

## Netop Solutions A/S – Profit announcement for the third quarter of 2009

**Netop Solutions' main priority in the third quarter was to enhance profitability and align both the organisation and our product offering to current and future market conditions. Costs were reduced by 25% relative to the year-earlier period, and management expects to reduce the cost base further without cutting back on the production capacity. Management retains the full-year guidance and provides a more specific forecast of revenue in the region of DKK 95m and an EBITDA loss of approximately DKK 31m.**

- Netop Solutions' main focus in the third quarter of 2009 was to optimise costs, As a result, the company's overall costs were about 25% lower than they were in the year-earlier period. Management has initiated measures that are expected to reduce costs further during the fourth quarter without cutting back on the production capacity. Costs are expected to be reduced during the fourth quarter to about 40% of last year's level.
- Revenue was DKK 20.7m in Q3 2009, compared with DKK 24.7m in Q3 2008. The Q3 2009 revenue fell short of expectations, and Netop Solutions continues to feel the effects of the global economic recession, as sales processes have been extended due to a lack of investment appetite and general investment restraint.
- The Q3 Administration revenue was DKK 9.3m, compared with DKK 10.5m in Q3 2008. The Q3 Education revenue was DKK 9.4m against DKK 13.3m in the same period of last year, while revenue from Communication, which is still a relatively new business area for Netop Solutions, amounted to DKK 0.7m (Q3 2008: DKK 0.9m).
- Revenue in the EMEA/APAC region was DKK 10.5m in Q3 2009, compared with DKK 14.6m in Q3 2008. US revenue totalled DKK 10.2m against DKK 10.1m in Q3 2008.
- EBITDA was a loss of DKK 8.2m in Q3 2009, against a loss of DKK 14.0m in the same period of last year. EBIT was a loss of DKK 11.2m in Q3 2009, compared with a loss of DKK 16.5m in the same period of 2008. Netop Solutions recorded a net loss of DKK 11.4m in Q3 2009 against a DKK 16.6m loss in Q3 2008.
- Management continues to expect revenue and EBITDA to improve, but as revenue is expected to be lower than previously guided, we do not expect to achieve an operating profit for the second half of 2009 as previously expected. However, management does expect a slight profit in the fourth quarter. Management makes a more specific forecast of revenue in the region of DKK 95m and an EBITDA loss of approximately DKK 31m.

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**About Netop Solutions A/S**

*Netop Solutions A/S develops and sells software solutions enabling swift, stable and secure transfer of video, screen images, sound and data over the Internet. The company has three core business areas: Administration, Education and Communication. Netop Solution's unique and cost-saving Administration solutions makes work easier for IT professionals through Remote Control and IT Asset Management. Netop Solution's market-leading Education solutions for classroom management and corporate e-learning help students and teachers achieve optimum results through virtual teaching. Netop Solution's Communication solutions, including unified communications, allow customers, business partners and colleagues to meet easily and safely in virtual space through video conferences, chat, audio and file sharing over the Internet. Netop has some 150 employees and subsidiaries in the USA, the UK, China, Romania and Switzerland. The company sells its solutions to public and private sector customers in more than 80 countries. Netop Solutions A/S is listed on Nasdaq OMX Copenhagen and is a component of the SmallCap+ index. Netop Solutions generated revenue of DKK 92.1m in 2008. For more information, go to [www.netop.com](http://www.netop.com).*

*Translation In the event of any inconsistency between this document and the Danish language version, the Danish language version shall be the governing version.*

## Financial highlights and key ratios

	DKKm	9M 2009	9M 2008	Q3 2009	Q32008	FY 2008
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### Financial highlights

