

9-Months Report 2010



CENIT AG

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CENIT AT A GLANCE (unaudited)		
At a glance - January 1 until September 30, 2010		
in Mill. EUR	September 30, 2010	Sept. 30, 2009
Sales	64,82	63,38
Gross profits	43,12	43,53
EBITDA	2,96	2,77
Operating returns (EBIT)	1,72	1,71
EBT	1,82	1,90
Netincome of the group	1,26	1,73
Result per share (basic) in EURO	0,15	0,21
Result per share (diluted) in EURO	0,15	0,21
Number of employees at end of period	696	705
EBIT - Margin	2,6%	2,7%
Profit - Margin	1,9%	2,7%
in Mill. EUR	Sept. 30, 2010	Dec. 31, 2009
Equity in ratio	60%	64%
Equity	27,18	28,08
Liabilities	18,27	15,54
Balance sheet total	45,45	43,61

OVERALL ECONOMIC SITUATION AND INDUSTRY SENTIMENT

Economic recovery is continuing around the globe. The German economy in particular is growing at above-average rates compared to other industrialized nations, as indicated by the current reports of leading German economic research institutes. The researchers expect the German economy to grow by 3.5 percent in 2010, slowing to 2 percent in 2011. This is considerably higher than expectations indicated as recently as the beginning of the year.

With these figures, however, Germany remains a positive exception in Europe. With growth rates of 1.7 percent in 2010 and 1.5 percent in 2011, the IMF sees the Euro Zone as a whole lagging behind the other developed national economies. Moreover, the IMF believes that the situation on the financial markets remains tense. As a result, the vulnerabilities within the banking system and ailing public finances in many countries remain among the greatest risks to economic recovery. The economy will grow nevertheless, but more slowly than before. The ifo Institute shares this assessment. The Institute views the current global economic situation as more positive than during the first half of 2010, but revised its forecast for the coming six months downwards. Expectations thus indicate a slowdown in global economic growth during the second half of the year.

These assessments are reflected by the situation on the US market. The ECB anticipates a modest recovery of the American economy. Due to low consumer confidence and weak labor market conditions, private consumer spending is only slowly increasing. On the other hand, private investment by enterprises is strongly on the rise.

Thanks to favorable financing conditions and the improved labor market situation, Germany is witnessing both rising investments and increased consumer spending, as indicated by the analysts in their current study of the IT market in Germany. BITKOM likewise sees positive business sentiment within the German ITC sector. The association's current economic survey confirms increased demand, with incoming orders and sales on the upswing as well. According to BITKOM, demand is accelerating most strongly for providers of software and IT services. The manufacturing industry and the services sector are ramping up their ITC investments. Thus, while not all sectors will develop equally quickly, the overall trend in Germany is positive.

DEVELOPMENT OF RESULTS

The stable business trend of the first half of the year has continued during the 3rd Quarter. As expected, earnings from sales of non-proprietary software grew most strongly, accounting for solid gains in the field of Product Lifecycle Management (PLM). However, sales in the consulting and services segment have declined. Expenditures have been adjusted to the changing orders situation as appropriate.

This Quarter is the first to also take into account the results of conunit GmbH, an enterprise acquired by CENIT at the beginning of the 3rd Quarter. The consulting provider in the fields of business intelligence (BI) and analysis is a meaningful addition to CENIT's long-established business segment Enterprise Information Management (EIM), particularly with a view to the high technical expertise of conunit's staff in the BI field. CENIT plans to expand this segment over the coming years. conunit fully merged with CENIT pursuant to a decision of 20 August. The merger was entered in the commercial register on 20 September 2010.

OVERVIEW OF 3rd QUARTER FIGURES

At the end of the 3rd Quarter, CENIT Group achieved total sales revenue of 64.8 m EUR (2009: 63.4 m EUR/+2%). The gross profit amounted to 43.1 m EUR (2009: 43.5 m EUR/-1%). CENIT attained EBITDA of 3.0m EUR (2009: 2.8 m EUR/+6%) and EBIT of 1.7 m EUR (2009: 1.7 m EUR). Earnings per share were 0.15 EUR (2009: 0.21 EUR).

