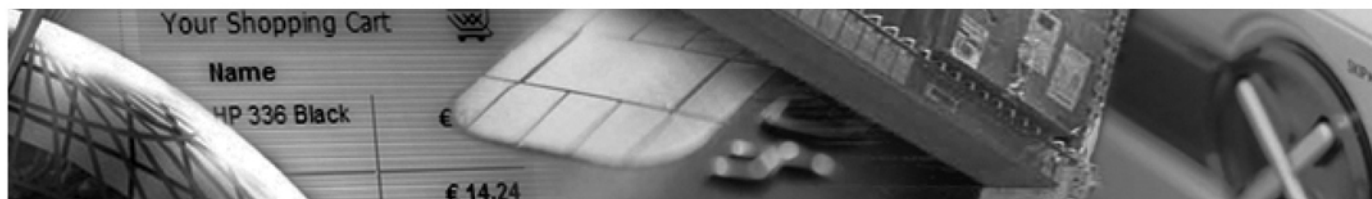


To be distributed on 19 February 2009 – U.S. Eastern Standard Time 01.30h. / U.K. Time 06.30h. / Continental Time 07.30h.



## DOCDATA N.V. announces its 2008 year-end results

**Positive developments enforce foundation of strategy 'Vision 2010: Gear to Growth':**

- Revenue increases 12% to €78.6 million
- Operating profit (EBIT) increases 45% to €5.4 million

**Proposal to increase the dividend to €0.30 per share from basic earnings per share of €0.55 for 2008**

**Industrial Automation Integrators (IAI) changes name into IAI industrial systems and presents new logo**

### Results and Financial position for the financial year 2008

(in millions, except percentage figures and per share data)

	2008		2007	
	€	%	€	%
<b><u>Revenue</u></b>				
Internet service company Docdata	67.2	85.6	61.6	87.7
Technology company IAI industrial systems	11.4	14.4	8.6	12.3
<b>Total</b>	<b>78.6</b>	<b>100.0</b>	<b>70.2</b>	<b>100.0</b>
<b>Gross profit</b>	<b>22.8</b>	<b>29.0</b>	<b>17.7</b>	<b>25.2</b>
<b><u>Operating profit (EBIT)</u></b>				
Internet service company Docdata	2.7	3.5	1.4	2.0
Technology company IAI industrial systems	2.7	3.4	2.3	3.3
<b>Total</b>	<b>5.4</b>	<b>6.9</b>	<b>3.7</b>	<b>5.3</b>
<b>Result after tax from discontinued operation</b>	<b>-</b>	<b>-</b>	<b>0.4</b>	<b>0.6</b>
<b>Profit for the year</b>	<b>3.7</b>	<b>4.7</b>	<b>3.4</b>	<b>4.8</b>
<b>Basic earnings per share</b>	<b>0.55</b>		<b>0.48</b>	
<b>Diluted earnings per share</b>	<b>0.53</b>		<b>0.47</b>	
<b>Balance sheet total</b>	<b>40.9</b>		<b>42.5</b>	
<b>Equity</b>	<b>21.2</b>		<b>22.2</b>	
<b>Solvency ratio (Equity / Balance sheet total)</b>	<b>51.8%</b>		<b>52.3%</b>	

## General

The strategy 'Vision 2010: Gear to Growth' is well on track for both the Internet service company Docdata and the technology company IAI industrial systems, which is shown in 2008 by a positive development of revenue and operational profit. The divisions of the Internet service company, Docdata fulfilment, Docdata commerce and Docdata payments, as well as the technology company IAI industrial systems, have each realised growth in revenue of more than 30%; of the total revenue growth, 19%-point has been realised through autonomous growth. In 2009 we will continue the same route with autonomous growth as the priority.

The strong growth of the Internet service company Docdata is for an important part realised by the success of existing customers, and also by the addition of new customers. We offer customers specific and full Internet solutions. In the Benelux we are known as the most progressive Internet service company and we are pleased to be part of the secret behind the success of our customers. In Germany and the United Kingdom we are not on this level yet but we will work hard to achieve this in the next few years. We will keep investing in people and systems to stay in first position. We reached new milestones in 2008, for instance we processed more than 2 million unique transactions in one month; transactions including realized orders, payments, shipments and returns.

Michiel Alting von Geusau, CEO of DOCDATA N.V.: "The current economic crisis will have an impact on online spending. The growth will slow down, but also in 2009 more people will place more orders online, with correct and timely handling of orders as one of the main conditions for success. The growth in online sales will be at the expense of traditional retail."

In the document security market Technology company IAI industrial systems is seen as the highest quality supplier of production systems to personalise and/or secure documents issued by governments. In 2008, IAI expanded the product range considerably in the document security market through the development of three new systems. This has resulted in 2008 in the delivery of new high-end systems, enabling IAI to achieve excellent results. In addition, IAI has an order book of € 10.8 million at the end of 2008. For 2009, we expect further growth.

As earlier announced, IAI has searched for an entrance in the growth market of solar energy. In this market, IAI offers production systems for solar cells or solar panels. Both in the Netherlands and Germany a network has been built in 2008. Also a first production system was designed, built and delivered. As a result of the current economic crisis we expect that potential customers will postpone the purchase of new production systems until they have more certainty about their funding.

Michiel Alting van Geusau, CEO of DOCDATA N.V.: "We are ideally positioned in the document security market to compete with the major players because of our high quality, reliable and customised systems. Despite the credit crisis we expect that governments will continue to invest, and that companies will eventually continue to invest in the development of clean energy, possibly with governmental aid. Anyhow, we keep investing in new developments."

