



Revenue of DOCDATA N.V. for the first half-year 2014 in line with previous expectations, with underlying growth by existing and new clients

- **Margin and cash flow maintained, with preserved strong financial position**
- **Sufficient growth potential for both Docdata and IAI**
- **Revenue almost 7% lower as a result of the announced decrease of services provided to biggest client in Germany**
- **Planned investments and introduction of new services to support growth and profitability**
- **Order book of IAI reaches record level in first half-year, delivery in second half-year**

Michiel Alting von Geusau, CEO of DOCDATA N.V.:

"Our company has realised lower revenue in the first half-year 2014, in line with expectations. With Docdata we are in a phase in which on the one hand Zalando insources a large part of their fulfilment activities and on the other hand new clients like ASOS and Toys"R"Us are implemented. For Docdata, the first half-year 2014 was marked by the implementation of these and other new clients and the roll-out of our strategy and related innovations to remain in the top-3 of e-commerce service companies in Europe. With smart investments and a fine team of employees, we want to further implement our Vision 2020: 'Smart in e-commerce solutions'. This allows us to maintain our leading position and to help our clients to achieve their growth in a profitable way. We are confident that the recent developments and the expected growth in the European e-commerce market will continue to have a positive impact on our results. With IAI, we are increasingly operating worldwide and for Security Printing we realised a record order intake. To realise our global ambition we recently employed the first local sales managers in two new regions. We also invest in new applications to achieve future growth and execute our vision 2020 'Smart with laser technology'."

The following table provides a summary of the major features of the financial results and the financial position:

(in millions, percentage figures and per share data excluded)	Half-year ended at			
	30 June 2014		30 June 2013	
	€	%	€	%
Revenue	76.3	100.0	82.0	100.0
Gross profit	18.1	23.7	18.5	22.6
EBITDA	8.0	10.5	10.5	12.8
EBITA	5.6	7.3	8.2	10.0
Operating income (EBIT)	5.1	6.7	7.3	9.0
Profit for the half-year	3.6	4.7	5.1	6.2
Earnings per share (EPS)	0.51		0.73	
Balance sheet total	84.9		77.6	
Equity	40.4		39.0	
Solvency ratio (Equity / Balance sheet total)	47.6%		50.3%	

Exhibit 1: Table with major features of the consolidated financial results and financial position for the half-year ended 30 June 2014 and 30 June 2013 respectively

Major features of the first half-year 2014

Revenue of DOCDATA N.V. decreased in the first half-year 2014 with € 5.6 million to €76.3 million (-/- 6.9%). This expected revenue decrease is fully the result of the substantial lower revenue from the services provided by Docdata to Zalando, our biggest client in Germany. This revenue decrease is only partly offset by the revenue growth of IAI in combination with the revenue growth of other clients of Docdata in the Netherlands and Germany. The revenue share of the biggest client in Germany declined to 23.6% of the revenue of the Group (first half-year 2013: 36.3%) and therefore this still is the biggest client of the Group.

In the first half-year 2014 the gross profit decreased to € 18.1 million compared to €18.5 million in the first half-year 2013 (-/- 2.3%), predominantly as a result of the lower revenue. The gross profit margin for the first half-year 2014 reached 23.7% which is an improvement compared to the 22.6% for the first half-year 2013. Both lines of business contributed to this improvement of the margin; Docdata as a result of a better realised efficiency and capacity utilisation, and IAI due to a higher realised gross profit on systems delivered.

The operating income before financing result (EBIT) amounts to € 5.1 million in the first half-year 2014 compared to € 7.3 million in the first half-year 2013 (-/- 31%). The operating income for both the first half-year 2013 and the first half-year 2014 contains no relevant non-recurring costs. The decrease of the EBIT is the result of the combined effect of a lower gross profit and higher selling and administrative expenses. The selling and administrative expenses increased due to investments in the organisation and the internationalisation of both lines of business with a view on the realisation of future growth opportunities and to strengthen the profitability, in line with the strategic targets stated in our Vision 2020: Smart Growth.

The profit for the first half-year 2014 amounts to € 3.6 million (first half-year 2013: €5.1 million). This is predominantly due to the lower EBIT (-/- € 2.3 million), in combination with a better net financing result (+ €0.2 million; mainly exchange effect) and a lower income tax expenses (-/- €0.6 million).

DOCDATA N.V. maintained its strong financial position during the first half-year 2014, resulting in a solvency ratio of 47.6% per 30 June 2014 (31 December 2013: 48.3%). This solvency is the result of the following movements in equity: the profit for the first half-year 2014 (€ 3.6 million), the purchase of own shares (€ 1.1 million) and the dividend paid in May 2014 out of the 2013 profit (€ 4.9 million). As a result, equity decreased to €40.4 million per 30 June 2014. Furthermore, the balance sheet total per 30 June 2014 decreased to € 84.9 million (31 December 2013: € 88.6 million). The net cash position decreased in the first half-year 2014 to € 0.7 million (31 December 2013: € 6.7 million) predominantly due to the net cash from operating activities (€ 3.6 million), capital expenditure paid (€ 3.8 million), payment of dividend (€ 4.9 million) and the purchase of own shares (€ 1.1 million).

