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## **P R E S S   R E L E A S E**

### **DOCdata N.V. announces the 2004 half-year results**

### **Operating Income and Net Income firmly improved**

#### **Results and Financial Position half-year 2004 (unaudited)**

(In millions, except percentage figures and per share data)	Half-year ended at			
	30 June 2004		30 June 2003	
	€	%	€	%
<b>Net Sales</b>	<b>33.9</b>	100.0	<b>34.6</b>	100.0
<b>Gross Profit</b>	<b>8.5</b>	25.1	<b>7.0</b>	20.2
<b>Operating Income (EBIT)</b>	<b>2.9</b>	8.6	<b>0.6</b>	1.7
<b>Net Result</b>	<b>1.6</b>	4.7	<b>(0.0)</b>	(0.0)
<b>EBITDA</b>	<b>5.3</b>	15.6	<b>3.6</b>	10.4
<b>Net Operational Cash Flow</b>	<b>5.0</b>		<b>4.2</b>	
<b>Average Number of Shares Outstanding (millions)</b>	<b>6.86</b>		<b>6.85</b>	
<b>Net Result per Share</b>	<b>0.24</b>		<b>(0.00)</b>	
<b>Net Operational Cash Flow per Share</b>	<b>0.73</b>		<b>0.62</b>	
<b>Balance Sheet total</b>	<b>42.0</b>		<b>43.1</b>	
<b>Equity</b>	<b>25.6</b>		<b>26.7</b>	
<b>Solvency (Equity / Balance Sheet total)</b>	<b>61.0%</b>		<b>61.9%</b>	

### **Major features of the financial results for the half-year 2004**

Net sales show a marginal decrease in the first half-year 2004 compared to the first half-year 2003, which is fully caused by the lower net sales of the Media Group. The decrease in the net sales of the Media Group primarily results from the lower CD sales by DOCdata France and DOCdata UK; the other companies in the Media Group have realised a higher combined net sales, mainly through growth of the number of DVD units sold (combined effect: - € 2.8 million). Both Industrial Automation Integrators as well as the division E-commerce Fulfillment show a strong growth in net sales during the first half-year 2004 (combined effect: + € 2.1 million), which has for a large part compensated the decrease in net sales of the Media Group.

The improvement in operating income (EBIT) with € 2.3 million during the first half-year 2004 (€ 2.9 million) compared to the first half-year 2003 (€ 0.6 million) has primarily been realised by Industrial Automation Integrators, who already delivered the largest part of the orders for the year 2004 during the first half-year 2004. For the first half-year 2004, Industrial Automation Integrators has realised an operating income of € 2.8 million (first half-year 2003: an income of € 1.2 million), the division E-commerce Fulfillment has realised an operating income of € 0.2 million (first half-year 2003: an income of € 0.1 million) and the Media Group has realised an operating loss of € 0.1 million (first half-year 2003: a loss of € 0.8 million). In the operating income, an amount of € 0.2 million has been recorded for options expenses due to the reduction of the exercise price; excluding these expenses, the Media Group would also have realised a positive operating income.

The growth of net income for the first half-year 2004 compared to the first half-year 2003 has been caused primarily by the higher gross profit, the absence of amortisation expenses for goodwill in the first half-year 2004 and the higher net financial result.

At 30 June 2004, DOCdata has no net (interest bearing) debt but holds a cash surplus of € 7.3 million (31 December 2003: € 6.1 million cash surplus). Despite the distribution of € 1.7 million during the first half-year of 2004 for dividend from the 2003 net income, DOCdata has further strengthened its financial position during the first half-year 2004 resulting in a solvency ratio of 61% per 30 June 2004 (31 December 2003: 56%).

The issued share capital of DOCdata N.V. per 30 June 2004 consists of 7,308,850 ordinary shares with a nominal value of € 0.50 each. DOCdata N.V. currently holds 429,842 (5.9%) of these issued ordinary shares, which are kept in order to fund the personnel options scheme. Ordinary shares owned by the Company are not entitled to any distribution of profit.

