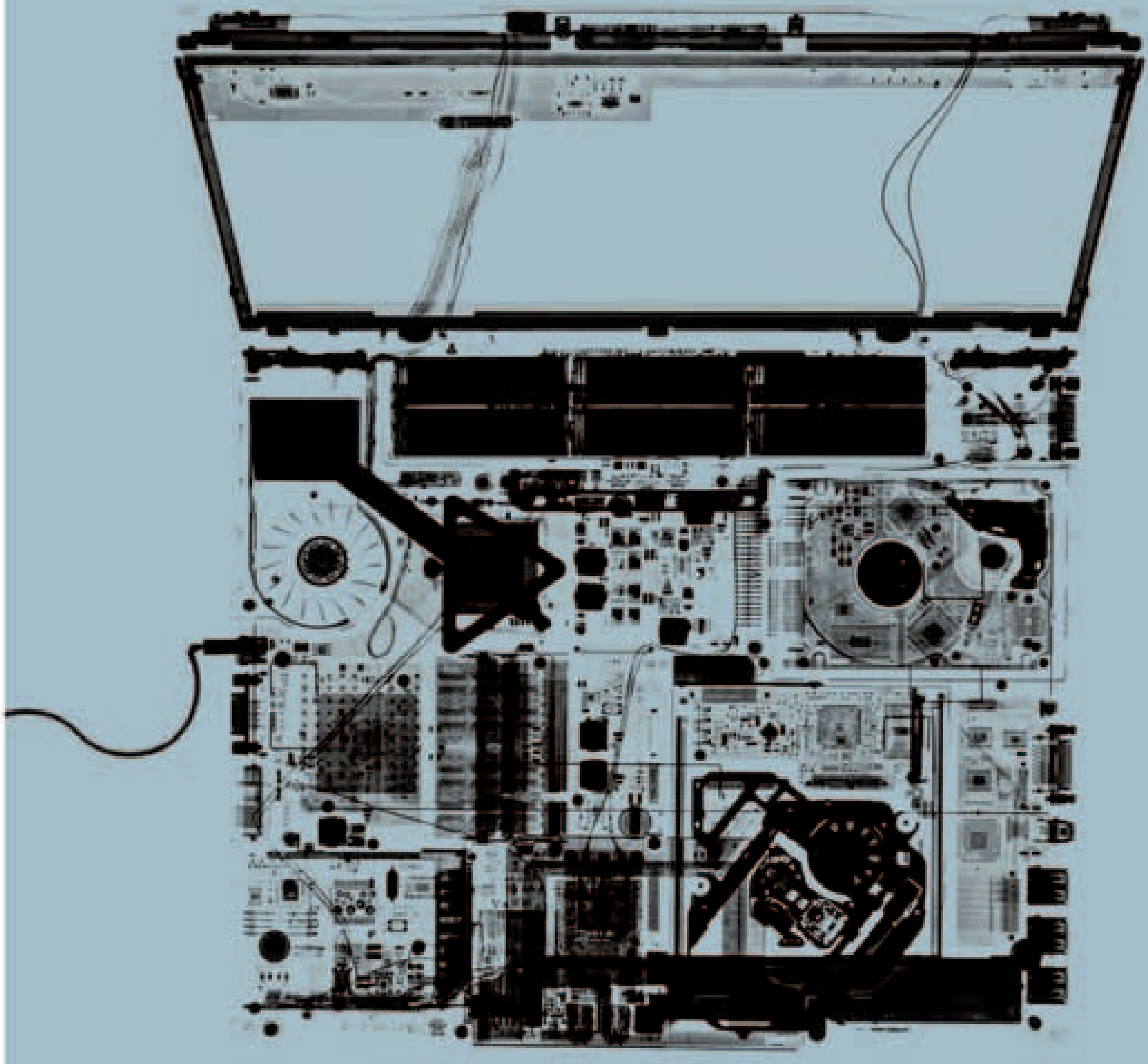


GERICOM AG

QUARTERLY REPORT Q2 2007

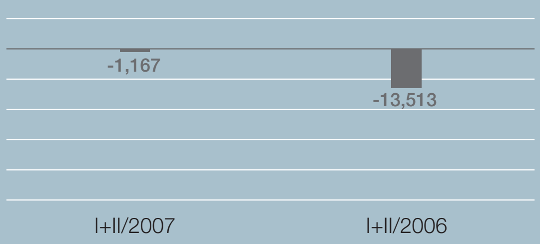
GERICOM REPORT Q2 2007

KEY FIGURES

	Half yearly report I+II/2007 01.01.2007-30.06.2007 EUR	Half yearly report I+II/2006 01.01.2006-30.06.2006 EUR	Difference
Sales revenues	15,392,427	48,347,512	-68.16 %
EBIT	-1,167,271	-13,513,090	-91.36 %
Net profit/loss for the period	5,269,345	-13,487,970	239.67 %
Equity ratio	44.05 %	45.36 %	-2.89 %
Profit/loss per share	0.48	-1.24	238.71 %
Investments	16,436	122,814	-86.62 %

TURNOVER ACC. TO IFSR IN kEUR

EBIT ACC. TO IFSR IN MILL. kEUR



REPORT OF THE MANAGING BOARD

Dear Shareholder,

Mobile computing and media center solutions are unquestionably among the prime issues of the future in the consumer electronics sector. While the notebook has already overtaken the desktop PC in private use, it is still moving into an attacking position in the corporate area. Market potential still clearly exists here.

The big drop in prices is what the entire branch is up against now. GERICOM AG has met the changing market circumstances early by already introducing appropriate adjustments to its products and costs over the past two years. This corporate policy has left its mark on the first half of 2007 and the line will continue to be implemented.

NOTEBOOKS SCORE WITH VALUE FOR MONEY

Notebooks are bought almost exclusively on price criteria. GERICOM has sought a way around this pressure with a successful niche strategy. The products are aligned to the requirements of separate target groups, providing them with the special uses they need. GERICOM has been able to achieve success in this market, not least by offering an attractive value for money deal. This strategy was successfully implemented in the first half year of 2007.

With our Supersonic Force GERICOM brought a fully game compatible all-round notebook onto the market that has made an impression not least as an absolutely first rate deal at the price. The 2 GB main memory notebook was picked out as the best vista notebook by the computer magazine E-Media in March 2007.

