ALLGEIER

Allgeier Holding AG

Half year report to June 30, 2011

[In EUR millions]	First half 2011	First half 2010	Change as a percentage
Sales revenue	**171.0**	**133.7**	+28
Personnel expenses	**49.9**	**42.0**	+19
As a percentage	29.2	31.4	
Other operating expenses	**14.6**	**12.4**	+17
As a percentage	8.5	9.3	
EBITDA	**8.8**	**5.2**	+69
As a percentage	5.1	3.9	
EBITA	**7.5**	**4.2**	+79
As a percentage	4.4	3.2	
EBIT	**5.2**	**2.7**	+93
As a percentage	3.0	2.0	
Financial income	**-0.9**	**-0.2**	
EBT	**4.2**	**2.5**	+72
As a percentage	2.5	1.9	
Tax income	**-1.3**	**-0.6**	
Half year result	**3.0**	**1.8**	+67
As a percentage	1.7	1.4	
Earnings per share [In EUR]	**0.32**	**0.21**	+52

	30.06.2011	31.12.2010	Change as a percentage
Balance sheet total	**208.2**	**204.1**	+2
Equity	**83.5**	**85.5**	-2
Number of permanent employees	**1,505**	**1,339**	+12
Number of freelance experts	**1,480**	**1,438**	+3

Contents

1. Report on business during the first half of 2011

Allgeier continues to grow

Once again, in the first half of 2011 (1 Jan 2011 – 30 June 2011), Allgeier Holding AG was able to increase sales and profits significantly.

In the first half of 2011 the Group increased sales by 28% to EUR 171.0 million (previous year: EUR 133.7 million). This increase is attributed to organic growth of 17% seen in the first half year (considering the assets of BSH Systemhaus GmbH acquired out of their insolvency and the business area IPS Informations- und Prozesssysteme of the insolvent MCE Computer Peripherie GmbH). In addition, the full consolidation of the Group companies acquired in 2010, BSR & Partner and Terna, contributed to the increased sales. From June 2011 1eEurope Switzerland AG, acquired in May, has been consolidated at a Group level. 1eEurope is an expert in the quickly growing market for Microsoft Sharepoint and broadens Allgeier's presence in Switzerland. The EBITDA (earnings before interest, taxes and depreciation) increased during the first half of the year by 69% to EUR 8.8 million (previous year: EUR 5.2 million), the EBITA (earnings before interest, taxes and amortisation of purchase price allocations) increased by 79% to EUR 7.5 million (previous year: EUR 4.2 million), EBIT (earnings before interest and taxes) increased by 93% to EUR 5.2 million (previous year: EUR 2.7 million).

During the second quarter (1 April 2011 – 30 June 2011) sales increased by 22% to EUR 87.6 million (previous year: EUR 71.7 million). The EBITA increased by 28% to EUR 3.2 million (previous year: EUR 2.5 million) and EBIT increased by 18% to EUR 2.0 million (previous year: EUR 1.7 million). The results of the second quarter were affected by a smaller number of working days during that period, as well as one-off expenditure for reorganization incurred by one Group company amounting to EUR 0.15 million in the first quarter and EUR 0.65 million in the second quarter, respectively.

Because many client projects that had been put on hold due to the economic crisis have now been ordered and the IT market is experiencing overall growth, all Group companies are seeing a high utilization of IT consultants.

Group results at a glance

[in EUR millions]	Q2 2011 (1 Apr - 30 June 2011)	First half year 2011 (1 Jan - 30 June 2011)	Q2 2010 (1 Apr - 30 June 2010)	First half year 2010 (1 Jan - 30 June 2010)	First half year 2011 vs first half year 2010
Sales	**87.6**	**171.0**	**71.7**	**133.7**	**+28%**
EBITDA	**3.9**	**8.8**	**3.0**	**5.2**	**+69%**
Margin in %	4.4%	5.1%	4.2%	3.9%	
EBITA	**3.2**	**7.5**	**2.5**	**4.2**	**+79%**
Margin in %	3.7%	4.4%	3.5%	3.2%	
EBIT	**2.0**	**5.2**	**1.7**	**2.7**	**+93%**
Margin in %	2.2%	3.0%	2.4%	2.0%	
EBT	**1.5**	**4.2**	**1.5**	**2.5**	**+72%**
Margin in %	1.7%	2.5%	2.1%	1.9%	

1.1 Assessment of the economic and industry situation

IT market continues to see positive growth perspectives

The economic climate in Germany continues to be very positive. However, according to ifo Konjunkturtest, economic growth decreased in July 2011 as compared to the previous month and is now on the same high level as in March 2011. Companies are not as satisfied with the business situation as before, and they predict slower growth of the export business than in previous months.

