

Q2 2015

INTERIM REPORT 30 JUNE 2015

CANCOM

Group key figures

Q2 AT A GLANCE

in € million	Apr. 1 - Jun. 30, 2015	Apr. 1 - Jun. 30, 2014	Changes
Sales revenues	232.3	186.5	24.6%
Gross profit	66.1	60.7	8.9%
EBITDA	13.0	11.1	17.1%
EBITDA margin in %	5.6%	6.0%	-0.4%
EBITA	9.9	8.3	19.3%
EBIT	7.6	5.4	40.7%
Earnings per share from continuing operations adjusted in € (diluted)	0.29 €*	0.24 €	20.8%

FIRST HALF

in € million	Jan. 1 - Jun. 30, 2015	Jan. 1 - Jun. 30, 2014	Changes
Sales revenues	430.5	368.2	16.9%
Gross profit	130.6	118.7	10.0%
EBITDA	23.7	20.7	14.5%
EBITDA margin in %	5.5%	5.6%	-0.1%
EBITA	17.6	15.3	15.0%
EBIT	12.9	10.1	27.7%
Earnings per share from continuing operations adjusted in € (diluted)	0.51 €*	0.45 €	13.3%
Average number of shares (in 1.000) (basic)	14,880	14,616	1.8%
Employees as at June 30	2,707	2,616	3.5%

in € million	Jun. 30, 2015	Dec. 31, 2014	Changes
Balance sheet	402.1	439.8	-8.6%
Equity	191.6	193.8	-1.1%
Equity ratio in %	47.6%	44.1%	3.5%

* Adjusted for a one-off effect on financial earnings of EUR 1.4 million.

Revenue CANCOM Group

Jan. 1 - Jun. 30, 2014 and Jan. 1 - Jun. 30, 2015 (in € million)

2014	368.2
2015	430.5

EBITDA CANCOM Group

Jan. 1 - Jun. 30, 2014 and Jan. 1 - Jun. 30, 2015 (in € million)

2014	20.7
2015	23.7

Earnings per share adjusted CANCOM Group

Jan. 1 - Jun. 30, 2014 and Jan. 1 - Jun. 30, 2015 (in Euro)

2014	0.45
2015	0.51

COMMENT

The earnings per stock (EPS) disclosed in the consolidated statement of income includes effects from amortizations pursuant to IFRS for purchase price allocation (ppa). These effects referring to EPS amount to 0.11 Euro in q2/15 and 0.21 Euro in h1/15 (q2/14: 0.13 Euro; h1/14: 0.23 Euro).

Amortization effects are one-time in case of acquisitions, non-cash and decline over time.

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Dear Stockholders,

The lively industry environment allowed the CANCOM group to continue growing and produce successful financial results in the first half of the year. Between January and June, consolidated sales revenues rose by 16.9 percent to € 430.5 million. Especially organic growth accelerated in the second quarter, after a first quarter that saw some companies postponing their investments in IT, mainly owing to the strong increase in the dollar. Owing to our policy of focusing on the cloud business, we managed to more than offset this temporary decline in the traditional IT solutions business in the first quarter and to show a constantly high profitability overall within the group.

Our very strong position in the growth field of cloud computing has been recognized by IT market specialists Experton Group, which awarded CANCOM the title of Cloud Leader 2015 in seven market categories in its annual Cloud Vendor Benchmark study. We also received this important award in 2014 for our strong competitiveness and our attractive portfolio. The awards highlight the fact that CANCOM is in an excellent position to provide comprehensive, integrated solutions to the most varied needs of companies setting up cloud infrastructure. They show that we are among the frontrunners in the cloud computing market, constantly optimizing our range of solutions and thinking ahead for our clients. The Cloud Leader award will give a major boost to our operating business.

Another major award received by CANCOM was the Security Partner of the Year award for Germany and Europe from the global IT leader Cisco. This award was for our cloud expertise and IT security solutions competence in a specific user project in which we implemented an integrated business solution for a client. The tools and techniques used included Cisco technology and CANCOM cloud transformation know-how. The solution gave the client increased agility with a high level of security.

Against the background of the positive performance and events of the past few months, we remain optimistic about the second half of the year and 2015 as a whole, in line with the vast majority of IT companies. According to the latest IT sector barometer from BITKOM, the German Association for Information Technology, Telecommunications and New Media, the overwhelming majority of IT companies expect sales revenues to increase.

We would like to thank you, our stockholders, for your confidence in CANCOM, and look forward to your continued involvement in the development of our company.

Sincerely,



Klaus Weinmann
(Chief Executive Officer)

Consolidated interim management report

relating to the consolidated financial statements page 11 et seq.

1. Fundamental information about the group

The CANCOM group is one of the leading providers of IT infrastructure and services in Germany and Austria. In addition to its locations in Germany, Austria and the U.S.A. as well as a representative office in Brussels, Belgium, the group has an international network of partners. The group's integrated product and service offering covers the entire IT value chain, ranging from analysis and consulting to implementation and services.

The structure of the CANCOM group

CANCOM SE (also referred to as CANCOM), based in Munich, Germany, performs the central financial and management role for the equity investments held by the CANCOM group.

Areas of business

The cloud solutions operating segment comprises the CANCOM group's cloud and shared managed services business, including sales revenues from project-related cloud hardware, software and services. This ranges from analysis and advice to delivery, implementation and services. Clients are thus offered the necessary orientation and support for their conversion from traditional corporate IT systems to cloud computing. As part of its range of services, the CANCOM group can provide scalable cloud and managed services – in particular shared managed services – to run entire IT departments, or parts of them, for its clients. Distribution costs allocated to cloud distribution are included in the segment. The cloud business also benefits from synergies with CANCOM's central sales and marketing department, the costs of which are allocated to the IT solutions reportable segment.

The IT solutions operating segment of the CANCOM group offers comprehensive support for IT infrastructure and applications. The range of services offered includes IT strategy consulting, project planning and implementation, system integration, IT procurement via e-procurement services or as part of a project, in addition to professional IT services and support.

Focus of activities and sales markets

The CANCOM group is one of the largest independent integrated IT systems providers in Germany. It offers IT architecture, systems integration and managed services. As a provider of integrated services, CANCOM mainly focuses on IT services, in addition to distributing hardware and software from well-known manufacturers. The IT services offered by the group include IT consulting, the design of IT architectures and landscapes, IT strategy advice and consulting, and the design, integration and operation of IT systems – ranging from the performance of individual partial assignments (out-tasking) to taking over the complete operation of a company's IT systems.

The CANCOM group's client base therefore mainly includes commercial end-users, from small and medium enterprises to large companies and groups, as well as public-sector clients. Geographically, the CANCOM group operates primarily in the German-speaking area (Germany, Austria and Switzerland) as well as in the U.S.A.