Smart e-commerce solutions Docdata

Winning ASOS as a new client follows the partial departure of Zalando with respect to its activities in Germany. ASOS, a global online fashion retailer, has 71 million monthly visitors in its online shop that focuses on '20-somethings' with a significant part of these visitors on the mainland of Europe. A partnership with Docdata for setting up a hub on the mainland fits into their plans to better serve and hold on to their European mainland customers, and at the same time save costs. The implementation of ASOS was successful but the impact on the revenue of Docdata will still be small in 2014, as this implementation takes place gradually.

Our partner of the first hour bol.com presents itself with their new pay-off, '*Winkel van ons allemaal*' ('a store of us all'), as an online shop with a wide and deep assortment and has again added new product groups to its web shop in the past six months, i.e. jewellery, sunglasses and watches. The diversity and growth of all these product groups demands sophisticated and product-specific fulfilment solutions that Docdata develops together with bol.com.

As described in our Vision 2020 document of Docdata, we see an interesting role for 'Specialised Resellers' that operate in niche markets. Clients like Pit&Pit, Wine in Black and Outfittery show strong growth and are expanding successfully abroad, supported by the cross-border expertise of Docdata.

Docdata works continuously at the development of new smart solutions to support existing and new clients with their growth ambitions. Among other things, a packaging machine for big items was brought into use and Docdata is working at 'click & collect' applications. Early July 2014, Docdata introduced a new service called Docdata Connect, which offers clients from one central stock connection to various different online market places.

Smart laser technology IAI

The focus of IAI is becoming global. Systems for projects in the Far East and South America have been or will be installed. IAI wants to be the technology partner for companies that develop unique features based on laser applications and bring these to the market together with IAI. In addition to this, IAI invests in new, fully integrated solutions and production systems for passports and ID-cards that enhance the product portfolio substantially.

Capital expenditure

In the first half-year 2014, a total of € 5.4 million was invested, of which € 4.8 million in tangible fixed assets. This predominantly concerns investments in a new warehouse in Großbeeren, the start of the expansion of the capacity in Waalwijk and an expansion of the available office and working space of IAI in Veldhoven and Thalheim. In addition, € 0.6 was invested in intangible assets, mainly by IAI in the development of solutions for the document security market. In the second half-year 2014 we expect a similar level of capital expenditure with a focus on making the two new warehouse units in Waalwijk fully operational, as well as on development by IAI.

Personal and organisation

The permanent staff employed by the Group grew with 4.6% to 1,324 employees (1,237 FTE) in the first half-year 2014 compared to the end of 2013. This is a combination of fewer employees due to less activity for our biggest client in Germany and the sale of docdata payments (response) Ltd. in the United Kingdom, and more employees due to the autonomous growth in the Netherlands, Poland and for IAI. We continue to invest in the organisation to win new clients and orders, and strengthen our continuous improvement capabilities.

We continue to focus on finding, retaining and developing talented employees to fulfil our objective to remain a top-3 e-commerce service provider in Europe. A constantly high level of our services demands dedicated and well trained employees. Docdata believes it is important to create a pleasant working environment for its employees and also considers successes achieved. For example, the 15th anniversary of the e-commerce organisation was celebrated in May with a big party in the Efteling.

Outlook

Also in the second half-year 2014, the focus will remain on winning new clients and orders to show growth again in 2015. As indicated before, we expect for the full-year 2014 lower revenue for Docdata as a result of the expected strong decline in revenue from our biggest client. This decrease in revenue will most likely exceed the potential revenue growth through the strategic partnerships with promising new clients including ASOS and Toys“R”Us. Furthermore, the order book of IAI grew to a record level in the first half-year 2014, of which the major part is planned to be delivered in 2014.

Accounting policies

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 2013 Annual Report that is available at the Company and can also be downloaded from the Company's corporate website, www.docdatanv.com. The interim financial report has been prepared in accordance with IAS 34 ('Interim Financial Reporting').

Audit

The financial information included in this interim report and its enclosures have not been audited by the external auditors.

Enclosure with financial information

For a detailed review of the 2014 half-year results please refer to the attached enclosure 'Interim Financial Information for the half-year ended 30 June 2014' with Appendix.

Meeting for financial press and analysts

Today, Thursday 17 July 2014, management of DOCDATA N.V. will discuss the 2014 half-year 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 Euronext Amsterdam (Beursplein 5, 1012 JW Amsterdam, telephone +31-20-5505505). After this meeting, the presentation shown to the financial press and analysts will be made available for downloading from the Company's corporate website, www.docdatanv.com.

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

Docdata (www.docdata.com) is a European market leader that plays an important role behind the scenes of many A-brands, retailers and e-tailers. Docdata operates in The Netherlands, Germany, the United Kingdom, Italy, Poland, Switzerland and Spain. Clients of Docdata are a.o. bol.com, de Bijenkorf, Brands4Friends, ASOS, Toys"R"Us, Wine in Black, V&D, HP and Zalando. Supported by the Docdata services, more than one hundred thousand transactions are realised on a daily basis. The world of e-commerce changes rapidly. That is why Docdata continuously invests in people, equipment, development of IT-platforms and in services. This enables Docdata to proactively support its clients both on an operational and strategic level.

IAI (www.iai-industrial-systems.com) 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 solar cells and modules and processing of other materials and products.

