Interim Report
Q1/2013

euromicron Aktiengesellschaft

euromicron

Key income figures

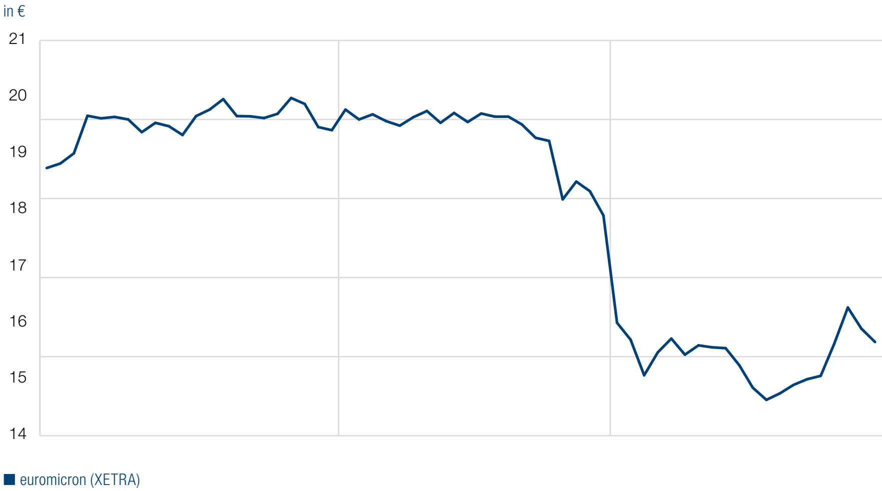
for the euromicron Group at March 31, 2013

	2013 € thou.	2012 € thou.
Consolidated EBIT	4,109	5,680
Operating EBIT	5,393	6,972
EBIT return as a ratio of sales (in %)	5.3%	7.1%
EBITDA	6,169	7,482
Income before taxes	3,251	4,916
Consolidated net income for euromicron AG shareholders	2,226	3,359
Earnings per share in € (undiluted)	0.33	0.50

(unaudited acc. to IFRS)

Share performance

of the euromicron Group from January 1 to March 31, 2013



Dear shareholders,

We actively continued and intensified our planned integration measures in the first quarter so as to rapidly create the structures for expanding and growing our company further.

Our operational business is a solid foundation for that.

Frankfurt/Main, May 2013

The Executive Board

Foreword

In the first quarter of 2013 and so at the start of the second of our “years of core integration”, we worked intensively to create the conditions for tackling the Agenda 500 – i.e. expansion of the company to achieve annualized sales of €500 million in 2015 – on a solid, economically stable base.

To this end, the integration measures were continued and stepped up with undiminished effort in the first quarter of 2013. We successfully pressed ahead with the creation of locations that are fit for the future, reorganization of management structures at the operating companies, and expansion and modernization of our IT landscape with equipment suitable for an around €500 million company. Further projects and measures, for example to standardize the process landscape at our system companies, update the image of our production companies, adapt the company to corporate governance requirements, establish competence centers and expand Purchasing and IT as shared service centers for the entire Group, were initiated.

We are working intensively on the structures of our company in order to put it on a new foundation overall. The extensive measures are flanked by cost-cutting and efficiency programs as part of our continuous improvement process (CIP).

Our economic environment was restrained at the start of the first quarter of 2013. In the telecommunication industry we do not expect a final decision on the issue of “vectoring”, and so a gradual reduction in the investment bottleneck, before the second half of 2013. The positive mood in many areas did also not translate into concrete orders in other sectors. Nevertheless, we are already working with our customers to plan and design upcoming projects.

Against this backdrop, euromicron recorded solid operational business with significant order books:

Our sales in the first three months of the fiscal year were €77.3 million, just under 4% below the exceptionally strong figure of the previous year. Earnings before interest and taxes (EBIT) were around €4.1 million (previous year: €5.7 million). As planned, the costs of the extensive integration measures had an impact on them. EBITDA was €6.2 million following €7.5 million last year. Operating income of the associated companies was €5.4 million, compared with €7.0 million in the previous year.

