EXPANSION
NEXT GENERATION SOLUTIONS

euromicron Aktiengesellschaft

Interim Report Q3/2011

euromicron Group

KEY INCOME FIGURES AT SEPTEMBER 30, 2011

	2011 € thou.	2010 € thou.
Consolidated EBIT	14,902	10,297
Operating EBIT	19,643	14,837
EBIT margin as a ratio of total operating performance (in %)	6.9	6.8
EBITDA	18,996	13,065
Income before taxes	12,337	8,595
Net profit for the period	7,825	5,573
Earnings per share in € (undiluted)	1.53	1.17

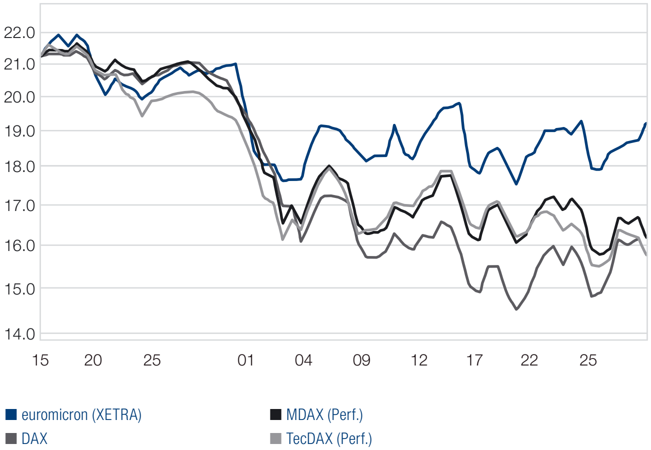
(unaudited acc. to IFRS)

euromicron AG

SHARE PERFORMANCE

in €

July 1, 2011 – Sept. 30, 2011



Dear shareholders,

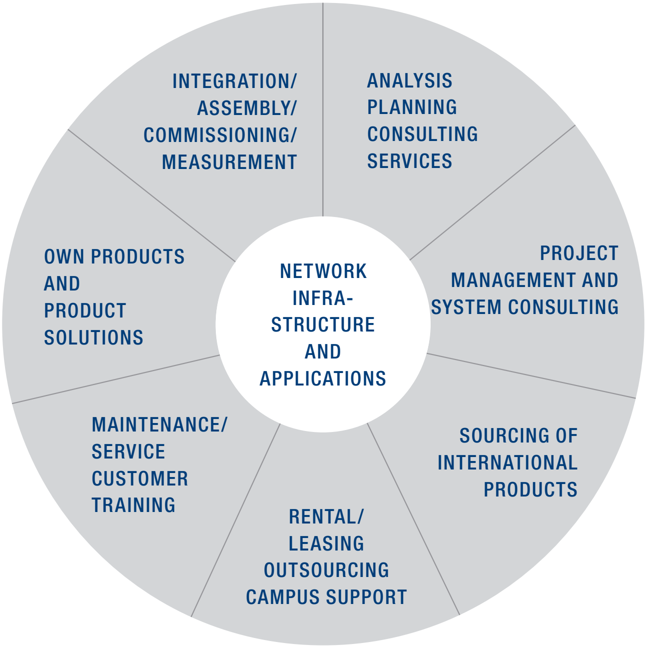
We aim to continue our highly profitable expansion of the first six months to the end of the financial year – and we succeeded excellently in that goal in the third quarter.

Enhancement of our technological competence and strengthening of our workforce's qualifications in the third quarter will make a major contribution toward that.

Frankfurt/Main, November 2011

The Executive Board

THE VALUE CHAIN OF THE EUROMICRON GROUP



Foreword

euromicron's business policy, which is geared toward sustainable and highly profitable growth, again proved extraordinarily successful in the third quarter of fiscal 2011. Our company is growing, unperturbed by the European debt crisis and turbulence on international financial markets. euromicron's strategy of tackling new investments with the necessary caution and focusing on stable operational business is proving its worth, especially in this environment.

Another key component of our strategy also remains to offer all technologies at all German locations and so to be able to give customers ideal consulting and support. euromicron again demonstrated this successfully by taking over the employees and customers of ACE Advanced Engineering GmbH, as well as the development team and products of the former TeraMile GmbH in the third quarter of 2011. Both companies help bolster euromicron's technological competence in the highly promising fields of active and IP technology and strengthen the qualifications of its workforce.

euromicron again recorded a successful third quarter, with exceptional organic growth and integration of telent GmbH.

In the first three quarters of fiscal year 2011, our company generated consolidated sales of €220.6 million on its new operational base, an outstanding increase of 47.3% year-on-year. As a result, euromicron has already achieved its sales target (without acquisitions) for the whole of 2011 and is confident of being able to attain the newly adjusted goal of €280-300 million by the end of the year.

This sustainable overall growth is also reflected in earnings before income and taxes (EBIT) of €14.9 million, an increase of 44.7% over the same period for the previous year (€10.3 million).

Operating income of the associated companies was €19.6 million, likewise well up on the previous year's €14.8 million. Net profit for the period was €7.8 million (previous year: €5.6 million), giving undiluted earnings per share of €1.53 (previous year: €1.17).

The current level of new orders is €245.4 million, the highest in all the time euromicron has been operating in the market as a network specialist and a year-on-year increase of 59.3%. Order books also stand at a very high level: €173.8 million or around 73.3% up on the previous year (€100.3 million).

