

MANAGING DIRECTORS' REPORT

1. Managing Directors' Report

General

The financial year 2008 did not meet the expectations of the company due to the changed market circumstances during the last half year of 2008. Lower volumes and lower base prices have influenced the result of the second half of 2008, a decrease of 54%

Although the market circumstances are hard we managed to generate a total of Euro 2,357,283 million net commission income.

The net result has decreased by 95 % due to strong drop in net commission income. For 2009 we will continue to attract new clients and further decrease the ratio of Operating expenses versus Net commission income.

Currently we have 14 employees which are sufficient to manage further growth.

During 2008 VDM Financial Services BV has opened a Sales Office in Lugano (Switzerland) and a Branch Office in Como (Italy)

Investments

For 2009 we expect to grow organically.

Financing

The company has a good liquidity position and will continue this. We do not expect any necessity to finance our operations by external parties. We may increase our capital to strengthen our net equity in the future.

Subsequent Events

The Managing board of VDM Financial Services B.V. has decided on June 17, 2009 based on the 2009 results and the negative outlook to close both the Branche Como office and the Representative office Lugano.

✓
Amsterdam, 02 July 2009

Managing Board

FINANCIAL STATEMENTS

2. Financial statements

2.1 Balance sheet as per 31 December 2008
(Before appropriation of result for the year)

		<u>31-12-2008</u>	<u>31-12-2007</u>
		€	€
ASSETS			
Fixed assets			
Tangible fixed assets	3.1	49,057	56,269
		-----	-----
Total fixed assets		49,057	56,269
		-----	-----
Current assets			
Debtors	3.2	131,008	399,172
Clearing account KBC Clearing	3.3	1,834,911	-
Receivables from group companies	3.8	66,012	76,313
Other receivables and accruals	3.4	246,404	39,519
Cash	3.5	3,736,593	9,196,136
		-----	-----
Total current assets		6,014,928	9,711,140
		-----	-----
Total assets		6,063,985	9,767,409
		=====	=====
Liabilities			
Shareholder's equity			
Share capital	3.6	181,512	181,512
Share premium		1,088,569	1,088,569
Retained earnings		1,203,810	65,024
Unappropriated result for the year		60,500	1,138,786
		-----	-----
		2,534,391	2,473,891
		-----	-----
Current liability			
Payables to group companies	3.7	1,476,743	807,755
Clearing account KBC Clearing	3.8	1,711,004	6,020,663
Other payables and accrued expenses	3.9	341,847	465,100
		-----	-----
Total current liabilities		3,529,594	7,293,518
		-----	-----
Total shareholder's equity and liabilities		6,063,985	9,767,409
		=====	=====

2.2 Statement of income as per 31 December 2008

		<u>2008</u>	<u>2007</u>
		€	€
Net commission income	4.1	2,357,283	5,135,658
Salaries	4.2	1,290,111	2,775,467
Social charges	4.2	98,916	83,794
Depreciation and amortisation fixed assets	4.3	24,354	23,062
General expenses and administrative costs	4.4	954,786	688,308
Total operating expenses		----- 2,368,167	----- 3,570,631
Operating profit		----- (10,884)	----- 1,565,027
Interest income	4.5	114,661	2,279
Interest expense	4.6	(16,414)	(56)
FX Currency translation differences	4.7	1,758	-
Financial result		----- 100,005	----- 2,223
Result before tax		----- 89,121	----- 1,567,250
Corporate income tax		----- (28,621)	----- (428,464)
Net result		----- 60,500 =====	----- 1,138,786 =====

2.3 NOTES TO THE FINANCIALS STATEMENTS

2.3.1 General information

Van der Moolen Financial Services B.V. (previously named Aespen Futures B.V. until 25 January 2006) the "Company" was incorporated on 1 November 1990 and its registered office is Nieuwezijds Voorburgwal 120-7, Amsterdam. The sole shareholder is Curvalue Beheer B.V., registered in Amsterdam, whereas the ultimate shareholder is Van Der Moolen Holding N.V., registered in Amsterdam, the Netherlands.

The sales office and the branch office are as follows:

VDM Financial Services B.V. Representative office Lugano, Vivale Francinin 30, 6900 Lugano, Switzerland

VDM Financial Services B.V. Branch Como, Via Unione 1, 22074 Lomazzo, Como, Italy

The main activities of the Company are providing advisory and brokerage services in equities and commodity trading for third parties excluding any proprietary trading.

Unless mentioned otherwise all amounts are stated in Euro's.

The amounts in this report are including the results of both VDM Financial Services B.V. Amsterdam and the VDM Financial Services B.V. Branch Como and Representative Office Lugano.

Van der Moolen Group

The company, Van der Moolen Financial Services B.V., is part of the Van der Moolen Group ("Group"). The ultimate shareholder of the company is Van der Moolen Holding N.V. with registered office in Amsterdam, the Netherlands.

2.3.2 Summary of significant accounting policies

Accounting convention and basis of presentation

The financial statements have been prepared in accordance with Title 9, Book 2 of the Dutch Civil Code.