Financial calendar

- | | |
|------------------------|---|
| • 15 October 2014 | <i>Interim notice third quarter 2014</i> |
| • 24 February 2015 (*) | <i>Publication of 2014 results</i> |
| • 31 March 2015 (*) | <i>Publication of Annual Report 2014</i> |
| • 22 April 2015 (*) | <i>Interim notice first quarter 2015</i> |
| • 12 May 2015 (*) | <i>Annual General Meeting of Shareholders</i> |
| • 16 July 2015 (*) | <i>Publication of 2015 half-year results</i> |

(*) *provisional date*

Waalwijk, the Netherlands, 17 July 2014

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



Responsibility Statement

Statement pursuant to article 5:25d section 2 sub c of the Dutch Financial Supervision Act ("Wet financieel toezicht", Wft)

The DOCDATA N.V. Management Board declares, that to the best of their knowledge:

1. the interim financial statements of DOCDATA N.V., as set out on pages 10 to 19 of this report, give a true and fair view of the assets, the liabilities and the financial position as at 30 June 2014 and the profit for the half-year ended 30 June 2014 of DOCDATA N.V. and its consolidated subsidiaries;
2. the interim report of DOCDATA N.V., as set out on pages 1 to 5 and 7 to 9 of this report, includes a true and fair review of the position as per 30 June 2014 and of the development and performance during the half-year ended 30 June 2014 of DOCDATA N.V. and the associated companies, of which the information is included in the interim financial statements. In addition, the interim report gives a true and fair review of the expected developments, investments and circumstances of which the development of revenue and profitability depend.

Waalwijk, 17 July 2014

The Management Board,

M.F.P.M. Alting von Geusau, CEO

M.E.T. Verstraeten, CFO

Interim Financial Information

The interim financial information is prepared in accordance with International Financial Reporting Standards as adopted by the European Union (hereafter “IFRS”) and its interpretations adopted by the International Accounting Standards Board (IASB).

Results for Docdata

	Half-year ended 30 June 2014		Half-year ended 30 June 2013	
	€	%	€	%
<i>(in thousands, except percentage figures)</i>				
Revenue	69,149	100.0	75,513	100.0
Gross profit (margin as a % of revenue)	15,490	22.4	16,334	21.6
Selling and administrative expenses	(11,163)	(16.1)	(9,799)	(13.0)
Other operating income and expenses	255	0.3	338	0.5
EBITDA	7,192	10.4	9,686	12.8
Operating profit before financing result (EBIT)	4,582	6.6	6,873	9.1

Revenue of Docdata decreased with € 6.4 million (-/-8.4%) to € 69.1 million. This decrease is a combined effect of substantial lower volumes processed for our biggest client in Germany (-/- € 11.8 million) and autonomous growth of the other clients in the Netherlands and Germany (+ € 5.4 million). The development of the number of transactions shows a similar effect and the total number of transaction decreased with 13% to almost 23 million in the first half-year 2014.

The gross profit decreased with € 0.8 million (-/-5.2%) which is the result of lower revenue and improved efficiency in the first half-year 2014. Efficiency has improved through higher warehouse capacity and the implementation of smart solutions for efficiency improvements.

The operating profit (EBIT) decreased with € 2.3 million (-/-33.3%) mainly as a result of lower gross profit and higher selling and administrative expenses. Selling and administrative expenses increased in comparison with the previous year, mainly due to the consolidation of the new companies in Poland and Italy as from the second half-year 2013. Furthermore, additional costs have been made for investment in the organisation and the implementation of new clients.

In the first half-year 2013 and 2014 no non-recurring costs have been recognised. Restructuring costs for the UK are very limited in the first half-year 2014 and were fully covered by the provisions recorded per year-end 2013. The sale of the shares docdata payments (response) Ltd. per 9 June 2014 has not had a material impact on the results of the first half-year 2014, and is not expected to have any material impact on the Group financial results going forward.

**DOCDATA N.V. – Interim Financial Information for the half-year ended 30 June 2014
(unaudited)**

International expansion

The returns operations in Poland started in the fourth quarter 2013 and is performing well. The number of handled returns coming from the German and Polish market is increasing and further growth opportunities are being investigated. In Italy we do need further investments to win new clients and build up volumes.