This extremely positive trend is due to strong organic growth of around 30%, as well as the still provisional, but extensive first-time consolidation of telent GmbH, which was acquired by euromicron as part of an asset deal on June 7, 2011. Merging of euromicron's activities with those of telent GmbH is proceeding as planned and offers the Group a host of cross-selling potentials and access to new, highly promising customer segments. For example, the takeover of the analog radio communications business of Cassidian Communications GmbH, an EADS technology that has proven itself for decades, and the partnership with Radiodata in the field of state-of-the-art digital mobile radio mean that telent GmbH is excellently prepared to ensure product further development and delivery, as well as repair, maintenance, spare parts management and services for existing customers in the field of analog radio technology, as well as to enable customers to transition to the new professional digital technology if and when required.

However, the "old" euromicron companies made the most important contribution to the positive business performance in the first three quarters. Organic growth of around 30% and record new orders show that the companies have actively exploited the opportunities of a growing market in their favor. The accomplished integration and professionalization measures, targeted at individual locations and areas of expertise, confirm the Group's earnings strength and are also meeting with a great response among customers.

To handle the high level of existing orders, euromicron continued to actively select and qualify subcontractors as partners in the third quarter of 2011. In addition, euromicron pushed ahead with and strengthened its further training drive for its employees and launched the second sales trainee program following the successful one staged in the previous year.

Our company's success is increasingly being promoted by awareness of the euromicron brand in the market. In order to increase the radiance of our brand, our company's presence in the media has been continuously enhanced and expanded. At the same time we have conducted unflagging and active investor relations works and held a large number of roadshows and talks with investors to make potential prospects and investors more familiar with our share as a long-term and valuable investment. An almost 100% free float and stable shareholder structure are testimony to our activities.

With these measures, euromicron has systematically initiated the next stage of its corporate strategy, which offers the Group the chance to set its sights on the €300 million mark in 2011. In order to achieve our target of a planned EBIT margin of 8 to 11 percent after integration of telent GmbH over 2 to 3 years, we will focus in future on leveraging untapped potential, avoiding unnecessary expenditure and merging telent GmbH with the euromicron Group cost-effectively, technologically and organizationally in a professional manner.

Overall, on the basis of our new structure and also in the third quarter of 2011, in which costs were particularly high, we successfully demonstrated our sustainable business policy and so ensured our company's value-oriented growth.

Interim management report of the euromicron Group from January 1 to September 30, 2011

General conditions and development of the company

Given the European debt crisis, the positive mood as regards the general economic conditions also cooled slightly in Germany, even though this was not perceptible in the real economy in the third quarter of 2011 and the number of job-seekers declined to around 2.7 million at the reporting date. Economic analysts still regard GDP growth of 2.9 percent for the current year and 0.8 percent for the coming one to be realistic from the perspective of industry. Nevertheless, the financial markets reacted extremely nervously to the international reports.

euromicron's strength, with its strategy founded on continuity, sustainability and profitable growth, is demonstrated to good effect in particular in this climate.

euromicron's share was not fully able to evade the general negative trend on the financial markets in the course of the third quarter, but proved to be extremely robust in relation to the general falls in prices since the end of July. Whereas the share price was a good €21.93 at the start of the third quarter in July, it fell at one point to €17.60 at the beginning of August, but then settled at a level above €18 after the extremely successful numbers for the first half of 2011 were announced. However, at the end of August, in conjunction with the announcement of the acquisition of the assets in ACE GmbH, the price partially bucked the negative downward trend on the financial markets and – apart from a few outliers – hovered around the €19 mark. On the balance sheet date, the price finally stood at €19.20, with a clear upward tendency, in what was still internationally a very volatile market.

The remarkable relative strength of euromicron's share is also gaining increasing attention in the financial press. For example, €uro am Sonntag filtered ten second-tier stocks, including euromicron's share, from the world of small and mid caps, which have posted drops in price averaging a "modest" 7.3 percent during the general decline since the end of July 2011. €uro am Sonntag thus terms euromicron's share a "small cap dog" and rates it as a particularly interesting security for potential investors.

The assessment of various analysts as regards the share's medium-term upside target also remains unchanged. Indeed, it was even revised upward slightly again and is now at an anticipated range of between €30 and €34.

The company's sustained and positive performance, solid results from operational business, coupled with its relatively crisis-proof share and the still promising prospect of a rise in its price, still make euromicron an extremely interesting security on the Prime Standard, according to most capital market experts.

Sales

At September 30, 2011, euromicron generated consolidated sales of €220.6 million, around 47.3% up on the €149.8 million at the same time in the previous year.

This positive trend is due to continuing strong demand on the market for network solutions and components. In addition, the acquisition of telent GmbH in the second quarter, as well as strong organic growth, resulted in a sharp rise in total sales. Compared with the second quarter (where the new company has only been with the Group for a short time), the entire period of 3 months for it was taken into account the third quarter.

As in past fiscal year, it should again be noted that euromicron anticipates a significant increase in its business figures and provides and bills most of its value-added services in the final quarter. Extrapolating the figures for the year as whole from individual quarters therefore has to reflect the period-specific development of project business.

The regional focus of the Group's operating activities remains Germany, where it generated €193.3 million, or 87.6%, of total sales, an increase of 45.9% year-on-year. The accumulated sales of our foreign companies in the first three quarters are as planned.

