



Interim Financial Report as of June 30, 2007

InVision Software AG

Mission

- InVision Software is one of the internationally-leading suppliers of enterprise wide Workforce Management solutions.
- We empower our customers to reduce costs, to increase productivity, to improve employee satisfaction and to boost revenue by leveraging better customer service.
- Investment in our solutions usually achieves return on investment within 6 to 12 months.



Facts

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Group Figures as of June 30, 2007 according to IFRS (unaudited)

in Euro	H 1 2007	H 1 2006
Revenue	4,819,673.74	3,424,463.75
Licenses	1,565,584.14	1,639,938.74
Maintenance	1,490,667.60	1,152,933.86
Professional Services	1,763,422.00	631,591.14
EBIT	-989,291.79	-876,234.62
As percentage of revenue	-21%	-26%
Result after Tax	254,462.38	-751,453.94
As percentage of revenue	5%	-22%

in Euro	30.6.2007	31.12.2006
Earnings per share in Euro	0.11	-0.34
Total assets	26,907,878.55	5,711,391.48
Liquid funds	20,223,120.93	142,066.11
Equity	21,519,474.17	246,833.96
as percentage of total assets	80%	4%
Number of employees	136	119
Thereof in Germany	64	61

Information on shares¹	30.06.07	
Closing price (Xetra) in Euro	34.00	
High in Euro	34.00	
Low in Euro	32.50	
Number of shares	2,235,000	
Market capitalisation in Euro	75,990,000	

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¹ Based on 2,235,000 shares



Management Report

Management Report to the Consolidated Interim Financial Report as of 30 June 2007 under IFRS (unaudited)

General economic climate and industry developments

The economic recovery has continued during the first half of 2007. In its most recent forecast of 25 July 2007, the IMF predicted that global economic growth would be 5.2 percent in 2007. Whereas US growth is expected to fall from 3.3 percent last year to 2 percent this year, the projected growth in the Euro Area (which is the most important geographic area for the InVision Group) levelled off at merely 2.6 percent (previous year: 2.8 percent). As the InVision Group's most important individual market, Germany currently enjoys sustained robust health with an estimated growth rate of 2.6 percent for this year. Within the European Union itself, Spain and the United Kingdom must be singled out as exemplary with growth rates projected to be 3.8 percent and 2.9 percent, respectively.

The favourable overall economic trends also apply to the IT, telecommunications and new media industry. The industry association – BITKOM – is forecasting a growth rate of 2.0 percent in 2007 for the German market for information technology and telecommunications (including consumer electronics).

Significant events during the reporting period

Since 18 June 2007, InVision Software AG has been listed in the Prime Standard Segment of Deutsche Börse. During the course of the initial public offering (IPO), a total of 1,077,000 shares were successfully placed, of which 714,996 shares resulted from a capital increase. The over-allotment option was exercised in full. The Company received a total of approximately EUR 22.9 million in gross proceeds from the capital increase, and 48 percent of the shares are held in free float.

The proceeds from the IPO are expected to be used primarily to strengthen the Group's international marketing activities by expanding its sales and service capacities at existing locations and to further expand its position as one of the worldwide technology leaders in providing workforce management systems.

A significant increase in licence revenues is expected for the second half of the year inasmuch as the pilot phase on three major international projects involving trade, transport and logistics, and government service was successfully completed during the reporting period.

In May of 2007, Release 4.5 of InVision Enterprise WFM was approved for distribution. This new product release includes a number of product innovations and improvements.

Earnings

In the first half of 2007, Group revenues totalled TEUR 4,820 (previous year: TEUR 3,424) and were therefore 41 percent higher than in the previous year. The increase was mainly the result of a 29 percent rise in maintenance revenues to TEUR 1,491 (previous year: TEUR 1,153) and a 179 percent increase in service revenues to TEUR 1,763 (previous year: TEUR 631).

In the first half of the year, licence revenues consisted primarily of revenues generated with existing customers and with new small and mid-sized customers, but unlike the previous year, there was no licence revenue earned from large projects. Therefor licence revenues declined slightly by 5 percent to TEUR 1,153 (previous year: TEUR 1,640). The increase in maintenance revenues is the direct consequence of a higher maintenance base resulting from licence revenue with both new and existing customers in the previous year and of a high and stable level of customer loyalty. The significant increase in the Professional Services Division's revenue is based on the expansion of service capacities in the second half of 2006 and on the continuing high utilisation of capacity in the Professional Services Division.

