

**IT Competence Group S.E.
Waalre**

Annual report 2011

CONTENTS

Page

FINANCIAL REPORT

1	Company overview and management report	4
1	Financial statements	
1	Consolidated balance sheet as of December 31, 2011	16
2	Consolidated profit & loss account for the year 2011	18
3	Notes to the consolidated financial statements	19
4	Notes to the consolidated balance sheet as of December 31, 2011	24
5	Notes to the consolidated profit & loss account for the year 2011	28
6	Company balance sheet as of December 31, 2011	30
7	Company profit & loss account for the year 2011	32
8	Notes to the company balance sheet as of December 31, 2011	33
9	Notes to the profit & loss account over the year 2011	38
2	Other information	
1	Independent auditor's report	39
2	Statutory appropriation of profit	41
3	Appropriation of the result for the 2010 financial year	41
4	Recognition of the loss for 2011	41

FINANCIAL REPORT

1 Company overview and management report

1. A review of the year

On February 02, 2011, Mr. Markus Solibieda was appointed as new Member of the Board and CEO of the company.

On June 03, 2011, ITC Competence Group SE announced the acquisition of IT company net on AG. The net on AG is an IT-service provider. With dedicated resources, net on AG offers a comprehensive range of IT solution packages. The company is equipped to fully manage the technology infrastructure or provide any level of support to augment the existing staff.

On August 09, 2011, ITC Competence Group SE announced that all assets of Power Economizer GmbH were sold. The operational business activity was transferred to the buyer.

On September 29, 2011, the extraordinary general meeting of ITC approved the change in legal form of N.V. into a Societas Europaea and a reverse stock split (10:1).

On October 07, 2011, Mr. Robert Käb was appointed as new Member of the Board, responsible for financial matters of the group.

On November 09, 2011, Mr. Gunter Adelhelm stepped back as a Board Member.

To our Shareholders

A tough year

- for the global economy, the IT industry and for ITC Competence Group SE

Dear Shareholders of IT Competence Group SE,

2011 was a very challenging year for the IT industry. The same applies to ITC.

The fiscal year 2011 is characterised by a difficult economic environment and the impact of this on the business activities of ITC Competence Group. It has been a difficult year for many of our people with a significant amount of restructuring undertaken to ensure that the business is in the right shape for the challenges ahead. ITC's most significant advantage, however, is the depth and range of our technical skills. The Group is increasingly innovative and agile, its employees continually providing new ideas and approaches. However, there are also bright spots. ITC has retained its market position and expects to gain market shares.

The Board is conscious that our share price has not reflected what we believe to be the underlying strength and value of the business in recent years. As ever, performance and long-term strategy are the keys to a high market rating over time; but we are also putting increased effort into ensuring that we communicate with our stakeholders effectively.

In this still challenging business environment we have seen Group revenues increased from EUR 8.6m to EUR 13.8m. In spite of the increased revenues, we did not manage to retain profitability. This was mainly caused by the acquisition of net on AG. On a Group level we generated an operating result (EBIT) of EUR -1.9m compared to EUR 0.3m in 2010.

All successful companies go through periods of transition. Indeed, the capacity to change and develop over time is fundamental to successful companies. The critical issue for those responsible is to fully acknowledge the need for and to manage change in a measured and timely fashion when it is called for.

IT Competence Group SE
Waalre

Last year was a challenging one for the business and we are acutely aware that this was reflected for our shareholders in the share price. We will continue in 2012/13 to address long-standing business issues in order to secure future prosperity as well as ensuring that our financial and human resources are developed and deployed where they are able most effectively to generate future growth and returns.

For the fiscal year 2012 we expect revenues over EUR 16 million and a positive EBIT.

Waalre, June 29, 2012

Board of Directors

Robert Käß

2. IT Competence Group SE – Company Overview

Business Model

IT Competence Group SE acts as a holding company for growth-oriented IT service companies. It combines a maximum of entrepreneurial freedom for its subsidiaries with the advantages of a publicly listed group to support them in gaining a leading position in their respective markets. Currently, the Group's operational business is based in Germany.

In line with a buy and build strategy, the holding focuses on the acquisition, development and administration of the individual companies.

Strategy

The strategic objective of IT Competence Group SE is to offer its customers ideal solutions for their information technology requirements and to offer comprehensive support in the planning and implementation of the latest technologies.

In a complex and constantly changing market environment we possess the necessary technical and personnel know-how enabling us to offer our clients all required services from a single source.

Therefore, we trust especially in the advancement and cooperation of strong independent subsidiary companies under the umbrella of the Holding in order to realise extensive synergies for our customers. The services of IT Competence Group SE unburden our clients from worrying about IT problems and allow them to focus on optimising their core business.

Within the group we aim at a continuous advancement of each individual subsidiary company, fostered by continued cooperation with the existent management and a financial participation of the management in the company.

Through organic and external growth our subsidiaries aim to take up leading positions in their respective markets. Therefore, they concentrate on their core competences of delivering high-class IT service solutions. With a services portfolio that is focused on innovative technologies our unique offer is the development of a customer oriented IT, backed up by comprehensive IT know-how from a single source.

Management

Board of Directors

Robert Käß is the sole member of the Executive Board of the company. Robert Käß combines long-term experience in the IT business with comprehensive knowledge in the fields of M&A, venture capital and equity capital markets.

Robert Käß is a member of the Board of Directors of IT Competence Group SE since November 2011. At the same time, since 2008 he is a Board member at the company's majority shareholder Navigator Equity Solutions SE, Waalre. Robert Käß is well-versed in the fields of Corporate Finance, Management Consulting and Private Equity. During his previous career, he gained wide experience in different company life-cycle and financing situations (succession, growth, IPO, restructuring, etc.). Following his studies of Business Administration at LMU Munich, Robert Käß started his career as an advisor at KPMG Consulting GmbH. He was in charge of a variety of transactions in the media sector and corporate restructuring processes. In 1998, Robert Käß decided to go into business for himself and founded a specialised investment and consulting company called AdVal Capital Management AG. From 2002 to 2008, Robert Käß was a member of the Board of Directors of Catalis SE where he was responsible for the initial restructuring process as well as numerous acquisitions in the course of the company's growth strategy.