Revenue		68.3	64.7	20.7	24.7	92.1
Gross profit		67.3	47.6	(0.2)	18.7	91.6
Operating loss before depreciation and amortisation (EBITDA)		(35.1)	(32.5)	(8.2)	(14.0)	(38.3)
Operating loss (EBIT)		(44.6)	(37.9)	(11.2)	(16.5)	(49.9)
Net financials		(0.9)	(3.3)	(1.1)	(4.5)	(8.0)
Loss before tax		(45.4)	(41.3)	(12.3)	(20.9)	(57.9)
Loss for the period		(41.3)	(31.7)	(11.4)	(16.6)	(48.7)
Comprehensive income		(41.5)	(36.2)	(11.3)	(16.6)	(42.7)
<b>Balance sheet, end of period</b>						
Non-current assets		103.2	99.2	103.2	99.2	108.7
Current assets		32.8	93.1	32.8	93.1	73.8
Total assets		136.1	192.2	136.1	192.2	182.4
Assets less cash		126.9	162.0	126.9	162.0	134.3
Share capital		21.0	21.0	21.0	21.0	21.0
Equity		104.0	159.1	104.0	159.1	145.9
Non-current liabilities		14.7	14.3	14.7	14.3	15.3
Current liabilities		17.4	18.8	17.4	18.8	21.2
<b>Cash flows</b>						
From operating activities		(37.4)	(32.8)	(12.4)	(10.0)	(40.7)
From investing activities		(1.1)	(18.8)	(0.5)	(19.4)	8.9
Of which invested in property, plant and equipment		(0.5)	(0.2)	(0.0)	0.8	(1.0)
From financing activities		(0.4)	(2.4)	-	(2.4)	(4.1)
Total cash flows		(39.0)	(54.0)	(12.9)	(31.8)	(36.0)

### Key ratios

<b>Financial ratios</b>						
EBITDA margin	%	(51)	(59)	(40)	(67)	(42)
Operating margin (EBIT margin)	%	(65)	(50)	(54)	(57)	(54)
Equity ratio	%	74	83	74	83	82
Return on equity <sup>1)</sup>	%	(32)	(26)	(42)	(41)	(31)
<b>Share-related ratios</b>						
Earnings per share, EPS <sup>1)</sup>	DKK	(9.8)	(7.9)	(10.9)	(4.0)	(12.1)
Diluted earnings per share, EPS-D	DKK	(9.8)	(7.9)	(10.9)	(4.0)	(12.1)
Net asset value per share	DKK	24.7	37.8	24.7	37.8	34.7
Cash flow per share, CFPS	DKK	(8.9)	(8.2)	(3.9)	(2.4)	(8.9)
Number of shares, end of period (nominal value of DKK 5) (thousands)		4,209	4,209	4,209	4,209	4,209
Avg. number of shares (nominal value of DKK 5) (thousands)		4,209	3,983	4,209	4,209	4,030
Share price, end of period	DKK	12.1	52	12.1	52	35.0
Dividend per share	DKK	-	-	-	-	-
Price earnings, P/E	DKK	(1.4)	(6.5)	(2.0)	(13.2)	(2.9)
<b>Average number of employees</b>						
		146	129	152	163	138

<sup>1)</sup> Calculated over a 12-month period

This interim report for the third quarter of 2009 has been prepared in accordance with IAS 34 "Interim financial reporting" as adopted by the EU and additional Danish regulations governing the presentation of interim reports by listed companies. The interim report has not been audited or reviewed. Ratios have been calculated in accordance with "Recommendations & Financial Ratios 2005" issued by the Danish Society of Financial Analysts.

## Business performance

Revenue in all Netop Solutions business areas continued to reflect the effects of the global economic crisis during the third quarter, and the financial results of the period therefore fell short of management's expectations. Costs were reduced by about 25% relative to Q3 2008 on the basis of a major streamlining of processes and subsequent organisational changes implemented in 2008 and 2009. For example, all development activities have been relocated from Denmark and consolidated in Romania, and a large number of internal processes have been optimised, producing substantial cost reductions.

Management initiated additional cost-saving measures in the third quarter, and costs will be gradually reduced during the fourth quarter to a level of about 40% below last year without cutting back on production capacity.

One of the new measures Netop Solutions implemented in the third quarter was to define which markets the company intends to concentrate on going forward. These include the United States, Germany and the Nordic countries. In addition, we have implemented a new product strategy that will better support Netop Solutions' strategy and long-term goals.

Finally, we have taken another step in consolidating our development resources, as all development projects have now been in-sourced to our development centre in Romania. Previously, they were outsourced to external development consultants in Russia.

