



EXPANSION
NEXT GENERATION SOLUTIONS

euromicron Aktiengesellschaft



Interim Report Q1/2011

euromicron

euromicron Group

KEY INCOME FIGURES AT MARCH 31, 2011

	2011 € thou.	2010 € thou.
Consolidated EBIT	4,125	3,070
Operating EBIT	5,386	4,160
EBIT return/total operating performance in %	7.1	6.4
EBITDA	5,201	3,931
Income before taxes	3,641	2,523
Net profit for the period	2,361	1,708
Earnings per share in € (undiluted)	0.46	0.38

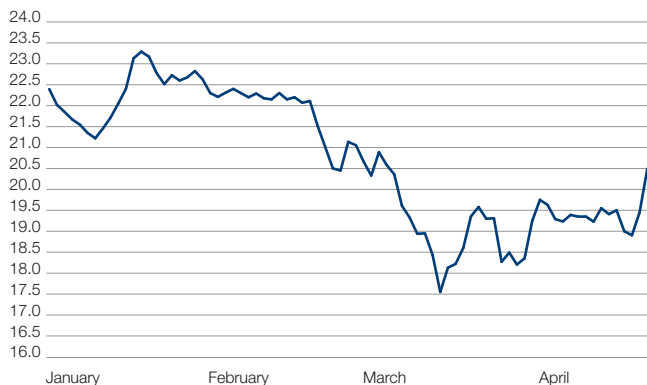
(unaudited acc. to IFRS)

euromicron AG

SHARE PERFORMANCE

in €

Jan. 1, 2011 – April 21, 2011



■ euromicron (XETRA)

Dear shareholders,

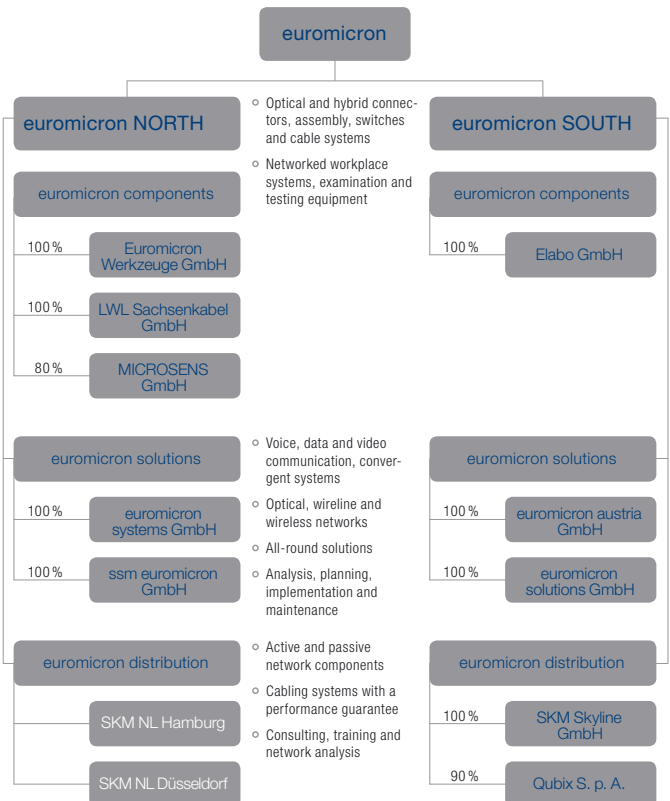
“We fill visions with life” – and as part of that mission, we aim to offer customers the ideal solution at all times, underpinned by the euromicron Group’s expertise.

Frankfurt/Main, May 2011

The Executive Board

Company profile

The chart below provides an overview of the euromicron Group’s structure, segments and areas of expertise, as well as its product portfolio:



Foreword

In the past fiscal year 2010, euromicron used the recovery in the overall economic situation to build on its solid business development and achieve its ambitious targets of “200 (sales), 20 (EBIT), 20 (share price)”.

The outstanding performance of 2010 continued in the first quarter of 2011. Sales and EBIT were increased sharply and form the foundation for sustained expansion in 2011.