An outstanding reception on the market has met this robust outdoor notebook GERICOM X5 with its splash water and shock resistance. A special offer was repeated in the second quarter of the year following on from successful sales in the first quarter of 2007.

INTELLIGENT TV SETS

In the business unit home entertainment GERICOM is faced with an already glutted market. Moreover, many households have purchased state-of-the-art plasma and LCD TV sets on the occasion of the Football World Championship. To be successful on the market, GERICOM sees its future in the development of intelligent TV sets. Being complete multimedia centres, these units integrate a fully functional Microsoft Windows computer, thus becoming home cinema, game paddle, visual phone or internet station. Apart from the end consumer it is especially the business-to-business market that promises an enormous market potential for these future products. Thus GERICOM intends to attract new ranges of customers such as hotels or public institutions with intelligent information displays, etc.

STABILISATION COURSE IS RUNNING SUCCESSFULLY

GERICOM achieved a turnover of 15,392,427 euros in the first six months of 2007. This includes the turnover volume for the second quarter amounting to 5,921,036 euros. Compared with the first six months of 2006 when turnover reached 48,347,512 euros GERICOM was behind sales volumes for the previous year as of 30.06.2007; but it was possible to establish a new way forwards in this period concentrating on the notebook sector and specialising in particular on devices representing special value.

Furthermore the result of operations minus in the first six months of 2006 was reduced by 91.4 %. The declared minus for the first six months of 2007 was 1,167,271 euros and the lower contribution to profit in the second quarter was affected by lower turnovers. Taking other revenues (investments and financing) into account, however GERICOM declared a profit of 5,274,019 euros for the first half year 2007. A significant improvement was thus achieved compared with the previous year (first half year 2006: 13,513,090 euros).

