ALLGEIER

ALLGEIER SE

half-year report 2012

We shape IT.

ALLGEIER IS ONE OF THE LEADING IT CONSULTING AND SERVICE COMPANIES IN THE GERMAN-SPEAKING REGION

With more than 2,600 employees and around 1,500 freelance IT experts, Allgeier offers its customers a full service approach spanning design and implementation, through to the operation of IT landscapes. This high-growth company currently operates at more than 80 sites in the German-speaking region, throughout Europe as well as in India, Mexico and the USA. In 2011, Allgeier generated sales revenue of € 379 million.

Allgeier's solutions and services are divided into the three segments of IT Solutions, Project Solutions and IT Services & Recruiting. A total of 15 operating units in six divisions, each with their own specialist and sector-related focus, work together for over 2,000 customers across almost all sectors.

Allgeier manages its corporate units using a decentralized management concept. In this way, Allgeier as a full-service provider combines the advantages of an international, listed IT company – such as wide product range, size and process strength – with the particular advantages of punchy medium-sized units, which make flexibility and extensive personal customer service a given. All management personnel at Allgeier corporate units are able to act as independent business owners within the framework of strategically agreed plans. Numerous German and international companies have relied on Allgeier's know-how, experience, solutions and services for many years.

GROUP KEY FIGURES in € millions (margin)	**Q2 2012**	**H1 2012**	**Q2 2011**	**H1 2011**	**H1 2012** vs. **H1 2011**
Sales revenue	97,4	190,1	87,6	171,0	11%
EBITDA	3,8 (4,0%)	9,9 (5,2%)	3,9 (4,4%)	8,8 (5,1%)	13%
EBITA	2,6 (2,7%)	7,8 (4,1%)	3,2 (3,7%)	7,5 (4,4%)	4%
EBIT	0,5 (0,5%)	3,3 (1,7%)	2,0 (2,2%)	5,2 (3,0%)	-37%
EBT	-1,5 (-1,5%)	0,6 (0,3%)	1,5 (1,7%)	4,2 (2,5%)	-86%
Net income	-1,6	0,0	1,0	3,0	-100%
Earnings per outstanding share (in €)	-0,20	-0,03	0,11	0,32	
			30/06/2012	31/12/2011	Change
Balance sheet total			288,7	242,1	19%
Equity			84,9	88,2	-4%
Number of permanent employees			2.670	2.546	5%
Number of freelance experts			1.460	1.531	-5%

(In accordance with IFRS)

Content

Allgeier addresses IT megatrends

Allgeier secures sustainable success by consistently addressing IT megatrends

IT is now the most important innovation driver in almost all sectors. Information technology has significantly changed the working methodologies of almost every industry and public-sector administration over the last few years. Nowadays, employees within companies are operating more than ever on a networked basis and within IT structures. Today's companies are concentrating on technologies that make them more streamlined, productive and effective. The need to make working structures more flexible remains prevalent.

All these trends are still in their infancy, and require that working environments continue to be adjusted and the IT services on offer are developed further. Thanks to its specialist and industry-specific expertise built up over the course of years, as well as its broad product range, Allgeier is well positioned to benefit from these trends.

Over the past few years, Allgeier has cemented its leading position as an innovative and effective IT service provider thanks to its consistent customer-centric approach and market focus. Allgeier is constantly expanding its existing competencies, particularly focusing on fast-growing, innovative fields of technology and significant future trends.

All Allgeier companies are constantly evaluating new business opportunities, allowing them to rapidly respond to growth opportunities. In an effort to optimally deliver on the requirements of customers, Allgeier is always striving to improve its performance and excellence even further.

Cloud computing trend

Cloud computing enables mobile access to all types of IT services via the Internet – ranging from computing capacities and data storage through to individual applications. A recent study commissioned by the BITKOM sector association shows that sales revenues generated by cloud computing in Germany will grow by almost 50% to more than € 5 billion in 2012 alone. Double-digit growth rates are also anticipated for subsequent years according to the association. The rising availability of cloud services is leading to a fundamental shift in information technology. The Allgeier Group companies are promoting the innovative potential inherent in this important new field of technology, and are offering cloud services as certified services in relation to the "managing trust" topic, for example.

Mobile computing trend

With the growing importance of mobile consumer devices, companies and other organisations are facing the challenge of making content and applications available for their target groups through apps and other mobile websites. At the same time, smart phones and tablets must be integrated securely and reliably into companies' own IT systems. Allgeier is developing tailor-made solutions for its customers in this important new field of technology.

»Allgeier is constantly expanding its existing competencies, particularly focusing on fast-growing, innovative fields of technology and significant future trends.«

IT security trend

IT security is an integral topic that is gaining ever greater significance for all companies. The trend towards cloud computing is bolstering this development even further. Trust and confidence in data security and protection is becoming a key prerequisite for the utilisation of cloud services in this context. Companies, state bodies and private users are being required to protect their IT systems accordingly. Appropriate security levels are indispensable, not only for liability and data protection reasons or to protect against industrial espionage, but also in order to launch new digital business processes. Allgeier provides companies with comprehensive support – ranging from architecture consulting on e-mail and web security, security in the development and operation of IT solutions, through to the conducting of penetration tests and common criteria software certification. Fielding its JULIA MailOffice product, Allgeier ranks as a market leader in e-mail security. This software solution is the e-mail component of the German federal post office's virtual post centre and is deployed by almost all German federal authorities, as well as numerous banks, insurance companies and industrial companies.

Business intelligence / Big data trend

Big data refers to the processing of enormous data volumes. Large data volumes require that information be analysed intelligently and processed beyond the scope of conventional technologies. To this end, business intelligence systems are deployed that record and present increasingly complex material at high speed, while including highly varied formats and content (texts, photos, videos etc.) in their analysis. Good business intelligence concepts not only allow companies to rapidly access correct and important information, but also offer the analytical functionality to assess such information. As an expert in business intelligence, Allgeier develops and operates sophisticated BI solutions that are individually tailored to their customers' requirements.

IT outsourcing trend

IT outsourcing, or out-tasking, which refers to the outsourcing of IT systems and business processes to external service providers, remains in trend. Greater quality and flexibility requirements, cost savings, transparency and a focus on core competencies make up the most important drivers of outsourcing and out-tasking projects. As part of its outsourcing model, Allgeier assumes multi-facetted software development and maintenance tasks for its customers as well as IT infrastructure environment functions ranging through to the complete operation of the information technology system, including in-house. Customers retain complete control over costs and services at all times.

Virtualisation trend

Allgeier offers its customers tailored IT infrastructure solutions. Virtualisation continues to represent a highly effective instrument to combine cost reduction and performance enhancement. Numerous companies are planning to invest in the virtualisation of workplaces due to the greater flexibility and mobility it offers users, as well as the opportunity to reduce management costs.

Through optimal capacity utilisation and centralised systems management, virtualisation solutions help to streamline IT landscapes as well as boost their performance and availability. This not only allows customers more rapid access to all relevant data, but they also realise significant savings in terms of electricity, climate-related performance and maintenance costs.

ECM trend

Enterprise Content Management (ECM) is assuming an ever more important role within companies. The results of a recent study entitled "IT Trends" produced by the technology consultants at Capgemini in February 2012 provides evidence of this. ECM has developed enormously, is becoming constantly more multi-facetted, and today encompasses almost all relevant functions to manage information and documents in IT-based processes. Half of the management board members surveyed are planning to implement ECM solutions in order to deal with the rising flood of information – particularly unstructured data. Apart from archiving, a growing number of companies are also utilising ECM to support, streamline or automate their business processes. Allgeier helps companies to significantly boost their productivity with solutions such as its modern scanview® archiving system.