## **Results by division**

### **Media Group**

#### Europe

With the exception of DOCdata UK, all companies within the Media Group have realised an improvement of operating income in the first half-year 2004 compared to the first half-year 2003. Despite the improvement in result of DOCdata France, this company still performs behind schedule and has closed the first half-year 2004 with a loss. The various cost savings programs and efficiency improvements within the Media Group have also resulted in lower expenses in the first half-year 2004. The low currency exchange rate of the US dollar against the euro has had a beneficial impact on prices for raw materials and production royalties for CD-ROM as well as DVD. Prices of raw materials (oil derivatives) for the second half-year 2004 have clearly risen. The market in which the Media Group operates in Europe is expected to remain price competitive in the remaining part of 2004, primarily due to a declining demand for pre-recorded CD discs in combination with an overcapacity on the media production market for both CD and DVD.

The Media Group remains focussed on serving the local markets in Europe with exceptional customer service and short delivery times. Next to CD production, DOCdata also offers production services for the growing DVD market. All four DOCdata media production companies have their own CD, DVD-5, DVD-9 and DVD-10 production capacity, which safeguards short delivery times for DVD production. If necessary, DOCdata will further invest in DVD production capacity.

#### United States of America

In 2003, DOCdata has started the dissolution process for the two remaining corporations in the United States of America, of which the operational activities were terminated in 2002. The corporation DOCdata USA, Inc. was already dissolved per 31 October 2003, and per 25 June 2004 also the corporation DOCdata California, Inc. has been dissolved. All expenses in the first half-year 2004 related to the dissolution of last mentioned corporation have been charged to the provision that was created for that purpose in 2002 and have therefore not influenced the 2004 half-year results.

#### **E-commerce Fulfillment**

DOCdata E-commerce Fulfillment has reached the targets for the first half-year 2004. Net sales has increased through growth of existing clients and the addition of new clients. The improvement of operating income in the first half-year 2004 compared to the first half-year 2003 is the combined effect of the higher operating income for distribution activities and the lower operating income of DOCdata e-media solutions (EMS).

DOCdata E-commerce Fulfillment has “state of the art” IT- and sorting-systems to automatically fulfil and invoice large quantities of small and medium-sized orders for her clients. The automated sorting-system is designed to process large quantities home entertainment products, such as DVD’s, CD’s, videos, books, but also small delicate technical equipment, like cell phones, web cams, computer games and others. DOCdata E-commerce Fulfillment also provides software promotion and supporting e-commerce activities.

#### **Industrial Automation Integrators**

Net sales and results of Industrial Automation Integrators (IAI) have strongly improved in the first half-year 2004 compared to the first half-year 2003. IAI has already delivered the largest part of the orders for the year 2004 during the first half-year 2004, as a result of which net sales and results of IAI for the second half-year 2004 will be substantially lower than in the first half-year 2004.

In the course of years, IAI has built up very specialised know how and experience in the application of laser and optical technology in automated production systems. This speciality is predominantly deployed in niche markets such as application of security features in high value documents, motion picture subtitling and processing of packaging materials. Especially for the passport segment, IAI has developed patented security features, such as ImagePerf<sup>®</sup> en ImagePerf/TLI<sup>®</sup>, which features add a high security level to passports.

Application of the MicroPerf<sup>®</sup> security feature provides good opportunities to secure bank notes, as already applied in Russian and Swiss bank notes, which can be an effective way to deal with the problem of the increasing counterfeiting in today's world.

In the coming years, IAI will continue to operate in the niche markets mentioned above, and will aim to further improve her position. Especially for the security and packaging markets, excellent opportunities for further autonomous growth are expected. In addition, IAI actively investigates the possibilities to develop new markets in which her core competences can be deployed. To realise this growth, all possibilities for expansion of IAI are analysed, including various forms of strategic alliances with (inter)national market parties. In this respect, a potential sale of the IAI activities cannot be excluded in case this could accelerate the company's growth.

