Quarterly report - Q1 2010

KEY FIGURES

The key figures for the first quarter of 2010 may be summarized as follows:

First quarter of 2010:

- The Group achieved a turnover of 1,612 kEUR in comparison with 1,280 kEUR for the same period in 2009, which means an increase in turnover of 25.94%;
- The operating cash flow (EBITDA) for the first quarter amounts to 114 kEUR, as against 56 kEUR for the first quarter of 2009;
- The net loss for the period amounts to (78) kEUR, in comparison with (260) kEUR at 31 March 2009;
- The net cash flow amounts to 110 kEUR, in comparison with 29 kEUR at 31 March 2009;
- The gross margin declined from 82.03% to 80.33%.

Key figures for the period ending on 31 March	1st quarter 31.03.2010 kEUR (unaudited)	1st quarter 31.03.2009 kEUR (unaudited)
Turnover	1,612	1,280
Profit/(loss) for the period	**(78)**	**(260)**
EBITDA	114	56
Net cash flow	110	29

MANAGEMENT REPORT ON THE FIRST NINE MONTHS AND THE THIRD QUARTER OF 2009

Management discussion and analysis of the results

The financial information in this management report must be read in conjunction with the summary consolidated interim report and the consolidated annual financial statement on 31 December 2009. This summary consolidated interim report has neither been audited nor submitted to a limited review by the statutory auditor.

The key figures for the first quarter of 2010 may be summarized as follows:

- Below follows a presentation of the turnover and gross margin for the first quarter:

Gross margin	1st quarter 31.03.2010 kEUR	31.03.2009 kEUR	Change
Turnover	1,612	1,280	25.94%
Raw materials and consumables	(317)	(230)	37.83%
Gross margin	**1,295**	**1,050**	**23.33%**
Gross margin in percent	80.33%	82.03%	

- The consolidated turnover for the first quarter of the financial year 2010 amounts to 1,612 kEUR, as compared to 1,280 kEUR for the same period in 2009, which represents an increase of 25.94%. The increase in turnover is manifesting itself in the payment terminals division, as a result of the expansion of the range of terminals. During the first quarter of 2010, the group has concluded contracts with regard to the lease of GPRS devices, which was not the case during the first quarter of 2009. The retention policy implemented by Keyware has furthermore had the effects that, at the end of their current contract, more than 90% of the existing customers choose for an extension of their contract.

  Turnover in the authorisation division has declined by 14 kEUR.

- **Personnel costs** have remained stable.

- The **net impairment of current assets** declined from 194 kEUR to 183 kEUR. These concern impairments recorded against finance lease receivables. These impairments or write-downs were the result of bankruptcies, discontinued operations by the customer or termination of the contract by the customer.

- **Other operating expenses** rose by 15.37 %, as a result of the increase in communication expenses, fees and and the cost of sales and marketing. The increase in fees is largely a consequence of an increase in the expenses for lawyers (primarily as a result of consultancy services).

- The **net loss** for the quarter amounts to (78) kEUR, in comparison with (260) kEUR at 31 March 2009.
  The improvement of the result is explained by an increase in the gross margin, which is partly compensated by an increase in costs, whereby the other operating expenses increased.

- The **net cash flow** amounts to 110 kEUR, in comparison to 29 kEUR on 31 March 2009. This increase in the net cash flow can be largely explained through an improvement in the net result, namely a decline in the net loss of (260) kEUR that was recorded on 31 March 2009, falling to (78) kEUR on 31 March 2010.

Important events in 2010

PARFIP

In 2010, the Group will be able to once more call on the credit line provided by Parfip Benelux, in the form of a cession of contracts. At the end of March 2010, more than 1.2 million EUR in contracts had been ceded to Parfip Benelux NV.

ISSUE OF WARRANTS

The Extraordinary General Meeting of 17 March 2010 has approved the issue of the Warrant Plan 2010.