The region 'Germany, Austria and Switzerland' reported 3 percent lower revenues during the reporting period (declining from TEUR 2,323 in the previous year to TEUR 2,263). This region therefore makes up 47 percent of total revenues (previous year: 68 percent). Revenues generated in other foreign countries totalled TEUR 2,557 (previous year: TEUR 1,101), thereby represent-

ing an increase of 132 percent. Revenues generated in other foreign countries as a percentage of total revenue thus constitute 53 percent (previous year: 32 percent).

During the reporting period, the operating result (EBIT) was TEUR -989 (previous year: TEUR -876) and thereby declined by -13 percent. The EBIT margin was -21 percent during the reporting period (previous year: -26 percent).

For the first half of 2007, the after-tax results were TEUR 254 (previous year: TEUR -751), while earnings per share came to EUR 0.11 (previous year: EUR -0.34), based on 2,235,000 shares.

Financial condition

The Company's financial condition in the first half of 2007 was impacted primarily by the successful capital increase in connection with the initial listing on the Prime Standard Segment of the Frankfurt Stock Exchange.

Cash and cash equivalents have increased from TEUR 142 as of 31 December 2006 to TEUR 20,223 while financial liabilities fell from TEUR 879 to TEUR 34. The equity capital is now TEUR 21,519 (31 December 2006: TEUR 247), and the equity capital ratio is 80 percent (31 December 2006: 4 percent). The increased equity capital therefore provides a solid basis upon which to grow the Company further.

The balance sheet totals rose to TEUR 26,908 (31 December 2006: TEUR 5,711) mostly as a result of the equity capital increase.



Management Report

As in the previous years, the cash flow from current operating activities was generated primarily by the incoming payments on major projects and reached TEUR -57 in the first half of the year (previous year: TEUR -682). This represents -1 percent of Group revenue (previous year: -20 percent).

The Company expects its liquidity to be secure over a budget period of five years.

Research and development

For InVision, the ongoing upgrades to its software and the development of new components in order to meet the demands of the market are a key factor in remaining competitive. The InVision Group's research and development work is prioritised accordingly. The Company therefore constantly reinvests in the continued development of the InVision product line for enterprisewide workforce management, InVision Enterprise WFM.

In the first half of the year, Release 4.5 of InVision Enterprise WFM was approved for distribution. Key product improvements included a redesigned user interface, additional language versions (Polish and Russian), a 64-bit version of InVision Enterprise Servers, new components for time management (modules TimeKeeper and TimeManager), enhanced optimisation functions and a number of detail improvements.

Employees

On 30 June 2007, there were 136 employees working for InVision Software AG around the world. Thus, the number of employees has risen by 14 percent in the last six months (31 December 2006: 119 employees). 64 employees worked in Germany and, consistent with the InVision Group's strong international orientation, 72 employees worked outside Germany.

Risks related to the business development

Risks related to the business development of the InVision Group arise from the often long and protracted sales process preceding the Company's conclusion of contracts and from the high costs involved in making significant expenditures of time and human resources, which are usually made on completely gratuitous basis and are non-binding for potential customers. The resources tied up in this sales process are not available to pursue other sales and marketing activities. Competitors of InVision may, under certain circumstances, derive advantages therefrom and acquire customer orders at the InVision Group's expense.

The annual results of InVision AG typically depend on a small number of projects that may be carried out in any given fiscal year. Annual results may therefore fluctuate considerably. Fluctuations in results may also arise from reporting period to reporting period, for example as a consequence of delays in

implementing projects. In addition to these fluctuations in results, most of the revenue is generated typically in the last months of a given fiscal year. Given the cyclical nature of the business, the InVision Group's financial figures in the annual and interim reports are of limited descriptive value.

The commercial success of InVision is dependent, above all, on the conclusion of new licence agreements or the extension of existing licences with current or new customers. Income from software maintenance or services cannot compensate for an insufficient number of executed license agreements. InVision is only to a limited extent in a position to adjust its costs on short notice to take account of any declining demand.

Outlook

InVision also continues to pursue a committed growth strategy for acquiring new customers, earning additional revenue with existing customers, and promoting further geographic expansion in the mid-term. To this end, existing locations will be expanded and reinforced through with sales and service capacities. In addition, the Group's strong position as one of the global technology leaders in providing solutions for enterprisewide workforce management will be improved and preserved through targeted, new development of the tested product range – specifically in the area of staffing optimisation.

