Interim Condensed Financial Report

H1 2009

Completed and modified (i.e. presentation of Balance Sheet) interim condensed financial H1 2009 report of September 3, 2009 in the context of the approval as addendum of the takeover bid prospectus of NIMD – Regulated information

TABLE OF CONTENTS

Completed and modified (i.e. presentation of Balance Sheet) of interim condensed financial H1 2009 report of Sept 3rd in the context of the approval as addendum of the takeover bid prospectus of NIMD - Regulated information

1 MANAGEMENT DISCUSSION AND ANALYSIS OF THE FINANCIAL RESULTS OF H1 2009

H1 2009 financial highlights:

- Sales decreased 62% compared to H1 2008 and came in at €18.4 million,
- Recurring operational cash expenses came in at €17.4 million, a reduction of 20% compared to H1 2008.
- Despite the significant reduction of operational expenses, results are negative, due to the severe drop in sales :
  - EBITDA came in at -€9.9 million
  - Net result came in at -€18.5 million

The P&L figures are used in the following form by Metris Management and Board of Directors.

This interim report should be read in conjunction with the consolidated balance sheet and income statement of Metris NV (group) and the related selected notes. This interim report is drawn up in accordance with the Royal Decree of November 14 2007 concerning the obligations of the issuers of financial statements.

	H1 2009	H1 2008	% groei
	€ 000	*€ 000*	
Sales	18,375	48,376	-62.0%
Cost of sales	14,615	25,435	-42.5%
Gross profit	**3,761**	**22,941**	-83.6%
% Sales	20.5%	47%	
Selling and marketing expenses	8,493	12,485	-32.0%
General and administrative expenses (1)	12,607	10,090	24.9%
Other expenses net of other income	1,390	1,616	-14.0%
Net operational expenses	**22,490**	**24,191**	-7.0%
Earnings before interest and taxes (EBIT)	**-18,729**	**-1,250**	1398.6%
Depreciation and amortization (1)	8,853	4,701	88.3%
EBITDA	**-9,876**	**3,451**	-386.2%
Finance costs	5,167	2,603	98.5%
Finance costs	-495		
Earnings before taxes	**-23,896**	**-3,853**	520.2%
Tax expense (income)	-4,934	-2,928	68.5%
Profit / loss (-) for the period	**-18,962**	**-925**	1949.9%
% Sales	-103.2%	-1.9%	
Number of shares	12,605,723	12,605,723	
Number of shares fully diluted	14,710,537	14,621,960	
Number of shares for EPS calculation	12,605,723	12,805,934	
Earnings per share			
- basic, for profit for the period attributable to ordinary equity holders of the parent	-1.47	-0.07	
- basic, for profit from continuing operations attributable to ordinary equity holders of the parent	-1.47	-0.07	
- diluted, for profit for the period attributable to ordinary equity holders of the parent	-1.47	-0.07	
- diluted, for profit from continuing operations attributable to odinary equity holders of the parent	-1.47	-0.07	

(1) Including € 2,8 mln provisions for transaction costs resulting from the take over bid from Nikon

1.1 SALES

Despite a Q1 on track, Q2 was very disappointing due to recession. Sales decreased 62% from €48.4 million in H1 2008 to €18.4 million in H1 2009, suffering very strongly from the lack of capex budgets with Metris customers across all geographic segments.

	H1 2009		H1 2008	
Geographic segment	*€ 000*	%	*€ 000*	%
Continental Europe	3,247	18%	17,393	36%
UK/ROW	6,095	33%	17,150	35%
US	9,033	49%	13,834	29%
TOTAL	18,375	100%	48,376	100%

In Continental Europe sales dropped in H1 2009 with 81% compared to the record sales recorded during H1 2008. Sales in the UK/RoW territory, including Asia, dropped 65% in H1 2009. In the North American region, sales dropped with 35%. This decline is lower than in the other regions thanks to the more stable service business in this region.

	H1 2009		H1 2008	
Industry segment	*€ 000*	%	*€ 000*	%
Automotive	5,145	28%	13,061	27%
Aerospace	4,778	26%	16,448	34%
General Industrial Metrology	8,452	46%	18,867	39%
TOTAL	18,375	100%	48,376	100%

In H1 2009, Metris realized 28% of its total sales in the automotive market, 26% of the sales in the aerospace market and 46% in the general industrial metrology market. The decrease in sales has occurred in all market segments. General Industries have suffered much less, thanks to the fact that certain industries, such as green energy and universities, cut their capex budgets to a much smaller extent.

