

**COMBINED PUBLIC REPORT
PURSUANT TO SECTIONS 227 / 73A DUTCH BANKRUPTCY ACT**

REPORT NO. 1 (FIRST BANKRUPTCY REPORT)

Bankruptcy Trustee : **mr. drs. J.L.M. Groenewegen**
Supervisory Judge : **mr. I.M. Bilderbeek**
Reporting period : **19 September through 21 November 2014**
Reporting date : **28 November 2014**

Regarding the bankruptcies of:

Swets & Zeitlinger Group B.V. ("Swets & Zeitlinger Group")	date of moratorium: 19 September 2014 moratorium number: C/13/14/44S
	date of bankruptcy: 29 September 2014 bankruptcy number: C/13/14/525F
Swets Information Services B.V. ("Swets")	date of bankruptcy: 23 September 2014 bankruptcy number: C/13/14/517F
Jongbloed Informations Services B.V. ("Jongbloed")	date of bankruptcy: 01 October 2014 bankruptcy number: C/13/14/543F
Accucoms B.V. ("Accucoms")	date of bankruptcy: 01 October 2014 bankruptcy number: C/13/14/544F
Koninklijke Swets & Zeitlinger Holding N.V. ("Koninklijke Swets")	date of bankruptcy: 18 November 2014 bankruptcy number: C/13/14/634F
Swets & Zeitlinger Beheer B.V. ("Swets & Zeitlinger Beheer")	date of bankruptcy: 18 November 2014 bankruptcy number: C/13/14/636F
Swets & Zeitlinger Finance B.V. ("Swets & Zeitlinger Finance")	date of bankruptcy: 18 November 2014 bankruptcy number: C/13/14/635F
Swets & Zeitlinger International Holding B.V. ("Swets & Zeitlinger International")	date of bankruptcy: 18 November 2014 bankruptcy number: C/13/14/637F
Swets Domus B.V. (hereinafter: "Swets Domus")	date of bankruptcy: 18 November 2014 bankruptcy number: C/13/14/638F

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0. Preliminary Remarks

This is the first combined public bankruptcy report (hereinafter "**report**") of the bankruptcy trustee (*curator*, hereinafter the **Bankruptcy Trustee**) in the bankruptcies (*faillissementen*) of Swets & Zeitlinger Group, Swets, Jongbloed, Accucoms, Koninklijke Swets, Swets & Zeitlinger Beheer, Swets & Zeitlinger Finance, Swets & Zeitlinger International and Swets Domus (hereinafter jointly referred to as the "**Swets Companies**").

Given the strong mutual interwovenness between the activities of the Swets Companies, the public reporting in the bankruptcies of the Swets Companies will be effected by way of combined public reports. Furthermore, this first report includes the reporting for the period of the moratorium provisionally granted (*voorlopige surseance van betaling*) on 19 September 2014 to Swets & Zeitlinger Group, which was withdrawn on 29 September 2014 simultaneous with the company being declared bankrupt at that date.

The handling of the bankruptcies of the Swets Companies is legally and financially complex in particular due to the large number of foreign companies and branches in which Swets (indirectly) holds shares and interests, as well as the scope and structure of the administrative accounts and the IT systems.

In this report, the Bankruptcy Trustee describes in a simplified manner the current status in accordance with the guidelines for bankruptcy reports as they apply in the Netherlands.

The Bankruptcy Trustee emphasizes that the information in this report is subject to further investigation and, to an important extent, is based on information made available to it by the management board of the Swets Companies and statements made by this same management board. At a later stage it may turn out that this information must be adjusted. Therefore, no statements can yet be made about the completeness and accuracy of the information included in this report.

No rights can be derived from this public report and/or following public reports. Nothing in this public report can be interpreted as an acknowledgement of liability or as a waiver of any right.

In the performance of his tasks the Bankruptcy Trustee uses the legal and/or advisory services of CMS Derks Star Busman N.V. and Insolresearch (bankruptcy accountant).

1. Introduction

General description of activities of the Swets Group

- 1.1 Swets & Zeitlinger Group is the holding company of the companies belonging to the Swets group (jointly with Swets & Zeitlinger Group these companies are referred to as the "**Swets Group**"). The shares in Swets & Zeitlinger Group are held by a number of investment companies.

An organizational chart of the Swets Group provided by Swets is attached to this report as **Annex 1.**

- 1.2 The Swets Group acted as an intermediary between publishers and (largely professional) purchasers of professional journals, books and subscriptions to journals, magazines and other periodic publications (such as universities, libraries, law firms and municipalities).

To that end, the Swets Group maintained business relationships as an intermediary with approximately 9,000 customers and over 20,000 publishers and operated in 160 countries with 26 offices spread all over the world. The services that the Swets Group offered to its customers as an intermediary concerned the selection and the sale of journals, digital access management, physical deliveries of publications, administration of subscription, renewals of subscriptions, invoicing and catalogue services. By functioning as an intermediary, Swets supported its customers in this selection, purchase and payment of these titles and services. Subsequently, the publishers delivered their services to the customers either directly or through distribution channels engaged by Swets.

- 1.3 At the date at which the moratorium was provisionally granted to Swets & Zeitlinger Group, the Swets Group had a total of approximately 508 employees worldwide of which about 146 employees (FTEs) worked in the Netherlands. The head office of the Swets Group is located at the Dellaertweg 7B-9B in Leiden, the Netherlands. It concerns a business premises that is leased by the Swets Group.

Prior to the moratorium granted to Swets & Zeitlinger Group

- 1.4 The Swets Group is financed by a syndicate of banks consisting of, among others, Rabobank, ING Bank N.V. and Royal Bank of Scotland N.V. as the main banks (the "**Syndicate**") and furthermore was granted a mezzanine (subordinated) loan by Intermediate Capital Group PLC ("**ICG**").
- 1.5 By agreement dated 12 October 2007 (the so-called "**Senior Facilities Agreement**"), the Syndicate made several credit facilities available to the Swets Group in the total amount of

EUR 230 million. A part of the credit facility, i.e. an amount of EUR 26.8 million, had to be repaid by 15 October 2014 at the latest.

- 1.6 As demonstrated by the annual report of Swets & Zeitlinger Group for 2013 (which includes the consolidated financial details of the Swets Group), 2013 was a financially difficult year for the Swets Group. The Swets Group suffered a loss of over EUR 51.1 million in the year 2013, where there was a loss of approximately EUR 9.25 million in 2012.

In view of the deteriorated financial situation, the Swets Group had - according to statements of the management board - already been struggling for some time to fulfil its obligations under the Senior Facilities Agreement. Said financial situation allegedly arose in particular due to the fact that the financial agreements that were made with the publishers did not correspond with (*inter alia* with regard to timing) the agreements that were made with the customers. A possible solution to repair this financial situation consisted of changing these agreements. However, by mid-September 2014 such a change still had not been implemented.

- 1.7 On 14 February 2014, the Swets Group requested the Syndicate to waive (certain) rights under the Senior Facilities Agreement as a consequence of the failure to meet, among other things, the financial ratios. By letter dated 28 February 2014, the Syndicate informed the Swets group that the request was not honoured in full, but that the Syndicate, subject to the fulfilment of certain conditions, was willing to postpone the acceleration of its claims.

Part of these conditions was among other things the appointment by the Swets Group of various (M&A) advisors which would assist the Swets Group in a overall sale of the Swets Group on a going concern basis. This sale should be effected by the end of July 2014 at the latest (the "**Sales Procedure**").

- 1.8 The Swets Group eventually appointed mr K. Wagenaar, The Jordan, Edmiston Group Inc. and Berenson & Company LLC (hereinafter these latter two parties are jointly referred to as: "**Berenson**") as advisors, following which the Sales Procedure commenced in April 2014.
- 1.9 As indicated in the request for provisional moratorium submitted by Swets & Zeitlinger Group on 19 September 2014, Berenson approached over 90 potential candidates. Ultimately, only four parties made an indicative bid. Taking into account the amount and the conditions of the bids, subsequently two parties were left with which the Swets Group negotiated. Since one of these parties ultimately only was interested in a partial takeover of the business operations, which was no useful or realistic route for the Swets Group, the Swets Group signed a so-called "head of terms" with the only take-over candidate that was left on 8 September 2014. However, on 15 September 2014, it turned out that this candidate aimed for a substantial decrease of the purchase price, which made it clear that no agreement could be reached with this candidate any longer.

- 1.10 Against the background of the not yet forthcoming successful completion of the Sales Procedure, the Syndicate blocked the bank accounts of the Swets Companies on 17 September 2014 (to the extent possible).
- 1.11 After urgent talks with ICG and two large publishers about a takeover between 15 and 19 September 2014 in the morning had proven unsuccessful, Swets & Zeitlinger Group was forced to request a provisional moratorium on 19 September 2014.
- 1.12 On 19 September, the Amsterdam Court of First Instance provisionally granted Swets & Zeitlinger Group moratorium, appointing Mr I.M. Bilderbeek as supervisory judge and appointing mr. drs J.L.M. Groenewegen as administrator.

Period after granting the moratorium of payment to Swets & Zeitlinger Group

- 1.13 In and after the weekend following the (provisionally) granted moratorium, the administrator and his team conducted consultations with the management board of the Swets Group, Mr Wagenaar, the lawyers of the Swets Group (Allen & Overy Amsterdam) and the Syndicate with regard to the (relaunch) scenarios that were still realistic at that time and in which the moratorium could be continued (and could definitively be granted) and a full liquidation of the Swets Group (both national and international) could be avoided.
- 1.14 In this context, the party that dropped out last in the Sales Procedure was contacted as well. The Bankruptcy Trustee also contacted some large publishers and the Syndicate to assess whether there was an alternative solution to avoid a disorderly bankruptcy of Swets & Zeitlinger Group (and possibly of the entire international group of Swets entities). In this respect, a "controlled wind down" scenario of some months was discussed. In that context it was relevant that early October 2014, the so-called "renewals" for 2015 had to be arranged. This concerns the extension or adjustment of ongoing (subscription) contracts of publishers with customers, of which the administrative settlement was carried out by the Swets Group to a significant degree.
- 1.15 It became clear on Monday 22 September 2014 that there was no candidate for a takeover of (a large part of) the Swets Group activities. Also, several large publishers of the Swets Group informed the administrator that they were not interested to provide temporary financing (for a few months) (together with the Syndicate), in order to have sufficient time to find alternative solutions for the upcoming renewal season nor to otherwise partially continue the activities of the Swets Group.

