

## SEMI ANNUAL REPORT 2007

Apeldoorn, 25 July 2007

### HITT increases revenue, but profit lags behind

**In the first half year HITT booked a turnover of EUR 16.1 (1H2006: EUR 12.4 million) and a net loss of EUR 0.2 million (1H2006: profit EUR 0.5 million). The order book increased in the first half year with EUR 1.6 million to EUR 32.6 million. Profit started to increase only in May and continued to grow in June. Provided this trend continues, management iterates its expectation of higher profit over 2007.**

### First half year 2007 review

#### *Aviation*

In the first half year HITT has secured orders from existing and content clients. The airports of Manchester, Oslo, Shanghai and Beijing ordered extensions of their systems. New clients were the airports of Bergen, Stavanger and Dublin.

Running projects in the airports of Taipei, Changi, Frankfurt, Arlanda and Leipzig are progressing well.

#### *Marine*

Traffic on the River Waal in the Netherlands will be guided by HITT systems shortly. The order was booked early this year. The Dutch Coastguard, the Port Authority of Rotterdam and Shanghai Port booked extensions to their existing HITT systems. Various clients, including Zeeland Seaports in the Netherlands, bought port management systems. HITT is now able to provide precision navigation to the centimetre for improved navigation in a large part of the Netherlands, based on GPS with an additional corrective signal. Work on the system for Antilles's coast guard, on safety systems for drilling rigs of Oil and Natural Gas Company, India, on above mentioned Waal system and on a vast amount of other projects, loaded the project organisation. The project for the Gulf of Kachchh suffered from further delay and is awaiting completion of tower constructions by the Indian constructor, before HITT can install its systems.

AISLive, the joint venture of HITT and Lloyd's Register Fairplay, continues to run well and is expanding its network. Many running contracts were renewed; data are now also sold to third parties. The modernised website won golden opinions and proves market leadership.

#### *Technical assistance*

The after sales and customer support on previously completed projects worldwide developed as expected. This part of HITT's activities gains increasing importance in the portfolio.

Order bookings totalled to approx EUR 18 million.

#### *Developments*

Development efforts in the first half year have again been significant, although decreasing. The first results of these efforts have become visible over the years. The first projects in which the products were used all had an extremely short test period and flexible delivery to the client.

#### *Organization*

In the Annual General Meeting of Shareholders of February 27, 2007, Luuth van der Scheer stepped down as CEO. His temporary successor Rob Boswijk started per same date. The Supervisory Board hope to propose a successor shortly.

### Outlook

The expected improvement over 2006 started only in May. If this trend continues in the second half of 2007, still a higher net profit than over 2006, is possible. The certainty of it has decreased though. Barring unforeseen circumstances, management iterates its expectation of a strong increase in revenue.

## Notes to the results

The principles of valuation and determination of profit and loss are compiled in conformance with the same IFRS (International Financial Reporting Standards) principles which have been used in the 2006 annual accounts. In 2007 the Netherlands Authority for the Financial Markets has reviewed HITT's annual report 2006 under the Act on the Supervision of Financial reporting (Wtfov) and has recommended applying some accounting principles in a different manner. The Management has decided to follow these recommendations resulting in revised comparative figures in this semi annual report. Further reference is made to the annex regarding further notes to the annual accounts 2006.

In this first half year HITT's turnover increased to EUR 16.1 million (1H2006: EUR 12.4 million) and the other operating income increased to EUR 0.4 million (1H2006: EUR 0.3 million). Raw materials and consumables used, predominantly purchased goods for projects, increased from EUR 2.6 million in the first half year 2006 to EUR 5.6 million as more purchases for running projects were required, compared to last year.

Employee benefits expense increased to EUR 6.8 million (1H2006: EUR 5.7 million), predominantly as a result of the increase in the number of staff and higher expenses (in euros) for staff abroad due to the rising Canadian dollar. Depreciation decreased to EUR 0.2 million (1H2006: EUR 0.5 million) as a result of a one-off depreciation last year. The amortization of capitalized development costs amounted to EUR 1.3 million (1H2006: EUR 1.0 million). The other operating expenses increased to EUR 2.6 million (1H2006: EUR 2.2 million) due to higher selling and advisory costs. The operating result decreased to a loss of EUR 0.1 million (1H2006: EUR 0.7 million profit). After finance cost and income tax a net loss remains of EUR 0.2 million (1H2006: profit EUR 0.5 million). The resulting loss per share amount to EUR 0.04 (1H2006: earnings EUR 0.10).