Supervisory Board

Dr. Michael Hasenstab

Dr. Michael Hasenstab was a member of the Management Board of Navigator Equity Solutions SE in 2011. He is also one of the founding partners of the financial consulting company The ACON Group SE (formerly The Ascendo Group N.V.). Dr. Hasenstab was an investment banker at Credit Suisse First Boston and BNP Paribas in London. In that capacity he played an active role in a large number of IPOs and M&A transactions in Germany and throughout Europe. He holds a Master in Economics from the University of Munich and a PhD in International Management from the University of Jena.

Dr. Florian Pfingsten

Dr. Florian Pfingsten is one of the founding partners of the financial consulting company The ACON Group SE (formerly The Ascendo Group N.V.). Before joining Navigator Equity Solutions SE he worked as an Investment Manager at Bowman Capital UK Ltd and at Nomura International Plc in London. In that capacity he was responsible for the origination and execution of principal investments in the European markets. Dr. Pfingsten started his career at Deutsche Bank AG in Munich working as a corporate banker. He holds a Ph.D. in Finance and a Master in Business Administration from LMU in Munich. Dr. Pfingsten is an alumnus of the Haniel-Akademie, Duisburg, and has been awarded a Ph.D. scholarship by the Haniel-Foundation.

Subsidiaries

Human Internet CONSULT AG

Human Internet CONSULT AG (HIC) is a subsidiary of IT Competence Group SE since October 31, 2006. As of December 31, 2011, the company had 79 (2010: 62) employees.

Human Internet CONSULT AG is an IT consultancy with its registered office in Murr/Ludwigsburg. The company with offices in Berlin, Munich, Hamburg, Ludwigsburg and Frankfurt is active throughout Germany mainly in the areas of IT processes, IT organisation, IP convergence and IT security. The company aims to implement the trend towards integration of all conventional services (mobility, VoIP, security, etc.) in a single standardised IP-based communication platform independently and multivendor with an optimal cost benefit ratio for its customers.

HIC stands out because of excellent methodical and process know-how as well as strong technical skills in operating IT infrastructures. Thus, HIC focuses on maximum customer satisfaction through transparency of performance and costs of IT infrastructures and business processes.

HIC's main target industries are finance, health care, utilities, telecommunications and automotive as there will be significant transformations of IT structures in these industries in the coming years.

There, HIC will especially penetrate the fields of IT processes, IT governance, IT security and optimisation of IT infrastructures as well as building security.

In the fiscal year 2011, HIC generated external revenues of EUR 7.8m (2010: EUR 8.5m). The operating result (EBIT) amounted to EUR -0.3m (2010: EUR 0.5m).

BEAM IT Consult GmbH

BEAM IT CONSULT GmbH is a subsidiary of IT Competence Group SE since June 2007. As of December 31, 2011, the company had 2 employee (2010: 1).

BEAM is a young IT service company with its registered office in Ludwigsburg. It has been set up in June 2007 as a new corporate entity to assume the acquired assets and employees of former Beam AG and to continue its existing automotive business with a focus on electronics and telematics. After a strategic repositioning, the company's focus is now on business & process management consulting.

Since June 2010, Mr Uwe Wermke has become the new managing director of BEAM and towards the end of the year, the company started to generate its first orders again.

In the fiscal year 2010, BEAM IT CONSULT GmbH was re-launched after a strategic repositioning and generated small external revenues of EUR 0.1m and a slightly negative operating result (EBIT) of EUR -0.1m. In the fiscal year 2011, the company generated external revenues of EUR 0.804m. The operating result (EBIT) amounted to EUR -0.03m.

net on AG

net on AG is a subsidiary of IT Competence Group SE since June 2011. As of December 31, 2011, the company had 25 employees.

The net on AG is an IT-service provider. With dedicated resources, net on AG offers a comprehensive range of IT solution packages. The company is equipped to fully manage the technology infrastructure or provide any level of support to augment the existing staff. Robert Käß and Karl Gerber are the members of the Executive Board of the company.

In the fiscal year 2011, the company generated revenues of EUR 5.3m. The operating result (EBIT) amounted to EUR -1.0 m.

3. The Stock

Since the 4th of December 2007, the shares of IT Competence Group SE are listed on the Open Market of the Frankfurt Stock Exchange. Additionally, the shares are traded on Xetra and the Stuttgart Stock Exchange. The majority of IT Competence Group SE shares are held by Navigator Equity Solutions SE.

In February, the Deutsche Boerse has announced that the fourth and lowest segment of the Frankfurt stock exchange (the First Quotation Board ("FQB")) will be discontinued from the third quarter of this year. Companies will be faced with the choice of being automatically delisted or (if they wish to retain a Frankfurt listing) of moving up to the third segment, the Entry Standard. Therefore, ITC Competence Group SE will switch from the First Quotation Board to the Entry Standard segment in the next weeks.

The intended change from the First Quotation Board to the Entry Standard segment is intended to increase ITC's recognition in the capital market and make ITC stock even more attractive, especially to international investors, because of the more rigorous transparency.

At the end of the fiscal year 2011, the share price amounted to EUR 0.52. This translates into a market capitalisation of EUR 1.0m.

Shareholder Structure

At the end of the fiscal year 2011, the number of shares issued by IT Competence Group SE amounts to 1,875,000. There was a stock split at the ratio of 1/10, which was approved at the shareholders meeting of ITC on September 29, 2011. Before, the number of shares was 18,750,000.

As of December 31, 2011, the majority of shares, equalling a 81.77% stake in shares issued, were held by Navigator Equity Solutions SE. 7.3% of shares issued were held by the company as treasury shares. The remaining 10.93% of the shares were classified as free float.

4. Management Report

Business Environment

In its January World Economic Outlook (WEO) update, the International Monetary Fund (IMF) cut its projection for global growth in 2012 to 3.3 per cent, down 70 basis points from its forecast in September 2011. The harsh reality is that the world economic outlook has become even grimmer than what it was late last year. The IMF slashed the outlook for world growth while forecasting a damaging recession in Europe that will leave no country unscathed.

The global economic body blamed this largely on a "mild recession" expected this year after the eurozone entered a "perilous new phase" toward the end of 2011. Global growth prospects dimmed and risks sharply escalated during the fourth quarter of 2011, as the euro area crisis entered a perilous new phase. The IMF now expects the eurozone to contract by 0.5 per cent in 2012, a full 1.6 percent-age point cut from the September forecast, before returning to minimal growth of 0.8 per cent in 2013. Growth in the advanced economies surprised on the upside, as consumers in the United States unexpectedly lowered their saving rates and business fixed investment stayed strong. But the US economy continues to be hounded by high joblessness and persistent housing mess, with no permanent solutions in sight until after the November 2012 presidential elections. The economic recovery of Japan from its triple tragedy in the summer of 2011 remains delayed. The Iran problem has added new wrinkles to the geopolitical trouble brought about by the Middle East and North African territories. Its impact could be much worse than its impact on global oil supply and oil prices.