## Business areas

The Netop Solutions business areas are: Administration, Education and Communication.

### *Administration*

Our Administration solutions are focused on remote control and asset management and consequently on generating cost savings and efficiency enhancements for businesses and organisations. The Q3 2009 Administration revenue was DKK 9.3m, compared with DKK 10.5m in Q3 2008.

During the third quarter, Netop Solutions launched a new version of Asset Control with support for Windows 7 and SQL Express.

### *Education*

Our Education solutions comprise classroom management and corporate e-learning. The Q3 Education revenue was DKK 9.4m, compared with DKK 13.3m in Q3 2008.

### *Communication*

Our Communication business area develops proprietary solutions designed for unified communications (UC) and secure collaboration communication tools. A characteristic of the Communication licensing model is that customers pay a subscription fee to use the product. These subscription payments are made under indefinite term agreements, providing a small, regular cash inflow to Netop Solutions. The Q3 Communication revenue amounted to DKK 0.7m.

Our development department is currently working on a proprietary, new and strongly improved version of the Netop Live Communicator with features including a presenter mode enabling 1-to-many presentations for up to 20 people. The product is expected to be ready for the market already in the fourth quarter. This new solution enables users to invite external participants via a conference call number, and it provides improved sound quality with the emphasis on reducing echo and connectivity dropout. Netop's new product solutions build on the company's 25-year track record as a provider of innovative solutions for the transfer of screen images, sound, video and data between two or more computers and this experience will consistently make up the core of our new, innovative communication solutions building on the Netop Solutions proprietary platform. Based on open standards, Netop solutions can be integrated with Microsoft OCS, Skype and Tandberg, providing a major advantage over Medianet products.

### Events after the balance sheet date

As explained in Announcement No. 9 of 7 October 2009, Netop and Medianet will be terminating their partnership at the end of the year, at which time Netop will begin to launch proprietary unified communications and secure collaboration products. The partnership agreement between Netop and Medianet has been terminated with effect from the end of 2009, and the companies withdraw from all mutual agreements, including the negotiations on a possible option agreement mentioned in Announcement No. 5 of 28 April 2009.

Concurrently with the termination of the agreement, Netop will launch proprietary communication solutions in the field.

## Financial review

### Revenue

Netop Solutions generated Q3 revenue of DKK 20.7m, compared with DKK 24.7m in Q3 2008. The revenue setback was mainly attributable to the global recession and the resulting general sentiment of strong reluctance to buy new software among Netop Solutions' customers.

#### Revenue split by product:

DKKm	Q3 2009	%	Q3 2008	%	2008
Administration	9.3	45.0	10.5	42.5	54.5
Education	9.4	3.4	13.3	53.8	32.2
Communication	0.7	45.5	0.9	3.7	2.0
Other	1.3	6.1	-	-	3.4
Total	20.7	100.0	24.7	100.0	92.1

Q3 Administration revenue was DKK 9.3m, as compared with DKK 10.5m in Q3 2008.

Q3 Education revenue was DKK 9.4m, as compared with DKK 13.3m in Q3 2008. The revenue setback was the most pronounced in the EMEA/APAC region, as the German, UK and Chinese markets all reported a drop in sales.

#### Revenue by geographical market:

DKKm	Q3 2009	%	Q3 2008	%	2008
USA	10.2	49.3	10.1	40.9	31.8
EMEA/APAC	10.5	51.7	14.6	59.1	60.3
Other	20.7	100.0	24.7	100.0	92.1

#### Note:

EMEA/APAC: Europe, the Middle East, Africa and Asia

The USD/DKK exchange rate generally fell during the third quarter, but was still about 5% higher than in the third quarter of 2008. The improving revenue from the US market and profitable operations by our US

subsidiary mean that a higher USD/DKK exchange rate will have a more positive effect on our consolidated profit than previously.

### Costs

Costs of production, external costs, staff costs and impairment charges totalled DKK 23.9m in Q3 2009, a 38% decrease from DKK 38.7m in Q3 2008.

The lower costs reflect the process Netop has been through since we acquired the activities in the summer of 2008 the development activities have been relocated to Romania and the German sales office has been closed. These steps combined with the stricter expenditure approval processes and extensive optimising of our in-house processes form the basis of the cost reduction.

