0	0	0
Deferred income	4.722	4.722	2.361
Trade and other payables	2.728	2.728	2.728
	10.400	**10.400**	**5.939**

6-12 months	1-2 years	> 2 years
2.100	0	0
0	0	0
0	0	0
2.003	21	28
0	0	0
4.103	**21**	**28**

6-12 months	1-2 years	> 2 years
0	2.100	0
0	0	0
0	0	0
2.361	0	0
0	0	0
2.361	**2.100**	**0**

27. Off-balance sheet commitments

As of 31 December 2009, bank guarantees were issued to third parties in the amount of € 83 thousand (year-end 2008: € 121 thousand).

Operating leases

Non-cancellable operating lease rentals are payable as follows:

In thousands of euros

	31 Dec. 2009	31 Dec. 2008
Less than one year	991	1.056
Between one and five years	1.659	2.268
More than five years	0	0
	2.650	**3.324**

28. Fair values

The fair values of financial instruments are not materially different from the carrying amounts shown in the balance sheet.

Carrying values

In thousands of euros

	31 Dec. 2009	31 Dec. 2008
Other investments	0	15
Trade and other receivables	3.184	4.372
Cash and cash equivalents	747	1.720
Interest-bearing loans and borrowings (non-current)	0	(2.100)
Interest-bearing loans and borrowings (current)	(1.997)	(850)
Trade and other payables	(2.218)	(2.728)

29. Share-based payment

Description of the share-based payment arrangements
At 31 December 2009 the Group has the following share-based payment arrangements:

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 options 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. Both plans include a "Lock-up period" whereby shares acquired through these options must be held for at least three years after acquisition.

As also described in notes 3.(k)(II) and 4.(VI) *Share-based payment transactions,* the fair value of services received in return for share options granted is based on the fair value of share options granted, assessed at the reporting date using the Black-Scholes model. The Black-Scholes model is a so-called closed form model that evaluates options via a formula based on fixed data, including start and end dates to estimate the option's present value. The most important assumptions used in the model are: historical stock prices, share price, exercise price, valuation date, time to maturity, risk free rate, volatility, dividend, and forfeiture rate.

The expected life of the options is set as the weighted average of the vesting period for each vested installment of options and the contractual term for those options. The expected term for the options was therefore computed by averaging the vesting schedule of the options and the contractual term. The contractual term of all options is 5 years, and both plans also include a "lock-up period" whereby all shares acquired through these options must be held for at least three years after acquisition.

For option valuations, the volatility represents the expected movements of the price of the underlying share during the time to maturity. The expected movements during the time to maturity are based on movements in a past period. The period of 1 January 2005 through 31 December 2009 was used, and the volatility was calculated to be approximately 79%.

The Company expects no dividend payments before time to maturity.

The expected annual pre-vesting forfeiture rate (the percentage of options cancelled every year prior to vesting), affects the number of exercisable options. The Company expects that this rate will be very low since the options are granted to the two directors and key personnel. It is assumed that a forfeiture rate of 0% can be used for the valuation of all the option plans.

In the case of a share increase, due to a payout of stock dividend, an issue of shares or a comparable event, the amount of shares that can be issued per exercisable option will be proportionally increased and have a retrospective effect on the already issued options.
The closing share price of the Company as of 31 December 2009, the valuation date, was € 0,599.

Plan C
For Plan C, in 2009 the first package (in June 2009) was granted to management and the second package (in December 2009) is expected to be formally approved for grant to management by the Supervisory Board and Shareholders at the Annual General Meeting of Shareholders in May 2010. The content of those packages consists of 10% (5% each) of the outstanding shares of the Company. The remaining option packages will be granted on the following dates: 30 December 2010 and 30 December 2011. These options have a remaining vesting period of 2 years (until 31 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 exercise price for these options is therefore € 0,64.

The options granted in June 2009 have an expected time to maturity of 3,25 years. The risk free interest rate on a 3.25 year Dutch government bond amounted to approximately 1,98%. As a result of the foregoing assumptions and information, the Black-Scholes model determined a price of a call option at the valuation date of € 0,3146.
5% of the number of outstanding shares (7.331.354 shares) in June 2009 was equivalent to 366.568 options issued. At the valuation date, the number of outstanding shares (9.831.354

shares) increased by 34,10% from June 2009. Therefore each option represents the possibility to obtain 1,34 of the outstanding shares of the Company. Based on the foregoing, the fair value of the options granted in June 2009 equals approximately € 155 thousand. These costs have been amortized over the vesting period.

