



Q3  
2005



# Day Software Report for the Third Quarter of Fiscal Year 2005

## Results in Detail

Revenues for the third quarter of 2005 amounted to CHF 4.2 million, as compared to CHF 3.4 million for the third quarter of 2004. License revenues for the third quarter of 2005 amounted to CHF 2.1 million or 50% of total revenues, as compared to CHF 1.1 million for the third quarter of 2004 or 32% of total revenues. Maintenance revenues for the third quarter of 2005 increased 20% to CHF 1.2 million, as compared to CHF 1.0 million for the third quarter of 2004 as Day Software Holding and AG and subsidiaries (collectively, the "Company" or "Day") continues to grow its customer base. Service revenues, excluding maintenance, for the third quarter of 2005 decreased 31% to CHF 0.9 million, as compared to CHF 1.3 million for the third quarter of 2004.

In Europe, Day generated CHF 2.6 million in revenues in the third quarter of 2005. In the United States, Day generated CHF 1.6 million in revenues in the third quarter of 2005, accounting for 38% of revenues in this period. The United States and Germany were Day's largest contributors of revenues in the third quarter of 2005.

Revenues for the third quarter of 2005 increased 17% to CHF 4.2 million, as compared to CHF 3.6 million for second quarter of 2005. License revenues for the third quarter of 2005 increased 50% to CHF 2.1 million, as compared to CHF 1.4 million for the second quarter of 2005. This increase is due to two significant contracts that closed in the third quarter of 2005. Maintenance revenues for the third quarter of 2005 increased 9% to CHF 1.2 million, as compared to CHF 1.1 million for the second quarter of 2005. Service revenues, excluding maintenance, for the third quarter of 2005 decreased 18% to CHF 0.9 million, as compared to CHF 1.1 million for the second quarter of 2005.

Total cost of revenues for the third quarter of 2005 decreased 27% to CHF 0.8 million, as compared to CHF 1.1 million for the third quarter of 2004 due to decrease in cost of services. Cost of software license revenue for the third quarter of 2005 increased to TCHF 38, as compared to TCHF 1 for the third quarter of 2004 due to amortization of capitalized software costs beginning in the third quarter of 2005.

Gross profit for the third quarter of 2005 increased 59% to CHF 3.5 million, as compared to CHF 2.2 million for the third quarter of 2004 and increased 30% from CHF 2.7 million for the second quarter of 2005. The gross profit margin for the third quarter of 2005 increased to 83%, as compared to 65% in the third quarter of 2004 and 75% in the second quarter of 2005. This increase in gross profit margin is due to the increase in software license and maintenance revenues, which produce higher margins as compared to service revenue.

Operating expenses for the third quarter of 2005 decreased 18% to CHF 2.8 million, as compared to CHF 3.4 million for the third quarter of 2004. Research and development expenses decreased 22% due to capitalization of TCHF 219 of software development costs on 2 new products in the third quarter of 2005. Sales and marketing expenses decreased 18% due to some nonrecurring expenses in the third quarter of 2004. General and administrative expenses decreased 12%.

Net income for the third quarter of 2005 was TCHF 770, as compared to a net loss of CHF 1.1 million for the third quarter of 2004 and net income of TCHF 38 for the second quarter of 2005.

Basic earnings per share was CHF 0.58 for the third quarter of 2005, as compared to basic loss per share of CHF 0.88 for the third quarter of 2004 and basic earnings per share of CHF 0.03 for the second quarter of 2005. Dilutive earnings per share was CHF 0.55 for the third quarter of 2005, as compared to dilutive loss per share of CHF 0.88 for the third quarter of 2004 and dilutive earnings per share of CHF 0.03 for the second quarter of 2005.

## **Nine Months Ended September 30, 2005**

Revenues for the nine months ended September 30, 2005 amounted to CHF 12.0 million, as compared to CHF 10.7 million for the same period in 2004. License revenues for the nine months ended September 30, 2005 amounted to CHF 5.4 million or 45% of total revenues, as compared to CHF 4.1 million or 38% of total revenues for the same period in 2004. Maintenance revenues for the nine months ended September 30, 2005 increased 18% to CHF 3.3 million, as compared to CHF 2.8 million for the same period in 2004 as Day continues to grow its customer base. Service revenues, excluding maintenance, for the nine months ended September 30, 2005 decreased 13% to CHF 3.3 million, as compared to CHF 3.8 million for the same period in 2004.