Explanation of the control system used within the group

To control and monitor the performance of the individual subsidiaries and the operating segments, CANCOM analyzes their monthly figures for, among other things, sales revenues, gross profit, operating expenditure and operating profit, and compares these key figures with the original plan as well as the quarterly forecast. For the purpose of management control, the company also regularly uses external indicators such as inflation rates, interest rates, the general economic trend and the performance of the IT sector, including forecasts. It also takes into account any early warning data or indicators. Cash management procedures include daily status assessments.

Research and development activities

Innovation is very important for economic momentum and growth. As it is a service and trading enterprise, CANCOM does not conduct any research. Its development work focuses mainly on software solutions and applications in IT growth segments such as cloud computing, virtualization, mobile solutions, IT security and shared managed services. Development work is limited in scope and is mainly used for the group's own purposes. During the first quarter of 2015, further development work was carried out on the group's own IT architecture platform, AHP Private Cloud, in addition to customization of in-house software used by the company.

2. Economic report

The general economic situation and the performance of the IT sector

Halfway through the year, the German economy is in generally good shape and set to grow steadily. After an unremarkable start to the year, the economy stabilized somewhat during the second quarter. This is how the German Federal Ministry for Economic Affairs and Energy assesses the situation in its recently published media release on the economic situation in Germany in July 2015. According to this report, there has been a substantial increase in production, particularly among industrial enterprises. International orders have increased significantly, partly due to the low euro exchange rate. The positive trend in the labor market continues, with retail consumption the most important driving force. The report also finds that the business mood is good, although it has been somewhat negatively affected by the Greek crisis and the uncertain outcome.

The mood in the IT sector also remains good. According to the IT sector barometer from BITKOM, the German Association for Information Technology, Telecommunications and New Media, the majority of ICT companies surveyed reported an increase in sales revenues in the first half of 2015 in comparison with 2014. The majority of companies surveyed are also confident about the prospects for the second half of the year.

Impact on the CANCOM group's business performance

The first six months of 2015 saw a continuation of CANCOM SE's growth. The sales revenues and profits exceeded the values for the same period of 2014. The increase in the Group's sales revenues and profits is driven by the cloud and managed services business, as well as related solutions such as e.g. IT mobility and security in the traditional integrated IT systems business.

Significant events and investments during the second quarter

On May 20, 2015, Pironet NDH AG, in which the group holds a majority interest, signed a contract for the sale of its wholly-owned subsidiary Imperia AG. Because of the intended sale of the company, which was announced in an ad hoc disclosure on December 30, 2014, Imperia AG has since then been classified as a discontinued operation, and included under discontinued operations in the consolidated financial statements of CANCOM SE.

Employees

As at June 30, 2015, the CANCOM group employed 2,707 people in its continuing operations.

The employees worked in the following areas (as at June 30):	
Professional services	1,859
Sales and distribution	474
Central services	374

The personnel expenses for the first six months were as follows (in € '000)

	Jan. 01 - Jun. 30, 2015 €'000	Jan. 01 - Jun. 30, 2014 €'000
Wages and salaries	75,417	68,066
Social security contributions	12,200	11,215
Pension provisions	107	117
Total	87,724	79,398

3. Earnings, financial and assets position of the CANCOM Group

a) Earnings position

The CANCOM Group recorded a growth in its sales revenues and profits in the first six months of 2015 in comparison with the same period of 2014.

To comply with the provisions of International Financial Reporting Standard (IFRS) 5, some adjustments had to be made to the consolidated figures for the previous year regarding areas that were classified as discontinued operations in 2014.

Consolidated sales revenues were up 16.9 percent, from € 368.2 million to € 430.5 million. The organic growth was 8.3 percent.

CANCOM Group sales revenues: year-on-year comparison of figures for the first six months (in € million)	
2014	368.2
2015	430.5

In Germany, sales revenues were up 14.6 percent, from € 336.0 million to € 385.2 million. The CANCOM Group's sales revenues generated from companies outside of Germany were up 40.7 percent from € 32.2 million to € 45.3 million.

In the cloud solutions segment, sales revenues grew by 34.8 percent, from € 46.5 million in 2014 to € 62.7 million in 2015. In the IT solutions segment, sales revenues were also up by 14.3 percent, from € 321.8 million in the previous year to € 367.8 million in 2015.

The CANCOM Group's consolidated gross profit for the first six months of the year was up 10.0 percent year on year, from € 118.7 million in 2014 to € 130.6 million in 2015. The gross profit margin was 30.3 percent in comparison to 32.2 percent in 2014.

CANCOM Group gross profit: year-on-year comparison of figures for the first six months (in € million)	
2014	118.7
2015	130.6

Consolidated earnings before interest, tax, depreciation and amortization (EBITDA) for the first six months of the fiscal year 2015 were up 14.5 percent year on year, from € 20.7 million in 2014 to € 23.7 million in 2015.

The EBITDA margin as at June 30, 2015 is therefore 5.5 percent, which is considered to be good.

CANCOM Group EBITDA: year-on-year comparison of figures for the first six months (in € million)	
2014	20.7
2015	23.7

Consolidated earnings before interest, tax and amortization (EBITA) amounted to € 17.6 million, an increase of 15.0 percent on the figure of € 15.3 million for the same period of 2014.

CANCOM Group EBITA: year-on-year comparison of figures for the first six months (in € million)	
2014	15.3
2015	17.6

Consolidated earnings before interest and tax (EBIT) amounted to € 12.9 million, up 27.7 percent from € 10.1 million in 2014.

CANCOM Group EBIT: year-on-year comparison of figures for the first six months (in € million)	
2014	10.1
2015	12.9

At € 4.9 million, the net income for the period after deduction of minority interests was below the 2014 figure (€ 6.2 million). Earnings per share from continuing operations for the first six months of 2015 therefore amounted to € 0.42, compared with € 0.45 in the previous year.

The order position

In the cloud solutions segment, and large parts of the IT solutions segment, orders are often placed over long periods. For this reason the reporting date figures do not give a good indication of the order situation, and they are therefore not published. At the time this management report was written, capacity utilization among our consultants was good in both segments.

Explanations of individual items on the statement of income

Further details on items in the statement of income are given in the notes to the consolidated statement of income.

b) Financial and assets position

Objectives of financial management

The core objective of the financial management of the CANCOM group is to safeguard its liquidity at all times in such a way that day-to-day business activities can be continued. In addition, the group aims to achieve optimum profitability as well as a high credit status to ensure favorable refinancing rates.

Notes on the capital structure

On the assets side of the consolidated balance sheet, there was a decrease in current assets from € 285.7 million to € 247.4 million between December 31, 2014 and June 30, 2015. Cash and cash equivalents were also down from € 114.3 million to € 76.3 million (June 30, 2014: € 65.0 million) in the same period. Trade accounts receivable decreased to € 132.6 million as at June 30, 2015 (June 30, 2014: € 112.2 million), compared with € 134.8 million as at December 31, 2014. Inventories also experienced losses, dropping from € 22.7 million to € 20.5 million (June 30, 2014: € 17.9 million).