The IT market continues to be characterized by strong growth. In Germany, Allgeier's most important market, the federal association Bundesverband Informationswirtschaft, Telekommunikation und neue Medien e.V. (BITKOM) predicts industry growth of 4.3% for 2011. With this, Germany is the strongest market compared to the rest of Europe. For the EU average growth of 2.9% is anticipated. According to BITKOM, due to the high sovereign debt of some European countries, IT investments in the public sector are being postponed.

The market for IT services in Germany is strongly fragmented with some 50,000 providers, but continues to provide excellent opportunities for Allgeier. Medium-sized and large companies increasingly consolidate their portfolio of providers and work with a limited number of cooperation partners (preferred suppliers) who are then awarded significantly higher order volumes. Important criteria for selecting a future partner for cooperation include supplier size, leading to a reduced risk of default, as well as a broad service portfolio.

The Allgeier Group has grown to the necessary size and is seen as one of the larger players in the market with a broad service portfolio. Allgeier's experience in acquiring and integrating competitors turn the ongoing wave of consolidation into an opportunity for the Allgeier Group to increase acquisitions further.

1.2 Development of business units

New structuring of business segments

Allgeier Holding AG restructured its segments at the beginning of 2011. To allow for a comparison with the previous year, prior year data was also calculated according to the new segment structure. The Group now divides business into the IT Solutions, IT Services & Recruiting and Project Solutions units. The Group companies of the IT Solutions unit put a strong focus on sales and consulting services for proprietary and standard software in the areas of Enterprise Resource Planning (ERP), Enterprise Content Management (ECM), Security Solutions (Email, Electronic Signature, Identity Management) and Data Center Services. The IT Services & Recruiting unit covers IT and Business Process Consulting, Software Development and Outsourcing/Managed Services. The sector is complemented by Staffing & Recruiting of IT Experts and Third Party Management. The Business Solutions unit deals with complex projects with a focus on Management & IT Consulting, Business Process Consulting, Application Management, Portal Technology and SAP Consulting. With this restructuring, Allgeier achieves a more homogeneous business segmentation and optimized internal collaboration. Moreover, Allgeier is able to provide a transparent presentation of the portfolio for investors.

IT Solutions unit

During the first half of 2011, the IT Solutions unit generated a sales increase of 52% to EUR 55.2 million (previous year: EUR 36.5 million). During the second quarter, sales grew by 44% to EUR 27.8 million (previous year: EUR 19.3 million). This increase is the result of good operational performance as well as the full consolidation of acquisitions, including BSR & Partner, Terna, BSH Systemhaus, which was acquired out of insolvency, as well as IPS Informations- und Prozesssysteme taken over from the insolvent company MCE Computer Peripherie GmbH. What is more, from June onwards, 1eEurope Switzerland AG, acquired in May 2011, has been consolidated into this unit. 1eEurope has a staff of about 60 and is one of the leading IT service providers for collaboration solutions in a Microsoft Sharepoint environment for medium-sized and large companies in Switzerland. The company has prestigious clients in the financial services, trade, industry and public sectors, where 1eEurope provides capacity in IT and process consulting and has driven many SharePoint projects to success. With 1eEurope, Allgeier strengthens its technological proficiency for Microsoft products.

The EBITA increased during the first half of the year by 145% to EUR 2.7 million while EBIT grew by 200% to EUR 0.9 million. In the second quarter, EBITA remained at the level of the previous year, i.e., EUR 1.1 million, and EBIT was EUR 0.1 million (previous year: EUR 0.7 million). The result was affected by one-off reorganization expenses in one Group company amounting to EUR 0.15 million in the first quarter and EUR 0.65 million in the second quarter, respectively.

IT Solutions unit results at a glance

[in EUR millions]	Q2 2011 (1 Apr - 30 June 2011)	First half year 2011 (1 Jan - 30 June 2011)	Q2 2010 (1 Apr - 30 June 2010)	First half year 2010 (1 Jan - 30 June 2010)	First half year 2011 vs first half year 2010
Sales	**27.8**	**55.2**	**19.3**	**36.5**	**+52%**
EBITA	**1.1**	**2.7**	**1.1**	**1.1**	**+145%**
Margin in %	4.0%	4.9%	5.7%	3.0%	
EBIT	**0.1**	**0.9**	**0.7**	**0.3**	**+200%**
Margin in %	0.4%	1.6%	3.8%	0.9%	

