

Datatex is continuing to run

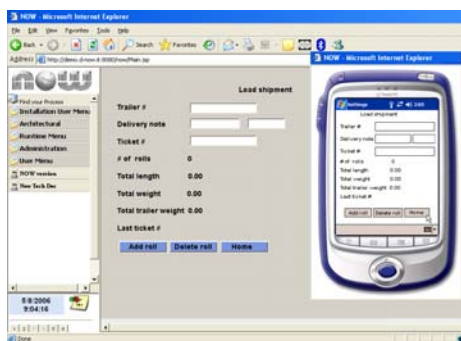
Dear friends,

Times are tough, probably the toughest since long.

Datatex has taken all necessary measures to assure to our customers and to our board that we continue our top of line service and continue adding value to our offering. Among all cost cutting actions taken, none have affected our development teams nor our support organization.

Sales have been progressing, many new NOW customers and also TIM customers are being added.

Datatex is investing heavily.



NOW Our flag ship,

With NOW we offer our customers not only the most functional rich ERP for the textile and apparel industry but also the most technological advanced ERP on the market today. Developed fully from ground up with world class technology and fully J2EE compliant, NOW runs on any hardware and middle-ware platform available for this new technology. Needless to say NOW is designed for the web and runs on any browser enabled client device.

Important news on NOW

- We have started large implementations in India, Pakistan and in Italy, with NOW integrated to SAP finance applications.
- Successfully completed the tests on the new version of the Oracle Database 11g.
- New release of NOW includes a full pledged planning module, a very elaborate external operation system and new functional and technology features .
- The next version, to be released after the summer vacations, will also include full support of web services and a new and more modern UI (User interface).

TIM

TIM continues to be the most installed textile ERP system world wide. Datatex is committed to keep up the service and corrections as needed while new functions are being added.

Important news on TIM

- Completed an extensive upgrade of the Costing module.
- Full integration on TIM of the new auxiliary modules described on this newsletter
- Completed porting to i6.1, the new operating system for IBM System i, iSeries, AS400.



Some of i6.1 features

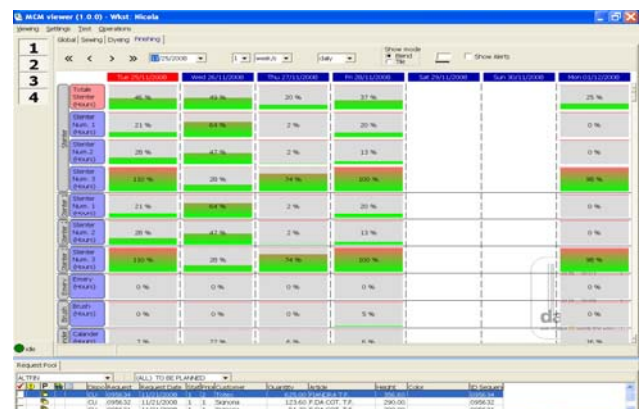
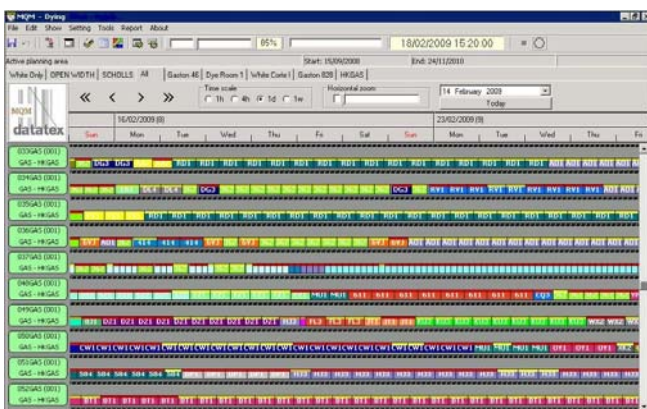
- Support for POWER™ servers with one to sixty-four processors, as well as BladeCenter®
- Trusted security with auditing and compliance tools to protect business operations
- Dynamic workload management to run multiple critical applications simultaneously
- EnergyScale™ support for efficient energy management—go green and save.

TIM-NOW

We have to prepare ourselves and our customers to migrate in the future from **TIM**, they have been using for many years, to the new **NOW** platform. Datatex has prepared a very effective plan through which existing customers can deploy the migration process as painless as possible: Datatex knowing the TIM structure, and in most cases your set-up, will commit to migrate the systems almost totally off-line taking a minimum amount of your time. All this with a very digestible payment plan.

Datatex is also launching a partial way forward with NOW allowing web management in the NOW environment of all customer care activities, fully mapped and integrated with the TIM platform. With this approach, the customer can take advantage of the NOW web functionality to better automate its sales force while executing production logistics and all transactions in TIM.