The updated WEO projections see global activity decelerating but not collapsing. Most advanced economies avoid falling back into a recession, while activity in emerging and developing economies slows from a high pace. However, this is predicated on the assumption that in the euro area, policymakers intensify efforts to address the crisis.

Market Environment – IT Industry

According to market analysts, the German IT industry increased its market value by 4.3% in 2011 - with the ICT (Information and Communication Technology) market as a whole recording two percent growth. The ICT gross value added market share amounts to 3.8 %; further emphasizing the importance of the ICT industry for the German economy. And the future looks rosy: The German IT sector published new forecasts saying it expected to shrug off the eurozone debt crisis and register record sales in 2012. According to BITKOM, the country's IT industry association, software sales and services are set to rise 4.4 % in 2012. Worldwide, the industry expects growth of 5.8 %. Sales from the IT market (IT hardware, software and IT services) are forecast to grow 3.1 percent to EUR 72.4 billion in 2012. Sales of tablet PCs are expected to grow 19 percent to EUR 1.3 billion, with notebook sales growing 4 percent. The software market will grow 4.4 percent to around EUR 17 billion, with IT services growing 2.5 percent to EUR 34.9 billion. Despite the bullish forecasts, BITKOM said that the IT sector in Europe would underperform other parts of the world.

Business Situation of IT Competence Group N.V.

In the fiscal year 2011 IT Competence Group SE had four operating subsidiaries: Human Internet CONSULT AG (HIC), BEAM IT CONSULT GmbH (BEAM), net on AG.

The IT market environment is difficult at the moment, as the financial crisis also affects our industry. We took decisive action in our markets to reduce the cost base and to reposition the business in the light of the forthcoming changes. Accordingly, we have created a resilient business, which performed adequate in spite of the weak economic environment in some of our major markets. The Group is not over-reliant on any one market segment and has the flexibility and capabilities to pursue the most attractive growth opportunities. The economy is expected to remain difficult in the year ahead and our target markets remain very competitive. Nevertheless, we expect to continue to make progress in this challenging environment.

Development of Earnings-, Asset- and Financial Situation

Earnings Situation

Development of Revenues

In the fiscal year 2011, IT Competence Group SE and its subsidiaries generated total revenues of EUR 13.8m (2010: EUR 8.6m). This represents an increase of 60.5% against the previous year.

Earnings Development

In the fiscal year 2011, cost of sales for the Group of IT Competence Group SE amounted to EUR 5.1m (2010: EUR 3.2m). This leads to a gross profit for the Group of EUR 8.9m (2010: EUR 5.4m). The gross profit margin increased from 63.3% to 64.0% indicating improved quality of earnings. After deduction of other operating costs amounting to EUR 10.7m (2010: EUR 5.2m) the operating result (EBIT) amounted to EUR -1.9m (2010: EUR 0.3m). The financial result amounted to EUR -0.3m (2010: EUR -0.2m). This leads to a pre-tax result of EUR -2.1m (2010: EUR 0.0m). Net income for the year after deduction of income tax amounting to EUR 0.1m (2010: EUR -0.3m) was EUR -2.1m (2010: EUR -0.2m). The return on shareholders' equity for that period was negative.

Asset Situation

As of December 31, 2011, total assets of IT Competence Group SE amounted to EUR 6.5m (2010: EUR 6.1m). While fixed assets were stable at EUR 4.1m (2010: EUR 4.2m), current assets increased to EUR 2.4m (2010: EUR 1.9m). Trade and other receivables increased from EUR 0.7m in 2010 to EUR 1.7m in 2011. Cash and cash equivalents were reduced from EUR 0.9m to EUR 0.2m.

The company's current liabilities amounted to EUR 4.3m (2010: EUR 2.3m) whereof EUR 1.1m (2010: EUR 0.8m) were attributable to trade payables and EUR 0.2m (2010: EUR 0.1m) to taxes and social security charges.

The company's long-term liabilities decreased from EUR 2.2m to EUR 1.4m. As of December 31, 2011, the shareholders' equity of IT Competence Group SE amounted to EUR -0.5m (2010: EUR 1.6m). The guarantee capital amounted to EUR 0.8m at the end of fiscal year 2011.

Financial Situation

The cash ratio for the fiscal year 2011 amounts to 5.7% (2010: 40.9%). The quick ratio amounts to 51.1% (2010: 81.2%). The current ratio amounts to 55.7% (2010: 84.9%).

Employees

As of December 31, 2011, IT Competence Group SE had 123 permanent employees (2010: 63). Thereof 54 people (2010: 62) were employed at Human Internet CONSULT AG, two person (2010: 1) were employed at BEAM IT CONSULT GmbH, 25 people were employed at net on AG and 25 people were employed at HIC Systems GmbH.

For the fiscal year 2012, the management expects a slight increase in the number of employees.

Risk Report

In the coming fiscal year the economic risks at IT Competence Group SE will depend mainly on the development of the IT market. Attention should be drawn to the fact that the following depictions of the risks cannot be conclusive and complete.

Cyclical Risks

Customers' demand in the IT market is always dependent on the customers' own business and financial situation and hence also on the general economic development. Currently, the global and German economy is recovering successfully from a deep recession and is expected to generate good growth also for the foreseeable future. This is also reflected in a positive forecast for the development of the IT services market in the coming years. However, there is no guarantee that the current growth is sustainable and there are still a number of significant risks for the future economic development, especially in Europe and Germany. Thus, if the general economic environment should start to deteriorate, this will also have negative effects on the development of the IT services market as well as on the financial and asset situation of the Group.

Competition

The IT services market is highly fragmented and characterised by intense competition. Competition for the Group companies arises from a small number of bigger players in the market as well as from a large number of small competitors. Such competition is even boosted by former employees of Group companies going into business for themselves. As in every other market, strong competition is always putting pressure on pricing and margins in the market, thus also affecting the Group's profitability. If the Group companies are not able to prevail in this highly competitive environment there may be adverse effects on the Group's financial and asset situation.