On the balance sheet goodwill increased from EUR 2.3 million at the end of 2006 to EUR 2.5 million as a result of the rising Canadian dollar. In this first half year capitalized development cost increased on balance by EUR 0.7 million to EUR 7.2 million. The development costs are amortized linear over a period of three years. Trade and other receivables increased to EUR 14.2 million (2006: EUR 12.8 million) including EUR 8.5 million for work in progress (2006: EUR 6.0 million).

The legal reserve covering the capitalized development costs increased from EUR 6.5 million to EUR 7.2 million due to the investments in developments. Other long and short term liabilities consist of the deferred earn-out payments to selling minority shareholders over the coming years until 2010; this deferred payment is dependent on future results. Sixty per cent of these deferred payments may –at HITT's discretion- be satisfied by issuing HITT shares. Trade and other payables increased to EUR 7.0 million (2006: EUR 6.6 million) including of an amount due to contract customers of EUR 3.3 million.

The cash outflow from operating activities on balance amounted to EUR 0.1 million, mainly due to increased work in progress. Investments in (in)tangible fixed assets, like developments, amounted to EUR 2.3 million (1H2006: EUR 2.9 million). The cash flow from financing activities, among which the dividend payment of EUR 0.7 million, amounted to EUR 0.6 million (1H2006: outflow 0.6 million). The existing credit line with banks is now used for EUR 1.4 million (1H2006: 0). On balance cash decreased by EUR 1.7 million from EUR 2.7 million at the end of 2006 to EUR 1.0 million.

- Annexes:
1. Condensed consolidated income statement
  2. Condensed consolidated balance sheet
  3. Condensed consolidated statement of changes in equity
  4. Condensed consolidated cash flow statement
  5. Notes to the condensed financial statements
  6. Further notes to the annual accounts 2006
  7. Review report

**Condensed consolidated income statement**  
for the period ending 30 June 2007

	x € 1,000	Note	Six months ending	
			30/6/07	30/6/06
Revenue		3	16,055	12,350
Other operating income			361	292
Raw materials and consumables used			(5,554)	(2,596)
Employee benefits expense			(6,821)	(5,676)
Depreciation and amortization expense			(1,490)	(1,463)
Other operating expenses			(2,634)	(2,241)
Operational profit (loss)			(83)	666
Finance cost			(184)	(47)
Profit before tax			(267)	619
Income tax (expense) benefit		4	107	(118)
<b>Profit for the period</b>			<b>(160)</b>	<b>501</b>
Attributable to:				
Equity holders of the parent			(163)	472
Minority interests			3	29
			<b>(160)</b>	<b>501</b>
<b>Earnings per share</b>		5		
From continuing operations				
Basic (based on 4,694,158 shares)			(4 cents)	10 cents
Diluted (based on 4,793,645 shares)			(4 cents)	10 cents

