Turn Around

DPA Annual Report 2008

DPA
LINKING KNOWLEDGE

Turn Around DPA Annual Report 2008 DPA Flex Group N.V.

DPA
LINKING KNOWLEDGE

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General meeting of shareholders

The annual General Meeting of Shareholders will take place on Tuesday 21 April 2009 at 11 a.m. at the offices of DPA Flex Group, Gatwickstraat 11, 1043 GL in Amsterdam.

Agenda

1. Opening
2. Report from the directors concerning the 2008 financial year
3. Adopt and approve the 2008 financial statements including appropriation of profit (resolution)
4. Reservations and dividend policy
5. Proposal to approve dividend (resolution)
6. Discharge of the Board of Directors for their management (resolution)
7. Discharge of the Supervisory Board for their supervision (resolution)
8. Discharge of the retired members of the Board of Directors and the Supervisory Board (resolutions)
9. Appoint (reappoint) Mazars Paardekooper Hoffman Accountants N.V. as external auditor
10. Appoint the Board of Directors as competent body for issuing shares and issuing share subscription rights for a period of eighteen months (resolution)
11. Appoint the Board of Directors as competent body with respect to limiting or excluding preferential rights for a period of eighteen months (resolution)
12. Empower the Board of Directors to purchase shares for a period of eighteen months (resolution)
13. Approve proposed remuneration policy for 2008 (resolution)
14. Change the legally registered name, from DPA Flex Group N.V. to DPA Group N.V. (resolution)
15. Any other business
16. Closing

More information is available on:

www.dpagroep.nl

Contents

Profile

DPA Flex Group N.V.

Linking knowledge, that is what DPA stands for. We link the knowledge requirements of our clients in the Netherlands to the knowledge of our consultants. We do this for the specialist areas Finance, IT and Supply Chain.

Our consultants all have a higher education and they are continually developing their skills thanks to our sophisticated training programme. Since DPA was established, almost 18 years ago, it has been our aim to support reputable corporate and institutional customers in the Dutch public and private sectors in solving their staffing needs by deploying highly qualified consultants.

Support is provided in the form of secondment or interim management, recruitment & selection or consultancy assignments, business consultancy or project management, or a combination of these services. The result for our clients comes from the added value we create for them, and that continues to be our motivation. In 2008, DPA achieved a turnover of 70 million euro with 867 staff.

Short History

The organisation was established on 29 May 1992 as DPA Adit Detachment B.V. The business specialised in seconding people to organisations who needed financial-administrative expertise on a temporary basis. On 22 March 1999 the organisation was launched on the stock exchange under DPA Holding N.V. The holding with the official quotation was established by notarial deed on 18 March 1999. It is a holding company in the sense of Book 2 Article 153, paragraph 3, sub b of the Netherlands Civil Code. In 2005, Falanx Finance B.V. was acquired and in 2006 the merger with FGN Beheer B.V. (Flex Group Nederland) was effected. In 2007, GEOS IT Professionals B.V. and Conink Consultants B.V. were added to the organisation. The resulting single brand company DPA has 3 business lines (Finance, IT and Supply Chain) and 4 labels (DPA Finance, DPA IT, GEOS, and DPA Supply Chain).

The registered office is in Amsterdam and the company is entered in the Amsterdam Chamber of Commerce trade register under number 34112593.

DPA's current location

DPA's offices are located in Amsterdam,
Gatwickstraat 11.
Postal address:
PO Box 9396
1006 AJ Amsterdam
The Netherlands.

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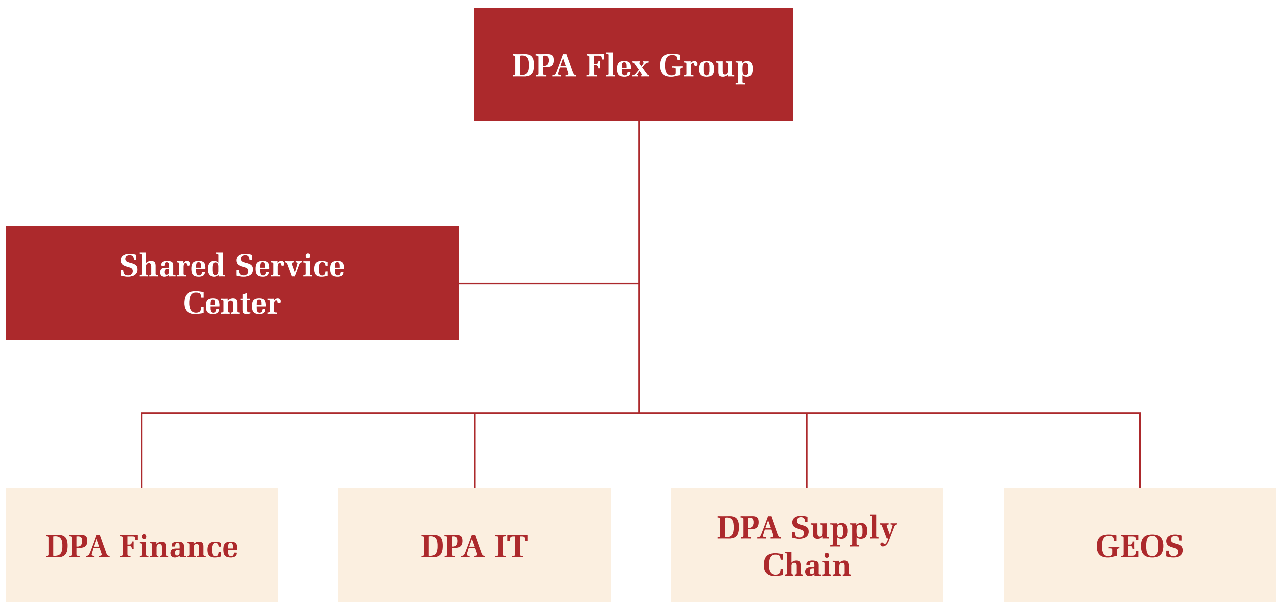
Website http://www.dpagroep.nl

Organisation



Key data

Kerncijfers

x million euro	2008	2007	2006	2005	2004
Net revenue	**70.2**	84.3	66.9	29.9	23.1
Gross margin	**17.9**	23.7	16.8	8.9	7.7
as % of the net turnover	**25.5**	28.1	25.1	30.5	33.3
Operating result	**(12.8)**	4.6	(23.7)	1.0	(0.8)
Profit before tax	**(13.6)**	(0.5)	(24.0)	0.9	(0.7)
Net result	**(12.2)**	(0.5)	(24.8)	0.6	(0.6)
Equity	**22.2**	30.0	30.5	10.7	6.7
Earnings per share (in euros)	**(1.10)**	(0.05)	(2.44)	0.13	(0.14)
Value added per employee	**0.20**	0.20	0.11	0.16	0.16
Staff seconded at year end	**642**	882	924	423	347
Indirect personnel at year end	**91**	119	152	56	47

Indicators

	2008	2007	2006
Net result (x thousand euro)	**(12,168)**	(532)	(24,816)
Equity (x thousand euro)	**22,150**	29,991	30,523
Solvability (in %)	**41.1**	46.4	63.6
Liquidity	**84.6**	77.1	156.4
Net cash	**(7,115)**	(14,187)	33.0
Net debt/EBITDA	**2.8***	2.4	PM
ICR:	**3.3**	6.8	PM
Net result based on shares issued (in euros)	**(1.10)**	(0.05)	(2.44)
Dividend pay-out (in %)	**n/a**	n/a	n/a

	2008	2007	2006
Average number of outstanding shares	**11,053,366**	10,524,262	7,314,362

x euro	2008	2007	2006
highest listed price	**7.38**	10.75	12.45
lowest listed price	**2.08**	7.02	7.60
Year-end listed price	**2.82**	7.26	8.80

* breach of bank covenant

Roland van der Hoek,Chairman of the Board of Directors DPA Flex Group N.V.

Linking knowledge, theme for the future

A transparent business structure with an unambiguous relationship between the four labels and a clear vision for the future. The foundations for the future direction of DPA were laid in 2008. A major step forward was taken with the appointment of Roland van der Hoek as chairman of the DPA Group NV Board of Directors.

Personal 'driver'

My passion is binding and building. Everywhere and always. For this I use the metaphor of the mast tops that I have in my office and which I take with me everywhere I go: left DPA old style, right DPA new style. It is an enormous challenge to work on the construction of a successful DPA with a team of excellent and highly motivated people!

'The old weathered one gives meaning to the new.'

Report from the Chairman of the Board of Directors

2008

In 2008, an enervating and eventful year for DPA, we put our house in order. We have been involved in many changes. Our strategy was not unambiguous. The organisation longed for stability and a clear vision for the future. The foundations for our future direction were laid in 2008 under guidance from interim CEO Michel van Hemele. New people have been appointed to key positions who will give DPA the face fitting to our new changed organisation.

Old files have been closed. The differences of opinion that arose with founder and former CEO of DPA, Peter Smit, have now, in 2009, been resolved with agreement of all parties involved.

DPA in 2009: focus on the clients and the business

DPA is the reliable partner who provides services with ample added-value for our customers. A company of professionals who are prepared to go that extra mile.

'In the first wave of cost reduction measures many of our business contacts have called for advice from our DPA Supply Chain consultants.'

We want to be a top player in the area of consulting and secondment, and we do that from our four labels: DPA Finance, DPA Supply Chain, DPA IT and GEOS.

We will soon be leaving the segment where we compete with employment agencies behind us. We are not so much focusing on placing large numbers of people, but more on providing knowledge and experience at the top level through our consultants. With consulting, secondment, recruitment and selection and trainees we offer a full package in which knowledge and quality are at the centre.

Perspective: opportunities are there!

Even though the current recession is affecting our customers unprecedentedly hard and as yet there is no end in sight, there are opportunities for DPA. Not only with our current products, but we can also generate openings by adding new activities to our existing portfolio. These could include new activities as an extension of our existing ones, such as IT consultancy for DPA IT, deepening the level of service at DPA Finance and further specialisation in the area of logistics and procurement for DPA Supply Chain.

Expanding our range of services can also include specific activities in specific markets where there is considerable demand for specialists and supply is thin. Demand for specialists is on the increase. Increasingly, organisations are creating a flexible layer of specialists around their core activities for managing their business processes. DPA will further expand its sales activities outside the financial sector to reduce its dependence on this traditionally safe sector. The Board of Directors will give body to the multi-level relationship management, more emphatically than in the past. In the course of 2009, DPA will start initiatives in commercial playing fields new to the company, but which meet the client portfolio diversification requirements set.

In the first wave of cost reduction measures many of our business contacts have called for advice from our DPA Supply Chain consultants. Now the following round of cost savings is being sought, our clients will increasingly be looking to us for innovative solutions to reduce operating expenses.

I expect that innovation will be a major driving force for companies who want to survive in the current market conditions. For example, the kind of innovation that GEOS provides in technical support for our clients. But also innovation in financial processes where DPA specialists are deployed to further shape up the implementation of these processes. Clients are not just examining their own competences more closely, they are critical of the quality and output of the resources supplied. This trend will continue, crisis or no crisis.

DPA is more than the sum of the parts

Even though the labels operate independently in their own markets, DPA as Group is more than the sum the parts. As an organisation of high-quality specialists we present a united front to the outside world, but we are an organisation where our people have the space to further develop their qualities.

‘Even though the labels operate independently in their own markets, DPA as Group is more than the sum the parts.’

We are an organisation with a people focus, where people work with pleasure so they can substantiate their passion for their work and their profession. DPA is part of Dutch society and is a reflection of the multicultural society. Our people have a wide range of backgrounds and cultures and they all work together; a continuing investment for us.

The new market positioning

To add strength to our new direction and our new market position we have renewed our house style. DPA faces the future with a mature image! We have consciously chosen for a more businesslike style. ‘Linking knowledge’ is our theme, our motto. Connecting and combining knowledge, that is what meeting client’s requirements is all about.

We have shed the Flex Professionals label, in word and deed. And this deliberately pushes us further away from the employment agencies. Our new position calls for a simplified and clear organisational structure - a holding with four operating companies, each focussing on their own market. DPA is the united front to the outside world, and to our shareholders.

Personal development: better trained people for a better return

We will work out opportunities for our consultant's personal development in further detail. In order to supply qualified people at the highest level, we will continue to invest in knowledge exchange and development among our consultants. Better trained people will provide a better return. And this is one of the reasons for our shift to the higher market sectors in 2009.

In this sense linking knowledge is our starting point. We will be using Academy-style structures to add value to this concept. In addition we are investing in work concepts to commit the right people to our organisation, and flexibility in an important concept here. One option is to have consultants join our payroll, but many prefer to be affiliated with DPA as independents.

Social entrepreneurship: Good for us and good for others

In our new positioning social entrepreneurship is an integral part of our policy. In our day-to-day management we take account of people, the environment and the world in which we live. We took the first steps in this direction in 2008. In the meantime we have been able to implement several

'Our new strategy will be further elaborated in 2009 and the diversification of our operating companies will be expanded.'

measures that support our concern for environmental management. Our environmental policy states that we must use energy sparingly, generate a minimum of waste and pollution and we have introduced a stricter purchasing policy. At the same time DPA offers its staff an alternative for the (energy-saving) car: they can use public transport or a bicycle to travel to the office.

Aspects of social entrepreneurship that receive our special attention include extra focus on personal development of our staff through training and flexible employment contracts as well as proper arrangements for childcare.

Involvement in society

Furthermore it is my conviction that from our own comfortable position we have the responsibility to make an effective contribution to the future of this world. The poorest people, the children at the bottom of society, they all deserve our special attention. Contributing to the development of these children creates enormous enrichment that penetrates many areas influencing our personnel, clients and other business contacts.
We invite our clients to experience these activities we undertake in the context of social entrepreneurship in a positive manner.

One of the good causes we support is KidsRights, a Dutch organisation that advocates the basic rights of children worldwide. With the International Children's Peace Prize, for example, which is awarded annually to a child who demonstrates exceptional dedication to children's rights, in all parts of the world. In 2008 this prize was awarded by South African Bishop Desmond Tutu in a ceremony held in the Ridderzaal in The Hague.

The mutual experience gained by clients and personnel through participating in these social entrepreneurship activities binds people together and leads, in my experience, to a deeper and longer lasting contact.

Where possible, DPA also encourages employees who support projects helping people anywhere in the world to create greater opportunities for their own future.

DPA is ready for the future

Our new strategy will be further elaborated in 2009 and the diversification of our operating companies will be expanded. Additionally we will focus on new markets and we will respond to actual demands from our clients. It is our endeavour to fulfil the plans outlined above in 2009 and with this to strengthen the position of DPA in the market considerably, so that we can start to reap the benefits in 2010.

Roland van der Hoek
Executive Board Chairman DPA Flex Group N.V.

Jan van Duijn, member of the Board of Directors /
Chief Financial Officer DPA Flex Group N.V.

2008: closing a past period, focus on the future

2008 was not a simple year for DPA. The changed market conditions and rapid worsening of economic prospects, together with a number of administrative adaptations have had an important effect on our commercial activities and our financial result. Our operating result improved in the second half of the year, but in this period it was also influenced by the downward revaluation of two group companies, FGN Beheer (Flex Group Nederland) and GEOS IT Professionals.

The economic decline was a major cause for the fact that the consolidated turnover of DPA as group was 19% less than in 2007: a drop from 86.8 million euro in 2007 to 70.2 million euro in 2008. A positive point was the 18% increase in turnover generated by our operating company DPA Supply Chain to 13.4 million euro.

Financial highlights 2008

Figures for 2008 compared to the combined organisation figures for 2007

(Figures for Conink Consultants have been included
pro forma for the whole of 2007)

x million euro	**2008**	2007	% difference
Turnover	**70.2**	86.8	(19%)
Margin	**17.9**	24.7	(27%)
Operating expenses	**17.3**	19.8	(13%)
EBITDA	**2.6**	6.6	(61%)
Operating result	**0.6**	4.8	(87%)
Net result*	**(13.5)**	+ 0.0	PM

In euros			
Earnings per share	**(1.10)**	(0.05)	PM

* Including downward revaluation of 13.3 million euro

Pro forma unaudited figures for the group including Conink
Consultants for the first half of 2007 (recurring EBIT):

x million euro	**HY2 2008**	HY2 2007	% difference
Turnover	**33.4**	40.7	(18%)
Margin	**8.4**	11.9	(29%)
Expenses	**6.6**	9.0	(27%)
EBITDA	**2.8**	3.7	(24%)
Operating result	**1.7**	2.8	(39%)
Net result	**(12.2)**	(1.2)	PM

In euros			
Earnings per share	**(0.99)**	(0.14)	PM

Notes on the 2008 financial results

Specification of the turnover

- The DPA Flex Group N.V. turnover decreased by 19% to 70.2 million euro.
- The DPA Nederland (Finance and IT) turnover decreased by 27% to 46.4 million euro.
- The DPA Supply Chain (including Conink) turnover increased by 18% to 13.4 million euro.
- The GEOS IT Professionals turnover decreased by 14% to 10.4 million euro.

The decrease in the consolidated turnover amounts to 18% over the second six months compared to 21% over the first six months of 2008. A major reason for this is the decline in the number of assignments in the banking sector and for government bodies. Also, an increase in the number of idle hours resulted in reduced productivity.
The operating companies DPA Supply Chain (including Conink Consultants) and GEOS provided a contribution of 19% and 15% respectively to group turnover.
During 2008 utilisation averaged at 79% from interim professionals on the DPA pay roll 21% from third parties.

Specification of the gross margin

- The DPA Flex Group N.V. gross margin decreased by 27.0% to 17.9 million euro.
- The DPA Nederland (Finance and IT) gross margin decreased by 35% to 10.6 million euro.
- The DPA Supply Chain (including Conink) gross margin decreased by 3% to 4.3 million euro.
- The GEOS IT Professionals gross margin decreased by 20% to 3.0 million euro.

On an annual basis the gross margin decreased from 28.4% to 25.5%.
An extra reduction can be attributed to two effects:

- The margin for the second six months of 2008 includes a one-off charge of some 450,000 euro for DPA Nederland, this concerns a reorganisation provision.
- For DPA Supply Chain, in the post ‘third party expenses’ there has been a shift from indirect expenses to direct expenses to the amount of 600,000 euro .