Planning and scheduling:



Both our products in this area: **MCM - Machine Capacity Management** - and **MQM Machine Queue Management** - are available and already in use by customers, all reporting very interesting and significant business results.

ROI in this case is extremely evident and easy to measure. (decrease in delays, shorter lead times and less set-ups)
 These products are fully integrated to both TIM and NOW and also to other ERP, where we have accumulated interesting experiences.
 The planning modules now fully support material availability.
 The next release will offer new functions for our garment producing customers such as tracking of approvals and applying the learning curve on sewing lines.



Shop floor systems:

Datatex Automation has implemented a rich web site, with downloads of demo and presentations in six languages www.datatex.de



CAMS - Computer Aided Manufacturing System - is a system originally designed for the textile and apparel industry. The system has been proven in all areas of the textile supply chain and is now being implemented in other industries. Therefore new modules and functions have been added and Datatex customers use this system for a real remote execution environment, managing all shop floor transactions including production progress, internal WIP transactions, receiving, packing and shipping.

CAMS is tailored to each customer and within the customer to each work station, using a highly flexible tool to design each function and screen for optimal man-machine communication.

Customization is not a programming effort but a simple set-up activity "on the spot".

Datatex automation has also benchmarked and applied new hardware options, especially interesting use of **RFID** within the production and stock tracking functions and also has enabled the CAMS user for all hand held devices such as palm tops.

NEWS:

Datatex enhances its sales channel

Datatex direction is to provide highly qualified, timely customer service and product competence at a local level. To reach this goal new Business Partners were appointed in Portugal, Peru and Pakistan in order to strengthen the local support in these important textile districts.

Datatex Business Partner in Portugal is **René Guimarães Lda**, a company located in Porto Rua da Venezuela 191. **René Guimarães Lda** is fully dedicated to the textile industry, and is the country leader in providing equipments and solutions to textile labs and mills.

In Peru, Datatex Business Partner and Competence Centre will be **BCTS PERÚ**, Páz Soldán 170 - Lima, a company known in Latin America for its IT consultant services, mainly involved in SAP ERP implementations.

Technology Concepts (Pvt.) Limited, 15-C, Sunset Boulevard - Karachi, is the newly named Datatex Business Partner for Pakistan. It is specialized in ERP consultation and implementation and in web application development.

With these partnerships, Datatex will solidify its leadership position as a supplier of software solutions for the textile, apparel and rolled-products industries, and will seek to expand its presence in these important markets.

Turkish government support to quality and innovation

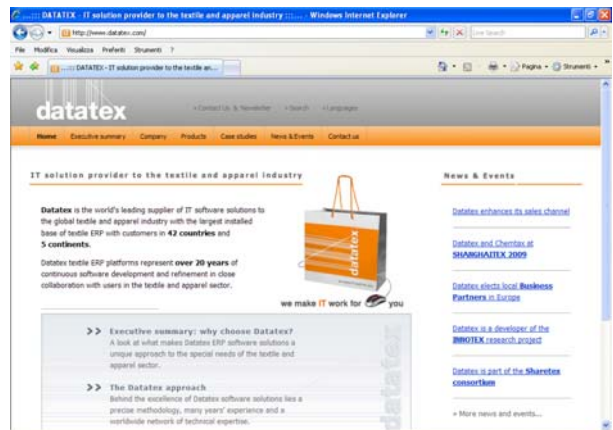
Datatex has been approved (pending announcement) as a supplier under the Turquality plan. The program, launched by the Turkish government, allows Datatex customers to claim part of the project costs from a government fund.. See www.turquality.com



Datatex has launched its new Website

As you may have already seen Datatex has launched its new Website that you can visit at www.datatex.com

The Website embraces all news regarding the Datatex offering, success stories and company. The years 2008 and 2009 have been extremely fruitful for Datatex, with the full availability of the solutions based on NOW - The leading ERP dedicated to the Textile Industry, MQM - Production Scheduling and MCM - Machine Capacity Balance that can be integrated with both NOW and TIM, and our suite of shop floor automation and fabric inspection systems CATS and CAMS. We are also happy to welcome our new customers, 20 of which have joined us during the last 6 months.



This success has reinforced the Datatex brand as the most reliable and effective business solution for the Textile and apparel Industry.

Our customers are invited to walk through our new site. We will be happy to visit and discuss with you our additional offerings available such as scheduling, fabric inspection, data collection, business intelligence and others, please feel free to call or mail us to arrange a call.

More news are expected. Datatex and its partners are working to launch a Community dedicated to those who are interested in innovation in the textile industry.

Should you have success stories to be told, Datatex will be happy to publish them on the new Website. Do not hesitate to contact us should you have any question or comment.

CONTACT US:

Our team is available to speak with any customer regarding these new development and opportunities, please contact us: datatex@datatex.com