

Half-yearly Report 2006

**euromicron**  
Aktiengesellschaft

## euromicron Group Key earnings indicators

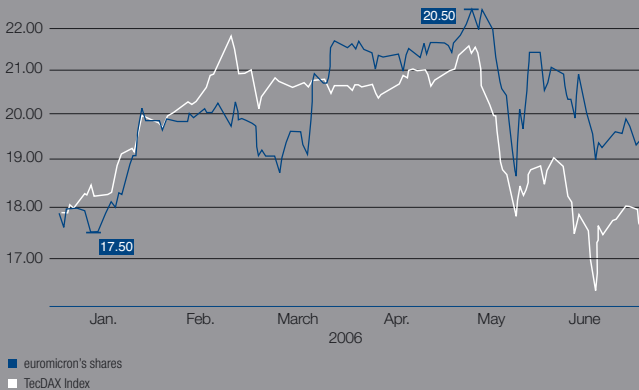
	2006 EUR thou.	2005 adjusted* EUR thou.
Profit from operating activities (EBIT)	2,396	1,700
EBIT/Total operating performance in percent	4.9%	4.0%
EBITDA	3,157	2,527
Income before income taxes	2,409	1,235
Net income for the period	1,549	1,060
Earnings per share, in EUR	0.33	0.23

(unaudited, IFRS)

\* To permit better comparison of 2005 with 2006, the figures of the FRAKO GmbH which was deconsolidated at the end of 2005 have been excluded

## euromicron on the stock market

euromicron AG (Xetra)  
in EUR



# The euromicron Group

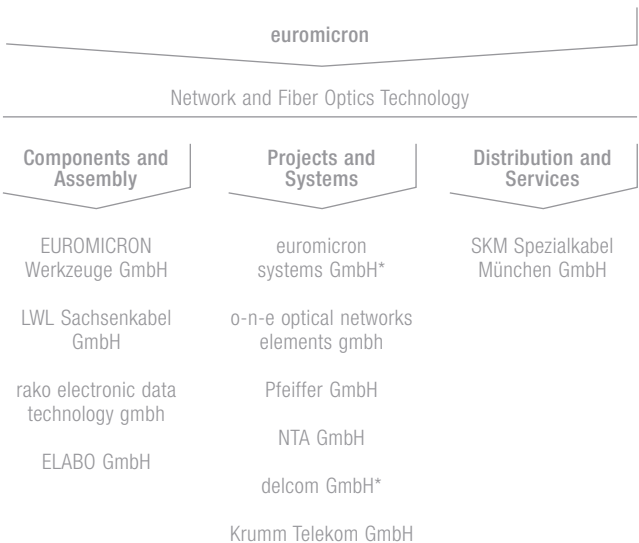
Dear shareholders,

The synthesis of the competences of our employees, companies and products and services is putting euromicron on the road to success and generating strong organic growth at the Group.

Frankfurt/Main, August 2006

The Executive Board

## Company structure



\* delcom GmbH was merged with euromicron systems GmbH on August 1, 2006

# Foreword

There were emerging signs in the first quarter that business trends would be good and this has now been confirmed by the first half. The change in shareholder at the end of 2005 was the starting point for a series of changes, such as realignment of the company's perspectives and the return to the buy-and-build strategy. Our objectives such as growth, expansion, stability and increasing the quality of earnings were achieved and business development was driven systematically. Compared with the previous year, we grew sales by around 23% and almost doubled our consolidated earnings before income taxes.

Focal areas of our work in the first half of the year included increasing synergies at Industrial Solutions by integration of Elabo in core business, expansion of our presence in the Rhine/Main region by the acquisition of Krumm Telekom GmbH, increasing our stake in NTA GmbH to 100%, the change in stock market segment to the Prime Standard, and acquisition of demanding projects nationwide that confirm the competence of the euromicron Group. euromicron has established itself as a system house and a responsible partner for the customer, above all by delivering and implementing products and solutions from a single source, and impresses with its performance, innovation, reliability and quality.

An important milestone in implementation of our strategy was accomplished with the merger of delcom GmbH with euromicron systems GmbH effective August 1, 2006. As a result, expansion of the Northern Network as a system house has commenced. The integration work within the Group in the past years laid the foundation for merging the two companies. In line with its entrepreneurial policy, euromicron will provide the company with adequate capital to enable it to acquire companies directly as part of our forthcoming intentions in this regard.

