Blue Fox Enterprises NV annual report 2008

Contents

Blue Fox Enterprises N.V.

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Trade register Utrecht Chamber of Commerce
under number 23092326.

1 Letter from the CEO

Dear shareholder,

The year 2008 was marked by the completion of the turn-around programme that started in 2006 and was finalised in the first half of 2008 with the sale of the Porini activities. Upon the completion of the turn-around programme, Cees van Steijn passed the chairman's gavel to Arie van Leusden, heralding a new phase for Blue Fox in which it reviewed its strategic plan. The optimisation of shareholder value has always been the key factor in this decisionmaking process, however, the continuity of operations, crucial to the employees and clients of Blue Fox, has also played a major role in charting the new course.

At the end of 2008 it was decided to flesh out the stand-alone model. Together with large shareholders, financiers and newly appointed management, a thorough recapitalisation has been implemented making Blue Fox is now ready to move forward independently. Blue Fox currently comprises the CAD/CAM activities of NedGraphics, the ERP activities of Dynamics Perspective and the holding company, which is necessary for its listing on the stock exchange.

We, as new management, have always believed in the stand-alone scenario. The market position and the potential offered by NedGraphics' products and organisation constitute a solid basis for further growth. However, Blue Fox has just emerged from a difficult position and it will take ingenuity and perseverance to realise its potential. Therefore, we will be focussing on the business operations at NedGraphics, introducing new zest in our organisation and improving our commercial performance.

From this position, we would like to thank our shareholders and financiers for their commitment. The decisions that had to be taken were not easy, and your unswerving efforts and trust have been of great value to us. We would also like to thank our clients, business partners and employees for their contribution and loyalty. It was, again, a challenging year in which we were faced with many problems.

2009 will be a year marked by the ongoing building of the NedGraphics organisation. Not only will efficiency levels need to be improved, we will also need to explore new markets and expand our product portfolio. We are convinced of our ability to realise a successful future for Blue Fox in this new constellation.

Vianen, 29 April 2009

Pieter Aarts
Chairman of the Board of Directors

2 Key figures

	2008	2007 adj	2007
Results from continued operations			
(in thousands of euros)			
Net revenue	9.809	11.939	16.054
Operating result	-2.268	-661	-1.959
Net result	-6.182	4.616	4.616
Cash flow	1.268	4.154	4.154
Employees (in FTE's)			
Average number of staff in continued operations,			
including staff hired out	120	120	192
Balance sheet information (in thousands of euros)			
Balance sheet total	14.520	21.639	21.639
Shareholders' equity	4.048	10.297	10.297
Guarantee capital	4.898	10.297	10.297
Ratios (in %)			
Operating result / net revenue	-23,1	-5,5	-12,2
Net result / net revenue	-63,0	38,7	28,6
Solvency (based on guarantee capital)	33,7	47,6	47,6
Liquidity	1,7	1,9	0,5
Figures per share (amounts in euros)			
Average number of shares outstanding	4.433.702	3.972.911	3.972.911
Result per share	-1,39	1,16	1,16
Cash flow per share	0,29	1,05	1,05

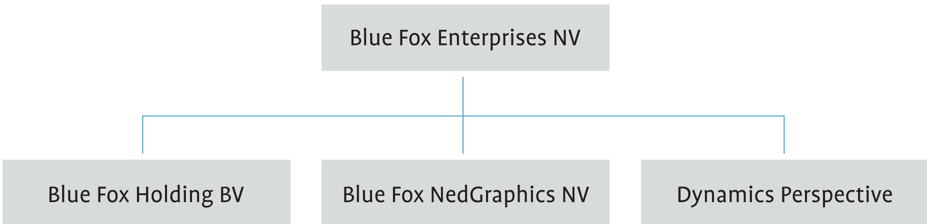
3 Profile

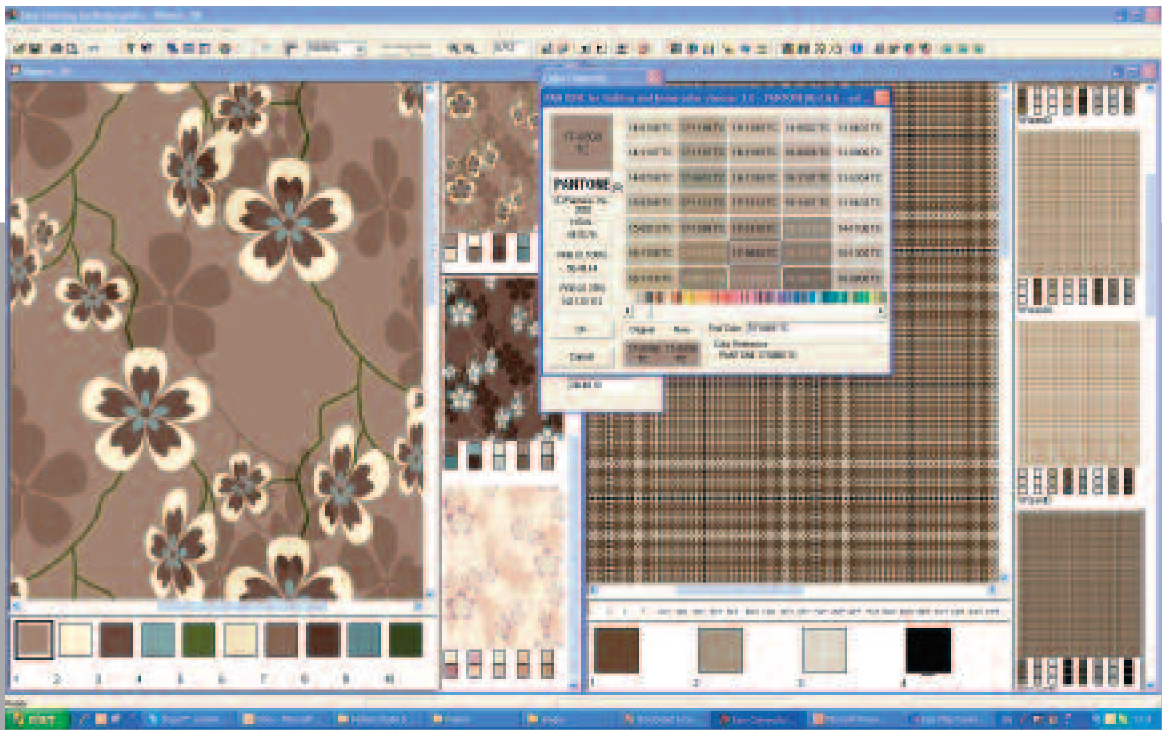
Company profile

Blue Fox 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. In the form of fashion items, accessories, carpets and other woven materials, our software is in evidence every day.

History Blue Fox was founded in early 1999 and has been listed on Eurolist of Euronext Amsterdam N.V. since 21 May 1999. Since then, it has followed a strategy of rapid growth through buy-and-build. In 2006 the company found itself in a position of financial distress, which is why a turn-around process was initiated. This process included establishing a new strategic direction for the company and, consequently, divesting all non-core activities. In addition, the holding company was downsized dramatically and other cost reduction measures were implemented. The turn-around process was finalised by the sale of the Porini activities in the first half of 2008.

Current situation In its current composition, Blue Fox comprises a holding company, which operates the listing, and two operating companies: NedGraphics and Dynamics Perspective. NedGraphics focuses on developing and marketing CAD/CAM software for the textile industry, whereas Dynamics Perspective focuses on selling ERP systems and related services for the Apparel industry.





NedGraphics NedGraphics provides integrated software solutions for the textile industry around the world. It 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.

The software provided by NedGraphics enables companies in the textile industry to improve sales, minimise their time to market, optimise their product development workflow, reduce sampling costs and achieve operational excellence. There are three main market segments:

- Fashion Design
- Floor Coverings
- Home Furnishing

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 cutting – the NedGraphics software offers a suitable solution to all types of customers.

NedGraphics has offices in the world's most important design and production centres for the textile industry and its products are sold through a global network of resellers and agents, as indicated on the map.

4 Composition of the Boards

Board of Directors

Cees van Steijn (1951) **Chairman** (Aug ’06 - April ’08) Cees van Steijn studied Business Economics in Amsterdam, and obtained his MBA at IMD in Lausanne. During the 1970s, he gained international experience at Fokker B.V. After earning his Master’s degree in 1981, he worked for 12 years at the Amsterdam-based management consultancy firm Van de Bunt, where he was a Senior Consultant and partner. He worked as Managing Director of two publishing companies, first at Meulenhoff Educatief B.V. in Amsterdam from 1993, and from 1996 also at Leiden-based SMD Uitgevers. From 1999, Cees van Steijn served on the boards of Amsterdam RAI B.V., Newconomy N.V., Landis ICT Group N.V., NOB N.V., Veronica and Priority Telecom N.V. These positions entailed that Cees van Steijn was also a member of the supervisory boards of various companies (e.g., SBS Broadcasting, Veronica Holding, Explainer DC and Centraal Boekhuis).

Arie van Leusden (1943) **Chairman** (May ’08 – December ’08) Arie van Leusden graduated from Nyenrode Business Universiteit and obatined his BBA at Colorado College in the US. He worked at IBM for more than 26 years; most recently as board member of IBM Netherlands, responsible for Sales and Marketing. He then became Managing Director at Digital Equipment Netherlands and subsequently Managing Director at Triple P in Vianen. In 1997, he was appointed as Managing Director of Lucent Technologies in the Netherlands and shortly after, he was charged with the responsibility for the Scandinavian countries, the Benelux and Switzerland. In mid-2001, he was appointed as interim director of Pecoma in Amsterdam. His principal current positions include Chairman of the Supervisory Board of Getronics, Chairman of the Supervisory Board of TDM Holdings in Naarden, Chairman of the Supervisory Board of Comtech DDS in Culemborg and member of the Aufsichtsrat of arxes Network Communication Consulting in Cologne.

Pieter Aarts (1967) **Chairman** (January ’09 - …) Pieter Aarts graduated from the Eindhoven University of Technology in 1989 and became Master in Business Administration after graduating from Kingston University in London (UK). He started his professional career in 1989 as a consultant in logistics at one of PinkRoccade Group’s subsidiaries. In 1994, Pieter was appointed as Managing Director of PinkRoccade Industry. Until 2004, he held various management and executive positions within PinkRoccade. He was a member of the Board of PinkRoccade from 2002 until 2004. Pieter was appointed as a member of the Board of Directors at HP Netherlands (2004-2005) before taking on several interim management positions (Inter Access, Ordina). Since 2002, Pieter has held various advisory management positions at a number of organisations, mainly in the ICT industry.

Jan-Hein Pullens (1972) **Chief Operating Officer** (January ’09 - …) Jan-Hein Pullens graduated from the Utrecht University of Applied Sciences, Faculty of Economics and Management in 1997. He started his professional career in 1996 as an Account Manager in the software industry. After 3 years, he was recruited by Unisys Netherlands, where he held various management and sales executive positions within Unisys’ Global Industry and Global Infrastructure divisions. In 2004, Jan-Hein was appointed as Division Director Outsourcing at Inter Access, where he led the development and growth of this new division. In 2007, he joined Hewlett-Packard’s EMEA Strategic Outsourcing team as an Engagement Lead focussing on the large international IT outsourcing deals. Since 2005, Jan-Hein has held various advisory management positions with a number of organisations.

Supervisory Board

Servaas L.M. Houtakkers (1959), **Chairman Supervisory Board** (August ’05 - …) Mr Houtakkers graduated from Nijmegen University and started his professional career as a corporate lawyer at Hendrix International, now known as the Euronext Amsterdam-listed company Nutreco NV, before moving to MeesPierson NV’s legal department in Amsterdam. In the early 1990s, he pioneered the banking and trust activities of MeesPierson in Belgium. In 1994, he was appointed Managing Director of MeesPierson Trust Luxembourg and subsequently appointed Managing Director of MeesPierson (Luxembourg) Banquiers. He moved to Brussels in 1997, where he acted as Chief Operating Officer of EASDAQ NV/SA and subsequently, from late 1998, continued his career at Merrill Lynch NV in Amsterdam. In 2001, he was appointed managing partner at a Brussels-based corporate services 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.

Leon P.E.M. van den Boom (1952) **Member Supervisory Board; Chairman Audit Committee** (August ’05 - …) Mr Van den Boom studied at the University of Groningen and the Vrije Universiteit in Amsterdam and is a business economist and registered accountant. He worked for the University of Washington and for ABN Bank, was a partner at Van de Bunt, Managing

Partner at the Van den Boom Groep, and a member of the Executive Board of NIB Capital Bank N.V. Currently he is a senior partner at PARK Corporate Finance in Laren. Mr Van den Boom specialises in issues in the field of Corporate Finance and Corporate Governance. He holds supervisory directorships at RFS Holding BV ("Wehkamp"), FD Media Groep BV, Inter Access Groep BV, Nyloplast NV, Broekhuis Training Groep BV and IE Holding BV. He is Chairman of the Stichting Financieringspreferente Aandelen VOPAK NV and a member of the Board of Stichting Administratiekantoor Fugro N.V.

Dirk Lindenbergh (1949), **Member Supervisory Board** (January '09 - ...) Mr Lindenbergh has been an entrepreneur for most of his career, having founded an internationally-operating business in the gaming industry. He sold his company in 2000 to ABN Amro equity and NPM Capital and was a board member within the newly formed company for another six years. Mr Lindenbergh followed part-time courses in Philosophy at Groningen University, Business Valuation at Erasmus University Rotterdam and graduated in Business Administration from Nyenrode Business Universiteit during his career as an entrepreneur. In 2004, he followed the Advanced Management Programme at Nyenrode Business Universiteit and in 2005, he followed a special course for non-executive board members at the same University. Since 2006, he has been a member of the board of Docdata N.V. In 2007, he joined the board of Midlin N.V. and in 2008, he became a board member at Astor Participaties (Private equity). Mr Lindenbergh is also a board member of Schild Holland Fonds (a real-estate company) and is active in two charity organisations.

5 Report of the Board of Directors

Operational The 2007 financial year was marked entirely by the turn-around process that thoroughly restructured Blue Fox Enterprises and involved an intensive divestment programme in our business operations. The year 2008, in turn, was marked by the finalisation of that turn-around process and the relaunch of the remaining operational activities. With three business units left - NedGraphics in the Netherlands and the United States, Dynamics Perspective in the United States and Porini in Italy - the size of the company had been reduced to a scale that required a further development of our plans for the future. The two-track policy announced in 2007 was followed in this respect.

However, it soon became clear that finding a strategic partner for the whole of Blue Fox Enterprises could no longer be considered a realistic option. Since the remaining business units did not offer any synergies, a definitive solution had to be found for the separate units; at the same time, the company's listing on the stock exchange was also re-assessed.

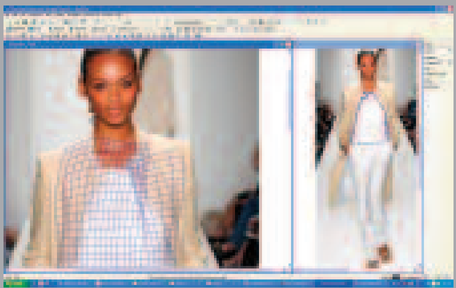
Gruppo 300sessanta, an Italian investment firm, offered a solution for Porini. This firm was able to provide Porini with the space it needed to grow independently and put a stop to the cash out for Blue Fox. The sale process was completed in April 2008.