The net income for the period after minority interests was €2.2 million compared with €3.4 million in the previous year. Undiluted earnings per share were €0.33 (previous year: €0.50).

New orders were €82.4 million (previous year: €87.5 million). Order books were approximately €132.4 million, around the level of the previous year (€134.4 million) and, in conjunction with the highly promising new orders in April, form a good basis for achieving the targets for 2013.

The increase in the share of large accounts and public-sector customers in the overall portfolio means that the company's value-added services are provided and invoiced toward the end of the year to an even greater extent. We assume that this picture of two relatively weak first quarters, a pickup in the third quarter and a strong fourth quarter will prove to be increasingly characteristic for the integrated overall euromicron Group.

We believe that, as a whole, our company is therefore on track, both for the current year and for the next phase in its growth.

So that euromicron also has the financial flexibility it requires to tackle its planned development, the Executive Board and Supervisory Board will propose to the General Meeting on May 17, 2013, to distribute around 50% of euromicron AG's profit, i.e. a dividend of €0.30 a share. That reflects our mission of a continuous financial policy of actively pursuing our goals for growth, stabilization, enhanced quality of earnings, reduction in net financial debt, strengthening of our equity structure and safeguarding our good rating as the foundation for cooperation with our financing partners even in this phase of our Group's operational structuring and so ensuring the company's sustainable development.

euromicron is a company that is geared to sustainability and a value-oriented investment. With a corporate strategy geared to growth, its long-term business model, its still secure basis for financing and strong equity ratio, our company proved in the first quarter of 2013 that it can accomplish the phase of operational structuring and strategic integration on an economically stable foundation. We are convinced that we can also successfully tackle the next stage of integration.

Interim Management Report

of the euromicron Group from January 1 to March 31, 2013

General conditions and development of the company

After a difficult final quarter of 2012, the German economy partially made up for the resultant decline in the first months of the current fiscal year. However, 2013 got off to a restrained start all in all. Economic analysts concur in expecting that the economy will pick up steam considerably in the course of the year and that the industry and the labor market will perform robustly. In particular, the small and medium-sized sector is unperturbed by consolidation of the banking sector in Cyprus and the basic uncertainty in the Euro zone. Aggregate economic growth of just under one percent is anticipated for 2013.

There are also positive forecasts for the ICT market environment in which euromicron for the current fiscal year. The industry association BITKOM anticipates growth in the market's total volume of just over one percent to €153 billion, compared with almost €151 billion last year.

Against the backdrop of an extremely volatile stock market and a sharp reduction in the amount of shares held by large financial investors in small caps, euromicron's share performed respectably and in line with the index in the first quarter of 2013. The share began the first quarter at €18.14 and ended it at €15.66. Analysts assume that it has the potential to rise sharply in the course of the present fiscal year. This assumption is based on successful implementation of the integration measures at the euromicron Group, which will have a positive impact on its results of operations. Moreover, an increase in market growth should have a positive influence on orders. Consequently, many analysts and research houses regard an upside target of up to €25.50 as realistic and continue to recommend buying the share.

Sales

euromicron posted consolidated sales of around €77.3 million at March 31, 2013, compared with €80.5 million in the particularly strong first quarter of the previous year. The euromicron Group's total operating performance was €78.3 million (previous year: €83.8 million).

As expected, the current fiscal year shows a strengthening of euromicron's customary course of business, with value added and billing being increasingly concentrated toward the end of the year. Extrapolating the figures for the year as whole from individual quarters must reflect this seasonal course of project business to an even greater extent so that realistic forecasts can be given.

euromicron's commercial activity still focuses on Germany, where it generated €69.9 million, or as in the previous year some 90% of total sales.

The sales generated by the foreign companies were within expectations in the first quarter. Overall, sales in the Euro zone are slightly below the level of the previous year.

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.

If opportunities arise outside Europe, euromicron is ready to exploit them with the know-how of its employees. However, systematic penetration of the domestic market is still the Group's main focus, since it will continue to offer great potential in the coming years.