The options granted in December 2009 have an expected time to maturity of 3,5 years. The risk free interest rate on a 3,5 year Dutch government bond amounted to approximately 2,10%. As a result of the foregoing assumptions and information, the Black-Scholes model determined a price of a call option at the valuation date of € 0,3258.

5% of the number of outstanding shares (9.831.354 shares) as of December 2009 was equivalent to 491.568 options issued. Based on the foregoing, the fair value of the options granted in December 2009 equals approximately € 160 thousand. These costs have been amortized over the vesting period.

For the remaining packages to be issued in 2010 (5%) and 2011 (5%), a valuation was made based on the same assumptions as for the options granted in 2009. The fair value of these options to be granted equals approximately € 300 thousand. These costs have been amortized over the vesting period.

Plan D
For Plan D, in 2009 the first package is expected to be formally approved for grant to key employees by 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 will be granted on the following dates: 30 December 2010 and 30 December 2011. These options have a vesting period of 3 years, and the expected time to maturity amounts to 4 years. The risk free interest rate on a 4 year Dutch government bond amounted to approximately 2,28%.

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 meeting of shareholders in 2010. The exercise price of the option therefore depends on future share prices. The best estimate for this exercise price was the latest closing price per share of the Company available at the date this calculation was made, which was the closing price as of 16 February 2010 of € 0,53.

As a result of the foregoing assumptions and information, the Black-Scholes model determined a price of a call option at the valuation date of € 0,3699.

3% of the number of outstanding shares (9.831.354 shares) as of December 2009 was equivalent to 294.941 options issued. Based on the foregoing, the fair value of the options granted in December 2009 equals approximately € 109 thousand. These costs have been amortized over the vesting period.

The fair value of services received in return for share options granted is based on the fair value share options granted, measured using the Black-Scholes formula and as further discussed in notes 3.(k)(II) and 4.(VI).

30. Cash flow from (used in) operating activities

The cash flow used in operating activities amounted to € 56 thousand (2008: € 1.388 thousand positive). The operating result adjusted for depreciation, amortization, and goodwill impairment (applicable in 2008) resulted in a positive cash flow of € 12 thousand (2008: € 648 thousand).

31. Cash flow used in investment activities

The cash flow used in investment activities was € 1.932 thousand (2008: € 1.600 thousand negative). The investments in tangible and intangible fixed assets amounted to € 54 thousand (2008: € 117 thousand) and € 1.911 thousand (2008: € 1.728 thousand) respectively. The investments in intangible fixed assets relate to software development.

32. Cash flow from financing activities

The cash flow from financing activities amounted to € 1.015 thousand (2008: € 1.480 thousand).

Company balance sheet

As of 31 December 2009 before appropriation of result

In thousands of euros

	Notes	31 Dec. 2009	31 Dec. 2008
Fixed assets			
Intangible fixed assets	35	3.913	4.113
Tangible fixed assets	36	4	9
Financial fixed assets	37	4.842	4.455
Total fixed assets		**8.759**	**8.577**
Current assets			
Other receivables	38	659	4.865
Cash and cash equivalents		9	71
Total current assets		**668**	**4.936**
Current liabilities, accruals and deferred income	**39**	**(4.125)**	**(2.323)**
Current assets less current liabilities		**(3.457)**	**2.613**
Assets less current liabilities		**5.302**	**11.190**
Long-term liabilities	40	0	(2.100)
Subordinated convertible loans	40	0	0
Provisions	41	(986)	(5.042)
Shareholders' equity		**4.316**	**4.048**
Issued capital		983	8.867
Share premium		32.463	22.709
Legal reserve		4.131	3.499
Translation reserve		(42)	(71)
Accumulated deficit		(31.539)	(24.774)
Current year's result		(1.680)	(6.182)
Shareholders' equity	**42**	**4.316**	**4.048**

Company profit and loss account for 2009

In thousands of euros

	2009	2008
Company result	(1.226)	(6.354)
Result from participating interests	(454)	172
Net result	**(1.680)**	**(6.182)**

Notes to the Company Financial Statements

33. General

The Company financial statements are part of the 2009 financial statements of NedSense enterprises n.v. (the "Company"). With reference to the separate profit and loss account of the Company, use has been made of the exemption pursuant to Section 402 of Book 2 of the Netherlands Civil Code.