Excluding this one-off charge, DPA Nederland would have achieved a margin of 24.8% over the second six months compared to 22.9% over the first six months.
Excluding both of the expenses mentioned the margin for the group would have been 27.0% on an annual basis instead of the 25.5% stated in this annual report.
Even though the average invoice fee has risen, the so-called idle hours expenses and working more frequently with ‘third parties’ have put pressure on the margin.

Gross margin per operating company 2008

In %	**2008**	2007
Total	**25.5**	28.4
DPA Nederland	**22.8**	26.0
DPA Supply Chain (including Conink)	**32.1**	39.0
GEOS	**28.8**	31.0

Gross margin DPA Flex Group N.V. second six months 2008

In %	**HY2 2008**	HY2 2007
Total	**25.2**	29.2
DPA Nederland	**22.7**	27.5
DPA Supply Chain (including Conink)	**31.3**	36.1
GEOS	**27.7**	30.3

Specification of the operating expenses

The operating expenses were reduced by 2.5 million euro (13%) to 17.3 million euro. These expenses come out at 24.6% of the turnover. We should also note that these operating expenses include a one-off expense in 2008 to the amount of 2.5 million euro, which consists of:

- costs regarding severance packages to the amount of 550,000 euro;
- provision for a share plan to the amount of 550,000 euro;
- costs related to the departure of former CEO Peter Smit of 950,000 euro (800,000 euro in the form of a termination allowance and 150,000 euro in the form of consultancy fees);
- costs of moving offices to the amount of 500,000 euro.

The outcome of a dispute resulted in an exceptional gain for DPA in 2008 of 2.5 million euro.
The fall in operating expenses is mainly attributable to the reduction in the number of indirect FTEs from 119 at the end of 2007 to 91 at the end of 2008

Specification of the operating result

The operating result before depreciation decreased to 2.6 million euro. This was caused by the decline in turnover and gross profit. The reduction of the operating expenses by 2.5 million euro was insufficient to fully compensate the decline of the gross margin. Even though a modest loss (200,000 euro) was reported in the first six months, the EBITDA over the second six months increased to 2.8 million euro.

Specification of the net profit

The net profit over 2008 has come out at 13.5 million euro negative. This is caused by a downward revaluation (impairment) of two group companies acquired in 2006, GEOS IT Professionals and FGN Beheer (Flex Groep Nederland). Considering the performance of both companies during 2008 and the uncertain market situation DPA decided to apply a lower valuation to its group companies. This has resulted in a one-off downward revaluation of 13.3 million euro. This downward revaluation is a non-cash incident and does not influence the cash position of DPA.

Specification of the earnings per share

The earnings per share declined compared to 2007. The loss per share amounted to 1.10 euro for 2008. Excluding downward revaluation there would have been a small loss per share of 0.02 euro.

Notes to the balance sheet items

- The receivables balance of the group has been reduced from 18 million euro to 14 million euro whereby the DSO (Days Sales Outstanding) works out at 64 days. Even though we notice that clients pay less quickly and the larger clients push their payment terms out to 90 days, we have been able to maintain a stable DSO through stringent cash flow management.
- Throughout 2008 the cash flow has developed positively by 7.3 million euro. This is partly due to a successful share issue on 24 June 2008 (revenue more than 4.0 million euro) and by placing greater emphasis on cash management.
- The positive cash flow position has been used to reduce the DPA's debt position, consequently the debt burden was reduced from 15.4 million euro to 7.1 million euro. DPA will continue stringent cash flow management in 2009 in order to further reduce the net debt.
- Our move has resulted in a provision and a partial current asset for the vacant property in the balance to the value of 3.0 million euro.

This total amount related to the old premises. We have agreed with the mediating party that they stand full surety for this legal obligation. The same amount has therefore been accounted for partially under the item other receivables and partially under current liabilities. In addition in 2009 DPA received a sum of 2 million euro, in connection with to the purchase and sale of the premises DPA moved into at Gatwickstraat 11 in Amsterdam during 2008.

Financing

The share issue up to 10% of the issued share capital last summer generated a revenue of 4.0 million euro. The reduction in the number of assignments at the end of 2008 has resulted in DPA not being able to meet its bank covenants. Consultations in this matter have been conducted with our financiers. In the meantime a new terms sheet has been agreed. The bank covenants agreed earlier remain in force, but a supplement has been applied to the interest rate previously agreed and some adjustments have been made to the credit facility of DPA.
The continuation of the relationship has always been a basic premise in the realisation of the new contract. We should note that due to the breach of the bank financing covenants the credit facility is immediately payable, which may lead to uncertainty regarding the continuity of the company. DPA has confidence is its future. This confidence is partly based on a scenario analysis in which in addition to a zero growth scenario, other scenarios were calculated in which a fall in turnover of 10% and 25% were assumed. The results of this analysis has led DPA to assume that in stable market conditions DPA will have sufficient means to continue its activities.

Administrative changes

In 2008 we had to cope with a considerable number of changes at board level and at management level. At the beginning of 2008 it was officially announced that Peter Smit, founder and CEO at that time, had decided to resign and to leave the organisation in May 2008. From the time of the announcement Mr Smit effectively withdrew from managing the daily affairs of DPA. While seeking a suitable successor, Michel van Hemele, who at that time was already a member of the Supervisory Board, indicated that he was prepared to take on the responsibility of chairman of the board.

Later in the year a disagreement arose with Peter Smit. The unrest that this caused, also within DPA, meant that all attention was focused on internal matters, and this had repercussions on our commercial activities. Furthermore we could not avoid the consequences of the rapidly deteriorating market conditions, notably in the banking sector which is traditionally one of our major markets. The differences with Peter Smit were resolved at the beginning of 2009. An agreement has been signed and the legal proceedings have been terminated. With the appointment of Roland van der Hoek as chairman of the Board of Directors per 1 January 2009, a new age has dawned for DPA.

Setting a new course

The arrival of Michel van Hemele as (interim) chairman of the board was the starting signal for a period of reflection on the position of DPA in the markets in which we are active and the added-value that we can offer to clients in these markets. DPA found itself in an internal ‘renovation phase’. After the review of our position, in the autumn of 2008 we were ready to set a new course and install a new organisational structure. By developing a clear selling strategy, DPA is returning to the level it had at the beginning of 2006: an organisation of specialists who can offer clients considerable added-value with their knowledge and experience. This selling strategy offers opportunities in difficult economical times. On the financial front we will continue our stringent management in order to reduce our debt position.

Continuing demand for specialists

Despite reorganisations and reductions in numbers of personnel in many companies, there is a continuing demand for specialists. This applies particularly to professionals who fulfil key positions within the organisation where they operate. Specialised financial expertise as well as knowledge and experience in the area of IT and Supply Chain Management remain scarce. Our consultants have the expertise, even in economically difficult times to help organisations runs their businesses as effectively and efficiently as possible. And furthermore, talented people are becoming available as a result of reorganisations and reductions in staff numbers. That gives us extra opportunities, on the supply side, to commit good people to our organisation.

Room for future growth

Surprisingly enough, the financial crisis in 2008 has not meant a considerable reduction in the number of assignments for specialists. We have however seen a further reduction in the numbers of assignments in the financial sector. Nevertheless, just as all other organisations whose core business is secondment, we are experiencing increasing pressure on our fees. And this applies to all market segments in which we are active. However, if we set off our financial results against the circumstances already mentioned, then this does provide a positive picture. This is reflected in the improved result that we achieved in the second half of 2008 compared to the first six months of 2008. Our financial position has been strengthened considerably by the new capital raised last summer with the share issue of up to 10% of the issued share capital. It is worth noting that this issue was oversubscribed within a short space of time. The capital injection also helps us financially in creating sufficient room for future growth. Due to our financial result for 2008 we were unable to satisfy all our bank covenants. But we are pleased that following full consultation with our financiers we have been able to agree new conditions where the foundation rests on maintaining our mutual relationships.

Looking ahead

Supported by our new course in 2009 we will be concentrating all our efforts on our clients and thus also on our earning capacity.
After our internal renovation our new course is a fact and we are concentrating our efforts externally.

Looking forward

We do not expect to make any large investments in 2009. In the current market it is important that the internal personnel utilisation is continually adjusted to the volume of our business activities. Personnel expenses form a considerable part of our total costs and are a key area for management attention. Furthermore, management will also pay attention to turnover and profitability, where the ultimate goal is to improve the overall financial position. Considering the uncertain market situation prompted by the effects of the current credit crunch we consider it wise not to make any statements about the future.

R.A.M.R. van der Hoek, Chairman of the Board of Directors
J. van Duijn, Member of the Board of Directors / CFO

Statement from the board

Statement from the board under the transparency directive.
The administrators of DPA Flex Group (Roland van der Hoek, chairman of the Board of Directors and Jan van Duijn, member of the Board of Directors / CFO) declare that to the best of their knowledge:

- the financial statements of DPA Flex Group give a true picture of the assets, equity and liabilities, financial position and the profit or loss of the issuing organisation and the joint organisations included in the consolidation; and
- the DPA Flex Group annual report gives a true picture of the status on the balance sheet date, the state of affairs during the financial year of DPA Flex Group and the affiliated companies for whom information is included in its annual report, and describes the substantial risks that DPA Flex Group faces.

Safe harbour statement

This annual report contains looking-forward announcements and/or statements. These looking-forward announcements and/or statements are subject to risks, uncertainties and other factors that may mean that the actual results and/or the expectations referred to deviate from the information given in the looking-forward announcements and/or statements. Key causes and/or factors that may give rise to deviations are the following:

(i) market conditions in the IT and/or financial sectors
(ii) general economic conditions
(iii) performance of the financial markets
(iv) interest rate levels
(v) competitive conditions at global, national and/or region levels
(vi) changes in laws and regulations.

The factors and/or causes stated here are not exhaustive. Many factors and/or causes outside the direct sphere of influence of the Company will also have a roll to play. And therefore the Company recommends the reader to exercise caution and reserve when interpreting the looking-forward announcements and/or statements.

Supervisory Board: (left to right) Mienke Schaberg, Michel van Hemele and Ellard Blaauboer.

Report from the Supervisory Board

We are pleased to present the DPA Flex Group N.V. financial statements for 2008 as drawn up by the Board of Directors. These financial statements were discussed in the meeting of the Supervisory Board on 2 April 2009 and are accompanied by an unqualified auditors' report from Mazars Paardekooper Hoffman Accountants N.V.

We propose that the General Meeting adopt and approve the DPA Flex Group N.V. financial statements for 2008 and the proposal for the appropriation of profit. After accounting for the loss of 12.2 million euro the equity base remains at 21.2 million euro per 31 December 2008.
We also request you to discharge the Board of Directors of any liability for their management and the Supervisory Board of any liability for their supervision.

Meetings

In 2008, the Supervisory Board met for eleven formal meetings with the Board of Directors. One meeting with the Board of Directors was dedicated to approving the new strategy for the organisation. The auditor was present at two meetings. Risk management within the organisation was discussed at one of these meetings with the auditor. With a few exceptions all Supervisory Board members were present during these formal meetings.

Furthermore, there were various meetings between the individual members of the Supervisory Board. Subjects for discussion included their own performance, the profile and the competences of the members and conclusions were drawn from these meetings. Lastly, from the beginning of 2008 the Supervisory Board paid a great deal of attention for the performance of the executive board as a whole and of the individual members in particular. This resulted in changes to the formation in May 2008.

Internal developments

2008 was a turbulent year for DPA. Externally in that the credit crunch continued to escalate and is now the cause of the recession. Internally due to the resignation of CEO and founder of DPA, Peter Smit. In January 2009 a final termination allowance was agreed with Peter Smit to the sum of 500,000 euro and consultancy fees to the amount of 150,000 euro. This remuneration is greater than one annual salary and is therefore greater than that stated in the Corporate Governance Code, but less than the amount that was previously contractually agreed with Peter Smit.

Peter Smit was replaced by Michel van Hemele, previously supervisory director, who was appointed as interim CEO on 27 May 2008. The interim CEO's primary task was to improve the internal organisation of DPA and to draw up a new strategic plan. The vacant position on the Supervisory Board was filled on the same date by Mrs Mienke Schaberg who was appointed by the shareholders.

In addition a number of noteworthy events took place in 2008. The sale of the Spanish office initiated in 2007 was completed in the first half of 2008. In the summer of 2008, within the authorisation granted by the general meeting of shareholders, DPA successfully issued new shares generating a revenue of some four million euro. And lastly, in the fourth quarter of 2008 DPA moved offices to a new location in Amsterdam.

New Chairman of the Board of Directors

As planned, after completing his interim improvements and drawing up a new strategic plan, at the extraordinary general meeting of shareholders held on 8 January 2009, Mr Michel van Hemele was resigned as interim CEO and was reappointed as supervisory director of DPA. He has now become chairman of the Supervisory Board. Mr van Hemele has been succeeded by Mr Arend de Roever who was supervisory director for DPA since 2004 and resigned in 2009. From 2006 onwards he was chairman of the board. The Supervisory Board is grateful to Mr De Roever for his commitment and contribution over the years. With the return of Mr Van Hemele in the Supervisory Board, Mr Roland van der Hoek has been appointed in his place as member of the board and chairman of the Board of Directors.

Considering the independence of the Supervisory Board members, as stated in best practice provision III.2 of the Dutch Corporate Governance Code, we can state that Mrs Schaberg and Mr Blaauboer meet the requirements. This no longer applies to Mr Van Hemele. He was interim director of DPA for a period of 8 months in 2008 and has received a financial remuneration from the company. This means that in 2008 Mr Van Hemele received a supervisory director's fee as well as a personal remuneration in the form of a directors' fee from the company. For the sake of completeness we note that he did not receive these remunerations simultaneously, but sequentially, linked to the positions he fulfilled in 2008.
The exception as described in the best practice provision III.2.1 is applicable to Mr Van Hemele.

Remuneration policy

The directors' honorarium consists of a fixed fee and a possible bonus which depends on achieving predefined targets. The targets we as Supervisory Board set for 2008 were not achieved, and consequently no bonuses were paid over 2008. The DPA Flex Group N.V. remuneration policy is reviewed annually with reference to the policy of comparable companies in the Netherlands.

Remuneration policy remained unchanged in 2008 when compared with the previous year, with the exception of the interim CEO. The Supervisory Board opted for a lump sum remuneration of the interim CEO as was the case for his predecessor and is for his successor. These alternative arrangements were agreed because the appointment was only for a relatively short period. The interim CEO's remuneration was competitive for comparable interim assignments.

Amsterdam, 2 April 2009

Supervisory Board
M.M.G. van Hemele
E.J. Blaauboer
A.W. Schaberg

Members of the Supervisory Board and Board of Directors

The Supervisory Board of
DPA Flex Group N.V. consists of:

M.M.G. van Hemele (1956)
Michel van Hemele graduated in 1979 cum laude from the Katholieke Universiteit Leuven where he studied commercial engineering. He continued his studies at EHSAL in Brussels when in 1983 he obtained his Master's magna cum laude in international business economics and management. Additionally he has completed various Management Programmes at NorthWestern (US), Manchester Business School (UK) and Stanford University (US). Mr Van Hemele is one of the founders and managing partners of Essensys, supplier of highly qualified executive interim managers, and he was chair of the Board of Directors of Carestel and of Solvus. From 27 May 2008 to 8 January 2009 Mr Van Hemele was interim CEO of DPA Flex Group N.V. and prior to that, since the end of 2006, he was a member of the Supervisory Board of DPA. Furthermore he is also a respected professor of international management and corporate strategy at the Hogeschool-Universiteit Brussel (HUBrussel). Mr Van Hemele has a seat on the Supervisory Board of several well-known international companies, in some cases as chairman. In January 2009 Mr Van Hemele was appointed as supervisory director to DPA Flex Group N.V. and he has the Belgian nationality. Mr Van Hemele is chairman of the Supervisory Board, he owns 185,919 company shares.

Drs. E.J. Blaauboer (1946)
Ellard Blaauboer attained his Masters in business economics in 1973 at the Erasmus University Rotterdam. Besides being director of the Bluefarmers Trust, Ellard Blaauboer is also a member of various Supervisory Boards, including that of DIM Vastgoed N.V. and OMNEXT.NET B.V. From 1983 to 1997 he was managing director of the venture capital company NeSBIC Groep B.V. and also joint founder and first chair of the Nederlandse Vereniging van Participatiemaatschappijen (NVP) which was established in 1984. From 1973 to 1983 he fulfilled various positions at Pakhoed Holding N.V., VNU N.V. and Deli-Universal N.V. Ellard Blaauboer was appointed as supervisory director to DPA Flex Group N.V. in 2006. He does not own any shares or options in the company.

Drs. A.W. Schaberg (1956)
During the first few years of her career, in addition to her work, Mienke Schaberg completed her studies at the University of Leiden and later in Amsterdam. She completed her studies with a Master's in History of Art and Archaeology. Since 1998, Mrs Schaberg has been partner and managing director for Metaplan Consultants B.V. (executive search) and also partner and managing director at Wolters & Schaberg (deal making). From 1996 to 1998 she was responsible for the television facilities at the Nederlands Omroepproduktie Bedrijf (NOB). Prior to that she worked for many years at Elsevier / Bonaventura (now Reed Business Information) in various editorial and commercial positions. In the last 5 years at Reed she was business magazine publisher, responsible for titles such as FEM Business. Furthermore Mrs Schaberg fulfils various administrative functions for a range of associations and foundations. Mienke Schaberg was appointed as supervisory director to DPA Flex Group N.V. in 2008.

She does not own any options or shares in the capital of the company.

Mrs Schaberg and Mr Blaauboer are independent in the sense of best practice provision III.2 of the Dutch Corporate Governance Code. This cannot be said for Mr Van Hemele. He fulfilled the position of interim CEO of DPA for a period of 8 months in 2008. The exception as described in the best practice provision III.2.1 is applicable to Mr Van Hemele.