Non-current assets rose slightly from € 153.6 million as at December 31, 2014 to € 154.7 million as at June 30, 2015. They mainly consist of property, plant and equipment; intangible assets; and goodwill.

On the liabilities side of the balance sheet, there was a substantial reduction in current liabilities from € 169.5 million to € 136.9 million in the first six months of the year. This was essentially the result of a decrease in trade accounts payable from € 108.4 million to € 90.7 million (June 30, 2014: € 69.9 million).

Non-current liabilities, consisting of debt with a residual term of at least one year, decreased from € 76.0 million as at December 31, 2014 to € 73.7 million as at June 30, 2015.

There was an decrease in nominal equity from € 193.8 million as at December 31, 2014 to € 191.6 million as at June 30, 2015 (2014: € 179.2 million). Overall, this resulted in an improved equity ratio of 47.6 percent at the end of the first six months, up from 44.1 percent as at December 31, 2014, with total assets down to € 402.1 million, compared with € 439.3 million as at December 31, 2014.

Further details of the individual balance sheet items can be found in the notes to the consolidated balance sheet.

Notes to the statement of cash flows

The cash flow from ordinary activities is typically negative during the year, and there was a negative cash flow of € 15.0 million as at June 30, 2015 compared with a negative cash flow of € 22.6 million in the same period of 2014.

There was a negative cash flow from investing activities of € 15.1 million, compared with a negative cash flow of € 27.9 million in 2014.

The negative cash flow from financing activities was € 8.3 million, compared with a positive cash flow from financing activities of € 37.9 million in 2014.

Overall, this resulted in cash and cash equivalents of € 76.3 million, compared with € 65.0 million in 2014.

4. Stocks held by members of the Executive and Supervisory Boards as at June 30, 2015

Total number of stocks:	14,879,574	100%
Executive Board		
Klaus Weinmann	100,000	0.7 %
Supervisory Board:		
Raymond Kober	40,000	0.3 %
Dominik Eberle	10,000	0.1 %

5. Events of particular significance after the end of the reporting period

Owing to the insolvency of Glanzkinder GmbH, a subsidiary that was sold in the previous fiscal year, a long-term financial receivable of € 1.4 million was written off in full.

6. Risks of future development

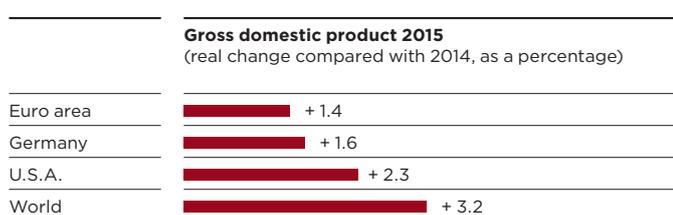
There have been no major changes in the risks of future development at CANCOM since the start of the current fiscal year. Details of the risks can be found in the annual report for 2014, starting on page 30. The annual report can be downloaded from www.cancom.com/corporate/company/investor-relations or obtained in printed form, free of charge, from the company.

7. Opportunities for future development

There have been no major changes in the opportunities for future development at CANCOM since the start of the current fiscal year. Details of the opportunities can be found in the annual report for 2014, starting on page 40. The annual report can be downloaded from www.cancom.com/corporate/company/investor-relations or obtained free of charge from the company.

8. Forecast

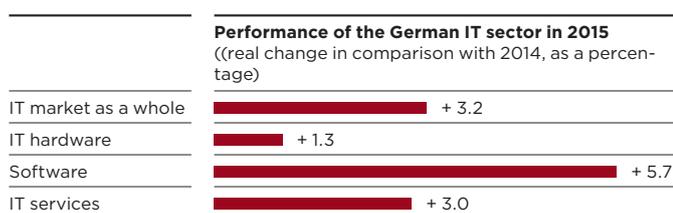
The German economy is expected to continue growing in 2015. In its spring forecast, the German federal government predicts an increase in real gross domestic product (GDP) of 1.8 percent over the year as a whole. Other recent forecasts for GDP growth range from 1.3 percent to 2.0 percent.



Forecast: Deutsche Bank Economic Research, July 24, 2015

According to the latest market figures from the German Association for Information Technology, Telecommunications and New Media (BITKOM), the turnover in IT products and services should grow by 3.2 percent to € 80.3 billion in 2015 – considerably more strongly than the rest of the economy.

Trading in software is likely to grow by 5.7 percent to € 20.2 billion. Turnover in IT services is expected to rise by 3.0 percent to € 37.3 billion. Experts expect a weaker performance from the IT hardware market, which they expect to grow by 1.3 percent to € 22.8 billion this year.



Forecast: BITKOM, March 2015

Anticipated performance of the CANCOM group

Thanks to its proven expertise and outstanding market position in the IT growth areas of cloud computing, mobility, IT security and managed services, CANCOM aims to continue growing both of its operating segments – organically and through acquisitions – at a faster rate than the IT market, thus steadily expanding its market share. For this purpose, CANCOM geared its business policy to the IT growth areas at an early stage, and its sales and services structure have been designed around them. With its integrated

portfolio of services across all areas of IT, and its flexibility in providing individually tailored packages for its clients, CANCOM has major client advantages to enable it to penetrate the market even further and more comprehensively. In addition, the increasing complexity of IT is stretching smaller integrated systems providers to the limits of their capabilities. This, combined with the withdrawal of larger providers from individual business areas, could result in the CANCOM group gaining new clients and orders – with positive impacts on the IT solutions and cloud solutions business.

In the past year, the Executive Board set the course for further growth and good performance in the future. CANCOM focuses on profitable business in the traditional IT environment and withdraws without hesitation from low-growth or declining areas. It is planned to pursue further the integration of the acquired companies and the exploitation of synergies.

CANCOM has considerably expanded its market presence and significantly improved its client proximity in the German-speaking area (Germany, Austria and Switzerland). The group is represented all over Germany and Austria by its many service and consulting locations. Through its subsidiaries in the U.S.A. and Belgium, as well as its global partner networks, the CANCOM group has an international presence in selected markets. CANCOM plans to continue strengthening its market position, primarily in the IT environment in the German-speaking area. It intends to achieve this partly by selective acquisitions, thus taking advantage of economies of scale and synergies in the market. The business environment continues to offer favorable conditions for this policy.

Against the background of the group's successful performance in 2014 and in view of its favorable positioning in the emerging market of cloud computing and in the IT market as a whole, the Executive Board expects further growth if the demand for IT products and services remains steady.

The Executive Board currently expects a further increase in the sales revenues and gross profit of the group as a whole in the fiscal year 2015. The growth of the CANCOM group should continue to exceed the growth of the German IT market, the market of relevance to the group. In the fiscal year 2015, the Executive Board expects acquisition-based growth in both operating segments to ease off in comparison with 2014. There are takeover targets, but many of them are not sufficiently interesting in terms of their price. Although it is difficult to forecast, it is assumed that the organic growth of the group will continue at a rate comparable to that in 2014, with acquisition-based growth at a similar rate. The Executive Board anticipates a further increase in the CANCOM group's EBITDA, which should grow faster than the organic growth in sales revenues, owing to an improved product mix.