Sales development – consolidated by regions

of the euromicron Group at March 31, 2013

Regions

	2013 € thou.	2012 € thou.
Germany	69,880	72,048
Euro zone	5,910	7,467
Rest of World	1,555	965
Consolidated net sales	**77,345**	**80,480**

(unaudited acc. to IFRS)

Income

In the first quarter of fiscal 2013, euromicron posted consolidated income before interest and taxes of around €4.1 million (previous year: €5.7 million). The EBIT return is 5.3% and so at the anticipated good level despite the restrained climate in the first quarter, an aspect that shows the effect of the Group's flexibilization of cost structures. Operating income of the associated companies was €5.4 million (previous year: €7.0 million).

The cost of materials was far lower at €39.3 million (previous year: €45.4 million). The ratio of costs of materials to sales was around 51%.

Personnel costs were €22.5 million compared with €21.1 million in the previous year. The increase in personnel costs is solely attributable to changes in the consolidated companies. Cost increases due to higher qualifications of employees are largely compensated for by cost adjustments in other areas.

Due to higher amortization of dormant reserves as part of purchase price allocation for company acquisitions in the past years and of development costs, total amortization and depreciation rose to €2.1 million compared with €1.8 million the year before.

Other operating expenses were €10.9 million, slightly above the previous year's figure of €10.2 million. Permanent flexibilization and optimization of cost structures compensated for the extra costs due to consolidation. In line with the company's development and as in the previous year, vehicle and travel expenses, rent/room costs and legal and consulting costs are the largest items within the other operating expenses.

Interest expenses were €0.9 million, on a par with the previous year, and are mainly due to up-front financing of projects and the euromicron Group's growth.

As expected, the tax ratio averaged around 29.6%.

The net profit for the period after minority interests as of March 31, 2013, was €2.2 million (previous year: €3.4 million). Undiluted earnings per share were accordingly €0.33 versus €0.50 in the same period for the previous year.

Key income figures
at March 31, 2013

euromicron Group

	2013 € thou.	2012 € thou.
Consolidated EBIT	4,109	5,680
Operating EBIT	5,393	6,972
EBIT return as a ratio of sales (in %)	5.3%	7.1%
EBITDA	6,169	7,482
Income before taxes	3,251	4,916
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(unaudited acc. to IFRS)

New orders and order books

As of March 31, 2013, euromicron posted new orders of €82.4 million, slightly up on the previous year (€87.5 million).

On the basis of how its business developed in the first quarter, euromicron assumes that new orders will grow compared with fiscal 2012 in the further course of fiscal 2013. Among other things, this assessment is due to the euromicron Group's great success at this year's CeBIT trade show in Hanover and the resultant strengthening in demand. The company's internal assessment from the trade show again came to the conclusion that euromicron can not only meet current customer needs with its portfolio of products and services, but has also strategically positioned itself correctly as regards coming trends.

Order books were €132.4 million, almost at the level of the previous year (€134.4 million). We are not currently aware of any risks from significant project delays or postponements.

New orders/order books – consolidated at March 31, 2013

euromicron Group

	2013 € thou.	2012 € thou.
Consolidated new orders	82,434	87,451
Consolidated order books	132,369	134,442

(unaudited acc. to IFRS)

Net assets

The euromicron Group's total assets at March 31, 2013, were €286.0 million, an increase of €2.1 million over the figure at December 31, 2012 (€283.9 million).

Noncurrent assets were 50.7% of total assets, slightly below the figure at December 31, 2012 (51.6%). Current assets increased by €3.5 million compared with the 2012 annual financial statements to €140.9 million. Inventories and the gross amount due from customers for contract work rose by around €11.4 million, due to the solid orders situation. Trade accounts receivable were €8.6 million lower at the key date.

The item "Cash and cash equivalents" rose sharply in the first quarter to around €10 million (previous year: €5.4 million).

The ratio of equity and long-term outside capital to noncurrent assets is 122%.

Equity at March 31, 2013, was €121.1 million, €2.0 million above the level stated in the consolidated financial statements as of December 31, 2012. The equity ratio was as we aimed for at 42.3%.

Long-term debt was around 19.7% of total assets. This essentially contains the long-term components of the Group's outside financing.

Current liabilities were €108.6 million, roughly on a par with the figure at December 31, 2012 (€107.2 million) and were approximately 38.0% of total assets.