	H1 2009		H1 2008	
Product categories	*€ 000*	%	*€ 000*	%
Optical	8,659	47%	27,490	57%
Mechanical	9,716	53%	20,886	43%
TOTAL	18,375	100%	48,376	100%

Due to the lack of capex budgets for products both the optical and the mechanical business were strongly affected. The optical business declined with 68% and the mechanical business declined with 54%. The services business, mainly consisting of maintenance services and upgrades, declined with 18%, proving to be more robust towards the recession that is strongly reducing capex spending with customers. The mechanical business includes substantially more service than the optical business.

Gross profit came in at €3.8 million, compared to €22.9 million in H1 2008. This decline results from the sharp drop in sales combined with the higher amortizations of capitalized development which are fixed costs booked under cost of sales.

1.2 PROFITABILITY

The operational expenses declined from €24.2 million in H1 2008 to €22.5 million in H1 2009. In the general and administrative costs, €2.8 million provisions for the transaction costs resulting from the take over bid by Nikon are included. Without these one-time costs and without depreciations and amortizations the operational expenses have declined from €21.7 million to €17.4 million. Over the last 12 months, the number of employees has been reduced from 720 on June 30, 2008 to 478 on June 30, 2009.

As a result, H1 2009 EBITDA came in at -€9.9 million and H1 2009 EBIT at -€18.7 million.

Depreciations, amortizations and other non-cash costs have increased drastically due to the provisions mentioned above and to the increase with 28% compared to H1 2008 of the amortization of capitalized development costs. This increase of amortization results from the delivery of a number of important development projects, including the launch of the digital scanner and the 7-axis arm for manual inspections, for which amortizations started.

Net financial costs have increased from €2.6 million in H1, 2008 to €4.7 million in H1, 2009 resulting from the levered balance sheet including more than €41 million mezzanine loans. In the net financial costs, €0.1 million have been taken to obtain waivers for the breach of covenants end of 2008, in addition to the €0.3

million provision taken in 2008. The financial costs have more or less the same magnitude as in H2 2008. Financial revenues mainly consist of interests on long-term receivables.

Deferred taxes for H1 2009 equal €4,9 million. Deferred tax assets have only been booked in the most important operational entities, where we can expect that these tax losses will be used over the following years.

The net result came in at -€18.5 million. Earnings per undiluted share for H1 2009 came in at -€1.47.

Due to sales seasonality and the fixed character of the operational expenses, the EBITDA, EBIT and net result margin in H1 has always historically been lower than in H2. Given the strong impact of recession which hit sales from Q4 2008 on, management expects that this seasonality will also be the case in 2009.

1.3 ACQUISITIONS

During the first half of 2009 Metris realized no acquisitions.

1.4 BALANCE SHEET

	30 June 2009		31 December 2008	
	€ 000	*%*	*€ 000*	*%*
ASSETS				
Cash and cash equivalents	4,363	2%	13,922	6%
Trade and other receivables	35,003	18%	50,604	23%
Inventories	20,741	10%	21,823	10%
Deferred income tax assets	17,815	9%	12,823	6%
Other Tangible assets	12,837	6%	13,826	6%
Intangible assets	107,909	54%	108,065	49%
TOTAL ASSETS	**198,669**	100%	**221,062**	100%
Non-current assets	148,286		145,221	
Current assets	50,383		75,842	
EQUITY AND LIABILITIES				
Total shareholders' Equity	64,103	32%	82,063	37%
Mezzanine financing	41,408	29%	39,488	27%
Financial senior debt	58,023		61,277	16%
Trade and other payables and provisions	34,396	17%	37,495	17%
Deferred income tax and tax liabilities	739	0%	739	0%
TOTAL EQUITY AND LIABILITIES	**198,669**	100%	**221,062**	100%
Non-Current liabilities	10,618		7,766	
Current liabilities	123,948		131,234	

Total assets amounted to €198.7 million on 30 June 2009, of which €50.4 million represent current assets and €123.9 million current liabilities. The increase of the provisions is mainly due to the provisions taken resulting from the take over bid by Nikon.

Trade receivable decreased with 41% compared to December 31 2008. Inventories decreased with 5%. At the end of H1 historically inventory has typically been higher than at the end of the year due to the back end loaded character of sales. It is expected that inventories at year end will be significantly lower than at June 30.

Total financial debt was €99.4 million including €41.4 million of mezzanine debt on June 30, 2009 compared to €100.8 million on December 31, 2008. The cash position on June 30 2009 was €4.3 million, compared to €13.3 million on December 31, 2008.