Tangible fixed assets

The tangible fixed assets are stated at cost less the cumulative depreciation. Depreciation is based on the duration of the estimated useful life of the assets. Depreciation is based on a straight line calculation.

Useful life of office equipment is set at 5 years and for other equipment is 3 years.

Debtors

Debtors arise in normal course of daily operational activities. Debtors are recognised at notional amount less any provision for doubtful debtors.

Current assets and current liabilities

All assets and liabilities are stated at the amount at which they were acquired or incurred less any provisions which is deemed necessary.

Cash

Cash is defined as cash and balances with banks and short-term placements at banks which are due on demand, including overnight placements at banks.

Translation of foreign currencies

Transactions arising in foreign currencies are translated into the reporting currency at the exchange rate at the date of the transaction. At the balance sheet date, assets and liabilities denominated in foreign currencies are translated at the year-end rates. The resulting net translation gains or losses are recognized in the statement of income as part of "Financial result".

Income taxes

The company is part of a fiscal unity headed by Van der Moolen Holding N.V. as of 1 January 2006. Previously the company was part of a fiscal unity with Curvalde Beheer B.V. Taxes as presented in these financial statements have been calculated applying the applicable tax rate for the financial year.

Current or deferred income taxes are recognised in full based on temporary differences arising between commercial results and fiscal results, taking into account tax effects arising from participating in the fiscal unity.

Income and expense

Commission income is recognised on trade date basis when transactions are placed and executed.

Other income, cost and expenses are allocated to the period to which they relate.

Risk profile

Van der Moolen Financial Services B.V. makes use of certain measures to control risks on an intra-day basis. We acknowledge different kinds of risks in our daily operating activities. The most significant risks are credit risk and operational risk.

Other kinds of risks are credit risk in general, liquidity risk and, to a lesser extent, legal risk.

Credit risk

All clients are worldwide financial institutions and professional trading clients. This limits our credit risk, especially on doubtful debtors. We closely monitor our debtors and their outstanding balances (commission fees). Before we enter a client relationship we assess the size and the professionalism of the client and their background.

Operational risk

The increasing dependency on automated processes and IT environment in our daily operational activities has forced us to increase our focus on our IT environment. We must maintain continuous access to exchanges and trading platforms to ensure error free services. This is relevant for our own systems and applications as well as for applications provided by exchanges. We focus on increasing stability and back-up possibilities for all our systems and applications to ensure continuation of daily operations.

3 Balance sheet

ASSETS

3.1 Tangible fixed assets

The tangible fixed assets comprise of:

	<u>2008</u>	<u>2007</u>
	€	€
Computer equipment	26,382	24,906
Office equipment	22,675	31,363
	-----	-----
	49,057	56,269
	=====	=====

The movement schedule of the tangible fixed assets is as follows:

Value as per 1 January 2008	56,269
Add: purchase	17,142
Less: depreciation	(24,354)

Value as per 31 December 2008	49,057
	=====

The depreciation percentage for computer equipment is 20% and for office equipment is 33.3%. The value at cost is € 107,218 (2007: € 109,102) and the cumulative depreciation amounts to € 58,161 (2007: € 52,834). During 2008 fully depreciated furniture ad a purchase value of € 10.347 are being disposed off and taken from the accounts.

3.2 Debtors

	<u>2008</u>	<u>2007</u>
	€	€
Debtors	131,008	399,172
	-----	-----
	131,008	399,172
	=====	=====

3.3 Clearing account KBC Clearing

	<u>2008</u>	<u>2007</u>
	€	€
Clearing account KBV Clearing	1,834,911	-
	-----	-----
	1,834,911	-
	=====	=====

This balance is a receivable on KBC Clearing which is responsible for clearing all our transactions on different exchanges.

3.4 Other receivables and accruals

	<u>2008</u>	<u>2007</u>
	€	€
Other receivables	191,865	278
Prepayments	54,539	39,241
	-----	-----
	246,404	39,519
	=====	=====

3.5 Cash	<u>2008</u>	<u>2007</u>
	€	€
Cash at banks	3,366,619	2,118,688
Cash at KBC Clearing	369,293	7,076,992
Cash	681	456
	-----	-----
	3,736,593	9,196,136
	=====	=====

The cash balances held at banks are on current accounts without any restrictions.

LIABILITIES**3.6 Shareholder's Equity**

The movement of the shareholder's equity is as follows:

	Share Capital €	Share premium €	Retained earnings €	Net result €	Total €
As per 1 January	181,512	1,088,569	65,024	1,138,786	2,473,891
Net result 2007	-	-	1,138,786	(1,138,786)	-
Net result 2008	-	-	-	60,500	60,500
As per 31 December	181,512	1,088,569	1,203,810	60,500	2,534,391

Share capital

The company's authorised share capital amounts to € 453,780 and comprises of 1,000 shares of EUR 453.78 each. As per 2006, 400 shares have been issued and fully paid up. During the financial year no new shares were issued.

3.7 Receivables from and Payables to group companies

All receivables on group companies are on group companies in which the Company does not actively participate in daily management or holds direct interests. All receivables and payables on group companies are short term of nature.