At the Extraordinary General Meeting of Keyware Technologies NV on 17 March 2010, it was resolved to:

(i) allocate and subscribe to three hundred ninety thousand (390,000) 2010 warrants by Parana Management BVBA, Big Friend NV, Pardel SA, Federal Invest NV, Luc Pintens, JH Consulting BVBA, Iquess BVBA, Checkpoint X BVBA, Arn Clemhout and MV Services BVBA ("the Certain Persons"), in the proportions set out in the special report of the Board of Directors, and

(ii) that the Board of Directors of the Company make an offer to the personnel of the company and its subsidiaries, within a period of three months after the date of the Extraordinary General Meeting, regarding the remainder of the 2010 warrants, and resolved an allocation and definitive issue thereof (by notarial deed) to the personnel who have accepted said offer.

Settlement agreement

In March 2010, the Board of Directors approved the mutual agreement that was concluded with respect to a legal dispute with a business partner. The supplier will pay the amount of 1 million euros to Keyware.

In accordance with IFRS rules, this out-of-court settlement was recognised in the figures of 31 December 2009, but was instead considered as a contingent asset further explained in the annual report

On 31 March 2010, and in conformity with the IFRS rules, this out-of-court settlement had not yet been recorded in the first quarter of 2010.

Events after the balance sheet date

EXERCISE OF WARRANTS

During the first quarter of 2010, a number of warrant holders confirmed their confidence in the Group and exercised their outstanding warrants:

- following the exercise of 187,500 2008 warrants , the capital was increased by 234 kEUR by a notarial deed, which was executed on 30 April 2010, and 187,500 new shares were issued.

ALTERNATIVE FOR BANCONTACT/MISTERCASH

On 11 May 2010, Keyware announced that, as of that day, it is able to offer an alternative to Bancontact/MisterCash.

With Maestro, a technology that is available on every payment card, Keyware is offering a direct and advantageous alternative to Bancontact/MisterCash (BC/MC), which is available to retailers, cities, communities and freelancers. A fixed amount is charged for each debit transaction, which makes a subscription unnecessary. This opens the way to finally breaking the monopoly of BC/MC that has lasted for so many years.

This development does not come entirely unexpected, in view of the fact that Maestro is the largest service provider in the area of debit transactions at an international level. Keyware has in the meantime been able to conclude 100 new contracts for Maestro with retailers, and it is currently carrying on negotiations with a number of public institutions and municipal governments.

Prospects

STRONGER PROFILING AS A SUPPLIER OF TOTAL SOLUTIONS

Through its co-operation with the Dutch PaySquare, and due to the expansion of its range of high-quality payment terminals, Keyware is increasingly able to profile itself as a supplier of total solutions in the electronic payments segment. Recent investments in its payments platform have furthermore enabled Keyware to process an increasing volume of payments transactions by itself, which has had a positive effect on the results of the company.

INCREASE OF ELECTRONIC PAYMENT TRANSACTIONS

The number of electronic payments is increasing year by year, both in the number of actual transactions and in value. Recent changes in legislation, such as those promoting electronic meal vouchers in replacement of the paper version, are leading to additional payments traffic, as well as additional investments by retailers in their payments infrastructure.

BREAKTHROUGH OF ALTERNATIVES IN PROCESSING DEBIT CARDS (LOCAL MAESTRO)

Since the start of 2010, Belgian retailers have become receptive to alternatives for Bancontact/MisterCash. This makes it possible for Keyware to offer certain groups of retailers a means of generating income from processing their debit card transactions. Partially due to the impact of European regulations, Keyware expects to achieve a substantial market share in this area in the future. The number of payments with bank cards in Belgium is estimated at approximately 900 million for 2010.

