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## **P R E S S   R E L E A S E**

### **DOCdata N.V. announces the 2005 half-year results**

**Operating Income and Net Income firmly lower than last year mainly due to difference in moments of deliveries by IAI during the financial years 2005 and 2004**

**Implementation IFRS per 1 January 2005 has limited influence**

#### **Results and Financial Position half-year 2005 (unaudited)**

	Half-year ended at			
	30 June 2005		30 June 2004	
	€	%	€	%
(In millions, except percentage figures and per share data)				
<b>Net Sales</b>	<b>28.2</b>	100.0	<b>33.9</b>	100.0
<b>Gross Profit</b>	<b>5.6</b>	19.9	<b>8.4</b>	24.9
<b>Operating Income (EBIT)</b>	<b>0.5</b>	1.8	<b>3.1</b>	9.0
<b>Net Result</b>	<b>0.1</b>	0.3	<b>1.8</b>	5.3
<b>EBITDA</b>	<b>2.7</b>	9.6	<b>5.5</b>	16.2
<b>Net Operational Cash Flow</b>	<b>1.8</b>	6.4	<b>5.0</b>	14.7
<b>Average Number of Shares Outstanding (millions)</b>	<b>6.93</b>		<b>6.86</b>	
<b>Net Result per Share</b>	<b>0.01</b>		<b>0.26</b>	
<b>Net Operational Cash Flow per Share</b>	<b>0.26</b>		<b>0.73</b>	
<b>Balance Sheet total</b>	<b>40.1</b>		<b>42.3</b>	
<b>Equity</b>	<b>21.2</b>		<b>25.6</b>	
<b>Solvency (Equity / Balance Sheet total)</b>	<b>52.8%</b>		<b>60.6%</b>	

### **Major features of the financial results for the half-year 2005**

Net sales for the half-year 2005 are substantially lower than net sales for the half-year 2004. Firstly, this is caused by the fact that Industrial Automation Integrators (IAI) realised the largest part of its 2004 net sales in the first half-year of 2004, while the management of DOCdata expects for 2005 that the largest part of IAI's net sales will be realised in the second half-year of 2005. Secondly, the decrease in net sales is the result of a strong decline in demand for CD production services and a decrease of prices for both CD and DVD production orders in the Media Group. The lower net sales of the E-commerce Fulfillment division can fully be explained by the sale of the share interest in DOCdata emedia solutions (EMS) B.V. per 14 December 2004, as the net sales of the distribution activities have increased.

The lower operating income (EBIT) for the half-year 2005 is firstly caused by the fact that the deliveries by IAI in 2005 for the largest part have been scheduled for the second half of the year 2005. Secondly, the operating income of the Media Group is lower. The most important cause for this is the strongly increased raw material prices. The increase of the purchase price of polycarbonate, the most important raw material for the production of both CD and DVD, has had a negative effect on operating income of about € 0.6 million. In addition, the fact that DOCdata France has just left receivership per 4 July 2005 had an influence on operating income for the first half-year of 2005 in which period DOCdata France realised an operating loss of about € 0.9 million. For the second half-year of 2005, the management of DOCdata expects an operating income, amongst others due to settlements with creditors that shall be recorded in the second half-year of 2005. (DOCdata France realised an operating loss of € 1.2 million in the second half-year of 2004.) DOCdata E-commerce Fulfillment shows an increase of operating income in the half-year 2005 compared to the half-year 2004.

At 30 June 2005, DOCdata has no net interest bearing debt but holds a cash surplus of € 7.5 million (31 December 2004: € 8.1 million cash surplus). Despite the dividend distribution of € 2.4 million during the first half-year of 2005, DOCdata maintained her strong financial position during the first half-year 2005 with a solvency ratio of 52.8% per 30 June 2005 (31 December 2004: 52.2%).

The issued share capital of DOCdata N.V. per 30 June 2005 consists of 7,308,850 ordinary shares with a nominal value of € 0.10 each. DOCdata N.V. currently holds 328,547 (4.5%) 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. DOCdata keeps the possibility open to start a program for the purchase of own shares.

## **Accounting principles**

As of 1 January 2005 DOCdata N.V. has adopted the International Financial Reporting Standards (IFRS) in preparing the consolidated financial statements. For an overview of the significant accounting policies under IFRS and an explanation of the effects of the transition from the accounting policies applied in previous years according to the Dutch reporting standards (Dutch GAAP) to IFRS we refer to the attached information. The overall conclusion is that the implementation of IFRS has limited influence on the consolidated figures of DOCdata N.V.

The half year financial report has been prepared in accordance with IAS 34 (Interim Financial Reporting).

## **Outlook**

The outlook for the development of the operating income and the net result for the second half-year of 2005 is positive. However at this moment, management of DOCdata cannot confirm the earlier announced expectation that the 2005 results could be improved compared to 2004, predominantly due to the uncertainty regarding the deliveries of passport-personalisation-systems to the Ukraine.

## **Results by division**

### **Industrial Automation Integrators**

For project-oriented activities, such as those of IAI, revenue is recognised at moments of delivery of projects. This may lead to considerable fluctuations in net sales for comparable periods. In the first half-year of 2004 IAI realised the largest part of its 2004 net sales, which is different for 2005 as management expects the largest part of its 2005 net sales to be realised in the second half-year of 2005. This explains why net sales in the first half-year of 2005 are substantially lower than in the comparable period in 2004.

A large part of 2004 net sales was realised through deliveries of security systems for bank notes (mainly for Russian rouble bank notes), while in 2005 security systems for passports (amongst others for the United Kingdom, Sweden and Switzerland) will provide the most important contribution to net sales. In addition to existing systems, also the first systems of the type BM One will be delivered in 2005. This is a totally new system that completely personalises a passport, with a polycarbonate data page, in one go through the system. The development of this system was started this year and IAI has received orders for this system from Switzerland and Ukraine.

As announced in the press release of 16 June 2005, the delivery of passport-personalisation-systems to the Ukraine has been delayed. This is the consequence of investigations, initiated by the current President Yushchenko into agreements that have been closed in the final stage of the Presidency of his predecessor Kuchma. One of these investigations concerns the project in which IAI is involved. IAI's customer expects to be able to clarify further developments within the coming months. Two systems are presently ready for shipment.

### **E-commerce Fulfillment**

DOCdata E-commerce Fulfillment has amply reached its targets for the half-year 2005. Net sales of the distribution activities have increased through growth of existing customers and the addition of new customers. The improvement of operating income in the half-year 2005 compared to the half-year 2004 is predominantly the result of a higher operating income of the distribution activities and not having the loss of DOCdata emedia solutions from the half-year 2004. Due to the growth of existing customers and the addition of new customers, DOCdata E-commerce Fulfillment has rented additional warehousing capacity to be able to fulfil this growing demand.

### **Media Group**

Excluding DOCdata France, the Media Group has realised a small operating income in the first half-year of 2005. DOCdata France closed the first half-year with a loss of € 0.9 million. Various cost savings and efficiency improvements within the Media Group have led to lower costs also in the first half-year of 2005, however this was not sufficient to fully compensate the decline in sales and the higher prices for raw materials. The market in which the Media Group operates is expected to remain competitive for the rest of the year 2005, mainly due to a declining demand for pre-recorded CD's in combination with an overcapacity on the media-production market for both CD and DVD.

## **Audit**

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

For a detailed review of the 2005 half-year results please refer to the attached information.

Today, 21 July 2005, management of DOCdata will discuss the 2005 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, 21 July 2005 – DOCdata N.V. (Euronext Amsterdam: DOCD)

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## DOCdata N.V. – Six months' period ended 30 June 2005 (unaudited)

### Financial Information

All of the following information is prepared in accordance with IFRS.

