

Half-Yearly Report 2009

euromicron
Aktiengesellschaft

euromicron Group

KEY INCOME FIGURES AT JUNE 30, 2009

	2009 EUR thou.	2008 EUR thou.
Consolidated EBIT	6,140	3,505
Operating EBIT	9,757	5,910
EBIT return/total operating performance in %	7.0	4.6
EBITDA	7,535	4,561
Income before taxes	4,939	2,449
Net income	3,349	1,824
Earnings per share in EUR (undiluted)	0.74	0.40

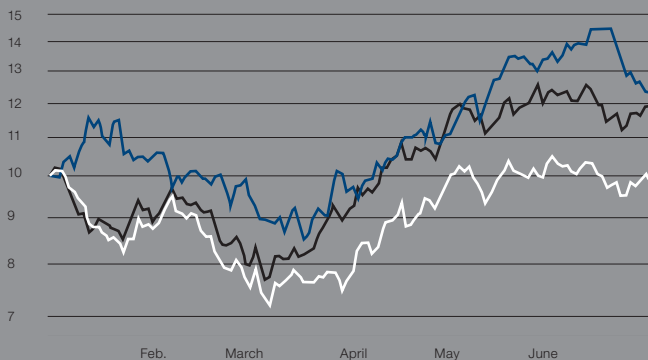
(unaudited acc. to IFRS)

euromicron AG

SHARE PERFORMANCE

in EUR

Jan. 2, 2009 – June 30, 2009



■ euromicron share
 ■ TecDAX Index
 ■ MDAX Index

Dear shareholders,

Personnel continuity, a high degree of identification with euromicron and great willingness to achieve were the basis for the decision on appointing a successor on the Executive Board.

Frankfurt/Main, August 2009

The Executive Board

Company profile

Development and
production of components and
product categories

- Optical and hybrid connectors, assembly, switches and cable systems
- Networked workplace systems, examination and testing equipment
- Customized product solutions

- Voice, data and video communication, convergent systems
- All-round solutions for networked working and living
- Optical, wireline and wireless networks
- Analysis, planning, implementation, maintenance and service

- Active and passive network components from a global range
- Top-performance cabling systems
- Consulting, training, network analysis and services

Planning and
integration of
systems and
solutions

Consulting,
distribution
and services

Multifunctional network solutions

Foreword

Despite voices of gloom in the public sphere and among the business community, euomicron has continued its successful performance in the first six months of 2009 following the most successful year in its history. The company has kept to its course unscathed, as is reflected in the figures for the first half of 2009. New orders alone increased year-on-year by 31.4% to EUR 88.5 million. This success is due to a focused strategy of creating a clearly structured and oriented technology group. As the fiber-optic expert in Germany and a network infrastructure partner with a comprehensive presence, we offer a widely diversified clientele a full line of services for networks with a balanced range of products and services.

From the perspective of the company's development, the end of fiscal year 2008 also saw the completion of the Buy and Build phase of our corporate strategy, with the successive transition to the Build and Integration phase, the aim of which is to integrate the existing companies of the entire Group and make it more effective and efficient. Apart from greater efforts to drive the company's organic growth further, we are focused – in particular in these uncertain times – on accomplishing precautionary measures we have initiated to safeguard our current business performance and results. The envisaged measures are being implemented to reflect the course of business. However, the figures for fiscal year 2009 still give us cause to look to the future with optimism.

In the first six months of fiscal 2009, euomicron generated consolidated sales of EUR 87.7 million, a year-on-year increase of 18.2%. The euomicron Group's total operating performance rose from EUR 76.5 million to EUR 87.7 million at June 30, 2009, a year-on-year increase of 14.6%.

Earnings before interest and taxes (EBIT) also developed positively and were EUR 6.1 million, an increase of 75.2% over 2008. The ratio between the EBIT return and total operating performance was 7.0%. Operating income of the associated companies was as we expected: EUR 9.8 million, compared with EUR 5.9 million in the previous year. Undiluted earnings per share were EUR 0.74 (previous year: EUR 0.40) on a net profit of EUR 3.3 million (previous year: EUR 1.8 million).

The company's success is increasingly being promoted by awareness of the euromicron brand in the market. In order to increase the radiance of our brand, our presence in the media has been enhanced. euromicron's outstandingly successful attendance at CeBIT 2009 also raised market attention and was the platform for initiating a large number of projects and deals. We aim to participate in further trade shows in the second half of the fiscal year.