## **Major features of the financial results for the 2008 year-end**

Revenue of DOCDATA N.V. has increased in 2008 with € 8.4 million to € 78.6 million (+12%). The realised gross profit has increased to € 22.8 million compared to € 17.7 million in 2007 (+29%). Gross profit margin increased to 29% for the year 2008 and has therefore clearly risen over the last couple of years (2007: 25.2%; 2006: 23.7%), which proves that the new strategy is working.

In 2008, an operating profit before financing result (EBIT) has been realised of € 5.4 million. The increase with € 1.7 million compared to 2007 (+45%) is for the largest part realised by the Internet service company Docdata, predominantly as a result of the higher activity level.

The profit for the year 2008 is € 0.3 million (+9%) higher than in 2007. The improvement has been influenced by the non-recurring profit from discontinued operation (net of income tax) of € 0.4 million in 2007, and by the € 0.6 million higher income tax expenses in 2008. Profit before income tax in 2008 is € 1.3 million (+36%) higher than in 2007.

The cash flow statement in the Appendix to the attached enclosure 'Financial Information' shows that DOCDATA N.V. has realised net cash from operating activities of € 8.9 million in 2008. The spending of this cash is shown in this cash flow statement as well.

DOCDATA N.V. has maintained its strong financial position with a solvency ratio of 51.8% at 31 December 2008 (31 December 2007: 52.3%). Furthermore, the cash surplus position has increased in 2008 with € 0.9 million to € 4.4 million (31 December 2007: € 3.5 million).

## **Mission statement**

The mission statement of DOCDATA N.V. is "enabling success"; for clients, as well as for our employees, shareholders and suppliers.

- For the Internet service company Docdata, this means the offering of unique and reliable solutions to our clients which enable them to be successful in their Internet business. The power is in the four specialties that offer their services separately, while together forming a unique total concept.
- For the technology company IAI industrial systems, this consists of offering our clients unique (production) technologies with an extremely high quality.
- For the DOCDATA N.V. shareholders, this has resulted in 2008 in dividend distributions of € 1.7 million and share buyback programs for € 1.9 million.
- For our employees, we offer a positive and challenging working environment with sufficient possibilities for further development and room for own initiatives.

## Outlook

The focus in 2009 will be on autonomous profitable growth.

The focus for the Internet service company Docdata is on the further development of the Internet service model in Germany and the United Kingdom. The goal is to become a top 5 player there as well in the coming years. For 2009, we expect further growth, despite the economical market situation; with the clear exception of Docdata media.

In the document security market, Technology company IAI industrial systems has not only realised outstanding results in 2008, but the order portfolio for 2009 is well filled at the end of 2008. A substantial part of the 2009 revenue will be realised by delivery of systems that were developed in 2008. It is satisfying to notice that development efforts can lead to a pay back on such a short term. With the further expansion in the document security market and the entrance in the Solar market, IAI can face the year 2009 with confidence.

## Dividend

Management of DOCDATA N.V. will propose to the shareholders at this year's annual General Meeting of Shareholders, in accordance with Article 28 of the Articles of Association of DOCDATA N.V., to decide to distribute to all shareholders of ordinary shares a dividend amount of € 0.30 per ordinary share out of the profit for the year 2008. The distribution will be subject to dividend withholding taxes, unless the shareholder can prove that substantial holding exemption can be claimed.

The dividend policy of DOCDATA N.V., adopted by the General Meeting of Shareholders, is aimed at realising a high dividend return, for which a payout ratio of at least 50% is the target. The liquidity and solvency required for the execution of the strategy, will also be taken into consideration.

At 31 December 2008, the issued share capital of DOCDATA N.V. consists of 7,000,000 ordinary shares with a nominal value of € 0.10 each. DOCDATA N.V. currently holds 384,902 (5.50%) of these issued ordinary shares, which are kept in order to fund the personnel options scheme and to finance future acquisitions. Ordinary shares owned by the Company are not entitled to any distribution of profit.

When the General Meeting of Shareholders decides to accept this proposal, an amount of € 2 million will be distributed in May 2009 as dividend out of the profit for the year 2008 on the ordinary shares, which are held by other shareholders than the Company. The General Meeting of Shareholders shall be held on Wednesday 13 May 2009 in Waalwijk. The dividend distribution will lead to a limited decrease of the solvency ratio.

The dividend proposed by DOCDATA N.V. of € 0.30 per share (in total: € 2 million), to be distributed out of the profit for the year 2008, increases with 20% compared to the dividend of € 0.25 per share (in total: € 1.7 million) that was distributed out of the profit for the year 2007; in 2007, a dividend of € 0.20 per share (in total: € 1.4 million) was distributed out of the profit for the year 2006.

## Results by Business

### Internet service company Docdata

*We are the Internet service company*

*We develop customer-focused and integrated solutions*

*We process unique transactions*

To realise growth we invested in 2008 in people and resources. Also for 2009 we expect to invest further with a focus on:

1. Operational Excellence
2. Growth in the number of transactions

#### *Docdata commerce*

Revenue of Docdata commerce more than doubled in 2008 driven predominantly by strong sales growth from existing customers for whom we also fulfil the merchant role. The focus of docdata commerce is on building long-lasting relationships with our customers, for which we take on the full management of their e-Store. We are (partly) responsible for the transactions via the web shop and we are also paid per transaction or as percentage of the actual revenue paid.