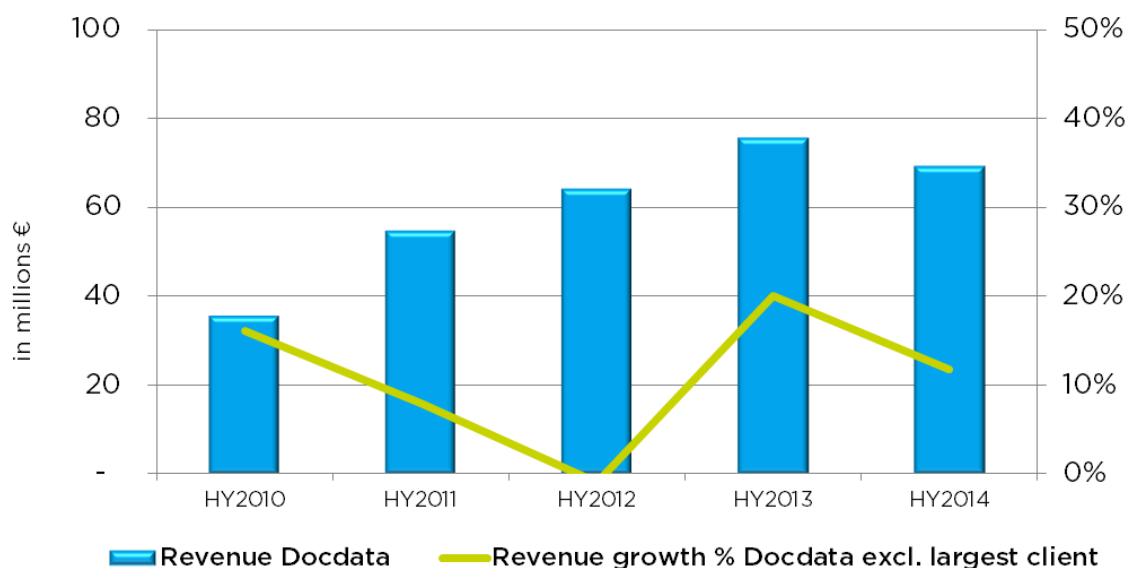


Exhibit 2: Development Docdata revenue and revenue growth excluding largest client

Results for IAI

	Half-year ended 30 June 2014		Half-year ended 30 June 2013	
	€	%	€	%
<i>(in thousands, except percentage figures)</i>				
Revenue	7,181	100.0	6,460	100.0
Gross profit (margin as a % of revenue)	2,613	36.4	2,203	34.1
Selling and administrative expenses	(2,137)	(29.8)	(1,744)	(27.0)
Other operating income and expenses	14	0.2	9	0.1
EBITDA	806	11.2	804	12.5
Operating profit before financing result (EBIT)	490	6.8	468	7.2

Revenue of IAI increased with €0.7 million (+11.2%). In the first half-year 2014 there were less systems delivered compared to the first half-year 2013. However, the average order value per system was higher in the first half-year 2014, resulting in a higher revenue. In the first half-year 2014 new orders have been signed for China, Algeria and one other European country. The delivery of these orders is planned in the second half-year 2014.

The gross profit increased with € 0.4 million (+18.6%) due to higher sales and a slightly higher gross profit margin. The operating profit (EBIT) is in line with the previous half-year, as a combined result of higher gross profit and higher selling and administrative expenses. In the first half-year 2014 IAI has further invested in the development of its organisation and the improvement of the production facilities in Veldhoven and by moving the FEHA operations to a new location in Thalheim, Germany.



Exhibit 3: IAI order book development 2013-2014

**DOCDATA N.V. – Interim Financial Information for the half-year ended 30 June 2014
(unaudited)**

Consolidated Interim Financial Statements

1. Consolidated Balance Sheets

Financial position before appropriation of profit.

	Reference	30 June 2014	31 December 2013
(in thousands)		€	€
Assets			
Property, plant and equipment	6.7	24,342	22,016
Intangible assets	6.8	5,946	5,870
Trade and other receivables		250	360
Other investments		11	11
Deferred tax assets		1,175	796
Total non-current assets		31,724	29,053
Inventories	6.9	12,728	7,135
Income tax receivables		2,137	2,038
Trade and other receivables		26,722	29,118
Cash and cash equivalents	6.10	11,571	20,518
Assets classified as held for sale		-	738
Total current assets		53,158	59,547
Total assets		84,882	88,600
Equity			
Share capital		700	700
Share premium		16,854	16,854
Translation reserves		(589)	(523)
Reserve for own shares		(39)	441
Retained earnings (from prior years)		19,910	16,626
Unappropriated profits (Profit for the period)		3,557	8,665
Total equity attributable to equity holders of the parent		40,393	42,763
Non-controlling interest		-	-
Total equity	6.12	40,393	42,763
Liabilities			
Interest-bearing loans and other borrowings		-	-
Deferred tax liabilities		980	980
Other non-current liabilities		661	418
Total non-current liabilities		1,641	1,398
Bank overdrafts		-	-
Interest-bearing loans and other borrowings		-	-
Income tax payable		1,898	1,839
Trade and other payables		38,989	40,725
Provisions		1,961	1,875
Total current liabilities		42,848	44,439
Total liabilities		44,489	45,837
Total equity and liabilities		84,882	88,600

Note: Cash and cash equivalents per 30 June 2014 includes restricted cash of Stichting foundation docdata payments in the amount of €10.9 million, see also the disclosure notes 6.10 and 6.11 (31 December 2013: €13.8 million).

**DOCDATA N.V. – Interim Financial Information for the half-year ended 30 June 2014
(unaudited)**

2. Consolidated Income Statements

	Reference	Half-year ended 30 June 2014		Half-year ended 30 June 2013	
(in thousands, except percentage figures, earnings per share and average shares outstanding)		€	%	€	%
Revenue		76,330	100.0	81,973	100.0
Cost of sales		(58,227)	(76.3)	(63,436)	(77.4)
Gross profit		18,103	23.7	18,537	22.6
Other operating income	6.13	382	0.5	375	0.5
Selling expenses		(4,183)	(5.5)	(3,462)	(4.2)
Administrative expenses		(9,117)	(11.9)	(8,081)	(9.9)
Other operating expenses	6.13	(113)	(0.1)	(28)	-
Operating profit before financing result		5,072	6.7	7,341	9.0
Financial income		84	0.1	65	-
Financial expenses		(65)	(0.1)	(198)	(0.2)
Net financing income / (expenses)	6.14	19	-	(133)	(0.2)
Share of losses / (losses) of associates		-	-	-	-
Profit before income tax		5,091	6.7	7,208	8.8
Income tax expense	6.15	(1,534)	(2.0)	(2,096)	(2.6)
Profit for the period		3,557	4.7	5,112	6.2
Attributable to:					
Equity holders of the parent		3,557	4.7	5,112	6.2
Non-controlling interest		-	-	-	-
Profit for the period		3,557	4.7	5,112	6.2
Weighted average number of shares outstanding		6,957,000		6,973,000	
Earnings per share					
Basic earnings per share		0.51		0.73	