The objective in the current phase of our strategy – Build and Integration – is to keep on reviewing and improving the existing structures and to revise and selectively expand our future portfolio of products and services. A number of company acquisitions – backlogs from fiscal 2008 – did not succeed due to the target companies' inadequate performance, but are still being pursued with the goal of rounding out our expertise and increasing our abilities. We are also working continuously on future orientation of our portfolio of products and services with the aim of achieving further market penetration and diversification. In the emerging and strongly growing market for broadband and high-speed networks, subsumed under the term "fiber to the home (FTTH)", we have been able to reap fine successes thanks to an innovative, newly designed and extensive range of high-quality fiber-optic components and the implementation expertise of our project companies. As a result, we are also pushing ahead unswervingly with positioning IT, communications and security products for health and nursing for which we have obtained licenses in order to leverage potentials from market changes.

Against the backdrop of trends in the telecommunications markets in Southern, Eastern and Southeastern Europe, we were able to ensure further expansion of our international business in these regions by acquiring Qubix S.p.A., Padua (Italy) last year and through the reorganization in 2009 of euromicron Austria (formerly Cteam GmbH) and are gradually establishing our portfolio Europe-wide. Our partners from the carrier and network equipment provider arenas welcome this development since they are also aiming to expand toward Eastern and Southeastern Europe.

Despite the good course of business to date, the share suffered under the general market trend in the first quarter. However, its performance in the second quarter gives cause for optimism: Our share has shrugged off the general market trend and is performing well, moving between EUR 12.5 and just over EUR 14. As soon as the markets enter calmer waters again, investors will once more pay attention to the quality and opportunities of a company and also recognize the quality of euromicron's share. This is confirmed to us by banks, analysts and research houses as part of their "buy" recommendations.

The successes of the past six months and our focus on "Build and Integration" to develop the company confirm that with our business model we are on the right path to growing the euromicron Group and its value. In the current climate – one where warning voices in the media are accompanied by buoyant ones – we are able to display a high degree of constancy and to reveal perspectives.

The change on the Executive Board of euromicron AG addresses the Group's forthcoming strategic development and ensures personnel continuity. Thomas Hoffmann, who has been in charge of strategy and innovation at the Group for three years and is the successor on the Executive Board to Dr. Edgar Bernardi, is responsible for business development, strategic sales and marketing, further development of structures and processes, and areas of communication with the capital markets.

Interim Management Report of the euromicron Group from January 1 to June 30, 2009

General conditions and development of the company

The **global economy** continued to be unstable in the second quarter. In particular in Western Europe, the U.S. and Japan, there are emerging signs of a decline as a result of unfavorable trends in industrial new orders, industrial production, inventory reduction and exports. However, the available indicators also point to the fact that the recession's dynamism has abated compared with the preceding quarter. Some barometers of sentiment have improved considerably, albeit without any reflection of this in the real economy.

After touching bottom in March, stock markets recovered a little in the second quarter. In contrast, there is growing headwind on the commodity front, where a number of market players are apparently staking their money at a very early stage on a recovery in the global economy. The increase in oil prices to over 70 USD a barrel does not accord with the still fragile state of the global economy. In the second quarter, a number of newly industrializing countries performed better than initially anticipated. China and India deserve positive mention in this regard.

The Institute for the World Economy expects global economic activity to decline by 0.8% in 2009. The International Monetary Fund (IMF) also predicts that the world economy will contract by 0.5% to 1.0% this year. It anticipates a decline of 4.2% in the Euro zone and 2.8% in the U.S. The IMF assumes the figure for **Germany** will be -5.6% in 2009. The spring reports of the leading economic research institutes anticipate that growth in Germany will fall by 6% in 2009. The IMF expects economic output in Eastern Europe to fall by 3.7% in the current year.

However, it believes that the global economy could pick up again in 2010, growing at 1.9% for the world as a whole. In their spring reports, the leading economic research institutes expect Germany to contract by 0.5% in 2010.

In the first six months of fiscal 2009, the **euromicron** Group's companies did not feel any significant effects of the financial crisis and its secondary consequences. Order books grew sharply again in the first half of 2009

compared with the same successful period in 2008. We continue to expect a solid business performance in the current year. Although the latent risk of large-scale postponements or cancellations of projects has increased significantly in the past months, we are still not receiving any signals from the market that there may actually be any such postponements or cancellations. There is still the necessity to invest in a state-of-the-art network infrastructure in order to meet the high requirements demanded for efficient transfer of voice, data and video. The large carriers are investing to expand high-speed networks so as to satisfy growing demand for data transmission. In the first half of the year, Deutsche Telekom invested large sums in providing full coverage for its V-DSL network, forcing its competitors to follow suit and keep on investing and modernizing, as well as demonstrating its innovativeness and pioneering role in the communications market. Since euromicron is an acknowledged specialist and partner in the carrier market, we continue to expect good levels of new orders in the second half on the back of continuing investment by carriers.

The market for security, surveillance and alarm networks is also growing constantly in Germany. We regard these markets as very resilient to economic disruptions, since overriding security aspects are of key relevance to the decisions of most investors. euromicron is established in these markets and expects highly promising potentials from them. As niche providers of custom solutions, our companies are very well positioned in this market and have been chalking up above-average growth for a long time.