Over the past few years, Allgeier has positioned itself well by consistently addressing the IT megatrends in all significant growth markets. The products and services offered in the individual segments reflect the markets' dynamism and customers' requirements in equal measures. In addition, Allgeier ensures the recruitment of highly qualified employees in the German speaking region, India and the USA as well as in the future growth markets such as Eastern Europe and Turkey.

»In addition, Allgeier ensures the recruitment of highly qualified employees in the German speaking region, India and the USA as well as in the future growth markets such as Eastern Europe and Turkey.«

Report on business development in the first half year 2012

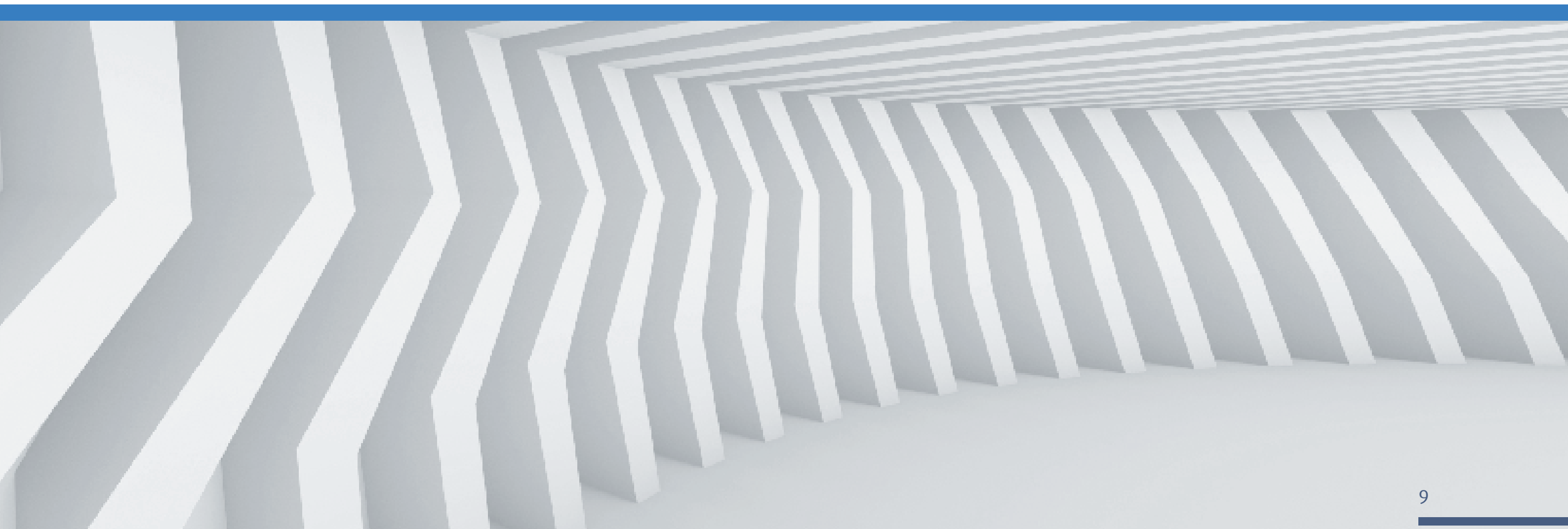
ALLGEIER REMAINS ON GROWTH TRACK IN 2012

The Group companies of Allgeier SE were able to further increase their sales revenue in the first half of 2012 (1.1.12 - 30.6.12) and exceed the already good EBITDA figure posted in the first half of 2011. The Group therefore continued its growth in the first half of 2012 and has been able to further cement its position in relation to the competition. In the first half of 2012, amortisation of intangible assets accounted according to IFRS almost doubled year-on-year. This reflects the successful acquisition activities of the Group and the acquisition of high-margin companies with highly valued customer relationships and software products. The high interest expenses were due to the issuing of a borrower's note loan, which is intended to finance future acquisitions, as well as effects from the compounding of earnout liabilities, which were moved from the non-current to current item.

Compared to the first half of 2011, sales revenue rose by 11.2% to reach € 190.1 million (previous year: € 171 million). The rise in sales revenue was driven by the operating growth of the majority of companies which have long been part of the Group as well as the company acquisitions from 2011 and Q1 2012. The IT Solutions segment contributed to the positive development of Group sales revenue with growth of 13.8% year-on-year. The IT Services & Recruiting segment reported a 2.0% fall in sales revenue to € 90.2 million (previous year: € 92.3 million). In contrast, the Project Solutions segment was able to substantially boost sales revenue by 45.3% through organic growth and due to the full consolidation of the Nagarro Group.

In the first half of 2012, EBITDA rose by 12.5% to reach € 9.9 million (previous year: € 8.8 million). EBITA (earnings before interest, tax and amortisation relating to purchase price allocations, and from the earnings-effective adjustment of earnouts pursuant to IFRS) grew by 4.0% year-on-year to € 7.8 million (H1 2011: € 7.5 million). In contrast, EBIT (earnings before interest and taxes) fell by 36.5% to € 3.3 million year-on-year (H1 2011: € 5.2 million). The impacts of acquisition activities are particularly reflected in the EBIT figure. In the first half of 2012, the acquisitions resulted in a rise of around € 2.2 million in IFRS amortization applied to purchase price allocations (in other words, amortization applied to order book positions, customer bases and products) to around € 4.5 million (previous year: € 2.3 million). The increased amortisation is based on the high valuation of the customer base relationships of the companies acquired in 2011, which have a positive order situation and a large number of regular customers. Interest expenses increased compared to H1 2011 from € 1.1 million to € 2.9 million. This rise comes on the back of interest expenses for the borrower's note loan issued in March 2012 and the compounding of earn-out liabilities. The latter effect occurred because earn-out liabilities which are due in H1 2013 became current liabilities at the half-year mark. Previously performed discounting therefore resulted in corresponding compounding on the expected nominal payment amount. The compounding amount is reported as expenses. Due to the good performance of Nagarro, a higher earnout payment is expected in the first half of 2013, which is why a further non-current part of the accounted purchase price liability has been added to the current item and completely compounded. After deducting tax expenses of € 0.6 million (previous year: € 1.3 million), Allgeier achieved earnings before taxes of € 0.0 million (previous year: € 3.0 million). Largely as a result of the interest expenses from the compounding of earnout liabilities not taken into account in taxation, the theoretical tax rate is above the Group tax rate of 30%. Earnings per share, calculated based on half year earnings less the earnings share of non-controlling interests, fell in the first half of 2012 to € -0.03 (previous year: € 0.32). Equity fell slightly compared to the end of 2011 by € 3.3 million to € 84.9 million (December 31, 2011: € 88.2 million), largely as a result of the dividends paid out to shareholders of Allgeier SE. The cash flow from operating activities and before changes in working capital rose by 19.4% to € 7.4 million (previous year: € 6.2 million).

