

Vianen, 30 August 2010

## Press Release

### First Half 2010 Financial Results Show Strong Improvement

#### Highlights

- Net revenue: € 4.5 million, 17% up from same period last year
- Operating result: € 0.42 million negative, a large increase from a year earlier (€ 1.39 million negative)
- Operational cash flow improved from H1 2009 of € 394,000 negative to € 686,000 positive over H1 2010
- LOFT continues to gain momentum in the market and further growth is expected in the second half of 2010
- Capital structure strengthened in July 2010 with successful share issue
- Outstanding debt renegotiated with extended payment terms

*Key Figures in thousands of euros unless otherwise stated*

	H1 2010	H1 2009
Net revenue	4,494	3,850
Gross profit	4,366	3,683
Operating result	(423)	(1,385)
Net profit (loss) for the period	(658)	(1,506)
Operational cash flow	686	(394)
Earnings per share (€)	(0.07)	(0.24)
	30 Jun 2010	31 Dec 2009
Solvency	33.3%	34.1%

In the first half of 2010, NedSense enterprises n.v. (NedSense) has booked results that have strongly improved compared to the first half of 2009. The textile and apparel markets, in which we primarily operate, experienced an improved economic climate. With the current performance, NedSense is on par with the earlier announced target to reach a positive EBIT in 2011. Excluding the intended investments in the new LOFT product suite, NedSense expects to reach break-even level over 2010, as announced in the press release of June 2010.

Net revenue in the first half increased by 17% or € 644,000 as compared to first half 2009, driven by a 61% increase in software sales as a result of the Company's new go-to-market strategy and improving economic business conditions. During the same period, operating expenses declined by 6% as compared to the first half of 2009, despite the additional expenses of developing the

new LOFT division. The decrease in operating expenses has been achieved mainly by a reduction of overhead costs.

This combination of increased revenue and decreased expenses resulted in an operating result which came in € 962,000 higher than first half 2009 (first half 2010: € 423,000 negative, first half 2009: € 1,385,000 negative). Net result was € 848,000 higher than in the first half of 2009 (first half 2010: € 658,000 negative, first half 2009: € 1,506,000 negative). Net result included an additional charge in net finance costs reflecting the revised terms of the renegotiated loan of € 2.1 million including cancellation of the conversion option valued at € 103,000.

**Clear Improvement in Operational Cash Flow.** Operational cash flow was € 686,000 positive in the first half of 2010 (first half 2009: € 394,000 negative). The increase compared to the first half of 2009 is primarily due to the increased revenue and decreased operating expenses. Total cash flow was € 368,000 negative over the first half 2010 compared to € 1,240,000 negative over the first half 2009. The negative total cash flow in the first half of 2010 was significantly impacted by US\$ / € exchange rate fluctuations and the effect on the carrying value of US subsidiaries. The cash flow from financing in the first half of 2010 was € 0 (first half 2009: € 35,000 positive).

In June 2010, an agreement was reached with NedSense's major shareholders and new investors on a private placement of shares (completed in July 2010). The shares in the private placement were issued against a share price of € 0.40 per share, raising € 1.5 million.

At the same time, NedSense and its financier agreed to extend the repayment terms of the loan, and to cancel the option to convert a portion of the outstanding loan of €2.1 million into NedSense shares. The loan is now repayable in installments at the beginning of 2012 and 2013, and a final installment at the end of 2013.

This led to a stronger capital structure to finance and facilitate the strategic growth plan for the LOFT start-up division.

**LOFT™.** From initial concept in April 2009 to market release in September 2009, LOFT continues to develop rapidly and gaining market momentum in 2010. The LOFT customer experience engine, using 3D scan technology, enables customers to speed their concept-to-market processes online, and is poised to become an essential internet tool. In 2010, the division will be launched in the US to help meet the demand for greater creativity and flexibility in using the internet as a medium with our technologies that boost company revenue.

**Outlook.** In the second half of 2010, NedSense continues its deployment of the third phase of our value triangle business plan, working toward expanding within and beyond our current markets, and toward inventing, dictating and defining our future. We continue to refine the plan, adjusting to global conditions as we implement, balancing revenues and costs, and using contingency measures where necessary.

We expect NedSense, without the intended additional investments in the LOFT product suite, to be break-even by the end of 2010. The additional investments include sales-, product development as well as marketing investments. We also expect our investments in research and development to continue at the same pace for the rest of 2010. No major changes in the composition of the Company's workforce, with the exception of the LOFT division, are planned. For the start-up LOFT division, we expect to further grow the workforce in the second half of 2010 to fuel the sales funnel and accelerate product developments.

Our strategy is to continue to develop our sales and marketing efforts, maintain our market knowledge, and sustain our customer base and maintenance contracts, while looking for more opportunities to expand beyond the niche in which we currently operate. We are building on our knowledge heritage, and investing in this knowledge, so that we can innovate, lead, and create true value for our customers.

**Half year report 2010**

The official half year report 2010, as obliged and in accordance with the EU Transparency Directive has been made available today on the corporate website of NedSense ([www.nedsense.com](http://www.nedsense.com)).

**About NedSense enterprises n.v. and NedGraphics**

NedGraphics is a wholly owned subsidiary of NedSense enterprises n.v. Through its subsidiary, NedSense has built an impressive track record of developing and producing software solutions for the fashion and textile industry over a period of 30 years.

NedSense serves more than 3,500 customers through a global network of over 42 resellers and agents. Its 14 offices are ideally located in the leading textile, fashion and production centers of the world. To enhance and preserve its dominant market position NedGraphics continues to invest in its highly qualified staff, market research, and product development.

The corporate philosophy and professional approach of NedGraphics ensures a close working relationship with the finest designers and manufacturers by offering them solutions which are of the highest level of functionality. It enables its clients to improve their sales through minimizing "time to market", optimizing product development flow, and reducing sampling costs. Each software solution is offered in a fully integrated modular system to guarantee the current and future operational performance. NedSense is listed on NYSE Euronext Amsterdam [NEDSE]. More information at [www.nedgraphics.com](http://www.nedgraphics.com) and [www.nedsense.com](http://www.nedsense.com).

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