Total costs amounted to DKK 98.4m in the 9M 2009 period against DKK 97.2m in 9M 2008. Medianet's og Genevalogic's costs were not recognised in Netop's total costs for the first half year of 2008.

*Production costs* were DKK 0.2m in Q3 2009, compared with DKK 0.7m in Q3 2008.

*External costs* (50% of revenue) fell by DKK 7.9m to DKK 10.3m in Q3 2009 relative to the same period of 2008.

*Staff costs* (89% of revenue) were DKK 18.4m in Q3 2009, compared with DKK 19.7m in Q3 2008. The 9M 2009 staff costs were up by DKK 6.8m relative to the same period of 2008,

*Impairment charges* (14% of revenue) were DKK 2.9m in Q3 2009, compared with DKK 2.5m in Q3 2008.

### Income

EBITDA was a loss of DKK 8.2m in Q3 2009 against a loss of DKK 14.0m in the same period of last year.

EBIT was a loss of DKK 11.2m in Q3 2009 against a loss of DKK 16.5m in the year-earlier period.

*Net financial items* amounted to a loss of DKK 1.1m in Q3 2009, primarily triggered by exchange rate adjustments resulting from the strong decline of the USD/DKK exchange rate during 2009.

This brought the Q3 2009 *pre-tax loss* to DKK 12.3m, compared with a DKK 20.9m loss in Q3 2008. The pre-tax loss for the first nine months of the year was DKK 45.4m, compared with a loss of DKK 41.3m in 9M 2008.

### Balance sheet

At 30 September 2009, total assets amounted to DKK 136.1m, with cash accounting for DKK 9.2m. Equity stood at DKK 104.0m (corresponding to an equity ratio of 74%), compared with DKK 159.1m at 30 September 2008.

### Cash flows

*Operating activities* generated a cash outflow of DKK 12.4m in Q3 2009 compared with an outflow of DKK 10.0m in the year-earlier period. Operating activities generated a cash outflow of DKK 37.4m in 9M 2009, compared with a cash outflow of DKK 32.87m in 9M 2008.

There was a cash outflow from *investing activities* of DKK 0.5m in Q3 2009, compared with an outflow of DKK 19.4m in the year-earlier period.

*Financing activities* generated a cash outflow of DKK 0.4m in 9M 2009, which was attributable to treasury share purchases.

Accordingly, there was a total cash outflow of DKK 12.9m in Q3 2009 compared with an outflow of DKK 31.8m in the year-earlier period. Accordingly, there was a total cash outflow of DKK 39.0m in the nine-month period to 30 September 2009.

## Outlook

Our primary goal for 2009 will be to generate revenue growth, while maintaining tight cost management.

Management continues to expect revenue and EBITDA to improve, but as revenue is expected to be lower than previously guided, we do not expect to achieve an operating profit in the second half of 2009 as previously expected. However, management does expect a slight profit in the fourth quarter. Management makes a more specific forecast of revenue in the region of DKK 95m and an EBITDA loss of approximately DKK 31m.

## Forward-looking statements

*The above forward-looking statements, including in particular the forecasts of future revenue and financial results, reflect management's current expectations for future events and are subject to risk. A number of factors, some of which will be beyond Netop Solutions' control, may cause actual developments and results to differ materially from the expectations expressed by the company. Such factors include general economic developments, developments in the financial markets, technology innovation, changes and amendments to legislation and regulations governing Netop Solutions' markets, changes in the demand for Netop Solutions' products, competition, and the integration of company acquisitions.*

## Announcements in 2009

19 January	Despite generating top-line growth, Netop Solutions A/S issues profit warning for FY 2008
10 March	Annual Report 2008
7 April	Notice to convene Annual General Meeting
27 April	Major shareholder announcement – Annual General Meeting – Blank proxies issued to the Board of Directors
28 April	Profit announcement for the first quarter of 2009
30 April	Minutes of the Annual General Meeting
6 May	Major shareholder announcement – companies associated with the PFA group no longer hold in excess of 5% of the share capital of Netop Solutions A/S.
18 August	Profit announcement for the second quarter and first half-year of 2009
7 October	Netop and Medianet terminate partnership

## Financial calendar 2009

31 December End of the 2009 financial year

## Appendices

The financial statements of the Netop Solutions Group comprise the parent company Netop Solutions A/S, Netop Business Solutions A/S, Danware Security A/S, Netop Tech Ltd., Netop Tech GmbH, and Genevalogic Holding AG, which has the subsidiaries Genevalogic Langenthal Ltd., Genevalogic Portland Inc., and Genevalogic UK Ltd.