In the second quarter of 2012, the Group was able to constantly improve its sales revenue: sales revenue rose by 11.2% year-on-year to reach € 97.4 million (Q2 2011: € 87.6 million). In contrast, the earnings figures fell short of the extraordinarily good earnings from the second quarter of 2011. EBITDA fell slightly by 5.1% to € 3.8 million (Q2 2011: € 3.9 million). This contains extraordinary expenses of approximately € 1.7 million. A large portion of these expenses was the one-off effect from the increase in a provision for a reorganization measure finalized in previous years totalling € 0.5 million. Moreover, the result as of the reporting date June 30, 2012, was impacted by currency effects due to the weaker euro exchange rate against the US dollar in combination with the accounting of the earnout from the Nagarro acquisition agreed in US dollars. This impacted the result on the reporting date by approximately € 0.4 million. Without this provision, EBITDA in the second quarter would have risen by a disproportionately low



amount compared to sales revenue. EBITA (earnings before interest, tax and amortization relating to purchase price allocations, and from the earnings-effective adjustment of earnouts pursuant to IFRS) came in at € 2.6 million, also short of the previous year mark (Q2 2011: € 3.2 million). This can be attributed to the already stated increase in a provision and higher amortization due to investment in a new site in India, among other items. EBIT (earnings before interest and taxes) fell year-on-year to € 0.5 million (Q2 2011: € 2.0 million). This was primarily due to the rise in amortisation applied to purchase price allocations as part of the acquisitions made in 2011 (Q2 2012: € 2.2 million, Q2 2011: € 1.3 million).

Effective from May 3, 2012, Allgeier changed its legal status to a European Company (Societas Europaea, SE). With the conversion from a German public stock corporation (Aktiengesellschaft, AG) into a public EU company (Societas Europaea, SE), Allgeier has optimised the overall structural conditions to drive further ahead with the expansion of a company that is already operating beyond Germany's borders, and to further tap the European market.

In May 2012, Allgeier IT Services AG, Munich, acquired b+m Informatik AG, Melsdorf. In turn, the company held 100% of the shares of b+m Informatik GmbH, Hamburg, on the acquisition date. b+m Informatik AG focuses on the development and sale of software as well as the provision of connected services.

In the first quarter, TOPjects AG took over the majority of the shares in SKYTEC AG, Oberhaching. In addition to expanding their technology competencies, the acquisition also helps TOPjects AG and the Allgeier Group cement their position both in the automotive sector as well as in business intelligence planning and reporting solutions. The existing strong partnerships held by SKYTEC AG with the manufacturers Oracle, Microsoft and SAP will also boost the Allgeier Group's market position.

In addition, the systems company terna GmbH based in Innsbruck took over Braunschweig-based AX Solutions GmbH in March 2012. Allgeier is therefore pushing the further expansion of ERP business in Germany. By entering the north German market, terna is boosting its new customer business in this region and significantly expanding its customer and service portfolio.

Assessment of the economic and industry-specific environment

LOWERED EXPECTATIONS FOR THE GERMAN ECONOMY – IT MARKET CONTINUES TO ENJOY ABOVE-AVERAGE GROWTH

The economic climate in Germany has deteriorated in the second quarter after a positive start to the year according to the ifo economic survey. After the ifo business climate survey for commercial business in Germany recorded a slight rise in April, it sank substantially in May and continued to fall in June. The ifo survey also turned up negative results in July. However, the estimates of the current business situation brightened somewhat in the last month of the quarter after the sharp fall in May. Nevertheless, expectations for the coming half-year were reduced substantially. According to the ifo Institute, German business is worried about increasing impacts from the Euro crisis. The recession in southern Europe and the slower growth in emerging nations also dampened expectations. According to the ifo economic forecast from June 28, the German economy is to experience a break from growth in the second and third quarter. The gross domestic product is likely to only increase by 0.1% in both quarters. Economic prospects are looking brighter again for the end of the year. The survey also states that the framework conditions for the German economy remain fundamentally favorable. According to the ifo, the monetary policy of the ECB continues to have a positive effect domestically. For the full year, ifo economists are anticipating economic growth of 0.7%, following on from 3.0% in the previous year. However, this also represents an increase in the forecast from December, when the Institute anticipated growth of just 0.4%. For the Eurozone as a whole, the research institute is expecting a 0.5% fall in economic performance for this year. In the previous year, the German economy was still able to grow by 1.5%. The Federal government is remaining by its forecast of 0.7% growth for the German economy for the full year 2012.

The business climate in the high tech sector remained largely stable in the second quarter of the year according to BITKOM (the German Federal Association for IT, Telecommunications and New Media). The business climate in the high tech sector had already continued to improve at a high level in the first quarter of the year according to an economic survey by BITKOM. For the full year, the Association is still anticipating sales revenue growth of 1.6% to € 151 billion in the German high tech market. Therefore the IT communications industry will likely grow more strongly than the economy overall. The IT services, hardware and software markets, which are of particular relevance for Allgeier, are set to grow by 3.1% to € 72.4 billion in 2012. In particular, sector megatrends are seen as growth-drivers, as is the expansion of digital networks. Demand is also anticipated to grow for ERP, CRM and BI (Business Intelligence) solutions.

The fragmentation and on-going consolidation in the German IT services market represents an opportunity for Allgeier. The size of the partner, a related low level of default risk, and a broad range of services play a key role in the selection of future cooperation partners. As a result of its strong growth over recent years, Allgeier has attained a diversified portfolio and the size required to present itself as a sound and reliable partner for major international groups.

Development of segments

IT SOLUTIONS SEGMENT

The IT Solutions segment provides more than 1,500 customers with innovative software products and solutions for saving and managing data in companies, particularly with so-called data and document management systems (Enterprise Content Management – CCM/DMS), as well as with security software and company management software (ERP software). In addition, services and integrated solutions for IT infrastructure projects, which encompass the delivery of hardware and software as well as follow-up support, are also offered, as are so-called cloud services. The latter relates to offering IT services and functions on a remote basis (e.g. virtual storage capacities). To this end, Allgeier develops projects for modernizing and developing IT infrastructures (e.g. computer centers) for its customers, as well as services for their constant operation. Further focuses include analyzing and optimizing business processes for medium-sized manufacturers and other companies, selecting the ideal business software for customers as well as introducing the worldwide leading ERP software solutions, particularly Microsoft Dynamics AX and Infor/Lawson M3.

IT SOLUTIONS SEGMENT KEY FIGURES AT A GLANCE

IT SOLUTIONS	H1 2012	H1 2011	H1 2012 vs. H1 2011
Sales revenue	62,8	55,2	14%
EBITA	1,8	2,7	-33%
Margin	2,9%	4,9%	
EBIT	-0,6	0,9	-167%
Margin	-1,0%	1,6%	

(In accordance with IFRS; in EUR millions)

The IT Solutions segment reported 14% sales revenue growth to € 62.8 million in the first half of the year (previous year: € 55.2 million). The growth was driven by an increased sales revenue level at most units within the segment as well as the sales revenue contributions of 1eEurope und Gemed, which were purchased in May and August 2011 respectively. EBITA fell by € 0.9 million in the first half of the year to € 1.8 million (previous year: € 2.7 million). This figure was impacted by one-off effects as part of the reorganization measures at a subsidiary, by the increasing of a provision by € 0.5 million from a restructuring measure agreed in previous years and a different seasonal realization of software licenses compared to the previous year.

IT SERVICES & RECRUITING SEGMENT

The Allgeier IT Services & Recruiting segment delivers a complete range of IT services for banking, insurance, telecommunications, industry, energy supply, the public sector and media/publishing. The service range includes the development, implementation and management of software applications according to individual customer requirements based on large standard software solutions such as SAP or Microsoft. In addition, the companies in the segment also offer support to networks and IT functions.