While certain quarters may report dramatic revenue and earnings volatility because of the great dependency on income from major projects, the process of budgeting revenues and earnings over an annualised period is seen as a good development in light of the many long-range efforts to generate sales, which can often go on for periods exceeding 12 or more months. Indeed, given the successfully completed pilot projects in the first half of the year, the Group expects a significant improvement in earnings for fiscal year 2007.



Interim Balance Sheet

Consolidated Interim Balance Sheet as at June 30, 2007 according to IFRS (Non-audited)

Assets (EUR)	30.6.2007	31.12.2006
Short-term assets		
Liquid funds	20,223,120.93	142,066.11
Trade receivables	2,262,202.35	3,700,322.71
Deferred expenses and accrued income and other short-term assets	1,256,203.77	325,687.67
Short-term assets in total	23,741,527.05	4,168,076.49
Long-term assets		
Intangible assets	35,511.62	45,209.62
Tangible assets	120,471.28	94,774.62
Deferred taxes	2,979,476.00	1,366,650.66
Other long-term assets	30,892.60	36,680.09
Long-term assets in total	3,166,351.50	1,543,314.99
Assets in total	26,907,878.55	5,711,391.48

Equity and Liabilities (EUR)	30.6.2007	31.12.2006
Short-term liabilities		
Short-term liabilities vis-à-vis credit institutions	33,623.64	878,788.75
Trade liabilities	925,521.85	652,966.48
Provisions	344,703.86	441,479.35
Tax provisions	1,002,657.79	823,521.44
Short-term share in deferred income, accrued expenses and other short-term liabilities	2,606,059.74	2,356,571.30
Short-term liabilities in total	4,912,566.88	5,153,327.32
Long-term liabilities		
Deferred taxes	382,250.00	107,490.00
Long-term share in deferred income, accrued expenses and other short-term liabilities	93,587.50	203,740.20
Long-term liabilities in total	475,837.50	311,230.20
Equity		
Subscribed capital	2,235,000.00	380,001.00
Capital reserves	20,310,761.55	0.00
Profit reserves	1,424,177.33	1,332,802.31
Equity difference from currency conversions	-114,749.41	-107,169.69
Loss carried forward	-2,580,177.68	-2,742,292.99
Group result	254,462.38	1,374,311.95
Minority shares	0,00	9,181.38
Equity in total	21,519,474.17	246,833.96
Liabilities in total	26,907,878.55	5,711.391.48

Income Statement

Consolidated Income Statement as at June 30, 2007 according to IFRS (Non-audited)

	H 1 2007	H 1 2006	Q 2 2007	Q 2 2006
Revenue	4,819,673.74	3,424,463.75	2,174,796.89	2,064,140.52
Other operational income	115,212.20	50,592.71	53,887.38	44,961.99
Cost for materials/Cost for services received	-57,129.63	-32,314.00	-26,577.43	-2,750.00
Personnel costs	-3,660,456.16	-2,752,023.36	-1,913,078.23	-1,460,204.47
Depreciation on intangible assets and on tangible assets	-45,700.60	-38,468.05	-31,424.74	-19,249.13
Other operational expenditure	-2,160,891.34	-1,528,485.67	-958,339.12	-656,685.92
Operational result (EBIT)	-989,291.79	-876,234.62	-700,735.25	-29,787.01
Financial result/Interest – earnings and expenditure.	-47,037.62	-35,836.17	-25,330.44	-25,777.87
Currency profits/losses	-15,685.59	-4,558.66	8,021.48	-4,040.21
Result before taxes (EBT) and minority shares	-1,052,015.00	-916,629.45	-718,044.21	-59,605.09
Income taxes	1,306,477.38	165,175.51	1,094,835.26	265,698.56
Group result	254,462.38	-751,453.94	376,791.05	206,093.47

Cash Flow Statement

Consolidated Cash Flow Statement as at June 30, 2007 according to IFRS (Non-audited)