In the first three months of fiscal 2011, euromicron generated consolidated sales of €57.5 million, a year-on-year increase of around 27.3%.

Earnings before interest and taxes (EBIT) rose even more strongly and were €4.1 million, an increase of around 34.4% over the same period in 2010. Operating income of the associated companies was as we expected: Around €5.4 million, compared with €4.2 million in the previous year. Undiluted earnings per share were €0.46 (previous year: €0.38) on a net profit for the period of €2.4 million (previous year: €1.7 million).

New orders in the first three months were €64.1 million, once again better than in the first quarter of 2010 (+21%). Order books costs totaled around €118 million (previous year: €83 million).

The good earnings of the first quarter accordingly had a positive impact on equity (+ €2 million).

Dear shareholders, our goal with our policy of reliability, stability and solid and continuous business development is to offer an investment opportunity that actively addresses the upturn in the economy in order to secure euromicron's sustained growth in the future, as well as to enable it to hold its own in a potential difficult economic climate.

On the CeBIT 2011 in March, we persuasively presented ourselves to customers as an innovative partner. We regard innovations to be the foundation for a successful euromicron that has a viable future.

The market requirement for integrating data, video and voice transmission in one network and at the same time meeting the related security demands is our company's specialty and is achieved and ensured by us optimally in the infrastructures we create.

With its continuous and sustainable dividend policy, euromicron aims not only to give shareholders a reasonable return on their money, but also to achieve the key objectives of growth and ensure the quality of our results long-term, as well as to reduce net financial debt and strengthen our equity structure.

In this spirit, the Executive Board and Supervisory Board will propose a dividend of €1.10 a share to the General Meeting on June 9, 2011, a year-on-year increase of 10%.

Interim management report of the euromicron Group from January 1 to March 31, 2011

General conditions and development of the company

After the Business Climate Index recorded record highs nine times in a row, companies' future business expectations fell slightly in March 2011. However, the actual business situation for German enterprises improved again, despite the imponderabilities in the Arab world and the disaster in Fukushima.

In the ITC industry, this was reflected in the business climate and situation in the first quarter. Companies anticipate higher year-on-year sales in the first quarter. In particular, the IT services segment can post positive growth forecasts across the board, since the economic upturn, such as in the automotive industry or among power utilities, encourages IT investments. A further boost comes from cloud computing. The industry association BITKOM expects sales of cloud services to increase annually by 50%. In just four years' time, cloud computing could account for up to ten percent of all IT expenditure.

The upturn is thus continuing in the first quarter of fiscal 2011. To maintain the company's performance for the year as a whole, one of the prime tasks of management is not only to hire new staff, but also to qualify existing employees further. In this way, we aim to actively counter the growing shortage of skilled workers and cope with our higher volume of business.

The first three months of fiscal 2011 picked up from the good performance in 2010, with sales and EBIT well above the previous year's figure.

New orders in the first quarter, along with excellent order books, represent a solid foundation for euromicron's sustainable growth.

euromicron's share stood at a very good €22.40 at the start of January, even rising at one point to €23.29. It lost steam slightly toward the end of the first quarter, falling to €19.25. In the meantime, its price has stabilized at around €20.50 and its potential is rated by analysts as being €30.00.

Sales

As of March 31, 2011, euromicron generated consolidated sales of €57.5 million (previous year: €45.2 million). euromicron's total operating performance rose from €47.8 million to €58.4 million year-on-year.

The beginning of the current fiscal year is proceeding as customary for euromicron, which usually provides and bills most of its value-added services in the last quarter of the year. Extrapolating the figures for the year as whole from individual quarters must appropriately reflect the seasonal course of project business so that realistic forecasts can be given.

euromicron's commercial activity still focuses on Germany, where it generated €47.5 million, or 82.6% of total sales, an increase by around 19.7% year-on-year. The foreign companies performed within expectations in the first quarter.

Operational business outside Germany continues to center on Italy, Austria, France and Poland.

Further countries such as Portugal and the UK will be tapped by export and project business, with this being controlled from Germany.