The segment and its companies are also one of the leading providers of flexible HR services in Germany. The services on offer include the recruitment, placement and management of IT experts and engineers, the realization of IT projects, the planning and introduction of IT infrastructure solutions as well as the design and development of software.

Specialist services and know-how in line with the requirements of the customer are at the heart of this segment, as is providing the corresponding services as part of the customer project through the employees or freelance IT specialists provided in the role of subcontractor.

The IT Services & Recruiting segment reported a 2% fall in sales revenue to € 90.5 million in the first half of the year (previous year: € 92.3 million). As a result, the segment remains the largest within the Allgeier Group. Despite the continuous upbeat demand for IT experts and good utilization of IT consulting capacity, the segment results were impacted by a fall in sales revenues from a large customer. In line with this, the EBITA figure fell slightly by 5% to € 5.3 million (previous year: € 5.6 million). This also hit the EBIT figure which also decreased slightly by 4% to € 5.0 million (previous year: € 5.2 million).

IT SERVICES & RECRUITING SEGMENT KEY FIGURES AT A GLANCE

IT SERVICES & RECRUITING	H1 2012	H1 2011	H1 2012 vs. H1 2011
Sales revenue	90,5	92,3	-2%
EBITA	5,3	5,6	-5%
Margin	5,9%	6,1%	
EBIT	5,0	5,2	-4%
Margin	5,5%	5,6%	

(In accordance with IFRS; in EUR millions)

PROJECT SOLUTIONS SEGMENT

The Allgeier Project Solutions segment includes the companies mgm technology partners, Nagarro and Softcon.

mgm technology partners is specialized in developing individual software solutions and carrying out corresponding projects from the planning of software architecture and development through to the roll-out and support for the customer. The target industries primarily include the public sector, insurance, retail (e-commerce) and energy.

Nagarro is specialized in the development, testing, implementation, servicing and management of complex, critical software for large companies and software manufacturers. The business unit works on an international basis. The most important markets are in North America, Scandinavia and the German-speaking world (Germany, Austria, Switzerland). Thanks to its strong presence in India, flexibility and highest possible scalability of services as well as highly qualified expert knowledge in software development are ensured. The projects in the segment particularly include the development of individual software for multifaceted company processes and the requirements of customers in situations where no standard software solutions are available.

SOFTCON is technology leader for industry solutions, individual applications and services in connection with SAP, application management, ECM, SOA, e-Government and RFID. The product range is rounded out by mobile solutions such as LogIDSoft, SC-OWI and SC-Mobil. In addition to its headquarters in Munich and offices in Dortmund and Leipzig, the company also has another office in Timisoara (Romania), which enables cost-effective project execution by integrating nearshore resources. As a medium-sized IT service provider with more than 250 employees, it has been established on the market for over 25 years and has belonged to Allgeier since 2005.

The Project Solutions segment reported substantial 45% sales revenue growth to € 40.4 million in the first half of the year (previous year: € 27.8 million). EBITA increased by a disproportionately high amount from € 1.6 million to € 3.0 million. This was greatly influenced by the earnings contribution from Nagarro, which was acquired in July of the previous year.

PROJECT SOLUTIONS SEGMENT KEY FIGURES AT A GLANCE

PROJECT SOLUTIONS	H1 2012	H1 2011	H1 2012 vs. H1 2011
Sales revenue	40,4	27,8	45%
EBITA	3,0	1,6	88%
Margin	7,4%	5,7%	
EBIT	1,2	1,4	-14%
Margin	3,0%	5,0%	

(In accordance with IFRS; in EUR millions)

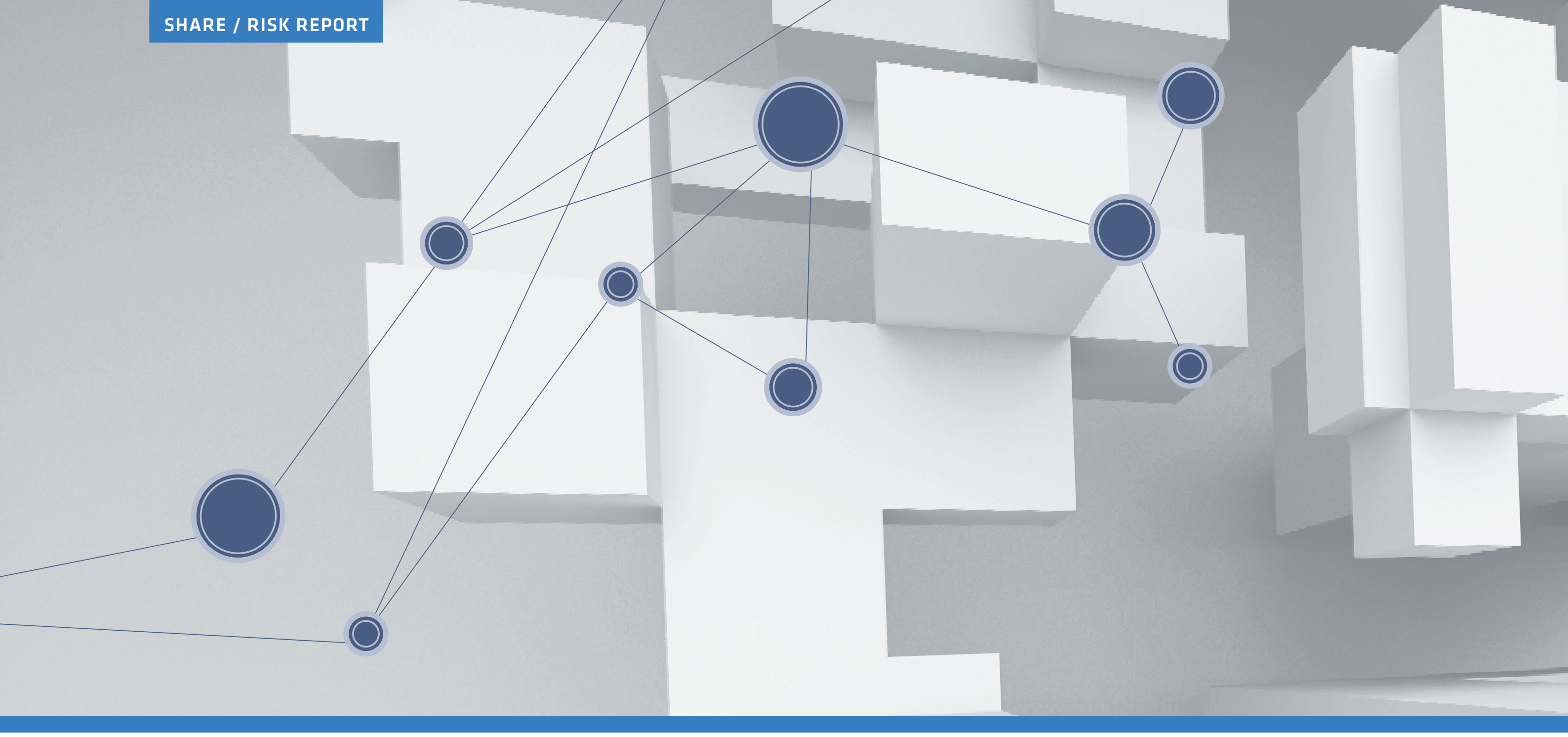
Net assets and financial position

In the months from January to June 2012, cash flow from operating activities before working capital changes came in at € 7.4 million (previous year: € 6.2 million). Investment expenditure totaled € 8.3 million within the first half of the year (previous year: € 10.3 million). This contains payments of the fixed purchase price of the companies acquired in the first half of the year and the cash and cash equivalents of these companies received totaling € 2.7 million, the payment of the purchase price of the business operations of INTRAPREND acquired in 2011 for € 1.4 million and earn outs totaling € 2.2 million from subsidiaries acquired in previous years. The cash flow from financing activities recorded a net inflow of € 42.8 million in the first half of 2012 (previous year: outflow of € 2.7 million). The major individual items in the cash flow from financing activities were the issuance of a borrower's note loan totaling a net € 69.0 million, the repayment of loans totaling € 19.1 million and the payment of dividends to shareholders of Allgeier SE.