Financial position

The euromicron Group's net debt (long- and short-term) at March 31, 2013, was around €82.8 million, a figure mainly impacted by an increase in up-front financing for projects from operational business during the year.

At March 31, 2013, the Group still had sufficient free credit lines from its partner banks to cover its cash needs resulting from the increasing business volume.

Thanks to its good relations and longstanding partnerships with Germany's leading banks, the Group has a solid liquidity reserve in 2013 for its current and strategic development.

euromicron AG will continue to fund the euromicron Group and its associated companies directly or 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-looking opportunities for development and attractive jobs.

1,705 persons were employed by the euromicron Group as of March 31 of fiscal 2013. Personnel costs totaled €22.5 million (previous year: €21.1 million).

Finding new, well-trained employees and safeguarding and expanding its base of qualified employee potential is still regarded by euromicron as a key objective. Only a sufficient workforce with high qualifications will ensure its future success. Consequently, qualification programs in a wide range of fields are being continued 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 are a core element of our business policy.

In this connection, euromicron gives 86 young people the chance of practical vocational training. Apart from taking social responsibility for training the next generations, euromicron also secures potential employees for its future tasks with this policy. In addition, euromicron will satisfy growing demand for highly specialized experts not only by buying in services and knowledge, but also through its own internal and external qualification programs.

Risk report

The reports from the risk management system at March 31, 2012, have been continuously examined and updated as part of the Q1 Interim Report at March 31, 2013. At March 31, 2013, there were no significant changes in the analysis of risks and their structure or evaluation at the euromicron Group compared with as stated and described in detail in the management report in the 2012 Annual Report.

Taking into account all known facts and circumstances, euromicron does not anticipate any significant effects on its operational business from macroeconomic 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, might have a significant influence on the Group's financial position, net assets and results of operations.

Income statement

of the euromicron Group from January 1 to March 31, 2013

	Jan. 1, 2013– March 31,2013 € thou.	Jan. 1, 2012– March 31, 2012 € thou.
Sales	**77,345**	**80,480**
Inventory changes	103	3,315
Own work capitalized	825	44
Other operating income	581	359
Cost of materials	–39,255	–45,380
Personnel costs	–22,544	–21,137
Amortization and depreciation	–2,060	–1,802
Other operating expenses	–10,887	–10,199
Earnings before interest and taxes (EBIT)	**4,109**	**5,680**
Interest income	31	58
Interest expenses	–889	–822
Income before income taxes	**3,251**	**4,916**
Income taxes	–961	–1,418
Consolidated net income for the period	**2,290**	**3,498**
Thereof for euromicron AG shareholders	2,226	3,359
Thereof for non-controlling interests	64	139
(Un)diluted earnings per share in (€)	**0.33**	**0.50**

(unaudited acc. to IFRS)

Reconciliation of the quarterly results with the statement of comprehensive income

of the euromicron Group at March 31, 2013

	Jan. 1, 2013–March 31,2013 € thou.	Jan. 1, 2012–March 31, 2012 € thou.
Consolidated net income before minority interests	**2,290**	**3,498**
Revaluation effects from pensions (will not be reclassified to the income statement in future)	0	481*
Other profit/loss	**0**	**481**
Total profit/loss	**2,290**	**3,979**
Thereof for euromicron AG shareholders	2,226	3,840
Thereof for non-controlling interests	64	139

* Adjustment of the previous year's figures in acc. with IAS 8.19 b) due to early application of IAS 19 in the version dated June 16, 2011

(unaudited acc. to IFRS)

Consolidated balance sheet
Assets

euromicron Group

Assets

	March 31,2013 € thou.	Dec. 31, 2012 € thou.
Noncurrent assets		
Goodwill	106,369	106,369
Intangible assets	21,046	21,031
Property, plant and equipment	15,798	16,255
Other financial assets	722	718
Other assets	193	197
Deferred tax assets	991	1,933
	145,119	**146,503**
Current assets		
Inventories	28,532	27,500
Trade accounts receivable	32,212	40,806
Gross amount due from customers for contract work	66,299	55,960
Claims for income tax refunds	56	4,107
Other financial assets	205	228
Other assets	3,598	3,360
Cash and cash equivalents	9,971	5,414
	140,873	**137,375**
Total assets	**285,992**	**283,878**