Schedule for retirement by rotation

The DPA supervisory directors are appointed or reappointed for a period of four years.

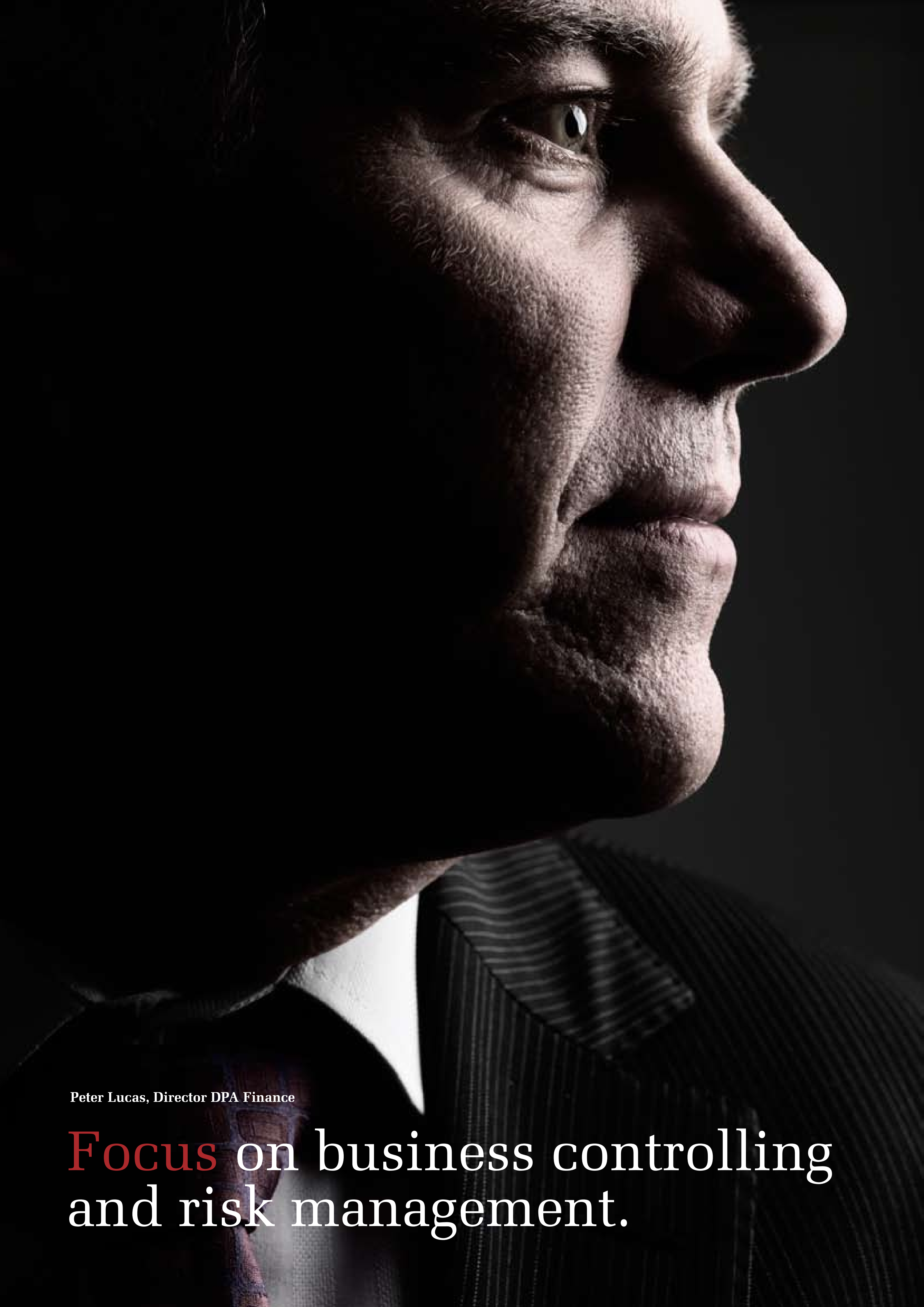
Name	Year of appointment	Year of retirement	Eligible for reappointment
M.M.G. Van Hemele *	**2009**	**2013**	**Yes**
E.J. Blaauboer	**2006**	**2010**	**Yes**
A.W. Schaberg	**2008**	**2012**	**Yes**

* chair

The DPA Flex Group N.V. Board of Directors consists of:

R.A.M.R. van der Hoek (1958),
chairman of the Board of Directors
For the last six years Roland van der Hoek was general managers of Thremen B.V., which became part of Tempo Team B.V. within Randstad Holding in 2007. Prior to that Mr Van der Hoek held senior management positions at Sun Microsystems, Lacis Groep Benelux and CSS Holding N.V. During this period Mr Van der Hoek gained international management experience in various positions for the organisations mentioned and as independent consultant. In 2007 he was voted “Social entrepreneur of the Year”. He is also involved in the KidsRights foundation as member of the board, additionally he is board member of The Cuddlecompany (a KidsRights initiative) and of the Anagenisis Trees Corporation. He is one of the initiators of the Children’s peace prize which was awarded by Desmond Tutu in the Ridderzaal in The Hague on 4 December 2008. This was the fourth time the prize was awarded. Roland van der Hoek was appointed as chairman of the Board of Directors of DPA Flex Group N.V. in 2009. He does not own any options or shares in the capital of the company.

J. van Duijn (1963),
CFO and member of the Board of Directors
Jan van Duijn is a member of the Board of Directors and CFO of DPA Flex Group N.V. Jan van Duijn has previous experience as finance director, as managing director of Shared Service Center and as director (Corporate Vice President F&A and ICT and Executive Committee member) of companies such as USG People, Unique International and Multi Services. Jan van Duijn was appointed as member of the board to DPA Flex Group N.V. in 2007. He owns 66,999 shares in the capital of the company.



Peter Lucas, Director DPA Finance

Focus on business controlling and risk management.

DPA Finance

'Issues such as risk management, controlling and compliance are currently dominating managerial agendas. Demand for the traditional extra helping hands for projects has diminished considerably, but requirements for external expertise in the areas of financial controlling, business controlling and risk management has increased significantly. And the need is for high-calibre expertise; not only in the discipline itself, but also in-depth understanding of entire business process that the client is involved in. The concept of added-value must have real substance.

Influx of qualified staff
One of the consequences of the current crisis is the increasing availability of good candidates for DPA. Under the provision, of course, that the qualifications of the consultant we put forward to the client match the requirements of the position to be filled. Another important factor is the match on a personal level. In response to these developments DPA has made investments in the quality of our resource management and account management.

'Client focus is a primary requirement, and that includes being well-informed of the client's business.'

Transformation
In order to meet the requirements of the overarching vision, DPA Finance also concentrates on offering expertise in the top of the knowledge pyramid.

Our good reputation helps to strengthen our market position in the higher financial and administrative functions in particular. And naturally, the accents in our market approach differ per segment.

Linking knowledge
In order to give substance to each segment we have brought together our best interim professionals in a working group to actively think along with the executive board and management team. We test our vision regularly with clients at our round-table meetings. By linking and utilising our consultants' expertise and stakeholders' opinions more efficiently, clear business cases emerge. Additionally, we are paying increased attention goes to seeking effective solutions for our clients, for example, by taking on complete projects.

Personal 'driver'
At DPA there is still a great deal of work to be done and making an active contribution consumes vast amounts of energy. The sporting activities in which I participate in my free time help me to renew my energy resources. I've been playing in a friendly football team at BVC Bloemendaal for many years now. And we're all fanatics, we always want to win. I recognise this same drive at DPA.'

Tessa Mac-Intosh, Senior Consultant DPA Finance

Constant stream of new goals and challenges.

'Two years ago I made my choice for DPA quickly. I like to follow developments within my discipline closely and I wanted to zero in on this one straight away. DPA offers that opportunity. At DPA I'm developing my skills continuously at a professional and personal level. I know what I want, but at the same time, different things interest me. At DPA I can continue to be the generalist I want to be.

A warm welcome

DPA is a company with a wealth of opportunities. Almost anything goes. The personal and informal approach makes me feel very much at home. Just like the regular internal meetings we hold with twelve enthusiastic interim professionals to brainstorm together about the future direction of DPA Finance. These meetings and discussions are inspiring and that gives me a great deal of energy. And it's a tremendous opportunity for us to share our extensive collective knowledge and experience; and that is not only beneficial for the interim professionals themselves, but also for DPA and our clients.

MBA programme

DPA has high expectations of its consultants in all areas. Personal development is of paramount importance. This is not just talk, DPA really makes it happen. And that doesn't just count for your personal development, but it also applies to continuous education in your discipline. At the moment I'm studying for the last module of my MBA. And luckily, DPA are paying my fees.

Never a dull moment

One of the things that attracted me to working as a consultant is that basically I'm never committed to one particular position for any length of time. That suits me well. But I do have a commitment to DPA. As consultant you generally work at any one client for between three and six months, then you move on to somewhere else. So there is a constant stream of new goals and new challenges, and I flourish under these conditions. Never a dull moment.

Sustainable added-value

DPA offers an enormous challenge to people like me. There's such a wide range of assignments and clients, and there are external training and educational opportunities too. Internally we share our knowledge and experience, which is why we talk about Linking Knowledge. This combination creates sustainable added-value, for our customers and for ourselves.

DPA offers people many challenges. Not only with a range of assignments and clients, but also through sharing knowledge and experience.'

Personal 'driver'

As a workaholic you do need to relax occasionally. You need a passion that keeps recharging your battery. For me, that is music and dance, and fast cars. At the moment my favourite is the Audi A5.'

Jaap van Goch, Director DPA IT

Enterprising and focused on solutions.

DPA IT

‘We operate at the intersection of people, technology and processes. Our consultants are involved in managing IT systems in the widest sense of the word. This may involve design, management and implementation of applications, software, hardware and all the interfaces in between.

The market conditions
The current economic conditions will not leave DPA IT unscathed. It’s particularly noticeable that investments in new projects are being postponed. Nevertheless we are convinced that there will be a continuing requirement for specific external expertise for solving IT problems. We are talking here about people who can be deployed immediately and who also have in-depth experience and a solution-based attitude. DPA IT has senior consultants with these qualifications. Most of our senior consultants have been with DPA for many years and have gained considerable experience in a wide variety of projects. For example, projects dealing with compliancy, the redevelopment of systems and processes within government organisations and large educational institutions as well as projects to guarantee the continuity of helpdesks.

Our selling strategy
The knowledge and experience our consultants have gained in such a variety of projects puts DPA in a unique selling position. Where the traditional secondment is currently viewed as an expense, the experience of our people guarantees added-value. We are able to clearly demonstrate that deploying our consultants ultimately saves money or is the starting point for making considerable savings.

Our challenge
In our market the DPA name is not well enough known. We must ensure that the market knows more about the added-value we have to offer. Be good at what you do and spread the word. The projects our consultants have completed and the experience they have gained are outstanding references. We are working hard to analyse and structure the knowledge and experience our consultants have so that we can demonstrate this more clearly to our clients.

‘Deploying our consultants saves money. That is our added-value.’

Personal ‘driver’
During the last year many new faces took up their places in the new executive board and management team. It is their task to work out the details of DPA’s new future direction. I am also part of this team. I took up the position of the IT Business Unit Director as of 1 November 2008. Passion and pleasure in my work have been my major drivers within DPA for many years now. And I still believe in these. Freedom, challenge and competition are important to me, in my work and in my private life. Besides spending time with my family I enjoy spending my free time outdoors: usually with sport. You can’t hide how you feel, so feeling good also translates into extra motivation in your work. And everyone benefits, even the client.’

Arno den Boer, Senior Consultant DPA IT

Clients looking for quality find DPA quickly.

‘At DPA I am the self-employed entrepreneur I want to be without having to run the risks. Besides, it’s difficult to share your expertise with colleagues when you work on your own, but there are masses of opportunities for this at DPA. What’s more, DPA is a typical no nonsense club where I’m accepted for what I am, and I like that.

Sense of community

I generate my own business but at the same time I also pull in assignments for my colleagues at DPA; after all, we’re all working together, together we are strong. Everyone working at DPA knows that community feeling. That is also one of the wonderful advantages of the organisation. Picking up business and passing it on. In other words; you’re continually asking yourself what added value can DPA as group give to the client where you are currently working.

For example, in my current assignment for one of the Dutch regional police services, seven DPA colleagues have been seconded in the space of eighteen months.

Always prepared to go the extra mile

Really, it’s very simple: clients looking for quality find DPA quickly. Reputable companies and institutions consciously choose DPA IT. Many of these organisations have been DPA clients for many years. The DPA consultants are ambitious and are prepared to go the extra mile. And, very important, they can boast considerable experience. I’m happy to say that of myself, and certainly of my colleagues. All in all, we have a unique product.

‘We’re all working together, together we are strong. Everyone working at DPA knows that community feeling.’

Personal ‘driver’

Transferring knowledge and encouraging people. That gives me a kick, both in my work and in my private life. One of my hobbies is training the under-16s football team at DSO in Zoetermeer. And I’m also personal coach to my three children. The oldest is 17, the youngest 2. They keep me young and enthusiastic. Music is another great passion of mine. I have a complete sound studio in my attic, enough for even DJ Tiësto to envy perhaps.’


Max Boodie, Director DPA Supply Chain
Double digit growth.

DPA Supply Chain

'2008 was a good year for DPA Supply Chain. In 2009 we expect the growth in turnover to reach double digits. Of course, this success is due to the whole team. But also to our sharp focus on the business, commitment to the client and its environment and to the readiness to invest in the discipline using benchmark research and knowledge transfer. We look further than just seconding people. What's more, since we started out in 2005, at DPA Supply Chain we have continued in a fighting mood. The combination of all these aspects means that within our discipline we have grown to become market leader and we have continually been able to stay one step ahead of the competition.

One-stop shopping
We focus on procurement, logistics and operations and we offer clients an integral package of services: one-stop shopping. Our aim is to put added-value into this concept. We achieve this by offering five clear-cut proposals in two markets (public and private): recruitment & selection, secondment, business consultancy, project consultancy and traineeships. Our clients benefit from this experience in the form of savings or of additional knowledge.

Favourable future prospects
Many of our clients are private parties, but we also service government bodies and other public organisations. At the moment, procurement is our most important discipline. Recently, we have invested in people who can strengthen our logistics position, and our prospects remain favourable. Shortages of professionals in our specialist areas will only become more acute in the coming years when we are on our way out of the current crisis. There is a large group of buyers who will be retiring from 2010 onwards. They will take a great deal of knowledge and experience with them, while there will be a continuing requirement for high-calibre expertise. We will be able to fulfil this need.

Best in class
We think carefully before we act. There is always room for improvement. We organise monthly round-table meetings with our clients and our professionals meet regularly to share their knowledge and experiences; this enables us to gain new expertise and to follow developments in the sector closely. This makes it easier for us to sell our services.

'We think carefully before we act'

Personal 'driver'
The bell is symbolic. There is a ship's bell hanging in the hallway on our floor in the DPA building. When we've signed a new contract we ring the bell. We hope to ring the bell frequently. You have to feel good in yourself to achieve good results through hard work. *Work hard and play hard* or better still: *work hard, and have fun too!'*

Tjarco Timmermans, Senior Consultant DPA Supply Chain

Nurhaci: Successful struggle against Eastern competitor.

'One of the things that makes DPA Supply Chain unique is the one-stop shopping we offer clients. We offer clients five cast-iron products in the areas of procurement, logistics and operations: business consultancy, project consultancy, recruitment and selection, secondment and traineeships.

'We're 100% certain that we will more than amply achieve the targets we have set.'

Leading edge

A notable example where all five DPA products are involved is the project we have been conducting at Vlisco since August 2008. This Dutch company has been manufacturing fabric and fashions for the West African market for more than one hundred years and is now facing tough competition from the Far East. Our project, entitled Nurhaci after the Chinese warlord, started with the secondment of a purchasing manager. Later, it transpired there was need for operational support, so two of our trainees were sent to work at Vlisco. In the meantime we now have eight consultants closely involved in the project and in addition we are supporting Vlisco with recruitment and selection.

Project objectives

Nurhaci is all about savings and professionalisation. The procurement function has to be consolidated and strengthened and a change in culture should bring about improved cooperation and exchange of information. Another objective is to increase the professionalism and the focus on results of the people working in procurement.