**DOCDATA N.V. – Interim Financial Information for the half-year ended 30 June 2014
(unaudited)**

3. Consolidated Statements of Cash Flows

	Reference	Half-year ended 30 June 2014	Half-year ended 30 June 2013
<i>(in thousands)</i>		€	€
Cash flows from operating activities			
Profit for the period		3,557	5,112
<i>Adjustments for:</i>			
Depreciation and amortisation		2,926	3,149
Costs performance shares and delivered shares		118	139
Loss / (Gain) on sale of property, plant and equipment		(147)	12
Financial income		(84)	(65)
Financial expenses		65	198
Income tax expense		1,534	2,096
Cash flows from operating activities before changes in working capital and provisions		7,969	10,641
(Increase) / decrease in trade and other receivables		3,092	1,059
(Increase) / decrease in inventories		(5,593)	(2,136)
Increase / (decrease) in trade and other payables		166	(4,133)
Increase / (decrease) in provisions and other non-current liabilities		(45)	(25)
Cash generated from the operations		5,589	5,406
Interest paid		(86)	(119)
Interest received		84	65
Income taxes paid		(2,416)	(2,889)
Income taxes received		417	34
Net cash from operating activities	6.12	3,588	2,497
Cash flows from investing activities			
Acquisition of property, plant and equipment	6.7	(3,258)	(4,529)
Acquisition of intangible assets	6.8	(576)	(640)
Proceeds from sale of subsidiaries	6.6	212	-
Proceeds from sale of property, plant and equipment		109	-
Loans provided to associates and other investments		-	(110)
Net cash from investing activities	6.12	(3,513)	(5,279)
Cash flows from financing activities			
Dividends paid		(4,851)	(3,850)
Own shares bought		(1,128)	(245)
Proceeds from exercise of share options		-	425
Net cash from financing activities	6.12	(5,979)	(3,670)
Net increase / (decrease) in non-restricted cash and cash equivalents		(5,904)	(6,452)
Cash and cash equivalents at the beginning of the period		6,704	8,801
Restricted cash and cash equivalents <i>(Note)</i>		10,852	8,424
Effect of exchange rate fluctuations on cash held		(81)	56
Cash and cash equivalents at the end of the period <i>(Note)</i>		11,571	10,829

Note: reference to disclosure notes 6.10 and 6.11 for Stichting foundation docdata payments

**DOCDATA N.V. – Interim Financial Information for the half-year ended 30 June 2014
(unaudited)**

4. Consolidated Statements of Shareholders' Equity

	Share capital	Share premium	Reserves	Retained earnings	Total equity attributable to equity holders of the parent	Non- controlling interest	Total equity
(in thousands)	€	€	€ (Note 1)	€ (Note 2)	€	€	€
Equity Statement 2013							
Balance at 1 January 2013	700	16,854	(991)	20,968	37,531	-	37,531
Dividend distribution	-	-	-	(3,850)	(3,850)	-	(3,850)
Exercised share options	-	-	425	-	425	-	425
Delivered shares for remuneration	-	-	32	-	32	-	32
Own shares bought	-	-	(245)	-	(245)	-	(245)
Costs Performance shares	-	-	107	-	107	-	107
Realised reserve for own shares	-	-	492	(492)	-	-	-
Unrealised exchange rate results	-	-	(113)	-	(113)	-	(113)
Profit for the period	-	-	-	5,112	5,112	-	5,112
Balance at 30 June 2013	700	16,854	(293)	21,738	38,999	-	38,999
Balance at 1 July 2013	700	16,854	(293)	21,738	38,999	-	38,999
Costs Performance shares	-	-	107	-	107	-	107
Unrealised exchange rate results	-	-	104	-	104	-	104
Profit for the period	-	-	-	3,553	3,553	-	3,553
Balance at 31 December 2013	700	16,854	(82)	25,291	42,763	-	42,763
Equity Statement 2014							
Balance at 1 January 2014	700	16,854	(82)	25,291	42,763	-	42,763
Dividend distribution	-	-	-	(4,851)	(4,851)	-	(4,851)
Own shares bought	-	-	(1,128)	-	(1,128)	-	(1,128)
Costs Performance shares	-	-	118	-	118	-	118
Realised reserve for own shares	-	-	530	(530)	-	-	-
Unrealised exchange rate results	-	-	(66)	-	(66)	-	(66)
Profit for the period	-	-	-	3,557	3,557	-	3,557
Balance at 30 June 2014	700	16,854	(628)	23,467	40,393	-	40,393

Note 1: Reserves in the Consolidated Statement of Shareholders' Equity consists of the balances for Translation reserves and Reserve for own shares.