BREAKDOWN OF EARNINGS

In the PLM segment CENIT achieved a sales total of 46.5 m EUR (2009: 43.7 m EUR/+6%). The EIM segment posted sales of 18.3 m EUR after 19.7 m EUR in 2009 (-7%).

Earnings from non-proprietary software attained 21.0 m EUR (2009: 16.9 m EUR/+24% *revised accounting method). Sales of CENIT's proprietary software increased slightly from 5.7 m EUR to 5.9 m EUR (+2% *revised accounting method).

Turnover from services and consulting totaled 37.4 m EUR (2009: 40.2 m EUR/-7%). Other turnover amounted to 0.6 m EUR (2009: 0.5 m EUR /+20%).

HOLDINGS – FOREIGN SUBSIDIARIES

CENIT (Switzerland) AG achieved sales revenue of 2.1 m EUR (2009: 2.8 m EUR), accounting for EBIT of 0.1 m EUR (2009: 0.8 m EUR).

With sales of 3.8 m EUR (2009: 4.1 m EUR), CENIT North America Inc. attained EBIT of -0.1 m EUR (2009: -0.6 m EUR).

CENIT SRL achieved sales of 0.3 m EUR (2009: 0.4 m EUR), accounting for neutral EBIT (2009: 0.1 m EUR).

CENIT France SARL posted sales 0.4 m EUR (2009: 0.3 m EUR) and EBIT of 0.04 m EUR (2009: 0.02 m EUR).

DEVELOPMENT OF COSTS

Other business-related expenditures totaled 10.6 m EUR (reference period 2009: 10.1 m EUR).

INVESTMENTS

Investments during the first 9 months of 2010 totaled 0.9 m EUR (reference period 2009: 0.6 m EUR).

CHANGES IN COMPOSITION OF MANAGING AND SUPERVISORY BOARDS

None

EVENTS OF SPECIAL SIGNIFICANCE WHICH COULD AFFECT THE BUSINESS RESULT

At the beginning of the 3rd Quarter, CENIT acquired conunit GmbH at an acquisition price in the lower single-digit millions. conunit fully merged with CENIT pursuant to the decision of 20 August. The merger was entered in the commercial register on 20 September 2010.

INTERIM DIVIDEND

No interim dividend was paid out.

DIVIDENDS PAID OR PROPOSED FOR PAYMENT

None

ORDERS SITUATION

Incoming orders Group-wide totaled 70.2 m EUR (2009: 56.9 m EUR/+23%). Orders in hand on 30 September 2010 amounted to 27.8 m EUR (2009: 21.1 m EUR/+32%).

ORDERS OF SPECIAL SIGNIFICANCE

None

LIQUID ASSETS AND SECURITIES

On the balance-sheet date, bank deposits and securities totaled 10.3 m EUR (31 Dec. 2009: 19.5 m EUR). The enterprise remains debt-free.

ASSET, FINANCIAL AND EARNINGS SITUATION

The balance-sheet total was 45.5 m EUR. Trade debtors and other assets amounted to 14.9 m EUR. On the balance-sheet date, equity capital totaled approx. 27.2 m EUR (31 Dec. 2009: 28.1 m EUR), accounting for an equity ratio of 60% (31 Dec. 2009: 64%). The operative cash flow was 3.2 m EUR (09/2009: 2.6 m EUR).

STAFF

On 30 September 2010, CENIT employed a total of 696 staff Group-wide (30 Sept. 2009: 705).

SUPPLEMENTARY REPORT, OPPORTUNITIES AND OUTLOOK

CENIT's software business, which has already performed well during the 3rd Quarter, is expected to remain strong over the coming months. We anticipate further improvements in capacity utilization within the services segment. We thus expect positive developments for the 2010 business year based on the results attained in 2009, and continue to adhere to the statements made in the 2009 Annual Report.