Again the balance sheet total could be reduced in the second quarter of 2007 from 42,033,718 euros (31.03.2007) to 32,577,471 euros. Furthermore GERICOM reduced capital lockup in circulating assets by further optimising in the accounts receivable area while reducing warehouse stocks. Short term liabilities were reduced in the same period from 26,695,024 euros to 18,089,113 euros.

GERICOM corporate equity was reduced in the course of the developments described in the first six months of 2007 from 15,507,386 euros (01.01.2007) to 14,349,358 euros. The change was effected to approx. 313,000 in the first quarter of 2007 and to approx. 845,000 euros in the second quarter of 2007. In a counter move the equity ratio improved from 36.15 % to 44.0 % resulting from balance sheet changes in the second quarter of 2007.

GERICOM AG will thus continue with measures to help bring about the turnaround as in the past few months. Adjustment to circumstances on the one hand and the simultaneous creation of new potential on the other are the most urgent objectives to bring about a stabilisation of the situation as swiftly as possible.

Linz, August 2007

Mag. Hermann Oberlehner
Chief Executive Officer

Dr. Helmut Wiesbauer
Chief Financial Officer

STOCK OF SHARES / OPTIONS OF MEMBERS OF THE MANAGING BOARD AND THE SUPERVISORY BOARD

Supervisory Board	Function	Shares as of 31.12.2006	Disposal	Shares as of 30.06.2007
Bauer Georg	Chairman	0	0	0
Hasch Alexander	Vice Chairman	0	0	0
Eder Johann	Member	0	0	0
Charles Henry Dickson	Member	0	0	2,725,000

Managing Board	Function	Shares as of 31.12.2006	Shares as of 30.06.2007	Option as of 30.06.2007
Oberlehner Hermann *)	CEO	0	0	0
Wiesbauer Helmut	CFO	0	0	0

*) Hermann Oberlehner is the beneficiary of Oberlehner Privatstiftung holding 3,926,056 shares, direct and indirect.

CONSOLIDATED BALANCE SHEET 30.06.2007

ASSETS

	Half yearly report statement as of 30.06.2007 EUR	Financial statement as of 31.12.2006 EUR	Financial statement as of 31.12.2005 EUR
CURRENT ASSETS			
Cash and cash equivalents	8,456,085	15,315,642	19,690,504
Marketable securities	0	0	0
Trade accounts receivable	12,729,163	9,036,589	25,857,255
Accounts receivable from affiliated companies	1,257,554	2,879,651	6,217,879
Inventories	4,995,449	6,982,273	21,900,192
Prepaid expenses	0	0	0
Current assets	2,533,770	2,067,552	6,541,698
CURRENT ASSETS	**29,972,021**	**36,281,707**	**80,207,528**
LONG-TERM ASSETS			
Property, plant and equipment	2,523,989	2,657,648	3,065,999
Intangible assets	15,978	13,928	78,330
Investments	65,483	170,028	170,028
Investments acc. to equity method	0	0	0
Loans	0	0	0
Deferred taxes	0	0	1,000,000
Other assets	0	0	0
LONG-TERM ASSETS	**2,605,450**	**2,841,604**	**4,314,357**
TOTAL ASSETS	**32,577,471**	**39,123,311**	**84,521,885**