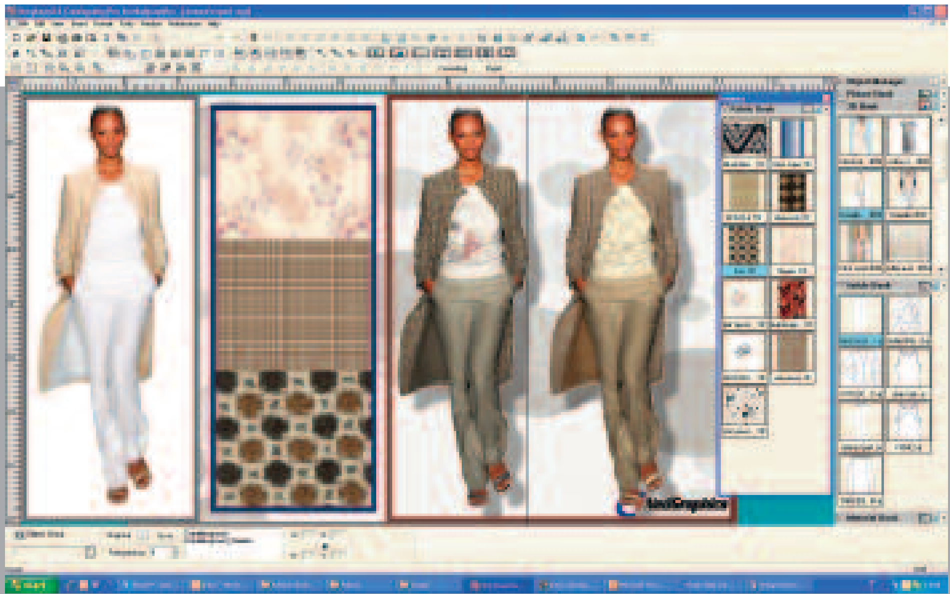
At that time, the size of the company no longer justified the size of the holding company. Mr Cees van Steijn resigned as managing director at the Extraordinary General Meeting of Shareholders of 29 April 2008 and the staffing level at the holding company was reduced to two employees, the group controller and the CEO of the company.

At the Extraordinary Meeting of Shareholders of 29 April, Mr Arie van Leusden was nominated and appointed as succeeding chairman of the board ad interim. This appointment gave the holding company the executive flexibility it needed to further shape the future of NedGraphics and to continue the roll-out of the two-pronged policy referred to above. However, meetings held with various parties during the summer and in the autumn did not result in the strategic partnership the company was looking for.

In the beginning of October, it was therefore decided to flesh out a final version of the stand-alone scenario, also described as the 'entrepreneur model' at the Annual General Meeting of Shareholders of 25 May 2007. Market conditions were also starting to leave a deep mark on the operating results at that time. The stand-alone scenario was gradually evolving into a rescue plan, in which the external financier and the majority of the principal shareholders have played an important role.

On 19 November 2008, an agreement was reached through which Blue Fox Enterprises could continue its business operations thanks to the appointment of new management and the issue of a mandatory convertible bond loan. At the Extraordinary General Meeting of Shareholders of 12 December 2008, Arie van Leusden resigned as chairman of the board as per 1 January 2009 and Pieter Aarts and Jan-Hein Pullens were appointed as directors of the company as per that same date. This board was set with the task of taking responsibility for the operational activities of the organisation – read: NedGraphics - and to flesh out a business plan for the future.





Since 1 January 2009, the focus has been directed at an independent future for Blue Fox. A future that will revolve around NedGraphics. NedGraphics takes a leading position in the Textile and Apparel market. The organisation has been able to carve out this position thanks to its expertise in this specific market and the strategic development will be further shaped on the basis of 'product leadership'.

The business plan drawn up by the new Board of Directors is built around the Value Triangle. In addition to actions geared towards performance improvement and revenue growth, it also describes plans for structural market development. In the first 100 days after its appointment, the new Board of Directors have continued to fine-tune its business plan and realise a number of pre-determined 'Quick Wins'. NedGraphics' key asset is CAD/CAM software development and deployment in the Textile & Apparel market. Leveraging this key asset in combination with today's market and technology innovations enables NedGraphics to become the global leader in its market niche.

Financial results Blue Fox ended 2008 with a net loss of € 6.2 million (2007: € 4.6 million profit). The net loss was mainly the result of the sale of the Porini activities, which generated a book loss of € 3.4 million. In addition, a € 1.2 million impairment on goodwill was recognised in 2008. The operating result for 2008, excluding the impairment loss, amounted to € 1.1 million negative (2007: € 0.7 million negative).

All activities relating to Porini's ERP business were sold in the first half of 2008. These activities contributed € 1.2 million to revenue and € -0.3 million to the operating result (2007: € 4.1 million and € -1.3 million). The sale of the Porini activities resulted in a book loss of € 3.4 million. The results are classified as 'Discontinued Operations' in the financial statements.

In addition, the activities in the Engineering and GIS software segment were divested in 2007. The results of these activities were also recognised under discontinued operations in 2007.

The continued activities include the CAD/CAM activities of NedGraphics, the ERP activities of Dynamics Perspective and the holding. The net revenue of NedGraphics decreased considerably by 17.2%, to € 8.7 million (2007: € 10.6 million), mainly as a result of the recent economic developments. The lower revenue had an immediate impact on the operating result, which decreased from € 1.9 million in 2007 to € 0.4 million in 2008. The revenue from the ERP activities of Dynamics Perspective decreased from € 1.4 million in 2007 to € 1.1 million in 2008. The effects of the current economic conditions impacted the ERP business later than the CAD/CAM business due to the longer planning periods in the ERP business. The operating result of Dynamics Perspective improved from a loss of € 1.0 million in 2007 to a loss of € 0.1 million in 2008.

After the sale of the Porini activities, the holding company was reduced to a small but effective team. Costs were further reduced to € 1.2 million (2007: € 1.8 million). In addition, the holding company recognised an impairment loss of € 1.2 million. The operating loss for 2008 for the continued operations, including the impairment, was € 2.3 million (2007: € 0.7 million).

Cash flow, investments, financing Despite the operating loss, the operational cash flow in 2008 amounted to € 1.4 million positive (2007: € 0.5 million positive). The improvement is due to the reduced cash outflow to the Porini activities. The cash flow from investments was, on balance, € 1.6 million negative (2007: € 3.9 million positive) as a result of the limited proceeds from the sale of the Porini activities and continued investments in new software development.

In the course of 2008, an additional long-term loan of € 0.6 million was attracted from the company's current financier. As part of the recapitalisation of Blue Fox at the end of 2008, repayment of both the new and the existing loan has been postponed until the end of 2010. In addition, the main shareholders have contributed an € 850,000 mandatory convertible loan. This resulted in a positive cash flow from financing activities of € 1.5 million (2007: € 0.2 million negative).

The total change in cash and cash equivalents in 2008 amounted to € 1.3 million positive (2007: € 4.2 million positive).

Balance sheet Fixed assets fell from € 13.0 million in 2007 to € 8.3 million in 2008. This is due to the € 1.2 million impairment on NedGraphics' goodwill, the € 3.3 million sale of the in-house developed software that formed part of the divested Porini activities and the € 0.2 million result from regular business activities.

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

Shareholders' equity decreased from € 10.3 million as per 31 December 2007 to € 4.0 million as per 31 December 2008. This € 6.3 million decrease includes the net loss in 2008 of € 6.2 million, and exchange rate differences in participating interests. As a result, solvency fell to 27.9% at year-end 2008, from 47.6% at year-end 2007. Based on guarantee capital (equity including the mandatory convertible loan) solvency amounted to 33.7% at the end of 2008.

No shares were issued in 2008. Hence, the number of outstanding ordinary shares, with a nominal value of € 2.00 each, remains 4,433,702 at the end of 2008. The mandatory convertible loan issued at the end of 2008 was only converted in 2009.

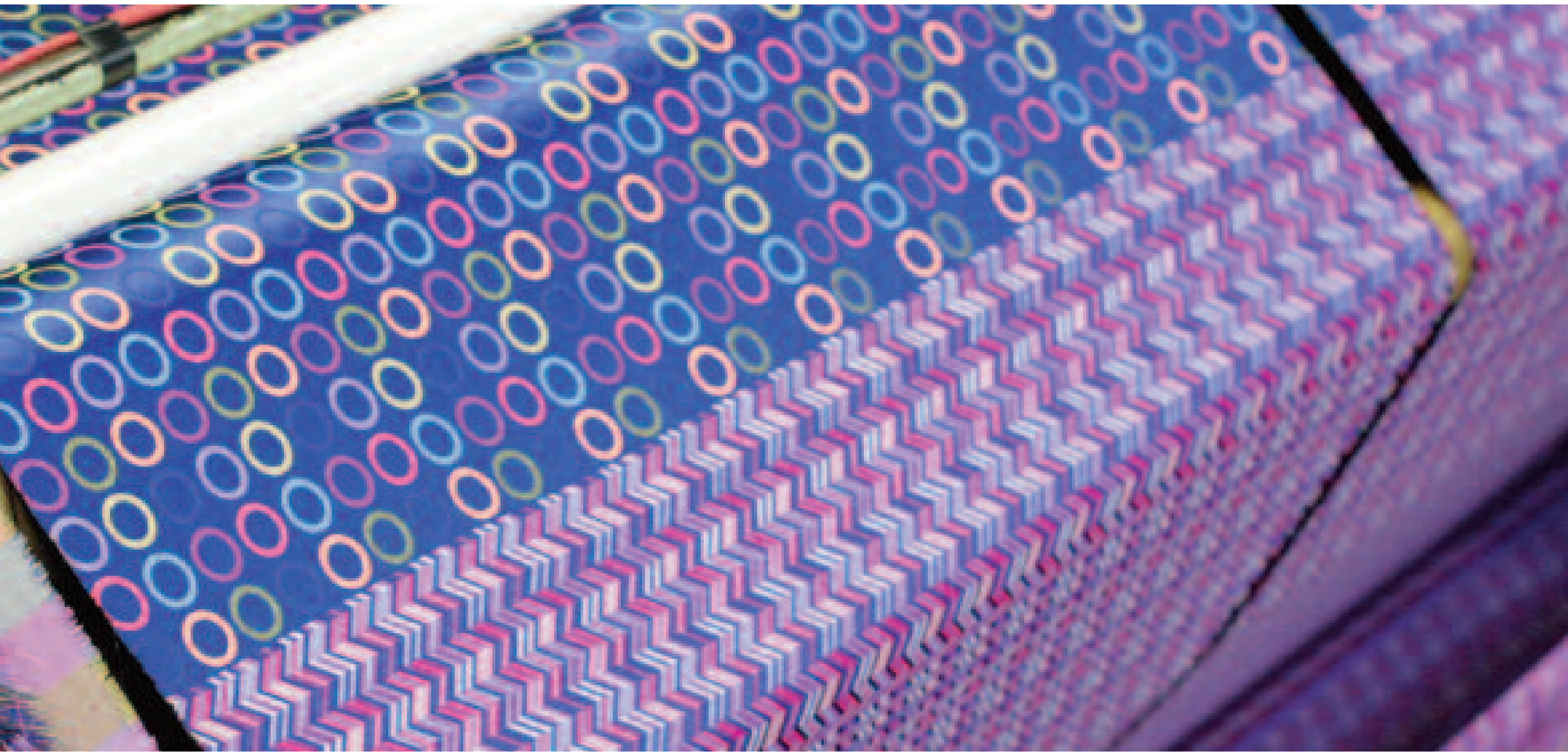
Outlook In 2008, the holding company's expenses were reduced to a minimum. Nevertheless, they still weigh heavily on the relatively small consolidation base. In 2009, the holding company costs are expected to rise due to a different allocation of management expenses among NedGraphics and the holding company.

Currently our research and development activities in respect of the CAD/CAM software are located in Vianen (the Netherlands) and in Bucharest (Romania). No significant changes on this matter are expected for the coming year.

The forecasted investments in fixed assets in 2009 will not significantly differ from the 2008 investments.

As there are very few synergies between NedGraphics' CAD/CAM business and Dynamics Perspective's ERP business, Blue Fox is currently investigating how Dynamics Perspective fits in its strategy. This relatively small operational segment (see note 3) made an operating loss of € 0.1 million in 2008 and is expected to break even in 2009. Dynamics Perspective is a provider of ERP software and related services for the Apparel industry, has a solid customer base and is currently expanding its product portfolio with another ERP system.

In 2009, the cash balances are expected to be positive throughout the year and therefore it is expected that no additional funding will be required. This expectation is based on management's forecast and plans for 2009. These plans are based on a turnaround scenario and include, but are not limited to, cost savings contingency plans in case revenue does not develop as expected. The trough of the cash position for 2009 does not provide for much headroom for unanticipated developments, but the cash position is expected to improve in the fourth quarter of 2009. At the end of 2010 the non current loan will mature. The ability to refinance this loan and to continue as a going concern in the year 2010 and thereafter will depend on the profitability and positive cash flows of the Company. Management is confident that they will restore profitability.



Staff and organisation The human resources policy at Blue Fox focuses on skills and talent development. We have a decentralised approach to the operating companies based on worldwide HR standards.
The operating companies of Blue Fox hold top positions within their respective market segments. Entrepreneurship is stimulated universally throughout the Blue Fox organisation, as most operating companies are organised into smaller units which operate with a certain level of autonomy. The directors of the operating companies are responsible for the commercial and financial developments with regard to their company and they report to the Board of Directors. This management approach creates a mentality of speed, flexibility and leadership with short communication lines, making the best possible use of the knowledge and know-how of Blue Fox' people and the quality and reputation of its products and services.

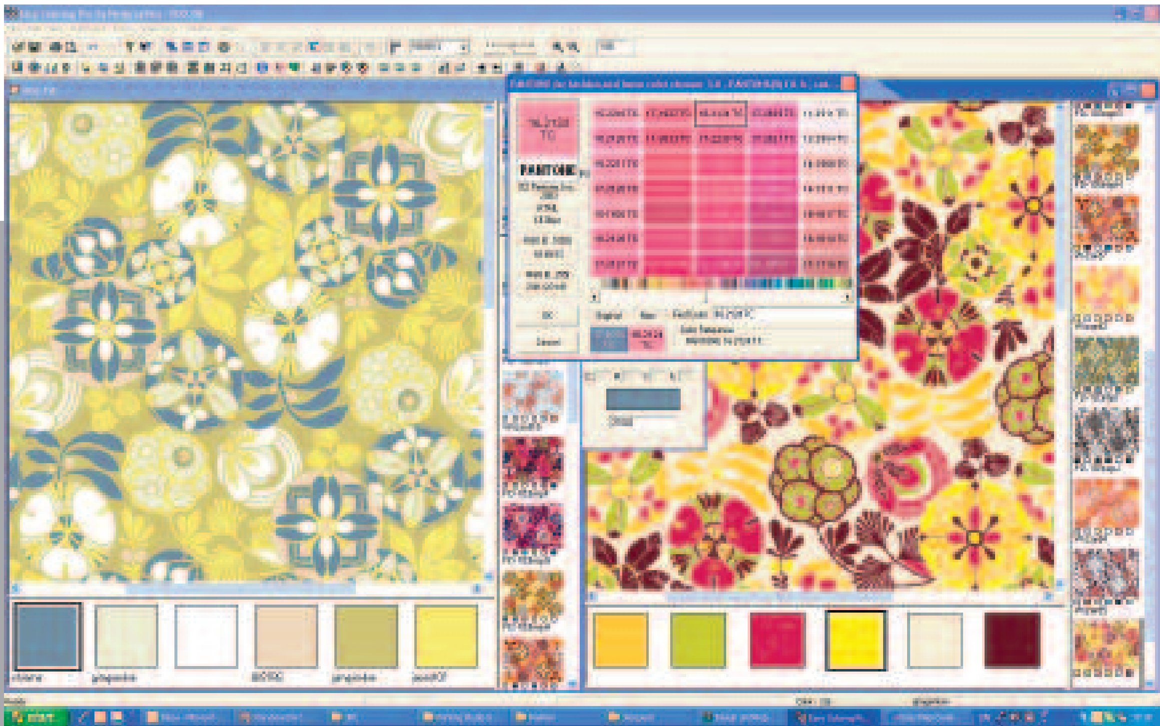
Each operating company pays attention to the training and development of its staff members. Both internal and external training courses are given to groups of staff members. In addition, individual staff members are encouraged to follow external training courses that benefit the position they hold.

