

Annual Report 2010

(shortened, not been audited version)

Allgeier Holding AG

At a glance

Company profile

Allgeier Holding AG based in Munich is one of the leading consultancy and service companies in the German-speaking world. Allgeier offers a full-service approach in its three divisions of IT Solutions, IT Services and Recruiting, from the design to the implementation and operation of IT landscapes. The Allgeier Group has 15 operational subsidiaries with over 1,300 employees and over 1,400 freelance experts and supports ca. 3,000 customers in almost every sector of the econo-

my. The Group has over 52 branches in Germany and a further 14 locations in Belgium, France, the Netherlands, Austria, Romania, the Czech Republic and Switzerland. Allgeier is, according to the Lünendonk 2010 Market Segment Study, the number two medium-sized IT service company and the number two IT recruiting company in Germany. The company is listed in the General Standard of the Regulated Market of the Frankfurt Stock Exchange.

Key figures of the continuing IT operations

	2006	2007	2008	2009	2010	CAGR 06/10
Sales revenue	92.9	133.4	178.7	223.5	308.7	+ 35%
Personnel expenses as a % of sales	27.6 30%	37.5 28%	44.3 25%	59.5 27%	88.4 29%	+ 34%
Other operating expenses as a % of sales	8.6 9%	11.6 9%	13.1 7%	16.1 7%	25.5 8%	+ 31%
EBITDA as a % of sales	6.8 7%	8.9 7%	12.1 7%	14.4 6%	18.1 6%	+ 28%
EBITA as a % of sales	5.6 6%	7.7 6%	10.8 6%	12.8 6%	15.6 5%	+ 29%
EBIT as a % of sales	2.7 3%	4.8 4%	3.9 2%	8.0 4%	11.0 4%	+ 42%

(In accordance with IFRS; in EUR millions)

Consolidated key figures including the temping services sold in 2008

	2006	2007	2008	2009	2010	CAGR 06/10
Sales revenue	166.7	298.3	178.7	223.5	308.7	+ 17%
EBITDA	13.4	23.3	12.1	14.4	18.1	+ 8%
EBITA	11.9	21.2	10.8	12.8	15.6	+ 7%
EBIT	7.4	15.7	3.9	8.0	11.0	+ 10%
EBT	5.0	11.2	87.4	7.0	10.2	+ 20%
Net income	2.8	6.4	80.4	5.0	8.7	+ 33%
Balance sheet total	135.1	177.0	193.4	160.1	204.1	
Equity	21.5	22.7	81.8	79.5	85.5	
Earnings per share (in EUR)	0.59	0.56	8.93	0.60	0.99	
Number of permanent employees	6,029	8,921	831	1,261	1,339	
Number of freelance experts	615	735	1,331	1,235	1,438	

(In accordance with IFRS; in EUR millions)

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IT SOLUTIONS

In the IT Solutions Division we offer tailored solutions to ensure business continuity and IT security and to speed up business processes. The range of services includes Enterprise Resource Planning (ERP), Enterprise Content Management (ECM), IT security and the design and implementation of sustainable IT architectures. In the area of ERP we focus on the leading international solutions SAP, Microsoft Dynamics AX and NAV, Lawson M3 and our leading software solution in Germany Syntona logic for the wood and building materials industry. With our Scanview solution and Scan services we provide our customers in the area of ECM with extensive capability to manage information, documents and processes. We protect processes and communication platforms with our JULIA MailOffice and Wednesday security solutions and identity management concepts.

In short, we have the right products and holistic solutions which move our customers' business processes forward.

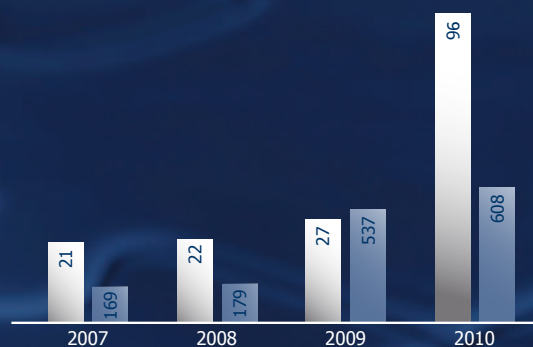


UVEX WINTER HOLDING GMBH & CO. KG

DIDAS AG, a subsidiary of Allgeier Holding AG, demonstrated its implementation expertise at UVEX Winter Holding. The manufacturer of protective equipment wanted to significantly reduce the amount of work involved in the administration of user identities and optimise data consistency. The company therefore decided on Identity Manager, the identity and security management solution of Novell. DIDAS, a Novell Platinum Partner, ensured that the implementation of the project was a success.

IT Solutions Division

■ Sales (in EUR millions)
■ Employees and freelance IT experts



“We needed a digital communication platform providing the best possible security according to international standards. With the Allgeier solution JULIA MailOffice combined with the PDF encryption we found the perfect system and our project was implemented successfully.

Burkard Bauer, Corporate Security, Gothaer Finanzholding AG

Gothaer

GOTHAER FINANZHOLDING AG

The insurance company Gothaer has been using JULIA MailOffice to encrypt and decrypt e-mails and to add and verify e-mail signatures for years. For end customers who do not have decryption software, Allgeier IT Solutions has developed the PDF encryption as an add-on module. It is easy to use, provides the necessary security and can also be used with PDAs without any problems.

IT SERVICES

In the IT Services Division we develop customised and flexible IT solutions to support our customers' respective business processes. Together with our customers we record the specific requirements, model processes, develop an efficient software architecture and advise on the selection of suitable platforms. Our solutions are customised, although we try to achieve the highest possible degree of standardisation. As an outsourcing expert we also undertake the development and maintenance of whole parts of our customers' IT landscape, from complex application programmes to the IT infrastructure.

In short, we support our customers' business processes with customised solutions so that their IT is efficient.

“*It's quite simple. When you have found a partner you can rely on, you are loyal to that partner. This is particularly the case in IT and mgm will therefore remain our preferred partner.*”

Matthias Weber, Managing Director of SCHWARZ E-Commerce

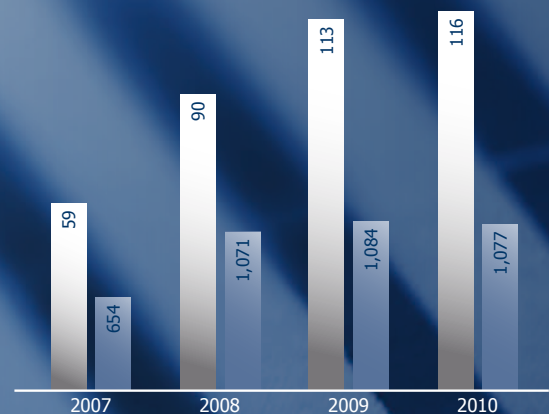


SCHWARZ E-COMMERCE GMBH & CO. KG

Schwarz E-Commerce chose mgm technology partners GmbH, a subsidiary of Allgeier Holding AG, as its development partner for the Lidl webshop. Within eight months a scaleable, multi-client capable system designed for international use based on the mgm webshop framework was completed and integrated into the mail-order business's ERP solution to provide a reliable overall system. mgm successfully completed the project at the fixed price by the specified deadline.

IT Services Division

■ Sales (in EUR millions)
■ Employees and freelance IT experts



BMW AG

Xiopia GmbH, a subsidiary of Allgeier Holding AG, was assigned the task by the BMW Group of setting up Oracle clients on laptops for its Accident Research IT project. The main task was to develop an interface which allows the simple and structured recording of electronic data at the scene of the accident. Data on road conditions, how the accident occurred and accident damage are now transferred quickly and securely to the central Oracle database upon return to the office and is available for evaluation.

RECRUITING

In the Recruiting Division we quickly and reliably provide our customers with the right freelance and permanently employed IT experts. With this service we allow our customers to react flexibly to new market requirements with the specialists recruited by us. For the specialists we are a sought-after partner for attractive projects and permanent positions. We have a pool with up-to-date, structured information on over 100,000 professionals and can therefore quickly and competently fill vacancies for almost any project. We also help our customers as a third-party manager to optimise their supplier base, from setting up lean processes to consolidating existing suppliers and optimising the procurement and management of external labour.

In short, we provide our customers with the right IT specialists at the right time and the right place.



Goetzfried AG has long been one of our most important preferred suppliers. The speed at which offers are submitted and the satisfaction level with the candidates offered is good in every respect.