Note 2: Retained earnings in the Consolidated Statement of Shareholders' Equity consists of the balances for Retained earnings (from prior years) and Unappropriated profits, equal to the Profit for the period for all disclosed half-year periods, ended 30 June 2013, 31 December 2013 and 30 June 2014 respectively.

**DOCDATA N.V. – Interim Financial Information for the half-year ended 30 June 2014
(unaudited)**

5. Consolidated Statements of recognised Income and Expense

	Half-year ended 30 June 2014	Half-year ended 30 June 2013
<i>(in thousands)</i>	€	€
Foreign exchange translation differences, net of tax	(66)	(113)
Income / (Expense) recognised directly in equity	(66)	(113)
Profit for the period	3,557	5,112
Total recognised income and expense for the period	3,491	4,999
Attributable to:		
Equity holders of the parent	3,491	4,999
Non-controlling interest	-	-
Total recognised income and expense for the period	3,491	4,999

6. Notes to the Consolidated Interim Financial Statements

6.1 Reporting entity

DOCDATA N.V. (referred to as “DOCDATA” or the “Company”) is a company domiciled in Waalwijk, the Netherlands. The consolidated interim financial statements of DOCDATA N.V. as at and for the half-year ended 30 June 2014 comprise DOCDATA N.V. and its subsidiaries (together referred to as the “Group”) and the Group’s interest in associates and jointly controlled entities.

The consolidated financial statements of the Group as at and for the year ended 31 December 2013 are available upon request from the Company’s registered office at Energieweg 2, 5145 NW in Waalwijk, the Netherlands, or at the Company’s corporate website, www.docdatanv.com.

6.2 Statement of compliance

These consolidated interim financial statements have been prepared in accordance with IAS 34 (Interim Financial Reporting). They do not include all of the information required for full annual financial statements, and should therefore be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2013.

6.3 Significant accounting policies

The consolidated financial statements of the Group are prepared in accordance with the International Financial Reporting Standards as adopted by the European Union (“IFRS”). The accounting policies applied by the Group in these consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2013. For a summary of the significant accounting policies under IFRS, please refer to the Group’s Annual Report for the financial year ended 31 December 2013.

6.4 Audit

The consolidated interim financial statements and the reconciliations included in this report and its enclosures have not been audited by the external auditors.

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6.5 Management representations

In the opinion of the management, these consolidated interim financial statements include all adjustments necessary for a fair presentation of the financial position, operating results and cash flows of all reporting periods herein.

In the consolidated interim financial statements for the half-year ended 30 June 2014, as well as for the half-year ended 30 June 2013, no significant non-recurring adjustments have been recorded.

The results of the operations for the half-year ended 30 June 2013 are not necessarily indicative of the results for the entire financial year ending 31 December 2013.

6.6 Consolidation

In the consolidated interim financial statements for the half-year ended 30 June 2014 and the consolidated financial statements for the year ended 31 December 2013, the following treatment has been applied for the following incorporations:

- **docdata payments (response) Ltd.:** on 9 June 2014, the Group has sold through its UK intermediate holding company DOCdata (UK) e-Holding Ltd. all shares in its subsidiary docdata payments (response) Ltd. As of this date, the activities and results of this legal entity have been excluded from the DOCDATA consolidation;
- **Docdata Italy Srl.:** on 8 July 2013, the Group has incorporated through its Dutch intermediate holding company DOCdata International B.V. a limited liability company in Italy and named this new wholly-owned subsidiary Docdata Italy Srl. As of the incorporation date, the activities and results of this legal entity have been included in the DOCDATA consolidation;
- **Docdata Fulfilment sp. z o.o.:** on 5 June 2013, the Group has acquired through its Dutch intermediate holding company DOCdata International B.V. a limited liability (shelf) company in Poland and renamed this new wholly-owned subsidiary Docdata Fulfilment sp. z o.o. As of the acquisition date, the activities and results of this legal entity have been included in the DOCDATA consolidation;
- **Docdata Technology B.V.:** on 15 April 2013, the Group has incorporated through its group company Docdata Technology Beheer B.V. a limited liability company in the Netherlands and named this new wholly-owned subsidiary Docdata Technology B.V. As of the incorporation date, the activities and results of this legal entity have been included in the DOCDATA consolidation;
- **Docdata Technology Beheer B.V.:** on 15 April 2013, the articles of association of the wholly-owned Dutch subsidiary 4D upgrade B.V. were amended and the legal name of the company was changed into Docdata Technology Beheer B.V.

6.7 Property, plant and equipment

	30 June 2014	31 December 2013
<i>(in thousands)</i>	€	€
Land and buildings	3,494	3,080
Machinery and equipment	17,205	16,150
Office equipment and other	2,643	2,665
	<u>23,342</u>	<u>21,895</u>
Under construction	1,000	121
Total	<u>24,342</u>	<u>22,016</u>

The book value of property, plant and equipment has increased with € 2.3 million in the half-year ended 30 June 2014 as a combined result from capital expenditure of € 4.8 million, depreciation charges of € 2.4 million and divestments with a net book value of € 0.1 million. Capital expenditure in the half-year ended 30 June 2014 relates to investments by Docdata for the further expansion of the logistic centre in Waalwijk, the Netherlands (€ 0.9 million), the warehouses in Germany, predominantly in the Berlin region (€ 2.1 million) and for investments in Poland (€ 0.1 million), as

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well as investments by IAI in the Veldhoven facility (€ 1.2 million) and in the new Thalheim facility (€0.3 million). Of this capital expenditure in the half-year ended 30 June 2014 €1.0 million has been accounted for as 'under construction', which predominantly relates to investment projects by Docdata in Waalwijk (€0.7 million) and investments by IAI in Veldhoven (€0.3 million). At 30 June 2014, extra capital expenditure was committed for an additional investment amount of €2.1 million for these projects 'under construction'.