The HR policy focuses on 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 a focus of attention.

The average number of staff members decreased from 215 to 138 FTEs. The average for 2008 includes staff of the Porini entities for a three-month period only; the average for 2007 includes staff of those entities, as well as staff from other disposed subsidiaries (CadGis, Pollux), for the related periods in 2007. At the entities that are still part of Blue Fox, the average number of staff did not change – 120 FTEs on average.

At year-end 2008, Blue Fox had 120 staff members, compared to 192 at year-end 2007. Two FTEs worked at the holding company, 107 FTEs worked at NedGraphics and 11 worked at Dynamics Perspective. There were 71 FTEs working at the Porini entities when they were sold. No forced lay-offs resulted from the sale.

Blue Fox' workforce is very international, with personnel from approximately 23 different countries. Approximately 70% of the company's total employee base works in Europe, with 25% of these employees working in the Netherlands. The remaining employees, who work outside of Europe, are mainly based in the USA and China. No major changes in the composition of the workforce of the continued operations are expected for 2009.



Average number of FTE's

amounts in thousands of euros	2008	2007 adj	2007
Continued operations			
Staff members (in average FTE)	120	120	192
Average contribution per FTE to gross margin	78	93	78
Average wage costs per FTE	44	52	54
Continued and discontinued operations			
Staff members (in average FTE)	138	215	215
Average contribution per FTE to gross margin	76	81	81
Average wage costs per FTE	45	53	53

6 Report of the Supervisory Board

We hereby present the financial statements for the financial year 2008, as prepared by the Board of Directors and adopted by the Supervisory Board, as well as other information concerning Blue Fox Enterprises N.V.

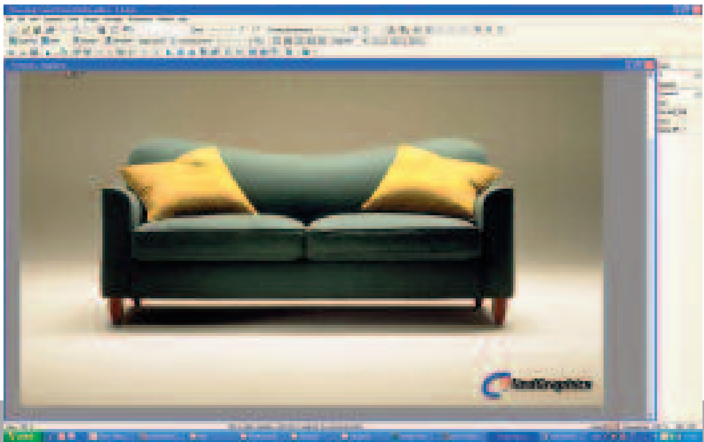
The financial statements for 2008 have been audited by KPMG Accountants N.V. An unqualified audit opinion has been issued, which can be found on page 61. The financial statements and the auditor's report were discussed at the meetings of the Supervisory Board and the Board of Directors in the presence of the auditor on 16 March 2009, and on 28 April 2009.

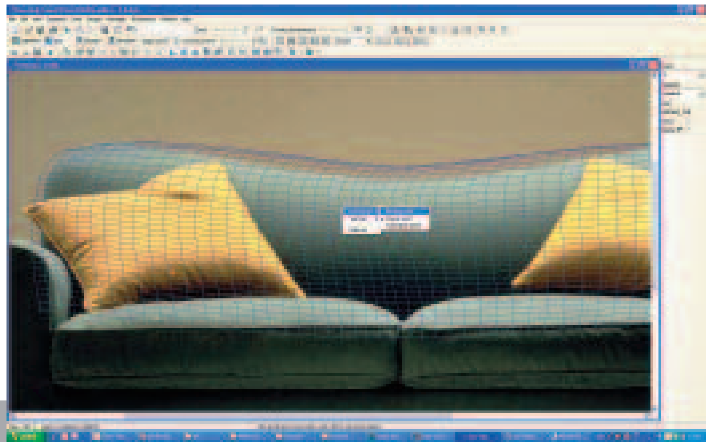
We recommend that the shareholders approve the 2008 financial statements at the forthcoming Annual General Meeting of Shareholders, which will be held on 26 May 2009, in accordance with the documents presented. Moreover, we recommend that the Board of Directors be discharged from liability with respect to its management and the Supervisory Board with respect to its supervision.

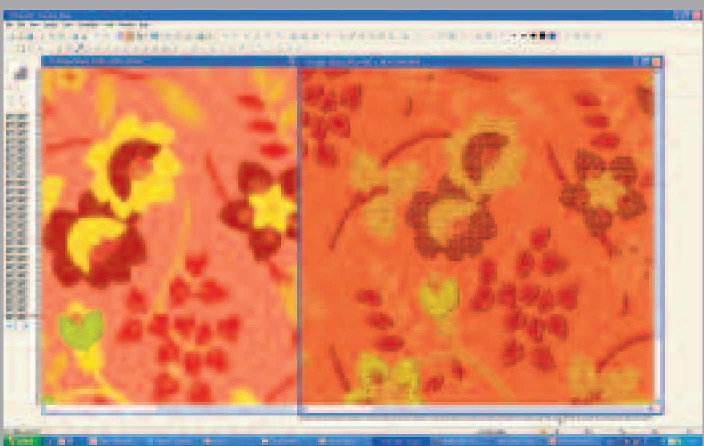
Composition of the Supervisory Board As from the Annual General Meeting of Shareholders held in May 2007, the Board has been composed of its statutory minimum of two members. During the Extraordinary Meeting of Shareholders held on 12 December 2008, at which meeting the stand-alone future and a new management structure were presented, the shareholders approved the appointment of Mr Dirk Lindenbergh as a member of the Supervisory Board. He has been appointed for a 3-year term starting 1 January 2009. Mr Lindenbergh has been a shareholder of the company since the autumn of 2007. He holds over 10% of the shares in Blue Fox Enterprises N.V. and, as such, cannot be considered independent in terms of the Tabaksblat Code. The members of the Supervisory Board fit the profile that has been drawn up in consultation with the Board of Directors. This profile takes account of the nature and the current activities of Blue Fox Enterprises N.V. and the desired expertise and background of the members of the Supervisory Board.

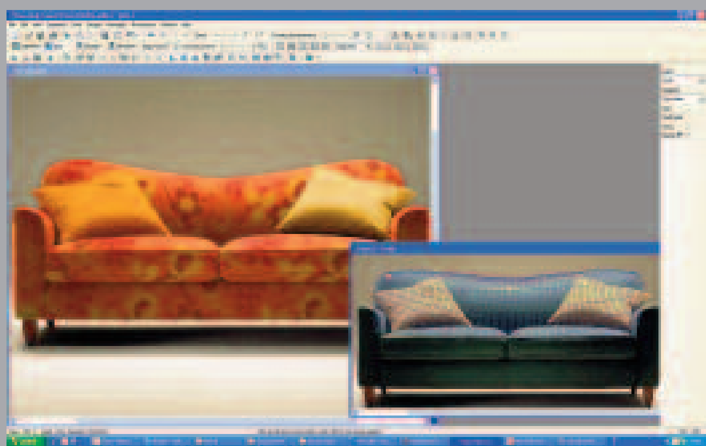
A member of the Supervisory Board will not be eligible for (re)appointment if that member has already served three consecutive periods of 3 years as a board member at Blue Fox Enterprises N.V.

Report on 2008 The Supervisory Board and the Board of Directors met 10 times in 2008. 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 General Meeting of Shareholders in April and December, as well as the Annual General Shareholders' Meeting in May 2008.

For the Supervisory Board, 2008 was a year marked by intensive consultations with the Board of Directors, with alternating members. After the divestments effected in 2007, which included the sale of C2C, Pollux and CadGis, 2008 revolved entirely around Blue Fox Porini Srl. (Porini) in Italy and Blue Fox NedGraphics B.V. in Europe and the United States (NedGraphics), the remaining business units that required all our attention this year. Dynamics Perspective Inc., located in Los Angeles, constitutes only a limited part of our business operations.

Until April of the year under review, the combined meetings of the Board of Directors and the Supervisory Board were attended by Cees van Steijn, who was then CEO of Blue Fox. The recurring theme on the agenda was Porini, which an Italian party was willing to buy. By now, Porini and NedGraphics had proved unable to offer Blue Fox Enterprises the operational level of support required for sound future prospects.

The future of the company was mapped out on the basis of the two-track policy presented earlier. This included, on the one hand, assessing potential strategic partners for the company as a whole or for separate business units and, on the other, reviewing and fleshing out a stand-alone scenario. It was up to the Supervisory Board to include the interests of all stakeholders in its decisions during these various processes. These stakeholders include employees, shareholders, financiers, as well as third parties.

In April, the composition of the Board of Directors was changed, with Arie van Leusden being appointed as the only member of the company's Board of Directors and without deviating from the two-pronged policy. Servaas Houtakkers, appointed in 2006 as delegate supervisory director, continued to perform this position until 1 January 2009.

The negotiations with the Italian buyer, Gruppo 300sessanta S.A. from Como, ultimately resulted in the sale of Porini. The sale was finalised in June 2008. It had proven impossible to find a suitable partner or buyer for Blue Fox Enterprises N.V. as a whole. Despite different expectations, the remaining NedGraphics was not capable of continuing operations independently without receiving additional funding. This first became evident in the late summer of 2008 and the situation became critical in the beginning of October. In October, the Supervisory Board, in consultation with the Board of Directors, drew up a plan comprising three elements: to issue a mandatory convertible bond loan, refinance the loans then outstanding, and attract a new Board of Directors. The implementation of this plan was to provide a permanent solution for the company's future. The nomination and appointment of Arie van Leusden as interim CEO of the company served as a flexible management solution that allowed the Supervisory Board to come up with a permanent solution within a brief space of time.

In the context of this solution, the Supervisory Board also reviewed its own composition and competencies. Since the Supervisory Board comprised only the statutory minimum of two members, an addition to its numbers was now preferable. The new phase the company entered, earlier described as the entrepreneurial model, requires a different composition of the Supervisory Board. During the EGM of 12 December 2008, Mr. Dirk Lindenbergh was appointed as supervisory director of the company as per 1 January 2009. As per that date, Arie van Leusden resigned as managing director and Jan-Hein Pullens and Pieter Aarts were appointed as members of the Board of Directors. Servaas Houtakkers resigned as delegate supervisory director as per that date.

The Supervisory Board has discussed the plenary financial reports with the Board of Directors in detail. Apart from sales and margin developments, operating expenses, divestment results, balance sheet ratios, budgets and future prospects, the restructuring of the sales organisation was part of the agenda.

The Supervisory Board met five times in the absence of the Board of Directors. KPMG Accountants N.V. briefed the Supervisory Board on the findings of the 2008 audit at the Supervisory Board meetings of 16 March 2009, and 28 April 2009.

Committees of the Supervisory Board Under the Tabaksblat Code, it is common for the Supervisory Board to appoint a number of permanent committees. Due to the size of the company and the limited number of supervisory directors, it has been decided not to delegate tasks but to carry out the tasks related to the Audit Committee, Remuneration Committee and the Selection & Nomination Committee in joint collaboration.

Remuneration The Supervisory Board determines the remuneration of the members of the Board of Directors. The company's policy is aimed at attracting and retaining qualified managers under market conditions facing international listed companies that operate in the field of software development.

Selection and nomination In April 2008, Cees van Steijn resigned as CEO of the company and was succeeded by Arie van Leusden as interim managing director. During the Extraordinary Shareholders' Meeting of 12 December 2008, Arie van Leusden resigned as managing director as per 1 January 2009. Pieter Aarts and Jan-Hein Pullens have been appointed as members of the Board of Directors as from that date for a period of 4 years.

Audit Committee During 2008, the Audit Committee consisted of the two members of the Supervisory Board. The Audit Committee controls and assesses the financial reporting processes of the company, as well as the audit carried out by the external auditor. Two meetings were held with the external auditor. In these meetings, KPMG and the group controller were consulted on the production of the financial report. Apart from January and July, the internal financial reports were presented and discussed on a monthly basis with the Board of Directors.

Independence of the Supervisory Board The Chairman of the Supervisory Board has been acting as delegate supervisory director from May 2006 until December 2008. During that period he did not comply with provision III.2.2 of the Tabaksblat Code. Mr Van den Boom is independent within the meaning of that provision.

External Auditor KPMG, represented by its partners Willem Riegman and Frank van het Kaar, acted as auditor of the company. Its nomination was approved by the Annual Shareholders' Meeting of 23 May 2008.

In Conclusion The Supervisory Board wishes to thank the members of the Board of Directors for their efforts to transform the company into what it is today. It also expressly wishes to thank all the employees of Blue Fox Enterprises N.V.; in spite of difficult times, they have always continued to give their best efforts. We wish them every success in further establishing our company's market position.

Servaas L.M. Houtakkers (Chairman)
Leon P.E.M. van den Boom
Dirk Lindenbergh

Vianen, 29 April 2009

7 Corporate governance

General In recent years, we have discussed in detail the Dutch Code on Corporate Governance, issued on 9 December 2003 (also commonly referred to as the Tabaksblat Code) in the Annual Report. The Board of Directors and the Supervisory Board of Blue Fox endorse the Code. Within the framework of this Code, a 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 Blue Fox are responsible for striking a balance between the interests of these stakeholders, while taking into account the continuity of the company.

In accordance with the recommendation of the Tabaksblat Committee to 'comply or explain', Blue Fox corporate governance practice was placed on the agenda of the Annual General Meeting of Shareholders in May 2006, in order to give shareholders the opportunity to voice their opinion on the way the company interprets compliance with the Code. A description of Blue Fox's corporate governance policy, including the relevant regulations and reports, can be found on the website. The policy is reviewed periodically and amended if necessary. Changes are discussed in the General Meetings of Shareholders.

The Board of Management is responsible for the proper functioning of the risk management and internal control systems. The objective of these systems is to control, as far as possible, the major risks to which the company can be exposed, to make possible the reliable achievement of operational and financial goals and to ensure compliance with applicable legislation and regulations. The company pays structural attention to the optimisation of the design and operation of the risk management and internal control systems. We refer to chapter 9 Risk & Control. The Board of Management is aware that such systems, however professional they may be, can neither provide absolute assurance that the company's objectives will be achieved, nor can they entirely prevent material errors, loss, fraud and contraventions of laws and regulations.

Taking the above into account, to the best knowledge of and in the opinion of the Board of Management, the risk management and internal control systems:

1 Provide a reasonable degree of assurance that the financial reporting is free of material misstatement;
2 Have functioned properly during the financial year under review;
3 Give no indication that they will not continue to function properly during the current financial year.

Reference is made to chapter 6 Report of the Supervisory Board for an explanation of how the Supervisory Board determines management's remuneration. We refer to note 44 of the Financial statements 2008 for an overview of the remuneration of the Supervisory Board and Board of Directors in 2008.

Deviations from the Code Blue Fox complies with most of the main recommendations and provisions of the Code. The main deviations from best practice provisions are listed below.