#### *Docdata payments*

Docdata payments achieved in 2008 a growth of over 30%, while more than 10 million transactions (online payments, check payments, charges backs and refunds) were processed for our customers. The focus of Docdata payments is on the successful rollout of our services in Europe. In 2008 we invested in people and IT developments for the service to our customers to run flawless. Also in 2009 we will continue to further develop our IT systems to lead the way in developments in the market.

#### *Docdata fulfilment*

Also Docdata fulfilment realised a growth of more than 30% in 2008. Docdata Fulfilment takes care of processing complex orders in large volumes within short time (within a day). Ordered today, delivered tomorrow. In 2008 Docdata successfully processed nearly 10 million transactions (shipments and returns). For 2009 the focus will be on signing up new customers and the implementation of further mechanization and system automation.

#### *Docdata media*

Like previous years, 2008 is also characterised by a declining demand for both CD and DVD production services. This has resulted in a revenue decline of approximately 16%. Nevertheless, Docdata media realised a higher gross profit through cost-savings. At the beginning of 2009 Docdata media has sold her production activities in the United Kingdom. Also, in 2008 the company 4D upgrade GmbH was sold to the management. In 2009 and 2010 Docdata media will be developed into an Internet services company of which the new services will seamlessly fit with the other three Internet services.

## **Technology company IAI industrial systems**

*We offer high quality production systems and a reliable organisation*

*We offer flexible, fast, reliable and accurate technological solutions*

*We offer the most innovative laser and optical technology*

In 2008 IAI achieved significantly higher revenue than in 2007. The operating profit rose less than sales as a result of the development of new systems, strengthening of the organisation and entering the solar energy market. In 2009 we will continue this route.

In order to facilitate growth, the IAI organisation was evaluated and the necessary organisational changes were put in motion. One change is the addition of new employees which will continue in 2009. Engaged and motivated employees who wish to contribute in their own discipline in the production of very special systems; that is the challenge for IAI.

To make these changes known to the outside world, IAI decided to change the name to "IAI industrial systems" and to modernise and logo.

### *IAI Security*

The major part of the 2008 revenue was realised in the document security market. The important Ukrainian order from 2004 could finally be completed in 2008. This order, the delivery of BookMaster One passport personalisation systems, was delayed for reasons of the customer. To Orell Füssli, the Swiss security printer and inventor of the security feature MicroPerf<sup>®</sup>, a system was delivered that will apply MicroPerf<sup>®</sup> in the new series of Swiss banknotes.

For the document security market, three new systems were developed in 2008 and all three were sold; two of these were even delivered in 2008. The three new systems are a new BookMaster One version for paper holder pages, sold to Algeria, and the SheetMaster Flex and WebMaster Flex systems which were sold and delivered to South Africa. With the introduction of these systems, the product range of IAI in the document security market has expanded considerably. Noteworthy is the fact that IAI has an increasing number of European countries as customer, including new European Union Member States. In addition, systems were delivered to South Africa, and in 2009 systems will be installed for the first time in India.

### *IAI Solar*

IAI has built a network in 2008 in the solar market, covering The Netherlands as well as Germany. In particular contacts were made in the region of Berlin, where many solar activities are developed. These efforts will hopefully be rewarded in the coming years with contracts, although the end of 2008 showed that this market is severely affected by the credit crisis. We see this as temporary, because the fundamental reasons why this market is a growth market have not changed. In the "Solar" market, IAI will deliver production systems for solar cells and solar modules. A first innovative system has been designed, built and delivered in 2008.

## Accounting principles

The consolidated financial statements of DOCDATA N.V. are prepared in accordance with the International Financial Reporting Standards as adopted by the European Union (hereafter IFRS). For an overview of the significant accounting policies under IFRS, please refer to the 2007 Annual Report that is available at the Company and can also be downloaded from the Company's website, [www.docdata.com](http://www.docdata.com), under Corporate.

## Enclosure with financial information

For a detailed review of the 2008 year-end results, please refer to the attached enclosure 'Financial Information for the year ended 31 December 2008' with Appendix.

## Meeting for financial press and analysts

Today, 19 February 2009, management of DOCDATA N.V. will discuss the 2008 year-end results in a meeting for which both financial press and analysts have been invited, to be held at 10.30AM Amsterdam time in the Mercurius room of the Financieel Nieuwscentrum Beursplein 5 of NYSE Euronext Amsterdam (Beursplein 5, 1012 JW Amsterdam, telephone +31-20-5505505).

## Important dates

22 April 2009	Publication of 2008 Annual Report
6 May 2009	Record date (voting rights)
13 May 2009 (*)	Annual General Meeting of Shareholder in Waalwijk
14 May 2009	Cum-date
15 May 2009	Ex date
19 May 2009	Record date (dividend rights)
22 May 2009	Dividend payment date
28 July 2009	Publication of 2009 half-year results

(\*) Note: new date; the 2007 Annual Report referred to 14 May 2009 as preliminary date

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*The listed DOCDATA N.V. exists of two lines of business:*

**Internet service company Docdata** ([www.docdata.com](http://www.docdata.com)) is a European market leader with a strong basis in The Netherlands, Germany and the United Kingdom, and exists of four divisions:

- docdata commerce
- docdata payments
- docdata fulfilment
- docdata media

**Technology company IAI industrial systems** ([www.iai.nl](http://www.iai.nl)) is a high tech engineering company specialised in developing and building systems for very accurate and high speed processing of all kinds of products and materials. IAI delivers clients globally in the following sectors:

- securing and personalising of security documents
- processing of packaging materials
- processing of solar cells
- processing of other materials

Waalwijk, The Netherlands, 19 February 2009

Further information: DOCDATA N.V., **M.F.P.M. Alting von Geusau**, CEO, Tel. +31 416 631 100

## Financial Information

The financial information is prepared in accordance with International Financial Reporting Standards as adopted by the European Union (hereafter IFRS).

