



INNOCONCEPTS THIRD QUARTER TRADING UPDATE

- **Q3 2010 revenues increased 25% vs same period last year (EUR 3.5 million vs EUR 2.8 million in Q3 2009)**
- **Discussions to normalise relations with US partner progress satisfactorily**
- **Documents arising from our investigation into related party transactions passed to the public prosecutor**

Comment from the CEO

“The sales in the 3rd quarter showed the expected seasonal decline versus the previous quarter, due to the low activity level during the summer holiday period, though they were up strongly compared to the same period last year. The large number of Requests for Quotation (RFQs) for moulds incorporating our IM Technology is also very encouraging. Further information has come to light on the potential related party transactions discussed in our 2009 Annual Report that has led us to the decision that these transactions are best passed to the public prosecutor. We hope that we can now focus our energy on developing our commercial activity and leave the investigative efforts to those best suited to perform them.”

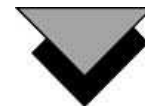
Revenue 3rd quarter 2010

Amounts in EUR '000

	Q3-2010	Q3-2009
Sales of intellectual property rights	-	-
Sales of trading activities and production	3,469	2,530
Other	-	238
Total revenue	3,469	2,768

Whereas HTP felt the effect of the regular seasonal decline due to the summer holiday period we have witnessed a strong recovery in the position of Formy after its disappointing start to the year.

The equity position at the end of September was just above zero. With the results after 30 September 2010 InnoConcepts N.V. has a negative equity.



Our US partner has proposed certain improvements of the economic conditions in our agreement and to extend the territory within which they can exercise access to the IM Technology. They have resumed the commissioning of the test mould though the crucial 30 day continuous trial has yet to begin.

Our commercial efforts regarding the sales of moulds with our IM Technology has led to the order for several prototype moulds in both Europe and the US and RFQs to a value over EUR 3 million over the past 2 months, which is a level we have not witnessed before.

Related Party Transactions

As announced in our 2009 Annual Report the management and supervisory boards have been investigating irregularities concerning potential related party transactions. In the course of this investigation we have re-examined InnoConcepts' own internal files, compared our records against those of some of our counterparties (several of which have defaulted, which facilitated access to their records) and conducted interviews with liquidators, financiers and certain members of our current and former management. Recently and most importantly we have obtained access to documentation which contains substantial and concrete information about the background of some of these transactions.

Our investigations have resulted in indications that in the past years funds of InnoConcepts may have been misappropriated by certain individuals, including former management (we will not publicly disclose the names of the individuals concerned for privacy reasons). These transactions are varied in nature, but mostly revolve around asset purchases or asset finance agreements with an inflated asset valuation. With the knowledge we have today we estimate the total amount of misappropriated funds to be approximately EUR 20 million. The transactions involved date from the period before 2009.

We are however unable to determine conclusively whether a fraud has taken place and, if so, to what extent. We lack information on a number of key issues to assess this accurately. We have therefore involved the public prosecutor and shared our findings, including the areas we believe require further investigation. InnoConcepts N.V. has pledged its full cooperation with any investigation that may ensue. InnoConcepts N.V. reserves its rights to claim damages from the individuals concerned, and in doing so will weigh the cost of conducting legal proceedings against the benefits and the perpetrators' ability to pay.

Potential impairments

Most of the assets concerned in these related party transactions have previously been impaired. The remaining impact on our balance sheet of these findings is limited to assets with an aggregate book value reported as at 30 June 2010 at approximately EUR 6 million.

Delay to the business plan caused mainly by the continued delay in the rollout of the IM Technology, could cause us to test for impairment the asset value of our receivable on the US partner as well as our IP.



Personnel Changes

Mr Anno Kamphuis is no longer with InnoConcepts. Mr Kamphuis has resigned his employment with InnoConcepts N.V. ahead of the scheduled end date on July 2011, and proposed a consultancy arrangement instead. We were unable to reach agreement on those terms. We are now retaining support for the financial function on an interim basis elsewhere.

Outlook

We expect sales for the full year to be in the range of EUR 14 – 15.5 million.

Investor relations:

FOR MORE INFORMATION:

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