- *provision II.2.7: maximum remuneration in the event of dismissal for Members of the Board of Directors and the Supervisory Board* Regarding the remuneration in the event of dismissal, it had always been Blue Fox' policy to make a severance payment, which is reasonable, based on the contractual situation, social developments and jurisprudence. As long as no amendments are made to the statutory regulations regarding employment conditions of company directors, the Supervisory Board will continue its current policy.
- *provision III.2.2: independence of the Supervisory Board* The Chairman of the Supervisory Board has acted as delegated supervisory director from May 2006 until December 2008 and has as such not been considered independent in terms of provision III.2.2 of the Code during that period. Mr Lindenbergh, a member of the Supervisory Board since his appointment in the EGM of December 12th 2008, is a shareholder of the company since fall 2007. He holds over 10% of the shares in Blue Fox Enterprises N.V. and is as such not to be considered independent in terms of provision III.2.2 of the Code.
- *provision III.4.3: company secretary* The Supervisory Board believes such organisational and administrative support of its work is (at the moment) unnecessary.
- *provisions III.1.1 and III.5.1: division of tasks by the Supervisory Board and regulation for the audit committee* Due to the size of Blue Fox, these provisions have not been implemented and, consequently, the regulations concerned are not disclosed on the Blue Fox website.
- *provision IV.3.1: advance announcements of Investor Relations Meetings* The Blue Fox 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.

8 Shareholders' information

General The shares of Blue Fox Enterprises N.V. have been listed on Euronext Amsterdam by NYSE Euronext since 21 May 1999. As at 31 December 2008, the number of outstanding Blue Fox Enterprises N.V. shares was 4,433,702 (2007: 4,433,702). In an Extraordinary General Meeting of Shareholders that was held on 12 December 2008, it has been decided to lower the nominal value of the Blue Fox Shares from € 2.00 to € 0.10. The reasons for this decision are the accumulating losses of the past years and the fact that the share price on the stock exchange has been below par value for over three months in a row. This decision was subject to an objection period of two months, after which the decision was effectuated.

In addition, it was decided to issue a convertible loan of € 850,000 with mandatory conversion as soon as the nominal value of the shares had been decreased. This means that 2,897,652 shares had to be issued in 2009 as a result of the loan and for compensation of interest on the loan.

As far as Blue Fox 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 at 31 December 2008, based on the latest information received.

Shareholders	interest in % before conversion	interest in % after conversion*
Todlin N.V.	12,7	18,2
D. Lindenbergh (through Blikkenburg B.V.)	10,2	14,3
F.L.H. van Delft (through Bibiana Beheer B.V.)	9,0	11,2
Vereniging Frieslandbank	8,0	4,8
Driessen Beleggingen B.V.	5,9	5,9
Generali Holding Vianna AG	5,7	5,8
J.H. de Groen (through De Kolk Beheer B.V.)	5,2	7,7
Beleggingsmij West-End B.V.	5,1	5,2

* *Conversion took place in 2009*

key figures per share (based on average number of outstanding shares)

	2008	2007
Net result	-1,39	1,16
Shareholders' equity	0,91	2,59
Highest share price	2,75	3,50
Lowest share price	0,40	2,00
Closing price as at December 31st	0,53	2,45
P/E ratio as at december 31st		
Market capitalization		
as at December 31st	2.349.862	10.862.570
Number of transactions	3.513	5.738
average trading volume per day	12.122	15.308

Staff options The table below presents an overview of option rights granted and outstanding options at year-end 2008. The options were issued to staff members with permanent contracts, up to a maximum of 2% of the number of shares outstanding. For the periods 2005 - 2008, the Board of Directors and Supervisory Board decided not to grant any options to employees. As of 2003, members of the Supervisory Board of Blue Fox no longer received stock options. In 2006, 2007 and 2008, no options were granted to the Board of Directors. In chapter 11, the notes to the 2008 company financial statements state the numbers of outstanding stock options of the members of the Board of Directors and the Supervisory Board.

Options

31-12-2007	date granted	term	issued options	outstanding options	exercised / cancelled	exercise price (€)
	May 2003	2008	33.980	11.840	22.140	5,80
	May 2004	2009	27.400	9.780	17.620	6,34
	Total		**61.380**	**21.620**	**39.760**	

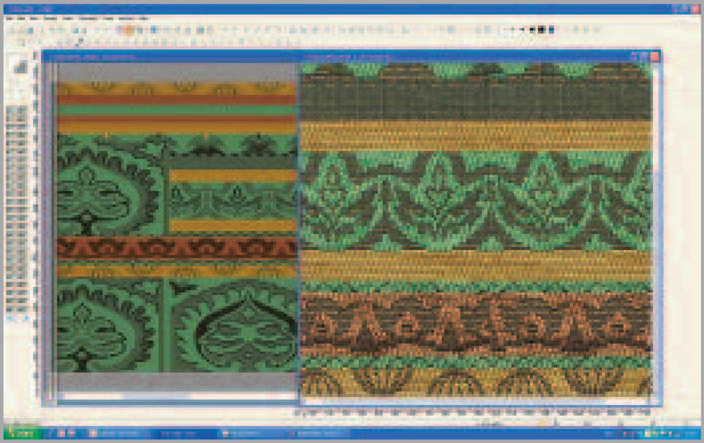
31-12-2008	date granted	term	issued options	outstanding options	exercised / cancelled	exercise price (€)
	May 2004	2009	27.400	4.850	22.550	6,34
	Total		**27.400**	**4.850**	**22.550**	

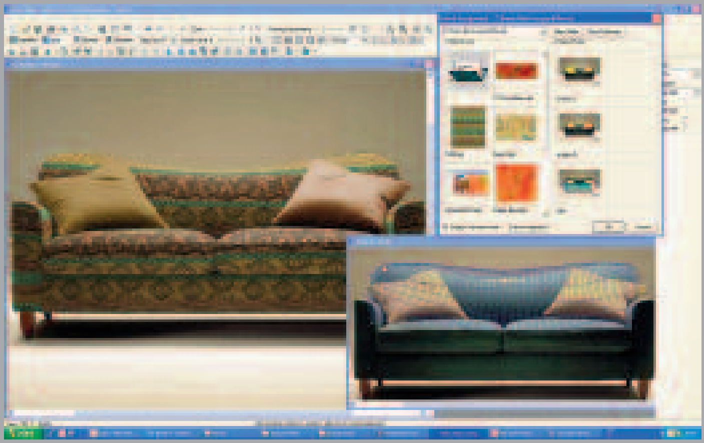
The Amsterdams Effecten Kantoor (AEK) acts as liquidity provider for Blue Fox shares.

Contact details

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

Dividend policy In view of Blue Fox'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 Blue Fox has drawn up Insider Trading Regulations in accordance with the model of the VEUO (Vereniging van Effecten Uitgevende Organisaties - the association of share issuing organisations), which has been approved by the Netherlands Authority for the Financial Markets (AFM).

Blue Fox has made a large group of staff members and advisors sign the Insider Trading Regulations. The Insider Trading Regulations of Blue Fox include a ban on trading in Blue Fox shares during an 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. 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 2008.

Investor Relations Blue Fox 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 Blue Fox. In addition to the financial results, the company also provides much information on its strategic choices and objectives. Blue Fox 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 Blue Fox website under the link 'Investor Relations'. Direct questions from investors may be directed by e-mail to info@bluefox.nl.

Important dates

Tuesday 26 May 2009	Annual General Meeting of Shareholders 2009
Tuesday 1 September 2009 */**	Presentation first-half results 2009
Wednesday 17 March 2010 */**	Presentation full-year results 2009
Tuesday 25 May 2010 **	Annual General Meeting of Shareholders 2010
Wednesday 1 September 2010 */**	Presentation first-half results 2010

* before trading hours
** provisional

9 Risk & Control

General Blue Fox operates in a highly dynamic and international environment, which makes specific demands regarding the management and controlling of risks. This chapter contains some of the main risks which could eventually affect the results of Blue Fox. The policy of Blue Fox remains aimed at the continuous guarding and improvement of the internal risk management processes, in order to further optimise the quality and effectiveness of these processes and their safeguarding, and adapt these where necessary.

The Board of Directors is responsible for the internal control and the management of risks within the company and for the assessment of the effectiveness of these control systems. Such control systems were set up to identify and subsequently manage risks, which could endanger the realisation of the objectives of the company. It should be noted that no single (control) system offers an absolute guarantee against material inaccuracies or losses.

Blue Fox aims to ensure that its risk management activities are in line with the best practices laid down in the Code Tabaksblat (the Dutch Corporate Governance Code). The risk management model developed by Blue Fox is intended to present a practical framework to support the objectives and the assessment of risks and anticipated rewards as identified by the company. The model distinguishes three areas which are subject to particular attention for analysis purposes, being:

- external factors (i.e. the company's operating environment on both a macroeconomic and industry level) with the consequent strategic risks;
- organisational structure with the consequent internal risks;
- primary and supporting processes with the consequent process and reporting risks.

The main aspects of the formulated risk management model are:

- clearly defined responsibilities regarding risk management;
- operational management, together with the various members of the local management teams, assess the main risks affecting the company concerned and review these main risks;
- continuous assessment of the quality and effectiveness of the internal controls;
- the Board of Directors monitors the major risks of the group and sees to it that adequate control measures are taken;
- internal assessment is made of the performance of all Managing Directors of the operating companies and members of the local management teams with regard to, among other things, their responsibilities, the quality and effectiveness of the internal controls and the process of financial reporting.

System of internal controls The internal control system contains all elements of internal control and contributes to discipline and structure. The following control measures form part of the internal control system of Blue Fox and serve to secure reliable financial and reporting processes, while also securing an adequate risk management.

Planning & control cycle The planning & control cycle starts with drawing up a budget for each operating company. The main control variable for Blue Fox is the net result before taxation, the Earnings Before Tax (EBT). The Managing Directors of the operating companies have a certain level of autonomy with regard to achieving the budgeted EBT within the agreed framework.

Other important control variables are net sales, gross margin and operating result. In addition, Blue Fox controls and manages its operating companies on the basis of a number of company-specific key figures, which may vary per operating company.

The operating companies report monthly in accordance with a fixed reporting format. Meetings of the Board of Directors with the Managing Directors of the operating companies are held on a monthly basis or more often if the situation requires it. These monthly meetings are used in particular to discuss the operating developments and the required subsequent adjustments to the budgets, in addition to the financial developments.

Blue Fox Accounting & Reporting Manual The Blue Fox Accounting & Reporting Manual contains guidelines regarding the accounting principles that have to be adhered to, as well as instructions regarding the filling out of the reporting forms to be used within the Blue Fox organisation.

Audit Committee The Audit Committee consists of two Members of the Supervisory Board and guarantees an independent supervision of the process of risk management from the supervisory responsibility of the Supervisory Board. The Audit Committee concentrates on the quality of the internal and external reporting, on the effectiveness of the internal control measures and on the functioning of the external and internal auditors. Audit Committee meetings were combined with regular Supervisory Board Meetings.

Internal financial and operational audits In connection with the monitoring and safeguarding mechanisms, internal audits are planned and conducted each year, aimed at securing the quality of the main operating processes and reviewing related business risks. These internal audits cover the financial reporting (financial audits) and the existence and functioning of operating policies and procedures (operational audits). Due to changes in the organisation, the internal audits conducted in 2008 were limited.

Protection of intellectual property rights Blue Fox tries to protect its intellectual property rights as far as the company believes this to be economically viable. Protection of intellectual property is effected through the registration of trademarks, by using confidentiality agreements and non-competition clauses in agreements and by using hardware key-locks and/or embedded software codes in Blue Fox software to protect it against illegal use.

Directors' regulations All Statutory Directors of the operating companies have signed a copy of the Directors' regulations. These regulations with regard to the limits of their authority identify in which cases the board of the operating company require prior approval from the Board of Directors for certain decisions, depending - among other things - on the nature or the size of certain businesses.

Code of conduct and whistleblower procedure In compliance with the Dutch Code on Corporate Governance, a code of conduct and a whistleblower procedure were implemented in 2005. The procedure serves to ensure that any alleged infringement of the existing policies and procedures may be reported without the person making the report suffering any negative consequences of his action.

Market risks *Competitive position* The company aims for a top three position in the CAD/CAM for Textile and Apparel industry. In view of this ambition, the ability of Blue Fox to distinguish itself from its competitors in the market is of great importance. That is why Blue Fox focuses on professional markets and on providing its customers with integrated software solutions and continuously invests in new product development. Reliability, improving productivity, sustainability, user friendliness and a low cost of ownership are important elements in this strategy.

As a global player, Blue Fox is forced to comply with the global needs and requirements of its customers, which could result in investments and start-up costs to open new locations worldwide.

Exposure to economic developments Blue Fox operates as an ICT company in the Textile industry. The Textile industry often shows sharper up- and down swings in economic conditions as does the market on average. With the present economic conditions at hand, the Textile industry is expected to show a more than average decline and this will impact the performance of Blue Fox in some way or another.

A large part of Blue Fox sales relate to income from the sale of software licenses, as well as the provision of related services such as maintenance, support and training related to the company's proprietary software solutions. Sales of software licenses and related consultancy services are mostly non-recurring and hence sensitive to fluctuations in economic conditions. On the other hand, the income from maintenance and support contracts is largely recurring business, which can mitigate the impact that the current economic condition has on overall business performance.

Software development Software development is a critical success factor for Blue Fox. The innovation-focused policy comes with specific risks which are inherent in investing in the development of new technologies and new functionalities. These new developments must not only meet operating requirements, but will also have to find a place in the market to result in value creation. Software development demands specific and continuous attention if it is to result in successful new product launches.

Seasonal influences Blue Fox' sales undergo seasonal influences and are not spread evenly throughout the year. Blue Fox historically realises an important part of its sales and profit in the fourth quarter. If sales in the fourth quarter do not rise to a level that is significantly higher than the preceeding quarters, this will have a relatively strong negative impact on the full-year results of Blue Fox.

Spread of sales Blue Fox has an extensive worldwide client base. As a result of the spread of sales and the related results, the Company's overall results depend only to a small extent on the realisation of (some) major orders. Blue Fox usually records only a limited number of relatively large orders per year. These orders have a direct impact on the realised sales and the result. The geographical spread of the sales of Blue Fox contributes to the stability of the total income flow.

Operational risks *Illegal copying of software* Safeguarding the authorised use of software solutions is of great importance to Blue Fox. In practice there is always some danger that the software developed or distributed by Blue Fox is copied illegally. With the help of an authorisation code and a hardware key-lock, Blue Fox has limited the risk as much as possible. In addition Blue Fox is a member of the BSA – the Business Software Alliance – an organization that makes an effort detecting and preventing use of illegally copied software. Blue Fox cannot estimate the loss of sales by unauthorised use and illegal copying of the software developed by Blue Fox or distributed by Blue Fox for third parties.

Economies of scale Blue Fox is an international organisation with an extensive worldwide network of sales and distribution offices. Blue Fox has specialised internationally in supplying the textile industry with software solutions in the field of automation of design and production. The textile and fashion industry represents a relatively small niche market within the greater market for ICT products and services. The international structure of Blue Fox, whereby the company aims to provide the best possible service to its (local) customers, is sometimes at odds with the actual size of the various sales and distribution offices. The international operations are generally complex and demand a great deal of attention from the management. International sales and distribution organisations have a relatively high cost structure, due to the limited possibilities that exist for exploiting economies of scale on a global basis.

Third-party software For a number of products, Blue Fox depends on third-party support software. This support software consists, among other things, of operating systems and specific programming languages, as well as separate modules which are being used. The adequate functioning of the software developed by Blue Fox therefore (partly) depends on the adequate functioning of third-party software. By applying application and module tests, Blue Fox aims to obtain the earliest indication of possible technological problems.

Technological risks *Risk of product defects* New versions of Blue Fox complex software programs may contain undetected errors or bugs which, despite testing, will be discovered only after a product has been installed and used by customers. To date, Blue Fox business has not seen any material adverse affects from the release of new products and releases.

Software platform The programming languages, technologies and platforms used by Blue Fox have to match and must continue to match the technological developments and requirements of its clients. Blue Fox has made significant investments in recent years in making its software compatible with Microsoft operating environments. Blue Fox must continue to invest to keep up with the latest technological developments.