### Revenue

(in thousands, except percentage figures)

Revenue by company	2008		2007	
	€	%	€	%
Internet service company Docdata	67,269	85.6	61,590	87.7
Technology company IAI	11,351	14.4	8,629	12.3
Total	78,620	100.0	70,219	100.0

- Revenue of Internet service company Docdata increased € 5.7 million (+9%) in 2008 compared to 2007. The decreasing currency exchange rate of the British pound in 2008 has had a decreasing effect (hereafter the 'FX £ effect') on revenue of € 2.6 million. Total revenue of the divisions Docdata commerce, Docdata payments and Docdata fulfilment increased € 11.3 million (+42%) in 2008 compared to 2007 (FX £ effect: -/- € 1.0 million). Revenue of the Docdata media division decreased € 5.6 million (-/-16%) in 2008 (FX £ effect: -/- € 1.6 million). The acquisitions docdata commerce Ltd. (formerly named 'Hitura Ltd.') and Pegasus e-Business GmbH were not yet consolidated in the 2007 financial statements, and docdata payments B.V. (formerly named 'Triple Deal B.V.') was included in the 2007 consolidated income statement for seven months. Together these subsidiaries contributed for € 4.7 million to the 2008 revenue increase. Revenue has increased for € 6.6 million (+27%) due to autonomous growth (FX £ effect: -/- € 1.0 million).
- Technology company IAI's revenue increased € 2.7 million (32%) in 2008 compared to 2007, which is caused by a higher number of security systems sold, first-time revenue from business in the solar market in 2008, in combination with a changed mix of revenues from deliveries of subassemblies, service, packaging contract research and development, and production royalties in the passport market segment.

### Gross profit

(in thousands, except percentage figures)

Gross profit (margin) by company (margin as % of revenue by company)	2008		2007	
	€	%	€	%
Internet service company Docdata	18,487	27.5	14,028	22.8
Technology company IAI	4,307	37.9	3,671	42.5
Total	22,794	29.0	17,699	25.2

- Internet service company Docdata realised an increase in gross profit of € 4.5 million (32%) in 2008 compared to 2007. Gross profit increased € 1.6 million (11%) due to autonomous growth; the effect of changes in the consolidation for the two comparable years on gross profit was € 2.9 million. Gross profit and gross profit margin for the three divisions Docdata commerce, Docdata payments and Docdata fulfilment have improved predominantly by a higher activity and revenue level, enabling efficiency improvements through economies-of-scale. Also the Docdata media division has realised growth in gross profit margin from 14.7% in 2007 to 16.3% in 2008. Docdata media was successful in controlling production costs (including material expenses for polycarbonate and DVD-production royalties, personnel expenses, depreciation expenses and overheads) in relation to developments in the average sales prices for CD and DVD.
- Gross profit of Technology company IAI increased € 0.6 million in 2008 compared to 2007. The gross profit margin increased, predominantly caused by the difference in the sales mix of security systems delivered in both years, as well as in the mix of the other revenue categories for the previous year.



## Operating profit before financing result (EBIT)

### Selling & Administrative expenses

(in thousands, except percentage figures)

	2008		2007	
	€	%	€	%
<b>Operating profit (margin) by company</b> (margin as % of revenue by company)				
Internet service company Docdata	2,726	4.1	1,433	2.3
Technology company IAI	2,691	23.7	2,306	26.7
<b>Total</b>	<b>5,417</b>	<b>6.9</b>	<b>3,739</b>	<b>5.3</b>

### Selling & Administrative expenses (as % of revenue)

Selling expenses	5,501	7.0	4,230	6.0
Administrative expenses	11,699	14.9	9,847	14.0
<b>Total</b>	<b>17,200</b>	<b>21.9</b>	<b>14,077</b>	<b>20.0</b>

### Selling & Administrative expenses by company (as % of revenue by company)

Internet service company Docdata	15,585	23.2	12,712	20.6
Technology company IAI	1,615	14.2	1,365	15.8
<b>Total</b>	<b>17,200</b>	<b>21.9</b>	<b>14,077</b>	<b>20.0</b>

- Operating profit of Internet service company Docdata increased € 1.3 million (90%) in 2008 compared to 2007. This increase is the combined effect of an increase in gross profit of € 4.5 million and an increase in selling and administrative expenses of € 2.9 million and a decrease in other operating income and expenses of € 0.3 million. The effect of changes in the consolidation for the two comparable years on selling and administrative expenses was € 2.7 million. The increased selling expenses and administrative expenses reflect the execution of the new strategy 'Vision 2010: Gear to Growth', where higher personnel expenses and organisational costs have been incurred to enable growth of the activity and business levels for the divisions Docdata commerce, Docdata payments and Docdata fulfilment. In general, the increase in expenses can be explained by required investments in personnel, organisational improvements, development of IT solutions, and design and implementation of e-Solutions for (new) customers. Despite this, the operating profit margin has improved in 2008 to 4.1% from 2.3% in 2007.
- Operating profit of Technology company IAI increased € 0.4 million (17%) in 2008 compared to 2007. This increase is the combined effect of an increase of € 0.6 million in gross profit and an increase in selling and administrative expenses of € 0.2 million. The lower operating profit margin is due to the different sales mix for both comparable years, with a lower gross profit margin of the revenue in 2008, in combination with higher selling and administrative expenses in 2008. This increase in expenses and the resulting decrease in operating profit margin is fully in line with our plans for 2008, in which we communicated higher personnel expenses and higher consultancy costs, mainly related to the strategic entrance into the solar market.