The challenges facing our system houses in retaining and expanding their positions in markets where there is fierce pressure on margins remain. We believe we are well prepared to tackle the competition in these markets now and in the future, since the measures we initiated in the past years and aimed at optimizing processes, rationalization and curbing costs have strengthened our positioning vis-à-vis our rivals.

The first phase of the new strategy – Buy and Build – was largely completed in 2008. With its company acquisitions in fiscal 2008, euromicron has

achieved its objective of obtaining a comprehensive footprint in Germany, mastering all the technologies in its core business and training its sights on internationalization. We have achieved the goal of past years, namely to become a clearly structured technology company beginning to move toward an international orientation. Our work on the next phase of the strategy – Build and Integration – was commenced in the current year.

Sales

In the first six months of fiscal 2009, euromicron generated consolidated sales of EUR 87.7 million, a year-on-year increase of 18.2%. The Group's total operating performance at June 30, 2009, rose from EUR 76.5 million to EUR 87.7 million, or by 14.6%, compared with the same period of the previous year.

With a few exceptions, the companies acquired in 2008 played their part in this. We expect this trend to intensify in the following quarters.

Like in the past, the current fiscal year is proceeding as customary for euromicron, which usually provides and bills most of its services in the second half of year. Extrapolating the figures for the year as whole from individual quarters is afflicted with inaccuracies and has to reflect the volatility of project business.

euromicron's commercial activity still focuses on Germany. 86.0% of total sales was generated in the domestic market. Sales in Germany increased by around 20.4% year-on-year. The foreign companies were not able to fully meet expectations in the first half of the year.

Operational business outside Germany centers on Italy, Austria, France and Poland.

euromicron addressed the reorganization of the Austrian mobile communications market that occurred in the past fiscal year by implementing targeted structural measures, the non-recurring costs of which were digested in 2008.

As a result, not only was personnel reorganization at the company accomplished, but virtually the entire euromicron solution portfolio was able to be implemented in Austria.

We have also succeeded in acquiring new projects in the field of mobile communications. The objective in 2009 and 2010 is to become established as an end-to-end provider of network and infrastructure solutions in the Austrian market, giving us the prospect of expanding toward Eastern and Southeastern Europe, and – like in Germany – to operate as a partner to carriers and large network equipment providers. The appropriate measures have been initiated and the funds required to enable this have been planned.

Apart from Austria, Poland and France, Italy is currently the focus of our commitment in the Euro zone with the acquisition of Qubix S.p.A. in fiscal 2008. Further countries such as Portugal and the UK will be tapped by export and project business, with this being controlled from Germany.

Markets outside Europe are still not a focus of our sales strategy, so sales in this segment are below-proportionate. If interesting business opportunities should arise, we will naturally pursue them. However, we are not addressing these markets strategically at present.

Income

In the first half of fiscal 2009, euromicron posted consolidated income before interest and taxes of around EUR 6.1 million, a rise of 75.2% over the same period in 2008. The ratio between the EBIT return and total operating performance was approximately 7.0%. Operating income of the associated companies was as we expected: EUR 9.8 million, compared with EUR 5.9 million in the previous year.

euromicron Group

SALES DEVELOPMENT CONSOLIDATED BY REGIONS**AT JUNE 30, 2009**

Regions	2009 EUR thou.	2008 EUR thou.
Germany	75,457	62,659
Euro zone	11,027	10,443
Rest of World	1,259	1,103
Consolidated net sales	87,743	74,205

(unaudited acc. to IFRS)

The cost of materials at euromicron fell again at June 30, 2009, and is now 51.0% of total operating performance. The ratio was 54.0% in the previous year. We have again succeeded in reducing the ratio of costs of materials through cost variabilization and, with this development, to focus our qualified employees on projects than place high demands on expert and special know-how. This also allows us to respond more quickly to market fluctuations and so minimize risks if the order situation fluctuates.

The figure for depreciation and amortization was, as in the first quarter, above that of the previous year as a result of amortization of development costs. Depreciation of plant, fixtures and fittings, tools and equipment was at the level of the new investment. Overall, depreciation and amortization at the Group level was EUR 1,395 thousand, i.e. of no significant relevance.

Other operating expenses relative to total operating performance fell sharply from 13.7% in the previous year to 12.9% due to the savings measures.