Klaus Klöckner, Provider Management, SEB AG

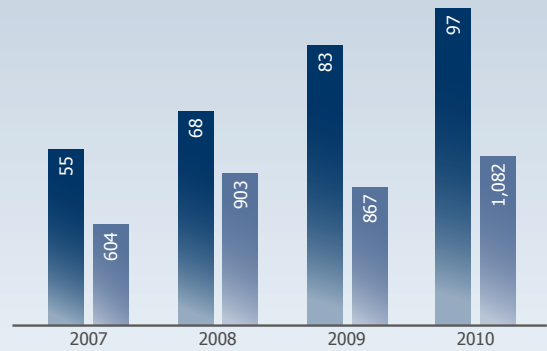
SEB

SEB AG

SEB sold its German private banking business to Banco Santander in 2010. This sale had an extensive impact on the bank's IT systems in Germany. Goetzfried AG, a subsidiary of Allgeier Holding AG, supported SEB in successfully unlinking the IT applications and provided IT experts for this purpose with the required technical and industry knowledge.

Recruiting Division

■ Sales (in EUR millions)
■ Employees and freelance IT experts



DATAPORT

When there are capacity bottlenecks Dataport relies on adding external specialists to its own teams. Here the IT service provider of the public administrations in Schleswig-Holstein, Hamburg and Bremen works successfully with Goetzfried AG, a subsidiary of Allgeier Holding AG. Goetzfried AG provides the necessary experts for consultancy and concept services or for classical operational tasks and who have the desired know-how.

The Company in 2010

Continuation of the acquisition strategy

Allgeier Holding AG concentrates on growth markets in the IT services sector and reacts to new opportunities in these markets. In order to enable future growth, we follow a coordinated management and investment philosophy:

Management philosophy

We combine the advantages of the decentralised entrepreneurship of medium-sized units with the clout of a strong, listed Group. We encourage the Managing Directors and Management Boards of the companies we invest in to show initiative, responsibility and flex-

ibility; they act as entrepreneurs within the scope of our strategic requirements and can at the same time benefit from the economies of scale of a high-growth service group.

Investment philosophy

We invest in companies which are well-established in the market and have sustainable growth. In the process we consider the added value for the Allgeier Group and the added value for the existing Group and for the new company. We look in particular for professional and entrepreneurial-minded management.

Our investments in 2010

The Allgeier Group continued its acquisition strategy in 2010 and in so doing expanded both its IT competence and its international presence. The following compa-

nies were consolidated in the Group for the first time in 2010: Didas AG, Munich, BSR & Partner AG, Zug, and Terna GmbH, Innsbruck.

► Didas AG

Didas provides larger medium-sized and large customers throughout Germany with a wide range of solutions in the areas of system consulting, field services and SAP services. With more than 130 employees in its seven locations and head office in Munich, Didas takes care of its customer's IT requirements. Didas is a Novell Platinum Partner. Allgeier Holding AG's has expanded its IT Solutions Division with the acquisition of Didas and strengthened its competence in the SAP environment.



- **Locations:** Munich, Berlin, Düsseldorf, Frankfurt, Münster, Nuremberg, Stuttgart
- **Number of employees in 2009:** ca. 130
- **Sales in 2009:** ca. EUR 30 million
- **Acquired in 2009; first consolidated in 2010**

► Terna GmbH – Zentrum für Business Software

Terna is one of the most important suppliers of ERP software solutions in the German-speaking world. The company based in Innsbruck employs ca. 90 people at a total of 5 locations in Austria, Germany and Switzerland. Terna offers a full service in the areas of ERP software and business process management to larger medium-sized customers. Its core competences include the implementation of the leading international ERP solutions Microsoft Dynamics AX and Lawson M3, the analysis and optimisation of business processes and the selection of optimal business software. Allgeier Holding AG is expanding its position in the growing market for ERP solutions with Terna.



- **Locations:** Innsbruck, Linz, Vienna, Nuremberg, Villingen, Zug
- **Number of employees in 2009:** ca. 90
- **Sales in 2009:** ca. EUR 10 million

► BSR & Partner AG

BSR & Partner AG is one of Switzerland's leading medium-sized IT service providers. The company, which has around 40 employees and is based in Zug, performs highly qualified services for its customers focusing on data storage, back-up and archiving software. Due to its many years of experience with storage solutions and storage management, BSR & Partner develops with its technology partners performant and high-availability solutions which meet high IT requirements. These range from classical online storage with archiving solutions to completely virtualised storage environments. With BSR & Partner AG, the Allgeier Group is expanding its portfolio in the area of storage and extending its presence in Switzerland.



- **Locations:** Zug, Rotkreuz, Bern
- **Number of employees in 2009:** ca. 40
- **Sales in 2009:** ca. CHF 25 million

Service Portfolio

Allgeier Holding AG focuses with its Group companies on high-growth and high-yield business sectors. With our wide portfolio we offer a full-service approach to our customers, from the design to the implementation

and operation of IT systems. We have extensive technical knowledge, a wide range of solutions and, with our many years of industry knowledge, are one of the leading IT service providers in the market.

► Our Technical Expertise

As a consultancy and implementation partner, we support our customers in the development and implementation of IT strategies and business processes. With know-how and implementation expertise, we provide our customers with support in their technical challenges and ensure their IT is used in a cost-efficient manner.

- We offer our customers management consultancy, support them in the design and implementation of ICT solutions and develop business-process-support IT solutions for them.
- With our outsourcing services we provide companies with room for manoeuvre. For our customers we develop and/or maintain complex application systems, outsource their computer centre with servers, virtualisation, networks and high-availability solutions, and protect their systems.
- We reliably control our customers' IT with stable, flexible, high-availability, secure and high-performance IT infrastructures.
- We provide extensive consultancy services concerning the implementation, customer-specific process mapping and operation of SAP products and solutions and base the processes on our knowledge of business processes, technologies and integration.

► Our Industry Expertise

Every industry has different requirements and challenges. We know the individual, industry-specific requirements and, with our combination of technical expertise, understanding of the market and many years of experience, are the preferred IT partner in almost every industry. If you know the individual market processes in the individual industries, you can also provide your customers with the right solutions.

► Product Offering

In order to provide our customers' business processes with efficient support, we design and implement specific solutions tailored to their business processes and system landscape. With our expertise and the technology of our strategic partners such as Microsoft, SAP, Lawson or VMware, we provide tailored, integrated solutions which create added value.

- We offer a full-service in the area of Enterprise Resource Planning (ERP) and business process management. We analyse and optimise the business processes of medium-sized production and distribution companies and are experts in the leading international ERP solutions Lawson M3 and Microsoft Dynamics.

- With our Enterprise Content Management (ECM) solution scanview we support and manage business processes in which documents are created, managed or stored. The solution covers all functions for recording, managing, storing and issuing business documents.
- We support our customers from the analytical preliminary phase to the start-up of processes relevant to Customer Relationship Management (CRM) and in the process rely on Microsoft Dynamics CRM to optimise the customer-oriented business processes.
- We develop innovative, turn-key logistics solutions, using in particular Radio Frequency Identification (RFID) and/or mobile IT technology for the automation of logistics, service and production processes.
- We provide our customers with support on architecture issues, e-mail and web security issues, reliability concerning the development and operation of IT solutions and the performance of penetration tests and the certification of software in accordance with common criteria.

► Recruiting/Third-Party Management

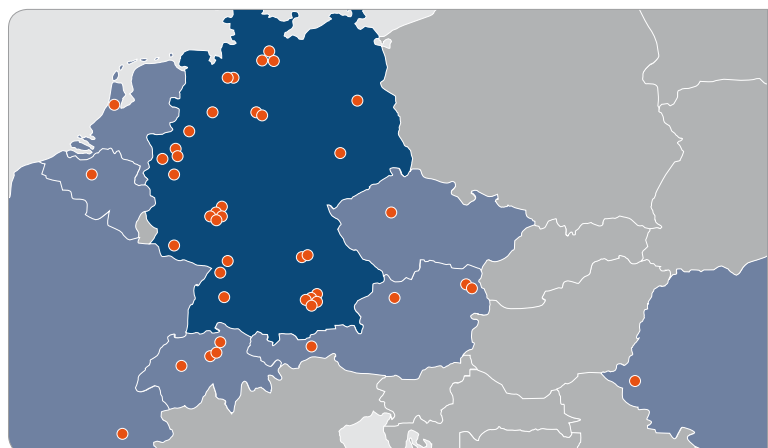
As one of the top 2 recruiting companies in Germany, we quickly and reliably provide our customers with highly qualified IT specialists and engineers, supply external specialists for temporary, flexible employment and provide suitable people for permanent positions.

We also set up and handle supplier management for large organisations and medium-sized companies. We have a multi-level service profile, from purely pooling and handling external staff and small suppliers to the optimisation and overall management of the supplier portfolio.