On June 30, the Net financial debt/Operational Cash Flow covenants were breached. This is the most important mezzanine loan covenant. This triggered the decision to reclass the long-term mezzanine loans and bank loans into short-term loans. At this point, no formal proof of default has been received, and at present discussions are ongoing between Metris management and the mezzanine providers that might lead to the voluntary repayment of the mezzanine loans during H2 2009.

Due to breaching of financial covenants on June 30, the long-term mezzanine loans and bank loans were reclassed into short-term loans, in accordance with IAS 1 paragraph 74. This is a change with regards to this report dated August 27 2009. For similar reasons, an identical reclassification from long-term to short-term liabilities has been implemented in the presentation of the balance of December 31 2008 (in accordance with IAS 1 Paragraph 65).

1.5 CASH FLOW

	H1 2009	H1 2008
	€ 000	*€ 000*
Net cash flows from operation activities before working capital changes	-12,528	3,710
Net working capital changes	13,584	-7,541
Net cash flows from operating activities	1,056	-3,831
Net cash flows from investing activities	-3,788	-14,078
Net cash flows from financing activities	-6,827	21,298
Cash position at end of the period	4,363	7,634

Operational cash flow before working capital changes totaled -€12.5 million, compared to €3.7 million in H1 2008. During H1 2009, there were no business acquisitions and almost no investments in tangible assets. Capitalized development was €3.7 million, a decline of 32% compared to H1, 2008.

There was a positive inflow of €13.6 million form working capital changes, compared to an outflow of -€7.5 million in H1, 2008.

The net cash flows from financing activities during H1 2009 only include repayments that are in performed in conformity with the initial repayment schemes, while during H1 2008 important additional withdrawals have been realized.

1.6 OUTLOOK

The friendly takeover bid of Nikon will have in the medium term a very positive effect on the further development of Metris and its positioning in the micro-metrology market. However for the whole year of 2009, Metris will continue to suffer from recession. For the following years, economical recovery, important synergies on sales and integration of technologies will enable Metris to get back to double-digit organic sales growth and sharply increasing positive EBIT margins.

2 INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS H1 2009

2.1 IFRS INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

	H1 2009	H1 2008	% groei
	€ 000	€ 000	
Sales	18,375	48,376	-62.0%
Cost of sales	14,615	25,435	-42.5%
Gross profit	**3,761**	**22,941**	-83.6%
% Sales	20.5%	47%	
Selling and marketing expenses	8,493	12,485	-32.0%
General and administrative expenses (1)	12,607	10,090	24.9%
Other expenses net of other income	1,390	1,616	-14.0%
Net operational expenses	**22,490**	**24,191**	-7.0%
Earnings before interest and taxes (EBIT)	**-18,729**	**-1,250**	1398.6%
Depreciation and amortization (1)	8,853	4,701	88.3%
EBITDA	**-9,876**	**3,451**	-386.2%
Finance costs	5,167	2,603	98.5%
Finance costs	-495		
Earnings before taxes	**-23,896**	**-3,853**	520.2%
Tax expense (income)	-4,934	-2,928	68.5%
Profit / loss (-) for the period	**-18,962**	**-925**	1949.9%
% Sales	-103.2%	-1.9%	
Number of shares	12,605,723	12,605,723	
Number of shares fully diluted	14,710,537	14,621,960	
Number of shares for EPS calculation	12,605,723	12,805,934	
Earnings per share			
- basic, for profit for the period attributable to ordinary equity holders of the parent	-1.47	-0.07	
- basic, for profit from continuing operations attributable to ordinary equity holders of the parent	-1.47	-0.07	
- diluted, for profit for the period attributable to ordinary equity holders of the parent	-1.47	-0.07	
- diluted, for profit from continuing operations attributable to odinary equity holders of the parent	-1.47	-0.07	

(1) Including € 2,8 mln provisions for transaction costs resulting from the take over bid from Nikon

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	H1 2009	H1 2008
	€ 000	€ 000
Net consolidated result	-18,926	-925
Unrealized results from hedging contracts	-248	257
Realized and unrealized result of the period	-19.21	-668