Investor relations work was continuously expanded in the first half of the year. We initiated a series of measures to make our share even more attractive and to intensify and constantly improve dialog with our shareholders.

Revision of the homepage, participation in various roadshows, various one-on-one meetings, further researches and studies, move to the Prime Standard on June 14, 2006. We strengthened our staff in order to address the greater requirements demanded of investor relations work following the share replacement. Alongside

the already established person responsible for IR and PR, Ms. Ulrike Hauser, Mr. Ralf Winkler will intensify and constantly nurture contact with analysts and investors, explain matters relating to the company's economic development and represent the company even more actively at roadshows.

A further highlight in the first six months was this year's General Meeting on June 23, 2006, which was held for the first time at the premises of Commerzbank. The new shareholders actively support the Executive Board's policies and document this with their vote. All items on the agenda were ratified with almost 100% approval. Among other things, resolutions were adopted on acquisition of our own shares, revision of the Articles of Association and a stock option program. The successful first half of the year meant that the announced dividend of EUR 0.60 per share was able to be paid, corresponding to a dividend yield of almost 4%.

In order to comply with the regulations of the Prime Standard and the Corporate Governance Code, euromicron will publish its quarterly figures within the deadline of 45 days as of this Half-yearly Report.

Our rating by banks remains BBB+ and A; the provider of our industry loan even gives euromicron the status "trustee investment grade" internally.

euromicron's share was again in the focus of interest of domestic and foreign investors in the period under review. The share peaked at EUR 22.75 on May 10, 2006, and stood at EUR 19.00 on June 30, 2006. Analysts continue to rate euromicron as a clear "buy" and have set an upside target of EUR 27.00 and EUR 29.00. The average volume of daily trading in the first half was 10,300 shares, with peak values of 50,000 being reached in some cases. In May, euromicron's share was influenced by the negative impulses on the German stock market, despite the Group's fundamentally good business development. There was a large occurrence of profit-taking in March. Since August 1, the share has been on the way back up.

Our personnel development activities were intensified in preparation for further growth. Sales, communication and management training courses have been held regularly since April. Our potential junior staff take part in various development programs. The requirements in the field of information and communications technology and technical

systems are increasing in complexity, something we prepare our employees for by means of continuous technical specialist training. Our employees are acknowledged as professionals, in particular in the areas of active network and security technology. The broad qualification of all employees and the above-mentioned special training of specialists in active and passive system technology mean we can provide our customers with quick and comprehensive consulting and service at all times.

The trade fair activities of the euromicron Group in the first half of the year focused on CeBIT 2006, where we presented ourselves under the slogan "Competence goes Solution". Solutions for a wide range of customer needs in communications and security applications were showcased there.

We decided very recently to relocate our headquarters within Frankfurt as of October 2006. A crucial reason for this was the objective of finding an office building that eliminates for the disadvantages of the current premises, such as networking, air-conditioning, room arrangement, access, etc., can be used flexibly, is cheaper, has modern furnishings, and offers good transport links. We have found such a location at Westhafen Haus, Speicherstrasse 1, Frankfurt.

## Sales and income at June 30, 2006

The euromicron Group posted consolidated sales of EUR 52.0 million in the first half of 2006, an increase of 23% over the comparable figure for the previous year. FRAKO GmbH, which was consolidated in the Group's half-yearly accounts for the previous year and was sold effective December 31, 2005, has been removed from the figures from the previous year so as to permit comparability of the six-month figures.

Just about all companies contributed to the year-on-year increase in sales. The increasingly broad competence of our Group, enhancement of awareness of euromicron, as well as the balanced economic situation that has prevailed over the past months are enabling corresponding organic growth and increases in sales, in some cases by more than 75%. The Soccer World Cup also resulted repeatedly in greater investment in equipment in the field of telecommunications and information processing and likewise stimulated business. There is justified hope that this demand will continue, albeit at a somewhat lower level. Industry is also investing strongly again in data communications, with the result that there is a slow, yet steady, loosening of pent-up investment we have seen for a number of years.

