

# 6 Months Report 2007

**CENIT AG Systemhaus**

Industriestraße 52-54  
D-70565 Stuttgart  
Tel: + 49 711 7825-30  
Fax: + 49 711 7825-4000  
Internet: <http://www.cenit.de>

Investor Relations:  
ISIN:DE0005407100

Fabian Rau  
Tel: + 49 711 7825-3185  
Fax:+ 49 711 782544-4185  
E-Mail: [aktie@cenit.de](mailto:aktie@cenit.de)

The logo for CENIT, consisting of the word "cenit" in a bold, lowercase, sans-serif font. The letters are white and set against a teal background that is part of the overall design.

<b>CENIT AT A GLANCE (unaudified)</b>		
<b>At a glance - January 1 until June 30, 2007</b>		
in Mill. EUR	<b>June 30, 2007</b>	<b>June 30, 2006</b>
<b>Sales</b>	<b>38,05</b>	<b>37,41</b>
<b>Gross profits</b>	<b>29,49</b>	<b>28,99</b>
<b>EBITDA</b>	<b>5,21</b>	<b>5,26</b>
<b>Operating returns (EBIT)</b>	<b>4,68</b>	<b>4,75</b>
<b>EBT</b>	<b>4,95</b>	<b>4,52</b>
<b>Netincome of the group</b>	<b>3,11</b>	<b>3,50</b>
<b>Result per share (basic) in EURO</b>	<b>0,36</b>	<b>0,42</b>
<b>Result per share (diluted) in EURO</b>	<b>0,36</b>	<b>0,42</b>
<b>Number of employees at end of period</b>	<b>578</b>	<b>544</b>
<b>EBIT - Margin in %</b>	<b>12,3</b>	<b>12,7</b>
<b>Profit - Margin in %</b>	<b>8,2</b>	<b>9,4</b>
in Mill. EUR	<b>June 30, 2007</b>	<b>December 31, 2006</b>
<b>Equity in ratio in %</b>	<b>66,1</b>	<b>62,0</b>
<b>Equity</b>	<b>23,41</b>	<b>24,30</b>
<b>Liabilities</b>	<b>12,00</b>	<b>14,91</b>
<b>Balance sheet total</b>	<b>35,40</b>	<b>39,21</b>

\*change in disclosure

## GROUP INTERIM MANAGEMENT REPORT

**Dear shareholders, partners, customers, and potential business partners,**

With the presentation of the Semi-Annual Report, law now requires a so-called Oath of Financial Responsibility from the Executive Board. We hereby do so:

### **ASSERTION BY LEGAL REPRESENTATIVES**

**Statement in accordance with § 37y WpHG in conjunction with § 37w para. 2 No. 3 WpHG**

“To the best of our knowledge, we assert that in adherence to the applicable reporting principles for interim financial reporting, the Group’s interim consolidated financial statements provide a true and fair view of the Group’s asset, financial, and earnings situation, and that the Group Interim Status Report presents a true and fair view of the course of business, including the performance of the business and the situation of the Group, as well as a description of the principal opportunities and risks associated with the Group’s projected development during the remaining months of the financial year.”

***The Executive Board***

## GROUP INTERIM MANAGEMENT REPORT

### OVERALL ECONOMIC STATUS AND BUSINESS CLIMATE:

Despite the excellent prospects of the overall economy, business relation suffered a substantial setback in June. As announced by the Munich-based Ifo-Institut für Wirtschaftsforschung (Institute for Economic Research), the Ifo Business Climate Index declined significantly and unexpectedly. The business climate is defined as the median point between the current business situation and the outlook. Following three consecutive increases, this most important of Germany's economic indicators thus retreated to February levels and fell further from the 18-year record attained in December 2006. The 7000 businesses queried assessed both their outlook and their status as less favourable than in May. Particularly the manufacturing industry and wholesalers expressed caution. The effects of the VAT increase, on the other hand, have become almost negligible and seem to effect only certain sectors such as the automotive industry. In contrast, the confidence of Germany's high-tech sector is greater than it has been at any time over the past six years, as determined by a quarterly survey undertaken by German Bundesverband Informationswirtschaft, Telekommunikation und neue Medien, BITKOM (the German Association for Information Technology, Telecommunications and New Media) within this sector. According to the survey, 78 per cent of the participating enterprises expect increased sales in 2007. The BITKOM sector index for the second quarter shows an increase to 63.5 points – the highest value since the survey was introduced in 2001. The sector market is driven particularly by providers of software, IT services and digital entertainment electronics. BITKOM concludes that thanks to the positive economic situation, strong investments are being made in the latest information and communication technology. However, the information technology boom is also leading to manpower shortages of IT specialists and engineers. 59 per cent of businesses who participated in the survey indicated that their operations were effected negatively by the shortage of specialised staff.