In Europe, Day generated CHF 7.2 million in revenues for the nine months ended September 30, 2005. In the United States, Day generated CHF 4.6 million in revenues in this same period, accounting for 38% of revenues. Asia Pacific accounted for the remaining revenues in this period. The United States and the United Kingdom were Day's largest contributors of revenues for the nine months ended September 30, 2005.

Total cost of revenues for the nine months ended September 30, 2005 decreased 13% to CHF 2.8 million, as compared to CHF 3.2 million for the same period in 2004 due to decrease in cost of services. Cost of software license revenue for the nine months ended September 30, 2005 increased to TCHF 39, as compared to TCHF 16 for the same period in 2004 due to amortization of capitalized software costs beginning in the third quarter of 2005.

Gross profit for nine month ended September 30, 2005 increased 23% to CHF 9.2 million, as compared to CHF 7.5 million for the same period in 2004. The gross profit margin for the nine months ended September 30, 2005 increased to 77%, as compared to 70% for the same period in 2004. This increase in gross profit margin is primarily due to the increase in license and maintenance revenues, which produce higher margins as compared to service revenue.

Operating expenses for the nine months ended September 30, 2005 decreased 17% to CHF 8.5 million, as compared to CHF 10.3 million for the same period in 2004. Research and development expenses decreased 36% due to the capitalization of CHF 1.3 million of software development costs incurred on the Day's new product lines during the nine months ended September 30, 2005. Sales and marketing expenses decreased 12%. General and administrative expenses decreased 11% due to some nonrecurring expenses in the nine months ended September 30, 2004.

As of September 30, 2005, cash and cash equivalents amounted to CHF 4.1 million, down from CHF 4.5 million as of December 31, 2004. Cash decrease is due primarily to CHF 2.6 million of cash used for operations offset by CHF 2.0 million increase in cash due to net proceeds received from the issuance of additional share capital in June 2005. Accounts receivable and unbilled receivables increased to CHF 6.3 million at September 30, 2005 compared to CHF 2.8 million at December 31, 2004 due in part to greater sales in the quarter preceding September 30, 2005 as compared to December 31, 2004. Deferred revenues increased to CHF 3.2 million at September 30, 2005 compared to CHF 2.2 million at December 31, 2004 due to increase in maintenance revenues resulting from growth in customer base. Days-sales outstanding increased to 102 days in the third quarter of 2005 from 71 days in the second quarter of 2005.

## **New Product Lines**

Day successfully launched two new product lines, which are both fully compliant with the Content Repository for Java Technology API standard (JSR170). The first product line is Day's new Java Content Repository - CRX. Day's CRX enables customers to manage large volumes of complex content in a standardized environment, thus gaining significant efficiency and reducing cost.

The second new product line is a series of repository connectors, which enable leading legacy repositories to interact with a standardized Java Content Repository. The first of these innovative interfaces to be delivered is for EMC Documentum. The Day connector will make enterprise content stored in Documentum's legacy repository accessible through the new industry standard, creating greater interoperability and openness. Other connectors that are in development include interfaces for FileNet, OpenText LiveLink, Microsoft SharePoint, IBM Domino.doc, Software AG Tamino, and Interwoven, among others.

JSR 170 is the new standard that defines the interaction between a business application and the repository where the application stores content. Day initiated this standard three years ago, and is leading an international industry expert group that develops the JSR 170 specification. The JSR 170 initiative has gained the support of all major industry players such as IBM, Oracle, Sun and SAP.

## **Employees**

Total headcount as of September 30, 2005 and 2004 was 74 and 85 full time employees, respectively. Headcount as of September 30, 2005 was allocated as follows: professional services 18%, research and development 28%, sales and marketing 23%, general and administration 13% and MarketingNet 18%.