► Technical Expertise	► Industries Expertise	► Products
<ul style="list-style-type: none"> • Management & IT Consulting • Business process Consulting • Software Development • SAP Consulting • Outsourcing/Managed Services • Cloud Services • IT Project Consulting • Infrastructure Services • Business Intelligence • Web-portal Services • IT Compliance 	<ul style="list-style-type: none"> • Banks • Insurance companies • Telecommunications • Public sector • Automotive industry • Information technology • Distribution/logistics • Energy providers • Media • Industry 	<ul style="list-style-type: none"> • ERP for medium-sized companies • ECM/DMS • CRM • Solutions for regulatory offences • Logistics Solutions • Security Solutions • Web shop • Identity Management • Storage Solutions
Staffing and Recruiting (database with around 100,000 IT experts)		
Third Party Management		

Locations

Allgeier has over 52 locations in Germany and a further 14 locations in Belgium, France, the Netherlands, Austria, Romania, the Czech Republic and Switzerland. The locations in Prague/Czech Republic and Timisoara/Romania serve as nearshoring capacity. Overall the Allgeier Group has over 1,300 permanent employees and more than 1,400 freelance IT experts.

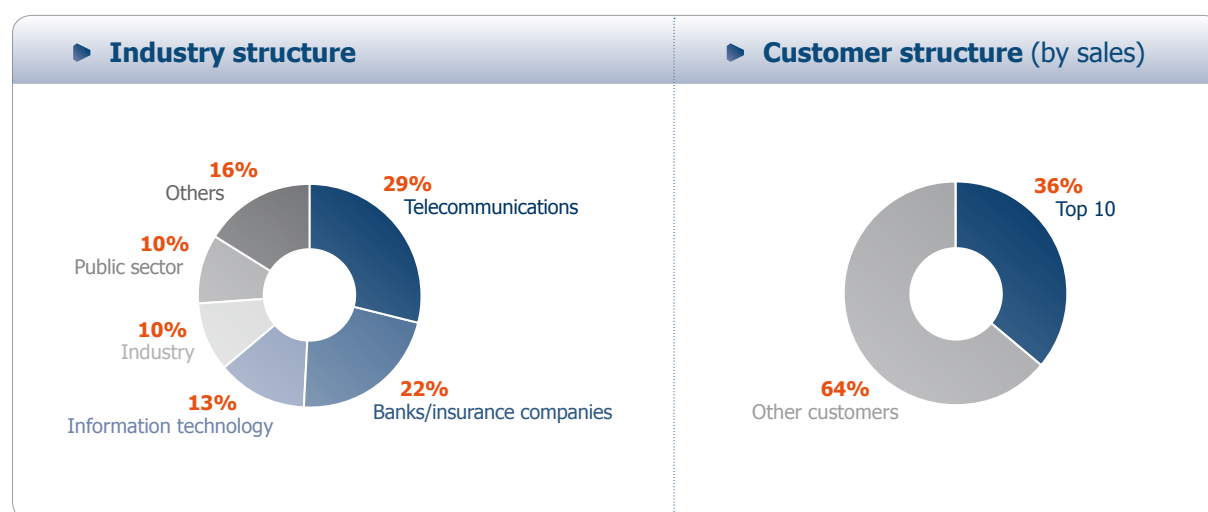


Industry and Customer Structure

Via its operational Group companies, Allgeier is at home in almost every industry. They know the specific requirements and support customers in the development of their businesses. The Allgeier Group counts over 3,000 companies with various project requirements and order volumes among its customers. In the process the Group companies work both for global corporations and a large number of medium-sized companies. The Allgeier Group's customers include 20 of the TOP 30 companies in Germany (measured by sales). The Group has a business relationship with almost

every second Top 100 company. In most cases several Allgeier Group companies are involved in various projects at individual companies.

The Group is not dependent on any individual industry and is therefore crisis-proof. Key industries are financial service providers, telecommunications and the public sector. Allgeier has worked for many years with every second TOP 20 financial service provider, is used by the major telecommunications providers in numerous projects and works for the major German automobile manufacturers and suppliers.



Economic Development

Allgeier Holding AG again significantly increased its sales and earnings in the 2010 financial year. Sales rose by 38% to EUR 308.7 million compared to the previous year. Sales revenue has therefore increased by an average of 32% per year since 2007. Earnings before interest, taxes, and amortisation of goodwill and purchase price allocations (EBITA) and before holding costs rose by 18% to EUR 18.5 million compared to the previous year. The EBITA has therefore risen by an average of 19% per year since 2007.

The IT Solutions Division achieved an above average growth in sales of 255% to EUR 96 million in the period under review. In addition to organic growth, in particular the acquisitions in the last year contributed to the significant growth. The EBITA rose by 169% to

EUR 5.6 million. The Recruiting Division also achieved strong sales growth. Its sales increased by 17% to EUR 97 million in the 2010 financial year, while earnings even rose by 34% to EUR 4.7 million in the period under review.

The IT Services Division also increased sales by 3% to EUR 116 million; this was achieved in particular by a good performance in the second half of the year. However, the EBITA was at EUR 8.3 million 15% below the previous year's earnings. The reason for this was the additional investment in increasing the workforce. Allgeier is expecting that there will be a notable increase in demand for IT services in 2011 and that this division will benefit significantly from this.

Sales and EBITA in accordance with IFRS

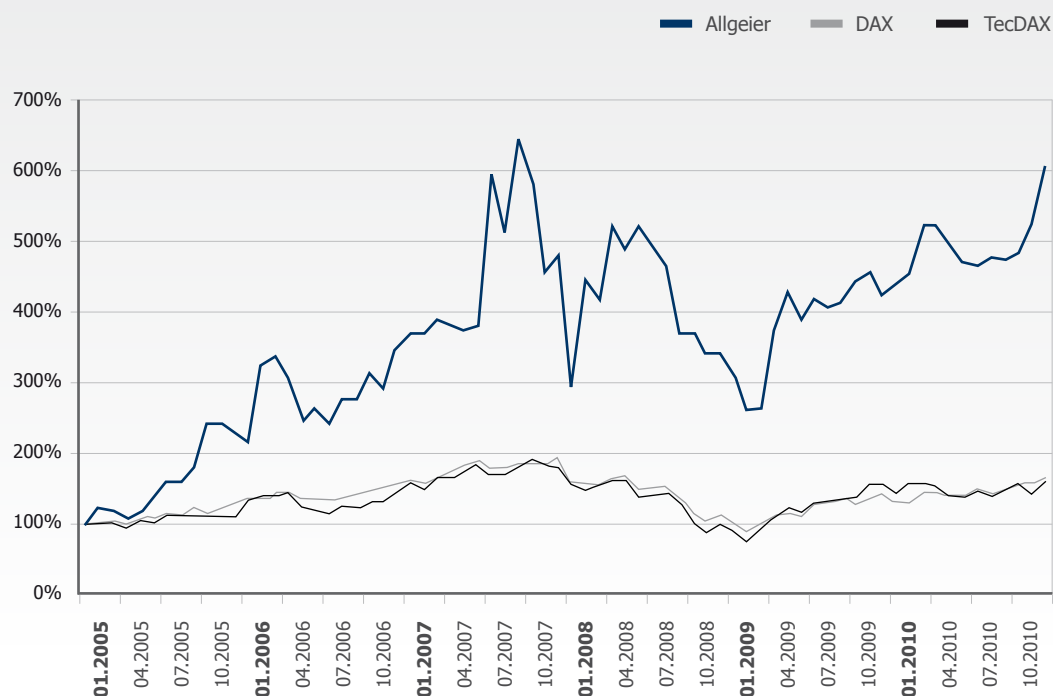


The Share

On the whole the capital markets performed satisfactorily in the 2010 trading year. The German benchmark index DAX fell in the first half of the year due to the negative economic data and the financial problems of Greece and other EU countries. As the economy picked up and good news was being reported by

companies, the DAX eventually rose though by 14% from 6,048 points at the start of the year to 6,914 points at the end of the year. The technology index TecDAX performed similarly. It started the trading year on 834 points and finished the year up slightly by 2% on 850 points.