Personnel Risks

The IT business is rapidly changing and evolving new technologies. Thus it is necessary that the technical staff of the Group companies always stays on top of these developments and continuously expands its skills to remain state-of-the art. If the Group companies do not provide for this risk by organising sufficient education and training programs they might lose their competitive capacity, resulting in respectively adverse effects on the Group's financial and asset situation.

Currently, the Group's management has no reason to believe that any of the above mentioned risks represents an acute threat to the Group's continuation.

Supplementary Report

On January 25, 2012, Mr. Gunter Adelhelm has announced his resignation from the Board of Directors with immediate effect at his own request.

Forecast Report

The updated World Economic Outlook (WEO) projections see global activity decelerating but not collapsing. Most advanced economies avoid falling back into a recession, while activity in emerging and developing economies slows from a high pace. Overall, activity in the advanced economies is now projected to expand by 1½ percent on average during 2012–13. Given the depth of the 2009 recession, these growth rates are too sluggish to make a major dent in very high unemployment.

The euro area economy is now expected to go into a mild recession in 2012. The eurozone crisis continues to dominate in Europe. As long as politicians push strict austerity, Europe will continue to experience a pro-cyclical effect and weaken. The unresolved debt exposure in Europe casts a negative cloud on the global economy while rating agencies remain sensitive to public debt management and economic growth imbalances.

The U.S. economy grew faster than expected in last year's fourth quarter, according to the U.S. Commerce Department. Gross domestic product expanded at a 3 percent annual rate, an upward revision from the government's previous estimate of 2.8 percent. During 2012–13, growth in emerging and developing economies is expected to average 5¾ percent. Chinese Premier cut his nation's 2012 growth target to an eight-year low of 7.5 percent.

Although the market environment is extremely difficult, we expect that ITC will further expand its market position and will return to profitability. Thus, for the fiscal 2012, we expect revenues of IT Competence Group SE to surpass the EUR 16m mark and to result in respectively positive operating income.

Supervisory Board Report

The Supervisory Board of IT Competence Group SE comprises two members.

In the course of the fiscal year 2011, four plenary meetings of the Supervisory Board took place in accordance with the Articles of Association of IT Competence Group SE.

The Supervisory Board was in frequent written and verbal contact with the Board of Directors, regarding the financial situation and the business development of the company. At the meetings, the Supervisory Board was informed and consulted about the activities and policies of IT Competence Group SE.

The Supervisory Board did not build any committees. All tasks were performed by the Supervisory Board as a whole.

All members of the Supervisory Board were attending the board meetings either personally or via telephone. Matters considered by the Supervisory Board during the year included:

- Budget
- Business strategy
- Development of revenues and earnings situation
- Business situation at subsidiaries
- Potential further acquisitions

The consolidated financial statements of IT Competence Group SE were drawn up according to the Dutch Generally Accepted Accounting Principles (GAAP). The financial data has been audited by the independent auditors Stroeken Rossieau B.V.

We have approved the financial statements of IT Competence Group SE prepared by the Board of Directors and we also agree with the description of the company's situation set out in the Management Board Report. We recommend to shareholders that they adopt 2011 financial statements.

The composition of the subscribed capital as well as the provisions concerning the appointment and removal of members of the executive board, or amendments to the Articles of Association are in compliance with the statutory requirements and are self explanatory.

The Supervisory Board would like to thank the Board of Directors for its commitment, hard work and for the consistently trustworthy and fruitful dialogue.

Waalre, the Netherlands

June 29, 2012

FINANCIAL STATEMENTS

1 CONSOLIDATED BALANCE SHEET AS OF DECEMBER 31, 2011
(after appropriation of result)

ASSETS

	December 31, 2011		December 31, 2010	
	€	€	€	€
FIXED ASSETS				
Intangible fixed assets	(1)	3,914,587	3,998,061	
Tangible fixed assets	(2)	199,174	117,308	
Financial fixed assets	(3)	-	46,500	
		<u>4,113,761</u>	<u>4,161,869</u>	
CURRENT ASSETS				
<i>Inventories</i>				
Work in progress		199,239	85,555	
<i>Trade and other receivables</i> (4)				
Trade debtors		1,715,270	715,405	
Taxes and social security charges		76,699	107,111	
Other receivables, prepayments and accrued income		<u>149,512</u>	<u>95,468</u>	
		1,941,481	917,984	
<i>Cash and cash equivalents</i>		243,181	934,901	
		<u>6,497,662</u>	<u>6,100,309</u>	

		EQUITY AND LIABILITIES			
		December 31, 2011		December 31, 2010	
		€	€	€	€
GROUP EQUITY	(5)		-518,866		1,597,034
SUBORDINATED LOANS	(6)		1,300,000		-
GUARANTEE CAPITAL			<u>781,134</u>		<u>1,597,034</u>
LONG-TERM LIABILITIES	(7)				
Convertible loans		750,000		2,050,000	
Loans from group companies		<u>690,000</u>		<u>170,000</u>	
			1,440,000		2,220,000
CURRENT LIABILITIES	(8)				
Trade creditors		1,109,572		832,182	
Group companies		1,008,564		807,519	
Loans from associates		777,409		-	
Taxes and social security charges		240,844		130,273	
Liabilities, accruals and deferred income		<u>1,140,139</u>		<u>513,301</u>	
			4,276,528		2,283,275
			<u><u>6,497,662</u></u>		<u><u>6,100,309</u></u>

2 CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR 2011

	2011		2010	
	€	€	€	€
Net turnover	(9)	13,831,240		8,577,649
Changes in inventories of finished goods and work in progress		108,158		29,735
Cost price		5,088,903		3,158,313
Gross margin			8,850,495	5,449,071
Wages and salaries	(10)	6,323,567		3,078,715
Social security charges	(11)	1,019,459		524,333
Amortisation and depreciation	(12)	375,021		246,903
Other operating expenses	(13)	3,006,463		1,318,517
			10,724,510	5,168,468
Operating result			-1,874,015	280,603
Interest and similar income	(14)	12,075		5,692
Interest and similar expenses	(15)	-279,877		-255,363
Financial income and expenses			-267,802	-249,671
Result before tax			-2,141,817	30,932
Taxation on result of ordinary activities	(16)		58,717	-267,297
Result after tax			-2,083,100	-236,365

3 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

GENERAL

Activities

IT Competence Group SE is a company domiciled in The Netherlands. The address of the Company's registered office is Laan van Diepenvoorde 3, 5582 LA Waalre. The Group is a publicly listed holding company focusing on fast growing IT service companies with business activities in IT consulting and outsourcing solutions.