The balance sheet total of the Allgeier Group grew by € 46.6 million, from € 242.1 million as of December 31, 2011, to € 288.7 million as of June 30, 2012. Significant for this rise was the successful placement of the promissory note worth a net € 69.0 million and the connected repayment of an existing bank loan worth € 19.0 million, which increased the liquid funds and balance sheet total by this amount overall. In the first half of the year, non-current assets increased slightly from € 113.0 million to € 116.4 million. Current assets (excl. liquid funds) were also up slightly by € 3.5 million in the first half of the year, from € 97.2 million to € 100.7 million. The change in assets is primarily attributable to the first-time consolidation of the companies acquired in the first half of 2012 as well as the higher inventories, while trade receivables came in at a lower level than December of the previous year due to seasonal factors. As of June 30, 2012, Allgeier Group had a high level of cash and cash equivalents at its disposal. The cash and cash equivalents rose largely due to the described financing transactions in the first half of 2012 from € 31.9 million to € 71.7 million. The Group intends to use these funds for further corporate growth and acquisitions of new subsidiaries.

The equity of the Allgeier Group decreased by € 3.3 million in the first half of 2012, from € 88.2 million as of December 31, 2011 to € 84.9 million as of June 30, 2012. The fall is primarily attributable to the payout of the dividends to shareholders of Allgeier SE and in turn to currency differences reported directly at equity totaling € 1.0 million. As of June 30, 2012, the equity ratio came in at 29.4%, down on the figure from December 31, 2011 (36.4%) due to the balance sheet extension from financing.

Non-current and current liabilities were up by € 50.0 million, from € 153.9 million as of December 31, 2011, to € 203.9 million. The major reason for this change was also the addition of the promissory note at its net cost of purchase of € 69 million in non-current liabilities and the payment of the current bank loan of € 19 million. This transaction meant that the proportion of non-current liabilities making up the balance sheet total increased from 15% as of December 31, 2011 to 34% as of the end of June 2012.



The Allgeier share

POSITIVE YIELD DESPITE LIGHT LOSSES

Including the dividends of € 0.50 paid out in June, the Allgeier share achieved a yield of 1.4% in the first half of 2012. Since the start of the year, the Allgeier SE share has lost value slightly and closed Xetra trading on June 30, 2011 at € 10.385. The share therefore closed around 3.4% down on the end of the financial year 2011.

Risk report

Allgeier SE assumes that the company will be able to continue to assert itself on the markets. Both the continuing uncertainty over the development of the European debt crisis and the sustained phase of economic weakness in the world economy since last summer could impact the future economic situation. Up to now, any possible effects, particularly on our core markets as well as other relevant markets for us such as IT services and software, could not the estimated.

The consequences of a ruling of the German Federal Labor Court of December 14, 2010, relating to the inefficacy of collective bargaining wage agreements concluded by the CGZP unions are not yet fully foreseeable. No legally effective decision on the retroactive invalidation of wage agreements has yet been made. As a result, possible direct consequences for the Allgeier Group from the sale of its Temporary Help segment in 2008 are not yet foreseeable. Allgeier has already formed provisions for such cases through a valuation adjustment to part of the purchase price that is deposited in a trust account. No further provisions had been made with regard to this matter as of the reporting date.

Outlook

POSITIVE GROWTH EXPECTATIONS DESPITE UNCERTAINTY ON THE CAPITAL MARKETS

Allgeier SE believes that it remains well positioned for the full year 2012. Allgeier Group has expanded its portfolio with smaller additional acquisitions over the last few months and therefore strengthened its position in foward-looking, future fields such as business intelligence and ERP solutions. Internally, the Group is developing by implementing a divisionalization strategy and streamlining its organizational structure. This basis allows the divisions and their companies to be better positioned for the requirements of the market and customers as well as allow more efficient cooperation.

With the acquisition of b+m Informatik AG, Allgeier has further expanded its competencies in the fields of banking and insurance, as well as strengthened its regional presence in Northern Germany. Following the takeover of the majority of SKYTEC AG shares by TOPjects AG, Allgeier has cemented its position in terms of engineering, business intelligence planning and reporting solutions. With the acquisition of Braunschweig-based AX Solutions GmbH by Austrian terna GmbH – Zentrum für Business Software, Allgeier is promoting the further expansion of ERP business in Germany.

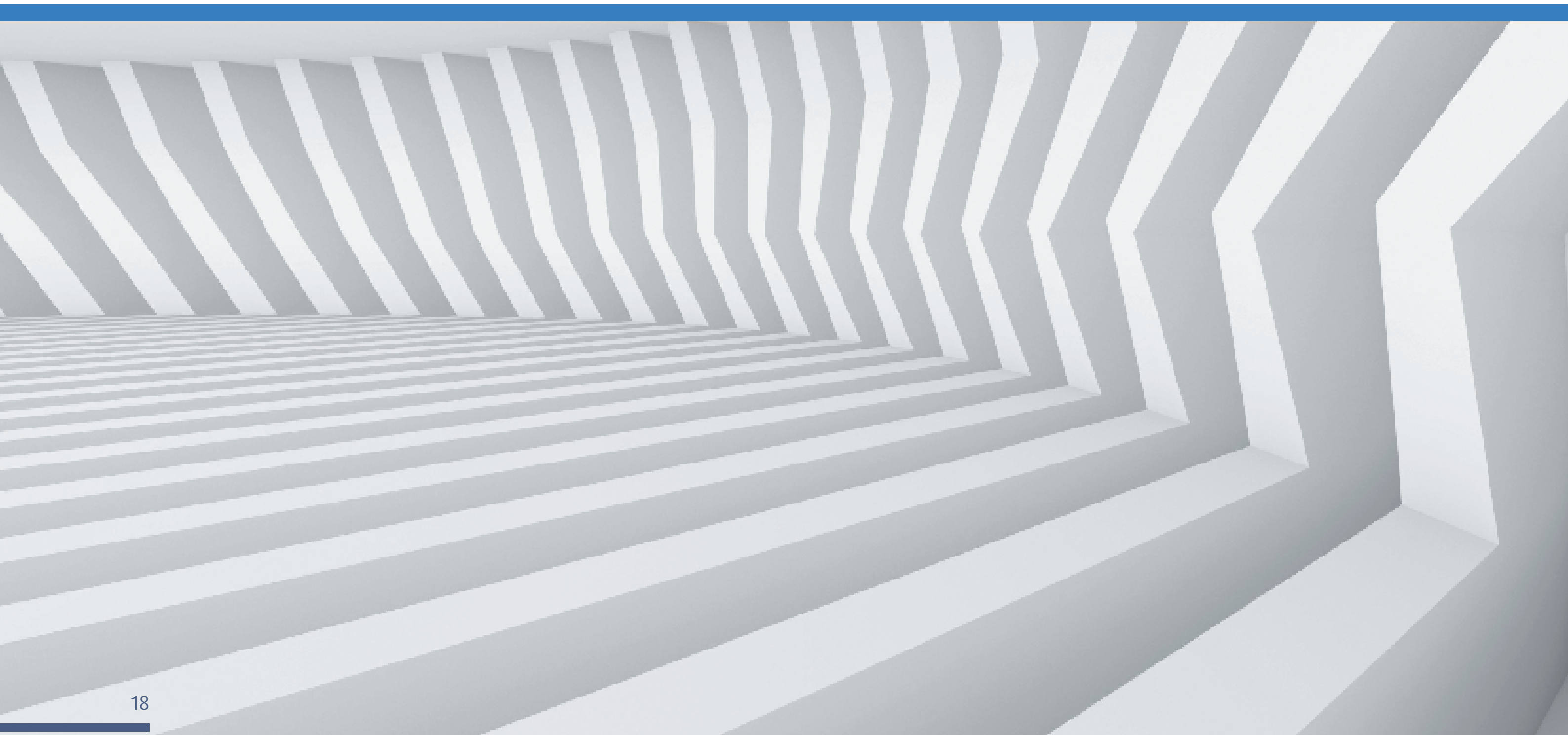
Nevertheless, the uncertainty on the world capital markets – such as the sentiment resulting from the European debt crisis – continues and has already slowed the German economy. Further effects on the overall economic situation, which Allgeier is unable to set itself off from, can therefore not be ruled out. The Management Board and Group companies are however working on preparing the company for further growth, as well as increasing efficiency and readying for possible crisis situations.

