

PSI Group Data as per 30 June 2009 at a Glance (IFRS)

	01/01-30/06/09 in KEUR	01/01-30/06/08 in KEUR	Change in KEUR	Change in %
Revenues	65,273	57,749	+7,524	+13.0
Operating Result	3,463	2,685	+778	+29.0
Result before income taxes	2,807	2,170	+637	+29.4
Net result	2,553	1,878	+675	+35.9
Cash and cash equivalents	32,374	18,297	+14,077	+76.9
Employees on 30 June	1,256	1,053	+203	+19.3
Revenue/Employee	52.0	54.8	-2.8	-5.1

Interim Management Report

Business Development

Earnings

The PSI Group increased its EBIT in the first six months of 2009 by 30 percent to 3.5 million Euros (first six months of 2008: 2.7 million Euros) compared with the same period of the previous year. The group result improved to 2.6 million Euros (first six months of 2008: 1.9 million Euros), group sales increased by 13 percent to 65.3 million Euros (first six months of 2008: 57.7 million Euros). The volume of new orders increased by 9 percent to 85 million Euros (first six months of 2008: 78 million Euros), the order backlog increased by 21 percent to 119 million Euros (30 June 2008: 98 million Euros).

The Energy Management segment (electricity, gas, oil, heat, water) achieved 12 percent higher sales of 28.8 million Euros (first six months of 2008: 25.4 million Euros). With an EBIT of 1.9 million Euros the segment once again had the largest operating contribution margin (first six months of 2008: 1.6 million Euros). In the second half of the year PSI expects the Energy Management segment to obtain major contracts, especially in export.

Sales in the Production Management segment (industry, logistics) were, at 30.1 million Euros, 22 percent above the value for the previous year (first six months of 2008: 24.7 million Euros). The EBIT increased compared to the previous year by 40 percent to 1.4 million Euros (first six months of 2008: 1.0 million Euros). Above all the sectors of metal production, raw materials extraction and manufacturing developed very positively. The focus here has primarily been on customer investments in efficiency of the industrial added-value processes, inventory optimisation and the shortening of throughput times.

In Infrastructure Management (transport, safety, telecommunications) sales decreased as a result of the smaller portion of hardware to 6.4 million Euros (first six months of 2008: 7.6 million Euros). The operating result increased to 0.3 million Euros (first six months of 2008: 0.2 million Euros).

Financial Position

In the second quarter PSI AG did a Capital increase from cash contribution and received 9.0 million Euros by this. Liquidity increased to 32.4 million Euros (30 June 2008: 18.3 million Euros).

Assets

As a result of the acquisition of inControl Tech Sdn Bhd intangible assets increased by 16.3 million Euros to 35.0 million Euros compared to 31 December 2008.

Personnel Development

The number of employees on 30 June 2009 increased by 203 to 1,256 compared to the previous year (30 June 2008: 1,053). Of this total, 141 were due to the acquisitions of 4Production and inControl Tech and 62 due to targeted recruitment.

PSI-Shares

The PSI share price rose by 116 percent from the final 2008 price of 3.60 Euros to 7.80 Euros in the first half of 2009. This was due to the continued positive business development and the entry of several major shareholders. During the same period, the DAXsector Software Index, which includes all the software stocks in the Prime Standard of the German Stock Exchange, had an increase of 18.4 percent.

Risk Report

The estimate of the corporate risk has not changed since the Annual Report for 31 December 2008.

Outlook

The repeated increase of new orders was primarily in the segments Production Management and Infrastructure Management. PSI witnessed strong demand in Germany for solutions for rationalisation and improvement of energy efficiency. Major orders in the Energy Management segment and a continued high demand for solutions for Production and Infrastructure Management are expected in exports in the second half of the year.

The current forecast for the EBIT has therefore been increased by 15 percent from 7.5 to more than 8.5 million Euros. The management will decide about a further increase of the EBIT forecast in the third quarter or upon the conclusion of strategically important major contracts.