As per January 1, 2012 IT Competence SE has a permanent establishment in Germany, the address of the Company's office is Schlossdomäne Monrepos 6, 71634 Ludwigsburg.

The parent company of IT Competence Group SE is Navigator Equity Solutions SE, which holds 81.77% of the outstanding shares.

Group structure

In the financial statements of IT Competence Group S.E. the financial information is consolidated of IT Competence Group S.E. and her following group companies:

LIST OF PARTICIPATING INTERESTS

<u>Name, statutory registered office</u>	<u>Share in issued share capital</u>
	%
Human Internet CONSULT AG Ludwigsburg	100.00
BEAM IT CONSULT GmbH Ludwigsburg	100.00
net on AG München	100.00

The partnership has the following capital interests which have been valued at net capital value:

<u>Name, statutory registered office</u>	<u>Share in issued share capital</u>
	%
Sopitus 5 GmbH (formerly known as Power Economizer GmbH) Hamburg	68.89

The participation in Sopitus 5 GmbH was acquired from Nanoventure N.V. for a purchase price of € 1. As per December 31, 2010 the management decided, to sell the participation in the first half year of 2011.

Therefore the participation was classified as a held for sale asset which is valued at cost price.

Due to bad market circumstances the management wasn't able to sell the company. Therefore the management decided to liquidate the company in 2012. In the financial statements of 2011 the participation is still classified as a held for sale asset and valued at cost price and isn't consolidated in IT Competence Group SE.

Cash flow statement

The Company has used the exemption from disclosing a cash flow statement based on Dutch GAAP 360 paragraph 104.

Consolidation principles

Financial information relating to group companies and other legal entities which are controlled by IT Competence Group S.E. or where central management is conducted has been consolidated in the financial statements of IT Competence Group S.E.. The consolidated financial statements have been prepared in accordance with the accounting principles of IT Competence Group S.E..

With regard to the company profit and loss account, the company applies the exemption of article 2:402 BW.

Financial information relating to the group companies and the other legal entities and companies included in the consolidation is fully included in the consolidated financial statements, eliminating the intercompany relationships and transactions. Third-party shares in equity and results of group companies are separately disclosed in the consolidated financial statements.

Financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences (the acquisition date) until the date that control ceases. At acquisition date the assets, provisions and liabilities are measured at fair values. Goodwill paid is capitalised, to which amortisation is charged based on the estimated useful life. The results of participations sold during the year are recognised until the moment of disposal.

GENERAL ACCOUNTING PRINCIPLES FOR THE PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statement have been prepared in accordance with Title 9 Book 2 of the Netherlands Civil Code.

Valuation of assets and liabilities and determination of the result takes place under historical costs convention. Unless presented otherwise at the relevant principle for specific balance sheet item, assets and liabilities are presented at nominal value.

Changes in accounting policies

In 2011 IT Competence Group SE changed its accounting policy from IFRS to Dutch GAAP. IT Competence Group SE opted for the new accounting policy, for the reason of comparability. The comparative figures of 2010 have been adopted for this new accounting policy. The cumulative effect of the change of accounting policy has been recognized in the opening equity.

Translation of foreign currency

Receivables, liabilities and obligations denominated in foreign currency are translated at the exchange rates prevailing at balance sheet date. The exchange differences resulting from the translation as of balance sheet date, taking into account possible hedge transactions, are recorded in the profit and loss account.

PRINCIPLES OF VALUATION OF ASSETS AND LIABILITIES

Intangible fixed assets

Intangible fixed assets are presented at cost less accumulated amortisation and, if applicable, less impairments in value. Amortisation is charged as a fixed percentage of cost, as specified in more detail in the notes to the balance sheet. The useful life and the amortisation method are reassessed at the end of each financial year.

Tangible fixed assets

Tangible fixed assets are presented at cost less accumulated depreciation and, if applicable, less impairments in value. Depreciation is based on the estimated useful life and calculated as a fixed percentage of cost, taking into account any residual value. Depreciation is provided from the date an asset comes into use. Land is not depreciated.

Financial fixed assets

Participating interests where significant influence is exercised over the business and financial policy are valued according to the equity method on the basis of the net asset value. This net asset value is based on the same accounting principles as applied by IT Competence Group S.E.. Participating interests with a negative net asset value are valued at € 1. In the case that the company fully or partly guarantees for the debts of the respective participating interest, a provision is recognised. If the company fully or partly guarantees the liabilities of the participations concerned, or has the effective obligation respectively to enable the participation to pay its (share of the) liabilities, a provision is formed. Upon determining this provision, provisions for doubtful debts already deducted from receivables from the participations are taken into account.

Inventories

The valuation of work in progress includes the cost of raw materials and consumables, direct labour and other production costs, and a proportion of production overheads. Profit on work in progress is recognised in proportion to the amount of work performed (percentage of completion method). Insofar as specific project finance has been concluded for work in progress, interest charges are attributed to the cost price of this work. A provision is recognised for expected losses on contracts, which occurs when total contract cost exceeds total contract revenue.

Trade and other receivables

Trade and other receivables are stated at nominal value, less any provision for doubtful debts. Provisions are designated on basis of individual assessment of recoverability of the receivables.

Subordinated loans

These loans are subordinated to all existing and future liabilities of the company and are presented at nominal value.

PRINCIPLES FOR THE DETERMINATION OF THE RESULT

Determination of the result

The result is determined based upon the difference between the net turnover and the costs and other expenses taking into account the accounting principles mentioned before.

Income and expenses are accounted for on accrual basis. Profit is only included when realized on the balance sheet date. Losses originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements.

Net turnover

Revenues from services are recognised in proportion to the services rendered, based on the cost incurred in respect of the services performed up to balance sheet date, in proportion to the estimated costs of the aggregate services to be performed. The cost price of these services is allocated in the same period.

Amortisation and depreciation

Amortization on (in)tangible fixed assets using a fixed rate on the acquisition costs of conversion.

The depreciation on (in)tangible fixed assets is calculated by using a fixed rate on the acquisition cost or cost of conversion.

Gains and losses on disposal of (in)tangible fixed assets are recorded under amortization/depreciation, gains only to the extent that the gain is not capitalised deducted from replacement investments.