Report of events after the balance sheet date: Events after June 30, 2012

On August 2, 2012, Allgeier agreed to acquire 100% of the shares in tecops personal GmbH with the sole shareholder and concluded the corresponding agreements. Allgeier is therefore continuing its successful policy of participating in high-growth companies with highly selective, value-generating acquisitions. The intended purchase price is in the double-digit million range. The effectiveness of the agreements is subject to the usual anti-trust approval. The validation of these agreements is expected shortly after this report is published. An initial consolidation has not yet taken place.

With this acquisition, Allgeier is aiming to further expand its service portfolio as well as its coverage in the growth market for IT HR services. TECOPS commands more than 20 years' experience in recruiting and placing specialist personnel. The company currently employs 1,400 employees at 12 sites and is able to draw on a pool of 60,000 IT specialists and other specialist personnel. The focus of the service portfolio is staffing services in the IT and commercial fields, the placement of IT specialists as well as project services. The company has grown substantially over the last five years in terms of sales revenue and income. In 2011, the company generated sales revenues of over € 50 million. For 2012, tecops personal GmbH is planning further sustained sales revenue and earnings growth.

On July 3, 2012, Allgeier SE announced pursuant to § 10 Para 1 in connection with §§ 29, 34 of the Securities Acquisition and Takeover Act (WpÜG) that the Management Board and Supervisory Board of the company had decided to offer the shareholders of EASY SOFTWARE AG to purchase their no-par value bearer shares in EASY SOFTWARE AG for a price of € 4.00 per share in cash as part of a voluntary public takeover offer. After the German Financial Services Regulator (Bundesanstalt für Finanzdienstleistungsaufsicht) approved the publication of the offer documentation on July 23, 2012, Allgeier SE published the corresponding takeover offer on July 24, 2012.



The acceptance period began on Thursday, July 24, 2012, and ended on August 21, 2012 at midnight (Frankfurt am Main local time). The takeover offer was linked to a minimum acceptance threshold of 75 percent of the capital stock of Easy Software existing as of the expiry of the acceptance period and was subject to the terms and conditions outlined in the offer documentation.

On August 7, 2012, EASY SOFTWARE AG announced the joint position of the Management Board and Supervisory Board of the company pursuant to §§ 27 Para. 3 Sentence 1, § 14 Para. 3 Sentence 1 of the WpÜG. This in principle supports a joining together of both companies but views the compensation offered by Allgeier SE as not appropriate pursuant to § 31 Para. 1 WpÜG. The major shareholder and Chairman of the Supervisory Board spoke out against a sale of the shares. As a result, with the expiry of the acceptance period on August 21, 2012, the threshold of 75 percent of the capital stock was not reached and the offer was not made effective overall due to this condition not being met.

Unaudited interim report on H1 2012

pursuant to § 37w WpHG

IFRS CONSOLIDATED BALANCE SHEET OF ALLGEIER SE, MUNICH, AS OF JUNE 30, 2012

CONSOLIDATED BALANCE SHEET (IN € THOUSAND)		
ASSETS	30/06/2012	31/12/2011
Intangible assets	105.122	102.771
Property, plant and equipment	9.874	8.784
Other financial assets	24	23
Deferred tax assets	1.365	1.372
Non-current assets	116.384	112.950
Inventories	10.486	3.002
Trade receivables	72.949	81.800
Other current financial assets	8.129	3.176
Other current assets	7.650	7.326
Income tax receivables	1.492	1.932
Cash and cash equivalents	71.652	31.944
Current assets	172.357	129.181
Assets	288.741	242.131

CONSOLIDATED BALANCE SHEET (IN € THOUSAND)		
EQUITY AND LIABILITIES	30/06/2012	31/12/2011
Subscribed capital	9.072	9.072
Capital reserves	11.306	11.306
Retained earnings	277	277
Treasury shares	-5.154	-5.154
Profit carried forward	61.792	61.607
Net income	-239	4.378
Changes in equity recognized directly in equity	3.250	2.236
Equity share of shareholders of the parent company	80.304	83.721
Equity share of shareholders with non-controlling interests	4.572	4.476
Equity	84.876	88.197
Non-current financial liabilities	71.783	2.634
Pension provisions	1.576	954
Other non-current provisions	700	0
Other non-current financial liabilities	15.724	22.780
Deferred tax liabilities	8.143	9.180
Non-current liabilities	97.926	35.548
Current profit-participation liabilities	6.000	6.000
Current financial liabilities	16.731	32.737
Income tax provisions	3.506	4.385
Other current provisions	10.006	11.671
Trade payables	30.398	36.520
Other current financial liabilities	26.330	17.368
Other current liabilities	12.394	9.280
Income tax liabilities	574	425
Current liabilities	105.939	118.385
Equity and liabilities	288.741	242.131

IFRS CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME OF ALLGEIER SE, MUNICH, FOR THE PERIOD FROM JANUARY 1, 2012, TO JUNE 30, 2012

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (IN € THOUSAND)		
INCOME STATEMENT	**01/01/2012 - 30/06/2012**	**01/01/2011 - 30/06/2011**
Sales revenue	190.121	171.034
Changes in inventory of finished goods and work in progress	5.959	3.084
Other capitalized company-produced assets	42	60
Other operating income	1.949	1.832
Material costs	106.409	102.729
Personnel expenses	63.066	49.920
Other operating expenses	18.680	14.559
Earnings before interest, tax, depreciation and amortization	9.915	8.803
Depreciation and amortization	6.593	3.624
Earnings before interest and tax (EBIT)	3.322	5.179
Other interest and similar income	232	212
Interest and similar expenses	2.907	1.145
Earnings before tax	647	4.246
Income tax results	-632	-1.274
Net income	14	2.973
Allocation of net income:		
to parent company shareholders	-239	2.662
to non-controlling interests	253	310