Operational business outside Germany continues to center on Italy, Austria, France and Poland.

Further countries such as Portugal and the Benelux countries will be tapped by export and project business, with this being controlled from Germany.

euromicron pursues potential opportunities outside Europe with prudence and by deploying its expertise in each individual case. The main strategic focus of marketing remains to systematically penetrate the domestic market.

euromicron Group

SALES DEVELOPMENT CONSOLIDATED BY REGIONS AT SEPTEMBER 30, 2011

Regions	2011 € thou.	2010 € thou.
Germany	193,306	132,501
Euro zone	25,161	15,045
Rest of World	2,159	2,218
Consolidated net sales	**220,626**	**149,764**

(unaudited acc. to IFRS)

euromicron Group

Income

In the third quarter of fiscal 2011, euromicron AG posted consolidated income before interest and taxes of around €14.9 million, a 44.7% percent increase on the previous year (€10.3 million) and giving an EBIT return of 6.9% relative to total operating performance. As expected, consolidation of telent GmbH since June 7, 2011, not only yielded organic growth, but also had a sharp impact on income at the euromicron Group. EBITDA was at the strong level of just under €19 million.

Due to the continuing good performance both in the North and South segments, the cost of materials increased year-on-year from €79.4 million to €122.2 million as a result of the higher volume of business. This figure includes costs for subcontractors. Since euromicron is increasingly acting as a general contractor, the share of work carried out by selected subcontractors is growing. Consequently, the ratio of costs of materials to sales rose from 53.0% to 55.4%, whereas the ratio of personnel costs improved from 27.5% to 24.1%. Total personnel costs were €53.1 million compared with €41.1 million in the previous year. The increase is mainly attributable to changes in the consolidated companies and expansion of our sales activities. Cost increases due to qualification measures for employees are permanently compensated for by cost adjustments in other areas.

The figure for amortization/depreciation was €4.1 million above that of the previous year (€2.8 million), in particular as a result of amortization of hidden reserves from the purchase price allocation for companies acquired in the last years and of development costs.

Other operating expenses were €24.1 million and so above the figure for the previous year of €19.5 million. Like the rise in personnel costs, this is also attributable to the new activities. This trend is constantly reviewed by means of active cost management and adjusted to reflect market needs.

Net financing costs were €2.6 million, above the level of the previous year (€1.8 million). The rise is essentially due to growing project business and the up-front financing required for this in the current fiscal year, as well as interim financing of the purchase price for telent GmbH. In addition, interest costs rose year-on-year (EURIBOR).

As expected, the tax ratio averaged 32.5%.

The net profit for the period after minority interests as of September 30, 2011, was €7.9 million, 40.4% up on the previous year (€5.6 million). Despite the issue of new shares in 2010, undiluted earnings per share were €1.53, compared with €1.17 in the same period of the previous year.

euromicron Group

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(unaudited acc. to IFRS)

euromicron Group

New orders and order books

As of September 30, 2011, euromicron posted new orders of €245.4 million, 59.3% up on the previous year (€154.0 million).

Order books were €173.8 million, well above the previous year's €100.3 million. The orders are mainly billed in the fourth quarter and so form a solid base for achieving the operational growth objectives for the current fiscal year. No risks from significant project delays or postponements are currently discernable.

euromicron Group

NEW ORDERS/ORDER BOOKS – CONSOLIDATED AT SEPTEMBER 30, 2011

	2011 € thou.	2010 € thou.
Consolidated new orders	245,374	154,037
Consolidated order books	173,818	100,283

(unaudited acc. to IFRS)

euromicron Group

Net assets

The net assets of the Group in the third quarter of 2011 can be compared with the figures in the 2010 annual financial statements and for the previous quarter only to a limited extent. The main changes are attributable to consolidation of the balance sheet items of telent GmbH.

In particular, the following items are affected:

- Goodwill
- Intangible assets
- Inventories
- Trade accounts receivable
- Provisions for pensions
- Other long-term accrued liabilities
- Noncurrent liabilities to banks

euromicron assumes that the structure of financing and the balance sheet ratios, such as trade accounts receivable to trade accounts payable, will improve sharply toward the end of fiscal 2011. The cumulative sales and income of telent GmbH from June 7 to December 31, 2011, will contribute to that, as will our integrated management approach, which enables synergy potentials to be tapped successively at the operational and financial level.

However, full-year figures for telent GmbH will not be consolidated until the end of fiscal 2012 and so only then will the balance sheet figures permit unrestricted and insightful comparison at a new level.

The euromicron Group's total assets at September 30, 2011, were €281.0 million, up by around €85.1 million from December 31, 2010 (€196.0 million).

Noncurrent assets increased by €25.1 million to €133.8 million (December 31, 2010: €108.7 million) and current assets by €60.0 million to €147.3 million (December 31, 2010: €87.3 million). As a result, the ratio of noncurrent assets is 47.6% and that of current assets 52.4%.

Inventories increased by €18.8 million to €36.0 million, while the item "Cash and cash equivalents" fell by €4.8 million compared with the annual financial statements to €3.8 million.

The ratio of equity and long-term outside capital to noncurrent assets is more than 100%.

Equity at September 30, 2011, was €91.5 million, around €2.3 million above the level stated in the 2010 financial statements. The equity ratio was 32.6%. The lower equity ratio compared with the 2010 financial statements is mainly attributable to the balance sheet items in the single-entity financial statements of telent GmbH and the resultant extension in the consolidated balance sheet.