Financial income and expenses

Financial income and expenses comprise interest income and expense of loans for the current reporting period.

Taxation

Corporate income tax expense comprises current and deferred tax. Corporate income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

4 NOTES TO THE CONSOLIDATED BALANCE SHEET AS OF DECEMBER 31, 2011

Fixed assets

	<u>12/31/2011</u>	<u>12/31/2010</u>
	€	€
<i>1. Intangible fixed assets</i>		
Goodwill	<u>3,914,587</u>	<u>3,998,061</u>
		<u>Goodwill</u>
		€
<i>Book value as per January 1, 2011</i>		
Balance to be analysed		129,492
Purchase price		4,776,755
Accumulated amortization		<u>-796,126</u>
		<u>4,110,121</u>
<i>Changes</i>		
Amortization		<u>-195,534</u>
<i>Book value as per December 31, 2011</i>		
Balance to be analysed		129,492
Purchase price		4,776,755
Accumulated amortization		<u>-991,660</u>
		<u>3,914,587</u>

Of the goodwill € 3.789.559 (2010: € 3.980.630) regards the acquisition of the shares in Human Internet Consult GmbH. The remaining life is 20 years.

€ 107.128 (2010: 0) regards the acquisition of the shares of the 100% subsidiaries of net on AG. The remaining life is 24 years. € 17.900 regards other intangible fixed assets.

The business model of ITC is to acquire, restructure, integrate and develop companies in the IT industry. The aim is to keep all business acquired by ITC within the group and support them in the long run. Due to the long term approach Management of ITC decided to depreciate the goodwill of the acquired companies over the period of 25 years.

Amortisation rates

	%
Goodwill	4

	<u>12/31/2011</u>	<u>12/31/2010</u>
	€	€
<i>2. Tangible fixed assets</i>		
Plant and equipments	96,232	63,093
Furniture	102,942	54,215
	<u>199,174</u>	<u>117,308</u>
 <i>Depreciation rates</i>		
		%
Plant and equipments		10-50
Furniture		5-50
	<u>12/31/2011</u>	<u>12/31/2010</u>
	€	€
<i>3. Financial fixed assets</i>		
Greisiger.net GmbH	-	46,500
	<u>-</u>	<u>46,500</u>
Greisiger.net GmbH is merged with HIC Systems GmbH as per January 1, 2011.		
 Current assets		
<i>4. Trade and other receivables</i>		
<i>Trade debtors</i>		
Trade debtors	1,715,270	722,505
Provision for bad debts	-	-7,100
	<u>1,715,270</u>	<u>715,405</u>
 <i>Taxes and social security charges</i>		
Valued added tax	14,067	44,479
Company tax	62,632	62,632
	<u>76,699</u>	<u>107,111</u>
 <i>Other receivables, prepayments and accrued income</i>		
Prepayments and accrued income	<u>149,512</u>	<u>95,468</u>

5. Group Equity

Please refer to the notes to the non-consolidated balance sheet on page 35 of this report for an explanation of the shareholder's equity

	<u>12/31/2011</u>	<u>12/31/2010</u>
	€	€
6. Subordinated loans		
Loan Navigator Equity Solutions SE	<u>1,300,000</u>	<u>-</u>

A loan of € 1.300.000 is subordinated to all existing and future liabilities of the company. An interest rate of 5% is calculated and will be repaid within a maximum period of 5 years. The following items are pledged as guarantee on first demand: trade debtors, stocks in the participation of net on AG, stocks in the participation of Beam IT GmbH and a second pledge of Human Internet Consult AG.

7. Long-term liabilities

Convertible loans

Convertible loan Navigator Equity Solutions SE	<u>750,000</u>	<u>2,050,000</u>
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The convertible loan was issued in November 2006, bears an interest of 8% and is completely subscribed by Navigator Equity Solutions SE. Each individual bond had an issue price of € 1 (2,660,000 bonds) and an exchange ratio of 1 : 1 (one bond = one share). After the share split, which took place in July 2007 an amount of 580k of the convertible loan has been repaid to Navigator Equity Solutions SE.

Loans from group companies

Navigator Equity Solutions SE	<u>690,000</u>	<u>170,000</u>
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An interest rate of 5%-8% has been calculated.

8. Current liabilities

Trade creditors

Trade creditors	<u>1,109,572</u>	<u>832,182</u>
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Group companies

Navigator Equity Solutions SE	<u>1,008,564</u>	<u>807,519</u>
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Loans from associates

Associates	<u>777,409</u>	<u>-</u>
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	<u>12/31/2011</u>	<u>12/31/2010</u>
	€	€
<i>Taxes and social security charges</i>		
Valued added tax	901	-
Pay-roll tax	<u>239,943</u>	<u>130,273</u>
	<u>240,844</u>	<u>130,273</u>
 <i>Liabilities, accruals and deferred income</i>		
Accrued liabilities	<u>1,140,139</u>	<u>513,301</u>

Off balance sheet commitments

Lease obligations

Lease obligations entered into with third parties in respect of cars (based on an average three) yearly amounts € 346,000 (2010: €348,000). These obligations end between 2012 and 2015 (2010: 2010 and 2012).

5 NOTES TO THE CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR 2011

9. Net turnover

The net turnover for 2011 of the legal entity and its subsidiaries and/or groupcompanies has increased by 61%.

Employee expenses

	2011	2010
	€	€
10. <i>Wages and salaries</i>		
Gross wages	6,323,567	3,078,715
11. <i>Social security charges</i>		
Social security premiums	1,019,459	524,333

Staff

During the 2011 financial year, the average number of employees in the Group , converted into full-time equivalents, amounted to 123 (2010: 63).

Director's total remuneration approximated EUR 120k in 2011 and EUR 164k in 2010.

