



Interim Financial Report as of September 30, 2008

InVision Software AG

Overview



InVision Software at a glance

In 1995 InVision Software was formed with a mission to provide every company with the best possible solution to its workforce management issues. InVision has never lost sight of this goal and has since become one of the global leaders in workforce management solutions and frequently sets technological trends in this field.

By using the InVision Software Group's products, the Group's international customers are able to optimise their staff deployment and increase productivity. At the same time, they can reduce planning and administrative costs and significantly improve employee motivation. Thus, investments made in workforce management solutions as a rule can be amortised within a few months, thereby yielding an impressive return on investment.

Since June 18, 2007, InVision Software has been listed on the Prime Standard segment of the German Stock Exchange in Frankfurt.

Financial Summary

Group Figures as of September 30, 2008, according to IFRS (unaudited)

in Euro	1 Jan. - 30 Sep. 2008	1 Jan. - 30 Sep. 2007
Revenue	8,654,487.64	10,508,833.19
Licenses	2,638,947.50	5,809,042.37
Maintenance	2,547,138.21	2,192,484.26
Services	3,468,401.93	2,507,306.55
EBIT	-5,995,820.38	1,310,841.27
as percentage of revenue	-69%	12%
Result after tax	-3,779,182.46	1,686,485.07
as percentage of revenue	-44%	16%
Earnings per share¹	-1.69	0.75
in Euro	as of 30 Sep. 2008	as of 31 Dec. 2007
Total assets	25,496,961.76	28,005,389.11
Liquid funds	12,959,027.20	16,807,075.07
Equity	20,259,110.13	24,094,213.66
as percentage of total assets	79%	86%
Employees	as of 30 Sep. 2008	as of 31 Dec. 2007
Total	235	174
thereof in Germany	98	79
Information on shares	1 Jan. - 30 Sep. 2008	1 Jan. - 30 Sep. 2007
Closing price ² as of September 30, in Euro	10.00	23.10
High ² , in Euro	25.02	34.59
Low ² , in Euro	9.85	22.93
Market capitalisation as of September 30, in Euro	22.35 Mio.	51.63 Mio.
Number of shares as of September 30	2,235,000	2,235,000