IT Services & Recruiting unit

During the first half of 2011, the IT Services & Recruiting unit generated a sales increase of 18% to EUR 92.3 million (previous year: EUR 78.5 million), thereby being the largest segment within the Allgeier Group. During the second quarter, sales increased by 13% to EUR 47.0 million (previous year: EUR 41.7 million). The increased demand for IT experts and good utilization of the IT consultants resulted in the outstanding development of this segment. This had a positive effect on results as well. During the first six months of the year, EBITA increased by 51% to EUR 5.6 million (previous year: EUR 3.7 million) and EBIT increased by 63% to EUR 5.2 million (previous year: EUR 3.2 million). During the second quarter, EBITA increased by 27% to EUR 2.8 million (previous year: EUR 2.2 million) and EBIT rose by 37% to EUR 2.6 million (previous year: EUR 1.9 million). The development of margins is notable, too. The EBITA margin increased in the first half of the year from 4.7 to 6.1% and in the second quarter from 5.3 to 6.0%.

IT Services & Recruiting unit results at a glance

[in EUR	Q2 2011 (1 Apr - 30 June 2011)	First half year2011 (1 Jan - 30 June 2011)	Q2 2010 (1 Apr - 30 June 2010)	First half year2010 (1 Jan - 30 June 2010)	First half year 2011 vs first half year 2010
Sales	**47.0**	**92.3**	**41.7**	**78.5**	**+18%**
EBITA	**2.8**	**5.6**	**2.2**	**3.7**	**+51%**
Margin in %	6.0%	6.1%	5.3%	4.7%	
EBIT	**2.6**	**5.2**	**1.9**	**3.2**	**+63%**
Margin in %	5.5%	5.6%	4.4%	4.1%	

Project Solutions unit

During the first half of 2011, the Project Solutions unit generated a sales increase of 22% to EUR 27.8 million (previous year: EUR 22.8 million), while during the second quarter sales increased by 27% to EUR 14.4 million (previous year: EUR 11.3 million). This unit has seen a significant improvement in results. The EBITA increased in the first half of the year by 78% to EUR 1.6 million and EBIT increased by 133% to EUR 1.4 million (previous year: EUR 0.6 million). During the second quarter, the unit reported a sharp increase in EBITA of 200% to EUR 0.6 million (previous year: EUR 0.2 million) and EBIT increased by EUR 0.5 million (previous year: EUR 0.0 million).

Project Solutions unit results at a glance

[in EUR millions]	**Q2 2011** (1 Apr - 30 June 2011)	**First half year2011** (1 Jan - 30 June 2011)	**Q2 2010** (1 Apr - 30 June 2010)	**First half year 2010** (1 Jan - 30 June 2010)	**First half year 2011 vs first half year 2010**
Sales	**14.4**	**27.8**	**11.3**	**22.8**	**+22%**
EBITA	**0.6**	**1.6**	**0.2**	**0.9**	**+78%**
Margin in %	4.2%	5.7%	1.8%	3.9%	
EBIT	**0.5**	**1.4**	**0.0**	**0.6**	**+133%**
Margin in %	3.5%	5.0%	0.0%	2.6%	

1.3 Report on Financial and Assets Position

The Allgeier Group has a solid financial and assets position, as well as high liquidity as of the reporting date. This allows the Group to seize growth opportunities in its operational business and creates options for strengthening the Group through additional acquisitions that contribute strategic value.

As of 31 May 2011, 1eEurope Switzerland AG, Thalwil (Switzerland) was consolidated into the Group, adding assets of EUR 9.9 million, goodwill of EUR 2.8 million and liabilities of EUR 2.9 million. Payment of the initial purchase price reduced liquid funds by EUR 7.4 million. In addition, variable portions of the purchase price amounting to EUR 2.2 million were recorded as liabilities. In total the transaction extended the balance sheet total of the Allgeier Group as of 31 May 2011 by EUR 5.3 million. The initial consolidation of 1eEurope is still preliminary.

The balance sheet total of the Allgeier Group increased from EUR 204.1 million as of 31 December 2010 by EUR 4.1 million to EUR 208.2 million as of 30 June 2011.

Long-term assets increased by EUR 6.5 million, i.e., from EUR 63.7 million to EUR 70.2 million and short-term assets decreased by EUR 2.4 million, i.e., from EUR 140.4 million to EUR 138.0 million. The increase of long-term assets was caused by the addition of intangible assets, including goodwill, from the acquisition of 1eEurope, amounting to a total of EUR 7.7 million. As far as short-term assets are concerned, inventories and trade receivables rose by a total of EUR 5.5 million while liquid funds decreased by EUR 8.7 million, i.e., from EUR 61.3 million to EUR 52.6 million. The reduction in liquid funds was due to disbursements relating to acquisition activities of the Allgeier Group totalling EUR 8.6 million as well as the payment of dividends to shareholders of Allgeier Holding AG in June 2011, amounting to EUR 4.2 million. These effects were countered by large operational cash flows of EUR 3.8 million improving liquidity.