If opportunities arise outside Europe, euromicron is ready to exploit them with the know-how of its employees. However, the Group's main focus remains to penetrate the domestic market.

euromicron Group

SALES DEVELOPMENT – CONSOLIDATED BY REGIONS AT MARCH 31, 2011

Regions	2011 € thou.	2010 € thou.
Germany	47,507	39,696
Euro zone	8,820	5,245
Rest of World	1,184	250
Consolidated net sales	57,511	45,191

(unaudited acc. to IFRS)

Income

In the first quarter of fiscal 2011, euromicron posted consolidated income before interest and taxes of around €4.1 million, a 34.4% percent increase on the previous year (€3.1 million) and giving an EBIT margin of 7.1% relative to total operating performance. Operating income of the associated companies is within our expectations at €5.4 million.

Due to our continuing good business performance in both the North and South segments, the cost of materials rose year-on-year from €24.5 million to €31.8 million due to our higher volumes and its ratio to total operating performance was 54.4%.

Personnel costs were €14.4 million compared with €13.6 million in the previous year. The increase in personnel costs is solely attributable to changes in the consolidated companies and expansion of our sales activities. Cost increases due to higher qualifications of employees are permanently compensated for by cost adjustments in other areas.

The figure for amortization/depreciation was above that of the previous years, in particular as a result of amortization of hidden reserves from the purchase price allocation for companies acquired in the last years and of development costs. Of the Group's total amortization and depreciation of €1.1 million (previous year: €0.9 million), depreciation of plant, fixtures and fittings, tools and equipment was around €0.9 million.

Other operating expenses were €7.4 million and so above the figure for the previous year of €6.3 million. Like the rise in personnel costs, this is also attributable to the new associated companies. This trend is constantly reviewed by means of active cost management and adjusted to reflect market needs.

Net financing costs were €0.5 million, slightly below the previous year's figure. This clearly demonstrates that, despite the high level of up-front financing required for project business, our resource planning is efficient and responsible and that our overall financing offers an advantageous framework for growth thanks to the Group's good rating.

The tax ratio was 32.3%, well within the average for German industrial companies.

The net profit for the period after minority interests as of March 31, 2011, was €2.4 million, 38% up on the previous year (€1.7 million). Despite the issue of new shares in 2010, undiluted earnings per share were €0.46, compared with €0.38 in the same period of the previous year.

euromicron Group

KEY INCOME FIGURES AT MARCH 31, 2011

	2011 € thou.	2010 € thou.
Consolidated EBIT	4,125	3,070
Operating EBIT	5,386	4,160
EBIT return/total operating performance in %	7.1	6.4
EBITDA	5,201	3,931
Income before taxes	3,641	2,523
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(unaudited acc. to IFRS)

New orders and order books

As of March 31, 2011, euromicron posted new orders of €64.1 million, 21% up on the previous year (€52.8 million).

euromicron also assumes that new orders will grow compared with 2010 in the further course of fiscal 2011. One of the reasons for this is the positive feedback from this year's participation on the CeBIT, where euromicron was able to significantly enhance its visibility in the ITC market. The company's internal assessment from the trade show came to the conclusion that euromicron can not only satisfy current customer needs with its portfolio of products and services, but has also strategically positioned itself correctly as regards coming trends.

Order books were €117.6 million, likewise well up on the previous year's €83.2 million. We are not currently aware of any risks from significant project delays or postponements.

euromicron Group

NEW ORDERS/ORDER BOOKS – CONSOLIDATED AT MARCH 31, 2011

	2011 € thou.	2010 € thou.
Consolidated new orders	64,148	52,820
Consolidated order books	117,596	83,204

(unaudited acc. to IFRS)

Net assets

The euromicron Group's total assets at March 31, 2011, were €202.5 million, up by €6.5 million from December 31, 2010 (€196.0 million).

Noncurrent assets were 53.5% of total assets, slightly below the figure at December 31, 2010 (55.5%). Current assets increased to €94.1 million (previous year: €87.3 million). Inventories rose by around €4.7 million, due to the solid increase in sales.

Cash and cash equivalents fell by half compared with the annual financial statements as of December 31, 2010, to €4.7 million. The liquid funds were used to finance the system companies' projects in progress.

The ratio of equity and long-term outside capital to noncurrent assets is 107%.