**Condensed consolidated balance sheet**

x € 1,000	Note	<b>30/6/07</b>	<b>31/12/06</b>
<b>ASSETS</b>			
<b>Non current assets</b>			
Equipment		813	844
Goodwill	14	2,466	2,281
Development costs	7	7,217	6,513
Deferred tax assets	8	260	298
		<u>10,756</u>	<u>9,936</u>
<b>Current assets</b>			
Inventories		252	237
Trade and other receivables		14,182	12,766
Tax assets	8	1,206	916
Derivative financial instruments		176	265
Cash and cash equivalents		1,007	2,719
		<u>16,823</u>	<u>16,903</u>
		<b><u>27,578</u></b>	<b><u>26,839</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital	9	1,173	1,173
Share premium reserve		4,848	4,848
Legal reserve	10	7,217	6,513
Hedging reserve		(750)	(867)
Translation reserve		131	197
Retained earnings		266	(293)
Profit for the year		(163)	1,874
Equity attributable to equity holders of the parent		<u>12,722</u>	<u>13,445</u>
Minority interests		112	105
		<u>12,834</u>	<u>13,550</u>
<b>Non-current liabilities</b>			
Retirement benefit obligations		1,634	1,554
Deferred tax assets		2,201	2,486
Liability for share-based payments		5	47
Other liabilities	14	1,594	1,683
		<u>5,434</u>	<u>5,770</u>
<b>Current liabilities</b>			
Trade and other payables		7,021	6,622
Current tax liabilities		429	-
Obligation under finance leases		115	201
Debts		1,424	-
Provisions		242	591
Other liabilities	14	79	105
		<u>9,310</u>	<u>7,519</u>
<b>Total liabilities</b>		<u>14,744</u>	<u>13,289</u>
		<b><u>25,578</u></b>	<b><u>26,839</u></b>

**Condensed consolidated statement of changes in equity**  
for the period ending 30 June 2007

x € 1,000	Share capital	Share premium reserve	Legal reserve	Hedging reserve	Translation reserve	Retained earnings	Attributable to equity holders of the parent	Minority interests	Total
Balance at 1 January 2006	1,173	4,848	4,256	-	(270)	2,538	12,545	1,558	14,103
Recommendations AFM	-	-	-	-	22	(185)	(163)	(1,456)	(1,619)
Revised balance at January 2006	1,173	4,848	4,256	-	(248)	2,353	12,382	102	12,484
Closed put option	-	-	-	-	-	(467)	(467)	(29)	(496)
Profit for the period	-	-	-	-	-	472	472	29	501
Dividend	-	-	-	-	-	(516)	(516)	-	(516)
Change of legal reserve for capitalized developments	-	-	1,565	-	-	(1,565)	-	-	-
Change in exchange differences	-	-	-	11	(7)	(71)	(67)	-	(67)
<b>Balance at 30 June 2006</b>	<b>1,173</b>	<b>4,848</b>	<b>5,821</b>	<b>11</b>	<b>(276)</b>	<b>206</b>	<b>11,804</b>	<b>102</b>	<b>11,906</b>
Balance at 1 January 2007	1,173	4,848	6,048	265	(651)	3,150	14,833	105	14,938
Recommendations AFM	-	-	465	(68)	(216)	(1,569)	(1,388)	-	(1,388)
Revised balance at January 2007	1,173	4,848	6,513	197	(867)	1,581	13,445	105	13,550
Profit for the period	-	-	-	-	-	(163)	(163)	3	(160)
Dividend	-	-	-	-	-	(657)	(657)	-	(657)
Legal reserve for capitalized developments	-	-	704	-	-	(704)	-	-	-
Exchange differences arising on translation of foreign operations and goodwill	-	-	-	(66)	117	38	89	4	93
<b>Balance at 30 June 2007</b>	<b>1,173</b>	<b>4,848</b>	<b>7,217</b>	<b>131</b>	<b>(750)</b>	<b>103</b>	<b>12,722</b>	<b>112</b>	<b>12,834</b>



**Condensed consolidated cash flow statement**  
for the period ending 30 June 2007

	x € 1,000	Note	Six months ending	
			30/6/07	30/6/06
<b>Net cash from operating activities</b>			(61)	(454)
Purchase of equipment			(206)	(460)
Expenditure on product development			(1,840)	(1,677)
Acquisition of subsidiary		14	(283)	(741)
<b>Net cash from investing activities</b>			(2,329)	(2,878)
Dividend		6	(657)	(516)
Repayment of borrowings			(33)	(50)
Repayment of obligations under finance leases			(86)	(80)
New debt			1,352	-
Interest received			11	25
<b>Net cash from financing activities</b>			587	(621)
<b>Net cash flow</b>			<b>(1,803)</b>	<b>(3,953)</b>
Cash at 1 January			2,719	5,357
Effect of foreign exchange rate changes			91	46
<b>Cash at 30 June</b>			<b>1,007</b>	<b>1,450</b>

## Notes to the condensed consolidated financial statements for the period ended 30 June 2006

### 1. Basis of preparation

The condensed financial statements have been prepared in accordance with International Financial Reporting Standard (IAS) 34, Interim Financial Reporting.

