

# 9 Months Report 2008

## CENIT AG Systemhaus

Industriestraße 52-54

D-70565 Stuttgart

Tel: + 49 711 7825-30

Fax: + 49 711 7825-4000

Internet: <http://www.cenit.de>

Investor Relations:

ISIN:DE0005407100

Fabian Rau

Tel: + 49 711 7825-3185

Fax:+ 49 711 782544-4185

E-Mail: [aktie@cenit.de](mailto:aktie@cenit.de)

The logo for CENIT, consisting of the word "cenit" in a bold, lowercase, sans-serif font. The letters are white and set against a teal background. The 'c' and 'e' are connected, and the 'i' has a dot. The 'n' and 't' are also connected. The logo is oriented vertically on the right side of the page.

<b>CENIT AT A GLANCE (unaudified)</b>		
<b>At a glance - January 1 until September 30, 2008</b>		
in Mill. EUR	<b>Sept. 30, 2008</b>	<b>Sept. 30, 2007</b>
<b>Sales</b>	<b>56,63</b>	<b>55,55</b>
<b>Gross profits</b>	<b>44,85</b>	<b>43,61</b>
<b>EBITDA</b>	<b>3,88</b>	<b>7,31</b>
<b>Operating returns (EBIT)</b>	<b>2,80</b>	<b>6,51</b>
<b>EBT</b>	<b>3,26</b>	<b>7,06</b>
<b>Netincome of the group</b>	<b>2,56</b>	<b>4,60</b>
<b>Result per share (basic) in EURO</b>	<b>0,31</b>	<b>0,55</b>
<b>Result per share (diluted) in EURO</b>	<b>0,31</b>	<b>0,55</b>
<b>Number of employees at end of period</b>	<b>726</b>	<b>602</b>
<b>EBIT - Margin</b>	<b>4,9%</b>	<b>11,7%</b>
<b>Profit - Margin</b>	<b>4,5%</b>	<b>8,3%</b>
in Mill. EUR	<b>Sept. 30, 2008</b>	<b>Dec. 31, 2007</b>
<b>Equity in ratio</b>	<b>64%</b>	<b>72%</b>
<b>Equity</b>	<b>24,65</b>	<b>26,18</b>
<b>Liabilities</b>	<b>13,90</b>	<b>10,43</b>
<b>Balance sheet total</b>	<b>38,55</b>	<b>36,61</b>

## GROUP SITUATION REPORT

### OVERALL ECONOMIC SITUATION AND BUSINESS SENTIMENT

The global downturn in stocks has also impacted the German stock market. Following the heavy cross-board losses at US and Far Eastern stock exchanges over the past months, the DAX went into a similar steady decline. Fears of recession are rife. German markets thus mirrored the negative trends of global stock markets. No matter whether one looked at stock heavyweights or mid-caps such as CENIT, the stock market seemed to know only one direction – down.

According to market experts, the US economy is slipping ever more deeply into crisis. Interest rate cuts and the bank relief package will not be enough to reverse this trend. Even among Federal Reserve bankers, there is increasing public talk of recession. The financial crisis and the economic downturn are driving the US national deficit to record heights.

In September, the Ifo index on German business sentiment took a surprisingly steep plunge to 92.9 points. Enterprises have not taken such a dim view of their prospects in 15 years. The Ifo market experts no longer rule out a recession. They expect a distinct downturn. In their opinion, whether or not this will turn into a recession will depend on how quickly the international environment stabilizes. In September, the index had already fallen for the fourth time running. Enterprises' assessment of their current situation virtually nose-dived.

The downward tendency of the overall business situation is continuing, but manufacturing rates were only reduced slightly. This resulted in a continued decline of orders in hand, but the extent of the reduction clearly exceeded usual fluctuations. Business sentiment for the coming year must be described as pessimistic, particularly because enterprises have little hope for relief from their foreign customers. Their plans include further cuts in production. Despite a widespread shortage of skilled workers, few enterprises indicate that they plan to hire additional staff.