Financial risks *International operations* The activities of Blue Fox are exposed to the risks of operating internationally, such as currency fluctuations, general economic developments in certain countries, meeting the requirements of various tax and legal regimes, organisational aspects, unexpected changes in local legislation and regulations, limited protection of intellectual property, varying terms of payment by debtors, trade restrictions and changes in import and cargo rates.

Currency risks Blue Fox carries out part of its activities outside the Euro zone. These activities mainly take place in the United States and the Asia/Pacific region. The management monitors the currency positions and follows a restricted hedging policy, which covers transaction risks, rather than translation risks. The developments in exchange rates of various foreign currencies, especially the US dollar, may therefore affect the result and the financial position of the company.

Working capital management The item trade debtor is relatively large compared to the other current assets of Blue Fox. Blue Fox devotes much attention to debtors' payment performance through permanent debtor management. The insolvency of debtors of the Dutch operating companies is partly covered by a credit insurance policy from Atradius Credit Insurance N.V., as well as through the use of letters of credit or down payments upon the signing of contracts.

Business continuity and Financial position Blue Fox has had a difficult few years. Selling off a number of business units allowed Blue Fox to repay practically all of its long-term debts. The Porini activities were also sold, putting an end to the Microsoft project's continuous need for capital. This fundamentally improved the company's solvency and liquidity levels.

The other side of the coin, however, is the fact that Blue Fox has dramatically been reduced in size, as a result of which the costs of a listing on the stock exchange form a relatively heavy burden on the remaining two business units. A small setback in one of these operations can now have far-reaching consequences for the group results. In addition, the above circumstances have prevented Blue Fox in the past few years from building up a financial buffer to absorb financial blows brought about by, for example, the economic recession. Consequently, Blue Fox' financial position remains vulnerable.

10 Management statement

In conjunction 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 2008 give a true and fair view of the assets, liabilities, financial position and profit and loss of Blue Fox Enterprises N.V. and its consolidated companies;
- the additional management information presented in the annual report gives a true and fair view of Blue Fox Enterprises N.V. and its consolidated companies as at 31 December 2008;
- the additional management information presented in the annual report gives a true and fair view of the state of affairs at Blue Fox Enterprises N.V. and its consolidated companies during the financial year to which the report relates; and
- the annual report describes the principal risks facing Blue Fox Enterprises N.V. These are described in detail in chapter 9.

Vianen, 29 April 2009

Pieter Aarts *Chief Executive Officer*

Jan-Hein Pullens *Chief Operating Officer*

Servaas Houtakkers *Chairman of the Supervisory Board*

Leon van den Boom *Chairman of the Audit Committee*

Dirk Lindenbergh *Member of the Supervisory Board*

11 Financial statements 2008

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Consolidated income statement for 2008

in thousands of euros	notes	2008	2007 restated
Continued operations			
Net revenue		9.809	11.939
Total operating income	[3]	**9.809**	**11.939**
Raw materials and consumables used		499	712
Changes in inventories		-2	3
Wages and salaries	[5]	5.283	6.292
Social security charges	[5]	1.213	1.022
Amortization and depreciation	[8,10]	1.682	1.824
Impairment of goodwill	[9]	1.200	0
Other operating costs	[6]	3.584	4.147
Capitalized production	[8]	-1.382	-1.400
Total operating costs		**12.077**	**12.600**
Operating result		**-2.268**	**-661**
Financial income		92	155
Financial expense		-248	-541
Result from sale of subsidiaries		-	816
Result before income tax		**-2.424**	**-231**
Income tax expense	[7]	54	-82
Result from continued operations		**-2.478**	**-149**
Discontinued operations			
Result from in 2007 discontinued operations (net from income tax)	[4]	-	6.223
Result from in 2008 discontinued operations (net from income tax)	[4]	-3.704	-1.458
Result for the period		**-6.182**	**4.616**
Attributable to:			
Equity holders of the parent Company		-6.182	4.616
Minority interest		-	-
Result for the period		**-6.182**	**4.616**
Earning per share			
Basic earnings per share (in euros)		-1,39	1,16
Diluted earnings per share (in euros)		-1,39	1,16
Earning per share continuing operations			
Basic earnings per share (in euros)		-0,56	-0,04
Diluted earnings per share (in euros)		-0,56	-0,04

Consolidated statement of recognised income and expense

for the year ended 31 December 2008

in thousands of euros	notes	2008	2007 restated
Foreign exchange translation differences	[17]	-67	48
Other charges through equity	[17]	-23	-41
Net income recognised directly in equity		-90	7
Result for the period	[17]	**-6.182**	**4.616**
Total recognised income and expense for the period		**-6.272**	**4.623**
Attributable to:			
Equity holders of the parent Company		-6.254	4.653
Minority interest		-18	-30
		-6.272	**4.623**

Consolidated balance sheet as at 31 December 2008

before appropriation of result

in thousands of euros	notes	31-12-2008	31-12-2007
Non-current assets			
Property, plant and equipment	[10]	175	312
Intangible assets	[8,9]	8.088	12.692
Other investments	[11]	15	45
Total fixed assets		8.278	13.049
Current assets			
Inventories	[13]	7	21
Work in progress	[14]	131	171
Trade and other receivables	[15]	4.372	7.337
Corporate income tax	[12]	12	2
Cash and cash equivalents	[16]	1.720	1.059
Total current assets		6.242	8.590
Total assets		**14.520**	**21.639**
Equity			
Issued capital		8.867	8.867
Share premium		22.709	22.709
Legal reserves		3.499	6.700
Translation reserves		-71	-4
Accumulated deficit		-24.774	-32.591
Current year's result		-6.182	4.616
Total equity attributable to equity holders of the parent		**4.048**	**10.297**
Minority interest		-	18
Total equity	[17]	**4.048**	**10.315**
Non-current liabilities			
Interest-bearing loans and borrowings	[20]	2.100	1.500
Employee benefits	[21]	72	630
Total non-current liabilities		**2.172**	**2.130**
Current liabilities			
Bank overdraft	[23]	-	607
Interest-bearing loans and borrowings	[20]	850	-
Provisions	[22]	-	124
Trade and other payables	[24]	2.728	3.778
Deferred income		4.722	4.685
Total current liabilities		**8.300**	**9.194**
Total liabilities		**10.472**	**11.324**
Total equity and liabilities		**14.520**	**21.639**

Consolidated statement of cash flows for 2008

in thousands of euros	notes	2008	2007
Operating result		-2.530	-1.256
Depreciation and amortization		3.178	2.965
Change in inventories and work in progress		27	4
Change in trade and other receivables		-772	-3.540
Change in trade and other payables		1.780	4.087
Change in provisions / employee benefits		-6	-1.250
Interest paid		-202	-440
Corporate income tax		-87	-108
Cash flow from operating activities	[28]	**1.388**	**462**
Investments:			
Intangible assets		-1.728	-3.049
Property, plant and equipment		-117	-160
Disposals:			
Property, plant and equipment		-	55
Disposal of subsidiaries, net of cash disposed of		300	7.066
Exchange rate differences		-55	-48
Cash flow from investment activities	[29]	**-1.600**	**3.864**
Net proceeds from issue of shares		-	2.424
Granted loans		1.450	1.500
Redemption loans		30	-4.096
Cash flow from financing activities	[30]	**1.480**	**-172**
Change in liquid assets		**1.268**	**4.154**
Cash and cash equivalents		1.059	3.156
Bank overdraft		-607	-6.992
Balance related to assets held for sale		-	134
Balance at 1 January		**452**	**-3.702**
Cash and cash equivalents		1.720	1.059
Bank overdraft		-	-607
Balance related to assets held for sale		-	-
Balance at 31 December		**1.720**	**452**
Change in liquid assets		**1.268**	**4.154**

Notes to the consolidated financial statements 2008

1 General information

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

Authorization These financial statements have been authorized by the Board of Directors on 29 April 2009. The General Meeting of Shareholders has the power to amend the financial statements.

Share issues The shares of Blue Fox Enterprises N.V. have been listed on the Official Market of Euronext Amsterdam N.V. since 21 May 1999. As at 31 December 2008, the number of outstanding Blue Fox Enterprises N.V. shares was 4,433,702 (2007: 4,433,702).

The limited sum received for the Porini activities and the expectations for the second half of 2008 were reasons for Blue Fox to raise additional funding of € 850,000. On an extraordinary meeting of shareholders, held on 12 December 2008, it was decided to raise this capital through a new share issue by means of a convertible loan, with issue price of € 0,30. In order to realize this the nominal value had to be decreased from € 2,00 to € 0,10.

Such a decrease is subject to a two-month objection period deferring the actual issue into 2009. Therefore, it was decided to issue a convertible loan of € 850,000 to cover the time between capital requirement and the effectuation of the issue. The loan, with the obligation to convert as soon as the nominal value of the Blue Fox shares had been reduced, had a conversion price of € 0.30 and was fully paid up by Blue Fox' main shareholders. The loan pays 10% interest per annum, payable in shares. This means that 2,897,652 new shares were issued in 2009 to raise € 850,000 additional capital.

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

Changes in group companies in 2008 On 26 June 2008, the company announced the sale of its subsidiaries Blue Fox Porini Srl (wholly owned), Blue Fox Porini Lda (51% shareholding), Blue Fox Porini Textile Inc. (wholly owned) and of the Microsoft-certified ERP software that has been programmed in Blue Fox MDP B.V. (together referred to as “the Porini activities”).

The continuing financing needs of the Porini activities laid such a claim on the working capital of the other Blue Fox activities that further investments in Porini could no longer be justified. A limited acquisition sum was agreed with the buyer, resulting in a book loss of € 3.4 million.

Specialised in ERP software for the Textile and Apparel industry, the Porini activities represented a separate operation. Therefore, the results of the Porini activities have been included in ‘discontinued operations’. The comparative figures for 2007 have been restated accordingly.

Changes in group companies 2007 In the first half of 2007, the company successfully divested three operating companies: Carrier to Carrier Telecom N.V., NedGraphics CAD/GIS B.V. and Pollux B.V. With these transactions, a book profit of € 6.5 million was realised. The results of these former subsidiaries have been included in the financial statements under ‘discontinued operations’.

Going concern In 2008, additional funding was raised through an additional loan with the current financer of € 0.6 million (June 2008) and the issue of an obligatory convertible loan of € 0.9 million (December 2008). Both the existing € 1.5 million loan and the newly attracted € 0.6 million loan have been rolled over to the end of 2010. The convertible loan will be converted in early 2009 at a conversion rate of € 0.30. This resulted in equity of € 4,048, interest bearing loans of € 2,950 and a solvency rate of 33.7%.

In 2009, the cash balances are expected to be positive throughout the year and therefore it is expected that no additional funding will be required. This expectation is based on management's forecast and plans for 2009. These plans are based on a turnaround scenario and include, but are not limited to, cost savings contingency plans in case revenue does not develop as expected. The trough of the cash position for 2009 does not provide for much headroom for unanticipated developments, but the cash position is expected to improve in the fourth quarter of 2009. At the end of 2010 the non current loan will mature. The ability to refinance this loan and to continue as a going concern in the year 2010 and thereafter will depend on the profitability and positive cash flows of the Company. Management is confident that they will restore profitability.

2 Summary of accounting policies

Notes to the financial statements: IFRS Accounting principles Blue Fox Enterprises N.V. ('The Company') is located in Vianen, the Netherlands. The consolidated financial statements of the company for the year ended 31 December 2008 comprise the company and its subsidiaries (together referred to as the 'Group') and the Group's interest in associates and jointly controlled entities.

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

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

The preparation of financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

Judgements made by management in the application of IFRS that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the notes to the financial statements. In particular, information about significant areas of estimation, uncertainty and critical judgements regarding the application of the accounting principles that have the most significant impact on the amounts recognised in the financial statements are described in note 7 - determination of the recoverable amount of cash generating units, and note 9 - deferred tax assets and liabilities.

Basis of consolidation *Subsidiaries* Subsidiaries are entities controlled by the company. Control exists when the company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. 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 consolidation (fully) includes Blue Fox Enterprises N.V. and the following group companies:

Consolidation criteria

	2008	2007
Blue Fox Enterprises B.V. the Netherlands (Vianen)	100%	100%
Blue Fox IPR B.V. the Netherlands (Vianen)	100%	100%
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%
Blue Fox NedGraphics B.V. the Netherlands (Vianen)	100%	100%
Blue Fox NedGraphics BvBa Belgium (Deerlijk)	100%	100%
Blue Fox NedGraphics of Tennessee Inc. USA (Chattanooga)	100%	100%
Blue Fox NedGraphics Ltd. UK (Dukinfield)	100%	100%
Blue Fox NedGraphics SA France (Paris)	100%	100%
Blue Fox NedGraphics Inc. USA (New York)	100%	100%
Blue Fox Srl Romania (Bucharest)	100%	100%
Blue Fox Porini Srl Italy (Lomazzo)	0%	100%
Dynamics Perspective Inc. USA (Los Angeles)	100%	100%
Blue Fox Porini Lda Portugal (Matosinhos)	0%	51%
Blue Fox Porini Textile Inc. USA (Chattanooga)	0%	100%
Blue Fox NedGraphics Srl Italy (Lomazzo)	100%	0%

Blue Fox Porini Srl, Blue Fox Porini Lda and Blue Fox Porini Textile Inc were sold in June 2008. Actual control ceased in April 2008. The results that have been realized in the first quarter of 2008 have been included in the consolidated results.

Blue Fox MDP B.V. sold its activities in June 2008. Actual transfer of control over the assets took place in April 2008. The results that have been realized in the first quarter of 2008 have been included in the consolidated results.

NedGraphics Italy Srl has been incorporated as per 1 July 2008.

Transactions eliminated on consolidation Intragroup balances and any unrealised gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements.

Foreign currency *Foreign currency transactions* Transactions in foreign currencies are translated at the foreign exchange rate applicable at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to euro at the foreign exchange rate applicable at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to euro at foreign exchange rates ruling at the dates the fair value was determined.

Financial statements of foreign operations The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to euro at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated to euro at the foreign exchange rates at the dates of the transactions.

Net investment in foreign operations Exchange differences arising from the translation of the net investment in foreign operations, and of related hedges are taken to a translation reserve. They are released into the income statement upon disposal.

In respect of all foreign operations, any differences that have arisen from 1 January 2004, the date of transition to IFRS, are presented in the translation reserve, a separate component of equity.

Property, plant and equipment *Owned assets* Items of property, plant and equipment are stated at cost less accumulated depreciation (see below) and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Leased assets Leased assets of which the Group assumes virtually all the risks and rewards of ownership are classified as finance leases. The owner-occupied property acquired by way of finance lease is stated at an amount equal to the lower of its fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation (see below) and impairment losses. The property held under finance leases and leased out under operating lease is classified as investment property and stated at the fair value model. Lease payments are accounted for as described in the accounting policy. Property held under operating leases that would otherwise meet the definition of investment property may be classified as investment property on a property-by-property basis.

Subsequent costs The Group recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Group and the cost of the item can be measured reliably. All other costs are recognised in the income statement as an expense as incurred.

Depreciation Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:
- equipment and installations 5 - 10 years
- refurbishing 5 - 8 years
- computers and programmes 3 years
- other assets 3 years

The residual value and the useful life of an asset shall be reviewed annually at financial year-end.

Intangible assets *Goodwill* 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.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is no longer amortised but is tested annually for impairment.

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

Research and development Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the income statement as expenses are incurred.

Expenditure on software development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources to complete development. Capitalisation only occurs when future economic benefits are probable and it is expected that the asset will be used or sold. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads, when these are directly attributable to preparing the assets for its intended use. Other development expenditure is recognised in the income statement as an expense as incurred. Capitalised software development expenditure is stated at cost less accumulated amortisation (see below) and impairment losses.