Equity was €91.7 million at March 31, 2011, around €2.4 million above the level stated in the 2010 financial statements. The equity ratio is 45.3%.

Long-term debt was around 12.2% of total assets. This essentially contains the long-term components of the Group's outside financing.

Current liabilities were €86.0 million, slightly above the figure at December 31, 2010 (€81.2 million) and are 42.5% of total assets.

Financial position

The euromicron Group's net debt (long- and short-term) at March 31, 2011, was around €63.6 million, a figure mainly impacted by an increase in up-front financing for projects as a result of growing business and the greater need for working capital this entails.

The Group also has sufficient free credit lines (currently approximately €25 million) from its partner banks to cover its cash needs resulting from the increase in business volume.

Thanks to its good relations and longstanding partnerships with Germany's leading banks, the Group has a solid liquidity reserve in 2011 for its current and strategic development.

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

Employees

euromicron makes high demands on the quality of its products and services, founded on the high qualifications and motivation of its employees. The Group offers its employees exciting and demanding tasks, as well as forward-long opportunities for development and secure jobs.

1,160 persons were employed by the euromicron Group as of March 31 of fiscal 2011. Personnel costs totaled €14.4 million (previous year: €13.6 million).

An increasingly important goal of euromicron is to secure and expand its base of qualified employees and their potential. Only a sufficient workforce with high qualifications will ensure its future success. Consequently, qualification programs in a wide range of fields are being held so as to address steadily growing requirements in sales, process controlling and monitoring, in particular in project management and production. Individual development and future-oriented qualification of our employees in line with requirements and investments is a core element of our business and capital spending policy.

In this context, euromicron gives 75 young people the chance of practical vocational training. Apart from taking social responsibility for training the next generations, euromicron also secures potential employees for its future tasks with this policy.

Risk report

The reports from the risk management system at December 31, 2010, have been continuously examined and updated as part of the Q1 Interim Report at March 31, 2011. At March 31, 2011, there were no significant material 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 2010 Annual Report.

Taking into account all known facts and circumstances, euromicron does not anticipate any significant effects on its operational business from macroeconomic changes and in particular 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.

Market & Technology

Next generation solutions: IP competence goes e-solution

CeBIT in Hanover is one of the world's most important sources of fresh ideas and stimulus for all facets of digital life and work. This year, euromicron attended the event for the 13th time in order to demonstrate the extensive breadth of its portfolio of products and services to the trade. As part of a completely redesigned appearance under the slogan "next generation solutions", we showcased how the euromicron Group's know-how is becoming more and more a part of life and work and is enabling great improvements in them.

Leading-edge solutions in key electronic and future markets, such as e-energy, e-health & care, e-security, e-home & office or e-mobility, require IP-based, broadband network infrastructures – and the euromicron Group has established itself as the specialist in Germany and increasingly in Europe for planning and implementing them.

Over the past years, euromicron has increasingly leveraged its competences in the field of network infrastructures to develop and create solutions and applications on these structures. Its network infrastructures integrate voice, video and data transport wirelessly, via copper cable and by means of fiber-optic technologies and aim to make life more secure and convenient and to make work more efficient and faster.

euromicron's innovative range of solutions

Once again, euromicron used CeBIT as a platform to highlight the Group's further development and allow customers and prospects to experience it at first hand. The solutions and applications from the e-markets on show in Hanover were partly in-house developments or come from the Group's network of partners. They are marketed by euromicron's distribution division or are implemented by euromicron's system houses together with the necessary network infrastructure at customers' premises.

In the field of e-security, euromicron presented at CeBIT an analysis tool that is based on video technology and has been developed for an intelligent analysis and control system already in use at the retailer EDEKA's "Store of the Future". euromicron's solution supports not only security monitoring, but also supply chain management, staff rostering, customer advice and payment processes.

A smart grid solution developed by euromicron for Munich's public utility Stadtwerke München illustrated our solution expertise in the fields of FTTH and e-energy. By 2013, euromicron will supply the whole of Munich with fiber-optic lines to create a smart grid. The plans envisage laying of empty pipes from the POP distribution point to the customer, blowing in of a distribution cable with a high fiber count in the exterior ring road and linking of the customers' home connections with micro-cable.