- 1.16 The Syndicate was also not prepared to provide extra financing or to release the blocked bank balances in order to allow Swets to carry out the necessary salary payments on 23 September 2014.
- 1.17 Consequently, it became clear that there was no (longer a) realistic prospect of partially payment to creditors nor of a controlled wind down of the activities of the Swets Group in the context of a moratorium and therefore that the bankruptcy of Swets & Zeitlinger Group became inevitable.
- 1.18 For the aforementioned reasons, the bankruptcy of Swets was petitioned on Tuesday 23 September 2014 which was then declared by the Amsterdam Court of First Instance on the same day. The provisionally granted moratorium that was granted to Swets & Zeitlinger Group was furthermore revoked on 29 September 2014 resulting in the bankruptcy at that date.
- 1.19 Subsequently, the Bankruptcy Trustee investigated whether there were parties that might be interested in the take-over of the shares in the capital of Accucoms and/or Jongbloed since these companies operated relative independently within the Swets Group (more about this in chapter 2) and these were no debtors of the Syndicate by virtue of the credit facilities provided to the Swets Group.

After it turned out that a share transaction for Accucoms and Jongbloed was not possible and since 21 or 17 employees, respectively, worked for these companies, whose salaries could not be paid, the management board of Accucoms and Jongbloed filed for bankruptcy with the Court of First Instance in The Hague on Friday 26 September 2014, with the – to the extent required - consent of the Bankruptcy Trustee.

- 1.20 On 1 October 2014, the Court of First Instance in The Hague declared Accucoms and Jongbloed bankrupt, appointing Mr I.B. Bilderbeek as a supervisory judge and appointing the Bankruptcy Trustee as such. As a result, the most important Dutch companies of the Swets Group were bankrupt on 1 October 2014. Subsequently, the Bankruptcy Trustee investigated whether a (partial) takeover of the activities of these companies was possible by means of one or several asset transactions (see chapter 7 below).

2. Initial analysis

Management board and organisation

- 2.1 The following overview provides the details of the managing directors (*statutair bestuurders*) of the companies of the Swets Group that have been declared bankrupt at the date of this public report. It concerns the status for each of these companies at the date of its bankruptcy.

Swets Company	Managing director(s) and date of appointment	
Swets & Zeitlinger Group	Mr J.F. Stoop	30 November 2012
	Ms T.P. Hawksworth	1 June 2014
Swets	Koninklijke Swets	8 August 2007
	Ms N.L.J.M. Beister	1 December 2010
	Mr J.F. Stoop	30 November 2012
Jongbloed	Mr J.F. Stoop	12 September 2013
Accucoms	Ms P. Erzin	6 August 2004
	Koninklijke Swets	18 August 2011
	Mr J.F. Stoop	1 May 2013
Koninklijke Swets	Swets & Zeitlinger Group	1 May 2014
	Mr A.J.P. Schrama	1 June 2014
	Mr. T.H. van Dongen	1 June 2014
Swets & Zeitlinger Beheer	Koninklijke Swets	1 March 1999
Swets & Zeitlinger Finance	Koninklijke Swets	1 March 1999
Swets & Zeitlinger International	Koninklijke Swets	8 August 2007
Swets Domus	Koninklijke Swets	1 March 1999

The Bankruptcy Trustee has been informed by the management board of the Swets Group that Mr D. Main, who was CEO of Swets & Zeitlinger and Swets until 1 May 2014 and who also was managing director of Koninklijke Swets, resigned because he could not reach consensus with the Supervisory Board of Swets & Zeitlinger Group regarding his remuneration and possible severance payment in case of a successful completion of the Sales Procedure. After Mr Main resigned and no succession was foreseen, Mr J.F. Stoop, financial director (CFO) of the Swets Group up to that moment, was appointed interim CEO with effect from 1 May 2014 (subject to simultaneous maintenance of his position as CFO).

As per 19 September 2014, the Supervisory Board of Swets & Zeitlinger Group consisted of Mr H.M. Koorstra (President), Mr B.T. Molenaar and Mr J. Newcomb. There was no Supervisory Board at other Swets Companies.

Background and description of the activities of the Swets Companies.

- 2.2 In addition to what is stated under point 1.2, a brief description of the activities of the various (Dutch) parts of the Swets Group is provided below.

Swets

- 2.3 Swets is the central operating company of the Swets Group and (indirectly) holds the most important assets of the Swets Group. Over the years, Swets developed several IT-systems

which made it possible for professional customers to purchase (partially online) magazines and books through one channel (the so-called *one stop shop concept*). For that purpose, Swets had at its disposal, among other things, the software packages Swetswise and Swetsbase which it developed in-house and a central financial accounts system (SAP).

Among other things, catalogues of several publishers were put together by Swets into one total file in order to facilitate the quick search for certain products by purchasers.

The Swets organisation (in the Netherlands as well as abroad) used the central IT system of Swets. Swets functioned as a "service organisation" within the Swets Group for the benefit of other foreign Swets entities and foreign branches.

The central IT system was among other things used to carry out the invoicing and administration for the foreign branches.

Accucoms

- 2.4 Accucoms carried out activities in the field of offering sales and marketing services to academics and professional publishers worldwide. In fact, Accucoms was an *outsourced* sales and marketing department of a number of large publishers which did not have the required network of (usually foreign) business relationships and contacts to carry out these activities properly.

The shares in Accucoms were acquired by Swets on 18 August 2011 from (among others) the then-management (Ms P. Erzin), which also kept managing the activities of Accucoms after this acquisition.

Jongbloed

- 2.5 Jongbloed exploited an (online) legal bookshop and furthermore carried out subscription services for primarily legal customers (such as law firms and the judiciary). The shares in Jongbloed were taken over by Swets from the Jongbloed family in September 2013. The intention was to integrate the activities of Jongbloed further into the financial and ICT technical systems of the Swets Group. This had only been partially implemented at the time of bankruptcy.

In addition to the online services, Jongbloed also exploited a bookshop on the Breestraat 161 in Leiden (according to the *shop in shop concept*).

Swets & Zeitlinger Group, Koninklijke Swets, Swets & Zeitlinger Beheer, Swets & Zeitlinger Finance, Swets & Zeitlinger International and Swets Domus

- 2.6 Swets & Zeitlinger Group, Koninklijke Swets, Swets & Zeitlinger Beheer, Swets & Zeitlinger Finance are holding companies, which only hold shares in other (now bankrupt) entities of the Swets companies and do not have any further collectable assets.

Swets & Zeitlinger International is the interim holding company with holdings in the foreign companies of the Swets Group. For a description of the (activities of the) foreign Swets companies, reference is made to chapter 4 as well as to the organizational chart, attached as **Annex 1**.

Swets Domus was the owner of the former business premises of the Swets Group in Lisse, before the Swets Group leased the current business premises in August 2012. At the time of the bankruptcy, Swets Domus already no longer owned the property.

Swets & Zeitlinger Group, Koninklijke Swets, Swets & Zeitlinger Beheer, Swets & Zeitlinger Finance, Swets & Zeitlinger International and Swets Domus are jointly and severally liable for the credit facilities provided by the Syndicate to the Swets Group and consequently have substantial debts to the Syndicate.

Profit and loss

- 2.7 According to the audited and the approved consolidated annual accounts 2013 of Swets & Zeitlinger Group (with a remark of the accountant regarding the continuity), the Swets Group suffered a net loss of EUR 51,148,000 for the financial year 2013.

Balance sheet total

- 2.8 According to the audited and approved consolidated annual accounts 2013 of Swets & Zeitlinger Group (with a remark of the accountant regarding the continuity), the balance sheet total of the Swets Group amounted to EUR 402,804,000 on 31 December 2013.

Pending legal proceedings

- 2.9 Presently, one legal proceeding is known to the Bankruptcy Trustee in which Swets & Zeitlinger Group and Swets are involved. For a description of this proceeding and its current status, reference is made to chapter 10.

Insurances

- 2.10 In favour of Swets, Accucoms and Jongbloed the usual insurance policies were effective (such as employee insurances, fire insurance, computer insurance, liability insurance, transit insurance, accident insurance and an employer's motor liability insurance policy). The insurances are in force until 1 January 2015 and the contributions for 2014 have been paid.

Lease agreements

Swets

- 2.11 Between Swets and Achmea Interne Diensten B.V. ("**Achmea**") a lease agreement regarding the business premises and 7 parking places on the address Dellaertweg 9B in Leiden is effective.

The lease agreement was entered into for a period of five years, commencing on 1 August 2012. The initial rent amounted to EUR 248,750 per year exclusive of VAT. The rent for the fourth quarter of 2014 had not been paid at the time of the bankruptcy of Swets. Furthermore, a bank guarantee of EUR 87,331.44 was provided to Achmea.

Achmea terminated the lease agreement on 30 September 2014 pursuant to section 39 Dutch Bankruptcy Act ("**DBA**") with a period of three months which means that it will end on 1 January 2015. The Bankruptcy Trustee and Achmea presently discuss the vacating and handing over of the business premises and the bank guarantee.

In addition, a lease agreement existed between Swets and a private lessor with regard to 24 parking spaces in the complex "Anthony Fokkerweg" in Leiden. After having obtained the permission of the supervisory judge, this lease agreement was terminated on 28 October 2014 by the Bankruptcy Trustee pursuant to section 39 DBA, taking into account the applicable contractual notice period of one month.

Further, Swets had lease agreements with local lessors with regard to a limited number of foreign branch offices. Said agreements will be terminated by the Bankruptcy Trustee due to the overall liquidation of the Swets Group.

Jongbloed

Jongbloed had a number of workplaces at its disposal in the business premises rented by Swets. Swets did not charge any rent for this to Jongbloed.

A lease agreement exists between Boekhandel de Kler B.V. and Jongbloed with regard to a retail space on the address Breestraat 161 in Leiden. With permission of the supervisory judge

this lease agreement was terminated on 28 October 2014 by the Bankruptcy Trustee pursuant to section article 39 DBA with a notice period of three months, which means that it ends on 1 February 2015.

Accucoms

Accucoms had a number of workplaces in the business premises rented by Swets. Swets did not charge any rent for this to Accucoms.