CENIT Aktiengesellschaft CONSOLIDATED BALANCE SHEET (in accordance with IFRSs) (unaudited) for the period from January 1 to September 30, 2010		
in EUR k	Sept.30, 2010	Dec. 31, 2009
ASSETS		
NON-CURRENT ASSETS		
Intangible assets	4.381	1.221
Property, plant and equipment	2.082	2.285
Investment in an associate	54	50
Income tax receivable	537	520
Other financial assets at fair value through profit or loss	3.000	2.000
	10.054	6.076
DEFERRED TAX ASSETS	0	0
NON-CURRENT ASSETS	10.054	6.076
CURRENT ASSETS		
Inventories	1.233	925
Trade receivables	14.919	10.517
Receivables from associates	3.859	4.161
Current income tax assets	986	386
Other receivables	407	205
Other financial assets at fair value through profit or loss	910	910
Cash	9.380	18.599
Prepaid expenses	3.697	1.832
CURRENT ASSETS	35.391	37.535
TOTAL ASSETS	45.445	43.611

CENIT Aktiengesellschaft CONSOLIDATED BALANCE SHEET (in accordance with IFRSs) (unaudited) for the period from January 1 to September 30, 2010		
in EUR k	Sept. 30, 2010	Dec. 31, 2009
EQUITY AND LIABILITIES		
EQUITY		
Issued capital	8.368	8.368
Capital reserve	1.058	1.058
Currency translation reserve	43	-309
Legal reserve	418	418
Other revenue reserves	12.341	11.040
Net retained profit of the Group	4.949	7.500
	27.177	28.075
Minority interests	0	0
TOTAL EQUITY	27.177	28.075
NON-CURRENT LIABILITIES		
Deferred tax liabilities	1.529	488
CURRENT LIABILITIES		
Current liabilities to banks	0	0
Trade payables	3.442	4.241
Liabilities due to associates	0	38
Other liabilities	9.743	8.429
Current income tax liabilities	248	422
Other provisions	260	322
Deferred income	3.046	1.596
	16.739	15.048
TOTAL EQUITY AND LIABILITIES		
	45.445	43.611

CENIT Aktiengesellschaft

CONSOLIDATED INCOME STATEMENT (in accordance with IFRSs) (unaudited)

for the period from January 1 to September 30, 2010

in EUR k		Sept. 30, 2010	Sept. 30, 2009
1. REVENUE		64.819	63.384
2. Increase or decrease in work in process		540	-626
Total operating performance		65.359	62.758
3. Other operating income		519	726
Operating performance		65.878	63.484
4. Cost of materials	22.756		19.958
5. Personnel expenses	29.515		30.654
6. Amortization of intangible assets and depreciation on property, plant and equipment	1.242		1.067
7. Other operating expenses	10.648		10.099
		64.161	61.778
NET OPERATING INCOME		1.717	1.706
8. Other interest and similar income	135		216
9. Interest and similar expenses	40		17
10. Result from financial instruments at fair value through profit or loss	0		0
11. Share of profit of an associate	4		-1
		99	198
RESULT FROM ORDINARY ACTIVITIES		1.816	1.904
12. Extraordinary profit/loss		0	0
13. Income taxes		559	175
14. NET INCOME OF THE GROUP FOR THE YEAR		1.257	1.729
15. thereof attributable to the shareholders of CENIT AG		1.257	1.729
16. thereof attributable to minority interests		0	0
Earnings per share in EUR			
basic		0,15	0,21
diluted		0,15	0,21