Group Balance Sheet

from 1 January 2009 until 30 June 2009 according to IFRS

	6 Month Report 01/01-30/06/09 KEUR	Annual Report 01/01-31/12/08 KEUR
Assets		
Non current assets		
Property, plant and equipment	8,633	8,002
Intangible assets	34,999	18,658
Other financial assets	77	0
Deferred tax assets	2,236	2,373
	45,945	29,033
Current assets		
Inventories	4,531	1,681
Trade accounts receivable, net	24,755	23,253
Receivables from long-term development contracts	31,809	22,636
Other current assets	4,103	2,365
Cash and cash equivalents	32,374	23,650
	97,572	73,585
Total assets	143,517	102,618
Total Equity and Liabilities		
Equity		
Subscribed capital, EUR 2,56 calculated par value	40,185	30,464
Capital reserves	35,694	31,642
Retained earnings	0	0
Reserve for Treasury stock	0	-26
Other reserves	382	275
Accumulated losses	-11,601	-28,632
	64,660	33,723
Non-current liabilities		
Pension provisions	26,928	26,653
Deferred tax liabilities	2,191	2,164
	29,119	28,817
Current liabilities		
Trade payables	11,450	9,558
Other current liabilities	19,351	18,113
Liabilities from long-term development contracts	16,194	11,126
Short-term debt	2,137	341
Provisions	606	940
	49,738	40,078
Total equity and liabilities	143,517	102,618

Group Income Statement

from 1 January 2009 until 30 June 2009 according to IFRS

	Quarterly Report II		6-Month Report	
	01.04.09- 30.06.09 KEUR	01.04.08- 30.06.08 KEUR	01.01.09- 30.06.09 KEUR	01.01.08- 30.06.08 KEUR
Revenues	34,698	30,357	65,273	57,749
Other operating income	1,020	220	2,713	1,497
Changes in inventories of work in progress	76	-59	136	-40
Cost of materials	-6,633	-4,757	-10,123	-8,686
Personnel expenses	-20,230	-18,488	-40,587	-36,036
Depreciation and amortization	-690	-636	-1,359	-1,247
Other operating expenses	-6,490	-5,225	-12,590	-10,552
Operating result	1,751	1,412	3,463	2,685
Interest income	98	157	187	280
Interest expenses	-441	-399	-843	-795
Result before income taxes	1,408	1,170	2,807	2,170
Income tax	-148	-130	-254	-292
Net result	1,260	1,040	2,553	1,878
Earnings per share (in Euro per share, basic)	0.09	0.09	0.20	0.16
Earnings per share (in Euro per share, diluted)	0.09	0.09	0.20	0.16
Weighted average shares outstanding (basic)	13,360,525	12,112,870	12,634,297	12,112,870
Weighted average shares outstanding (diluted)	13,360,525	12,112,870	12,634,297	12,112,870

Group Cash Flow Statement

from 1 January 2009 until 30 June 2009 according to IFRS

	6 Month Report 01/01-30/06/09 KEUR	6 Month Report 01/01-30/06/08 KEUR
CASHFLOW FROM OPERATING ACTIVITIES		
Result after income taxes	2,553	1,878
Adjustments for non-cash expenses		
Amortization on intangible assets	510	389
Depreciation of property, plant and equipment	849	829
Interest income	-187	-280
Interest expenses	843	795
Foreign exchange gains/losses	107	10
Other income/expense without cash effect	109	302
	4,784	3,923
Changes of working capital		
Inventories	281	-377
Trade receivables	-6,454	-1,435
Other current assets	-1,488	-692
Provisions	-917	-607
Trade payables	-154	-1,258
Other current liabilities	4,842	1,169
	-3,890	-3,200
Cash flow from operating activities	702	707
CASHFLOW FROM INVESTING ACTIVITIES		
Additions to intangible assets	-97	-26
Additions to property, plant and equipment	-762	-951
Payments for investments in subsidiaries, net of cash	-380	-516
Additions to associated companies	-77	0
Interest received	179	280
Cash flow from investing activities	-1,137	-1,213
CASHFLOW FROM FINANCING ACTIVITIES		
Change in share capital	3,046	0
Change in additional paid-in capital	6,001	0
Proceeds/repayments from/of borrowings	113	-145
Cash receipts from sale of treasury stocks	0	0
Acquisition of treasury stocks	-1	0
Cash flow from financing activities	9,159	-145
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		
Changes in cash and cash equivalents	8,724	-651
Cash and cash equivalents at beginning of the period	23,650	18,948
Cash and cash equivalents at the end of the period	32,374	18,297