For a detailed review of the 2004 half-year results please refer to the attached information.

Today, 15 July 2004, management of DOCdata will discuss the 2004 half-year results in a meeting with press at 10:30AM Amsterdam time, and in an analyst meeting at 12:30PM Amsterdam time, at the Company's office, Energieweg 2 in Waalwijk.

- DOCdata Media Group is a leading independent provider of supply chain management services to content owners: movie, audio, multimedia and software publishers in Europe.
- DOCdata E-commerce Fulfillment business specialises in fine meshed logistics and personalised distribution for among others Internet shops, retail chains and hard- and software companies, predominantly for the European market.
- Industrial Automation Integrators currently designs and builds production systems, which utilise optical and laser technology for application in among others document security systems for high security printers and equipment for processing of packaging materials. Industrial Automation Integrators also provides security features for authentication.

Waalwijk, The Netherlands, 15 July 2004 – DOCdata N.V. (Euronext Amsterdam: DOCD)

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

## DOCdata N.V. – Six months' period ended 30 June 2004 (unaudited)

### Financial Information

All of the following information is prepared in accordance with Dutch GAAP.

#### Net Sales

(in thousands, except percentage figures)

	Six months' period ended 30 June 2004		Six months' period ended 30 June 2003	
	€	%	€	%
<b>Net sales by division</b>				
Media Group	24,068	71.0	26,910	77.9
E-commerce Fulfillment	3,732	11.0	3,047	8.8
Industrial Automation Integrators	6,090	18.0	4,607	13.3
Total	33,890	100.0	34,564	100.0

- Media Group's total net sales have decreased € 2.8 million (10.6%) from € 26.9 million in the six months period ended 30 June 2003 to € 24.1 million in the six months period ended 30 June 2004. This total decrease for the Media Group is primarily caused by the decrease of net sales in France (€ 2.5 million) and the decrease in net sales in the United Kingdom (€ 1.8 million excluding currency exchange effect), in combination with improved net sales in Germany and the Netherlands.
- E-commerce Fulfillment has contributed € 3.7 million to net sales in the first half of 2004 and has thus improved 22.5% in net sales compared to the first half of 2003 with net sales of € 3.0 million. This increase is the result from autonomous growth of the distribution activities from both existing and new clients, in combination with a decrease in net sales of the e-media solutions activities.
- Industrial Automation Integrators has contributed € 6.1 million to net sales in the first half of 2004, which results in a 32.2% improvement compared to the € 4.6 million of net sales in the first half of 2003. This growth in net sales has resulted from increased deliveries of security systems and increased production royalties, predominantly in the passport market segment. Industrial Automation Integrators has already delivered most of the 2004 orders in the first half of the year, as a result of which the net sales for the second half of 2004 will most probably be lower than in the first half of 2004.

#### Gross Profit

(in thousands, except percentage figures)

	Six months' period ended 30 June 2004		Six months' period ended 30 June 2003	
	€	%	€	%
<b>Gross profit by division</b>				
Media Group	4,263	50.3	4,357	62.7
E-commerce Fulfillment	929	11.0	916	13.2
Industrial Automation Integrators	3,281	38.7	1,680	24.1
Total	8,473	100.0	6,953	100.0
<b>Gross profit margin by division (as % of net sales by division)</b>		<u>%</u>		<u>%</u>
Media Group		17.7		16.2
E-commerce Fulfillment		24.9		30.1
Industrial Automation Integrators		53.9		36.5
Total		25.0		20.1

## DOCdata N.V. – Six months' period ended 30 June 2004 (unaudited)

- The gross profit margin for the Media Group improved from 16.2% in the six months' period ended 30 June 2003 to 17.7% in the six months' period ended 30 June 2004. This improvement is mainly resulting from the beneficial effect of the low US dollar currency exchange rate against the euro on prices for raw materials and production royalties for CD-ROM and DVD, which effect exceeded the impact of a further decrease in the average sales price, especially in France.
- The gross profit margin for E-commerce Fulfillment has decreased from 30.1% in the six months' period ended 30 June 2003 to 24.9% in the six months' period ended 30 June 2004, which is primarily the result of a lower margin for the e-media solutions activities in the first half of 2004 due to a different sales mix than in the first half of 2003.
- The gross profit margin for Industrial Automation Integrators improved from 36.5% in the six months' period ended 30 June 2003 to 53.9% in the six months' period ended 30 June 2004, mainly as a result of a change in sales mix (more repeat orders) and increasing revenues from royalties for patent usage in the personalisation of passports.