Moreover, the increase in sales outside our domestic market is pleasing. Traditionally, our investments mainly operate in the German market, generating some 90% of their sales there. Consequently, the greatest increase in sales in absolute terms was achieved here. Moreover, our additional sales efforts in the last period are slowly bearing fruit, in particular in the adjacent countries of the Euro zone, where we were able to chalk up a pleasing increase in sales of more than 50%. In absolute terms, the share of sales in the Euro zone from the point of view of risk spreading is not yet significant due to different trends in individual economies, yet this is a further step toward countering and compensating for the difficult general political and economic conditions in Germany. We will intensify our efforts here in future.

Sales trends in countries outside the Euro zone are also positive. However, our current focus is not on a strategic approach to addressing these countries in a concentrated way; the countries of the Euro zone are more attractive, especially due to their geographical proximity and intercultural affinity.

## euromicron Group

### Sales by region for the period January 1 to June 30, 2006

Region	2006 EUR thou.	2005 adjusted* EUR thou.
Germany	47,696	38,884
EURO-zone	1,989	1,293
Rest of World	2,308	2,108
Consolidated net sales	51,993	42,285

(unaudited, IFRS)

\* To permit better comparison of 2005 with 2006, the figures of the FRAKO GmbH which was deconsolidated at the end of 2005 have been excluded

The euromicron Group posted income before taxes of EUR 2.4 million in the first half of 2006, twice the comparable figure for the previous year. This is mainly due to the increase in total operating performance in the first six months. Profit from operating activities was grown by more than 40%.

The ratio of costs of materials rose by around 4 percentage points over the previous year, whereas the ratio of personnel costs fell by the same figure. This is a reflection of our restructuring efforts of the past years, a particular aim of which was to achieve a shift away from fixed personnel expenses to variable costs through the procurement of external services. In addition, the decline in margins we have seen for the past three years is continuing, so that the constant ratio between total material and personnel costs and total operating performance compared with the previous year especially underlines our restructuring efforts in general and, among other things, the improvements in our procurement terms as a result of pooling purchase volumes.

Depreciation and amortization are still at a very low level, since the majority of our companies are more service-oriented and so do not have any large amount of fixed assets. Other operating expenses remained constant in relation to total operating performance.

The financial results are positive compared with the previous year, mainly due to income from interest as part of the tax field audit. The tax ratio is currently around 35%, far higher than in the previous year, due to the consumption of tax losses carried forward.

The EBIT return is 4.9% in the traditionally weaker first half, following 4.0% in the previous year. EBITDA were increased by 25% to EUR 3.2 million. Net income in the first half and earnings per share rose by almost 50%.

In terms of total operating performance, the 2nd quarter of 2006 showed somewhat weaker growth than the 1st quarter. This is mainly due to the one-off effect of large investments being brought forward as a result of the World Cup, which had a sharply positive impact on the traditionally weak first quarter of the euromicron Group.

## euromicron Group

### Key earnings indicators for the period January 1 to June 30, 2006

	2006 EUR thou.	2005 adjusted* EUR thou.
Profit from operating activities (EBIT)	2,396	1,700
EBIT/Total operating performance in percent	4.9%	4.0%
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New orders at the Group in the first half of 2006 are at the level of the comparable figure for the previous year.

Order books fell at the reporting date by around 9% and are EUR 46 million, still at a very high and satisfactory level. Significant parts of these orders will be processed in 2006, meaning that we can embark on the second half of the year with optimism about achieving our sales target at the end of the year.

### euromicron Group

#### New Orders and order books for the period January 1 to June 30, 2006

	2006 EUR thou.	2005 adjusted* EUR thou.
Consolidated new orders of the group	43,004	43,136
Consolidated order books of the group	45,973	50,397

(unaudited, IFRS)

\* To permit better comparison of 2005 with 2006, the figures of the FRAKO GmbH which was deconsolidated at the end of 2005 have been excluded

## Balance sheet at June 30, 2006

euromicron's consolidated net profit fell in the first half of 2006 compared with December 31, 2005, by 7.2% to EUR 93.5 million, due to payment of the dividend for fiscal 2005 and a considerable reduction in current liabilities.

In addition, the balance sheet ratios have sharply changed in part. Goodwill increased significantly on the assets side as a result of the acquisition of all the shares in KRUMM Telekom GmbH and the remaining 20% stake in NTA GmbH. This entailed a rise in noncurrent assets as part of total assets from 43.4% to 48.8%. In contrast, liquid funds fell from EUR 20.5 million to EUR 13.4 million due to the acquisitions and payment of the dividend for fiscal 2005. The other balance sheet items are at the level of the previous year.