2.2 IFRS INTERIM CONDENSED BALANCE SHEET

	Notes	June 30, 2009 € 000	December 31, 2008 € 000	June 30, 2008 € 000
ASSETS				
Non-Current Assets				
Property, plant and equipment, net		12,837	13,826	11,641
Intangible assets, net	*6*	30,881	31,037	28,202
Goodwill		77,028	77,028	78,439
Other receivables		9,724	10,507	7,726
Deferred income tax assets		17,815	12,823	11,839
Total non-current assets		**148,286**	**145,221**	**137,847**
Current assets				
Inventories	*8*	20,741	21,823	19,477
Trade receivables, net	*8*	22,244	37,391	59,840
Other receivables, net		3,035	2,706	7,551
Cash and cash equivalents	*9*	4,363	13,922	7,634
Total current assets		**50,383**	**75,842**	**94,502**
TOTAL ASSETS		**198,669**	**221,062**	**232,349**
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the parent				
Issued share capital		46,036	46,063	46,036
Share premium		48,366	48,369	48,366
Other reserves		-6,041	-6,578	-4,787
Retained earnings		-5,791	8,242	9,587
Profit of the period		-18,467	-14,033	-925
Total shareholders' Equity		**64,103**	**82,063**	**98,277**
Non-Current liabilities				
Bank loans and borrowings	*11*	3,630	4,490	20,365
Subordinated loans	*11*			37,557
Other non-current liabilities		1,950	1,810	2,486
Provisions		4,299	726	3,459
Deferred income tax liability		739	739	739
Total non-current liabilities		**10,618**	**7,766**	**64,605**
Current liabilities				
Interest-bearing loans and borrowings	*11*	42,534	41,862	23,573
Subordinated loans	*11*	53,266	54,413	
Trade payables	*8*	15,680	19,671	28,575
Other payables		12,467	15,289	17,319
Total current liabilities		**123,948**	**131,234**	**69,467**
TOTAL EQUITY AND LIABILITIES		**198,669**	**221,062**	**232,349**

On June 30, the Net financial debt/Operational Cash Flow covenants were breached. This is the most important mezzanine loan covenant. This triggered the decision to reclass the long-term mezzanine loans and bank loans into short-term loans. At this point, no formal proof of default has been received, and at present discussions are ongoing between Metris management and the mezzanine providers that might lead to the voluntary repayment of the mezzanine loans during H2 2009.

Due to breaching of financial covenants on June 30, the long-term mezzanine loans and bank loans were reclassed into short-term loans and bank loans, in accordance with IAS 1 paragraph 74. This is a change with regards to this report dated August 27 2009. For similar reasons, a similar reclassification from long-term to short-term liabilities has been implemented in the presentation of the balance of December 31 2008 (in accordance with IAS 1 Paragraph 65).

2.3 IFRS INTERIM CONDENSED CASH FLOW STATEMENT

	H1 2009	H1 2008
	€ 000	*€ 000*
Cash flows from operation activities		
Net profit	-18,467	-925
Adjustment for:		
Income tax expenses	-4,934	-2,928
Depreciations	1,565	1,595
Finance costs	4,840	2,862
Amortizations	4,468	3,106
Operational CF before working capital changes	**-12,528**	**3,710**
Trade receivables	15,146	-5,046
Other receivables	455	-4,368
Trade payables	-3,991	4,600
Other payables	-2,681	2,746
Inventories	1,082	-5,428
Provisions	3,573	-44
Total working capital changes	**13,584**	**-7,541**
Net cash flows from operating activities	**1,056**	**-3,831**
Cash flows from investing activities		
Tangible assets	-136	-1,278
Intangible assets	0	-1,699
Capitalized development	-3,651	-5,397
Business acquisitions	0	-5,704
Net cash flows from investing activities	**-3,788**	**-14,078**
Cash flows from financing activities		
Capital increase	0	0
Senior debt net incl. leasings	-3,255	12,568
Subordinated debt	1,920	12,618
Interest cost	-4,692	-2,395
Interest revenue	412	14
Exchange rate differences and other financial expenses	-1,212	-1,506
Net cash flows from financing activities	**-6,827**	**21,298**
Net increase in cash equivalents	-9,558	3,387
Exchange rate changes on opening cash	0	-2
Cash and cash equivalents at 1 January	13,922	3,883
Cash acquisition	0	363
Cash & cash equivalents at end of the period	**4,363**	**7,634**

2.4 IFRS INTERIM EQUITY STATEMENT

	Attributable to equity holders of the parent					Total equity
	Issued capital	Share premium	Share based payments - equity	Retained earnings	Other reserves	
	€ 000	*€ 000*	*€ 000*	*€ 000*	*€ 000*	*€ 000*
At 1 January 2009	46,063	48,369	1,103	-5,791	-7,682	82,062
Foreign currency translation					339	339
Equity portion of subordinated debt with warrants						0
Total income and expense for the year recognised directly in equity						0
Profit for the year				-18,467		-18,467
Total income and expense for the year				-18,467	339	-18,128
Issue of share capital						0
Share-based payment			169			169
Transaction costs						0
At 30 June 2009	**46,063**	**48,369**	**1,272**	**-24,258**	**-7,682**	**64,103**