All in all, in the innovative e-markets of the future, euromicron already delivers quality and precision to a standard that, in its entirety, hardly any of its competitors can achieve.

One prime example of the euromicron Group's technological competence and precision was the cabling of a gigantic reflecting telescope for the Max Planck Institute on the Canary Island of La Palma. This telescope is used to research the amounts of energy in black holes. 3,300 meters of optical cable, with a total of 1,440 individual cables, were supplied. euromicron's subsidiary LWL Sachsenkabel successfully tackled the huge challenge of ensuring that the signal time delay must not be greater than a billionth of a second.

Outlook

As a result of the good economic data for Germany and rising demand in the exporting production sector, we expect to see a good business performance in 2011. We assume that the main economic drivers in Germany will invest even more strongly in data transmission infrastructures after ramping up production capacities in 2010 in order to withstand the growing pressure to cut costs and fiercer competition.

As a result of the company mergers in 2010 as part of the build-and-integrate phase, we have now created the necessary general conditions, especially at the system houses, to provide customers with optimal consulting in all matters relating to solutions based on fiber-optic or copper networks and successfully accomplish projects.

Alongside permanent cost-cutting projects, we will invest in our employee structure with targeted personnel development measures in order to counter the current situation where it has become difficult to recruit experts and managers in Germany.

Implementation of powerful networks for voice, data and video is not a luxury nowadays, but a necessity if enterprises do not wish to suffer sharp impairments in their performance and competitiveness.

We therefore expect that requirements for security, surveillance and alarm networks will increase significantly, since the focus is on protecting against attacks from the outside and the security needs of individual target groups. By moving into profitable niche markets, for example relating to enabling people to live with dignity in their familiar domestic environment and surveillance of criminals outside jails as part of the humane enforcement of sentences, we are positioning the Group for new and changing markets. As a result, we will be able to promptly detect changes in individual segments proactively and share in the growth of these markets from the outset.

The new acquisition in Germany in 2010 gives us better market access in Saarland and the region in and around Luxembourg. The strengthening of our commitment in Austria by the acquisition of LEONI should enable us to set up our current “policy of small steps” in the short term and to share in potential growth in the market in Eastern and Southeastern Europe.

In order to develop the euromicron Group further, we have a stable cash flow of our own, a balanced financing structure and improved balance sheet ratios, as well as sufficient free lines from our partner banks to support the next operational growth steps with working capital. In order to retain our solid equity base, the Executive Board is planning to fund further expansion through a capital increase.

Our objective for fiscal 2011 is in particular to establish the euromicron brand further in the market as a byword for high-quality services and high-tech products and for quality, solution-oriented expertise and know-how in all areas relating to network-based information, communications and security needs.

As in the past fiscal year, we will continue to carry out strong PR and investor relations work to support the share actively and give institutional investors opportunities for interesting investments that will be influential in the future of the company.

We assume that we will exceed the €220 million sales mark in the current fiscal year as a result of systematic organic growth.

The acquisitions at the end of 2010 will be able to make an additional contribution if things go positively.

The EBIT return target at the Group level remains 8 to 11%. Following completion of the next phase of consolidation, the Group aims to break the €300 million sales mark in the years after 2011. This is to be assisted not only by organic growth, but above all by largish strategic investments or mutual investments in companies, as well as cooperation deals and partnerships. We assume that, in the first year following successful completion of this development phase, the new companies can be expected to make only a slight contribution to earnings due to high non-recurring expenses and the costs of integration. Our objective is, after two to three years of integration of largish companies, to secure the EBIT return euromicron has consolidated over the years at a higher level of sales.

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.

Our objective is to cooperate with investors who accompany us for the medium to long term and do not seek short-term success. Crucial factors in our eyes will be for the investors to understand our business model, give management and the company support and back our strategy of sparing use of resources.