#### Revenue

(in thousands, except percentage figures)

Revenue by division	Six months' period ended 30 June 2005		Six months' period ended 30 June 2004	
	€	%	€	%
Media Group	21,999	77.9	24,068	71.0
E-commerce Fulfillment	3,361	11.9	3,732	11.0
Industrial Automation Integrators	2,883	10.2	6,090	18.0
Total	28,243	100.0	33,890	100.0

- Media Group's total revenue has decreased € 2.1 million (8.6%) from € 24.1 million in the six months period ended 30 June 2004 to € 22.0 million in the six months period ended 30 June 2005. This total decrease for the Media Group is primarily caused by a lower revenue in the Netherlands (€ 1.2 million), in the United Kingdom (€ 1.0 million including foreign currency exchange effect) and in France (€ 0.6 million), in combination with a higher revenue in Germany (€ 0.7 million).
- E-commerce Fulfillment has contributed € 3.4 million to revenue in the six months' period ended 30 June 2005 and has thus decreased € 0.3 million (9.9%) in revenue compared to the six months' period ended 30 June 2004 with revenue of € 3.7 million. This decrease is fully caused by a lower revenue resulting from the divestment in December 2004 of the e-media solutions activities (revenue of € 0.5 million in the six months' period ended 30 June 2004), in combination with a higher revenue of the existing Waalwijk operations (€ 0.2 million).
- Industrial Automation Integrators has contributed € 2.9 million to revenue in the six months' period ended 30 June 2005 compared to € 6.1 million of revenue in the six months' period ended 30 June 2004, thus resulting in a decrease of 52.7%. In the first half of the year 2004, Industrial Automation Integrators had already delivered most of the 2004 orders (security systems predominantly in the passport market segment), while the majority of the 2005 orders are scheduled for delivery in the course of the second half of the year 2005.

#### Gross profit

(in thousands, except percentage figures)

Gross profit by division	Six months' period ended 30 June 2005		Six months' period ended 30 June 2004	
	€	%	€	%
Media Group	3,150	56.1	4,231	50.1
E-commerce Fulfillment	998	17.8	929	11.0
Industrial Automation Integrators	1,462	26.1	3,281	38.9
Total	5,610	100.0	8,441	100.0

## DOCdata N.V. – Six months' period ended 30 June 2005 (unaudited)

	Six months' period ended 30 June 2005	Six months' period ended 30 June 2004
<b>Gross profit margin by division (as % of revenue by division)</b>	%	%
Media Group	14.3	17.6
E-commerce Fulfillment	29.7	24.9
Industrial Automation Integrators	50.7	53.9
Total	19.9	24.9

- The gross profit margin for the Media Group has decreased from 17.6% in the six months' period ended 30 June 2004 to 14.3% in the six months' period ended 30 June 2005. This decrease is mainly caused by increasing prices for the main raw materials for CD/DVD production (e.g. polycarbonate resin and plastic packaging boxes) due to the high oil prices. Also, continuing pressure on the average sales price, especially in the Netherlands and in the United Kingdom, has contributed to a decreasing gross profit margin.
- The gross profit margin for E-commerce Fulfillment has improved from 24.9% in the six months' period ended 30 June 2004 to 29.7% in the six months' period ended 30 June 2005, which is primarily the result of a lower share in revenue for the six months' period ended 30 June 2005 of customer related transport costs which are billed with only a limited margin.
- The gross profit margin for Industrial Automation Integrators has decreased from 53.9% in the six months' period ended 30 June 2004 to 50.7% in the six months' period ended 30 June 2005, predominantly caused by the difference in the sales mix of security systems for the two comparable periods and by increasing revenue from royalties for patent usage in the personalisation of passports.

### *Other operating income and expenses*

Under IFRS, other operating income and other operating expenses need to be presented as separate reporting line items in the income statement. Other operating income for both comparable reporting periods refers to proceeds collected from a settlement reached a few years ago with a former business partner. Other operating expenses for both comparable periods refers to the net loss on disposal of property, plant and equipment.

### *Selling, general and administrative expenses*

(in thousands, except percentage figures)

	Six months' period ended 30 June 2005		Six months' period ended 30 June 2004	
<b>SGA (as % of revenue)</b>	€	%	€	%
Selling expenses	2,066	7.3	2,056	6.1
General and administrative expenses	3,082	10.9	3,368	9.9
Total	5,148	18.2	5,424	16.0
<b>SGA by division (as % of revenue by division)</b>	€	%	€	%
Media Group	3,968	18.0	4,227	17.6
E-commerce Fulfillment	681	20.3	731	19.6
Industrial Automation Integrators	499	17.3	466	7.7
Total	5,148	18.2	5,424	16.0

## DOCdata N.V. – Six months’ period ended 30 June 2005 (unaudited)

- In total, selling expenses remained unchanged at € 2.1 million for the six months’ period ended 30 June 2005 compared to the six months’ period ended 30 June 2004. Selling expenses of the Media Group have generally increased € 0.1 million in the six months’ period ended 30 June 2005 compared to the six months’ period ended 30 June 2004. Selling expenses of E-commerce Fulfillment have decreased € 0.1 million in the six months’ period ended 30 June 2005 compared to the six months’ period ended 30 June 2004, primarily as a result of the divestment of the e-media solutions activities in December 2004. Selling expenses of Industrial Automation Integrators remained at a level of around € 0.2 million.
- General and Administrative expenses decreased from € 3.4 million in the six months’ period ended 30 June 2005 to € 3.1 million in the six months’ period ended 30 June 2004, representing a decrease of 8.5%. This decrease of € 0.3 million has mainly been caused by lower G&A expenses of the Media Group in the Netherlands and the UK in the first half of 2004, due to lower personnel expenses and depreciation charges.

### *Operating income before financing revenues (EBIT)*

(in thousands, except percentage figures)

	Six months’ period ended 30 June 2005	Six months’ period ended 30 June 2004
	€	€
<b>Operating income (loss) by division</b>		
Media Group	(818)	30
E-commerce Fulfillment	356	202
Industrial Automation Integrators	963	2,821
Total	501	3,053
<b>Operating income margin by division (as % of revenue by division)</b>		
	%	%
Media Group	(3.7)	0.1
E-commerce Fulfillment	10.6	5.4
Industrial Automation Integrators	33.4	46.3
Total	1.8	9.0

- The operating result for the Media Group has decreased from a near breakeven operating income in the six months’ period ended 30 June 2004 to an operating loss of € 0.8 million in the six months’ period ended 30 June 2005. This decrease is the combined effect of a decrease of € 1.1 million in gross profit due to higher raw material costs and lower average sales prices, and a decrease in SG&A expenses of € 0.3 million.
- Operating income for E-commerce Fulfillment has improved from an operating income of € 0.2 million in the six months’ periods ended 30 June 2004 to an operating income of € 0.4 million in the six months’ period ended 30 June 2005. 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 revenue by division has nearly doubled from 5.4% in the six months’ period ended 30 June 2004 to 10.6% in the six months’ period ended 30 June 2005, which is predominantly the effect from the increased gross profit margin.
- Operating income for Industrial Automation Integrators has decreased € 1.8 million from € 2.8 million in the six months’ period ended 30 June 2004 to € 1.0 million in the six months’ period ended 30 June 2005. This decrease is due to the lower machine sales value. The operating income margin as a percentage of revenue by division has decreased from 46.3% in the six months’ period ended 30 June 2004 to 33.4% in the six months’ period ended 30 June 2005. A comparable level of SG&A expenses on a decreased revenue total for the six months’ period ended 30 June 2005 mainly causes this decrease.