### *Selling, General and Administrative expenses*

(in thousands, except percentage figures)

	Six months' period ended 30 June 2004		Six months' period ended 30 June 2003	
<b>SGA (as % of net sales)</b>	€	%	€	%
Selling expenses (before reclassification of amortisation goodwill)	2,113	6.2	2,336	6.8
Amortisation goodwill	-	-	322	0.9
Selling expenses (after reclassification of amortisation goodwill)	2,113	6.2	2,658	7.7
General and administrative expenses	3,478	10.3	3,714	10.7
Total	5,591	16.5	6,372	18.4
<b>SGA by division (as % of net sales by division)</b>	€	%	€	%
Media Group	4,345	18.1	5,112	19.0
E-commerce Fulfillment	751	20.1	771	25.3
Industrial Automation Integrators	495	8.1	489	10.6
Total	5,591	16.5	6,372	18.4

- Starting the financial year 2003, the Company accounts for amortisation of (existing) goodwill under selling expenses. For information purposes, amortisation goodwill has been presented as a separate part of selling expenses for the comparable figure for the first six months' period ended 30 June 2003. This amortisation goodwill fully consisted of the amortisation of the goodwill paid at acquisition of Ablex Ltd. in the United Kingdom in 2000, which was fully amortised in the balance sheet as per 31 December 2003.
- Selling expenses (excluding amortisation goodwill) decreased from € 2.3 million for the six months' period ended 30 June 2003 to € 2.1 million for the six months' period ended 30 June 2004, representing a decrease of 9.6%. This decrease of € 0.2 million has primarily resulted from lower bad debt expenses of the Media Group in France in the first half of 2004, due to high bad debt expenses in the first half of 2003 as a result of the bankruptcy of various customers in France.
- General and Administrative expenses decreased from € 3.7 million in the six months' period ended 30 June 2003 to € 3.5 million in the six months' period ended 30 June 2004, representing a decrease of 6.4%. This decrease of € 0.2 million has mainly been caused by lower G&A expenses of the Media Group in France in the first half of 2004, due to restructuring expenses of € 0.3 million in the first half of 2003.

## DOCdata N.V. – Six months' period ended 30 June 2004 (unaudited)

### *Operating Income (EBIT)*

(in thousands, except percentage figures)

	Six months' period ended 30 June 2004	Six months' period ended 30 June 2003
<b>Operating income (loss) by division</b>	€	€
Media Group	(82)	(755)
E-commerce Fulfillment	178	145
Industrial Automation Integrators	2,786	1,191
Total	2,882	581

  

<b>Operating income margin by division (as % of net sales by division)</b>	%	%
Media Group	(0.3)	(2.8)
E-commerce Fulfillment	4.8	4.8
Industrial Automation Integrators	45.8	25.9
Total	8.5	1.7

- Operating loss for the Media Group has improved from a loss of € 0.8 million in the six months' period ended 30 June 2003 to a loss € 0.1 million in the six months' period ended 30 June 2004. This improvement for the Media Group is the combined effect of a decrease of € 0.8 million in SG&A expenses and a decrease of € 0.1 million in gross profit.
- Operating income for E-commerce Fulfillment has improved from an operating income of € 0.1 million in the six months' periods ended 30 June 2003 to an operating income of € 0.2 million in the six months' period ended 30 June 2004. This improvement is the combined effect of the improved gross profit and the decreased SG&A expenses. The operating income margin as a percentage of net sales by division has remained at 4.8%.
- Operating income for Industrial Automation Integrators has increased € 1.6 million from € 1.2 million in the six months' period ended 30 June 2003 to € 2.8 million in the six months' period ended 30 June 2004. This improvement is due to the higher machine sales volume and machine sales value. The operating income margin as a percentage of net sales by division has increased from 25.9% in the six months' period ended 30 June 2003 to 45.8% in the six months' period ended 30 June 2004. This increase is fully caused by the increased gross profit margin.