Other intangible assets Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation (see below) and impairment losses.

Expenditure on internally generated goodwill and brands is recognised in the income statement as expenses incurred.

Subsequent expenditure Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortisation Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Goodwill and intangible assets with an indefinite useful life are systematically tested for impairment at each balance sheet date. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- patents and trademarks 5 years
- capitalised software development costs 5 - 10 years

Work in progress Work in progress is stated at cost plus profit recognised to date less a provision for foreseeable losses and less progress billings. 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.

The terms billed relating to work in progress are deducted from work in progress. Any possibly resulting negative balance of work in progress is shown as a liability under short term debts.

Trade and other receivables Trade and other receivables are initially stated at fair value. Subsequently, trade and other receivables are valued at amortised cost less impairment losses.

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

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.

Impairment The carrying amounts of the Group's assets, other than inventories and deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

For goodwill, assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date, or when there is an indication of impairment.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units (group of units) and then, to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

Calculation of recoverable amount The recoverable amount of the Group's investments in held-to-maturity securities and receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e., the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

The recoverable amount of other assets is the greater of their fair value less costs to sell and their value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment An impairment loss in respect of a held-to-maturity security or receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss in respect of an investment in an equity instrument classified as available for sale is not reversed through profit or loss. If the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss shall be reversed, with the amount of the reversal recognised in profit or loss. An impairment loss in respect of goodwill is not reversed.

In respect of other assets, 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 amortisation, if no impairment loss had been recognised.

Share capital *Repurchase of share capital* When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a change in equity. Repurchased shares are classified as treasury shares and presented as a deduction from total equity.

Convertible notes Convertible notes that can be converted to share capital at the option of the holder, where the number of shares issued does not vary with changes in their fair value, are accounted for as compound financial instruments. Transaction costs that relate to the issue of a compound financial instrument are allocated to the liability and equity components in proportion to the allocation of proceeds. The equity component of the convertible notes is calculated as the excess of the issue proceeds over the present value of the future interest and principal payments, discounted at the market rate of interest applicable to similar liabilities that do not have a conversion option.
The interest expense recognised in the income statement is calculated using the effective interest rate method.

Interest-bearing borrowings Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

Employee benefits *Defined contribution plans* Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement as incurred.

Provisions A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and when this outflow can be estimated reliably. 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, where appropriate, the risks specific to the liability.

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

Onerous contracts A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligation under the contract.

Trade and other payables Trade and other payables are stated at amortised cost. The initial recognition is at fair value less attributable transaction costs.

Revenue Net revenue include the income from sales and supply of goods and services less discounts, agents' commissions, bonuses and sales taxes. Profit on work in progress is taken pro rata to the progress of the project ('percentage of completion method').

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

Software arrangements 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 a significant production, modification, or customization of the software. If an arrangement to deliver software or a software system, either alone or together with other products or services, requires significant production, modification, or customization of the software, the entire arrangement has to be accounted for in conformity with contract-accounting (for construction contracts).

Sale of software License fee revenue from standard software is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised 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 recognised when all of the following conditions are met:
- the software licence contract has been signed;
- the software and accompanying documentation have been delivered;
- there are no material uncertainties regarding customer acceptation; and
- there are no material uncertainties regarding payment of the account receivable.

Software services If an arrangement to deliver software or a software system, requires significant production, modification, or customization of the software, revenue should be recognized using the 'percentage of completion'-method. The actual delivery of the non-standard software is therefore not regarded as the realisation moment for software that requires significant production, 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 recognised in the income statement 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 recognised 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 recognised in the income statement.

Maintenance and Support revenue The services with regard to performing maintenance and support are contractually agreed with customers. The maintenance and support agreements contain the records of support received over the telephone by a helpdesk and of obtained patches as well as obtained new versions ('updates') of licensed software.

The income from the maintenance and support contracts is recognised over and attributed to the period to which the income relates. This period will generally be a 12-month period. Unrealised income, consisting of the unrealised and therefore deferred part of the income from these maintenance and support contracts, is stated under short-term debts.

Goods sold and services rendered Revenue from the sale of goods is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from services rendered is recognised in the income statement in proportion to the stage of completion of the transaction at the balance sheet date. The stage of completion is assessed by reference to surveys of work performed. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods also continuing management involvement with the goods.

Capitalised production for own company The income from capitalised production for own company relates to the capitalisation of software development costs with regard to in-house developed software and is accounted for in operating costs.

Expenses *Operating lease payments* Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense.

Finance lease payments Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge 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.

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

Finance expense comprises interest expense on borrowings, unwinding of the discount on provisions, dividend on preference shares classified as liabilities, foreign currency losses, changes in the fair value of financial assets at fair value through profit or loss, and impairment losses recognised on financial assets. All borrowing costs are recognised in profit or loss using the effective interest method.

Income tax Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

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

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: taxable temporary differences arising from the initial recognition of goodwill, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

Minority interests Minority interests are valued at the third party interest in the net asset value, determined in accordance with the accounting principles of the Group.

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

Non-current assets held for sale and discontinued operations Assets are classified as assets held for sale and stated at the lower of the carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use.

Immediately before classification as held for sale, the measurement of the assets (and all assets and liabilities in a disposal group) is brought up-to-date. Then, on initial classification as held for sale, non-current assets and disposal groups are recognised at the lower of carrying amount and fair value less costs to sell.

Impairment losses on initial classification as held for sale are included in profit or loss, even when there is a revaluation. The same applies to gains and losses on subsequent remeasurement.

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations 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. A disposal group that is to be abandoned may also qualify. Upon classification as a discontinued operation, the income statement is restated as if the operation has been discontinued from the start of the comparative period.

Interpretations and amendments to published standards effective in 2008

IFRIC 11 Group and Treasury Share Transactions (effective for annual periods beginning on or after 11 March 2007). Group and treasury share transactions require a share-based payment arrangement in which an entity receives goods or services as consideration for its own equity instruments to be accounted for as equity-settled share base payment transaction regardless of how the equity instruments are obtained. This interpretation does not have an impact on the group's financial statements 2008.

IFRIC 14 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction clarifies when refunds or reductions in future contributions in relation to defined benefit assets should be regarded as available and provides guidance on the impact of minimum funding requirements on such assets. This interpretation does not have an impact on the group's financial statements 2008.

Management has assured that no other new interpretations are applicable.

New standards endorsed but not yet compulsory for 2008, early adoption by Blue Fox

IFRS 8 Operating Segments (effective for annual periods beginning on or after 1 January 2009) has been adopted early by Blue Fox in 2008. This standard replaced IAS 14 'Segment Reporting' and introduces the "management approach" to segment reporting. Consequently, this requires the disclosure of the segment information based on internal reports regularly reviewed by the group operating decision makers in order to assess each segment's performance and to allocate resources to them. More about Blue Fox segments can be found in note 3 on page 41.

Interpretations and standards not endorsed by the EU and standards not yet adopted

A number of new standards, amendments to standards and interpretations were not yet effective in 2008 and have not, therefore, been applied to these consolidated financial statements. These standards, amendments to standards and interpretations are not expected to have any significant effect on the consolidated financial statements.

The following standards have been issued but not yet endorsed by the EU:

IFRS 3 Business Combinations - Comprehensive revision on applying the acquisition method (effective for annual periods beginning on or after 1 July 2009). This revised standard continues to apply the acquisition method to business combinations, with significant changes. The most important changes for the Group will be expensing all acquisition-related costs and the remeasurement of contingent considerations through the statement of income. The group will apply IFRS 3 (revised) prospectively to all business combinations from 1 January 2010, subject to the endorsement by the EU.

IAS 19 Employee Benefits amendment (effective from 1 January 2009) clarifies that a change to a plan that results in a change to the scope of the benefits affected by future salary increases is a curtailment, while an amendment that changes benefits attributable to past service costs give rise to negative past service costs if it results in a reduction in the present value of the defined benefit obligation.

Notes to the consolidated income statement 2008

3 Segment reporting Until the annual report of 2007, Blue Fox reported the revenue and operating result in two segments: per business segment as the primary segment, and geographically as the secondary segment. Business segments have been defined as follows:

- Textile and Apparel Software Division
- Engineering and Geographical Information Software Division
- Others

Following a number of divestments in 2007, the current segmentation does not hold anymore. Due to the sale of CadGis BV and Pollux BV in 2007 the entire Engineering and Geographical Information Software Division was divested. The sale of Carrier 2 Carrier led to the disposal of the 'others' division.

This leaves only one segment for 2008: the 'Textile and Apparel Software' division, disclosure of which would not lead to additional insight. Blue Fox has therefore opted for early adoption of IFRS 8 – Operating Segments. IFRS 8 requires disclosure of the segmentation that management uses for its decision making. Blue Fox management uses the operating companies to steer and allocate resources to the different divisions. This leads to the following segmentation:

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

The 'other' segment comprises the results of the holding and discontinued operations of 2007.
Mentioned segments differ as to products, customers, market approach and business risks. The table below shows the results per segment.

Inter-segment pricing is determined on an arm's length basis.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly income-earning assets and revenue, interest-bearing loans, borrowings and expenses, and corporate assets and expenses.

The segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

Business segment reporting in thousands of euros

Operating segments' Profit, Loss, Assets and liabilities	EMEA		USA		Porini		DPI		Other		Total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Software	2.538	3.535	1.031	1.512	170	608	151	330	0	117	3.890	6.102
Maintenance	1.850	1.881	2.473	2.543	184	649	496	5570	0	657	5.003	6.287
Other	501	705	356	394	874	2.859	413	482	0	9.354	2.144	13.794
Revenue from external customers	**4.889**	**6.121**	**3.860**	**4.449**	**1.228**	**4.116**	**1.060**	**1.369**	**0**	**10.128**	**11.037**	**26.183**
IC revenue	3.800	2.581	25	25	311	757	0	0	0	0	8.272	6.726
Operating expenses	6.077	5.989	2.206	2.470	1.560	6.063	1.123	2.267	1.150	10.741	12.116	27.530
Capital expenditure	1.382	1.400	0	0	345	1.365	0	0	0	282	1.727	3.047
Depreciation and amortization	1.430	1.519	38	50	296	859	6	11	208	519	1.978	2.958
Impairment of segment assets	0	0	0	0	0	0	0	0	1.200	0	1.200	0
Interest revenue	3	6	28	5	6	0	0	1	61	157	98	169
Interest expense	-2	-3	-1	39	-43	-112	-24	-51	-220	-524	-290	-651
segment profit before tax	233	1.678	157	236	-298	-1.411	-97	-1.025	-2.717	-1.217	-2.722	-1.740
Corporate income tax	27	21	26	49	13	64	1	3	0	0	67	137
Intangible segment assets	3.975	3.910	0	0	0	3.270	0	0	4.113	5.513	8.088	12.693
Other segment assets	3.172	3.738	3.127	3.221	100	2.158	447	584	4.722	4.048	6.432	8.946
Segment liabilities	3.548	2.955	2.878	3.131	3.307	5.482	1.360	1.494	4.445	3.083	10.472	11.342

Contrary to the activities of previously discontinued operations, the currently continued activities operate mainly on a global scale. Therefore, due to the sale of Carrier 2 Carrier, CadGis and Pollux in 2007, the revenue from external customers in the Netherlands has decreased from € 10.4 million in 2007 to € 0.2 million in 2008. Non-current assets related to the Netherlands amount to € 12.3 million (2007: € 14.2 million). Blue Fox has a diverse customer base of over 3.500 customers in many countries and of various sizes. The company does not rely on a single customer or a single group of customers for its operations.

4 Discontinued operations The results of the Porini activities have been deconsolidated as per April 2008. With the current segmentation in place, the Porini activities represent an entire segment and therefore, the results of the Porini activities have been recognised under 'discontinued operations' in the income statement. The comparative figures for 2007 have been adjusted accordingly.

Because the company also sold its entire Engineering and Geographical Information Software (GIS) Division segment in 2007, the results of 'discontinued operations' in 2007 include those of both the Porini activities and the Engineering and GIS division. Discontinued operations in 2008 include only the results of the Porini activities.

The income statement below has been re-presented to show the discontinued operations separately from continuing operations.

Results of discontinued operations

in thousands of euros	2008	2007 restated
Revenue	1.228	14.244
Expenses	1.551	15.415
Result on Product Development	62	575
Operating result	**-261**	**-596**
Interest income (expense)	-37	-95
Income tax expense	13	220
Minority interest	5	-17
Result from operating activities, net of income tax	**-316**	**-894**
Gain on sale of discontinued operation	-3.388	5.659
Result for the period	**-3.704**	**4.765**
Basic earnings (loss) per share (€)	-0,84	1,20
Diluted earnings (loss) per share (€)	-0,84	1,19

Cash flows from (used) discontinued operations

in thousands of euros	2008	2007
Net cash from operating activities	316	2.604
Net cash from investing activities	-78	4.962
Net cash from financing activities	-	-
Net cash from (used in) discontinued operations	**238**	**7.566**

Effect of disposal on the financial position of the group

in thousands of euros	
Property, plant, equipment	-75
Inventories	-27
Intangible fixed assets	-3.332
Trade and other receivables	-3.747
Cash and cash equivalents	456
Trade and other payables	2.906
Provisions	552
Net assets and liabilities	**-3.267**
Consideration received, satisfied in cash	-156
Cash disposed of	456
Net cash outflow	**300**

5 Wages and salaries and social security charges

in thousands of euros	2008	2007 restated
Wages and salaries	5.283	6.292
Social security charges	799	789
Contribution to defined contributionplans	408	233
Increase in liability for long service benefits	6	-
Total wages and salaries and social security charges	**6.496**	**7.314**

Staff During 2008, the group had an average of 138 staff members (2007: 215). This staff can be divided as follows over the various divisions:

Staff over the various divisions

in average FTE	2008	2007 restated
Management and staff holding company	3	6
Textile and Apparel Software division (CAD/CAM)	107	101
Textile and Apparel Software division (ERP)	28	85
Engineering and Geographic Information Software division	-	23
Total number of staff members	**138**	215

6 Other operating costs

The other operating costs can be specified as follows:

in thousands of euros	2008	2007 restated
Sales costs	229	31
Housing costs	827	831
Car costs	270	216
Other staff costs	538	528
General costs	1.814	2.477
Currency and exchange rate differences	-94	64
Total other operating costs	**3.584**	**4.147**

7 Corporate income tax

The activities of the Blue Fox group are subject to corporate income taxes of various countries, with tax rates between 21.4% and 40%. We should note that 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 unrealised 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 settled.

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

Corporate income tax

in thousands of euros	2008	2007 restated
Result from ordinary activities before taxation	-6.110	4.737
Impairment of acquisition goodwill (non-deductible)	1.200	-
Result sale of participating interests	3.388	-6.475
Of which related to taxable result on asset sale	-1.856	206
Taxable income	**-3.378**	**-1.532**
Weigthed average taxation	-1.128	-618
Valuation adjustment fiscal losses carry forward	1.072	515
Non deductible items	123	241
Tax for the year	**67**	**138**
Current year tax	67	138
Deferred tax	-	-
Total tax for the year	**67**	**138**

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

Notes to the consolidated balance sheet

8 Intangible assets Movements were as follows:

in thousands of euros	goodwill	costs of software development	costs of obtained rights and patents	total 2008	total 2007
Costs 1 January	21.106	18.529	43	39.678	42.812
Accumulated amortization 1 January	-15.852	-11.091	-43	-26.986	-28.442
Book value as at 1 January	**5.254**	**7.438**	**-**	**12.692**	**14.370**
Changes:					
Investments	-	1.728	-	1.728	3.049
Disposals	-	-3.332	-	-3.332	-6.192
Amortization and depreciation	-	-1.517	-	-1.517	-2.705
Depreciation on disposals	-	-283	-	-283	4.161
Impairment	-1.200	-	-	-1.200	-
Other value changes	-	-	-	-	9
	-1.200	**-3.404**	**-**	**-4.604**	**-1.678**
Costs 31 December	21.106	16.925	43	38.074	39.678
Accumulated amortization 31 December	-17.052	-12.891	-43	-29.986	-26.986
Book value as at 31 December	**4.054**	**4.034**	**-**	**8.088**	**12.692**

The following amortisation/depreciation percentages are used:

Amortisation/depreciation percentages

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

Costs of software development include an amount of € 2.0 million, 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: € 0.5 million).