## **DOCdata N.V. – Six months' period ended 30 June 2005 (unaudited)**

### ***Net financing revenues***

The net financing revenues in the six months' period ended 30 June 2005 amounted to € 0.1 million, while the net financing revenues for the six months' period ended 30 June 2004 amounted to € 0.2 million. The change in net financing revenues is primarily caused by a more profitable development of the foreign currency exchange rate between the British Pound Sterling and the Euro during the six months' period ended 30 June 2004 than during the six months' period ended 30 June 2005. This has resulted in a decrease of € 0.1 million in the foreign currency exchange profit for the six months' period ended 30 June 2005 compared to the foreign currency exchange profit for the six months' period ended 30 June 2004.

### ***Income tax expense***

DOCdata's effective tax rate for the first six months' period ended 30 June 2005 was 87% with a corporate income tax charge of € 0.5 million on a profit before tax of € 0.6 million. For the six months' period ended 30 June 2004 the profit before tax amounted to € 3.2 million and the corporate income tax charge amounted to € 1.4 million (effective tax rate: 44%).

The total corporate income tax charge for the first six months' period ended 30 June 2005 is the result of the following tax treatments of the results per country:

- In the Netherlands, a 31.5% tax charge has been recorded for € 0.5 million on the profit before tax of the Dutch fiscal entity for the six months' period ended 30 June 2005.
- In the United Kingdom, no corporate income taxes were recorded on the result before tax for the six months' period ended 30 June 2005 as these have 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 2005, which is the result of a current tax charge at 39% 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 tax for the six months' period ended 30 June 2005 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. The impact on the 2005 fiscal result from the recording in the second half-year of 2005 of the profit from settlements reached with creditors and other elements of the continuation plan with beneficial impact on the 2005 fiscal result, has not yet been taken into account in the accounting for income taxes for the six months' period ended 30 June 2005.

### ***Liquidity and capital resources***

In the six months' period ended 30 June 2005 the Company invested € 0.4 million, mainly for the purchase of packaging equipment. Capital expenditure for the six months' period ended 30 June 2004 amounted to € 2.4 million, mainly for the purchase of DVD production and printing equipment.

During the first six months' period ended 30 June 2005, 101,295 personnel options were exercised; 27,700 personnel options from the 2001 series at a price of € 3.93 per share and 73,595 personnel options from the 2002 series at a price of € 3.05 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 € 0.3 million have been credited to equity under reserves, as the purchase of own shares has been charged to reserves in the past.

The General Annual Meeting of Shareholders held on 12 May 2005 approved the proposal to distribute a dividend of € 0.35 per ordinary share outstanding (excluding own shares held by the Company), which had a decreasing impact of € 2.4 million on retained earnings within the equity of the Company in the six months' period ended 30 June 2005.

Waalwijk, 21 July 2005

**DOCdata N.V. – Six months' period ended 30 June 2005 (unaudited)****Consolidated Financial Statements****1. Consolidated Balance Sheets**

Prepared in accordance with IFRS. Balance sheets before appropriation of profit.

(in thousands)	30 June 2005 €	31 December 2004 €	30 June 2004 €
<b>Assets</b>			
Property, plant and equipment	12,441	14,120	14,719
Intangible assets	-	-	-
Investments in associates	62	12	12
Other investments	50	50	25
Trade and other receivables	624	552	529
Deferred tax assets	2,369	2,293	2,952
<b>Total non-current assets</b>	<u>15,546</u>	<u>17,027</u>	<u>18,237</u>
Inventories	5,498	4,113	3,045
Income tax receivable	111	265	642
Trade and other receivables	11,318	14,262	12,545
Cash and cash equivalents	7,657	8,289	7,783
<b>Total current assets</b>	<u>24,584</u>	<u>26,929</u>	<u>24,015</u>
<b>Total assets</b>	<u>40,130</u>	<u>43,956</u>	<u>42,252</u>
<b>Equity</b>			
Issued capital	731	731	3,654
Share premium	16,854	16,854	16,854
Reserves	(4,487)	(5,093)	(5,005)
Retained earnings	8,071	10,439	10,099
<b>Total equity attributable to shareholders</b>	<u>21,169</u>	<u>22,931</u>	<u>25,602</u>
Minority interest	22	22	15
<b>Total equity</b>	<u>21,191</u>	<u>22,953</u>	<u>25,617</u>
<b>Liabilities</b>			
Interest-bearing loans and borrowings	23	35	430
Employee benefits	317	347	325
Provisions	-	-	-
Deferred tax liabilities	1,698	2,051	2,644
<b>Total non-current liabilities</b>	<u>2,038</u>	<u>2,433</u>	<u>3,399</u>
Bank overdraft	-	-	-
Interest-bearing loans and borrowings	171	174	96
Income tax payable	3,171	2,753	978
Trade and other payables	13,417	15,160	11,775
Provisions	142	483	387
<b>Total current liabilities</b>	<u>16,901</u>	<u>18,570</u>	<u>13,236</u>
<b>Total liabilities</b>	<u>18,939</u>	<u>21,003</u>	<u>16,635</u>
<b>Total equity and liabilities</b>	<u>40,130</u>	<u>43,956</u>	<u>42,252</u>

**DOCdata N.V. – Six months' period ended 30 June 2005 (unaudited)****2. Consolidated Statements of Income**

Prepared in accordance with IFRS.

(in thousands, except earnings per share and average shares outstanding)	Six months' period ended 30 June 2005		Six months' period ended 30 June 2004	
	€	%	€	%
Revenue	28,243	100.0	33,890	100.0
Cost of sales	(22,633)	(80.1)	(25,449)	(75.1)
<b>Gross profit</b>	<b>5,610</b>	<b>19.9</b>	<b>8,441</b>	<b>24.9</b>
Other operating income	40	0.1	40	0.1
Selling expenses	(2,066)	(7.3)	(2,056)	(6.1)
General and administrative expenses	(3,082)	(10.9)	(3,368)	(9.9)
Other operating expenses	(1)	-	(4)	-
<b>Operating income before financing revenues</b>	<b>501</b>	<b>1.8</b>	<b>3,053</b>	<b>9.0</b>
Financial income	121	0.4	208	0.6
Financial expenses	(40)	(0.1)	(55)	(0.1)
<b>Net financing revenues</b>	<b>81</b>	<b>0.3</b>	<b>153</b>	<b>0.5</b>
Share of profit of associates	-	-	-	-
<b>Profit before tax</b>	<b>582</b>	<b>2.1</b>	<b>3,206</b>	<b>9.5</b>
Income tax expense	(508)	(1.8)	(1,411)	(4.2)
<b>Profit for the period</b>	<b>74</b>	<b>0.3</b>	<b>1,795</b>	<b>5.3</b>
<b>Attributable to:</b>				
DOCdata N.V. shareholders	74	0.3	1,789	5.3
Minority interest	-	-	6	-
<b>Profit for the period</b>	<b>74</b>	<b>0.3</b>	<b>1,795</b>	<b>5.3</b>
EPS (earnings per share)	0.01		0.26	
EPS (earnings per share) fully diluted	0.01		0.25	
Average number of shares outstanding	6,926,000		6,856,000	
Potentially average number of shares fully diluted	7,309,000		7,309,000	

**DOCdata N.V. – Six months' period ended 30 June 2005 (unaudited)****3. Consolidated Statements of Cash Flows**

Prepared in accordance with IFRS.