Long-term debt was €58.0 million or around 20.6% of total assets. Current liabilities were approximately 47% of total assets (Q2 excluding telent GmbH: approximately 49%)

Financial position

The euromicron Group's net debt at September 30, 2011, was around €95.0 million, a slight increase of €2.4 million compared with after six months. Here, too, the key ratios and financing structure have been influenced temporarily by the acquisition of telent GmbH. The good order situation of telent GmbH and the excellent order position of the Group's "old" companies mean there is a greater need for up-front financing for project business than was the case with its previous size. The net cash used in relation to trade accounts receivable increased by around €31.6 million in the third quarter compared with the previous year due to period-related reasons and consolidation of telent.

Despite additional financing for telent of approximately €10 million, the Group's free credit lines from its partner banks at September 30, 2011, for being able to cover its growth-related cash requirements for the increase in business volume was still around €25 million.

Thanks to its good relations and longstanding partnerships with Germany's leading banks, the Group thus has a solid liquidity reserve for its current and strategic development.

euromicron AG will continue to fund the euromicron Group and its associated companies directly through its cash pool model.

Employees

euromicron makes high demands on the quality of its products and services, founded on the high qualifications and motivation of its employees. The Group offers its employees exciting and demanding tasks, as well as forward-long opportunities for development and secure jobs.

1,543 persons were employed by the euromicron Group as of September 30 of fiscal 2011. Personnel costs totaled €53.1 million (previous year: €41.1 million) and are 24.1% of sales, well down on the figure for the same period of the previous year of 27.5%. The increase in the workforce is due to the acquisition of telent GmbH, 394 of whose employees joined euromicron.

An increasingly important goal of euromicron is to secure and expand its base of qualified employees. Only a sufficient workforce with high qualifications will ensure its future success. Consequently, apart from practical vocational training, qualification programs in a wide range of fields are being held so as to address steadily growing requirements in sales, process controlling and monitoring, in particular in project management and production. Individual development and future-oriented qualification of our employees in line with requirements is a core element of our business policy and satisfies growing demand for qualified experts from our own company.

The budget for training and further development is fixed as an investment for employee qualification measures up to the end of the year. The company successfully continued to hire new or assign existing staff as managers, branch office heads or executive employees.

Risk report

The reports from the risk management system at December 31, 2010, have been continuously examined and updated as part of the interim report at September 30, 2011. At September 30, 2011, there were no significant changes in the analysis of risks and their structure or evaluation at the euromicron Group as a result of telent's integration compared with as stated and described in detail in the management report in the 2010 Annual Report.

Taking into account all known facts and circumstances, euromicron does not anticipate any significant effects on its operational business from macroeconomic and political changes and in particular does not see any risks that might jeopardize the existence of the euromicron Group in a foreseeable period of time or, as far as can be assessed at present, will have a significant influence on the Group's financial position, net assets and results of operations.

Market & technology

The ITC market in Germany is growing – unperturbed by the European debt crisis and turbulence on the financial markets. The business climate in the high-tech industry improved again in the third quarter of 2011, according to the latest economic survey by the BITKOM association in the ITC sector. According to it, three-quarters of ITC companies expect their sales to grow year-on-year.

Technologies such as cloud computing and the wider use of powerful mobile end devices and use of mobile Internet meant that the market in the ITC sector grew dynamically in the third quarter as well. One core challenge remains the modernization of traditional infrastructures.

To enable this, euromicron has extremely successfully positioned itself in the ITC market as the specialist for all types of network infrastructure. It accompanies many customers in “migrating” their existing infrastructures to new, cutting-edge IP technology and bears responsibility for smooth running of the projects without any disruption to customers’ everyday work flows and processes. With its high-precision components, it also helps make life and work simpler and more efficient for every single one of its customers – whether in a hospital, bank or industrial plant.

In order to be able to give its customers ideal technological support in all matters, euromicron again rounded out its competence profile further in the third quarter of 2011. By acquiring the assets of ACE Advanced Engineering GmbH, the euromicron Group was able to expand its network activities in the fields of active and IP technology even further. Purchase of the assets of the former TeraMile GmbH will also help strengthen the expertise and development activities of euromicron’s subsidiary MICROSENS GmbH & Co. KG, above all in CWDM/DWDM technology.

The technological focus of the ACE team is mainly on active infrastructure (switching, routing and wireless LAN), security (including firewalls, network and client security, content and antivirus protection), IP telecommunications technology, virtualization of server systems and the creation of client/server solutions, and passive infrastructure for data centers and all types of cabling in buildings. The team ACE offers its customers competent technical support services 24 hours a day, 7 days a week, 365 days a year, as well as providing equipment around-the-clock. With its highly qualified employees, ACE supports and complements the existing activities of the euromicron Group and so contributes to enhancing the product and service portfolio of euromicron's system houses.

The TeraMile team develops and produces optical systems for access, regional and wide area networks. Based on DWDM, CWDM and TDM technology, TeraMile's solutions meet the very highest standards that can be demanded of network solutions in terms of investment protection, modularity and reliability. As a result, TeraMile's development team not only perfectly complements the technological portfolio of MICROSENS GmbH & Co. KG, but thanks to its development capacities also makes a major contribution to positioning euromicron's subsidiary in this innovation-driven environment.