Commitment, support and involvement

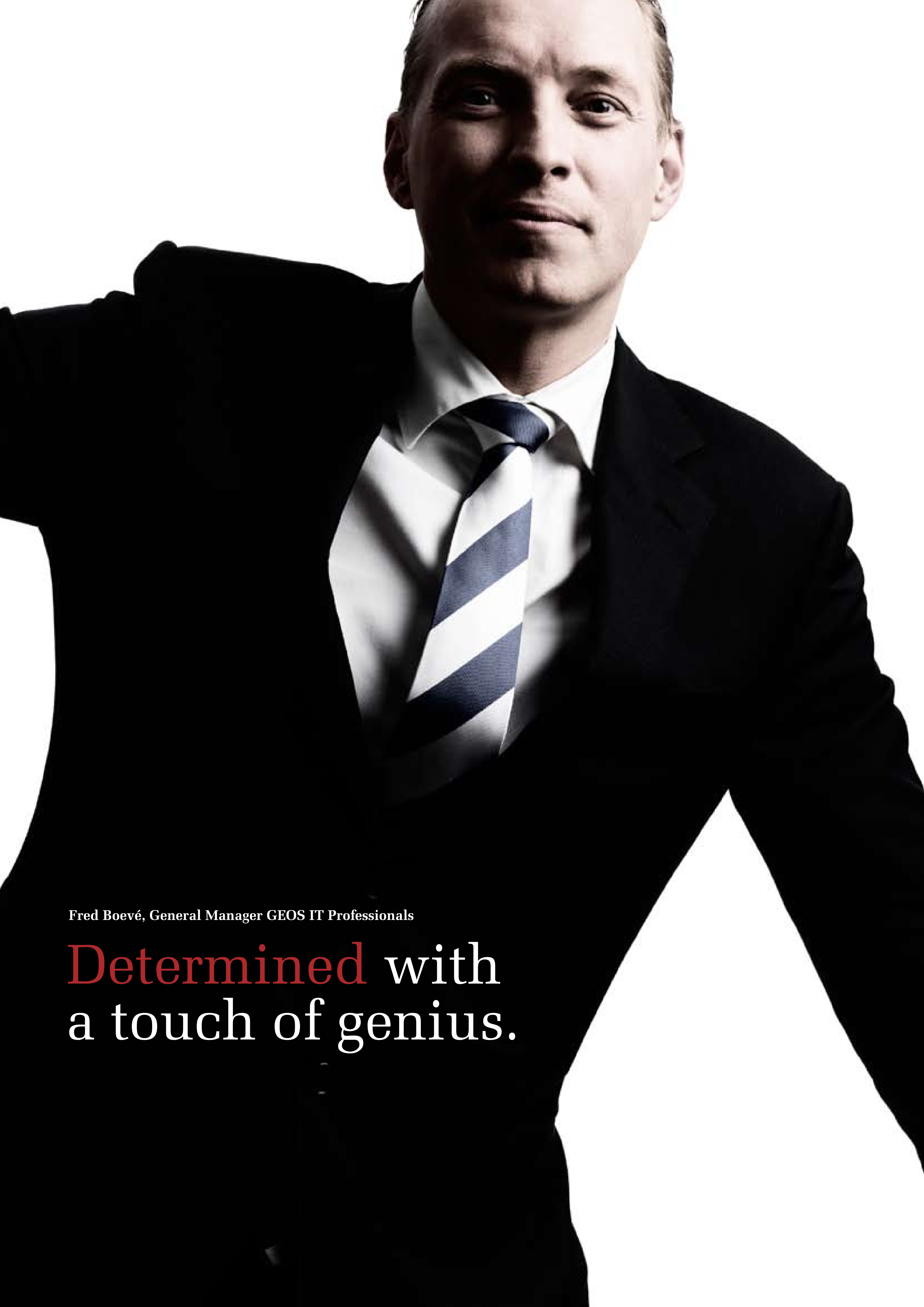
The whole company is involved in this project. That makes this project unique. From high to low, all departments have a contribution to make in realising the savings and improvements. And that is important. Namely, commitment, support and involvement are the key conditions for the success of this type of project.

Respond to change and shift gear quickly

By the close of the kick-off meeting nineteen multidisciplinary project teams were established, manned by Vlisco employees and DPA consultants. All project teams report to a steering committee that meets monthly to monitor progress. The results achieved each month are also validated with Finance. A good communication structure and clear reports enable us to respond to change and shift gear quickly. That will determine our success. We are currently on schedule, based on the results to date are we 100% certain that we will more than amply achieve the targets we have set.

Personal 'driver'

People who are successful in their work have a passionate hobby that gives them energy. I firmly believe in this. In my case, this is sailing races, preferably in a J22 or an X35. Here again teamwork, strategic thinking and practical action make the difference between winning or loosing.'



Fred Boevé, General Manager GEOS IT Professionals

Determined with a touch of genius.

GEOS

'In the IT world everything revolves around knowledge and expertise. We have more than 65 highly qualified IT consultants who are specialised in technical development and managing large ERP systems such as SAP, Oracle and Siebel. Their specialities also include Information analysis and managing large development and implementation projects.

Niche market
The effects of the economic malaise will be noticeable throughout 2009. Investments in new applications are being postponed. This effect is particularly noticeable for our consultants who are working at clients via the larger IT service providers. But our long-term prospects remain favourable: systems that are kept running for longer will still have to be replaced at some stage.

Customer intimacy
In 2009 we want to concentrate on the end users more than in the past. Direct contact with the client and customer satisfaction (customer intimacy) are major aspects in our market approach. In addition we will continue to deploy our consultants' specific knowledge and expertise with the larger IT service providers.

Best of both worlds
A pro-active approach to sales, our flexibility and our low internal costs, together with our good name and reputation, form a good foundation to benefit immediately from an economic upturn. We can also create additional added-value by combining our DPA wide expertise (linking knowledge).

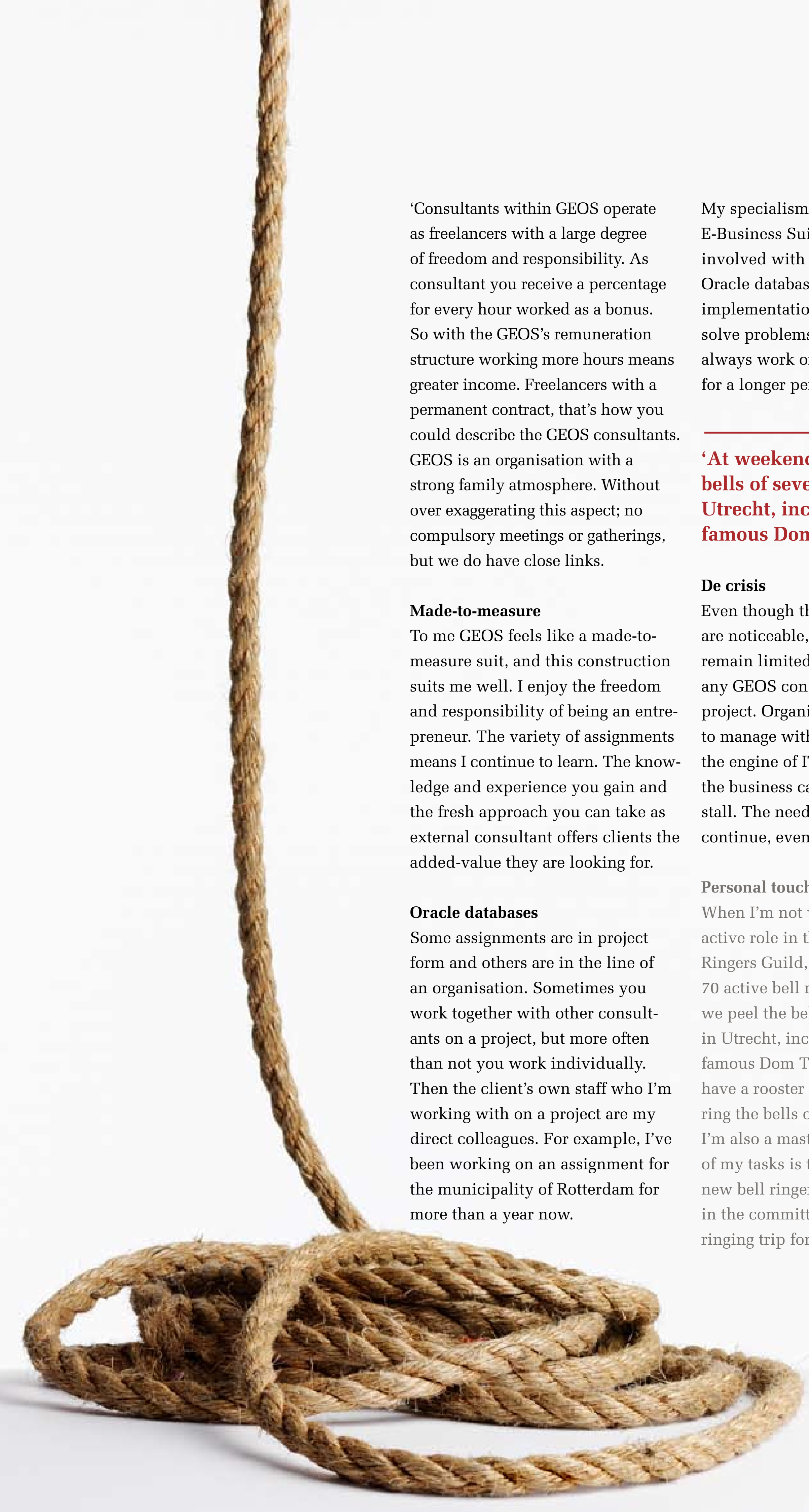
Family
The projects we take on must match our consultants profiles. GEOS links the freedom and responsibility of a freelancer to the certainty of a permanent job. The fact that many of our consultants have been working with GEOS for many years, emphasises the importance of the family atmosphere in our organisation.

'Direct contact with the client and customer satisfaction are major aspects in our market approach.'

Personal 'driver'
GEOS puts people first. Technology is worthless if you don't do anything with it, I myself am the proud owner of two old Harleys. In my free time I love to tour on my bikes. These motorbikes are a wonderful piece of technology, but without a person sitting on the bike the machine doesn't come to life.'

Wilbert van der Hulst, Senior Consultant Oracle E-business Suite

Not an entrepreneur, but an enterprising person.



‘Consultants within GEOS operate as freelancers with a large degree of freedom and responsibility. As consultant you receive a percentage for every hour worked as a bonus. So with the GEOS’s remuneration structure working more hours means greater income. Freelancers with a permanent contract, that’s how you could describe the GEOS consultants. GEOS is an organisation with a strong family atmosphere. Without over exaggerating this aspect; no compulsory meetings or gatherings, but we do have close links.

Made-to-measure

To me GEOS feels like a made-to-measure suit, and this construction suits me well. I enjoy the freedom and responsibility of being an entrepreneur. The variety of assignments means I continue to learn. The knowledge and experience you gain and the fresh approach you can take as external consultant offers clients the added-value they are looking for.

Oracle databases

Some assignments are in project form and others are in the line of an organisation. Sometimes you work together with other consultants on a project, but more often than not you work individually. Then the client’s own staff who I’m working with on a project are my direct colleagues. For example, I’ve been working on an assignment for the municipality of Rotterdam for more than a year now. My specialism is Oracle’s E-Business Suite. I’m mainly involved with the user side of the Oracle databases and I provide implementation support and help solve problems arising. You almost always work on this kind of project for a longer period.

‘At weekends we peel the bells of seven churches in Utrecht, including Utrecht’s famous Dom Tower.’

De crisis

Even though the effects of the crisis are noticeable, the consequences remain limited. I hardly know of any GEOS consultants without a project. Organisations might be able to manage without for a while, but the engine of IT systems critical for the business cannot be allowed to stall. The need for our expertise will continue, even in times of crisis.

Personal touch

When I’m not working I play an active role in the Utrecht Bell Ringers Guild, an association with 70 active bell ringers. At weekends we peel the bells of seven churches in Utrecht, including Utrecht’s famous Dom Tower (Domtoren). We have a rooster for this and I usually ring the bells once every two weeks. I’m also a master bell ringer and one of my tasks is to give instructions new bell ringers. I’m also involved in the committee organising a bell ringing trip for 50 people to Russia.’

Corporate Governance

Structure and policy

DPA Flex Group N.V. is a limited company under Dutch law, with registered offices in Amsterdam, the Netherlands. The authorised capital consists of ordinary shares made out to bearer. No share certificates or cumulative preference shares have been issued. DPA is listed on the NYSE Euronext in Amsterdam. A large proportion the shares are owned by private equity funds and institutional investors. The company focuses exclusively on the Dutch market.

The management of DPA consists of a Board of Directors and a Supervisory Board.

A two-member Board of Directors is responsible for the everyday management of the organisation and the long-term strategy. The Supervisory Board is responsible for the supervision of the management and for advising the Board of Directors.

Three people have a seat on the Supervisory Board. The Supervisory Board does not have separate committees and considering the expected size does not expect to do so in the foreseeable future.

Implementation and deviations

Since the introduction of the Dutch Corporate Governance Code [Code Tabaksblat] in December 2003 DPA began applying its principles. The board is of the opinion that the current corporate governance structure of DPA during the past year and considering the size of the organisation is more or less in agreement with the Code. A revised Code came into force in December 2008. DPA is currently studying the changes and will consider their application in the course of 2009.

The company reserves the right to deviate from best practice provisions for incidental circumstances yet retaining the basic principles as formulated in the code and motivating the reasons for deviation.

The organisation meets almost all best practice provisions stated in the Dutch Corporate Governance Code with the exception of the following provisions:

I. *Best practice provision II.1.1 - Appointment of the Board of Directors for a period of four years.*
DPA has elected to agree employment contracts with members of the Board of Directors for an indefinite period. The best practice provision is not applied because, considering the size of DPA, it would present too great a risk for the continuity of the organisation.

II. *Best practice provision II.2.7 - The maximum remuneration in the event of involuntary dismissal amounts to one times the annual salary (the 'fixed' part of the remuneration).*
There is a deviation from the best practice provision for one member of the Board of Directors. This arrangement has been in place since Jan van Duijn officially took up office in 2007. The reimbursement depends on the number of years of service and is maximised to four times the annual salary and has a lower threshold of twice the annual salary. The settlement that applies to newly appointed members of the Board of Directors is conform the best practice provision.

III *Best practice provision III.5.1. - the Supervisory Board appoints an audit committee, a remuneration committee and a selection and appointment committee.*
It is not meaningful to form such committees considering the size of the board. All issues are discussed with the plenary board. In addition to the general responsibility of all Supervisory Board members, a distinction has been made between certain key areas. Mrs Schaberg concentrates on remuneration and, if applicable, on selection and appointment. Mr Blaauboer, who represents the financial expertise in the Supervisory Board, pays special attention to the audit.

IV. *Best practice provision IV.3.1 - The opportunity to attend meetings with analysts, presentations and press conferences by means of webcasts, telephone connections or similar means.*
The size of the organisation is currently insufficient to be able to make these facilities available. Furthermore the company considers that only a very limited number of shareholders would make use of such facilities, which does not justify the cost of implementing such a system. DPA considers that the announcement of meetings as well as the provision of information via the company website in advance of and following the meeting is sufficient.

Changes compared to 2007

In 2008 no changes were made regarding the best practice provisions operational within the organisation.

Regulations

In 2008 a revised version of the regulations for the Board of Directors was drawn up and published via the DPA website.

The relevant documentation, including the articles of the company and the various regulations, is published on the website: www.dpagroep.nl and if required can be requested from the company.

Risks and risk management

Risks are an integral part of doing business. DPA endeavours to minimise the risks arising from normal business practice by striving to provide high quality service. And this is embedded in a strong and professional organisation. In order to guarantee the quality as well as the efficiency of the services provided, DPA invests in training its personnel. Continuous attention is paid to the administrative processes and we provide transparency in our costs and revenues. The communications and information systems support this. In addition DPA is ISO 9001:2000 certified. The six-monthly audits clearly demonstrate how DPA has anchored continuous quality improvement in the operating procedures.

Risks arising from activities

The risks associated with the business activities, market position and development of DPA are mainly determined by the quality and quantity of projects being carried out by our interim professionals for our clients. Factors for the success of DPA are determined by the ability to recruit and hold on to suitable professionals and the ability to manage the costs of our internal processes.

Quality and quantity of projects
The absence due to illness increased in the past year. The average hourly rate has clearly increased, a trend that was initiated in 2007. The number of projects carried out for clients during the year decreased compared to 2007. This is reflected in the increased number of idle hours. Considering the drop in turnover in 2008 in relation to the previous year, the increase in the average hourly rate has not compensated for the reduction in the number of assignments. However, it has had a dampening effect on the turnover reduction this year.

From a commercial point of view management attention is divided between gaining the position of preferred supplier at large clients and deploying interim professionals in small and medium-sized enterprises. The large clients mainly ensure continuity in our assignments, while it is usually possible to realise a higher margin for assignments with small and medium-sized enterprises. As a result of this dual focus DPA is able to realise turnover from a wide client base. In addition a great deal of attention is paid to expanding and extending agreements with existing clients.

Recruiting and holding on to professionals
The changes to the organisation and job descriptions implemented during 2008 have paved the way to better ensure the development, coaching and deployment of the interim professionals within the existing operating companies. The responsibility for the healthy growth in the numbers of interim professionals in tune with demand from the market lies with the operating companies themselves. Each operating company has its own profile enabling interim professionals to identify themselves with the operating company that best meets their own wishes and requirements. In this way DPA endeavours to optimise the recruitment of interim professionals and strengthen the bond between DPA and the professionals. Current economic trends have resulted in reduced demand,

particularly in the general positions more sensitive to economic cycle effects and less noticeably in the specialised positions. DPA's new strategy focuses on these specialised positions, and this is also the focus for recruitment activities. There are still some shortages in the labour market for these positions, partially due to increasing numbers of independents without personnel.

Management of costs

In 2008 the holding structure with operating companies was further implemented. DPA Nederland now has business units for Finance and IT which operate independently. This is reflected in DPA's branding policy. The work started on bundling the financial and administrative activities in a separate business unit in 2007 was completed this year. This has yielded the expected increases in cost efficiency. This structure forms a firm foundation for the future, to weather the current recession and to cope with expected future growth, either as organic growth or through acquisitions. As is the case in most organisations, ICT plays a key supporting role in our processes. Our IT systems are stable and perform sufficiently well, however continual investment will always be required. In 2008 the planned outsourcing of our server park was postponed, and is now expected to take place in 2009. We have decided to outsource, on the one hand because we are facing the cost of replacement and on the other to reduce the risks of loss of service. The current IT applications will be continued and will be modified further to meet the wishes and requirements of the organisation.

DPA is also investigating further options to transform overhead costs to variable costs, so that costs remain in line with the size of the company.

A key factor in these costs is when interim professionals are not productive. In 2008, taking the whole year into consideration, this factor increased. This despite the operating companies paying extra attention to limiting unproductive time and keeping costs under control. Unproductive time is due to the period between two assignments but may also be the result of a particular professional's qualifications no longer meeting demand. We aim to limit the first cause by signalling the end of an assignment well in advance and by maintaining the level knowledge and expertise of our personnel we endeavour to limit the latter cause. These two measures are anchored within the operating companies by means of the procedures implemented.

Financial risks

The acquisition of GEOS IT Professionals: B.V. and Conink Consultants B.V. in 2007 were financed by a working capital facility in the form of factoring. The amount written off for bad and doubtful debts in 2008 was negligible. DPA is only active within the euro zone and therefore bears no currency risks.

The maximum credit facility is 15 million euro . The interest is variable and is based on the EURIBOR. In the past year the company's liquidity and solvability was sufficient. DPA has reduced its debt position with the banks, however, DPA breached its bank covenants. As a result the surcharge on the interest percentage was increased. In the meantime, DPA has come to new agreements with the banks. Due to the breach of the covenants for the bank financing, the credit facility is payable immediately, which may lead to uncertainty regarding the continuity of the company. Based on the scenario analysis made and the renewal of the strategy and the organisation, DPA can look to the future with confidence.