CONSOLIDATED BALANCE SHEET 30.06.2007

LIABILITIES

	Half yearly report statement as of 30.06.2007 EUR	Financial statement as of 31.12.2006 EUR	Financial statement as of 31.12.2005 EUR
CURRENT LIABILITIES			
Current portion of capital lease liabilities	0	0	0
Short-term loans and current portion of long-term loans	0	0	0
Trade accounts payable	1,201,309	5,322,325	15,135,781
Accounts payable to affiliated companies	448,980	121,854	3,637,835
Down payments received	0	0	0
Accrued liabilities	15,552,155	16,694,602	14,640,149
Provisions for threatening losses from derivatives	0	0	0
Deferred revenues	0	0	0
Deferred taxes	0	0	0
Other current liabilities	886,669	1,317,144	7,006,276
TOTAL CURRENT LIABILITIES	**18,089,113**	**23,455,925**	**40,420,041**
LONG-TERM LIABILITIES			
Long-term loans	0	0	0
Long-term capital lease liabilities	0	0	0
Deferred revenues	0	0	0
Deferred taxes	0	0	0
Provisions for pension	0	0	0
Other provisions for personnel	139,000	160,000	125,916
TOTAL LONG-TERM LIABILITIES	**139,000**	**160,000**	**125,916**
MINORITY INTERESTS	**0**	**0**	**0**
GROUP EQUITY			
Subscribed capital	10,900,000	10,900,000	10,900,000
Capital reserves	33,075,928	33,075,928	33,075,928
Treasury stock	0	0	0
Consolidated balance sheet profit (including retained earnings)	-29,626,570	-28,468,542	0
Accumulated other overall result	0	0	0
TOTAL GROUP EQUITY	**14,349,358**	**15,507,386**	**43,975,928**
TOTAL LIABILITIES	**32,577,471**	**39,123,311**	**84,521,885**

PROFIT AND LOSS ACCOUNT

	2. Quarterly report II/2007 01.04.2007-30.06.2007 EUR	2. Quarterly report II/2006 01.04.2006-30.06.2006 EUR	Half yearly report I+II/2007 01.01.2007-30.06.2007 EUR	Half yearly report I+II/2006 01.01.2006-30.06.2006 EUR
Sales revenues = **Operating revenue**	5,921,036	23,005,525	15,392,427	48,347,512
Other operating income	0	0	0	0
Cost of materials and cost of services purchased	-4,805,218	-30,210,192	-12,374,079	-54,609,475
Personnel costs	-656,713	-1,173,154	-1,179,219	-2,059,262
Depreciation	-82,854	-173,640	-167,585	-345,260
Other operating expenses	-1,290,157	-1,816,515	-2,838,815	-4,846,605
RESULT FROM OPERATING ACTIVITIES	**-913,906**	**-10,367,976**	**-1,167,271**	**-13,513,090**
Earnings from investments	0	0	6,296,198	0
Interest income / interest payable	67,092	-11,215	145,092	29,094
RESULT BEFORE TAXES	**-846,814**	**-10,379,191**	**5,274,019**	**-13,483,996**
Taxes on income and earnings	-2,426	-3,839	-4,674	-3,974
CONSOLIDATED PROFIT/LOSS	**-849,240**	**-10,383,030**	**5,269,345**	**-13,487,970**

CONSOLIDATED CASH FLOW STATEMENT 30.06.2007

	Half yearly report 01.01.2007-30.06.2007	Financial 01.01.2006-31.12.2006	Financial 01.01.2005-31.12.2005
CASH FLOW FROM OPERATING ACTIVITIES			
Result from operating activities	-1,167,271	-27,675,484	-8,502,985
Payments for taxes on income	-4,674	-13,468	183,892
Change in accumulated other overall result	0	0	366,658
Currency translation and other changes	5,991	27,430	-38,169
Adjustments for:			
Minority interests	0	0	0
Depreciation	167,585	682,352	951,700
Increase/decrease in provisions	-1,163,447	2,088,537	-3,372,592
Profit from disposal of fixed assets	-9,047	-3,975	0
Foreign exchange profits/losses	0	0	0
Other	0	0	0
Changes in net working capital:			
Trade accounts receivable	-3,692,574	16,820,666	51,669,605
ccounts receivable from affiliated companies	1,622,099	3,338,228	-6,069,126
Inventories	1,986,824	14,917,919	20,534,021
Prepaid expenses	0	0	0
Current assets	-466,218	4,474,146	-1,547,309
Trade accounts payable	-4,121,016	-9,813,456	37,552,542
Accounts payable to affiliated companies	327,126	-3,515,981	3,637,835
Down payments received	0	0	0
Accrued liabilities			
Provisions for threatening losses from derivatives	0	0	0
Deferred revenues	0	0	0
Deferred taxes	0	0	0
Other current liabilities	-430,475	-5,689,132	-5,651,023
Other provisions for personnel	0	0	0
NET CASH EARNED FROM (USED IN) OPERATING ACTIVITIES	**-6,945,097**	**-4,362,218**	**14,609,965**