Cause of the bankruptcy

- 2.12 According to statements of the management board of the Swets group, there have been declining margins on the activities of the Swets Group for a longer period of time. Further, in this respect the fact that especially publishers - partially due to the advance of the internet as a new (sales) medium - were increasingly less willing to pay for the services of the Swets Group and due to, in a more general sense, declining client spending, proved relevant.

From what the Bankruptcy Trustee understood from management of the Swets Group, the Swets Group was not able to realize the turnaround into more profitable business operations on time, despite cost reduction programmes set up in the last few years and changing the business model by investing in alternative activities (such as those of Accucoms).

When the intended takeover by the final candidate had failed by mid September 2014 and the Syndicate proceeded to block the bank accounts, the only remaining option was the request for a moratorium (later followed by the bankruptcy).

In the coming reporting periods, the Bankruptcy Trustee will further investigate the causes of the bankruptcy of the Swets Group.

3. Personnel

Number of employees at the time of the bankruptcy

Swets Company	Number of employees on the payroll
Swets & Zeitlinger Group	1
Swets	107 employees working in the Netherlands and 61 employees working in foreign branch offices
Jongbloed	17
Accucoms	21 employees working in the Netherlands and 13 employees working in foreign branch offices
Koninklijke Swets	0
Swets & Zeitlinger Beheer	0

Swets & Zeitlinger Finance	0
Swets & Zeitlinger International	0
Swets Domus	0

Number of employees in the year before the bankruptcy

- 3.1 According to the audited and approved consolidated annual accounts of Swets and Zeitlinger Group for the financial year 2013, an average of 541 FTE were employed during that year.

Date of termination notice

- 3.2 After having received the required authorization pursuant to section 68 paragraph 2 DBA from the supervisory judge, the Bankruptcy Trustee terminated the employment contracts that were concluded with employees by Swets & Zeitlinger Group, Swets, Jongbloed and Accucoms subject to the statutory notice period.

The dates of termination vary for each Swets company and concern the following dates:

Swets Company	Date of termination notice
Swets & Zeitlinger Group	1 October 2014
Swets	24 September 2014 for personnel working in the Netherlands and 6 October 2014 for personnel working in foreign branch offices.
Jongbloed	2 October 2014
Accucoms	2 October 2014 for personnel working in the Netherlands and 15 October 2014 for personnel working in foreign branch offices.

With regard to the personnel of Swets and Accucoms active in the foreign branches of Swets and Accucoms respectively, the Bankruptcy Trustee notes for the sake of completeness that only at a later stage the existence of the employment contracts with them was disclosed, after which these were terminated as quickly as possible.

After termination of the employment contract, the usual settlement thereof was set in motion via the Employee Insurance Agency (UWV) in mutual consultation with the HRM Department of Swets.

Temporary continuation with project team

- 3.3 Observing among other things the interest of the provision of information to customers and publishers of Swets (see below under chapter 7), an efficient handling of the bankrupt estates and the collection of the accounts receivable portfolio for the Syndicate, the Bankruptcy

Trustee agreed with 14 former Swets employees that they would carry out activities for the estates as from early November until 1 December 2014 on the basis of unchanged employment conditions (the "**Project Team**").

To that end, the Project Team entered into the service of a so-called payroll-company, which handles the financial settlement with the bankrupt estate of Swets.

4. Assets

Immovable properties.

- 4.1 The Swets Companies did not own any immovable properties on the date of the bankruptcy.

Operating assets Swets

- 4.2 Swets owns the customary office inventory (desks, PCs, laptops) which offered workplaces to its employees as well as approximately 70 servers located in two data centres in Amsterdam. The Bankruptcy Trustee arranged the appraisal of all movable properties and prepares an internet auction.

In addition, Swets kept old issues of professional journals in stock. These could be claimed when a client wished to supplement its collection of professional journals. This concerns a stock of modest value, in addition subject to a right of retention enforced by a distributor (B.V. Aldipress).

Operating assets Jongbloed

- 4.3 Jongbloed made use of the office inventory of Swets and does not have an office inventory of its own.

Operating assets Accucoms

- 4.4 Accucoms owns the customary office inventory (desks, PCs, laptops) which offered workplaces to its employees. The office inventory was sold in the context of the restart of Accucoms (see chapter 7 in this context).

Balances of unpledged (foreign) bank accounts

- 4.5 As per 19 September 2014, the Swets Group held a large number of bank accounts in the Netherlands and outside of the Netherlands. The credit balances of a large number of bank accounts were pledged to the Syndicate and accrue to the Syndicate in that context. This concerned an amount of approximately EUR 24.7 million on 26 September 2014.

To the extent it does not concern pledged credit balances on bank accounts which were held by the Swets Group with banks that were not part of the Syndicate or those which were not pledged to the Syndicate, these accrue to the Swets Group.

Holdings and foreign branch offices

General; profit centres and cost plus offices

- 4.6 In total, the Swets Group has 15 foreign holdings (separate legal entities) and 9 branch offices (the latter concerned activities of Swets in the legal sense), also see the organizational chart attached to this report as **Annex 1**.

Due to the strong mutual connection of activities and the dependence of the foreign holdings and branch offices on for instance the IT systems of Swets and the services to be delivered by Swets as intragroup service organization, the bankruptcy of Swets also had major consequences for the foreign companies and branch offices.

- 4.7 Of the 15 foreign companies, 7 operated as so-called 'profit-centres'. This means that these companies were themselves responsible for their own sales as well as for the related costs.

It concerns the following foreign companies:

- Swets Information Services Inc. (USA)
- Swets Information Services GmbH (Germany)
- Swets Information Services A.S. (Norway)
- Swets Information Services A.B. (Sweden)
- Swets Information Services A.S. (Denmark)
- Swets Information Services S.A. (Belgium)
- Swets Information Services Ltd. (UK).

- 4.8 Between Swets and these seven entities furthermore a so-called cash sweep agreement (called the "Agreement on Cash Sweep Local Entities" and dated 26 June 2014, but as demonstrated by the preamble of this agreement intended as the recording of or respectively the confirmation of an already existing course of affairs) was effective. On the basis of this agreement, the credit balances of bank accounts held by these entities were transferred to Swets periodically. In doing this, the means required by these entities in order to pay the local operational expenses were taken into account.

The agreement provides that it ends automatically in the event of bankruptcy of Swets or the bankruptcy of one of the seven entities. This means that the agreement ended on 23 September 2014, the date on which Swets was declared bankrupt.

- 4.9 The other 8 foreign companies can be considered so-called 'cost-plus' offices. Within the Swets Group, a 'cost-plus' office was essentially nothing but a sales office without "own sales", as a result of which the sales of each individual cost-plus office intra group were allocated to Swets.

The cost-plus offices received a compensation from Swets for the costs they incurred, to be increased with an agreed percentage. The applicable percentage differed in each jurisdiction and the level thereof was (mostly) tax driven. As a consequence of the compensation of Swets of the costs to be increased with this percentage, the relevant cost-plus office realized a certain taxable profit, which was often required in conformity with the local legislation. The compensations to be paid by Swets to the cost-plus offices were effected via intragroup current account relationships.

- 4.10 All purchases for the "profit centres" were made by Swets (with the exception of a small part for Swets Information Services GmbH (Germany)). The costs in this respect were settled through intragroup current account relationships.
- 4.11 The mutual (financial) relationships between the several entities of the Swets Group will be investigated further by the Bankruptcy Trustee.

Dutch Holdings

Frencken Information Services B.V.

- 4.12 Swets acquired the shares in the capital of Frencken Information Services B.V. in 2008. Frencken Information Services B.V. exploited a book shop and managed subscriptions. As from the acquisition, Frencken Information Services B.V.'s business operations were integrated into the systems of Swets. On the date of the bankruptcy, Frencken Information Services B.V. no longer had any assets, nor did it perform any business operations.

Because there was no clarity concerning the scope of the debt burden of this company at the time of this report, no filing for bankruptcy has taken place for the time being, possibly facilitating a liquidation outside bankruptcy.

Bladercom B.V.

- 4.13 This company was incorporated in 2013 for the benefit of a fiscal amnesty program in Brazil. Bladercom B.V. holds all shares in the capital of Folhas & Publicações participações Ltda. which was incorporated with the same objective. As far as the Bankruptcy Trustee understands, the incorporation of both companies is closely related to the liquidation of the Brazilian Swets entity, Swets Servicos para Bibliotecas Ltda, which allegedly has no more activities but still has considerable (tax) debts. The legal proceedings against NPM and other

parties, referred to in chapter 10, relate to the costs of the liquidation of the Brazilian entity.

The Bankruptcy Trustee will carry out further investigations into the status of this company.

Swets Concordia B.V.

- 4.14 Swets Concordia B.V. is a company which no longer performed business operations at the date of the bankruptcy. The Bankruptcy Trustee will carry out further investigations into the status of this company.

Foreign Branch Offices of Swets

- 4.15 Swets has branch offices in the following countries:

- Singapore
- Mexico
- Turkey
- China
- South-Africa
- Taiwan
- Switzerland
- Israel
- Finland (branche office of the Swedish Swets entity).

Because of the bankruptcy of Swets and the overall liquidation of its activities, the branch offices also lost their right to exist. However, many of the branch offices own no (collectable) assets, but do own debts (to local creditors), possibly causing a bankruptcy under local law to be inevitable. The Bankruptcy Trustee is in the process of terminating existing agreements entered into by the branch offices in order to limit the "local" creditor's burden as much as possible.

The Bankruptcy Trustee expects that the next reporting period will offer more clarity in relation to the most adequate manner of liquidation of the branch offices.

Foreign Holdings

- 4.16 Swets holds shares in 15 foreign companies (see the organizational chart attached in this report as **Annex 1**) indirectly (via its subsidiary Swets & Zeitlinger International).
- 4.17 In the first weeks after Swets's bankruptcy was pronounced, the financial positions of the various foreign holdings were analysed. The objective was to establish whether one or more of the entities still represented a shareholder value. In this context attention was paid to determining the equity capital of these companies and the liquidity forecasts for the next

following months. On the basis of these analyses, the conclusion was drawn that most of these companies were not able to fulfil the obligations as an independent entity in financial terms.

It furthermore became clear that the organisational structure of the Swets Group is of such a nature that the various foreign entities cannot or can barely operate independently without the central (service) support of Swets.