¹ Based on 2,235,000 shares

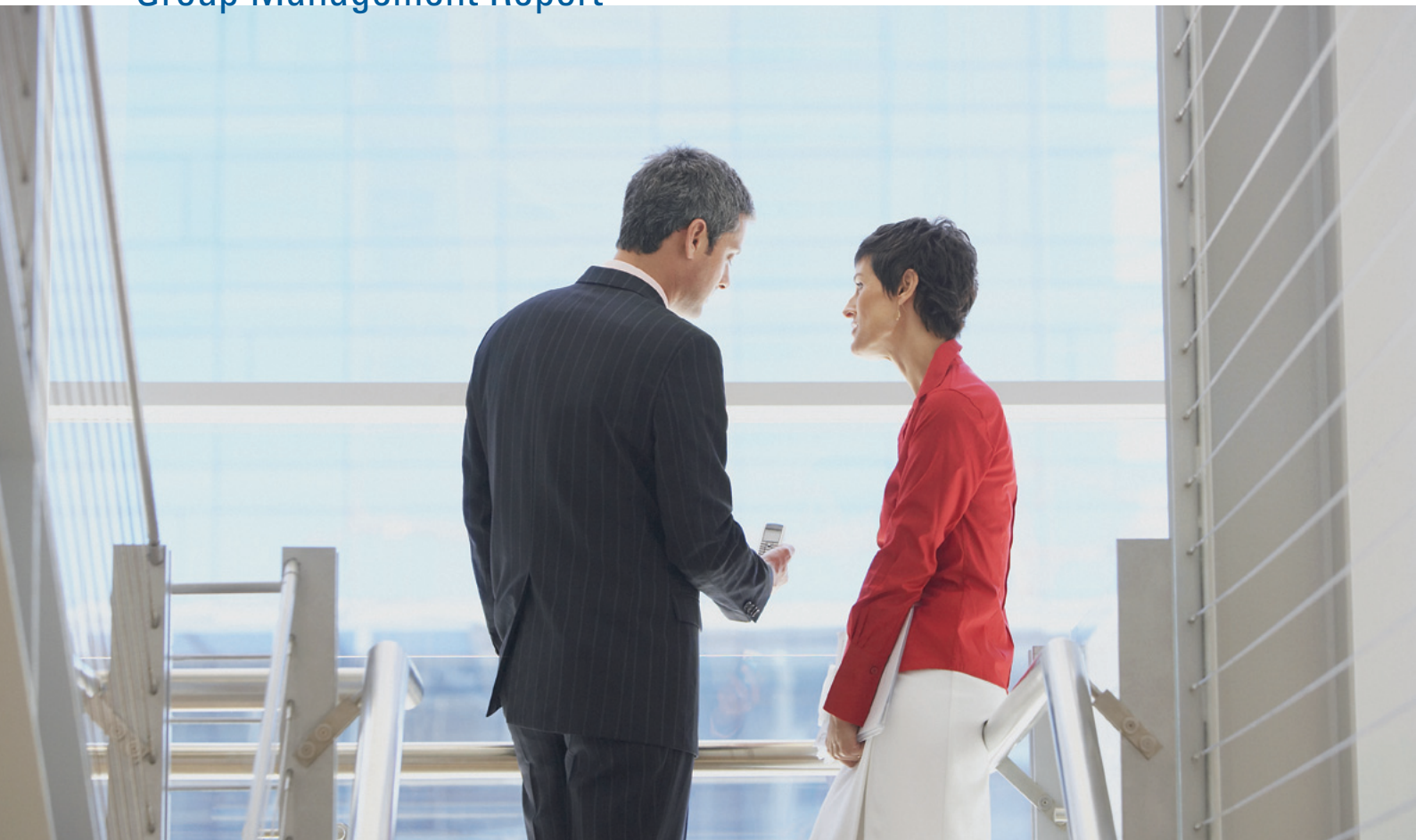
² XETRA closing price

Contents



Overview	2
Contents	4
Group Management Report	6
Balance Sheet	8
Income Statement	10
Cash Flow Statement	11
Statement of Equity	12
Notes	13
Financial Calendar	16

Group Management Report



Group Management Report to the Interim Financial Report as of September 30, 2008, according to IFRS (unaudited)

Specific events during the reporting period

In the first nine months of 2008, InVision Software AG continued engaging in the activities which were initiated in recent years. These activities focused, among other things, on strongly increasing its market share in enterprise-wide workforce management solutions by strengthening its international sales and consulting capacities as well as expanding the Group's technological position.

As of January 1, 2008, InVision had started building up the new global business division, "Channel & Alliance Management". The goal of this endeavor is to solicit and advise global alliances and to strengthen the Group's international sales and distribution units with the support of local sales and service partners.

In March 2008, the software solution, InVision Enterprise WFM, was awarded the 2008 Innovation Prize by the Initiative Mittelstand (The SME Initiative) in the category of "Human

Resources", thereby prevailing over 50 competitors in this category.

In June of 2008, InVision began shipping out its Release 4.6 of InVision Enterprise WFM, which consisted of, among other things, additional components for time management, improved optimisation functions and numerous detail improvements.

In July 2008, InVision received a major order from a well-known European energy provider, worth a few million Euros.

In September 2008, InVision received a major order from an international financial services provider, worth a few million US dollars.

Results of operation

In the first nine months of 2008, Group revenues totaled TEUR 8,655 (previous year: TEUR 10,509) and were therefore 18 percent lower than in the previous year. This decrease was primarily the result of a 55 percent decrease in licence revenues down to TEUR 2,639 (previous year: TEUR 5,809). Service revenues increased by 38 percent up to TEUR 3,469 (previous year:

TEUR 2,507). Maintenance revenues increased by 16 percent up to TEUR 2,547 (previous year: TEUR 2,193).

In the first nine months of the year, licence revenues consisted primarily of revenues generated with existing customers, with new small and mid-sized as well as with large customers. Contrary to the first nine months of the previous year, no sales were reported from comparable major projects. The increase in maintenance revenues is a 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 increase in the Professional Services division's revenue is based on the expansion of service capacities compared to the first nine months of the previous year, but was weighed down by newly commenced pilot projects.

Revenues in the "Germany, Austria and Switzerland" region increased during the reporting period by 11 percent to TEUR 3,655 (previous year: TEUR 3,281). This region therefore makes up 42 percent of revenues (previous year: 31 percent). Revenues generated in other foreign countries totaled TEUR 5,000 (previous year: TEUR 7,228), thereby representing a decrease of 31 percent. Revenues generated in other foreign countries as a percentage of total revenue thus constitute 58 percent (previous year: 69 percent).

During the reporting period, the operating result (EBIT) was TEUR -5,996 (previous year: TEUR 1,311) factoring in EUR 1.2 million write-down of receivables. The EBIT margin was -69 percent during the reporting period (previous year: 12 percent).