INTERIM CONSOLIDATED FINANCIAL STATEMENT

Condensed consolidated income statement

Consolidated profit and loss account for the period ending on 31 March	1st quarter 31.03.2010 kEUR (unaudited)	1st quarter 31.03.2009 kEUR (unaudited)
Continuing operations		
Turnover	1,612	1,280
Other profits and losses	36	20
Raw materials and consumables used	(317)	(230)
Salaries and employee benefits	(381)	(383)
Depreciation	(57)	(62)
Net impairment of goodwill	-	-
Net impairment of current assets	(183)	(194)
Net change in provisions	-	-
Other operating expenses	(758)	(657)
Operating profit/(loss)	***(48)***	***(226)***
Financial income	167	105
Financial costs	(178)	(139)
Profit/(loss) before tax	**(59)**	**(260)**
Income tax enpense	(19)	-
Profit/(loss) for the period from continuing operations	**(78)**	**(260)**
Profit/(loss) for the period from discontinued operations	-	-
Profit/(loss) for the period	**(78)**	**(260)**
Weighted average ordinaryshares in issue	15,088,879	14,386,379
Weighted average of ordinary shares for diluted earnings per share	17,008,975	16,925,279
Profit/(loss) per share from continuing and discontinued operations		
Basic	(0.0052)	(0.0181)
Diluted	(0.0052)	(0.0181)

Condensed consolidated income statement

Condensed consolidated income statement for the period ending on 31 March	1st quarter 31.03.2010 kEUR (unaudited)	1st quarter 31.03.2009 kEUR (unaudited)
Profit/(loss) for the period	**(78)**	**(260)**
Other comprehensive income		
Conversion differences	-	-
Revaluation of fair value of "financial assets available for sale"	-	-
Cash-flow hedges	-	-
Income taxes relating to components of other comprehensive income	-	-
Other comprehensive income (net of taxes)	**-**	**-**
Total realised and unrealised income for the period	**(78)**	**(260)**
Profit/(loss) for the period attributable to:		
Owners of the parent company	(78)	(260)
Non-controlling interests	-	-
Total consolidated income allocatable to:		
Owners of the parent company	-	-
Non-controlling interests	-	-
Weighted average ordinaryshares in issue	15,088,879	14,386,379
Weighted average of ordinary shares for diluted earnings per share	17,008,975	16,925,279
Profit (loss) per share from continuing and discontinued operations		
Basic	(0,0052)	(0,0181)
Diluted	(0,0052)	(0,0181)

Condensed of consolidated balance sheet

Consolidated balance sheet on	31.03.2010 kEUR (unaudited)	31.12.2009 kEUR (audited)	31.03.2009 kEUR (unaudited)
Assets			
Goodwill	5,248	5,248	5,248
Other intangible assets	462	510	752
Property, plant and equipment	61	70	121
Deferred tax assets	1,431	1,450	1,622
Finance lease receivables	8,551	7,791	4,960
Other assets	111	111	193
Non-current assets	**15,864**	**15,180**	**12,896**
Inventories	610	492	445
Trade and other receivables	373	352	305
Finance lease receivables	1,223	1,407	1,581
Prepaids	339	312	497
Cash& cash equivalents	219	34	211
Current assets	**2,764**	**2,597**	**3,039**
Total assets	**18,628**	**17,777**	**15,935**
Equity and liabilities			
Issued capital	18,063	18,063	17,618
Share premiums	4,522	4,522	4,522
Other reserves	119	119	119
Retained earnings	(14,570)	(14,492)	(13,958)
Equity attributable to owners of the parent company	**8,134**	**8,212**	**8,301**
Borrowings (1)	718	721	764
Obligations under finance leases	1,333	1,483	1,916
Trade payables	3,370	2,956	801
Non-current liabilities	**5,421**	**5,160**	**3,481**
Trade and other payables	4,120	3,487	3,241
Borrowings	60	60	60
Obligations under finance leases	588	567	536
Other liabilities	305	291	316
Current liabilities	**5,073**	**4,405**	**4,153**
Total liabilities	**10,494**	**9,565**	**7,634**
Total equity and liabilities	**18,628**	**17,777**	**15,935**

(1) The presentation for 31 March 2009 was adapted, so as to maintain a comparability of figures.