(unaudited acc. to IFRS)

Consolidated balance sheet
Equity and liabilities

euromicron Group

Equity and liabilities

	March 31, 2013 € thou.	Dec. 31, 2012 € thou.
Equity		
Subscribed capital	17,037	17,037
Capital reserves	88,771	88,771
Gain/loss on the valuation of securities	0	0
Consolidated retained earnings	14,937	12,711
Stockholders' equity	120,745	118,519
Non-controlling interests	333	525
Total equity	**121,078**	**119,044**
Long-term debt		
Provisions for pensions	1,071	983
Other provisions	824	1,157
Liabilities to banks	36,204	37,590
Liabilities from finance lease	2,032	2,158
Other financial liabilities	8,021	8,025
Deferred tax liabilities	8,207	7,736
	56,359	**57,649**
Current liabilities		
Other provisions	2,055	2,062
Trade accounts payable	38,980	42,867
Liabilities from current income taxes	721	1,850
Liabilities to banks	44,167	30,995
Liabilities from finance lease	576	599
Other tax liabilities	1,101	6,130
Personnel obligations	10,214	9,833
Other financial liabilities	3,748	6,779
Other liabilities	6,993	6,070
	108,555	**107,185**
Total equity and liabilities	**285,992**	**283,878**

(unaudited acc. to IFRS)

Statement of changes in equity

of the euromicron Group from January 1 to March 31, 2013

	Subscribed capital € thou.	Capital reserves € thou.
January 1, 2012	**17,037**	**88,771**
Consolidated net income for 2012	**0**	**0**
Other profit/loss		
Gain/loss on the valuation of securities	0	0
Revaluation effects from pensions	0	0
	0	**0**
Total profit/loss for 2012	**0**	**0**
Transactions with owners		
Dividend for 2011	0	0
Profit share of non-controlling shareholders	0	0
Transfer of profit shares for minority interests in outside capital	0	0
Distributions to/withdrawals by non-controlling shareholders	0	0
	0	**0**
December 31, 2012	**17,037**	**88,771**
Net profit for Q1/2013	**0**	**0**
Other profit/loss		
Gain/loss on the valuation of securities	0	0
Revaluation effects from pensions	0	0
	0	**0**
Total profit/loss at March 31, 2013	**0**	**0**
Transactions with owners		
Dividend for 2012	0	0
Profit share of non-controlling shareholders	0	0
Transfer of profit shares for minority interests in outside capital	0	0
Distributions to/withdrawals by non-controlling shareholders	0	0
	0	**0**
March 31, 2013	**17,037**	**88,771**

(unaudited acc. to IFRS)

Consolidated retained earnings € thou.	Gain/loss from the valuation of securities € thou.	Equity attributable to the shareholders of euromicron AG € thou.	Non-controlling interests € thou.	**Total equity € thou.**
14,037	**–286**	**19,559**	**483**	**120,042**
8,828	**0**	**8,828**	**0**	**8,828**
0	286	286	0	286
–2,231	0	–2,231	0	–2,231
–2,231	**286**	**–1,945**	**0**	**–1,945**
6,597	**286**	**6,883**	**0**	**6,883**
–7,663	0	–7,663	0	–7,663
–142	0	–142	142	0
–118	0	–118	0	–118
0	0	0	–100	–100
–7,923	**0**	**–7,923**	**42**	**–7,881**
12,711	**0**	**118,519**	**525**	**119,044**
2,290	**0**	**2,290**	**0**	**2,290**
0	0	0	0	0
0	0	0	0	0
0	**0**	**0**	**0**	**0**
2,290	**0**	**2,290**	**0**	**2,290**
0	0	0	0	0
–58	0	–58	58	0
–6	0	–6	0	–6
0	0	0	–250	–250
–64	**0**	**–64**	**–192**	**–256**
14,937	**0**	**120,745**	**333**	**121,078**