Statement by the Board of Directors and the Management Board  
Income statement  
Balance sheet  
Statement of changes in equity  
Cash flow statement  
Quarterly income statement

## Statement by the Board of Directors and the Management Board

The Board of Directors and the Management Board today considered and adopted the interim report of Netop Solutions A/S for the three months ended 30 September 2009.

The interim report is presented in accordance with IAS 34 on interim financial reporting and additional Danish disclosure requirements for listed companies. The interim report is presented in accordance with the same accounting policies as were applied in the 2008 annual report, including with the International Financial Reporting Standards as adopted by the EU.

We consider the accounting policies to be adequate, the accounting estimates to be reasonable and the overall presentation of the interim report to be appropriate. In our opinion, the interim report gives a true and fair view of the Group's assets and liabilities, financial position and significant risk and uncertainty factors at 30 September 2009 and of the results of the Group's operations and cash flows for the period 1 July – 30 September 2009.

The interim report is unaudited.

Birkerød, 17 November 2009

### Management Board

Kurt Bager  
CEO

Claus Finderup Grove  
CFO

### Board of Directors

Ib Kunøe  
Chairman

Max Møller

Hanne Jespersen Hansen

Henning Hansen

Jan Elbæk

Peter Schüpbach

Per Egon Rank

## Resultatopgørelse

DKK '000	Note	9M 2009	9M 2008	Q3 2009	Q3 2008
Revenue	2	68,312	64,658	20,662	24,707
Production costs		(1,023)	(818)	(166)	(673)
<b>Gross profit</b>		<b>67,289</b>	<b>63,840</b>	<b>20,496</b>	<b>24,034</b>
Other income		51	-	51	-
External expenses		(38,818)	(39,436)	(10,343)	(18,274)
Staff costs		(63,617)	(56,857)	(18,415)	(19,712)
Depreciation, amortisation and impairment		(9,464)	(5,463)	(2,944)	(2,525)
<b>Operating profit/loss (EBIT)</b>		<b>(44,559)</b>	<b>(37,916)</b>	<b>(11,155)</b>	<b>(16,477)</b>
Share of net profit/(loss) in associates		-	-	-	-
Financial income		6,624	3,692	241	883
Financial expenses		(7,475)	(7,077)	(1,352)	(5,360)
<b>Loss from ordinary activities before tax</b>		<b>(45,410)</b>	<b>(41,301)</b>	<b>(12,266)</b>	<b>(20,954)</b>
Tax for the period		4,135	9,636	831	4,338
<b>Net loss for the period</b>		<b>(41,275)</b>	<b>(31,665)</b>	<b>(11,435)</b>	<b>(16,616)</b>
Proposed distribution of loss:					
Shareholders of Netop Solutions A/S		(41,275)	(31,665)	(11,435)	(16,616)
Minority interests		-	-	-	-

<b>Earnings per share</b>					
Earnings per share (EPS)		(9.8)	(7.9)	(10.9)	(4.0)
Diluted earnings per share (EPS-D)		(9.8)	(7.9)	(10.9)	(4.0)

## Statement of comprehensive income

DKK '000	Note	9M 2009	9M 2008	Q3 2009	Q3 2008
<b>Profit for the period</b>		<b>(41,275)</b>	<b>(31,665)</b>	<b>(11,435)</b>	<b>(16,616)</b>
Other comprehensive income:					
Exchange adjustments on translation of foreign units		(192)	487	134	61
<b>Other comprehensive income</b>		<b>(192)</b>	<b>487</b>	<b>134</b>	<b>61</b>
<b>Comprehensive income</b>		<b>(41,467)</b>	<b>(31,178)</b>	<b>(11,301)</b>	<b>(16,555)</b>
Allocated as follows:					
Shareholders of Netop Solutions A/S		(41,467)	(31,178)	(11,301)	(16,555)
Minority interests		-	-	-	-