(in thousands)	Six months' period ended 30 June 2005 €	Six months' period ended 30 June 2004 €
Profit for the period	74	1,795
Adjustment to reconcile profit for the period to net cash from operating activities:		
Depreciation and amortisation	2,156	2,409
Personnel expenses due to personnel options plan (IFRS 2)	33	21
(Profit)/loss on sale of tangible fixed assets	-	4
Changes in assets and liabilities:		
Deferred tax assets	(76)	(105)
Inventories	(1,385)	505
Income tax receivable	154	(38)
Trade and other receivables	2,872	3,238
Employee benefits	(30)	20
Deferred tax liabilities	(353)	292
Income tax payable	418	462
Trade and other payables	(1,743)	(3,678)
Provisions	(341)	79
<b>Net cash from operating activities</b>	<u>1,779</u>	<u>5,004</u>
Cash flows from investing activities:		
Capital expenditure	(362)	(2,373)
Investments in associates	(50)	-
Proceeds from sale of tangible fixed assets	-	14
<b>Net cash from investing activities</b>	<u>(412)</u>	<u>(2,359)</u>
Cash flows from financing activities:		
Dividends paid	(2,442)	(1,720)
Proceeds from exercise of personnel options	333	148
Repayment of interest-bearing loans and borrowings	(15)	(1)
<b>Net cash from financing activities</b>	<u>(2,124)</u>	<u>(1,573)</u>
Net increase (decrease) in cash and cash equivalents	(757)	1,072
Cash and cash equivalents at beginning of period	8,289	6,604
Effect of exchange rate fluctuations on cash held	125	107
<b>Cash and cash equivalents at end of period</b>	<u>7,657</u>	<u>7,783</u>

**DOCdata N.V. – Six months' period ended 30 June 2005 (unaudited)****4. Consolidated Statements of Shareholders' Equity**

Prepared in accordance with IFRS.

(in thousands)	Share capital €	Share premium €	Reserves €	Retained earnings €	Total €
<b>Equity Statement 2004</b>					
Balance at 1 January 2004	3,654	16,854	(5,453)	10,030	25,085
Dividend distribution	-	-	-	(1,720)	(1,720)
Exercised share options	-	-	148	-	148
Costs share options	-	-	21	-	21
Translation difference	-	-	279	-	279
Profit for the period	-	-	-	1,789	1,789
Balance at 30 June 2004	<u>3,654</u>	<u>16,854</u>	<u>(5,005)</u>	<u>10,099</u>	<u>25,602</u>
Repayment of share capital	(2,923)	-	172	-	(2,751)
Costs share options	-	-	32	-	32
Translation difference	-	-	(292)	-	(292)
Profit for the period	-	-	-	340	340
Balance at 31 December 2004	<u>731</u>	<u>16,854</u>	<u>(5,093)</u>	<u>10,439</u>	<u>22,931</u>
<b>Equity Statement 2005</b>					
Balance at 1 January 2005	731	16,854	(5,093)	10,439	22,931
Dividend distribution	-	-	-	(2,442)	(2,442)
Exercised share options	-	-	333	-	333
Costs share options	-	-	33	-	33
Translation difference	-	-	240	-	240
Profit for the period	-	-	-	74	74
Balance at 30 June 2005	<u>731</u>	<u>16,854</u>	<u>(4,487)</u>	<u>8,071</u>	<u>21,169</u>

## **DOCdata N.V. – Six months' period ended 30 June 2005 (unaudited)**

### **5. Notes to the Consolidated Financial Statements**

#### **5.1 Accounting principles**

As of 1 January 2005 DOCdata N.V. (referred to as “DOCdata” or the “Company”) has adopted the International Financial Reporting Standards (“IFRS”) in preparing the consolidated financial statements.

For a summary of the significant accounting policies under IFRS and an explanation of the effects of the transition from the accounting principles generally accepted in the Netherlands (“Dutch GAAP”) applied in previous years to IFRS, we refer to the IFRS Enclosures in this appendix as included hereafter.

This interim financial report has been prepared in accordance with IAS 34 (Interim Financial Reporting).

#### **5.2 Audit**

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

#### **5.3 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 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 2005 are not necessarily indicative of the results for the entire financial year ending 31 December 2005.

**DOCdata N.V. – Six months' period ended 30 June 2005 (unaudited)*****IFRS Enclosures*****1. Summary of significant accounting policies****1.1 General**

The consolidated financial statements comprise DOCdata N.V., 's-Hertogenbosch, The Netherlands (referred to as the "Company") and its subsidiaries (together referred to as the "Group") and the Group's interest in associates and jointly controlled entities.

**Statement of compliance**

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations adopted by the International Accounting Standards Board (IASB). These are the Group's first consolidated financial statements prepared in accordance with IFRS. IFRS 1 has been applied in preparing these statements. The consolidated financial statements do not include all of the information required for full annual financial statements.

An explanation of how the transition to IFRS has affected the reported financial position, financial performance and cash flows of the Group is provided in section 2 of this appendix, Explanation of transition to IFRS. This section includes reconciliations of equity and profit or loss for comparative periods reported under Dutch GAAP (previous GAAP) to those reported for those periods under IFRS.

**Basis of preparation**

The financial statements have been prepared under the historical cost convention except for the following assets and liabilities that are stated at their fair value when they exist: derivative financial instruments, financial instruments held for trading and financial instruments classified as available-for-sale. Unless mentioned otherwise all amounts are stated in thousands of euro.

Non-current assets and disposal groups held for sale are stated at the lower of carrying amount and fair value less costs to sell.

The preparation of the financial statements requires management to make judgements, estimates and assumptions that may affect the application of policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The consolidated financial statements have been prepared on the basis of IFRS's in issue that are effective or available for early adoption at the Group's first IFRS annual reporting date, 31 December 2005. Based on these IFRS's, the Management Board of the Company has made assumptions about the accounting policies expected to be adopted (accounting policies) when the first IFRS annual financial statements are prepared for the year-ended 31 December 2005.

The IFRS's that will be effective or available for voluntary early adoption in the annual financial statements for the period ended 31 December 2005 are still subject to change and to the issue of additional interpretation(s) and therefore cannot be determined with certainty. Accordingly, the accounting policies for that annual period that are relevant to this financial information will be determined only when the first IFRS financial statements are prepared at 31 December 2005.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and in preparing an opening IFRS balance sheet at 1 January 2004 for the purpose of the transition to IFRS. The accounting policies have been applied consistently throughout the Group.

## **DOCdata N.V. – Six months' period ended 30 June 2005 (unaudited)**

### **1.2 Consolidation policies**

#### **Subsidiaries**

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. Subsidiaries are consolidated from the date that control commences until the date that control ceases.

#### **Associates**

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. The consolidated financial statements include the Group's share of the result of associates on an equity accounted basis, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds the carrying amount of its interest in an associate, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of an associate.

#### **Joint ventures**

Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement. The Group reports its interest in joint ventures using the equity method.

#### **Transactions eliminated on consolidation**

Intra-group balances and transactions, and any unrealised gains and losses or income and expenses arising from intercompany transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates and jointly controlled entities are eliminated to the extent of the Group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

### **1.3 Foreign currency**

#### **Foreign currency transactions**

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated in euro at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in profit or loss.

#### **Financial statements of foreign operations**

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, generally are translated to euro at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations generally are translated to euro at average rates approximating the foreign exchange rates ruling at the dates of the transactions.

#### **Net investment in foreign operations**

Exchange differences arising from the translation of the net investment in foreign operations are taken directly into the translation reserve, as a separate component of equity. They are recycled and recognised in profit or loss upon disposal of the operation.

### **1.4 Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Where an item of property, plant and equipment comprises major components having different useful lives, they are accounted for as separate items.