### 2. Significant accounting policies

The condensed financial statements have been prepared under the historical cost convention, except for the revaluation of certain properties and financial instruments

The accounting policies adopted are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2006 as revised by modified interpretations and/or further judgement as described in annex to this semi-annual report.

### 3. Segment information

The Group delivers to public corporations a group of related products and services mostly on a project basis. Based on the nature of projects, the Group distinguished revenue segmentation on a manual basis. The Group reports financial information on a one-segment basis due to the limited number of projects compared to total revenue and the nature of the market in which it operates.

	x € 1,000		Six months ending	
			30/6/07	30/6/06
		%		%
Aviation	3,688	22	1,015	8
Marine ashore	7,454	46	5,206	41
Marine onboard	3,489	21	2,712	22
Technical assistance	1,785	11	3,710	29
<b>Revenue plus other operating income</b>	<b>16,416</b>	<b>100</b>	<b>12,642</b>	<b>100</b>

### 4. Income tax (charge) credit

Interim period income tax is accrued based on the estimated average annual effective income tax rate of 25.5 per cent (6 months ended 30 June 2006: 29.1 per cent).

### 5. Earnings (loss) per share

The calculation of the basic and diluted earnings per share is based on the following data:

Earnings per share	x € 1,000		Six months ending	
			30/6/07	30/6/06
Earnings for the purpose of basic earnings per share (profit for the period attributable to equity holders of the parent)		(163)	440	
Number of shares	x 1,000	<b>30/6/0</b>	<b>30/6/06</b>	
Number of ordinary shares for the purpose of basic earnings per share		4,694	4,694	
Effect of diluted potential ordinary shares:				
Share options		4	35	
Earn-out consideration shares		99	178	
Number of potential shares for the purpose of diluted earnings per share		<b>4,797</b>	<b>4,907</b>	

### 6. Dividends

During the interim period, a dividend of 14 cents (2006: 11 cents) per share was paid to the shareholders.

<b>7. Development costs</b>	x € 1,000	<b>2007</b>	<b>2006</b>
Balance at 1 January		6,513	5,491
Additional investments		1,840	1,677
Amortization		(1,149)	(1,026)
Foreign exchange		13	(34)
<b>Balance at 30 June</b>		<b>7,217</b>	<b>6,108</b>

**8. (Deferred) tax assets**

The tax assets were reduced due to decreasing difference between fiscal and commercial valuation of work in progress.

**9. Share capital**

Share capital as at 30 June 2007 amounts to € 1,173,540. There were no movements in the share capital of the Company in the current period.

**10. Reserves**

The legal reserve has been increased to reflect ordinary capitalization of developments costs. The translation reserve decreased due to the rising Canadian dollar.

**11. Contingencies and commitments**

No significant changes have occurred in the current period.

**12. Post balance sheet events**

No significant events have occurred post balance sheet date.

**13. Related party transactions**

During the interim period there were no transactions between the Group and related parties other than remuneration of the Supervisory Board and the Management Board.

**14. Other liabilities**

Almost all of the goodwill is due to Ican and Klein Systems Group. These current- and non-current liabilities concern the deferred payments to selling minority shareholders. Sixty per cent of these deferred payments may –at HITT’s discretion- be satisfied by issuing HITT shares. The first part of the earn out payment has been paid in the first half year 2007.

**15. Acquisition and disposal of subsidiaries**

*Discontinued operation*

No operations were discontinued during the current period.

*Acquisition*

No operations were acquired during the current period.

Apeldoorn, 25 July 2007  
Board of Directors

## Further notes to the annual accounts 2006

In 2007 the interpretation of certain applied IFRS has been looked at, amongst others as a result of recommendations by the Netherlands Authority for the Financial Markets (AFM) following her review under the Act on the Supervision of Financial Reporting (Wtftv). Management has decided to follow those recommendations. These new views result in certain changes in accounting policies in 2007. Following paragraphs indicate the effects on the balance sheet, the income statement and the cash flow statement if these new views had been applied to the annual accounts of 2006.