## Net financing expenses

Net financing expenses in 2008 amounted to nearly € 0.5 million compared to net financing expenses of € 0.3 million in 2007. This increase of just over € 0.1 million is caused by lower net bank interest in 2008 (effect: € 0.1 million) and a € 0.2 million higher foreign currency exchange loss in 2008, compared to the financial expenses in 2007, due to the euro becoming stronger against the British pound.

## **Income tax expense**

DOCDATA's effective tax rate in 2008 was 27% with an income tax expense of € 1.3 million on a profit before income tax of € 5.0 million. In 2007, the profit from continuing operations before income tax amounted to € 3.7 million and the income tax expense amounted to € 0.7 million (effective tax rate: 19%).

The income tax expense of € 1.3 million in 2008 is the combined result of the following tax treatments of the results per country:

- In the Netherlands, a tax charge has been recorded at a corporate income tax rate of 25.5% on the taxable income for the Dutch fiscal entity as well as for the Dutch subsidiaries that are not part of this fiscal entity.
- In the United Kingdom, income taxes are recorded against a corporate income tax rate of 28.0% (2007: 30.0%). As a consequence of the signing on 30 January 2009 by docdata media Ltd. of the Asset Purchase Agreement with Sound Performance Manufacturing Ltd., no deferred tax assets on the remaining net operating losses and capital allowances of docdata media Ltd. have been recognised in the consolidated balance sheet at 31 December 2008 given the sale of the UK media business and tangible fixed assets.
- In Germany, a tax charge has been recorded at a corporate income tax rate of in general around 30.0% on taxable income for the German entities, taking into account lower income tax rates for some regions in Germany when and where applicable. Furthermore, 2008 taxable profits of docdata in Germany could be offset against prior years' net operating losses which were not (fully) recognised in deferred tax assets; this has resulted in a 2008 corporate tax income in Germany.

## **Profit from discontinued operation (net of income tax)**

The profit from discontinued operation (net of income tax) of € 0.4 million in 2007 resulted from the reassessment at the end of the year 2007 of all existing risks at that time in relation to the termination of the former French activities of the Media Group (currently a division of the Internet service company docdata), which were accounted for at net realisable value in the consolidated balance sheet at 31 December 2006 and were then reported under assets and liabilities classified as held for sale. Reference is made to section 5.5 Discontinued operation of the Notes to the Consolidated Financial Statements for further information.

## **Liquidity and capital resources**

In 2008, the Group's net cash position has increased with € 0.9 million to € 4.4 million from € 3.5 million at 31 December 2007. In addition to the € 1.9 million dividend payment and the € 1.9 million share buy-back, the Group has invested a total amount of € 4.5 million in 2008: € 2.2 million in property, plant and equipment (mainly warehousing equipment and investment in IT infrastructure); € 0.6 million for the acquisition of an additional share interest of 20% (bringing the share interest to 80%) in docdata commerce B.V. (formerly named 'DOCdata e-Commerce Solutions B.V.'), € 0.4 million for the acquisition of an additional share interest of 40% (bringing the share interest to 70%) in Pegasus e-Business GmbH, € 0.3 million for the acquisition of a controlling share interest of 70.9% in Hitura Limited (post-acquisition name 'docdata commerce Ltd.'), and € 1.0 million in intangibles (predominantly IT development costs). These payments and investments in 2008 for a total of € 8.3 million were fully financed from the Group's net cash flow from operating activities of € 8.9 million (2007: € 8.3 million), including total depreciation and amortisation expenses of € 3.7 million (2007: € 3.6 million).

The General Annual Meeting of Shareholders held on 15 May 2008 approved the proposal to distribute a dividend of € 0.25 per ordinary share outstanding (excluding own shares held by the Company), which had a decreasing impact of € 1.7 million on retained earnings within the equity of the Company in 2008. Furthermore, the shareholders approved in that same meeting the proposal for the cancellation of 308,850 shares to bring the issued share capital down to 7,000,000 shares. This cancellation procedure was formally completed at 16 September 2008.

## **DOCDATA N.V. – Financial Information for the year ended 31 December 2008**

In 2008 16,280 personnel options were exercised; 13,850 options from the 2003 series at a price of € 2.68 per share, and 2,430 options from the 2004 series at a price of € 4.48 per share. The underlying shares have been delivered by the Company from the own shares in possession of the Company. The proceeds of € 48 thousand have been credited to equity under reserves, as the purchase of own shares has been charged to reserves in the past. In addition, 20,741 shares were granted to the CEO in May 2008, following the approval by the General Meeting of Shareholders on 15 May 2008 of the Remuneration Report 2007. Furthermore, the Company purchased 295,584 own shares in 2008, for a total purchase price of € 1.9 million, to bring the number of own shares owned up to 389,402 (5.56%) shares at 31 December 2008. At this moment, the Company owns 384,902 own shares (5.50%); the decrease of 4,500 shares is the result of the exercise on 2 February 2009 of the remaining outstanding share options of the 2004 series owned by personnel of docdata media Ltd. in Telford following the Asset Purchase Agreement with Sound Performance Manufacturing Ltd. with which their labour contracts with docdata media Ltd. were transferred and thus their docdata employment terminated.

Waalwijk, 19 February 2009

## DOCDATA N.V. – Financial Information for the year ended 31 December 2008

## Consolidated Financial Statements

## 1. Consolidated Balance Sheets

Balance sheets before appropriation of profit.