Net financing costs were EUR – 1.2 million, slightly above the previous year's figure. The main factor in this was the outside capital structure that was created last year to finance the acquisitions with funds that cannot be covered solely by the cash flow for a year. The acquisitions as part of the defined Buy and Build strategy require greater liquidity in the transitional period until the expected return on investment begins to be reaped. The tax ratio was 26.0%, above the level of the previous year. Net income at June 30, 2009, was EUR 3.3 million, 83.6% up year-on-year. Undiluted earnings per share were EUR 0.74 versus EUR 0.40 at June 30, 2008.

euromicron Group

KEY INCOME FIGURES AT JUNE 30, 2009

	2009 EUR thou.	2008 EUR thou.
Consolidated EBIT	6,140	3,505
Operating EBIT	9,757	5,910
EBIT return/total operating performance in %	7.0	4.6
EBITDA	7,535	4,561
Income before taxes	4,939	2,449
Net income	3,349	1,824
Earnings per share in EUR (undiluted)	0.74	0.40

(unaudited acc. to IFRS)

New orders and order books

The euromicron Group recorded new orders worth EUR 88.5 million in the first half of fiscal 2009, an increase of 31.4% year-on-year.

One key reason for this is euromicron's broad customer structure, which now includes just about all DAX-listed companies, as well as the Group's acknowledged competence in all matters relating to network infrastructure and their expertise in solutions for information technology, security and communication.

Order books increased from EUR 62.6 million at June 30 of the previous year to EUR 71.3 million at June 30, 2009, or by around 14%. This figure only includes defined and signed orders from which euromicron can invoice services. Master agreements that do not entail concrete purchase obligations or times are not included in it, but are also on the books to an amount of EUR 20 million. The predominant share of the firm orders on hand is still scheduled by customers for implementation and completion in 2009. We are not aware of any information that customers intend to postpone orders to the new year or cancel them to any large extent. We therefore assume that we will be able to achieve our targets for fiscal 2009 on the basis of this cushion.

euromicron Group

NEW ORDERS/ORDER BOOKS – CONSOLIDATED AT JUNE 30, 2009

	2009 EUR thou.	2008 EUR thou
Consolidated new orders	88,492	67,366
Consolidated order books	71,349	62,561

Previous year adjusted for consolidation effects
(unaudited acc. to IFRS)

Net assets

Total assets at the euromicron Group fell as of June 30, 2009, to EUR 168.1 million, a reduction of 2.3% compared with December 31, 2008. Key factors in this are the reduction in receivables as a result of tougher receivables management and the dividend payment for fiscal 2008 this June.

On the assets side, noncurrent assets remain virtually the same. As a result of the reduction in total assets, the percentage figure rose to 58.6% of total assets compared with 55.9% at December 31, 2008. Current assets fell compared with at the end of the past fiscal year. Inventories rose by some EUR 1 million, solely as a result of increase in work in progress. This reflects the course of business of euromicron project com-

panies, which traditionally post a sharp improvement in their performance as of the third quarter and complete and invoice the majority of projects in progress at the end of a fiscal year. Trade accounts receivable were able to be reduced by around 1.2% despite the increase in sales in the first half of the year. Liquid funds fell compared with the level reported in the 2008 financial statements. They were used to repay financial debt and to fund projects in progress at the project companies. Noncurrent assets comprise around 58% of total assets and are fully covered by stockholders' equity and long-term outside capital.

Stockholders' equity at June 30, 2009, was EUR 72.4 million, around EUR 1.4 million down on the level reported in the 2008 financial statements. This is substantially attributable to the dividend for fiscal 2008, which was paid out in June 2009 and totaled around EUR 4.5 million. The equity ratio is 43.1%.

Long-term debt was around 17.8% of total assets. This essentially contains the long-term components of the Group's outside financing.

Current liabilities were reduced from around EUR 70 million at December 2008 to approximately EUR 66 million in June 2009.

Financial position

The euromicron Group's net debt at June 30, 2009, was around EUR 66.1 million and was mainly impacted by the dividend payment for fiscal 2008 and the higher up-front financing for projects as a result of growing business.

In particular, the Group's steady growth requires higher funding of working capital.

The financial crisis has not yet had any significant impact on the Group's growth strategy. Clear agreements and contracts have been concluded

with financing partners, enabling euromicron to continue to push ahead with the course it has adopted. euromicron was largely able to avert the discussion about margin increases in the short and long term since the Group's earnings strength ensures the appropriate level of investment despite the increase in goodwill. With its acquisitions, euromicron has also demonstrably purchased companies whose earning strength will have a direct impact. Consequently, the increase in goodwill does not represent any discernible risk as regards the company's rating as would be the case with acquisition of, for example, brand names, image factors or similar intangible assets, income from which is usually not expected until the strategic future. Short-term, capital market-related fluctuations in margins are currently of no significant relevance to the Group's earnings.

euromicron AG will continue to fund the euromicron Group and its associated companies directly or through its cash pool model.

Employees

An average of 971 persons, excluding trainees, were employed by the euromicron Group in the first six months of fiscal 2009, a rise of around 10% over the comparable period for 2008. The Group employs more than 90% of its workforce in Germany.