For the first nine months of 2008, the Group result was TEUR -3,779 (previous year: TEUR 1,686), while earnings per share came to EUR -1.69 (previous year: EUR 0.75), in each case based on 2,235,000 shares.

Financial condition

During the reporting period, the liquid funds and securities were down to TEUR 12,959 (as of December 31, 2007: TEUR 16,807), primarily because of the negative cash flow generated from operating activity. As of end of September 2008, financial liabilities were TEUR 170 (as of December 31, 2007: TEUR 84).

The balance sheet total decreased by 9 percent and equaled by TEUR 25,497 (as of December 31, 2007: TEUR 28,005). The equity capital is now TEUR 20,259 (as of December 31, 2007: TEUR 24,094), and the equity capital ratio is now 79 percent (as of December 31, 2007: 86 percent). The equity capital therefore provides a solid basis for the continued growth of the Company.

The cash flow from operating activity reached TEUR -3,685 (previous year: TEUR -2,816) during the reporting period.

Research and development

For InVision, the continued improvement of its software and its development of new components in order to meet market needs are key competitive factors. Accordingly, the InVision Group attaches great importance to research and development. Not surprisingly, therefore, InVision is constantly investing in the development of its product lines for its enterprise-wide workforce management solution, InVision Enterprise WFM.

In the first nine months of 2008, Release 4.6 of InVision Enterprise WFM was completed and shipped out. The main product upgrades consist of additional components for time management, improved optimisation functions and numerous detail improvements.

Employees

On September 30, 2008, the InVision Group employed 235 workers worldwide, thereof 38 in sales, 105 in research & development, and 68 in Professional Services. Thus, the number of employees has risen by 35 percent in the last nine months (December 31, 2007: 174 employees). 98 employees worked in Germany and 137 employees worked outside Germany.

Risks and opportunities

Risks for the business development of InVision Group are described in the Group Management Report for Fiscal Year 2007 as well as in the Outlook section of this management report. The corresponding opportunities are described in the Outlook section of this management report and in the Group Management Report for Fiscal Year 2007.

Outlook

Given that overall economic development is currently very difficult to predict, InVision does not feel that it is in a position to publish a very reliable forecast for the entire year. Since the Company has encountered an abrupt change in the investment behaviour of many of its customers, the Executive Board can currently not rule out a decline in revenue for the entire 2008 year and expects to report a net loss in the current business year.

Balance Sheet

Interim Balance Sheet as of September 30, 2008, according to IFRS (unaudited)

Assets (EUR)	as of 30 Sep. 2008	as of 31 Dec. 2007
Short-term assets		
Liquid funds	916,131.08	3,651,582.07
Securities	12,042,896.12	13,155,493.00
Trade receivables	6,327,274.13	8,166,876.78
Income tax claims	156,603.16	162,687.10
Prepaid expenses and other short-term assets	496,510.33	448,436.46
Total short-term assets	19,939,414.82	25,585,075.41
Long-term assets		
Intangible assets	183,058.07	63,811.33
Tangible assets	454,443.62	223,035.20
Deferred tax assets	4,870,491.00	2,099,587.00
Other long-term assets	49,554.25	33,880.17
Total long-term assets	5,557,546.94	2,420,313.70
Total assets	25,496,961.76	28,005,389.11

Equity and liabilities (EUR)	as of 30 Sep. 2008	as of 31 Dec. 2007
Short-term liabilities		
Short-term liabilities owed to financial institutions	169,994.46	84,324.76
Trade payables	922,500.81	479,613.37
Provisions	736,783.45	777,935.49
Income tax provisions	1,190,812.93	643,012.71
Short-term share in deferred income and other short-term liabilities	1,756,806.98	1,648,329.12
Total short-term liabilities	4,776,898.63	3,633,215.45
Long-term liabilities		
Deferred taxes	460,953.00	277,960.00
Total long-term liabilities	460,953.00	277,960.00
Equity		
Subscribed capital	2,235,000.00	2,235,000.00
Capital reserves	20,616,179.21	20,616,179.21
Earnings reserves	1,414,177.33	1,414,177.33
Equity capital difference from currency translation	-256,446.49	-200,525.42
Profit/Losses carried forward	29,382.54	-2,580,177.68
Group result	-3,779,182.46	2,609,560.22
Total equity	20,259,110.13	24,094,213.66
Total equity and liabilities	25,496,961.76	28,005,389.11