The Executive Board anticipates that growth in the sales revenues, gross profit and EBITDA generated by the IT solutions operating segment will outstrip market growth throughout the whole fiscal year 2015. For the cloud solutions segment, it expects significant increases in all three figures.

9. Management responsibility statement

We confirm that, to the best of our knowledge, the consolidated interim financial statements, prepared in accordance with the applicable principles of financial reporting for interim statements, give a true and fair view of the assets, liabilities, financial position and income of the group, and that the interim management report gives a true and fair view of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks of the anticipated development of the group for the remaining six months of the fiscal year.

Munich, Germany, August 2015

CANCOM SE

The Executive Board

This document has not been audited. It contains forward-looking statements and information based on the current expectations, assumptions and estimates of the Executive Board of CANCOM SE, and other information currently available to the management. The words 'expect', 'assume', 'believe', 'estimate', 'presume', 'calculate', 'intend', 'could', 'plan', 'should', or similar, are used to indicate forward-looking statements. All statements with the exception of facts regarding the past are forward-looking statements. These statements include expectations regarding the availability of products and services, the financial and earnings position, the business strategy and the Executive Board's plans for future operating activities, economic performance and all statements regarding assumptions. Although we take the greatest of care when making these statements, we cannot guarantee their correctness, especially in our forecast. Various known and unknown risks, uncertainties and other factors may lead to the actual events deviating significantly from those contained in the forward-looking statements.

The following influencing factors are, among others, relevant in this respect: external political influences, changes in the general economic and business situation; changes in the competitive position and situation, for instance by the emergence of new competitors, new products and services or new technologies; changes in the investment behavior of target client groups etc. and changes to the business strategy. CANCOM cannot guarantee the pertinence, accuracy, completeness or correctness of the information or opinions in this document. CANCOM does not plan to update its forecasts beyond the legal requirements, nor does it make any commitment to do so.

Consolidated balance sheet (IFRS)

ASSETS

(in € 000)	Notes	Jun. 30, 2015	Dec. 31, 2014	Jun. 30, 2014
Current assets				
Cash and cash equivalents		76,254	114,295	65,047
Assets held for sale		0	2,291	0
Trade accounts receivable		132,586	134,846	112,203
Other current financial assets	B.1.	10,590	7,522	4,927
Inventories		20,520	22,658	17,858
Orders in process		608	560	1,597
Prepaid expenses and other current assets	B.2.	6,881	3,535	5,084
TOTAL current assets		247,439	285,707	206,716
Non-current assets				
Property, plant and equipment		38,840	37,654	36,386
Intangible assets		30,412	34,295	41,739
Goodwill		68,115	66,923	63,700
Long-term financial assets		66	67	63
Long-term equity investments		509	393	345
Loans		2,401	1,501	60
Other financial assets		6,608	4,662	2,685
Deferred tax resulting from temporary differences	B.3.	3,088	3,071	2,108
Deferred tax resulting from tax loss carryforwards	B.3.	3,730	4,238	4,888
Other assets		936	771	261
TOTAL non-current assets		154,705	153,575	152,235
Total assets		402,144	439,282	358,951

EQUITY AND LIABILITIES

(in € 000)	Notes	Jun. 30, 2015	Dec. 31, 2014	Jun. 30, 2014
Current liabilities				
Short-term loans and current portion of long-term loans		2,178	1,711	1,742
Participation rights and subordinated loans, current portion		1,989	1,985	0
Trade accounts payable		90,702	108,440	69,892
Prepayments received		4,512	9,040	2,072
Other current financial liabilities	B.4.	3,556	3,629	1,718
Provisions	B.5.	4,870	4,753	4,097
Deferred income		2,695	2,413	2,625
Income tax liabilities	B.6.	2,985	7,186	3,578
Other current liabilities		23,368	28,295	18,367
Liabilities in connection with assets held for sale		0	2,022	0
Total current liabilities		136,855	169,474	104,091
Non-current liabilities				
Long-term loans		3,250	3,632	4,009
Convertible bond	B.7.	39,782	39,144	38,254
Profit participation capital and subordinated loans		4,548	4,332	6,114
Deferred income		3,390	3,130	2,909
Deferred taxes from temporary differences	B.8.	9,659	10,552	12,837
Pension provisions		1,789	1,796	169
Other non-current financial liabilities	B.9.	2,733	2,843	1,750
Other non-current liabilities		8,522	10,588	9,636
TOTAL non-current liabilities		73,673	76,017	75,678
Equity capital				
Capital stock		14,880	14,880	14,616
Capital reserves		110,197	110,197	100,525
Net retained profits (including revenue reserves)		57,388	59,967	53,776
Equity difference resulting from currency translation and price changes		902	519	-78
Minority interests		8,249	8,228	10,343
Total equity capital		191,616	193,791	179,182
Total liabilities		402,144	439,282	358,951

CONSOLIDATED STATEMENT OF INCOME

(in € 000)	Notes	Q2		6 months	
		Apr. 1 - Jun. 30, 2015	Apr. 1 - Jun. 30, 2014	Jan. 1 - Jun. 30, 2015	Jan. 1 - Jun. 30, 2014
Sales revenues		232,280	186,538	430,460	368,227
Other operating income	D.1.	284	145	500	442
Other own work capitalized		431	275	891	455
Gross revenue for the period		232,995	186,897	431,851	369,124
Cost of materials and purchased services		-166,891	-126,284	-301,204	-250,442
Gross profit		66,104	60,613	130,647	118,682
Personnel expenses	D.2.	-43,245	-39,875	-87,724	-79,398
Depreciation on property, plant and equipment and amortization of intangible assets		-5,418	-5,643	-10,740	-10,579
Other operating expenses	D.3.	-9,872	-9,718	-19,245	-18,626
Operating result		7,569	5,437	12,938	10,079
Interest and similar income		253	121	403	220
Interest and similar expenses		-838	-530	-1,667	-890
Write-downs of long-term financial assets	D.4.	-1,401	0	-1,401	0
Share in profit or loss of joint ventures accounted for by the equity method		25	-18	116	71
Currency translation gains/ losses		-113	52	81	-9
Earnings before taxes		5,495	5,063	10,470	9,471
Income tax	D.5.	-2,288	-1,638	-3,912	-3,060
Earnings after taxes from continuing operations		3,207	3,425	6,558	6,411
Earnings from discontinued operations	D.6.	-1,209	-311	-1,332	-321
Net income/ loss for the period		1,998	3,114	5,226	6,090
thereof attributable to the stockholders of the parent company		1,775	3,189	4,860	6,200
thereof attributable to minority interests		223	-75	366	-110
Average number of stocks outstanding (basic)		14,879,574	14,615,791	14,879,574	14,615,791
Average number of stocks outstanding (diluted)		15,935,094	15,671,301	15,935,094	15,175,625
Earnings per stock from continuing operations (basic) in EUR		0.20	0.24	0.42	0.45
Earnings per stock from continuing operations (diluted) in EUR		0.19	0.22	0.39	0.43
Earnings per stock from discontinued operations (basic) in EUR		-0.08	-0.02	-0.09	-0.02
Earnings per stock from discontinued operations (diluted) in EUR		-0.08	-0.02	-0.08	-0.02