	Half yearly report 01.01.2007-30.06.2007	Financial 01.01.2006-31.12.2006	Financial 01.01.2005-31.12.2005
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of subsidiaries, net of cash acquired	0	0	0
Proceeds from disposal of subsidiaries, net of cash transferred	6,318,000	0	0
Acquisition of plant and equipment	-23,731	-212,369	-306,873
Acquisition of financial assets	0	0	0
Proceeds from disposal of plant and equipment	79,545	6,746	121,795
Other	0	0	0
NET CASH USED IN INVESTING ACTIVITIES	**6,373,814**	**-205,623**	**-185,078**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from increase in equity	0	0	0
Payments-in from taking up of short-term or long-term loans	0	0	0
Payments-in/-out from interest	145,092	192,979	-310,982
Payments-out for redemption of loans	0	0	-4,337
Payments-out for capital lease liabilities	0	0	0
Payment of dividends	0	0	0
Other from final consolidation	-6,433,366	0	0
NET CASH EARNED FROM / USED IN FINANCING ACTIVITIES	**-6,288,274**	**192,979**	**-315,319**
Net effect of currency translation on cash and cash equivalents	0	0	0
Change in cash and cash equivalents	**-6,859,557**	**-4,374,862**	**14,109,568**
Cash and cash equivalents at beginning of period	15,315,642	19,690,504	5,580,936
Cash and cash equivalents at end of period	8,456,085	15,315,642	19,690,504

STATEMENT OF CHANGES IN EQUITY

	Subscribed capital	Capital reserves	Retained earnings	Revaluation reserves	Total, consolidated
As of 01.01.2005	**10,900,000**	**35,134,736**	**7,949,815**	**-366,658,00**	**53,617,893**
Net loss for the period	0	0	-9,970,454	0	-9,970,454
Balancing item from currency translation	0	0	7,772	0	7,772
Change in value of derivatives	0	0	0	366.658,00	366,658
Other changes	0	0	-45,941	0	-45,941
Dissolution of capital reserve	0	-2,058,808	2,058,808	0	0
As of 01.01.2006	**10,900,000**	**33,075,928**	**0**	**0**	**43,975,928**
Net loss for the period	0	0	-28,495,973	0	-28,495,973
Balancing item from currency translation	0	0	13,919	0	13,919
Other changes	0	0	13,511	0	13,511
Dissolution of capital reserve	0	0	0	0	0
As of 31.12.2006	**10,900,000**	**33,075,928**	**-28,468,543**	**0**	**15,507,385**
Net loss for the period	0	0	5,269,345	0	5,269,345
Balancing item from currency translation	0	0	5,991	0	5,991
Change in value of derivatives	0	0	0	0	0
Other changes	0	0	-6,433,362	0	-6,433,362
Dissolution of capital reserve	0	0	0	0	0
As of 30.06.2007	**10,900,000**	**33,075,928**	**-29,626,570**	**0**	**14,349,358**

GERICOM
mobile world

IMPRINT

Editor
GERICOM AG
Industriezeile 35
4021 Linz

Contact
Tel: ++43 732 7664-0
Fax: ++43 732 7664-599

E-Mail: ir@gericom.com
Internet: www.gericom.com

Text
REICHL UND PARTNER PR GmbH, www.reichlundpartner.at

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REICHL UND PARTNER Werbeagentur GmbH, www.reichlundpartner.at

GERICOM AG
Industriezeile 35
4021 Linz
www.gericom.com