In the third quarter of 2011, euromicron again accomplished projects to its customers' utmost satisfaction, backed by its wide-ranging technological know-how.

One of them was at BigPoint GmbH – Germany's leading developer and vendor of browser games –, where the Hamburg branch office of euromicron systems GmbH planned and implemented a cutting-edge network infrastructure at that company's new headquarters in a listed building. BigPoint moved to its new location within 4 days, with the result that euromicron had to accomplish the installation work within a very tight time window. First of all, the existing structure at the company's old headquarters was kept in operation in order to ensure that new network was operational in the new building. 2 core switches, 13 floor switches, 63 WLAN access points, 200 office switches and 3,600 active network ports were installed within a few days, meaning an operational network was able to be handed over to the customer on the first day it moved into its new premises – and without sacrificing quality: there has yet to be a network failure for any of the more than 100 devices connected via WLAN.

Together with WEY Technology AG, the Karlsruhe branch office of euromicron solutions GmbH implemented a control center in the "Karlsruhe Model". This is a transport concept which combines use of urban local transport with the rail network in the region. The cooperation between the two transport companies VBK (Verkehrsbetriebe Karlsruhe) and AVG (Albtal-Verkehrs-Gesellschaft) has an international model character. euromicron's flexible system architecture in conjunction with WEY's leading products and solutions not only guarantees a high degree of operational reliability and serviceability for the joint control center of the two transport companies. Thanks to the modular structure, new applications can also be integrated quickly and easily, making the solution sustainable and future-proof.

Outlook

The euromicron Group also does not anticipate any serious negative consequences from the European debt crisis and turbulence on the financial markets for the final quarter of 2011.

euromicron's main market will remain Germany. Unlike some European countries, such as the UK, Spain, Greece or Ireland, where public-sector IT investments are declining in some cases, Germany was able to buck this trend and, according to the industry association BITKOM, is increasing them by 4.3 percent, above the average for the EU. We therefore expect that new orders will again be stable or increase in our core market of Germany in the final quarter of 2011.

Particularly in this difficult environment, euromicron's strategy of undertaking international commitments only in small steps and cautiously is proving its value. In markets such as Italy, Austria, Poland, Luxembourg or the Netherlands, we will continue to work actively to position and establish the entire euromicron portfolio successfully.

We assume that demand for powerful networks and cost-effective applications – in particular given the need to modernize traditional infrastructures for voice, data and video transmission, as well as for security, surveillance and alarm networks – will increase again in our home market of Germany.

Given the increasing shortage of experts, we will also be faced in the final quarter of 2011 with the challenge of finding qualified employees and experienced subcontractors and ensuring their long-term loyalty to our company. To enable that, we continued our further training drive and launched our second sales trainee program in September.

As part of the dual system, the trainees will be given practical training at one of euromicron's nationwide subsidiaries on the basis of a detailed qualification plan. Alongside that, they will learn the theoretical fundamentals a sales executive needs in tailored seminar modules. Job rotation will also be one aspect during the trainees' spell at euromicron's segments and will enable them to get to know the entire product and service portfolio. As a result, these young people will be able to offer euromicron's entire portfolio of products and solutions to customers and so leverage cross-selling-potentials within the Group.

In the fourth quarter of 2011, euromicron will also systematically tackle development projects in important growth markets, such as smart cities or the energy market, and accompany trends in these segments proactively in order to participate sustainably in the development of these markets. To this end, we will continue to take over qualified teams, technologies, market access, patents and the like from competitors and integrate them in our Group in order to expand our technological expertise and portfolio of products and services in the above-mentioned growth markets.

Occupying high-margin niches will also protect us against potential market fluctuations in future and underpin our Group's highly profitable expansion. At the same time, we will also ensure the constant and positive earnings performance of our company on the cost side. As part of this, we will continue the optimization process in the fourth quarter of 2011, with its main focus on permanent monitoring of resources and the company's structures.

In all these optimization processes, however, we attach great importance to creating a corporate organization that retains the flexibility of a medium-sized enterprise. In this way, we aim to meet our customers' requirements to their utmost satisfaction at all times.

Our objective for fiscal 2011 is not only to achieve the Group's economic targets, but also in particular to strengthen euromicron as an umbrella brand name and its product brands, such as MICROSENS, ELABO or EUROMICRON Werkzeuge, in the market for network and fiber-optic technology by means of targeted marketing and PR activities and achieve mutual synergies by positioning these brands as bywords for quality, solution-oriented expertise and know-how in all areas relating to network-based information, communications and security needs.

We will intensively keep up and expand our active investor relations work in the final quarter of 2011 in order to support the performance of our share and give further institutional and private investors opportunities for interesting and forward-looking placements for the company.

As part of the merger of telent GmbH with euromicron, the target EBIT return at the Group level after a period of integration of 2 to 3 years remains 8 to 11 percent. The Group aims to achieve the €300 million sales mark in 2011 and has set itself a particularly ambitious minimum consolidated EBIT target of 7.5-8.5%.

Our future objective is to secure the EBIT return euromicron has consolidated over the years at a higher level of sales. In order to adjust the capital structure to the Group's higher level of sales, we will use part of the authorized capital approved by the General Meeting and implement the already announced capital increase with subscription rights for all our shareholders. As a result, we will increase liquidity for our share and secure the basis of financing for our further planned growth.