	31 December 2008	31 December 2007
(in thousands)	€	€
<b>Assets</b>		
Property, plant and equipment	6,275	7,508
Intangible assets	9,979	9,856
Investments in associates	174	459
Other investments	100	100
Trade and other receivables	108	230
Deferred tax assets	752	1,046
<b>Total non-current assets</b>	<b>17,388</b>	<b>19,199</b>
Inventories	3,593	3,884
Income tax receivables	468	407
Trade and other receivables	12,868	13,379
Cash and cash equivalents	6,034	5,586
Assets classified as held for sale	549	-
<b>Total current assets</b>	<b>23,512</b>	<b>23,256</b>
<b>Total assets</b>	<b>40,900</b>	<b>42,455</b>
<b>Equity</b>		
Share capital	700	731
Share premium	16,854	16,854
Translation reserves	(1,313)	(49)
Reserve for own shares	(3,218)	(1,625)
Retained earnings	7,882	5,932
<b>Total equity attributable to equity holders of the parent</b>	<b>20,905</b>	<b>21,843</b>
Minority interest	292	344
<b>Total equity</b>	<b>21,197</b>	<b>22,187</b>
<b>Liabilities</b>		
Interest-bearing loans and other borrowings	628	1,057
Employee benefits	100	343
Deferred tax liabilities	437	653
<b>Total non-current liabilities</b>	<b>1,165</b>	<b>2,053</b>
Bank overdrafts	1,675	2,110
Interest-bearing loans and other borrowings	94	76
Income tax payable	323	54
Trade and other payables	16,054	15,853
Provisions	93	122
Liabilities classified as held for sale	299	-
<b>Total current liabilities</b>	<b>18,538</b>	<b>18,215</b>
<b>Total liabilities</b>	<b>19,703</b>	<b>20,268</b>
<b>Total equity and liabilities</b>	<b>40,900</b>	<b>42,455</b>

## DOCDATA N.V. – Financial Information for the year ended 31 December 2008

## 2. Consolidated Income Statements

	2008		2007	
<i>(in thousands, except earnings per share and average shares outstanding)</i>	€	%	€	%
<b><u>Continuing operations</u></b>				
Revenue	78,620	100.0	70,220	100.0
Cost of sales	(55,826)	(71.0)	(52,521)	(74.8)
<b>Gross profit</b>	<b>22,794</b>	<b>29.0</b>	<b>17,699</b>	<b>25.2</b>
Other operating income	82	0.1	308	0.4
Selling expenses	(5,501)	(7.0)	(4,230)	(6.0)
Administrative expenses	(11,699)	(14.9)	(9,847)	(14.0)
Other operating expenses	(259)	(0.3)	(191)	(0.3)
<b>Operating profit before financing result</b>	<b>5,417</b>	<b>6.9</b>	<b>3,739</b>	<b>5.3</b>
Financial income	550	0.7	438	0.6
Financial expenses	(1,012)	(1.3)	(774)	(1.1)
<b>Net financing expenses</b>	<b>(462)</b>	<b>(0.6)</b>	<b>(336)</b>	<b>(0.5)</b>
Share of profits of associates	58	0.1	270	0.4
<b>Profit before income tax</b>	<b>5,013</b>	<b>6.4</b>	<b>3,673</b>	<b>5.2</b>
Income tax expense	(1,337)	(1.7)	(714)	(1.0)
<b>Profit from continuing operations</b>	<b>3,676</b>	<b>4.7</b>	<b>2,959</b>	<b>4.2</b>
<b><u>Discontinued operation</u></b>				
Profit from discontinued operation (net of income tax)	-	-	429	0.6
<b>Profit for the period</b>	<b>3,676</b>	<b>4.7</b>	<b>3,388</b>	<b>4.8</b>
<b>Attributable to:</b>				
Equity holders of the parent	3,606	4.6	3,389	4.8
Minority interest	70	0.1	(1)	-
<b>Profit for the period</b>	<b>3,676</b>	<b>4.7</b>	<b>3,388</b>	<b>4.8</b>
Weighted average number of shares outstanding	6,668,000		7,050,000	
Weighted average number of shares (diluted)	6,921,000		7,223,000	
<b>Earnings per share</b>				
Basic earnings per share	0.55		0.48	
Diluted earnings per share	0.53		0.47	
<b><u>Continuing operations</u></b>				
Basic earnings per share	0.55		0.42	
Diluted earnings per share	0.53		0.41	