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in € 000)	Q2		6 months	
	Apr. 1 - Jun. 30, 2015	Apr. 1 - Jun. 30, 2014	Jan. 1 - Jun. 30, 2015	Jan. 1 - Jun. 30, 2014
Net income/ loss for the period	1,998	3,114	5,226	6,090
Other comprehensive income				
Items possibly reclassified in profit or loss				
Currency translation differences	-278	-72	555	-66
Income tax	85	22	-171	20
Other comprehensive income for the period (after taxes)	-193	-50	384	-46
Comprehensive income for the period	1,805	3,064	5,610	6,044
thereof attributable to the stockholders of the parent company	1,582	3,139	5,244	6,154
thereof attributable to minority interests	223	-75	366	-110

STATEMENT OF CASH FLOWS

(in € 000)	Jan. 1 - Jun. 30, 2015	Jan. 1 - Jun. 30, 2014
Cash flow from ordinary activities		
Profit for the period before taxes and minority interests	10,470	9,471
Adjustments		
+/- Depreciation on property, plant and equipment and amortization of intangible assets	10,740	10,579
+/- Changes in non-current provisions	-46	-146
+/- Changes in current provisions	-706	-70
+/- Income/ loss on the sale of intangible assets, property, plant and equipment and long-term financial assets	652	12
+ Interest expenses	1,264	670
+/- Changes in inventories	2,138	-1,831
+/- Changes in trade accounts receivable and other accounts receivable	-4,636	9,490
+/- Changes in trade accounts payable and other accounts payable	-28,022	-44,694
- Interest paid	-140	-622
+/- Income taxes paid and refunded	-11,343	-5,284
+/- Non-cash expenses/ income	1,941	-71
+/- Cash inflow/outflow from discontinued operations	2,728	-116
Net cash from operating activities	-14,960	-22,612
Cash flow from investing activities		
+/- Acquisition of subsidiaries and equity instruments of other companies	-2,695	-30,993
+/- Cash acquired on the purchase of stocks	0	17,918
+/- Income/payment from sale of former consolidated subsidiaries	-983	299
- Acquisition of financial assets	-2,301	0
- Payments for additions to intangible assets and property, plant and equipment	-7,780	-15,576
+ Income from disposal of intangible assets, property, plant and equipment, and long-term financial assets	347	253
- Cash transferred on the sale of shares	-2,076	0
+ Interest received	403	220
Net cash used in investing activities	-15,085	-27,879
Cash flow from financing activities		
+/- Capital stock increase expenses	0	4
+ Cash inflow from convertible bond	0	45,038
- Repayment of long-term borrowings (including current portion)	-437	-423
+/- Changes in short-term borrowings	476	75
- Interest paid	-678	-902
- Dividends paid	-7,439	-5,846
+/- Cash inflow/ outflow from finance lease	-221	-95
Net cash used in financing activities	-8,299	37,851
Net increase/ decrease in cash and cash equivalents	-38,344	-12,640
+/- Exchange rate-related changes in cash	303	-46
+/- Cash and cash equivalents at beginning of period	114,295	77,733
Cash and cash equivalents at end of period	76,254	65,047
<i>Breakdown:</i>		
<i>Cash and cash equivalents</i>	<i>76,254</i>	<i>65,047</i>
	<i>76,254</i>	<i>65,047</i>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Shares	Share capital	Additional paid-in capital	Additional paid-in capital	Foreign currency translation reserve	Exchange rate difference reserve	Reserve change of actuarial gains/ losses from pensions	Revaluation reserve	Net profit / loss	Total investors parent company	Minority interest	Total equity cash
	units'000	in €'000	in €'000	in €'000	in €'000	in €'000	in €'000	in €'000	in €'000	in €'000	in €'000	in €'000
Dezember 31, 2013	14,616	14,616	94,578	28,597	-32	0	0	-153	24,978	162,584	95	162,679
Capital increase	264	264	9,681							9,945		9,945
<u>Changes in reserves:</u>												
Costs of capital increase			-4							-4		-4
Convertible bonds			5,942							5,942		5,942
Transfer net profit / retained earnings				6,023					-6,023	0		0
Payout in financial year									-5,847	-5,847	0	-5,847
Comprehensive income for the period					548	3	-268		12,660	12,943	-1,363	11,580
Acquisition of minority interests										0	10,586	10,586
Effect from disposal of minority interests										0	-1,090	-1,090
Dezember 31, 2014	14,880	14,880	110,197	34,620	516	3	-268	-153	25,768	185,563	8,228	193,791
Transfer net profit / retained earnings				5,856					-5,856	0		0
Payout in financial year									-7,440	-7,440		-7,440
Comprehensive income for the period					384	0	0		4,860	5,244	366	5,610
Acquisition of minority interests				0						0	-240	-240
Effect from disposal of minority interests										0	-105	-105
June 30, 2015	14,880	14,880	110,197	40,476	900	3	-268	-153	17,332	183,367	8,249	191,616

Segment information – IFRS

Segment information	Cloud solutions		IT solutions	
	Jun. 30, 2015 €'000	Jun. 30, 2014 €'000	Jun. 30, 2015 €'000	Jun. 30, 2014 €'000
Sales revenues				
- External sales	62,679	46,450	367,762	321,777
- Intersegment sales	748	364	2,819	257
- Total sales revenues	63,427	46,814	370,581	322,034
- Cost of materials and purchased services	-31,131	-23,477	-273,096	-227,463
- Personnel expenses	-15,786	-11,238	-67,993	-65,404
- Other income and expenses	-3,346	-2,904	-13,454	-13,818
EBITDA	13,164	9,195	16,038	15,349
- Depreciation and amortization	-3,215	-2,742	-7,350	-7,750
Betriebsergebnis (EBIT)	9,949	6,453	8,688	7,599
- Interest income	86	87	317	147
- Interest expenses	-1	-10	-822	-777
- Write-downs of long-term financial assets			-642	
- Share in profit or loss of associated companies accounted for by the equity method	116	71	0	0
Result from ordinary activities	10,150	6,601	7,541	6,969
- Currency translation gains/ losses				
Earnings before taxes	10,150	6,601	7,541	6,969
- Income tax				
- Discontinued operations	-772	141	-560	-462
Consolidated net income				
thereof attributable to the stockholders of the parent company				
thereof attributable to minority interests				
Other information				
- Investments in associates	0	0	0	0
- Assets ¹	84,198	61,416	266,051	233,487
- investments ¹	4,120	35,893	6,629	75,412