## Balance sheet

DKK '000	Note	30/9 2009	31/12 2008	30/9 2008
<b>ASSETS</b>				
<b>Non-current assets</b>				
<b>Intangible assets</b>				
Acquired licences		13,195	17,644	14,235
Goodwill		43,978	43,978	42,740
Completed development projects		4,700	5,546	4,750
Development projects in progress		2,401	2,401	7,417
Customer relations		11,250	13,500	14,625
Software for internal use		345	516	
		<b>75,869</b>	<b>83,585</b>	<b>85,843</b>
<b>Property, plant and equipment</b>				
Land and buildings		-	-	15
Other fixtures, fittings, tools and equipment		1,939	3,260	3,358
Leasehold improvements		191	156	201
		<b>2,130</b>	<b>3,416</b>	<b>3,574</b>
<b>Other non-current assets</b>		-	398	410
Investments in associates		13,426	13,172	-
Deferred tax asset		11,798	8,082	9,537
		<b>25,224</b>	<b>21,652</b>	
<b>Total non-current assets</b>		<b>103,223</b>	<b>108,653</b>	<b>99,163</b>
<b>Current assets</b>				
Trade receivables		20,585	19,597	27,417
Other receivables		1,121	6,009	549
Income taxes receivable		-	-	5,138
Prepayments		1,952	-	815
Cash		9,182	48,146	30,160
Assets held for sale		-	-	28,997
<b>Total current assets</b>		<b>32,840</b>	<b>73,752</b>	<b>93,076</b>
<b>TOTAL ASSETS</b>		<b>136,063</b>	<b>182,405</b>	<b>192,239</b>

## Balance sheet

DKK '000	Note	30/9 2009	31/12 2008	30/9 2008
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital		21,046	21,046	21,046
Exchange adjustment reserve		5,722	5,914	368
Retained earnings		77,248	118,963	137,712
Proposed dividend		-	-	-
<b>Total equity</b>		<b>104,016</b>	<b>145,923</b>	<b>159,126</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Deferred tax		3,999	4,574	3,500
Provisions		10,000	10,000	9,813
Pension obligations		685	685	1,000
Debt related to acquisition of group enterprise		-	-	-
<b>Total non-current liabilities</b>		<b>14,684</b>	<b>15,259</b>	<b>14,313</b>
<b>Current liabilities</b>				
Debt related to acquisition of group enterprise		-	7	672
Trade payables		2,880	6,692	4,784
Other payables		9,770	10,746	12,821
Deferred income		4,713	3,778	523
<b>Total current liabilities</b>		<b>17,363</b>	<b>21,223</b>	<b>18,800</b>
<b>Total liabilities</b>		<b>32,047</b>	<b>36,482</b>	<b>33,113</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>136,063</b>	<b>182,405</b>	<b>192,239</b>

