ORBIS

3-MONTH REPORT 2006

Figures ORBIS Group

	01/01-03/31 2006	01/01-03/31 2005	Change in reporting year from previous year	
	T €	T €	T €	%
Revenues	4,547	5,429	-882	-16.3
Operating income / loss (EBIT)	147	304	-157	-51.6
Earnings before taxes (EBT) and minority interest	133	321	-188	-58.6
Net income after taxes and minority interest (Group results)	88	311	-223	-71.7
Shareholders' equity	16,898	16,732	166	1.0
Total Assets	25,120	27,868	-2,748	-9.9
Equity ratio	67,3%	60,0%		7.3
Cashflow from operating activities	-616	747	-1,363	-182.5
Cash and cash equivalent	5,338	5,181	157	3.0
Earnings per share diluted/undiluted	0.010 €	0.034 €	-0.024 €	-70.6
Weighted average shares outstanding diluted/undiluted	9,147,750	9,147,750	0	0.0
Average number of employees – Group (average)	184	185	-1	-0.5
Number of employees as of closing date	185	187	-2	-1.1

Management Report of ORBIS AG

General economic development

On April 27, 2006, six leading German economic research institutes presented the general public with their joint expert report on the global economic situation in general and the German economy in particular during the spring of 2006. As this report confirms, the German economy has been experiencing a solid recovery during spring 2006. The current economic upturn in Germany, Austria and the Netherlands continues to be driven by foreign demand for German products and services. In contrast, the recovery in Spain, Italy and France is propped by domestic demand. Overall, the development in Germany has had a positive impact on labor market data. In fact, the number of employees required to pay social insurance contributions has hardly dropped over recent months, while the unemployment rate decreased slightly over the same period. The latest business sentiment survey for Germany performed by the ifo institute confirms this assessment of the economic situation. Indeed, in April 2006, the business climate indicator recorded its fifth consecutive rise. Accordingly, businesses are viewing the economic situation with greater optimism than in previous months, although expectations are somewhat lower now. According to the ifo institute, this is a clear indication that the economy is developing strongly.

In the wake of the current recovery, the risks to price stability have also increased. The ECB had raised headline interest rates by 0.5 percentage points in December 2005, but a further increase in price levels would render another interest hike probable. Event though other economic regions recorded higher increases, the German economy had a promising start to the current year which, in light of the imminent Soccer World Cup, promises to be eventful.

According to the latest market data published by the industry association BITKOM on occasion of the CeBIT 2006 trade fair, the industry is currently growing at an average rate of 2.4 % year-on-year. In the field of IT services, the growth rate stands at approx. 4.5 % for the same period. According to the industry survey published on April 10, 2006, the new year took off to a good start with rising sales and earnings figures for the majority of businesses. In light of higher sales expectations, the overall sentiment within the ITC industry has clearly improved since the last survey, which related to the last quarter of 2005. Consequently, both the BITKOM index and the ifo index are now trending in tandem.

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ORBIS during the first 3 months of 2006

ORBIS's distribution and marketing activities during the first quarter were dominated by its focus on Supply Chain Management (SCM), Customer Relationship Management (CRM), Product Lifecycle Management (PLM), and Business Intelligence (BI). With these process topics, ORBIS concentrates primarily on industrial companies, automotive suppliers, the consumer goods industry, and the commerce sector.

At this year's CeBIT, ORBIS was represented at three partner company stalls: i.e., iControl in SAP AG's BI Forum, ORBIS Car and ORBIS NetCoach at the IBM stand, and the Microsoft CRM solution at Microsoft's stand. This exposure resulted in interesting sales contacts which are now being followed up.

At the SAP conference for commerce and the consumer goods industry, the ORBIS client Paul Hartmann AG presented its SAP APO project, which is a joint undertaking with ORBIS, specifically addressing companies engaged in the consumer goods and commerce sector. In addition, experts at the ORBIS trade fair stand provided information and tips on mySAP SCM and APO. The Microsoft "Wholesale Day", which also took place in February 2006, centered around the Microsoft CRM solution for the consumer goods industry and the wholesale sector as well as the business intelligence solution iControl.