Market risks

Sensitivity to the economic cycle
The secondment sector is suffering considerably from the effects of the economic cycle. Any deterioration in the economy has a direct influence on our organisation. After all, the demand for temporary staff depends on the economic situation in the markets in which we operate. In order to move with our markets we have established a flexible layer, consisting of both freelancers and employees with a temporary contract. In the event of a decline in the market this layer can be easily diminished. These flexible numbers of employees enable us to keep salary costs in line with the order portfolio, and means that our overheads are variable. Trends and changes within each operating company are monitored as part of our internal processes. Relevant information is brought forward in the management team meeting and the commercial consultations.

Competition
The secondment market is very competitive. There are many different types of service provider. Because the cost of entering the market is low, is it therefore relatively simple. Pressure from competitors is not expected to decline. There is stiff competition in the markets where DPA aims to win clients and recruit experienced interim professionals as well as qualified personnel. With the acquisition of contracts as 'preferred Supplier' DPA strives to secure market share. These contracts exclude non-contracted service providers for a specific period of time, but can also place margins under pressure.

Internal management system

The DPA Board of Directors is responsible for the performance of the system of internal management and risk management. Our risk management focuses on recognising and managing the risks associated with the company's financial and operational objectives. At the same time risk management takes effective measures to manage these risks.

DPA's internal management and risk management system consists of the following key elements:
- Guidelines and consultation structures;
- Reporting and analysis;
- Internal control.

Guidelines and consultation structures
Within DPA the following key control measures (directives and policy rules) have been established:
- Guidelines pertaining to financial reporting;
- Corporate governance structure, documented in the articles of the company and the internal regulations;
- Guidelines pertaining to budgeting and annual plans;
- Periodic consultation with the Supervisory Board, when the most important risks and mitigating measures are discussed;
- Planned bi-weekly meetings within the Board of Directors and planned monthly meetings with management to discuss the progress of the operation and the various projects.

Reporting and analysis

Our reporting is designed to provide timely insight into the extent to which strategic and financial objectives are being realised. The communication about financial and management information takes place according to the guidelines documented within the reporting system. The main reports are:

- Annual budget, including the business plan;
- Daily report on the position of liquid assets;
- An extensive financial report detailing the expected realisation of the annual budget generated every six months;
- A quarterly interim statement over the general financial state of affairs during the previous period;
- Detailed monthly information covering the financial results compared to the budget and the results from the previous year;
- Continuously available detailed information regarding current and expected utilisation (development of projects in the pipeline, utilisation rates of our interim professionals and our order portfolio);
- Monthly (written) statements from the management concerning relevant issues such as the receivables balance, personnel matters, claims, market expectations, competitive position, analysis of the monthly results and other risks.

Internal control

DPA operates a framework of internal control measures. This framework supports the underlying financial reporting and procedures. The internal control framework can be subdivided as follows:

- **Basic principles of policy**
  The basic strategic principles, as expressed in the long-term strategy paragraph are evaluated regularly and revised as necessary. These principles are a reflection of the DPA's ambitions and the manner in which these are to be achieved. The evaluation takes place during the regular consultation between the Board of Directors and the Supervisory Board.
- **Strategic objectives**
  Strategic plans have been drawn up for all operating companies. The strategic plans have been translated into objectives and budgets. Each month the management and the Board of Directors checks these against the results achieved.
- **Internal control**
  These checks are in place to ensure that all reports contain reliable information and are drawn up on time and that the risk management policy and the control measures are executed effectively. At the same time, where necessary, measures are documented to further optimise the internal control system.

Declaration concerning the performance of the internal control system

In the past year the internal control system has been further optimised and embedded in the DPA organisation. Emphasis was placed on:

- Centralising documentation and information;
- Shifting control moments (less in arrears and more in prior to and during processes);
- Clarifying tasks and responsibilities;
- Increasing insight into and the identification of further improvements to the processes.

The organisational changes within the company have delayed plans to embed the internal control system. Nevertheless we have been able to realise the goals we set.

Even though we have taken great care in designing and implementing our risk management and internal control systems, these measures can never offer absolute certainty that the objectives concerning strategy, operational activities, financial and other reporting and compliance to legislation and regulations are always met in full. We know from experience that when taking decisions errors of judgement may occur, that all aspects must be continually taken into consideration when accepting risks and taking control measures, that agreements within the organisation may be ignored, and that even simple errors or mistakes can have serious consequences.

In 2008 the Board of Directors found no evidence indicating that the internal control system did not function properly. Bearing in mind the above-mentioned constraints which are inevitably associated with all risk management and internal control systems and taking into account the opportunities for improvement identified, the Board of Directors is of the opinion that that risk management and internal control systems in place in our organisation offer a reasonable degree of certainty that the financial reporting does not contain any material misstatements. This also transpires from the audit for 2008.

The actual effectiveness of our internal control system can only be assessed based on the results over a longer period and/or based on a specific review of the design, the existence and the performance of the internal control measures. In a quickly changing world with a continuous stream of new challenges, additional requirements are constantly being placed on the internal risk management processes and their related controls so that there are always aspects of these processes that can be improved. The policy remains focused on the continual review and improvement of the risk management system in order to optimise the reliability and effectiveness of these processes and their related controls and to adjust these processes where necessary.

In this context, reasonable assurance refers to a degree of certainty that, under the given circumstances, would be acceptable to a prudent manager in the management of his/her affairs.

Quality

DPA stands for high-quality service. In order to guarantee the quality and the efficiency of the services we provide, we invest in permanent education and training for our professionals, we invest continually in our own organisation and we offer clients an overview of the transparent structure of our costs and income. We have anchored permanent quality improvements deep in our business operations. To emphasise this DPA is ISO 9001:2000 certified.

Shareholder information

Reservations and dividend policy

The DPA Flex Group N.V. dividend policy is based on:

- A dividend pay-out ratio of 30-40% of the net profit;
- Payment of dividend in cash and/or shares.

The company only pays a final dividend which is made payable after the General Meeting of Shareholders. Since the flotation of the company in 1999 and up to 2002 approximately 40% was paid each year. From 2003 no dividend has been paid. In 2003 and 2004 the negative results did not permit dividend being paid. In 2005, 2006 and 2007 dividend was not paid out to prevent further weakening of the company's capital position.

Proposal for the absorption of loss 2008

The loss incurred in 2008 of 12.2 million euro will be charged to the equity base.

Shares issued

Based on the Disclosure of Major Holdings and Capital Interests in Securities-Issuing Institutions Act there are seven majority shareholders of the share DPA Flex known at the time of publication of this annual report:

Kempen Capital Management N.V.	12.5 %
Gestion Deelnemingen II B.V.	11.2 %
Delta Lloyd Levensverzekering	10.6 %
A. Strating	9.3 %
Janivo	6.1 %
Inter-him N.V.	6.9 %
M.O. de Ruiter	5.1 %

Number shares issued at 31 December 2008	**11,576,687**

Average number of outstanding shares	
2006	7,314,362
2007	10,524,262
2008	11,053,366

Important dates in 2009

21 April	General Meeting of Shareholders
19 May	Interim statement 1st six months
21 August	Publication interim figures 2008
20 November	Interim statement 2nd six months

Contact

For further information concerning Investor Relations please contact the DPA secretariat, telephone number: +31 (0)20 51 51 555.
You may also send an e-mail to investorrelations@dpagroep.nl

Financial statements 2008

Consolidated income statement for 2008

x thousand euro	Explanatory notes	2008	2008	2007	2007
Net revenue	6, 32, 33.	**70,207**		84,322	
Cost of services	7.	**52,308**		60,636	
Gross profit			**17,899**		23,686
Cost of sales	8.	**7,432**		9,588	
General and administrative expenses	9.	**9,924**		9,500	
Impairment of goodwill	12.	**13,305**		-	
Total operating expenses			**30,661**		19,088
Operating result			**(12,762)**		4,598
Financial expenses	13.		**(793)**		(930)
Result of continuing activities before tax			**(13,555)**		3,668
Result from discontinued activities before tax	14.		**-**		(4,127)
Income before tax			**(13,555)**		(459)
Taxation on profit	15.		**64**		267
Result for the financial year			**(13,491)**		(192)
Attributable to:					
Shareholders of the company (net result)			**(12,168)**		(532)
Minority interests			**(1,323)**		340
			(13,491)		(192)
Earnings per ordinary share for profit attributable to the ordinary shareholders of DPA Flex Group N.V. during the year (in euros per ordinary share):					
Basic net earnings per ordinary share	16.		**(1.10)**		(0.05)
Diluted earnings per ordinary share	16.		**(1.10)**		(0.05)

Consolidated balance at 31 December 2008 before appropriation of profits

x thousand euro	Explanatory notes	2008		2007	
Assets					
Property, plant and equipment (tangible assets)	18.	**2,082**		1,161	
Intangible assets	19.	**25,283**		39,823	
Trade and other receivables	20.	**2,068**		-	
Deferred tax assets	21.	**926**		-	
Fixed assets			**30,359**		40,984
Trade and other receivables	20.	**21,308**		22,072	
Receivable from taxation on profit	21.	**-**		1,666	
Assets held for sale	22.	**-**		479	
Cash and cash equivalents	23.	**-**		312	
Current assets			**21,308**		24,529
Total assets			**51,667**		65,513
Equity and liabilities					
Issued capital	24.	**1,157**		1,052	
Share premium	24.	**30,142**		26,173	
Reserves	24.	**3,019**		3,298	
Undistributed earnings	24.	**(12,168)**		(532)	
Equity attributable to shareholders of DPA Flex Group N.V.			**22,150**		29,991
Minority interests	24.		**(907)**		416
Total equity			**21,243**		30,407
Deferred tax liabilities	21.	**1,359**		1,571	
Loans	25.	**-**		1,250	
Provisions	26.	**2,238**		453	
Creditors and other liabilities	27.	**1,644**		-	
Long-term liabilities		**5,241**		3,274	
Creditors and other liabilities	27.	**15,005**		15,173	
Short-term tax liabilities	21.	**824**		-	
Bank overdrafts	25.	**7,115**		14,499	
Provisions	26.	**2,239**		1,681	
Liabilities held for sale	22.	**-**		479	
Short-term liabilities		**25,183**		31,832	
Liabilities			**30,424**		35,106
Total equity and liabilities			**51,667**		65,513

N.B. The following explanatory notes form an integral part of these financial statements.

Consolidated statement of changes in equity

x thousand euro	Explanatory notes	Issued capital	Share premium	Reserves			Total equity attributable to the shareholders of DPA Flex Group N.V.	Minority interests	**Total**
		Ordinary		General reserve	Net result	Total reserves			
Position at 1 January 2007	24.	1,052	49,186	5,101	(24,816)	(19,715)	30,523	76	**30,599**
Appropriation of profit/loss for 2006		-	(23,013)	(1,803)	24,816	23,013	-	-	**-**
Net profit 2007		-	-	-	(532)	(532)	(532)	340	**(192)**
Position at 31 December 2007	24.	1,052	26,173	3,298	(532)	2,766	29,991	416	**30,407**
Appropriation of profit/loss for 2007		-	-	(532)	532	-	-	-	**-**
Share issue		105	3,969	-	-	-	4,074	-	**4,074**
Payments based on shares		-	-	253	-	253	253	-	**253**
Net result 2008		-	-	-	(12,168)	(12,168)	(12,168)	(1,323)	**(13,491)**
Position at 31 December 2008	24.	1,157	30,142	3,019	(12,168)	(9,149)	22,150	(907)	**21,243**

Consolidated cash flow statement 2008

x thousand euro	Explanatory notes	2008		2007	
Net result		**(13,491)**		(192)	
Discontinued activities	14.	**-**		4,127	
Impairment of goodwill	12.	**13,305**		-	
Corporate tax	15.	**(64)**		(267)	
Financial income and expenses	13.	**793**		930	
Operating result		**543**		4,598	
Adjustment for:					
Depreciation of property, plant and equipment	18.	**697**		613	
Amortisation intangible assets	19.	**1,345**		1,130	
Payments based on shares		**253**		-	
Provisions	31.	**2,343**		(736)	
Tax on profits received / (paid)	21.	**1,274**		(1,763)	
Operational cash flow before operational working capital			**6,455**		3,842
Trade and other receivables	31.	**(1,304)**		(2,361)	
Creditors and other liabilities	31.	**1,476**		1,063	
Operational working capital			**172**		(1,298)
Net cash flow from operations			**6,627**		2,544
Investments in property, plant and equipment	18.	**(1,774)**		(278)	
Acquisition of subsidiary, net of cash acquired	30.	**-**		(18,013)	
Share issue		**4,074**		-	
Divestments in property, plant and equipment	18.	**188**		-	
Financial receivables	20.	**-**		80	
Net cash flow from investment activities			**2,488**		(18,211)
Free cash flow			**9,115**		(15,667)
Moneys borrowed	25.	**-**		2,000	
Loans repaid	25.	**(1,250)**		(750)	
Financial expenses and similar expenses	13.	**(793)**		(930)	
Remuneration to providers of funds			**(2,043)**		320
Net cash flow from financing activities			**(2,043)**		320
Net increase (/decrease) in cash and cash equivalents and bank borrowings			**7,072**		(15,347)
Cash and cash equivalents and current bank borrowings per 1 January			**(14,187)**		1,160
Net increase (/decrease) in cash and cash equivalents and bank borrowings			**7,072**		(15,347)
Cash and cash equivalents and current bank borrowings per 31 December	31.		**(7,115)**		(14,187)

Explanatory notes to the consolidated balance sheet

(all amounts in thousand euro unless otherwise stated)

1. General information

DPA Flex Group N.V. is a public limited liability company incorporated and domiciled in the Netherlands and listed on the Euronext Amsterdam. The company was founded on 18 March 1999. The registered office of the company is in Amsterdam and the address is Gatwickstraat 11. The name of the company was changed on 2 February 2006 to DPA Flex Group N.V.

The consolidated financial statements of DPA Flex Group N.V. comprise the company and its subsidiaries (together called the 'Group'). The consolidated financial statements include the financial data of DPA Flex Group N.V. and the following subsidiary companies:

- DPA Beheer B.V., Amsterdam, the Netherlands, (100%)
- DPA Nederland B.V., Amsterdam, the Netherlands, (100%)
- DPA Vast B.V., Amsterdam, the Netherlands, (100%)
- DPA Projects B.V., Amsterdam, the Netherlands, (100%)
- DPA Flex Young Professional B.V., Amsterdam, the Netherlands, (100%)
- DPA FIT B.V., Amsterdam, the Netherlands, (100%)
- DPA Flex Werving & Selectie B.V., Amsterdam, the Netherlands, (100%)
- DPA Flex Interim B.V., Amsterdam, the Netherlands, (100%)
- GEOS IT Professionals B.V., Amsterdam, the Netherlands, (100%) from 1 January 2007
- Conink Consultants B.V., Zwolle, the Netherlands, (100%) from 5 September 2007
- Conink Participaties B.V., Zwolle, the Netherlands, (100%) from 5 September 2007
- DPA Supply Chain People B.V., Amsterdam, the Netherlands, (51%)
- DPA Financial People GmbH, Cologne, Germany (100%)
- DPA Financial People ETT SL, Madrid, Spain (100%)
- DPA Financial People Consulting SL, Madrid, Spain (100%)

Activities

The main activities of the Group are providing specialist staffing solutions for financial-administrative and IT specialist personnel (such as controllers, heads of finance and payroll accountants, system administrators and network managers) and interim and supply chain management solutions.

Authorisation date of the financial statements

The financial statements were drawn up by the Board of Directors on 2 April 2009. The financial statements were signed and authorised for issue by the Board of Directors and the Supervisory Board on 2 April 2009. The adoption of the financial statements is reserved for the shareholders at the Annual General Meeting of Shareholders (AGM) to be held on 21 April 2009.

2. Summary of the key reporting policies

Compliance with IFRS

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union.

Amendments, interpretations of existing directives and new directives have come into force in 2008.

In January 2008 the final revised IASB standards IFRS3 *Business Combinations* and IAS 27 *Consolidated and Separate Financial Statements* were published. The amendments in IFRS 3 are to be provisionally applied to financial years commencing on or after 1 July 2009, whereby early application on or after 30 June 2007 is permitted, providing that the new IAS 27 is likewise applied.

The amendments in IAS 27 are to be applied, with a number of exceptions, retrospectively for financial years commencing on or after 1 July 2009, whereby early application is permitted. If early application is chosen, then the new IFRS3 must likewise be followed.

DPA Flex Group N.V. has elected for early application of IFRS 3 and IAS 27 commencing on 1 January 2008.

Other amendments, interpretations of existing directives and new directives have no influence on the valuation of the Group balance sheet items. The Group has not opted for early adoption of other new directives, amendments to and interpretations of existing IFRS directives that are published but applicable to the reporting year commencing on 1 January 2009 or later. These are not expected to influence the valuation of Group balance sheet items.

Policies for preparing the financial statements

These financial statements are presented in euros; the functional currency of DPA Flex Group N.V. All amounts are stated in thousand euro unless otherwise stated.

The financial statements are prepared under the historical costs convention, with fair value adjustments where applicable.

For both current (less than one year) and non-current (longer than one year) assets and liabilities the corresponding presentation is used on the face of the balance sheet. Current assets and liabilities are not discounted.

In the preparation of the financial statements, estimates and assumptions are made that could affect the value of assets, liabilities, revenue and expenses. The estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the given circumstances. The actual outcome may differ from these estimates and assumptions.
Judgements made by management that could have significant effect on the financial statements and estimates with a significant risk of material adjustments are further explained in explanatory note 3.

All subsidiaries have applied the accounting policies consistently.

The company applies the exceptional provisions as stated in Book 2 Article 402 of the Netherlands Civil Code to the Company income statement.