1) Assets and investments including goodwill from capital consolidation

2) Tax assets

Totals		Other companies		Reconciliation		Consolidated	
Jun. 30, 2015 €'000	Jun. 30, 2014 €'000	Jun. 30, 2015 €'000	Jun. 30, 2014 €'000	Jun. 30, 2015 €'000	Jun. 30, 2014 €'000	Jun. 30, 2015 €'000	Jun. 30, 2014 €'000
430,441	368,227	19	0				
3,567	621	0	0	-3,567	-621		
434,008	368,848	19	0	-3,567	-621	430,460	368,227
-304,227	-250,940	0	0	3,023	498	-301,204	-250,442
-83,779	-76,642	-3,945	-2,756	0	0	-87,724	-79,398
-16,800	-16,722	-1,598	-1,130	544	123	-17,854	-17,729
29,202	24,544	-5,524	-3,886	0	0	23,678	20,658
-10,565	-10,492	-175	-87	0	0	-10,740	-10,579
18,637	14,052	-5,699	-3,973	0	0	12,938	10,079
403	234	563	297	-563	-311	403	220
-823	-787	-1,407	-414	563	311	-1,667	-890
-642	0	-759	0	0	0	-1,401	0
116	71	0	0	0	0	116	71
17,691	13,570	-7,302	-4,090	0	0	10,389	9,480
0	0		0	81	-15	81	-9
17,691	13,570	-7,302	-4,090	81	-15	10,470	9,471
				-3,912	-3,060	-3,912	-3,060
-1,332	-321	0	0	0	0	-1,332	-321
						5,226	6,090
						4,860	6,200
						366	-110
				Reconciliation²			
0	0	509	345			509	345
350,249	294,903	40,907	54,358	10,479	9,345	401,635	358,606
10,749	111,305	700	5,175			11,449	116,480

A. The principles adopted for the consolidated financial statements

1. General information

The consolidated financial statements of CANCOM SE and its subsidiaries ('the CANCOM group' or 'the group') for the fiscal year 2015 were drawn up according to the International Financial Reporting Standards (IFRS) or the International Accounting Standards (IAS).

The consolidated interim financial statements were drawn up in euro. All amounts are shown in thousand euro (€ thousand) unless otherwise stated. In individual cases rounding of figures may result in inconsistencies between totals and sums of constituent parts. For the same reason, percentage may not exactly match the aggregate values shown.

This consolidated interim financial report is condensed and was drawn up in compliance with IAS 34 Interim Financial Reporting. It should be read in conjunction with the IFRS-compliant consolidated financial statements for the fiscal year 2014, which can be downloaded from www.cancom.de.

2. Reporting entity

The consolidated financial statements include CANCOM SE and all subsidiaries in which CANCOM SE has either a direct or an indirect majority stockholding, or in which it holds the majority of the voting rights. These subsidiaries are fully consolidated.

CANCOM GmbH (subsidiary of CANCOM SE) has sold its stocks in acentrix GmbH. The transaction is documented in a stock purchase and assignment agreement dated March 25, 2015. The stocks were transferred on March 31, 2015.

The table below shows the impact on the reporting entity of the sale of acentrix GmbH:

	Balance as at March 31, 2015 €'000
Cash and cash equivalents	-43
Trade accounts receivable	-801
Other current financial assets	-9
Orders in process	-159
Prepaid expenses and other current assets	-122
Total current assets	-1,134
Property, plant and equipment (tangible assets)	-115
Intangible assets	-15
Goodwill	-59
Deferred taxes from temporary differences	-35
Total non-current assets	-224
Total assets	-1,358
Trade accounts payable	-66
Other current financial liabilities	-9
Provisions	-5
Other current liabilities	-327
Total current liabilities	-407
Deferred taxes from temporary differences	-30
Other non-current financial liabilities	-660
Total non-current liabilities	-690
Total liabilities	-1,097
Net assets sold	-261

Pironet NDH Aktiengesellschaft, a subsidiary of CANCOM SE, has sold its stocks in Pirobase Imperia GmbH (formerly Imperia AG). The sale is documented in a contract of sale dated May 19/20, 2015, and the stocks were transferred on June 30, 2015.

Owing to the company's classification as a discontinued operation, its assets and liabilities were recognized as held for sale.

The table below shows the impact on the reporting entity of the sale of Pirobase Imperia GmbH (preliminary balance sheet):

	Balance as at June 30, 2015 €'000
Assets held for sale	-5,592
Total current assets	-5,592
Total assets	-5,592
Liabilities directly associated with assets held for sale	-4,752
Total current liabilities	-4,752
Total liabilities	-4,752
Net assets sold	-840

3. Accounting and valuation policies

The consolidated interim financial report is compiled using basically the same accounting and valuation methods as those used for the consolidated financial statements for the fiscal year 2014.

B. Notes to the consolidated balance sheet

1. Other current financial assets

This item comprises bonuses due from suppliers (€ 5,010 thousand), claims to the payment of a purchase price (€ 2,895 thousand), receivables from former subsidiaries (€ 874 thousand), creditors with a debit balance (€ 849 thousand), marketing revenue (€ 658 thousand), receivables from employees (€ 176 thousand) and receivables from the disposal of affiliated companies (€ 128 thousand).

2. Prepaid expenses and other current assets

This item mainly consists of other current assets such as tax refunds (€ 3,808 thousand), commission income (€ 350 thousand), compensation for damages (€ 208 thousand), and receivables from social insurance institutions (€ 16 thousand).

The prepaid expenses (€ 2,458 thousand) include deferred insurance premiums and expenses paid in advance.

3. Deferred tax assets

The deferred tax assets are as follows:

Deferred tax from	Temporary differences €'000	Tax loss carryforwards €'000
As at January 1, 2015	3,071	4,238
Derecognition due to deconsolidation, recognised in equity	-35	
Income tax expense/revenue from profit and loss calculation	148	-863
Income tax expense from profit and loss calculation included in discontinued operations	-109	355
Currency difference	13	
As at June 30, 2015	3,088	3,730

As at June 30, 2015, the CANCOM group had corporate tax loss carryovers of € 12.5 million and trade tax loss carryovers of € 13.3 million. The unused corporate tax losses for which no deferred tax claim was recognized in the balance sheet amounted to € 1.6 million. The trade tax loss carryovers for which no deferred tax claim was recognized also amounted to € 2.0 million. On the basis of the planned tax results, it is expected that the capitalized deferred tax advantages from loss carryovers will be realized.

The deferred taxes from temporary differences are the result of differences in property, plant and equipment (€ 912 thousand), intangible assets (€ 767 thousand), other financial liabilities (€ 419 thousand), pension provisions (€ 386 thousand), other provisions (€ 277 thousand), other liabilities (€ 240 thousand), intragroup accounts payable (€ 85 thousand) and goodwill (€ 2 thousand).

4. Other current financial liabilities

This item refers to debtors with a credit balance (€ 2,226 thousand), outstanding bills of charges (€ 693 thousand), purchase price liabilities (€ 394 thousand), Supervisory Board remuneration (€ 146 thousand), rent (€ 87 thousand) and liabilities to stockholders (€ 10 thousand).