► Share price indexed (in %)



Dividend payment 2008: EUR 2.50/share
2009: EUR 0.60/share
2010: EUR 0.50/share

The Allgeier share, listed in the General Standard of the Regulated Market of the Frankfurt Stock Exchange, rose much more sharply than the DAX and TecDAX. It started 2010 with a price of EUR 7.50 on the XETRA trading platform, but by March its value had risen to EUR 9.35 and therefore by around 25%. In the rest of the year its value fluctuated between EUR 8.10 and EUR 9.50. Due to the generally good sentiment level in the capital markets, the share price rose again from November. The ad-hoc announcement at the start of December on the Group's

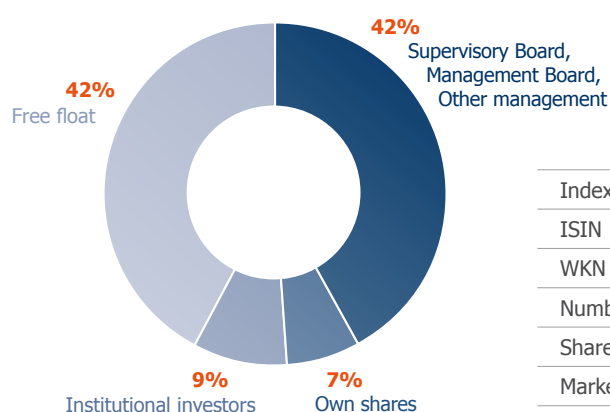
positive growth prospects for 2010, 2011 and following years added extra impetus to the rise in the share price, and it achieved a high of EUR 10.65. The share ended the 2010 trading year with a price of EUR 10.35, which represents an excellent performance of up almost 38% since the start of the year. It therefore significantly outperformed the most important benchmark indices in Germany.

The price of the Allgeier share has risen by around 500% since January 2005, while the DAX and TecDAX have only risen by around 60% in this period.

► Key figures per share 2010 versus 2009

	2009	2010	Change in %
Earnings per share in EUR	0.60	0.99	+ 65%
Dividends per share in EUR	0.60	0.50	– 17%
Annual high in EUR	8.49	10.65	+ 25%
Annual low in EUR	4.56	7.49	+ 64%
End-of-year price in EUR	7.49	10.35	+ 38%
Number of shares	9,071,500	9,071,500	–
End-of-year market capitalisation in EUR millions	67.9	93.9	+ 38%
Average stock exchange turnover in number of shares per day	7,509	7,890	+ 5%

► Shareholder structure¹



Index	General Standard
ISIN	DE0005086300
WKN	508630
Number of shares	9,071,500
Share price (on 15.04.2011)	EUR 13.24
Market capitalisation (on 15.04.2011)	EUR 120 million

¹ Where the company is known (in some cases estimates)

Foreword by the Management Board

Dear Shareholders

Allgeier Holding AG can look back on an excellent 2010 financial year. The Group significantly increased its sales and earnings and continued its growth of recent years.

We have increased sales to EUR 308.7 million, a rise of 38% compared to the previous year. The EBITA (earnings before interest, taxes and amortisation of purchase price allocations) also improved and at EUR 15.6 million was 21% up on the previous year's figure. The global economic crisis did not have a significant impact on the Group.

The Allgeier Group is today a permanent fixture in the German IT scene. We are, according to a study by the Lünendonk market research institute, the number two medium-sized IT service company and the number two IT recruiting company in Germany. The market position we have achieved has had a positive impact on the Group's operational business. We are listed as a key strategic IT partner (preferred supplier) for numerous projects with major customers and medium-sized companies. Due to the increasing size of our company and the variety of highly interesting projects, we are also an attractive employer.

Looking back, the 2010 financial year was extremely positive and we can be satisfied in particular with the second half of the year. In the last two quarters of 2010 we achieved double-digit growth in operational earnings and therefore returned to the trend seen in the years before the crisis.

We also continued our acquisition strategy in 2010. With the Swiss company BSR & Partner AG and the

Terna Group of Austria we have acquired two companies which have rounded off our service offering and also expanded our position in Austria and Switzerland. BSR & Partner AG specialises in storage solutions and archiving software and is based in Zug. The Terna Group is based in Innsbruck and supplies ERP software solutions, focusing on the sale and implementation of the leading solutions Microsoft Dynamics AX and Lawson M3. We are confident that 2011 will be another successful year, due to both our good operational performance and further acquisitions of companies. The Management Board is holding regular talks both at home and abroad with interesting, high-growth companies which would make excellent additions in terms of our market position.

Allgeier is well equipped for the future. Our business concept allows us to react flexibly and quickly to changes in the IT market. We believe that the opportunities for expanding our market position in the next few years and increasing sales and earnings are good.

We would like to take this opportunity to thank our customers and business partners for their good cooperation and the confidence they have shown in us. We would also like to thank especially the employees of the Allgeier Group, without whose tireless efforts this success in the past year would not have been possible.

Finally, we would also like to sincerely thank you, our shareholders, for the confidence you have shown us in the past and look forward to a successful future with you.

Yours faithfully

Carl Georg Dürschmidt

Dr. Holger von Daniels

Dr. Marcus Goedsche

Report of the Supervisory Board

Dear Sirs,

The Supervisory Board of Allgeier Holding AG reports herewith on its activities in the 2010 financial year:

In the past financial year the Supervisory Board has performed its duties in accordance with the law and the articles of association and regularly monitored the management activities of the Management Board and assisted it in an advisory capacity.

In the 2010 financial year the Supervisory Board convened in five meetings, held several meetings by way of conference calls and made further decisions by way of circulation. The members of the Management Board were present at all meetings.

There were no Supervisory Board committees in the year under review. There were no personnel changes in the Supervisory Board in the 2010 financial year. Mr. Christian Eggenberger, who had previously been a member of the Supervisory Board since December 2009 on the basis of a court appointment, was elected by the Annual General Meeting on 17 June 2010 as a member of the Supervisory Board.

The Management Board met in full its reporting and information obligations to the Supervisory Board in the past financial year and regularly and extensively informed the Supervisory Board both in the Supervisory Board meetings and also outside of the Supervisory Board meetings of the business development, the position of the company and the subsidiaries and the significant business transactions. The reporting and consulting concerned in particular

- the current development of the business against the background of the development of the general economy
- the current financial and liquidity position
- individual acquisition projects
- financing matters
- risk management and compliance

- issues concerning the strategic direction of the Group

In the meetings between the Management Board and the Supervisory Board and based on the regular information provided by the Management Board, the Supervisory Board was able to satisfy itself in the 2010 financial year of the correctness and legality of the management activities of the Management Board. The Management Board has further developed the organisation of Allgeier Holding AG and the risk management system in keeping with the development of the Group in the past financial year. The Supervisory Board has discussed the risk management system used in the company with the Management Board and the auditors and found it to be in accordance with the regulations. Where the approval of the Supervisory Board was required for individual management activities, this was reviewed and the required approval was granted. The Supervisory Board can therefore state that the Management Board has fully enabled it to regularly monitor the work of the Management Board. The Supervisory Board has come to the conclusion that the management activities performed by the Management Board have met the legal requirements in every respect and provide no reasons for objection by the Supervisory Board.

The annual financial statements of Allgeier Holding AG prepared by the Management Board and the consolidated financial statements as at 31 December 2010 and the management reports for Allgeier Holding AG and the Group have been audited by LOHR + COMPANY GmbH, Wirtschaftsprüfungsgesellschaft, Düsseldorf, and in each case provided with an unqualified audit opinion. The aforementioned documents and the audit reports of LOHR + COMPANY GmbH were presented to the Supervisory Board for examination. The Supervisory Board has examined the aforementioned documents and discussed them in detail in the meeting of 15 April 2011 in the presence of the auditor. The auditor reported on the significant results of its audit in the meeting and concluded that there were no significant weaknesses in the internal control system and the risk management system.

The Supervisory Board came to the conclusion that the annual financial statements, consolidated financial statements and the corresponding management reports were prepared in accordance with the regulations applicable for the respective financial statements and provide an accurate view of the financial and earnings position of Allgeier Holding AG and the Group. The review of the audit reports and the discussion with the auditors also resulted in no complaints or objections from the Supervisory Board. The Supervisory Board agrees with the conclusion of the auditors and approves the annual financial statements and consolidated financial statements prepared by the Management Board. The annual financial statements are therefore adopted.

The Supervisory Board also examined the Management Board's proposal concerning the appropriation of the balance sheet profit of Allgeier Holding AG for the 2010 financial year, which envisages the payment of a regular dividend of EUR 0.50 per share. After thoroughly considering the interests of the company with regard to the financing of its business and the continued growth of the Allgeier Group on the one hand and the interest of the shareholders in a dividend payment on the other, it agrees to and approves this proposal.

The Supervisory Board thanks the management and all of the employees of the Allgeier Group for their efforts in the 2010 financial year.