Accounting policies for consolidation
The consolidated financial statements comprise the financial data of DPA Flex Group N.V. and its subsidiaries. Subsidiaries are companies where DPA Flex Group N.V. has the power, directly or indirectly, to govern the financial and operational policies, based on a shareholding of more than 50% of the voting power or any other way controls the financial and operational activities. Potential voting power that is executable or convertible is taken into account. Subsidiaries are consolidated from the date that control commences until the date that control ceases.

Intra-group balances and income and expenses arising from intra-group transactions are eliminated, as well as any unrealised gains from these transactions. Unrealised losses from intra-group transactions are also eliminated unless there is evidence of impairment of the assets transferred.

Minority interests in the equity of a subsidiary are disclosed separately as part of the equity of the Group. The share of the result attributable to minority interests is added to / deducted from the minority interests in the equity of the Group, even if this means that the balance of the minority interest becomes negative.

Impaired assets

The book values of the Group's assets, with the exception of deferred tax assets, are reviewed on each balance sheet date to determine whether there are any indications of an asset which could be subject to impairment. If there are such indications the recoverable amount of the asset concerned is determined. If it is not possible to determine the recoverable amount of the individual asset, then this will be determined for the cash-generating unit to which this asset belongs.
For purposes of impairment testing assets are grouped at the lowest level for which there are separately identifiable cash flows (cash–generating units). An asset is impaired if its book value is higher than its recoverable value; the recoverable value is the higher of an asset's net realisable value and its value-in-use. Impairments are immediately recognised as expenses in the income statement.

Goodwill is attributed to cash-generating units for the purpose of impairment testing and is tested for impairment at least annually based on a discounted cash flow calculation. Goodwill is attributed from the moment of acquisition to cash-generating units that are expected to achieve synergy benefits. Goodwill is the positive difference between the acquisition price and the fair value of the acquired net assets attributable to the Group. Any negative difference is charged directly to the income statement.

Impairments recognised in respect of a cash-generating unit are first allocated to the book value of the goodwill of the related cash-generating unit and then deducted from book value of the other assets of that cash-generating unit on a pro rata basis. The recoverable value of the Group's held-to-maturity loans and receivables (financial assets) created by the legal entity is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial assets).

Impairment in respect of held-to-maturity loans and receivables (financial assets) created by the legal entity is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

Impairment in respect of goodwill is not reversed.

Impairment in respect of other assets is reversed if there has been a change in the estimates used to determine the recoverable amount.

Impairment is reversed only to the extent that the asset's book value does not exceed the book value that would have been determined, net of depreciation or amortisation, if the impairment had not been recognised.

Foreign currency conversion

The Group operates in a number of countries with only the euro as functional currency. The presentation currency is the euro.

Transactions in currencies other than the functional currency of the subsidiary concerned are converted at the foreign exchange rate valid for the date of the transaction.

Monetary balance sheet items in currencies other than the functional currency of the group company are converted at year-end exchange rates.
The Group has no non-monetary balance sheet items in currencies other than euros.

Exchange differences on cash and cash equivalents and borrowings are included in net finance costs. Exchange differences on other balance sheet items are included in operating expenses.

Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing similar services (business segment), or in providing services within a particular economic environment (geographic segment) that are subject to risks and rewards different to those of other segments. The information per geographic segment (primary segment reporting basis) can be found in explanatory note 32. The Group has a secondary segment reporting basis per business segment.

Net revenue

The net revenue comprises the fair value of the sum received or receivable for services rendered in the year to third parties excluding tax and discounts. For transactions in which the Group only acts as intermediary only the appropriate provision amount is booked as net revenue. The net revenue from rendered services is recognised in the income statement in proportion to the stage of completion of the contract as of the balance sheet date. No revenue is recognised if there are significant uncertainties regarding recovery of the amount.

Expenses

Operating expenses are classified based on the functional model. Gross profit is the balance of net revenue and the cost of services in relation to secondees. Selling expenses comprise personnel, labour agreement dependent expenses, and accommodation expenses in relation to operational activities, advertising and marketing and other selling expenses. General administrative expenses comprise personnel and accommodation expenses in relation to the procurement and sales activities, IT and other general management expenses. Operational expenses are recognised in the year to which they relate.

Leasing

Lease contracts in which the majority of risks and rewards inherent to ownership do not lie within the Group, are classified as operating leases. Expenses in respect of operating leases are included in the income statement based on linear redemption over the term of the lease. Lease contracts in which the majority of risks and rewards inherent to ownership lie with the Group, are classified as finance leases. Upon initial recognition, the related assets are valued at the lower of fair value of the assets and the discounted value of the minimum lease payments. These assets are depreciated based on the same depreciation period for similar Group assets or the lease term, if shorter.

The lease instalments to be paid are divided using the annuity method and a fixed interest percentage, into a repayment and an interest portion. The lease liabilities are recognised under non-current liabilities, excluding interest. The interest portion included in the periodic lease payments is included as interest expense in the income statement.

Grants

An unconditional grant is recognised in the income statement when the grant becomes receivable. Any other grant is recognised when there is reasonable assurance that it will be received and that the Group will comply with the conditions attached to it. Grants that compensate the Group for expenses incurred are credited to the income statement on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for investment in an asset are deducted from the capitalised value of the related assets and recognised in the income statement as part of the depreciation and/or amortisation charges.

Financial income and expenses

The financial expenses comprise interest expenses and the financial income comprises interest income, and exchange differences on cash and cash equivalents and borrowings. Interest expenses are recognised in the income statement using the effective interest method. Interest income is recognised proportionately to time in the income statement using the effective interest method.

Taxation on profit, deferred tax assets and liabilities

Taxation on profit is the sum of tax levied on the results before tax, in the countries where those results were generated, based on local tax regulations and against tax rates enacted at year-end or against tax rates that are substantially enacted at year-end. Tax-exempt profit is taken into account when calculating taxation on profit. Taxation on profit or loss comprises current and deferred tax. Losses made by subsidiaries included in the consolidated income statement are taken into account when calculating taxation on profit in so far as the amounts are considered recoverable. Tax is recognised in the income statement with the exception of tax relating to items recognised directly in equity, in which case this tax is also directly recognised in equity. In such cases the corresponding tax is also directly recognised in equity.

Deferred tax assets and liabilities are recognised to provide temporary differences between the value of the assets and liabilities for financial reporting purposes and for tax purposes. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxation on profits relates to the same tax authority. Deferred tax assets, including those resulting from tax losses carry-forward, are recognised in so as far as they are considered recoverable. Deferred tax assets on account of tax-deductible losses are recognised as far as it is probable that taxable profit will be available with which losses can be compensated and set-off opportunities can be used.

Deferred tax assets and liabilities are valued against tax rates enacted at year-end or against tax rates for the next few years that are substantially enacted at year-end, and are based on the expected manner or realisation or settlement in the coming years. Deferred tax assets and liabilities are stated at nominal value.

No deferred tax liability is created for the following temporary differences: goodwill not deductible for tax purposes, the initial recognition of assets and liabilities that affect neither accounting nor taxable profit, and differences in relation to investments in subsidiaries, to the extent that these will probably not reverse in the foreseeable future.

Property, plant and equipment (tangible assets)

Property, plant and equipment are stated at historical costs less accumulated depreciation and impairments of assets. Historical cost includes expenditures that are directly attributable to the acquisition of the assets. Subsequent expenditures (including repair and maintenance) are capitalised, only when it is probable that future economic benefits associated with the asset will flow to the Group and the costs of the asset can be measured reliably. All other expenditures are charged directly to the income statement. Interest expenses on borrowings to finance the procurement of property, plant and equipment are accounted for in the period in which they incurred.

Land is not depreciated. Depreciation on other property, plant and equipment is charged to the income statement on a linear basis over their estimated useful lives. Property, plant and equipment is depreciated from the date the asset is available for use.

The residual value and useful life of property, plant and equipment are reviewed at each balance sheet date and adjusted if appropriate.

Gains and losses arising upon disposal are included in the income statement.

Intangible assets

Goodwill
All business acquisitions are accounted for by applying the purchase method. The purchase price of an acquisition is determined as the fair value of the assets given and liabilities incurred or assumed at acquisition date (deferred tax liabilities are recognised at nominal value) including directly attributable acquisition costs. The assets and liabilities of an acquired business are measured at fair value at acquisition date, including the estimated fair value of identified intangibles and contingent liabilities. The excess of the purchase price of an acquisition over the fair value of the net assets acquired is recorded as goodwill.

Goodwill is included as cost less accumulated impairment.

Goodwill is recognised in the income statement at the time of disposal of the subsidiary. Negative goodwill arising at the time of acquisition is recognised directly in the income statement.

Other intangible assets
Other intangible assets (client relationships, brand names and flex worker databases) that are acquired by the Group and have finite useful lives are recognised at cost price less accumulated amortisation and impairment.

When an intangible asset is acquired in a business combination, its cost is the fair value on an active market at the date of its acquisition. If no active market exists, the cost is determined on a basis that reflects the amount that the entity would have paid for the asset in an arm's length transaction between knowledgeable and willing parties, based on the best information available.

Expenditures concerning internally generated client relationships, brand names and flex worker databases are recognised in the income statement as expenses. Amortisation of other intangible assets is charged to the income statement on a linear basis over their estimated useful lives. Other intangible assets are amortised from the date they are available for use. The residual value and useful life of other intangible assets are reviewed at each balance sheet date and adjusted if appropriate.

Software
Software (licenses) purchased and software developed are stated at cost less accumulated amortisation and impairment.

Amortisation of software applications is charged to the income statement on a linear basis over the estimated useful lives. Software is amortised from the date it is available for use.

The residual value and useful life of software applications are reviewed at each balance sheet data and adjusted if appropriate.

Financial assets

Financial assets are divided into various categories. Classification of these assets depends on the purposes for which the investments were acquired. Management determines the classification at the time of the purchase and re-evaluates such designation at each subsequent balance sheet data.

Purchases and sales of all financial assets are recognised on the settlement date. Any additional transaction costs are included in the purchase price.

Financial receivables

Third-party loans and receivables (financial receivables) are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets will be valued against amortised cost price, if necessary reduced by a value correction for irrecoverability.

Trade and other receivables

Trade and other receivables are initially stated at fair value which generally corresponds to the nominal value. Subsequent valuation is at amortised cost less a provision for impairment. A provision for impairments of trade and other receivables is established when it becomes conceivable that the Group will not be able to collect the amounts receivable. The amount of the provision is equal to the difference between the assets' book value and the present value of estimated future cash flows. The impairment is charged to the income statement.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and in banks as well as time deposits and current highly liquid investments with original maturities of 3 months or less.

Equity

Ordinary shares are classified as equity. The distribution of the dividend on ordinary shares is recognised as a current liability in the period in which the dividend is adopted by the company's shareholders.

On a transaction resulting from the issue of new ordinary shares, the proceeds less the directly attributable costs are recognised in shareholders' equity within issued capital and, if applicable, within share premium.

On the purchase of own ordinary shares that are included in shareholders' equity in the balance sheet, the amount paid, including directly attributable costs, is recorded as a change in shareholders' equity. Purchased ordinary shares are classified as treasury shares and presented as deduction from the total equity.

At the sale (re-issue) of treasury shares, the proceeds less the directly attributable costs are recognised under treasury shares for the original sum paid; the remainder is recognised under the general reserve.

Interest-bearing loans and borrowings

Borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, borrowings are stated at amortised cost with any difference between the proceeds and redemption value being recognised in the income statement over the period of the borrowings using the effective interest method.

Provisions

Provisions are recognised for legally enforceable or constructive obligations as a result of a past event and for which the settlement is likely to require an outflow of resources and the extent of which can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at an interest rate that reflects the current market assessments of the time value of money and, where appropriate, the risks specific to the obligation.

Provisions for restructuring are recognised when the Group has approved a detailed and formal restructuring plan and the restructuring has either commenced or has been announced publicly. These restructuring provisions mainly comprise lease termination penalties and severance payments for personnel. There is no provision for future operating losses.

Creditors and other liabilities

Creditors and other liabilities are initially stated at fair value which generally corresponds to the nominal value.

Pensions and other employee benefits

The Group has various pension schemes in accordance with local conditions and practices in the countries in which it operates. All of these pension schemes are defined contribution plans, which are funded through payments to entities independent of the Group. The Group has no legal or constructive obligations to pay further contributions if these separate entities do not hold sufficient assets to pay all employees the pension benefits relating to employee service in the current and prior periods. The regular contributions constitute net periodic cost for the year in which they are due and are included within personnel expenses and/or costs of services.

Remuneration based on shares

The costs of performance-related shares are measured based on the fair value of the DPA Flex Group N.V. shares on the allocation date and are recognised in the income statement (Personnel expenses including the payroll tax and social security contributions with respect to these shares borne by the company) during the period in which the shares are not yet actually acquired, with an equivalent increase in the equity as contra posting (General reserve).

Fixed assets held for sale and discontinued business activities

The valuation of assets is brought up to date immediately prior to classification as held for sale (and all balance sheet items of a group of discontinued assets) in accordance with IFRS directives. The fixed assets and groups of assets to be divested on initial designation as held for sale are valued at the lower of the book value and the fair value less selling expenses.

Impairments on initial designation as held for sale are included in the income statement, even there is a revaluation. The same applies to profits and losses for revaluation at a later stage.

A discontinued business activity is part of the Group's activities representing a special business sector or a key geographical business area, or is a subsidiary that was acquired with the sole purpose of being sold on. Classification as discontinued business activity takes place on disposal or when the business activity meets the criteria for classification as held for sale, whichever is the earlier. A group of assets to be disposed may also meet this condition.

3. Critical accounting estimates and judgements

The Group makes estimates and assumptions concerning the future. The resulting accounting amounts will, by definition, seldom equal the actual outcome. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The following estimates and assumptions have an inherent significant risk of potentially causing material adjustments to the book values of assets and liabilities within the next financial year.

Impairment of intangible assets

The Group tests, at least annually and in the event of a trigger, whether intangibles have suffered any impairment. One of the means of calculating the recoverable amounts of cash-generating units are the value-in-use calculations. These calculations require the use of estimates. Based on impairment tests performed, no impairments were detected. However, should the actual performance of these cash-generating units become materially worse, this could result in impairment. This impairment could have a material effect on the book values of the intangible assets.

Provisions

Due to the general nature of provisions, in the determination of provisions is largely based on estimates and/or judgements, including assumptions concerning the future. The actual outcome of these uncertain factors may be materially different from the estimates, causing differences with the estimated provisions. Hence, the differences between actual outcomes and the recorded provisions can impact results over the periods involved.

Taxation on profit

The Group is subject to taxation on profit in various jurisdictions. Significant judgment is required in determining the worldwide, deferred tax assets on elements such as tax losses carry-forward and deferred tax liabilities. There are many uncertain factors that influence the amount of the tax losses carry-forward. The Group recognises deferred tax assets on tax losses carry-forward based on their best estimates. When the actual results differ from the amounts initially estimated, such differences will impact the taxation on profit in the income statement and the deferred tax assets and/or deferred tax liabilities in the period in which these deviations occur.

4. Consolidated cash flow statement

The cash flow statement has been prepared according to the indirect method. Cash in the cash flow statement comprises the balance sheet items cash and cash equivalents and current borrowings, as current borrowings form an integral part of the Group's cash management. Cash flows in foreign currencies have been converted at average exchange rates. Exchange rate differences concerning cash items are shown separately in the cash flow statement. Taxation on profit paid/received is included in the cash flow from operating activities.

Interest paid and received and dividends paid are included in the cash flow from financing activities. The purchase price paid for subsidiaries acquired, as well as the selling price of disposed subsidiaries received, is included in cash flow from investing activities. Changes in assets and liabilities, which are the result of acquisition and disposal of subsidiaries, are taken into account in the calculation of cash flows.

5. Financial risk management

The Group's activities expose it to a variety of financial risks, including the effect of changes in market prices of debt (and equity) and interest rates. The Group's overall policy focuses on the unpredictability of the financial markets and on minimising potential adverse effects on the financial performance of the Group. Risk management procedures are carried out under policies approved by the board.

Interest rate risk

The Group's results and operating cash flows are largely independent of changes in interest rates. The Group has no significant interest-bearing assets. Interest on almost all borrowings is variable. Floating interest rates are considered a natural hedge against the development in operational results. Where necessary from a risk management perspective, the Group will consider fixed interest rates over longer periods or incorporating an interest ceiling. Interest coverage is the leading parameter in managing interest exposure.

DPA Flex took out loans in order to finance the acquisition of GEOS and Conink. These consist of a roll-over loan of 3 million thousand euro maturing after three years (GEOS), a current account facility of maximum 3.8 million euro maturing on 1 January 2012 (Conink), and a current account facility of 15 million euro with no fixed maturity date (GEOS). The interest on these facilities is based on one month Euribor with a floating charge.

If the interest rate had been one percentage point higher, and all other variables remained constant, then the net interest burden in the year under review would have been approximately 70,000 euro higher.

Credit risk

The Group is exposed to limited concentrations of credit risk. There are policies in place to ensure that services are only provided to clients with an appropriate credit history. The Group's financial partners are high quality financial institutions with sound credit ratings. The Group has policies in place that limit the amount of credit exposure to any one financial institution.

Liquidity risk

DPA Flex Group N.V. maintains sufficient cash and cash equivalents and has the availability of funding through sufficient committed credit facilities, in order to minimise liquidity risk. The Group aims to maintain flexibility in funding by keeping committed credit lines available. Within the Group, derivative financial instruments are not used nor are hedging activities undertaken.

Continuity risk

Breach of the bank financing covenants means that the credit facility is immediately payable which leads to uncertainty regarding the continuity. DPA has confidence is its future. This confidence is partly based on a scenario analysis in which in addition to a zero growth scenario, other scenarios were calculated in which a fall in turnover of 10% and 25% were assumed. The results of this analysis has led DPA to assume that in stable market conditions DPA will have sufficient means to continue its activities.

Explanatory notes to the consolidated income statement

(all amounts x thousand euro unless otherwise stated)

6. Net revenue

This concerns the turnover from secondment of financial-administrative and IT specialist personnel and interim and supply chain management solutions. Further details of this turnover is given in explanatory notes 32 and 33.