Leases in terms of which the Group assumes substantially all the risks and rewards of the ownership are classified as finance leases. Property acquired by way of finance lease is stated at an amount equal to the lower of its fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses.

## DOCdata N.V. – Six months' period ended 30 June 2005 (unaudited)

The Group recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the Group and the cost of the item can be measured reliably. All other costs are recognised in profit or loss as an expense as incurred.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of the assets. Land is not depreciated. The estimated useful lives are as follows:

- Buildings 30-40 years
- Leasehold improvement 10 years
- Machinery and equipment 5-7 years
- Office equipment and other 3-5 years
- Software 3 years

The residual value, if not insignificant, is reassessed annually.

### 1.5 Intangible assets

#### Goodwill

All business combinations are accounted for by applying the purchase method. Goodwill represents amounts arising on an acquisition of subsidiaries, associates or joint ventures. Goodwill represents the difference between the cost of the acquisition over the fair value of the net identifiable assets acquired.

In respect of acquisitions prior to 1 January 2004, the date of transition to IFRS, goodwill is included on the basis of its deemed cost, which represents the amount recorded under previous GAAP. For these acquisitions, goodwill has been fully amortised prior to the date of transition to IFRS under previous GAAP.

Goodwill is stated at cost less any accumulated impairment losses. In respect of associates, goodwill is included in the carrying amount of the investment in the associate.

Negative goodwill arising on acquisitions is recognised directly in profit or loss.

#### Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss as an expense as incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources to complete development.

The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in the income statement as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses.

#### Other intangible assets

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and impairment losses. Expenditure on internally generated goodwill and brands is recognised in profit or loss as an expense as incurred.

#### Subsequent expenditure

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

#### Amortisation

Amortisation is charged to profit or loss on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Goodwill and intangible assets with an indefinite useful life are systematically tested for impairment at each annual balance sheet date. Other intangible assets are amortised from the date that they are available for use.

## **DOCdata N.V. – Six months' period ended 30 June 2005 (unaudited)**

### **1.6 Investments**

Available-for-sale investments are stated at fair value, with all resulting gains and losses recognised directly into equity except for impairment losses. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss. When these investments are interest-bearing, interest calculated using the effective interest method is recognised in profit or loss.

Subsequent to initial recognition at fair value, other investments are stated at amortised costs using the effective interest method, less impairment losses. All gains and losses are recognised in profit or loss.

### **1.7 Inventories and work in progress**

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The cost of inventories is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

Work in progress is stated at cost less a provision for foreseeable losses and less progress billings.

### **1.8 Trade and other receivables**

Trade and other receivables are stated at their cost less impairment losses.

### **1.9 Cash and cash equivalents**

Cash and cash equivalents comprises cash balances and call deposits with an original maturity of three months or less.

### **1.10 Impairment**

The carrying amounts of the Group's assets, other than inventories and deferred tax assets, are reviewed at each annual balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill the recoverable amount is estimated at each annual balance sheet date. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

The recoverable amount of the Group's other investments is calculated as the present value of expected future cash flows, discounted at the original effective interest rate inherent in the asset. Receivables with a short duration are not discounted.

The recoverable amount of other assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then, to reduce the carrying amount of the other assets in the unit on a pro rata basis.

Impairment losses in respect of other investments carried at amortised cost are reversed if the subsequent increases in recoverable amounts can be related objectively to the events occurring after the impairment losses were recognised.

An impairment loss in respect of an investment in an equity instrument classified as available-for-sale is not reversed through profit or loss. If the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, then the impairment loss is reversed with the amount of the reversal recognised in profit or loss.

**DOCdata N.V. – Six months' period ended 30 June 2005 (unaudited)**

An impairment loss in respect of goodwill is not reversed. In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**1.11 Share capital**

Preference share capital is classified as equity if it is non-redeemable and any dividends are discretionary.

When share capital recognised as equity is repurchased, the amount of the consideration paid is recognised as a change in equity. Repurchased shares that are not subsequently cancelled are classified as treasury shares and presented as a deduction from total equity.

Dividends are recognised as a liability in the period in which they are declared.

**1.12 Interest-bearing borrowings**

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

**1.13 Employee benefits****Share-based payment transactions**

The share option programme allows Group employees to acquire shares of the Company. The fair value of the options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using a binomial lattice model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest except where forfeiture is only due to share prices not achieving the threshold for vesting.

**Defined contribution pension plans**

Obligations arising from defined contribution pension plans are recognised as an expense in profit or loss as incurred.

**Defined benefit pension plans**

Obligations arising from defined benefit pension plans are calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. To determine the present value the benefit is discounted and the fair value of the plan assets is deducted. The discount rates are based on the yield on government bonds. The calculation is performed by a qualified actuary using the projected unit credit method.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised as an expense in profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in profit or loss.

All actuarial gains and losses as at 1 January 2004, the date of transition to IFRS, were recognised. In respect of actuarial gains and losses that arise subsequent to 1 January 2004 in calculating the Group's obligation in respect of a plan, to the extent that any cumulative unrecognised actuarial gain or loss exceeds 10% of the greater of the present value of the defined benefit obligation and the fair value of the plan assets, that portion is recognised in profit or loss over the expected average remaining working lives of the employees participating in the plan. Otherwise, the actuarial gain or loss is not recognised.

## **DOCdata N.V. – Six months' period ended 30 June 2005 (unaudited)**

Where the calculation results in a benefit to the Group, the recognised asset is limited to the net total of any unrecognised actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

### **Long-term service benefits**

The Group's net obligation in respect of long-term service benefits, other than post-employment plans, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method and is discounted to its present value and the fair value of any plan assets is deducted. The discount rates are based on the yield on government bonds.

## **1.14 Provisions**

### **General**

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability.

### **Restructuring**

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating costs are not provided for.

### **Onerous contracts**

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

## **1.15 Trade and other payables**

Trade and other payables are stated at cost.

## **1.16 Revenue**

### **Goods sold and services rendered**

Revenue from the sale of goods is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from services rendered is recognised in profit or loss in proportion to the stage of completion of the transaction at balance sheet date. The stage of completion is assessed by reference to surveys of work performed. No revenue is recognised if there are significant uncertainties regarding the recovery of the consideration due, associated costs or the possible return of goods. No revenue is recognised if there is significant continuing management involvement with the goods.

## **1.17 Expenses**

### **Operating lease payments**

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease.

### **Finance lease payments**

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

### **Net financing costs**

Net financing costs comprise interest payable on borrowings calculated using the effective interest rate method, interest receivable on funds invested, dividend income and foreign exchange gains and losses.

## **DOCdata N.V. – Six months' period ended 30 June 2005 (unaudited)**

Interest income is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in profit or loss on the date the entity's right to receive payments is established which in the case of quoted securities is usually the ex-dividend date. The interest expense component of finance lease payments is recognised in profit or loss using the effective interest rate method.

### **1.18 Income taxes**

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly into equity, in which case it is recognised into equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustments to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax assets, including those resulting from the carry-forward of losses, are valued to the extent that it is probable that future taxable profits will be available against which the assets can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

### **1.19 Segment reporting**

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

**DOCdata N.V. – Six months' period ended 30 June 2005 (unaudited)**

**2. Explanation of transition to IFRS**

In preparing its opening IFRS balance sheet, the Group has adjusted amounts reported previously in consolidated financial statements prepared in accordance with Dutch GAAP. An explanation of how the transition from Dutch GAAP to IFRS has affected the Group's financial position and results is set out in the following tables and accompanying notes.