Cash flow from the operating activity	H 1 2007	H 1 2006
Consolidated Result	254,462.38	-751,453.94
Depreciation and amortisation of assets	45,700.60	38,468.05
Increase in provisions	82,360.86	369,814.14
Decrease in deferred taxes	-1,338,065.34	-720,571.81
Other payment-ineffective costs/earnings	-26,503.33	-105,411.05
Decrease/increase in trade receivables	1,438,120.36	-390,449.10
Decrease/increase in other assets, accrued income	-924,728.61	-74,297.81
Decrease in trade liabilities	272,555.37	182,138.78
Increase in other liabilities, accrued liabilities	139,335.74	769,332.74
Cash flow from the operating activity,	-56,761.97	-682,430.00
Cash flow from the investment activity		
Investments into the tangible assets	-42,561.07	-2,846.72
Investments into the intangible asset	-214.58	0.00
Cash flow from the investment activity	-42,775.65	-2,846.72
Cash flow from the financing activity		
Increase in equity capital	21,025,757.55	0.00
Financial credits	0.00	622,254.36
Amortizing financial credits	-845,165.11	0.00
Cash flow from the financing activity	20,180,592.44	622,254.36
Payment-effective changes in the financial resources funds	20,081,054.82	-63,022.36
Financial funds at the start of the period	142,066.11	74,266.25
Financial funds at the end of the period	20,223,120.93	11,243.89



Change in Consolidated Equity Statement

Change in Consolidated Equity Statement as at June 30. 2007 according to IFRS (Non-audited)

	Equity of the shareholders of the parent company								
	Subscribed capital	Capital reserves	Statutory reserves	Other profit reserves	Equity differences from currency conversion	Group result	Equity	Minority shares	Total
Dezember 31, 2005	380,001.00	0.00	34,351.70	1,256,904.72	-55,190.15	-2,742,292.99	-1,126,225.72	746.70	-1,125,479.02
Period result	0.00	0.00	0.00	0.00	0.00	1,427,383.92	1,427,383.92	0.00	1,427,383.92
Currency conversion	0.00	0.00	0.00	0.00	-51,979.54	0.00	-51,979.54	0.00	-51,979.54
Withdrawel from profit reserve	0.00	0.00	0.00	-3,091.40	0.00	0.00	-3,091.40	0.00	-3,091.40
Minority shares	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Minority shares in the period result	0.00	0.00	0.00	0.00	0.00	-8,434.68	-8,434.68	8,434.68	0.00
Additions to statutory reserves	0.00	0.00	44,637.29	0.00	0.00	-44,637.29	0.00	0.00	0.00
December 31, 2006	380,001.00	0.00	78,988.99	1,253,813.32	-107,169.69	-1,367,981.04	237,652.58	9,181.38	246,833.96
Period result	0.00	0.00	0.00	0.00	0.00	254,462.38	254,462.38	0.00	254,462.38
Accounting into profit reserves	0.00	0.00	0.00	1,220,735.14	0.00	-1,220,735.14	0.00	0.00	0.00
Capital increase	1,854,999.00	-714,996.00	0.00	-1,140,003.00	0.00	0.00	0.00	0.00	0.00
Use of the proceeds	0.00	22,879,872.00	0.00	0.00			22,879,872.00		22,879,872.00
IPO expenses	0.00	-1,854,114.45	0.00	0.00			-1,854,114.46		-1,854,114.45
Transfer Minority shares	0.00	0.00	0.00	642.88	0.00	8,538.50	9,181.38	– 9,181.38	0.00
Currency conversion	0.00	0.00	0.00	0.00	-7,579.72	0.0	-7,579.72	0.00	-7,579.72
June 31, 2007	2,235,000.00	20,310,761.55	78,988.99	1,335,188.34	-114,749.41	-2,325,715.30	21,519,474.17	0.00	21,519,474.17

Explanatory notes to consolidated financial statement



Notes to the Consolidated Interim Financial Report as of 30 June 2007 under IFRS (unaudited)

General Information

The business activities of InVision Software Aktiengesellschaft, Ratingen (hereinafter also referred to as "InVision AG" or "Company"), together with its subsidiaries (hereinafter also referred to as the "InVision Group" or the "Group"), include developing, selling and maintaining software products relating to workforce management and providing services in connection with the sale of the software products. The InVision Group does business primarily in Europe and the United States.

The Company's registered offices are located at Halskestrasse 38, 40880 Ratingen, Germany. It is entered in the Commercial Register of the Municipal Court of Duesseldorf under registration number HRB 44338.

Bases for preparing the financial report

The consolidated interim financial report for the period of 1 January 2007 through 30 June 2007 was prepared in accordance with IAS 34 "Interim Financial Reporting".

The consolidated interim financial report does not contain all explanations and information that are required for the fiscal year annual financial statements and should be read in conjunction with the voluntary consolidated financial statements for the period ending 31 December 2006.