Munich, April 15 2011

The Supervisory Board of Allgeier Holding AG

Detlef Dinsel
Chairman of the Supervisory Board

Group Management Report of Allgeier Holding AG 2010

1. Business and General Conditions

Business and structure of the Allgeier Group

The Allgeier Group comprises 40 fully-consolidated companies as at the end of the period under review. The operational business is conducted in 15 business units. The organogram below provides a simplified overview of the Group structure:

Allgeier Holding AG is responsible for the management and development of the strategy of the Group's three divisions. The holding company has taken on additional personnel in the past year in order to meet the increased order volumes and defined strategic goals. The holding company employed at the end of 2010 three directors, four employees and two part-time workers. The holding company was also supported by the subsidiary Allgeier Management AG, in which three further persons are employed.

Allgeier Holding AG, Munich		
IT Solutions	IT Services	Recruiting
Allgeier IT Solutions AG, Munich 100%	Allgeier IT Services AG, Munich 100%	Allgeier Expert Staffing&Recruiting GmbH, Munich 100%
Allgeier IT Solutions GmbH, Bremen 100%	Xiopia GmbH, Unterföhring 100%	Goetzfried AG, Wiesbaden 100%*
Allgeier Data Center Services GmbH, Bremen 100%	Softcon Group, Munich 80%	Next GmbH, Heusweiler 100%
Solveos Group, Langenfeld 100%	U.N.P. Software GmbH, Düsseldorf 100%	
DIDAS AG, Munich 100%	mgm technology partners Group, Munich 80%	
Allgeier Computer BV, Breda/Netherlands 100%	TOPjects AG, Munich 100%	
Allgeier Computer NV, Zaventem/Belgium 100%		
BSR & Partner AG, Zug/Switzerland 75%		
Terna Group, Innsbruck/Austria 100%		

* 9.84% of which shares of shareholders with non-controlling interests, which the Group holds in trust for these

Major tasks for the holding company in the 2010 financial year were:

- Strategic alignment and ongoing strategy review of the Group, the divisions and the companies in which interests are held taking into account value-oriented corporate development
- Identification, approaching and examination of other potentially suitable investments at home and abroad against the background of the Group strategy
- Negotiation and completion of the acquisition of companies and investments
- Organisation of finances and financing of ongoing Group development
- Controlling, risk management and compliance
- Establishment of accounting rules and preparation of the consolidated financial statements in accordance with IFRS
- Group planning
- Guidance of management of the Group companies and support for management of the subsidiaries on operational issues
- Integration of individual investments in the Group
- Organisation and coordination of Group committees and processes
- Structuring of the Group
- Coordination of project and sales activities
- Group PR, marketing and Investor Relations

Economic Environment

After the recession in 2009, the German economy recovered considerably in 2010 and is growing strongly. While Germany's gross domestic product fell by a record 4.7% in the previous year, in 2010 the German economy grew according to the German Federal Government's Annual Economic Report by 3.6%. On the one hand the historically low interest rates and on the other the greater attractiveness of investment opportunities in Germany compared to abroad, as stated by the ifo Institute for Economic Research in its economic forecast for 2010/2011, played a major role here.

Due to the consolidation efforts planned by the Federal Government for 2011, which are expected to include subsidy reductions, cuts in social benefits and higher indirect taxation, economic growth will slow down and only be 2.4% in 2011 according to the ifo Institute.

The IT sector will also benefit from the economic growth in Germany. While the high-tech market recorded a fall of 4.8% in 2009, according to the Federal Association for Information Technology, Telecommunications and New Media (BITKOM) sales increased in the period under review by 1.4% to EUR 141.6 billion and should increase by a further 2% in 2011 to EUR 144.5 billion. Opportunities for growth are expected in particular in the Allgeier Group's most important markets of IT services and software. The market for IT services is expected to grow by 4.2% in 2011, while growth of 4% has been forecasted for the software market.

The most important driver of growth in 2011 will according to BITKOM be the issue of cloud computing. What is understood by cloud computing is the use of IT services in real time via data networks instead of local computers, which allows enormous savings potential for companies. There will also be increased demand for software solutions managing business processes as many medium-sized companies will replace their outdated software. Business Intelligence applications to facilitate management decision-making and Enterprise Content Management solutions to store data and documents will also see an increase in demand.

As the job market picked up, the number of jobs in the BITKOM sector rose significantly to a record figure of 843,000 jobs, a figure which is only beaten by the engineering sector. At the same time the number of jobs available for IT experts rose by 8,000 to 28,000 vacancies.

2. Business Development

2010 was another successful year for Allgeier. The Group was able to consolidate and expand its position in the market and with its customers. With pro-forma sales of EUR 320.7 million, Allgeier Holding AG is one of the leading IT consultancies in Germany. The pro-forma consideration includes the past data of the companies acquired in the year under review and adjusts in given cases the accounting of the past to the Group guidelines. Overall the Group has gained further market shares in the past financial year and, according to a survey by the market analysts Lünendonk, is the number two medium-sized IT service provider and the number two recruiting company in Germany.

In addition to the Group's organic growth, Allgeier completed two acquisitions in 2010 and in so doing expanded the position and capability profile of the company in the market. The strategy remains the same and comprises five points:

1. Continue to expand by promoting internal growth and with strictly selective, value-adding acquisitions in the services sector
2. Further intensify collaboration between Group companies and increase synergies – while retaining our decentralised management structure
3. Continue our full-service strategy – while developing high-margin fields of activity and winning further major projects to raise capacity utilisation
4. Expand our nationwide presence, gradually expand our international business
5. Invest in the skills of our employees

With the implementation of the acquisition strategy, Allgeier continues to benefit from the high fragmentation of the market for IT services, which comprises ca. 70,000 companies, and the continuing trend towards consolidation. There are numerous companies which would make a good strategic fit with the Allgeier Group be able to benefit from the Group's size, know-how and access to customers. In this

respect the market will allow the Allgeier Group's acquisition strategy to continue in future.

IT Solutions Division

The companies in the IT Solutions segment focus on the computer retailer business for Enterprise Resource Planning (ERP), document management/workflow (DCM), email security and Customer Relationship Management (CRM). The service portfolio of this division was extended by two acquisitions in 2010.

With a purchase agreement dated 21 April 2010, Allgeier Holding AG acquired via its wholly-owned subsidiary, Allgeier IT Solutions AG, 75% of the shares in BSR & Partner AG, Zug/Switzerland. The company is one of the leading medium-sized IT service providers in Switzerland with sales of CHF 25 million in 2009 and 41 employees and freelance IT experts. The company, which has locations in Zug, Rotkreuz and Bern, performs highly qualified services for its customers focusing on data storage, back-up and archiving solutions. Due to its many years of experience with storage solutions and storage management, BSR develops with its technology partners performant and high-availability solutions which meet the IT requirements of medium-sized and large companies and the public sector. The requirements range from classical online storage with archiving solutions to completely virtualised storage environments. With BSR & Partner AG, the Allgeier Group is expanding its portfolio in the area of storage and extending its presence in Switzerland.

With a purchase and transfer agreement dated 30 June 2010, Allgeier Holding AG acquired via its wholly-owned subsidiary, Allgeier IT Solutions AG, all of the shares in Terna Holding GmbH, Innsbruck/Austria. Terna Holding holds in turn 100% of the shares in Terna GmbH Zentrum für Business Software, Innsbruck/Austria, which holds 100% of the shares in Terna AG Zentrum für Business Software, Hünenberg/Switzerland. Terna employed 82

people at the end of 2010 in a total of five locations in Austria (Innsbruck, Vienna, Traun), Germany (Nuremberg) and Switzerland (Hünenburg) and achieved sales of EUR 10 million in 2009. It offers a full service in the areas of ERP software and business process management to larger medium-sized customers. Its core competences include the implementation of the leading international ERP solutions Microsoft Dynamics AX and Lawson M3, the analysis and optimisation of business processes and the selection of optimal business software. With the acquisition of Terna, Allgeier Holding AG is strengthening its position in the fast-growing market for ERP solutions and is expanding its international presence.

With the two acquisitions, Allgeier Holding AG also gained over 200 attractive new customers. The sales and earnings of BSR & Partner AG are included in the Allgeier Group from June 2010, and those of Terna GmbH are included from July 2010.

The IT Solutions Division achieved in accordance with IFRS sales of EUR 96.6 million in 2010, 250% up on the previous year's figure (EUR 27.6 million). For improved comparability and control of the operational performance of the companies, Allgeier uses as a key control variable an operational EBITA (earnings before interest, taxes and amortisation of goodwill and acquired order balances, customer lists and changes due to acquisitions). Allgeier also adjusts the EBITA for subsequent purchase price adjustments affecting income. The EBITA rose by 169% to EUR 5.6 million (previous year: EUR 2.1 million).