**2.1 Reconciliation of the balance sheets**

The balance sheets at 1 January 2004 (the date of transition to IFRS), 30 June 2004 and 31 December 2004 have been reconciled for the reported amounts under Dutch GAAP and the restated amounts under IFRS.

## DOCdata N.V. – Six months' period ended 30 June 2005 (unaudited)

## 2.1.1 Balance sheet as at 1 January 2004 (before appropriation of profit)

(in thousands)	Note	Dutch GAAP € (Audited)	Effect of transition € (Unaudited)	IFRS € (Unaudited)
<b>Assets</b>				
Property, plant and equipment		14,601	-	14,601
Intangible assets		-	-	-
Investments in associates		12	-	12
Other investments		25	-	25
Trade and other receivables	a	-	500	500
Deferred tax assets	b,i	-	2,847	2,847
<b>Total non-current assets</b>		<u>14,638</u>	<u>3,347</u>	<u>17,985</u>
Inventories	h	3,342	208	3,550
Income tax receivable	c	-	604	604
Trade and other receivables	a,b,c	19,724	(3,912)	15,812
Cash and cash equivalents		6,604	-	6,604
<b>Total current assets</b>		<u>29,670</u>	<u>(3,100)</u>	<u>26,570</u>
<b>Total assets</b>		<u>44,308</u>	<u>247</u>	<u>44,555</u>
<b>Equity</b>				
Issued capital		3,654	-	3,654
Share premium		16,854	-	16,854
Reserves	n	2,697	(8,150)	(5,453)
Retained earnings	n	1,778	8,252	10,030
<b>Total equity attributable to shareholders</b>		<u>24,983</u>	<u>102</u>	<u>25,085</u>
Minority interest		9	-	9
<b>Total equity</b>		<u>24,992</u>	<u>102</u>	<u>25,094</u>
<b>Liabilities</b>				
Interest-bearing loans and borrowings		436	-	436
Employee benefits	e,i	-	305	305
Provisions	e	2,820	(2,820)	-
Deferred tax liabilities	e,h	-	2,352	2,352
<b>Total non-current liabilities</b>		<u>3,256</u>	<u>(163)</u>	<u>3,093</u>
Bank overdraft		-	-	-
Interest-bearing loans and borrowings		91	-	91
Income tax payable	f	-	516	516
Trade and other payables	f	15,969	(516)	15,453
Provisions	e	-	308	308
<b>Total current liabilities</b>		<u>16,060</u>	<u>308</u>	<u>16,368</u>
<b>Total liabilities</b>		<u>19,316</u>	<u>145</u>	<u>19,461</u>
<b>Total equity and liabilities</b>		<u>44,308</u>	<u>247</u>	<u>44,555</u>

## DOCdata N.V. – Six months' period ended 30 June 2005 (unaudited)

## 2.1.2 Balance sheet as at 30 June 2004 (before appropriation of profit)

(in thousands)	Note	Dutch GAAP € (Unaudited)	Effect of transition € (Unaudited)	IFRS € (Unaudited)
<b>Assets</b>				
Property, plant and equipment		14,719	-	14,719
Intangible assets		-	-	-
Investments in associates		12	-	12
Other investments		25	-	25
Trade and other receivables	a	-	529	529
Deferred tax assets	b,i	-	2,952	2,952
<b>Total non-current assets</b>		<u>14,756</u>	<u>3,481</u>	<u>18,237</u>
Inventories	h	2,867	178	3,045
Income tax receivable	c	-	642	642
Trade and other receivables	a,b,c	16,626	(4,081)	12,545
Cash and cash equivalents		7,783	-	7,783
<b>Total current assets</b>		<u>27,276</u>	<u>(3,261)</u>	<u>24,015</u>
<b>Total assets</b>		<u>42,032</u>	<u>220</u>	<u>42,252</u>
<b>Equity</b>				
Issued capital		3,654	-	3,654
Share premium		16,854	-	16,854
Reserves	n	3,412	(8,417)	(5,005)
Retained earnings	n	1,633	8,466	10,099
<b>Total equity attributable to shareholders</b>		<u>25,553</u>	<u>49</u>	<u>25,602</u>
Minority interest		15	-	15
<b>Total equity</b>		<u>25,568</u>	<u>49</u>	<u>25,617</u>
<b>Liabilities</b>				
Interest-bearing loans and borrowings		430	-	430
Employee benefits	e,i	-	325	325
Provisions	e	3,185	(3,185)	-
Deferred tax liabilities	e,h	-	2,644	2,644
<b>Total non-current liabilities</b>		<u>3,615</u>	<u>(216)</u>	<u>3,399</u>
Bank overdraft		-	-	-
Interest-bearing loans and borrowings		96	-	96
Income tax payable	f	-	978	978
Trade and other payables	f	12,753	(978)	11,775
Provisions	e	-	387	387
<b>Total current liabilities</b>		<u>12,849</u>	<u>387</u>	<u>13,236</u>
<b>Total liabilities</b>		<u>16,464</u>	<u>171</u>	<u>16,635</u>
<b>Total equity and liabilities</b>		<u>42,032</u>	<u>220</u>	<u>42,252</u>

## DOCdata N.V. – Six months' period ended 30 June 2005 (unaudited)

## 2.1.3 Balance sheet as at 31 December 2004 (before appropriation of profit)

(in thousands)	Note	Dutch GAAP € (Audited)	Effect of transition € (Unaudited)	IFRS € (Unaudited)
<b>Assets</b>				
Property, plant and equipment		14,120	-	14,120
Intangible assets		-	-	-
Investments in associates		12	-	12
Other investments		50	-	50
Trade and other receivables	a	-	552	552
Deferred tax assets	b,i	-	2,293	2,293
<b>Total non-current assets</b>		<u>14,182</u>	<u>2,845</u>	<u>17,027</u>
Inventories	h	4,013	100	4,113
Income tax receivable	c	-	265	265
Trade and other receivables	a,b,c	17,327	(3,065)	14,262
Cash and cash equivalents		8,289	-	8,289
<b>Total current assets</b>		<u>29,629</u>	<u>(2,700)</u>	<u>26,929</u>
<b>Total assets</b>		<u>43,811</u>	<u>145</u>	<u>43,956</u>
<b>Equity</b>				
Issued capital		731	-	731
Share premium		16,854	-	16,854
Reserves	n	3,508	(8,601)	(5,093)
Retained earnings	n	1,862	8,577	10,439
<b>Total equity attributable to shareholders</b>		<u>22,955</u>	<u>(24)</u>	<u>22,931</u>
Minority interest		22	-	22
<b>Total equity</b>		<u>22,977</u>	<u>(24)</u>	<u>22,953</u>
<b>Liabilities</b>				
Interest-bearing loans and borrowings		35	-	35
Employee benefits	e,i	-	347	347
Provisions	e	2,712	(2,712)	-
Deferred tax liabilities	e,h	-	2,051	2,051
<b>Total non-current liabilities</b>		<u>2,747</u>	<u>(314)</u>	<u>2,433</u>
Bank overdraft		-	-	-
Interest-bearing loans and borrowings		174	-	174
Income tax payable	f	-	2,753	2,753
Trade and other payables	f	17,913	(2,753)	15,160
Provisions	e	-	483	483
<b>Total current liabilities</b>		<u>18,087</u>	<u>483</u>	<u>18,570</u>
<b>Total liabilities</b>		<u>20,834</u>	<u>169</u>	<u>21,003</u>
<b>Total equity and liabilities</b>		<u>43,811</u>	<u>145</u>	<u>43,956</u>

## DOCdata N.V. – Six months' period ended 30 June 2005 (unaudited)

### 2.2 Reconciliation of the income statements

The income statements for the six months' period ended 30 June 2004 and the full-year 2004 have been reconciled for the reported amounts under Dutch GAAP and the restated amounts under IFRS.