## Consolidated Balance Sheets

(in thousands CHF)

(unaudited)

	September 30, 2005	December 31, 2004
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	4,087	4,500
Accounts receivable, net	4,802	2,638
Unbilled receivables	1,469	155
Other receivables	44	424
Prepaid expenses	444	228
<b>Total current assets</b>	<b>10,846</b>	<b>7,945</b>
<b>Non-current assets</b>		
Property and equipment, net	125	603
Capitalized software development costs, net	1,216	-
Investments	268	91
Goodwill and intangible assets, net	3,371	3,511
Other assets	613	333
<b>Total non-current assets</b>	<b>5,593</b>	<b>4,538</b>
<b>TOTAL ASSETS</b>	<b>16,439</b>	<b>12,483</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable	263	400
Deferred revenues	3,240	2,224
Other current liabilities	332	181
Accrued liabilities	1,398	1,597
<b>Total current liabilities</b>	<b>5,233</b>	<b>4,402</b>
Commitments and contingencies		
<b>Shareholders' equity</b>		
Share capital	13,449	12,097
Treasury shares (14,341 shares at September 30, 2005 and 9,762 shares at December 31, 2004, at cost)	(1,178)	(1,074)
Capital reserves	139,181	138,299
Accumulated deficit	(139,724)	(140,652)
Accumulated other comprehensive loss	(522)	(589)
<b>Total shareholders' equity</b>	<b>11,206</b>	<b>8,081</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>16,439</b>	<b>12,483</b>

## Consolidated Statements of Operations

(in thousands CHF, except share information)

(unaudited)

	Nine Months Ended September 30,		Three Months Ended September 30,	
	2005	2004	2005	2004
<b>Revenues</b>				
Software licenses	5,406	4,107	2,068	1,100
Services	6,617	6,610	2,181	2,265
<b>Total revenues</b>	<b>12,023</b>	<b>10,717</b>	<b>4,249</b>	<b>3,365</b>
<b>Cost of revenues</b>				
Software licenses	39	16	38	1
Services	2,747	3,158	759	1,144
<b>Total cost of revenues</b>	<b>2,786</b>	<b>3,174</b>	<b>797</b>	<b>1,145</b>
<b>Gross profit</b>	<b>9,237</b>	<b>7,543</b>	<b>3,452</b>	<b>2,220</b>
<b>Operating expenses</b>				
Research and development	1,443	2,266	591	753
Sales and marketing	4,756	5,402	1,526	1,867
General and administrative	2,153	2,424	589	673
Amortization of intangible assets	140	140	47	47
Stock-based compensation	-	28	-	10
<b>Income (Loss) from operations</b>	<b>745</b>	<b>(2,717)</b>	<b>699</b>	<b>(1,130)</b>
Interest income	14	19	5	8
Interest expense	(1)	(4)	(1)	(1)
Foreign exchange gain (loss)	33	(19)	(12)	6
Other income	140	205	79	52
<b>Income (Loss) before income taxes</b>	<b>931</b>	<b>(2,516)</b>	<b>770</b>	<b>(1,065)</b>
Provision for income taxes	(3)	(2)	-	2
<b>Net income (loss)</b>	<b>928</b>	<b>(2,518)</b>	<b>770</b>	<b>(1,063)</b>
Other comprehensive income	67	14	27	10
<b>Comprehensive income (loss)</b>	<b>995</b>	<b>(2,504)</b>	<b>797</b>	<b>(1,053)</b>
<b>Basic earnings (loss) per share</b>	<b>0.73</b>	<b>(2.12)</b>	<b>0.58</b>	<b>(0.88)</b>
<b>Dilutive earnings (loss) per share</b>	<b>0.68</b>	<b>(2.12)</b>	<b>0.55</b>	<b>(0.88)</b>
Shares used in computing basic earnings (loss) per share	1,267,335	1,189,385	1,332,136	1,206,985
Shares used in computing dilutive earnings (loss) per share	1,359,958	1,189,385	1,412,782	1,206,985

## Consolidated Statements of Cash Flows

(in thousands CHF)

(unaudited)