## GROUP INTERIM MANAGEMENT REPORT

### DEVELOPMENT OF RESULTS

Traditionally, the demand for consultancy and services has a strong impact on CENIT AG's 2<sup>nd</sup> Quarter, just as expenditures for hiring and attracting new employees, whose number is set to grow by more than 10% over the current business year. On the balance-sheet date, CENIT employed 578 staff members world-wide (2006: 544). Currently, a total of 100 vacant positions are waiting to be filled. The expansion of our software product portfolio and the necessary internationalization of our business require additional strategic investments; these have been initiated over the past months. Among them is the establishment of a company in Toulouse, France, in close proximity to EADS Airbus, as well as the faster-than-expected expansion of staff numbers in Romania, where a total of 14 staff members are now employed. In addition to a very strong 1<sup>st</sup> Quarter, sales and earnings by CENIT's product business should be expected during the 4<sup>th</sup> Quarter, particularly with regard to the sales cooperation with IBM/FileNet. For its part, IBM now projects software sales for the second half of the year, due to the integration of FileNet.

### SEMI-ANNUAL FIGURES - OVERVIEW

After 6 months, consolidated sales have increased slightly to currently 38.05 m € (06/2006: 37.41 m € / 2%). The gross surplus is 29.49 m € (06/2006: 28.99 m € / 1.7%). During the reporting period, EBITDA attained 5.21 m € (06/2006: 5.26 m € / -1%), EBIT attained 4.68 m € (06/2006: 4.75 m € / -1.5%). Pre-tax EBT grew by 10% to 4.95 m € (06/2006: 4.52 m €). A significantly higher tax ratio of 37% during the 2<sup>nd</sup> Quarter (2006: 23%) led to a consolidated result of 3.11 m € (06/2006: 3.50 m €). The Group's EPS thus reached 0.36 € (06/2006 adjusted: 0.42 €). Operative cash flow amounts to 6.26 m € (06/2006: 5.12 m €).

### RESULTS FOR 2nd QUARTER

During the 2<sup>nd</sup> Quarter of 2007, CENIT Group achieved sales of 20.4 m € (06/2006: 18.2 m € / 12%). Gross profits amounted to 13.85 m € (06/2006: 14.19 m € / -2.5%). EBITDA attained 1.93 m € (06/2006: 2.38 m € / -19%). 2nd Quarter earnings before interest and taxes (EBIT) amounted to 1,66 m € (06/2006: 2.15 m € / -22.8%). EBT amounted to 1.80 m € (06/2006: 2.08 m € / -13.4%), and the Group result for the 2<sup>nd</sup> Quarter is 1.11 m € (06/2006: 1.53 m €). The Group EPS reached 0.13 € per share (06/2006 adjusted: 0.18 €).

## GROUP INTERIM MANAGEMENT REPORT

### BREAKDOWN OF SALES

The sales volume of the service sector increased by 4% to currently 22.16 m € (06/2006: 21.32 m €), making it the strongest contributor to sales (58%). During the first 6 months of the current business year, CENIT software turnover amounted to 5.96 m € (06/2006: 6.20 m € / -4%). Thus, approx. 16% of total turnover can be attributed to CENIT's proprietary software. Sales of non-CENIT software increased by 14% to 4.03 m € (06/2006: 3.54 m €), thus accounting for 11% of total sales. The hardware business contracted by 7% to 5.90 m € (06/2006: 6.34 m €). As at balance-sheet date, this equalled approx. 15% of total CENIT sales.