Pro-forma sales, which include the acquired companies for the whole year of acquisition, were EUR 108.6 million. The EBITA on pro-forma basis was EUR 6.7 million. The operational EBITA margin was 6.2%.

IT Services Division

The service portfolio of the IT Services Division ranges from consultancy and solution development to the implementation and operation of technically complex IT system solutions in the enterprise environment.

In the IT Services Division the Group companies GFU Kiefer + Partner GmbH and Ixtra AG merged in 2010; the company now operates under the name of Xiopia GmbH and is based in Unterföhring near Munich. Due to the merger, significant processes for achieving strategic development goals have been sped up and better use is made of portfolio and customer synergies. The aim was in particular to underline the solution character of the services taking into account consistent demand orientation as a core competence. In addition to this, the new company should promote profitable and sustainable growth in line with the needs of customers, business partners, employees and freelance experts.

The Group companies in the IT Solutions Division achieved in accordance with IFRS sales of EUR 116.3 million in 2010, 3% up on the previous year's figure (EUR 113.4 million). The EBITA fell by 19% to EUR 8.3 million (previous year: EUR 10.2 million).

Pro-forma sales rose by 1% to EUR 116.3 million (previous year: EUR 114.7 million). The pro-forma EBITA fell by 15% to EUR 8.3 million (previous year: EUR 9.7 million). The operational EBITA margin was 7.1% (previous year: 8.5%).

Recruiting Division

In the Recruiting Division full-service services are performed for the recruiting, placement and management of professionals and managers for IT and engineering. The service portfolio ranges from searching for individual IT specialists to taking over the staffing and implementation of IT projects. What is more, nationwide, complex, heterogeneous IT infrastructure solutions are developed, implemented

and operated taking into account process quality in conformance with ITIL.

The Group companies in the Recruiting Division achieved in accordance with IFRS sales of EUR 98.7 million in 2010, 17% up on the previous year's figure (EUR 84.1 million). The EBITA rose by 35% to EUR 4.7 million (previous year: EUR 3.5 million). In the Recruiting Division the IFRS earnings are the same as the pro-forma earnings as no new companies were acquired either in the financial year or in the previous year.

Successful Customer Relations

The Allgeier Group consolidated and expanded its customer relations with well-known major customers in the past financial year. An important goal of the Allgeier Group's growth strategy is to increasingly make use of the gain in size and wide service portfolio within the scope of public and private tenders.

The Allgeier Group counts around 3,000 companies from all industries with various project requirements and order volumes among its customers. In the process the Group companies work both for global corporations and a large number of medium-sized companies.

- The Allgeier Group counts 20 of the TOP 30 companies (measured by sales) in Germany among its customers.
- The Group has a business relationship with almost every second Top 100 company. In most cases several Allgeier Holding AG Group companies are involved in various projects at the companies.
- Allgeier has companies from virtually every industry among its customers. The main focus is on financial service providers, the telecommunications industry and the public sector.
 - Allgeier works for all of the major German automobile manufacturers and suppliers,

- has worked for many years with every second TOP 20 financial service provider and
- is used by the major telecommunications providers in numerous projects.

3. Asset, Financial and Earnings Position

Earnings Position

Consolidated sales in accordance with IFRS rose in 2010 due to acquisitions and organic growth by 38% to EUR 308.7 million (previous year: EUR 223.5 million). Annualised, the consolidated sales of all companies belonging to the Allgeier Group as at 31 December 2010 (pro-forma sales) were EUR 320.7 million (previous year: EUR 279.4 million). This equates to a rise of 15%.

Operational earnings before interest, taxes, and amortisation of goodwill, purchase price allocations and purchasing price adjustments affecting income (EBITA) rose in the period under review by 21% to EUR 15.6 million (previous year: EUR 12.8 million). The EBITA on pro-forma basis fell slightly by 3% to EUR 16.7 million (previous year: EUR 17.3 million). Pro-forma earnings were significantly affected by lower order volumes of individual customers in the IT Services Division.

The operational companies generated on an annualised basis a pro-forma EBITA before holding costs of EUR 19.6 million (previous year: EUR 20.2 million). The EBITA margin on pro-forma basis before holding costs was 6.1% (previous year: 7.2%).

Consolidated amortisation rose from EUR 6.4 million in 2009 to EUR 7.0 million in the period under review.

Consolidated earnings before interest and taxes (EBIT) rose by 38% to EUR 11.0 million (previous year: EUR 8.0 million). Interest income fell to EUR 0.7 million (previous year: EUR 0.8 million), while

financial earnings were EUR -0.9 million (previous year: -1.0 million). Earnings before taxes were EUR 10.2 million (previous year: EUR 7.0 million). Earnings per share rose by 65% to EUR 0.99 (previous year: EUR 0.60).

Asset position

The asset position of the Allgeier Group is characterised by the operational growth of the existing Group companies and the addition of new Group companies. In the 2010 financial year the Group acquired BSR and the Terna Group and consolidated the assets and liabilities of the two companies in the consolidated financial statements. In order to finance the acquisitions the Group took out an acquisition loan. Both proceedings had a significant impact on the balance sheet and the financing of the Allgeier Group. The balance sheet total rose in the 2010 financial year from EUR 160.1 million on 31 December 2009 by EUR 44.1 million to EUR 204.1 million on 31 December 2010.

On the assets side non-current assets rose from EUR 47.9 million in the previous year by EUR 15.8 million to EUR 63.7 million in the financial year. In particular intangible assets rose due to the acquisitions made by EUR 15.0 million. This includes the difference of EUR 12.3 million from the initial consolidation of the Group companies, which was capitalised as goodwill. The non-current assets also show the disposal of EUR 0.4 million of an investment valued at equity, which was sold in the 2010 financial year, and a rise in deferred taxes. Value adjustments made to deferred taxes on existing tax losses carried forward were written back in the amount of EUR 0.8 million because they are expected to be realised. Current assets rose from EUR 112.2 million in the previous year by EUR 28.2 million to EUR 140.4 million in the financial year. The effects of company acquisitions, strong sales in the fourth quarter of 2010 and the associated increase in trade receivables of EUR 13.6 million were mainly responsible for the rise. Cash and cash equivalents rose from EUR 49.2 million by EUR 12.2 million to EUR 61.3 million. The Allgeier Group received an

inflow of cash and cash equivalents in the amount of EUR 18.6 million from a bank loan to refinance acquisitions made. Further inflows received are attributable to the operational business. Acquisitions resulted in an outflow of cash and cash equivalents in the amount of EUR 9.3 million. In addition to this, the purchase of further own shares and the payment of dividends to the shareholders of Allgeier Holding AG were financed from liquid funds.

On the liabilities side consolidated equity rose from EUR 79.5 million by EUR 6.0 million to EUR 85.5 million. Equity therefore exceeds non-current assets by EUR 21.7 million. The equity ratio fell in the 2010 financial year due to the rise in the balance sheet total from 50% to 42% on 31 December 2010.

Non-current liabilities increased from EUR 23.8 million at the end of 2009 by EUR 7.8 million to EUR 31.6 million in 2010. The taking out of an acquisition loan in the total amount of EUR 18.6 million, of which the non-current share is EUR 14.9 million and the current share is EUR 3.7 million, contributed significantly to the increase. Part of the profit-participation capital of EUR 7.0 million, which is due for repayment at the end of 2011, was reported at the end of 2010 under current financial liabilities.

Current liabilities increased from EUR 56.7 million by EUR 30.3 million to EUR 87.0 million. The increase is primarily the result of the addition of the current share of the acquisition loan in the amount of EUR 3.7 million, the reclassification of the profit-participation capital in the amount of EUR 7.0 million, the increase in liabilities from the ABS programme in the amount of EUR 4.9 million, the addition of current liabilities relating to company acquisitions and an increase in working capital.

The Allgeier Group increased its disposable liquidity to EUR 61.3 million in the 2010 financial year due to the successful performance of the operational business and the issuing of the acquisition loan. With this liquidity, management will be able to continue the growth strategy and react quickly to acquisition opportunities in the market. First-degree liquidity

(cash and cash equivalents / current liabilities) was 70% on 31 December 2010 (previous year: 87%). Second-degree liquidity (cash and cash equivalents + trade receivables / current liabilities) was 147% (previous year: 180%).

Financial Position

The Group achieved a cash flow totalling EUR 11.6 million in 2010 (previous year: EUR -19.4 million). The cash flow from operating activities before changes in working capital increased from EUR 14.0 million in the previous year to EUR 21.6 million in 2010. Due to strong sales in the fourth quarter of 2010, the Group had a high working capital balance. Including the changes in working capital, the cash flow from operating activities was EUR 7.2 million (previous year: EUR 11.8 million).

