



## **Press release**

### **Trading update**

**Vianen, November 17 2009. Blue Fox Enterprises N.V. (BFE) announces its trading update for the third quarter of 2009.**

Business conditions remained slow in the third quarter. The first nine months have been a challenging period for the fashion and textile industry in general. In the period under review, Blue Fox has seen many customers reducing costs and postponing investment decisions. This has translated into a decline in turnover at BFE.

The collection of maintenance fees on already implemented systems are still in line with expectations, but the market circumstances have resulted in reduced new software sales. In anticipation of a reduction in revenue, management implemented a number of measures to reduce costs. Despite the reduced costs, operating income was negative.

Through NedGraphics, BFE has held a leading position in CAD/CAM software for the fashion and textile industry for many years now. BFE uses its in-house expertise to both maintain its leadership position and to enter new markets. The company's multi-year business plan is structured around the "NedGraphics Value Triangle". Plans to structurally increase turnover and enter new markets are key parts of this strategy. To implement this strategy a strengthened capital structure was necessary. In June, BFE was able to secure this new financing by an issue of new shares. Furthermore, agreement was reached with the financier on an option to convert part of the credit facility into ordinary shares. These decisions were approved by the shareholders during the Extraordinary General Meeting of shareholders (EGM) held on 20 July 2009.

September 10th, BFE announced the launch of LOFT™, a new on-line product suite as part of the new strategy. LOFT™ is a customer-driven tool. Designers and manufacturers who are part of the LOFT™ business community will be able to offer current and future buyers through their websites the opportunity to upload their own pictures. LOFT™ allows them to convert these pictures into 3-D environments and to "play around" at their convenience with the products of the designers and manufacturers. This will lead to a much higher level of 'reality' in the virtual experience than any other company can offer today. Merely one month after the new product announcement, BFE communicated the first LOFT™ customer in Europe.

As announced before, the growth scenario will be accompanied by a complete rebranding, in which the name Blue Fox Enterprises N.V. will be changed. Meanwhile, the investigation into this has been successfully finalized. The name change involves a change of the company's articles of association, which will be proposed to the shareholders in the EGM, scheduled for December 17. An invitation and agenda will be published separately.

## **Outlook**

The year 2009 will continue to be characterised by the reconstruction of the company that should build the foundations for growth in the coming years. The product- and market leader position that BFE has gained in its market segment will be maintained and extended. In October, the collection of maintenance for 2010 has already started, which will result in a positive free cash flow in the fourth quarter.

## **Profile Blue Fox Enterprises**

The sender of this press release is Blue Fox Enterprises N.V., Blue Fox is the first and only supplier of completely integrated software solutions for the international fashion & textile industry. Blue Fox is listed on Euronext Amsterdam.

### **For more information:**

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