With our secure basis for financing, high order books, continuing good demand and interesting acquisition objects, management looks positively toward business in 2011 and can promise shareholders attractive perspectives.

euromicron Group

CONSOLIDATED INCOME STATEMENT **FOR THE PERIOD JANUARY 1 TO MARCH 31, 2011**

	3-month report	
	Jan. 1, 2011 – March 31, 2011 € thou.	Jan. 1, 2010 – March 31, 2010 € thou.
Sales	57,511	45,191
Inventory changes	895	2,637
Own work capitalized	5	30
Other operating income	420	460
Cost of materials	-31,773	-24,482
Personnel expenses	-14,433	-13,610
Amortization/depreciation	-1,076	-861
Other operating expenses	-7,424	-6,295
Operating profit	4,125	3,070
Interest income	29	27
Interest expenses	-513	-574
Income before income taxes	3,641	2,523
Income taxes	-1,176	-760
Income before minority interests	2,465	1,763
Minority interests	-104	-55
Net profit for the period	2,361	1,708
 Earnings per share (undiluted) in €	 0.46	 0.38
Earnings per share (diluted) in €	0.46	0.37

(unaudited acc. to IFRS)

euromicron Group

RECONCILIATION OF THE QUARTERLY RESULTS WITH THE STATEMENT OF COMPREHENSIVE INCOME

	Jan. 1, 2011– March 31, 2011 € thou.	Jan. 1, 2010– March 31, 2010 € thou.
Consolidated net income for the period, before minority interests	2,465	1,763
Gain/loss on the valuation of securities	0	0
Other profit/loss	0	0
Total result	2,465	1,763
Of which from non-controlling interests	104	55
Of which shareholders of euromicron AG	2,361	1,708

(unaudited acc. to IFRS)

CONSOLIDATED BALANCE SHEET ASSETS

	March 31, 2011 € thou.	Dec. 31, 2010 € thou.
Noncurrent assets		
Goodwill	80,947	80,947
Intangible assets	14,329	14,805
Tangible assets	11,782	11,556
Financial assets	896	894
Other assets	97	96
Deferred tax assets	349	374
	108,400	108,672
Current assets		
Inventories	21,897	17,185
Trade accounts receivable	61,215	55,401
Claims for income tax refunds	2,873	2,895
Financial assets	1,336	1,333
Other assets	2,089	1,917
Cash and cash equivalents	4,669	8,572
	94,079	87,303
Total assets	202,479	195,975

(unaudited acc. to IFRS)

euromicron Group

**CONSOLIDATED BALANCE SHEET
EQUITY AND LIABILITIES**

	March 31, 2011 € thou.	Dec. 31, 2010 € thou.
Equity		
Subscribed capital	13,105	13,105
Capital reserves	68,487	68,487
Gain/loss on the valuation of securities	– 363	– 363
Net retained profits	9,966	7,605
Stockholders' equity	91,195	88,834
Minority interests	509	428
Total equity	91,704	89,262
Long-term debt		
Accrued liabilities for persons	753	656
Other provisions	128	139
Liabilities to banks	3,679	4,404
Liabilities from finance lease	764	823
Financial liabilities	10,760	10,767
Other liabilities	2,096	2,082
Deferred tax liabilities	6,547	6,618
	24,727	25,489
Current liabilities		
Accrued liabilities	76	66
Trade accounts payable	19,443	22,117
Liabilities from current income taxes	1,389	1,244
Liabilities to banks	53,826	45,293
Liabilities from finance lease	189	192
Tax liabilities	1,722	3,466
Liabilities to personnel	3,649	3,855
Other current liabilities	5,754	4,991
	86,048	81,224
Total assets	202,479	195,975

(unaudited acc. to IFRS)

euromicron Group

**STATEMENT OF CHANGES IN EQUITY
FROM JANUARY 1, 2010, TO MARCH 31, 2011**

	Subscribed capital € thou.	Additional paid-in capital € thou.
Balance at January 1, 2010	11,914	61,781
Dividend for 2009		
Consolidated net income for 2010		
Capital increase	1,191	6,344
Gain/loss on the valuation of securities		
Sale of treasury shares		362
Of which from non-controlling interests		
Transfer of profit shares for minority interests in outside capital		
Change from subsequent consolidation		
Distributions to /drawings from minority interests		
Balance at December 31, 2010	13,105	68,487
Dividend for 2010		
Consolidated net income for the period in 2011		
Gain/loss on the valuation of securities		
Of which from non-controlling interests		
Change from subsequent consolidation		
Distributions to /drawings from minority interests		
Balance at March 31, 2011	13,105	68,487