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (IN € THOUSAND)		
OTHER COMPREHENSIVE INCOME	01/01/2012 - 30/06/2012	01/01/2011 - 30/06/2011
Currency differences	1.021	472
Cash flow hedge	16	0
Other comprehensive income	1.038	472
Total comprehensive income	1.052	3.445
Attribution of total comprehensive income:		
to parent company shareholders	775	3.047
to non-controlling interests	276	398
Earnings per share		
Average number of outstanding shares pro rata temporis	8.404.271	8.393.977
Earnings for the period per share in €	-0,03	0,32

IFRS CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME OF ALLGEIER SE, MUNICH, FOR THE PERIOD FROM APRIL 1, 2012, TO JUNE 30, 2012

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (IN € THOUSAND)		
INCOME STATEMENT	**01/04/2012 - 30/06/2012**	**01/04/2011 - 30/06/2011**
Sales revenue	97.414	87.647
Changes in inventory of finished goods and work in progress	245	-207
Other capitalized company-produced assets	36	29
Other operating income	366	1.096
Material costs	52.926	51.352
Personnel expenses	31.568	25.293
Other operating expenses	9.753	8.057
Earnings before interest, tax, depreciation and amortization	3.814	3.864
Depreciation and amortization	3.279	1.904
Earnings before interest and tax (EBIT)	535	1.960
Other interest and similar income	170	127
Interest and similar expenses	2.178	584
Earnings before tax	-1.473	1.503
Income tax results	-95	-468
Net income	-1.569	1.035
Allocation of net income:		
to parent company shareholders	-1.719	961
to non-controlling interests	150	74

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (IN TSD. EURO)		
OTHER COMPREHENSIVE INCOME	**01/04/2012 - 30/06/2012**	**01/04/2011 - 30/06/2011**
Currency differences	1.629	707
Cash flow hedge	18	0
Other comprehensive income	1.647	707
Total comprehensive income	78	1.742
Attribution of total comprehensive income:		
to parent company shareholders	-64	1.521
to non-controlling interests	142	221
Earnings per share		
Average number of outstanding shares pro rata temporis	8.404.271	8.393.977
Earnings for the period per share in €	-0,20	0,11

IFRS CONSOLIDATED CASH FLOW STATEMENT OF ALLGEIER SE, MUNICH, FOR THE PERIOD FROM JANUARY 01, 2012, TO JUNE 30, 2012

CONSOLIDATED CASH FLOW STATEMENT (IN € THOUSAND)
Earnings before interest and tax (EBIT)
Depreciation and amortization
Expenses from the disposal of non-current assets
Change in non-current provisions
Other non-cash expenses and income
Income tax paid
Cash flow from operating activities before changes in working capital
Cash flow from changes in working capital
Cash flow from operating activities
Payments for investments in non-current assets
Payments received from the disposal of non-current assets
Payments made for the acquisition of subsidiaries
Payments made for the acquisition of assets and rights
Payments made for the acquisition of at-equity investments
Payments made for purchase price shares for companies not acquired in the financial year
Cash flow from investing activities
Addition of treasury shares
Issuing of promissory notes
Taking out of bank loans
Repayment of bank loans
Acquisition of bonds
Repayment of other loans
Payment balance from the assignment of receivables owed by customers
Interest received
Interest paid
Dividends
Payment balance with shareholders with non-controlling interests
Cash flows from financing activities
Total cash flow
Change in cash and cash equivalents attributable to exchange rates
Total changes to cash and cash equivalents
Cash and cash equivalents at the start of the period
Cash and cash equivalents at the end of the period

	01/01/2012 - 30/06/2012	01/01/2011 - 30/06/2011
	3.322	5.179
	6.593	3.624
	37	13
	-26	32
	-55	-370
	-2.446	-2.247
	7.426	6.231
	-3.994	-2.444
	3.432	3.786
	-2.164	-1.688
	52	14
	-2.655	-4.363
	-1.366	-210
	0	-152
	-2.203	-3.881
	-8.336	-10.280
	0	-1.109
	69.020	0
	0	4.250
	-19.070	-2.420
	-3.000	0
	-34	0
	1.392	1.599
	232	212
	-1.378	-885
	-4.192	-4.164
	-180	-189
	42.791	-2.706
	37.887	-9.200
	1.021	472
	38.908	-8.727
	31.625	61.110
	70.533	52.383

IFRS CONSOLIDATED STATEMENT OF CHANGES IN EQUITY OF ALLGEIER SE, MUNICH, AS OF JUNE 30, 2012

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (IN € THOUSAND)

	Subscribed capital income	Capital reserves	Retained earnings	
Balance as of January 1, 2011	9.072	11.306	277	
Transfer of the previous year's results of the period to profit carried forward	0	0	0	
Addition of own shares in Allgeier Holding AG	0	0	0	
Dividends	0	0	0	
Net income	0	0	0	
Currency differences	0	0	0	
Balance as of June 30, 2011	9.072	11.306	277	
Balance as of December 31, 2011	9.072	11.306	277	
Transfer of the previous year's results of the period to profit carried forward	0	0	0	
Dividends	0	0	0	
Net income	0	0	0	
Cash flow hedge	0	0	0	
Currency differences	0	0	0	
Balance as of June 30, 2012	9.072	11.306	277	

	Treasury shares	Profit carried forward	Net income	Changes in equity recognized directly in equity	Equity share of shareholders of the parent company	Equity share of shareholders with non-controlling interests	Equity
	-4.468	57.426	8.345	-167	81.790	3.706	85.496
	0	8.345	-8.345	0	0	0	0
	-1.109	0	0	0	-1.109	0	-1.109
	0	-4.164	0	0	-4.164	-189	-4.353
	0	0	2.662	0	2.662	310	2.973
	0	0	0	385	385	88	472
	-5.577	61.607	2.662	217	79.564	3.915	83.478

	-5.154	61.607	4.378	2.236	83.721	4.476	88.197
	0	4.378	-4.378	0	0	0	0
	0	-4.192	0	0	-4.192	-180	-4.372
	0	0	-239	0	-239	253	14
	0	0	0	16	16	0	16
	0	0	0	998	998	23	1.021
	-5.154	61.793	-239	3.250	80.304	4.572	84.876

SEGMENT REPORTING PURSUANT TO IFRS OF ALLGEIER SE FOR THE PERIOD FROM JANUARY 1, 2012 TO JUNE 30, 2012

SEGMENT REPORTING (IN € THOUSAND)	IT SOLUTIONS		IT SERVICES & RECRUITING	
	H1 12	H1 11	H1 12	H1 11
External sales revenue	62.776	55.086	87.801	88.917
Sales revenue with other segments	43	160	2.661	3.414
Segment earnings before interest and tax	-586	886	5.028	5.167
Segment earnings before income tax	-1.136	452	4.443	4.209
	30/06/2012	31/12/2011	30/06/2012	31/12/2011
Segment assets	78.772	86.723	129.242	118.201

	PROJECT SOLUTIONS		OTHER		TOTAL	
	H1 12	H1 11	H1 12	H1 11	H1 12	H1 11
	39.544	27.031	0	0	190.121	171.034
	813	746	-3.517	-4.320	0	0
	1.210	1.420	-2.331	-2.293	3.321	5.179
	-1.720	557	-940	-972	647	4.246

	30/06/2012	31/12/2011	30/06/2012	31/12/2011	30/06/2012	31/12/2011
	76.426	74.479	4.302	-37.271	288.742	242.131

Other explanatory disclosures

ACCOUNTING METHODS

The half-year report 2012 of Allgeier Group was prepared in line with the requirements of paragraph 37w of the German Securities Trading Act as well as the International Financial Reporting Standards (IFRS) applicable for interim reporting. There were no changes in the accounting methods compared with the consolidated financial statements as of December 31, 2011.