### HOLDINGS – FOREIGN SUBSIDIARIES

CENIT (Switzerland) AG achieved sales of 1.6 m € (06/2006: 1.5 m €), EBIT being 0.8 m € (06/2006: 0.5 m €). CENIT North America Inc. achieved sales of 2.6 m € (06/2006: 1.3 m €) and an EBIT of 0.4 m € (06/2006: - 0.2 m €).

During the 2006 financial year, CENIT established a subsidiary in Romania. This subsidiary is in the start-up phase and will expand further in 2007. With sales of 0.1 m €, CENIT SRL achieved an EBIT of 0.02 m €.

With the establishment of a new company in Toulouse, France, CENIT is expanding its activities particularly in the vicinity of EADS Airbus and its suppliers.

## GROUP INTERIM MANAGEMENT REPORT

### DEVELOPMENT OF COSTS

Other operating expenses have developed in accordance with projections.

### INVESTMENTS

Investments during the first 6 months of 2007 amounted to 0.8 m € (30.06.2006: 0.6 m €).

### CHANGES IN COMPOSITION OF EXECUTIVE AND SUPERVISORY BOARD

Andreas Schmidt, Member of the Executive Board, resigned from company on July 31, 2007.

### EVENTS OF SPECIAL SIGNIFICANCE WHICH COULD AFFECT BUSINESS OPERATIONS

None

### RISK MANAGEMENT REPORT

During the reporting period there was no status risk for the Group. For more information, please refer to the detailed risk management report contained in 2006 Business Report.

### INTERIM DIVIDEND

No interim dividend was paid out.

### DIVIDENDS PAID OR PROPOSED FOR PAYMENT

During the Annual Shareholders' Meeting, held June 20, 2007, the payout of a dividend of 50 cents (2006: 45 cents) to shareholders and a retention of reserves in the amount of 3.5 m € was approved.

### NEW ORDERS

Group-wide, orders on hand increased by 21% as at June 30, 2007 and now amount to 22 m € (12/2006: 18.2 m €). Incoming orders amount to approx. 46 m € (6 months 2006: 46 m €). During the 2<sup>nd</sup> Quarter, the total share of new customers was 5%.

## GROUP INTERIM MANAGEMENT REPORT

### ORDERS OF SPECIAL SIGNIFICANCE

None

### LIQUID ASSETS AND SECURITIES

On the balance-sheet date, the total of bank deposits and securities in current assets amounted to 14.9 m € (12/2006: 18.7 m €). On June 21, total dividends of 4.2 m. € were paid out to shareholders.

### ASSET, FINANCIAL AND PROFIT SITUATION

The balance-sheet total amounted to 35.4 m €. Trade debtors and other assets totalled 14.4 m €. The good profit situation has positive consequences for the Group's assets status. As at June 30, 2007, the Group's net worth was approx. 23.41 m € (2006: 24.3 m €), at an equity ratio of 66% (2006: 62%). The operative cash flow was 6.26 m € (2006: 5.12 m €).

### EMPLOYEES

On balance-sheet date, CENIT had a total of 578 employees world-wide (2006: 544). Currently 100 vacant positions are waiting to be filled. The employee pool grew by approx. 6 per cent.

### SUPPLEMENTARY REPORT, OPPORTUNITIES AND OUTLOOK

CENIT's Executive Board expects that CENIT and its partners IBM/FileNet, SAP and Dassault will be able to increase earnings in the software sector as projected, particularly during the second half of the year. The process of internationalization and the consistent increase in staff will continue in the future. The assessment of business opportunities remains positive, and all efforts will be undertaken to fill the currently vacant, approx. 100 positions worldwide for software specialists, engineers and consultants within the current year. In general, the assumptions made in the 2006 Financial Statement with respect to the future development of CENIT remain valid. With regard to Group earnings and the operative Group result, we continue to expect increases over the previous year.