7. Cost of services

	2008	2007
Cost of services includes the costs of secondees:		
Personnel expenses	**31,668**	36,126
Other cost of services	**20,640**	24,510
	52,308	60,636

8. Cost of sales

	2008	2007
Personnel expenses	**5,345**	7,075
Advertising and marketing	**1,741**	1,894
Cost of premises	**346**	619
	7,432	9,588

9. General administrative expenses

	2008	2007
Personnel expenses	**5,229**	2,820
Depreciation of property, plant and equipment	**697**	644
Amortisation of intangible assets	**1,345**	1,098
Travel and accommodation expenses	**568**	1,047
Cost of premises	**1,146**	1,312
Other operating expenses	**939**	2,579
	9,924	9,500

10. Wages and salaries, social security costs, pension costs

	2008	2007
Total amount of wages and salaries, social security costs and pension costs included in the operating profit:		
Wages and salaries	**37,414**	40,646
Social security costs	**3,229**	4,284
Pension costs – defined contribution plans	**757**	627
	41,400	45,557
Other personnel expenses	**842**	464
Total	**42,242**	46,021
These personnel expenses are charged to the following headings in the income statement:		
Cost of services	**31,668**	36,126
Cost of sales	**5,345**	7,075
General administrative expenses	**5,229**	2,820
	42,242	46,021

The average number of employees during the financial year was as follows:	2008	2007
Secondees with permanent contracts (interim professionals)	**505**	534
Secondees with temporary contracts	**257**	313
Direct staff (internal)	**105**	127
	867	974

11. Operating lease expenses

The operating result includes operating lease and rental expenses of 4,806,000 euro (2007: 5,909,000 euro).

12. Impairment of goodwill

The annual review of the value of the goodwill, based on the discounted cash flow method, revealed the necessity to devalue the goodwill of two cash-generating units at the end of 2008 to an amount of 13.3 million euro. This downward revaluation is the result of the uncertain economic developments and their influence on the market for flexible labour.

This downward revaluation is specified as follows:	2008	2007
DPA Nederland -ICT	**8,728**	-
GEOS IT Professionals	**4,577**	-
	13,305	-

For further explanation see explanatory note 19.

13. Financial income and expenses

	2008	2007
Interest and similar expenses	**(793)**	(930)
	(793)	(930)

14. Assets held for sale and discontinued activities

	2008	2007
Result before tax from discontinued activities	**-**	4,127

The sales of activities in Spain proposed in 2007 took effect in 2008. The definitive sales agreement was signed on 31 March 2008. The takeover price was 175,000 euro . After deduction of the sales related expenses the effect on the results in 2008 is negligible.

15. Taxation on profit

	2008	2007
Current tax expenses	**(288)**	(218)
Deferred tax (liabilities) / assets	**352**	485
	64	267

The effective tax rate on the 2008 result before tax was 0.5% (2007: 58.3%). The reconciliation between the tax rate applicable in the country where the Company is registered, the average applicable tax rate (the weighted average of the applicable statutory tax rates on the result before tax earned by subsidiaries) and the effective tax rate is as follows:

	2008	2007
Tax rate in the country where the Company is registered	**25.5%**	25.5%
Effect of tax rate reduction	**-**	44.8%
Effect of compensable losses	**-**	(12.0%)
Effect of permanent differences	**(25.0%)**	-
Average effective tax rate	**0.5%**	58.3 %

16. Earnings per ordinary share (in euros)

	2008	2007
Net profit attributable to ordinary shareholders of DPA Flex Group N.V.	**(12,168,000)**	(532,000)
Average number of outstanding ordinary shares	**11,053,366**	10,524,262
Basic earnings per ordinary share	**(1.10)**	(0.05)
Average number of outstanding diluted ordinary shares	**11,089,281**	10,524,262
Diluted earnings per ordinary share	**(1.10)**	(0.05)

The basic earnings per ordinary share are calculated by dividing the net profit attributable to the ordinary shareholders of DPA Flex Group N.V. by the weighted average number of ordinary shares outstanding during the year, i.e. the issued ordinary share capital less the ordinary shares repurchased by DPA Flex Group N.V.

The diluted earnings per ordinary share are calculated by adjusting the weighted average number of ordinary shares using the as-if-converted method, i.e. as if all potential ordinary shares had been converted to ordinary shares.

17. Dividend per ordinary share

No dividend has been paid out over the years 2003 up to and including 2007.

A proposal will be submitted to the Annual General Meeting of Shareholders, to be held on 21 April 2009, not to pay dividend over the 2008 financial year.

Explanatory notes to the consolidated balance sheet

(all amounts x thousand euro unless otherwise stated)

18. Property, plant and equipment (tangible assets)

Movements in property, plant and equipment in 2007 and 2008 were as follows:

	Renovation, fittings and furnishings and equipment	Computer-hardware	**Total**
Purchase price	2,822	3,332	**6,154**
Accumulated depreciation	(1,747)	(2,984)	**(4,731)**
Book value at 1 January 2007	1,075	348	**1,423**
Assets acquired	168	95	**263**
Accumulated depreciation assets acquired	(84)	(74)	**(158)**
Investments	249	29	**278**
Assets discontinued activities	-	(41)	**(41)**
Accumulated depreciation assets discontinued activities	-	9	**9**
Depreciation	(432)	(181)	**(613)**
Book value at 31 December 2007	976	185	**1,161**
Purchase price	3,239	3,415	**6,654**
Accumulated depreciation	(2,263)	(3,230)	**(5,493)**
Book value at 31 December 2007	976	185	**1,161**
Assets acquired	-	-	**-**
Accumulated depreciation assets acquired	-	-	**-**
Investments	1,765	9	**1,774**
Purchase price of disposals and retirements	(477)	(37)	**(514)**
Accumulated depreciation of disposals and retirements	321	37	**358**
Depreciation	(602)	(95)	**(697)**
Book value at 31 December 2008	1,983	99	**2,082**
Purchase price	4,527	3,387	**7,914**
Accumulated depreciation	2,544	3,288	**5,832**
Book value at 31 December 2008	1,983	99	**2,082**

The estimated useful life and the associated annual depreciation rate for each category of property, plant and equipment are as follows:

	Useful life	Depreciation rate
Renovation, furniture, fixtures and equipment	5 years	20%
Computer hardware	3 years	33%

19. Intangible assets

Movements in intangible assets in 2007 and 2008 were as follows:

	Goodwill	Clients	CV's	Soft-ware	Brand name	**Total**
Book value at 1 January 2007	**17,655**	**3,106**	**27**	**68**	**1,784**	**22,640**
Acquisition of subsidiaries	16,080	2,132	141	-	-	**18,353**
Discontinued activities	(40)	-	-	-	-	**(40)**
Depreciation	-	(856)	(42)	(34)	(198)	**(1,130)**
Book value at 31 December 2007	33,695	4,382	126	34	1,586	**39,823**
Purchase price	60,176	5,827	185	102	1,982	**68,272**
Accumulated depreciation and impairments	(26,481)	(1,445)	(59)	(68)	(396)	**(28,449)**
Book value at 31 December 2007	**33,695**	**4,382**	**126**	**34**	**1,586**	**39,823**
Acquisition of subsidiaries	(435)	472	-	-	73	**110**
Impairment	(13,305)	-	-	-	-	**(13,305)**
Depreciation	-	(998)	(41)	(34)	(272)	**(1,345)**
Book value at 31 December 2008	19,955	3,856	85	-	1,387	**25,283**
Purchase price	59,741	6,299	185	102	2,055	**68,382**
Accumulated depreciation and impairments	(39,786)	(2,443)	(100)	(102)	(668)	**(43,099)**
Book value at 31 December 2008	**19,955**	**3,856**	**85**	**-**	**1,387**	**25,283**

The item "Acquisition of subsidiaries" in 2008 concerns the definitive adoption of the first balance after acquisition and allocation of intangible fixed assets of Coninck Consultants B.V. This acquisition was effected in 2007.

Company	% share-holding	Acquisition date	Earn-out commit-ments	Book value 2008	Book value 2007
GEOS IT Professionals B.V.	100%	1-1-2007	Nee	7,845	12,422
DPA Beheer B.V. (previously FGN Beheer B.V.)	100%	2-2-2006	Nee	8,887	17,615
Conink Consultants B.V.	100%	5-9-2007	Nee	3,223	3,658
				19,955	**33,695**

The average expected useful economic life and the associated depreciation rate for each category of intangible assets are as follows:

	Expected useful life	Remaining useful life	Depreciation rate
Clients	5 to 8 years	1 to 6 years	12.5 - 20%
CVs	3 to 5 years	1 to 4 years	20 - 33.3%
Software	3 years	1 year	33.3%
Brand name	10 year	8 years	10.0%

Impairment testing for cash-generating units

The recoverable value of the various cash-generating units for which goodwill is activated is based on its value-in-use. When determining the value-in-use the future cash flows based on the current operating results and the expected future results are used; the latter are based on estimates and judgements of the management concerning turnover growth and developments in the operational margins over a five-year period. Cash flow after this period will be extrapolated using a growth percentage of 2%. The forecast cash flows are calculated at present values at a discount rate after tax of 10% for DPA ICT & GEOS, and 13% for Coninck

The results of the calculations show that an impairment of the goodwill of Geos IT Professionals B.V. and DPA Beheer B.V., (previously FGN Beheer B.V.) is necessary in 2008, because the value-in-use of these cash-generating units is lower than the book value.

The testing on impairments includes an assessment of whether or not changes considered reasonable in the primary judgements will cause the recoverable value to fall below the book value. A reduction in the operating margin of one percentage point would mean a further reduction in the value of GEOS IT Professionals B.V. and of DPA Beheer B.V. (previously FGN Beheer B.V.) of 1.8 million euro. A one percentage point increase in the discount rate would result in a further 2.9 million euro reduction in value.

The value-in-use for Coninck Consultants B.V. is calculated to be greater than the book value. A reduction in the operating margin by one percentage point or a one percentage point increase in the discount rate and all other things being equal, would result in a calculated value-in-use that would again indicate that in 2008 there is no impairment. The cumulative impairments relate to the goodwill and amount to 39,786,000 euro at 31 December 2008 (2007: 26,481,000 euro)

20. Trade and other receivables

	2008	2007
Trade debtors less provision for impairment	**14,885**	19,005
Other receivables	**8,491**	3,067
	23,376	22,072
Less the non-current part	**2,068**	-
Current part	**21,308**	22,072

The book value of the current receivables is equal to their fair value.

As the Group has a large number of clients in a wide range of business sectors the credit risk is not concentrated.

Movements in the provision for trade debtors impairments are as follows

	2008	2007
Position at 1 January	**99**	144
Allocations	**60**	50
Receivables written-off as irrecoverable	**(13)**	(95)
Position at 31 December	**146**	99

The allocations are included in the income statement under cost of sales. Generally speaking the amounts charged to the provision for impairments are written-off at the point in time when no additional incoming cash flow is expected.
The trade debtors subject to impairment are stated excluding VAT.

The age of the trade debtors is:

Categories	2008	2007
0 – 30 days	**6,791**	7,494
30 – 60 days	**4,414**	8,102
60 – 90 days	**1,607**	1,048
90 days or more	**2,219**	2,460
Not written-down	**15,031**	19,104
Written-down	**146**	99
Position at 31 December	**14,885**	19,005

Trade debtors neither cancelled nor written-off amount to 8,998,000 euro (2007: 11,545,000 euro); an amount in the value of 6,033,000 euro (2007: 7,559,000 euro) has been cancelled but not yet written-down.

The receivables from trade debtors have been pledged in connection with the financing facilities for the acquisitions as described in explanatory note 5.

21. Deferred and current tax assets and liabilities

Deferred tax assets

The deferred tax assets are:

	2008	2007
Compensable losses	**926**	-
Total deferred tax assets	**926**	-

The amount of 926,000 euro concerns the compensable losses in the Netherlands up to and including the 2008 financial year. Based on the forecasts drawn up by the management DPA will be able to realise this claim.

Deferred tax liabilities

The deferred tax liabilities have arisen as a result of:

	2008	2007
Temporary differences	**1,359**	1,571
Total deferred tax liabilities	**1,359**	1,571

The deferred tax liabilities resulting from temporary differences comprise liabilities, calculated over the difference between the book value of intangible assets for financial reporting purposes and the book values of these items for tax purposes. These deferred tax liabilities are determined using the balance sheet method.

The current portion of the deferred tax liabilities is estimated at approx. 263,000 euro (2007: 280,000 euro)

Movements in overall taxation on profit position

Movements in the Group's overall tax position in 2008 and 2007 were as follows:

	2008	2007
Position at 1 January		
Deferred tax assets	**-**	804
Current tax assets	**1,666**	420
Deferred tax liabilities	**(1,571)**	(1,477)
Current tax liabilities	-	(237)
Total receivables/(liabilities) from taxation on profit	**95**	(490)
Movements during the year		
Credited /(charged) to the income statement	**64**	267
Net payments/(receipts)	**(1,277)**	1,763
Acquisition of subsidiaries	**(139)**	(641)
Discontinued activities	**-**	(804)
Position at 31 December	**(1,257)**	95
Deferred tax assets	**926**	-
Current tax assets	**-**	1,666
Deferred tax liabilities	**(1,359)**	(1,571)
Current tax liabilities	**(824)**	-
Total receivables/(liabilities) from taxation on profit	**(1,257)**	95

22. Assets and liabilities assets held for sale

	2008	2007
Assets		
Property, plant and equipment (tangible assets)	**-**	63
Debtors	**-**	163
Cash and cash equivalents	**-**	172
Other current receivables	**-**	81
Total assets held for sale	**-**	479
Equity and liabilities		
Trade payables	**-**	11
Tax and social security contributions	**-**	129
Other current liabilities	**-**	339
Total liabilities held for sale	**-**	479

For further explanation see explanatory note 14.

23. Cash and cash equivalents

	2008	2007
Cash at bank and in hand	-	312
		312

Cash and cash equivalents are readily available and/or repayable on demand.
The value of the credit facility is 19,513,000 euro.
DPA has secured assurances regarding the parties stated in the credit facility and has granted a pledge and a second pledge on the receivables to IFN Finance B.V.

24. Equity attributable to: shareholders of DPA Flex Group N.V

Additional information concerning the equity is provided in the consolidated statement of changes in equity.

The authorised capital is 3 million euro and consists of 30,000,050 ordinary shares with a nominal value of 0.10 euro each. At the end of 2008 the issued share capital concerned 11,576,687 ordinary shares.

On 25 June 2008 company issued 1,052,425 new ordinary shares in a private placement at 3.87 euro per share (closing price on 24 June 2008). The total income generated by this share issue amounted to 4,072,884.75 euro .

Capital management
The Group seeks to achieve a financially healthy foundation which will guarantee the future of the company. To this end the credit facilities available are used to their full potential. The Group does not have an explicit return target in relationship to the capital deployed. The Group understands capital to be the equity.

The Group is subject to external capital adequacy requirements with respect to this financing. These requirements consist of the following financial covenants: Total Debt/EBITDA (TD/EBITDA), Interest Coverage Ratio (ICR) and the Debt Service Capacity Ratio (DSCR). The Group endeavours to meet these financial covenants with its capital management policy. At the end of 2008 the company had exceeded its bank covenants. Consultations in this matter have been conducted with the financiers. In the meantime a new terms sheet has been agreed, where the basic premise is the continuation of the mutual relationship.

Dividend policy
The DPA Flex Group N.V. dividend policy is based on:
- A dividend pay-out ratio of 30-40% of the net profit;
- Payment of dividend in cash.

The company only pays a final dividend which is made payable after the General Meeting of Shareholders. Since the flotation of the company in 1999 and up to 2002 approximately 40% was paid each year. From 2003 no dividend has been paid. In 2003 and 2004 the negative results did not permit dividend being paid. Dividend was not paid out in 2005 to 2007 to prevent further weakening of the company's capital position. In the future the Board of Directors may decide to pay an optional dividend to holders of ordinary shares in cash and/or partially in shares.

25. Interest-bearing loans and borrowings

	2008	2007
Non-current		
Loan	-	1,250
Current		
Bank overdrafts including current part of the loan	7,115	14,499
Total interest-bearing loans and borrowings	7,115	15,749

The loan and the bank overdrafts have been primarily deployed to realise acquisitions in 2007. The loan and the overdrafts are subject to an interest rate based on the average one-month Euribor with a floating charge. The fair value of the loan per 31 December 2008 is more or less equal to the book value.

For clarity in the presentation of the cash flow overview, the current interest-bearing debts are classified as liquid assets.

26. Provisions

	2008	2007
Bonus provisions	1,485	1,634
Loss-making contract	2,992	500
	4,477	2,134

The bonus provisions under provisions relate to the accumulated bonus rights of secondees (interim professionals).

Movements in the provisions in 2007 and 2008 were as follows:

	2008	2007
Non-current portion of provisions	453	1,158
Current portion of provisions	1,681	1,712
Position at 1 January	2,134	2,870
Allocations	6,114	500
Withdrawals	(3,771)	(1,236)
Position at 31 December	4,477	2,134
Non-current portion of provisions	2,238	453
Current portion of provisions	2,239	1,681
Position at 31 December	4,477	2,134

A bonus provision is noted as current if it is due to be settled within twelve months. The non-current provisions mainly concern the loss-making contracts while the current provisions mainly concern the bonus provisions.

27. Creditors and other liabilities

	2008	2007
Trade payables	**5,618**	5,855
Other tax and social security costs	**3,808**	3,485
Pension contributions	**77**	78
Wages, salaries and deferred remuneration components	**103**	146
Amounts received in advance	**1,844**	-
Other payables	**5,199**	5,609
	16,649	15,173
Less the non-current part	**1,644**	-
Current part	**15,005**	15,173

The book value of the creditors and other payables is more or less equal to their fair value..