The Group currently has 58 trainees in a wide range of different business administration and technical vocations. This is seen as a key component in acquiring and building future qualifications for the Group now so as to counter the current trend, one where it is becoming increasingly difficult to find qualified employees.

The increase is mainly due to changes to the consolidated companies from the past year, which are having a full impact this year. At the old companies, the total number of employees remained constant, with new hirings being offset by structural adjustments. New employees are being hired in particular for highly qualified activities in project controlling and

monitoring. In addition, our sales staff have been strengthened considerably, both in key account management and regional and product sales.

Personnel costs at the euromicron Group rose in the first six months of 2009 to EUR 24.9 million or by 18.6% year-on-year. This was mainly due to changes in the consolidated companies and new hirings, especially in sales. We regard our steps to strengthen sales in particular as a key component in boosting revenue and earnings.

In addition, we have launched qualification programs in a wide range of fields so as to address steadily growing requirements in project controlling and monitoring, in particular in project management and production.

As a result of these measures, we have succeeded in mainly filling posts in the new branch structure of our system houses with our own junior staff.

Market and Technology

The ITC market in Germany appears to be continuing its race to catch up of the past years and still be showing potential for expansion:

Although value added in the German ITC industry increased by more than 50% since 1995 to more than EUR 74 billion, the share of this industry in terms of value added is still pretty low by international standards.

Germany still invests less in information technology and telecommunications than many other countries. German's ITC investments are 1.8% of gross domestic product, meaning it brings up the rear in a comparison of 19 OECD countries.

And although Germany's international rating for innovativeness is high and the IT and telecommunications industry ranks fifth here, there is the downside of an education system that needs reforming and low interest in new technologies among citizens. Consequently, demand for innovative domestic ITC products and solutions tends to be from abroad.

The number of broadband connections in Germany has tripled in the past three years and in 2008 the ratio of all households with high-speed Internet access exceeded 50%. Nevertheless, there is unbroken demand for such connections that offer higher data volumes and greater speeds.

The number of mobile communications connections in Germany continues to grow – despite the fact that there are already 104 contracts and prepaid cards for every 100 inhabitants; in addition, the number of pure data cards is increasing. The current average for Western Europe is 98 connections, well ahead of the U.S.

The number of WLAN hotspots in Germany in the first quarter of 2007 increased to around 13,000 – double the figure at the beginning of 2005. WLAN means mobile Internet access via hotspots located at hotels, airports, train stations, cafés and exhibition centers.

euromicron continues to operate successfully in this environment and is expanding its business as a specialized vendor of network infrastructure solutions. As an innovative and fast-paced industry, communications market is subject to changes and consolidation, as recently seen in the mobile communications market or at the beginning of 2000 in the Internet market when the dotcom bubble burst. Nevertheless, euromicron manages to adapt quickly to these changes thanks to the breadth of its portfolio and its agility.

euromicron's many years of experience in expanding this infrastructure is now joined by expertise in planning and implementing solutions in voice and data transmission and in security technology. We offer this through our engineers and technicians, who are qualified for just about all well-known products in partnership with the vendors.

euromicron is now taking the next logical step forward and, on the basis of this experience and expertise, euromicron is designing applications to help people and companies and make society safer.

ITC technology is being to make great strides into the fields of healthcare, prevention and supervision. Many routine tasks in caring for patients, as well as processing of large volumes of data and medical surveillance, are processes that are predestined to be taken over by state-of-the-art ITC technology. The result is complete entry of all data and a focused analysis that relieves the workload on nursing and medical staff and enhances the effectiveness and efficiency in medical care.

Apart from the various ITC infrastructure projects euromicron has already implemented in hospitals and nursing homes, the company has now secured exclusive Europe-wide licensing rights for a care and surveillance system controlled by mobile communications. The first steps in commercialization of technical system are in the phase of evaluation. With this system there is a chance for elderly people or those who need help can move about freely in their customary surroundings, even outside the range of their fixed network connection, thanks to relatively simple mobile communications technology and enjoy their familiar environment, yet have the peace of mind that they are not only provided with medical surveillance via a supervision center thanks to this system, but can communicate with it if required or be put through to relatives. In an emergency, they can also be located with the system, allowing medical aid to be sent to them quickly and purposefully.

All the person being supervised needs is a small mobile device hung around their neck like a stopwatch or worn like a wristwatch. Easy single-button operation connects users to the supervision center; if they fall, a connection with the center is automatically instigated. If a person under supervision cannot answer in person, his or her location is pinpointed and help is sent out immediately.

Thanks to this cutting-edge ITC technology, supervision of the elderly or those who need help will not only be more humane and pleasant, but has also far the potential of being cost saving.