## GROUP SITUATION REPORT

### DEVELOPMENT OF RESULTS

During the 3rd Quarter, CENIT achieved a 28% increase in Group-wide sales, from 17.5 to 22.3 m €. Simultaneously, the operative result (EBIT) rose by 6% to 1.9 m €. This strongly reconfirmed the 2008 sales expectations projected in mid-year, namely a total of 75 m € with an operative result (EBIT) between 4 and 4.5 m €. This permitted us to halt the decline in results seen during the first half of the year. During the reporting period, the number of employees rose by 21% from 602 to 726 Group-wide.

### OVERVIEW OF 3RD QUARTER

During the 3rd Quarter, Group-wide sales grew by 28% to 22.3 m € (Q3/2007: 17.5 m €). The gross surplus increased by 18% to 16.6 m € (Q3/2007: 14.1 m €). EBITDA attained 2.5 m € (Q3/2007: 2.1 m € / 19%). EBIT during the reporting period amounted to 1.9 m € (Q3/2007: 1.8 m € / 6%). The pre-tax result (EBT) was 2.1 m € (Q3/2007: 2.1 m € / 0%). The consolidated result attained 1.6 m € (Q3/2007: 1.5 m € / 7%). Consolidated EPS (earnings per share) thus derive to 0.19 € per share (Q3/2007: 0.18 € / 6%).

### OVERVIEW OF 3RD QUARTER FIGURES

After 9 months, Group-wide sales attained 56.6 m € (09/2007: 55.6 m € / 2%). The gross surplus grew by 3% to 44.9 m € (09/2007: 43.6 m €). EBITDA reached 3.9 m € (09/2007: 7.3 m € / -47%). EBIT during the reporting period amounted to 2.8 m € (09/2007: 6.5 m € / -57%). The pre-tax result (EBT) was 3.3 m € (09/2007: 7.0 m € / -53%). The consolidated result was 2.6 m € (09/2007: 4.6 m € / -43%). Consolidated EPS (earnings per share) thus derive to 0.31 € per share (09/2007: 0.55 € / -44%).

### BREAKDOWN OF EARNINGS

The sales volume in the services sector grew by 12% to a current 37.1 m € (09/2007: 33.2 m €), making it the strongest contributor to sales with share of 66%. During the first 9 months of the current business year, sales of CENIT software totaled 7.7 m € (09/2007: 8.6 m € / -10%). Thus, approx. 14% of overall sales can be attributed to sales of CENIT's proprietary software. Sales of non-CENIT software increased by 51% to 9.4 m € (09/2007: 6.2 m €) and thus accounted for 17% of total sales. The hardware business contracted by 68% to 2.4 m € (09/2007: 7.6 m €), equaling approx. 4% of total CENIT sales.

## GROUP SITUATION REPORT

### **HOLDINGS – FOREIGN SUBSIDIARIES**

CENIT (Switzerland) AG achieved sales of 3.7 m € (09/2007: 2.5 m €), accounting for EBIT of 2.1 m € (09/2007: 1.4 m €).

CENIT North America Inc. accomplished sales of 4.9 m € (09/2007: 3.8 m €) and EBIT of 0.2 m € (09/2007: 0.3 m €).

CENIT SRL achieved sales of 0.5 m € (09/2007: 0.2 m €) and EBIT of 0.1 m € (09/2007: 0,02 m €).

The CENIT company in Toulouse, France generated sales of 0.2 m € and EBIT of 0 m €.

cad schleffler GmbH, incorporated into CENIT Group since January 2008, achieved sales of 2.1 m € and EBIT of 0.4 m €.

### **DEVELOPMENT OF COSTS**

Other business expenditures have developed as projected and increased by approx. 1.9 m € to 11.9 m €.

### **INVESTMENTS**

Investments over the first 9 months of 2008 amounted to 1.15 m € (09/2007: 1.25 m €).