9 **Impairment test for intangible assets** Intangible assets comprise software on the one hand and goodwill on the NedGraphics division on the other hand. In both respects, the NedGraphics division is the lowest cash generating unit. The recoverable amount of cash-generating units is based on a value-in-use calculation. This calculation is based on the budget for 2009. Cash flows for further periods are extrapolated using a 2% growth rate. A pre-tax discount rate of 13.6% has been used in discounting the projected cash flows, which corresponds with a post-tax discount rate of 12.1%. Effects of tax assets and allocation of holding expenses have been taken into account too. Key assumption in the 2009 budget is that revenue will return to around 2007 level, and, if not, that sufficient cost savings can be achieved compared to the budget 2009, so that the effect of lower revenue will be offset. Any adverse change in this assumption would result in an increase in the impairment charge recorded in 2008.

Based on the impairment test the recoverable amount of this cash-generating unit is lower than the carrying amount. As a result, the goodwill on NedGraphics was impaired for an amount of € 1.2 million. The impairment charge was recognised in profit and loss under 'impairment of goodwill'.

10 **Property, plant and equipment** Movements were as follows:

in thousands of euros	Machines and installations	other assets	total 2008	total 2007
Costs 1 January	-	5.512	5.512	6.274
Accumulated depreciation 1 January	-	-5.200	-5.200	-5.701
Book value as at 1 January	**-**	**312**	**312**	**573**
Changes:				
Investments	-	117	117	160
Disposals	-	-75	-75	-922
Depreciation	-	-166	-166	-260
Depreciation on disposals	-	-13	-13	776
Translation differences	-	-	-	-15
Other movements	-	-	-	-
	-	-137	-137	-261
Costs 31 December	-	5.554	5.554	5.512
Accumulated depreciation 31 December	-	-5.379	-5.379	-5.200
Book value as at 31 December	**-**	**175**	**175**	**312**

The following depreciation percentages are used:

Depreciation percentages

	%
Machines and installations	10-20
Refurbishing	10-12
Computer equipment and programmes	33
Other assets	33

11 Other investments

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

in thousands of euros	2008	2007
Book value as at 1 January	**45**	**90**
Changes:		
Redemption on loans granted	-30	-45
	-30	-45
Book value as at 31 December	**15**	**45**

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 is subordinated to all Secundo's obligations to its bank. The interest on this loan on an annual basis is 6% and the loan had to be repaid in two equal instalments, on 1 October 2007 and 1 October 2008. By the end of 2008 € 75,000 had been collected. Renegotiations with Secundo B.V. have resulted in postponed repayment of the last € 15,000 until January 2009. The carrying amount as per 31 December 2008 is hence € 15,000 (2007: € 45,000).

12 Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Recognised deferred tax assets and liabilities

in thousands of euros	assets 2008	assets 2007	liabilities 2008	liabilities 2007	net 2008	net 2007
Intangible assets	-	-	-154	-661	-154	-661
Tax value of loss carry foreward recognised	154	661	-	-	154	661
Tax assets/liabilities	**154**	**661**	**-154**	**-661**	**-**	**-**
Netting of tax	-154	-661	154	661	-	-
Net tax assets and liabilities	**-**	**-**	**-**	**-**	**-**	**-**

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

Unrecognised deferred tax assets

in thousands of euros	2008	2007
Tax Losses	5.417	4.345

The tax losses expire in the period from 2011 through 2017. Deferred tax assets have only been recognised 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 recognised 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 utilised.

Movement in deferred tax during the year

in thousands of euros	01-01-2008	recognised in income	recognised in equity	balance 31-12-2008
Intangible assets	-661	507	-	-154
Tax value of loss carry foreward utilised	661	-507	-	154
	-	-	-	-

in thousands of euros	01-01-2007	recognised in income	recognised in equity	balance 31-12-2007
Intangible assets	-980	319	-	-661
Interest-bearing loans and borrowings	-17	17	-	-
Tax value of loss carry foreward utilised	997	-336	-	661
	-	-	-	-

13 Inventories

in thousands of euros	31-12-2008	31-12-2007
Trade goods	7	21
	7	**21**

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

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

14 Work in progress

in thousands of euros	31-12-2008	31-12-2007
Work in progress	131	171
	131	**171**

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

15 Trade and other receivables

in thousands of euros	31-12-2008	31-12-2007
Trade receivables	3.582	6.278
Amounts to be invoiced	-	40
Prepaid expenses	543	488
Other receivables and accrued income	247	531
	4.372	**7.337**

Aging of the trade receivables as per 31 December

in thousands of euros	gross trade debtors 31-12-2008	impairment 31-12-2008	net trade debtors 31-12-2008	gross trade debtors 31-12-2007	impairment 31-12-2007	net trade debtors 31-12-2007
Number of days outstanding*						
0 - 30 days	1.770	-	1.770	4.582	-	4.582
31 - 60 days	165	-	165	446	-	446
61 - 90 days	344	-	344	288	-9	279
> 90 days	1.583	-280	1.303	1.491	-520	971
Total	**3.862**	**-280**	**3.582**	**6.807**	**-529**	**6.278**

* *The company uses a payment term of 30 days.*

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

in thousands of euros	2008	2007
Balance at 1 January	**529**	**830**
Impairment loss recognised	40	-102
Disposal of participations	-289	-199
Balance at 31 December	**280**	**529**

16 Cash and cash equivalents

in thousands of euros	31-12-2008	31-12-2007
Bank balances	1.718	1.053
Cash and cash equivalents	2	6
	1.720	**1.059**

17 Shareholders' equity capital and reserves Reconciliation of movement in capital and reserves

in thousands of euros	share capital	share premium	legal reserves	trans-lation reserves	accu-mulated deficit	unallocated current year's result	total	minority interest	total equity
Balance as at 31 December 2006	**7.024**	**22.128**	**8.060**	**-52**	**-27.380**	**-6.560**	**3.220**	**48**	**3.268**
Issue of new shares	1.843	581					2.424		2.424
Other movements					-11		-11	-13	-24
Appropriation of result					-6.560	6.560	-		-
Exchange rate differences participating interests				48			48		48
Transfer from other reserves			-1.360		1.360		-		-
Result financial year						4.616	4.616	-17	4.599
Balance as at 31 December 2007	**8.867**	**22.709**	**6.700**	**-4**	**-32.591**	**4.616**	**10.297**	**18**	**10.315**
Issue of new shares							-		-
Other movements							-	-23	-23
Appropriation of result					4.616	-4.616	-		-
Exchange rate differences participating interests				-67			-67		-67
Transfer from other reserves			-3.201		3.201		-		-
Result financial year						-6.182	-6.182	5	-6.177
Balance as at 31 December 2008	**8.867**	**22.709**	**3.499**	**-71**	**-24.774**	**-6.182**	**4.048**	**-**	**4.048**

Share capital and share premium At 31 December 2008, the issued share capital comprised 4,433,702 ordinary shares (2007: 4,433,702) with nominal value € 2.00, which have been fully paid up.

Legal reserves In conformity with the Netherlands Civil Code, a legal reserve is recognised for the carrying amount of capitalised software development costs at balance sheet 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.

18 Earnings per share The calculation of earnings per share at 31 December 2008 was based on the result attributable to ordinary shareholders of € 6,182,000 negative (2007: € 4,616,000 positive) and a weighted average number of ordinary shares outstanding during the year ended 31 December 2008 of 4,433,702 (2007: 3,972,911), calculated as follows:

Weighted average number of ordinary shares

number of shares	31-12-2008	31-12-2007
Issued ordinary shares at 1 January	4.433.702	3.512.120
New shares issued (June 2007)	-	921.582
Issued ordinary shares at 31 December	**4.433.702**	**4.433.702**
Issued ordinary shares at 1 January	4.433.702	3.512.120
Effect of issued shares at 31 December	-	460.791
Weighted average number of ordinary shares	**4.433.702**	**3.972.911**
Profit for the period	-6.182	4.616
Expense recognised in the income statement	**-6.182**	**4.616**
Earnings per share	**- € 1,39**	**€ 1,16**

19 Diluted earnings per share In 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	31-12-2008	31-12-2007
Weighted average number of ordinary shares at 31 December	4.433.702	3.972.911
Effect of conversion of convertible notes	2.897.652	-
Effect of share options on issue	4.930	21.620
Weighted average number of ordinary shares (diluted) at 31 December	**7.336.284**	**3.994.531**

Profit attributable to ordinairy shareholders (diluted)

in thousands of euros	31-12-2008	31-12-2007
Profit attributable to ordinary shareholders	-6.182	4.616
After-tax effect of interest on convertible loans	14	-
Profit attributable to ordinary shareholders	-6.168	4.616

20 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	31-12-2008	31-12-2007
Non-current liabilities		
Secured loans	2.100	1.500
	2.100	**1.500**
Current liabilities		
Convertible notes	850	-
	850	**-**
Convertible notes		
Nominal value	**850**	-
Carrying amount of liability as at 31 December	**850**	**-**

Terms and debt repayment schedule Full repayment of the € 1,5 million loan in 2007 with 10% interest was due at 30 June 2009. This loan has been securitised with a lien on the shares, receivables and intellectual property rights of Blue Fox NedGraphics B.V. and IPR B.V.

In June 2008 an additional loan of € 600,000 was obtained from the same financer and under the same conditions and securities. This loan was to be repaid on 31 January 2009.

In the light of the reinforcement of Blue Fox' capital structure, repayment of both loans has been postponed until December 2010.

At the end of December 2008 a convertible loan was issued in view of the new share issue that was planned for early 2009. The convertible loan had a nominal value of € 850,000.-, the shares will have a nominal value of € 0.10 and conversion is mandatory for a price of € 0.30. The entire loan has been paid up by our main shareholders.

21 Employee benefits

in thousands of euros	31-12-2008	31-12-2007
Present value of defined benefit obligations	-	564
Liability for long service benefits	72	66
	72	**630**

Liability for employee benefits Under Italian law, employees of the Italian subsidiary are entitled to a termination payment when they leave the company. This termination payment amounts to approximately one month's salary per year of service. The present value of the defined benefit obligations was calculated using a discount rate of 4.3% and taking into account actuarial assumptions with respect to the average remaining service period and future salary developments. With the sale of the Porini activities, no such liability currently exists anymore at 31 December 2008.

Movement in the net liability for employee benefits

in thousands of euros	31-12-2008	31-12-2007
Net liability for employee benefits at 1 January	630	756
Disposal of subsidiaries	-564	-252
Expense recognised in the income statement	6	126
Net liability for employee benefits at 31 December	**72**	**630**

22 Provisions

in thousands of euros	other	total 2008	total 2007
Balance at 1 January	124	124	1.326
Provisions made during the year	-	-	140
Provisions used during the year	-	-	-1.149
Provisions reversed during the year	-124	-124	-193
Balance at 31 December	-	-	124
Of which is current	-	-	124

Other In 2008 only one provision remained on the balance sheet, which was for settlement of a potential legal claim. In June 2008 this provision could be released without having been used as management estimates there is no longer any chance this claim will materialise.

23 Bank overdraft

As at 31 December 2008, the Group has no current account credit facilities (2007: none).

24 Trade and other payables

in thousands of euros	31-12-2008	31-12-2007
Trade creditors	1.093	1.371
Tax and social security charges	254	452
Accrued staff expenses	587	1032
Accrued sales expenses	3	86
Other debts and accruals	791	837
	2.728	**3.778**

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

Maturity date financial liabilities

in thousands of euros	Book value	Contractual amounts	< 6 months	6-12 months	1-2 year	> 2 years
31-12-2008						
Secured loans	2.100	2.100	-	-	2.100	-
Convertible loans	850	850	850	-	-	-
Bank overdrafts	-	-	-	-	-	-
Deferred income	4.722	4.722	2.361	2.361	-	-
Trade and other payables	2.728	2.728	2.728	-	-	-
	10.400	**10.400**	**5.939**	**2.361**	**2.100**	**-**
31-12-2007						
Secured loans	1.500	1.500	-	-	1.500	-
Convertible loans	-	-	-	-	-	-
Bank overdrafts	607	607	607	-	-	-
Deferred income	4.685	4.685	2.342	2.343	-	-
Trade and other payables	3.778	3.778	3.778	-	-	-
	10.570	**10.570**	**6.727**	**2.343**	**1.500**	**-**

25 Off-balance sheet commitments As at 31 December 2008, bank guarantees were issued to third parties to an amount of € 0.1 million (year-end 2007: € 0.1 million).

Operating leases Non-cancellable operating lease rentals are payable as follows:

in thousands of euros	31-12-2008	31-12-2007
Less than one year	1.056	1.190
Between one and five years	2.268	2.499
More than five years	-	135
	3.324	**3.824**
Off balance sheet commitments		
Bank guarantees	121	126

26 Financial instruments Exposure to credit, interest rate and currency risks arises in the normal course of the Group's business.

Credit risk 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 balance sheet 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.

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.

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 currencies giving rise to this risk are primarily U.S. Dollars.

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.

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

Capital management The company's primary objective when managing capital is to safeguard the company's ability to continue as going concern. In the light of the just finalised turnaround process and the appointment of new management from 1 January 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. Under capital, the company regards equity as shown in the balance sheet.

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 decreased from 47.6% to 33.7%. This is due to the decrease in equity as a result of the Porini sale on the one hand and the additional loan of € 0.6 million on the other hand.

27 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	31-12-2008	31-12-2007
Other investments	15	45
Trade and other receivables	4.372	7.337
Cash and cash equivalents	1.720	1.059
Interest-bearing loans and borrowings (non-current)	-2.100	-1.500
Bank overdraft	-	-607
Interest-bearing loans and borrowings (current)	-850	-
Trade and other payables	-2.728	-3.778

Notes to the consolidated cash flow statement for 2008

28 Cash flow from operating activities The cash flow from operating activities amounted to € 1.4 million (2007: € 0.5 million). The operating result adjusted for depreciation resulted in a positive cash flow of € 0.6 million (2007: € 1.7 million).

29 Cash flow from investment activities The cash flow from investment activities was, on balance, € -1.6 million against € 3.9 million in 2007, in both years mainly as a result of the sale of participations.

The investments in tangible and intangible fixed assets amounted to € 0.1 million (2007: € 0.2 million) and € 1.7 million (2007: € 3.1 million), respectively. The investments in intangible fixed assets relate to in-house developed software.

30 Cash flow from financing activities The cash flow from financing activities amounted to € 1.5 million (2007: € -0.2 million).