CENIT Aktiengesellschaft

CONSOLIDATED INCOME STATEMENT (in accordance with IFRSs) (unaudited) for the period from July 1 to September 30, 2010

in EUR k		3rd Quarter, 2010	3rd Quarter, 2009
1. REVENUE		23.443	20.325
2. Increase of decrease in work of process		106	-331
Total operating performance		23.549	19.994
3. Other operating income		159	144
Operating performance		23.708	20.138
4. Cost of materials	8.722		6.342
5. Personnel expenses	9.673		9.393
6. Amortization of intangible assets and depreciation on property, plant and equipment	519		354
7. Other operating expenses	3.932		3.167
		22.846	19.256
NET OPERATING INCOME		862	882
8. Other interest and similar income	29		49
9. Interest and similar expenses	35		13
10. Result from financial instruments at fair value through profit or loss	0		0
11. Share of profit of an associate	0		-1
		-6	35
RESULT FROM ORDINARY ACTIVITIES		856	917
12. Extraordinary profit/loss		0	0
12. Income taxes		268	-68
13. NET INCOME OF THE GROUP FOR THE YEAR		588	985
14. thereof attributable to the shareholders of CENIT AG		588	985
15. thereof attributable to minority interests		0	0
Earnings per share in EUR			
basic		0,07	0,12
diluted		0,07	0,12

CENIT Aktiengesellschaft CONSOLIDATED STATEMENT OF CASH FLOWS (in accordance with IFRSs) (unaudited) for the period from January 1 to September 30, 2010		
in EUR k	Sept. 30, 2010	Sept. 30, 2009
Cash flow from operating activities		
Earnings before tax	1.816	1.904
Adjusted for:		
Amortization of intangible assets and depreciation of property, plan and equipment	1.242	1.067
Losses on disposals of non-current assets	0	13
Gains on disposals of non-current assets	8	3
Share of profit of associates	-4	1
Other non-cash income and expenses	229	-179
Change in other financial assets		0
Interest income	-135	-216
Interest expenses	40	17
Income before adjustments to current assets	3.196	2.610
Increase/decrease in trade receivables and other current, non-monetary assets	-5.626	1.294
Increase/decrease in inventories	-308	-44
Increase/decrease in current liabilities and provisions	2.082	3.285
Interest paid	-40	-17
Interest received	135	216
Income taxes paid	-1.770	-2.367
Change in net cash flow from operating activities	-2.331	4.977
Cash flow from investing activities		
Acquisition of property, plant and equipment and intangible assets	-858	-631
Purchase of investments in an associate	0	0
Acquisition of shares in fully consolidated entities	-2.520	0
Gain on disposal of property, plant and equipment	0	5
Change in other financial assets that are not allocable to cash and cash equivalents	-1.000	-2.000
Net cash paid for investing activities	-4.378	-2.626
Cash flow from financing activities		
Repayment of longterm bank loans		0
Dividends paid to shareholders	-2.510	0
Change in convertible bond	0	0
Net cash paid for financing activities	-2.510	0
Net increase/decrease in cash and cash equivalents	-9.219	2.352
Cash and cash equivalents at the beginning of the reporting period	18.599	12.265
Cash and cash equivalents at the end of the reporting period	9.380	14.617

CENIT Aktiengesellschaft

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (in accordance with IFRSs) (unaudited)

as of September 30, 2010

in EUR k	Equity attributable to shareholders of the parent							Minority interests	Total
	Issued capital	Capital reserve	Currency translation reserve	Legal reserve	Other revenue reserves	net retained profit of the Group	Total		
As of January 1, 2009	8.368	1.058	-292	418	8.140	7.672	25.364	0	25.364
Exchange differences			-17				-17		-17
Net income of the Group for the year						2.728	2.728		2.728
Total comprehensive income	0	0	-17	0	0	2.728	2.711	0	2.711
Reversal of minority interests							0		0
Acquisition of residual share							0		0
Dividend distribution							0		0
Allocations to the other revenue reserve					2.900	-2.900			0
As of Dec. 31, 2009	8.368	1.058	-309	418	11.040	7.500	28.075	0	28.075
Exchange differences			352				352		352
Net income of the Group for the year						1.257	1.257	0	1.257
Total comprehensive income	0	0	352	0	0	1.257	1.609	0	1.609
Reversal of minority interests							0		0
Acquisition of residual share							0		0
Transfer from stock options							0		0
Dividend distribution						-2.510	-2.510		-2.510
Allocation to the other revenue reserve					1.300	-1.300	0		0
Allocation to the legal revenue reserve							0		0
Capital increase from company funds							0		0
As of September 30, 2010	8.368	1.058	43	418	12.340	4.947	27.177	0	27.177