### **CHANGES IN COMPOSITION OF EXECUTIVE AND SUPERVISORY BOARD**

None

### **EVENTS OF SPECIAL SIGNIFICANCE WHICH COULD AFFECT THE BUSINESS RESULT**

None

## GROUP SITUATION REPORT

### RISK ANALYSIS

During the reporting period there was no inventory risk for the Group. For more information, please refer to the detailed risk analysis contained in the 2007 Business Report.

### INTERIM DIVIDEND

No interim dividend was paid out.

### DIVIDENDS PAID OR PROPOSED FOR PAYMENT

None

### NEW ORDERS

Group-wide orders in hand increased by 30% to 26.2 m € (09/2007: 20 m €). Incoming orders rose by 21% and now total approx. 74.0 m € (09/2007: 61 m €).

### ORDERS OF SPECIAL SIGNIFICANCE

None

### LIQUID ASSETS AND SECURITIES

On the balance-sheet date, bank deposits and securities including current assets totalled 9.3 m € (31.12.2007: 18.3 m €).

### ASSET, FINANCIAL AND EARNINGS SITUATION

The balance-sheet total is 38.6 m €. Short term receivables and other assets total 18.3 m €. As at 30 September 2008, the Group's net worth was approximately 24.6 m € (31.12.2007: 26.2 m €), with an equity ratio of 64% (31.12.2007: 72%). The operative cash flow was 4.5 m € (09/2007: 7.4 m €). The enterprise remains free of bank liabilities.

## GROUP SITUATION REPORT

### **STAFF**

During the first 9 months the staff pool grew by 21% from 602 to 726 employees world-wide.

### **SUPPLEMENTARY REPORT; OPPORTUNITIES AND OUTLOOK**

For the 2008 business year, CENIT's management reaffirms its sales expectations of 75 m € as well as its Group-wide EBIT forecast of between 4 and 4.5 m €.

CENIT Aktiengesellschaft Systemhaus		
Consolidated Balance Sheet prepared in accordance with IFRS		
for the period from January 1 to September 30, 2008		
in EUR k	Sept. 30,2008	Dec. 31,2007
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Intangible assets	1.066	250
Property, plant and equipment	2.961	1.760
Investments in an associate	51	52
Income tax receivable	571	634
	<b>4.649</b>	<b>2.696</b>
<b>DEFERRED TAX ASSETS</b>	<b>0</b>	<b>0</b>
<b>NON-CURRENT ASSETS</b>	<b>4.649</b>	<b>2.696</b>
<b>CURRENT ASSETS</b>		
Inventories	3.260	607
Trade receivables	18.304	13.715
Current income tax assets	2.252	893
Other receivables	367	254
Other financial assets at fair value through profit or loss	1.000	9.320
Cash	8.279	8.995
Prepaid expenses	438	130
<b>CURRENT ASSETS</b>	<b>33.900</b>	<b>33.914</b>
<b>TOTAL ASSETS</b>	<b>38.549</b>	<b>36.610</b>



CENIT Aktiengesellschaft Systemhaus		
Consolidated Balance Sheet prepared in accordance with IFRS		
for the period from January 1 to September 30, 2008		
in EUR k	Sept. 30,2008	Dec. 31,2007
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Issued capital	8.368	8.368
Capital reserve	1.058	1.058
Currency translation reserve	-282	-372
Legal reserve	418	418
Other revenue reserves	8.183	6.483
Net income of the Group attributable to the equity holders of CENIT AG	6.902	10.222
	24.647	26.177
Minority Interests	0	0
<b>TOTAL EQUITY</b>	<b>24.647</b>	<b>26.177</b>
<b>NON-CURRENT LIABILITIES</b>		
Deferred tax liabilities	858	256
<b>CURRENT LIABILITIES</b>		
Current liabilities to banks	0	0
Trade payables	4.183	3.432
Other liabilities	8.190	6.336
Current income tax liabilities	551	273
Other provisions	120	136
	13.044	10.177
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>38.549</b>	<b>36.610</b>