(unaudited acc. to IFRS)

Treasury shares € thou.	Consolidated retained earnings € thou.	Gain/loss from the valuation of securities € thou.	Non-controlling interests € thou.	Total € thou.
-2,941	680	-358	339	71,415
	-4,503			- 4,503
	12,131			12,131
				7,535
		-5		-5
2,941				3,303
-189			189	0
-514				-514
				0
			-100	-100
	7,605	-363	428	89,262
	0			0
	2,465			2,465
		0		0
	-81		81	0
	-23			-23
			0	0
0	9,966	-363	509	91,704

euromicron Group

STATEMENT OF CASH FLOWS

	Jan. 1, 2011 – March 31, 2011 € thou.	Jan. 1, 2010 – March 31, 2010 € thou.
Income before income taxes	3,641	2,523
Net interest income/loss	484	547
Depreciation and amortization of noncurrent assets	1,076	861
Disposal of assets, net	-59	-2
Allowances for inventories and doubtful accounts	-138	0
Change in accrued liabilities	95	-242
Change in deferred taxes	-47	-382
Cash flow	5,052	3,305
Changes in short- and long-term assets and liabilities		
– Inventories	-4,626	-6,490
– Trade accounts receivable	-5,764	2,285
– Trade accounts payable	-2,736	-1,799
– Other operating assets	-153	627
– Other operating liabilities	-1,326	-285
– Income tax paid	-353	-734
– Income tax received	472	0
– Interest paid	-514	-617
– Interest received	29	27
Net cash provided by operating activities	-9,919	-3,681
Proceeds from retirement/disposal of		
– Property, plant and equipment	64	21
Payments due to acquisition of		
– Intangible assets	-150	0
– Property, plant and equipment	-682	-374
– Financial assets	-2	0
– Consolidated companies	-1,000	-2,975
Net cash used in investing activities	-1,770	-3,328
Proceeds from raising of financial loans	12,600	948
Cash repayments of financial loans	-4,791	0
Distributions to/drawings from non-controlling interests	-24	-413
Net cash provided by financing activities	7,785	535
Net change in cash and cash equivalents	-3,903	-6,474
Cash and cash equivalents at start of period	8,572	8,628
Cash and cash equivalents at end of period	4,669	2,154

euromicron Group

SEGMENT REPORTING AT MARCH 31, 2011

Sales by report segments	2011 € thou.	2010 € thou.
Total sales, North	28,138	24,922
Inter-segment sales, North	– 1,059	– 924
Sales to external third parties, North	27,079	23,998
Total sales, South	32,738	23,035
Inter-segment sales, South	– 319	– 195
Sales to external third parties, South	32,419	22,840
Consolidated cross-segment sales	– 1,987	– 1,647
Consolidated sales for the Group	57,511	45,191

EBIT by report segments	2011 € thou.	2010 € thou.
Consolidated EBIT, North	3,699	2,636
Consolidated EBIT, South	1,687	1,524
euromicron AG	– 1,250	– 1,086
Group consolidations	– 11	– 4
Consolidated EBIT for the Group	4,125	3,070

Amortization/depreciation by report segments	2011 € thou.	2010 € thou.
North, consolidated	– 497	– 512
South, consolidated	– 571	– 327
euromicron AG	– 8	– 22
Consolidated depreciation/amortization for the Group	– 1,076	– 861

(unaudited acc. to IFRS)

Notes

Preliminary remarks

euromicron AG is a registered company under German law with headquarters in Frankfurt/Main and is mainly active in the areas of network and fiber optics technology.

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 March 31, 2011, 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 (€ thou.).

The results in the interim financial statements as of March 31, 2011, do not necessarily permit forecasts for the further course of business.