Equity declined by EUR 2.0 million, i.e., from EUR 85.5 million to EUR 83.5 million, while long-term and short-term liabilities increased by EUR 6.2 million, i.e., from EUR 118.6 million to EUR 124.8 million.

The change in equity resulted from additions out of the result of the first half of 2011 amounting to EUR 3.0 million, currency gains totalling EUR 0.5 million, reductions due to the payment of dividends amounting to EUR 4.4 million and the purchase of own shares amounting to EUR 1.1 million. The equity ratio dropped from 41.9% as of 31 December 2010 to 40.1% as of 30 June 2011.

Within long-term and short-term liabilities, financial liabilities and liabilities from profit-participation rights increased by EUR 3.8 million, i.e., from EUR 45.5 million to EUR 49.3 million. Other liabilities increased by EUR 2.4 million due to the addition of 1eEurope and fluctuations of working capital, i.e., from EUR 73.1 million to EUR 75.5 million. The increase in financial liabilities was caused by the raising of acquisition credits including accrued interest amounting to EUR 4.6 million, a EUR 1.6 million increase in ABS financing as of the reporting date as well as loan payoffs amounting to EUR 2.4 million.

1.4 Shares

Slight price increase

Allgeier Holding AG has been increasing in value since the beginning of the year and was listed at EUR 12.08 as of the close of Xetra trade on 30 June 2011. This represents an increase in the share value of 14% for this period; when the dividend of EUR 0.50 paid out in June is included, the share price rose by 18%. Allgeier shares could beat benchmark indices such as DAX, MDAX, SDAX and TECDAX and have maintained a solid position in a volatile market.

1.5 Risk report

Allgeier Holding AG believes it will be able to maintain its market position. Nevertheless, the present crisis in financial markets and the large sovereign debt of some countries may have effects on the overall economic situation. At this time, the impact on our core markets and the markets that are relevant to us in the IT services and software sector cannot be estimated.

The effect of the ruling of the federal labour court (Bundesarbeitsgericht) of 14 December 2010 stating that collective agreements for temporary employment entered into by the CGZP (Christliche Gewerkschaften) are null and void cannot be estimated at this point in time. So far, no binding decision as to the retroactive invalidation of collective agreements is available. Therefore, potential indirect consequences for the Allgeier Group based on the divestment of the temporary employment business in 2008 cannot yet be quantified. As a precaution, Allgeier has adjusted the value of a portion of the purchase price held in an escrow account. Additional accruals had not been made as of the reporting date.

1.6 Perspective

Ongoing positive growth projections

Allgeier Holding AG considers itself to be in a healthy position for the entire year of 2011. The Allgeier Group has used the acquisitions of recent months to extend its portfolio and is now even better able to meet the demands of the market and of customers.

1eEurope strengthened Allgeier in the growing market for Microsoft Sharepoint while at the same time expanding its presence in Switzerland. The acquisition of Gemed Gesellschaft für medizinisches Datenmanagement mbH in August strengthens Allgeier's position in the healthcare market where we see significant growth potential. In July, Allgeier acquired software developer Nagarro Inc., based in Silicon Valley and has thus taken an important step towards internationalization with representation in the United States, India, Mexico and Sweden. Nagarro has many highly trained IT experts who can help counter a shortage of IT experts in Germany. Moreover, this move helps Allgeier position itself as important IT partner for its clients, and it is increasingly regarded as a central point of contact. Against this background, Allgeier is positive that it will reach its goals.

Nevertheless, there is increasing uncertainty in global capital markets which might have an impact on the overall economic situation and therefore on Allgeier. Board and Group companies are thus working to prepare the company for further growth, to increase efficiency and to be prepared for potential crises.

1.7 Events after 30 June 2011

As of mid-July, Allgeier Holding AG reached agreement with shareholders of IT solution provider and software developer Nagarro Inc. to acquire all shares in the company. The company has subsidiaries in India, Mexico, Germany and Sweden. The purchase price consists of an initial purchase price of US$ 34 million as well as additional variable components that depend on future results. In July, a portion of the initial purchase price amounting to US$ 28 million was paid. The remaining portion will be paid using shares of Allgeier Holding AG and will be partially escrowed as security for warranties agreed. The initial consolidation of Nagarro, Inc. is expected to be on 31 July 2011.

This transaction is a strategic step for Allgeier to obtain access to international key markets. In spite of the shortage of IT staff in German-speaking countries, the company now has access to highly qualified IT resources at global locations, mostly in India. Nagarro has a headcount of 790 in India and 50 in North and Central America as well as in Europe. Together with experts of the Allgeier companies, the Group is prepared to fully meet customers' requirements, including on global projects.