CENIT Aktiengesellschaft Systemhaus				
Consolidated Income Statement prepared in accordance with IFRS				
for the period from January 1 to September 30, 2008				
in EUR k	Erläuterung		Sept. 30,2008	Sept. 30,2007
<b>1. REVENUE</b>	E1		<b>56.625</b>	<b>55.548</b>
2. Increase/decrease in inventories of work in process			2.336	2.629
Total operating performance			58.961	58.177
3. Other operating income	E2		474	499
Operating performance			59.435	58.676
4. Cost of materials	E3	14.584		15.065
5. Personnel expenses	E4	29.034		26.288
6. Amortization of intangible assets and depreciation on property, plant and equipment	E5	1.082		797
7. Other operating expenses	E6	11.935		10.013
			56.635	52.164
<b>NET OPERATING INCOME</b>			<b>2.800</b>	<b>6.512</b>
8. Other interest and similar income	E7	217		380
9. Interest and similar expenses	E8	5		47
10. Result from financial instruments at fair value through profit or loss		252		218
			464	550
<b>RESULT FROM ORDINARY ACTIVITIES</b>			<b>3.264</b>	<b>7.062</b>
11. Income taxes	E9		701	2.463
<b>12. NET INCOME OF THE GROUP FOR THE YEAR</b>			<b>2.563</b>	<b>4.600</b>
13. thereof attributable to the equity holders of CENIT AG			2.563	4.589
14. thereof attributable to minority interests	E13		0	11
Earnings per share in EUR				
basic	E14		0,31	0,55
diluted	E14		0,31	0,55

CENIT Aktiengesellschaft Systemhaus			
Consolidated Income Statement prepared in accordance with IFRS			
for the period from July 1 to September 30, 2008			
in EUR k		3rd Quarter,2008	3rd Quarter,2007
<b>1. REVENUE</b>		<b>22.343</b>	<b>17.499</b>
2. Increase/decrease in inventories of work in process		274	1.063
Total operating performance		22.617	18.562
3. Other operating income		152	123
Operating performance		22.769	18.684
4. Cost of materials	6.169		4.562
5. Personnel expenses	9.690		8.345
6. Amortization of intangible assets and depreciation on property, plant and equipment	527		269
7. Other operating expenses	4.454		3.677
		20.840	16.853
<b>NET OPERATING INCOME</b>		<b>1.929</b>	<b>1.831</b>
8. Other interest and similar income	61		294
9. Interest and similar expenses	2		9
10. Result from financial instruments at fair value through profit or loss	153		0
		212	285
<b>RESULT FROM ORDINARY ACTIVITIES</b>		<b>2.141</b>	<b>2.116</b>
11. Income taxes		580	623
<b>12. NET INCOME OF THE GROUP FOR THE YEAR</b>		<b>1.561</b>	<b>1.493</b>
13. thereof attributable to the equity holders of CENIT AG		1.538	1.482
14. thereof attributable to minority interests		0	11
Earnings per share in EUR			
basic		0,19	0,18
diluted		0,19	0,18