	Attributable to equity holders of the parent					Total equity
	Issued capital	Share premium	Share based payments - equity	Retained earnings	Other reserves	
	€ 000	*€ 000*	*€ 000*	*€ 000*	*€ 000*	*€ 000*
At 1 January 2008	46,036	48,366	624	9,935	-2,470	102,491
Foreign currency translation					-3,427	-3,427
Equity portion of subordinated debt with warrants						0
Total income and expense for the year recognised directly in equity						0
Profit for the year				-925		-925
Total income and expense for the year				-925	-3,427	-4,352
Issue of share capital						0
Share-based payment			259			259
Transaction costs					-121	-121
At 30 June 2008	**46,036**	**48,366**	**883**	**9,010**	**-2,591**	**98,277**

3 NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF METRIS AS ON 30 JUNE 2009

3.1 NOTE 1 - BASIS OF PREPARATION

Statement of compliance

These unaudited interim financial statements for the six months period ended 30 June 2009 have been prepared in accordance with IAS 34 Interim Financial Reporting.

Basis of consolidation

The consolidated financial statements include the financial statements of Metris nv and its subsidiaries as on 30 June 2009. The majority owned subsidiaries are held either directly or indirectly. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions that are recognized in assets, are eliminated in full.

The subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

The acquisition of the subsidiaries Shanghai LK Metrology Co., Ltd. in March 2008 and Integrated Quality, Inc. in June 2008 have been accounted for using the purchase method of accounting. The purchase method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of the acquisition. Accordingly, the consolidated statements for the six months ended June 2008 include the results of Shanghai LK Metrology Co., Ltd. and Integrated Quality, Inc. as of the date of acquisition.

3.2 NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of the interim consolidated financial statements are consistent with those that have been followed in the preparation of the consolidated financial statements for the year ended 31 December 2008.

The following IAS/IFRS standards and IFRIC interpretations were adopted starting 1 January 2009:

IFRS 8 : Operating segments

IAS 36 amended by IFRS 8 :Impairment of Assets

IAS 1 : Revised Presentation of Financial Statements

The adoption of the following new or amended standards and interpretations as of 1 January 2009 did not have any impact on the accouting policies, financial position or performance of the Group:

IAS 23 : Borrowing costs

IFRS 2 : Share-based payment – vesting Conditions and cancellations. There will be an impact in H2 2009 following the Take over Bid of Nikon.

IFRIC 13 : Customer Loyalty Programs

The adoption of IFRIC 14 The Limit on a defined benefit assets, minimum funding requirements and their interaction is not applicable to the Group as pension agreements are contribution benefits.

Improvements to IFRS : the first omnibus of amendments fot the IFRS standards issued by the IASB did not have any impact on the accounting policies, financial position or performance of the Group.

3.3 NOTE 3 - SEASONALITY OF OPERATIONS

Metris’ sales revenue is characterized by a strong seasonality. The second half year sales account for the majority of total sales for the entire year. This seasonality can also be found with peers of Metris and is a characteristic of the broader capital goods that supply business to the automotive market. This seasonality shifts the large part of reported sales, gross profit, EBITDA and net profit towards the end of the year.

3.4 NOTE 4 - BUSINESS COMBINATIONS

During the first half of 2009, Metris realized no acquisitions.

Acquisition of Shanghai LK Metrology Co., Ltd.

On 19 March 2008, Metris acquired the remaining 66.66% of the voting shares of Shanghai LK Metrology Co. Ltd., a company located in Shanghai, China. In 2004, Shanghai Machine Cutting Tool -a division of Shanghai Electric Company-, Well Resources – a Hong Kong trading Company- and LK formed a manufacturing joint venture SLK, where LK held 33% ownership. LK was acquired by Metris in January 2006. Now Metris has acquired 100% ownership of the joint venture which will be renamed "Metris Precision Products Shanghai" and become Metris' manufacturing and component sourcing headquarters in China.

The Shanghai based operation will produce CMM's primarily for the Asian market and also deliver components and subassemblies to worldwide Metris manufacturing and assembly plants.

The acquisition of Shanghai LK Metrology Co., Ltd. will enable Metris to further extend its strong presence in China and to expand its manufacturing capacity for increased production output. Manufacturing CMMs and subassemblies of other Metris products in the newly acquired Chinese manufacturing entity will reduce overall cost of sale.