34. Principles for the measurement of assets and liabilities and the determination of the result

For setting the principles for the recognition and measurement of assets and liabilities and determination of the result for its separate financial statements, the Company makes use of the option provided in section 2:362 (8) of the Netherlands Civil Code. This means that the principles for the recognition and measurement of assets and liabilities and determination of the result (hereinafter referred to as principles for recognition and measurement) of the separate financial statements of the Company are the same as those applied for the consolidated financial statements. Participating interests, over which significant influence is exercised, are stated on the basis of the equity method. These consolidated financial statements are prepared in conformity with International Financial Reporting Standards (IFRS) as adopted by the European Union. Please see the notes to the consolidated financial statements for a description of these principles.

The share in the result of participating interests consists of the share of the Company in the result of these participating interests. Results on transactions, where the transfer of assets and liabilities between the Company and its participating interests and mutually between participating interests themselves, are not incorporated insofar as they can be deemed to be unrealized.

35. Intangible fixed assets

Movements were as follows:

In thousands of euros

	Goodwill	Costs of software development	Total 2009	Total 2008
Costs 1 January	20.579	2.265	22.844	22.844
Accumulated amortization 1 January	(17.000)	(1.731)	(18.731)	(17.331)
Book value as of 1 January	**3.579**	**534**	**4.113**	**5.513**
Changes:				
Disposals	0	0	0	0
Amortization	0	(200)	(200)	(1.400)
Amortization on disposals	0	0	0	0
	0	**(200)**	**(200)**	**(1.400)**
Costs 31 December	20.579	2.265	22.844	22.844
Accumulated amortization 31 December	(17.000)	(1.931)	(18.931)	(18.731)
Book value as of 31 December	**3.579**	**334**	**3.913**	**4.113**

The costs of software development include an amount of € 2.000 thousand (market value on acquisition date), relating to the software obtained by the acquisition of NedGraphics. Contrary to in-house developed software, which is depreciated in five years, this third-party obtained software is depreciated in ten years. Carrying amount of this software is € 334 thousand.

Impairment test for intangible assets

Intangible assets comprise software and goodwill on NedGraphics. The recoverable amount of cash-generating units is based on value-in-use calculations. This calculation is based on the budget for 2010. Cash flows for further periods are extrapolated using a 5% growth rate for 2011 through 2014 and 2% for 2015 and forward in the case of gross margin, and a 2% growth rate for 2011 through 2014 and also 2% for 2015 and forward in the case of operating expenses. A pre-tax discount rate of 14,9% (2008: 13,6%) has been used in discounting the projected cash flows. Allocated holding expenses have also been incorporated in the calculations. Key assumption in the 2010 budget is that revenue will recover substantially post-recession, and if not, that sufficient cost savings can be achieved compared to the budget 2010, so that the effect of lower revenue will be offset.

Management's approach in determining the key revenue assumption in the 2010 budget noted above is based on trends noted in the marketplace in late 2009 and early 2010. The Group has directly experienced an improving economic climate during this timeframe, and this experience is also reflected in media reports on the broader economy. Other key assumptions are the expected growth rate of revenues and operating expenses.

A minor adverse change in the key assumptions would result in an impairment charge. The revenue growth assumptions have resulted in a positive NedGraphics CGU value using discounted cash flows of approximately € 6.400 thousand as compared to a carrying value of approximately € 5.900 thousand.

Based on the impairment test as described above, the recoverable amount of this cash-generating unit is not lower than the carrying amount. As a result, no impairment has been recorded in 2009.