<b>CENIT Aktiengesellschaft Systemhaus</b> <b>Consolidated Statement of Cash Flows prepared in accordance with IFRS</b> <b>for the period from January 1 to September 30, 2008</b>		
in EUR k	Sept. 30,2008	Sept. 30,2007
<b>Cash flow from operating activities</b>		
Earnings before tax	3.264	7.062
Adjusted for:		
Amortization of intangible assets and depreciation of property, plant and equipment	1.082	797
Losses on disposals of non-current assets	2	4
Gains on disposals of non-current assets	0	-1
Other non-cash expenses and income	371	-178
Change in other financial assets	0	0
Interest income	-217	-380
Interest expenses	5	47
<b>Net operating income before changes in net working capital</b>	<b>4.507</b>	<b>7.352</b>
Increase/decrease in trade receivables and other current, non-monetary assets	-6.369	1.389
Increase/decrease in inventories	-2.653	193
Increase/decrease in current liabilities and provisions	5.092	-3.547
Interest paid	-5	-47
Interest received	217	380
Income taxes paid	-2.324	-3.259
<b>Net cash flow from operating activities</b>	<b>-1.535</b>	<b>2.460</b>
<b>Cash flow from investing activities</b>		
Acquisition of property, plant and equipment and intangible assets	-1.150	-1.247
Purchase of Investments in an associate	-2.167	0
Gain on disposal of property, plant and equipment	0	0
Change in other financial assets that are not allocable to cash and cash equivalents	8.320	0
<b>Net cash paid for investing activities</b>	<b>5.003</b>	<b>-1.247</b>
<b>Cash flow from financing activities</b>		
Repayment of longterm bank loans	0	0
Dividends paid to shareholders	-4.184	-4.184
Change in convertible bond	0	0
<b>Net cash paid for investing activities</b>	<b>-4.184</b>	<b>-4.184</b>
<b>Net increase/decrease in cash and cash equivalents</b>	<b>-716</b>	<b>-2.970</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>8.995</b>	<b>15.667</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>8.279</b>	<b>12.697</b>

CENIT Aktiengesellschaft Systemhaus									
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY IN ACORDANCE WITH IFRS									
as of September 30, 2008									
Equity attributable to equity holders of the parent									
in k	Issued capital	Capital reserve	Currency translation reserve	Legal reserve	Other revenue reserves	Net income of the Group attributable to equity holders of CENIT AG	Total	Minority interests	Total
<b>as of January 1,2007</b>	<b>8.368</b>	<b>863</b>	<b>-212</b>	<b>418</b>	<b>2.899</b>	<b>11.968</b>	<b>24.304</b>	<b>0</b>	<b>24.304</b>
Exchange differences			-160				-160	-1	-161
Net income of the Group for the year						6.090	6.090	26	6.116
Total income recognized for the period	0	0	-160	0	0	6.090	5.930	25	5.955
Reversal of minority interests					56		56		56
Transfer from stock options		195					195		195
Dividend distribution						-4.184	-4.184	-27	-4.211
Allocation to the other revenue reserve					3.652	-3.652	0		0
Put option minority interest					-124		-124	-64	-188
<b>as of Dec. 31,2007</b>	<b>8.368</b>	<b>1.058</b>	<b>-372</b>	<b>418</b>	<b>6.483</b>	<b>10.222</b>	<b>26.177</b>	<b>0</b>	<b>26.177</b>
Currency fluctuation			90				90	-1	89
Net income of the Group for the year						2.564	2.564	1	2.565
Group for the year			90			2.564	2.654	0	2.654
Transfer from stock options		0					0		0
Dividend distribution						-4.184	-4.184		-4.184
Allocation to the other revenue reserve					1.700	-1.700	0		0
Allocation to the legal revenue reserve				0			0		0
Capital increase from company funds							0		0
Put option minority interest							0		0
<b>as of Dec. 31,2008</b>	<b>8.368</b>	<b>1.058</b>	<b>-282</b>	<b>418</b>	<b>8.183</b>	<b>6.902</b>	<b>24.647</b>		<b>24.647</b>

**CENIT Aktiengesellschaft Systemhaus**  
**Segment Report by Bussines Unit prepared in accordance with IFRS**  
**30. September 2008**