### 1. Defined retirement benefit plan within Employee benefit expense

During the first time adoption of IFRS in 2005 the existing retirement plan based upon average pay (middel-loonregeling) has been categorized as a defined benefit plan (DB) and liabilities were accrued on the balance sheet. During the second half of 2006 management has consulted experts to investigate the possibility to categorize the existing plan as a defined contribution plan (DC) based on the possibly remaining non-material risks. This proved to be possible. As a result comparative figures over 2005 were adapted and change of accounting principles were described in 5.3.9. Change of accounting principles and 5.7 Employee benefits expense.

As such IAS 19.39 is not satisfied. The AFM recommends categorizing the existing average pay retirement benefit plan as a DB-plan with its associated financial reporting, as risks remain, albeit minute or non-material. The actuarial calculations regarding 2006 have not yet been carried out; therefore the contributions to defined benefit plans over 2006 and the first half of 2007 are based upon assumptions in the actuarial calculations carried out in 2005. In the annual report 2007 this might lead to changes.

The revised interpretation has following effects:

- 1.1 The note in annual report 2006 under 5.3.9 "Change of accounting policies" is removed;
- 1.2 The balance sheet entry "Retirement benefit obligation" and its accompanying note changes as follows:

x € 1,000	Retirement benefit obli- gation	Effect	Revised re- tirement bene- fit obligation
Balance at 1 January 2006	-	1,462	1,462
Expense recognized in the income statement (estimate)	-	92	92
Balance at 31 December 2006 (est.)	-	<b>1,554</b>	<b>1,554</b>

Principal actuarial assumptions for the liability for defined benefit obligations:

	Weighted average	2006 est.
Discount rate		4.25%
Expected return on plan assets		3.70%
Future salary increases		0-4%
Medical cost trend		n/a
Future pension increases		0.75%

The retirement benefit obligation represents the value of the defined benefit obligation as adjusted for unrecognized actuarial gains and losses and unrecognized past service cost, and as reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to unrecognized actuarial losses and past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

1.3 Contributions to retirement benefit plans within employee benefits expense change as follows (estimated):

x € 1,000	Contributions to retirement benefit plans	Effect	Revised contri- butions to re- tirement benefit plans
Contributions to defined benefit plans			
Current service cost	-	89	89
Interest on obligation	-	432	432
Expected return on plan assets	-	(318)	(318)
Other costs	-	70	70
	-	273	273
Contributions to defined contribution plans	359	(181)	178
	<b>359</b>	<b>92</b>	<b>451</b>

As a result the benefits expense per employee is revised by 1 from 64 to 65.

The text in the accompanying note "As of 2006 all pension plans are categorized ..... € 406" is replaced by "For defined benefit retirement benefit plans, the cost of providing benefits is determined using the Projected Unit 120A(a) Credit Method, with actuarial valuations being carried out at each balance sheet date."

## 2. Acquisition of remaining participating shares in Ican and Klein Systems Group

Due to HITT's specific situation and according to IAS 1.15(c) the note regarding the acquisition of remaining interests in Ican and Klein must be described in more detail than the minimal requirements under IFRS 3. IFRS 3.72 and 3.74 must be applied differently.

2.1 To 5.14 Goodwill the following paragraph is added:

The net asset acquired at 1 April 2006, and the goodwill arising, are as follows:

x € 1,000	Acquiree's carrying amount before combi- nation	Fair value ad- justme nts	Fair value
Net assets acquired			
Development costs	1,212	(94)	1,118
Inventories	50	-	50
Trade and other receivables	783	-	783
Cash	312	-	312
Trade and other payables	(608)	-	(608)
Deferred tax liabilities	(233)	-	(233)
	<b>1,516</b>	<b>(94)</b>	<b>1,422</b>
Goodwill arising on acquisition			1,324
<b>Total consideration, satisfied by cash</b>			<b>2,746</b>
Cash consideration paid			(2,746)
Cash acquired			312
<b>Net cash outflow arising on acquisition</b>			<b>(2,434)</b>

The goodwill arising on the acquisition of Ican and Klein is attributable to the anticipated profitability of the subsidiaries; trailing results in the future may result in impairment of goodwill. The balance of goodwill decreased from € 1,834 at 30 June 2006 to € 1,324 at 31 December 2006 as a result of a revised opinion on future results as a basis for deferred payments that was discounted at 5% per annum (€ 784) as well as an

adjustment to fair value of the share of €94." Furthermore goodwill increased by minority results that attributes to the Group due to full consolidation.