The reduction in total assets meant that the equity ratio fell from 66.0% at December 31, 2005, to its current level of 69.5%. The dividend payment on June 26, 2006, resulted in a slight reduction in shareholders' equity at June 26, 2006, from EUR 66.5 million to EUR 65.0 million, as a result of the reporting date; however, the quality of the capital resources available to the group remains constant.

Noncurrent liabilities at the Group also remained constant compared with the end of 2005, both in absolute terms and as a ratio of total assets. Current liabilities fell by 20%, in particular due to the reduction of large amounts of trade payables.

The remainder of the industry loan is EUR 10.3 million at June 30, 2006, and will be reduced by EUR 5.1 million at September 1, 2006, in accordance with the agreement. The last repayment installment for this loan is in 2007. At the reporting date, the euromicron Group does not have any net financial debt, i.e. interest-bearing liabilities are exceeded by liquid funds.

The ratio of long-term capital available to the Group is over 75% and will provide a secure cushion for our strategy in the coming years. The ratio of equity to assets is well over 100%.

**euromicron Group**  
**Consolidated balance sheet**  
**Assets**

	June 30, 2006 EUR thou.	Dec. 31, 2005 EUR thou.
<b>Noncurrent assets</b>		
Intangible assets	40,008	37,841
Property, plant and equipment	3,243	3,331
Financial assets	159	243
Other receivables and assets	0	0
Deferred tax assets	2,225	2,324
	45,635	43,739
<b>Current assets</b>		
Inventories	15,025	15,837
Trade accounts receivable	16,312	17,031
Receivables from affiliates	34	0
Other receivables and other assets	3,119	3,711
Marketable securities and cash	13,414	20,466
	47,904	57,045
<b>Total assets</b>	<b>93,539</b>	<b>100,784</b>

(unaudited, IFRS)

**euromicron Group**  
**Consolidated balance sheet**  
**Liabilities and stockholders' equity**

	June 30, 2006 EUR thou.	Dec. 31, 2005 EUR thou.
<b>Stockholders' equity</b>		
Subscribed capital	11,914	11,914
Additional paid-in capital	61,781	61,781
Consolidated retained earnings	-10,250	-13,101
Net income for the period	1,549	5,647
Minority interests	0	234
	64,994	66,475
<b>Long-term debt</b>		
Accrued liabilities	743	670
Liabilities	5,248	5,276
Deferred taxes	1,307	1,834
	7,298	7,780
<b>Current liabilities</b>		
Accrued liabilities	1,689	2,618
Trade accounts payable	4,700	8,044
Other liabilities	14,858	15,867
	21,247	26,529
<b>Total liabilities and stockholders' equity</b>	<b>93,539</b>	<b>100,784</b>

(unaudited, IFRS)

**euromicron Group**  
**Statement of changes in stockholders' equity**  
**from January 1, 2005 to June 30, 2006**

	Subscribed capital EUR thou.	Additional paid-in capital EUR thou.	Consoli- dated retained earnings EUR thou.	Minority interests EUR thou.	Total EUR thou.
<b>Balance at January 1, 2005</b>	<b>11,914</b>	<b>61,781</b>	<b>-10,305</b>	<b>374</b>	<b>63,764</b>
Consolidated net income for 2005			5,647		<b>5,647</b>
Dividend for 2004			-2,796		<b>-2,796</b>
Profit share for interest				-140	<b>-140</b>
<b>Balance at December 31, 2005</b>	<b>11,914</b>	<b>61,781</b>	<b>-7,454</b>	<b>234</b>	<b>66,475</b>
Consolidated net income for Q2 2006			1,549		<b>1,549</b>
Dividend 2005			-2,796		<b>-2,796</b>
Profit share for interest				-234	<b>-234</b>
<b>Balance at June 30, 2006</b>	<b>11,914</b>	<b>61,781</b>	<b>-8,701</b>	<b>0</b>	<b>64,994</b>

(unaudited, IFRS)