36. Tangible fixed assets

Movements were as follows:

In thousands of euros

	2009	2008
Costs 1 January	673	672
Accumulated depreciation 1 January	(664)	(655)
Book value as of 1 January	**9**	**17**
Changes:		
Investments	0	1
Disposals	0	0
Depreciation	(5)	(9)
	(5)	**(8)**
Costs 31 December	673	673
Accumulated depreciation 31 December	(669)	(664)
Book value as of 31 December	**4**	**9**

The following depreciation percentages are used:

Depreciation percentages

Refurbishing	12%
Fixtures and fittings	20%
Computer equipment	33%
Other assets	33%

37. Financial fixed assets

In thousands of euros

	31 Dec. 2009	31 Dec. 2008
Participations in group companies	4.842	4.440
Granted loans to third party's	0	15
	4.842	**4.455**
Movements in participations:		
Net asset value as of 1 January	4.440	7.107
Capital injections	0	10
Sale/divestment of group companies	0	(3.147)
Acquisitions of group companies	0	0
Dividend received	0	(797)
Result from participations	(454)	172
Exchange rate differences	29	(71)
Change in provisions for negative net asset value	827	1.166
Net asset value as of 31 December	**4.842**	**4.440**

In October 2003, the company issued a loan of € 90.000 to Secundo B.V., the holding company of CMedia Productions B.V. The loan was subordinated to all Secundo's obligations to its bank. The interest on this loan on an annual basis was 6% and the loan had to be repaid in two equal installments, on 1 October 2007 and 1 October 2008. By the end of 2008 € 75.000 had been collected. Renegotiations with Secundo B.V. resulted in postponed repayment of the last € 15.000 until January 2009. The carrying amount as of 31 December 2009 is € 0 (2008: € 15.000).

38. Other receivables

In thousands of euros

	31 Dec. 2009	31 Dec. 2008
Receivables from group companies	531	4.470
Deferred taxation	85	134
Other accounts receivable, prepayments and accrued income	43	261
	659	**4.865**

The deferred tax asset of € 85 thousand (2008: € 134 thousand) is based on the tax loss carry-forward facilities for the fiscal unit for corporate income taxes (in the Netherlands). This deferred tax asset is offset by deferred tax liabilities recognized for other companies within the fiscal unit for corporate income taxes. No deferred tax asset has been recognized for the fiscal unit as a whole as management is currently insufficiently certain that sufficient future profit will be made to realize the value of the tax assets.

39. Current liabilities, accruals and deferred income

In thousands of euros

	31 Dec. 2009	31 Dec. 2008
Short term portion of loans	1.997	850
Trade creditors	177	300
Debts to group companies	1.555	595
Taxation and social security charges	23	18
Other debts, accruals and deferred income	373	560
	4.125	**2.323**

All short-term debts have a term of less than one year.

As of 31 December 2009, the Company had no current account credit facilities (2008: none).

40. Long-term liabilities and subordinated loans

For more details on this matter we kindly refer to note 22 of the notes to the consolidated financial statements.

In thousands of euros

	31 Dec. 2009	31 Dec. 2008
Secured loans	0	2.100
Convertible notes	0	0
	0	**2.100**

41. Provisions

In thousands of euros

	31 Dec. 2009	31 Dec. 2008
Provision for negative equity group companies	969	5.042
Liability for long service benefits	17	0
	986	**5.042**

42. Shareholders' equity

Movements of the shareholders' equity can be stated as follows:

Shareholders' equity capital and reserves

In thousands of euros

	Notes	Share capital
Balance at 1 January 2008		8.867
Appropriation of result		0
Total comprehensive income (loss) for the period		
Profit or (loss)		0
Other comprehensive income		
Foreign currency translation differences		0
Total other comprehensive income		0
Total comprehensive income (loss) for the period		0
Transactions with owners, recorded directly in equity		
Total transactions with owners		0
Transfer from other reserves		0
Balance at 31 December 2008		**8.867**
Balance at 1 January 2009		8.867
Appropriation of result		0
Total comprehensive income (loss) for the period		
Profit or (loss)		0
Other comprehensive income		
Foreign currency translation differences		0
Total other comprehensive income		0
Total comprehensive income (loss) for the period		0
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		(8.424)
Issue of convertible notes (net of tax)	22	290
Issue of new shares		250
Share-based payments	29	0
Total contributions by and distributions to owners		(7.884)
Total transactions with owners		(7.884)
Transfer from other reserves		0
Balance at 31 December 2009		**983**