### 3. Recognition of put option on remaining participating shares in Ican en Klein Systems Group

IAS32.23 has not been applied correctly. Management judged that zero-cost put options on remaining shares in Ican and Klein Systems Group, granted in 2001 and 2002 respectively, had to be seen as contingent liabilities, amongst others due to the fact that valuation of the options could not be made reliable as they were dependent on future performance of the subsidiaries and could be paid partly in HITT-shares. The put options have not been exercised. The AFM recommends calculating fair value at each reporting date and providing for the liability according to IAS 32.23. This has following effects:

#### 3.1 The following paragraph is added to 5.3.2 business combinations:

##### *Minority shares in business combinations*

In connection with the acquisition of Ican en Klein Systems Group, HITT has encouraged management and employees to retain a minority equity interest. HITT has entered into put and call options with the holders of these minority interests. In the normal course of events, the moment of exercise of the options is not preset and is generally not before a minimum of three to six years from the date of acquisition.

Minority interests in the net assets of consolidated subsidiaries with a put option granted to the minority shareholder are identified separately from equity as a liability. The put option includes an obligation for HITT to buy the shares held by the minority shareholder. The liability is recognized at fair value. The fair value is the expected cash outflow to settle the liability and is based on forecasted future earnings. The amount of the liability that is expected to settle within one year is classified in the current liabilities. The amount that is expected to be settled after one year is classified as non-current liability. As the exercise price and the timing are not preset, the settlement price may deviate from the fair value.

As of today, there remains uncertainty in IFRS regarding the treatment of the difference between the exercise price of the options and the carrying value of the minority interests that have to be reflected as financial liability. Until finalization of phase two of the business combinations project of the IASB, HITT has chosen to present such difference as additional goodwill.

Results of both Ican and Klein are fully consolidated as of the date of initial acquisition in 2001 respectively 2002, due to the fact that HITT has full control.

#### 3.2 In the income statement only the 'profit for the year attributable to minority interests' regarding the first quarter of 2006 changes and it is reclassified to 'attributable to equity holders of the parent'. The remaining profit for the year attributable to minority interests only concerns Ad Navigation.

	x € 1,000	<b>2006</b>
Profit for the year attributable to minority interests		43
Revision due to elimination of minority interests		(49)
		<b>(6)</b>

Sixty per cent of the deferred payment may be satisfied in HITT-shares, resulting in a revised number of potentially diluted shares:

	x 1,000	<b>2006</b>	
Number of shares			%
Number of ordinary shares for the purpose of basic earnings per share		4,694	100
Effect of dilutive potential ordinary shares:			
Share options		33	0.7
Earn-out consideration (90-days average price HITT €6,18)		130	2.8
		<b>4,857</b>	<b>103,5</b>

#### 4. Exchange differences on goodwill

In the annual accounts of 2006, goodwill was valued against the exchange rate prevailing at the moment of acquisition. Thus the recognition of exchange differences on goodwill was not in accordance with IAS 21.47 stating that at every balance sheet date goodwill is to be recalculated against the closing price of the currency of the functional unit. The cumulative resulting difference of €218 is put to translation reserve in equity.

As a result of revisions under 3. and 4. goodwill is revised as follows:

x € 1,000	Goodwill	Revision regarding put option	Revision regarding exchange differences	Revised goodwill
Balance at 1 January 2006	1,315	(168)	22	1,169
Subsequent fair value revision	-	635	(140)	495
Close of put option	-	(467)	-	(467)
Additional investments	1,324	-	-	1,324
Foreign exchange	(140)	-	(100)	(240)
Balance at 31 December 2006	2,499	-	(218)	2,281

The additional investment concern €329 for Klein and €995 for Ican. The subsequent revision of fair value is fully contributable to Ican as results for 2006 were lower than expected and due to a discount against 5% on expected deferred payments.