In early August, Allgeier and the shareholders of the IT solution provider Gemed Gesellschaft für medizinisches Datenmanagement mbH, based in Ulm, agreed to Allgeier's acquisition of all shares in that company. The initial purchase price is EUR 2.9 million, and additional earn-out payments may be paid, depending on the achievement of future goals. The initial consolidation of Gemed is anticipated for 31 July 2011.

The acquisition of Gemed helps the Allgeier Group strengthen its market position and the existing service portfolio as an IT service provider in the healthcare market. Gemed develops, produces and implements modular "Picture Archiving and Communication Systems" (PACS) used in clinics, radiology units and orthopaedic centres.

2. Consolidated Balance sheet in accordance with IFRS as of 30 June 2011

ASSETS	**30.06.2011**	**31.12.2010**
In EUR thousands		
Intangible assets	63,303	57,379
Tangible assets	5,898	5,353
Deferred tax assets	1,006	1,016
Non-current assets	**70,207**	**63,748**
Inventories	5,702	3,055
Trade receivables	69,333	66,481
Other current financial assets	4,027	2,030
Other current assets	6,274	5,814
Income tax receivables	112	1,681
Cash and cash equivalents	52,592	61,316
Current assets	**138,039**	**140,376**
Assets	**208,246**	**204,124**

LIABILITIES	30.06.2011	31.12.2010
In EUR thousands		
Subscribed capital	9,072	9,072
Capital reserves	11,306	11,306
Retained earnings	277	277
Own shares	-5,577	-4,468
Profit carried forward	61,607	57,426
Results for the period	2,662	8,345
Changes in equity recognised directly in equity	217	-167
Equity share of shareholders of the parent company	**79,564**	**81,790**
Equity share of shareholders with non-controlling interests	3,915	3,706
Equity	**83,478**	**85,496**
Non-current profit-participation liabilities	6,000	6,000
Non-current financial liabilities	16,721	15,646
Provisions for pensions	964	932
Other non-current financial liabilities	119	119
Other non-current liabilities	3,795	3,203
Deferred tax liabilities	6,197	5,726
Non-current liabilities	**33,796**	**31,626**
Current profit-participation liabilities	7,000	7,000
Current financial liabilities	19,573	16,899
Income tax provisions	1,276	2,415
Other current provisions	9,860	8,345
Trade payables	28,387	29,824
Other current financial liabilities	11,286	10,278
Other current liabilities	12,765	11,810
Income tax liabilities	824	431
Current liabilities	**90,971**	**87,002**
Liabilities	**208,246**	**204,124**

3. Consolidated Income Statement in accordance with IFRS for the period of 1 January 2011 to 30 June 2011

	01.01.2011 - 30.06.2011	01.01.2010 - 30.06.2010
In EUR thousands		
Revenue	171,034	133,729
Changes in inventory of finished goods and work in progress	3,084	3,045
Other capitalised company-produced assets	60	40
Other operating income	1,832	2,436
Material costs	102,729	79,703
Personnel expenses	49,920	41,957
Other operating expenses	14,559	12,405
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	**8,803**	**5,183**
Depreciation and amortisation	3,624	2,518
Earnings before interest and taxes (EBIT)	**5,179**	**2,665**
Other interest and similar income	212	463
Interest and similar expenses	1,145	642
Earnings before taxes	**4,246**	**2,485**
Income tax results	-1,274	-638
Earnings for the period	**2,973**	**1,847**
Allocation of earnings for the period:		
to shareholders of the parent company	2,662	1,782
to shareholders with non-controlling interests	310	65

Other earnings	01.01.2011 - 30.06.2011	01.01.2010 - 30.06.2010
Currency differences	472	511
Other earnings for the period	**472**	**511**
Total earnings for the period	**3,445**	**2,359**
Allocations of total earnings for the period:		
to shareholders of the parent company	3,047	2,166
to shareholders with non-controlling interests	398	192
Undiluted earnings per share:		
Average number of outstanding shares pro rata temporis	8.393.977	8.526.171
Earnings for the period per share in EUR	0.32	0.21

4. Consolidated Income Statement in accordance with IFRS for the period of 1 April 2011 to 30 June 2011

	01.04.2011 - 30.06.2011	01.04.2010 - 30.06.2010
In EUR thousands		
Revenue	87,647	71,653
Changes in inventory of finished goods and work in progress	-207	-1,562
Other capitalised company-produced assets	29	30
Other operating income	1,096	816
Material costs	51,352	40,919
Personnel expenses	25,293	20,532
Other operating expenses	8,057	6,475
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	**3,864**	**3,011**
Depreciation and amortisation	1,904	1,313
Earnings before interest and taxes (EBIT)	**1,960**	**1,697**
Other interest and similar income	127	146
Interest and similar expenses	584	328
Earnings before taxes	**1,503**	**1,515**
Income tax results	-468	-291
Earnings for the period	**1,035**	**1,224**
Allocation of earnings for the period:		
to shareholders of the parent company	961	1,255
to shareholders with non-controlling interests	74	-31