Last year's successful "LES" event was repeated in the first quarter 2006 and attracted a large number of visitors. Titled "LES for Breakfast" (LES zum Frühstück), events were organized in Saarbrücken and Karlsruhe, offering not only comprehensive information on specialized topics and helpful tips, but also the opportunity to self-test the RFID, mobile data and pick-by-voice devices presented. These events will continue in the second quarter 2006. Incidentally, LES was also the focus of the ORBIS presentation at the automotive trade fair AKJ in Saarbrücken.

As demonstrated by the project contracts awarded during the first quarter of 2006, ORBIS has been able to convince potential clients of its expertise with regard to these topics. For instance, four new LES projects were contractually agreed with ORBIS's existing clients SaarGummi and Paul Hartmann AG and new customers Hodorff IT-Services and Edscha Cabrio-Dachsysteme. In addition, ORBIS also acquired project contracts in the SCM arena with new customers Linde AG and Schott AG.

What's more, long-standing customers also rely on ORBIS's competence and skills in other areas: for instance, ORBIS is now realizing a joint CRM project with August Rüggeberg, provides support for the international roll-out of the Hager Group and implements sales planning projects (BW-BPS) at Villeroy & Boch and, on an international level, at Trelleborg. During the first quarter 2006, a wide range of well-known companies, namely BITO Lagertechnik Bittmann GmbH, Eckes-Granini Deutschland, Coronet International, Hörmann, s.Oliver Bernd Freier GmbH & Co. KG and G4S Sicherheitsdienste GmbH, have expressed their interest in ORBIS's proprietary iControl solution and will use this solution in the future.

Sales Performance

At the end of the previous quarter and at the beginning of the current fiscal year, ORBIS had to contend with a few project delays caused by clients. This was due to some rescheduling being necessary on the part of the client with regard to projects that were planned, agreed and ready for implementation, as either preliminary work had not yet been completed or short-term organizational adjustments were needed or budget issues required further discussion. In the meantime, all projects have been commenced, which is reflected by the significantly improved utilization of our consultants. Largely due to the unscheduled project delays, sales revenues dropped to EUR 4.547 million. This decline was attributable to the following sectors: sales from consultancy projects (16.3 %), revenues attributable to external staff (34.7 %), and income from merchandise (predominantly acting as a reseller of third-party licenses) (87.6 %). A positive factor is the 47.8 % increase in licensing revenues generated with add-ons developed in-house.

Management Report of ORBIS AG

Sales revenues developed as shown over the corresponding periods of previous years.

The statement made in the past, i.e., that the pricing level has no negative impact on ORBIS, still holds true. Therefore, the price level realized during the first quarter of 2006 did not adversely affect ORBIS.

Order Position

ORBIS reports the contractually committed order level together with the sales revenues realized during the first three months of the 2006 fiscal year in relation to the sales revenues projected for the entire fiscal year. Accordingly, 71 % of the planned sales have either been secured (as early as at the beginning of the second quarter 2006) by way of binding commitments on the part of our clients or have been realized as sales revenues during the first three months of the 2006 fiscal year.

Results of Operations

At EUR 119,000 (almost unchanged), offset vehicle payments in kind to staff made up the largest share of other operating income during the first three months of the 2006 fiscal year. Further income was generated from the leasing of office space and the disposal of fixed assets no longer used.

Expenses for services and merchandise purchased fell by almost 50 % compared with the same period of 2005. Of the reported expenses of EUR 195,000, EUR 164,000 (37.5 % lower than for the same quarter of the previous year) are attributable to services provided by partner companies in connection with ORBIS's projects. At the same time, the expenses associated with the income from merchandise (primarily SAP and Microsoft licenses) decreased.

At EUR 3.234 million, the total personnel expenses for the first three months of 2006 were 11.6 % lower than the figure recorded during the same period of 2005. The personnel expenses amounted to 71.1 % of the sales revenues generated during the first three months of the 2006 fiscal year, compared with a ratio of 67.0 % for the same period of the previous year. Staffing levels remained virtually unchanged during the first quarter 2006.