The following cash generating units have significant carrying amounts of goodwill:

x € 1,000	Balance at 31 December 2006	Revision valuation of development cost	Revision exchange differences	Revised balance at 31 December 2006
Ican Ltd	1,255	94	(153)	1,196
Klein Systems Group Ltd	1,028	-	(65)	963
Ad Navigation AS	122	-	-	122
	2,405	94	(218)	2,281

#### 5. Work in progress

The recognition and presentation of profit within 'Trade and other receivables' and within 'Trade and other payables', the so-called work in progress, was fully attributed to 'Amounts due from customers' in contradiction to IAS 11.43 and IAS 11.44. Part of it should have been attributed to 'amounts due to customers' resulting in a decrease of both 'other receivables' and 'other liabilities' by €1,169. This revision does not affect the result over 2006 nor does it affect the equity at the end of 2006.

#### 6. Presentation of 'Expenditure on product development' in the cash flow statement

The impairment was balanced against 'expenditures on product development' as opposed to IAS 7.16 prescribing impairments to be presented as adjustments to the cash flow from operating activities. This would have resulted in a higher cash flow from operating activities by €411 and a lower cash flow from investing activities by the same amount. On balance the net cash flow does not change. This revision does not affect the result over 2006 nor does it affect the equity at the end of 2006. In the annual report 2006 the impairment was also presented under 5.15 Development costs.

## 7. Total effect

### 7.1 On the income:

x € 1,000	2006	Revision	Revised 2006
Employee benefits expense	(10,561)	(92)	(10,653)
Depreciation and amortization	(3,301)	166	(3,135)
Other operating cost	(5,579)	(56)	(5,635)
Tax	25	(8)	17
		<u>10</u>	
<b>Net profit for the year</b>	<b>1,850</b>	<b>10</b>	<b>1,860</b>
Attributable to:			
Equity holders of the parent	1,807	59	1,866
Minority interests	43	(49)	(6)
<b>Earnings per share</b>			
From continuing operations:			
Basic (based on 4,694,158 shares)	39 cents	1 cent	40 cents
Diluted (based on 4,726,975 shares)	38 cents	1 cent	39 cents
Revised diluted (based on 4,856,666 shares)	38 cents	1 cent	38 cents

### 7.2 On the equity:

x € 1,000	2006	Revision	Revised 2006
Share capital	1,173	-	1,173
Share premium reserve	4,848	-	4,848
Legal reserve	6,048	465	6,513
Hedging reserve	-	197	197
Translation reserve	(386)	(481)	(867)
Retained earnings	3,150	(1,569)	1,581
Equity attributable to equity holders of the parent	14,833	(1,388)	13,455
Minority interests	105	-	105
<b>Total equity</b>	<b>14,938</b>	<b>(1,388)</b>	<b>13,550</b>

## Review report

### *Introduction*

We have reviewed the accompanying condensed (consolidated) interim financial information as set out on pages 1 to 9 for the six month period ended 30 June 2007, of HITT N.V., Apeldoorn, which comprises the balance sheet as at 30 June 2007, the profit and loss account, statement of changes in equity and cash flow statement for the six month period then ended. Management of the company is responsible for the preparation and presentation of this condensed (consolidated) interim financial information in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

### *Scope*

We conducted our review in accordance with Dutch law including standard 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed (consolidated) interim financial information as at 30 June 2007 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting', as adopted by the European Union.

### *Emphasis of matter*

Without qualifying our opinion above, we draw attention to Note 2 ('significant accounting policies', page 8) to the condensed interim financial information (page 1 to 9). This note mentions the adjustments to the IFRS accounting policies, as a consequence of recommendations of the AFM. The management of HITT N.V. has decided to adopt the recommendations of AFM. We note that the adjustments are partly due to of another interpretation of IFRS.

Apeldoorn, 25 July 2007  
BDO CampsObers Audit & Assurance B.V.  
For and on behalf of it,  
G. van Roekel RA