Income Statement

Income Statement as of September 30, 2008, according to IFRS (unaudited)

in Euro	1 Jan. - 30 Sep. 2008	1 Jan. - 30 Sep. 2007
Revenues	8.654,487.64	10,508,833.19
Other operating income	70,458.20	150,775.48
Costs of materials/costs of goods and services purchased	-338,392.98	-71,633.89
Personnel costs	-8,882,342.65	-5,910,180.40
Amortisation/depreciation of intangible and tangible assets	-121,468.77	-67,499.34
Other operational expenditures	-5,378,561.82	-3,299,453.77
Operating result (EBIT)	-5,995,820.38	1,310,841.27
Financial result interest income/expenses	409,825.97	80,696.94
Currency losses/gains	-138,349.34	-33,885.61
Results before taxes (EBT)	-5,724,343.75	1,357,652.60
Income tax	1,945,161.29	328,832.47
Net profit/Group result	-3,779,182.46	1,686,485.07

Cash Flow Statement

Cash Flow Statement as of September 30, 2008, according to IFRS (unaudited)

Cash flow from operating activity (EUR)	1 Jan. - 30 Sep. 2008	1 Jan. - 30 Sep. 2007
Group result	-3,779,182.46	1,686,485.07
Depreciation and amortisation of assets	121,468.77	67,499.34
De-/Increase in provisions	-41,152.04	978,061.22
De-/Increase in income tax liabilities	547,800.22	888,255.73
De-/Increase in deferred taxes	-2,587,911.00	-958,938.34
Other payment-ineffective costs/earnings	-279,397.79	-89,577.10
De-/Increase in trade receivables	1,839,602.65	-2,144,074.05
De-/Increase in other assets and prepaid expenses	-63,747.95	-1,107,675.60
De-/Increase in income tax claims	6,083.94	-17,119.56
De-/Increase in trade payables	442,887.44	-97,954.04
De-/Increase in other liabilities and deferred income	108,477.86	-2,020,880.56
Cash flow from operating activity	-3,685,070.36	-2,815,917.89
Cash flow from investing activity (EUR)		
Payments made for investments in tangible assets	-320,968.88	-93,813.94
Payments made for investments in intangible assets	-152,473.06	-19,271.92
Payments received from the sale of securities	4,365,000.00	0.00
Payments made for the purchase of securities (funds)	-3,027,608.39	0.00
Cash flow from investing activity	863,949.67	-113,085.86
Cash flow from financing activity (EUR)		
Payments received from equity capital infusions	0.00	21,008,365.05
Payments made for repaying finance loans	0.00	-815,283.21
Cash flow from financing activity	0.00	20,193,081.84
Change in cash and cash equivalents	-2,821,120.69	17,264,078.09
Cash and cash equivalents at the beginning of the period	3,567,257.31	142,066.11
Cash and cash equivalents at the end of the period	746,136.62	17,406,144.20

Statement of Equity

Change of Equity Statement as of September 30, 2008, according to IFRS (unaudited)

in Euro	Equity capital of the parent company's shareholders								
	Subscribed capital	Capital reserves	Statutory reserves	Other earnings reserves	Equity capital differences from currency translation	Group result	Equity	Minority shares	Total
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	2,609,560.22	2,609,560.22	0.00	2,609,560.22
Appropriation to earnings 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 from Company's own funds	1,854,999.00	-714,996.00	0.00	-1,140,003.00	0.00	0.00	0.00	0.00	0.00
Issue proceeds	0.00	22,879,872.00	0.00	0.00	0.00	0.00	22,879,872.00	0.00	22,879,872.00
Amounts directly booked to equity account									
Transaction costs capital increase	0.00	-2,212,423.98	0.00	0.00	0.00	0.00	-2,212,423.98	0.00	-2,212,423.98
Tax advantage	0.00	663,727.19	0.00	0.00	0.00	0.00	663,727.19	0.00	663,727.19
Book entry adjustment minority shares	0.00	0.00	0.00	642.88	0.00	8,538.50	9,181.38	-9,181.38	0.00
Exchange rate difference from converting foreign financial statements	0.00	0.00	0.00	0.00	-93,355.73	0.00	-93,355.73	0.00	-93,355.73
Total recognised expenses / income	0.00	-1,548,696.79	0.00	0.00	-93,355.73	2,609,560.22	967,507.70	0.00	967,507.70
December 31, 2007	2,235,000.00	20,616,179.21	78,988.99	1,335,188.34	-200,525.42	29,382.54	24,094,213.66	0.00	24,094,213.66
Period result	0.00	0.00	0.00	0.00	0.00	-3,779,182.46	-3,779,182.46	0.00	-3,779,182.46
Exchange rate difference from converting foreign financial statements	0.00	0.00	0.00	0.00	-55,921.07	0.00	-55,921.07	0.00	-55,921.07
Total recognised expenses / income	0.00	0.00	0.00	0.00	-55,921.07	-3,779,182.46	-3,835,103.53	0.00	-3,835,103.53
September 30, 2008	2,235,000.00	20,616,179.21	78,988.99	1,335,188.34	-256,446.49	-3,749,799.92	20,259,110.13	0.00	20,259,110.13