Condensed consolidated cash flow statement

Consolidated cash flow statement for the period ending on 31 March	1st quarter 31.03.2010 kEUR (unaudited)	1st quarter 31.03.2009 kEUR (unaudited)
Cash flow from operating activities		
Profit for the period	(78)	(260)
Depreciation	57	62
Change in provisions	-	-
Amortization of inventories	-	-
Net impairment of finance lease receivables	88	194
Share-based payments	7	7
Depreciation of capitalized commissions (1)	17	26
Deferred tax assets and liabilities	19	-
Operating cash flow, before changes in working capital	110	29
Decrease/ (increase) in inventories	(118)	(153)
Decrease/(increase) in finance lease receivables (long- and short term) (1)	(664)	(263)
Decrease/(increase) in trade and other receivables (1)	(21)	112
Decrease/(increase) in prepaids (1)	(51)	(111)
Increase/ (decrease) in trade payables (long-and short term) (1)	1,378	(349)
Increase/(decrease) in other payables	(317)	6
Changes in working capital	207	(758)
Cash flow from operating activities	**317**	**(729)**
Cash flow from investing activities		
Additions to plant, property and equipment	-	(38)
Cash flow from investing activities	**-**	**(38)**
Cash flow from financing activities		
Capital increase	-	-
(Repayments)/receipts from borrowings (long- and short-term)	(3)	595
(Repayments)/receipts from the leasing (long- and short-term)	(129)	90
Cash flow from financing activities	**(132)**	**685**
Net (decrease)/ increase in cash and cash equivalents	**185**	**(82)**
Cash and cash equivalents at start of period	**34**	**293**
Cash and cash equivalents at end of period	**219**	**211**

(1) The presentation for 31 March 2009 was adapted, so as to maintain a comparability of the figures.

Condensed consolidated statement of changes in equity capital

Consolidated statement of changes in equity for the period	Issued capital	Share premium	Other reserves	Retained earnings	Attributable to owners of the parent company	Non controlling interests	Total
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Balance at 01.01.2009	**17,618**	**4,522**	**119**	**(13,698)**	**8,561**		**8,561**
Profit/(loss) for the period				(260)	(260)		(260)
Total of the realised and unrealised result for the period	-	-	-	*(260)*	*(260)*	-	*(260)*
Balance at 31.03.2009	**17,618**	**4,522**	**119**	**(13,958)**	**8,301**	**-**	**8,301**

Statement of changes in equity for the period	Issued dapital	Share premium	Other reserves	Retained earnings	Attributable to owners of the parent company	Non controlling interests	Total
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Balance at 01.01.2010	**18,063**	**4,522**	**119**	**(14,492)**	**8,212**		**8,212**
Profit for the period				(78)	(78)		(78)
Total of the realised and unrealised result for the period	-	-	-	*(78)*	*(78)*	-	*(78)*
Balance at 31.03.2010	**18,063**	**4,522**	**119**	**(14,570)**	**8,134**	**-**	**8,134**

NOTES ON THE SUMMARY CONSOLIDATED INTERIM FINANCIAL STATEMENT

(1) Identification

Keyware Technologies NV was founded in June 1996 as a public limited company under Belgian law. The Company is established at Ikaroslaan 24, B-1930 Zaventem, Belgium. Its company registration number is 0458.430.512.

This condensed consolidated interim financial report for the first quarter, ending on 31 March 2010, contains a condensed statement of financial position and condensed consolidated income statement of the company and its subsidiaries.

This condensed consolidated interim financial report was approved for publication by the Board of Directors on 21 May 2010.

This condensed consolidated interim financial report has not been audited.

(2) Statement of Compliance

Mr Stéphane Vandervelde (CEO) and Mr Johan Hellinckx (CFO) hereby declare that, to the best of their knowledge, the summary financial reports for the 3-month period ending 31 March 2010, have been prepared in accordance with IAS 34 "Interim financial reporting", as accepted within the European Union, and that these give a true picture of the assets, liabilities, financial position and profit/loss of the company and its subsidiaries, which are wholly included in the consolidation, and that the interim management report gives a fair view of important events that have occurred in the first three months of the financial year, including important transactions with associated parties and their impact on the consolidated financial statements, together with a description of the most important risks and uncertainties of the remaining nine months of the financial year.