#### 2.2.1 Income statement for the six months' period ended 30 June 2004

(in thousands, except earnings per share and average shares outstanding)	Note	Dutch GAAP € (Unaudited)	Effect of transition € (Unaudited)	IFRS € (Unaudited)
Revenue		33,890	-	33,890
Cost of sales	h	(25,417)	(32)	(25,449)
<b>Gross profit</b>		<b>8,473</b>	<b>(32)</b>	<b>8,441</b>
Other operating income	l	-	40	40
Selling expenses	j,k,l	(2,113)	57	(2,056)
General and administrative expenses	i,j,k,l,m	(3,478)	110	(3,368)
Other operating expenses	m	-	(4)	(4)
<b>Operating profit before financing revenues</b>		<b>2,882</b>	<b>171</b>	<b>3,053</b>
Financial income		208	-	208
Financial expenses	i	(52)	(3)	(55)
<b>Net financing revenues</b>		<b>156</b>	<b>(3)</b>	<b>153</b>
Share of profit of associates		-	-	-
<b>Profit before tax</b>		<b>3,038</b>	<b>168</b>	<b>3,206</b>
Income tax expense	h,i	(1,399)	(12)	(1,411)
<b>Profit for the period</b>		<b>1,639</b>	<b>156</b>	<b>1,795</b>
<b>Attributable to:</b>				
DOCdata N.V. shareholders		1,633	156	1,789
Minority interest		6	-	6
<b>Profit for the period</b>		<b>1,639</b>	<b>156</b>	<b>1,795</b>
EPS (earnings per share)		0.24		0.26
EPS (earnings per share) fully diluted		0.22		0.25
Average number of shares outstanding		6,856,000		6,856,000
Potentially average number of shares fully diluted		7,309,000		7,309,000

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## 2.2.2 Income statement for the full-year 2004

(in thousands, except earnings per share and average shares outstanding)	Note	Dutch GAAP € (Audited)	Effect of transition € (Unaudited)	IFRS € (Unaudited)
Revenue		71,280	-	71,280
Cost of sales	h	(55,785)	(112)	(55,897)
<b>Gross profit</b>		<u>15,495</u>	<u>(112)</u>	<u>15,383</u>
Other operating income	l	-	705	705
Selling expenses	j,k,l,m	(4,838)	277	(4,561)
General and administrative expenses	i,j,k,l,m	(6,292)	(27)	(6,319)
Other operating expenses	m	-	(574)	(574)
<b>Operating profit before financing revenues</b>		<u>4,365</u>	<u>269</u>	<u>4,634</u>
Financial income		230	-	230
Financial expenses	i	(107)	(7)	(114)
<b>Net financing revenues</b>		<u>123</u>	<u>(7)</u>	<u>116</u>
Share of profit of associates		-	-	-
<b>Profit before tax</b>		<u>4,488</u>	<u>262</u>	<u>4,750</u>
Income tax expense	h,i	(2,567)	5	(2,562)
<b>Profit for the period</b>		<u><u>1,921</u></u>	<u><u>267</u></u>	<u><u>2,188</u></u>
<b>Attributable to:</b>				
DOCdata N.V. shareholders		1,862	267	2,129
Minority interest		59	-	59
<b>Profit for the period</b>		<u><u>1,921</u></u>	<u><u>267</u></u>	<u><u>2,188</u></u>
EPS (earnings per share)		0.27		0.32
EPS (earnings per share) fully diluted		0.25		0.30
Average number of shares outstanding		6,868,000		6,868,000
Potentially average number of shares fully diluted		7,309,000		7,309,000

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### 2.3 Explanation to the reconciliations of the balance sheets and the income statements

The notes below explain the reconciliations of the balance sheets and the income statements. All amounts are in thousands, except mentioned otherwise.

- a. Under Dutch GAAP trade and other receivables included amounts receivable after one year or more. These amounts are presented as non-current trade and other receivables under IFRS. The effect of this change is EUR 500 at 1 January 2004, EUR 529 at 30 June 2004 and EUR 552 at 31 December 2004.
- b. Trade and other receivables included under Dutch GAAP deferred tax assets for EUR 2,808 at 1 January 2004, EUR 2,910 at 30 June 2004 and EUR 2,248 at 31 December 2004. These amounts are presented as non-current deferred tax assets under IFRS.
- c. Under Dutch GAAP trade and other receivables included amounts for income tax receivable. These amounts are presented as a separate line item within current assets under IFRS. The amounts are EUR 604 at 1 January 2004, EUR 642 at 30 June 2004 and EUR 265 at 31 December 2004.
- d. Since the date of transition to IFRS, a reserve for treasury shares held in the Company is presented for the cost value of these shares acquired by DOCdata N.V. in prior years. The balance of this debit reserve is EUR 5,807 at 1 January 2004, EUR 5,427 at 30 June 2004 and EUR 5,037 at 31 December 2004, which amounts are credited to retained earnings. The cumulative translation reserve, with a credit balance of EUR 2,501 at 1 January 2004, EUR 2,778 at 30 June 2004 and EUR 2,484 at 31 December 2004, is presented in reserves both under Dutch GAAP and IFRS. This results in a presentation under IFRS within equity of reserves for a debit balance of EUR 3,306 at 1 January 2004, EUR 2,649 at 30 June 2004 and EUR 2,553 at 31 December 2004, and of retained earnings for a credit balance of EUR 7,781 at 1 January 2004, EUR 7,694 at 30 June 2004 and EUR 7,923 at 31 December 2004.
- e. Provisions were presented in one total amount under Dutch GAAP, containing provisions for deferred tax liabilities, restructuring, pensions and others. These provisions are presented individually under IFRS, with separate presentation of the short-term portion under current liabilities. The provision for pensions is presented as non-current employee benefits liability for EUR 182 at 1 January 2004, EUR 191 at 30 June 2004 and EUR 201 at 31 December 2004. The provision for deferred tax liabilities amounts to EUR 2,330 at 1 January 2004, EUR 2,607 at 30 June 2004 and EUR 2,028 at 31 December 2004. The short-term portion of restructuring and other provisions, with a one year expected horizon, are presented under current liabilities for EUR 308 at 1 January 2004, EUR 387 at 30 June 2004 and EUR 483 at 31 December 2004.
- f. Under Dutch GAAP trade and other payables included amounts for income tax payable. These amounts are presented separately line item within current liabilities under IFRS. The amounts are EUR 516 at 1 January 2004, EUR 978 at 30 June 2004 and EUR 2,753 at 31 December 2004.
- g. According to IFRS 1, cumulative translation results may be deemed to zero at the date of transition to IFRS. DOCdata N.V. has chosen not to apply this facility but instead has calculated the actual unrealised historical cumulative translation results on foreign operations, which resulted in a cumulative translation reserve with a balance of EUR 338 at 1 January 2004, EUR 615 at 30 June 2004 and EUR 321 at 31 December 2004. The difference of EUR 2,163 with the balance of the cumulative translation reserve mentioned under d. is reclassified to retained earnings at the date of transition to IFRS. This difference consists of all currency translation and exchange differences recorded in the cumulative translation reserve under Dutch GAAP in years prior till the date of transition to IFRS on the former United States operations, following the liquidation of the former US subsidiaries.
- h. Under IFRS, the valuation of work in progress in inventories is adjusted by including overheads in the cost price per unit applied for valuation purposes. The effect of this change on inventories is EUR 208 at 1 January 2004, EUR 178 at 30 June 2004 and EUR 100 at 31 December 2004. The effect on deferred tax liabilities is EUR 22 at 1 January 2004, EUR 37 at 30 June 2004 and EUR 23 at 31 December 2004 and the effect on retained earning is EUR 186 at 1 January 2004, EUR 139 at 30 June 2004 and EUR 73 at 31 December 2004. The effect on the cumulative translation reserve is EUR 2 at 30 June 2004 and EUR 4 at 31 December 2004. The effect of this change in valuation of work in progress on the income statement

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is EUR 32 higher cost of sales in the six months' period ended 30 June 2004 with an income tax expense of EUR 15, and EUR 112 higher cost of sales in the full-year 2004 with an income tax expense of EUR 1.