Company balance sheet as at 31 December 2008

before appropriation of result

in thousands of euros	notes	31-12-2008	31-12-2007
Fixed assets			
Intangible fixed assets	[33]	4.113	5.513
Tangible fixed assets	[34]	9	17
Financial fixed assets	[35]	4.455	7.152
Total fixed assets		**8.577**	**12.682**
Current assets			
Other receivables	[36]	4.865	4.882
Cash and cash equivalents		71	311
Total current assets		**4.936**	**5.193**
Current liabilities, accruals and deferred income	[37]	**-2.323**	**-2.202**
Current assets less current liabilities		**2.613**	**2.991**
Assets less current liabilities		**11.190**	**15.673**
Long-term liabilities	[38]	-2.100	-1.500
Provisions	[39]	-5.042	-3.876
Shareholders' equity		**4.048**	**10.297**
Issued capital		8.867	8.867
Share premium reserve		22.709	22.709
Legal reserve		3.499	6.700
Translation reserve		-71	-4
Other reserves		-24.774	-32.591
Undistributed current year's result		-6.182	4.616
Shareholders' equity	[40]	**4.048**	**10.297**

Company profit and loss account for 2008

in thousands of euros	2008	2007
Company result	-6.354	1.823
Result from participating interests	172	2.793
Net result	**-6.182**	**4.616**

Notes to the company annual accounts 2008

31 General The separate financial statements are part of the 2008 financial statements of Blue Fox Enterprises N.V. With reference to the separate profit and loss account of Blue Fox Enterprises N.V., use has been made of the exemption pursuant to Section 402 of Book 2 of the Netherlands Civil Code.

32 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, Blue Fox Enterprises N.V. 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 Blue Fox Enterprises N.V. are the same as those applied for the consolidated EU GAAP financial statements. Participating interests, over which significant influence is exercised, are stated on the basis of the equity method. These consolidated EU GAAP financial statements are prepared according to the standards laid down by the International Accounting Standards Board and adopted by the European Union. Please see pages 32 to 40 for a description of these principles.

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

33 Intangible fixed assets Movements were as follows:

in thousands of euros	goodwill	costs of software development	total 2008	total 2007
Costs 1 January	20.579	2.265	22.844	22.990
Accumulated amortization 1 January	-15.800	-1.531	-17.331	-17.154
Book value as at 1 January	**4.779**	**734**	**5.513**	**5.836**
Changes:				
Disposals	-	-	-	-146
Amortization and impairment	-1.200	-200	-1.400	-200
Amortization on disposals	-	-	-	23
	-1.200	-200	-1.400	-323
Costs 31 December	20.579	2.265	22.844	22.844
Accumulated amortization 31 December	-17.000	-1.731	-18.731	-17.331
Book value as at 31 December	**3.579**	**534**	**4.113**	**5.513**

The cost of software development include an amount of € 2.0 million (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 € 0.5 million.

Impairment test for goodwill Intangible assets comprise software on the one hand and goodwill on the NedGraphics division on the other hand. In both respects, the NedGraphics division is the lowest cash generating unit. The recoverable amount of cash-generating units is based on a value-in-use calculation. This calculation is based on the budget for 2009. Cash flows for further periods are extrapolated using a 2% growth rate. A pre-tax discount rate of 13.6% has been used in discounting the projected cash flows, which corresponds with a post-tax discount rate of 12.1%. Effects of tax assets and allocation of holding expenses have been taken into account too. Key assumption in the 2009 budget is that revenue will return to around 2007 level, and, if not, that sufficient cost savings can be achieved compared to the budget 2009, so that the effect of lower revenue will be offset. Any adverse change in this assumption would result in an increase in the impairment charge recorded in 2008.

Based on the impairment test the recoverable amount of this cash-generating unit is lower than the carrying amount. As a result, the goodwill on NedGraphics was impaired for an amount of € 1.2 million. The impairment charge has been recognised in profit and loss under 'impairment of goodwill'.

34 Tangible fixed assets Movements were as follows:

in thousands of euros	2008	2007
Costs 1 January	672	665
Accumulated depreciation 1 January	-655	-617
Book value as at 1 January	**17**	**48**
Changes:		
Investments	1	7
Disposals	-	-
Depreciation	-9	-38
	-8	-31
Costs 31 December	673	672
Accumulated depreciation 31 December	-664	-655
Book value as at 31 December	**9**	**17**

The following amortisation/depreciation percentages are used:

Amortisation/depreciation percentages

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

35 Financial fixed assets

in thousands of euros	31-12-2008	31-12-2007
Participations in group companies	4.440	7.107
Granted loans to third party's	15	45
	4.455	**7.152**
Movements in participations:		
Net asset value as at 1 January	**7.107**	8.929
Capital injections	10	652
Sale/divestment of group companies	-3.147	-4.022
Dividend received	-797	-3.808
Result from participations	172	2.793
Exchange rate differences	-71	-1
Change in provisions for negative net asset value	1.166	2.564
Net asset value as at 31 December	**4.440**	**7.107**

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 is subordinated to all of Secundo's obligations to its bank. The interest on this loan on an annual basis is 6% and the loan had to be repaid in two equal instalments, on 1 October 2007 and 1 October 2008. Renegotiations with Secundo management resulted in a repayment of € 30,000 in 2008 and the last instalment of € 15,000 payable in January 2009. Hence, the carrying amount as per 31 December 2008 is € 15,000 (2007: € 45,000).

36 Other receivables

in thousands of euros	31-12-2008	31-12-2007
Receivables from group companies	4.470	3.299
Deferred taxation	134	1.250
Other accounts receivable, prepayments and accrued income	261	333
	4.865	**4.882**

The deferred tax asset of € 134,000 (2007: € 1,250,000) 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 recognised for other companies within the fiscal unit for corporate income taxes. No deferred tax asset has been recognised for the fiscal unit as a whole as management is currently insufficiently certain that sufficient future profit will be made to realise the value of the tax assets.

37 Current liabilities, accruals and deferred income

in thousands of euros	31-12-2008	31-12-2007
Convertible loan	850	-
Trade creditors	300	629
Debts to group companies	595	1.278
Taxation and social security charges	18	10
Other debts, accruals and deferred income	560	285
	2.323	**2.202**

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

As at 31 December 2008, the company had no current account credit facilities (2007: none).

38 Long-term liabilities & subordinated loans

in thousands of euros	31-12-2008	31-12-2007
Secured loans	2.100	1.500
	2.100	**1.500**

For more details on this matter we kindly refer to note 20 of the consolidated balance sheet.

39 Provisions

in thousands of euros	31-12-2008	31-12-2007
Provision for negative equity group companies	5.042	3.876
	5.042	**3.876**

40 Shareholders' equity

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

Shareholders' equity capital and reserves

in thousands of euros	share capital	share premium	legal reserves	translation reserves	accumulated deficit	unallocated current year's result	total
Balance as at 31 December 2006	**7.024**	**22.128**	**8.060**	**-52**	**-27.380**	**-6.560**	**3.220**
Issue of new shares	1.843	581					2.424
Other movements					-11		-11
Appropriation of Result					-6.560	6.560	-
Exchange rate differences participating companies				48			48
Transfer from other reserves			-1.360		1.360		-
Result financial year						4.616	4.616
Balance as at 31 December 2007	**8.867**	**22.709**	**6.700**	**-4**	**-32.591**	**4.616**	**10.297**
Appropriation of Result					4.616	-4.616	-
Exchange rate differences participating companies				-67			-67
Transfer from other reserves			-3.201		3.201		-
Result financial year						-6.182	-6.182
Balance as at 31 December 2008	**8.867**	**22.709**	**3.499**	**-71**	**-24.774**	**-6.182**	**4.048**

Before and during 2008 the authorised share capital consisted of 10,000,000 ordinary shares and 5,000,000 preference shares of € 2 nominal value per share, together representing an authorised share capital of € 30 million. On the extraordinary meeting of shareholders that was held on December 12th 2008, it was decided to change the authorised share capital to 20,000,000 ordinary shares and 10,000,000 preference shares of € 0.10 nominal value per share, representing an authorised share capital of € 3 million. This decision was effectuated in march 2009.
On 31 December 2008 4,433,702 ordinary shares with nominal value of € 2,00 (2007: 4,433,702) were issued and paid up.

The formed legal reserve is made on account of the capitalisation of costs of in-house developed software.

The share premium reserve includes payments with regard to the issue of shares insofar as these payments exceed the nominal value of the shares (payment above par). Of the share premium reserve, at least € 11.5 million (2007: € 11.5 million) can be regarded as tax-exempt share premium in accordance with the 'Wet inkomstenbelasting 1964' (Income Tax Act 1964).

The unallocated current year's loss amounting to € 6,182,000 will be added to the accumulated deficit.

41 Off-balance sheet commitments The company has entered into lease agreements with the total annual costs amounting to € 6,000 (year-end 2007: € 6,000). The average remaining term of the lease agreements is 1.5 years.

Blue Fox heads a fiscal unity for corporate income tax purposes, to which all the Dutch wholly-owned subsidiaries at year-end 2008 belong. On this basis, the company is wholly and severally liable for the tax commitments of the fiscal unity as a whole.

42 Options No options were exercised, nor issued in 2008.

31-12-2008	date granted	term	issued options	outstanding options	exercised/ cancelled	exercise price (€)
	May 2004	2009	27.400	4.850	22.550	6,34
	Total		**27.400**	**4.850**	**22.550**	

31-12-2007	date granted	term	issued options	outstanding options	exercised/ cancelled	exercise price (€)
	May 2003	2008	33.980	11.840	22.140	5,80
	May 2004	2009	27.400	9.780	17.620	6,34
	Total		**61.380**	**21.620**	**39.760**	

As per 31 December 2008, the Members (and former Members) of the Board of Directors and the Supervisory Board hold no options outstanding (2007: none).

43 Staff

In 2008, the company had an average of 2 staff members (2007: 2 staff members).

44 Remuneration of the Supervisory Board and Board of Directors

The remuneration in 2008 of managing directors and supervisory directors was as follows:

in euros	gross compensation *		bonuses		pension expenses	
	2008	2007	2008	2007	2008	2007
Supervisory Board						
Servaas L.M. Houtakkers [1]	48.062	107.000	-	-	-	-
Pierre A.M. Pellenaars [2]	-	9.500	-	-	-	-
Ton Pannekoek [3]	-	9.500	-	-	-	-
Leon P.E.M. van den Boom	18.000	19.000	-	-	-	-
	66.062	**145.000**	**-**	**-**	**-**	**-**
Board of Directors						
Cees J.J. van Steijn [4]	165.000	360.000	-	150.000	-	-
Arie J.J.P.M. van Leusden [5]	93.750	-	-	-	-	-
	258.750	**360.000**	**-**	**150.000**	**-**	**-**

* Gross salary is exclusive of bonuses, social security charges and pension expenses.

1 Servaas L.M. Houtakkers has acted as delegated supervisory director as of 19 May 2006 and as such received additional compensation in 2008 of € 30.000 (2007: € 83.000)
2 Pierre A.M. Pellenaars resigned from the supervisory board per 25 May 2007
3 Ton Pannekoek resigned from the supervisory board per 25 May 2007
4 Cees J.J. van Steijn joined the company as per 1 August 2006 and left in May 2008
5 Arie J.J.P.M. van Leusden joined the company in May 2008 and left in December 2008

45 Audit fees

in thousands of euros	2008	2007
Audit by KPMG Netherlands	120	110
Audit by foreign KPMG offices	44	44
Audit related services	0	10
Tax services	23	23
Other services	0	0
Total	**187**	**187**

Vianen, 29 April 2009

The Board of Directors
P.A.J.J. Aarts
H.J.J. Pullens

The Supervisory Board
S.L.M. Houtakkers, Chairman
L.P.E.M. van den Boom
D. Lindenbergh

12 Other information

To the Supervisory Board and Shareholders of Blue Fox Enterprises N.V.:

Auditor's report

Report on the financial statements We have audited the accompanying financial statements 2008 of Blue Fox Enterprises N.V., Vianen. The financial statements consist of the consolidated financial statements and the company financial statements. The consolidated financial statements comprise the consolidated balance sheet as at 31 December 2008, the consolidated income statement, the consolidated statement of recognized income and expense and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes. The company financial statements comprise the company balance sheet as at 31 December 2008, 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 Blue Fox Enterprises N.V. as at 31 December 2008 and of its result and its cash flow 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 Blue Fox Enterprises N.V. as at 31 December 2008 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

Report on other legal and regulatory requirements Pursuant to the legal requirement of Section 2:393 sub 5 part f of the Netherlands Civil Code, we report, to the extent of our competence, that the management board report is consistent with the financial statements as required by Section 2:391 sub 4 of the Netherlands Civil Code.

Rotterdam, 29 April 2009
KPMG Accountants N.V.
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 2008

The unallocated current year's result amounting to € 6,181,692 negative will be added to the accumulated deficit.

Subsequent events

At the end of 2008 a mandatory convertible loan was issued. Conversion of this loan into shares would take place once the nominal value of the Blue Fox shares was reduced from € 2.00 to € 0.10. The reduction of the nominal value was effectuated on February 17th 2009 and the subsequent new share issue has taken place on March 5th 2009.

Group offices

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

Company	Based in	business address	Managing Director(s)
Blue Fox Enterprises N.V.	the Netherlands (Vianen)	Ir. D.S. Tuynmanweg 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)
Blue Fox Enterprises B.V.	the Netherlands (Vianen)	Ir. D.S. Tuynmanweg 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)
Blue Fox IPR B.V.	the Netherlands (Vianen)	Ir. D.S. Tuynmanweg 10 4131 PN Vianen telephone +31 347 329 755 fax +31 347 329 736	Blue Fox Enterprises B.V.
TOPCAD B.V.	the Netherlands (Vianen)	Ir. D.S. Tuynmanweg 10 4131 PN Vianen telephone +31 347 329 755 fax +31 347 329 736	Blue Fox Enterprises B.V.
Blue Fox NedGraphics B.V.	the Netherlands (Vianen)	Ir. D. S. Tuynmanweg 10 4131 PN Vianen telephone +31 347 329 696 fax +31 347 329 699	C.J. van Stam (1961) Blue Fox Enterprises B.V.
Blue Fox NedGraphics B.V	China (Shanghai)	29/F Pufa Tower, Room H 588 Pudong South Road Pu Dong Xi Qu Shanghai 200120 telephone + 86 21 5840 3828 fax +86 21 5876 7655	C.J. van Stam (1961) Blue Fox Enterprises B.V.
Blue Fox MDP B.V.	the Netherlands (Vianen)	Ir. D. S. Tuynmanweg 10 4131 PN Vianen telephone +31 347 329 755 fax +31 347 329 736	Blue Fox Enterprises B.V.
Blue Fox 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) Blue Fox Enterprises B.V.

Company	Based in	business address	Managing Director(s)
Blue Fox NedGraphics of Tennessee Inc.	USA (Chattanooga)	6142 Shallowford Road Suite 101 Chattanooga, TN 37421 telephone +1 423 892 03 89 fax +1 423 892 15 32	H.J.J. Pullens (1972) M. Sherman (1968)
Blue Fox NedGraphics Ltd.	UK (Dukinfield)	8 Parkin Close Cheshire, Dukinfield SK16 4DD telephone +44 161 343 84 01 fax +44 161 343 84 01	Blue Fox Enterprises B.V.
Blue Fox 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	C.J. van Stam (1961)
Blue Fox NedGraphics Inc.	USA (New York)	104 West 40th Street 12th floor New York, NY 10018 telephone +1 212 921 27 27 fax +1 212 768 44 88	H.J.J. Pullens (1972) M. Sherman (1968)
Blue Fox NedGraphics Inc.	USA (Charlotte)	1801 Cross Beam Drive NC 28217 Charlotte telephone +1 704 357 35 80 fax +1 704 357 35 83	H.J.J. Pullens (1972) M. Sherman (1968)
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	Blue Fox Enterprises B.V.
Dynamics Perspective Inc	USA (Los Angeles)	31416 Agoura Road Suite 150 Westlake Village (LA), CA 91361 Los Angeles telephone +1 818 887 08 40 fax +1 818 313 79 00	P. Jennings (1954)
Dynamics Perspective Inc.	USA (New York)	104 West 40th Street 12th floor New York, NY 10018 telephone +1 212 921 27 27 fax +1 212 768 44 88	P. Jennings (1954)

Company	Based in	business address	Managing Director(s)
Blue Fox Nedgraphics Srl.	Italy	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)