The receivable from group companies amounts to € 66,012 and related to four group companies. The total payable to group companies balance amounts to € 1,476,743 and is payable to eight group companies. These current accounts are not interest bearing.

The current corporate tax payable of the company as per December 31, 2008 amounting to €722,970 (2007: €694,349) is included in the payables to group companies. The company is part of a fiscal unity headed by Van der Moolen Holding N.V. as of January 1, 2006. For tax accounting purposes Van der Moolen Holding N.V. treats the company as it is an independent entity which is subject to corporate taxation.

3.8 KBC Clearing balance

	<u>2008</u>	<u>2007</u>
	€	€
Clearing account KBC Clearing	1,711,004	6,020,663
	-----	-----
	1,711,004	6,020,663
	=====	=====

3.9 Other payables and accrued expenses	<u>2008</u>	<u>2007</u>
	€	€
Salaries and bonus payable	45,095	156,997
Social charges and wage tax	34,809	96,353
VAT payable	5,452	22,730
Creditors	9,031	16,138
Accrued payables	233,712	172,882
Other Payables	13,748	-
	-----	-----
	341,847	465,100
	=====	=====

4 Profit and Loss

4.1 Net commission income	<u>2008</u>	<u>2007</u>
	€	€
Commission income	2,651,960	5,561,034
Brokerage fees	(294,677)	(426,935)
Other results	-	1,559
	-----	-----
Net commission income	2,357,283	5,135,658
	=====	=====

The number of clients during 2008 was equal to 2007 but due to changed market circumstances less commission income was generated.

4.2 Salaries, bonuses and social charges	<u>2008</u>	<u>2007</u>
	€	€
Salaries and bonuses	1,290,111	2,775,467
Social charges	98,916	83,794
	-----	-----
	1,389,027	2,859,261
	=====	=====

The decrease in transactions from our clients has resulted in a decreased in salaries and bonuses for our employees.

Employees

During the financial year the company had an average of 14 (2007: 14) employees.

4.3 Depreciation and amortisation fixed assets	<u>2008</u>	<u>2007</u>
	€	€
Intangible fixed assets	0	0
Tangible fixed assets	24,354	23,062
	-----	-----
	24,354	23,062
	=====	=====

4.4 General expenses and administrative costs	<u>2008</u>	<u>2007</u>
	€	€
Other personnel expenses	104,287	79,024
Information expenses	261,017	283,851
Sales expenses	68,125	156,892
Rent	25,374	23,004
General expenses	495,983	145,537
	-----	-----
	954,786	688,308
	=====	=====

4.5 Interest income and related income	<u>2008</u>	<u>2007</u>
	€	€
Interest income	114,661	2,279
	-----	-----
	114,661	2,279
	=====	=====
4.6 Interest expense and related expense		
Interest expenses	(16,414)	(56)
	-----	-----
	(16,414)	(56)
	=====	=====
4.7 Foreign Currency differences		
FX Currency translation differences	1,758	-
	-----	-----
	1,758	-
	=====	=====

Amsterdam, 2 July 2009

Managing Board

As of the date of signing of this Annual Report, the members of Board of Directors of Van der Moolen Financial Services B.V. are mr. M. van den Berg, mr. P.P.A. de Wit and mr. D.M. van den Berge. According to Article 18.2 of the Articles of Association, the Annual Report is signed by all members of the Board of Directors. If and when a Director does not sign the Annual Report, the reasons should be outlined in the Annual Report.

Mr. P.P.A. de Wit is on holiday and has delegated the executive power to sign this Annual Report to mr. R.E. den Drijver. Mr. M. van den Berg is absent due to special circumstances and does not exercise his executive powers, amongst which signing the Annual Report.

Dennis van den Berge

Richard den Drijver

5 OTHER INFORMATION

5.1 Audit opinion

The audit opinion issued by Ernst & Young Auditors has been included in this report on the next page.

5.2 Appropriation of net result

In accordance with Article 19, section 1 of the Articles of Association the net result is at the disposal of the General meeting of shareholders. Management proposes to transfer the net result for the year to retained earnings. This proposal has not been included in these financial statements.

5.2.1 Profit appropriation

Management proposes to allocate the total amount of €60.500 to "Retained earnings":

At the disposal of the General meeting of shareholders: € 60.500
=====

To: Van der Moolen Financial Services B.V.

Auditor's report

Report on the financial statements

We have audited the accompanying financial statements 2008 of Van der Moolen Financial Services B.V., which comprise the balance sheet as at 31 December 2008, the profit and loss account for the year then ended and the notes.

Management's responsibility

Management is responsible for the preparation and fair presentation of the financial statements and for the preparation of the management board report, both in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Van der Moolen Financial Services B.V. as at 31 December 2008, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under 2:393 sub 5 part f of the Netherlands Civil Code, we report, to the extent of our competence, that the management board report is consistent with the financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

Amsterdam, 2 July 2009

Ernst & Young Accountants LLP

Signed by G.H.C. de Meris