## Statement of changes in equity

DKK '000	Share capital	Exchange adjustment reserve	Retained earnings	Reserve for share-based payment	Total reserves	Proposed dividend	Total
<b>Equity at 1 January 2008</b>	<b>19,252</b>	<b>(119)</b>	<b>148,463</b>	<b>146</b>	<b>148,490</b>	<b>-</b>	<b>167,742</b>
<b>Changes in equity in the first nine months of 2008</b>							
Capital increase	1,794	-	21,879	-	21,879	-	23,673
Acquisition of treasury shares	-	-	(2,403)	-	(2,403)	-	(2,403)
Share-based payment	-	-	-	1,292	1,292	-	1,292
Comprehensive income for the period	-	487	(31,665)	-	(31,178)	-	(31,178)
<b>Equity at 30 September 2008</b>	<b>21,046</b>	<b>368</b>	<b>136,274</b>	<b>1,438</b>	<b>138,080</b>	<b>-</b>	<b>159,126</b>
<b>Equity at 1 October 2008</b>	<b>21,046</b>	<b>368</b>	<b>136,274</b>	<b>1,438</b>	<b>138,080</b>	<b>-</b>	<b>159,126</b>
<b>Changes in equity in Q4 2008</b>							
Comprehensive income for the period	-	5,546	(18,819)	70	(13,203)	-	(13,203)
<b>Equity at 31 December 2008</b>	<b>21,046</b>	<b>5,914</b>	<b>117,455</b>	<b>1,508</b>	<b>124,877</b>	<b>-</b>	<b>145,923</b>
<b>Equity 1 January 2009</b>	<b>21,046</b>	<b>5,914</b>	<b>117,455</b>	<b>1,508</b>	<b>124,877</b>	<b>-</b>	<b>145,923</b>
<b>Changes in equity, 9M 2009</b>							
Acquisition of treasury shares	-	-	(440)	-	(440)	-	(440)
Comprehensive income for the period		(192)	(41,275)	-	(41,467)		(41,467)
<b>Equity at 30 September 2009</b>	<b>21,046</b>	<b>5,722</b>	<b>75,740</b>	<b>1,508</b>	<b>82,970</b>	<b>-</b>	<b>104,016</b>

## Cash flow statement

DKK '000	Note	9M 2009	9M 2008	Q3 2009	Q3 2008
Operating profit for the period		(44,559)	(37,916)	(11,155)	(16,477)
Adjustment for non-cash operating items:					
Depreciation, amortisation and impairment		9,464	5,463	2,944	2,525
Change in deferred revenue		935	(73)	(422)	(772)
Cash flows from ordinary activities before change in working capital		(34,160)	(32,526)	(3,633)	(14,724)
Adjustments for change in working capital					
Change in receivables		1,948	(2,859)	(1,719)	2,527
Change in trade receivables and other debt		(5,619)	1,033	(2,048)	1,667
Cash generated from operations		(37,831)	(34,352)	(12,400)	(10,530)
Interest income received		470	3,656	6	858
Interest expenses paid		(100)	(2,055)	(26)	(338)
Cash flows from ordinary activities		(36,461)	(32,751)	(12,420)	(10,010)
Income tax paid		49	-	5	-
<b>Cash flows from operating activities</b>		<b>(37,412)</b>	<b>(32,751)</b>	<b>(12,415)</b>	<b>(10,010)</b>
Purchase of intangible assets		(30)	(2,000)	(23)	(2,000)
Disposal of intangible assets		33	-	33	-
Purchase of property, plant and equipment		(498)	(780)	(25)	(780)
Disposal of property, plant and equipment		108	565	-	-
Addition of financial assets		(256)	-	37	-
Acquisitions of subsidiaries and operations		(469)	(16,585)	(469)	(16,585)
<b>Cash flows from investing activities</b>		<b>(1,112)</b>	<b>(18,800)</b>	<b>(447)</b>	<b>(19,365)</b>
Debt financing:					
Shareholders:					
Acquisition of treasury shares		(440)	(2,403)	-	(2,403)
<b>Cash flows from financing activities</b>		<b>(440)</b>	<b>(2,403)</b>	<b>-</b>	<b>(2,403)</b>
<b>Cash flows for the period</b>		<b>(38,964)</b>	<b>(53,954)</b>	<b>(12,862)</b>	<b>(31,778)</b>
Cash and cash equivalents at beginning of period		48,146	84,114	22,044	61,938
<b>Cash and cash equivalents at end of period</b>		<b>9,182</b>	<b>30,160</b>	<b>9,182</b>	<b>30,160</b>

## Notes to the financial statements

### Note 1 - Accounting policies

The interim report is presented in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU and additional Danish disclosure requirements for interim reports of listed companies.

Relative to the 2008 Annual Report, the presentation of the income statement has been changed from being classified according to function to being classified by type of expenditure. The change was made in order to align the external reporting to the Group's internal reporting. The change does not affect the amounts posted in EBIT or profit before tax. The comparative figures have been restated accordingly.

Other than as set out above, the accounting policies are unchanged from the policies applied in the Annual Report 2008, to which reference is made.

A full description of the accounting policies is contained in Annual Report for 2008.