28. Guarantees and commitments not included in the balance sheet

	2008	2007
Liabilities falling due within one year	**2,219**	1,211
Liabilities falling due between one and five years	**10,827**	6,695
Liabilities falling due after five years	**8,079**	114
	21,125	8,020
Capital expenditure commitments	**-**	-
Guarantees to third parties	**1,111**	358

These liabilities relate almost entirely to business premises leases and car leases. No guarantees have been provided other than guarantees relating to lease commitments and guarantees relating to liabilities recognised in the balance sheet. Claims: There are various court cases pending to which DPA is party. The management anticipates a positive verdict in these cases and therefore considers it unnecessary to make a provision.

29. Related parties

No transactions were conducted in 2008 with related parties other than the executive board and supervisory board remunerations. See also explanatory notes 34 and 35.

30. Events after the reporting period

No events have occurred after the reporting period that would give rise to adjustment of the financial statements. Neither have events occurred after the reporting period that would not give rise to adjustment of the financial statements, but of which the lack of information might be of influence on the economic decisions that users take based on the financial statements.
The reduction in the number of assignments at the end of 2008 has resulted in DPA not being able to meet its bank covenants. Consultations in this matter have been conducted with our financiers. In the meantime a new terms sheet has been agreed. The bank covenants agreed earlier remain in force, but a supplement has been applied to the interest rate previously agreed. The continuation of the relationship has always been a basic premise in the realisation of the new contract.

The disputes with the former CEO Mr Smit have been resolved at the beginning of 2009. An agreement has been signed and the legal proceedings have been terminated.

Explanatory notes to the consolidated cash flow statement

(all amounts x thousand euro unless otherwise stated)

31. Explanatory notes to the consolidated cash flow statement

Most of the information found in the consolidated cash flow statement is covered by the explanatory notes to the consolidated income statement and the consolidated balance sheet. With respect to the other material elements of the cash flow statement, the breakdown given below provides a reconciliation between the cash flow statement on the one hand and the income statement and balance sheet on the other.

Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash at bank and in hand and current bank borrowings:

	2008	2007
Cash and cash equivalents	-	312
Current bank borrowings (see explanatory note 25)	(7,115)	(14,499)
	(7,115)	(14,187)

Trade and other receivables	2008	2007
Position at 1 January	22,072	21,462
Acquisition of subsidiaries	-	2,901
Other operating expenses	-	70
Cash flow statement movements	1,304	(2,361)
Position at 31 December	23,376	22,072

Creditors and other liabilities	2008	2007
Position at 1 January	15,173	12,134
Acquisition of subsidiaries	-	1,970
Other operating expenses	-	6
Cash flow statement movements	1,476	1,063
Position at 31 December	16,649	15,173

Provisions	2008	2007
Position at 1 January	2,134	2,870
Acquisition of subsidiaries	-	-
Cash flow statement movements	2,343	(736)
Position at 31 December	4,477	2,134

Information per segment

(all amounts x thousand euro unless otherwise stated)

32. Primary segment reporting format – information by geographical segment

With the divestment of the activities in Spain the Group service concepts will only be offered in the Netherlands. .

33. Secondary segment reporting format – information by business segment

Although the Group's service concepts are coordinated centrally within the Group, they are marketed in different business segments. The Group primarily meets the need of clients for temporary staff with financial and IT expertise. Consultancy and specialist staffing services are also provided in the fields of procurement and logistics. Accordingly, the following business segments can be distinguished:

- Financial specialist staffing
- IT specialist staffing
- Supply Chain management (Procurement & Logistics)

Net revenue	**2008**	2007
Financial specialist staffing	**22,067**	30,317
IT specialist staffing	**34,719**	44,988
Supply chain management	**13,421**	9,017
Group	**70,207**	84,322

Gross margin	**2008**	2007
Financial specialist staffing	**4,588**	7,873
IT specialist staffing	**9,010**	12,325
Supply chain management	**4,301**	3,488
Group	**17,899**	23,686

Employees	**2008**	2007
Financial specialist staffing	**322**	428
IT specialist staffing	**351**	363
Supply chain management	**89**	56
Group	**762**	847

This also includes the numbers of freelancers who are not on any of the Group's payrolls. On the other hand, indirect personnel is not included in this overview. As far as the depreciation of property, plant and equipment is concerned, it is not possible to give a breakdown of depreciation based on a secondary segmentation of the total assets and investments in intangible and tangible assets.

Remuneration and payments based on shares

(all amounts x thousand euro unless otherwise stated)

34. Remuneration of the Board of Directors

The following amounts, related to the remuneration paid to the members of the Supervisory Board have been included in the income statements in 2008 and 2007.

	M.M.G. van Hemele		P.C. Smit		J. van Duijn		Totaal	
	2008	2007	**2008**	2007	**2008**	2007	**2008**	2007
Basic salary	**384**	-	**150**	275	**290**	265	**824**	540
Remuneration dependent on results	**-**	-	**-**	-	**75**	-	**75**	-
Remuneration based on shares	**130**	-	**-**	-	**524**	-	**654**	-
Termination payment	**-**	-	**800**	-	**-**	-	**800**	-
Other costs	**4**	-	**(266)**	21	**64**	56	**(198)**	77
Total	**518**	-	**684**	296	**953**	321	**2,155**	617

Best practise II.2.7 concerning the maximum compensation in cases of involuntary redundancy of the Dutch Corporate Governance code was not subscribed to (see section 5: Corporate Governance). The other costs for Mr Van Duijn concern mainly pension costs. For Mr Smit this concerns not only pension costs, but mainly a claim for 300,000 euro arising from a contract agreed with him in 2009.

The Group has not provided any loans or guarantees to members of the Board of Directors.

On 7 May 2008, 55,000 shares were unconditionally promised to Mr J. van Duijn of which 35,000 shares relate to his remuneration for 2007. The market value of these shares amounted to 253,000 euro at that point in time. As the statutory payroll tax and social security contributions over this payment are for the account of the company this value is grossed to 524,000 euro. The share transfer has not yet taken place.
Mr J. van Duijn's remuneration dependent on results related to 2007 but was paid in 2008.

On 29 May 2008, 14,165 shares were unconditionally promised to Mr M.M.G. van Hemele. The market value of these shares amounted to 62,000 euro at that point in time. As the statutory payroll tax and social security contributions over this payment are for the account of the company this value is grossed to 130,000 euro. The share transfer has not yet taken place.

With the exception of the termination payment for Mr Smit, no termination packages have been agreed that would have resulted in additional remuneration.

At 31 December 2008, the members of the Board of Directors, Mr Van Duijn and Mr Van Hemele, together owned 252,918 shares.

35. Remuneration of the Supervisory Board

The following amounts, related to the remuneration paid to the members of the Supervisory Board have been included in the income statements in 2008 and 2007:

Remuneration paid to the individual members of the Supervisory Board	2008	2007
Drs. E.J. Blaauboer	**30**	30
M.M.G. van Hemele	**9**	30
Dr. A.G. de Roever	**40**	40
Mrs A.W. Schaberg	**18**	-
Total	**97**	100

The Group has not provided any loans or guarantees to members of the Supervisory Board.
At 31 December 2008 the members of the Supervisory Board did not own shares or options in DPA Flex Group N.V.

Company financial statements 2008

(all amounts x thousand euro unless otherwise stated)

Company income statement 2008

	Explanatory notes	2008	2007
Result of subsidiaries after tax	39.	**1,873**	(85)
Other results after tax		**(14,041)**	(447)
Result after tax		**(12,168)**	(532)

Company balance sheet at 31 December 2008

(all amounts x thousand euro unless otherwise stated)

(before proposed appropriation of profit)

	Explanatory notes	31 December 2008		31 December 2007	
Assets					
Fixed assets					
Property, plant and equipment					
(tangible assets)	37.	**-**		3	
Intangible assets	38.	**25,283**		39,823	
Financial fixed assets	39.	**25,782**		23,709	
			51,065		
					63,535
Current assets					
Receivables	40.	**401**		871	
Cash and cash equivalents		**-**		-	
			401		
					871
			51,466		64,406

	Explanatory notes	31 December 2008		31 December 2007	
Equity and liabilities					
Equity					
Share capital	41.	**1,158**		1,052	
Share premium	41.	**30,141**		26,173	
Other reserves	41.	**3,019**		3,298	
Net result for the year	41.	**(12,168)**		(532)	
			22,150		29,991
Subsidiaries	39.	**-**		-	
Other provisions		**-**		-	
Long-term liabilities		**-**		1,250	
			-		1,250
Current loans and borrowings	42.		**29,316**		33,165
			51,466		64,406

Explanatory notes to the company balance sheet and income statement

36. General

Accounting policies for drawing up the company financial statements
The financial statements of the company are drawn up in accordance with the statutory provisions of Part 9 of Book 2 of the Netherlands Civil Code. The provisions of Book 2 Article 362 sub 8 of the Netherlands Civil Code are adopted whereby the accounting policies for valuation and determination of the results (including the accounting policies for presentation of financial instruments such as equity or external funds) applied to the company financial statements are also applied to the consolidated financial statements. The subsidiaries are valued at net asset value based on the valuation policies for balance sheet items as stated in the explanatory notes to the consolidated balance sheet. An outline of the valuation policies is included in paragraphs 2 and 3 of the explanatory notes to the consolidated balance sheet.

Accounting policies for valuation and for determining results
The company applies the same accounting policies for valuation and for determining results to the company's financial statements and the consolidated financial statements. If no further accounting policies are mentioned refer to the explanatory notes to the consolidated financial statements.

37. Property, plant and equipment (tangible assets)

Position at 31 December 2006	
Purchase price	20
Accumulated depreciation	(8)
Book value	**12**
Investments	(4)
Purchase price of disposals	-
Depreciation	(5)
Depreciation of disposals	-
Position at 31 December 2007	**3**
Purchase price	16
Accumulated depreciation	(13)
Book value	**3**
Investments	-
Purchase price of disposals	-
Depreciation	(3)
Depreciation of disposals	-
Position at 31 December 2008	**0**
Purchase price	16
Accumulated depreciation	(16)
Book value	**0**

38. Intangible assets

For the movements in the intangible assets during 2008 see explanatory note 19 to the consolidated balance sheet.

39. Financial fixed assets

Participating interests in subsidiaries
Participations in subsidiaries and other companies in which the company can exercise a controlling influence or over which it has the central management, are valued at net asset value. The net asset value is determined by valuing the assets, provisions and debts and by calculating the results according to the accounting policies which are followed for the consolidated financial statements. The transition to IFRS reporting has not resulted in an adjustment in the net asset value of the group companies.

Subsidiaries; treatment of losses
If the share of losses attributable to the company exceeds the book value of the subsidiary (including goodwill represented separately and other receivables not covered by assurances), further losses are not processed, unless the company has given assurances to the subsidiary, or has accepted the liability, or makes payments on behalf of the subsidiary. In which case the company will make a provision for such liabilities.

Subsidiaries; treatment of unrealised results
Results on transactions between the company and its group companies are eliminated proportionally to the size of the company participation in these subsidiaries in so far as these results are not realised through transactions with third parties. Losses are not eliminated if the transaction with a subsidiary proves that an asset is impaired.

An outline of movements in 2007 and 2008 of the financial fixed assets consisting of participating interests in subsidiaries is summarised below:

	2008	2007
Book value at 1 January	**23,709**	19,646
Investments	**200**	4,148
Result from subsidiaries	**1,873**	(85)
Book value at 31 December	**25,782**	23,709

	31 December 2008	31 December 2007
Subsidiaries	**25,782**	23,709
Provisions for subsidiaries	**-**	-
Book value	**25,782**	23,709

For information concerning the DPA Flex Group N.V. subsidiaries see explanatory note 1 to the consolidated financial statements.

40. Receivables

	31 December 2008	31 December 2007
Tax on profits	**-**	688
Other receivables	**393**	171
Prepayments and accrued income	**8**	12
	401	871

The receivables fall due within one year. The ‘other receivables’ include receivables from shareholders amounting to 300,000 euro (2007: 63,000 euro)

41. Equity

Share capital
The company's authorised capital at 31 December 2008 amounted to 3 million euro divided into 30,000,050 ordinary shares of 0.10 euro each.

The issued and paid-up share capital is 1,157,668.70 euro and comprises 11,576,687 ordinary shares with a nominal value of 0.10 euro each.

On 25 June 2008 company issued 1,052,425 new ordinary shares in a private placement at 3.87 euro per share (closing price on 24 June 2008). The total income generated by this share issue amounted to 4,072,884.75 euro .

Additional information concerning the equity is provided in the consolidated statement of changes in equity.

Other reserves

Appropriation of profit/loss for 2007
At the General Meeting of Shareholders held on 22 April 2008, the net result for 2007 was appropriated as follows:

Charged to share premium account	-
Charged to the other reserves	(532)
Net result after tax	(532)

Dividend 2008
The proposed dividend per share is 0 euro.

Treasury shares
With due regard for the statutory restrictions on capital reduction and the repurchase of shares, set out in Book 2 Article 207 of the Netherlands Civil Code, the number of shares repurchased by the Company at year-end was 0 (previous year 0 shares), representing a nominal value of 0 euro.

42. Current loans and borrowings

	31 December 2008	31 December 2007
Amounts owed to credit institutions	**1,331**	2,046
Trade payables	**340**	180
Subsidiaries	**25,246**	29,109
Tax on profits	**610**	-
Other taxes and social security contributions	**1,495**	1,578
Other payables	**294**	252
	29,316	33,165

43. Employees

The average number of employees on the company payroll in 2008 was 5.

	2008	2007
Work location:		
The Netherlands	**5**	5

44. Guarantees and commitments not included in the balance sheet

Notice of liability

The Company has issued and filed a notice of liability in the sense of Book 2 Article 403 of the Netherlands Civil Code concerning the subsidiaries DPA Nederland B.V., Amsterdam and DPA Projecten B.V., Amsterdam.

Together with:

- DPA Beheer B.V.
- DPA Nederland B.V.
- DPA Vast B.V.
- DPA Projects B.V.
- DPA FIT B.V.
- DPA Flex Young Professional B.V.
- DPA Flex Werving & Selectie B.V.
- DPA Flex Interim B.V.
- GEOS IT Professionals B.V.

the Company forms a tax group for corporate income tax. Based on the standard conditions the company and the subsidiaries added to the tax group are each jointly and severally liable for the tax levied on the combination.

The Company together with DPA Beheer B.V., DPA Flex Young Professional B.V. and DPA Flex Werving & Selectie B.V. have made themselves jointly and severally liable for meeting the liabilities arising from the factoring agreement (see explanatory note 20).

Treatment of tax within the tax group

In the financial statements of the subsidiaries a current tax expense is calculated based on the commercial results achieved. DPA Flex Group N.V. settles with the subsidiaries based on the commercial results of the subsidiary.

45. Transactions with related parties

All companies in the Group are considered to be related parties. See also explanatory notes 34 and 35 to the consolidated annual accounts.

46. Auditor's fees

The following fees of Mazars are recognised in the income statement for 2008 and 2007:

	2008			2007		
	Mazars Accountants	**Other Mazars Network**	**Mazars total**	Mazars Accountants	Other Mazars Network	Mazars total
Examination of the financial statements	**171**	**-**	**171**	169	-	169
Other controlling assignments	**35**	**-**	**35**	35	-	35
Fiscal consulting services	**-**	**117**	**117**	-	84	84
Other non-controlling services	**-**	**10**	**10**	-	-	-
Totaal	**206**	**127**	**333**	204	84	288

Amsterdam, 2 april 2009

Board of Directors

R.A.M.R. van der Hoek
J. van Duijn

Board of Supervisors

M.M.G. van Hemele
Drs. E.J. Blaauboer
Drs. A.W. Schaberg

Other information

Auditor's report

To: the general meeting of shareholders of DPA Flex Group N.V.

Report on the financial statements

We have audited the accompanying financial statements 2008 of DPA Flex Group N.V., Amsterdam. The financial statements consist of the consolidated financial statements and the company financial statements. The consolidated financial statements comprise the consolidated balance sheet at 31 December 2008, the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes. The company financial statements comprise the company balance sheet at 31 December 2008, Amsterdam, the company income statement for the year then ended and the explanatory notes.

Management's responsibility

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Article 9 of Book 2 of the Netherlands Civil Code, and for the preparation of the management board report in accordance with Article 9 Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining a system of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform our audit to obtain reasonable assurance that the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor takes into account the system of internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control system.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management of the company, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion with respect to the consolidated financial statements
In our opinion, the consolidated financial statements give a true and fair view of the financial position of DPA Flex Group N.V. at 31 December 2008, and of its result and its cash flow for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Article 9 Book 2 of the Netherlands Civil Code.

Opinion with respect to the company financial statements
In our opinion, the company financial statements give a true and fair view of the financial position of DPA Flex Group N.V. at 31 December 2008, and of its result for the year then ended in accordance with Article 9 Book 2 of the Netherlands Civil Code.

Explanatory notes
We draw attention to point 5 in the explanatory notes to the financial statements, where it is stated that the company has not been able to meet all covenants with the bank which may mean that the credit facility will become payable immediately. This condition, together with other conditions as stated in point 5, indicate a degree of uncertainty of material importance which may form the basis for reasonable doubt regarding the continuity of the company. This situation does not undermine our opinion.

Report on other legal and regulatory requirements
Pursuant to the legal requirement under Book 2 Article 393 sub 5 part e of the Netherlands Civil Code, we report, to the extent of our competence, that the management board report is consistent with the financial statements as required by Book 2 Article 391 sub 4 of the Netherlands Civil Code.

Amsterdam, 6 April 2009

Mazars Paardekooper Hoffman Accountants N.V.

Drs R.C.H.M. Horsmans RA RV

Provisions for the appropriation of profit

Provisions in the Articles of Association on profit appropriation

Under the Company's Articles of Association, the profit is at the disposal of the General Meeting of Shareholders, with the proviso that profit distributions by the Company are permitted only in so far as its equity exceeds the paid-up and called-up part of the capital plus the reserves that must be maintained by law or by virtue of the Articles of Association.

Proposal for the appropriation of profit

Appropriation of profits for the financial year

A proposal will be submitted to the General Meeting of Shareholders to allocate the net result as follows: in accordance with Article 32 of the Articles of Association a motion will be submitted to the General Meeting of Shareholders to allocate the result for 2008, amounting 12,168,000 euro to the reserves.

DPA Flex Group N.V.

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