A similar system can be used in enforcement, where there is a growing focus on enabling offenders to serve their sentence on probation with greater freedom and in their familiar environment so as to ensure that the chances of successful rehabilitation are as high as possible. This system likewise uses a mobile device that is worn by offenders and allows them to be monitored by a supervision center so that it always knows where they are, their movements can be restricted and, in the event of transgressions, intervening action can be taken at the behest of the supervision center until the probation officer is called.

euromicron has also acquired the exclusive Europe-wide rights for this system and will initially begin marketing it in Germany, where a pilot project has already been successfully completed in Hessen and, at the end of July 2009, the state of Baden-Württemberg enacted a law for its trial rollout.

euromicron is thus systematically pursuing its adopted strategy of always successfully participating in the forefront of market trends by means of growth, innovation and specialization – from product development and solutions to leveraging of its own potential –, through acquisitions, by obtaining licenses and with partnerships.

Risk report

The reports from the risk management system at December 31, 2008, and at March 31, 2009, have been continuously examined and updated as part of the interim report at June 30, 2009. At June 30, 2009, there were no significant changes in the analysis of risks and their structure or evaluation at the euromicron Group compared with as stated and described in detail in the management report in the 2008 Annual Report.

Taking into account all known facts and circumstances, euromicron does not anticipate any significant effects from the deterioration in macroeconomic prospects on its operational business and does not see any risks that might jeopardize the existence of the euromicron Group in a foreseeable period of time or, as far as can be assessed at present, will have a significant influence on the Group's financial position, net assets and results of operations.

Outlook

The successful business performance in the first six months strengthens the conviction of euromicron's management that the strategy adopted by the Group can also be continued in the second half of fiscal 2009. Nevertheless, the euromicron Group faces an uncertain economic development and fluctuating general conditions that are difficult to predict in the second half of fiscal 2009.

The euromicron Group expects a sharp year-on-year increase in sales and income for the whole of 2009. The target for sales remains EUR 200 million with an EBIT margin of 8% to 11%; the high order books at June 30, 2009, give us cause for optimism in the second half of the year, although continuing restraint to invest on the part of industrial companies and still overdue structural investment by the public sector could impact our success. The fiscal year will also still be accompanied by latent uncertainty.

The intensified phase of Build and Integration in the company's development this fiscal year will be continued in the second half of the year with the objective of further optimizing the Group's structures. We anticipate positive effects in terms of process efficiency and organic growth. The integration and consolidation measures that have been planned and accomplished to date are basically geared to market needs and so to improving service delivery for our customers. We are planning to round out our portfolio further and expand our international footprint in Eastern and Southern Europe by means of acquisitions to come.

Alongside strategic further development of the company and as a focus of the Build and Integration phase, corporate financing will help create a balanced structure for underpinning our growth targets and enabling further optimization of our balance sheet ratios. Apart from our partner banks and financiers to the industry, an interested circle of banks has redefined and expanded its commitment to partnering us. All of them regard the greater financing needed for current business as a result of the company's new size and the possibility of assisting euromicron with other financial services and flanking us with professional financial support in our next strategic steps as an interesting challenge.

We are now regarded as one of the leading network specialists in the market and as an all-round provider of communications and security solutions, from planning, project planning, execution to turnkey handover, as well as maintenance and service. We have the blanket coverage to offer customers any desired solution tailored to their needs. In addition, we are continuously looking for new and lucrative market potentials so as to identify and leverage opportunities in the nursing, care and health market and in surveillance of persons by mobile communications. The focus here is on merging technology and the defined solution. We will also continue to repeatedly review our portfolio and develop innovative ideas and make them ready for the market.

The objective for the second half of the year is to continue to position the brand name euromicron in the market as a byword for quality, solution-oriented expertise and know-how in all areas relating to network-based information, communications and security needs and to keep up our active PR and investor relations work in order to actively support our share performance and give institutional investors opportunities for interesting replacements that look to the company's future.

We feel certain that this path also reflects the interests of our shareholders and company as best possible. We will continue to work towards this goal in future.

euromicron Group

CONSOLIDATED INCOME STATEMENT **AT JUNE 30, 2009**

	3-month report		6-month report	
	April 1, 2009 – June 30, 2009	April 1, 2008 – June 30, 2008	Jan. 1, 2009 – June 30, 2009	Jan 1, 2008 – June 30, 2008
	EUR thou.	EUR thou.	EUR thou.	EUR thou.
Net sales	47,595	37,408	87,743	74,205
Inventory changes	-4,734	-128	-78	2,303
Other operating income	358	518	783	827
Cost of materials	-20,569	-18,670	-44,721	-41,343
Personnel costs	-12,900	-11,368	-24,901	-20,990
Amortization and depreciation expense	-660	-521	-1,395	-1,056
Other operating expenses	-5,626	-5,790	-11,291	-10,441
Operating profit	3,464	1,449	6,140	3,505
Net financing costs	-638	-565	-1,201	-1,056
Income before taxes (and minority interests)	2,826	884	4,939	2,449
Income taxes	-648	-205	-1,286	-587
Income before minority interests	2,178	679	3,653	1,862
Minority interests	-232	-24	-304	-38
Net profit for the period	1,946	655	3,349	1,824
Earnings per share (undiluted) in EUR	0.43	0.15	0.74	0.40
Earnings per share (diluted) in EUR	0.42	0.14	0.72	0.39