(3) Primary valuation principles

(a) Basic principle

The condensed consolidated interim financial report has been prepared in accordance with the International Financial Reporting Standards (IFRS), as approved for use within the European Union, and in particular the International Accounting Standard (IAS) 34 (Interim financial reporting).

This report does not contain all the information that is required to be included in the complete consolidated annual statements, and it must be read in conjunction with the consolidated annual financial statements for the financial year ending 31 December 2009.

The preparation of these condensed financial statements requires that the management makes estimates and assumptions, which have an effect on the amounts reported for assets and liabilities, as well as the publication of contingent assets and liabilities on the date of this condensed consolidated financial statement and the reported amounts of revenues and expenses during the reporting period. If it should appear in the future that these estimates and assumptions, which are considered reasonable by the management at this time and under the given circumstances, differ from the actual results, the original estimates and assumptions will be adjusted. The effects of these changes will be reflected in the period in which they are considered to be necessary.

(b) Reporting currency

The reporting currency of Keyware Technologies NV is the EURO. All values are rounded to the nearest thousand, unless stated to the contrary.

(c) Changes in the accounting valuation principles and disclosure of information

In preparing the interim financial summaries, the same valuation, presentation and calculation rules and methods are used, as those applied in the preparation of the Group's financial statements for the financial year ended on 31 December 2009, with the exception of the possible impact arising from the application of the standards listed below.

The following standards, amendments, interpretations and improvements *must be applied for the financial year that starts on 1 January 2010* for the first time:

- Amendment of IFRS 2, Share-based payment, whereby IFRIC 8 and IFRIC 11 have been dispensed with. This amendment has no impact on the Group.

The following standards, amendments, interpretations and improvements must be applied for the first time for the financial year that starts on 1 January 2010, but were not relevant for the Group:

- Improvements with regard to IFRS 2, IFRS 5, IFRS 8, IAS 7, IAS 17, IAS 36, IAS 38, IAS 39, IFRIC 9 and IFRIC 16 (applicable to financial years that start on or after 1 January 2010);
- IFRIC 15 (applicable for financial years that start on or after 1 January 2010);
- IFRS 3 (amended in 2008) Business Combinations (applicable for the financial years that start on or after 1 July 2009);
- IAS 27 (amended in 2008) Consolidated and separate financial statements (applicable to financial years that start on or after 1 July 2009) –the amendment of this standard relates to domains that were not relevant for the Keyware Group;
- Amendment of IAS 39 regarding Items that can be taken into consideration for hedging (applicable to financial years that start on or after 1 July 2009) and was regarded to Reclassification of financial assets (applicable to financial years that begin on or after 13 September 2009)
- IFRIC 16 (applicable for financial years that start on or after 1 July 2009);
- IFRIC 17 and IFRIC 18 (applicable for the financial years that start on or after 1 November 2009)

Standards, amendments, interpretations and improvements, which were not yet effective on 1 January 2010, were not applied by the Group in advance of their effectiveness.

(4) Seasonally bound activities

Notwithstanding the fact that the summer months are associated with a reduction in activity, the figures show no significant seasonal patterns.

(5) Segmented information

Information on business segments may be represented as follows:

Segment information for the period ending on 31 March	Segment revenue 31.03.2010 kEUR	31.03.2009 kEUR	Change
Turnover terminals	1,590	1,244	27.81%
Turnover authorisations	22	36	-38.89%
Total	**1,612**	**1,280**	**25.94%**

Given the limited extent of the authorisation segment and the absence of structural changes as against the position at 31 December 2009, additional segment information is not considered relevant.

(6) Net impairment of current assets

The net impairments of current assets for the first quarter of 2010 may be represented as follows:

Net impairment of current assets for the period ending on 31 March	1st quarter 31.03.2010 kEUR	31.03.2009 kEUR
Net impairment of finance lease receivables	183	194
Total	**183**	**194**

These concern impairments booked against receivables from finance lease. These impairments or write-offs are the result of bankruptcies, discontinuation of activities or termination of contracts by clients.