Notes



Notes to the Interim Financial Report as of September 30, 2008, according to 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 January 1, 2008, through September 30, 2008, 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 annual financial statements of the fiscal year and should be read in conjunction with the consolidated financial statements for the period ending December 31, 2007.

Changes of the group of consolidated companies

The group of consolidated companies has not changed since December 31, 2007.

Equity capital

The development of the Group's equity capital is shown in the statement of changes in equity.

Treasury shares

The Company holds no treasury shares.

Sales revenue

The sales revenue is divided into the following business areas:

in TEUR	1 Jan. – 30 Sept. 2008	1 Jan. – 30 Sept. 2007
Licence revenues	2,639	5,809
Maintenance revenues	2,547	2,193
Service revenues	3,469	2,507
Total	8,655	10,509

The sales revenues are divided among the following sales regions:

in TEUR	1 Jan. – 30 Sept. 2008	1 Jan. – 30 Sept. 2007
Germany, Austria, Switzerland	3,655	3,281
Other foreign countries	5,000	7,228
Total	8,655	10,509

Taxes on income and earnings

Taxes on income and earnings are classified as follows:

in TEUR	1 Jan. – 30 Sept. 2008	1 Jan. – 30 Sept. 2007
Income taxes	643	630
Deferred taxes	-2,588	-959
Total	-1,945	-329

Executive Board

As of September 30, 2008, the Executive Board of InVision Software AG consists of the following members:

- Peter Bollenbeck Chairman
- Matthias Schroer Member

Supervisory Board

As of September 30, 2008, the Supervisory Board of InVision Software AG consists of the following members:

- Dr. Thomas Hermes Chairman
- Dr. Christof Neseimeier Deputy Chairman
- Prof. Dr. Wilhelm Müller 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 5,000.00 Euro in a given calendar year. In the first nine months of 2008, the following transactions were reported to the Company:

Name	Date	Type of security	Type of transaction	Units	Total value (EUR)
InVision Holding GmbH, Ratingen	2008-09-01	Shares	Purchase (off exchange)	203,375	2,033,750.00
	2008-09-02	Shares	Purchase (off exchange)	47,504	475,040.00

Until October 30, 2008, the Executive Board members Peter Bollenbeck and Matthias Schroer each held 1/3 of InVision Holding GmbH shares. Since October 31, 2008, Peter Bollenbeck holds 50% of InVision Holding GmbH shares.

Significant transactions between related parties

In the reporting period, the Company purchased project and consulting services from eTimum Software GmbH, Ratingen, in the amount of TEUR 319.5.

Number of employees

As of September 30, 2008, the InVision Group had 235 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.

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 nine months of 2008, a total of 2,235,000 issued shares were outstanding. Earnings per share for this period therefore equaled -1.69 Euro compared to 0.75 Euro in the first nine months of the previous year, based on the same number of shares.

Events after the balance sheet date

In the course of the fourth quarter of 2008, InVision has encountered an abrupt change in the investment behaviour of many of its customers and has therefore launched a programme to reduce costs in an effort to improve the cost-to-income ratio in 2009.

After the end of the reporting period, there were no further special events which are of material importance to the interim financial statements.

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 Group's assets, liabilities, financial position and results of operation, and the Group's interim management report includes a fair review of the development and performance of the business, together with a description of the principal opportunities and risks related to the anticipated development of the Group for the remainder of the fiscal year.

InVision Software AG

The Executive Board

Ratingen, November 21, 2008

Financial Calendar

Publication of the Annual Report 2008	30 April 2009
Publication of the Interim Financial Report for the first quarter 2009	29 May 2009
Annual General Meeting	June 2009
Publication of the Interim Financial Report for the first half-year 2009	31 August 2009
Publication of the Interim Financial Report for the first nine months 2009	30 November 2009

Investor Relations

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