Share premium	Translation reserve	Accumulated deficit	Unallocated current year's result	Other legal reserves	Total
22.709	(4)	(32.591)	4.616	6.700	10.297
0	0	4.616	(4.616)	0	0
0	0	0	(6.182)	0	(6.182)
0	(67)	0	0	0	(67)
0	(67)	0	0	0	(67)
0	(67)	0	(6.182)	0	(6.249)
0	0	0	0	0	0
0	0	3.201	0	(3.201)	0
22.709	**(71)**	**(24.774)**	**(6.182)**	**3.499**	**4.048**
22.709	(71)	(24.774)	(6.182)	3.499	4.048
0	0	(6.182)	6.182	0	0
0	0	0	(1.680)	0	(1.680)
0	29	0	0	0	29
0	29	0	0	0	29
0	29	0	(1.680)	0	(1.651)
8.424	0	0	0	0	0
580	0	0	0	0	870
750	0	0	0	0	1.000
0	0	49	0	0	49
9.754	0	49	0	0	1.919
9.754	0	49	0	0	1.919
0	0	(632)	0	632	0
32.463	**(42)**	**(31.539)**	**(1.680)**	**4.131**	**4.316**

Before and during 2008 the authorized share capital consisted of 10.000.000 ordinary shares and 5.000.000 preference shares of € 2 nominal value per share, together representing an authorized share capital of € 30 million. On the extraordinary meeting of shareholders that was held on 12 December 2008, it was decided to change the authorized share capital to 20.000.000 ordinary shares and 10.000.000 preference shares of € 0,10 nominal value per share, representing an authorized share capital of € 3 million. This decision was effectuated in March 2009. On 31 December 2009 9.831.354 ordinary shares (2008: 4.433.702) were issued and paid up.

The legal reserve is made on account of the capitalization of costs of developed software.

The unallocated current year's loss amounting to € 1.680 thousand will be added to the accumulated deficit.

43. Off-balance sheet commitments

The company has entered into lease agreements with the total annual costs amounting to € 39 thousand (year-end 2008: € 6 thousand). The average remaining term of the lease agreements is 3 years.

The Company heads a fiscal unity for corporate income tax purposes, to which all the Dutch wholly-owned subsidiaries at year-end 2009 belong. On this basis, the company is wholly and severally liable for the tax commitments of the fiscal unity as a whole.

44. Options

31-12-2008 **Date granted**		**Term**	**Issued options**	**Outstanding options**	**Forfeited**	**Exercise price (€)**
May 2004		2009	27.400	0	27.400	6,34
Total			**27.400**	**0**	**27.400**	

31-12-2009 **Date granted**	**Granted to**	**Term**	**Issued options**	**Outstanding options**	**Forfeited**	**Exercise price (€)**
June 2009	Pieter Aarts	2014	183.284	183.284	0	0,64
June 2009	Jan-Hein Pullens	2014	183.284	183.284	0	0,64
December 2009*	Pieter Aarts	2014	245.784	245.784	0	0,64
December 2009*	Jan-Hein Pullens	2014	245.784	245.784	0	0,64
December 2009*	Key employees	2014	294.941	294.941	0	0,53
Total			**1.153.077**	**1.153.077**	**0**	

*Formally to be approved by Supervisory Board and Shareholders. For more details on this matter we kindly refer to note 29 of the notes to the consolidated financial statements.

45. Staff

In 2009, the company had an average of 3 staff members (2008: 2 staff members).