Group of consolidated companies

The interim financial report as of 30 June 2007 includes the financial report of InVision Software AG and its subsidiaries as of 30 June of the fiscal year. The interim financial reports of the subsidiaries are prepared pursuant to standard accounting and valuation methods as of the same balance sheet date as applicable to the interim financial report of the parent company.

The interim financial report as of 30 June 2007 covers InVision Software AG and eleven foreign subsidiaries.

- InVision Software Limited, London, United Kingdom,
- WFM Software AB, Stockholm, Sweden,
- InVision Software OÜ, Tallinn, Estonia,
- InVision Software SAS, Paris, France,
- InVision Software S. r. l., Milan, Italy,
- InVision Software Systems S. L., Madrid, Spain,
- InVision South Africa (Pty) Ltd., Cape Town, South Africa,
- InVision Software GmbH, Zurich, Switzerland,
- InVision Software BV, Utrecht, The Netherlands,
- InVision Software Inc., Chicago, United States of America,
- InVision IT Systems GmbH, Vienna, Austria.

InVision Software AG holds directly 100% of the shares in all subsidiaries.

During the reporting period, the shareholding in InVision Software GmbH, Zurich, was increased from 95% to 100%.

Equity capital

The development of the Group's equity capital is shown in the statement of changes in equity. IPO-expenses amounting to TEUR 1,854 were deducted from the capital reserve.

Treasury shares

The Company holds no treasury shares.

Cash and cash equivalents

Cash and cash equivalents include only credit balances held at credit institutions.

Sales revenue

The sales revenue is divided into the following business areas:

TEUR	H1/2007	H1/2006
Licence revenues	1,566	1,640
Maintenance revenues	1,491	1,153
Service revenues	1,763	631
Total	4,820	3,424

The sales revenues are divided among the following sales regions:

in TEUR	H1/2007	H1/2006
Germany, Austria, Switzerland	2,263	2,323
Other foreign countries	2,557	1,101
Total	4,820	3,424

Taxes on income and earnings

Taxes on income and earnings are classified as follows:

in TEUR	H1/2007	H1/2006
Income taxes	-32	-555
Deferred taxes	1,338	720
Total	1,306	165

Executive Board

As of 30 June 2007, the Executive Board of InVision Software AG consists of the following members:

- Peter Bollenbeck Executive Board, Chairman
- Matthias Schroer Executive Board Member

Supervisory Board

As of 30 June 2007, the Supervisory Board of InVision Software AG consists of the following members:

- Dr. Thomas Hermes Chairman
- Dr. Christof Nesemeier Deputy Chairman
- Prof. Dr. Wilhelm Mlder Member

Securities transactions by Company executives and directors

Under § 15 a of the German Securities Trading Act (WpHG), members of the Executive Board, members of the senior management and members of the Supervisory Board of InVision Software AG are obligated to report their trades and transactions involving InVision shares. The reporting obligation applies to all transactions, which exceed a total sum of EUR 5,000 in a given calendar year. In the first half of 2007, there were no transactions that required reporting.

Number of employees

As of 30 June 2007, the InVision Group employed 136 employees.

Segment reporting

Given the uniformity of the services provided by the companies of the InVision Group, no partitioning into separate mandatory reporting segments within the meaning of IAS 14 was undertaken.

InVision Software AG
The Executive Board
Ratingen, 14 August 2007

Earnings per share

Earnings per share were calculated and reported by dividing the earnings for the period as attributable to the InVision Software AG shareholders by the average weighted number of shares issued and outstanding during the reporting period. InVision Software AG has issued only ordinary shares. In the first half of 2007, the assumed number of shares equalled 2,235,000. Earnings per share for this period therefore equalled 0,11 Euro, compared to -0,34 Euro in the first half of 2006, based on the same numbers of shares.

Events after the balance sheet date

After the reporting period, there have been no transactions of special significance which are of a material significance to the consolidated interim report.

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the fiscal year.

Financial Calendar

Publication of Interim Financial Statement as of June 30, 2007	14.08.2007
Analyst Conference (Deutsches Eigenkapital-forum)	12.-14.11.2007
Publication of Interim Financial Statement for the 3rd Quarter 2007	14.11.2007
Publication of Annual Report 2007	28.03.2008
Publication of Interim Financial Statement for the 1st Quarter 2008	15.05.2008
Publication of Interim Financial Statement as of June 30, 2008	14.08.2008
Annual General Meeting	May 2008

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