Statement of Changes in Equity

from 1 January 2009 until 30 June 2009 according to IFRS

	Number of shares issued	Share capital	Additional paid-in capital	Revenue reserve (adjusted)	Reserve for Treasury stock	Other reserves (adjusted)	Accumulated deficit (adjusted)	Total
	Number	KEUR	KEUR	TEUR	TEUR	KEUR	KEUR	KEUR
As of 31 December 2007	12,112,870	31,009	31,772	0	0	-582	-32,772	29,427
Group net result							1,878	1,878
Currency translation						10		10
As of 30 June 2008	12,112,870	31,009	31,772	0	0	-572	-30,894	31,315
As of 31 December 2008	11,900,000	30,464	31,642	0	-26	275	-28,632	33,723
Issue of new shares								
Capital increase from cash contribution	1,189,999	3,046	6,001					9,047
Capital increase in exchange for stock	2,607,367	6,675	12,529					19,204
Group net result							2,553	2,553
Currency translation						107		107
Share buybacks					-1			-1
Disposal of own shares					27			27
Offset of accumulated loss			-14,478				14,478	0
As of 30 June 2009	15,697,366	40,185	35,694	0	0	382	-11,601	64,660

Shares/Options held by Management Board and Supervisory Board as of 30 June 2009

	Shares	Options
Management Board		
Dr. Harald Schrimpf	71,000	0
Armin Stein	23,300	0
Supervisory Board		
Dr. Ralf Becherer	2,268	0
Wilfried Götze	54,683	0
Bernd Haus	1,000	0
Barbara Simon	7,890	0
Karsten Trippel	124,450	0
Prof. Dr. Rolf Windmüller	6,305	0

The Management Board of PSI AG had earnings of KEUR 567 in the first six months of 2009, which consist of a fixed component of KEUR 198 and a variable component of KEUR 369.

Because Supervisory Board payments are made in the 4th quarter of the year, the Supervisory Board did not obtain any remuneration in the first three months of 2009.

Notes on the consolidated financial statements as of 31 March 2009

The Company

1. Business Activities and Legal Background

The business activities of PSI AG and its subsidiaries relate to the development and sale of software systems and products fulfilling the specific needs and requirements of its customers, particularly in the following industries and service lines: utilities, manufacturing, logistics, telecommunications, safety and transport. In addition, the Group provides services of all kinds in the field of data processing, sells electronic devices and operates data processing systems. The PSI Group is divided into the three core business segments energy management, production management and infrastructure management.

The Company is exposed to a wide range of risks that are similar to other companies active in the dynamic technology sector. Major risks for the development of the PSI Group lie in the success with which it markets its software systems and products, competition from larger companies, the ability to generate sufficient cash flows for future business development as well as in individual risks regarding the integration of subsidiaries, organizational changes and the cooperation with strategic partners.

Main customers are utilities and manufacturing companies in Germany, Europe and Asia. Main locations with business activities are located in Berlin, Aschaffenburg, Barsinghausen, Essen, Dortmund, Duesseldorf, Karlsruhe, Hamburg, Munich, Stuttgart and Aachen. The Company is listed in the Prime Standard segment of the Frankfurt stock exchange.

The condensed interim consolidated financial statements for the period from 1 January 2009 to 30 June 2009 were released for publication by a decision of the management on 27 July 2009.