Statement of cash flows

euromicron Group

	Jan. 1, 2013–March 31, 2013 € thou.	Jan. 1, 2012–March 31, 2012 € thou.
Income before income taxes	3,251	4,916
Net interest income/loss and other financial expenses	858	764
Depreciation and amortization of noncurrent assets	2,060	1,802
Disposal of assets, net	–3	–15
Allowances for inventories and doubtful accounts	–175	–333
Change in accrued liabilities	–251	–1,024
Cash flow	**5,739**	**6,110**
Changes in short- and long-term assets and liabilities:		
– Inventories	–1,032	–3,101
– Trade accounts receivables and gross amount due from customers for contract work	–1,570	–734
– Trade accounts payable	–4.037	–7,844
– Other operating assets	606	–1,698
– Other operating liabilities	–4,164	–278
– Income tax paid	–854	–59
– Income tax received	3,179	2
– Interest paid	–889	–814
– Interest received	31	58
Net cash provided by/used in operating activities	**–2,991**	**–8,358**
Proceeds from retirement/disposal of		
– Property, plant and equipment	10	17
Payments due to acquisition of		
– Intangible assets	–721	–391
– Property, plant and equipment	–904	–1,479
– Financial assets	–4	–4
– Consolidated companies	–2,363	–350
Net cash provided by/used in investing activities	**–3,981**	**–2,207**
Proceeds from raising of financial loans	13,036	15,990
Cash repayments of financial loans	–1,250	–6,094
Distributions to/withdrawals by non-controlling interests and profit shares of minority interests	–256	–184
Net cash provided by/used in financing activities	**11,530**	**9,712**
Net change in cash and cash equivalents	4,558	–853
Cash and cash equivalents at start of period	5,414	7,300
Cash and cash equivalents at end of period	**9,971**	**6,447**

(unaudited acc. to IFRS)

Segment reporting
at March 31, 2013

euromicron Group

Sales by report segments

	2013 € thou.	2012 € thou.
Sales for the North segment	26,959	29,280
Sales for the South segment	30,955	32,951
Sales for the WAN services segment	21,128	21,569
Total for the segments	79,042	83,800
Central services and Group consolidations	–1,697	–3,320
Consolidated sales for the Group	**77,345**	**80,480**

EBIT by report segments

	2013 € thou.	2012 € thou.
EBIT for the North segment	3,371	4,155
EBIT for the South segment	864	1,760
EBIT for the WAN services segment	1,158	1,057
Central services and Group consolidations	–1,284	–1,292
Consolidated EBIT for the Group	**4,109**	**5,680**

Amortization/depreciation by report segments

	2013 € thou.	2012 € thou.
North, consolidated	–843	–700
South, consolidated	–658	–532
WAN services, consolidated	–527	–538
Central services and Group consolidations	–32	–32
Consolidated depreciation/amortization for the Group	**–2,060**	**–1,802**

(unaudited acc. to IFRS)

Market & technology

To kick off CeBIT, the association for the high-tech industry, BITKOM, announced its latest forecast on trends in the German ICT market. It is optimistic about 2013 and forecasts that sales in the fields of information technology, telecommunications and entertainment electronics will grow by 1.4% to €153 billion.

At the same time, BITKOM urges policymakers to recognize the opportunities offered by important growth fields, such as Industry 4.0 or broadband expansion, and to lay the foundation for further digitization of the German economy. Only if that was done could the ICT industry play its role as a job engine and create 12,000 new jobs in the course of the year.

As regards the issue of “broadband expansion”, further digitization through the expansion of high-speed telecommunications networks seems to be within reach: At the beginning of April, the German Federal Network Agency presented a draft decision that would allow Deutsche Telekom, under certain conditions, to use vectoring or VDSL2 technology in expanding the broadband network. This is a technology that enables higher transmission rates in Telekom’s existing copper cables than with VDSL. Speeds of up to 100 Mbit/s (download) and 40 Mbit/s (upload) are theoretically possible with it.

However the Federal Network Agency’s decision has not been ratified. There are still a number of hurdles to overcome: the positions of the political parties, the public consultation in Bonn, the EU Commission and the national regulatory authorities of the other EU Member States. That means a final decision will not be taken before the second half of 2013.