Large order books and the demand-driven market for expansion of infrastructures in data transmission technology, even in difficult times, makes us optimistic about how we will develop and perform in the coming years.

It is our conviction that, with our business model and corporate strategy geared to sustainable growth, we are acting in accord with the interests of our shareholders and company as best possible. We will also keep on working with all our energy to ensure that in future.

euromicron Group

INCOME STATEMENT
FOR THE PERIOD FROM JANUARY 1, 2011, TO SEPTEMBER 30, 2011

	3-month report		9-month report	
	July 01, 2011– Sept. 30, 2011 € thou.	July 01, 2010– Sept. 30, 2010 € thou.	Jan. 1, 2011 – Sept. 30, 2011 € thou.	Jan. 1, 2010 – Sept. 30, 2010 € thou.
Sales	92,326	53,610	220,626	149,764
Inventory changes	−1,234	1,773	−3,553	1,966
Own work capitalized	0	0	5	37
Other operating income	458	327	1,324	1,285
Cost of materials	−54,776	−31,754	−122,175	−79,397
Personnel costs	−20,213	−13,085	−53,143	−41,119
Amortization and depreciation expense	−1,715	−1,023	−4,094	−2,768
Other operating expenses	−8,578	−6,668	−24,088	−19,471
Operating profit	6,268	3,180	14,902	10,297
Interest income	35	48	77	128
Interest expenses	−1,260	−393	−2,642	−1,830
Income before income taxes	5,043	2,835	12,337	8,595
Income taxes	−1,810	−1,144	−4,006	−2,683
Income before minority interests	3,233	1,691	8,331	5,912
Minority interests	−262	−175	−506	−339
Net profit for the period	2,971	1,516	7,825	5,573
Earnings per share (undiluted) in €	0.58	0.31	1.53	1.17
Earnings per share (diluted) in €	0.58	0.30	1.53	1.13

(unaudited acc. to IFRS)

euromicron Group

RECONCILIATION OF THE QUARTERLY RESULTS WITH THE STATEMENT OF COMPREHENSIVE INCOME AT SEPTEMBER 30, 2011

	Jan. 1, 2011– Sept. 30, 2011 € thou.	Jan. 1, 2010– Sept. 30, 2010 € thou.
Consolidated net income for the period, before minority interests	**8,331**	**5,912**
Gain/loss on the valuation of securities	0	0
Other profit/loss	**0**	**0**
Total result	**8,331**	**5,912**
Of which from non-controlling interests	506	339
Of which shareholders of euromicron AG	7,825	5,573

(unaudited acc. to IFRS)

euromicron Group

CONSOLIDATED BALANCE SHEET
ASSETS

	Sept. 30, 2011 € thou.	Dec. 31, 2010 € thou.
Noncurrent assets		
Goodwill	99,916	80,947
Intangible assets	18,809	14,805
Property, plant and equipment	13,886	11,556
Financial assets	916	894
Other assets	96	96
Deferred tax assets	130	374
	133,753	**108,672**
Current assets		
Inventories	35,998	17,185
Trade accounts receivable	97,939	55,401
Claims for income tax refunds	2,183	2,895
Financial assets	3,473	1,333
Other assets	3,884	1,917
Cash and cash equivalents	3,798	8,572
	147,275	**87,303**
Total assets	**281,028**	**195,975**

(unaudited acc. to IFRS)

euromicron Group

CONSOLIDATED BALANCE SHEET LIABILITIES AND EQUITY

	Sept. 30, 2011 € thou.	Dec. 31, 2010 € thou.
Equity		
Subscribed capital	13,105	13,105
Additional paid-in capital	68,487	68,487
Gain/loss on the valuation of securities	–363	–363
Net retained profits	9,791	7,605
Stockholders' equity	91,020	88,834
Minority interests	494	428
Total equity	**91,514**	**89,262**
Long-term debt		
Provisions for pensions	10,726	656
Other provisions	995	139
Liabilities to banks	25,329	4,404
Liabilities from finance lease	1,031	823
Financial liabilities	10,050	10,767
Other liabilities	2,004	2,082
Deferred tax liabilities	7,892	6,618
	58,027	**25,489**
Current liabilities		
Accrued liabilities	749	66
Trade accounts payable	36,026	22,117
Liabilities from current income taxes	1,440	1,244
Liabilities to banks	66,977	45,293
Liabilities from finance lease	222	192
Tax liabilities	3,257	3,466
Personnel obligations	8,980	3,855
Other current liabilities	13,836	4,991
	131,487	**81,224**
Total equity and liabilities	**281,028**	**195,975**

(unaudited acc. to IFRS)

euromicron Group

STATEMENT OF CHANGES IN EQUITY FROM JANUARY 1, 2010, TO SEPTEMBER 30, 2011

	Subscribed capital € thou.	Additional paid-in capital € thou.
Balance at January 1, 2010	**11,914**	**61,781**
Dividend for 2009		
Consolidated net income for 2010		
Capital increase	1,191	6,344
Gain/loss on the valuation of securities		
Sale of treasury shares		362
Profit share of non-controlling interests		
Transfer of profit shares for minority interests in outside capital		
Change from subsequent consolidation		
Distributions to/drawings from minority interests		
Balance at December 31, 2010	**13,105**	**68,487**
Dividend for 2010		
Consolidated net income for the period in 2011		
Gain/loss on the valuation of securities		
Profit share of non-controlling interests		
Transfer of profit shares for minority interests in outside capital		
Distributions to/drawings from minority interests		
Balance at September 30, 2011	**13,105**	**68,487**