### *Net Financial Income and Expenses*

Net financial result in the six months' period ended 30 June 2004 amounted to an income of € 0.2 million, while the comparable prior year six months' period ended 30 June 2003 had a net financial result representing net expenses of € 0.2 million. The change in net financial result is primarily due to the development in the foreign currency exchange rate between the British Pound Sterling and the Euro, with a stronger Euro against British Pound Sterling in 2004 than in 2003. In the six months' period ended 30 June 2003 the foreign exchange currency result was a loss of € 0.2 million, while this has changed into a profit of € 0.1 million for the six months' period ended 30 June 2004.

### *Income Taxes*

DOCdata's effective tax rate for the first six months' period ended 30 June 2004 was 46.1% with a corporate income tax charge of € 1.4 million on a profit before taxes of € 3.0 million. For the six months' period ended 30 June 2003 the profit before taxes amounted to € 0.4 million and the corporate income tax charge amounted to € 0.4 million as well.

## **DOCdata N.V. – Six months' period ended 30 June 2004 (unaudited)**

The total corporate income tax charge for the first six months' period ended 30 June 2004 is the result of the following tax treatments of the results per country:

- In the Netherlands, a 34.5% tax charge has been recorded for € 1.3 million on the profit before taxes of the Dutch fiscal entity for the six months' period ended 30 June 2004.
- In the United Kingdom, the tax charge on the profit before tax for the six months' period ended 30 June 2004 has been fully offset by a movement in the net deferred tax position.
- In Germany, a tax charge of less than € 0.1 million has been recorded for the six months' period ended 30 June 2004, which is the result of a current tax charge at 40% of profit before tax for the period and a release of the deferred tax provision for that period.
- In France, no deferred tax asset has been recorded on the loss before taxes for the six months' period ended 30 June 2004 due to the fact that it is not possible to carry back this loss against profits from prior years; these have all been offset by the taxable loss in the full year 2002.

### ***Liquidity and Capital Resources***

In the six months' period ended 30 June 2004 the Company invested € 2.4 million, mainly for the purchase of DVD production and printing equipment.

During the first six months' period ended 30 June 2004, 37,550 personnel options from the 2001 series were exercised at a price of € 3.93 per share. The underlying shares have been delivered by the Company from the number of own shares in possession of the Company. The proceeds of € 0.1 million have been credited to equity under other reserves, as the purchase of own shares has been charged to other reserves in the past.

As of 1 March 2004, the exercise price of the personnel options granted in 2001, 2002 and 2003 has been reduced by € 0.50 per share following the repayment of capital of € 0.50 per share in November 2003. As a result of reducing the exercise price of these options, an amount of € 0.2 million had to be recorded as salaries and wages under personnel expenses in accordance with the applicable accounting principle on personnel options under Dutch GAAP for the 284,000 share options outstanding per 1 March 2004.

The General Annual Meeting of Shareholders held on 14 May 2004 approved the following proposals, which each have influenced the composition of equity of the Company in the six months' period ended 30 June 2004 or will influence the composition of equity in the second half-year of 2004:

- to distribute, after adopting the 2003 Financial Statements, a dividend of € 0.25 from the net income for the year 2003 for each ordinary share outstanding (excluding own shares held by the Company). In total an amount of € 1.7 million has been distributed to the shareholders and the remaining non-distributed part of net income of € 0.1 million has been credited to other reserves;
- to amend the Articles of Association of the Company, which will result in a reduction of the par value (nominal value) of the DOCdata N.V. shares from € 0.50 per share to € 0.10 per share. This amendment is expected to be brought into effect in September 2004, as the legal waiting term for distributions out of nominal capital is now running, during which term creditors of the Company can object to the Court against this proposed reduction of the par value.