CENIT Aktiengesellschaft Systemhaus		
Consolidated Balance Sheet prepared in accordance with IFRS (unaudited)		
as of June 30, 2007		
in EUR k	June 30, 2007	Dec. 31, 2006
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Intangible assets	255	248
Property, plant and equipment	1607	1366
Property, plant and equipment	707	699
	<b>2569</b>	<b>2313</b>
<b>DEFERRED TAX ASSETS</b>		
	<b>0</b>	<b>0</b>
<b>NON-CURRENT ASSETS</b>		
	<b>2569</b>	<b>2313</b>
<b>CURRENT ASSETS</b>		
Inventories	1684	668
Trade receivables	14408	16243
Current income tax assets	1325	1062
Other receivables	157	76
Other financial assets at fair value through profit or loss	8181	11042
Cash and cash equivalents	6669	7615
Prepaid expenses	409	191
<b>CURRENT ASSETS</b>	<b>32833</b>	<b>36897</b>
<b>TOTAL ASSETS</b>		
	<b>35402</b>	<b>39210</b>

CENIT Aktiengesellschaft Systemhaus		
Consolidated Balance Sheet prepared in accordance with IFRS (unaudited)		
as of June 30, 2007		
in EUR k	June 30, 2007	Dec. 31, 2006
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	8368	8368
Capital reserve	1022	863
Currency translation reserve	-192	-212
Revenue reserves	418	418
Revenue reserves	6399	2899
Net income of the Group allocable to the shareholders of CENIT AG	7391	11968
	23406	24304
Minority Interests	0	0
<b>TOTAL EQUITY</b>	<b>23406</b>	<b>24304</b>
<b>NON-CURRENT LIABILITIES</b>		
Deferred tax liabilities	471	231
<b>CURRENT LIABILITIES</b>		
Short-term liabilities to banks	47	1249
Trade payables	3153	3787
Other liabilities	7978	8668
Current income taxes	212	834
Other Provisions	135	137
Deferred Income	0	0
	11525	14675
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>35402</b>	<b>39210</b>

CENIT Aktiengesellschaft Systemhaus			
Consolidated Income Statement prepared in accordance with IFRS (unaudified)			
for the period from January 1 to June 30, 2007			
in EUR k		June 30, 2007	June 30, 2006
<b>1. SALES</b>		<b>38049</b>	<b>37414</b>
2. Increase/Decrease in inventories of work in process		1567	1298
Total operating performance		39616	38712
3. Other operating income		377	344
Operating performance		39992	39056
4. Cost of materials	10503		10070
5. Personnel expenses	17943		17274
6. Amortization of intangible assets and depreciation on property, plant and equipment	528		509
7. Other operating expenses	6337		6448
		35311	34302
<b>NET OPERATING INCOME</b>		<b>4681</b>	<b>4754</b>
8. Other interest and similar income	86		103
9. Interest and similar expenses	39		7
10. Result from financial instruments at fair value through profit or loss	218		-331
		265	-234
<b>RESULT FROM ORDINARY ACTIVITIES</b>		<b>4946</b>	<b>4519</b>
11. Income taxes		1840	1018
<b>12. NET INCOME OF THE GROUP FOR THE YEAR</b>		<b>3106</b>	<b>3502</b>
13. Thereof allocable to the shareholders of CENIT AG		3102	3485
14. Thereof allocable to minority interests		4	17
Earnings per share in EUR			
undiluted		0,36	0,42
diluted		0,36	0,42

\*change in disclosure

## CENIT AG Systemhaus – Semi-annual Report 2007

CENIT Aktiengesellschaft Systemhaus			
Consolidated Income Statement prepared in accordance with IFRS (unaudited)			
for the period from April 1 to June 30, 2007			
in EUR k	2nd Quarter, 2007		2nd Quarter, 2006
<b>1. SALES</b>		<b>20443</b>	<b>18233</b>
2. Increase/Decrease in inventories of work in process		55	62
Total operating performance		20498	18294
3. Other operating income		155	186
Operating performance		20653	18481
4. Cost of materials	6802		4293
5. Personnel expenses	8743		8488
6. Amortization of intangible assets and depreciation on property, plant and equipment	268		233
7. Other operating expenses	3184		3320
		18997	16334
<b>NET OPERATING INCOME</b>		<b>1657</b>	<b>2147</b>
8. Other interest and similar income	-93		46
9. Interest and similar expenses	2		1
10. Result from financial instruments at fair value through profit or loss	239		-111
		145	-66
<b>RESULT FROM ORDINARY ACTIVITIES</b>		<b>1801</b>	<b>2081</b>
<b>RESULT FROM ORDINARY ACTIVITIES</b>			
11. Income taxes		695	553
<b>12. NET INCOME OF THE GROUP FOR THE YEAR</b>		<b>1106</b>	<b>1528</b>
13. Thereof allocable to the shareholders of CENIT AG		1102	1521
14. Thereof allocable to minority interests		4	6
Earnings per share in EUR			
Basic earnings		0,13	0,18
Diluted earnings		0,13	0,18