(7) Other operating expenses

The other operating expenses for the first three months of 2010 may be represented as follows:

Other operating expenses for period ending on 31 March	1st quarter 31.03.2010	31.03.2009
	kEUR	kEUR
Accommodation	35	35
Car expenses	68	61
Material expenses	8	12
Communication expenses	37	22
Fees	342	287
Stock market listing	17	5
Representation and delegation	31	24
Sales and marketing	150	129
Interim	15	39
Administration	17	19
Non-deductible VAT	27	23
Other	11	1
Total	**758**	**657**

The other operating expenses rose by 15.37 %, as a result of an increase in communication expenses, fees and and the costs of sales and marketing. The increase in fees is largely a consequence of an increase in the expenses for lawyers (primarily as a result of consultancy services).

(8) Goodwill

This item can be broken down as follows:

Consolidation differences	31.03.2010	31.12.2009	31.03.2009
	kEUR	kEUR	kEUR
Keyware Smart Card	5,248	5,248	5,248
Total	**5,248**	**5,248**	**5,248**

In accordance with IFRS 3 – Business combinations, goodwill is not written off but tested for impairment for each cash flow generating unit to which the goodwill belongs. The realisation value of each cash-generating unit was determined on the basis of its operating value. To calculate this, the cash flow prognoses were used from the financial budgets for the next 3 years, which have been approved by the Board of Directors. These budgets were extrapolated over 5 years at a decreasing growth rate, ignoring any residual value.
In accordance with IFRS 3 - Business combinations, goodwill that occurs in the consolidation must be tested for impairment every year. This impairment test is made on the basis of the strategic plan for the years 2008-2012. Based on this, it was possible to decide on 31 December 2009 that no extraordinary impairments had to be booked. As of 31 March 2010, there are no indications of additional impairments.

(9) Finance lease receivables

This item can be summarised as follows:

Finance lease receivables	31.03.2010	31.12.2009	31.03.2009
	kEUR	kEUR	kEUR
Outstanding capital contracts	5,181	4,835	3,914
Outstanding capital financing Parfip	3,370	2,956	1,046
Total	**8,551**	**7,791**	**4,960**

The long-term trade receivables include the long-term portion of the receivables on financial leasing contracts for payment terminals, in accordance with IAS 17 - Lease contracts. On 31 December 2009, these receivables are equivalent to the sum of 4,835 kEUR, and on 31 March 2010 to a sum of 5,181 kEUR.

Finally, the long-term trade receivables that relate to the financing agreement with Parfip Benelux NV are also included in this item.
The Group has entered into a financing agreement with Parfip Benelux NV, whereby the Group has the possibility of ceding its contracts with regard to the rent of payment terminals to Parfip Benelux NV. Within the framework of this agreement, contracts for the rental of the payment terminals can be sold to Parfip Benelux NV at an actualised value, on the assumption of a 10% interest rate. In other words, Keyware receives the integral discounted amount of the rent instalments at the start of the contract, whereas Parfip Benelux NV will collect the rent for the entire duration of the contract (with regard to leasing the payment terminal). At the end of the contract, the equipment will once again become the property of Keyware, subject to payment of a small residual value.
However, in accordance with this contract, the ultimate debtor risk is borne by the Group. In concrete terms this means that if a debtor becomes insolvent, Parfip Benelux NV reserves the right to re-invoice this contract to the Group. In that case, the Group will have to repay the outstanding capital with regard to the discounted amount received in advance from Parfip Benelux NV on the one hand, but, on the other hand, the Group itself will be able to invoice the remaining duration of the contract to the end customer. This means the Group has both a payable and a receivable, both of which are expressed in the accounts.

At the end of March 2010, the Group has booked receivables that correspond to the total sum of the outstanding principal of the contracts sold in 2006, 2007, 2008, 2009 and 2010. This amounts to a total of 4,515 kEUR, of which 3,370 is kEUR is long-term and 1,145 kEUR is short-term.