The condensed interim consolidated financial statements for the period from 1 January 2009 to 30 June 2009 were produced in compliance with IAS 34 "Interim Financial Reporting". The condensed interim consolidated financial statements do not contain all the data and notes prescribed for the annual financial statements and should be read in conjunction with the consolidated financial statements for 31 December 2008.

2. Accounting and Valuation Principles

With regard to the principles of accounting and valuation and especially the application of International Financial Reporting Standards (IFRS) see the group consolidated financial statements for the financial year 2008.

The first-time application of standards or interpretations which have not been applied voluntarily in the previous year had no impact on net assets, financial position and results of operation.

3. Seasonal Influences on the Business Activities

Seasonal effects resulted in the PSI Group operations with regards to the receipt of maintenance revenues in the first quarter of the financial year (deferment of the influences on the result of corresponding incoming payments throughout the year) and significantly greater demand and project accounting in the fourth quarter of the financial year.

4. Changes in the Consolidation Group

By agreement of 27 May 2009, 100 per cent of the shares were acquired in inControl Tech Sdn Bhd, headquartered in Malaysia. The purchase price for the shares acquired in the business was settled by issuing PSI AG shares to the amount of EUR 19,268k. The book value of the shareholders' equity of inControl Tech Sdn Bhd amounted to EUR 3,234k on the acquisition date. The difference between the purchase price of EUR 19,268k and the shareholders' equity acquired of EUR 16,034k is essentially accounted for by hidden reserves in the projects handled by inControl Tech Sdn Bhd and by the existing goodwill of the acquired company, which primarily includes market positioning and regular workforce. A detailed breakdown of the purchase price is currently being drawn up by PSI AG. However, on completion of the 2009 half-yearly report, insufficient detailed financial information was available, meaning preliminary estimations are currently associated with a high degree of uncertainty. This also applies to figures relating to the company's turnover and profit/loss since the beginning of the calendar year. The Executive Board of PSI AG assumes that all accounting information relating to the acquisition of the company inControl Tech Sdn Bhd will be available by the end of the 3rd quarter of 2009.

5. Selected Individual Items

Cash and cash equivalents

	30 June 2009 KEUR	31 December 2008 KEUR
Bank balances	10,833	13,861
Fixed term deposits	21,516	9,767
Cash	25	22
	32,374	23,650

Costs and estimated earnings in excess of billings on uncompleted contracts

Costs and estimated earnings in excess of billings on uncompleted contracts arise when revenues have been recorded but the amounts cannot be billed under the terms of the contracts. Such amounts are recoverable from customers upon various measures of performance, including achievement of certain milestones, completion of specified units or completion of the contract. Costs and estimated earnings contain directly allocable costs (labor cost and cost of services provided by third parties) as well as the appropriate portion of overheads including pro rata administrative expenses.

Costs and estimated earnings on uncompleted contracts and related amounts are billed as follows:

	30 June 2009 KEUR	31 December 2008 KEUR
Costs incurred on uncompleted contracts	84,526	41,333
Profit shares	15,060	6,006
Contract revenue	99,586	47,339
Payments on account	67,777	24,703
Receivables from long-term construction contracts	31,809	22,636
Liabilities from long-term construction contracts	16,194	11,126

Shareholders' equity

By resolution of 20 May 2009, the Executive Board, in agreement with the Supervisory Board and with the approval of the Annual General Meeting, increased the share capital of PSI AG by 1,189,999 shares, excluding shareholders' subscription rights. The capital increase was carried out in exchange for cash contributions. The subscribed capital was increased by EUR 3,046k to EUR 33,510k.

By resolution of 9 June 2009, the Executive Board, in agreement with the Supervisory Board and with the approval of the Annual General Meeting, increased the share capital of PSI AG by 2,607,367 shares, excluding shareholders' subscription rights. The capital increase was carried out in exchange for contributions in kind. The subscribed capital was increased by EUR 6,675k to EUR 40,185k.