Reporting and measurement methods

The same reporting and measurement methods were used in the abridged presentation of the consolidated financial statements as of March 31, 2011, as for preparing the consolidated financial statements at December 31, 2010, unless changes are explicitly specified. A detailed description of these methods is published in the 2010 Annual Report. The consolidated financial statements of euromicron AG as of December 31, 2010, 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.

An individual tax rate is used as the basis for calculating the income taxes for German companies and is also applied to the deferred taxes. The respective national rates of tax are used for calculating the income taxes for foreign companies.

Estimates and assumptions must be made to a certain extent in the interim report; the value of assets, liabilities and contingent liabilities, as well as expenses and income in the reporting period, depend on these. The actual later figures may differ from the amounts reported in the interim report.

The following interpretations and amendments to published standards have been in force since the beginning of fiscal year 2011:

- IFRS 1 (amendment), "First-time Adoption of IFRS" and IFRS 7 (amendment), "Financial Instruments: Disclosures"
- IAS 24 (revised), "Related Party Disclosures"
- IAS 32 (amendment), "Financial Instruments: Presentation"
- IFRIC 14 (amendment), "IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction"
- IFRIC 19 (new), "Extinguishing Financial Liabilities with Equity Instruments".

Apart from the above amendments, the following new or amended standards and interpretations of the IASB and IFRS Interpretations Committee have been adopted. However, since their application is not mandatory or they have not yet been adopted by the European Commission, they were not used in the abridged interim consolidated financial statements as of March 31, 2011:

- IFRS 9 Financial Instruments
- Amendment to IFRS 7 Financial Instruments: Disclosures – Transfers of Financial Assets
- Amendment to IAS 12 Deferred Tax: Recovery of Underlying Assets

Since the consolidated financial statements as of December 31, 2010, were prepared, the EU has adopted the following amendments to existing standards:

In May 2010, the IASB published a collection of amendments to various standards, with the prime objective of eliminating inconsistencies and clarifying formulations (2010 Improvements Process). They were adopted by the EU on February 18, 2011, by Regulation (EU) No. 149/2011. Application of the amended standards and interpretations has no significant impact on the Group's financial position, net assets and results of operations or cash flow.

Consolidated companies

Apart from euromicron AG, the consolidated financial statements at March 31, 2011, include 18 companies, in which euromicron AG has the majority of voting rights directly or indirectly. There have been no changes in the companies consolidated in the euromicron Group compared with at December 31, 2010.

Treasury shares

At March 31, 2011, euromicron does not hold any treasury shares that might be offset against equity in accordance with IAS 32.33.

Non-controlling interests (minority interests)

Under IFRS 3 (2008), non-controlling interests are disclosed as part of equity in accordance with the entity point of view.

The minority interests in equity reported at March 31, 2011 (€509 thousand) relate exclusively to Qubix S.p.A., Padua (10%).

Segment information

Business segments are identified using internal organizational and reporting structures, which at the euromicron Group are based on the different regions.

euromicron reports on the basis of the two segments North and South and Group headquarters. The interim report presents the details regularly reported to the main decision-maker. Further items from the balance sheet and income statement are not reported regularly and so are not disclosed (IFRS 8.32).

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 compared with the annual financial statements at December 31, 2010.

Declaration by the legal representatives

We affirm to the best of our knowledge that the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group in compliance with the applicable accounting principles and that the group management report gives a true and fair presentation of the course of business, including the business results, and the position of the Group and accurately describes the main opportunities and risks of the Group's anticipated development.

Frankfurt/Main, May 13, 2011

The Executive Board

Dr. Willibald Späth

Thomas Hoffmann

Financial Calendar 2011:

June 9, 2011	General Meeting
August 12, 2011	Publication of the business figures for the 2nd quarter of 2011
November 11, 2011	Publication of the business figures for the 3rd quarter of 2011

This quarterly 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.

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Disclaimer on predictive statements

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, changes in general political and economic conditions, 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. Any liability or guarantee for the used and published data and information being up-to-date, correct and/or complete is not assumed, either explicitly or implicitly.

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euromicron Aktiengesellschaft

Speicherstraße 1

60327 Frankfurt/Main

Germany

Phone: +49 69 63 15 83-0

Fax: +49 69 63 15 83-20

Internet: www.euromicron.de