- 4.18 In the context of the analyses it was established that most of the foreign companies were not expected to have a surplus proceeds to become available after liquidation outside bankruptcy, or that there were serious liquidity problems or that these companies were not viable. The management directors of those companies decided to take measures to initiate liquidation proceedings. Where necessary, the shareholder (Swets & Zeitlinger International) took the required resolutions; at that time, this company was not yet bankrupt. The Bankruptcy Trustee has indicated not to object against the taking of such measures.
- 4.19 Annex 2 to this report contains an overview of the foreign companies with regard to which liquidation proceedings (the majority consists of bankruptcy proceedings) were initiated as per the date of this report and which persons are locally charged with the settlement thereof.
- 4.20 The expectation with regard to Swets Information Services A.B. (Sweden) is justified that there will be a positive balance after liquidation. At this time, steps are made with regard to this company to arrive at a regular liquidation outside bankruptcy with the aid of local lawyers.
- 4.21 It is the expectation that with regard to Swets & Zeitlinger India Private Limited (India) insolvency proceedings will be initiated within a foreseeable term. The management board of this company is making the required preparations.
- 4.22 With regard to Swets Information Services S.L. (Spain) the Bankruptcy Trustee understood that it is the expectation that within some weeks a decision will be rendered by the authorized court on the initiating of insolvency proceedings.
- 4.23 With regard to JSC Swets Information Services (Russia) nothing is known yet concerning the manner in which liquidation will take place. Until now, barely any financial information is available with regard to the activities of this company.
- 4.24 With regard to Swets Servicos para Bibliotecas Ltda (Brazil) the Bankruptcy Trustee refers to what is stated above under point 4.13.
- 4.25 The Bankruptcy Trustee has contacted the persons who are charged with the liquidation of the foreign entities. They were informed about the status of the bankruptcy of Swets, including the closure of the office and the shutting down of the administration and IT systems. They

were offered to make available information from the administrative accounts of Swets for a reimbursement of costs, insofar as this information relates to the relevant foreign entity. A number of persons used this offer.

5. Work in progress, debtors and tax reimbursements

Projects in hand and debtors Swets

- 5.1 As from the date of the bankruptcy Swets still had to send invoices for services carried out and goods delivered before the date of bankruptcy. The claims against purchasers arising from this have been pledged for the benefit of the Syndicate (see below in chapter 6). After the bankruptcy date a total amount of approximately EUR 1,346,000 was invoiced. The invoicing process has meanwhile been terminated.
- 5.2 Furthermore, Swets has a considerable accounts receivable portfolio, which was also pledged for the benefit of the Syndicate.

On 7 November 2014 the outstanding accounts receivable portfolio amounted to more than EUR 22 million (after invoicing as referred to under point 5.1 and interim receipt of debtors payments). In the context of the overall agreements concluded with the Syndicate with regard to security rights, Mirus International B.V. ("**Mirus**") recovers the accounts receivable portfolio partly for the benefit of Swets's bankrupt estate.

Based on the first interim reports of Mirus, the expectation is not justified that the proceeds of these claims (and those of other pledged assets) will be sufficient to fully pay the claims of the banks belonging to the Syndicate.

Accounts receivable portfolio Jongbloed

- 5.3 On the bankruptcy date there was an accounts receivable portfolio and invoices to be sent for services provided and goods delivered prior to the bankruptcy, respectively.

Since Jongbloed is not a debtor of the Syndicate with regard to the provided credit facilities and Jongbloed did not otherwise provide any securities either, the proceeds of the accounts receivable portfolio are for the benefit of the bankrupt estate of Jongbloed.

- 5.4 With the aid of the bankruptcy accountant engaged by the Bankruptcy Trustee the portfolio was "cleaned up" and the invoicing process was finalised. On the date of this public report, the accounts receivable portfolio amounted to approximately EUR 2.1 million (nominal).

In the context of the asset transaction with Mainpress B.V. described below in chapter 7 agreements were made relating to the recovery of this portfolio.

Tax reimbursements Swets (foreign tax authorities)

- 5.5 Because Swets also delivered services and goods outside of the Netherlands, Swets also filed tax returns outside of the Netherlands on a monthly basis with regard to these transactions with the competent foreign tax authorities.

With the help of the bankruptcy accountant, the Bankruptcy Trustee had the VAT returns finalised with the engagement of foreign external advisers where necessary. The expectation is that this will result in one or more payments regarding VAT restitutions.

6. Bank / Security rights / Lease contracts / Retention of title / Rights of retention

Claim of the Syndicate

- 6.1 The Swets Companies (with the exception of Accucoms and Jongbloed) were financed by the Syndicate, of which Coöperatieve Centrale Raiffeisen Boerenleenbank B.A. ("**Rabobank**"), The Royal Bank of Scotland N.V. ("**RBS**"), ING Bank N.V. ("**ING**") and Lbi hf (Landsbanki) are the most important banks involved. Rabobank acts in this matter as a Security Agent for the banks involved in the Syndicate.
- 6.2 As per the date of the moratorium of Swets & Zeitlinger Group (19 September 2014) the claim of the Syndicate amounted to approximately EUR 62.8 million (excluding further interest, costs and other fees), while in addition there was a mezzanine financing of ICG of over EUR 27.1 million.

Furthermore, according to a statement of the Syndicate, there is an exposure regarding bank guarantees issued by the banks involved in the Syndicate for the account of the Swets Group amounting to approximately EUR 17.9 million. The amount of the exposure under the bank guarantees is still investigated by the Bankruptcy Trustee. The underlying bank guarantees have not yet all been claimed and the Bankruptcy Trustee is closely in touch with the Syndicate regarding such claims.

If the claims under all bank guarantees are all actually respected and paid out, this will result in a claim of the Syndicate on the Swets Companies (insofar as liable vis-à-vis the Syndicate) of approx. EUR 80.7 million (excluding further interest, costs and fees).

Description of security rights

- 6.3 The Bankruptcy Trustee performed a first overview of the security rights that were provided to the Syndicate by the Swets Group. This first overview demonstrates that (among others) the following security rights have been established: rights of pledge on claims against third

parties, credit balances on bank accounts, movable properties and intellectual property rights. Shares in several Swets Companies were also pledged.

By means of bulk deeds of pledge the claims of the relevant Swets Companies were pledged until the date of moratorium or bankruptcy respectively.

Several goods of Swets Companies which are located outside of the Netherlands furthermore have been encumbered under local law (primarily consisting of security rights on credit balances on bank accounts).

- 6.4 To the extent that the rights of pledge have been established on inventory, the revenues thereof are lost to the banks due to the right of seizure by the Dutch tax authorities pursuant to section 22 paragraph 3 of Collection of State Taxes Act 1990 (*Invorderingswet 1990*), taking into account the amount of the tax debts presently known with regard to VAT and wage taxes, which exceed the appraised value of the relevant inventory. In that respect the Bankruptcy Trustee notes that the scope of the claim under section 29 paragraph 2 of the Dutch VAT Tax Act is not yet known.

The Bankruptcy Trustee will arrange for the inventory to be auctioned early 2015 through an internet auction and the revenues will then benefit the bankrupt estate of Swets.

The Bankruptcy Trustee still investigates the legal validity of security rights on in particular the claims on debtors, credit balances and bank accounts. The preliminary view of the Bankruptcy Trustee is that these security rights have been validly established. On the basis of this preliminary view, the Bankruptcy Trustee entered into agreements with the Syndicate relating in particular to the collection of the accounts receivable portfolio with the help of Mirus.

- 6.5 The security rights primarily secure the claims of the banks involved in the Syndicate (the Senior Banks) and (in second ranking) ICG's claim pursuant to the mezzanine financing of over EUR 27.1 million (and thereafter other subordinated claims).

Taking into account the amount of the claim of the Senior Banks and the revenues to be expected from the security rights (in particular the pledged credit balances on bank accounts and claims on debtors), the expectation on the basis of the details known as per the date of this report is that the Senior Banks cannot be paid completely from the revenues, but will have a substantial unsecured residual claim on the relevant Swets Companies. Consequently, it is also clear that the security rights no longer seem to represent any value for the mezzanine financing of ICG and other even more subordinated claims.

Estate compensation (boedelbijdrage) and estate finance (boedelkrediet)

- 6.6 In order to avoid a completely disorderly bankruptcy of the Swets Companies, to facilitate the collection of the accounts receivable portfolio and the invoicing of the work in progress and to facilitate the the bankruptcy filings requests for the foreign holdings of the Swets Group, the Syndicate and the Bankruptcy Trustee agreed on an estate compensation for the services of the Bankruptcy Trustee of EUR 200,000.= (excluding VAT) and an estate finance of EUR 900,000.= (therefore in total an amount of EUR 1,100.000.= plus VAT on the amount of estate compensation). This in any case enabled the essential IT systems to function until 1 December 2014 and to cover other costs of the bankrupt estate of Swets (insofar as these can be attributed to activities to be carried out by the bankrupt estate of Swets for the Syndicate).

It is the current expectation that of the amount of EUR 900,000 ultimately a part will not be necessary and can be paid back. On the basis of the arrangements in place, the used part of the estate finance results in a "non recourse" unsecured estate claim on the bankrupt estate in the bankruptcy of Swets (*boedelschuld*) which only has to be paid if all other estateclaims on the bankrupt estate have been fully paid.

Lease contracts

- 6.7 Swets and Jongbloed leased a total of 24 cars for employees. The lease cars have meanwhile been returned. The costs for the lease cars of the employees belonging to the Project Team were paid from the bankrupt estate proceeds.

Retention of title

- 6.8 In the bankruptcy of Jongbloed, a number of publishers invoked a retention of title claim with respect to books already delivered. These books are stored in a distribution centre or in the book store in Leiden. The Bankruptcy Trustee currently examines the retentions of title alleged by the publishers and if these prove to be valid will give the publishers the opportunity to collect the books belonging to them against the issue of a credit invoice to Jongbloed's bankrupt estate.

Right of retention

- 6.9 A part of Swets's services related to the consolidated handling of periodicals. This entailed that Swets for the benefit of the purchaser gathered multiple journals of multiple publishers and sent these to the purchaser in a single shipment. In the Netherlands, this so-called "consolidation" was carried out by B.V. Aldipress ("**Aldipress**"), a logistic distributor. On the date of the bankruptcy, Aldipress had a large number of journals in its actual control/possession, which it still had to send to Swets's purchasers. Aldipress also stores Swets's stock.