\*change in disclosure

CENIT Aktiengesellschaft Systemhaus		
Consolidated Statement of Cash Flows prepared in accordance with IFRS (unaudited)		
as of June 30, 2007		
in EUR k	June 30,2007	June 30,2006
<b>Cash flow from operating activities</b>		
Earnings before income taxes and deferred taxes	4946	4519
Adjusted for:		
Amortization of intangible assets and depreciation of property, plant and equipment	528	509
Losses on disposals of non-current assets	2	0
Gains on disposals of non-current assets	0	-2
Dividends income		0
Other non-cash expenses and income	835	193
Increase/Decrease Provisions		0
Interest income	-86	-103
Interest expenses	39	7
<b>Net operating income before changes in net working capital</b>	<b>6264</b>	<b>5123</b>
Increase/decrease in trade receivables and other current, non-monetary assets	1273	-2403
Change in other financial assets that are not allocable to cash and cash equivalents	0	0
Increase/Decrease in inventories	-1016	-4362
Increase/decrease in current liabilities and provisions	-3045	1348
<b>Cash flow from ordinary operations</b>	<b>3476</b>	<b>-294</b>
Interest paid	-39	-7
Interest received	86	103
Dividends income		0
Income taxes paid	-2356	-1057
<b>Net cash flow from ordinary activities</b>	<b>1168</b>	<b>-1255</b>
<b>Net cash flow from operating activities</b>	<b>1168</b>	<b>-1255</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment and intangible assets	-791	-575
Proceeds from the disposal of property, plant and equipment	0	0
<b>Net cash paid for investing activities</b>	<b>-791</b>	<b>-575</b>
<b>Cash flow from financing activities</b>		
Dividends paid to shareholders	-4184	-3765
<b>Net cash paid for investing activities</b>	<b>-4184</b>	<b>-3765</b>
<b>Net increase/decrease in cash and cash equivalents</b>	<b>-3807</b>	<b>-5595</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>15667</b>	<b>17827</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>11860</b>	<b>12232</b>

CENIT Aktiengesellschaft Systemhaus									
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (IN ACORDANCE WITH IFRS) (unaudified)									
as of June 30, 2007									
in EUR k	Equity allocable to the parent company's shareholders								
	Subscribed capital	Capital reserve	Currency translation reserve	Revenue reserve	Revenue reserve	Group result per shareholder of CENIT AG	Group result	Minority interests	Total
<b>as of January 1,2006</b>	4184	543	-119		5039	9879	19526	43	19569
Currency fluctuation			-93				-93	-7	-100
Net income of the Group for the year						8372	8372	30	8402
Group for the year			-93			8372	8279	23	8302
Transfer from stock options		320					320		320
Dividend distribution						-3765	-3765		-3765
Allocation to the revenue reserve					2100	-2100	0		0
Allocation to the revenue reserve				418		-418	0		0
Allocation to the revenue reserve	4184				-4184		0		0
the revenue reserve					-56	0	-56	-66	-122
<b>as of Dec. 31,2006</b>	8368	863	-212	418	2899	11968	24304	0	24304
Currency fluctuation			20				20		20
Net income of the Group for the year						3102	3102	0	3102
Group for the year			20			3102	3102	0	3102
Transfer from stock options		159					159		159
Dividend distribution						-4184	-4184		-4184
Allocation to the revenue reserve					3500	-3500	0		0
Allocation to the revenue reserve									0
Allocation to the revenue reserve									0
the revenue reserve						4	4		4
<b>as of June 30,2007</b>	8368	1022	-192	418	6399	7391	23406	0	23406