The amortization of intangible assets and depreciation of property, plant and equipment were reduced, as scheduled, to EUR 101,000, compared to EUR 110,000 during the same period of 2005. ORBIS's own operating facility in Saarbrücken continues to account for the largest share of depreciation on property, plant and equipment.

With regard to all main types of expenses, other operating expenses decreased by EUR 136,000 (i.e., 11.5 %) during the first three months of the 2006 fiscal year compared to the same period of the previous year.

Operating Income / Loss (EBIT)

The first three months of the 2006 fiscal year closed with an EBIT totaling EUR 148,000. This clearly demonstrates that ORBIS is capable of generating positive results in spite of an unexpected decline in sales revenues caused by external factors.

Profit (loss) before tax

As a consequence of the currency losses (EUR 6,000), resulting from USD fluctuations since December 31, 2005, in combination with the negative financial results (minus EUR 8,000), the result before income taxes for the first three months of the 2006 fiscal year stood at EUR 133,000.

Group Results

The Group results for the first three months of the 2006 fiscal year total EUR 88,000 after income taxes and minority interest. The positive result facilitated a reduction in deferred tax assets on losses carried forward, which, according to internal budgetary accounting, are likely to be utilized for tax purposes within the planning period.

Investment Activities

During the first three months of the 2006 fiscal year, investments in the amount of EUR 26,000 were made in equipment, furnishings and fixtures as well as licenses.

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Cash Flow Statement

During the first quarter 2006, an outflow of financial resources of EUR 630,000 was recorded. Cash and cash equivalents totaled EUR 5.970 million as of December 31, 2005 and fell to EUR 5.338 million as of March 31, 2006.

As of the reporting date, cash and cash equivalents were comprised of liquid funds in the amount of EUR 3.592 million and bonds, held as a liquidity reserve, amounting to EUR 1.746 million.
This change in cash and cash equivalents resulted almost exclusively from operating activities. The outflow of liquid funds from operating activities was due to the creation of the receivables portfolio standing at EUR 499,000, which largely resulted from the billing of maintenance contracts during the first quarter of the fiscal year, and the existence of other assets, while at the same time making payments on liabilities to suppliers and staff.

Human Resources

As of the reporting date March 31, 2006, ORBIS employed a total of 185 staff; the total number of employees was 187 for the same period last year.

Outlook

After the growth projections for Germany were lowered last fall, confidence has now returned. The spring report of six leading economic research institutes is now predicting a growth figure of 1.8 %, with a slow-down projected for 2007 in the wake of the forthcoming increase in sales tax, whose anticipatory effects may be felt as early as 2006. The imminent Soccer World

Cup is also contributing to a generally positive climate in Germany. However, whether these projections will manifest themselves remains to be seen. For example, at present, the development of the US dollar and the oil price pose a risk to the further economic development that cannot yet be conclusively assessed.

Nevertheless, the overall positive climate and the current development have a positive effect on the industry as a whole. The majority of ITC providers expects growing sales figures and improving results, as confirmed during BITKOM's recent survey among its members.

ORBIS has forecast a single-digit growth figure for the 2006 fiscal year. Even though the trend during the first quarter of 2006 has not yet confirmed this prognosis, ORBIS is nevertheless of the opinion that this figure will hold true for the year as a whole. Since the drop in sales revenues during the first quarter 2006 was largely due to delayed project starts, the projected revenues and profit contributions may still be recovered during the subsequent quarters of the current fiscal year. The high order level at the beginning of the second quarter 2006, which exceeds the order levels of previous periods, fills us with confidence and confirms that ORBIS's performance is recognized by the market. Going forward, there is good reason to believe that the goals for 2006 can still be reached.