In the 2010 the Group spent EUR 9.6 million on investments in the acquisition of subsidiaries and EUR 2.7 million on operational investments. The Group received a payment of EUR 0.3 million from the disposal of the investment valued at equity. Overall the cash flow from investment activities totalled EUR 12.0 million (previous year: EUR 16.3 million).

The Group took out an acquisition loan in the amount of EUR 18.6 million in the 2010 financial year and paid back a short-term loan in the amount of EUR 1.2 million. Within the scope of a programme to assign receivables owed by customers (ABS programme), the Group established liabilities of EUR 4.9 million. The Allgeier Group also purchased own shares in the amount of EUR 1.0 million in 2010, made interest payments of EUR 1.4 million, received interest income of EUR 0.7 million and decided to pay a dividend to the shareholders of the Allgeier Holding AG in the amount of EUR 4.2 million. Overall the Group achieved a positive cash flow from financing activities in the amount of EUR 16.4 million (previous year: EUR 14.9 million).

4. Opportunities and Risks of Future Business Development

The organic growth of the Group companies is mainly dependent on the economic environment and in particular the development of the IT services and software market in Germany. After the significant growth in gross domestic product of 3.6% in 2010, according to the ifo Institute for Economic Research the rate of growth will slow down in the current 2011 financial year to 2.4%. According to the Federal Association for Information Technology, Telecommunications and New Media (BITKOM), the IT sector can expect sales to grow by 2% to EUR 144.5 billion in 2011. The markets for IT services and software are expected to grow by 4.2% and 4.0% respectively in 2011.

Allgeier is confident of structural opportunities for growth in the IT service and software sector. In the last two quarters of 2010 the order situation and the number of project queries developed very positively, even though high price sensitivity and reluctance to invest are noticeable.

In the IT services sector, in addition to major opportunities, there are also risks involved in working with a few major customers. Allgeier has a large number of customers due to a "preferred supplier status" which reduces the risk of loss of supplier status involved in the event of supplier consolidation. Further risks are described in the "Risk management" section.

The fragmentation and continuing consolidation in the IT service market in Germany represents an opportunity for Allgeier. A company's size is becoming more and more important as an argument in meetings with customers as well as negotiations within the scope of new acquisitions. Many IT service companies are considered by customers to be too small to be listed as a reliable business partner with "preferred supplier status". Allgeier has reached due to its strong growth in recent years the necessary size to act as a reliable partner even for

major international corporations. In the next few years Allgeier has the potential to support the continuation of organic growth with further acquisitions and in so doing to create a larger and more valuable business which is more strongly positioned in the market.

5. Research and Development

The Group invests in the further development of existing products, with development costs totalling EUR 997 thousand (previous year: EUR 779 thousand). Development costs were not capitalised in the financial year as the conditions required for this were not present. Research and development is primarily conducted in the IT Solutions Division. The IT Services Division and Recruiting Division are instead characterised by complex and sophisticated services which include development services. These are normally performed to customer order, and as a result the value-adding process here does not come under research and development in the Allgeier Group.

6. Human Resources

Our employees are our greatest asset. The expertise and loyal commitment of our employees are crucial to the Allgeier Group. They are in constant contact with customers and perform the agreed consultancy and services. Highly qualified and motivated employees are therefore an essential factor for the growth of the Group.

On the other hand the employees of the individual Group companies benefit from the growth and the increasing size and stability of the Group. The jobs in the Group become more secure and new jobs are created. New and challenging orders for interesting customers create interesting professional and personal opportunities for development.

The ongoing education and technical training of the employees is a further success factor in the competition for the best employees in the very dynamic IT sector. It is necessary to stay on the ball technically to meet the rising demands of customers and to keep up with and shape important advances in innovation in the industry. The companies of the Allgeier Group have therefore increased their expenditure on the education and training of employees by 34% in the past financial year.

Overall the Allgeier Group employed 1,339 permanent employees and 1,438 freelance experts at the end of the financial year (previous year: 1,261 permanent employees and 1,331 freelance experts). Allgeier has therefore increased the number of employees and freelance experts by 6% and 8% respectively.

The number of people employed in the individual divisions is broken down as follows:

- IT Services: 473 permanent employees (-1% compared to the previous year) and 604 freelance experts (-1% compared to the previous year)
- IT Solutions: 577 permanent employees (+8% compared to the previous year) and 31 freelance experts (+44% compared to the previous year)
- Recruiting: 279 permanent employees (+13% compared to the previous year) and 803 freelance experts (+13% compared to the previous year)

7. Forecast report

After the sharp decline in the IT sector in 2009 due to the global financial and economic crisis, demand and the willingness to invest in IT services and software solutions picked up again in the past financial year.

The industry association BITKOM is predicting (as at October 2010) growth of 4.2% in IT services and

4.0% in the software sector for 2011. The investment in IT shelved in the past and the acceleration of the market by trends such as cloud computing, virtualization, security and outsourcing are considered to be drivers of growth. In addition to this, the demand for ERP, CRM and BI (Business Intelligence) solutions will rise.

Munich, 31 March 2011

Carl Georg Dürschmidt

Allgeier's management also believes that the industry will develop positively and is expecting significant growth in the market for IT services and software in 2011. Allgeier is well positioned with its Group companies in particular for ERP, CRM, BI and outsourcing and will benefit long term from the positive market prospects. The management also believes there will be significant growth rates due to high industry expertise in the public sector and with financial service providers and ICT companies among others. These industries in particular were less willing to invest during the crisis.

Dr. Holger von Daniels

Dr. Marcus Goedsche

The operationally well-positioned company and the positive market prospects provide management with the confidence to continue to follow its growth policy of recent years. The management is also holding regular talks with various companies in the IT services sector and expects that it will be able to increase the productive capacity and therefore the sales and earnings power of the company in the next few years with successful acquisitions.

A double-digit increase in sales by the current portfolio companies of up to 20% is expected for 2011. Due to the full consolidation of the companies acquired during the course of 2010 and the planned growth of the portfolio companies with the positive impact of the corresponding increase in profitability, the management is expecting a disproportionate increase in earnings compared to sales for the Group in 2011. The growth should continue in 2012 and 2013 and be above the level of growth for the market.

Balance sheet in accordance with IFRS as at 31 December 2010

ASSETS	31.12.2010	31.12.2009
in EUR thousands		
Intangible assets	57,379	42,343
Tangible assets	5,353	4,591
Investment valued at equity	0	440
Deferred tax assets	1,016	540
Non-current assets	63,748	47,914
Inventories	3,055	2,680
Trade receivables	66,481	52,918
Other current financial assets	2,030	1,871
Other current assets	5,814	4,005
Income tax receivables	1,681	1,528
Cash and cash equivalents	61,316	49,150
Current assets	140,376	112,152
Assets	204,124	160,066

LIABILITIES	31.12.2010	31.12.2009
in EUR thousands		
Subscribed capital	9,072	9,072
Capital reserves	11,306	11,306
Retained earnings	277	277
Own shares	-4,468	-3,609
Profit carried forward	57,426	56,459
Results for the period	8,345	5,166
Changes in equity recognised directly in equity	-167	-884
Equity share of shareholders of the parent company	81,790	77,787
Equity share of shareholders with non-controlling interests	3,706	1,753
Equity	85,496	79,540
Non-current profit-participation liabilities	6,000	13,000
Non-current financial liabilities	15,646	339
Provisions for pensions	932	952
Other non-current financial liabilities	119	280
Other non-current liabilities	3,203	3,450
Deferred tax liabilities	5,726	5,801
Non-current liabilities	31,626	23,822
Current profit-participation liabilities	7,000	0
Current financial liabilities	16,899	8,413
Income tax provisions	2,415	966
Other current provisions	8,345	6,786
Trade payables	29,824	23,259
Other current financial liabilities	10,278	10,774
Other current liabilities	11,810	6,069
Income tax liabilities	431	438
Current liabilities	87,002	56,704
Liabilities	204,124	160,066

Consolidated Income Statement in accordance with IFRS for the period of 1 January 2010 to 31 December 2010

	2010	2009
in EUR thousands		
Revenue	308,707	223,516
Changes in inventory of finished goods and work in progress	-23	-57
Other capitalised company-produced assets	77	7
Other operating income	5,758	3,955
Material costs	182,520	137,456
Personnel expenses	88,449	59,464
Other operating expenses	25,470	16,079
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	18,081	14,422
Depreciation and amortisation	7,049	6,416
Earnings before interest and taxes (EBIT)	11,032	8,006
Other interest and similar income	684	828
Interest and similar expenses	1,551	1,789
Earnings before taxes	10,165	7,045
Income tax results	-1,467	-2,085
Earnings for the period	8,698	4,961
<u>Allocation of earnings for the period:</u>		
to shareholders of the parent company	8,345	5,166
to shareholders with non-controlling interests	353	-206