<b>CENIT Aktiengesellschaft Systemhaus</b>				
<b>Segment Report by Segments prepared in accordance with IFRS (unaudited)</b>				
<b>for the period from January 1 to June 30, 2007</b>				
in EUR k	<b>ECM</b>	<b>PLM</b>	<b>not allocated</b>	<b>Group</b>
<b>Sales to third parties</b>				
<b>Q1-Q2 2007</b>	14,619	23,430	0	<b>38,049</b>
<b>Q1-Q2 2006</b>	10,261	27,153	0	<b>37,414</b>
<b>EBIT</b>				
<b>Q1-Q2 2007</b>	2,219	2,462	0	<b>4,681</b>
<b>Q1-Q2 2006</b>	454	4,300	0	<b>4,754</b>
<b>Interest and financial result</b>				
<b>Q1-Q2 2007</b>	0	0	265	<b>265</b>
<b>Q1-Q2 2006</b>	0	0	-234	<b>-234</b>
<b>Taxes</b>				
<b>Q1-Q2 2007</b>	0	0	-1,840	<b>-1,840</b>
<b>Q1-Q2 2006</b>	0	0	-1,018	<b>-1,018</b>
<b>Net Income/loss of the group</b>				
<b>Q1-Q2 2007</b>	2,219	2,462	-1,575	<b>3,106</b>
<b>Q1-Q2 2006</b>	454	4,300	-1,252	<b>3,502</b>
<b>Segment assets</b>				
<b>June 30, 2007</b>	4,484	14,037	16,881	<b>35,402</b>
<b>Dec 31, 2006</b>	5,434	13,358	20,418	<b>39,210</b>
<b>Segment liabilities</b>				
<b>June 30, 2007</b>	4,182	7,085	730	<b>11,997</b>
<b>Dec 31, 2006</b>	4,966	7,505	2,435	<b>14,906</b>
<b>Capital expenditure</b>				
<b>June 30, 2007</b>	143	648	0	<b>791</b>
<b>Dec 31, 2006</b>	298	760	0	<b>1,058</b>
<b>Amortization &amp; depreciation</b>				
<b>Q1-Q2 2007</b>	135	393	0	<b>528</b>
<b>Q1-Q2 2006</b>	109	400	0	<b>509</b>

## CENIT AG Systemhaus– 6-Monatsbericht 2007

### CENIT Aktiengesellschaft Systemhaus

Segment Report by Region prepared in accordance with IFRS (unaudited)  
for the period from January 1 to June 30, 2007

in EUR k	D	CH	USA	RU	FR	not allocated	Consolidation	Group
<b>Intercompany Sales</b>								
Q1-Q2 2007	706	982	145	34	0	0	-1,867	0
Q1-Q2 2006	718	591	74	0	0	0	-1,383	0
<b>Sales to third parties</b>								
Q1-Q2 2007	34,924	592	2,457	76	0	0	0	38,049
Q1-Q2 2006	35,606	713	1,095	0	0	0	0	37,414
<b>Segment assets</b>								
June 30, 2007	17,690	1,562	1,315	86	0	16,881	-2,132	35,402
Dec 31, 2006	17,637	1,080	1,291	0	0	20,418	-1,216	39,210
<b>Capital expenditure</b>								
June 30, 2007	713	7	18	53	0	0	0	791
Dec 31, 2006	981	2	75	0	0	0	0	1,058

**INFORMATION ON SHARES AND OPTIONS HELD BY BOARD MEMBERS AND EMPLOYEES, IN ACCORDANCE WITH § 160 para. 1 No. 2 AND 5 AktG**

The CENIT Executive and Supervisory Boards hold 39,000 subscription rights to share options. CENIT employees hold subscription rights to 168,000 share options.

**Directors' Holdings:**

**Share Portfolio as at June 30, 2007**

Total number of shares: 8,367,758

**Executive Board:**

Kurt Bengel: 0  
Christian Pusch: 0  
Andreas Schmidt: 191,792

**Supervisory Board:**

Falk Engelmann: 187,000  
Hubert Leypoldt: 1,600  
Dr. Dirk Lippold: 0

**Financial Calendar:**

November 08, 2007: Publication of 3<sup>rd</sup> Quarter Results  
November 12-14, 2007: German Equity Forum, Frankfurt