Taxes on income

The main components of the income tax expenditure shown in the group income statement are added as follows:

	30 June 2009 KEUR	31 December 2008 KEUR
Effective taxes expenses		
Effective tax expenses	-145	-430
Deferred taxes		
Emergence and reversal of temporary differences	-109	-710
Tax expenses/income	-254	-1,140

Segment Reporting

The development of the segment results can be found in the Group segment reporting.

Segments of the PSI Group:

- **Energy Management:** Intelligent solutions for energy suppliers from the electricity, gas, oil and water markets. Focal points are reliable and economically sound solutions for the network management and trade and sales management in the liberalised energy market.
- **Production Management:** Software products and individual solutions for production planning, special tasks in production control and efficient logistics. Focuses are the optimisation of the use of resources and the increase of quality and profitability.
- **Infrastructure Management:** High-availability control system solutions designed for monitoring and economically sound operation of infrastructures in the telecommunications, transportation, public safety, environmental protection and disaster prevention areas.

Responsibility Statement

To the best of our knowledge, 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 group's development and performance of its position, together with a description of the principal opportunities and risks associated with the expected development of the group in the remaining months of the financial year, in accordance with German proper accounting principles of interim consolidated reporting.

Group Segment Reporting

from 1 January 2009 until 30 June 2009 according to IFRS

	Energy Management		Production Management		Infrastructure Management		Reconciliation		PSI Group	
	30/06/2009	30/06/2008	30/06/2009	30/06/2008	30/06/2009	30/06/2008	30/06/2009	30/06/2008	30/06/2009	30/06/2008
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Sales revenues										
Sales to external customers	28,771	25,448	30,081	24,742	6,421	7,559	0	0	65,273	57,749
Inter-segment sales	306	423	890	1,124	846	674	-2,042	-2,221	0	0
Segment revenues	29,077	25,871	30,971	25,866	7,267	8,233	-2,042	-2,221	65,273	57,749
Other operating income	2,180	2,013	2,683	2,044	746	272	-2,896	-2,832	2,713	1,497
Changes in inventories of work in progress	-50	0	182	-43	4	3	0	0	136	-40
Cost of purchased services	-803	-1,303	-2,973	-2,403	-563	-1,209	259	757	-4,080	-4,158
Cost of purchased materials	-4,154	-2,463	-1,223	-1,171	-1,461	-1,777	795	883	-6,043	-4,528
Personnel expenses	-17,501	-15,837	-19,001	-16,326	-3,951	-3,710	-134	-163	-40,587	-36,036
Depreciation and amortization	-701	-690	-509	-401	-141	-148	-8	-8	-1,359	-1,247
Other operating expenses	-6,116	-5,970	-8,729	-6,543	-1,623	-1,498	3,878	3,459	-12,590	-10,552
Operating result before interest, tax, depreciation and amortisation	2,633	2,311	1,910	1,424	419	314	-140	-117	4,822	3,932
Operating result	1,932	1,621	1,401	1,023	278	166	-148	-125	3,463	2,685
Interest income	-353	-346	-244	-203	-59	34	0	0	-656	-515
Result before income taxes	1,579	1,275	1,157	820	219	200	-148	-125	2,807	2,170
Segment assets	46,198	42,490	49,658	36,223	37,400	9,176	8,025	1,495	141,281	89,384
Segment liabilities	20,150	18,418	32,271	23,408	17,597	8,947	6,482	6,805	76,500	57,578
Segment investments	363	331	1,013	815	16,800*	85	232	262	18,408	1,493

*Thereof KEUR 16.034 by issue of new shares

Financial Calendar

13 March 2009	Publication Annual Result 2008
13 March 2009	Analyst Conference
24 April 2009	Report on the 1 st Quarter of 2009
28 April 2009	Annual General Meeting
28 July 2009	Report on the 1 st Six Months of 2009
28 October 2009	Report on the 3 rd Quarter of 2009
9 November 2009	Analyst Presentation, German Equity Forum

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We will be happy to include you in our distribution list for stockholder information.

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