6.8 Intangible assets

	30 June 2014	31 December 2013
<i>(in thousands)</i>	€	€
Goodwill	2,444	2,444
Software (IT platforms)	1,770	2,010
Development costs	1,377	1,416
	5,591	5,870
Under construction	355	-
Total	5,946	5,870

The book value for intangible assets has increased with € 0.1 million during the half-year ended 30 June 2014, due to the following:

- capital expenditure in software (IT platforms) and development costs (€0.6 million in total). The largest portion of this capital expenditure relates to investments by IAI in the development of solutions predominantly for the security market (€ 0.5 million, of which € 0.4 accounted for 'under construction');
- amortisation charges for software (IT platforms) and development costs (€0.4 million in total).

The book value at 30 June 2014 for goodwill only relates to the goodwill paid at acquisition of the subsidiary docdata payments B.V. in Driebergen-Rijsenburg, the Netherlands.

6.9 Inventories

	30 June 2014	31 December 2013
<i>(in thousands)</i>	€	€
Finished goods	2,494	1,903
Work in progress	8,850	4,063
Raw and auxiliary materials (including spare parts)	1,384	1,169
Total	12,728	7,135

The book value of inventories increased €5.6 million in the half-year ended 30 June 2014, which is the combined effect of the substantially increased work in progress of IAI (€4.8 million), a higher finished goods inventory level (€ 0.6 million) and a higher inventory level for raw and auxiliary materials (€0.2 million). The higher finished goods inventory level is caused by the higher inventory of company clothing by Docdata Fashion Services GmbH; the total book value of this company clothing inventory is €2.1 million at 30 June 2014. The Company only bears a limited inventory risk on this stock, as the clients have accepted their obligation to take over this inventory should they terminate their contract with Docdata Fashion Services GmbH. The increase of the inventory value of raw and auxiliary materials is mainly due to the higher production level of IAI.

The IAI order book developed in the half-year ended 30 June 2014 from €10.2 million at 31 December 2013 to €15.8 million at 30 June 2014, resulting from systems' deliveries in the half-year ended 30 June 2014 with revenue of €7.0 million and new orders booked with a total sales value of €12.3 million. The increased order book is also reflected in the book value per 30 June 2014 of work in progress, as the largest part of the orders included in work in progress is scheduled for delivery in the second half-year of 2014.

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6.10 Cash and cash equivalents

	30 June 2014	31 December 2013
<i>(in thousands)</i>	€	€
Non-restricted cash and cash equivalents	719	6,704
Restricted cash and cash equivalents	10,852	13,814
Total	11,571	20,518

Restricted cash and cash equivalents only consists of the restricted cash and cash equivalents recorded in the balance sheet of Stichting foundation docdata payments, representing cash received from customers on behalf of the Docdata Payments merchants in the bank accounts of Stichting foundation docdata payments which shall have to be paid (net of charged Docdata Payments fees) to the merchants without any disposition of this cash balance to the Group.

6.11 Stichting foundation docdata payments

The balance sheet of Stichting foundation docdata payments reads as follows:

	30 June 2014	31 December 2013
<i>(in thousands)</i>	€	€
Trade and other receivables	167	183
Restricted cash and cash equivalents	10,852	13,814
Total current assets	11,019	13,997
Total assets	11,019	13,997
Other non-current liabilities	661	418
Total non-current liabilities	661	418
Trade and other payables	10,358	13,579
Total current liabilities	10,358	13,579
Total liabilities	11,019	13,997

Of these items in the balance sheet of Stichting foundation docdata payments, the following items have certain restrictions which should be honoured by the Group:

- restricted cash and cash equivalents is fully restricted cash, as the balance concerns cash received from customers on behalf of the Docdata Payments merchants which shall have to be paid to the merchants, net of charged Docdata Payments fees;
- other non-current liabilities concerns advance payments received from merchants in depository accounts;
- trade and other payables reflect the payment obligations towards the merchants in view of the settlements for realised transactions for which money has already been collected from consumers that shall have to be paid to the merchants.

6.12 Liquidity and capital resources

The General Annual Meeting of Shareholders held on 13 May 2014 approved the proposal to distribute a dividend of € 0.70 per ordinary share outstanding, which had a decreasing impact of € 4.9 million on retained earnings within the equity of the Company in the half-year ended 30 June 2014. The dividend was paid by the Company on 23 May 2014 from the net cash available.

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The Performance Shares granted conditionally in 2011 vested at 17 June 2014 with a vesting percentage of 127.11%, which was based on the average annual Total Shareholder Return growth realised over the three-year performance period covering the years 2011, 2012 and 2013. For a total number of 38,755 outstanding Performance Shares the Company has delivered 49,269 own shares. These own shares were bought by the Company through a broker on the Euronext Amsterdam stock market in the weeks following the publication of the 2013 financial results (i.e. total number of shares bought: 70,000 shares; purchased in two tranches on 28 February 2014 and 4 March 2014; average purchase price: €16.11 per share). At 30 June 2014, the Company therefore still holds 20,731 own shares.