**euromicron Group**  
**Consolidated income statement for the**  
**period January 1 to June 30, 2006**

	3-months' report		6-months' report –	
	Apr. 01, 2006 June 30, 2006 EUR thou.	adjusted* Apr. 01, 2005 June 30, 2005 EUR thou.	Jan. 01, 2006 June 30, 2006 EUR thou.	adjusted* Jan. 01, 2005 June 30, 2005 EUR thou.
<b>Net sales</b>	<b>28,393</b>	<b>21,131</b>	<b>51,993</b>	<b>42,285</b>
Inventory changes	-4,726	881	-3,048	-25
Other operating income	133	38	344	95
Cost of material	-11,383	-10,254	-24,614	-19,596
Personnel costs	-7,641	-7,450	-15,060	-14,675
Depreciation and amortization expense	-277	-413	-761	-827
Other operating expense	-3,261	-2,945	-6,458	-5,557
<b>Profit from operating activities</b>	<b>1,238</b>	<b>988</b>	<b>2,396</b>	<b>1,700</b>
Net financing costs	81	-267	13	-465
<b>Income before income taxes</b>	<b>1,319</b>	<b>721</b>	<b>2,409</b>	<b>1,235</b>
Income taxes	-585	27	-860	-80
<b>Consolidated net income for the period, before minority interests</b>	<b>734</b>	<b>748</b>	<b>1,549</b>	<b>1,155</b>
Minority interests	0	-73	0	-95
<b>Consolidated net income for the period</b>	<b>734</b>	<b>675</b>	<b>1,549</b>	<b>1,060</b>
<b>Earnings per share (basic), in EUR</b>	<b>0.16</b>	<b>0.14</b>	<b>0.33</b>	<b>0.23</b>
<b>Earnings per share (diluted), in EUR</b>	<b>0.16</b>	<b>0.14</b>	<b>0.33</b>	<b>0.23</b>
<b>Average number of outstanding shares (basic)</b>	<b>4,660,000</b>	<b>4,660,000</b>	<b>4,660,000</b>	<b>4,660,000</b>
<b>Average number of outstanding shares (diluted)</b>	<b>4,660,000</b>	<b>4,660,000</b>	<b>4,660,000</b>	<b>4,660,000</b>

(unaudited, IFRS)

\* To permit better comparison of 2005 with 2006, the figures of the FRAKO GmbH which was deconsolidated at the end of 2005 have been excluded

**euromicron Group**

**Statement of cash flows for the period January 1 to June 30, 2006**

	Jan. 01, 2006 June 30, 2006 EUR thou.	Jan. 01, 2005 June 30, 2005 EUR thou.
<b>Consolidated net profit for the period</b>	<b>1,549</b>	<b>1,365</b>
Depreciation and amortization of noncurrent assets	761	1,050
Disposal of assets, net	-40	-7
Change in accrued liabilities	-856	-1,946
<b>Cash Flow</b>	<b>1,414</b>	<b>462</b>
Change in deferred taxes	145	325
Changes in other short- and long term assets and liabilities		
– Inventories	812	-2,051
– Trade accounts receivables	719	-530
– Trade accounts payable	-3,344	1,389
– Other operating assets and liabilities	-2,944	863
<b>Net cash used in (previos year: provided by) operating activities</b>	<b>-3,198</b>	<b>458</b>
Proceeds from disposals of assets and capital expenditures, net	-2,672	-1,036
<b>Net cash used in investment activities</b>	<b>-2,672</b>	<b>-1,036</b>
Dividends paid	-2,796	-2,206
Change in financial debt	1,848	792
Change in minority interests	-234	-244
<b>Net cash used in financing activities</b>	<b>-1,182</b>	<b>-1,658</b>
Change in cash and cash equivalents	-7,052	-2,236
Cash and cash equivalents at start of period	20,466	11,377
<b>Cash and cash equivalents at end of period</b>	<b>13,414</b>	<b>9,141</b>
<b>Cash and cash equivalents are composed of:</b>	<b>13,414</b>	<b>9,141</b>
Cash	7,355	3,415
Securities	6,059	5,726

(unaudited, IFRS)

# Other details

## Reporting and measurement methods

euromicron AG prepares its consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) in the valid version at December 31, 2005. The same reporting and measurement methods are used for the first-half financial statements for 2006 as in the annual financial statements for 2005. Consequently, an explanation of the reporting and measurement methods is dispensed with. The first-half financial statements have been prepared in accordance with IAS 34.

Unless otherwise stated, the consolidated financial statements of euromicron AG are presented in thousands of euros.