5. Other provisions

The provisions mainly include the variable component of the purchase price for stocks in affiliated companies (€ 10,398 thousand), guarantees and warranties (€ 1,280 thousand), termination and severance payments (€ 629 thousand), contingent risks (€ 449 thousand), salaries (€ 213 thousand), archiving costs (€ 135 thousand), financial statement costs (€ 117 thousand), and provisions for additional leasing costs (€ 79 thousand).

The total provisions include long-term provisions of € 8,522 thousand, which are disclosed under other non-current liabilities. These provisions are for variable components of purchase prices for corporate acquisitions (€ 7,251 thousand), guarantees and warranties (€ 565 thousand), termination payments, for which a provision is legally mandatory in Austria (€ 246 thousand), anniversaries (€ 195 thousand), archiving costs (€ 111 thousand), decommissioning and restoration liabilities (€ 105 thousand), additional leasing costs (€ 29 thousand) and provisions for tax audits (€ 20 thousand).

6. Other current liabilities

Other current liabilities mainly comprise bonuses to Executive Board members and staff (€ 6,298 thousand), sales tax (€ 5,915 thousand), vacation entitlements and overtime (€ 5,744 thousand), tax on salaries and church tax (€ 3,081 thousand), fees and charges (€ 753 thousand), payments to employers' liability insurance association (€ 473 thousand), social security contributions (€ 262 thousand), wages and salaries (€ 261 thousand) and compensation levy for non-employment of the severely handicapped (€ 120 thousand).

7. Convertible bonds

In March 2014, CANCOM SE issued a convertible bond for a total nominal amount of € 45,000 thousand. The bond matures in March 2019. The denomination per unit is € 100,000, and holders are entitled to convert the bond into up to 1,055,510 new no-par value bearer stocks in CANCOM SE. The initial conversion price is € 42.6334 per stock (€ 42.4948 per stock effective as at June 19, 2015). The conversion ratio is therefore 2,345.5788 stocks per bond at the nominal amount of € 100,000. The conversion right for the convertible bond can be exercised throughout its term to maturity. The bond has a coupon of 0.875 percent per annum. Interest payments will be made annually on March 27, starting on March 27, 2015.

On the balance sheet, the convertible bond will be split into an equity component and a debt component. The market value of the debt component to be recognized is € 38,975 thousand, taking into account the issuing costs. This value was calculated using the binomial model. The resulting value of the equity component is € 6,025 thousand. This takes into account deferred taxes in the capital reserves. An interest expense of € 835 thousand was recognized for the bond in the period from January 1 to June 30, 2015.

8. Deferred tax liabilities

The deferred tax liabilities are as follows:

	€'000
As at January 1, 2015	10,552
Derecognition due to deconsolidation, recognized in equity	-30
Tax revenue from profit and loss calculation	-1,284
Currency differences	421
As at June 30, 2015	9,659

The deferred tax liabilities arise from deviations from the tax balance sheets. They are the result of the recognition and revaluation of intangible assets (€ 7,409 thousand), other financial assets (€ 1,036 thousand), intragroup accounts receivable (€ 443 thousand), property, plant and equipment (tangible assets) (€ 269 thousand), software development costs (€ 242 thousand), convertible bonds (€ 188 thousand), provisions (€ 54 thousand), prepaid expenses (€ 6 thousand), equity-accounted investments (€ 5 thousand), contracts in process (€ 4 thousand), capital from profit participation capital and subordinated loans (€ 2 thousand) and financial assets (€ 1 thousand).

The deferred tax liabilities are recognized at an individual tax rate of between 25 percent (for the Austrian subsidiary) and 39.83 percent (for the U.S. subsidiary).

9. Other non-current financial liabilities

Other non-current financial liabilities mainly include purchase price liabilities of € 1,448 thousand, debtors with a credit balance totaling € 735 thousand, and rent obligations of € 544 thousand.

C. Segment information

Description of segments subject to mandatory reporting

The cloud solutions operating segment comprises PIRONET NDH Datacenter AG & Co. KG, PIRONET NDH EDI-Services GmbH, PIRONET NDH Enterprise Solutions GmbH and Pironet NDH Aktiengesellschaft, in addition to the divisions of CANCOM GmbH and CANCOM DIDAS GmbH allocated to the cloud solutions segment. This operating segment comprises the CANCOM group's cloud and shared managed services business, including sales revenues from cloud hardware allocated to the projects. The segment's activities range from analysis and consulting to delivery, implementation and services. This means it offers clients the necessary orientation and support for their transformation from traditional corporate IT systems to cloud computing. As part of its range of services, the CANCOM group is able to run parts of, or entire, IT departments for its clients, using scalable cloud and managed services – especially shared managed services. Distribution costs allocated to cloud distribution are included in the segment. In addition, the cloud business benefits from synergies with CANCOM's central sales and marketing department, the costs of which are allocated to the IT solutions reportable segment.

Due to the sale of the content management division of Pironet NDH Aktiengesellschaft, the continuing operations of the Pironet subgroup now only include its divisions in the cloud solutions segment. As a result, the central units of Pironet NDH Aktiengesellschaft are now all allocated to the cloud solutions segment. The previous year was fully reclassified in accordance with the regulations of IFRS 8.

The IT solutions operating segment comprises CANCOM GmbH, CANCOM Computersysteme GmbH, CANCOM a + d IT solutions GmbH, CANCOM (Switzerland) AG, CANCOM NSG GmbH, 9ANCOM NSG GIS GmbH, CANCOM NSG SCS GmbH, CANCOM NSG ICP GmbH, CANCOM on line GmbH, Pirobase Imperia GmbH (formerly Imperia AG), CANCOM physical infrastructure GmbH, acentrix GmbH, CANCOM Inc., HPM Incorporated, Verioplan GmbH and the division of CANCOM DIDAS GmbH allocated to the IT solutions segment, less the division of CANCOM GmbH allocated to the cloud solutions segment. This operating segment of the CANCOM group offers comprehensive support for IT infrastructure and IT applications. The range of services offered includes IT strategy consulting, project planning and implementation, system integration, IT procurement via e-procurement services or as part of a project, as well as professional IT services and support.

The 'other companies' are CANCOM SE, CANCOM VVM GmbH, CANCOM Financial Services GmbH and the division of CANCOM DIDAS GmbH allocated to the 'other companies' segment. CANCOM SE and the division of CANCOM DIDAS GmbH allocated to this segment perform the staff and/or management function. As such, they provide a range of services for their subsidiaries. The costs of central management of the group and investments in internal group projects also fall within this segment.

Reconciliation

Reconciliation shows items not directly connected with the operating segments and the other companies. They include sales within the segments and the income tax expense.

The income tax expense is not a component of the profits of the operating segments. Since the tax expense is allocated to the parent company where the parent company is the taxable entity, the allocation of the income tax does not exactly correspond to the structure of the segments.