12. Amortisation and depreciation

Intangible fixed assets	195,534	191,070
Tangible fixed assets	179,487	55,833
	375,021	246,903

13. Other operating expenses

Other employee expenses	171	98,442
Accommodation expenses	589,222	124,802
Car expenses	697,689	418,770
Selling and distribution expenses	585,112	396,985
General expenses	1,134,269	279,518
	3,006,463	1,318,517

Financial income and expenses

14. Interest and similar income

Interest bank	3,149	1,551
Interest receivable associates	8,926	1,950
Other	-	2,191
	12,075	5,692

	<u>2011</u>	<u>2010</u>
	€	€
<i>15. Interest and similar expenses</i>		
Bankcharges	13,468	1,702
Interest payable associates	54,632	77,007
Other	20,243	-
Interest loan Navigator Equity Solutions SE	191,534	176,654
	<u>279,877</u>	<u>255,363</u>
16. Taxation on result of ordinary activities		
Corporate income tax	-59,077	166,138
Corporate income tax prior periods	360	101,159
	<u>-58,717</u>	<u>267,297</u>

6 COMPANY BALANCE SHEET AS OF DECEMBER 31, 2011
(after appropriation of result)

ASSETS

	December 31, 2011		December 31, 2010	
	€	€	€	€
FIXED ASSETS				
Intangible fixed assets (17)		3,789,559		3,980,629
Financial fixed assets (18)				
Subsidiaries		955,288		1,270,395
CURRENT ASSETS				
Trade and other receivables (19)				
Trade debtors	1,000		4,000	
Taxes and social security charges	62,632		66,527	
Other receivables, prepayments and accrued income	8,340		-	
		71,972		70,527
Cash and cash equivalents		25,885		15,271
		<u>4,842,704</u>		<u>5,336,822</u>

		EQUITY AND LIABILITIES			
		December 31, 2011		December 31, 2010	
		€	€	€	€
SHAREHOLDERS' EQUITY	(20)				
Issued capital		1,875,000		1,875,000	
Treasury shares		-136,792		-178,125	
Other reserves		-1,413,642		-48,732	
			324,566		1,648,143
SUBORDINATED LOANS	(21)		1,300,000		-
GARANTEE CAPITAL			1,624,566		1,648,143
LONG-TERM LIABILITIES	(22)				
Convertible loans		750,000		2,050,000	
Loans from group companies		1,243,000		170,000	
			1,993,000		2,220,000
CURRENT LIABILITIES	(23)				
Current portion long term loan		-		453,000	
Trade creditors		64,714		64,714	
Group companies		1,140,822		932,965	
Taxes and social security charges		901		-	
Liabilities, accruals and deferred income		18,701		18,000	
			1,225,138		1,468,679
			<u>4,842,704</u>		<u>5,336,822</u>

7 COMPANY PROFIT & LOSS ACCOUNT FOR THE YEAR 2011

	<u>2011</u>	<u>2010</u>
	€	€
Share in result of participating interests after taxes	-756,983	267,772
Other income and expenses after taxes	<u>-631,683</u>	<u>-461,232</u>
Resultaat after taxes	<u><u>-1,388,666</u></u>	<u><u>-193,460</u></u>

8 NOTES TO THE COMPANY BALANCE SHEET AS OF DECEMBER 31, 2011

Fixed assets

17. Intangible fixed assets

	Goodwill
	€
<i>Book value as per January 1, 2011</i>	
Purchase price	4,776,755
Accumulated amortization	<u>-796,126</u>
	<u>3,980,629</u>
<i>Changes</i>	
Amortization	<u>-191,070</u>
<i>Book value as per December 31, 2011</i>	
Purchase price	4,776,755
Accumulated amortization	<u>-987,196</u>
	<u>3,789,559</u>

Of the goodwill € 3.789.559 (2010: € 3.980.630) regards the acquisition of the shares in Human Internet Consult GmbH. The remaining life is 20 years.

The business model of ITC is to acquire, restructure, integrate and develop companies in the IT industry. The aim is to keep all business acquired by ITC within the group and support them in the long run. Due to the long term approach Management of ITC decided to depreciate the goodwill of the acquired companies over the period of 25 years.

Amortisation rates

	%
Goodwill	4

18. *Financial fixed assets*

	<u>12/31/2011</u>	<u>12/31/2010</u>
	€	€
<i>Subsidiaries</i>		
Human Internet CONSULT AG	955,285	1,270,393
BEAM IT CONSULT GmbH	1	1
Neton AG	1	-
Sopitus 5 GmbH	1	1
	<u>955,288</u>	<u>1,270,395</u>

This relates to a 100% participation in BEAM IT CONSULT GmbH and a 100% participation in net on AG.

The subsidiaries are valued at net asset value amounting to a negative equity of respectively € 200.556 and € 1.199.874. However the subsidiaries are not valued less than € 1. As a consequence the net appropriated result 2011 from BEAM IT CONSULT GmbH amounts € 25.805 and from net on AG amounts € 668.630.

	<u>2011</u>	<u>2010</u>
	€	€
<i>Human Internet CONSULT AG</i>		
Book value as per January 1	1,270,393	992,099
Share in result	-315,108	278,294
Book value as per December 31	<u>955,285</u>	<u>1,270,393</u>

Current assets

19. *Trade and other receivables*

	<u>12/31/2011</u>	<u>12/31/2010</u>
	€	€
<i>Trade debtors</i>		
Trade debtors	<u>1,000</u>	<u>4,000</u>
<i>Taxes and social security charges</i>		
Valued added tax	-	3,895
Company tax	62,632	62,632
	<u>62,632</u>	<u>66,527</u>
<i>Prepayments and accrued income</i>		
Prepayments and accrued income	<u>8,340</u>	<u>-</u>

20. **Shareholders' equity**

	<u>12/31/2011</u>	<u>12/31/2010</u>
	€	€
<i>Issued capital</i>		
1,875,000 ordinary shares at par value € 1.00	<u>1,875,000</u>	<u>1,875,000</u>
The statutory share capital amounts to € 9.375.000		
	<u>2011</u>	<u>2010</u>
	€	€
<i>Treasury shares</i>		
Book value as per January 1	-178,125	-178,125
Other changes	41,333	-
Book value as per December 31	<u>-136,792</u>	<u>-178,125</u>

At December 31, 2011 the Group held 136,791 of the Company's shares.

Other reserves

Book value as per January 1	-48,732	679,896
Appropriation of the net result	-1,388,666	-193,460
Other changes	-1,437,398	486,436
	23,756	-535,168
Book value as per December 31	<u>-1,413,642</u>	<u>-48,732</u>

In 2011 IT Competence Group SE changed its accounting policies from IFRS to Dutch GAAP. Due to this change of accounting policies the comparative figures of 2010 have been adopted. The cumulative effect of the change of accounting policy amounting € 535.168 has been recognised in the opening balance under other charges. The effect of changing the accounting policies recognised in the profit and loss account amounts € 152.104.