## Changes in the consolidated companies

NTA Mainz GmbH acquired all the shares in KRUMM Telekom GmbH, Langen, effective February 1, 2006. The company was consolidated for the first time at January 1, 2006.

euromicron AG acquired a further 20% stake in NTA Mainz GmbH, Mainz, effective February 15, 2006, and now holds all the shares in this company.

## Dividend

The General Meeting of euromicron AG decided on June 23, 2006, to pay a dividend of EUR 0.60, or a total of EUR 2,796,000.00, for fiscal 2005 from its net retained profits. This is around 84% of the net profit earned by euromicron AG. The amount of EUR 583,548.75 above and beyond this will be carried forward to a new account.

## Supervisory Board

Frankfurt/Main Local Court had appointed a new Supervisory Board for euromicron AG effective January 20, 2006, and this was newly elected by the General Meeting on June 23, 2006. Dr. Franz-Stephan von Gronau and Mr. Josef Martin Ortolf were confirmed as members in the election. In addition, the General Meeting elected Dr. Andreas de Forestier to the Supervisory Board. Dr. Max Hirschberger, who was acting as a member only for the transitional period from appointment of the board to the next General Meeting, retired from the Supervisory Board of euromicron AG on June 23, 2006.

## Supplemental report

euromicron systems GmbH was merged with delcom GmbH effective August 1, 2006. The newly merged company will operate under the name euromicron systems GmbH. The company's headquarters will be in Essen.

## Investment, research and development

The volume of investment in the first half of the year was around EUR 2.9 million, including acquisition of Krumm Telekom GmbH and the remaining shares in NTA GmbH. They also include the costs for optimizing our Group structures and processes, as well as capital spending on replacements, rationalization and expanding production. The focus is on development and the quality of our own products and services. Adjustments to and further development of our products and services to reflect specific customer needs have given us competitive advantages that subsequently enabled us to win additional projects.

Changes in market conditions and more discriminating customers still demand a high standard of quality and reliability, especially in the industrial arena – demand we continue to address with our innovations. We have therefore intensified our development activities in the field of WDM technology, single fiber management and optical fibers for industry. To ensure that we meet the high requirements for efficiency and availability at data centers, we have expanded the established URM system to include connection components that are currently in demand and offer the MU duplex connector for round cables in series production. Among other things, we are underscoring our innovative work by submitting a patent for the MU connector. The business prize “Innovativer Mittelstand” (Innovative Small and Medium-Sized Companies) awarded to NTA GmbH attests to the innovativeness of our individual companies.

Apart from delivering acknowledged innovative, high-quality and reliable products, euromicron has successfully begun enhancing its technology competence with solution expertise. Innovative solutions will help our customers optimize their business processes and create added benefit.

## Market, technology and products

In the first half of 2006, the market was given positive impetuses by the Soccer World Cup in Germany and also produced the long hoped-for boost to investment in the ITC sector. Euromicron also profited from this: among other things, it installed new passenger information, public address and video surveillance systems nationwide for Deutsche Bahn.

For the first time, a new application was tested during the World Cup and marks a further step in technological convergence between different communications media: TV on the mobile phone. However, TV broadcasting over the Internet is now also ready for the market. A major role in this was played by Deutsche Telekom with its decision to expand its broadband network by increasing high-speed Internet access. Other cable network operators are now also setting store by this triple play application, which requires powerful fiber optic networks.

The growing spread of the Internet and flat rates are causing demand for VoIP applications to grow. We see increasing interest among enterprises and expect a further increase in requests for proposals in the second half of the year. We also recorded greater demand for WLAN in the industrial arena. Network security and Video over IP are also topics where there is very great demand. To this end, our subsidiary euromicron systems GmbH has concluded a strategic partnership with Bastille Networks in order to offer our customers comprehensive network security at the very highest level. Technicians and sales staff of euromicron systems have undergone a training program and completed certification with outstanding test results.

NTA GmbH has concluded a system house agreement with the vendor Novar-Esser so as to offer the latter's products in end-to-end security solutions. This partnership also enables NTA to act as a qualified solution provider in the field of building automation. What our customers are increasingly demanding is no longer individual components, but their application-oriented integration in all-round solutions.