### Note 2 Segment information

In terms of management and reporting, Netop Solutions A/S is divided into two geographic business areas; the USA and EMEA/APAC.

#### Segment information – operations, third quarter 2009 Business areas – primary segment

DKK '000	USA	EMEA / APAC	Koncern
External revenue	10,058	10,604	20,662
EBIT	(777)	(10,378)	(11,155)
Profit/(loss) before tax	(794)	(11,472)	(12,266)
<b>Profit for the period</b>	<b>(965)</b>	<b>(10,470)</b>	<b>(11,435)</b>
Assets	18,889	117,174	136,063
Net property, plant and equipment and intangible asset investments	-	(447)	(447)
Depreciation and amortisation	(163)	(2,781)	(2,944)
Impairment	-	-	-
Investments in associates	-	-	-
Liabilities	(1,414)	(30,633)	(32,047)

#### Segment information – operations, third quarter 2008 Business areas – primary segment

DKK '000	USA	EMEA / APAC	Group
External revenue	8,272	16,435	24,707
Operating profit/(loss) (EBIT)	2,455	(18,932)	(16,477)
Profit/(loss) before tax	2,453	(23,407)	(20,954)
<b>Profit for the period</b>	<b>2,576</b>	<b>(19,192)</b>	<b>(16,616)</b>
Assets	9,922	182,317	192,239
Net property, plant and equipment and intangible asset investments	-	(19,367)	(19,367)
Depreciation and amortisation	(290)	(2,235)	(2,525)
Impairment	-	-	-
Investments in associates	-	410	410
Liabilities	(18,921)	(14,192)	(33,113)

### Noter

**Note 2 Segment information (continued)**
**Segment information – operations, 9M 2009  
Business areas – primary segment**

DKK '000	USA	EMEA / APAC	Group
External revenue	30,755	37,557	68,312
Operating profit/(loss) (EBIT)	5,474	(50,033)	(44,559)
Profit/(loss) before tax	5,457	(50,867)	(45,410)
<b>Profit for the period</b>	<b>5,430</b>	<b>(46,705)</b>	<b>(41,275)</b>
Assets	18,889	117,174	136,063
Net property, plant and equipment and intangible asset investments	-	(1,112)	(1,112)
Depreciation and amortisation	(511)	(8,953)	(9,464)
Impairment	-	-	-
Investments in associates	-	-	-
Liabilities	(1,414)	(30,633)	(32,047)

**Segment information – operations, 9M 2008  
Business areas – primary segment**

DKK '000	USA	EMEA / APAC	Group
External revenue	19,972	44,686	64,658
Operating profit/(loss) (EBIT)	912	(38,828)	(37,916)
Profit/(loss) before tax	951	(42,252)	(41,301)
<b>Profit for the period</b>	<b>1,449</b>	<b>(33,114)</b>	<b>(31,665)</b>
Assets	9,922	182,317	192,239
Net property, plant and equipment and intangible asset investments	0	(18,800)	(18,800)
Depreciation and amortisation	(308)	(5,155)	(5,463)
Impairment	-	-	-
Investments in associates	-	410	410
Liabilities	(18,921)	(14,192)	(33,113)

## Noter

### Note 2 Segment information (continued)

Netop Solutions A/S divides its operations into three main product areas: Administration, Education and Communication.

#### Segment information – operations, third quarter 2009

##### Main products – secondary segment

DKK '000	Admini- stration	Education	Communi- cation	Other	Total
External revenue	9,301	9,410	700	1,251	20,662

#### Segment information – operations, third quarter 2008

##### Main products – secondary segment

tkr,	Admini- stration	Education	Communi- cation	Other	Total
External revenue	10,457	13,412	838	-	24,707

#### Segment information – operations, 9M 2009

##### Main products – secondary segment

DKK '000	Admini- stration	Education	Communi- cation	Other	Total
External revenue	31,698	30,152	2,678	3,784	68,312

#### Segment information – operations, 9M 2008

##### Main products – secondary segment

DKK '000	Admini- stration	Education	Communi- cation	Other	Total
External revenue	41,570	22,160	838	90	64,658