in EUR k		EIM	PLM	nicht zugeordnet	Konzern
<b>External sales</b>	Q1-Q3 2008	17.668	38.957	0	<b>56.625</b>
	Q1-Q3 2007	21.142	34.406	0	<b>55.548</b>
<b>EBIT</b>	Q1-Q3 2008	2.474	327	0	<b>2.800</b>
	Q1-Q3 2007	3.630	2.882	0	<b>6.512</b>
<b>Share of profit of an associate</b>	Q1-Q3 2008	0	0	-1	<b>-1</b>
	Q1-Q3 2007	-	-	-	<b>-</b>
<b>Other interest result and financial result</b>	Q1-Q3 2008	0	0	464	<b>464</b>
	Q1-Q3 2007	0	0	550	<b>550</b>
<b>Income taxes</b>	Q1-Q3 2008	0	0	-701	<b>-701</b>
	Q1-Q3 2007	0	0	-2.463	<b>-2.463</b>
<b>Net income of the Group</b>	Q1-Q3 2008	2.474	327	-238	<b>2.563</b>
	Q1-Q3 2007	3.630	2.882	-1.912	<b>4.600</b>
<b>Segment assets</b>	Q1-Q3 2008	4.693	21.524	12.332	<b>38.549</b>
	Q1-Q3 2007	5.841	12.160	17.111	<b>35.112</b>
<b>Investment in an associate</b>	Q1-Q3 2008	0	0	51	<b>51</b>
	Q1-Q3 2007	-	-	-	<b>-</b>
<b>Segment liabilities</b>	Q1-Q3 2008	3.130	9.326	1.446	<b>13.902</b>
	Q1-Q3 2007	2.221	7.123	911	<b>10.255</b>
<b>Investments in property, plant and equipment and intangible assets</b>	Q1-Q3 2008	383	767	0	<b>1.150</b>
	Q1-Q3 2007	336	911	0	<b>1.247</b>
<b>Amortization and depreciation</b>	Q1-Q3 2008	206	877	0	<b>1.082</b>
	Q1-Q3 2007	207	590	0	<b>797</b>

EIM=Enterprise Information Management; PLM = Project Lifecycle Management

**CENIT Aktiengesellschaft Systemhaus**  
**Segment Report by Region prepared in accordance with IFRS 30. September 2008**

in EUR k		Germany	CENIT De	CAD Scheffler	Switzerland	North America	Romania	France	not allocated	Consolidation	Group
<b>Internal sales</b>	Q1-Q3 2008	2.358	1.985	373	1.814	222	527	194	0	-5.114	<b>0</b>
	Q1-Q3 2007	943	943	0	1.596	164	128	0	0	-2.831	<b>0</b>
<b>External sales</b>	Q1-Q3 2008	50.043	48.303	1.740	1.867	4.716	0	0	0	0	<b>56.625</b>
	Q1-Q3 2007	50.887	50.887	0	910	3.647	104	0	0	0	<b>55.548</b>
<b>Segment assets</b>	Q1-Q3 2008	26.850	24.974	1.876	2.336	1.183	122	3	12.332	-4.276	<b>38.549</b>
	Q1-Q3 2007	17.033	17.033	0	2.417	978	92	0	17.068	-2.476	<b>35.112</b>
<b>Investment in an associate</b>	Q1-Q3 2008	53	53	0	0	0	0	0	0	-2	<b>51</b>
	Q1-Q3 2007	0	0	0	0	0	0	0	0	0	<b>0</b>
<b>Investments in property, plant and equipment and intangible assets</b>	Q1-Q3 2008	1.068	1.039	29	5	66	11	0	0	0	<b>1.150</b>
	Q1-Q3 2007	1.164	1.164	0	8	34	41	0	0	0	<b>1.247</b>

**INFORMATION ON SHARES AND OPTIONS HELD BY BOARD MEMBERS AND EMPLOYEES IN ACCORDANCE WITH § 160 para. 1 No. 2 AND 5 AktG**

**DIRECTORS' HOLDING**

CENIT's Executive and Supervisory Boards hold subscription rights to 39,000 share options. CENIT employees hold subscription rights to 160.000 share options.

**Directors' Holdings:**

**Share Portfolio as at 30.09.2008**

Total number of shares: 8,367.,58

**Executive Board:**

Kurt Bengel: 0

Christian Pusch: 0

**Supervisory Board:**

Andreas Schmidt: 191,792

Hubert Leypoldt: 1,600

Andreas Karrer: 0