CENIT Aktiengesellschaft Systemhaus

Segment Reporting by Business Unit (in accordance with IFRSs) (unaudited)

for the period from January 1 to September 30, 2010

		EIM	PLM	not allocated	Group
in EUR k					
External revenue	Q1-Q3 2010	18.283	46.536	0	64.819
	Q1-Q3 2009	19.687	43.698	0	63.384
EBIT	Q1-Q3 2010	516	1.202	0	1.718
	Q1-Q3 2009	2.083	-377	0	1.706
Share of profit of an associate	Q1-Q3 2010	0	4	0	4
	Q1-Q3 2009	0	-1	0	-1
Other interest result and financial result	Q1-Q3 2010	0	0	95	95
	Q1-Q3 2009	0	0	198	198
Income taxes	Q1-Q3 2010	0	0	559	559
	Q1-Q3 2009	0	0	175	175
Net income of the Group	Q1-Q3 2010	516	1.202	-460	1.258
	Q1-Q3 2009	2.083	-377	23	1.728
Segment assets	Q1-Q3 2010	11.246	19.333	14.813	45.392
	Q1-Q3 2009	4.547	17.546	20.093	42.186
Investment in an associate	Q1-Q3 2010	0	54	0	54
	Q1-Q3 2009	0	50	0	50
Segment liabilities	Q1-Q3 2010	5.390	11.101	1.777	18.268
	Q1-Q3 2009	3.773	10.848	522	15.143
Investments in property, plant equipment and intangible assets	Q1-Q3 2010	256	602	0	858
	Q1-Q3 2009	300	332	0	631
Amortization and depreciation	Q1-Q3 2010	413	828	0	1.242
	Q1-Q3 2009	218	848	0	1.067

EIM=Enterprise Information Management; PLM = Product Lifecycle Management

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CENIT Aktiengesellschaft

Segment Report by Region (in accordance with IFRSs) for the period from January 1 to September 30, 2010 (unaudited)

in EUR k		Germany	Switzerland	North America	Romania	France	not allocated	Consolidation	Group
Internal revenue	Q1-Q3 2010	2.714	18	325	297	389	0	-3.743	0
	Q1-Q3 2009	3.375	529	236	370	344	0	-4.854	0
External revenue	Q1-Q3 2010	58.965	2.097	3.692	39	26	0	0	64.819
	Q1-Q3 2009	56.837	2.273	4.273	2	0	0	0	63.384
Segment assets	Q1-Q3 2010	29.304	703	1.748	127	100	14.813	-1.404	45.392
	Q1-Q3 2009	20.582	3.095	1.571	84	33	20.093	-3.272	42.186
Investment in an associate	Q1-Q3 2010	54	0	0	0	0	0	0	54
	Q1-Q3 2009	50	0	0	0	0	0	0	50
Investments in property, plant and equipment and intangible assets	Q1-Q3 2010	4.160	0	37	3	3	0	0	4.203
	Q1-Q3 2009	571	4	5	23	28	0	0	631

EXPLANATORY NOTES TO SHARES AND SUBSCRIPTION RIGHTS HELD BY DIRECTORS, COMPANY OFFICERS AND EMPLOYEES IN ACCORDANCE WITH Section § 160 Subsection 1 No. 2 AND 5 AktG

The Directors of the company have 39,000 share option rights. CENIT employees have also 160.000 share option rights.

Directors' Holding:

Number of shares as at September, 30, 2010

Total Number of Shares: 8.367.758

Executive Board

Kurt Bengel:	0
Christian Pusch:	0

Supervisory Board

Andreas Schmidt:	191.792
Hubert Leypoldt:	1.600
Andreas Karrer:	0

Financial Calendar:

22.-24.11.2010 German Equity Forum, Frankfurt