Consolidated Income Statement

Other earnings	2010	2009
in EUR thousands		
Currency differences	908	2
Pro rata acquisitions of subsidiaries with own shares	30	0
Other earnings for the period	939	2
Total earnings for the period	9,636	4,963
<u>Allocations of total earnings for the period:</u>		
to shareholders of the parent company	9,061	5,159
to shareholders with non-controlling interests	575	-196
<u>Undiluted earnings per share:</u>		
Average number of outstanding shares pro rata temporis	8,424,302	8,667,043
Earnings for the period per share	0.99	0.60

Statement of Changes in Consolidated Fixed Assets in accordance with IFRS for the period of 01 January 2009 to 31 December 2010

in EUR thousands	Acquisition and production costs					31.12.2009
	01.01.2009	Currency differences	Additions to consolidated companies	Additions	Disposals	
Intangible assets						
Licences, industrial property rights and similar rights as well as licences for such rights and assets	15,272	-1	4,540	354	-4,355	15,809
of which purchased	15,122	-1	4,540	354	-4,206	15,809
of which created by	150	0	0	0	-150	0
Goodwill	39,685	0	2,525	0	-1,670	40,540
Intangible assets	54,956	-1	7,065	354	-6,025	56,349

Tangible assets

Property and property rights and buildings, including buildings on third-party property	1,993	0	0	0	-15	1,978
Financial leasing	559	0	139	162	0	859
Other equipment, furniture, fixtures and fittings	5,220	-2	918	1,155	-188	7,102
Tangible assets	7,772	-2	1,056	1,316	-203	9,939

	Acquisition and production costs					
		Currency	Addition to			
in Tsd. Euro	01.01.2010	differences	Consolidated	Additions	Disposals	31.12.2010
			companies			
Intangible assets						
Licences, industrial property rights and similar rights as well as licences for such rights and assets	15,809	570	7,991	482	-2,825	22,028
of which purchased	15,809	570	7,991	482	-2,825	22,028
of which created by	0	0	0	0	0	0
Goodwill	40,540	0	12,292	0	-920	51,912
Intangible assets	56,349	570	20,283	482	-3,745	73,940

Tangible assets

Property and property rights and buildings, including buildings on third-party property	1,978	0	0	1	0	1,979
Financial leasing	859	0	0	79	-59	879
Other equipment, furniture, fixtures and fittings	7,102	34	411	2,099	-380	9,265
Tangible assets	9,939	34	411	2,179	-439	12,124

Statement of Changes in Consolidated Fixed Assets

Value adjustments						Book value	
01.01.2009	Currency differences	Scheduled additions	Unscheduled additions	Disposals	31.12.2009	31.12.2009	31.12.2008
-8,256	0	-2,883	-154	4,355	-6,937	8,872	7,016
-8,122	0	-2,867	-154	4,206	-6,937	8,872	7,000
-134	0	-15	0	150	0	0	15
-4,797	0	0	-2,273	0	-7,070	33,470	34,888
-13,052	0	-2,883	-2,427	4,355	-14,007	42,343	41,904

-1,040	0	-41	0	1	-1,080	898	953
-97	0	-148	0	0	-245	614	461
-3,196	0	-917	0	89	-4,023	3,079	2,024
-4,333	0	-1,106	0	90	-5,348	4,591	3,439

Value additions						Book values	
01.01.2010	Currency differences	Scheduled additions	Unscheduled additions	Disposals	31.12.2010	31.12.2010	31.12.2009
-6,937	-34	-4,893	-420	2,794	-9,491	12,537	8,872
-6,937	-34	-4,893	-420	2,794	-9,491	12,537	8,872
0	0	0	0	0	0	0	0
-7,070	0	0	0	0	-7,070	44,842	33,470
-14,007	-34	-4,893	-420	2,794	-16,560	57,379	42,343

-1,080	0	-41	0	0	-1,121	858	898
-245	0	-235	0	42	-437	442	614
-4,023	-5	-1,460	0	275	-5,213	4,052	3,079
-5,348	-5	-1,735	0	317	-6,772	5,353	4,591

Equity Reconciliation Statement for the IFRS Consolidated Financial Statements as at 31 December 2010

	Subscribed capital	Capital reserves	Retained earnings	Own Shares
in EUR thousands				
Balance as at 1 January 2009	9,072	11,306	277	-1,723
Transfer of the previous year`s results of the period to profit carried forward	0	0	0	0
Addition of own shares in Allgeier Holding AG	0	0	0	-1,886
Dividends	0	0	0	0
Earnings for the period	0	0	0	0
Currency differences	0	0	0	0
Balance as at 31. December 2009	9,072	11,306	277	-3,609
Transfer of the previous year`s results of the period to profit carried forward	0	0	0	0
Addition of own shares in Allgeier Holding AG	0	0	0	-982
Release of own shares of Allgeier Holding AG for the acquisition of Terna Holding	0	0	0	123
Addition of equity shares of shareholders with non-controlling interests from the acquisition of BSR	0	0	0	0
Dividends	0	0	0	0
Earnings for the period	0	0	0	0
Currency differences	0	0	0	0
Balance as at 31 December 2010	9,072	11,306	277	-4,468

Equity Reconciliation Statement

Profit carried forward	Results for the period	Changes in equity recognised directly in equity	Equity share of shareholders of the parent company	Equity share of shareholders with non-controlling interests	Equity
-18,067	79,744	-876	79,733	2,030	81,763
79,744	-79,744	0	0	0	0
0	0	0	-1,886	0	-1,886
-5,218	0	0	-5,218	-81	-5,300
0	5,166	0	5,166	-206	4,961
0	0	-7	-7	10	2
56,459	5,166	-884	77,787	1,753	79,540
5,166	-5,166	0	0	0	0
0	0	0	-982	0	-982
0	0	30	153	0	153
0	0	0	0	1,501	1,501
-4,199	0	0	-4,199	-123	-4,322
0	8,345	0	8,345	353	8,698
0	0	686	686	222	908
57,426	8,345	-167	81,790	3,706	85,496

Consolidated Cash Flow Statement for the period of 1 January 2010 to 31 December 2010

	2010	2009
in EUR thousands		
Earnings before interest and taxes (EBIT)	11,032	8,006
Depreciation and amortization	7,049	6,416
Expenses from the disposal of fixed assets	153	115
Change in non-current provisions	-21	55
Other non-cash expenses and income	6,579	4,050
Income tax paid	-3,183	-4,668
Cash flow from operating activities before changes in working capital	21,610	13,974
Cash flow from changes in working capital	<u>-14,371</u>	<u>-2,214</u>
Cash flow from operating activities	<u>7,239</u>	<u>11,760</u>
Payments for investments in fixed assets	-2,662	-1,671
Payments received from the disposal of fixed assets	35	113
Payments made for the acquisition of subsidiaries	-8,747	-2,456
Payments made for the acquisition of assets and rights	0	-1,655
Payments made for the acquisitions of investments valued at equity	0	-240
Payment made for purchase price shares for companies not acquired in the financial year	-902	-4,997
Payments received from the sale of investments valued at equity	300	0
Payment balance from the sale of subsidiaries	<u>0</u>	<u>-5,358</u>
Cash flow from investing activities	<u>-11,975</u>	<u>-16,263</u>
Addition of own shares	-982	-1,886
Taking out of bank loans	18,649	0
Repayment of bank loans	-1,231	-4,131
Payment balance from the assignment of receivables owed by customers	4,937	-2,769
Interest received	684	828
Interest paid	-1,373	-1,667
Dividends	-4,199	-5,218
Payments balance with shareholders with non-controlling interests	<u>-123</u>	<u>-72</u>
Cash flow from financing activities	<u>16,361</u>	<u>-14,915</u>
Total cash flow	<u>11,625</u>	<u>-19,418</u>
Exchange rate related changes to financial funds	344	-7
Total changes to financial funds	<u>11,969</u>	<u>-19,426</u>
Financial funds at the start of the period	49,141	68,567
Financial funds at the end of the period	61,110	49,141

Management Board and Supervisory Board

Executive Board

Carl Georg Dürschmidt
(Chairman)

Dr. Holger von Daniels

Dr. Marcus Goedsche

Supervisory Board

Detlef Dinsel
(Chairman)

Thies Eggers

Christian Eggenberger



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