The other charges 2011 amounting € 23.756 is the result on the shares sold to Mr. M. Solibieda as well as an adjustment in previous years.

The variance between the consolidated equity and the company's equity is similar to the negative equity of the 100% participations in BEAM IT CONSULT GmbH and net on AG amount to respectively € 200.556 (2010: € 169.050) and € 1.199.874 (2010: 0) less an impairment of the receivables of the participations concerned amounting € 556.972 (2010: € 117.943).

The difference between the consolidated result and the company only result of € 694.434 (2010: € 42.905) can be explained by not recognised losses of participations in group companies with a negative equity.

	12/31/2011	12/31/2010
	€	€
21. Subordinated loans		
Loan Navigator Equity Solutions SE	1,300,000	-

A loan of € 1.300.000 is subordinated to all existing and future liabilities of the company. An interest rate of 5% is calculated and will be repaid within a maximum period of 5 years. The following items are pledged as guarantee on first demand: trade debtors, stocks in the participation of net on AG, stocks in the participation of Beam IT GmbH and a second pledge of Human Internet Consult AG.

22. Long-term liabilities

Convertible loans

Convertible loan Navigator Equity Solutions SE	750,000	2,050,000
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The convertible loan was issued in November 2006, bears an interest of 8% and is completely subscribed by Navigator Equity Solutions SE. Each individual bond had an issue price of € 1 (2,660,000 bonds) and an exchange ratio of 1 : 1 (one bond = one share). After the share split, which took place in July 2007 an amount of 580k of the convertible loan has been repaid to Navigator Equity Solutions SE.

Loans from group companies

Human Internet CONSULT AG	553,000	-
Navigator Equity Solutions SE	690,000	170,000
	<u>1,243,000</u>	<u>170,000</u>

An interest rate of 5%-8% has been calculated.

	2011	2010
	€	€
<i>Human Internet CONSULT AG</i>		
Book value as per January 1	453,000	1,890,000
Repayments	-	-1,890,000
Issued loan	100,000	453,000
Balance as of December 31	<u>553,000</u>	<u>453,000</u>
Repayment obligation for next financial year	-	-453,000
Long-term part as per December 31	<u>553,000</u>	<u>-</u>

In August 2010 and September 2010 Human Internet CONSULT AG issued a loan to IT Competence Group SE. The loan agreements bear an interest of 4% (EUR 450k) and 3.75% (EUR 3k). The following items are pledged as guarantee on first demand: stocks in the participation of Human Internet Consult AG.

	2011	2010
	€	€
<i>Navigator Equity Solutions SE</i>		
Book value as per January 1	170,000	160,000
Issued loan	520,000	10,000
Long-term part as per December 31	<u>690,000</u>	<u>170,000</u>

An interest rate of 5%-8% has been calculated.

23. Current liabilities

	12/31/2011	12/31/2010
	€	€
<i>Current portion long term loan</i>		
Loans from group companies	-	<u>453,000</u>
<i>Trade creditors</i>		
Trade creditors	<u>64,714</u>	<u>64,714</u>
<i>Group companies</i>		
Human Internet CONSULT AG	144,792	128,658
Navigator Equity Solutions SE	996,030	804,307
	<u>1,140,822</u>	<u>932,965</u>
<i>Taxes and social security charges</i>		
Valued added tax	<u>901</u>	<u>-</u>
<i>Accrued liabilities</i>		
Auditor's fee	16,000	15,000
Consultancy charges	2,701	3,000
	<u>18,701</u>	<u>18,000</u>

9 NOTES TO THE PROFIT & LOSS ACCOUNT OVER THE YEAR 2011

Staff

During the 2011 financial year, the average number of employees in the Group , converted into full-time equivalents, amounted to 1 (2010: -).

24. Share in result of participating interests

	2011	2010
	€	€
Share in result of Human Internet CONSULT AG	-315,108	277,966
Share in result of BEAM IT Consult GmbH	-5,701	-10,194
Share in result of Neton AG	-436,174	-
	<u>-756,983</u>	<u>267,772</u>

Board of directors signature for approval

Waalre, June 29, 2012

R. Kaess

2 STATUTORY APPROPRIATION OF PROFIT

Based on article 15 of the statutes the result is at disposal of the General Shareholders Meeting which can allocate the profit wholly or partly to the general or specific reserve funds.

The company can only make payments to the shareholders and other parties entitled to the distributable profit for the amount the shareholders' equity is greater than the paid-up and called-up part of the capital plus the legally required reserves.

Article 15 of the company's Articles of Association:

1. Following the prior approval of the supervisory board, the management board is authorised to reserve such a portion of the profit as it deems necessary, with due observance of the obligation to retain statutory reserves, or any reserves prescribed by these articles.
2. Any profit remaining following the reserves retained to in the foregoing paragraph is placed at the disposal of the general meeting. A resolution to distribute profits in cash shall be adopted by the general meeting of shareholders by more than half of the votes cast. A resolution to distribute profits in kind shall be adopted by the general meeting of shareholders with a majority of at least ninety-five percent (95%) of the votes cast, provided that at least fifty percent (50%) of the issued share capital is represented at the general meeting of shareholders.
3. Other than by adoption of the annual accounts, the general meeting is authorised to cancel the reserves, either wholly or in part, at the proposal of the management board, which proposal is approved by the supervisory board. A deficit may only be offset against the reserves prescribed by law to the extent that this is allowed by law.
4. The company may only pay out to shareholders and other entitled parties any profit subject to distribution to the extent that its equity capital exceeds the amount of the paid and called-up portion of the capital plus the reserves that must be retained by law or in accordance with the articles of association.
5. In calculation the profit distribution, shares that the company holds in its own capital do not count and no profit is distributed in respect of them except if and to the extent that the shares in question are encumbered with a right of usufruct established by the company at the time they were acquired. These shares do not confer any right to a share in the balance left after winding-up either.

3 APPROPRIATION OF THE RESULT FOR THE 2010 FINANCIAL YEAR

The annual account for 2010 was adopted by the General Shareholders Meeting held on July 14, 2011. The General Shareholders Meeting has determined the appropriation of the result as it was proposed.

4 RECOGNITION OF THE LOSS FOR 2011

The board of directors proposes to add the 2011 result to the other reserves for an amount of € negative € 1,388,666. The General Meeting of Shareholders Shareholders will be asked to approve the appropriation of the 2011 result, this proposition is already recognised in the financial statements.