Waalwijk, 15 July 2004

**DOCdata N.V. – Six months' period ended 30 June 2004 (unaudited)****Consolidated Financial Statements****1. Consolidated Balance Sheets**

Prepared in accordance with Dutch GAAP

(in thousands)	30 June 2004 € (Unaudited)	31 December 2003 € (Audited)	30 June 2003 € (Unaudited)
<b>Assets</b>			
<b>Fixed assets</b>			
Intangible fixed assets (goodwill)	-	-	1,250
Tangible fixed assets	14,719	14,601	15,509
Financial fixed assets	37	37	35
Total fixed assets	<u>14,756</u>	<u>14,638</u>	<u>16,794</u>
<b>Current assets</b>			
Inventory	2,867	3,342	3,189
Trade receivables	11,829	14,442	12,159
Other receivables and prepayments	4,797	5,282	4,088
Cash and cash equivalents	7,783	6,604	6,871
Total current assets	<u>27,276</u>	<u>29,670</u>	<u>26,307</u>
Total assets	<u>42,032</u>	<u>44,308</u>	<u>43,101</u>
<b>Shareholders' equity and liabilities</b>			
<b>Equity</b>			
<i>Shareholders' equity</i>			
Paid up and called up share capital	3,654	3,654	7,309
Share premium	16,854	16,854	16,855
Cumulative translation adjustment	2,778	2,501	2,573
(Accumulated losses) / Other reserves	634	196	(39)
Net income (loss) for the (half)year	1,633	1,778	(25)
Total shareholders' equity	<u>25,553</u>	<u>24,983</u>	<u>26,673</u>
Minority interest	15	9	15
Provisions	3,185	2,820	3,396
Long-term debt	430	436	344
<b>Current liabilities</b>			
Current portion of long-term debt	96	91	322
Short-term bank facilities	-	-	2
Trade payables	5,890	7,163	6,002
Taxes and social security charges	2,085	2,108	1,298
Other liabilities and accrued expenses	4,778	6,698	5,049
Total current liabilities	<u>12,849</u>	<u>16,060</u>	<u>12,673</u>
Total shareholders' equity and liabilities	<u>42,032</u>	<u>44,308</u>	<u>43,101</u>

**DOCdata N.V. – Six months' period ended 30 June 2004 (unaudited)****2. Consolidated Statements of Income**

Prepared in accordance with Dutch GAAP

(in thousands, except earnings per share and average shares outstanding)	Six months' period ended 30 June 2004		Six months' period ended 30 June 2003	
	€ (Unaudited)	%	€ (Unaudited)	%
Net sales	33,890	100.0	34,564	100.0
Cost of goods sold	25,417	75.0	27,611	79.9
Gross profit	8,473	25.0	6,953	20.1
Selling expenses (before reclassification of amortisation goodwill)	2,113	6.2	2,336	6.8
Amortisation goodwill	-	-	322	0.9
Selling expenses (after reclassification of amortisation goodwill)	2,113	6.2	2,658	7.7
General and administrative expenses	3,478	10.3	3,714	10.7
Operating income (EBIT)	2,882	8.5	581	1.7
Net financial income / (expenses)	156	0.5	(160)	(0.5)
Income before taxes	3,038	9.0	421	1.2
Income taxes	(1,399)	(4.2)	(441)	1.3
Net income / (loss)	1,639	4.8	(20)	(0.1)
Third party share	(6)	-	(5)	-
Net income / (loss) for the group	1,633	4.8	(25)	(0.1)
Net income per share (EPS: earnings per share)	0.24		(0.00)	
Net income per share fully diluted	0.22		(0.00)	
Average number of shares outstanding	6,856,000		6,846,000	
Potentially average number of shares fully diluted	7,309,000		7,309,000	