Furthermore, a total number of 133,478 Performance Shares are outstanding per 30 June 2014, which have been granted conditionally in 2012 (63,387 Performance Shares; vesting date: 1 June 2015), in 2013 (41,015 Performance Shares; vesting date: 16 May 2016) and in 2014 (29,076 Performance Shares; vesting date: 15 May 2017). The own shares required at vesting of each of these Performance Share Plans will be bought by the Company, if and when needed in the future, through an external broker at the Euronext Amsterdam stock market. The 'Reserve for own shares' balance in equity per 30 June 2014 amounts to €39 thousand (debit), representing the total of the purchase price paid for the own shares the Company holds, and all costs recorded against income for the Performance Shares granted in 2012, 2013 and 2014. Each time when Performance Shares will vest or own shares will be sold, the 'Reserve for own shares' balance will be partially released to retained earnings for the corresponding relative amount related to those vested Performance Shares or sold own shares.

In the half-year ended 30 June 2014, the Group realised net cash from operating activities of €3.6 million (half-year ended 30 June 2013: €2.5 million). Furthermore, €0.3 million in cash was received from the sale of property, plant and equipment and the shares of the subsidiary docdata payments (response) Ltd. in the United Kingdom. In total, this resulted in a total cash-in of €3.9 million for the half-year ended 30 June 2014. With these funds, the Group invested in the half-year ended 30 June 2014 a total amount of €9.9 million, containing the payment of the 2013 dividend (€4.9 million), capital expenditure in property, plant and equipment (€3.3 million paid in the half-year ended 30 June 2014, mainly by Docdata for warehousing equipment in Waalwijk and Großbeeren, and by IAI for building investments in Veldhoven and Thalheim) and intangibles (€0.6 million, mainly for development costs for new solutions by IAI) and the purchase of own shares (€1.1 million). As a result, the net cash position of the Group has decreased with €6.0 million to a net cash position of €0.7 million per 30 June 2014 (31 December 2013: net cash of €6.7 million), excluding the restricted cash position per 30 June 2014 of Stichting foundation docdata payments (€10.9 million).

6.13 Other operating income and expenses

	Half-year ended 30 June 2014		Half-year ended 30 June 2013	
	€	%	€	%
<i>(in thousands, except for percentage figures)</i>				
Other operating income	382	0.5	375	0.5
Other operating expenses	(113)	(0.1)	(28)	-
Net other operating expenses	269	0.4	347	0.5

Other operating income predominantly consist of releases of accruals and provisions carried in the balance sheet at the end of the previous year. Other operating expenses predominantly consist of expenses from prior years.

6.14 Net financing income / (expenses)

Net financing income for the half-year ended 30 June 2014 amounted to €19 thousand compared to net financing expenses of €133 thousand for the half-year ended 30 June 2013. This increase of €0.2 million is predominantly caused by the foreign currency exchange result in the half-year ended 30 June 2014 (€21 thousand profit) compared to the half-year ended 30 June 2013 (€125 thousand loss) related to the British pound.

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(unaudited)**

6.15 Income tax expense

DOCDATA's effective tax rate in the half-year ended 30 June 2014 was 30.1% with an income tax expense of € 1.5 million on a profit before income tax of € 5.1 million. In the half-year ended 30 June 2013, the profit before income tax amounted to € 7.2 million and the income tax expense amounted to € 2.1 million (effective tax rate: 29.1%). The increased effective tax rate predominantly is caused by the net operating losses for the half-year ended 30 June 2014 in the United Kingdom and Italy (in total a net loss of € 0.8 million), for which no deferred tax assets are recorded. Furthermore, it represents that the mix of the profit before income tax which originates from the German and the Netherlands operations has changed, in the way that the relative share of the Dutch profit before tax (taxed at a lower tax rate) has increased considerably in the half-year ended 30 June 2014 compared to the German profit before tax; this is the result of the much lower profit of the German operations in the half-year ended 30 June 2014.

The income tax expense of € 1.5 million in the half-year ended 30 June 2014 is the combined result of the following tax treatments of the results per country:

- In the Netherlands, income taxes are recorded at a corporate income tax rate of 25.0% on the taxable income for the Dutch fiscal entity as well as for the Dutch subsidiary Docdata Payments that is not part of this fiscal entity (2013: 25.0%).
- In the United Kingdom, income taxes are recorded against a blended corporate income tax rate of 21.5% (2013: 23.25%). No corporate income taxes have been recorded on the UK net operating loss for the half-year ended 30 June 2014 (€ 0.6 million).
- In Germany, income taxes are recorded at a corporate income tax rate of in general between 26% and around 32% (2013: same rates) on taxable income for the German entities when and where applicable, depending on the actual region in Germany of their legal seat (e.g. Berlin, Munich or Münster region).
- In Poland, income taxes are recorded against a corporate income tax rate of 19.0% (2013: 19.0%).
- In Italy, income taxes are recorded against a corporate income tax rate of 27.5% (2013: 27.5%). No corporate income taxes have been recorded on the Italian net operating loss for the half-year ended 30 June 2014 (€ 0.2 million).

Waalwijk (the Netherlands), 17 July 2014