As per the date of the bankruptcy, Aldipress had an outstanding claim against Swets. For this claim Aldipress exercised its right of retention on the (consolidated) journals and the stock. The Bankruptcy Trustee currently examines the legal validity of the right of retention alleged by Aldipress.

7. Relaunch / Continuation of the business activities / Asset transactions

No complete relaunch of the activities of the Swets Group; proceeds sale of German activities

- 7.1 It proved impossible to reach agreement with a party that was prepared to take over the entire activities of the Swets Group. The Bankruptcy Trustee – after the execution of a Non Disclosure Agreement – provided information to a number of parties to give them the opportunity to make an offer. This has resulted in absolutely unacceptable low offers or no offers being made at all. An obstacle for many potential buyers was Swets's complex ICT structure, which actually had to be taken over as a whole in order for the activities in any event to be continued during a transitional period. This entailed significant costs.
- 7.2 Ultimately, the Bankruptcy Trustee – with considerable efforts – succeeded in selling (part of) the activities of Jongbloed and the (entire) activities of Accucoms and in doing so also secured the employment of approximately 30 employees.
- 7.3 As the Bankruptcy Trustee has been given to understand, except for the bankruptcy trustee of the German subsidiary of the Swets Group (Swets Information Services GmbH), no other bankruptcy trustees of foreign Swets subsidiaries have (yet) succeeded in effecting a relaunch of any substance either.
- 7.4 On the basis of an old agency agreement with Swets, the German subsidiary had a special position within the Swets Group. Although this holding itself contracted with purchasers and also invoiced these in its own name and paid German VAT on this turnover, within the Swets Group this turnover was accounted for as turnover of Swets due to the agency agreement.

In this context, the Bankruptcy Trustee agreed with the German bankruptcy trustee for a partial remittance of proceeds of the sale of the German activities. Under this agreement, the bankrupt estate of Swets receives 20% of the net sales proceeds realised by the German bankrupt estate. A first payment is expected to take place in December 2014.

Relaunch Jongbloed

- 7.5 After the date of the bankruptcy, a number of parties interested in taking over Jongbloed's assets contacted the Bankruptcy Trustee. These parties received information on the available assets of Jongbloed after signing a non-disclosure agreement. Mainpress B.V ("**Mainpress**")

ultimately turned out to be the only party that was specifically interested and willing to make a realistic offer on Jongbloed's assets.

Mainpress was willing to take over the assets related to the online books activities and subscription-based book activities (and related rights such as rights to the trade name Jongbloed Juridische Boekhandel and internet domain names, customer data and free stock). Mainpress was not interested in Jongbloed's other activities (such as journals and subscription-based journal activities) and related assets. In addition, Mainpress offered an employment contract to 5 employees of Jongbloed. After having obtained permission from the supervisory judge, the Bankruptcy Trustee accepted Mainpress' offer and the transaction was effected. The purchase price for the assets amounted to EUR 280,000 and has meanwhile been received on the bankruptcy account of Jongbloed.

- 7.6 Mainpress proved to be unwilling to take over Jongbloed's accounts receivable portfolio (amounting to approximately EUR 2.1 million). In order to enable Jongbloed's credit manager, who also entered into an employment agreement with Mainpress, to handle the collection of accounts receivable, Mainpress will arrange for the debt collection process against payment, by Jongbloed's bankrupt estate, of a fee of 3.5% of the amount actually collected.

Relaunch Accucoms

- 7.7 According to the entry in the trade register, Accucoms was incorporated by deed dated 6 August 2004. At the time of the bankruptcy order, Accucoms' management board consisted of Ms P. Erzin, Koninklijke Swets and Mr J.F. Stoop. Ms Erzin has been employed by Accucoms since its incorporation and was also as from the date of the bankruptcy responsible for the day-to-day management.

After having obtained permission from the supervisory judge, the Bankruptcy Trustee reached agreement with Ms Erzin on a relaunch of Accucoms. A company (Accucoms International B.V.) incorporated by Ms Erzin has taken over Accucoms' activities and assets (including the shares held by Accucoms in Accucoms' US subsidiary, Accucoms Inc.) for a total purchase price of EUR 210,000. Furthermore, part of the transaction is that 25 former employees of Accucoms enter into an employment agreement with Accucoms International B.V. The purchase price has meanwhile been received.

8. Information Provision

Information provision to publishers, customers and foreign bankruptcy trustees

- 8.1 Although a relaunch or alternative settlement of Swets's activities has proven impossible, publishers and customers of Swets felt the need to receive certain information, which only Swets – considering its position as intermediary between customer and publisher – possessed.

The publishers particularly wished to receive information relating to customers who ordered products via Swets (such as contact information of their ultimate customers respectively end-users). The customers wished to be particularly informed about the question to what degree Swets had taken care of the (continued) payment to the publishers of the amounts paid by them to Swets.

This need for information should be considered against the background of the necessity for renewal/extension of ongoing contracts and subscriptions for the calendar year 2015.

Due to the central storage and processing of (inter alia) financial data of the foreign holdings in the IT-systems managed by Swets in Leiden, bankruptcy trustees of Swets's foreign holdings also felt the need to obtain (financial) information in relation to these holdings.

- 8.2 The Bankruptcy Trustee, jointly with the Project Team, investigated to what extent it was possible to meet the customers, publishers and foreign bankruptcy trustees' need for information. Relevant in this respect was that Swets's bankrupt estate had to incur costs for this purpose (inter alia in the form of personnel costs for handling the provision of information). Eventually it proved possible to provide customers, publishers and foreign bankruptcy trustees with certain "standard information packages".
- 8.3 The Bankruptcy Trustee alerted Swets's customers – through an information bulletin ("Notice") of 31 October 2014 – that they could file an application to request the standard information package. This was free of charge for customers.
- 8.4 In a Notice of 13 November 2014, the Bankruptcy Trustee alerted the publishers that they too could file an application to obtain a certain standard information package. Contrary to the information packages for the customers, the publishers must pay a compensation if they want to obtain the standard information package. The amount of this compensation is linked to the total purchase turnover of Swets at each individual publisher over the year 2014. However, in case Swets had purchased for less than a total of EUR 1,500,000 from a certain individual publisher in 2014, a fixed standard compensation of EUR 2,500 applies (excluding VAT).
- 8.5 Through a Notice of 14 November 2014, the Bankruptcy Trustee also offered the customers of the foreign entities of the Swets Group the opportunity to request certain standard information packages. For this a standard compensation of EUR 2,500 (excluding VAT) must be paid as well.
- 8.6 Finally, the Bankruptcy Trustee and a number of bankruptcy trustees of foreign Swets entities reached an agreement about the provision of a standard package containing (financial) information against either a compensation of EUR 1,000 (excluding VAT) or additional

information at cost price.

- 8.7 Publishers, as well as (foreign) customers and foreign bankruptcy trustees made use of the information provision offer – within the terms provided for that purpose – and the Project Team handled all requests.

In respect of all information requests applies that they were only awarded after prior payment.

Swets's bankrupt estate received an amount of EUR 404,416 (including VAT) in total for this service.

- 8.8 The Notices referred to were all published via the website of CMS (www.cms-dsb.com/swets).
- 8.9 Considering the large amount of customers (9.000) and publishers (over 20.000) involved in the Swets Group, further provision of information will take place as much as possible via electronic means and via CMS's website (www.cms-dsb.com/swets).

The bankruptcy trustee points out to the creditors and other interested parties the possibility to subscribe to the free **CMS ElectronicAlert Service** in the bankruptcy of the Swets Group. Subscribers automatically receive an email message whenever new information about the developments in the Swets Group's bankruptcy is published and can subsequently download this information from the website. Registration can take place via the website of CMS. Meanwhile, 726 persons have subscribed.

9. Lawfulness

Accounting obligation

- 9.1 In the coming reporting period, the Bankruptcy Trustee will investigate to what extent the accounting obligation has been sufficiently fulfilled by the Swets Companies.

Publication of annual accounts

- 9.2 The consolidated annual accounts of both Swets & Zeitlinger Group and Koninklijke Swets over the years 2010-2013 were published on the following dates:

Financial year:	Filing date:
2010	6 June 2011
2011	27 July 2012
2012	26 July 2013
2013	8 August 2014.

- 9.3 Koninklijke Swets, for the benefit of Swets & Zeitlinger Beheer, Swets & Zeitlinger Finance, Swets, Accucoms, Jongbloed, Swets & Zeitlinger International and Swets Domus (as well as for the benefit of the non-bankrupt companies Swets Concordia B.V. and Frencken Information Services B.V.), issued a declaration under section 2:403 Dutch Civil Code for the debts arising from legal acts entered into by these companies. Therefore, the specific companies' obligation to publish was limited for the financial year 2013.

Audit certificates of the accountant

- 9.4 The annual accounts of Swets & Zeitlinger Group and Koninklijke Swets for 2013 include an unqualified audit certificate (*goedkeurende verklaring*) of the accountant (PricewaterhouseCoopers Accountants N.V.) dated 25 July 2014. The accountant's certificates contain a paragraph relating to the uncertainty regarding the continuity of the business operations.

Share contribution, mismanagement and fraudulent acts.

- 9.5 The Bankruptcy Trustee will investigate these subjects in the coming reporting period.

10. Creditors

Swets

- 10.1 Based on the administrative accounts of the Swets Companies, the unsecured debt burden of Swets amounted to approximately EUR 11,456,000.= as per 30 September 2014.

This amount does not include the claims of the Syndicate and IGC regarding provided financings, nor intragroup debts of Swets to other entities of the Swets Group (either or not recorded in current account). In the coming reporting period, the Bankruptcy Trustee will investigate the intragroup current account positions of the Swets Companies.

- 10.2 The Bankruptcy Trustee expects that the extent of the unsecured creditor's burden will increase due to advance payments made by customers of the Swets Group in the course of 2014 for the delivery of products in 2015 (the so-called *prepayments*), for which no orders have yet been placed.
- 10.3 Since the Swets Companies will no longer be able to fulfil the corresponding obligations vis-à-vis these advance payments, the purchasers in question are expected to desire repayment.
- 10.4 The paid amounts have not legally been separated from other assets of the receiving (and presently bankrupt) Swets entity (for instance by means of an escrow account or a similar

instrument), so that there can presently be no integral repayment. The claims regarding these prepayments will therefore result in unsecured claims.