## DOCDATA N.V. – Financial Information for the year ended 31 December 2008

## 3. Consolidated Statements of Cash Flows

	2008	2007
<i>(in thousands)</i>	€	€
<b>Cash flows from operating activities</b>		
Profit for the year	3,676	3,388
<i>Adjustments for:</i>		
Depreciation and amortisation	3,749	3,625
Costs share options and delivered shares	244	179
Financial expenses	1,012	774
Financial income	(550)	(438)
Share of profits of associates	(58)	(270)
Income tax expense	1,337	714
Other	-	(1)
<b>Cash flows from operating activities before changes in working capital and provisions</b>	9,410	7,971
Decrease in trade and other receivables and assets held for sale	642	5,499
Decrease / increase in inventories	158	(119)
Decrease in trade and other payables and liabilities held for sale	(3)	(1,345)
Decrease / increase in provisions and employee benefits	(272)	121
<b>Cash generated from the operations</b>	9,935	12,127
Interest paid	(714)	(598)
Interest received	541	435
Income taxes paid	(846)	(3,649)
<b>Net cash from operating activities</b>	8,916	8,315
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(2,156)	(2,426)
Acquisition of subsidiaries	(1,353)	(2,234)
Acquisition of intangible assets	(985)	(781)
Acquisition / divestment of associates and other investments	(49)	-
Proceeds from sale of property, plant and equipment	28	32
<b>Net cash from investing activities</b>	(4,515)	(5,409)
<b>Cash flows from financing activities</b>		
Own shares bought	(1,916)	(1,994)
Dividends paid	(1,890)	(1,444)
Repayment of interest-bearing loans and other borrowings	(117)	(337)
Proceeds from bank overdrafts	25	412
Proceeds from exercise of share options	48	129
Proceeds from interest-bearing loans and other borrowings	110	-
<b>Net cash from financing activities</b>	(3,740)	(3,234)
Net (decrease) increase in cash and cash equivalents	661	(328)
Cash and cash equivalents at the beginning of the period	5,586	5,831
Effect of exchange rate fluctuations on cash held	(213)	83
<b>Cash and cash equivalents at the end of the period</b>	6,034	5,586

## DOCDATA N.V. – Financial Information for the year ended 31 December 2008

## 4. Consolidated Statements of Shareholders' Equity

	Share capital	Share premium	Reserves	Retained earnings	Total equity attributable to equity holders of the parent	Minority interest	Total equity
(in thousands)	€	€	€	€	€	€	€
<b>Equity Statement 2007</b>							
Balance at 1 January 2007	731	16,854	625	3,978	22,188	226	22,414
Dividend distribution	-	-	-	(1,435)	(1,435)	(9)	(1,444)
Shares bought	-	-	(1,994)	-	(1,994)	-	(1,994)
Exercised share options	-	-	129	-	129	-	129
Delivered shares for remuneration	-	-	92	-	92	-	92
Costs share options	-	-	87	-	87	-	87
Translation difference	-	-	(613)	-	(613)	-	(613)
Consolidation of former associate	-	-	-	-	-	128	128
Profit for the period	-	-	-	3,389	3,389	(1)	3,388
Balance at 31 December 2007	731	16,854	(1,674)	5,932	21,843	344	22,187
<b>Equity Statement 2008</b>							
Balance at 1 January 2008	731	16,854	(1,674)	5,932	21,843	344	22,187
Dividend distribution	-	-	-	(1,656)	(1,656)	(234)	(1,890)
Cancellation of own shares	(31)	-	31	-	-	-	-
Shares bought	-	-	(1,916)	-	(1,916)	-	(1,916)
Exercised share options	-	-	48	-	48	-	48
Delivered shares for remuneration	-	-	135	-	135	-	135
Costs share options	-	-	109	-	109	-	109
Translation difference	-	-	(1,264)	-	(1,264)	-	(1,264)
Consolidation of former associate	-	-	-	-	-	112	112
Profit for the period	-	-	-	3,606	3,606	70	3,676
Balance at 31 December 2008	700	16,854	(4,531)	7,882	20,905	292	21,197

## DOCDATA N.V. – Financial Information for the year ended 31 December 2008

## 5. Notes to the Consolidated Financial Statements

### 5.1 Accounting principles

The consolidated financial statements of DOCDATA N.V. (referred to as “DOCDATA” or the “Company”) are prepared in accordance with the International Financial Reporting Standards as adopted by the European Union (“IFRS”). For a summary of the significant accounting policies under IFRS, please refer to the Company’s Annual Report for the financial year ended 31 December 2007.

### 5.2 Management representations

In the opinion of the management, these financial statements include all adjustments necessary for a fair presentation of the financial position, operating results and cash flows of all reporting periods herein. All such adjustments are of a normal recurring nature.

### 5.3 Organisation structure and segmentation

From 1 January 2008 onwards, DOCDATA has changed the organisation structure from a country organisation to a divisional structure. Starting the financial year 2008, DOCDATA identifies for the purpose of preparing financial statements the following two segments: Internet service company docdata (consisting of the following four divisions: docdata commerce, docdata payments, docdata fulfilment and docdata media) and Technology company IAI. The segmentation for the comparable financial statements for the year ended 31 December 2007 has been adjusted accordingly.

### 5.4 Consolidation

In the consolidated financial statements for the year ended 31 December 2008, the following treatment has been applied for the acquisitions and divestment mentioned:

- **Pegasus e-Business GmbH:** DOCDATA has increased its share interest in Pegasus e-Business GmbH in Münster (Germany; formerly named ‘Pegasus Dienstleistungen GmbH’) from 30% to 70%, through the exercise of the call option on 40% of the issued share capital which was part of the original sale and purchase agreement from September 2006. The balance sheet and income statement of Pegasus e-Business GmbH has been included in the DOCDATA consolidation starting 1 January 2008;
- **docdata commerce Limited** (formerly named ‘Hitura Limited’): DOCDATA has acquired an interest of 61.2% in the issued share capital of Hitura Ltd. in London (England), with an agreement on the purchase of the remaining minority shares between 2008 and 2013. The balance sheet and income statement of Hitura Ltd. have been included in the DOCDATA consolidation starting 1 February 2008. On 2 July 2008, DOCDATA has acquired an additional 9.7% interest in the issued share capital of docdata commerce Ltd., bringing the total DOCDATA share to 70.9% as of that date.
- **4D upgrade GmbH:** on 20 November 2008, DOCDATA has sold its share interest of 85.0% in the issued share capital of 4D upgrade GmbH in Großbeeren (Germany) to the (third-party) minority shareholders, with 30 November 2008 as effective transaction date for the transfer of the share ownership. Therefore, the balance sheet at 31 December 2008 of 4D upgrade GmbH has not been included in the consolidated balance sheet at 31 December 2008, and the revenues and results of 4D upgrade GmbH are included in the 2008 consolidated income statement of DOCDATA for the 11-months’ period from 1 January 2008 till 30 November 2008.