Nine Months Ended September 30,  
2005 2004

<b>Net income (loss)</b>	928	(2,518)
<b>Adjustments to reconcile net income (loss) to net cash used in operating activities</b>		
Depreciation of fixed assets	503	822
Loss on fixed asset dispositions	1	10
Amortization of intangible assets	140	140
Amortization of capitalized software costs	37	-
Net foreign currency exchange gain	(48)	(10)
Stock-based compensation	17	26
Stock received in exchange for software	(129)	(100)
Capitalized software development cost	(1,253)	-
<b>Changes in operating assets and liabilities</b>		
Accounts receivable	(2,016)	3,435
Unbilled receivables	(1,252)	(272)
Prepaid expenses and other current assets	178	(117)
Other assets	(222)	-
Accounts payable	(167)	237
Deferred revenues	830	(992)
Accrued liabilities	(238)	(538)
Other current liabilities	136	(457)
<b>Net cash used in operating activities</b>	<b>(2,555)</b>	<b>(334)</b>
<b>Cash flows from investing activities</b>		
Purchases of equipment	(16)	(32)
Proceeds from sale of equipment	-	1
<b>Net cash used in investing activities</b>	<b>(16)</b>	<b>(31)</b>
<b>Cash flows from financing activities</b>		
Proceeds from stock option exercises	295	915
Net proceeds from issuance of share capital	1,997	-
Stamp duty on issuance of shares	(23)	-
Purchase of treasury shares	(988)	-
Proceeds from sale of treasury shares	832	-
<b>Net cash provided by financing activities</b>	<b>2,113</b>	<b>915</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(458)</b>	<b>550</b>
Foreign currency adjustment on cash	45	(21)
Cash and cash equivalents at beginning of period	4,500	5,344
<b>Cash and cash equivalents at end of period</b>	<b>4,087</b>	<b>5,873</b>

## Consolidated Statements of Shareholders' Equity

(in thousands CHF, except share information)

(unaudited)

	Share Capital		Treasury Shares	Capital Reserves	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity
	Shares	Amount					
<b>Balances</b>							
<b>January 1, 2004</b>	<b>1,125,310</b>	<b>11,253</b>	<b>(1,074)</b>	<b>138,170</b>	<b>(135,139)</b>	<b>(599)</b>	<b>12,611</b>
Proceeds from exercise of stock options	84,344	844	-	90	-	-	934
Stock-based compensation	-	-	-	39	-	-	39
Net loss	-	-	-	-	(5,513)	-	(5,513)
Foreign currency translation	-	-	-	-	-	10	10
<b>Balances</b>							
<b>December 31, 2004</b>	<b>1,209,654</b>	<b>12,097</b>	<b>(1,074)</b>	<b>138,299</b>	<b>(140,652)</b>	<b>(589)</b>	<b>8,081</b>
Proceeds from exercise of stock options	27,200	272	-	23	-	-	295
Net proceeds from issuance of share capital	108,000	1,080	60	834	-	-	1,974
Purchase of treasury shares	-	-	(988)	-	-	-	(988)
Proceeds from sale of treasury shares	-	-	824	8	-	-	832
Stock-based compensation	-	-	-	17	-	-	17
Net income	-	-	-	-	928	-	928
Foreign currency translation	-	-	-	-	-	67	67
<b>Balances</b>							
<b>September 30, 2005</b>	<b>1,344,854</b>	<b>13,449</b>	<b>(1,178)</b>	<b>139,181</b>	<b>(139,724)</b>	<b>(522)</b>	<b>11,206</b>

## Notes to Consolidated Interim Financial Statements

(unaudited)

(in thousands of CHF, except share information)

### Note 1 – Organization and History

Day Software Holding AG (collectively with its subsidiaries, the “Company”) was formed on October 29, 1999, as a stock corporation under the laws of Switzerland. The Company is a provider of global content management and content infrastructure software. The Company’s technology Communiqué offers a comprehensive, rapidly deployable framework to unify and manage all digital business data, systems, applications and processes through the web. Communiqué’s content-centric architecture, and its innovative ContentBus, turns the entire business into a virtual repository, bringing together content from any system, regardless of location, language or platform. The Company’s products and services are marketed throughout Europe, the Americas and Asia Pacific.

### Note 2 – Summary of Significant Accounting Policies

#### Basis of Presentation

The accompanying unaudited consolidated interim financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America (“US GAAP”). Certain amounts reported in previous years have been reclassified to conform to the 2005 presentation.