(unaudited acc. to IFRS)

euromicron Group

**CONSOLIDATED BALANCE SHEET
ASSETS**

	June 30, 2009 EUR thou.	Dec. 31, 2008 EUR thou.
Noncurrent assets		
Intangible assets	87,604	86,103
Property, plant and equipment	9,748	8,965
Financial assets	39	44
Other receivables and other assets	53	108
Deferred tax assets	1,130	1,042
	98,574	96,262
Current assets		
Inventories	15,207	14,353
Trade accounts receivable	44,566	45,126
Other receivables and other assets	5,961	5,128
Marketable securities and cash	3,794	11,246
	69,528	75,853
Total assets	168,102	172,115

(unaudited acc. to IFRS)

euromicron Group

CONSOLIDATED BALANCE SHEET LIABILITIES AND STOCKHOLDERS'S EQUITY

	June 30, 2009 EUR thou	Dec. 31, 2008 EUR thou.
Stockholders' equity		
Subscribed capital	11,914	11,914
Own shares at acquisition cost	-2,941	-2,941
Additional paid-in capital	61,781	61,781
Gain/loss on the valuation of securities	-429	-429
Consolidated retained earnings	-2,125	-5,689
Consolidated net income	3,349	8,067
Minority interests	849	1,098
	72,398	73,801
Long-term debt		
Accrued liabilities	436	446
Liabilities	25,322	23,607
Deferred taxes	4,086	4,295
	29,844	28,348
Current liabilities		
Accrued liabilities	2,898	3,515
Trade accounts payable	11,719	13,620
Other liabilities	51,243	52,831
	65,860	69,966
Total assets	168,102	172,115

(unaudited acc. to IFRS)

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**STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (IFRS)
FROM JANUARY 1, 2008, TO JUNE 30, 2009**

	Subscribed capital EUR thou.	Additional paid-in capital EUR thou.
Balance at January 1, 2008	11,914	61,781
Consolidated net income for 2008		
Dividend for 2007		
Purchase of own shares		
Gain/loss on the valuation of derivatives and securities		
Profit share for minority interests		
Other changes in stockholders' equity		
Balance at December 31, 2008	11,914	61,781
Consolidated net income first half-year 2009		
Dividende for 2008		
Other changes in stockholders' equity		
Profit share for minority interests		
Balance at June 30, 2009	11,914	61,781

(unaudited acc. to IFRS)

Own shares EUR thou.	Consolidated retained earnings EUR thou.	Gain/loss from		Minority interests EUR thou.	Total EUR thou.
		currency translation difference EUR thou.	the valuation of derivatives and securities EUR thou.		
-1,680	-2,084	0	-170	684	70,445
	8,067				8,067
	-3,605				-3,605
-1,261					-1,261
			-259		-259
				666	666
				-252	-252
-2,941	2,378	0	-429	1,098	73,801
	3,349				3,349
	-4,503				-4,503
				-553	-553
				304	304
-2,941	1,224	0	-429	849	72,398

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STATEMENT OF CASH FLOWS

	Jan 1, 2009 – June 30, 2009 EUR thou.	Jan. 1, 2008 – June 30, 2008 EUR thou.
Net profit for the period (after taxes)	3,349	1,824
Depreciation and amortization of noncurrent assets	1,395	1,056
Disposal of assets, net		–25
Change in accrued liabilities	–626	829
Change in deferred taxes	–297	503
Cash flow	3,821	4,187
Changes in current assets and other operating liabilities:		
– Inventories	–854	–1,065
– Trade accounts receivable	560	2,422
– Trade accounts payable	–1,901	–6,168
– Other operating assets and liabilities	–2,084	–723
Cash used in operating activities	–458	–1,347
Balance from proceeds from retirement of noncurrent assets and cash paid for investments	–3,674	–2,445
Net cash used in investing activities	–3,674	–2,445
Dividends paid	–4,503	–3,606
Change in financial debt	1,432	–344
Change in minority interests	–249	–367
Net cash used in financing activities	–3,320	–4,317
Own shares	0	–1,201
Currency translation difference		0
Net change in cash and cash equivalents	–7,452	–8,109
Cash and cash equivalents at start of period	11,246	12,442
Cash and cash equivalents at end of period	3,794	3,132
Composition of cash and cash equivalents	3,794	3,132
Cash	2,720	1,802
Securities	1,074	1,330

(unaudited acc. to IFRS)

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SEGMENT REPORTING AT JUNE 30, 2009