The fair value of the identifiable assets and liabilities of Shanghai LK Metrology Co., Ltd as on the date of acquisition are as explained below:

	Recognised on acquisition	Carrying value
	€ 000	**€ 000**
Intangible assets	0	39
Property, plant and equipment	28	42
Financial fixed assets	0	0
Long term receivables	243	243
Deferred income tax asset	28	0
Cash and cash equivalents	9	9
Trade and other receivables	0	0
Inventories	53	107
Deferred charges and accrued charges	0	0
Total assets	**362**	**440**
Provisions	0	0
Long term debt, current	0	0
Short term debt	0	0
Trade creditors	-192	-192
Social payables	0	0
Other debts	0	0
Accrued charges & deferred income	-15	-15
Total liabilities	**-207**	**-207**
Fair value of net assets	156	
Goodwill arising on acquisition	170	
Total purchase price	**326**	

The purchase price amounts to €326k, which has been paid fully in cash. The costs directly attributable to the combination were €256k, bringing the cost of the business combination to €582k.

Cost on acquisition:	€ 000
Cash paid	326
Costs associated with the acquisition	256
Total	**582**

Cash flow on acquisition:	€ 000
Net cash acquired with the subsidiary	9
Cash paid	-582
Net cash outflow	**-573**

In case the acquisition had been consolidated from Januari 1 2008, then 2008 sales of the Group would have been €0.280 million higher and net result €0.063 million lower.

The Goodwill paid at the occasion of the acquisition of Shanghai LK Metrology Co, Ltd is clarified by the future profitability that can be expected through the production expansion of Metris measuring systems and the expansion of Chinese activities from this company. No separate immaterial assets have been calculated because of this acquisition this calculation can hardly be unlinked from the added value of production and the extension of the customer portfolio.

Shanghai LK Metrology Co, Ltd. is no longer managed and accounted for as a separate business unit, therefore separating the financial contribution of Shanghai LK Metrology Co, Ltd. to the Group is not possible.

Acquisition of Integrated Quality, Inc.

On 27 June 2008, Metris acquired 100% of the voting shares of Integrated Quality, Inc., an unlisted company located in Columbus, Ohio, USA. Founded in 1994, Integrated Quality, Inc. is a CMM software developer. The flagship, CMM-Manager software can retrofit any manual CMM and is plug-and-play deployable for most CNC-based CMMs on the market.

This transaction fits in the Metris acquisition strategy to strengthen its product portfolio and to extend its distribution channels to the market. As a result of this acquisition, Metris can now offer mid-segment, easy-to-use CMM software that interfaces with nearly all Coordinate Measuring Machine brands. In addition, Metris will benefit from the complementary distribution channels to deploy their new technology products. The IQ acquisition will further leverage the Coord3 (aluminum CMMs) and Garda (articulated arms) acquisitions and strengthen Metris' position in the mid-segment micro-metrology market.

The fair value of the identifiable assets and liabilities of Integrated Quality, Inc. as on the date of acquisition are as explained below:

	Recognised on acquisition	Carrying value
	€ 000	*€ 000*
Intangible assets	0	0
Property, plant and equipment	2	2
Deferred income tax asset	0	0
Cash and cash equivalents	352	349
Trade and other receivables	383	287
Inventories	0	0
Deferred charges and accrued charges	0	0
Total assets	**737**	**638**
Provisions	-25	0
Long term debt, current	0	0
Short term debt	0	0
Trade creditors	0	0
Social payables	0	0
Other debts	0	0
Accrued charges & deferred income	0	0
Total liabilities	**-25**	**0**
Fair value of net assets	712	
Goodwill arising on acquisition	3,146	
Total purchase price	**3,858**	

The purchase price amounts to $6.076 million (€3.859 million), of which $3,969 million (€2,521 million) has been paid in cash and $1,531 million (€972k) has been deferred. Another $576k (€366k) of accounts receivable outstanding on the closing date will be paid on 27 December 2008. The costs directly attributable to the combination were €256k, bringing the cost of the business combination to €4.115 million.

Cost on acquisition:	*€ 000*
Cash paid	2,521
Vendor note	476
Deferred Payment	496
Outstanding receivables at closing date	366
Costs associated with the acquisition	256
Total	**4,115**

Cash flow on acquisition:	*€ 000*
Net cash acquired with the subsidiary	352
Cash paid	-3,143
Net cash inflow	**-2,791**

In case the acquisition had been consolidated from Januari 1 2008, then 2008 sales of the Group would have been €0.812 million higher and net result €0.101 million higher. Integrated Quality, Inc. is no longer managed and accounted for as a separate business unit, therefore separating the financial contribution of Integrated Quality, Inc. to the Group is not possible.