46. Remuneration of the Supervisory Board and Board of Directors

The remuneration in 2009 of managing directors and supervisory directors was as follows:

In euros

	Gross compensation 2009	Gross compensation 2008	Charges option plan 2009	Charges option plan 2008	Pension expenses 2009	Pension expenses 2008
Supervisory Board						
Servaas L.M. Houtakkers [1]	24.000	48.062	0	0	0	0
Leon P.E.M. van den Boom [2]	7.500	18.000	0	0	0	0
Dirk Lindenbergh [3]	19.000	0	0	0	0	0
Henk Huisman [4]	11.083	0	0	0	0	0
	61.583	**66.062**	**0**	**0**	**0**	**0**
Board of Directors						
Cees J.J. van Steijn [5]	0	165.000	0	0	0	0
Arie J.P.M. van Leusden [6]	0	93.750	0	0	0	0
Pieter Aarts [7]	186.000	0	23.633	0	8.469	0
Jan-Hein Pullens [8]	175.667	0	23.633	0	6.825	0
	361.667	**258.750**	**47.266**	**0**	**15.294**	**0**

Gross compensation is exclusive of bonuses, social security charges, and pension expenses. Please see note 29 for information regarding share-based payments and note 44 for information regarding options provided to the Board of Directors in 2009.

[1] *Servaas L.M. Houtakkers acted as delegated supervisory director as of 19 May 2006 through 31 December 2008 and as such received additional compensation in 2008 of € 30.000*

[2] *Leon P.E.M. van den Boom resigned from the supervisory board effective 26 May 2009*

[3] *Dirk Lindenbergh joined the supervisory board as of 1 January 2009*

[4] *Henk Huisman joined the supervisory board as of 26 May 2009*

[5] *Cees J.J. van Steijn joined the company as of 1 August 2006 and left effective 1 May 2008*

[6] *Arie J.P.M. van Leusden joined the company as of 1 May 2008 and left effective 31 December 2008*

[7] *Pieter Aarts joined the company as of 1 January 2009*

[8] *Jan-Hein Pullens joined the company as of 1 January 2009*

47. Audit fees

In thousands of euros

	2009	2008
Audit fees		
Audit by KPMG Accountants N.V.	80	120
Audit by foreign KPMG offices	36	44
Audit related services	0	0
Tax services	45	23
Other services	7	0
Total	**168**	**187**

Vianen, 26 April 2010

The Board of Directors

Pieter Aarts

Jan-Hein Pullens

The Supervisory Board

Servaas Houtakkers, Chairman

Dirk Lindenbergh

Henk Huisman

012 Other information

To: The Annual General Meeting of Shareholders of NedSense enterprises n.v.

Auditor's report

Report on the financial statements
We have audited the financial statements 2009 of NedSense enterprises n.v., Vianen. The financial statements consist of the consolidated financial statements and the company financial statements. The consolidated financial statements, set out on pages 52 to 123, comprise the consolidated statement of financial position as at 31 December 2009, the consolidated financial statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information. The company financial statements comprise the company balance sheet as at 31 December 2009, the company profit and loss account for the year then ended and the notes.

Management's responsibility
Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code, and for the preparation of the management board report in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility
Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well

as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion with respect to the consolidated financial statements
In our opinion, the consolidated financial statements give a true and fair view of the financial position of NedSense enterprises n.v. as at 31 December 2009, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code.

Opinion with respect to the company financial statements
In our opinion, the company financial statements give a true and fair view of the financial position of NedSense enterprises n.v. as at 31 December 2009, and of its result and its cash flows for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

Emphasis of Matter
We draw attention to note 2.(b) Going concern and note 22 to the financial statements which indicates that the company has a loan of € 2,1 million which matures at 31 December 2010. It has to be refinanced either in the form of equity or loans as the operating cash flow is insufficient to redeem this debt. This condition indicates the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

Report on other legal and regulatory requirements
Pursuant to the legal requirement under 2:393 sub 5 part f of the Netherlands Civil Code, we report, to the extent of our competence, that the Board of Directors report, set out on pages 18 to 25, is consistent with the financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

Rotterdam, 26 April 2010

F.J. van het Kaar RA

Statutory provisions concerning result appropriation

Pursuant to article 28 of the Articles of Association, the profit is at the disposal of the Annual General Meeting of Shareholders.

Proposal for result appropriation 2009

The unallocated current year's result amounting to € 1.679.707 negative will be added to the accumulated deficit.