Information on geographical regions

	Sales revenues according to customer location		Sales revenues according to company location	
	Jan. 1 - Jun. 30, 2015 €'000	Jan. 1 - Jun. 30, 2014 €'000	Jan. 1 - Jun. 30, 2015 €'000	Jan. 1 - Jun. 30, 2014 €'000
Germany	358,373	321,929	385,164	336,043
Outside Germany	72,087	46,298	45,296	32,184
Group	430,460	368,227	430,460	368,227

	Non-current assets	
	June 30, 2015 €'000	June 30, 2014 €'000
Germany	127.657	124.389
Outside Germany	20.064	20.727
Group	147,721	145,116

Non-current assets include property, plant and equipment (tangible assets), intangible assets, goodwill, long-term equity investments in associated companies and other non-current assets. Financial instruments and deferred tax claims are not included.

D. Notes to the consolidated statement of income**1. Other operating income**

The other operating income is made up of the following

	Jan. 1 - Jun. 30, 2015 €'000	Jan. 1 - Jun. 30, 2014 €'000
Rent	0	3
Income not relating to the period	226	190
Government grants	258	234
Other operating income	16	15
Total	500	442

2. Personnel expenses

The personnel expenses consist of the following:

	Jan. 1 - Jun. 30, 2015 €'000	Jan. 1 - Jun. 30, 2014 €'000
Wages and salaries	75,417	68,066
Social security contributions	12,200	11,215
Pension expenses	107	117
Total	87,724	79,398

3. Other operating expenses

The other operating expenses consist of the following items:

	Jan. 1 - Jun. 30, 2015 €'000	Jan. 1 - Jun. 30, 2014 €'000
Office space costs	4,462	4,193
Insurance and other charges	499	519
Motor vehicle costs	2,598	2,522
Advertising costs	1,205	1,358
Stock exchange and entertainment costs	163	199
Hospitality and traveling expenses	2,687	2,451
Delivery costs	1,436	1,223
Third-party services	1,214	963
Repairs, maintenance, leasing	893	819
Communications and office costs	1,185	1,163
Professional development and training costs	754	648
Legal and consultancy costs	706	1,188
Fees and charges, costs of money transactions	406	583
Value adjustments on receivables	42	0
Other operating expenses	995	797
Total	19,245	18,626

4. Write-downs of long-term financial assets

Owing to the insolvency of Glanzkinder GmbH, a subsidiary that was sold in the previous fiscal year, a long-term financial receivable of € 1,401 thousand was written off in full.

5. Income tax

The rate of income tax for the German companies was 31.06 percent (2014: 30.63 percent). This is made up of corporate tax, trade tax and solidarity surcharge.

The divergence between the tax expenses reported and those at the tax rate of CANCOM SE is shown below:

	Jan. 1 - Jun. 30, 2015 €'000	Jan. 1 - Jun. 30, 2014 €'000
Earnings before tax	10,470	9,471
Expected tax expense at rate for German companies (31.06 percent; 2014: 30.63 percent)	3,252	2,901
- Difference from tax paid outside Germany	-121	-75
- Change in value adjustment of deferred tax assets on loss carryforwards	76	0
- Tax-exempt income/ non tax-relevant losses on disposals	200	40
- Actual income tax not relating to the period	87	-44
- Permanent differences: non-deductible operating expenses as well as additions and reductions in relation to trade tax	401	245
- Effects of tax rate changes	10	0
- Other	7	-7
Total group income tax	3,912	3,060

The actual tax rate is calculated as follows:

	Jan. 1 - Jun. 30, 2015 €'000	Jan. 1 - Jun. 30, 2014 €'000
Income before tax	10,470	9,471
Income tax	3,912	3,060
Actual tax expense rate	37.36%	32.31%

Income tax comprises the income tax paid or owed in the individual countries, and the deferred taxes:

	Jan. 1 - Jun. 30, 2015 €'000	Jan. 1 - Jun. 30, 2014 €'000
Actual income tax paid	4,481	4,264
Deferred taxes:		
assets	715	-7
liabilities	-1,284	-1,232
	-569	-1,239
Deferred tax from items directly recognized in equity	0	35
Group income tax	3,912	3,060

6. Discontinued operations

The impact of discontinued operations on the provisional consolidated statement of income was a loss of € 1,332 thousand (2014: loss of € 321 thousand).

This amount consists of income (including other own work capitalized and other operating income) of € 4,625 thousand (2014: € 7,161 thousand) and expenditure of € 6,177 thousand (2014: € 7,585 thousand), resulting in a pre-tax loss of € 1,552 thousand (2014: € 424 thousand). There was a related income tax gain of € 220 thousand (2014: € 103 thousand).

The discontinued operations relate entirely to Pirobase Imperia GmbH (formerly Imperia AG). The figure for the previous year has been adjusted accordingly. The discontinued operations include a preliminary loss on deconsolidation, amounting to € 840 thousand.

As a group, CANCOM focuses on the high-growth and high-margin cloud computing business. At the end of 2014, Pironet NDH Aktiengesellschaft decided to focus on the highly profitable cloud data center services business, and started the process of selling its wholly-owned subsidiary Imperia AG.

E. Other disclosures

1. Related party disclosures

For the purposes of IAS 24, Klaus Weinmann can be considered a related party who can exercise a significant influence on the CANCOM group, both as an Executive Board member and as a shareholder in CANCOM SE. Rudolf Hotter, the other Executive Board member, is also a related party for the purposes of IAS 24, as are the members of the Supervisory Board.

Other related parties under IAS 24.9 b are:

- Kober Beteiligungs GmbH and its subsidiaries;
- ABCON Holding GmbH and its subsidiaries;
- WFO Vermögensverwaltung GmbH and its subsidiaries;
- AURIGA Corporate Finance GmbH;
- Aurawida GmbH and
- Dr. Vielberth Verwaltungsgesellschaft mbH.

Transactions with related parties were settled in the same way as arm's length transactions, and the payment terms were net 10 to 30 days.

The transaction volume of goods sold and services provided to related parties under IAS 24 in the first half of 2015 was as follows: € 1,478 thousand (gross) in relation to goods/services purchased by Kober Beteiligungs GmbH and its subsidiaries, of which € 459 thousand was outstanding as at the balance sheet date.

No goods or services were purchased from related parties under IAS 24.

2. Stocks held by members of the Executive and Supervisory Boards (at the balance sheet date)

A list of stockholdings can be found on page 8 of this interim report.

3. Equity interests in the company as defined in Section 20 IV of the German Stock Companies Act (Aktengesetz, AktG)

CANCOM SE did not receive written notice from any stockholder disclosing a majority stockholding as defined in Section 20 of the above Act in the first six months of 2015.

This is a translation of CANCOM SE's interim report. Only the German version of the report is legally binding. Every effort was made to ensure the accuracy of the translation, however, no warranty is made as to the accuracy of the translation and the company assumes no liability with respect thereto. The company cannot be held responsible for any misunderstandings or misinterpretation arising from this translation.

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