(10) Issued capital

As per 31 March 2010, the statutory subscribed capital of the Group amounted to 24,085 kEUR, representing 15,088,879 common shares without nominal value.

(11) Borrowings

The loans recognized under long-term liabilities relate partly to the financing obtained from ING.
As part of the purchase of shares in B.R.V. Transactions NV, ING granted Keyware Transaction & Processing NV an investment credit of 300 kEUR. This loan is repayable in 20 quarterly instalments of 15 kEUR. The applicable interest base is EURIBOR 3 month, increased by 2%.

The advance obtained from a shareholder is also incorporated under this heading. In January 2009, advances amounting to 600 kEUR were made available by a shareholder, namely Parana Management BVBA. The applicable interest rate is 8%.

(12) Obligations under finance lease

This item can be detailed down as follows:

Obligations under finance lease	31.03.2010	31.12.2009	31.03.2009
	kEUR	kEUR	kEUR
Sale & leaseback Parfip	1,319	1,465	1,872
Financial leasing cars	14	18	44
Total	**1,333**	**1,483**	**1,916**

Between June and December 2008, the Group concluded 7 financing agreements – financing of rental agreement - with Parfip Benelux NV for a total amount of 2,029 kEUR. These can be summarised as follows:

	Date	Amount	Term	Interest	Repayment/month
-	28/05/2008	151 kEUR	50 months	11.48%	3 kEUR
-	30/06/2008	260 kEUR	53 months	11.91%	6 kEUR
-	01/08/2008	281 kEUR	60 months	11.91%	6 kEUR
-	01/09/2008	298 kEUR	57 months	13.00%	7 kEUR
-	06/10/2008	372 kEUR	60 months	13.48%	8 kEUR
-	30/10/2008	384 kEUR	60 months	13.48%	9 kEUR
-	01/12/2008	283 kEUR	60 months	13.48%	6 kEUR
-	01/01/2009	249 kEUR	60 months	14.17%	6 kEUR

On 31 March 2010, the total outstanding debt amounted to 1,887 kEUR, of which 1,319 kEUR has been booked as long-term and 568 kEUR as short-term.

The future redemption obligations with regard to financial leasing agreements concluded with Parfip Benelux NV may be represented as follows:

Finanance lease obligations as per 31.03.2010	1 year kEUR	1-5 years kEUR	> 5 years kEUR
Total future redemption obligation:	780	1,537	0
of which:			
- Principal	568	1,319	0
- Interest	212	218	0

In addition, the Group has concluded various finance lease agreements for, amongst others, cars. The total outstanding debt on 31 March 2010 amounts to 33 kEUR, of which 14 kEUR is recorded as long-term and 19 kEUR as short-term. All these contracts have a term of 5 years or less.

(13) Trade payables - long-term obligations

This item can be detailed as follows:

Long-term trade payables	31.03.2010 kEUR	31.12.2009 kEUR	31.03.2009 kEUR
Financing through Parfip Benelux	3,370	2,956	801
Total	**3,370**	**2,956**	**801**

The Group has entered into a financing agreement with Parfip Benelux NV, whereby the Group has the possibility of ceding the contracts on the rent of payment terminals to Parfip Benelux NV. Within the framework of this agreement, the rental contracts of the payment terminals can be sold to Parfip Benelux NV at an actualised value, whereby an interest rate of 10% is assumed. In other words, Keyware receives the integral discounted amount of the rent instalments at the start of the contract, whereas Parfip Benelux NV will collect the rent for the entire duration of the contract (with regard to leasing the payment terminal). At the end of the contract, the equipment will once again become the property of Keyware, subject to payment of a small residual value.

However, in accordance with this contract, the ultimate debtor risk is borne by the Group. In concrete terms this means that if a debtor becomes insolvent, Parfip Benelux NV reserves the right to re-invoice this contract to the Group. In that case, Keyware will on the one hand have to repay the outstanding capital with regard to the discounted amount received in advance to Parfip Benelux NV, but on the other hand, Keyware will still be able to invoice the remaining duration of the contract to the customer. This means the Group has both a payable and a receivable, both of which are expressed in the accounts.