Group offices

The following offices with operating activities are part of the Group:

Company	Based in	Business address	Managing Director(s)
NedSense enterprises n.v.	the Netherlands (Vianen)	Ir. D.S. Tuijnmanweg 10 4131 PN Vianen telephone +31 347 329 755 fax +31 347 329 736	P.A.J.J. Aarts (1967)/ H.J.J. Pullens (1972)
NedSense enterprises b.v.	the Netherlands (Vianen)	Ir. D.S. Tuijnmanweg 10 4131 PN Vianen telephone +31 347 329 755 fax +31 347 329 736	P.A.J.J. Aarts (1967)/ H.J.J. Pullens (1972)
NedSense IPR b.v.	the Netherlands (Vianen)	Ir. D.S. Tuijnmanweg 10 4131 PN Vianen telephone +31 347 329 755 fax +31 347 329 736	NedSense enterprises b.v.
NedSense NedGraphics b.v.	the Netherlands (Vianen)	Ir. D.S. Tuijnmanweg 10 4131 PN Vianen telephone +31 347 329 696 fax +31 347 329 699	NedSense enterprises b.v.
NedSense LOFT b.v.	the Netherlands (Vianen)	Ir. D.S. Tuijnmanweg 10 4131 PN Vianen telephone +31 347 329 696 fax +31 347 329 699	NedSense enterprises b.v.
NedGraphics BvBa	Belgium (Deerlijk)	Nijverheidslaan 54b 8540 Deerlijk telephone +32 56 78 28 00 fax +32 56 78 28 08	C.J. van Stam (1961) NedSense enterprises b.v.
NedGraphics SA	France (Paris)	79-81, rue du Faubourg Poissonnière 75009 Paris telephone +33 1 53 26 26 26 fax +33 1 53 26 26 10	P.A.J.J. Aarts (1967) C.J. van Stam (1961) G.H.M Haverkort (1954)
NedGraphics Ltd.	UK (Dukinfield)	8 Parkin Close Dukinfield Cheshire, SK16 4DD telephone +44 161 343 84 01 fax + 44 161 343 84 01	H.J.J. Pullens (1972)
NedGraphics Srl.	Italy (Lomazzo)	Via Trento 7 (3e piano) 22074 Lomazzo CO telephone +39 02 96 77 81 18 fax +39 02 96 37 94 61	C.J. van Stam (1961)
NedSense Srl (formerly known as Blue Fox Srl)	Romania (Bucharest)	Str. Badea Cartan, Nr. 15 Sector 2 020000-024500 Bucharest telephone +40 21 212 24 17 fax +40 21 212 21 74	H.J.J. Pullens (1972)

Company	Based in	Business address	Managing Director(s)
NedGraphics, Inc.	USA (New York)	104 West 40th Street Floor 12 New York, NY 10018 telephone +1 212 921 2727 fax +1 212 768 4488	P.A.J.J. Aarts (1967) M. Sherman (1968)
NedGraphics of Tennessee, Inc.	USA (Chattanooga)	1208 Pointe Centre Drive Suite 200 Chattanooga, TN 37421 telephone +1 423 892 0389 fax +1 423 892 1532	P.A.J.J. Aarts (1967) M. Sherman (1968)
NedGraphics of Tennessee, Inc.	USA (Charlotte)	1809-E Cross Beam Drive Charlotte, NC 28217 telephone +1 704 357 3580 fax +1 704 357 3583	P.A.J.J. Aarts (1967) M. Sherman (1968)
NedGraphics (Shanghai) Software for Textile and Fashion Co., Ltd.	China (Shanghai)	Room 4301, X2 Space No.20 Chaling Road North Xuhui District 200032 Shanghai telephone +86 21 6422 0670 fax +86 21 6422 0672	C.J. van Stam (1961)
NedGraphics Turkey Liaison Office	Turkey (Bursa)	Buttim Is Merkezi Kat 5 No. 1585 16080 Bursa Turkey telephone +90 224 211 00 86 fax +90 224 211 00 87	C.J. van Stam (1961)
Dynamics Perspective, Inc.	USA (Los Angeles)	31416 Agoura Road Suite 150 Westlake Village, CA 91361 telephone +1 818 887 0840 fax +1 818 313 7900	P. Jennings (1954)
Dynamics Perspective, Inc.	USA (New York)	104 West 40th Street Floor 12 New York, NY 10018 telephone +1 212 827 7990 fax +1 212 768 4488	P. Jennings (1954)