**DOCdata N.V. – Six months' period ended 30 June 2004 (unaudited)****3. Consolidated Statements of Cash Flows**

Prepared in accordance with Dutch GAAP

(in thousands)	Six months' period ended 30 June 2004 € (Unaudited)	Six months' period ended 30 June 2003 € (Unaudited)
Net income / (loss)	1,633	(25)
Adjustment to reconcile net income to net cash provided by operating activities:		
Depreciation and amortisation	2,409	2,981
Personnel expenses due to exercise price reduction personnel options	232	-
Third party share	6	5
(Profit)/loss on sale of tangible fixed assets	4	12
Changes in assets and liabilities:		
Inventory	475	1,757
Receivables	3,098	3,396
Trade payables	(1,273)	(2,872)
Taxes and social security	(23)	(671)
Other liabilities	(1,920)	(166)
Provisions	365	(157)
Other	-	(8)
<b>Net cash provided by operating activities</b>	<b>5,006</b>	<b>4,252</b>
Cash flows from investing activities:		
Capital expenditures	(2,373)	(2,474)
Proceeds from sale of tangible fixed assets	14	18
<b>Net cash provided by / (used in) investing activities</b>	<b>(2,359)</b>	<b>(2,456)</b>
Cash flows from financing activities:		
Dividends paid	(1,720)	(889)
Proceeds from exercise of personnel options	148	-
Net change in loans	(1)	217
Changes in bank overdraft facilities	-	2
Buy of shares	-	(39)
<b>Net cash used in financing activities</b>	<b>(1,573)</b>	<b>(709)</b>
Effect of exchange rate changes on cash	105	(17)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1,179</b>	<b>1,070</b>
Cash and cash equivalents at beginning of year	6,604	5,801
Cash and cash equivalents at end of period	7,783	6,871

**DOCdata N.V. – Six months' period ended 30 June 2004 (unaudited)****4. Notes to Consolidated Financial Statements****4.1 Preparation of Financial Statements**

The consolidated financial statements of DOCdata N.V. (referred to as “DOCdata” or the “Company”) have been prepared on the basis of accounting principles generally accepted in the Netherlands (“Netherlands GAAP”). In the opinion of the management, these statements include all adjustments necessary for a fair presentation of the financial position, operating results and cash flows of all interim-reporting periods herein. All such adjustments are of a normal recurring nature. The results of operations for the six months' period ended 30 June 2004 are not necessarily indicative of the results for the entire financial year ending 31 December 2004.

**4.2 Consolidation**

In the comparable figures per 30 June 2003, both remaining DOCdata subsidiaries in the United States of America, DOCdata USA, Inc. and DOCdata California, Inc., are valued as discontinued operations.

The balance sheets of DOCdata USA, Inc. and DOCdata California, Inc. per 30 June 2003 have been consolidated into the consolidated balance sheet of the Company per that date. The consolidated income statement of the Company for the six months' period ended 30 June 2003 does not include any results for DOCdata USA, Inc. and DOCdata California, Inc.

The Corporation of DOCdata USA, Inc. was dissolved per 31 October 2003 and the Corporation of DOCdata California, Inc. has been dissolved per 25 June 2004.

**4.3 Tangible fixed assets**

(in thousands)	June 30, 2004 €	December 31, 2003 €
Land and buildings	1,695	1,682
Machinery and equipment	11,626	10,949
Other	1,167	1,414
	<u>14,488</u>	<u>14,045</u>
Tangible fixed assets under construction	231	556
<b>Total</b>	<u>14,719</u>	<u>14,601</u>

Tangible fixed assets under construction per June 30, 2004 mainly consists of capital expenditures related to the expansion of machinery and equipment for DVD production in Germany. Tangible fixed assets under construction per December 31, 2003 fully consisted of capital expenditures related to the replacement and expansion of machinery and equipment for DVD production and printing in the Netherlands.