(unaudited acc. to IFRS)

Treasury shares € thou.	Consolidated retained earnings € thou.	Gain/loss on the valuation of securities € thou.	Non-controlling interests € thou.	Total € thou.
−2,941	**680**	**−358**	**339**	**71,415**
	−4,503			−4,503
	12,131			12,131
				7,535
		−5		−5
2,941				3,303
	−189		189	0
	−514			−514
				0
			−100	−100
0	**7,605**	**−363**	**428**	**89,262**
	−5,639			−5,639
	8,331			8,331
		0		0
	−166		166	0
	−340			−340
			−100	−100
0	**9,791**	**−363**	**494**	**91,514**

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STATEMENT OF CASH FLOWS

	Jan. 1, 2011– Sept. 30, 2011 € thou.	Jan. 1, 2010– Sept. 30, 2010 € thou.
Income before income taxes	12,337	8,595
Net interest income/loss	2,565	1,702
Depreciation and amortization of noncurrent assets	4,094	2,768
Disposal of assets, net	–42	–20
Allowances for inventories and doubtful accounts	–481	–335
Change in accrued liabilities	–420	–395
Change in deferred taxes	1,457	488
Cash flow	**19,510**	**12,803**
Changes in short- and long-term assets and liabilities:		
– Inventories	–6,563	–4,828
– Trade accounts receivable	–31,556	–4,985
– Trade accounts payable	2,140	–726
– Other operating assets	–1,827	743
– Other operating liabilities	3,017	118
– Income tax paid	–4,996	–3,322
– Income tax received	2,394	0
– Interest paid	–2,641	–1,830
– Interest received	77	128
Cash flows from operating activities	**–20,446**	**–1,899**
Proceeds from retirement/disposal of		
– Property, plant and equipment	60	101
Payments due to acquisition of		
– Intangible assets	–956	–679
– Property, plant and equipment	–4,862	–804
– Financial assets	–22	0
– Consolidated companies	–11,031	–2,975
Cash flows from investing activities	**–16,811**	**–4,357**
Dividends paid	–5,639	–4,503
Capital increase at the AG after costs	0	7,537
Proceeds from raising of financial loans	51,500	0
Cash repayments of financial loans	–12,938	–589
Distributions to/drawings from non-controlling interests	–440	–413
Changes in the consolidated companies	0	–526
Cash flows from financing activities	**32,483**	**1,506**
Net change in cash and cash equivalents	–4,774	–4,750
Cash and cash equivalents at start of period	8,572	8,628
Cash and cash equivalents at end of period	**3,798**	**3,878**

(unaudited acc. to IFRS)

euromicron Group

SEGMENT REPORTING AT SEPTEMBER 30, 2011

Sales by report segments	2011 € thou.	2010 € thou.
Total sales, North	91,873	82,864
Inter-segment sales, North	–3,988	–4,502
Sales to external third parties, North	87,885	78,362
Total sales, South	143,944	80,495
Inter-segment sales, South	–1,780	–1,371
Sales to external third parties, South	142,164	79,124
Consolidated cross-segment sales	–9,423	–7,722
Consolidated sales for the Group	**220,626**	**149,764**

EBIT by report segments	2011 € thou.	2010 € thou.
Consolidated EBIT, North	12,919	10,123
Consolidated EBIT, South	6,724	4,714
euromicron AG	–4,718	–4,540
Group consolidations	–23	–1
Consolidated EBIT for the Group	**14,902**	**10,296**

Amortization/depreciation by report segments	2011 € thou.	2010 € thou.
North, consolidated	–1,730	–1,711
South, consolidated	–2,335	–985
euromicron AG	–29	–72
Consolidated depreciation/ amortization for the Group	**–4,094**	**–2,768**

(unaudited acc. to IFRS)

Notes

Preliminary remarks

euromicron AG is a registered company under German law with headquarters in Frankfurt/Main and is mainly active in the areas of network and fiber optics technology.

euromicron AG prepares its consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) applicable on the balance sheet date and with their interpretations by the International Financial Reporting Interpretations Committee (IFRIC). The consolidated financial statements (interim report) as of September 30, 2011, were prepared in compliance with the stipulations of the International Accounting Standard (IAS) 34 “Interim Financial Reporting” and with the requirements of standard no. 16 “Interim Financial Reporting” of the DRSC (Deutsches Rechnungslegungs Standards Committee e.V.). The previous year’s figures were determined using the same principles.

Unless otherwise stated, the figures in this interim report are presented in thousands of euros (€ thou.).

The results as of September 30, 2011, do not necessarily permit forecasts for the further course of business.

Reporting and measurement methods

The same reporting and measurement methods were used in the abridged presentation of the consolidated financial statements as of September 30, 2011, as for preparing the consolidated financial statements at December 31, 2010, unless changes are explicitly indicated. A detailed description of these methods is published in the 2010 Annual Report. The consolidated financial statements of euromicron AG as of December 31, 2010, were prepared on the basis of Section 315a of the German Commercial Code (HGB) in accordance with the International Financial Reporting Standards, as are applicable in the European Union.

An individual tax rate is used as the basis for calculating the income taxes for German companies and is also applied to the deferred taxes. The respective national rates of tax are used for calculating the income taxes for foreign companies.