- 10.5 According to the administrative accounts of the Swets Group the prepayments, largely carried out in 2014, involved an amount EUR 26-27 million, in which respect the Bankruptcy Trustee notes that a considerable part of the prepayments was made to foreign entities of the Swets Group. It is not yet clear to what extent these entities have passed the received amounts on to Swets nor therefore what consequences this has for the amount of the unsecured debt burden of Swets.

A number of purchasers covered the risk of possible non-repayment by the Swets Group of the prepayments that were made with bank guarantees issued by the trade banks belonging to the Syndicate for the account of the Swets Group. According to the statement of the management board of the Swets Companies this involved an amount of approximately EUR 9 million, which amount is part of the abovementioned amount of EUR 26-27 million.

The Bankruptcy Trustee further investigates the amount and the backgrounds of the prepayments.

Jongbloed and Accucoms

- 10.6 As demonstrated by the administrative accounts of Jongbloed and Accucoms the unsecured debt burden existing as per the date of the bankruptcy of Jongbloed amounted to EUR 592,000.= and of Accucoms to EUR 20,000.=.

Swets & Zeitlinger Group, Koninklijke Swets, Swets & Zeitlinger Beheer, Swets & Zeitlinger Finance, Swets & Zeitlinger International and Swets Domus

- 10.7 Swets & Zeitlinger Group, Koninklijke Swets, Swets & Zeitlinger Beheer, Swets & Zeitlinger Finance, Swets & Zeitlinger International and Swets Domus are jointly and severally liable for the loans provided by the Syndicate. In addition there are current account relationships between these companies. In the coming reporting period, the Bankruptcy Trustee will investigate the relative current account positions in order to determine the debt burden more precisely.

Verification of the creditor's claims

- 10.8 In the coming reporting period, the Bankruptcy Trustee will inform the creditors, via a notice which will be published on www.cms-dsb.com/swets, in which way they can submit their claims for verification purposes. If creditors have already made known their claims to the Bankruptcy Trustee, they do not need to submit their claims for verification purposes again.

Tax Authorities and Employee Insurance Agency (UWV)

- 10.9 At the Swets Group there was a fiscal unity for both VAT and corporate income tax purposes.
- 10.10 The following companies are part of the fiscal unity for Dutch VAT purposes (*fiscale eenheid OB*):
- Swets & Zeitlinger Group (until 29 September 2014)
 - Swets & Zeitlinger Finance
 - Swets
 - Swets Domus
 - Jongbloed
 - Accucoms
 - Frencken Information Services B.V.
- 10.11 Before the date of bankruptcy, the tax authorities instituted an investigation into the VAT return for 2013 and in that context requested several documents from Swets. Swets was in the process of providing this information. The Bankruptcy Trustee and the tax authorities are in consultation about the manner of the further execution of this investigation.
- 10.12 According to a statement of the tax advisor of the Swets Group (KPMG Meijburg & Co), the following companies are part of the fiscal unity for Dutch corporate income tax purposes (*fiscale eenheid VpB*) as per 31 December 2013:
- Swets & Zeitlinger Group
 - Koninklijke Swets
 - Swets & Zeitlinger Beheer
 - Swets & Zeitlinger Finance
 - Swets
 - Swets & Zeitlinger International
 - Swets Concordia B.V.
 - Swets Domus
 - Jongbloed
 - Accucoms
 - Frencken Information Services B.V.
- 10.13 As from the date of bankruptcy there was an arrears of a month with regard to the payment of the wage taxes and social security premium for the employees of Swets, Accucoms, Jongbloed and Swets & Zeitlinger Group.

For the remainder, there is still lack of clarity about the existence and the amount of the tax

debts (in particular also the amount of the VAT tax debt pursuant to section 29 paragraph 2 VAT Act).

In the coming reporting period, the Bankruptcy Trustee will investigate the overall tax position of the Swets Group and will conduct consultations in this respect with the tax advisors of the Swets Group.

- 10.14 By virtue of the wage guarantee scheme (*Loongarantieregeling*), the Employee Insurance Agency (*UWV*) is expected to submit substantial claims (against the bankrupt estate) in the bankruptcies of Swets, Jongbloed and Accucoms.

11. Legal proceedings

Name of the other party(ies)

- 11.1 NPM Capital N.V., Elsona Investments B.V., Cobepa (Nederland) N.V., ABN AMRO Participaties NPE Fund B.V., Nesbic Investment Fund II B.V., Nesbic Investment Fund II, S&Z Invest B.V., S&Z Invest II B.V. and Investment Fund I-Direct and Co. C.V. (the "**Financial Shareholders**").

Involved Swets Companies

- 11.2 Swets & Zeitlinger Group and Swets.

Nature and status of the proceedings

- 11.3 The Financial Shareholders are former shareholders of Koninklijke Swets. In the context of the sale of the shares in Koninklijke Swets mid 2007, the Financial Shareholders (among others) have provided an indemnification to Swets & Zeitlinger Group (the purchaser) and Swets. Between (among others) the Financial Shareholders and Swets & Zeitlinger Group and Swets, arbitral proceedings were conducted about the scope of this indemnification. In an arbitral award dated 6 August 2013, a decision was rendered in favour of Swets & Zeitlinger Group and Swets.

The Financial Shareholders have subsequently claimed the setting aside of the arbitral award in proceedings before the Amsterdam Court of First Instance. This claim was rejected by judgment of this court dated 12 March 2014, after which the Financial Shareholders instituted appeal proceedings before the Amsterdam Court of Appeal.

The Financial Shareholders have submitted their Statement of Appeal on 16 September 2014. The case is currently on the docket of 9 December 2014 for the submitting of the Statement of Defence on the part of Swets & Zeitlinger Group and Swets. The Financial Shareholders have

requested the Bankruptcy Trustee to take over the proceedings. The Bankruptcy Trustee is currently considering this request.

12. Other

Prospects for creditors and term for settlement

- 12.1 The Bankruptcy Trustee cannot make any statement regarding the creditors' prospects of distribution in the bankruptcies of the Swets Companies and the term for final settlement.

Numbers of hours spent and interim financial reports

- 12.2 The Bankruptcy Trustee and its team of employees spent a total of 1,248 hours in handling the bankruptcies of the Swets Companies (including the period of the provisional moratorium of Swets & Zeitlinger Group) during the period to which this report relates. The bankruptcy accountant (Insolresearch) has spent 303.5 hours during this period.

Interim financial reports

- 12.3 The first interim annual reports in the bankruptcies of Swets & Zweitlinger Group, Swets, Jongbloed and Accusoms are attached to this public report as **Annex 3 up to and including 6** (in Dutch language only). There are currently no assets in the bankrupt estates of the other Swets Companies.

The Bankruptcy Trustee notes that the compensation for the costs made by him and his team must still be determined by the court and shall therefore be deducted from the bankrupt assets.

Plan of action and activities

- 12.4 In the coming months, the Bankruptcy Trustee will continue to identify and secure assets, continue (or ensure continuation) of the settlement of the foreign branches and holdings and commence with the investigation into the causes of the bankruptcies.

Submission of the next report

- 12.5 The next public report will be published in early March 2015, except to the extent exceptional developments would make an earlier report necessary.

13. Publication on website

- 13.1 For further information about this bankruptcy, the Bankruptcy Trustee refers to the public reports and other messages that will be published on the website of CMS (www.cms-

dsb.com/swets), where in addition to this report, all other public reports in the bankruptcies of the Swets Companies also will be published.

- 13.2 An English translation of this public report will also be made available on this website as soon as possible. In case of (interpretation) differences between the Dutch and English version of this public report, the Dutch version is decisive.