- i. Under Dutch GAAP pension liabilities were recognised on an accrual basis. In accordance with IAS 19 the net liability in respect of the defined benefit pension plan of the CEO of DOCdata N.V. has to be included in the balance sheet. The net defined benefit obligation amounts to EUR 123 at 1 January 2004, EUR 134 at 30 June 2004 and EUR 146 at 31 December 2004. The effect on deferred tax assets is EUR 39 at 1 January 2004, EUR 42 at 30 June 2004 and EUR 45 at 31 December 2004 and the effect on retained earnings is EUR (84) at 1 January 2004, EUR (92) at 30 June 2004 and EUR (101) at 31 December 2004. The effect of this change on the income statement is EUR 8 higher G&A expenses in the six months' period ended 30 June 2004 with EUR 3 higher financial expenses and EUR 3 lower income tax expense, and EUR 16 higher G&A expenses in the full-year 2004 with EUR 7 higher financial expenses and EUR 6 lower income tax expense.
- j. Under Dutch GAAP personnel expenses for personnel options costs resulting from the reduction of the exercise price for the 2001, 2002 and 2003 options series per 1 March 2004 with EUR 0.50 per share option following a repayment of capital were recorded in 2004 as selling expenses (33%) and G&A expenses (67%). No income tax was recorded under Dutch GAAP for these expenses as they are not tax deductible. An amount of EUR 232 was recorded for the six months' period ended 30 June 2004 and an amount of EUR 450 was recorded for the full-year 2004 under personnel expenses and credited to retained earnings. Under IFRS these records are reversed, as the costs of personnel options in accordance with IFRS 2 are recorded as described under note k. The effect of this change on the reserve for treasury shares and the retained earnings (through profit for the period) is EUR 232 at 30 June 2004 and EUR 450 at 31 December 2004.
- k. In accordance with IFRS 2 the fair value of the personnel options granted in 2003 and 2004 has been calculated and spread over the vesting period of these options. As a result, an amount of EUR 16 is reclassified at 1 January 2004 from retained earnings and credited to the reserve for treasury shares. In the six months' period ended 30 June 2004, an amount of EUR 21 is recorded as personnel expenses under selling expenses (33%) and G&A expenses (67%) and credited to the reserve for treasury shares. In the full-year 2004, an amount of EUR 53 is recorded as personnel expenses under selling expenses (33%) and G&A expenses (67%) and credited to the reserve for treasury shares.
- l. The following items under IFRS are presented as other operating income while they were deducted from selling and G&A expenses under Dutch GAAP:
  - a gain from the release of unused provisions for the full-year 2004 amounting to EUR 327, of which none is attributable to the six months' period ended 30 June 2004;
  - a net gain on disposal of property, plant and equipment of EUR 13 for the full-year 2004 (a net loss of EUR 4 for the six months' period ended 30 June 2004 is presented as other operating expenses as described in note m.);
  - a gain from payments received from an out-of-court settlement of EUR 80 for the full-year 2004 of which EUR 40 is attributable to the six months' period ended 30 June 2004;
  - a gain from a forgiven loan provided to a subsidiary by a minority shareholder of EUR 285 for the full-year 2004 of which none is attributable to the six months' period ended 30 June 2004.

The total effect of these changes of EUR 40 in other operating income for the six months' period ended 30 June 2004 has been reclassified from selling expenses for EUR 13 and from G&A expenses for EUR 27. The total effect of these changes of EUR 705 in other operating income for the full-year 2004 has been reclassified from selling expenses for EUR 114 and from G&A expenses for EUR 591.
- m. Under IFRS, DOCdata presents an increase in restructuring provisions, as well as restructuring costs expensed as incurred, as other operating expenses. Under Dutch GAAP these were reported under selling and G&A expenses. The total of such restructuring expenses and increases is EUR 574 for the full-year 2004 of which none is attributable to the six months' period ended 30 June 2004. Furthermore, a net loss on disposal of property, plant and equipment of EUR 4 for the six months' period ended 30 June 2004 (no loss for the full-year 2004) is presented as other operating expenses. The total effect of these changes of EUR 4 in other operating expenses for the six months' period ended 30 June 2004 has been fully reclassified from G&A expenses. The total effect of these changes of EUR 574 in other operating expenses for the full-year 2004 has been reclassified from selling expenses for EUR 258 and from G&A expenses for EUR 316.

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n. The accumulated effect of the aforementioned adjustments on retained earnings is as follows:

(in thousands)	Note	1 January	30 June	31 December
		2004	2004	2004
		€	€	€
		(Unaudited)	(Unaudited)	(Unaudited)
Reserve for treasury shares	d	5,807	5,427	5,037
Retained earnings from prior periods	d	196	634	1,024
Cumulative translation reserve	g	2,163	2,163	2,163
Valuation of work in progress	h	186	139	73
Defined benefit pension plan CEO	i	(84)	(92)	(101)
Reversal of personnel options costs	j	-	232	450
Personnel options plan	k	(16)	(37)	(69)
		<u>8,252</u>	<u>8,466</u>	<u>8,577</u>
<b>Attributable to:</b>				
DOCdata N.V. shareholders		8,252	8,466	8,577
Minority interest		-	-	-
		<u>8,252</u>	<u>8,466</u>	<u>8,577</u>

The accumulated effect of the aforementioned adjustments on reserves is as follows:

(in thousands)	Note	1 January	30 June	31 December
		2004	2004	2004
		€	€	€
		(Unaudited)	(Unaudited)	(Unaudited)
Reserve for treasury shares	d	(5,807)	(5,427)	(5,037)
Retained earnings from prior periods	d	(196)	(634)	(1,024)
Cumulative translation reserve	g	(2,163)	(2,163)	(2,163)
Valuation of work in progress	h	-	2	4
Reversal of personnel options costs	j	-	(232)	(450)
Personnel options plan	k	16	37	69
Accumulated effect on reserves		<u>(8,150)</u>	<u>(8,417)</u>	<u>(8,601)</u>
<b>Attributable to:</b>				
DOCdata N.V. shareholders		(8,150)	(8,417)	(8,601)
Minority interest		-	-	-
		<u>(8,150)</u>	<u>(8,417)</u>	<u>(8,601)</u>

The accumulated effect of the aforementioned adjustments on total equity is as follows:

(in thousands)	Note	1 January	30 June	31 December
		2004	2004	2004
		€	€	€
		(Unaudited)	(Unaudited)	(Unaudited)
Valuation of work in progress	h	186	141	77
Defined benefit pension plan CEO	i	(84)	(92)	(101)
Accumulated effect on total equity		<u>102</u>	<u>49</u>	<u>(24)</u>
<b>Attributable to:</b>				
DOCdata N.V. shareholders		102	49	(24)
Minority interest		-	-	-
		<u>102</u>	<u>49</u>	<u>(24)</u>