Other earnings	01.04.2011 - 30.06.2011	01.04.2010 - 30.06.2010
Currency differences	707	564
Other earnings for the period	**707**	**564**
Total earnings for the period	**1,742**	**1,789**
Allocations of total earnings for the period:		
to shareholders of the parent company	1,521	1,693
to shareholders with non-controlling interests	221	96
Undiluted earnings per share:		
Average number of outstanding shares pro rata temporis	8,393,977	8,526,171
Earnings for the period per share in EUR	0.11	0.15

5. Consolidated Cash Flow Statement for the period of 1 January 2011 to 30 June 2011

	01.01.2011 - 30.06.2011	01.01.2010 - 30.06.2010
In EUR thousands		
Earnings before interest and taxes (EBIT)	5,179	2,665
Depriciation and amortization	3,624	2,518
Expenses from the disposal of fixed assets	13	28
Change in non-current provisions	32	50
Other non-cash expenses and income	-370	169
Income tax paid	-2,247	-1,216
Cash flow from operating activities before changes in working capital	**6,231**	**4,214**
Cash flow from changes in working capital	**-2,444**	**-6,547**
Cash flow from operating activities	**3,786**	**-2,333**
Payments for investments in fixed assets	-1,688	-1,546
Payments received from the disposal of fixed assets	14	4
Payments made for the acquisitions of subsidiaries	-4,363	-3,919
Payments made for the acquisitions of assets and rights	-210	0
Payments made for the acquisitions of investments valued at equity	-152	0
Payments received from the sale of investments valued at equity	0	300
Payment made for purchase price shares for companies not acquired in the financial year	-3,881	-892
Cash flow from investing activities	**-10,280**	**-6,053**
Addition of own shares	-1,109	-982
Taking out of bank loans	4,250	0
Repayment of bank loans	-2,420	-563
Payment balance from the assignment of receivables owed by customers	1,599	2,126
Interest received	212	463
Interest paid	-885	-648
Dividends	-4,164	-4,199
Payments balance with shareholders with non-controlling interests	-189	-123
Cash flow from financing activities	**-2,706**	**-3,926**
Total cash flow	**-9,200**	**-12,312**
Exchange rate related changes to financial funds	472	511
Total changes to financial funds	**-8,727**	**-11,800**
Financial funds at the start of the period	61,110	49,141
Financial funds at the end of the period	52,383	37,341

6. Equity Reconciliation Statement as of 30 June 2011

	Subscribed capital	Capital reserves	Retained earnings	Own Shares	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
In EUR thousands										
Balance as of 31 December 2009	**9,072**	**11,306**	**277**	**-3,609**	**56,459**	**5,166**	**-884**	**77,787**	**1,753**	**79,540**
Transfer of the previous year's results of the period to profit carried forward	0	0	0	0	5,166	-5,166	0	0	0	0
Addition of own shares in Allgeier Holding AG	0	0	0	-982	0	0	0	-982	0	-982
Dividends	0	0	0	0	-4,199	0	0	-4,199	-123	-4,322
Earnings for the period	0	0	0	0	0	1,782	0	1,782	65	1,847
Non-controlling interests in net value of newly acquired subsidiaries (fair value)	0	0	0	0	0	0	0	0	1,661	1,661
Currency differences	0	0	0	0	0	0	384	384	127	511
Balance as of 30 June 2010	**9,072**	**11,306**	**277**	**-4,591**	**57,426**	**1,782**	**-499**	**74,773**	**3,483**	**78,256**
Balance as of 31 December 2010	**9,072**	**11,306**	**277**	**-4,468**	**57,426**	**8,345**	**-167**	**81,790**	**3,706**	**85,496**
Transfer of the previous year's result of the period to profit carried forward	0	0	0	0	8,345	-8,345	0	0	0	0
Addition of own shares in Allgeier Holding AG	0	0	0	-1,109	0	0	0	-1,109	0	-1,109
Dividends	0	0	0	0	-4,164	0	0	-4,164	-189	-4,353
Earnings for the period	0	0	0	0	0	2,662	0	2,662	310	2,973
Currency differences	0	0	0	0	0	0	385	385	88	472
Balance as of 30 June 2011	**9,072**	**11,306**	**277**	**-5,577**	**61,607**	**2,662**	**217**	**79,564**	**3,915**	**83,478**