Estimates and assumptions must be made to a certain extent in the interim report; the value of assets, liabilities and contingent liabilities, as well as expenses and income in the reporting period, depend on these. The actual later figures may differ from the amounts reported in the interim report.

The following interpretations and amendments to published standards have been in force since the beginning of fiscal year 2011:

- IFRS 1 (amendment), “First-time Adoption of IFRS: Fixed Date in the Derecognition Exception” and “Presentation of Financial Statements”
- IAS 7 (amendment), “Financial Instruments: Amendments as a result of Annual Improvements to the IFRS in May 2010”
- IAS 7 (amendment), “Financial Instruments: Disclosures on Transfers of Financial Assets”
- IAS 16 (amendment), “Property, Plant and Equipment: Recognition of maintenance equipment in the case of long-term use as property, plant and equipment”
- IAS 24 (revised), “Related Party Disclosures”
- IAS 32 (amendment), “Financial Instruments: Presentation”
- IAS 34, “Interim Financial Reporting: Amendments as a result of Annual Improvements to the IFRS in May 2010”

- IFRIC 14 (amendment), “IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction”

- IFRIC 19 “Extinguishing Financial Liabilities with Equity Instruments”.

Apart from the above amendments, the following new or amended standards and interpretations of the IASB and IFRS Interpretations Committee have been adopted. However, since their application is not mandatory or they have not yet been adopted by the European Commission, they were not used in the abridged interim consolidated financial statements as of September 30, 2011:

- IFRS 9 “Financial Instruments: Classification and Measurement of Financial Assets”

- IFRS 9 “Financial Instruments: Classification and Measurement of Financial Liabilities”

- IFRS 10 “Consolidated Financial Statements)”

- IFRS 11 “Joint Arrangements”

- IFRS 12 “Disclosure of Interests in Other Entities”

- IFRS 13 “Fair Value Measurement”

- IAS 19 “Employee Benefits”

- IAS 27 “Separate Financial Statements”

- IAS 28 “Investments in Associates”.

Since the consolidated financial statements as of December 31, 2010, were prepared, the EU has adopted the following amendments to existing standards:

In May 2010, the IASB published a collection of amendments to various standards, with the prime objective of eliminating inconsistencies and clarifying formulations (2010 Improvements Process). They were adopted by the EU on February 18, 2011, by Regulation (EU) No. 149/2011. Application of the amended standards and interpretations has no significant impact on the Group's financial position, net assets and results of operations or cash flow.

Consolidated companies

Apart from euromicron AG, the consolidated financial statements at September 30, 2011, include 16 companies, in which euromicron AG has the majority of voting rights directly or indirectly.

Treasury shares

At September 30, 2011, euromicron does not hold any treasury shares that might be offset against equity in accordance with IAS 32.33.

Non-controlling interests (minority interests)

Under IFRS 3 (2008), non-controlling interests are disclosed as part of equity in accordance with the entity point of view.

The minority interests in equity reported at September 30, 2011 (€494 thousand) relate exclusively to Qubix S.p.A., Padua (10%).

Segment information

Business segments are identified using internal organizational and reporting structures, which at the euromicron Group are based on the different regions.

euromicron reports on the basis of the two segments North and South and Group headquarters. The interim report presents the details regularly reported to the main decision-maker. Further items from the balance sheet and income statement are not reported regularly and so are not disclosed (IFRS 8.32).

The individual segments are shown after consolidation of internal segment relationships, but before cross-segment consolidation. The same accounting and measurement methods were used for all segments.

Business transactions with related parties

Apart from the compensation for the Executive Board and Supervisory Board, there are no significant relations with related persons. There are also no business transactions between consolidated companies of the euromicron Group and non-consolidated or associated companies of the euromicron Group.

Contingencies

There were no significant changes in contingencies, contingent liabilities and other financial obligations compared with the annual financial statements at December 31, 2010.

Declaration by the legal representatives

We declare to the best of our knowledge that the interim consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with the accounting principles to be applied for interim reporting and that the course of business, including the business results and the Group's position, is presented in the interim group management report in such a way that a true and fair view is given and the main opportunities and risks of the Group's anticipated development in the remainder of the fiscal year are described.

Frankfurt/Main, November 11, 2011

The Executive Board

Dr. Willibald Späth Thomas Hoffmann

Financial Calendar 2011/2012:

November 23, 2011	German Equity Capital Forum, Frankfurt am Main
December 08, 2011	Capital Market Conference Munich
March 30, 2012	Publication of the 2011 Annual Report
May 11, 2012	Publication of the Q1 Interim Report
August 10, 2012	Publication of the Q2 Interim Report
November 09, 2012	Publication of the Q3 Interim Report

This quarterly report is available in German and English.

Both versions can also be downloaded from the Internet at **www.euromicron.de**.
In cases of doubt, the German version is authoritative.

Note / disclaimer

This report also includes predictive statements and information on future developments that are based on the convictions and current views of euromicron AG's management and on assumptions and information currently available to euromicron. Where the terms “assume”, “believe”, “assess”, “expect”, “intend”, “can/may/might”, “plan” or similar expressions are used, they are intended to indicate predictive statements that are subject to certain elements of insecurity and risks, such as competitive pressure, changes to the law, political and economic changes, changes to business strategy, other risks and uncertainties that euromicron AG in many cases cannot influence and that may result in significant deviations between the actual results and predictive statements.

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