These unaudited consolidated interim financial statements should be read in conjunction with the audited financial statements and notes related thereto for the period ended December 31, 2004, included in the Company’s Annual Report. The unaudited consolidated interim financial statements include all adjustments necessary to present fairly the Company’s consolidated financial position as of September 30, 2005, notes explaining any significant changes that have occurred since December 31, 2004 and the consolidated results of its operations and cash flows for the nine months ended September 30, 2005. The consolidated results of such interim periods are not necessarily indicative of the results to be achieved for the period ended December 31, 2005.

#### Principles of Consolidation

The accompanying unaudited consolidated interim financial statements include the accounts of Day Software Holding AG and its wholly-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

### Note 3 – Shareholders’ Equity

In June 2005, Day issued 108,000 shares of authorized capital through MAG Capital, LLC. Net proceeds from the transaction totaled TCHF 1,974. In connection with the transaction, the Company incurred TCHF 415 of costs that have been recorded as a reduction in capital reserves. These transaction costs include TCHF 60 of costs to acquire 3,000 treasury shares at a price of CHF 20 per share from the Company’s Chief Executive Officer.

#### **Note 4 – Investments**

The Company has an equity investment totaling TCHF 165 in common stock and TCHF 103 in preferred stock of a non-publicly traded company (“investee”). The Company’s Chief Financial Officer was a member of the Board of Directors of the investee company when these investments were transacted. The common stock was acquired in March of 2005 in exchange for software license and maintenance sold and is carried at cost which was determined by reference to the value of the software license and maintenance exchanged. The preferred stock was acquired in 2004 in exchange for software license and maintenance sold and is carried at cost which was determined by reference to recent private-placement sales of the investee’s common stock. The carrying value of the investment was TCHF 268 as of September 30, 2005.

#### **Note 5 – Capitalized Software Development Costs**

SFAS No. 86, “Accounting for the Costs of Computer Software to be Sold, Leased or Otherwise Marketed,” requires development costs incurred in the research and development of new software products to be sold or marketed to be expensed as incurred until technological feasibility in the form of a working model has been established at which time such costs are capitalized, subject to recoverability, until the software products are available for sale. Software costs capitalized during the nine months ended September 30, 2005 totaled TCHF 1,253. Monthly amortization of capitalized software development costs, charged to cost of revenues, will be equal to the greater of the amount calculated by the straight-line method over the estimated life of the product or the amount calculated by using the ratio that current gross revenues bear to total estimated gross revenues of the product. Amortization expense for the nine months ended September 30, 2005 was TCHF 37.

#### **Note 6 – Earning (Loss) Per Share**

Basic earnings (loss) per share is computed by dividing net income (loss) available to shareholders by the weighted average number of shares outstanding during the period. Diluted earnings per share calculated for the nine months ended September 30, 2005 is computed by dividing net income available to shareholders by the weighted average number of shares outstanding plus the effect of potentially dilutive common shares outstanding during the period using the treasury stock method. Potentially dilutive common shares include outstanding stock options. Diluted loss per share calculated for the nine months ended September 30, 2004 is the same as basic loss per share as the effect of the assumed exercise of common stock equivalents is anti-dilutive due to the Company’s net losses for the period. Common stock equivalents totaling 35,333 and 228,918 have been excluded from the calculation of the weighted average shares outstanding for the nine months ended September 30, 2005 and 2004, respectively, as the effects are anti-dilutive.

## Note 7 – Stock-based Compensation

The Company applies the intrinsic-value based method prescribed by Accounting Principles Board Opinion No. 25, Accounting for Stock Issued to Employees (“APB No. 25”), and related interpretations. Under this method, compensation expense is recorded only if the current market price of the underlying stock exceeds the exercise price or the exercise price is not fixed at the date of grant. Such compensation expense, if any, is recognized over the service period to which the option relates. Statement of Financial Accounting Standards No. 123, Accounting for Stock-Based Compensation (“SFAS No. 123”) and Statement of Financial Accounting Standards No. 148, Accounting for Stock-Based Compensation-Transition and Disclosure (“SFAS No. 148”), an amendment to SFAS No. 123, established accounting and disclosure requirements using a fair value based method of accounting for stock-based compensation plans. As permitted by existing accounting standards, the Company has elected to continue to apply the intrinsic-value based method of accounting described above, and has adopted only the disclosure requirements of SFAS No. 123, as amended.