In the first half of the year, the euromicron Group was able to demonstrate its competence with major orders. Our know-how so impressed, for example, Germany's second-largest wireless carrier

that it has commissioned delcom GmbH with supporting its network infrastructure and maintaining its entire security system for its central data center. The power supply was expanded and an emergency power supply (UPS) system was installed at a well-known publishing house in North Rhine-Westphalia; the emergency power supply was also modernized at a further large data center, likewise in North Rhine-Westphalia. In addition, the data center landscape continues to be shaped by consolidation and concentration processes. The euromicron Group is addressing the growing demand for competent all-round solutions by combining its products and services into "Data Center Solutions".

Elabo GmbH, which we integrated in our core business at the beginning of the year, was able to expand its activities in the business segment of surveillance and control consoles. In cooperation with its sister companies in the euromicron Group, various projects were successfully completed, for example the taxiway tower at Nuremberg Airport and the traffic control center in Nuremberg. Moreover, Elabo has succeeded in also winning new international sales partners in Norway, Australia and India.

## Employees

In the first six months of 2006, an average of 656 people, excluding trainees, were employed at the euromicron Group. Compared with the same period for the previous year, the average headcount fell by 14%, mainly due to the sale of FRAKO GmbH at the end of fiscal 2005 and the selective staff reductions as part of our restructuring activities. In contrast, however, new staff were also hired thanks to the good order book situation at a number of associated companies and employees were exchanged in connection with increases in quality.

As part of our personnel development policy, we began in fiscal 2006 to train potential junior staff for future management tasks at the Group in order to expand their potential for entrepreneurial thinking, to encourage them and to enhance their loyalty, as well as to be able to leverage all the options available for a medium-term generation change.

## Outlook

“We are at the beginning of a new era,” we said at the start of the year. With our good business trends and impending strategic company acquisitions, we are pursuing our policy of systematically developing our Group and aim to tap new sales and earnings potentials.

The euromicron group expects the economical revival of the first half of 2006 to continue in the second six months, with the result that sharp organic growth and achievement of our ambitious objectives can be anticipated from our existing companies. The cost-cutting and restructuring measures of past years will reap initial successes this year in terms of earnings; we expect earnings for the year as a whole to increase above-proportionately to the rise in sales. We will continue to gear our companies continuously toward growth so as to achieve a sustained increase in the value of the euromicron Group.

After the change in the shareholder structure at the end of last year and the resumption of our buy-and-build strategy, we expect to conclude further acquisitions in the second half of 2006, following the purchase of KRUMM Telekom GmbH at the beginning of this year. The acquisitions will enable us not only to enlarge our range of products and services, but also to enhance our competences and market position and to drive expansion of the euromicron Group into a major system house and all-round provider of turnkey networks and technologies. The volume of the companies to be newly acquired will allow our company to advance into new dimensions.

In addition, we are gearing the Group’s existing structure more strongly toward the customer and are convinced that we will be able to live up excellently to our philosophy of delivering solutions to customers with our competence centers. The name “euromicron” is a brand name that stands for and guarantees quality. Any forthcoming merger of our individual companies will give euromicron the agility it needs to create a consistent interface to the customers and achieve lasting customer loyalty in future.

We feel certain that we can best address the interests of our shareholders by being economically successful and trying to cater optimally for the requirements and wishes of our customers.

Note on the predictive statements in this Half-yearly Report:

This Half-yearly Report also includes predictive statements and information on future developments that are based on the convictions of euromicron AG's management and on assumptions and information currently available to euromicron. Where the terms "assume", "believe", "assess", "expect", "intend", "can/may/might", "plan" or similar expressions are used, they are intended to indicate predictive statements that are subject to certain elements of insecurity, such as competitive pressure, changes to the law, political and economic changes, changes to business strategy, other risks and uncertainties.

## Financial Calendar 2006

September 2006	Roadshow in London (planned)
November 15, 2006	Publication of the business figures for the 3rd quarter of 2006
November 23, 2006	Lampe Bank Investor Conference, Frankfurt / Main

## Trade Fair Calendar 2006

Joint stands

October 10 – 13, 2006	Security, Essen
November 18 – 22, 2006	GITEX, Dubai

Euromicron Werkzeuge GmbH

September 25 – 27, 2006	ECOC, Cannes
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ELABO GmbH

September 26 – 29, 2006	Motek Sinsheim
November 14 – 17, 2006	Electronica, Munich

euromicron systems GmbH

September 28, 2006	In-house trade show, Hanover / Langenhagen
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