Saarbrücken, May 2006

Thomas Gard Stefan Mailänder

Investor Relations

Shareholder structure (rounded)

- Member of the Management Board 23 %*
- Member of the Supervisory Boards 18 %
- Free float and other shareholders 59 %

* including shares held via GMV AG

Shares and Subscription Rights Held by Officers of the Group
In accordance with the disclosure obligations under section 15a of the German Securities Trading Act (Wertpapierhandelsgesetz), ORBIS AG is required to publish, without undue delay, any stock sales by officers of corporate bodies that are reported to ORBIS AG. The member of the Supervisory Board, Prof. W. Kroetz, has notified the Company of transactions entered into by him during the first quarter of 2006.

Holder	Shares held directly in %	Shares held indirectly in %*	Shares held by board
Thomas Gard, Chairman of the Management Board	3.3	16,4	23,0
Stefan Mailänder, Member of the Management Board	3.3		
Prof. W.-J. Schieffer, Supervisory Board Chairman	8.4	0	
Prof. Werner Koetz, Chairman of the Supervisory Board	9.6	0	
Dr. Ing. Uwe G. Spörl, Chairman of the Supervisory Board	0	0	

* held via GMV AG

Important Dates

11.05.2006	Annual results 2005 analyst and press conference
18.08.2006	Publication of 6-month report
31.12.2006	Fiscal year end

The remaining 59 % of shares are independently held (free float) or by other shareholders. Two shareholders hold more than 5 % of all ORBIS AG shares. Investors whose stockholding exceeds or, as a result of disposals, falls under the threshold values of 5, 10, 25, 50 or 75 % are required, pursuant to section 21 of the German Securities Trading Act (Wertpapierhandelsgesetz), to notify the relevant company and the German Federal Financial Services Supervisory Authority (BaFin) of any such change in their position.
No stock options have been promised to members of the Management or the Supervisory Boards.

Structured consolidated income statement of ORBIS AG from January 1 to March 31, 2006

in Euro	01/01-03/31 2006	01/01-03/31 2005
· 1. Revenues	4,546,939.10	5,429,458.75
· 2. Other operating income	168,902.69	203,718.56
· 3. Cost of purchased materials and services	-195,109.02	-384,553.61
· 4. Personnel expenses	-3,233,728.78	-3,659,535.14
· 5. Depreciation and amortization	-101,220.08	-110,253.13
· 6. Other operating expenses	-1,039,036.41	-1,174,572.58
· 7. Operating Income / Loss (EBIT)	**146,747.50**	**304,262.85**
· 8. Financial results	-7,763.74	-25,642.16
a. Interest income and expenditure	-11,753.74	-29,142.16
b. Other interest income and expenditure	3,990.00	3,500.00
· 9. Foreign currency exchange gains / losses	-5,613.61	42,310.75
· 10. Result before income taxes (EBT) and minority interest	**133,370.15**	**320,931.44**
· 11. Income tax	-45,800.00	-9,900.00
· 12. Result before minority interest	**87,570.15**	**311,031.44**
· Net income per share	0.010	0.034
· Weighted average shares outstanding undiluted/diluted	9,147,750	9,147,750

Structured consolidated balance sheet for the period ending March 31, 2006 (IAS)

ASSETS	03/31 2006	12/31 2005
A. Current Assets		in Euro
· 1. Cash and cash equivalents	3,591,957.66	4,223,975.79
· 2. Short-term investments / marketable securities	2,242,925.00	2,238,935.00
· 3. Trade accounts receivable	4,580,081.28	4,081,171.91
· 4. Prepaid expenses and other current assets	453,572.56	268,174.36
Total current assets	**10,868,536.50**	**10,812,257.06**
B. Non-current assets		
· 1. Property, plant and equipment	4,911,115.75	4,989,775.49
· 2. Intangible assets	55,455.00	59,542.00
· 3. Goodwill	2,747,170.00	2,747,170.00
· 4. Deferred taxes	6,538,034.90	6,582,534.90
Total non-current assets	**14,251,775.65**	**14,379,022.39**
Total assets	**25.,120,312.15**	**25,191,279.45**