The Goodwill paid at the occasion of the acquisition of Integrated Quality, Inc is clarified by the future profitability that can be expected through the integration of the software into Metris measuring systems and the synergies that arise from this. No separate immaterial assets have been calculated for the obtained CMM-Manager software because of this acquisition this calculation can hardly be unlinked from the obtained value of the customer portfolio.

Both for Shanghai LK Metrology Co, Ltd and Intgrated Quality Inc., the Goodwill is paid at the acquisition assigned to the CGUs that are expected to gain advantage from this business combination. The assessment of this occured on the basis of 5 yearly cash flow projections that have been approved by the Board of Directors.

On the basis of existing business plans, it was judged on June 30 2009 that there were no reasons to switch to “impairment” of this goodwill.

3.5 NOTE 5 - SEGMENT INFORMATION

a) Geographical segments

The primary segment reporting format is determined to be geographical because risks and rates of return are affected predominantly by the fact that Metris operates in different countries. The internal and external reporting is based on these three sites:

- Continental Europe
- North America
- UK and Rest of the World (ROW)

	Continuing Operations Geographical				
30 June 2009	North America	UK/ROW	Corporate + EU	Eliminations	Total
	€ 000	*€ 000*	*€ 000*	*€ 000*	*€ 000*
Revenue					
Sales to external customers	9,033	6,095	3,247	0	18,375
Inter-segment sales, transfer pricing	3,036	3,821	3,459	-10,316	0
Total revenue	**12,069**	**9,916**	**6,706**	**-10,316**	**18,375**
Results					
Segment results	-2,216	1,507	-7,704	-10,316	-18,729
Unallocated expenses	0	0	0	0	0
Earnings before interest and taxes	**-2,216**	**1,507**	**-7,704**	**-10,316**	**-18,729**

	Continuing Operations Geographical				
30 June 2008	North America	UK/ROW	Corporate + EU	Eliminations	Total
	€ 000	*€ 000*	*€ 000*	*€ 000*	*€ 000*
Revenue					
Sales to external customers	13,825	18,146	16,404	0	48,375
Inter-segment sales, transfer pricing	3,634	20,929	44,348	-68,911	0
Total revenue	**17,459**	**39,075**	**60,752**	**-68,911**	**48,375**
Results					
Segment results	-2,620	3,114	1,870	-3,614	-1,250
Unallocated expenses	0	0	0	0	0
Earnings before interest and taxes	**-2,620**	**3,114**	**1,870**	**-3,614**	**-1,250**

b) Product category segments

The mechanical business includes substantially more service than the optical business.

	H1 2009		H1 2008	
Product categories	*€ 000*	%	*€ 000*	%
Optical	8,659	47%	27,490	57%
Mechanical	9,716	53%	20,886	43%
TOTAL	18,375	100%	48,376	100%

3.6 NOTE 6 - INTANGIBLE ASSETS

On 30 June 2009, intangible assets were as follows.

30 June 2009	Internal development costs	Intellectual property rights and other intangible assets	Goodwill	Total
	€ 000	*€ 000*	*€ 000*	*€ 000*
Cost as at 1 January 2009, net of accumulated amortisation and impairment	26,276	4,762	77,028	108,066
Additions	3,650		0	3,650
Arising on acquisition of subsidiaries	0	0		0
Amortisation	-3,808			-3,808
Exchange adjustment				0
Net carrying amount	26,119	4,762	77,028	107,909

31 december 2008	Internal development costs	Intellectual property rights and other intangible assets	Goodwill	Total
	€ 000	*€ 000*	*€ 000*	*€ 000*
Cost as at 1 January 2007, net of accumulated amortisation and impairment	19,595	4,812	75,628	100,035
Additions	11,146	1,331	0	12,477
Arising on acquisition of subsidiaries	0	-216	2,403	2,187
Amortisation	-4,465	-1,165		-5,630
Exchange adjustment			-1,003	-1,003
Net carrying amount	26,276	4,762	77,028	108,066

Capitalized development costs for the six months ended June 2009 amount to €3.7 million.

3.7 NOTE 7 - NUMBER OF EMPLOYEES

Over the last 12 months, the number of emplyees has been reduced from 720 on June 30 2008 to 478 on June 30, 2009.

3.8 NOTE 8 - TRADE RECEIVABLES, TRADE PAYABLES, INVENTORIES AND PROVISIONS

Trade receivables decreased from €37.4 million at the end of 2008 to €22.2 million at the end of to June 30, 2009 and trade payables have decreased from €19.7 million to €15.7 million.

Inventories have decreased with €1.1 million to €20.7 million.