At the end of March 2010, the Group has booked receivables that correspond to the total sum of the outstanding principal of the contracts sold in 2006, 2007, 2008, 2009 and 2010. This amounts to a total of 4,515 kEUR, of which 3,370 is kEUR is long-term and 1,145 kEUR is short-term.

(14) Trade and other debts – short-term obligations

This item can be detailed as follows:

Short-term trade debts	31.03.2010 kEUR	31.12.2009 kEUR	31.03.2009 kEUR
Trade payables	3,695	3,156	2,955
Social and fiscal liabilities	425	331	286
Total	**4,120**	**3,487**	**3,241**

The short-term trade payables may be broken down as follows:

Short-term trade payables	31.03.2010 kEUR	31.12.2009 kEUR	31.03.2009 kEUR
Current suppliers	1,152	715	687
Potential liability Parfip	1,145	1,176	1,046
Pending disputes	166	166	158
Repayment plans	52	61	180
Unclaimed amounts	110	110	110
Internal consultants	755	443	386
Supplier and simultaneously client	137	120	114
Invoices to be received	178	365	274
Total	**3,695**	**3,156**	**2,955**

The total amount of the outstanding suppliers includes an amount of 1,145 kEUR overdue trade payables. This can include suppliers with repayment plans, suppliers with whom a dispute is pending, a supplier who is currently unable to claim his debts, internal consultants or suppliers who are also clients.

At the end of December 2010, there were 2 repayment plans with a total outstanding debt of 52 kEUR.
At the end of March 2010, the Group had 7 pending disputes with suppliers for a total amount of 166 kEUR.

The unclaimed amounts concerns one supplier, for an amount of 110 kEUR. This amount relates to a performance that has not yet been carried out by the supplier.

The figures for internal consultants relate to 6 suppliers, namely independent suppliers of services to the Group, such as the CEO, CFO, COO, financial controller, marketing director, and a business developer.

As stated under (9) Finance lease receivables , the Group has deferred receivables and debts as of 31 March 2010, which correspond to the total amount of the outstanding principal of the contracts sold to Parfip NV in 2006, 2007, 2008, 2009 and 2010. This amounts to a total of 4,515 kEUR, of which 3,370 is kEUR is long-term and 1,145 kEUR is short-term.

The social security and tax liabilities may be detailed as follows:

Social and fiscal liabilities	31.03.2010	31.12.2009	31.03.2009
	kEUR	kEUR	kEUR
Withholding taxes to be paid	82	63	31
Social security to be paid	151	106	65
Salaries to be paid	23	26	22
Provision for holiday pay	147	136	144
Provision for year end bonus	22	-	24
Total	**425**	**331**	**286**

(15) Other liabilities

Other liabilities can be detailed as follows:

Other liabilities	31.03.2010	31.12.2009	31.03.2009
	kEUR	kEUR	kEUR
Balance payable acquisition B.R.V.	62	62	62
Debts in dispute	175	172	194
Accruals	22	25	37
Deferred income	44	30	21
Other	2	2	2
Total	**305**	**291**	**316**

The disputed debts of 175 kEUR relate to two sums that have been claimed, but are disputed by the Group. Both matters have been brought before the competent Commercial Court.

(16) Transactions with associated parties

With regard to transactions with associated parties, there are no particulars that have to be reported for the first quarter of 2010.

(17) Pending disputes

The Company is involved in a number of legal proceedings that can be regarded as deferred liabilities. For more information, see the Consolidated Annual Report of 2009, (47) "Pending disputes", which can be found on the Company's website (www.keyware.com). No important developments were recorded during the first quarter of 2010, with regard to these disputes.

(18) Financing

In the annual report for 2009, the Group announced that the Board of Directors has considered issuing a convertible debentures loan. At the meeting of 21 May 2010, the Board of Directors has decided to carry out a capital operation, however the financial instrument of this operation has not yet been defined.