2009	euromicron North EUR thou.	euromicron South EUR thou.
Sales	41,017	50,498
Income before interest and taxes	5,817	3,940
Assets	72,470	107,764
of which goodwill	33,240	45,413
Liabilities	26,330	51,524
Amortization/depreciation	638	687

2008	euromicron North EUR thou.	euromicron South EUR thou.
Sales	35,671	41,510
Income before interest and taxes	4,338	1,572
Assets	61,556	123,874
of which goodwill	29,066	39,618
Liabilities	20,664	55,464
Amortization/depreciation	425	552

(unaudited acc. to IFRS)

Notes

Preliminary remarks

euromicron AG prepares its consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) applicable on the balance sheet date and with their interpretations by the International Financial Reporting Interpretations Committee (IFRIC). The interim report as of June 30, 2009, was prepared in compliance with the stipulations of the International Accounting Standard (IAS) 34 "Interim Financial Reporting" and with the requirements of standard no. 16 "Interim Financial Reporting" of the DRSC (Deutsche Rechnungslegungs Standards Committee e.V.). The previous year's figures were determined using the same principles.

Unless otherwise stated, the figures in this interim report are presented in thousands of euros.

Reporting and measurement methods

The same reporting and measurement methods were used in the abridged presentation of the consolidated financial statements for the first half of 2009 as for preparing the consolidated financial statements at December 31, 2008. A detailed description of these methods is published in the 2008 Annual Report. The consolidated financial statements of euromicron AG as of December 31, 2008, were prepared on the basis of Section 315a of the German Commercial Code (HGB) in accordance with the International Financial Reporting Standards, as are applicable in the European Union.

A tax rate of 30% is used as the basis for calculating the income taxes for German companies. This tax rate is also applied to the deferred taxes.

The respective national rates of tax are used for calculating the income taxes for foreign companies.

Preparation of the interim report requires a number of assumptions and estimations by management. As a result, the actual figures may differ from the amounts reported in the interim report.

Consolidated companies

Apart from euromicron AG, the consolidated financial statements at June 30, 2009, include eleven German companies and three foreign companies, in which euromicron AG has the majority of voting rights directly or indirectly. The number of companies consolidated in the euromicron Group has not changed compared with at December 31, 2008.

Own shares

A share buyback program was adopted by the General Meeting in 2006. No further own shares were acquired as part of this program in the first half of 2009. There were the following changes in the number of shares in circulation:

	Number
Total number of bearer shares	4,660,000
Own shares at December 31, 2008	157,234
Own shares acquired up to June 30, 2009	0
Sales of own shares	0
Sales in circulation at June 30, 2009	4,502,766

(unaudited acc. to IFRS)

At June 30, 2009, a total of 157,234 bearer shares were held by the company with a value of EUR 403 thousand measured by the capital stock or 3.37% of the capital stock. The value of its own shares at acquisition cost is EUR 2,941 thousand. In accordance with IAS 32.33, the value of its own shares was deducted in one sum from stockholders' equity.

Segment information

The structure of the primary reporting format for segment reporting is based on the internal reporting and management at the euromicron Group. Management currently makes a distinction between the two divisions euromicron North and euromicron South and the holding.

The applied accounting principles and methods are identical for all segments. The information shown for the individual segments contains segment-related consolidations.

Business transactions with related parties

Apart from the compensation for the Executive Board and Supervisory Board, there are no significant relations with related persons. There are also no business transactions between consolidated companies of the euromicron Group and non-consolidated or associated companies of the euromicron Group.

Contingencies

There were no significant changes in contingencies, contingent liabilities and other financial obligations from June 30, 2009.

Postscript report

Events that require reporting in accordance with IAS 10 (Events after the Balance Sheet Date) did not occur after June 30, 2009.

Declaration by the legal representatives

“We declare to the best of our knowledge that the interim consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with the accounting principles to be applied for interim reporting and that the course of business, including the business results and the Group’s position, is presented in the interim group management report in such a way that a true and fair view is given and the main opportunities and risks of the Group’s anticipated development in the remainder of the fiscal year are described.”

Frankfurt/Main, August 14, 2009

The Executive Board

Dr. Willibald Späth

Dr. Edgar Bernardi
(until June 30, 2009)

Thomas Hoffmann
(as of July 15, 2009)

Financial Calendar 2009:

November 13, 2009

Publication of the business figures for
the 3rd quarter of 2009

This half-yearly report is available in German and English.

Both versions can also be downloaded from the Internet at
www.euromicron.de.

In cases of doubt, the German version is authoritative.

Note / disclaimer

This report also includes predictive statements and information on future developments that are based on the convictions and current views 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 and risks, such as competitive pressure, changes to the law, political and economic changes, changes to business strategy, other risks and uncertainties that euromicron AG in many cases cannot influence and that may result in significant deviations between the actual results and predictive statements.

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