7. Segment Reporting for the period from 1 January 2011 – 30 June 2011

	IT Solutions		IT Services & Recruiting		Project Solutions		Übrige		Gesamt	
	First half year 2011	First half year 2010	First half year 2011	First half year 2010	First half year 2011	First half year 2010	First half year 2011	First half year 2010	First half year 2011	First half year 2010
in EUR thousands										
External sales revenue	55,086	36,412	88,917	75,335	27,031	21,982	0	0	171,034	133,729
Inter-group sales revenue	160	42	3,414	3,173	746	804	-4,320	-4,019	0	0
Operational result by segment	886	334	5,167	3,216	1.420	566	-2,293	-1,451	5,179	2,665

	IT Solutions		IT Services & Recruiting		Project Solutions		Übrige		Gesamt	
	First half year 2011	First half year 2010	First half year 2011	First half year 2010	First half year 2011	First half year 2010	First half year 2011	First half year 2010	First half year 2011	First half year 2010
in EUR thousands										
Segment assets	78,825	76,773	121,732	115,301	25,483	26,279	-17,794	-14,229	208,246	204,124

8. Other explanatory notes

Methods of accounting and valuation

This half-yearly report of the Allgeier Group has been prepared in accordance with paragraph 37w of the Securities Trading Act (Wertpapierhandelsgesetz) as well as the International Financial Reporting Standards (IFRS) applicable to half-yearly reports. The methods of accounting and valuation were not changed from those used in preparing the Group's financial statement as of December 31, 2010.

This interim report contains a segment report including the minimum details required by IAS 34. From 1 January 2011 the segments were re-structured into "IT Solutions", "IT Services & Recruiting" and "Project Solutions". The reference data were adjusted. Considering the adjustments, the total asset values did not substantially change from those as of 31 December 2010.

Unless indicated otherwise, the values in the interim report are stated in EUR thousands.

The half-yearly report has not been subject to an audit review as per paragraph 37 of the Securities Trading Act nor has it been audited according to paragraph 317, HGB (German Commercial Code).

Own shares

During the first half of 2011, Allgeier Holding AG purchased 87,142 of its own shares. The inventory of own shares thus increased from 656,229 as of 31 December 2010 to 743,371 as of 30 June 2011.

Dividend

In June 2011, Allgeier Holding AG paid a dividend out of its profit shown on the balance sheet after appropriation to or transfer from reserves amounting to EUR 4,164,064. In total 8,328,129 shares were entitled to a dividend; the dividend per share was EUR 0.50.

Consolidated group

The number of companies in the consolidated Allgeier Group increased during the first half of 2011 from 40 companies as of 31 December 2010 to 44 companies as of 30 June 2011. During the reporting period, the Group acquired 100% of the shares in 1eEurope (Switzerland) AG, Thalwil, Switzerland as well as 100% of the shares in Allgeier Middle East Ltd., based in the JAFZA Freezone, Dubai, UAE. During the first half of 2011 the Group established BSH IT Solutions GmbH, Bremen; Allgeier Ltd., Nicosia, Cyprus and Allgeier S.A., Luxembourg. Effective 1 January 2011, Next Computing GmbH, Heusweiler was merged into Next GmbH, Heusweiler.

Based on a share purchase agreement dated 20 May 2011, Allgeier IT Solutions AG, a fully owned subsidiary of Allgeier Holding AG, purchased all the shares in 1eEurope (Switzerland) AG, Thalwil, Switzerland ("1eEurope"). 1eEurope is one of the leading medium-sized IT service providers in Switzerland. 1eEurope provides highly qualified services with a focus on data storage, backup and archiving software. The company has offices in Thalwil and Basel.

The Group paid an initial purchase price of CHF 9.3 million for the shares of 1eEurope. In addition to that, variable purchase price bands of CHF 2.7 million have been accounted for. The variable purchase prices depend on the achievement of certain objectives during the years 2011 through to 2013. Depending on the achievement of these goals, the variable purchase price may differ from the capitalized amount or may be reduced to zero. The fixed portion of the purchase price was paid in May 2011. The variable portions of the purchase price will be paid after closing the respective annual statements. The Allgeier Group is financing the purchase price with an EUR 4.0 million acquisition loan provided for this transaction as well as available liquid funds.

The initial consolidation of 1eEurope was completed as of 31 May 2011 using preliminary data. The interim statement prepared for the initial consolidation of 1eEurope has not yet been confirmed. Also the final valuation of variable purchase price components as well as purchase price allocation are still outstanding.