In the consolidated financial statements for the year ended 31 December 2007, the following acquisitions have been consolidated as of the acquisition date mentioned:

- **docdata payments B.V.** (formerly named ‘Triple Deal B.V.’) as of 25 May 2007 (70% share interest). The 2007 consolidated income statement includes revenue and results of this subsidiary as of acquisition date. The minority interest of 30% in the equity of this subsidiary, which minority interest is owned by Conclusion Consultants B.V. for 20% and by Syllion B.V. for 10%, has been accounted for in the consolidated balance sheet under minority interest within total equity;



## DOCDATA N.V. – Financial Information for the year ended 31 December 2008

- **Contributie Services B.V.** as of 28 December 2007 (100% share interest of docdata payments B.V., at the time named 'Triple Deal B.V.'; indirect holding of 70% by DOCDATA N.V.), which share interest has been acquired from Conclusion B.V. The revenue and results of this subsidiary have been included into the DOCDATA consolidation starting 1 January 2008. The balance sheet at 31 December 2007 of Contributie Services B.V. has been included in the consolidated balance sheet at 31 December 2007.

## 5.5 Discontinued operation

In the consolidated financial statements for year ended 31 December 2007, the assets, liabilities and activities of Optical Disc de France S.A.S., (DOCdata France) formerly part of the Media Group (currently a division of the Internet service company Docdata), were accounted for as discontinued operation. In the 2007 consolidated income statement, the results after income tax of DOCdata France have been reported under profit/(loss) from discontinued operation (net of income tax).

In the consolidated balance sheet at 31 December 2007, a provision for remaining risks related to the termination of the French activities was accounted for under current liabilities (€ 87 thousand). This provision has been fully used in 2008 for required and expected final payment of remaining liabilities. No further expenses have been accounted for in the 2008 income statement, and neither have any new accruals or provisions been accounted for in the balance sheet at 31 December 2008.

## 5.6 Property, plant and equipment

	31 December 2008	31 December 2007
<i>(in thousands)</i>	€	€
Land and buildings	1,449	1,552
Machinery and equipment	2,929	3,725
Other	1,855	1,896
	<u>6,233</u>	<u>7,173</u>
Under construction	42	335
<b>Total</b>	<u>6,275</u>	<u>7,508</u>

The book value for property, plant and equipment has decreased with € 1.2 million in 2008 as a combined result from depreciation charges for € 2.9 million, currency exchange losses for € 0.3 million on the UK property, plant and equipment accounted for in British pounds, capital expenditure for € 2.4 million (inclusive of € 0.3 million for property, plant and equipment acquired through new subsidiaries) and an elimination of € 0.4 million for the book value at 31 December 2008 of the property, plant and equipment of docdata media Ltd.; as a result of the sales process of docdata media Ltd., the eliminated property, plant and equipment have been accounted for as assets classified as held for sale in the consolidated balance sheet as at 31 December 2008.

## 5.7 Intangible assets

	31 December 2008	31 December 2007
<i>(in thousands)</i>	€	€
Goodwill	6,562	6,212
Customer contracts	627	899
IT platforms	2,790	2,605
	<u>9,979</u>	<u>9,716</u>
Under construction	-	140
<b>Total</b>	<u>9,979</u>	<u>9,856</u>

## DOCDATA N.V. – Financial Information for the year ended 31 December 2008

The book value for intangible assets has increased with € 0.1 million in 2008, due to the following:

- goodwill paid (€ 1.5 million) for the acquisitions of the majority share in Pegasus e-Business GmbH and Hitura Limited, as well as for the acquisition of an additional 20% share interest in docdata commerce B.V.;
- amortisation charges for customer contracts and IT platforms (€ 0.9 million in total);
- fair value adjustment of the put option agreement regarding the 14.4% share interest in Braywood Holdings Ltd. owned by the two other (third-party) shareholders (€ 0.3 million);
- currency exchange losses (€ 1.2 million) on the valuation of the intangible assets with an original value in British pounds (i.e. related to the Braywood and Hitura acquisitions).

### 5.8 Investments in associates

The book value for investments in associates has decreased with € 0.3 million in 2008, predominantly as a result from the consolidation of Pegasus e-Business GmbH starting 1 January 2008. In the consolidated balance sheet at 31 December 2007 the DOCDATA share interest of 30% at that time in Pegasus was valued at cost of € 0.3 million under investments in associates.

### 5.9 Post balance sheet event

In the period from 31 December 2008 till date, 19 February 2009, the following post balance sheet event has occurred which will have an effect on the DOCDATA consolidation in 2009 onwards:

- **docdata media Ltd.:** on 30 January 2009 docdata media Ltd., a part of the docdata media division, has sold its complete business activities for CD and DVD replication and Audio Cassette manufacturing to Sound Performance Manufacturing Ltd., a subsidiary of the UK based Sound Performance Ltd. This transaction includes the sale by docdata media Ltd. as per the transaction date of 30<sup>th</sup> of January 2009 of its business activities, tangible fixed assets, stocks, customer contracts, trade creditors, personnel and staff. The assets and liabilities part of this transaction have been accounted for at the lower of book value or net realisable value and have been recorded under assets classified as held for sale and liabilities classified as held for sale in the consolidated balance sheet at 31 December 2008.