3.9 NOTE 9 - CASH AND CASH EQUIVALENTS

Cash and short term deposits in the balance sheet with an original maturity of 3 months or less comprise of cash at banks and in hand as well as short-term deposits. For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents, as defined above.

On June 30, 2009 the group had cash and cash equivalents assets for €4.4million.

3.10 NOTE 10 - SHAREHOLDERS STRUCTURE

As a result of the take over bid of Nikon, Nikon has announced on August 20 2009 that it has acquired 92.17% of the Metris shares.

Overview total shares:

Total number of shares outstanding:	12,605,723
Total shares potentially to be created upon excercise of warrants/conversion of bonds:	2,104,814
Total number of shares on a fully diluted basis:	14,710,537

3.11 NOTE 11 - LOANS

Most of the loans of the group are a result of the financing of acquisitions realized between 2006 and 2008. The loans are split as followed:

	30 June 2009
	€ 000
Subordinated loans	41,408
Bank loans and borrowings	52,691
Leasing and other asset based financing	5,332
TOTAL	**99,431**

3.12 NOTE 12 - EVENTS AFTER THE BALANCE SHEET DATE

On June 30, the Net financial debt/Operational Cash Flow covenants were breached. This is the most important mezzanine loan covenant. This triggered the decision to reclass the long-term mezzanine loans and bank loans into short-term loans. At this point, no formal proof of default has been received, and at present discussions are ongoing between Metris management and the mezzanine providers that might lead to the voluntary repayment of the mezzanine loans during H2 2009.

On June 24, 2009, NIKON CORPORATION launched a cash tender offer to acquire all outstanding Shares and Warrants of Metris at an offer price of €5.50 per Metris Share.

On July 25, NIKON CORPORATION announced that its cash tender offer to acquire all outstanding Shares and Warrants of Metris became unconditional as the 85% threshold had been reached

On August 20 NIKON CORPORATION announced that the voluntary reopening of the takeover bid on Metris has resulted in ownership of 92.17% of the Metris shares. NIMD will proceed from August 31, 2009 to September 18, 2009 to a mandatory reopening of the Takeover Bid. During this period, holders of shares and warrants may tender their shares and warrants under the same conditions as those applicable during the initial acceptance period of the Takeover Bid. If following this reopening of the Takeover Bid, NIMD SPRL achieves an acceptance level of 95% or more of the shares, NIMD SPRL intends to proceed to a squeeze-out public bid. In that case, Metris would become a wholly-owned subsidiary of NIKON CORPORATION and its shares would then be delisted from NYSE Euronext Brussels.

The Prospectus including the Acceptance Form is available on the internet websites of Nikon (www.nikon.com) and Fortis Bank (www.fortisbanking.be/saveandinvest)

3.13 NOTE 13 – IMPORTANT EVENTS, MAIN RISKS AND TRANSACTIONS WITH PARTIES

Significant events during the first six months of the financial year

For a listing of the most significant events that have occurred during the first six months of the financial year and their effect on the condensed financial statement, we refer to section 3, paragraphs 3.1 to 3.11 in this report. We also refer to the take over bid that Nikon has launched on June 24 2009. No transactions have taken place with them from that date onwards.

Main risks and uncertainties for the remainder of the financial year

Concerning the description of the major risks and uncertainties, we refer to the annual report 2008. These risks and uncertainties mainly relate to risks related to technology evolutions and competition, the development of the business cycle, the internationalization of the activities including currency exchange risks, to the integration of acquisitions, to the general economic activity in particular to the recession, the evolution of interest rates and the credit risk.

Main transactions with related parties.

There are no important changes with respect to those mentioned in the annual report 2008. There have not been concluded any new transactions with related parties.

3.14 NOTE 14 – CERTIFICATION OF RESPONSIBLE PERSONS

These interim condensed consolidated financial statements for the six month period ending June 30, 2009 are prepared in accordance with IFRS (International Financial Reporting Standards) and give, in all material respects, a true and fair view of the consolidated financial position and consolidated results of the Metris Group and of its subsidiaries included in the consolidation.

The interim financial report gives, in all material respects, a true and fair view of all important events and significant transactions with related parties that have occurred in the first six months of the fiscal year 2009 and their effects on the interim financial statements, as well as an overview of the most significant risks and uncertainties the Metris Group is confronted with.

This completed and modified report (presentation of the consolidated balance) semi-yearly financial report 2009 from September 1 2009 has been composed by Mr. Bart Van Coppenolle, CEO en Mr. Luc Verstuyft, CFO.

No audit has been performed on the consolidated half-year financial information contained within this interim financial report.

Metris
Geldenaaksebaan 329
3001 Leuven

www.metris.com
investors@metris.com