LIABILITIES AND SHAREHOLDERS' EQUITY	03/31 2006	12/31 2005
A. Current liabilities		in Euro
· 1. Current liabilities and current portion of long-term debt with banks	638,456.74	678,102,58
· 2. Trade accounts payable	353,608.51	584,062.12
· 3. Advance payments received	132,395.80	169,789.06
· 4. Accrued expenses	1,513,046.55	1,431,787.07
· 5. Tax provisions	234,612.25	234,612.25
· 6. Current portion of deferred income and other short-term liabilities	1,606,210.51	1,309,167.78
Total current liabilities	**4,478,330.36**	**4,407,520.86**
B. Long-term liabilities		
· 1. Long-term debt with banks	2,621,428.31	2,592,449.67
· 2. Pension accrual	1,122,053.90	1,064,474.90
· 3. Long-term portion of deferred income and other long-term debt	0.00	330,000,00
Total long-term liabilities	**3,743,482.21**	**3,986,924.57**
C. Shareholders' equity		
· 1. Share capital	9,147,750.00	9,147,750.00
· 2. Additional paid-in capital	25,294,090.65	25,278,140.65
· 3. Difference in equity due to currency translation	-1,670,69	183.90
· 4. Loss carryforward	-17,629,240.53	-17,974,958.76
· 5. Group results	87,570.15	345,718.23
Total shareholders' equity	**16,898,499.58**	**16,796,834.02**
Total liabilities and shareholders' equity	**25,120,312.15**	**25,191,279.45**

Consolidated statement of changes to shareholders' equity of ORBIS AG from January 1 to March 31, 2006

in T €	As of January 1		Other changes		As of March 31	
	2005	2006	2005	2006	2005	2006
· 1. Share capital	9,148	9,148	0	0	9,148	9,148
· 2. Additional paid-in capital	25,214	25,278	16*	16*	25,230	25,294
· 3. Difference in equity due to currency translation	32	0	-14	-2	18	-2
· 4. Loss carryforward	-18,093	-17,975	118	346	-17,975	-17,629
· 5. Group results	118	346	193	-259	311	87
· Total shareholders' equity	**16,419**	**16,797**	**313**	**101**	**16,732**	**16,898**

* Costs from employee share ownership scheme

Notes to the consolidated financial statements for the first three months of the 2006 fiscal year in accordance with IFRS

ORBIS AG, Saarbrücken, has prepared consolidated financial statements for the first three months of the 2006 fiscal year that comply with all applicable IASB standards, as adopted by the EU.

The structure of the consolidated financial statements is based on the breakdown shown in the market circular "Structured Quarterly Reports" by Deutsche Börse AG.

There were no changes from the consolidated financial statements as of December 31, 2005 in terms of scope of consolidation, currency translation principles, consolidation principles, and accounting policies.

Consolidated cash flow statement for the period ending March 31, 2006

in T €		01/01-03/31 2006	01/01-03/31 2005
1. Cash flow from operating activities			
Group results		88	311
+/-	Depreciation / write-ups on fixed assets	101	110
+/-	Increase / decrease in provisions	139	519
+/-	Other non-cash income / expenses	56	22
-/+	Profit / loss from the disposal of fixed assets	-15	-7
-/+	Increase / decrease in trade accounts receivable	-499	-251
-/+	Increase / decrease in other assets and deferred assets	-185	-160
+/-	Increase / decrease in trade accounts payable	-231	28
+/-	Increase / decrease in other liabilities and accrued liabilities	-70	175
=	**Cash flow from operating activities**	**-616**	**747**
2.	**Cash flow from investing activities**		
Income from the disposal of property, plant and equipment		22	14
-	Payments for investments in property, plant and equipment	-22	-40
-	Payments for investments in intangible assets	-3	0
=	**Cash flow from investing activities**	**-3**	**-26**
3.	**Cash flow from funding activities**		
Income from the encrease of shareholder's equity		250	0
-	Payments for the reduction of finance loans	-261	-252
=	**Cashflow from funding activities**	**-11**	**-252**
Changes in liquid assets impacting on cash flow		**-630**	**469**
+/-	Effect of changes in currency exchange rate, scope of consolidation or valuation on liquid assets	-2	-10
+	Liquid assets at the beginning of the period	5,970	4,722
=	**Liquid assets at the end of the period**	**5,338**	**5,181**

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