Amsterdam, 28 November 2014

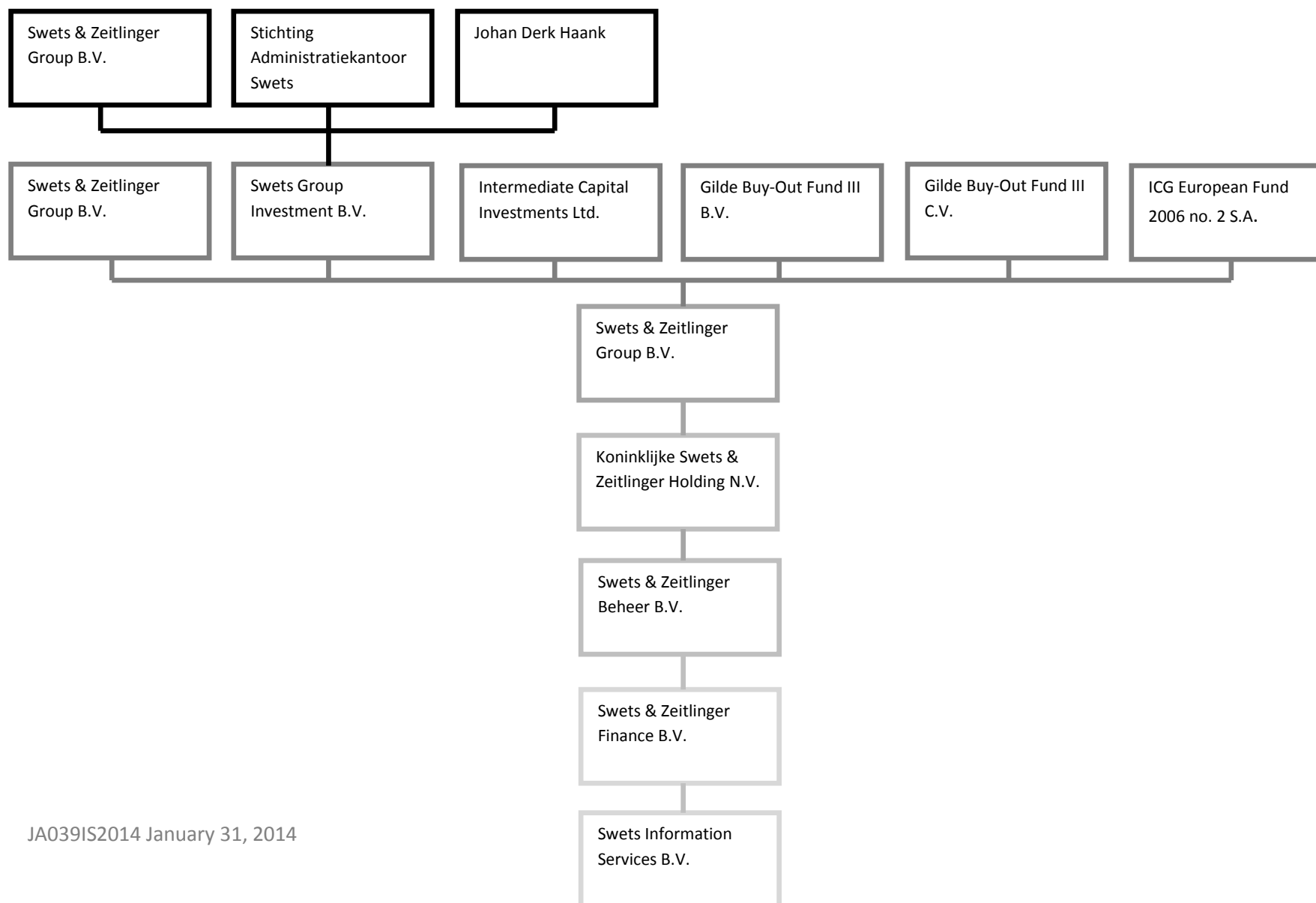
J.L.M. Groenewegen,
bankruptcy trustee

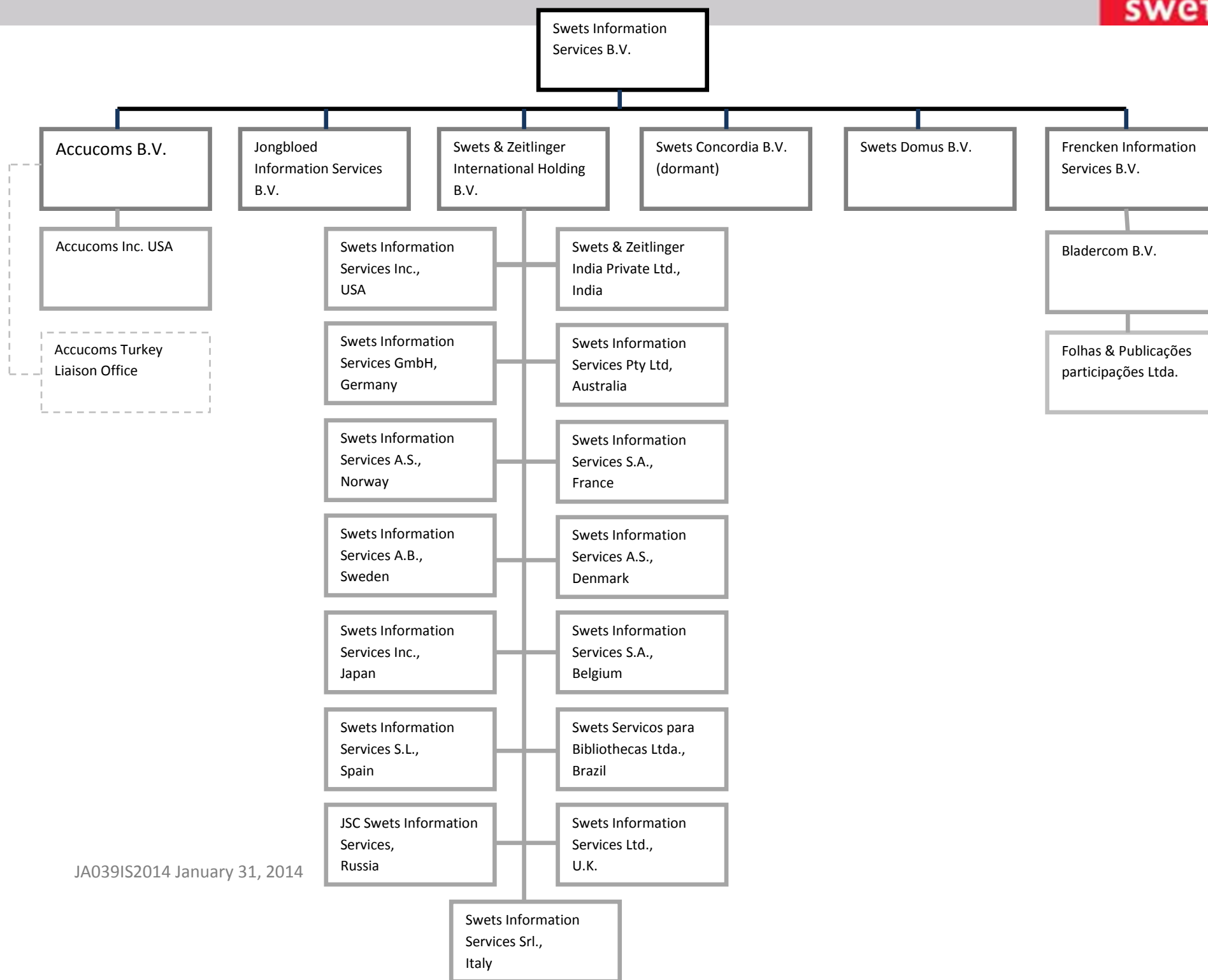
Annexes:

- Annex 1: Organizational chart Swets-Group
- Annex 2: Overview insolvency proceedings Swets-Group
- Annex 3: Interim financial report Swets & Zeitlinger Group
- Annex 4: Interim financial report Swets
- Annex 5: Interim financial report Jongbloed
- Annex 6: Interim financial report Accucoms

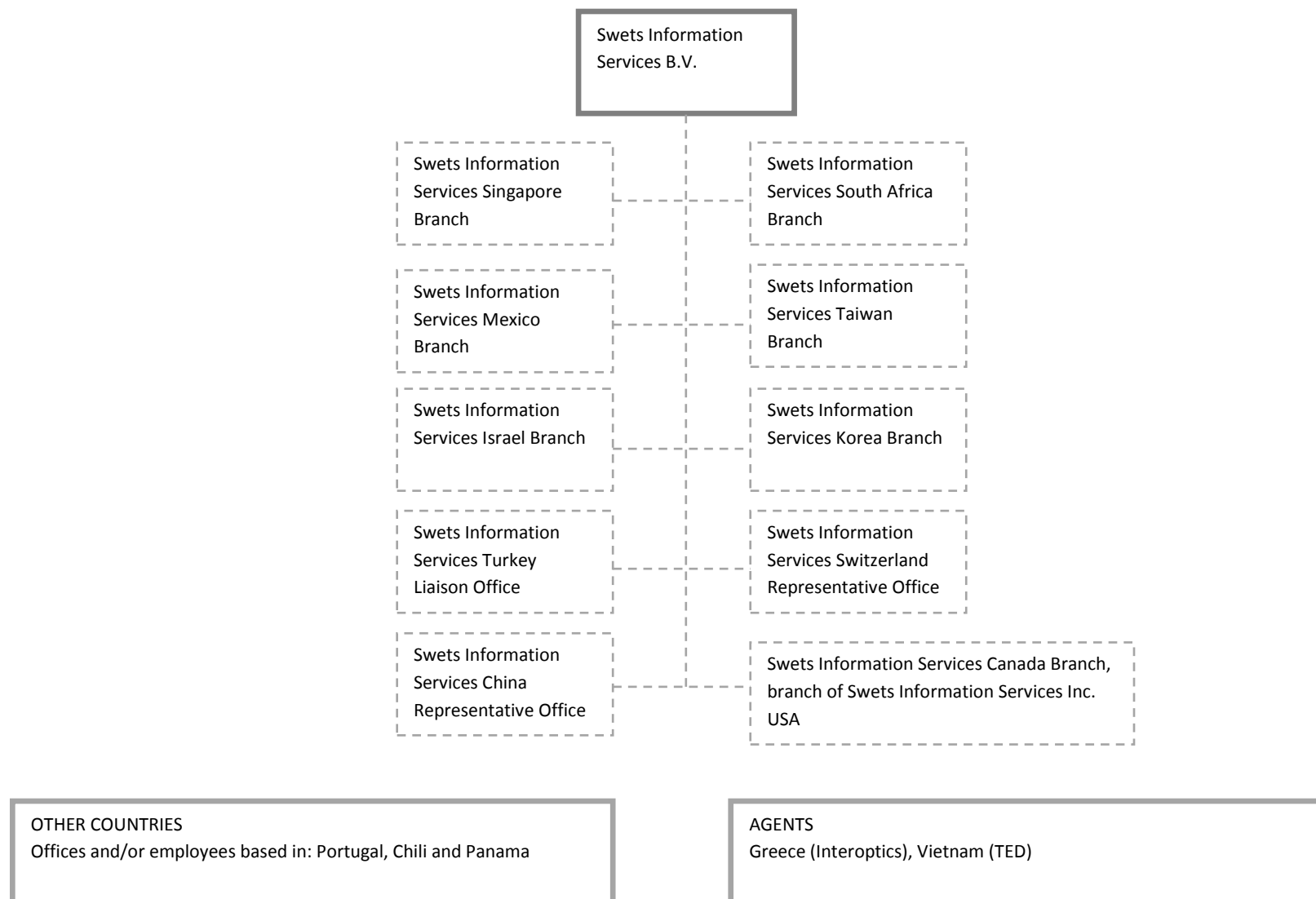
ANNEX 1

Swets & Zeitlinger Group B.V. - Companies





Swets Information Services B.V. – branches, agents and other countries



ANNEX 2

Swets Group – Insolvency Proceedings
Overview Trustees and Administrators

Status per 27 November 2014

Country	Trustee/Administrator/ Contactperson	Address	Telephone/Fax	Email
Australia				
Bruce Mulvaney & Co Company Restructuring & Insolvency	Bruce Mulvaney	1st Floor, 613 Canterbury Rd Surrey Hills, VIC 3127 Australia	T: +61 3 98 96 90 00 F: +61 3 98 96 90 01	bmulvaney@mulvaney.com.au
Belgium				
Herman Willems, Advocaat	Herman Willems Alain Cleyman	Tereken 9l 9100 Sint-Niklaas Belgium	T: +32 3 77 63 864 F: +32 3 77 73 303	willems.herman@telenet.be
Denmark				
Plesner - Law Firm	Christian Dalgaard Sanning Pernille Bigaard	Amerika Plads 37 2100 Copenhagen Denmark	T: +45 33 12 11 33 F: +45 33 12 00 14	cds@plesner.com
France				
Me Chavane de Dalmassy	Madame Ricard	20 Avenue de l'Europe 78000 Versailles France	T: +33 1 39 02 06 77	