In the meantime we are focusing our business on regional providers who are already creating high-speed broadband networks in individual regions. euromicron's decentralized structure is ideal for that.

Such a provider is NeckarCom Telekommunikation GmbH, a subsidiary of the energy group EnBW, which has chosen euromicron as its strategic partner for broadband expansion. Our subsidiary telent will be in charge of planning, supplying and commissioning the passive and active network components and complete after-sales support in the broadband project. That includes round-the-clock operation and full troubleshooting in the networks, which is ensured by the telent Network Operations Center (NOC) in Backnang.

BITKOM forecasts that information technology will grow by 2.2% to €75 billion in 2013. The topic of "cloud computing" will play a particular role in this. The association expects sales of cloud solutions for business customers alone to grow by 53% to €4.6 billion.

That is precisely where data center operators can fall back on euromicron's expertise. As a network infrastructure specialist, one of our core services is planning and implementing turnkey data centers. That includes equipping them with passive technology, such as structured cabling and assembling of control cabinets, as well as active network technology, switches and servers. Our group unites many of the technologies and much of the knowledge needed for data center expansion, and so for delivering cloud computing services, under its umbrella.

Customers of all sizes benefit from that, such as Volkswagen, ITERGO and Stuttgarter Straßenbahnen AG. They all aim to offer their users highly available and convenient computer services so that they can work securely, as well as to support optimized processes and run innovative applications. That ranges from simple computing power to managed services such as telephony solutions or video surveillance.

BITKOM assumes that the telecommunications industry will grow by 1.3% to €66 billion. Sales of infrastructure systems are expected to grow by 2.2% to around €6 billion.

euromicron is taking a slice of this growth mainly in the field of large campuses, such as in the healthcare sector and the large-scale chemical industry or at local public transport companies, where the telecommunications system is networked with other technical facilities, such as fire alarm, video surveillance and electro-acoustic systems. Whereas the main objective in campus business, such as at Essen University Clinic or at Dow Olefinverbund GmbH, is to connect the often distributed users with each other so as to enable as rapid a response to emergencies as possible, that of local public transport companies like Kölner Verkehrsbetriebe in Cologne is to create as standardized a telecommunications and security infrastructure as possible at all stops.

We are excellently positioned technologically to successfully cultivate our growth market now and in future. We can respond flexibly to political decisions, such as on broadband expansion or introduction of the toll charge for trucks, so as to be on hand to support and advise customers as they move toward digitization.

Outlook

Like in 2012, in the further course of fiscal 2013 we again aim to focus on integrating our company in order to put euromicron on a new structural foundation with optimized processes as soon as possible and give it the feasible structures and flexibly required to enable it to grow sales to €500 million.

To achieve that objective, we will initially focus on continuing and intensifying the scope and speed of the programs and measures aimed at optimizing our corporate structures as part of the Agenda 500. Our prime goal is to create formally flexible structures that preserve and evolve our SME model with decentralized responsibility in order to enhance agility and customer benefit. In this connection, we will press ahead with establishing central professional services – such as have already been initiated in Purchasing and IT – as shared service or competence centers for the entire Group, as well as for our customers through our NOC.

Alongside that, we will review all organizational, responsibility and cost structures, including all processes, as part of strategic Group integration so that the opportunities of the current phase of change can be fully tapped before the company grows further. Moreover, cost-cutting programs will contribute around €10 million over the integration phase up to the end of 2014 to helping secure the quality of earnings.

As a second focus of the Agenda 500, we intend to focus in fiscal 2013 on developing our business organically and strategically rounding out our expertise in the market and our regional activities.

We believe professionalization and continuous further development of our sales and management structures is a key success factor in the organic development of our business. Apart from expansion and qualification of our sales and management teams, we will press forward with developing our entire workforce, above all in terms of quality. In this, we are guided by the objective of “becoming even better” at all times and in all areas.