The interim report contains a second report with disclosures required by IAS 34. Compared to December 31, 2011, the composition of the segments and the basis for assessment of segment results has not changed. The segment assets in the "Other" segment increased substantially due to the issuing of a borrower's note loan.

All amounts in the interim report are presented in thousands of euros, unless otherwise stated.

This half-year report was subject to neither an auditor's review pursuant to Paragraph 37w of the German Securities Trading Act, nor was it audited pursuant to Paragraph 317 of the German Commercial Code (HGB).

TREASURY SHARES

In the first half of 2012, Allgeier SE did not acquire any treasury shares. The treasury share position therefore remained on a par with December 31, 2011 at 686,954 shares on June 30, 2012.

DIVIDENDS

Allgeier SE paid a total dividend of € 4,192,273 from its balance sheet profit in June 2012. There were a total of 8,384,546 shares enjoying dividend entitlement, and a € 0.50 dividend was paid per share.

SCOPE OF CONSOLIDATION

In the first half of 2012, the number of companies included in the scope of consolidation of the Allgeier Group increased from 52 companies as of December 31, 2011 to 56 companies as of June 30, 2012. During the reporting period, the group acquired 94% of the shares in SKYTEC AG, Oberhaching, 100% of the shares in AX Solutions GmbH, Braunschweig, and 100% of the shares in b+m Informatik AG, Melsdorf. b+m Informatik AG in turn held 100% of the shares of b+m Informatik GmbH, Hamburg, on the acquisition date. In the first half of 2012, the Group founded ALLGEIER GLOBAL SERVICES ASIA PTE. LTD., Singapore. Effective as of January 1, 2012, Next GmbH, Heusweiler, merged with Goetzfried AG, Wiesbaden. The initial consolidation of the companies acquired in the first half of 2012 is contained in the half-year financial statements with preliminary figures.

On February 24, 2012, TOPjects AG, Munich, purchased 94.3% of the shares in SKYTEC AG, Oberhaching. SKYTEC AG offers solutions in the fields of automotive, building management, innovation and idea management as well as business intelligence. In the financial year 2011, the company achieved sales revenue of € 9.9 million and a net loss of € 0.1 million. Before the union with Allgeier, the company parted with a business segment, which means that the purchased business does not correspond with the figures reported for the financial year 2011. The purchase price for the acquired shares in the company was agreed at a total of € 0.5 million including an acquired silent participation in the company. The identification, measurement and accounting of the acquired assets and liabilities was carried out based on the interim financial statements on the date of initial consolidation of March 31, 2012.

In SKYTEC AG, the company acquired assets of € 1.8 million and liabilities worth € 1.3 million. "Badwill" of € 0.1 million was generated by the difference between purchase price and net assets and was posted under other operating income.

terna GmbH – Zentrum für Business Software, Innsbruck, Austria, took over all shares in AX Solutions GmbH, Braunschweig, as of March 5, 2012. AX Solutions GmbH's business centers on the sale, implementation and support of Microsoft Dynamics AX for medium-sized industrial and retail companies. In the financial year 2011, the company achieved sales revenue of € 1.0 million and net income of € 0.1 million. An initial purchase price of € 0.2 million for the acquired shares in the company was agreed as well as additional variable shares in the purchase price also totaling € 0.2 million. As of the initial date of consolidation on March 31, 2012, AX Solutions GmbH held assets of € 0.3 million and liabilities worth € 0.2 million. The difference between the purchase price and net assets totaling € 0.3 million was reported as goodwill. Due to the intended merger, the results of AX Solutions GmbH were no longer recorded separately from April 2012.

On May 11, 2012, Allgeier IT Services AG, Munich, acquired all shares in b+m Informatik AG, Melsdorf, for a purchase price of € 2. b+m Informatik AG focuses on the development and sale of software as well as the provision of connected services. In turn, the company held 100% of the shares of b+m Informatik GmbH, Hamburg, on the acquisition date.

In addition to the fixed purchased price, a variable purchase price component dependent on positive results development in the years 2012 to 2016 was agreed. The variable purchase price is limited to a maximum of € 1.3 million. In the financial year 2011, b+m Informatik AG achieved consolidated sales revenue of € 11.3 million and a net loss of € 3.2 million, which was impacted by extraordinary effects and restructuring measures. The initial consolidation of b+m Informatik AG was made on May 31, 2012. The measures agreed in the share purchase agreement, largely relating to the restructuring of the company balance sheet, were completed by this date. As of the initial date of consolidation, b+m Informatik AG held consolidated assets of € 3.9 million and consolidated liabilities worth € 7.2 million. The difference between the purchase price and net assets totaling € 4.4 million was reported as goodwill.

Responsibility statement

To the best of its knowledge, the Management Board of Allgeier SE assures that this interim financial report including the interim management report by the Allgeier Group has been prepared in accordance with applicable accounting principles, and conveys a true and fair view of the Group's net assets, financing position and results of operations. The significant risks and opportunities from the foreseeable development of the Group in the remaining months of the financial year are described.

Legal notice

This interim report for the first half year 2012 contains forward-looking statements that are based on assumptions and estimates made by the management of Allgeier SE. Although the management is of the opinion that these assumptions and estimates are appropriate, actual future developments and results may diverge considerably from these assumptions and estimates due to various factors. These factors may include, for example, changes to the macroeconomic situation, exchange rates, interest rates, and changes to market trends and the competitive situation. Allgeier SE assumes no warranty and liability that future developments, and the results that are actually achieved in the future, will concur with the assumptions and estimates expressed in this interim report.

Financial calendar

IMPORTANT DATES AND EVENTS	Date
9 month report 2011 published	November 10th 2011
Consolidated annual report 2011 published	April 17th 2012
3 month report 2012 published	Mai 10th 2012
Annual General Meeting in Munich	Juni 15th 2012
6 month report 2012 published	August 31th 2012
9 month report 2012 published	November 08th 2012

Imprint

Publisher:
Allgeier SE
Wehrlestrasse 12
81679 Munich
Germany

Tel.: +49 (0)89 998421-0
Fax: +49 (0)89 998421-11
E-Mail: info@allgeier.com
www.allgeier.com

Registry entry: Munich county court, HRB 198543

Contact:
Allgeier SE
Investor Relations
Tel.: +49 (0)89 998421-41
E-Mail: ir@allgeier.com

Annual and interim reports in German and English language can be downloaded at www.allgeier.com/en > Investor Relations > Financial Information and Reports, or requested using the contact information above. For the latest financial information online visit: www.allgeier.com/en/investor-relations

ALLGEIER

Allgeier SE | Wehrlestraße 12 | D - 81679 München
Tel.: +49 (0)89 998421-0 | Fax: +49 (0)89 998421-11 | E-Mail: info@allgeier.com | www.allgeier.com