**The following table illustrates the effect on net income (loss) and earnings (loss) per share if the Company had applied the fair value based method to all outstanding and unvested awards in the nine months ended September 30, 2005 and 2004:**

	2005	2004
Net income (loss), as reported	928	(2,518)
Less: Total stock-based compensation expense determined under fair under fair value based method, net of related tax effects	<u>(856)</u>	<u>(603)</u>
Net income (loss), pro forma	<u>72</u>	<u>(3,121)</u>
Basic earnings (loss) per share, as reported	0.73	(2.12)
Basic earnings (loss) per share, pro forma	0.06	(2.62)
Dilutive earnings (loss) per share, as reported	0.68	(2.12)
Dilutive earnings (loss) per share, pro forma	0.05	(2.62)

**The Company calculated the fair value of each option grant on the date of grant using the Black-Scholes option-pricing model as prescribed by SFAS No. 123 using the following assumptions for options granted in the nine months ended September 30, 2005 and 2004:**

	2005	2004
Risk free interest rate	2.25%	2.25%
Expected life (years)	5	5
Expected volatility	42%-86%	86%
Dividend yield	-	-

## Note 8 – Segment Information

The Company operates predominantly in a single industry segment as a provider of enterprise software and related services. The Company's reportable operating segments are based on geographic location, which are Europe, the Americas and Asia Pacific. The accounting policies of the segments are the same as those described in the summary of significant accounting policies. Intergeographic revenues primarily represent intercompany revenues which are accounted for based on established sales prices between the related companies and are eliminated in consolidation.

**Geographical revenue information is based on the origin of the sales. Segments by geographic area of origin are as follows for the nine months ended September 30, 2005 and 2004:**

	2005	2004
<b>Revenues</b>		
Europe	7,240	8,056
Americas	4,623	2,369
Asia Pacific	190	292
Elimination of intergeographic revenues	(30)	-
<b>Total revenues</b>	<u>12,023</u>	<u>10,717</u>
<b>Net Income (Loss)</b>		
Europe	(854)	(2,265)
Americas	1,782	(253)
<b>Total net income (loss)</b>	<u>928</u>	<u>(2,518)</u>
<b>Assets</b>		
Europe	12,112	13,668
Americas	4,327	1,795
<b>Total assets</b>	<u>16,439</u>	<u>15,463</u>

## Note 9 – Commitments and Contingencies

### Indemnification Clauses in Software License Agreements

The Company's standard software license agreement includes an indemnification clause that indemnifies the licensee against liability and damages arising out of or in connection with an assertion that the software infringes any United States trademark or copyright. FASB Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others", requires certain disclosures regarding intellectual property infringement indemnification. To date, the Company has had no material claims or costs related to these indemnification clauses and therefore, has no liability recorded related to these indemnification clauses as of September 30, 2005.

## **About Day (www.day.com)**

Day is a leading provider of integrated content, portal and digital asset management software. Day's technology Communiqué offers a comprehensive, rapidly deployable framework to unify and manage all digital business data, systems, applications and processes through the web. Communiqué's content-centric architecture, and its innovative ContentBus, turns the entire business into a virtual repository bringing together content from any system, regardless of location, language or platform.

Day is an international company, founded in 1993, and listed on the SWX Swiss Exchange (SWX:DAYN) since April 2000. Day's customers are some of the largest global corporations and include Audi, DaimlerChrysler, Deutsche Post World Net, Intercontinental Hotels Group, McDonald's, UBS and Volkswagen.

## **Forward-looking Statements**

This report may contain forward-looking statements regarding future events or the future performance of Day Software Holding AG and its subsidiaries (the "Company"). Words such as "expects," "plans," "believes," "may," "will," and variations of these words or similar expressions are intended to identify forward-looking statements. These statements speak only as of the date hereof. Such information is subject to change, and the Company will not necessarily inform you of such changes. Actual events or results, of course, could differ materially and adversely from those expressed in any forward-looking statement. There is currently no public trading market in the United States for the Company's stock, and the Company does not make filings (e.g., Forms 10-K and 10-Q) with the Securities and Exchange Commission under the Securities Exchange Act of 1934

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