Based on a conversion effective on 31 May 2011 (1.21602 CHF/1 EUR), the preliminary net worth of 1eEurope amounted to EUR 7,023 thousand (assets of EUR 9,895 thousand less liabilities of EUR 2,872 thousand). After offsetting the acquisition cost with the net worth, a difference of EUR 2,845 thousand remains, which has been accounted for as goodwill in the Group statement.

Preliminary book values and purchase price allocation of 1eEurope as of 31 May 2011:

	Preliminary book values		
	Prior to purchase price allocation in EUR thousands	Purchase price allocation in EUR thousands	After purchase price allocation in EUR thousands
Intangible assets	0	4,935	4,935
Tangible assets	168	0	168
Inventories	19	0	19
Trade receivables	1,404	0	1,404
Current other assets	343	0	343
Cash and cash equivalent	3,026	0	3,026
Acquired assets	4,960	4,935	9,895
Deferred tax liabilities	0	938	938
Trade liabilities	530	0	530
Provisions for taxes	0	0	0
Other provisions	533	0	533
Other liabilities	871	0	871
Acquired debt	1,934	938	2,872
Acquired assets less acquired debt (net worth)	3,026	3,997	7,023

The profit and loss statement of 1eEurope will be consolidated into the Group profit and loss statement from 1 June 2011. During financial year 2010 1eEurope generated revenues of CHF 8.7 million and an annual profit of CHF 1.6 million. In the segment report 1eEurope will strengthen the IT Solutions segment.

In February 2011 Allgeier Holding AG acquired Allgeier Middle East Ltd., based in the JAFZA Freezone, Dubai, UAE; the company was previously held by a fiduciary for the Group. Allgeier Middle East Ltd. is a holding company and does not have its own operations. The acquisition did not add material assets or liabilities to the Group.

As of 1 January 2011, Allgeier IT Solutions GmbH, Munich, a fully owned subsidiary of Allgeier Holding AG, acquired the business unit IPS Informations- und Prozesssysteme ("IPS") from MCE Computer Peripherie GmbH, Ottobrunn, for a purchase price of EUR 70 thousand. IPS is active in the information logistics and time management sectors and holds the necessary licenses, trademarks and rights of use. Moreover, it has client relationships for IT services and software solutions LASSYpro und GEZUSY. The business acquired has been consolidated at purchase cost.

Based on a purchasing contract dated 25 January 2011, Terna GmbH Zentrum für Business Software, Innsbruck/Austria, a fully owned subsidiary of Allgeier Holding AG, acquired various assets and contractual rights and obligations from Crealogix ERP AG, Villingen-Schwenningen ("Crealogix"), including the option to enter into Crealogix's existing client relationships based on the clients' consent. Moreover, staff members whose employment with Crealogix had terminated before were offered new employment contracts with the purchaser. Allgeier considers the purchase of assets and contracts as an acquisition of the company as an important portion of the business of Crealogix has been taken over and Allgeier expects to start generating revenue immediately after the deal. The business acquired complements the product offering of the Terna Group in the area of sales, implementation and maintenance of Microsoft Dynamics AX add-on software products and related consulting. The assets and rights were transferred as of 1 February 2011 for an agreed purchase price of EUR 83 thousand. The transfer of liabilities and contingent liabilities was compensated by the seller by a sum of EUR 153 thousand. Assets, contracts and liabilities were consolidated at purchase prices.

Based on a purchase and transfer contract of 28 January 2011, Allgeier Holding AG, with its new fully owned subsidiary BSH IT Solutions GmbH, Bremen, ("BSH"), established in January 2011, acquired the operations of BSH Systemhaus GmbH, Westerstede. The business of BSH consists of development, production and sale of software and hardware. The takeover was agreed to be effective as of 1 February 2011. The purchase price for assets and contracts acquired amounts to a total of EUR 210 thousand. For the time being, the initial consolidation of assets, contracts and liabilities acquired was made at purchase price.

Responsibility statement

The Management Board of Allgeier Holding represents to the best of its knowledge that this interim report including the interim management report of the Allgeier Group has been prepared in accordance with applicable accounting principles and provides a fair representation of the assets, financial position and earnings. The material opportunities and risks resulting from the anticipated development of the Group in the remaining months of the fiscal year are described.

Legal note

This interim report on the first half of 2011 contains future-oriented statements based on assumptions and estimates of the management of Allgeier Holding AG. Although the management is convinced that these assumptions and estimates are correct, the actual future development and actual future events may differ substantially from these assumptions and estimates due to a number of factors. These factors might include changes to the overall economic situation, currency exchange rates and interest rates as well as changes in market developments and competition. Allgeier Holding AG does not warrant or guarantee that future development and future actual results will match the assumptions and estimates stated in this interim report.

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