We will seize opportunities to make acquisitions that arise in order to integrate qualified teams, technologies and market access or patents in our Group so as to round out our know-how in the market and our regional footprint. In addition, we will increasingly train our attention in fiscal 2013 and the following years on structuring our international activities. In addition to our own branch offices or companies in Poland, France, Austria and Italy, we transact international project and procurement business. We aim to reorganize these in some cases still isolated activities so as to leverage existing potentials more systematically.

We expect that the level of investment, which was rather restrained in our market at the beginning of the year, will pick up in 2013. We assume that investment will be made in the wake of the political decisions that have yet to be taken, in particular as of the second half of 2013. That is because we believe that continuously growing demand for more and more powerful networks for voice, data and video transport makes it vital to have a network infrastructure that protects investments; without its functionality, the performance and competitiveness of companies would be severely restricted and the existing volume of communication in the social, public and private sphere would no longer be able to be ensured.

We are planning organic growth in sales of 5% to 10% in 2013 and 2014 and then – after the phase of operational structuring and strategic integration of the Group – aim to achieve the €500 million sales mark in subsequent years.

The EBITDA return at the Group level, which we intend to focus our reporting on to a greater extent in future, is expected to be between 8% and 11% in the integration phase up to and including 2014 and then finally reach a sustainable 10% to 13% in 2015. In addition to organic growth, larger strategic investments like telent GmbH in 2011 or mutual stakes in companies are to contribute to that.

In order to achieve this ambitious goal, we will press vigorously ahead with consolidating and optimizing our internal processes and structures and rounding out our skills and expertise in fiscal 2013 and the years thereafter. We feel certain that this path also reflects the interests of the company and our growing circle of shareholders as best possible. We will continue to be guided by these interests in future and work in a focused way to fulfill them.

Notes

Preamble

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 interim report as of March 31, 2013, was 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 in the interim financial statements as of March 31, 2013, 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 March 31, 2013, as for preparing the consolidated financial statements at December 31, 2012, unless changes are explicitly specified.

A detailed description of these methods is published in the 2012 Annual Report and is available on the company's homepage. The consolidated financial statements of euromicron AG as of December 31, 2012, 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.

As regards the content of the new standards and interpretations and amendments to existing standards, we refer to our comments on pages 90 to 94 of the 2012 Annual Report.

The following interpretations and amendments have been in force since the beginning of fiscal year 2013 (the amendment to IAS 19 "Employee Benefits" has already been applied voluntarily since the key date of December 31, 2012):

- Amendment to IAS 1 “Presentation of Financial Statements – Presentation of Individual Items of the Other Profit/Loss”
- Amendment to IAS 12 “Income Taxes – Deferred Tax: Recovery of Underlying Assets”
- Amendment to IFRS 1 “First-time Adoption of International Financial Reporting Standards – Government Loans”
- Amendments to IFRS 1 “First-time Adoption of International Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters”
- Amendment to IFRS 7 “Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities”
- IFRS 13 “Fair Value Measurement”
- IFRIC 20 “Stripping Costs in the Production Phase of a Surface Mine”
- AIP “Collection of amendments to various standards 2011”

Application of the new and/or 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 March 31, 2013, include 23 companies, in which euromicron AG has the majority of voting rights directly or indirectly. There have been no changes in the companies consolidated in the euromicron Group compared with at December 31, 2012.

Treasury shares

At March 31, 2013, euromicron does not hold any treasury shares that might be offset against equity in accordance with IAS 31.33.

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 March 31, 2013 (€333 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 essentially based on regions.

euromicron reports in the operating segments euromicron North, euromicron South and WAN services, as well as Central services and Group consolidations. 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 applied accounting principles and methods are identical for all segments. The information shown for the individual segments contains segment-related consolidations.

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, 2012.

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, May 8, 2013

The Executive Board

Dr. Willibald Späth Thomas Hoffmann

Financial Calendar 2013

May 17, 2013	General Meeting
August 9, 2013	Publication of the business figures for the 2nd quarter of 2013
November 8, 2013	Publication of the business figures for the 3rd quarter of 2013

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.

Disclaimer on predictive statements

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, changes in general political and economic conditions, 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. Any liability or guarantee for the used and published data and information being up-to-date, correct and/or complete is not assumed, either explicitly or implicitly.

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