

## **Despite generating top-line growth, Netop Solutions A/S issues profit warning for FY 2008**

**Netop Solutions managed slight year-on-year top-line growth in the original Danware business in the fourth quarter of 2008 in a market under significant pressure from the global economic slump. However, the improvement was not enough to bring the FY 2008 revenue to the expected level.**

Like many other businesses, Netop Solutions has been adversely affected by the global economic crisis. Especially the UK market was severely impacted in the fourth quarter of 2008, which combined with the low GBP/DKK exchange rate had a substantial negative impact on revenue. In addition, we experienced a slowdown of our sales growth in the US market towards the end of the fourth quarter 2008, presumably due to investment restraint.

On the other hand, we generated considerable Y/Y-growth in the very important Nordic market during the fourth quarter. In terms of revenue, the Nordic market and Swiss acquisition GenevaLogic both performed ahead of expectations. After a difficult start, sales of the Netop Live product, which originates from the distributor agreement with Medianet, began to improve in December 2008 but nevertheless remained well below the Q4 2008 forecast.

Against this background, we lower our financial forecast for FY 2008 as revenue is now expected to be approximately DKK 92m (against the previous forecast of some DKK 100m), and EBITDA is expected to be a loss of around DKK 35m (against the previous forecast of a DKK 25m loss) including expected non-recurring income of DKK 12m before tax from the sale of Netop Solutions' head office property.

Through a number of organisational initiatives, we have reduced the Netop Solutions cost base by about 25% in spite of increasing our sales force in the USA by five people in a move intended to support the revised sales initiatives and to ensure future growth in the US market.

The year 2008 was one of change for Netop Solutions. Our company is in the midst of a turnaround, and we have now launched a large number of the initiatives intended to help improve the efficiency of the business and produce a strong revenue improvement, and most have been executed.

The following steps and measures were among the most important factors influencing the business in 2008 and in early 2009:

- New CEO appointed
- New name
- Acquisition of GenevaLogic and conclusion of distributor agreement with Medianet
- Optimising the organisation. In order to create a more scalable and flexible organisation, we have relocated development operations from Denmark and Switzerland to the development company in Romania acquired as part of the Medianet agreement
- A new go-to-market strategy
- Establishing an office in China
- Implementation of Salesforce
- Implementation of Navision software

- New Order To Cash process that has automated our internal order process, reducing it from 4.5 days to just a few minutes
- New website – [www.netop.com](http://www.netop.com)
- New intranet
- New brand

Based on the above steps and the reduced cost base, Netop Solutions expects to generate a considerable revenue increase and a substantial improvement in profit before non-recurring items in 2009 relative to 2008.

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#### About Netop Solutions A/S

**Netop Solutions A/S**, formerly Danware A/S, develops and markets software solutions enabling swift, stable and secure transfer of screen images, sound and data between two or more computers. The company has three core business areas: Administration, Education and Communication. The core product within Netop Administration, Netop Remote Control, enables remote control of one or more computers. Netop Education consists of Netop and Vision software solutions for e.g. computer-based classroom teaching. Netop Communication is a modern unified communications solution integrating web, video and audio conferences, secure chat, single-click talking and desktop and file sharing. Netop Solutions has subsidiaries in the US, UK, China, Germany and Switzerland, and Netop solutions are sold in more than 80 countries. Netop Solutions A/S (formerly Danware A/S) is listed on the Nasdaq OMX Nordic Exchange Copenhagen and is a component of the SmallCap+ index. 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.*