Country	Trustee/Administrator/ Contactperson	Address	Telephone/Fax	Email
Germany				
CMS Hasche Sigle	Joachim Kühne	Barckhausstr. 12-16 60325 Frankfurt am Main Germany	T +49 69 71 70 13 00 T +49 69 71 70 10 F +49 69 71 70 13 67 F +49 69 71 70 14 04 10	joachim.kuehne@cms-hs.com
Italy				
Studio Zito	Antonio Zito	Via Boccaccio 4 20123 Milano Italy	T +39 2 48 16 893 F +39 2 48 01 49 73	antonio.zito@studioazito.com
Japan				
Abe, Ikubo & Katayama	Masahiro Otsuki	Fukuoka Building 9th Floor 8-7 Yaesu, 2-Chome Chuo-ku, Tokyo 104-0028 Japan	T: +81 3 32 73 26 00 F: +81 3 32 73 20 33	otsuki@aiklaw.co.jp
The Netherlands				
CMS Derks Star Busmann N.V.	Marcel Groenewegen	Amstelplein 8A 1096 BC Amsterdam The Netherlands	T: +31 20 301 64 16 F: +31 20 301 63 30	marcel.groenewegen@cms-dsb.com

Country	Trustee/Administrator/ Contactperson	Address	Telephone/Fax	Email
Norway				
Grette	Torgeir Myrstad Secretary: Anette Gjerding	Filipstad Brygge 2 P.O. Box 1397 Vika NO-0114 Oslo Norway	T: +47 93 25 83 39	tomy@grette.no
United Kingdom				
Baker Tilly Restructuring & Recovery LLP	David Taylor	Davidson House Forbury Square Reading, RG1 3EU United Kingdom	T: +44 11 89 53 03 50 Direct: +44 11 89 53 03 55 M: +44 78 55 23 11 03 F: +44 11 89 53 03 51	david.r.taylor@bakertilly.co.uk
U.S.A.				
John Hargrave Associates	John Hargrave	117 Clemens Bridge Road Barrington, New Jersey 08007 U.S.A.	T: +1 856 208 6969	

ANNEX 3

FINANCIEEL VERSLAG**21-11-2014**

Naam	Swets & Zeitlinger Group B.V.
curator	mr. J.L.M. Groenewegen
Rechter-commissaris	mr. I.M. Bilderbeek
Insolventienummer	C/13/14/525F
Verslag nummer	1

A. Baten		Incl. BTW	BTW
		€	€
1. Aangetroffen middelen			
Kasgeld	0,00		0,00
Banksaldi	12.698,00		0,00
		12.698,00	
2. Opbrengst verkopen			
Opbrengst pand		0,00	0,00
Opbrengst inventaris	0,00		0,00
Af: rechten van derden	0,00		0,00
Af: kosten	0,00		0,00
		0,00	
Opbrengst voorraden / onderhanden werken	0,00		0,00
Af: rechten van derden	0,00		0,00
Af: kosten	0,00		0,00
		0,00	
Opbrengst goodwill / IE rechten		0,00	0,00
Opbrengst deelnemingen		0,00	0,00
Opbrengst intercompany vorderingen		0,00	0,00
3. Debiteuren			
Debiteuren pre faillissement	0,00		0,00
Af: rechten van derden	0,00		0,00
Af: kosten	0,00		0,00
		0,00	
Boedeldebiteuren	0,00		0,00
Af: kosten	0,00		0,00
		0,00	
4. Overige baten			
Boedelbijdragen		0,00	0,00
Rente		0,00	0,00
Restitutie belastingdienst pre faillissement		0,00	0,00
Boedelskrediet		0,00	0,00
Kruisposten		0,00	0,00
Totaal		12.698,00	0,00

B. Reeds betaalde boedelschulden		Incl. BTW	BTW
Salaris en verschotten curator		0,00	0,00
Algemene faillissementskosten		0,00	0,00
Totaal		0,00	0,00

C. Thans nog beschikbaar

A. Baten	12.698,00
B. Reeds betaalde boedelkosten	0,00
Reeds betaalde / ontvangen boedel BTW na aangifte	0,00
Saldo boedelrekening	12.698,00

ANNEX 4

Naam	Swets Information Services B.V.
curator	mr. J.L.M. Groenewegen
Rechter-commissaris	mr. I.M. Bilderbeek
Insolventienummer	C/13/14/517F
Verslag nummer	1

A. Baten	Incl. BTW	BTW
	€	€
1. Aangetroffen middelen		
Kasgeld	0,00	0,00
Banksaldi	811.596,58	0,00
	811.596,58	
2. Opbrengst verkopen		
Opbrengst pand	0,00	0,00
Opbrengst inventaris	0,00	0,00
Af: rechten van derden	0,00	0,00
Af: kosten	0,00	0,00
	0,00	
Opbrengst voorraden / onderhanden werken	0,00	0,00
Af: rechten van derden	0,00	0,00
Af: kosten	0,00	0,00
	0,00	
Opbrengst goodwill / IE rechten	0,00	0,00
Opbrengst deelnemingen	0,00	0,00
Opbrengst intercompany vorderingen	0,00	0,00
3. Debiteuren		
Debiteuren pre faillissement	1.413,62	0,00
Af: rechten van derden	0,00	0,00
Af: kosten	0,00	0,00
	1.413,62	
Boedeldebiteuren	759,52	0,00
Af: kosten	0,00	0,00
	759,52	
4. Overige baten		
Boedelbijdragen	604.416,08	85.110,74
Rente	0,00	0,00
Restitutie belastingdienst pre faillissement	0,00	0,00
Boedelmortgage	900.000,00	0,00
Kruisposten	275.094,88	0,00
Totaal	2.593.280,68	85.110,74

B. Reeds betaalde boedelschulden	Incl. BTW	BTW
Salaris en verschotten curator	0,00	0,00
Algemene faillissementskosten	-154.537,94	-27.143,97
Kosten instandhouden ICT/debiteurenincasso	-109.752,81	-18.983,09
Kosten afwikkeling buitenlandse entiteiten	-57.576,86	0,00
Totaal	-321.867,61	-46.127,06

C. Thans nog beschikbaar

A. Baten	2.593.280,68
B. Reeds betaalde boedelkosten	-321.867,61
Reeds betaalde / ontvangen boedel BTW na aangifte	0,00
Saldo boedelrekening	2.271.413,07

ANNEX 5

Naam	Jongbloed Information Services B.V.
curator	mr. J.L.M. Groenewegen
Rechter-commissaris	mr. I.M. Bilderbeek
Insolventienummer	C/09/14/717F
Verslag nummer	1

A. Baten	Incl. BTW	BTW
	€	€
1. Aangetroffen middelen		
Kasgeld	0,00	0,00
Banksaldi	544.839,38	0,00
	544.839,38	
2. Opbrengst verkopen		
Opbrengst pand	0,00	0,00
Opbrengst inventaris	0,00	0,00
Af: rechten van derden	0,00	0,00
Af: kosten	0,00	0,00
	0,00	
Opbrengst voorraden / onderhanden werken	0,00	0,00
Af: rechten van derden	0,00	0,00
Af: kosten	0,00	0,00
	0,00	
Opbrengst goodwill / IE rechten	0,00	0,00
Opbrengst deelnemingen	0,00	0,00
Opbrengst doorstart Jongbloed	280.000,00	0,00
3. Debiteuren		
Debiteuren pre faillissement	353.661,53	0,00
Af: rechten van derden	0,00	0,00
Af: kosten	0,00	0,00
	353.661,53	
Boedeldebiteuren	0,00	0,00
Af: kosten	0,00	0,00
	0,00	
4. Overige baten		
Boedelbijdragen	0,00	0,00
Rente	0,00	0,00
Restitutie belastingdienst pre faillissement	0,00	0,00
Boedelmortgage	0,00	0,00
Kruisposten	0,00	0,00
Totaal	1.178.500,91	0,00

B. Reeds betaalde boedelschulden	Incl. BTW	BTW
Salaris en verschotten curator	0,00	0,00
Algemene faillissementskosten	-6.133,33	-153,99
Totaal	-6.133,33	-153,99

C. Thans nog beschikbaar

A. Baten	1.178.500,91
B. Reeds betaalde boedelkosten	-6.133,33
Reeds betaalde / ontvangen boedel BTW na aangifte	0,00
Saldo boedelrekening	1.172.367,58

ANNEX 6

Naam	Accucoms B.V.
curator	mr. J.L.M. Groenewegen
Rechter-commissaris	mr. I.M. Bilderbeek
Insolventienummer	C/09/14/716F
Verslag nummer	1

A. Baten		Incl. BTW	BTW
		€	€
1. Aangetroffen middelen			
Kasgeld	0,00		0,00
Banksaldi	124.586,70		0,00
		124.586,70	
2. Opbrengst verkopen			
Opbrengst pand		0,00	0,00
Opbrengst inventaris	0,00		0,00
Af: rechten van derden	0,00		0,00
Af: kosten	0,00		0,00
		0,00	
Opbrengst voorraden / onderhanden werken	0,00		0,00
Af: rechten van derden	0,00		0,00
Af: kosten	0,00		0,00
		0,00	
Opbrengst goodwill / IE rechten		0,00	0,00
Opbrengst deelnemingen		0,00	0,00
Opbrengst doorstart Accucoms		210.000,00	0,00
3. Debiteuren			
Debiteuren pre faillissement	0,00		0,00
Af: rechten van derden	0,00		0,00
Af: kosten	0,00		0,00
		0,00	
Boedeldebiteuren	0,00		0,00
Af: kosten	0,00		0,00
		0,00	
4. Overige baten			
Boedelbijdragen		0,00	0,00
Rente		0,00	0,00
Restitutie belastingdienst pre faillissement		0,00	0,00
Boedelmakrediet		0,00	0,00
Kruisposten		0,00	0,00
Totaal		334.586,70	0,00

B. Reeds betaalde boedelschulden		Incl. BTW	BTW
Salaris en verschotten curator		0,00	0,00
Algemene faillissementskosten		-2.331,12	-57,47
Totaal		-2.331,12	-57,47

C. Thans nog beschikbaar

A. Baten	334.586,70
B. Reeds betaalde boedelkosten	-2.331,12
Reeds betaalde / ontvangen boedel BTW na aangifte	0,00
Saldo boedelrekening	332.255,58